

Company Registration No. 196300306G

Hong Leong Asia Ltd. and its subsidiaries

Condensed Interim Consolidated Financial Statements
For the Half Year Ended 30 June 2025 (Unaudited)

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Hong Leong Asia Ltd. and its subsidiaries

**Condensed Interim Consolidated Balance Sheet
As at 30 June 2025**

		Group		Company	
	Note	30 June 2025 \$'000	31 December 2024 \$'000	30 June 2025 \$'000	31 December 2024 \$'000
Non-current assets					
Property, plant and equipment	5	727,313	757,545	683	668
Intangible assets	6	300,431	319,760	-	-
Investment in subsidiaries		-	-	391,072	229,867
Interests in associates		149,727	147,764	14,605	14,605
Interests in joint ventures		116,744	72,794	-	-
Investment property		735	776	-	-
Other investments		2,072	2,130	-	-
Non-current receivables		3,414	57,219	-	-
Capitalised contract costs		23,395	24,170	-	-
Right-of-use assets		115,638	121,285	162	190
Deferred tax assets		74,447	77,527	-	-
		1,513,916	1,580,970	406,522	245,330
Current assets					
Inventories		925,603	964,472	-	-
Development properties		3,102	3,110	-	-
Trade and other receivables		2,508,692	1,906,849	246,715	409,184
Cash and short-term deposits		1,540,475	1,351,961	2,150	4,776
Derivatives		-	14	-	-
		4,977,872	4,226,406	248,865	413,960
Assets of disposal group classified as held for distribution to owners		1,216	1,329	-	-
		4,979,088	4,227,735	248,865	413,960
Total assets		6,493,004	5,808,705	655,387	659,290

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 30 June 2025**

		Group		Company	
	Note	30 June 2025 \$'000	31 December 2024 \$'000	30 June 2025 \$'000	31 December 2024 \$'000
Current liabilities					
Trade and other payables		2,868,906	2,058,624	6,429	8,145
Contract liabilities		86,301	108,304	-	-
Lease liabilities	7	15,118	13,926	55	55
Provisions		88,945	78,213	-	-
Loans and borrowings	7	589,288	576,320	186,014	204,214
Current tax payable		13,895	19,237	-	-
Derivatives		11	-	-	-
		3,662,464	2,854,624	192,498	212,414
Liabilities directly associated with disposal group classified as held for distribution to owners		291	269	-	-
		3,662,755	2,854,893	192,498	212,414
Net current assets		1,316,333	1,372,842	56,367	201,546
Non-current liabilities					
Loans and borrowings	7	201,779	297,604	200,000	179,000
Deferred tax liabilities		24,618	26,567	4,601	4,601
Deferred grants		93,150	91,992	-	-
Other liabilities		43,289	44,951	-	-
Contract liabilities		8,555	8,940	-	-
Lease liabilities	7	28,983	32,905	110	137
		400,374	502,959	204,711	183,738
Total liabilities		4,063,129	3,357,852	397,209	396,152
Net assets		2,429,875	2,450,853	258,178	263,138
Equity attributable to owners of the Company					
Share capital	8	468,084	467,977	468,084	467,977
Reserves		540,952	545,491	(209,906)	(204,839)
Reserve attributable to disposal group classified as held for distribution to owners		616	665	-	-
		1,009,652	1,014,133	258,178	263,138
Non-controlling interests		1,420,223	1,436,720	-	-
Total equity		2,429,875	2,450,853	258,178	263,138
Total equity and liabilities		6,493,004	5,808,705	655,387	659,290

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 Ended 30 June 2025

		Group		
	Note	Half year ended 30 June 2025 \$'000	Half year ended 30 June 2024 \$'000	+/- %
Continuing operations				
Revenue	9	2,828,957	2,251,215	25.7%
Cost of sales		(2,401,449)	(1,890,556)	27.0%
Gross profit		427,508	360,659	18.5%
Other item of income				
Other income		43,414	43,246	0.4%
Other items of expense				
Selling and distribution expenses		(119,320)	(111,731)	6.8%
Research and development expenses		(86,719)	(73,360)	18.2%
General and administrative expenses		(127,236)	(101,410)	25.5%
Finance costs		(12,798)	(18,002)	-28.9%
Other expenses		(164)	(344)	-52.3%
Share of results of associates and joint ventures, net of income tax		24,523	21,322	15.0%
Profit before income tax from continuing operations	10	149,208	120,380	23.9%
Income tax expense	11	(27,990)	(28,003)	0.0%
Profit from continuing operations, net of tax		121,218	92,377	31.2%
Discontinued operation				
(Loss)/profit from discontinued operation, net of tax		(67)	152	NM
Profit for the period		121,151	92,529	30.9%
Attributable to:				
Owners of the Company				
- Profit from continuing operations, net of tax		56,056	49,442	13.4%
- (Loss)/profit from discontinued operation, net of tax		(45)	102	NM
		56,011	49,544	13.1%
Non-controlling interests				
- Profit from continuing operations, net of tax		65,162	42,935	51.8%
- (Loss)/profit from discontinued operation, net of tax		(22)	50	NM
		65,140	42,985	51.5%
Earnings per share from continuing operations attributable to owners of the Company (cents per share)				
- Basic	12	7.49	6.61	13.4%
- Diluted	12	7.49	6.61	13.4%
Earnings per share (cents per share)				
- Basic	12	7.49	6.62	13.1%
- Diluted	12	7.49	6.62	13.1%

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 Ended 30 June 2025

	Group Half year ended 30 June 2025 \$'000	Half year ended 30 June 2024 \$'000	+/- %
Profit for the period	121,151	92,529	30.9%
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	(57)	(233)	-75.5%
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	(99,394)	8,317	NM
Effective portion of changes in fair value of cash flow hedges	-	129	NM
Net fair value changes of debt instruments at fair value through other comprehensive income	1,078	3,319	-67.5%
Other comprehensive income for the period, net of income tax	(98,373)	11,532	NM
Total comprehensive income for the period	22,778	104,061	-78.1%
Attributable to:			
Owners of the Company	17,594	52,878	-66.7%
Non-controlling interests	5,184	51,183	-89.9%
Total comprehensive income for the period	22,778	104,061	-78.1%
Attributable to:			
Owners of the Company			
- Total comprehensive income from continuing operations, net of tax	17,639	52,776	-66.6%
- Total comprehensive income from discontinued operation, net of tax	(45)	102	NM
	17,594	52,878	-66.7%

NM – Not meaningful

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 Half Year Ended 30 June 2025

	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 2025	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
Profit for the period	-	-	-	-	-	-	-	-	56,011	56,011	65,140	121,151
<u>Other comprehensive income</u>												
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	(38,766)	-	-	-	(38,766)	(60,628)	(99,394)
Net fair value changes of equity instruments at fair value through other comprehensive income	-	-	-	(57)	-	-	-	-	-	(57)	-	(57)
Net fair value changes of debt instruments at fair value through other comprehensive income	-	-	-	406	-	-	-	-	-	406	672	1,078
Other comprehensive income for the period, net of tax	-	-	-	349	-	(38,766)	-	-	-	(38,417)	(59,956)	(98,373)
Total comprehensive income for the period	-	-	-	349	-	(38,766)	-	-	56,011	17,594	5,184	22,778
Transactions with owners, recorded directly in equity												
<u>Contributions by and distributions to owners</u>												
Share issued during the period	107	-	-	-	-	-	-	-	-	107	-	107
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(22,444)	(22,444)	-	(22,444)
Dividends paid/payable to non- controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(24,102)	(24,102)
Cost of share-based compensation	-	-	-	-	504	-	-	-	-	504	916	1,420
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,263	1,263
<u>Changes in ownership interests in subsidiaries</u>												
Dilution of interest in subsidiary	-	-	-	-	-	-	(242)	-	-	(242)	242	-
<u>Others</u>												
Transfer to statutory reserve	-	-	7,017	-	-	-	-	-	(7,017)	-	-	-
Reserve attributable to disposal group classified as held for distribution to owners	-	-	-	-	-	49	-	(49)	-	-	-	-
At 30 June 2025	468,084	(19)	48,769	8,247	6,426	(110,923)	78,790	616	509,662	1,009,652	1,420,223	2,429,875

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 Half Year Ended 30 June 2025

	Share capital \$'000	Capital reserve \$'000	Statutory reserve \$'000	Fair value reserve \$'000	Share option reserve \$'000	Translation reserve \$'000	Hedging 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 period	-	-	-	-	-	-	-	-	-	49,544	49,544	42,985	92,529
<u>Other comprehensive income</u>													
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	2,304	-	-	-	-	2,304	6,013	8,317
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	129	-	-	-	129	-	129
Realisation of reserve upon disposal of instruments at fair value through other comprehensive income	-	-	-	(674)	-	-	-	-	-	674	-	-	-
Net fair value changes of equity instruments at fair value through other comprehensive income	-	-	-	(233)	-	-	-	-	-	-	(233)	-	(233)
Net fair value changes of debt instruments at fair value through other comprehensive income	-	-	-	1,134	-	-	-	-	-	-	1,134	2,185	3,319
Other comprehensive income for the period, net of tax	-	-	-	227	-	2,304	129	-	-	674	3,334	8,198	11,532
Total comprehensive income for the period	-	-	-	227	-	2,304	129	-	-	50,218	52,878	51,183	104,061
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	-	-	-	-	-	-	-	-	-	-	-	(8,943)	(8,943)
Cost of share-based compensation	-	-	-	-	14	-	-	-	-	-	14	25	39
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	15,450	15,450
<u>Changes in ownership interests in subsidiaries</u>													
Dilution of interest in subsidiary	-	-	-	-	-	-	-	(1,209)	-	-	(1,209)	1,209	-
<u>Others</u>													
Transfer to statutory reserve	-	-	4,374	-	-	-	-	-	-	(4,374)	-	-	-
Reserve attributable to disposal group classified as held for distribution to owners	-	-	-	-	-	198	-	-	(198)	-	-	-	-
At 30 June 2024	467,977	(19)	35,104	9,920	5,419	(82,006)	129	62,077	627	459,502	958,730	1,504,377	2,463,107

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 Half Year Ended 30 June 2025**

Company	Share capital \$'000	Capital reserve \$'000	Share option reserve \$'000	Accumulated (losses)/profits \$'000	Total equity \$'000
At 1 January 2025	467,977	9,199	2,631	(216,669)	263,138
Total comprehensive income for the period	-	-	-	17,372	17,372
Transactions with owners, recorded directly in equity					
<u>Contributions by and distributions to owners</u>					
Share issued during the period	107	-	-	-	107
Dividends paid to shareholders	-	-	-	(22,444)	(22,444)
Cost of share-based compensation	-	-	5	-	5
At 30 June 2025	<u>468,084</u>	<u>9,199</u>	<u>2,636</u>	<u>(221,741)</u>	<u>258,178</u>
At 1 January 2024	467,977	9,199	2,629	(227,627)	252,178
Total comprehensive income for the period	-	-	-	9,647	9,647
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	-	-	2	-	2
At 30 June 2024	<u>467,977</u>	<u>9,199</u>	<u>2,631</u>	<u>(232,940)</u>	<u>246,867</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 Half Year Ended 30 June 2025**

	Group	
	Half year ended 30 June 2025 \$'000	Half year ended 30 June 2024 \$'000
Operating activities		
Profit before income tax from continuing operations	149,208	120,380
(Loss)/profit before income tax from discontinued operation	(67)	152
Adjustments for:		
Share of results of associates and joint ventures, net of income tax	(24,523)	(21,322)
Cost of share-based payments	1,420	39
Depreciation and amortisation	77,573	80,351
Allowance made/(written back) for inventories obsolescence	5,634	(87)
Impairment losses recognised for trade and other receivables	3,202	2,000
Property, plant and equipment written off	54	12
Finance costs	12,798	18,002
Dividend income from other investments	(36)	(33)
Interest income	(10,474)	(16,148)
Gain on disposal of:		
- joint venture	-	(14)
- property, plant and equipment	(244)	(2,926)
Fair value loss/(gain) on derivatives	25	(30)
Provision for warranties and other costs, net	61,120	60,735
Operating cash flows before changes in working capital	275,690	241,111
Changes in working capital:		
Inventories and development properties	(5,509)	9,717
Trade and other receivables and capitalised contract costs	(706,197)	(401,624)
Trade and other payables and contract liabilities	891,671	245,487
Grant received from government	20,633	15,514
Provisions utilised	(46,978)	(44,269)
Cash flows from operations	429,310	65,936
Income tax paid	(31,814)	(20,408)
Net cash flows from operating activities	397,496	45,528

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 Half Year Ended 30 June 2025**

	Group	
	Half year ended 30 June 2025 \$'000	Half year ended 30 June 2024 \$'000
Investing activities		
Dividends received from:		
- associates and joint ventures	27,648	6,995
- other investments	36	33
Interest received	10,540	16,724
Net release/(placement) of deposits with banks	20,240	(7,884)
Purchase/Addition of:		
- property, plant and equipment	(47,543)	(32,125)
- right-of-use assets	(833)	-
- intangible assets	(12,176)	(11,469)
Net cash inflow on disposal of:		
- subsidiary, net of cash disposed	948	40,556
- property, plant and equipment	494	4,766
- joint venture	-	321
- other investments	-	3,116
Net cash flows (used in)/from investing activities	(646)	21,033
Financing activities		
Contribution by non-controlling interests	1,263	15,450
Dividends paid to non-controlling interests of subsidiaries	(24,102)	(8,943)
Dividends paid to shareholders of the Company	(22,444)	(14,960)
Interest paid	(13,661)	(19,089)
Net proceeds from shares issue	107	-
Proceeds from borrowings	226,584	295,122
Repayment in respect of borrowings	(290,658)	(245,666)
Repayment of obligation under lease liabilities	(7,233)	(7,072)
Net cash flows (used in)/from financing activities	(130,144)	14,842
Net increase in cash and cash equivalents	266,706	81,403
Cash and cash equivalents at beginning of the financial period	1,256,770	1,143,160
Effect of exchange rate changes on balances held in foreign currencies	(54,358)	3,091
Cash and cash equivalents at end of the financial period	1,469,118	1,227,654
Comprising:		
Cash and short-term deposits	1,540,475	1,326,366
Less: Short-term deposits and restricted deposits	(72,573)	(100,089)
Add: Cash at bank attributable to discontinued operation	1,216	1,377
	1,469,118	1,227,654

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 Ended 30 June 2025

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 ended 30 June 2025 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 annual financial statements for the year ended 31 December 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.

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 2024.

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, gensets and marine applications.
- (ii) Building materials: cement, precast 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 2025 or 2024. Results relating to discontinued operation are excluded from this note as they are presented in a single line item as "(loss)/profit 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 Executive Officer, who is the 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 Ended 30 June 2025

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 30 June 2025					
Total external revenue	2,508,733	310,207	10,017	-	2,828,957
Reportable segment profit/(loss) before income tax	117,902	44,190	(12,951)	67	149,208
Reportable segment profit/(loss) after income tax	96,824	37,448	(13,121)	67	121,218
30 June 2025					
Assets and liabilities					
Reportable segment assets [®]	5,601,182	428,031	1,415,812	(1,218,492)	6,226,533
Interests in associates and joint ventures	54,015	212,406	50	-	266,471
Reportable segment liabilities	3,476,286	186,451	1,220,274	(819,882)	4,063,129
Half year ended 30 June 2024					
Total external revenue	1,918,325	321,480	11,410	-	2,251,215
Reportable segment profit/(loss) before income tax	80,943	50,257	(10,668)	(152)	120,380
Reportable segment profit/(loss) after income tax	61,915	41,951	(11,337)	(152)	92,377
31 December 2024					
Assets and liabilities					
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

* 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 Ended 30 June 2025

5. Property, plant and equipment

During the half year ended 30 June 2025, the Group acquired assets with a cost of \$48,020,000 (30 June 2024: \$24,725,000).

Capital commitments

As at 30 June 2025, the Group had capital expenditure contracted for but not recognised in the financial statements amounting to \$52,920,000 (31 December 2024: \$60,151,000).

6. Intangible assets

Group	Development expenditure \$'000	Technology know-how \$'000	Computer software \$'000	Trade- marks \$'000	Club membership \$'000	Goodwill \$'000	Total \$'000
At 31 December 2024							
Cost	110,345	287,176	11,221	35,248	313	11,569	455,872
Accumulated amortisation and impairment losses	(10,070)	(101,120)	(10,262)	(3,680)	(313)	(10,667)	(136,112)
Net carrying amount	100,275	186,056	959	31,568	-	902	319,760
Half year ended 30 June 2025							
Opening net carrying amount	100,275	186,056	959	31,568	-	902	319,760
Additions	13,642	-	55	-	-	-	13,697
Amortisation charge for the period	-	(19,334)	(130)	-	-	-	(19,464)
Transfer	(9,740)	9,740	-	-	-	-	-
Translation differences	(4,398)	(7,795)	(10)	(1,359)	-	-	(13,562)
Closing net carrying amount	99,779	168,667	874	30,209	-	902	300,431
At 30 June 2025							
Cost	109,552	284,344	6,516	33,624	313	11,569	445,918
Accumulated amortisation and impairment losses	(9,773)	(115,677)	(5,642)	(3,415)	(313)	(10,667)	(145,487)
Net carrying amount	99,779	168,667	874	30,209	-	902	300,431

Additions during the half year ended 30 June 2025 were mainly capitalised technology development costs for development of National VI/VI(b), Tier 4 engines and new energy products.

Hong Leong Asia Ltd. and its subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year Ended 30 June 2025**

6. Intangible assets (cont'd)

Company	Computer software and related costs \$'000	Club membership \$'000	Total \$'000
At 31 December 2024 and 30 June 2025			
Cost	1,502	313	1,815
Accumulated amortisation and impairment losses	(1,502)	(313)	(1,815)
Net carrying amount	-	-	-

7. Loans and borrowings and lease liabilities

	Group		Company	
	30 June 2025 \$'000	31 December 2024 \$'000	30 June 2025 \$'000	31 December 2024 \$'000
Amount repayable in one year or less, or on demand				
Unsecured bank loans	589,288	574,461	186,014	204,214
Secured bank loans	-	1,859	-	-
	589,288	576,320	186,014	204,214
Unsecured lease liabilities				
	15,118	13,926	55	55
	15,118	13,926	55	55
Amount repayable after one year				
Unsecured bank loans	201,779	297,604	200,000	179,000
	201,779	297,604	200,000	179,000
Unsecured lease liabilities				
	28,983	32,905	110	137
	28,983	32,905	110	137

As at 30 June 2025, the Group had no secured banking facilities. The secured banking facilities of the Group are secured on the assets of certain subsidiaries with a total carrying value as at 31 December 2024 of \$2,324,000.

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the Half Year Ended 30 June 2025

8. Share capital

	Group and Company			
	30 June 2025		31 December 2024	
	No. of shares '000	Amount \$'000	No. of shares '000	Amount \$'000
Issued and fully paid ordinary shares, with no par value				
Beginning of period/year	747,979	467,977	747,979	467,977
Shares issued under the Hong Leong Asia Share Option Scheme 2000 (the "Scheme")	163	107	–	–
End of period/year	748,142	468,084	747,979	467,977

The total number of issued shares as at 30 June 2024 was 748,141,318 (31 December 2024: 747,978,318). There were no shares held as treasury shares or subsidiary holdings as at 30 June 2025, 31 December 2024 and 30 June 2024.

There was no sale, transfer, disposal, cancellation and/or use of treasury shares/subsidiary holdings during the half year ended 30 June 2025.

Share options

During the half year ended 30 June 2025, options to acquire 103,000 shares granted in 2020 were exercised at \$0.54 per share and options to acquire 60,000 shares granted in 2021 were exercised at \$0.87 per share pursuant to the terms of the Scheme.

As at 30 June 2025, there were a total of 500,000 (30 June 2024: 438,000) unissued shares under option granted pursuant to the Scheme. Details are as follows:

Year of Grant	Exercise Price	Number of Outstanding Options
2020	\$0.54	75,000
2021	\$0.72	200,000
2025	\$1.06	225,000
Total		500,000

Hong Leong Asia Ltd. and its subsidiaries

**Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year Ended 30 June 2025**

9. Revenue

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

Segments	Half year ended 30 June 2025			Consolidated total \$'000
	Powertrain solutions \$'000	Building materials \$'000	Others \$'000	
Major product or service lines				
Sale of heavy-duty engines	858,898	-	-	858,898
Sale of medium-duty engines	563,148	-	-	563,148
Sale of light-duty engines	266,436	-	-	266,436
Sale of precast concrete products	-	57,711	-	57,711
Sale of ready-mix concrete	-	155,785	-	155,785
Sale of cement	-	81,654	-	81,654
Sale of other goods	-	14,867	-	14,867
Sale of rigid packaging products	-	-	7,174	7,174
Hospitality operations	5,085	-	2,828	7,913
Others ⁽¹⁾	815,166	190	15	815,371
	2,508,733	310,207	10,017	2,828,957

⁽¹⁾ Included sales of 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 Ended 30 June 2025**

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 30 June 2025			Consolidated total \$'000
	Powertrain solutions \$'000	Building materials \$'000	Others \$'000	
Geographical markets				
The PRC	2,486,097	-	6,335	2,492,432
Singapore	324	200,162	839	201,325
Malaysia	1,333	110,045	2,843	114,221
Others	20,979	-	-	20,979
	2,508,733	310,207	10,017	2,828,957
Timing of revenue recognition				
Goods and services transferred at a point in time	2,494,977	310,207	7,960	2,813,144
Services transferred over time	13,756	-	2,057	15,813
	2,508,733	310,207	10,017	2,828,957

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year Ended 30 June 2025

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 30 June 2024			
	Powertrain solutions	Building materials	Others	Consolidated total
	\$'000	\$'000	\$'000	\$'000
Major product or service lines				
Sale of heavy-duty engines	652,929	-	-	652,929
Sale of medium-duty engines	580,803	-	-	580,803
Sale of light-duty engines	208,853	-	-	208,853
Sale of precast concrete products	-	45,409	-	45,409
Sale of ready-mix concrete	-	175,606	-	175,606
Sale of cement	-	88,508	-	88,508
Sale of other goods	-	11,957	-	11,957
Sale of rigid packaging products	-	-	8,618	8,618
Hospitality operations	5,261	-	2,778	8,039
Others ⁽¹⁾	470,479	-	14	470,493
	1,918,325	321,480	11,410	2,251,215

⁽¹⁾ Included sales of 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 Ended 30 June 2025**

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 30 June 2024			Consolidated total \$'000
	Powertrain solutions \$'000	Building materials \$'000	Others \$'000	
Geographical markets				
The PRC	1,900,533	-	7,786	1,908,319
Singapore	750	209,942	832	211,524
Malaysia	281	111,538	2,792	114,611
Others	16,761	-	-	16,761
	1,918,325	321,480	11,410	2,251,215
Timing of revenue recognition				
Goods and services transferred at a point in time	1,913,064	321,480	9,333	2,243,877
Services transferred over time	5,261	-	2,077	7,338
	1,918,325	321,480	11,410	2,251,215

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the Half Year Ended 30 June 2025

10. Profit before income tax from continuing operations

Profit before income tax from continuing operations includes the following:

	Half year ended 30 June 2025 \$'000	Group Half year ended 30 June 2024 \$'000	+/- %
Gain on disposal of property, plant and equipment, net	244	2,926	-91.7%
Impairment losses recognised for trade and other receivables, net	(3,202)	(2,000)	60.1%
Allowance (made)/written back for inventories obsolescence	(5,634)	87	NM
Depreciation and amortisation	(77,573)	(80,351)	-3.5%
Foreign exchange gain, net	867	1,697	-48.9%
Interest expense	(12,247)	(17,565)	-30.3%
Interest income	10,474	16,145	-35.1%
Write-off of property, plant and equipment	(54)	(12)	350.0%

NM – Not meaningful

11. Income tax expense

For the half year ended 30 June 2025, the Group's tax expenses included additional provision of \$255,000 for prior years (30 June 2024: additional provision of \$2,912,000 for prior years).

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 Half year ended 30 June 2025 No. of shares	Group Half year ended 30 June 2024 No. of shares
Weighted average number of shares issued, used in the calculation of basic earnings per share	748,113,368	747,978,318
Dilutive effect of share options	126,013	19,934
Weighted average number of ordinary shares (diluted)	748,239,381	747,998,252

As of 30 June 2025, there were no anti-dilutive share options under the Scheme. As of 30 June 2024, 260,000 share options granted to Group Employees (as defined in the Scheme) under the Scheme were excluded from the calculation of diluted earnings per share because they are anti-dilutive.

**Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year Ended 30 June 2025**

13. Related party transactions

(a) Sale and purchase of goods and services

During the half year ended 30 June 2025, the Group did not make payments to firms, in which a director has an interest, in respect of professional services rendered (30 June 2024: \$11,137). No balance was outstanding at the balance sheet date (31 December 2024: Nil).

Significant transactions with related parties made at terms agreed between the parties during the half year ended 30 June, other than those disclosed elsewhere in the financial statements, are as follows:

	Group Half year ended 30 June 2025 \$'000	Half year ended 30 June 2024 \$'000
Sale of engines and materials		
- associates and joint ventures	101,304	105,197
- related corporations	33,423	252,617
Purchase of materials, supplies and engines		
- associates and joint ventures	287,769	212,040
- related corporations	244,043	178,190
Management services income		
- an associate	222	222
Management services paid and payable		
- related corporations	62	61
Rental paid and payable (include general expenses)		
- immediate holding company	-	318
- related corporations	363	-
- a joint venture	2,722	-
General and administrative expenses		
- joint ventures	597	1,087
- related corporations	10,643	4,507
Delivery, storage, distribution and handling expenses		
- related corporations	16,125	13,516
Hospitality, restaurant, consultancy and other service income		
- joint ventures	385	1,150
- related corporations	5,449	4,247
Rental income		
- joint ventures	4	-
- related corporations	46	25

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the Half Year Ended 30 June 2025

13. Related party transactions (cont'd)

(b) *Outstanding balances with a related party*

As at 30 June 2025, fixed deposits held with a related party amounted to \$13,131,000 (31 December 2024: \$13,630,000).

(c) *Commitments with related parties*

As at 30 June 2025, the Group had commitments to purchase raw materials from related parties amounting to approximately \$69,667,000 between 2025 and 2028 (31 December 2024: \$85,151,000 between 2025 and 2028).

14. Dividends

	Group	
	Half year ended 30 June 2025	Half year ended 30 June 2024
	\$'000	\$'000
Declared and paid during the financial period		
<i>Dividends on ordinary shares:</i>		
Final tax exempt (1-tier) dividend paid of 3 cents per share in respect of year 2024 (30 June 2024: First and final tax exempt (1-tier) dividend paid of 2 cents per share in respect of year 2023)	22,444	14,960

15. Net Asset Value

	Group		Company	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
Net asset value per ordinary share (cents)	134.95	135.58	34.51	35.18

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 Ended 30 June 2025

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 of assets 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
30 June 2025			
Financial assets			
Other investments	2,072	-	2,072
Bill receivables	-	470,326	470,326
As at 30 June 2025	<u>2,072</u>	<u>470,326</u>	<u>472,398</u>
Financial liabilities			
Derivatives	-	11	11
As at 30 June 2025	<u>-</u>	<u>11</u>	<u>11</u>
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>

(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 Ended 30 June 2025

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
30 June 2025				
Assets				
Other investments	-	2,072	-	2,072
Trade and other receivables*	2,008,242	470,326	-	2,478,568
Cash and bank balances	1,540,475	-	-	1,540,475
	<u>3,548,717</u>	<u>472,398</u>	<u>-</u>	<u>4,021,115</u>
Liabilities				
Trade and other payables	-	-	2,868,906	2,868,906
Other non-current liabilities	-	-	43,283	43,283
Loans and borrowings	-	-	791,067	791,067
	<u>-</u>	<u>-</u>	<u>3,703,256</u>	<u>3,703,256</u>
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>

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

**Other Information Required by Listing Rule Appendix 7.2
For the Half Year Ended 30 June 2025**

1. Review

The condensed interim consolidated balance sheets of Hong Leong Asia Ltd. and its subsidiaries as at 30 June 2025 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 ended 30 June 2025

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

Group

- **Non-current assets:** The decrease in non-current assets was mainly due to (a) depreciation of property, plant and equipment and translation loss as Renminbi (“**RMB**”) weakened against the Singapore dollar (“**SGD**”), partially offset by additional capital expenditure during the half year ended 30 June (“**1H**”) 2025, (b) amortisation of intangible assets and RMB translation loss, partially offset by capitalisation of development costs for National VI/VI(b), Tier 4 engines and new energy products, and (c) depreciation of right-of-use assets and RMB translation loss, partially offset by additions of right-of-use assets during 1H 2025.

This decrease was partially offset by the increase in interests in associates and joint ventures due to the recognition of share of profits of associates and joint ventures in 1H 2025, net of dividends received from a joint venture and associates.

There was a reclassification of non-current receivables amounting to \$51.2 million to interests in joint ventures upon capitalisation of intercompany loans to a joint venture during 1H 2025.

- **Current assets:** The increase in current assets was mainly due to (a) higher trade and other receivables mainly due to higher sales during the period, partially offset by RMB translation loss, and (b) higher cash and cash equivalents held as at 30 June 2025. This was partially offset by lower inventory mainly due to RMB translation effect.
- **Current liabilities:** The increase in current liabilities was mainly due to higher trade and other payables, loans and borrowing and provisions. In particular:
 - The increase in trade and other payables was mainly due to higher purchases during the period, partially offset by RMB translation effect.
 - The increase in loans and borrowings was mainly due to reclassification of loans (maturing within the next 12 months) from non-current liabilities to current liabilities, net of repayment.
 - Additional provision for warranty was taken up during 1H 2025 due to higher sales for the Group’s Powertrain Solutions Unit (“**Yuchai**”).
 - The increase in lease liabilities was mainly due to new leases taken up.

Contract liabilities decreased as there was less advanced payment from customers as at 30 June 2025. Current tax payables reduced as tax payments exceeded tax provision made in 1H 2025.

- **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 lower lease liabilities.

2. Notes to the financial statements for the half year ended 30 June 2025 (cont'd)

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

Group (cont'd)

- **Shareholders' equity:** The decrease in equity attributable to owners of the Company was because dividends paid and translation losses (due to depreciation of RMB against the SGD during the period) exceeded the current period profit.

Company

- **Non-current assets:** The increase in non-current assets was mainly due to reclassification of amounts due from subsidiaries to investment in subsidiaries upon capitalisation of the intercompany loans and related accrued interest.
- **Current assets:** The decrease in current assets was mainly due to reclassification of amounts due from subsidiaries to investment in subsidiaries upon capitalisation of the intercompany loans and related accrued interest, lower cash and cash equivalents held as at 30 June 2025 and net repayment from subsidiaries during 1H 2025.
- **Current liabilities:** The decrease in current liabilities was mainly due to refinancing of loans and borrowings with longer tenures and lower interest payable, partially offset by additional loans and borrowings (net) taken up as at 30 June 2025.
- **Non-current liabilities:** The increase in non-current liabilities was mainly due to refinancing of loans and borrowings as long-term liabilities during 1H 2025.

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 in 1H 2025 was attributed mainly to the Group's Building Materials Unit ("**BMU**") and Yuchai. Net gain on disposal of property, plant and equipment in 1H 2024 was attributed mainly to Group's Rigid Packaging Unit ("**Rex**").
- Net impairment losses recognised for trade and other receivables in 1H 2025 and 1H 2024 were attributed mainly to Yuchai.
- Net allowances made for inventories obsolescence in 1H 2025 were mainly attributed to Yuchai. Net allowances written back for inventories obsolescence in 1H 2024 were attributed mainly to Yuchai.
- The lower depreciation and amortisation recorded in 1H 2025 as compared to 1H 2024 were mainly due to higher proportion of fully depreciated property, plant and equipment, partially offset by additional capital expenditure and increase in technology know-how (and its amortisation) during the period.

2. Notes to the financial statements for the half year ended 30 June 2025 (cont'd)

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

Items included in profit before income tax from continuing operations: (cont'd)

- The net foreign exchange gain recorded in 1H 2025 was mainly due to (a) foreign exchange gain on revaluation of SGD assets in China Yuchai International Limited (“**CYI**”) (with functional currency in United States dollar (“**USD**”)) as SGD strengthened against USD, and (b) realised foreign exchange gain on Euro-denominated trade sales and USD-denominated trade purchases. This was partially offset by foreign exchange loss on USD-denominated monetary assets, due to the weakening of USD against SGD and foreign exchange loss on revaluation of SGD-denominated liabilities in subsidiaries with functional currency in Malaysian Ringgit (“**RM**”) as a result of the weakening of RM against SGD.

The net foreign exchange gain recorded in 1H 2024 was mainly due to foreign exchange gain on revaluation of USD assets, as a result of the weakening of SGD against USD. This was partially offset by foreign exchange loss on revaluation of SGD assets in CYI.

- The decrease in interest expense in 1H 2025 was due mainly to lower bank interest rates and bank loan principal.
- Interest income in 1H 2025 was lower than 1H 2024 mainly due to lower fixed deposits placed.
- The write-offs of property, plant and equipment in 1H 2025 were recorded by Yuchai and BMU. The write-offs of property, plant and equipment in 1H 2024 were recorded mainly by Yuchai.

3. Review of performance of the Group

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

In China, National Bureau of Statistics reported that GDP grew 5.2% in the second quarter (“**2Q**”) of 2025 from a year earlier, slowing from 5.4% in the first quarter. On a quarter-by-quarter basis, the GDP for 2Q 2025 increased by 1.1%, compared with a 1.2% gain in the previous quarter. China’s economy slowed in 2Q 2025 as analysts warn of underlying weakness and rising risks that will ramp up pressure on Beijing to roll out more stimulus¹. Against a challenging market backdrop, Yuchai reported a significant increase in profits, boosted by strong volume growth.

In Singapore, the Ministry of Trade and Industry announced that growth in the construction sector came in at 6.0% year-on-year for 2Q 2025, faster than the 4.9% expansion in the first quarter. Growth during the quarter was supported by expansions in both public sector and private construction output². Pick-up in precast concrete volume for BMU in Singapore (“**BMU Singapore**”) was seen with the commencement of new projects. However, ready-mix concrete volume was affected by delays in capacity replacement.

¹ <https://www.reuters.com/world/china/chinas-q2-gdp-grows-52-yy-above-market-forecast-2025-07-15/>

² <https://www.singstat.gov.sg/-/media/files/news/gdp2q2025.ashx>

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

The Department of Statistics Malaysia announced that the construction sector registered double-digit growth of 11.0% in 2Q 2025 as compared to 14.2% in the first quarter³. Profitability for BMU in Malaysia ("**Tasek**") improved with better performance from concrete business and associates, on the back of operational efficiency gains and appreciation of RM against SGD. However, cement business reported a decline in sales volume and profits, despite the softening of fuel costs.

1H 2025 versus 1H 2024

Notes:

- (a) *Approximately 89% of the Group's total revenue is generated from its businesses in China. For the half year ended 30 June, translation of income statements from RMB to SGD had been made at the average exchange rates of RMB5.4970 = SGD1.00 for 1H 2025 and RMB5.3648 = SGD1.00 for 1H 2024. For 1H 2025, RMB depreciated by about 2.5% as compared to 1H 2024.*
- (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 for 1H 2025 and 1H 2024.*

Revenue for the Group was \$2.829 billion in 1H 2025, an increase of \$577.8 million or 25.7%, from \$2.251 billion in 1H 2024. The increase in revenue was mainly due to higher revenue recorded by Yuchai.

- Yuchai's revenue increased by \$590.4 million or 30.8% as compared to 1H 2024. The total number of engines sold by Yuchai in 1H 2025 was 250,396 units, a 29.9% increase as compared to 192,743 units sold in 1H 2024. The increase was mainly due to higher unit sales in almost every engine segment. Truck and bus engines unit sales rose by 38.0%, despite statistics from the China Association of Automobile Manufacturers reporting a decline in sales of commercial vehicles (excluding gasoline-powered and electric-powered vehicles) by 2.6% as compared with 1H 2024. Engines sales to the off-road markets increased by 17.5% in 1H 2025 as compared with 1H 2024, led by a 31.5% year-over-year increase in unit sales to the marine and power generation markets. Engines for industrial applications rose by 27.2% in 1H 2025, compared with 1H 2024 while engine sales for agricultural equipment experienced modest growth in 1H 2025.
- BMU's revenue decreased by \$11.3 million or 3.5% as compared to 1H 2024, largely due to lower sales volume for ready-mix concrete and cements, which was partially offset by improvement in precast concrete sales volume.

The Group's gross profit was \$427.5 million in 1H 2025, an increase of \$66.8 million from \$360.7 million in 1H 2024. This was mainly due to increase in gross profit recorded, with higher sales volume, for Yuchai. The Group's gross margin decreased to 15.1% in 1H 2025 as compared to 16.0% in 1H 2024.

Other income, which comprised mainly government grants and VAT rebate, interest income, technology licensing income and foreign exchange gain, was \$43.4 million in 1H 2025, an increase of \$0.2 million from \$43.2 million in 1H 2024. The increase was largely due to technology licensing income recognised in 1H 2025 and higher VAT rebates, partially offset by lower interest income and net foreign exchange gain.

³ <https://www.dosm.gov.my/portal-main/release-content/advance-gross-domestic-product-gdp-estimates-second-quarter-2025>

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

1H 2025 versus 1H 2024 (cont'd)

Selling and distribution expenses were \$119.3 million in 1H 2025, an increase of \$7.6 million or 6.8% as compared to \$111.7 million in 1H 2024, largely due to higher staff costs for Yuchai.

Research and development (“R&D”) expenses were \$86.7 million in 1H 2025, an increase of \$13.3 million or 18.2% as compared to \$73.4 million in 1H 2024, largely due to higher experimental costs and staff costs for Yuchai. Total R&D expenditures (including capitalised costs) were \$100.4 million representing 4.0% of Yuchai’s revenue in 1H 2025, as compared to \$86.3 million, or 4.5% of Yuchai’s revenue, in 1H 2024.

General and administrative expenses were \$127.2 million in 1H 2025, an increase of \$25.8 million or 25.5% as compared to \$101.4 million in 1H 2024. The increase was mainly due to higher staff costs for Yuchai.

Finance costs were \$12.8 million in 1H 2025, a decrease of \$5.2 million or 28.9% as compared to \$18.0 million in 1H 2024. This was mainly due to lower interest rates and bank loan principal.

Other expenses were \$0.2 million in 1H 2025, a decrease of \$0.1 million from \$0.3 million in 1H 2024.

Share of results of associates and joint ventures was a profit of \$24.5 million in 1H 2025 as compared to \$21.3 million in 1H 2024. This was mainly due to better performance from a joint venture of Yuchai, partially offset by the absence of share of gain of \$3.3 million recognised by an associate relating to disposal of its own associate in 1H 2024.

In conclusion, profit from continuing operations was \$121.2 million in 1H 2025 as compared to \$92.4 million in 1H 2024. Profit attributable to the owners of the Company was \$56.0 million in 1H 2025, an increase of \$6.5 million or 13.1% as compared to \$49.5 million in 1H 2024. Adjusting for one-off gain of \$3.3 million being share of gain recognised by an associate relating to disposal of its own associate in 1H 2024, PATMI for 1H 2025 would have increased by \$9.8 million or 21.2% year-on-year.

Working Capital and Cash Flow

The Group had cash and short-term deposits of \$1.540 billion as at 30 June 2025 compared with \$1.352 billion as at 31 December 2024.

During the period under review, the Group generated operating cash inflow before changes in working capital of \$275.7 million and net cash inflow from operating activities of \$397.5 million. This was mainly due to higher trade and other payables, partially offset by higher trade and other receivables as compared to 31 December 2024.

The net cash outflow from investing activities of \$0.6 million was mainly due to purchase of property, plant and equipment and addition of intangible assets. This was partially offset by dividends received from associates and joint ventures, net release of bank deposits and interest received.

The net cash outflow from financing activities of \$130.1 million was mainly due to net repayment of borrowings of \$64.1 million, dividends paid to shareholders of the Company and non-controlling interests of subsidiaries of \$46.5 million and interest payments.

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

Working Capital and Cash Flow (cont'd)

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 had announced that \$188.0 million of the net proceeds had been utilised. Since then, no further utilisation of the rights proceeds has 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, Yuchai had grown strongly in 1H 2025, with an improved market position despite a mixed domestic market. Beyond growth from the export of commercial vehicles internationally, Yuchai's 50/50 joint-venture MTU Yuchai Power Company Limited is expanding its capacity to meet growing demand especially for data centre applications. Yuchai also continues to invest in R&D initiatives to improve its powertrain solutions, including the development of clean heavy-duty gas engines and New Energy powertrain products.

In Singapore, the outlook remains positive for BMU Singapore as order books for the precast concrete and ready-mix concrete segments continue to grow from new 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 S\$47 billion and S\$53 billion⁴.

Tasek expects Malaysian demand for building materials to improve with increased infrastructure development, aided further by growth in the development of Johor-Singapore Special Economic Zone⁵. While overall operating costs are on the rise with the increase in Sales and Services Tax, Tasek is focused on improving its scale and operational efficiency, increasing the use of alternative raw materials and alternative fuels in the ongoing efforts to cut costs and be more sustainable.

Looking ahead, the Group does not expect the US tariffs to have any direct impact on its operations. However, uncertainties with the global economy and the key markets that the Group serves will continue to persist in this new era. Management will remain focused on building the order books, improving operational efficiencies and managing costs to stay relevant and resilient.

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

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/js-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 Ended 30 June 2025

6. Dividend

(a) Current Financial Period Reported On

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

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

(c) Date payable

9 September 2025

(d) Record date

5.00 p.m. on 28 August 2025

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

Not applicable.

8. Interested person transactions

Name of Interested Person ("IP")	Nature of Relationship	Aggregate value of all interested person transactions for 1H 2025 conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Kimsik Sdn Bhd ("KS")	Hong Leong Investment Holdings Pte. Ltd. ("HLIH") is a controlling shareholder of the Company. KS, being an associate of HLIH, is an IP.	Construction-related Transaction - Sale of raw materials to IP: \$593,852.48
		Total: \$593,852.48

Hong Leong Asia Ltd. and its subsidiaries

**Other Information Required by Listing Rule Appendix 7.2
For the Half Year Ended 30 June 2025**

9. 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
Nor Aishah Binte Nasit
Company Secretaries

12 August 2025

Confirmation by the Board of Directors of the Company (the “Board”) pursuant to Rule 705(5) of the Listing Manual

The Board hereby confirms that to the best of its knowledge, nothing has come to its attention which may render the unaudited condensed interim consolidated financial statements of the Group for the half year ended 30 June 2025 to be false or misleading in any material respect.

On behalf of the Board

Kwek Leng Peck

Executive Chairman

12 August 2025

Stephen Ho Kiam Kong

Executive Director and Chief Executive Officer