

Company Registration No. 196300306G

Hong Leong Asia Ltd. and its subsidiaries

Condensed Interim Consolidated Financial Statements
For the Half Year and Year Ended 31 December 2024

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Hong Leong Asia Ltd. and its subsidiaries

**Condensed Interim Consolidated Balance Sheet
As at 31 December 2024**

		Group		Company	
		31 December	31 December	31 December	31 December
	Note	2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	5	757,545	779,625	668	1,120
Intangible assets	6	319,760	323,923	-	-
Investment in subsidiaries		-	-	229,867	229,867
Interests in associates		147,764	134,941	14,605	14,605
Interests in joint ventures		72,794	53,767	-	-
Investment property		776	761	-	-
Other investments		2,130	6,040	-	-
Non-current receivables		57,219	52,281	-	-
Capitalised contract costs		24,170	25,074	-	-
Right-of-use assets		121,285	119,045	190	234
Deferred tax assets		77,527	80,183	-	-
		1,580,970	1,575,640	245,330	245,826
Current assets					
Inventories		964,472	937,315	-	-
Development properties		3,110	3,104	-	-
Trade and other receivables		1,906,849	1,744,786	409,184	384,966
Cash and short-term deposits		1,351,961	1,233,720	4,776	15,916
Derivatives		14	-	-	-
		4,226,406	3,918,925	413,960	400,882
Assets of disposal group classified as held for distribution to owners		1,329	1,415	-	-
		4,227,735	3,920,340	413,960	400,882
Total assets		5,808,705	5,495,980	659,290	646,708

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Hong Leong Asia Ltd. and its subsidiaries

**Condensed Interim Consolidated Balance Sheet
As at 31 December 2024**

	Note	Group		Company	
		31 December 2024 \$'000	31 December 2023 \$'000	31 December 2024 \$'000	31 December 2023 \$'000
Current liabilities					
Trade and other payables		2,058,624	1,845,195	8,145	7,668
Contract liabilities		108,304	118,574	-	-
Lease liabilities	7	13,926	11,150	55	51
Provisions		78,213	51,285	-	-
Loans and borrowings	7	576,320	509,986	204,214	133,080
Current tax payable		19,237	19,233	-	-
Derivatives		-	30	-	-
		2,854,624	2,555,453	212,414	140,799
Liabilities directly associated with disposal group classified as held for distribution to owners		269	782	-	-
		2,854,893	2,556,235	212,414	140,799
Net current assets		1,372,842	1,364,105	201,546	260,083
Non-current liabilities					
Loans and borrowings	7	297,604	377,995	179,000	250,000
Deferred tax liabilities		26,567	23,366	4,601	3,549
Deferred grants		91,992	83,826	-	-
Other liabilities		44,951	46,046	-	-
Contract liabilities		8,940	9,686	-	-
Lease liabilities	7	32,905	31,366	137	182
		502,959	572,285	183,738	253,731
Total liabilities		3,357,852	3,128,520	396,152	394,530
Net assets		2,450,853	2,367,460	263,138	252,178
Equity attributable to owners of the Company					
Share capital	8	467,977	467,977	467,977	467,977
Reserves		545,491	453,205	(204,839)	(215,799)
Reserve attributable to disposal group classified as held for distribution to owners		665	825	-	-
		1,014,133	922,007	263,138	252,178
Non-controlling interests		1,436,720	1,445,453	-	-
Total equity		2,450,853	2,367,460	263,138	252,178
Total equity and liabilities		5,808,705	5,495,980	659,290	646,708

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Hong Leong Asia Ltd. and its subsidiaries

Condensed Interim Consolidated Income Statement For the Half Year and Year Ended 31 December 2024

		Group			Group		
	Note	Half year ended 31 December 2024 \$'000	Half year ended 31 December 2023 \$'000	+/- %	Year ended 31 December 2024 \$'000	Year ended 31 December 2023 \$'000	+/- %
Continuing operations							
Revenue	9	1,998,210	2,006,369	-0.4%	4,249,425	4,081,454	4.1%
Cost of sales		(1,628,070)	(1,662,299)	-2.1%	(3,518,626)	(3,396,979)	3.6%
Gross profit		370,140	344,070	7.6%	730,799	684,475	6.8%
Other item of income							
Other income		80,749	66,269	21.9%	123,995	96,887	28.0%
Other items of expense							
Selling and distribution expenses		(171,697)	(131,773)	30.3%	(283,428)	(229,775)	23.4%
Research and development expenses		(109,376)	(87,754)	24.6%	(182,736)	(165,607)	10.3%
General and administrative expenses		(98,692)	(98,775)	-0.1%	(200,102)	(194,888)	2.7%
Finance costs		(16,501)	(19,249)	-14.3%	(34,503)	(39,862)	-13.4%
Other expenses		(1,362)	(9,126)	-85.1%	(1,706)	(10,555)	-83.8%
Share of results of associates and joint ventures, net of income tax		20,504	11,287	81.7%	41,826	25,765	62.3%
Profit before income tax from continuing operations	10	73,765	74,949	-1.6%	194,145	166,440	16.6%
Income tax expense	11	(14,374)	(19,113)	-24.8%	(42,377)	(46,350)	-8.6%
Profit from continuing operations, net of tax		59,391	55,836	6.4%	151,768	120,090	26.4%
Discontinued operation							
Profit/(loss) from discontinued operation, net of tax		380	(34)	NM	532	(167)	NM
Profit for the period/year		59,771	55,802	7.1%	152,300	119,923	27.0%
Attributable to:							
Owners of the Company							
- Profit from continuing operations, net of tax		37,979	34,108	11.3%	87,421	64,991	34.5%
- Profit/(loss) from discontinued operation, net of tax		254	(23)	NM	356	(112)	NM
		38,233	34,085	12.2%	87,777	64,879	35.3%
Non-controlling interests							
- Profit from continuing operations, net of tax		21,412	21,728	-1.5%	64,347	55,099	16.8%
- Profit/(loss) from discontinued operation, net of tax		126	(11)	NM	176	(55)	NM
		21,538	21,717	-0.8%	64,523	55,044	17.2%
Earnings per share from continuing operations attributable to owners of the Company (cents per share)							
- Basic	12	5.08	4.56	11.3%	11.69	8.69	34.5%
- Diluted	12	5.08	4.56	11.3%	11.69	8.69	34.5%
Earnings per share (cents per share)							
- Basic	12	5.11	4.56	12.2%	11.74	8.67	35.3%
- Diluted	12	5.11	4.56	12.2%	11.73	8.67	35.3%

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Hong Leong Asia Ltd. and its subsidiaries

Condensed Interim Consolidated Statement of Comprehensive Income For the Half Year and Year Ended 31 December 2024

	Group			Group		
	Half year ended 31 December 2024 \$'000	Half year ended 31 December 2023 \$'000	+/- %	Year ended 31 December 2024 \$'000	Year ended 31 December 2023 \$'000	+/- %
Profit for the period/year	59,771	55,802	7.1%	152,300	119,923	27.0%
Other comprehensive income						
Items that will not be subsequently reclassified to profit or loss						
Net fair value changes of equity instruments at fair value through other comprehensive income	(948)	1,373	NM	(1,181)	2,694	NM
Items that may be subsequently reclassified to profit or loss						
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	9,199	(14,349)	NM	17,516	(86,584)	NM
Effective portion of changes in fair value of cash flow hedges	(129)	-	NM	-	-	NM
Net fair value changes of debt instruments at fair value through other comprehensive income	(2,802)	(3,552)	-21.1%	517	2,012	-74.3%
Realisation of reserves upon disposal and liquidation of subsidiaries	(72)	603	NM	(72)	568	NM
Other comprehensive income for the period/year, net of income tax	5,248	(15,925)	NM	16,780	(81,310)	NM
Total comprehensive income for the period/year	65,019	39,877	63.0%	169,080	38,613	337.9%
Attributable to:						
Owners of the Company	45,425	30,696	48.0%	98,303	35,311	178.4%
Non-controlling interests	19,594	9,181	113.4%	70,777	3,302	2043.5%
Total comprehensive income for the period/year	65,019	39,877	63.0%	169,080	38,613	337.9%
Attributable to:						
Owners of the Company						
- Total comprehensive income from continuing operations, net of tax	45,171	30,719	47.0%	97,947	35,423	176.5%
- Total comprehensive income from discontinued operation, net of tax	254	(23)	NM	356	(112)	NM
	45,425	30,696	48.0%	98,303	35,311	178.4%

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Hong Leong Asia Ltd. and its subsidiaries

**Condensed Interim Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2024**

	Share capital \$'000	Capital reserve \$'000	Statutory reserve \$'000	Fair value reserve \$'000	Share option reserve \$'000	Translation reserve \$'000	Surplus on changes of non- controlling interests \$'000	Reserve attributable to disposal group classified as held for distribution to owners \$'000	Accumulated profits \$'000	Total attributable to owners of the Company \$'000	Non- controlling interests \$'000	Total equity \$'000
The Group												
At 1 January 2024	467,977	(19)	30,730	9,693	5,405	(84,508)	63,286	825	428,618	922,007	1,445,453	2,367,460
Profit for the year	-	-	-	-	-	-	-	-	87,777	87,777	64,523	152,300
<u>Other comprehensive income</u>												
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	11,688	-	-	-	11,688	5,828	17,516
Realisation of reserve upon disposal of instruments at fair value through other comprehensive income	-	-	-	(705)	-	-	-	-	705	-	-	-
Net fair value changes of equity instruments at fair value through other comprehensive income	-	-	-	(1,181)	-	-	-	-	-	(1,181)	-	(1,181)
Net fair value changes of debt instruments at fair value through other comprehensive income	-	-	-	91	-	-	-	-	-	91	426	517
Realisation of reserves upon disposal and liquidation of subsidiaries	-	-	(526)	-	-	454	-	-	-	(72)	-	(72)
Other comprehensive income for the year, net of tax	-	-	(526)	(1,795)	-	12,142	-	-	705	10,526	6,254	16,780
Total comprehensive income for the year	-	-	(526)	(1,795)	-	12,142	-	-	88,482	98,303	70,777	169,080
Transactions with owners, recorded directly in equity												
<u>Contributions by and distributions to owners</u>												
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(22,440)	(22,440)	-	(22,440)
Dividends paid/payable to non- controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(26,987)	(26,987)
Cost of share-based compensation	-	-	-	-	517	-	-	-	-	517	937	1,454
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	15,421	15,421
Repurchase of own shares by a subsidiary	-	-	-	-	-	-	17,416	-	-	17,416	(70,411)	(52,995)
<u>Changes in ownership interests in subsidiaries</u>												
Dilution of interest in subsidiary	-	-	-	-	-	-	(1,670)	-	-	(1,670)	1,530	(140)
<u>Others</u>												
Transfer to statutory reserve	-	-	11,548	-	-	-	-	-	(11,548)	-	-	-
Reserve attributable to disposal group classified as held for distribution to owners	-	-	-	-	-	160	-	(160)	-	-	-	-
At 31 December 2024	467,977	(19)	41,752	7,898	5,922	(72,206)	79,032	665	483,112	1,014,133	1,436,720	2,450,853

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Hong Leong Asia Ltd. and its subsidiaries

Condensed Interim Consolidated Statement of Changes in Equity For the Year Ended 31 December 2024

	Share capital \$'000	Capital reserve \$'000	Statutory reserve \$'000	Fair value reserve \$'000	Share option reserve \$'000	Translation reserve \$'000	Surplus on changes of non- controlling interests \$'000	Reserve attributable to disposal group classified as held for distribution to owners \$'000	Accumulated profits \$'000	Total attributable to owners of the Company \$'000	Non- controlling interests \$'000	Total equity \$'000
The Group												
At 1 January 2023	467,977	1,167	22,207	7,797	5,394	(51,812)	63,007	793	386,022	902,552	1,456,061	2,358,613
Profit for the year	-	-	-	-	-	-	-	-	64,879	64,879	55,044	119,923
<u>Other comprehensive income</u>												
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	(34,559)	-	-	-	(34,559)	(52,025)	(86,584)
Realisation of reserve upon disposal of instruments at fair value through other comprehensive income	-	-	-	(1,366)	-	-	-	-	1,366	-	-	-
Net fair value changes of equity instruments at fair value through other comprehensive income	-	-	-	2,574	-	-	-	-	-	2,574	120	2,694
Net fair value changes of debt instruments at fair value through other comprehensive income	-	-	-	688	-	-	-	-	-	688	1,324	2,012
Realisation of reserves upon disposal and liquidation of subsidiaries	-	-	(166)	-	-	1,895	-	-	-	1,729	(1,161)	568
Other comprehensive income for the year, net of tax	-	-	(166)	1,896	-	(32,664)	-	-	1,366	(29,568)	(51,742)	(81,310)
Total comprehensive income for the year	-	-	(166)	1,896	-	(32,664)	-	-	66,245	35,311	3,302	38,613
Transactions with owners, recorded directly in equity												
<u>Contributions by and distributions to owners</u>												
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(14,960)	(14,960)	-	(14,960)
Dividends paid/payable to non- controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(15,125)	(15,125)
Cost of share-based compensation	-	-	-	-	11	-	-	-	-	11	-	11
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	3,779	3,779
<u>Changes in ownership interests in subsidiaries</u>												
Dilution of interest in subsidiary	-	-	-	-	-	-	279	-	-	279	(279)	-
<u>Others</u>												
Transfer to statutory reserve	-	-	8,689	-	-	-	-	-	(8,689)	-	-	-
Reserve attributable to disposal group classified as held for distribution to owners	-	-	-	-	-	(32)	-	32	-	-	-	-
Issuance of put option to non- controlling interests of subsidiary	-	(1,186)	-	-	-	-	-	-	-	(1,186)	(2,285)	(3,471)
At 31 December 2023	467,977	(19)	30,730	9,693	5,405	(84,508)	63,286	825	428,618	922,007	1,445,453	2,367,460

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Hong Leong Asia Ltd. and its subsidiaries

**Condensed Interim Statement of Changes in Equity
For the Year Ended 31 December 2024**

Company	Share capital \$'000	Capital reserve \$'000	Share option reserve \$'000	Accumulated (losses)/profits \$'000	Total equity \$'000
At 1 January 2024	467,977	9,199	2,629	(227,627)	252,178
Total comprehensive income for the year	-	-	-	33,398	33,398
Transactions with owners, recorded directly in equity					
<u>Contributions by and distributions to owners</u>					
Dividends paid to shareholders	-	-	-	(22,440)	(22,440)
Cost of share-based compensation	-	-	2	-	2
At 31 December 2024	<u>467,977</u>	<u>9,199</u>	<u>2,631</u>	<u>(216,669)</u>	<u>263,138</u>
At 1 January 2023	467,977	9,199	2,618	(228,748)	251,046
Total comprehensive income for the year	-	-	-	16,081	16,081
Transactions with owners, recorded directly in equity					
<u>Contributions by and distributions to owners</u>					
Dividends paid to shareholders	-	-	-	(14,960)	(14,960)
Cost of share-based compensation	-	-	11	-	11
At 31 December 2023	<u>467,977</u>	<u>9,199</u>	<u>2,629</u>	<u>(227,627)</u>	<u>252,178</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Hong Leong Asia Ltd. and its subsidiaries

**Condensed Interim Consolidated Cash Flow Statement
For the Year Ended 31 December 2024**

	Group	
	Year ended 31 December 2024	Year ended 31 December 2023
	\$'000	\$'000
Operating activities		
Profit before income tax from continuing operations	194,145	166,440
Profit/(loss) before income tax from discontinued operation	532	(167)
Adjustments for:		
Share of results of associates and joint ventures, net of income tax	(41,826)	(25,765)
Cost of share-based payments	517	11
Depreciation and amortisation	158,790	151,306
Allowance made for inventories obsolescence	10,716	10,439
Impairment losses recognised for trade and other receivables and bad debts written off	38,426	4,685
Impairment losses recognised for property, plant and equipment and intangible assets	7,138	8,439
Property, plant and equipment written off	60	464
Finance costs	34,503	39,862
Dividend income from other investments	(47)	(153)
Interest income	(29,445)	(32,716)
Loss/(gain) on disposal of:		
- subsidiary	-	(19,593)
- joint venture	74	-
- property, plant and equipment	(2,973)	(395)
- right-of-use assets	-	(1,442)
Gain on liquidation of subsidiaries	(61)	(129)
Fair value loss on derivatives	618	-
Provision for warranties and other costs, net	118,443	78,891
Operating cash flows before changes in working capital	489,610	380,177
Changes in working capital:		
Inventories and development properties	(32,634)	40,046
Trade and other receivables and capitalised contract costs	(303,794)	(233,427)
Trade and other payables and contract liabilities	227,663	229,429
Grant received from government	38,749	48,670
Provisions utilised	(91,706)	(71,053)
Cash flows from operations	327,888	393,842
Income tax paid	(38,246)	(31,803)
Net cash flows from operating activities	289,642	362,039

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Hong Leong Asia Ltd. and its subsidiaries

Condensed Interim Consolidated Cash Flow Statement For the Year Ended 31 December 2024

	Group	
	Year ended 31 December 2024	Year ended 31 December 2023
	\$'000	\$'000
Investing activities		
Additional investment in joint venture	-	(1,228)
Dividends received from:		
- associates and joint ventures	11,211	9,857
- other investments	47	153
Interest received	30,119	32,618
Net placement of deposits with banks	(4,340)	(18,243)
Purchase of:		
- property, plant and equipment	(83,478)	(68,310)
- intangible assets	(35,196)	(32,161)
Net cash inflow/(outflow) on disposal of:		
- subsidiary, net of cash disposed *	40,379	(6,056)
- subsidiaries, net of cash liquidated	3,437	1,862
- associate	-	189
- property, plant and equipment	4,816	1,681
- right of use assets	151	-
- joint venture	320	-
- other investments	3,179	7,228
Net cash flows used in investing activities	(29,355)	(72,410)
Financing activities		
Acquisition of non-controlling interests	(140)	-
Contribution by non-controlling interests	15,421	3,779
Dividends paid to non-controlling interests of subsidiaries	(26,987)	(15,125)
Dividends paid to shareholders of the Company	(22,440)	(14,960)
Interest paid	(36,287)	(41,344)
Proceeds from borrowings	372,347	606,743
Repurchase of own shares by a subsidiary	(52,995)	-
Repayment in respect of borrowings	(387,613)	(575,603)
Repayment of obligation under lease liabilities	(16,603)	(12,867)
Net cash flows used in financing activities	(155,297)	(49,377)
Net increase in cash and cash equivalents	104,990	240,252
Cash and cash equivalents at beginning of the financial year	1,143,160	942,268
Effect of exchange rate changes on balances held in foreign currencies	8,620	(39,360)
Cash and cash equivalents at end of the financial year	1,256,770	1,143,160
Comprising:		
Cash and short-term deposits	1,351,961	1,233,720
Less: Short-term deposits and restricted deposits	(96,520)	(91,975)
Add: Cash at bank attributable to discontinued operation	1,329	1,415
	1,256,770	1,143,160

The attributable net assets of subsidiary disposed during the year are as follows:

	Year ended 31 December 2023 \$'000
Disposal of subsidiary	
Non-current assets	12,071
Net current liabilities	10,824
Realisation of reserves	1,763
Gain on disposal of subsidiary	19,593
Total cash consideration	44,251
Less: Proceeds reflected as receivable as at 31 December 2023, net of unpaid transaction costs *	(44,251)
Less: Cash and cash equivalents of subsidiary disposed	(6,056)
Net cashflow on disposal of subsidiary	(6,056)

* Proceeds (net of transaction costs) from the disposal of subsidiary were fully received during the year ended 31 December 2024.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the Half Year and Year Ended 31 December 2024

1. Corporate information

Hong Leong Asia Ltd. (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on Singapore Exchange Securities Trading Limited (“Singapore Exchange”). The registered office of the Company is located at 16 Raffles Quay, #26-00 Hong Leong Building, Singapore 048581.

The principal activities of the Company have been those relating to investment holding.

The principal activities of the subsidiaries are those relating to the manufacturing and distribution of powertrain solutions and related products, building materials, rigid packaging products, air-conditioning systems (discontinued operation), and of investment holding and dealing.

The consolidated financial statements relate to the Company and its subsidiaries (referred to as the “Group”) and the Group’s interests in associates and joint venture entities.

The immediate and ultimate holding companies are Hong Leong Corporation Holdings Pte Ltd and Hong Leong Investment Holdings Pte. Ltd. respectively. These companies are incorporated in Singapore.

Related corporations relate to companies within the Hong Leong Investment Holdings Pte. Ltd. group.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The condensed interim consolidated financial statements for the half year and year ended 31 December 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting*.

The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last condensed interim consolidated financial statements for the half year ended 30 June 2024.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.2.

The condensed interim consolidated financial statements are presented in Singapore Dollars (SGD or \$) and all values are rounded to the nearest thousand (\$’000), except when otherwise indicated.

2.2 *New standards, interpretations and amendments adopted by the Group*

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

**Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year and Year Ended 31 December 2024**

2. Summary of significant accounting policies (cont'd)

2.3 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment information

For management purpose, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

Reportable segments

- (i) Powertrain solutions: engines for on-road, off-road, genset and marine applications.
- (ii) Building materials: cement, pre-cast concrete products, ready-mix concrete and quarry products.

Other operations include rigid packaging products, hospitality and property development and air-conditioning systems (discontinued operation). None of these segments meet any of the quantitative thresholds for determining reportable segments in 2024 or 2023. Results relating to discontinued operation are excluded from this note as they are presented in a single line item as "profit/(loss) from discontinued operation, net of tax" in the income statement.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's Chief Operating Decision Maker. Segment report is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year and Year Ended 31 December 2024

4. Segment information (cont'd)

Reportable segments (cont'd)

	Powertrain solutions \$'000	Building materials \$'000	Corporate and Others* \$'000	Adjustments \$'000	Total \$'000
Half year ended 31 December 2024					
Total external revenue	1,626,830	360,845	10,535	-	1,998,210
Interest income	10,044	1,614	7,548	(5,912)	13,294
Interest expense	(6,506)	(710)	(14,826)	5,915	(16,127)
Depreciation and amortisation	(64,697)	(12,793)	(949)	-	(78,439)
Reportable segment profit/(loss) before income tax	32,371	52,769	(10,995)	(380)	73,765
Share of results of associates and joint ventures, net of income tax	10,819	9,687	(2)	-	20,504
Reportable segment profit/(loss) after income tax	27,655	44,288	(12,172)	(380)	59,391
Half year ended 31 December 2023					
Total external revenue	1,647,825	344,326	14,218	-	2,006,369
Interest income	13,320	778	8,752	(6,461)	16,389
Interest expense	(8,166)	(443)	(16,573)	6,450	(18,732)
Depreciation and amortisation	(64,085)	(12,725)	(1,112)	-	(77,922)
Reportable segment profit/(loss) before income tax	35,142	56,366	(16,593)	34	74,949
Share of results of associates and joint ventures, net of income tax	6,049	5,239	(1)	-	11,287
Reportable segment profit/(loss) after income tax	28,384	45,244	(17,826)	34	55,836

* Others include rigid packaging products, hospitality and property development and air-conditioning systems (discontinued operation).

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year and Year Ended 31 December 2024

4. Segment information (cont'd)

Reportable segments (cont'd)

	Powertrain solutions \$'000	Building materials \$'000	Corporate and Others* \$'000	Adjustments \$'000	Total \$'000
Year ended 31 December 2024					
Total external revenue	3,545,155	682,325	21,945	-	4,249,425
Interest income	22,972	2,836	15,830	(12,199)	29,439
Interest expense	(13,740)	(1,461)	(30,719)	12,228	(33,692)
Depreciation and amortisation	(131,714)	(25,062)	(2,014)	-	(158,790)
Reportable segment profit/(loss) before income tax	113,314	103,026	(21,663)	(532)	194,145
Share of results of associates and joint ventures, net of income tax	18,849	22,980	(3)	-	41,826
Reportable segment profit/(loss) after income tax	89,570	86,239	(23,509)	(532)	151,768
Year ended 31 December 2023					
Total external revenue	3,403,538	650,596	27,320	-	4,081,454
Interest income	27,368	1,264	16,805	(12,729)	32,708
Interest expense	(18,059)	(1,051)	(32,482)	12,715	(38,877)
Depreciation and amortisation	(124,716)	(24,375)	(2,215)	-	(151,306)
Reportable segment profit/(loss) before income tax	104,411	93,384	(31,522)	167	166,440
Share of results of associates and joint ventures, net of income tax	11,721	14,037	7	-	25,765
Reportable segment profit/(loss) after income tax	76,454	76,276	(32,807)	167	120,090

* Others include rigid packaging products, hospitality and property development and air-conditioning systems (discontinued operation).

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year and Year Ended 31 December 2024

4. Segment information (cont'd)

Reportable segments (cont'd)

	Powertrain solutions \$'000	Building materials \$'000	Corporate and Others* \$'000	Adjustments \$'000	Total \$'000
31 December 2024					
<i>Assets and liabilities</i>					
Reportable segment assets [^]	4,887,959	549,921	1,188,875	(1,038,608)	5,588,147
Interests in associates and joint ventures	62,940	157,568	50	-	220,558
Reportable segment liabilities	2,739,652	202,799	1,370,611	(955,210)	3,357,852
31 December 2023					
<i>Assets and liabilities</i>					
Reportable segment assets [^]	4,658,874	478,527	1,156,287	(986,416)	5,307,272
Interests in associates and joint ventures	43,696	144,656	356	-	188,708
Reportable segment liabilities	2,517,378	184,396	1,346,251	(919,505)	3,128,520

* Others include rigid packaging products, hospitality and property development and air-conditioning systems (discontinued operation).

[^] Exclude interests in associates and joint ventures.

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the Half Year and Year Ended 31 December 2024

5. Property, plant and equipment

During the half year ended 31 December 2024, the Group acquired assets with a cost of \$57,377,000 (31 December 2023: \$38,506,000).

Capital commitments

As at 31 December 2024, the Group had capital expenditure contracted for but not recognised in the financial statements amounting to \$60,151,000 (31 December 2023: \$34,400,000).

6. Intangible assets

Group	Development expenditure, technology know- how and computer software with finite useful lives \$'000	Trade- marks with indefinite useful lives \$'000	Club membership \$'000	Goodwill \$'000	Total \$'000
At 30 June 2024					
Cost	382,754	35,220	313	11,569	429,856
Accumulated amortisation and impairment losses	(95,943)	(3,635)	(313)	(10,667)	(110,558)
Net carrying amount	286,811	31,585	-	902	319,298
Half year ended 31 December 2024					
Opening net carrying amount	286,811	31,585	-	902	319,298
Additions	25,775	-	-	-	25,775
Amortisation charge for the period	(19,430)	-	-	-	(19,430)
Impairment losses	(5,777)	-	-	-	(5,777)
Translation differences	(89)	(17)	-	-	(106)
Closing net carrying amount	287,290	31,568	-	902	319,760
At 31 December 2024					
Cost	384,828	35,248	313	11,569	431,958
Accumulated amortisation and impairment losses	(97,538)	(3,680)	(313)	(10,667)	(112,198)
Net carrying amount	287,290	31,568	-	902	319,760

Additions during the half year ended 31 December 2024 were mainly capitalised technology development costs for development of National VI and Tier 4 engines and new energy products.

6. Intangible assets (cont'd)

Powertrain solutions segment

Development expenditure

The Group capitalised technology development costs for new engines that comply with National VI and Tier 4 emission standards and new energy products.

Annually, the Group performs an impairment test on the development costs that are not available for use. No impairment was identified in 2023. In 2024, the Group recognised impairment losses of \$5,777,000 in the income statement under the line item "Research and development expenses" in respect of development costs of a discontinued research and development project.

The recoverable amount was determined based on its value in use using the discounted cash flow approach. Cash flows were projected based on historical growth, past experience and management's best estimation of future business outlook.

Trademarks

In 2019, the Group entered into a trademark licence agreement under which the Group was granted an exclusive and perpetual use of the trademarks listed in the trademark license agreement for a one-time usage fee of \$32,791,000 (net of exchange difference). As at 31 December 2024, the carrying amount was \$31,568,000 (2023: \$31,500,000) (net of accumulated impairment losses, accumulated amortisation and exchange difference).

Management has assessed the right to use of the trademark licence according to the clauses, terms and conditions in the agreement and is of the view that the Group has the right to use the trademark licence for unlimited period.

Annually, the Group performs an impairment test on the trademark, which has been identified as a separate cash generating unit ("CGU") for impairment testing purposes. No impairment was identified in 2023 and 2024.

The recoverable amount of the unit was determined based on a value in use calculation using cash flow projections from financial budgets approved by the management.

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the Half Year and Year Ended 31 December 2024

6. Intangible assets (cont'd)

Company	Computer software and related costs \$'000	Club membership \$'000	Total \$'000
At 30 June 2024 and 31 December 2024			
Cost	1,502	313	1,815
Accumulated amortisation and impairment losses	(1,502)	(313)	(1,815)
Net carrying amount	-	-	-

7. Loans and borrowings

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand				
Unsecured bank loans	574,461	503,852	204,214	133,080
Secured bank loans	1,859	6,134	-	-
	576,320	509,986	204,214	133,080
Unsecured lease liabilities	13,926	11,150	55	51
	13,926	11,150	55	51
Amount repayable after one year				
Unsecured bank loans	297,604	377,995	179,000	250,000
	297,604	377,995	179,000	250,000
Unsecured lease liabilities	32,905	31,366	137	182
	32,905	31,366	137	182

As at 31 December 2024, the assets of certain subsidiaries with total carrying value of \$2,324,000 (31 December 2023: \$81,530,000) are pledged to secure banking facilities of the Group.

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the Half Year and Year Ended 31 December 2024

8. Share capital

	2024		2023	
	No. of shares '000	Amount \$'000	No. of shares '000	Amount \$'000
Issued and fully paid ordinary shares, with no par value				
At 1 January and 31 December	747,979	467,977	747,979	467,977

The total number of issued shares as at 31 December 2024 was 747,978,318 (31 December 2023: 747,978,318). There were no shares held as treasury shares or subsidiary holdings as at 31 December 2024 and 31 December 2023.

There was no sale, transfer, disposal, cancellation and/or use of treasury shares/subsidiary holdings during the year ended 31 December 2024.

Share options

There was no option exercised pursuant to the terms of the Hong Leong Asia Share Option Scheme 2000 (the "Scheme") during the year ended 31 December 2024.

During the year ended 31 December 2024, options to acquire a total of 60,000 shares granted in 2014 under the Scheme had been cancelled due to the lapse of its exercise period.

As at 31 December 2024, there were a total of 438,000 (31 December 2023: 498,000) unissued shares under options granted pursuant to the Scheme. Details are as follows:

Year of Grant	Exercise Price	Number of Outstanding Options
2020	\$0.54	178,000
2021	\$0.72	200,000
2021	\$0.87	60,000
Total		438,000

Hong Leong Asia Ltd. and its subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year and Year Ended 31 December 2024**

9. Revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Segments	Half year ended 31 December 2024			
	Powertrain solutions \$'000	Building materials \$'000	Others \$'000	Consolidated total \$'000
Major product or service lines				
Sale of heavy-duty engines	538,047	-	-	538,047
Sale of medium-duty engines	384,528	-	-	384,528
Sale of light-duty engines	210,322	-	-	210,322
Sale of precast concrete products	-	55,155	-	55,155
Sale of ready-mix concrete	-	196,970	-	196,970
Sale of cement	-	91,671	-	91,671
Sale of other goods	-	17,049	-	17,049
Sale of rigid packaging products	-	-	7,616	7,616
Hospitality operations	5,479	-	2,905	8,384
Others ⁽¹⁾	488,454	-	14	488,468
	<u>1,626,830</u>	<u>360,845</u>	<u>10,535</u>	<u>1,998,210</u>

⁽¹⁾ Included sales of engine components, power generator sets, new energy products and others.

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year and Year Ended 31 December 2024

9. Revenue (cont'd)

Set out below is the disaggregation of the Group's revenue from contracts with customers (cont'd):

Segments	Half year ended 31 December 2024			Consolidated total \$'000
	Powertrain solutions \$'000	Building materials \$'000	Others \$'000	
Geographical markets				
The PRC	1,588,479	-	6,916	1,595,395
Singapore	203	237,452	699	238,354
Malaysia	1,525	123,393	2,920	127,838
Others	36,623	-	-	36,623
	1,626,830	360,845	10,535	1,998,210
Timing of revenue recognition				
Goods and services transferred at a point in time	1,612,380	360,845	8,433	1,981,658
Services transferred over time	14,450	-	2,102	16,552
	1,626,830	360,845	10,535	1,998,210

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year and Year Ended 31 December 2024

9. Revenue (cont'd)

Set out below is the disaggregation of the Group's revenue from contracts with customers (cont'd):

Segments	Half year ended 31 December 2023			
	Powertrain solutions	Building materials	Others	Consolidated total
	\$'000	\$'000	\$'000	\$'000
Major product or service lines				
Sale of heavy-duty engines	520,054	-	-	520,054
Sale of medium-duty engines	460,604	-	-	460,604
Sale of light-duty engines	147,962	-	-	147,962
Sale of precast concrete products	-	67,592	-	67,592
Sale of ready-mix concrete	-	167,061	-	167,061
Sale of cement	-	99,401	-	99,401
Sale of other goods	-	10,272	-	10,272
Sale of rigid packaging products	-	-	11,020	11,020
Hospitality operations	6,275	-	3,185	9,460
Others ⁽¹⁾	512,930	-	13	512,943
	1,647,825	344,326	14,218	2,006,369

⁽¹⁾ Included sales of engine components, power generator sets, new energy products and others.

Hong Leong Asia Ltd. and its subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year and Year Ended 31 December 2024**

9. Revenue (cont'd)

Set out below is the disaggregation of the Group's revenue from contracts with customers (cont'd):

Segments	Half year ended 31 December 2023			Consolidated total \$'000
	Powertrain solutions \$'000	Building materials \$'000	Others \$'000	
Geographical markets				
The PRC	1,632,402	-	9,806	1,642,208
Singapore	1,651	222,196	1,214	225,061
Malaysia	475	122,130	3,198	125,803
Others	13,297	-	-	13,297
	1,647,825	344,326	14,218	2,006,369
Timing of revenue recognition				
Goods and services transferred at a point in time	1,641,549	344,326	11,714	1,997,589
Services transferred over time	6,276	-	2,504	8,780
	1,647,825	344,326	14,218	2,006,369

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year and Year Ended 31 December 2024

9. Revenue (cont'd)

Set out below is the disaggregation of the Group's revenue from contracts with customers (cont'd):

Segments	Year ended 31 December 2024			Consolidated total \$'000
	Powertrain solutions \$'000	Building materials \$'000	Others \$'000	
Major product or service lines				
Sale of heavy-duty engines	1,190,976	-	-	1,190,976
Sale of medium-duty engines	965,331	-	-	965,331
Sale of light-duty engines	419,175	-	-	419,175
Sale of precast concrete products	-	100,564	-	100,564
Sale of ready-mix concrete	-	372,576	-	372,576
Sale of cement	-	180,179	-	180,179
Sale of other goods	-	29,006	-	29,006
Sale of rigid packaging products	-	-	16,234	16,234
Hospitality operations	10,740	-	5,683	16,423
Others ⁽¹⁾	958,933	-	28	958,961
	3,545,155	682,325	21,945	4,249,425

⁽¹⁾ Included sales of engine components, power generator sets, new energy products and others.

Hong Leong Asia Ltd. and its subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year and Year Ended 31 December 2024**

9. Revenue (cont'd)

Set out below is the disaggregation of the Group's revenue from contracts with customers (cont'd):

Segments	Year ended 31 December 2024			Consolidated total \$'000
	Powertrain solutions \$'000	Building materials \$'000	Others \$'000	
Geographical markets				
The PRC	3,489,012	-	14,702	3,503,714
Singapore	953	447,394	1,531	449,878
Malaysia	1,806	234,931	5,712	242,449
Others	53,384	-	-	53,384
	3,545,155	682,325	21,945	4,249,425
Timing of revenue recognition				
Goods and services transferred at a point in time	3,525,444	682,325	17,766	4,225,535
Services transferred over time	19,711	-	4,179	23,890
	3,545,155	682,325	21,945	4,249,425

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**Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year and Year Ended 31 December 2024**

9. Revenue (cont'd)

Set out below is the disaggregation of the Group's revenue from contracts with customers (cont'd):

Segments	Year ended 31 December 2023			Consolidated total \$'000
	Powertrain solutions \$'000	Building materials \$'000	Others \$'000	
Major product or service lines				
Sale of heavy-duty engines	1,049,014	-	-	1,049,014
Sale of medium-duty engines	1,076,152	-	-	1,076,152
Sale of light-duty engines	306,349	-	-	306,349
Sale of precast concrete products	-	126,101	-	126,101
Sale of ready-mix concrete	-	315,532	-	315,532
Sale of cement	-	184,581	-	184,581
Sale of other goods	-	24,382	-	24,382
Sale of rigid packaging products	-	-	21,451	21,451
Hospitality operations	10,569	-	5,841	16,410
Others ⁽¹⁾	961,454	-	28	961,482
	3,403,538	650,596	27,320	4,081,454

⁽¹⁾ Included sales of engine components, power generator sets, new energy products and others.

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year and Year Ended 31 December 2024

9. Revenue (cont'd)

Set out below is the disaggregation of the Group's revenue from contracts with customers (cont'd):

Segments	Year ended 31 December 2023			Consolidated total \$'000
	Powertrain solutions \$'000	Building materials \$'000	Others \$'000	
Geographical markets				
The PRC	3,377,490	-	19,201	3,396,691
Singapore	2,121	426,515	2,250	430,886
Malaysia	884	224,081	5,869	230,834
Others	23,043	-	-	23,043
	3,403,538	650,596	27,320	4,081,454
Timing of revenue recognition				
Goods and services transferred at a point in time	3,392,968	650,596	22,984	4,066,548
Services transferred over time	10,570	-	4,336	14,906
	3,403,538	650,596	27,320	4,081,454

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the Half Year and Year Ended 31 December 2024

9. Revenue (cont'd)

A breakdown of sales:

	2024 \$'000	Group 2023 \$'000	+/- %
Sales reported for first half	2,251,215	2,075,085	8.5%
Operating profit after tax before deducting non-controlling interests reported for first half year	92,377	64,254	43.8%
Sales reported for second half	1,998,210	2,006,369	-0.4%
Operating profit after tax before deducting non-controlling interests reported for second half year	59,391	55,836	6.4%

10. Profit before income tax from continuing operations

Profit before income tax from continuing operations includes the following:

	Half year ended 31 December 2024 \$'000	Half year ended 31 December 2023 \$'000	+/- %	Group Year ended 31 December 2024 \$'000	Year ended 31 December 2023 \$'000	+/- %
Gain on disposal of property, plant and equipment, net	47	306	-84.6%	2,973	395	652.7%
Gain on disposal of right-of-use assets, net	-	1,442	NM	-	1,442	NM
Impairment losses on property, plant and equipment and intangible assets	(7,138)	(8,439)	-15.4%	(7,138)	(8,439)	-15.4%
Impairment losses recognised for trade and other receivables, net and bad debts written off	(36,426)	(4,512)	707.3%	(38,426)	(4,685)	720.2%
Allowance made for inventories obsolescence	(10,803)	(10,883)	-0.7%	(10,716)	(10,439)	2.7%
Depreciation and amortisation	(78,439)	(77,922)	0.7%	(158,790)	(151,306)	4.9%
Foreign exchange gain/(loss), net	431	(2,082)	NM	2,128	(3,448)	NM
Interest expense	(16,127)	(18,732)	-13.9%	(33,692)	(38,877)	-13.3%
Interest income	13,294	16,389	-18.9%	29,439	32,708	-10.0%
Gain on disposal of a subsidiary	-	19,593	NM	-	19,593	NM
Write-off of property, plant and equipment	(48)	(421)	-88.6%	(60)	(464)	-87.1%

11. Taxation

For the year ended 31 December 2024, the Group's tax charge included additional provision of \$1,818,000 for prior years (31 December 2023: additional provision of \$15,494,000 for prior years).

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the Half Year and Year Ended 31 December 2024

12. Earnings per share

The weighted average number of ordinary shares adjusted for the effect of unissued ordinary shares under the Scheme is determined as follows:

	Group	
	Year ended 31 December 2024	Year ended 31 December 2023
	No. of Shares	No. of shares
Weighted average number of shares issued, used in the calculation of basic earnings per share	747,978,318	747,978,318
Dilutive effect of share options	55,301	30,191
Weighted average number of ordinary shares (diluted)	748,033,619	748,008,509

60,000 (31 December 2023: 320,000) share options granted to Group Employees (as defined in the Scheme) under the Scheme have not been included in the calculation of diluted earnings per share because they are anti-dilutive as the options are out-of-the-money.

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the Half Year and Year Ended 31 December 2024

13. Related party transactions

(a) *Sale and purchase of goods and services*

During the year ended 31 December 2024, the Group made payments to firms, in which a director has an interest, in respect of professional services rendered. This amounted to \$56,382 (31 December 2023: \$57,464). No balance was outstanding at the balance sheet date (31 December 2023: \$324 was outstanding).

Significant transactions with related parties made at terms agreed between the parties during the half year and year ended 31 December, other than those disclosed elsewhere in the financial statements, are as follows:

	Group			
	Half year ended 31 December 2024 \$'000	Half year ended 31 December 2023 \$'000	Year ended 31 December 2024 \$'000	Year ended 31 December 2023 \$'000
Sale of engines and materials				
- associates and joint ventures	82,757	102,501	187,495	178,575
- related corporations	142,027	175,689	393,537	384,331
Purchase of materials, supplies and engines				
- associates and joint ventures	197,952	236,082	409,248	393,986
- related corporations	180,266	165,781	357,675	339,516
Management services income				
- an associate	222	222	444	444
Management services paid and payable				
- related corporations	315	262	376	333
Rental paid and payable (include general expenses)				
- immediate holding company	26	319	344	637
- related corporations	404	-	404	-
General and administrative expenses				
- joint ventures	1,539	660	2,625	660
- related corporations	23,906	12,042	28,396	20,127
Delivery, storage, distribution and handling expenses				
- related corporations	20,508	25,449	33,965	40,159
Hospitality, restaurant, consultancy and other service income				
- Joint ventures	2,055	3,052	3,200	3,831
- related corporations	508	2,474	4,736	3,405
Sales of an intangible asset				
- a joint venture	-	19,155	-	19,155
Rental income				
- associates and joint ventures	541	533	541	724
- related corporations	2,324	2,249	2,349	2,310

(b) *Outstanding balances with a related party*

As at 31 December 2024, fixed deposits held with a related party amounted to \$13,630,000 (31 December 2023: \$9,500,000).

(c) *Commitments with related parties*

As at 31 December 2024, the Group has commitments to purchase raw materials from related parties amounting to approximately \$85,151,000 between 2025 and 2028 (31 December 2023: \$67,468,000 between 2024 and 2027).

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**Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year and Year Ended 31 December 2024**

14. Dividends

	Group	
	Year ended 31 December 2024 \$'000	Year ended 31 December 2023 \$'000
Declared and paid during the financial period		
<i>Dividends on ordinary shares:</i>		
First and final tax exempt (1-tier) dividend paid of 2 cents per share in respect of year 2023 (2023: 2 cents per share in respect of year 2022)	14,960	14,960
Interim tax exempt (1-tier) dividend paid of 1 cent per share in respect of year 2024 (2023: Nil)	7,480	—
Proposed but not recognised as a liability as at 31 December:		
<i>Dividends on ordinary shares, subject to shareholders' approval at the 2025 AGM:</i>		
Final tax exempt (one-tier) dividend in respect of year 2024: 3 cents (2023: 2 cents) per share	22,442	14,960

15. Net Asset Value

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Net asset value per ordinary share (cents)	135.58	123.27	35.18	33.71

16. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the assets or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

**Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year and Year Ended 31 December 2024**

16. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class and liabilities measured at fair value at the end of the reporting period:

	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Total \$'000
31 December 2024			
Financial assets			
Other investments	2,130	-	2,130
Bill receivables	-	798,882	798,882
Derivatives	-	14	14
As at 31 December 2024	<u>2,130</u>	<u>798,896</u>	<u>801,026</u>
31 December 2023			
Financial assets			
Other investments	6,040	-	6,040
Bill receivables	-	710,424	710,424
As at 31 December 2023	<u>6,040</u>	<u>710,424</u>	<u>716,464</u>
Financial liabilities			
Derivatives	-	30	30
As at 31 December 2023	<u>-</u>	<u>30</u>	<u>30</u>

(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of current trade and other receivables, cash and short-term deposits, trade and other payables, and current loans and borrowings are reasonable approximation of fair values due to their short-term nature.

The carrying amounts of non-current receivables and other non-current liabilities are reasonable approximation of fair values as the consideration of time value of money is not material.

The carrying amounts of non-current loans and borrowings are reasonable approximation of fair values as they are floating rate instruments that are re-priced to market interest rates on or near the reporting period or their interest rates approximate the market lending rate.

Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year and Year Ended 31 December 2024

16. Fair value of assets and liabilities (cont'd)

(c) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value (cont'd)***

Set out below is a comparison by category of carrying amounts of the Group's financial instruments that are carried in the financial statements:

Classification of financial instruments

	Financial assets at amortised cost \$'000	Fair value through other comprehensive income \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
31 December 2024				
Assets				
Other investments	-	2,130	-	2,130
Trade and other receivables*	1,107,554	798,882	-	1,906,436
Cash and bank balances	1,351,961	-	-	1,351,961
	<u>2,459,515</u>	<u>801,012</u>	<u>-</u>	<u>3,260,527</u>
Liabilities				
Trade and other payables^	-	-	2,058,624	2,058,624
Other non-current liabilities	-	-	44,946	44,946
Loans and borrowings	-	-	873,924	873,924
	<u>-</u>	<u>-</u>	<u>2,977,494</u>	<u>2,977,494</u>
31 December 2023				
Assets				
Other investments	-	6,040	-	6,040
Trade and other receivables*	1,049,788	710,424	-	1,760,212
Cash and bank balances	1,233,720	-	-	1,233,720
	<u>2,283,508</u>	<u>716,464</u>	<u>-</u>	<u>2,999,972</u>
Liabilities				
Trade and other payables^	-	-	1,843,699	1,843,699
Other non-current liabilities	-	-	46,042	46,042
Loans and borrowings	-	-	887,981	887,981
	<u>-</u>	<u>-</u>	<u>2,777,722</u>	<u>2,777,722</u>

* Excludes advances paid to suppliers, prepaid expenses and tax recoverable.

^ Excludes deferred grants.

17. Comparative figures

Certain assurance-type warranty expenses amounting to \$70,311,000 (2H 2023: \$37,812,000) had been reclassified from selling and distribution expenses to cost of sales in the consolidated income statement for the half year and year ended 31 December 2023 to conform with current year's presentation. The changes to the 2023 comparatives have no impact on the net profit, balance sheet and cash flows of the Group.

1. Review

The condensed interim consolidated balance sheets of Hong Leong Asia Ltd. and its subsidiaries as at 31 December 2024 and the related condensed interim consolidated income statement and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the half year period then ended and certain explanatory notes have not been audited or reviewed.

2. Notes to the financial statements for the half year (“2H”) and year ended 31 December (“FY”) 2024

2.1 Explanatory notes to the balance sheets of the Group and the Company

Group

Non-current assets: The increase in non-current assets was mainly due to (a) recognition of share of profits (net) of joint ventures and associates, and (b) reclassification of amounts due from related corporation (with repayment expected after the next 12 months) to non-current assets. This was partially offset by (c) depreciation of property, plant and equipment and amortisation of intangible assets, partially offset by additional capital expenditure, and (d) disposal of other investment designated as fair value through other comprehensive income (“FVOCI”).

- **Current assets:** The increase in current assets was mainly due to (a) higher trade and other receivables mainly due to timing of collections and higher sales towards year-end, (b) higher cash and cash equivalents held as at 31 December 2024, and (c) higher inventory level maintained at year-end.
- **Current liabilities:** The increase in current liabilities was mainly due to higher trade and other payables, loans and borrowings, provisions and lease liabilities. This was partially offset by lower contract liabilities as at 31 December 2024. In particular:
 - The increase in trade and other payables was mainly due to timing of settlement and higher purchases towards year-end.
 - The increase in loans and borrowings was mainly due to reclassification of loans (maturing within the next 12 months) from non-current liabilities.
 - The increase in provisions was mainly due to higher provision for warranty.
 - The increase in lease liabilities was mainly due to new leases taken up.
 - The decrease in contract liabilities was mainly due to lower advanced payment from customers as at 31 December 2024.
- **Non-current liabilities:** The decrease in non-current liabilities was mainly due to reclassification of loans (maturing within the next 12 months) to current liabilities and net repayment of loans and borrowing. This was partially offset by higher deferred grants and deferred tax liabilities recognised and new leases taken up during the year.
- **Assets and liabilities of disposal group classified as held for distribution to owners (Airwell):** The increase in net assets of disposal group was mainly due to write-off of long-outstanding payables during the year.
- **Shareholders’ equity:** The increase in equity attributable to owners of the Company was mainly due to the current year profit and translation gains recorded in reserves due to the appreciation of Malaysia Ringgit (“RM”) and Renminbi (“RMB”) against the SGD during the year, partially offset by dividends paid out during the year as well as fair value changes in debt and equity instruments recorded at FVOCI.

2. Notes to the financial statements for the half year and year ended 31 December 2024 (cont'd)

2.1 Explanatory notes to the balance sheets of the Group and the Company (cont'd)

Company

- **Non-current assets:** The decrease in non-current assets was mainly due to depreciation of property, plant and equipment and right-of-use assets.
- **Current assets:** The increase in current assets was mainly due to higher receivables from subsidiaries, which was partially offset by lower cash and cash equivalents held as at 31 December 2024.
- **Current liabilities:** The increase in current liabilities was mainly due to reclassification of loans (maturing within the next 12 months) from non-current liabilities.
- **Non-current liabilities:** The decrease in non-current liabilities was mainly due to reclassification of loans (maturing within the next 12 months) to current liabilities, partially offset by higher deferred tax liabilities recognised.

2.2 Notes to the consolidated income statement

Items included in profit before income tax from continuing operations:

- Net gain on disposal of property, plant and equipment increased significantly in FY2024 as the Group's Rigid Packaging Unit ("**Rex**") disposed of land and building in Tianjin in the first half of 2024.

Net gain on disposal of property, plant and equipment in 2H 2024 was attributed mainly to the Group's Building Materials Unit ("**BMU**"), partially offset by loss on disposal by Rex. Net gain on disposal of property, plant and equipment in 2H 2023 was attributed mainly to the Group's Powertrain Solutions Unit ("**Yuchai**") and BMU.
- Impairment losses on property, plant and equipment and intangible assets in 2024 and 2023 were attributed mainly to Yuchai.
- Net impairment losses recognised for trade and other receivables and bad debts written off increased significantly in 2024 as Yuchai made provision for doubtful debts for receivables and wrote off receivables due from specific customers who are in financial distress.
- The higher depreciation and amortisation recorded in FY2024 as compared to FY2023 were mainly due to increase in technology know-how and its amortisation during the year.

2. Notes to the financial statements for the half year and year ended 31 December 2024 (cont'd)

2.2 Notes to the consolidated income statement (cont'd)

- The net foreign exchange gain recorded in 2H 2024 was mainly due to foreign exchange gain on revaluation of Singapore Dollars (“**SGD**”) monetary liabilities in subsidiaries with functional currency in Malaysian Ringgit (“**RM**”), as a result of the strengthening of RM against SGD. This was partially offset by realised foreign exchange loss on United States Dollar (“**USD**”) denominated trade purchases. The net foreign exchange loss recorded in 2H 2023 was mainly due to foreign exchange loss on revaluation of USD-denominated monetary assets, due to the weakening of USD against SGD. This was partially offset by foreign exchange gain on revaluation of SGD-denominated monetary assets in CYI’s USD books.

The net foreign exchange gain recorded in FY2024 was mainly due to (a) foreign exchange gain on revaluation of USD-denominated monetary assets, as a result of the strengthening of USD against SGD, and (b) foreign exchange gain on revaluation of SGD-denominated monetary liabilities in subsidiaries with functional currency in RM, as a result of the strengthening of RM against SGD. This was partially offset by (c) realised foreign exchange loss on settlement of USD denominated trade purchases and (d) foreign exchange loss on revaluation of SGD assets in CYI.

The net foreign exchange loss recorded in FY2023 was mainly due to (a) foreign exchange loss on revaluation of USD-denominated monetary assets, as a result of the weakening of USD against SGD, (b) foreign exchange loss on revaluation of SGD-denominated monetary liabilities in subsidiaries with functional currency in RM, and (c) foreign exchange loss on revaluation of RMB-denominated monetary assets in CYI’s subsidiaries (with functional currency in USD), as a result of the weakening of RMB against USD. This was partially offset by foreign exchange gain on revaluation of SGD-denominated monetary assets in CYI, as SGD strengthened against USD.

- The decrease in interest expense in 2024 as compared to 2023 was mainly due to lower bill discounting expenses and lower bank interest rates.
- The decrease in interest income in 2024 as compared to 2023 was due mainly to lower bank deposit rates.
- Gain on disposal of a subsidiary in FY2023 was attributed to Yuchai. There was no disposal of subsidiaries in FY2024.
- The write-offs of property, plant and equipment decreased in 2024 and 2023 were recorded mainly by Yuchai and BMU.

3. Review of performance of the Group

Notes:

- (a) *Approximately 83% of the Group's total revenue is generated from Yuchai. For the years ended 31 December, translation of income statements from RMB to SGD has been made at the average exchange rates of RMB5.3884 = SGD1.00 for FY2024 and RMB5.2931 = SGD1.00 for FY2023. For FY2024, RMB has depreciated by about 1.8% as compared to FY2023.*
- (b) *Discontinued operation – Airwell Air-conditioning Technology (China) Co., Ltd. and its subsidiary, Airwell Air-conditioning (Hong Kong) Company Limited (collectively, “Airwell”) had ceased business operations in 2020. Accordingly, the operating performance of Airwell had been presented separately under “discontinued operation” in the income statement.*

The Group operates mainly in China, Singapore and Malaysia. The main business units of the Group are Yuchai and BMU.

In China, the National Bureau of Statistics reported that the economy grew by 5.0% in 2024, matching the government's target. However, growth was unbalanced, led by industrial and export gains¹. Despite a challenging domestic market, Yuchai recorded higher sales volumes in the truck, bus, new energy products and power generation markets. Margins improved across the product segments, helped by favourable sales mix and continued cost reduction efforts. Better results from joint ventures further contributed to higher profits for Yuchai.

In Singapore, the Ministry of Trade and Industry announced that the construction sector grew by 4.5% in 2024, as compared to the 5.2% growth in the previous year². BMU in Singapore (“**BMU Singapore**”) reported strong growth in ready-mixed concrete sales volume, given robust construction activities in Singapore. However, stronger performance in ready-mixed concrete business was partially offset by lower sales volume in the Precast business due to slow project off-take in the industry.

In Malaysia, the Department of Statistics Malaysia announced that the performance of the construction work done in 2024 reached a value of RM158.8 billion, registering a double-digit growth of 20.2% in 2024³. Profitability for BMU in Malaysia (“**Tasek**”) was lifted by higher sales volumes as well as the softening of prices of energy inputs, notwithstanding challenges in cost inflation, transportation costs post removal of diesel subsidies in 2024 and the tight credit environment. The concrete business reported profits on the recovery of volumes and pricing, a turnaround from net losses in FY2023.

¹ <https://www.reuters.com/world/china/chinas-economic-growth-surpasses-forecasts-stimulus-push-2025-01-17/>

² <https://www.mti.gov.sg/Newsroom/Press-Releases/2025/02/MTI-Maintains-2025-GDP-Growth-at-1-to-3-Per-Cent>

³ <https://www.dosm.gov.my/portal-main/release-content/construction-statistics-fourth-quarter-2024>

3. Review of performance of the Group (cont'd)

2H 2024 versus 2H 2023

Revenue for the Group was \$1.998 billion in 2H 2024, a decrease of \$8.2 million or 0.4%, from \$2.006 billion in 2H 2023. The decrease in revenue was mainly due to lower revenue recorded by Yuchai, partially offset by higher revenue recorded by BMU.

- Yuchai's revenue decreased by \$21.0 million or 1.3% as compared to 2H 2023, partly affected by the weakening of RMB against SGD. The total number of engines sold by Yuchai in 2H 2024 was 163,843 units, a 10.9% increase as compared to 147,700 units sold in 2H 2023. The increase was mainly due to higher sales in truck, bus, industrial and marine and power generation markets.
- BMU's revenue increased by \$16.5 million or 4.8% as compared to 2H 2023, largely due to higher sales volumes for ready-mix concrete.

The Group's gross profit was \$370.1 million in 2H 2024, an increase of \$26.0 million or 7.6% from \$344.1 million in 2H 2023. This was mainly due to higher engine sales volume and lower material costs for Yuchai. The Group's gross margin was 18.5% in 2H 2024 as compared to 17.1% in 2H 2023.

Other income, which mainly comprised government grants and value-added tax ("VAT") rebate, interest income, technology licensing income and net foreign exchange gain, was \$80.7 million in 2H 2024, an increase of \$14.4 million or 21.8% from \$66.3 million in 2H 2023. The increase was largely due to higher government grants and VAT rebate, and technology licensing income recognised in 2H 2024, partially offset by the absence of gain on disposal of a subsidiary of Yuchai in 2H 2023.

Selling and distribution ("S&D") expenses were \$171.7 million in 2H 2024, an increase of \$39.9 million or 30.3% as compared to \$131.8 million in 2H 2023, largely due to higher allowance for doubtful debt, travelling expenses and staff costs and bad debts written off for Yuchai, as well as higher delivery costs for BMU. Out of \$39.9 million, \$30.4 million was due to increase in allowance for doubtful debt and bad debts written off due to the weak credit conditions in China in FY2024. Yuchai made provision for doubtful debts and wrote off receivables due from specific customers who are in financial distress.

Research and development ("R&D") expenses were \$109.4 million in 2H 2024, an increase of \$21.6 million or 24.6% as compared to \$87.8 million in 2H 2023, largely due to higher mould costs and impairment of a discontinued R&D project for Yuchai. Total R&D expenditures (including capitalised costs) were \$134.3 million representing 8.2% of Yuchai's revenue in 2H 2024, as compared to \$111.6 million, or 6.8% of Yuchai's revenue, in 2H 2023.

General and administrative ("G&A") expenses were \$98.7 million in 2H 2024, a decrease of \$0.1 million or 0.1% as compared to \$98.8 million in 2H 2023.

Finance costs were \$16.5 million in 2H 2024, a decrease of \$2.7 million or 14.3% as compared to \$19.2 million in 2H 2023. The decrease in finance costs was mainly due to lower bills discounting and lower interest rates in 2H 2024 as the US Federal Reserve announced three rate cuts totalling one percentage point in 2H 2024.

**Other Information Required by Listing Rule Appendix 7.2
For the Half Year and Year Ended 31 December 2024**

3. Review of performance of the Group (cont'd)

2H 2024 versus 2H 2023 (cont'd)

Other expenses were \$1.4 million in 2H 2024, a decrease of \$7.7 million or 85.1% from \$9.1 million in 2H 2023. The decrease was mainly due to the recognition of impairment losses on property, plant and equipment and net foreign exchange loss in 2H 2023.

Share of results of associates and joint ventures was a profit of \$20.5 million in 2H 2024 as compared to \$11.3 million in 2H 2023. The increase was mainly due to better performances from the joint ventures of BMU and Yuchai.

Income tax expenses was \$14.4 million in 2H 2024 as compared to \$19.1 million in 2H 2023. The decrease was mainly due to additional tax provision for prior years made in 2H 2023.

The Group's profit increased from \$55.8 million in 2H 2023 to \$59.8 million in 2H 2024. Profit attributable to the owners of the Company ("**PATMI**") for 2H 2024 increased by \$4.1 million to \$38.2 million, as compared to \$34.1 million in 2H 2023.

FY2024 versus FY2023

Revenue for the Group was \$4.249 billion in FY2024, an increase of \$167.9 million or 4.1%, from \$4.081 billion in FY2023. The increase in revenue was due to higher revenue recorded by both Yuchai and BMU.

- Yuchai's revenue increased by \$141.7 million or 4.2% as compared to FY2023. The total number of engines sold by Yuchai in FY2024 was 356,586 units, a 13.7% increase as compared to 313,493 units sold in FY2023. The increase was mainly due to higher sales in the truck, bus, industrial and marine and power generation markets.
- BMU's revenue increased by \$31.7 million or 4.9% as compared to FY2023, largely due to higher sales volume for ready-mix concrete, which was partially offset by lower precast sales volume.

The Group's gross profit was \$730.8 million in FY2024, an increase of \$46.3 million or 6.8% from \$684.5 million in FY2023. This was mainly due to increase in gross profit recorded by Yuchai and BMU. The Group's gross margin increased to 17.2% in FY2024 as compared to 16.8% in FY2023, mainly due to higher revenue from increased unit volume and continuing cost reduction initiatives, partially offset by higher labour and overhead expenses for Yuchai.

Other income, which comprised mainly government grants and VAT rebate, technology licensing income, interest income and net foreign exchange gain, was \$124.0 million in FY2024, an increase of \$27.1 million or 28.0% from \$96.9 million in FY2023. The increase was largely due to higher government grants and VAT rebate, and technology licensing income recognised in FY2024, partially offset by the absence of gain on disposal of a subsidiary of Yuchai in FY2023.

S&D expenses were \$283.4 million in FY2024, an increase of \$53.6 million or 23.4% as compared to \$229.8 million in FY2023. The increase was mainly due to higher allowance for doubtful debts, travelling expenses and staff costs and bad debts written off for Yuchai, as well as higher delivery costs for BMU. Out of \$53.6 million, \$32.4 million was due to increase in allowance for doubtful debt and bad debts written off due to weak credit conditions in China in FY2024. Yuchai made provision for doubtful debts and wrote off receivables due from specific customers who are in financial distress.

3. Review of performance of the Group (cont'd)

FY2024 versus FY2023 (cont'd)

R&D expenses were \$182.7 million in FY2024, an increase of \$17.1 million or 10.3% as compared to \$165.6 million in FY2023. The increase was mainly due to higher mould costs and impairment of a discontinued R&D project for Yuchai. Yuchai had continued with its initiatives to enhance the engine efficiency and performance of its National VI and Tier-4 emission standard compliant engines, marine power generation applications, while advancing new energy solutions. Total R&D expenditures (including capitalised costs) were \$220.6 million representing 6.2% of Yuchai's revenue in FY2024, as compared to \$200.8 million, or 5.9% of Yuchai's revenue, in FY2023.

G&A expenses were \$200.1 million in FY2024, an increase of \$5.2 million or 2.7% as compared to \$194.9 million in FY2023. The increase was mainly due to higher staff costs for Yuchai.

Finance costs were \$34.5 million in FY2024, a decrease of \$5.4 million or 13.4% as compared to \$39.9 million in FY2023. The decrease in finance costs was mainly due to lower bills discounting and lower interest rates as the US Federal Reserve announced three rate cuts totalling one percentage point in 2H 2024.

Other expenses were \$1.7 million in FY2024, a decrease of \$8.9 million or 83.8% from \$10.6 million in FY2023. The decrease was mainly due to the recognition of impairment losses on property, plant and equipment and net foreign exchange loss in FY2023.

Share of results of associates and joint ventures was a profit of \$41.8 million in FY2024 as compared to \$25.8 million in FY2023. The increase was mainly due to better performance from joint ventures of Yuchai and BMU, and associates of BMU (which included share of gain recognised by an associate of \$3.3 million relating to disposal of its own associate).

Income tax expenses was \$42.4 million in FY2024 as compared to \$46.4 million in FY2023. The decrease was mainly due to additional tax provision for prior years made in FY2023, partially offset by higher taxable income in FY2024.

In conclusion, the Group's profit was \$152.3 million in FY2024, an increase of \$32.4 million as compared to FY2023. PATMI was \$87.8 million in FY2024, an increase of \$22.9 million or 35.3% as compared to \$64.9 million in FY2023. Adjusting for one-off gains of \$3.3 million being share of gain recognised by an associate relating to disposal of its own associate in FY2024 and \$6.7 million for disposal of a subsidiary of Yuchai in FY2023, PATMI for FY2024 would have increased by \$26.3 million or 45.2% year-on-year.

Working Capital and Cash Flow

The Group had cash and short-term deposits of \$1.352 billion as at 31 December 2024 compared with \$1.234 billion as at 31 December 2023.

During the year under review, the Group generated operating cash inflow before changes in working capital of \$489.6 million and net cash inflow from operating activities of \$289.6 million. This was mainly due to higher trade and other receivables, partially offset by higher trade and other payables as compared to 31 December 2023.

3. Review of performance of the Group (cont'd)

Working Capital and Cash Flow (cont'd)

The net cash outflow from investing activities of \$29.4 million was mainly due to purchase of property, plant and equipment and intangible assets, partially offset by net cash inflow on disposal of subsidiary, net of cash disposed, interest received and dividends received from associates.

The Group had net cash outflow from financing activities of \$155.3 million. It was mainly due to repurchase of own shares by a subsidiary, interest payment and dividends paid to non-controlling interests of subsidiaries and shareholders of the Company of \$49.4 million.

As reported in the Group's results announcement for the third quarter of 2018 dated 14 November 2018, the Company had raised net proceeds of \$201.1 million from the rights issue exercise in October 2018. On 11 August 2023, the Group announced that \$188.0 million of the net proceeds had been utilised. Since then, no further utilisation of the rights proceeds had been made, and other than previously announced, the remaining unutilised funds had been used in the interim to repay short-term revolving facilities pending future deployment. The Company will make periodic announcements via SGXNET on the further deployment of the rights proceeds.

4. Where a forecast, or prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

None.

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In China, while Yuchai enjoyed volume growth in 2024, the domestic market remains mixed amidst tight credit conditions. Beyond tapping on the growth of China commercial vehicle internationally, Yuchai is expanding its 50/50 joint-venture MTU Yuchai Power Company Limited for data centre applications and continues to invest in R&D initiatives to improve its powertrain solutions, including the development of heavy-duty gas engines and New Energy products.

BMU Singapore expects its order book in the Precast and Ready-Mixed Concrete segments to continue to grow from new public and private sector projects. This is in line with the Building and Construction Authority's projection of the total value of construction contracts to be awarded in 2025 to rise to between \$47 billion and \$53 billion⁴. We will continue to invest in automation and enlarge our fleet of 12 cubic metre concrete mixer trucks and larger scale plants, which will lead to further improvement in operational efficiencies.

In Malaysia, Tasek expects demand to continue to improve with increased infrastructure development and developments at the Johor-Singapore Special Economic Zone⁵. While overall costs are on the rise post the removal of diesel subsidies, Tasek is focused on improving its operational efficiency and increasing the use of alternative raw materials and alternative fuels in ongoing efforts to be more sustainable.

⁴ <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2025/01/23/construction-demand-to-remain-strong-for-2025>

⁵ <https://www.mida.gov.my/mida-news/s-sez-to-foster-collaboration-between-johor-and-singapore-for-global-investments/>

Hong Leong Asia Ltd. and its subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the Half Year and Year Ended 31 December 2024

Looking ahead, the Group expects challenges from higher input costs and disruptions in supply chains as geopolitical tensions rise and trade wars escalate. HLA Management will remain focused on building order books, improving operational efficiencies and managing costs.

Barring unforeseen circumstances, the Group expects its businesses to deliver satisfactory results in 2025.

6. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim	Proposed Final
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	1 cent per ordinary share	3 cents per ordinary share
Tax Rate	Tax Exempt (1-tier)	Tax Exempt (1-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	First and Final (Paid)
Dividend Type	Cash
Dividend Amount per Share (in cents)	2 cents per ordinary share
Tax Rate	Tax Exempt (1-tier)

(c) Date payable

Subject to shareholders' approval at the forthcoming 64th Annual General Meeting of the Company, the proposed final dividend for financial year ended 31 December 2024 will be payable on 14 May 2025.

(d) Record date

5.00 pm on 5 May 2025

7. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

Not applicable.

Hong Leong Asia Ltd. and its subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the Half Year and Year Ended 31 December 2024

8. Interested person transactions

Name of Interested Person ("IP")	Nature of Relationship	Aggregate value of all interested person transactions for FY2024 conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Kim Sik Sdn Bhd ("KS")	Hong Leong Investment Holdings Pte. Ltd. ("HLIH") is a controlling shareholder of the Company. KS and HRPL, being associates of HLIH, are IPs.	Construction-related Transaction - Sale of raw materials to IP: \$1,491,794
Hong Realty Private Limited ("HRPL")		General Transaction - Sub-lease of office premises from IP for a lease tenure of three years: \$2,138,976
		Total: \$3,630,770

9. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	FY2024 (\$'000)	FY2023 (\$'000)
Interim Dividend	7,480	-
Final Dividend* / First and Final Dividend	22,442	14,960
Total Annual Dividend:	29,922	14,960

The proposed final dividend for FY2024 is subject to shareholders' approval at the forthcoming Annual General Meeting and calculated based on 748,081,318 issued shares in the capital of the Company as at the date of this announcement.

Hong Leong Asia Ltd. and its subsidiaries

**Other Information Required by Listing Rule Appendix 7.2
For the Half Year and Year Ended 31 December 2024**

10. Disclosure of person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(13) of the Listing Rules.

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Kwek Leng Peck	68	Father of Ms Kwek Pei Xuan, Executive Director and Head of Sustainability and Corporate Affairs of Hong Leong Asia Ltd. ("HLA").	Appointed Executive Director since April 1998 and Executive Chairman of HLA on 28 April 2017. - Having overall executive responsibility for the Group's business and lead the Board in developing policies and strategies for the Group.	Nil
Kwek Pei Xuan	33	Daughter of Mr Kwek Leng Peck, Executive Chairman of HLA.	Appointed Head of Sustainability and Corporate Affairs of HLA on 1 January 2021, and Executive Director of HLA on 26 April 2023. - Having overall responsibility for the management of the sustainability practices and reporting and corporate affairs (which involves overseeing corporate communications and business relation with stakeholders) of the Group.	Nil

11. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers in compliance with Rule 720(1) of the Listing Manual in the format set out in Appendix 7.7 of the Listing Manual.

BY ORDER OF THE BOARD

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

26 February 2025