

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 2025

## Hong Leong Asia Ltd. and its subsidiaries

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**Hong Leong Asia Ltd. and its subsidiaries**

**Condensed Interim Consolidated Balance Sheet  
As at 31 December 2025**

	Note	Group		Company	
		31 December 2025 \$'000	31 December 2024 \$'000	31 December 2025 \$'000	31 December 2024 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	5	778,957	757,545	511	668
Intangible assets	6	285,027	319,760	-	-
Investment in subsidiaries		-	-	391,072	229,867
Interests in associates		218,823	147,764	14,605	14,605
Interests in joint ventures		126,694	72,794	-	-
Investment property		761	776	-	-
Other investments		3,159	2,130	-	-
Non-current receivables		4,540	57,219	-	-
Capitalised contract costs		32,412	24,170	-	-
Right-of-use assets		126,886	121,285	134	190
Deferred tax assets		63,628	77,527	-	-
		<u>1,640,887</u>	<u>1,580,970</u>	<u>406,322</u>	<u>245,330</u>
<b>Current assets</b>					
Inventories		1,132,823	964,472	-	-
Development properties		3,319	3,110	-	-
Trade and other receivables		2,202,596	1,906,849	245,611	409,184
Cash and short-term deposits		1,602,648	1,351,961	2,075	4,776
Derivatives		-	14	-	-
		<u>4,941,386</u>	<u>4,226,406</u>	<u>247,686</u>	<u>413,960</u>
Assets of disposal group classified as held for distribution to owners		1,222	1,329	-	-
		<u>4,942,608</u>	<u>4,227,735</u>	<u>247,686</u>	<u>413,960</u>
<b>Total assets</b>		<u>6,583,495</u>	<u>5,808,705</u>	<u>654,008</u>	<u>659,290</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 Balance Sheet  
As at 31 December 2025

	Note	Group		Company	
		31 December 2025 \$'000	31 December 2024 \$'000	31 December 2025 \$'000	31 December 2024 \$'000
<b>Current liabilities</b>					
Trade and other payables		2,711,347	2,058,624	7,684	8,145
Contract liabilities		175,521	108,304	-	-
Lease liabilities	7	14,860	13,926	57	55
Provisions		100,857	78,213	-	-
Loans and borrowings	7	493,709	576,320	115,877	204,214
Current tax payable		22,436	19,237	-	-
Derivatives		5	-	-	-
		<u>3,518,735</u>	<u>2,854,624</u>	<u>123,618</u>	<u>212,414</u>
Liabilities directly associated with disposal group classified as held for distribution to owners		280	269	-	-
		<u>3,519,015</u>	<u>2,854,893</u>	<u>123,618</u>	<u>212,414</u>
<b>Net current assets</b>		<u>1,423,593</u>	<u>1,372,842</u>	<u>124,068</u>	<u>201,546</u>
<b>Non-current liabilities</b>					
Loans and borrowings	7	263,676	297,604	260,000	179,000
Deferred tax liabilities		29,395	26,567	5,225	4,601
Deferred grants		106,288	91,992	-	-
Other liabilities		41,352	44,951	-	-
Contract liabilities		7,235	8,940	-	-
Lease liabilities	7	33,342	32,905	80	137
		<u>481,288</u>	<u>502,959</u>	<u>265,305</u>	<u>183,738</u>
<b>Total liabilities</b>		<u>4,000,303</u>	<u>3,357,852</u>	<u>388,923</u>	<u>396,152</u>
<b>Net assets</b>		<u>2,583,192</u>	<u>2,450,853</u>	<u>265,085</u>	<u>263,138</u>
<b>Equity attributable to owners of the Company</b>					
Share capital	8	468,084	467,977	468,084	467,977
Reserves		621,921	545,491	(202,999)	(204,839)
Reserve attributable to disposal group classified as held for distribution to owners		616	665	-	-
		<u>1,090,621</u>	<u>1,014,133</u>	<u>265,085</u>	<u>263,138</u>
<b>Non-controlling interests</b>		<u>1,492,571</u>	<u>1,436,720</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>		<u>2,583,192</u>	<u>2,450,853</u>	<u>265,085</u>	<u>263,138</u>
<b>Total equity and liabilities</b>		<u>6,583,495</u>	<u>5,808,705</u>	<u>654,008</u>	<u>659,290</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 Income Statement For the Half Year and Year Ended 31 December 2025

	Note	Group		+/- %	Group		+/- %
		Half year ended 31 December 2025 \$'000	Half year ended 31 December 2024 \$'000		Year ended 31 December 2025 \$'000	Year ended 31 December 2024 \$'000	
<b>Continuing operations</b>							
Revenue	9	2,522,196	1,998,210	26.2%	5,182,291	4,249,425	22.0%
Cost of sales		(2,002,519)	(1,628,070)	23.0%	(4,235,106)	(3,518,626)	20.4%
Gross profit		519,677	370,140	<b>40.4%</b>	947,185	730,799	<b>29.6%</b>
<b>Other item of income</b>							
Other income		47,436	80,749	-41.3%	90,452	123,995	-27.1%
<b>Other items of expense</b>							
Selling and distribution expenses		(177,732)	(171,697)	3.5%	(297,052)	(283,428)	4.8%
Research and development expenses		(159,071)	(109,376)	45.4%	(245,790)	(182,736)	34.5%
General and administrative expenses		(107,463)	(98,692)	8.9%	(234,699)	(200,102)	17.3%
Finance costs		(10,146)	(16,501)	-38.5%	(22,944)	(34,503)	-33.5%
Other expenses		(276)	(1,362)	-79.7%	(42)	(1,706)	-97.5%
Share of results of associates and joint ventures, net of income tax		27,925	20,504	36.2%	52,448	41,826	25.4%
<b>Profit before income tax from continuing operations</b>							
	10	<b>140,350</b>	<b>73,765</b>	<b>90.3%</b>	<b>289,558</b>	<b>194,145</b>	<b>49.1%</b>
Income tax expense	11	(48,258)	(14,374)	235.7%	(76,248)	(42,377)	79.9%
<b>Profit from continuing operations, net of tax</b>		<b>92,092</b>	<b>59,391</b>	<b>55.1%</b>	<b>213,310</b>	<b>151,768</b>	<b>40.6%</b>
<b>Discontinued operation</b>							
(Loss)/profit from discontinued operation, net of tax		(20)	380	NM	(87)	532	NM
<b>Profit for the period/year</b>		<b>92,072</b>	<b>59,771</b>	<b>54.0%</b>	<b>213,223</b>	<b>152,300</b>	<b>40.0%</b>
<b>Attributable to:</b>							
Owners of the Company							
- Profit from continuing operations, net of tax		56,826	37,979	49.6%	112,882	87,421	29.1%
- (Loss)/profit from discontinued operation, net of tax		(13)	254	NM	(58)	356	NM
		<b>56,813</b>	<b>38,233</b>	<b>48.6%</b>	<b>112,824</b>	<b>87,777</b>	<b>28.5%</b>
Non-controlling interests							
- Profit from continuing operations, net of tax		35,266	21,412	64.7%	100,428	64,347	56.1%
- (Loss)/profit from discontinued operation, net of tax		(7)	126	NM	(29)	176	NM
		<b>35,259</b>	<b>21,538</b>	<b>63.7%</b>	<b>100,399</b>	<b>64,523</b>	<b>55.6%</b>
<b>Earnings per share from continuing operations attributable to owners of the Company (cents per share)</b>							
- Basic	12	7.60	5.08	49.6%	15.09	11.69	29.1%
- Diluted	12	7.59	5.08	49.6%	15.08	11.69	29.1%
<b>Earnings per share (cents per share)</b>							
- Basic	12	7.59	5.11	48.6%	15.08	11.74	28.5%
- Diluted	12	7.59	5.11	48.6%	15.08	11.73	28.5%

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 2025

	Group			Group		
	Half year ended 31 December 2025 \$'000	Half year ended 31 December 2024 \$'000	+/- %	Year ended 31 December 2025 \$'000	Year ended 31 December 2024 \$'000	+/- %
<b>Profit for the period/year</b>	<b>92,072</b>	<b>59,771</b>	<b>54.0%</b>	<b>213,223</b>	<b>152,300</b>	<b>40.0%</b>
<b>Other comprehensive income</b>						
<b>Items that will not be subsequently reclassified to profit or loss</b>						
Net fair value changes of equity instruments at fair value through other comprehensive income	793	(948)	NM	736	(1,181)	NM
<b>Items that may be subsequently reclassified to profit or loss</b>						
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	81,548	9,199	786.5%	(17,846)	17,516	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	(669)	(2,802)	-76.1%	409	517	-20.9%
Realisation of reserves upon disposal and liquidation of subsidiaries	-	(72)	NM	-	(72)	NM
<b>Other comprehensive income for the period/year, net of income tax</b>	<b>81,672</b>	<b>5,248</b>	<b>1456.2%</b>	<b>(16,701)</b>	<b>16,780</b>	<b>NM</b>
<b>Total comprehensive income for the period/year</b>	<b>173,744</b>	<b>65,019</b>	<b>167.2%</b>	<b>196,522</b>	<b>169,080</b>	<b>16.2%</b>
<b>Attributable to:</b>						
Owners of the Company	94,005	45,425	106.9%	111,599	98,303	13.5%
Non-controlling interests	79,739	19,594	307.0%	84,923	70,777	20.0%
<b>Total comprehensive income for the period/year</b>	<b>173,744</b>	<b>65,019</b>	<b>167.2%</b>	<b>196,522</b>	<b>169,080</b>	<b>16.2%</b>
<b>Attributable to:</b>						
Owners of the Company						
- Total comprehensive income from continuing operations, net of tax	94,018	45,171	108.1%	111,657	97,947	14.0%
- Total comprehensive income from discontinued operation, net of tax	(13)	254	NM	(58)	356	NM
	<b>94,005</b>	<b>45,425</b>	<b>106.9%</b>	<b>111,599</b>	<b>98,303</b>	<b>13.5%</b>

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 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
<b>The Group</b>												
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 year	-	-	-	-	-	-	-	-	112,824	112,824	100,399	213,223
<u>Other comprehensive income</u>												
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	(2,109)	-	-	-	(2,109)	(15,737)	(17,846)
Net fair value changes of equity instruments at fair value through other comprehensive income	-	-	-	736	-	-	-	-	-	736	-	736
Net fair value changes of debt instruments at fair value through other comprehensive income	-	-	-	148	-	-	-	-	-	148	261	409
Other comprehensive income for the year, net of tax	-	-	-	884	-	(2,109)	-	-	-	(1,225)	(15,476)	(16,701)
Total comprehensive income for the year	-	-	-	884	-	(2,109)	-	-	112,824	111,599	84,923	196,522
<b>Transactions with owners, recorded directly in equity</b>												
<u>Contributions by and distributions to owners</u>												
Shares issued during the year	107	-	-	-	-	-	-	-	-	107	-	107
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(37,407)	(37,407)	-	(37,407)
Dividends paid/payable to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(34,273)	(34,273)
Cost of share-based compensation	-	-	-	-	2,112	-	-	-	-	2,112	2,912	5,024
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	3,780	3,780
Conversion of a subsidiary to a joint stock limited company	-	48,667	(20,382)	219	-	-	-	-	(28,504)	-	-	-
<u>Changes in ownership interests in subsidiaries</u>												
Dilution of interest in subsidiary	-	-	(67)	-	-	-	(242)	-	-	(309)	242	(67)
Acquisition of non-controlling interest	-	(4)	-	-	-	-	390	-	-	386	(1,733)	(1,347)
<u>Others</u>												
Transfer to statutory reserve	-	-	17,956	-	-	-	-	-	(17,956)	-	-	-
Reserve attributable to disposal group classified as held for distribution to owners	-	-	-	-	-	49	-	(49)	-	-	-	-
At 31 December 2025	468,084	48,644	39,259	9,001	8,034	(74,266)	79,180	616	512,069	1,090,621	1,492,571	2,583,192

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 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
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
<i>Other comprehensive income</i>												
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
<b>Transactions with owners, recorded directly in equity</b>												
<i>Contributions by and distributions to owners</i>												
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	-	-	-	-	-	-	17,416	-	-	17,416	(70,411)	(52,995)
<i>Contributions by and distributions to owners</i>												
Dilution of interest in subsidiary	-	-	-	-	-	-	(1,670)	-	-	(1,670)	1,530	(140)
<i>Others</i>												
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 Statement of Changes in Equity For the Year Ended 31 December 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 year	-	-	-	39,232	39,232
<b>Transactions with owners, recorded directly in equity</b>					
<i>Contributions by and distributions to owners</i>					
Shares issued during the year	107	-	-	-	107
Dividends paid to shareholders	-	-	-	(37,407)	(37,407)
Cost of share-based compensation	-	-	15	-	15
At 31 December 2025	<u>468,084</u>	<u>9,199</u>	<u>2,646</u>	<u>(214,844)</u>	<u>265,085</u>
At 1 January 2024	467,977	9,199	2,629	(227,627)	252,178
Total comprehensive income for the year	-	-	-	33,398	33,398
<b>Transactions with owners, recorded directly in equity</b>					
<i>Contributions by and distributions to owners</i>					
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>

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 2025**

	Group	
	Year ended 31 December 2025 \$'000	Year ended 31 December 2024 \$'000
<b>Operating activities</b>		
Profit before income tax from continuing operations	289,558	194,145
(Loss)/profit before income tax from discontinued operation	(87)	532
Adjustments for:		
Share of results of associates and joint ventures, net of income tax	(52,448)	(41,826)
Cost of share-based payments	5,024	1,454
Depreciation and amortisation	158,597	158,790
Allowance made for inventories obsolescence	16,732	10,716
Impairment losses recognised for trade and other receivables and bad debts written off	6,309	38,426
Impairment losses recognised for property, plant and equipment and intangible assets	21,835	7,138
Property, plant and equipment written off	148	60
Finance costs	22,944	34,503
Dividend income from other investments	(48)	(47)
Interest income	(21,990)	(29,445)
(Gain)/loss on disposal of:		
- joint venture	-	74
- property, plant and equipment	(268)	(2,973)
Gain on liquidation of subsidiaries	-	(61)
Fair value loss on derivatives	18	618
Provision for warranties and other costs, net	129,412	118,443
<b>Operating cash flows before changes in working capital</b>	<b>575,736</b>	<b>490,547</b>
Changes in working capital:		
Inventories and development properties	(190,705)	(32,634)
Trade and other receivables and capitalised contract costs	(344,481)	(304,731)
Trade and other payables and contract liabilities	673,495	227,663
Grant received from government	41,515	38,749
Provisions utilised	(106,215)	(91,706)
<b>Cash flows from operations</b>	<b>649,345</b>	<b>327,888</b>
Income tax paid	(55,194)	(38,246)
<b>Net cash flows from operating activities</b>	<b>594,151</b>	<b>289,642</b>

*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 2025

	Group	
	Year ended 31 December 2025 \$'000	Year ended 31 December 2024 \$'000
<b>Investing activities</b>		
Additional investment in associates	(30,905)	-
Dividends received from:		
- associates and joint ventures	36,748	11,211
- other investments	48	47
Interest received	20,972	30,119
Net release/(placement) of deposits with banks	25,069	(4,340)
Purchase/Addition of:		
- property, plant and equipment	(113,632)	(83,478)
- right-of-use assets	(707)	-
- intangible assets	(29,995)	(35,196)
- other investments	(293)	-
Net cash inflow on disposal of:		
- subsidiary, net of cash disposed	948	40,379
- subsidiaries, net of cash liquidated	-	3,437
- property, plant and equipment	1,196	4,816
- right of use assets	-	151
- joint venture	-	320
- other investments	-	3,179
<b>Net cash flows used in investing activities</b>	<b>(90,551)</b>	<b>(29,355)</b>
<b>Financing activities</b>		
Acquisition of non-controlling interests	(1,347)	(140)
Contribution by non-controlling interests	3,780	15,421
Dividends paid to non-controlling interests of subsidiaries	(34,273)	(26,987)
Dividends paid to shareholders of the Company	(37,407)	(22,440)
Interest paid	(24,097)	(36,287)
Proceeds from share issuance	107	-
Repurchase of own shares by a subsidiary	-	(52,995)
Proceeds from borrowings	290,692	372,347
Repayment in respect of borrowings	(401,105)	(387,613)
Repayment of obligation under lease liabilities	(16,853)	(16,603)
<b>Net cash flows used in financing activities</b>	<b>(220,503)</b>	<b>(155,297)</b>
<b>Net increase in cash and cash equivalents</b>	<b>283,097</b>	<b>104,990</b>
Cash and cash equivalents at beginning of the financial year	1,256,770	1,143,160
Effect of exchange rate changes on balances held in foreign currencies	(6,089)	8,620
<b>Cash and cash equivalents at end of the financial year</b>	<b>1,533,778</b>	<b>1,256,770</b>
Comprising:		
Cash and short-term deposits	1,602,648	1,351,961
Less: Short-term deposits and restricted deposits	(70,092)	(96,520)
Add: Cash at bank attributable to discontinued operation	1,222	1,329
	<b>1,533,778</b>	<b>1,256,770</b>

*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 2025

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#### 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 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 condensed interim consolidated financial statements for the half year ended 30 June 2025.

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, 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 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 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 2025

4. Segment information (cont'd)

*Reportable segments (cont'd)*

	Powertrain solutions \$'000	Building materials \$'000	Corporate and Others* \$'000	Adjustments \$'000	Total \$'000
<b>Half year ended 31 December 2025</b>					
Total external revenue	2,138,321	372,496	11,379	-	2,522,196
Interest income	9,227	1,420	2,103	(1,237)	11,513
Interest expense	(4,766)	(652)	(5,254)	1,241	(9,431)
Depreciation and amortisation	(65,627)	(14,483)	(914)	-	(81,024)
Reportable segment profit/(loss) before income tax	87,824	61,701	(9,195)	20	140,350
Share of results of associates and joint ventures, net of income tax	9,028	18,899	(2)	-	27,925
Reportable segment profit/(loss) after income tax	49,074	53,042	(10,044)	20	92,092
<b>Half year ended 31 December 2024</b>					
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

\* 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 2025

4. Segment information (cont'd)

*Reportable segments (cont'd)*

	Powertrain solutions \$'000	Building materials \$'000	Corporate and Others* \$'000	Adjustments \$'000	Total \$'000
<b>Year ended 31 December 2025</b>					
Total external revenue	4,478,192	682,703	21,396	-	5,182,291
Interest income	16,809	3,114	5,427	(3,363)	21,987
Interest expense	(10,138)	(1,347)	(13,559)	3,366	(21,678)
Depreciation and amortisation	(128,565)	(28,158)	(1,874)	-	(158,597)
Reportable segment profit/(loss) before income tax	205,726	105,891	(22,146)	87	289,558
Share of results of associates and joint ventures, net of income tax	20,199	32,251	(2)	-	52,448
Reportable segment profit/(loss) after income tax	145,898	90,490	(23,165)	87	213,310
<b>Year ended 31 December 2024</b>					
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

\* 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 2025

4. Segment information (cont'd)

*Reportable segments (cont'd)*

	Powertrain solutions \$'000	Building materials \$'000	Corporate and Others* \$'000	Adjustments \$'000	Total \$'000
<b>31 December 2025</b>					
<b><i>Assets and liabilities</i></b>					
Reportable segment assets <sup>^</sup>	5,562,576	483,133	1,506,199	(1,313,930)	6,237,978
Interests in associates and joint ventures	121,804	223,663	50	-	345,517
Reportable segment liabilities	3,393,415	209,218	1,178,882	(781,212)	4,000,303
<b>31 December 2024</b>					
<b><i>Assets and liabilities</i></b>					
Reportable segment assets <sup>^</sup>	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).

<sup>^</sup> 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 2025

#### 5. Property, plant and equipment

During the half year ended 31 December 2025, the Group acquired assets with a cost of \$79,747,000 (31 December 2024: \$57,377,000).

#### Capital commitments

As at 31 December 2025, the Group had capital expenditure contracted for but not recognised in the financial statements amounting to \$66,066,000 (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
<b>At 30 June 2025</b>							
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
<b>Half year ended 31 December 2025</b>							
Opening net carrying amount	99,779	168,667	874	30,209	-	902	300,431
Additions	18,051	-	56	-	-	-	18,107
Amortisation charge for the period	-	(21,717)	(130)	-	-	-	(21,847)
Impairment losses	(12,762)	(8,565)	-	-	-	-	(21,327)
Transfer	(44,365)	44,365	-	-	-	-	-
Translation differences	2,888	5,741	32	1,002	-	-	9,663
Closing net carrying amount	63,591	188,491	832	31,211	-	902	285,027
<b>At 31 December 2025</b>							
Cost	86,925	338,618	6,359	34,681	313	11,569	478,465
Accumulated amortisation and impairment losses	(23,334)	(150,127)	(5,527)	(3,470)	(313)	(10,667)	(193,438)
Net carrying amount	63,591	188,491	832	31,211	-	902	285,027

Additions during the half year ended 31 December 2025 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*

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

Technology know-how

In 2025, the Group recognised impairment losses of \$8,565,000 (2024: Nil) in the income statement under the line item "Cost of sales" on technology know-how relating to on-road light-duty engine due to a decline in market demand.

Development expenditure

Annually, the Group performs an impairment test on the development costs that are not available for use. In 2025, the Group recognised impairment losses of \$12,762,000 (2024: \$5,777,000) in the income statement under the line item "Research and development expenses" in respect of development costs of discontinued research and development projects.

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 licence agreement for a one-time usage fee of \$32,791,000 (net of exchange difference). As at 31 December 2025, the carrying amount was \$31,211,000 (2024: \$31,568,000) (net of 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 2024 and 2025.

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 2025

6. Intangible assets (cont'd)

Company	Computer software and related costs \$'000	Club membership \$'000	Total \$'000
<b>At 30 June 2025 and 31 December 2025</b>			
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 2025 \$'000	31 December 2024 \$'000	31 December 2025 \$'000	31 December 2024 \$'000
<b>Amount repayable in one year or less, or on demand</b>				
Unsecured bank loans	493,709	574,461	115,877	204,214
Secured bank loans	-	1,859	-	-
	493,709	576,320	115,877	204,214
Unsecured lease liabilities	14,860	13,926	57	55
	14,860	13,926	57	55
<b>Amount repayable after one year</b>				
Unsecured bank loans	263,676	297,604	260,000	179,000
	263,676	297,604	260,000	179,000
Unsecured lease liabilities	33,342	32,905	80	137
	33,342	32,905	80	137

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

## Hong Leong Asia Ltd. and its subsidiaries

### Notes to the Condensed Interim Consolidated Financial Statements For the Half Year and Year Ended 31 December 2025

#### 8. Share capital

	Group and Company			
	2025		2024	
	No. of shares '000	Amount \$'000	No. of shares '000	Amount \$'000
<b>Issued and fully paid ordinary shares, with no par value</b>				
At 1 January	747,979	467,977	747,979	467,977
Shares issued under the Hong Leong Asia Share Option Scheme 2000 (the "Scheme")	163	107	–	–
At 31 December	748,142	468,084	747,979	467,977

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

There was no sale, transfer, disposal, cancellation and/or use of treasury shares/subsidiary holdings during the year ended 31 December 2025.

#### Share options

During the year ended 31 December 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 31 December 2025, there were a total of 500,000 (31 December 2024: 438,000) 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	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 and Year Ended 31 December 2025

9. Revenue

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

Segments	Half year ended 31 December 2025			Consolidated total \$'000
	Powertrain solutions \$'000	Building materials \$'000	Others \$'000	
<b>Major product or service lines</b>				
Sale of heavy-duty engines	915,173	-	-	915,173
Sale of medium-duty engines	448,515	-	-	448,515
Sale of light-duty engines	214,527	-	-	214,527
Sale of precast concrete products	-	72,019	-	72,019
Sale of ready-mix concrete	-	183,298	-	183,298
Sale of cement	-	92,128	-	92,128
Sale of other goods	-	24,857	-	24,857
Sale of rigid packaging products	-	-	7,671	7,671
Hospitality operations	4,757	-	3,693	8,450
Others <sup>(1)</sup>	555,349	194	15	555,558
	<u>2,138,321</u>	<u>372,496</u>	<u>11,379</u>	<u>2,522,196</u>

<sup>(1)</sup> Included sales of spare parts, 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 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 31 December 2025			Consolidated total \$'000
	Powertrain solutions \$'000	Building materials \$'000	Others \$'000	
<b>Geographical markets</b>				
The PRC	2,086,356	-	6,958	2,093,314
Singapore	1,042	246,637	713	248,392
Malaysia	1,270	125,859	3,708	130,837
Others	49,653	-	-	49,653
	<u>2,138,321</u>	<u>372,496</u>	<u>11,379</u>	<u>2,522,196</u>
<b>Timing of revenue recognition</b>				
Goods and services transferred at a point in time	2,130,991	372,496	8,639	2,512,126
Services transferred over time	7,330	-	2,740	10,070
	<u>2,138,321</u>	<u>372,496</u>	<u>11,379</u>	<u>2,522,196</u>

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements  
For the Half Year and Year Ended 31 December 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 31 December 2024			Consolidated total \$'000
	Powertrain solutions \$'000	Building materials \$'000	Others \$'000	
<b>Major product or service lines</b>				
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 <sup>(1)</sup>	488,454	-	14	488,468
	<u>1,626,830</u>	<u>360,845</u>	<u>10,535</u>	<u>1,998,210</u>

<sup>(1)</sup> Included sales of spare parts, 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 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 31 December 2024			Consolidated total \$'000
	Powertrain solutions \$'000	Building materials \$'000	Others \$'000	
<b>Geographical markets</b>				
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
	<u>1,626,830</u>	<u>360,845</u>	<u>10,535</u>	<u>1,998,210</u>
<b>Timing of revenue recognition</b>				
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
	<u>1,626,830</u>	<u>360,845</u>	<u>10,535</u>	<u>1,998,210</u>

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements  
For the Half Year and Year Ended 31 December 2025

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 2025			Consolidated total \$'000
	Powertrain solutions \$'000	Building materials \$'000	Others \$'000	
<b>Major product or service lines</b>				
Sale of heavy-duty engines	1,774,071	-	-	1,774,071
Sale of medium-duty engines	1,011,663	-	-	1,011,663
Sale of light-duty engines	480,963	-	-	480,963
Sale of precast concrete products	-	129,730	-	129,730
Sale of ready-mix concrete	-	339,083	-	339,083
Sale of cement	-	173,782	-	173,782
Sale of other goods	-	39,724	-	39,724
Sale of rigid packaging products	-	-	14,845	14,845
Hospitality operations	9,842	-	6,521	16,363
Others <sup>(1)</sup>	1,201,653	384	30	1,202,067
	<u>4,478,192</u>	<u>682,703</u>	<u>21,396</u>	<u>5,182,291</u>

<sup>(1)</sup> Included sales of spare parts, 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 2025

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 2025			Consolidated total \$'000
	Powertrain solutions \$'000	Building materials \$'000	Others \$'000	
<b>Geographical markets</b>				
The PRC	4,404,874	-	13,293	4,418,167
Singapore	1,366	446,799	1,552	449,717
Malaysia	2,603	235,904	6,551	245,058
Others	69,349	-	-	69,349
	<u>4,478,192</u>	<u>682,703</u>	<u>21,396</u>	<u>5,182,291</u>
<b>Timing of revenue recognition</b>				
Goods and services transferred at a point in time	4,460,773	682,703	16,599	5,160,075
Services transferred over time	17,419	-	4,797	22,216
	<u>4,478,192</u>	<u>682,703</u>	<u>21,396</u>	<u>5,182,291</u>

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements  
For the Half Year and Year Ended 31 December 2025

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	
<b>Major product or service lines</b>				
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 <sup>(1)</sup>	958,933	-	28	958,961
	<u>3,545,155</u>	<u>682,325</u>	<u>21,945</u>	<u>4,249,425</u>

<sup>(1)</sup> Included sales of spare parts, 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 2025

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	
<b>Geographical markets</b>				
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
	<u>3,545,155</u>	<u>682,325</u>	<u>21,945</u>	<u>4,249,425</u>
<b>Timing of revenue recognition</b>				
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
	<u>3,545,155</u>	<u>682,325</u>	<u>21,945</u>	<u>4,249,425</u>

## Hong Leong Asia Ltd. and its subsidiaries

### Notes to the Condensed Interim Consolidated Financial Statements For the Half Year and Year Ended 31 December 2025

#### 9. Revenue (cont'd)

A breakdown of sales:

	2025 \$'000	Group 2024 \$'000	+/- %
Sales reported for first half	2,660,095	2,251,215	18.2%
Operating profit after tax before deducting non-controlling interests reported for first half year	121,218	92,377	31.2%
Sales reported for second half	2,522,196	1,998,210	26.2%
Operating profit after tax before deducting non-controlling interests reported for second half year	92,092	59,391	55.1%

Sales and cost of sales figures previously reported for the first half of 2025 ("1H 2025") have been adjusted downwards by \$168.9 million to reflect recognition of certain revenue on a net basis. The adjustment has no impact on the gross profit and net profit of the Group for 1H 2025.

#### 10. Profit before income tax from continuing operations

Profit before income tax from continuing operations includes the following:

	Half year ended 31 December 2025 \$'000	Half year ended 31 December 2024 \$'000	+/- %	Group		+/- %
				Year ended 31 December 2025 \$'000	Year ended 31 December 2024 \$'000	
Gain on disposal of property, plant and equipment, net	24	47	-48.9%	268	2,973	-91.0%
Impairment losses on property, plant and equipment and intangible assets	(21,835)	(7,138)	205.9%	(21,835)	(7,138)	205.9%
Impairment losses recognised for trade and other receivables, net and bad debts written off	(3,107)	(36,426)	-91.5%	(6,309)	(38,426)	-83.6%
Allowance made for inventories obsolescence	(11,098)	(10,803)	2.7%	(16,732)	(10,716)	56.1%
Depreciation and amortisation	(81,024)	(78,439)	3.3%	(158,597)	(158,790)	-0.1%
Foreign exchange gain, net	1,157	431	168.4%	2,024	2,128	-4.9%
Interest expense	(9,431)	(16,127)	-41.5%	(21,678)	(33,692)	-35.7%
Interest income	11,513	13,294	-13.4%	21,987	29,439	-25.3%
Write-off of property, plant and equipment	(94)	(48)	95.8%	(148)	(60)	146.7%

#### 11. Taxation

For the year ended 31 December 2025, the Group's tax charge included additional provision of \$3,631,000 for prior years (31 December 2024: \$1,818,000).

## Hong Leong Asia Ltd. and its subsidiaries

### Notes to the Condensed Interim Consolidated Financial Statements For the Half Year and Year Ended 31 December 2025

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#### 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:

	<b>Group</b>	
	<b>Year ended 31 December 2025</b>	<b>Year ended 31 December 2024</b>
	No. of Shares	No. of shares
Weighted average number of shares issued, used in the calculation of basic earnings per share	748,127,458	747,978,318
Dilutive effect of share options	258,903	55,301
Weighted average number of ordinary shares (diluted)	<u>748,386,361</u>	<u>748,033,619</u>

As of 31 December 2025, there were no anti-dilutive share options under the Scheme. As of 31 December 2024, 60,000 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 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 2025

#### 13. Related party transactions

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

During the year ended 31 December 2025, the Group made payments to firms, in which a director has an interest, in respect of professional services rendered. This amounted to \$38,763 (31 December 2024: \$56,382). As at the balance sheet date, \$15,030 was outstanding (31 December 2024: Nil).

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 2025 \$'000	Half year ended 31 December 2024 \$'000	Year ended 31 December 2025 \$'000	Year ended 31 December 2024 \$'000
Sale of engines and materials				
- associates and joint ventures	87,463	82,757	188,767	187,495
- related corporations	67,967	142,027	101,390	393,537
Purchase of materials, supplies and engines				
- associates and joint ventures	188,870	197,952	476,639	409,248
- related corporations	225,462	180,266	469,505	357,675
Management services income				
- an associate	222	222	444	444
Management services paid and payable				
- related corporations	317	315	379	376
Rental paid and payable (include general expenses)				
- immediate holding company	-	26	-	344
- related corporations	363	404	726	404
- a joint venture	3,121	-	5,843	-
General and administrative expenses				
- joint ventures	825	1,539	1,422	2,625
- related corporations	19,707	23,906	30,350	28,396
Delivery, storage, distribution and handling expenses				
- related corporations	22,078	20,508	38,203	33,965
Hospitality, restaurant, consultancy and other service income				
- joint ventures	1,820	2,055	2,205	3,200
- related corporations	1,650	508	7,099	4,736
Sales of property, plant and equipment				
- a joint venture	575	-	575	-
Rental income				
- joint ventures	529	541	533	541
- related corporations	2,252	2,324	2,298	2,349

##### (b) *Outstanding balances with a related party*

As at 31 December 2025, fixed deposits held with a related party amounted to \$18,631,000 (31 December 2024: \$13,630,000).

##### (c) *Commitments with related parties*

As at 31 December 2025, the Group has commitments to purchase raw materials from related parties amounting to approximately \$90,136,000 between 2026 and 2028 (31 December 2024: \$85,151,000 between 2025 and 2028).

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements  
For the Half Year and Year Ended 31 December 2025

14. Dividends

	Group	
	Year ended 31 December 2025 \$'000	Year ended 31 December 2024 \$'000
<b>Declared and paid during the financial period</b>		
<i>Dividends on ordinary shares:</i>		
Final tax exempt (1-tier) dividend paid of 3 cents per share in respect of year 2024 (2024: First and final tax exempt (1-tier) dividend paid of 2 cents per share in respect of year 2023)	22,444	14,960
Interim tax exempt (1-tier) dividend paid of 2 cents per share in respect of year 2025 (2024: 1 cent per share in respect of year 2024)	14,963	7,480
<b>Proposed but not recognised as a liability as at 31 December:</b>		
<i>Dividends on ordinary shares, subject to shareholders' approval at the 2026 AGM:</i>		
Final tax exempt (one-tier) dividend in respect of year 2025: 3 cents (2024: 3 cents) per share	22,444	22,444

15. Net Asset Value

	Group		Company	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Net asset value per ordinary share (cents)	145.78	135.58	35.43	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.

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements  
For the Half Year and Year Ended 31 December 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 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
<b>31 December 2025</b>			
<b>Financial assets</b>			
Other investments	3,159	-	3,159
Bill receivables	-	900,060	900,060
As at 31 December 2025	3,159	900,060	903,219
<b>Financial liabilities</b>			
Derivatives	-	5	5
As at 31 December 2025	-	5	5
<b>31 December 2024</b>			
<b>Financial assets</b>			
Other investments	2,130	-	2,130
Bill receivables	-	798,882	798,882
Derivatives	-	14	14
As at 31 December 2024	2,130	798,896	801,026

(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.

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements  
For the Half Year and Year Ended 31 December 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
<b>31 December 2025</b>				
<b>Assets</b>				
Other investments	-	3,159	-	3,159
Trade and other receivables*	1,219,747	900,060	-	2,119,807
Cash and bank balances	1,602,648	-	-	1,602,648
	2,822,395	903,219	-	3,725,614
<b>Liabilities</b>				
Trade and other payables	-	-	2,711,347	2,711,347
Other non-current liabilities	-	-	41,345	41,345
Loans and borrowings	-	-	757,385	757,385
	-	-	3,510,077	3,510,077
<b>31 December 2024</b>				
<b>Assets</b>				
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
	2,459,515	801,012	-	3,260,527
<b>Liabilities</b>				
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
	-	-	2,977,494	2,977,494

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

## Hong Leong Asia Ltd. and its subsidiaries

### Notes to the Condensed Interim Consolidated Financial Statements For the Half Year and Year Ended 31 December 2025

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#### 17. Subsequent events

On 27 January 2026, the Company announced that its indirect subsidiary, Guangxi Yuchai Marine and Genset Power Co., Ltd., has submitted an application for the proposed listing of its shares on the Mainboard of The Stock Exchange of Hong Kong Limited (the “Proposed Spin-Off”). The Proposed Spin-Off is subject to, *inter alia*, requisite approvals from the relevant regulatory authorities and prevailing economic and/or market conditions. Accordingly, there is no certainty or assurance that the Proposed Spin-Off will materialise in due course.

## 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 2025

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#### 1. Review

The condensed interim consolidated balance sheets of Hong Leong Asia Ltd. and its subsidiaries as at 31 December 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 (“2H”) and year ended 31 December (“FY”) 2025

##### 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) increase in interests in associates and joint ventures due to investment in new associates and the recognition of share of profits of associates and joint ventures in FY2025, net of dividends received from a joint venture and associates, (b) additional capital expenditure, partially offset by depreciation of property, plant and equipment, (c) increase in capitalised contract costs recognised, and (d) addition of other investment designated as fair value through other comprehensive income (“**FVOCI**”).

In addition, 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 FY2025.

This increase was partially offset by (i) decrease in intangible assets due to amortisation of intangible assets and impairment losses on development expenditure and technology know-how, net of capitalisation of development costs, and (ii) decrease in deferred tax assets recognised.

- **Current assets:** The increase in current assets was mainly due to (a) higher trade and other receivables largely due to higher sales during the year, (b) higher cash and cash equivalents held as at 31 December 2025, 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, contract liabilities, provisions and current tax payable. In particular:
  - The increase in trade and other payables was mainly due to higher purchases during the year.
  - The increase in contract liabilities was mainly due to more advanced payment from customers as at 31 December 2025.
  - Additional provision for warranty was taken up during FY2025 due to higher sales for the Group’s Powertrain Solutions Unit (“**Yuchai**”).
  - Current tax payable increased as tax provision exceeded tax payments made in FY2025.

The decrease in loans and borrowings was mainly due to refinancing of loans and borrowings with longer tenures and net repayment of loans and borrowings, partially offset by reclassification of loans (maturing within the next 12 months) from non-current liabilities to current liabilities.

## 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 2025

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#### 2. Notes to the financial statements for the half year and year ended 31 December 2025 (cont'd)

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

###### Group (cont'd)

- **Non-current liabilities:** The decrease in non-current liabilities was mainly due to net repayment of loans and borrowings exceeded the refinancing of loans and borrowings as long-term liabilities during FY2025. This was partially offset by higher deferred grants and deferred tax liabilities recognised during the year.
- **Shareholders' equity:** The increase in equity attributable to owners of the Company was mainly due to the current year profit, partially offset by dividends paid out during the year.

###### Company

- **Non-current assets:** The increase in non-current assets was mainly due to reclassification of amounts due from a subsidiary to investment in a subsidiary upon capitalisation of the intercompany loans and related accrued interest. This was partially offset by depreciation of property, plant and equipment and right-of-use assets.
- **Current assets:** The decrease in current assets was mainly due to reclassification of amounts due from a subsidiary to investment in a subsidiary upon capitalisation of the intercompany loans and related accrued interest, net repayment from subsidiaries during FY2025 and lower cash and equivalents held as at 31 December 2025.
- **Current liabilities:** The decrease in current liabilities was mainly due to refinancing of loans and borrowings with longer tenures and net repayment of loans and borrowings.
- **Non-current liabilities:** The increase in non-current liabilities was mainly due to refinancing of loans and borrowings as long-term liabilities during FY2025 and 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 in 2H 2025 was attributed mainly to Yuchai, partially offset by loss on disposal by the Group's Building Materials Unit ("BMU"). Net gain on disposal of property, plant and equipment in 2H 2024 was attributed mainly to BMU, partially offset by loss on disposal by the Group's Rigid Packaging Unit ("Rex").

Net gain on disposal of property, plant and equipment in FY2025 was attributed mainly to Yuchai and BMU. Net gain on disposal of property, plant and equipment in FY2024 was attributed mainly to the disposal of land and building in Tianjin by Rex in the first half of 2024.

- Impairment losses on property, plant and equipment and intangible assets in 2025 and 2024 were attributed to Yuchai.
- Net impairment losses recognised for trade and other receivables and bad debts written off were attributed mainly to Yuchai.
- Allowance made for inventories obsolescence was attributed mainly to Yuchai.

**2. Notes to the financial statements for the half year and year ended 31 December 2025 (cont'd)**

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

- The net foreign exchange gain recorded in 2H 2025 was mainly due to (a) 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 and (b) foreign exchange gain on revaluation of United States Dollar (“**USD**”) -denominated monetary assets, as a result of the strengthening of USD against SGD. This was partially offset by foreign exchange loss on revaluation of SGD assets in China Yuchai International Limited (“**CYI**”) (with functional currency in USD).

The net foreign exchange gain recorded in 2H 2024 was mainly due to foreign exchange gain on revaluation of SGD monetary liabilities in subsidiaries with functional currency in RM, as a result of the strengthening of RM against SGD. This was partially offset by realised foreign exchange loss on USD denominated trade purchases.

The net foreign exchange gain recorded in FY2025 was mainly due to foreign exchange gain on revaluation of SGD assets in CYI, as a result of the strengthening of SGD against USD, and 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 foreign exchange loss on revaluation of USD-denominated monetary assets.

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

### 3. Review of performance of the Group

Notes:

- (a) *Approximately 86% of the Group's total revenue is generated from Yuchai. For the years ended 31 December, translation of income statements from Renminbi (“RMB”) to SGD has been made at the average exchange rates of RMB5.4990 = SGD1.00 for FY2025 and RMB5.3884 = SGD1.00 for FY2024. For FY2025, RMB has depreciated by about 2.1% as compared to FY2024.*
- (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 2025, meeting the government's target<sup>1</sup>. Despite a challenging domestic market, Yuchai maintained strong sales growth in 2H 2025 as it was in 1H 2025 and reported a significant increase in profits.

In Singapore, the Ministry of Trade and Industry announced that the construction sector grew by 5.2% in 2025, as compared to the 5.4% growth in the previous year<sup>2</sup>. Demand for building materials such as precast concrete remained strong, supported by the continued growth in construction activities in Singapore. BMU in Singapore (“**BMU Singapore**”) reported strong growth in precast sales volume. However, ready-mix concrete volumes were affected by plant capacity adjustments during the year.

In Malaysia, the Department of Statistics Malaysia announced that the construction sector registered 12.4% growth for 2025, as compared to 17.5% growth for 2024<sup>3</sup>. Despite increased cost pressure, profitability for BMU in Malaysia (“**Tasek**”) improved due to stronger pricing, lower energy input costs, and better performance at a key associate.

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<sup>1</sup> <https://www.reuters.com/world/asia-pacific/chinas-q4-gdp-grows-45-yy-just-ahead-market-forecast-2026-01-19/>

<sup>2</sup> <https://www.mti.gov.sg/newsroom/mti-upgrades-2026-gdp-growth-forecast-to--2-0-to-4-0-per-cent/>

<sup>3</sup> <https://www.dosm.gov.my/portal-main/release-content/advance-gross-domestic-product-gdp-estimates-q425>

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

**2H 2025 versus 2H 2024**

Revenue for the Group was \$2.522 billion in 2H 2025, an increase of \$524.0 million or 26.2%, from \$1.998 billion in 2H 2024.

- Yuchai's revenue increased by \$511.5 million or 31.4% as compared to 2H 2024. The total number of engines sold by Yuchai in 2H 2025 was 210,913 units, a 28.7% increase as compared to 163,843 units sold in 2H 2024. The increase was mainly due to truck and bus engine unit sales increasing by 49.2% year-on-year ("YoY"), which significantly outpaced the 13.0% YoY growth in market sales of truck and bus vehicles (excluding gasoline- and electric-powered vehicles) as reported by the China Association of Automobile Manufacturers ("CAAM"). Truck engine unit sales in 2H 2025 rose by 59.4%. Off-road engine unit sales increased by 7.5% YoY, led by strong growth of more than 22.0% in both industrial and marine and genset unit sales, which was partially offset by lower agricultural engine unit sales.
- BMU's revenue increased by \$11.7 million or 3.2% as compared to 2H 2024, largely due to improved precast concrete sales volume, which was partially offset by lower sales volume and selling prices for ready-mix concrete.

The Group's gross profit was \$519.7 million in 2H 2025, an increase of \$149.6 million or 40.4% from \$370.1 million in 2H 2024. Gross margin increased to 20.6% in 2H 2025 as compared to 18.5% in 2H 2024. The increase was mainly due to higher sales volume, a change of sales mix with higher unit sales of heavy-duty and high horsepower engines and continuing cost reduction initiatives for Yuchai.

Other income, which mainly comprised government grants and value-added tax ("VAT") rebate, interest income, technology licensing income and net foreign exchange gain, was \$47.4 million in 2H 2025, a decrease of \$33.3 million or 41.3% from \$80.7 million in 2H 2024. The decrease was largely due to lower government grants and technology licensing income recognised in 2H 2025.

Selling and distribution ("S&D") expenses were \$177.7 million in 2H 2025, an increase of \$6.0 million or 3.5% as compared to \$171.7 million in 2H 2024, largely due to higher staff costs for Yuchai and higher delivery costs for Yuchai and BMU. This was partially offset by lower allowance for doubtful debt and the absence of bad debts written off which were recorded in 2H 2024 for Yuchai.

Research and development ("R&D") expenses were \$159.1 million in 2H 2025, an increase of \$49.7 million or 45.4% as compared to \$109.4 million in 2H 2024, largely due to higher experimental costs, staff costs, mould costs and impairment losses of development costs recognised for Yuchai. Total R&D expenditure (including capitalised costs) was \$177.1 million representing 8.3% of Yuchai's revenue in 2H 2025, as compared to \$134.3 million, or 8.3% of Yuchai's revenue, in 2H 2024.

General and administrative ("G&A") expenses were \$107.5 million in 2H 2025, an increase of \$8.8 million or 8.9% as compared to \$98.7 million in 2H 2024, largely due to higher staff costs and consultancy fees for Yuchai.

Finance costs were \$10.1 million in 2H 2025, a decrease of \$6.4 million or 38.5% as compared to \$16.5 million in 2H 2024. This was mainly due to lower interest rates and bank loan principal.

**Other Information Required by Listing Rule Appendix 7.2  
For the Half Year and Year Ended 31 December 2025**

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

**2H 2025 versus 2H 2024 (cont'd)**

Share of results of associates and joint ventures was a profit of \$27.9 million in 2H 2025 as compared to \$20.5 million in 2H 2024. The increase was mainly due to better performances from the associates and joint venture of BMU.

Income tax expenses were \$48.3 million in 2H 2025 as compared to \$14.4 million in 2H 2024. The increase was mainly due to higher taxable income in 2H 2025.

The Group's profit increased from \$59.8 million in 2H 2024 to \$92.1 million in 2H 2025. Profit attributable to the owners of the Company ("PATMI") for 2H 2025 increased by \$18.6 million to \$56.8 million or 48.6%, as compared to \$38.2 million in 2H 2024.

**FY2025 versus FY2024**

Revenue for the Group was \$5.182 billion in FY2025, an increase of \$932.9 million or 22.0%, from \$4.249 billion in FY2024.

- Yuchai's revenue increased by \$933.0 million or 26.3% as compared to FY2024. The total number of engines sold by Yuchai in FY2025 was 461,309 units, a 29.4% increase as compared to 356,586 units sold in FY2024. Truck and bus engine unit sales rose by 42.8%, compared with CAAM data for vehicle market sales growth (excluding gasoline- and electric-powered vehicles) of 4.5% for 2025. Total truck engine unit sales rose by 50.7% YoY compared with a 5.9% YoY increase from CAAM data for truck unit sales. Off-road engine unit sales increased by 13.0% YoY, with both industrial and marine and genset unit sales growth of more than 24.0% YoY, which was partially offset by lower agricultural engines unit sales.
- BMU's revenue increased by \$0.4 million or 0.1% as compared to FY2024, largely due to improved precast concrete sales volume, which was partially offset by lower sales volume for ready-mix concrete and weaker selling prices.

The Group's gross profit was \$947.2 million in FY2025, an increase of \$216.4 million or 29.6% from \$730.8 million in FY2024. Gross margin increased to 18.3% in FY2025 as compared to 17.2% in FY2024. The increase was mainly due to higher sales volume, a change of sales mix with higher unit sales of heavy-duty and high horsepower engines and continuing cost reduction initiatives for Yuchai.

Other income, which comprised mainly government grants and VAT rebate, technology licensing income, interest income and net foreign exchange gain, was \$90.5 million in FY2025, a decrease of \$33.5 million or 27.1% from \$124.0 million in FY2024. The decrease was largely due to lower government grants, interest income and gains on disposal of property, plant and equipment.

S&D expenses were \$297.1 million in FY2025, an increase of \$13.7 million or 4.8% as compared to \$283.4 million in FY2024. The increase was mainly due to higher staff costs and aftersales and service expenses for Yuchai, and higher delivery costs for Yuchai and BMU. This was partially offset by lower allowance for doubtful debt and the absence of bad debts written off which were recorded in FY2024 for Yuchai.

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

**FY2025 versus FY2024 (cont'd)**

R&D expenses were \$245.8 million in FY2025, an increase of \$63.1 million or 34.5% as compared to \$182.7 million in FY2024. The increase was mainly due to higher experimental and staff costs, and higher impairment losses of development costs for Yuchai. Yuchai had continued with its initiatives to enhance the engine efficiency and performance of its National VI and Tier-4 emission standards compliant engines, and power generation engines for data centers and marine applications, while also advancing its new energy solutions. Total R&D expenditure (including capitalised costs) was \$277.5 million representing 6.2% of Yuchai's revenue in FY2025, as compared to \$220.6 million, or 6.2% of Yuchai's revenue, in FY2024.

G&A expenses were \$234.7 million in FY2025, an increase of \$34.6 million or 17.3% as compared to \$200.1 million in FY2024. The increase was mainly due to higher staff costs and consultancy fees for Yuchai.

Finance costs were \$22.9 million in FY2025, a decrease of \$11.6 million or 33.5% as compared to \$34.5 million in FY2024. The decrease in finance costs was mainly due to lower interest rates and bank loan principal.

Share of results of associates and joint ventures was a profit of \$52.4 million in FY2025 as compared to \$41.8 million in FY2024. The increase was mainly due to better performances from the associates and joint venture of BMU, 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 the first half of 2024.

Income tax expenses were \$76.2 million in FY2025 as compared to \$42.4 million in FY2024. The increase was mainly due to higher taxable income in FY2025.

In conclusion, the Group's profit was \$213.2 million in FY2025, an increase of \$60.9 million as compared to FY2024. PATMI was \$112.8 million in FY2025, an increase of \$25.0 million or 28.5% as compared to \$87.8 million in FY2024. 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 FY2024, PATMI for FY2025 would have increased by \$28.3 million or 33.5% year-on-year.

**Working Capital and Cash Flow**

The Group had cash and short-term deposits of \$1.603 billion as at 31 December 2025 compared with \$1.352 billion as at 31 December 2024.

During the year under review, the Group generated operating cash inflow before changes in working capital of \$575.7 million and net cash inflow from operating activities of \$594.2 million. This was mainly due to higher trade and other payables, partially offset by higher trade and other receivables and inventories as compared to 31 December 2024.

The net cash outflow from investing activities of \$90.6 million was mainly due to purchase of property, plant and equipment and additions of intangible assets and associates, partially offset by dividends received from joint ventures and associates, interest received and net release of deposits with banks.

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

**Working Capital and Cash Flow (cont'd)**

The Group had net cash outflow from financing activities of \$220.5 million. It was mainly due to net repayment of borrowings, dividends paid to non-controlling interests of subsidiaries and shareholders of the Company of \$71.7 million and interest payment.

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 the Group expects demand in domestic market to remain mixed, Yuchai should continue to grow, underpinned by fast growing demand for more advanced engines from data centre applications and growth in export market for truck and bus applications. Yuchai is working on R&D initiatives to improve its portfolio of powertrain solutions. At the same time, Yuchai's partnerships with global industrial leaders will continue to strengthen market access.

BMU in Singapore expects steady growth in the precast and ready-mixed concrete segments as it delivers on its order book. There continues to be strong sustained demand from public and private sector projects, in line with the Building and Construction Authority's projection of the total value of construction contracts to be awarded in 2026 to continue between \$47 billion and \$53 billion<sup>4</sup>. The Group will continue to invest in new batching plants, automation technologies and grow its new fleet of 12 & 14 cubic metre concrete mixer trucks, to further improve operational efficiencies.

In Malaysia, the Group expects demand to continue to increase with Malaysia's continued infrastructure development as well as growth at the Johor-Singapore Special Economic Zone. Tasek is focused on growing its footprint, improving its operational efficiencies and increasing the use of alternative raw materials and alternative fuels for its production in its ongoing efforts to be more sustainable.

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<sup>4</sup> <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2026/01/22/steady-construction-demand-in-2026-as-singapore-steps-up-support-for-built-environment-firms-through-collaboration-and-innovation>

## 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 2025

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Looking ahead, the Group expects challenges from volatile input costs and disruptions in supply chains to continue. The Group remains focused on strengthening order books, improving operational efficiencies and managing costs down to stay relevant and resilient.

Barring unforeseen circumstances, the Group expects its businesses to deliver satisfactory results in 2026.

#### 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)	2 cents 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	Interim	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)

##### (c) Date payable

Subject to shareholders' approval at the forthcoming 65<sup>th</sup> Annual General Meeting of the Company, the proposed final dividend for financial year ended 31 December 2025 will be payable on 15 May 2026.

##### (d) Record date

5.00 pm on 6 May 2026

#### 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 2025

#### 8. Interested person transactions

Name of Interested Person ("IP")	Nature of Relationship	Aggregate value of all interested person transactions for FY2025 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, being an associate of HLIH, is an IP.	<b>Construction-related Transaction</b> - Sale of raw materials to IP: \$1,382,143
		<b>Total: \$1,382,143</b>

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

	FY2025 (\$'000)	FY2024 (\$'000)
Interim Dividend	14,963	7,480
Final Dividend	22,444	22,444
Total Annual Dividend:	37,407	29,924

The proposed final dividend for FY2025 is subject to shareholders' approval at the forthcoming Annual General Meeting and calculated based on 748,141,318 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 2025

#### 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	69	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	34	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  
Nor Aishah Binte Nasit  
Company Secretaries

25 February 2026