

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

HONG LEONG ASIA LTD.

Securities

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Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please refer to the attached documents:

1. Condensed Interim Consolidated Financial Statements for the Half Year ended 30 June ("1H") 2024 (unaudited);
 2. News Release titled "Hong Leong Asia's Attributable Net Profit Up 60.9% to S\$49.5 million in 1H 2024";
- and
3. 1H 2024 Results Presentation.

Additional Details

For Financial Period Ended

30-Jun-2024

Attachments

[1. HLA - Condensed Interim Consolidated Financials 30 Jun 2024.pdf](#)

[2. HLA - Press Release 1H 2024.pdf](#)

[3. HLA - 1H 2024 Results Presentation.pdf](#)

Total size = 1577K MB

Company Registration No. 196300306G

Hong Leong Asia Ltd. and its subsidiaries

Condensed Interim Consolidated Financial Statements
For the Half Year Ended 30 June 2024 (Unaudited)

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 30 June 2024

	Note	Group		Company	
		30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Non-current assets					
Property, plant and equipment	5	750,214	779,625	894	1,120
Intangible assets	6	319,298	323,923	-	-
Investment in subsidiaries		-	-	229,867	229,867
Interests in associates		140,376	134,941	14,605	14,605
Interests in joint ventures		62,653	53,767	-	-
Investment property		733	761	-	-
Other investments		2,708	6,040	-	-
Non-current receivables		49,930	52,281	-	-
Capitalised contract costs		25,216	25,074	-	-
Right-of-use assets		120,105	119,045	207	234
Deferred tax assets		79,004	80,183	-	-
		<u>1,550,237</u>	<u>1,575,640</u>	<u>245,573</u>	<u>245,826</u>
Current assets					
Inventories		929,626	937,315	-	-
Development properties		3,118	3,104	-	-
Trade and other receivables		2,135,842	1,744,786	401,591	384,966
Cash and short-term deposits		1,326,366	1,233,720	8,174	15,916
Derivatives		33	-	-	-
		<u>4,394,985</u>	<u>3,918,925</u>	<u>409,765</u>	<u>400,882</u>
Assets of disposal group classified as held for distribution to owners		1,377	1,415	-	-
		<u>4,396,362</u>	<u>3,920,340</u>	<u>409,765</u>	<u>400,882</u>
Total assets		<u>5,946,599</u>	<u>5,495,980</u>	<u>655,338</u>	<u>646,708</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 30 June 2024

	Note	Group		Company	
		30 June 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Current liabilities					
Trade and other payables		2,197,756	1,845,195	8,491	7,668
Contract liabilities		41,534	118,574	-	-
Lease liabilities	7	14,087	11,150	51	51
Provisions		67,845	51,285	-	-
Loans and borrowings	7	569,740	509,986	145,680	133,080
Current tax payable		25,772	19,233	-	-
Derivatives		-	30	-	-
		<u>2,916,734</u>	<u>2,555,453</u>	<u>154,222</u>	<u>140,799</u>
Liabilities directly associated with disposal group classified as held for distribution to owners		587	782	-	-
		<u>2,917,321</u>	<u>2,556,235</u>	<u>154,222</u>	<u>140,799</u>
Net current assets		<u>1,479,041</u>	<u>1,364,105</u>	<u>255,543</u>	<u>260,083</u>
Non-current liabilities					
Loans and borrowings	7	368,854	377,995	250,000	250,000
Deferred tax liabilities		22,510	23,366	4,092	3,549
Deferred grants		87,290	83,826	-	-
Other liabilities		46,432	46,042	-	-
Contract liabilities		9,712	9,686	-	-
Lease liabilities	7	31,370	31,366	157	182
Retirement benefit obligations		3	4	-	-
		<u>566,171</u>	<u>572,285</u>	<u>254,249</u>	<u>253,731</u>
Total liabilities		<u>3,483,492</u>	<u>3,128,520</u>	<u>408,471</u>	<u>394,530</u>
Net assets		<u>2,463,107</u>	<u>2,367,460</u>	<u>246,867</u>	<u>252,178</u>
Equity attributable to owners of the Company					
Share capital	8	467,977	467,977	467,977	467,977
Reserves		490,126	453,205	(221,110)	(215,799)
Reserve attributable to disposal group classified as held for distribution to owners		627	825	-	-
		<u>958,730</u>	<u>922,007</u>	<u>246,867</u>	<u>252,178</u>
Non-controlling interests		<u>1,504,377</u>	<u>1,445,453</u>	<u>-</u>	<u>-</u>
Total equity		<u>2,463,107</u>	<u>2,367,460</u>	<u>246,867</u>	<u>252,178</u>
Total equity and liabilities		<u>5,946,599</u>	<u>5,495,980</u>	<u>655,338</u>	<u>646,708</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 Ended 30 June 2024

	Note	Group		+/- %
		Half year ended 30 June 2024 \$'000	Half year ended 30 June 2023 \$'000	
Continuing operations				
Revenue	9	2,251,215	2,075,085	8.5%
Cost of sales		(1,831,102)	(1,702,181)	7.6%
Gross profit		420,113	372,904	12.7%
Other item of income				
Other income		43,246	30,618	41.2%
Other items of expense				
Selling and distribution expenses		(171,185)	(130,501)	31.2%
Research and development expenses		(73,360)	(77,853)	-5.8%
General and administrative expenses		(101,410)	(96,113)	5.5%
Finance costs		(18,002)	(20,613)	-12.7%
Other expenses		(344)	(1,429)	-75.9%
Share of results of associates and joint ventures, net of income tax		21,322	14,478	47.3%
Profit before income tax from continuing operations	10	120,380	91,491	31.6%
Income tax expense	11	(28,003)	(27,237)	2.8%
Profit from continuing operations, net of tax		92,377	64,254	43.8%
Discontinued operation				
Profit/(loss) from discontinued operation, net of tax		152	(133)	NM
Profit for the period		92,529	64,121	44.3%
Attributable to:				
Owners of the Company				
- Profit from continuing operations, net of tax		49,442	30,883	60.1%
- Profit/(loss) from discontinued operation, net of tax		102	(89)	NM
		49,544	30,794	60.9%
Non-controlling interests				
- Profit from continuing operations, net of tax		42,935	33,371	28.7%
- Profit/(loss) from discontinued operation, net of tax		50	(44)	NM
		42,985	33,327	29.0%
Earnings per share from continuing operations attributable to owners of the Company (cents per share)				
- Basic	12	6.61	4.13	60.1%
- Diluted	12	6.61	4.13	60.1%
Earnings per share (cents per share)				
- Basic	12	6.62	4.12	60.9%
- Diluted	12	6.62	4.12	60.9%

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 2024

	Group		
	Half year ended 30 June 2024 \$'000	Half year ended 30 June 2023 \$'000	+/- %
Profit for the period	92,529	64,121	44.3%
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	(233)	1,321	NM
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	8,317	(72,235)	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	3,319	5,564	-40.3%
Realisation of reserves upon disposal and liquidation of subsidiaries	-	(35)	NM
Other comprehensive income for the period, net of income tax	<u>11,532</u>	<u>(65,385)</u>	NM
Total comprehensive income for the period	<u>104,061</u>	<u>(1,264)</u>	NM
Attributable to:			
Owners of the Company	52,878	4,615	1045.8%
Non-controlling interests	51,183	(5,879)	NM
Total comprehensive income for the period	<u>104,061</u>	<u>(1,264)</u>	NM
Attributable to:			
Owners of the Company			
- Total comprehensive income from continuing operations, net of tax	52,776	4,704	1021.9%
- Total comprehensive income from discontinued operation, net of tax	102	(89)	NM
	<u>52,878</u>	<u>4,615</u>	1045.8%

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 2024

	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 Consolidated Statement of Changes in Equity
For the Half Year Ended 30 June 2024

	Share capital \$'000	Capital reserve \$'000	Statutory reserve \$'000	Fair value reserve \$'000	Share option reserve \$'000	Translation reserve \$'000	Surplus on changes of non-controlling interests \$'000	Reserve attributable to disposal group classified as held for distribution to owners \$'000	Accumulated profits \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
The Group												
At 1 January 2023	467,977	1,167	22,207	7,797	5,394	(51,812)	63,007	793	386,022	902,552	1,456,061	2,358,613
Profit for the period	-	-	-	-	-	-	-	-	30,794	30,794	33,327	64,121
<i>Other comprehensive income</i>												
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	(29,317)	-	-	-	(29,317)	(42,918)	(72,235)
Realisation of reserve upon disposal of instruments at fair value through other comprehensive income	-	-	-	(938)	-	-	-	-	938	-	-	-
Net fair value changes of equity instruments at fair value through other comprehensive income	-	-	-	1,271	-	-	-	-	-	1,271	50	1,321
Net fair value changes of debt instruments at fair value through other comprehensive income	-	-	-	1,902	-	-	-	-	-	1,902	3,662	5,564
Realisation of reserves upon liquidation of a subsidiary	-	-	(166)	-	-	131	-	-	-	(35)	-	(35)
Other comprehensive income for the period, net of tax	-	-	(166)	2,235	-	(29,186)	-	-	938	(26,179)	(39,206)	(65,385)
Total comprehensive income for the period	-	-	(166)	2,235	-	(29,186)	-	-	31,732	4,615	(5,879)	(1,264)
Transactions with owners, recorded directly in equity												
<i>Contributions by and distributions to owners</i>												
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(14,960)	(14,960)	-	(14,960)
Dividends paid/payable to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(6,845)	(6,845)
Cost of share-based compensation	-	-	-	-	8	-	-	-	-	8	-	8
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	3,835	3,835
<i>Changes in ownership interests in subsidiaries</i>												
Dilution of interest in subsidiary	-	-	-	-	-	-	283	-	-	283	(283)	-
<i>Others</i>												
Transfer to statutory reserve	-	-	3,213	-	-	-	-	-	(3,213)	-	-	-
Reserve attributable to disposal group classified as held for distribution to owners	-	-	-	-	-	(70)	-	70	-	-	-	-
Issuance of put option to non-controlling interests of subsidiary	-	(1,204)	-	-	-	-	-	-	-	(1,204)	(2,319)	(3,523)
At 30 June 2023	467,977	(37)	25,254	10,032	5,402	(81,068)	63,290	863	399,581	891,294	1,444,570	2,335,864

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 2024**

Company	Share capital \$'000	Capital reserve \$'000	Share option reserve \$'000	Accumulated (losses)/profits \$'000	Total equity \$'000
At 1 January 2024	467,977	9,199	2,629	(227,627)	252,178
Total comprehensive income for the period	-	-	-	9,647	9,647
Transactions with owners, recorded directly in equity					
<i>Contributions by and distributions to owners</i>					
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>
At 1 January 2023	467,977	9,199	2,618	(228,748)	251,046
Total comprehensive income for the period	-	-	-	(6,347)	(6,347)
Transactions with owners, recorded directly in equity					
<i>Contributions by and distributions to owners</i>					
Dividends paid to shareholders	-	-	-	(14,960)	(14,960)
Cost of share-based compensation	-	-	8	-	8
At 30 June 2023	<u>467,977</u>	<u>9,199</u>	<u>2,626</u>	<u>(250,055)</u>	<u>229,747</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 2024

	Group	
	Half year ended 30 June 2024 \$'000	Half year ended 30 June 2023 \$'000
Operating activities		
Profit before income tax from continuing operations	120,380	91,491
Profit/(loss) before income tax from discontinued operation	152	(133)
Adjustments for:		
Share of results of associates and joint ventures, net of income tax	(21,322)	(14,478)
Cost of share-based payments	14	8
Depreciation and amortisation	80,351	73,384
Allowance written back for inventories obsolescence	(87)	(444)
Impairment losses recognised for trade and other receivables	2,000	173
Property, plant and equipment written off	12	43
Finance costs	18,002	20,613
Dividend income from other investments	(33)	(54)
Interest income	(16,148)	(16,323)
Gain on disposal of:		
- joint venture	(14)	-
- property, plant and equipment	(2,926)	(89)
Gain on liquidation of a subsidiary	-	(129)
Fair value gain on derivatives	(30)	-
Provision for warranties and other costs, net	60,735	36,217
Operating cash flows before changes in working capital	241,086	190,279
Changes in working capital:		
Inventories and development properties	9,717	2,743
Trade and other receivables and capitalised contract costs	(401,599)	(393,437)
Trade and other payables and contract liabilities	245,487	316,779
Grant received from government	15,514	12,550
Provisions utilised	(44,269)	(32,526)
Cash flows from operations	65,936	96,388
Income tax paid	(20,408)	(21,147)
Net cash flows from operating activities	45,528	75,241

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 2024**

	Group	
	Half year ended 30 June 2024 \$'000	Half year ended 30 June 2023 \$'000
Investing activities		
Additional investment in joint venture	-	(1,246)
Dividends received from:		
- associates	6,995	6,585
- other investments	33	54
Interest received	16,724	16,680
Net placement of deposits with banks	(7,884)	(53,774)
Purchase of:		
- property, plant and equipment	(32,125)	(30,658)
- intangible assets	(11,469)	(10,253)
Net cash inflow on disposal of:		
- subsidiary, net of cash disposed	40,556	-
- associate	-	192
- property, plant and equipment	4,766	653
- joint venture	321	-
- other investments	3,116	3,566
Net cash flows from/(used in) investing activities	21,033	(68,201)
Financing activities		
Contribution by non-controlling interests	15,450	3,835
Dividends paid to non-controlling interests of subsidiaries	(8,943)	-
Dividends paid to shareholders of the Company	(14,960)	(14,960)
Interest paid	(19,089)	(21,411)
Proceeds from borrowings	295,122	573,869
Repayment in respect of borrowings	(245,666)	(433,591)
Repayment of obligation under lease liabilities	(7,072)	(6,740)
Net cash flows from financing activities	14,842	101,002
Net increase in cash and cash equivalents	81,403	108,042
Cash and cash equivalents at beginning of the financial period	1,143,160	942,268
Effect of exchange rate changes on balances held in foreign currencies	3,091	(31,774)
Cash and cash equivalents at end of the financial period	1,227,654	1,018,536
Comprising:		
Cash and short-term deposits	1,326,366	1,143,786
Less: Short-term deposits and restricted deposits	(100,089)	(126,836)
Add: Cash at bank attributable to discontinued operation	1,377	1,586
	1,227,654	1,018,536

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 2024

1. Corporate information

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

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

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

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

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

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

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The condensed interim consolidated financial statements for the half year ended 30 June 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting*.

The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

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 2023.

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

3. Seasonal operations

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

4. Segment information

For management purpose, the Group is organised into business units based on their products and services and has three 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.
- (iii) Air-conditioning systems (discontinued operation): commercial and residential air-conditioning products and lifestyle consumer appliances.

Other operations include rigid packaging products and hospitality and property development. None of these segments meet any of the quantitative thresholds for determining reportable segments in 2024 or 2023.

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 2024

4. Segment information (cont'd)

Reportable segments (cont'd)

	Powertrain solutions \$'000	Building materials \$'000	Corporate and Others* \$'000	Air-conditioning systems (Discontinued operation) \$'000	Adjustments \$'000	Total \$'000
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	(10,820)	152	(152)	120,380
Reportable segment profit/(loss) after income tax [^]	61,915	41,951	(11,489)	152	(152)	92,377
30 June 2024						
Assets and liabilities						
Reportable segment assets [®]	5,065,658	517,287	1,194,938	1,377	(1,035,690)	5,743,570
Interests in associates and joint ventures	52,143	150,838	48	-	-	203,029
Reportable segment liabilities	2,850,857	195,214	1,394,304	587	(957,470)	3,483,492
Half year ended 30 June 2023						
Total external revenue	1,755,713	306,270	13,102	-	-	2,075,085
Reportable segment profit/(loss) before income tax [^]	69,269	37,018	(14,796)	(133)	133	91,491
Reportable segment profit/(loss) after income tax [^]	48,070	31,032	(14,848)	(133)	133	64,254
31 December 2023						
Assets and liabilities						
Reportable segment assets [®]	4,658,874	478,527	1,154,872	1,415	(986,416)	5,307,272
Interests in associates and joint ventures	43,696	144,656	356	-	-	188,708
Reportable segment liabilities	2,517,378	184,396	1,345,469	782	(919,505)	3,128,520

* Others include rigid packaging products and hospitality and property development.

[^] The amounts relating to the discontinued air-conditioning systems segment have been excluded to arrive at amounts shown in profit or loss as they are presented separately in the income statement within one line item, "profit/(loss) from discontinued operation, net of tax".

[®] 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 2024

5. Property, plant and equipment

During the half year ended 30 June 2024, the Group acquired assets with a cost of \$24,725,000 (30 June 2023: \$18,698,000).

Capital commitments

As at 30 June 2024, the Group had capital expenditure contracted for but not recognised in the financial statements amounting to \$53,520,000 (31 December 2023: \$37,472,000).

6. Intangible assets

Group	Development expenditure, technology know-how and computer software with finite useful lives \$'000	Trade-marks with indefinite useful lives \$'000	Club membership \$'000	Goodwill \$'000	Total \$'000
At 31 December 2023					
Cost	368,853	35,049	313	11,569	415,784
Accumulated amortisation and impairment losses	(77,332)	(3,549)	(313)	(10,667)	(91,861)
Net carrying amount	291,521	31,500	-	902	323,923
Half year ended 30 June 2024					
Opening net carrying amount	291,521	31,500	-	902	323,923
Additions	12,989	-	-	-	12,989
Amortisation charge for the period	(18,493)	-	-	-	(18,493)
Write-off	(16)	-	-	-	(16)
Translation differences	810	85	-	-	895
Closing net carrying amount	286,811	31,585	-	902	319,298
At 30 June 2024					
Cost	382,754	35,220	313	11,569	429,856
Accumulated amortisation and impairment losses	(95,943)	(3,635)	(313)	(10,667)	(110,558)
Net carrying amount	286,811	31,585	-	902	319,298

Additions during the half year ended 30 June 2024 were mainly capitalised technology development costs for development of National VI and 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 2024

6. Intangible assets (cont'd)

Company	Computer software and related costs \$'000	Club membership \$'000	Total \$'000
At 31 December 2023 and 30 June 2024			
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 2024 \$'000	31 December 2023 \$'000	30 June 2024 \$'000	31 December 2023 \$'000
Amount repayable in one year or less, or on demand				
Unsecured bank loans	567,880	503,852	145,680	133,080
Secured bank loans	1,860	6,134	-	-
	<u>569,740</u>	<u>509,986</u>	<u>145,680</u>	<u>133,080</u>
Unsecured lease liabilities	14,087	11,150	51	51
	<u>14,087</u>	<u>11,150</u>	<u>51</u>	<u>51</u>
Amount repayable after one year				
Unsecured bank loans	368,854	377,995	250,000	250,000
	<u>368,854</u>	<u>377,995</u>	<u>250,000</u>	<u>250,000</u>
Unsecured lease liabilities	31,370	31,366	157	182
	<u>31,370</u>	<u>31,366</u>	<u>157</u>	<u>182</u>

The secured banking facilities of the Group are secured on the assets of certain subsidiaries with a total carrying value as at 30 June 2024 of \$2,769,000 (31 December 2023: \$81,530,000).

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the Half Year Ended 30 June 2024

8. Share capital

	Group and Company			
	30 June 2024		31 December 2023	
	No. of shares '000	Amount \$'000	No. of shares '000	Amount \$'000
Issued and fully paid ordinary shares, with no par value				
Beginning and end of period/year	747,979	467,977	747,979	467,977

The total number of issued shares as at 30 June 2024 was 747,978,318 (31 December 2023: 747,978,318). There were no shares held as treasury shares or subsidiary holdings as at 30 June 2024, 31 December 2023 and 30 June 2023.

There was no sale, transfer, disposal, cancellation and/or use of treasury shares/subsidiary holdings during the half year ended 30 June 2024.

Share options

During the half year ended 30 June 2024, there was no option exercised pursuant to the terms of the Hong Leong Asia Share Option Scheme 2000 (the "Scheme").

During the half year ended 30 June 2024, options to acquire a total of 60,000 shares granted in 2014 under the Scheme had been cancelled due to the lapse of its exercise period.

As at 30 June 2024, there were a total of 438,000 (30 June 2023: 498,000) 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	178,000
2021	\$0.72	200,000
2021	\$0.87	60,000
Total		438,000

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year Ended 30 June 2024

9. Revenue

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

Segments	Half year ended 30 June 2024			Consolidated total \$'000
	Powertrain solutions \$'000	Building materials \$'000	Others \$'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
	<u>1,918,325</u>	<u>321,480</u>	<u>11,410</u>	<u>2,251,215</u>

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

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year Ended 30 June 2024

9. Revenue (cont'd)

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

Segments	Half year ended 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	195,283	832	196,865
Malaysia	281	126,197	2,792	129,270
Others	16,761	-	-	16,761
	<u>1,918,325</u>	<u>321,480</u>	<u>11,410</u>	<u>2,251,215</u>
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
	<u>1,918,325</u>	<u>321,480</u>	<u>11,410</u>	<u>2,251,215</u>

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year Ended 30 June 2024

9. Revenue (cont'd)

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

Segments	Half year ended 30 June 2023			Consolidated total \$'000
	Powertrain solutions \$'000	Building materials \$'000	Others \$'000	
Major product or service lines				
Sale of heavy-duty engines	528,960	-	-	528,960
Sale of medium-duty engines	615,548	-	-	615,548
Sale of light-duty engines	158,387	-	-	158,387
Sale of precast concrete products	-	58,509	-	58,509
Sale of ready-mix concrete	-	148,471	-	148,471
Sale of cement	-	85,180	-	85,180
Sale of other goods	-	14,110	-	14,110
Sale of rigid packaging products	-	-	10,431	10,431
Hospitality operations	4,294	-	2,656	6,950
Others ⁽¹⁾	448,524	-	15	448,539
	<u>1,755,713</u>	<u>306,270</u>	<u>13,102</u>	<u>2,075,085</u>

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

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year Ended 30 June 2024

9. Revenue (cont'd)

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

Segments	Half year ended 30 June 2023			Consolidated total \$'000
	Powertrain solutions \$'000	Building materials \$'000	Others \$'000	
Geographical markets				
The PRC	1,745,088	-	9,395	1,754,483
Singapore	470	204,319	1,036	205,825
Malaysia	409	101,951	2,671	105,031
Others	9,746	-	-	9,746
	<u>1,755,713</u>	<u>306,270</u>	<u>13,102</u>	<u>2,075,085</u>
Timing of revenue recognition				
Goods and services transferred at a point in time	1,751,419	306,270	11,270	2,068,959
Services transferred over time	4,294	-	1,832	6,126
	<u>1,755,713</u>	<u>306,270</u>	<u>13,102</u>	<u>2,075,085</u>

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the Half Year Ended 30 June 2024

10. Profit before income tax from continuing operations

Profit before income tax from continuing operations includes the following:

	Half year ended 30 June 2024 \$'000	Group Half year ended 30 June 2023 \$'000	+/- %
Gain on disposal of property, plant and equipment, net	2,926	89	3187.6%
Impairment losses recognised for trade and other receivables, net	(2,000)	(173)	1056.1%
Allowance written back for inventories obsolescence	87	444	-80.4%
Depreciation and amortisation	(80,351)	(73,384)	9.5%
Foreign exchange gain/(loss), net	1,697	(1,366)	NM
Interest expense	(17,565)	(20,145)	-12.8%
Interest income	16,145	16,319	-1.1%
Write-off of property, plant and equipment	(12)	(43)	-72.1%

NM – Not meaningful

11. Income tax expense

For the half year ended 30 June 2024, the Group's tax expenses included additional provision of \$2,912,000 for prior years (30 June 2023: additional provision of \$7,314,000 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 2024 No. of shares	Group Half year ended 30 June 2023 No. of shares
Weighted average number of shares issued, used in the calculation of basic earnings per share	747,978,318	747,978,318
Dilutive effect of share options	19,934	35,473
Weighted average number of ordinary shares (diluted)	747,998,252	748,013,791

260,000 (30 June 2023: 320,000) share options granted to Group Employees (as defined in the Scheme) under the Scheme have not been included in the calculation of diluted earnings per share because they are anti-dilutive as the options are out-of-the-money.

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the Half Year Ended 30 June 2024

13. Related party transactions

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

During the half year ended 30 June 2024, the Group made payments to firms, in which a director has an interest, in respect of professional services rendered. This amounted to \$11,137 (30 June 2023: \$36,310). No balance was outstanding at the balance sheet date (31 December 2023: \$324).

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 2024	Half year ended 30 June 2023
	\$'000	\$'000
Sale of engines and materials		
- associates and joint ventures	105,197	76,074
- related corporations	252,617	208,642
Purchase of materials, supplies and engines		
- associates and joint ventures	212,040	157,904
- related corporations	178,190	173,735
Management services income		
- an associate	222	222
Management services paid and payable		
- related corporations	61	71
Rental paid and payable (include general expenses)		
- immediate holding company	318	318
- a joint venture	-	2,916
General and administrative expenses		
- joint ventures	1,087	-
- related corporations	4,507	8,085
Delivery, storage, distribution and handling expenses		
- related corporations	13,516	14,710
Hospitality, restaurant, consultancy and other service income		
- Joint ventures	1,150	779
- related corporations	4,247	931
Rental income		
- associates and joint ventures	-	191
- related corporations	25	61

Hong Leong Asia Ltd. and its subsidiaries

Notes to the Condensed Interim Consolidated Financial Statements For the Half Year Ended 30 June 2024

13. Related party transactions (cont'd)

(b) *Outstanding balances with a related party*

As at 30 June 2024, fixed deposits held with a related party amounted to \$4,630,000 (31 December 2023: \$9,500,000).

(c) *Commitments with related parties*

As at 30 June 2024, the Group had commitments to purchase raw materials from related parties amounting to approximately \$85,151,000 between 2024 and 2028 (31 December 2023: \$67,468,000 between 2024 and 2027).

14. Dividends

	Group	
	Half year ended 30 June 2024	Half year ended 30 June 2023
	\$'000	\$'000
Declared and paid during the financial period		
<i>Dividends on ordinary shares:</i>		
First and final tax exempt (1-tier) dividend paid of 2 cents per share in respect of year 2023 (30 June 2023: 2 cents per share in respect of year 2022)	14,960	14,960

15. Net Asset Value

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Net asset value per ordinary share (cents)	128.18	123.27	33.00	33.71

16. Fair value of assets and liabilities

(a) *Fair value hierarchy*

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

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

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

Notes to the Condensed Interim Consolidated Financial Statements
For the Half Year Ended 30 June 2024

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

(b) *Assets and liabilities measured at fair value*

The following table shows an analysis of each class 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 2024			
Financial assets			
Other investments	2,708	-	2,708
Bill receivables	-	391,522	391,522
Derivatives	-	33	33
As at 30 June 2024	2,708	391,555	394,263
31 December 2023			
Financial assets			
Other investments	6,040	-	6,040
Bill receivables	-	710,424	710,424
As at 31 December 2023	6,040	710,424	716,464
Financial liabilities			
Derivatives	-	30	30
As at 31 December 2023	-	30	30

(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 2024

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

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

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

Classification of financial instruments

	Financial assets at amortised cost \$'000	Fair value through other comprehensive income \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
30 June 2024				
Assets				
Other investments	-	2,708	-	2,708
Trade and other receivables*	1,761,177	391,522	-	2,152,699
Cash and bank balances	1,326,366	-	-	1,326,366
	<u>3,087,543</u>	<u>394,230</u>	<u>-</u>	<u>3,481,773</u>
Liabilities				
Trade and other payables [^]	-	-	2,196,198	2,196,198
Other non-current liabilities	-	-	46,432	46,432
Loans and borrowings	-	-	938,594	938,594
	<u>-</u>	<u>-</u>	<u>3,181,224</u>	<u>3,181,224</u>
31 December 2023				
Assets				
Other investments	-	6,040	-	6,040
Trade and other receivables*	1,049,788	710,424	-	1,760,212
Cash and bank balances	1,233,720	-	-	1,233,720
	<u>2,283,508</u>	<u>716,464</u>	<u>-</u>	<u>2,999,972</u>
Liabilities				
Trade and other payables [^]	-	-	1,843,699	1,843,699
Other non-current liabilities	-	-	46,042	46,042
Loans and borrowings	-	-	887,981	887,981
	<u>-</u>	<u>-</u>	<u>2,777,722</u>	<u>2,777,722</u>

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

[^] Excludes deferred grants.

Hong Leong Asia Ltd. and its subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the Half Year Ended 30 June 2024

1. Review

The condensed interim consolidated balance sheets of Hong Leong Asia Ltd. and its subsidiaries as at 30 June 2024 and the related condensed interim consolidated income statement and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the half year period then ended and certain explanatory notes have not been audited or reviewed.

2. Notes to the financial statements for the half year ended 30 June 2024

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, partially offset by additional capital expenditure during the half year ended 30 June (“1H”) 2024, (b) amortisation of intangible, partially offset by capitalisation of development costs for National VI and Tier 4 engines and new energy products, and (c) disposal of other investment designated as fair value through other comprehensive income. This was partially offset by (d) recognition of share of profits (net) of associates and joint ventures.
- **Current assets:** The increase in current assets was mainly due to (a) higher trade and other receivables which resulted largely from timing of collections, and (b) higher cash and cash equivalents held as at 30 June 2024.
- **Current liabilities:** The increase in current liabilities was mainly due to higher trade and other payables, loans and borrowing, provisions and lease liabilities. Current tax payable also increased due to higher taxable income. In particular:
 - The increase in trade and other payables was mainly due to timing of settlement of amounts owed to suppliers.
 - The increase in loans and borrowings was mainly due to additional short-term borrowings (net) and reclassification of loans (maturing within the next 12 months) from non-current liabilities.
 - Additional provision for warranty and new leases were taken up during 1H 2024. The increase was partially offset by lower contract liabilities, mainly due to decrease in advance payment from customers as at 30 June 2024.
- **Non-current liabilities:** The decrease in non-current liabilities was mainly due to reclassification of loans (maturing within the next 12 months) to current liabilities. This was partially offset by higher deferred grants recognised during 1H 2024.
- **Assets/liabilities directly associated with disposal group classified as held for distribution to owners (Airwell):** The decreases in assets and liabilities of disposal group were mainly due to settlement of payables during 1H 2024.

Hong Leong Asia Ltd. and its subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the Half Year Ended 30 June 2024

2. Notes to the financial statements for the half year ended 30 June 2024 (cont'd)

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

Company

- **Non-current assets:** The decrease in non-current assets was mainly due to depreciation of property, plant and equipment and right-of-use assets.
- **Current assets:** The increase in current assets was mainly due to higher receivables from subsidiaries, which was partially offset by lower cash and cash equivalents held as at 30 June 2024.
- **Current liabilities:** The increase in current liabilities was mainly due to additional loans and borrowings (net) taken up as at 30 June 2024 and higher staff costs provision.
- **Non-current liabilities:** The increase in non-current liabilities was mainly due to 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 1H 2024 was attributed mainly to the Group's Rigid Packaging Unit ("**Rex**"). Net gain on disposal of property, plant and equipment in 1H 2023 was attributed mainly to the Group's Building Materials Unit ("**BMU**").
- Net impairment losses recognised for trade and other receivables in 1H 2024 were attributed mainly to the Group's Powertrain Solutions Unit ("**Yuchai**"). Net impairment losses recognised for trade and other receivables in 1H 2023 were attributed mainly to investment holding entities of the Group.
- Net allowances written back for inventories obsolescence in 1H 2024 and 1H 2023 were attributed mainly to Yuchai.
- The higher depreciation and amortisation recorded in 1H 2024 as compared to 1H 2023 were mainly due to the commencement of amortisation of technology know-how transferred from capitalised development expenditure upon completion and ready for use.
- The net foreign exchange gain recorded in 1H 2024 was mainly due to foreign exchange gain on revaluation of United States dollar ("**USD**") assets, as a result of the weakening of Singapore Dollars ("**SGD**") against USD. This was partially offset by foreign exchange loss on revaluation of SGD assets in China Yuchai International Limited ("**CYI**") (with functional currency in USD). Net foreign exchange loss recorded in 1H 2023 was mainly due to (a) foreign exchange loss on revaluation of SGD liabilities in subsidiaries with functional currency in Malaysian Ringgit ("**RM**"), as a result of the weakening of RM against SGD, and (b) foreign exchange loss on revaluation of Renminbi ("**RMB**") assets in China Yuchai International Limited's subsidiaries (with functional currency in USD), as a result of the weakening of RMB against USD. This was partially offset by foreign exchange gains on revaluation of USD assets.

Hong Leong Asia Ltd. and its subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the Half Year Ended 30 June 2024

2. Notes to the financial statements for the half year ended 30 June 2024 (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 decrease in interest expense in 1H 2024 was due mainly to lower bill discounting expenses.
- Interest income in 1H 2024 was comparable to 1H 2023.
- The write-offs of property, plant and equipment in 1H 2024 and 1H 2023 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. The other business units of the Group include Rex and the Air-conditioning Systems Unit (“**Airwell**”) – where the latter is classified as discontinued operation.

In China, National Bureau of Statistics reported that GDP expanded 4.7% in the second quarter (“**2Q**”) of 2024 from a year earlier. On a quarter-by-quarter basis, GDP expanded 0.7% in 2Q 2024, compared with a revised 1.5% gain in the previous quarter¹. Amid challenging market conditions, Yuchai recorded growth in unit sales and margin improvement, which contributed to higher profits in 1H 2024.

In Singapore, the Ministry of Trade and Industry announced that the construction sector grew by 3.8% in the second quarter of 2024, extending the 4.1% growth in the first quarter, on account of an increase in both public and private sector construction output². BMU in Singapore (“**BMU Singapore**”) continued to perform in 1H 2024 boosted by the strong market demand, while facing input costs pressure and tight credit conditions. For Precast business, it was impacted by the slow project off-take in the industry.

In Malaysia, the Department of Statistics Malaysia announced that the value of the construction work done in the second quarter of 2024 was RM38.9 billion, a surge of 20.2%³. Notwithstanding challenges in rising energy and transportation costs with the removal of diesel subsidies, BMU in Malaysia’s (“**Tasek**”) profitability was lifted by higher sales volumes and selling prices, bolstered by the softening of coal prices.

¹ <https://www.reuters.com/world/china/chinas-q2-gdp-grows-47-yy-below-forecast-2024-07-15/>

² <https://www.singstat.gov.sg/-/media/files/news/gdp2q2024.ashx>

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

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

1H 2024 versus 1H 2023

Notes:

- (a) *Approximately 85% 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 has been made at the average exchange rates of RMB5.3648 = SGD1.00 for 1H 2024 and RMB5.2156 = SGD1.00 for 1H 2023. For 1H 2024, RMB depreciated by about 2.9% as compared to 1H 2023.*
- (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 2024 and 1H 2023.*

Revenue for the Group was \$2.251 billion in 1H 2024, an increase of \$176.1 million or 8.5%, from \$2.075 billion in 1H 2023. The increase in revenue was mainly due to higher revenue recorded by Yuchai and BMU.

- Yuchai's revenue increased by \$162.6 million or 9.3% as compared to 1H 2023, affected in part by the weakening of RMB against SGD. The total number of engines sold by Yuchai in 1H 2024 was 192,743 units, a 16.3% increase as compared to 165,793 units sold in 1H 2023. The increase was mainly driven by a 35.6% increase in truck engine sales, with heavy-duty truck engine sales up by 32.9%. In addition, bus engine sales increased by 21.7% and engine sales for industrial applications increased by 13.1%. Sales increased in all product categories except pickups.
- BMU's revenue increased by \$15.2 million or 5.0% as compared to 1H 2023, largely due to higher sales volumes by Tasek.

The Group's gross profit was \$420.1 million in 1H 2024, an increase of \$47.2 million from \$372.9 million in 1H 2023. This was mainly due to increase in gross profit recorded for Yuchai and BMU. The Group's gross margin increased to 18.7% in 1H 2024 as compared to 18.0% in 1H 2023, mainly attributable to higher engine sales, especially sales of heavy-duty vehicle engines and industrial engines, and contribution from ongoing cost reduction efforts of Yuchai.

Other income, which comprised mainly government grants, interest income and foreign exchange gain, was \$43.2 million in 1H 2024, an increase of \$12.6 million from \$30.6 million in 1H 2023. The increase was largely due to higher government grants and value-added tax rebate, and gain on disposal of property, plant and equipment recognised in 1H 2024.

Selling and distribution expenses were \$171.2 million in 1H 2024, an increase of \$40.7 million or 31.2% as compared to \$130.5 million in 1H 2023, largely due to higher warranty expenses in Yuchai.

Research and development ("R&D") expenses were \$73.4 million in 1H 2024, a decrease of \$4.5 million or 5.8% as compared to \$77.9 million in 1H 2023. Yuchai will continue to invest in research and development for on-road engines in the commercial vehicles markets and off-road engines as well as new energy products.

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

1H 2024 versus 1H 2023 (cont'd)

General and administrative expenses were \$101.4 million in 1H 2024, an increase of \$5.3 million or 5.5% as compared to \$96.1 million in 1H 2023. The increase was mainly due to higher staff costs.

Finance costs were \$18.0 million in 1H 2024, a decrease of \$2.6 million or 12.7% as compared to \$20.6 million in 1H 2023. This was mainly due to lower bill discounting expenses.

Other expenses were \$0.3 million in 1H 2024, a decrease of \$1.1 million from \$1.4 million in 1H 2023. This was mainly due to the absence of net foreign exchange loss recognised in 1H 2023.

Share of results of associates and joint ventures was a profit of \$21.3 million in 1H 2024 as compared to \$14.5 million in 1H 2023. This was mainly due to better performance from associates of BMU (which included share of gain recognised by an associate of S\$3.3 million relating to disposal of its own associate) and joint ventures of Yuchai.

In conclusion, profit from continuing operations was \$92.4 million in 1H 2024 as compared to \$64.3 million in 1H 2023. Profit attributable to the owners of the Company was \$49.5 million in 1H 2024, an increase of \$18.7 million or 60.9% as compared to \$30.8 million in 1H 2023.

Working Capital and Cash Flow

The Group had cash and short-term deposits of \$1.326 billion as at 30 June 2024 compared with \$1.234 billion as at 31 December 2023.

During the period under review, the Group generated operating cash inflow before changes in working capital of \$241.1 million and net cash inflow from operating activities of \$45.5 million. This was mainly due to higher trade and other receivables, partially offset by higher trade and other payables as compared to 31 December 2023.

The net cash inflow from investing activities of \$21.0 million was mainly due to net cash inflow from disposal of subsidiary in 2023 which was received in 1H 2024, interest received and dividends received from associates and joint ventures. This was partially offset by purchase of property, plant and equipment and intangible assets and net placement of bank deposits.

The net cash inflow from financing activities of \$14.8 million was mainly due to net proceeds from borrowings of \$49.5 million and contribution from non-controlling interests of \$15.5 million, partially offset by interest payment of \$19.1 million and dividends paid to shareholders of the Company and non-controlling interests of subsidiaries of \$23.9 million.

As reported in the Group's results announcement for the third quarter of 2018 dated 14 November 2018, the Company had raised net proceeds of \$201.1 million from the rights issue exercise in October 2018. On 11 August 2023, the Group 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.

**Other Information Required by Listing Rule Appendix 7.2
For the Half Year Ended 30 June 2024**

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 is doing well with strong unit sales growth in almost all segments. The key statistics from China Association of Automobile Manufacturers' Report shows commercial diesel vehicles unit sales growing at 4.4% year-on-year in 1H 2024. In July 2024, China's National Development and Reform Commission announced a RMB 300 billion stimulus programme to encourage businesses and consumers to scrap old vehicles and equipment and replace them for newer versions⁴. The stimulus programme is seen as a net positive for the powertrain industry and is likely to be felt as business confidence improves and the programme is drawn down. In the meantime, Yuchai continues to invest in R&D initiatives to improve its powertrain portfolio, including the development of new energy solutions.

In Singapore, BMU Singapore expects its order books in the Precast and Ready-Mix Concrete segments to continue to grow from public and private sector projects. This is in line with the Building and Construction Authority's projection of the total value of construction contracts to be awarded in 2024⁵. Our innovation with the introduction of the larger 12 cubic metre ready-mix concrete trucks to counter a shortage of drivers has improved our operational efficiency and productivity gains.

In Malaysia, Tasek expects demand to continue to improve with the increased infrastructure development expenditure⁶. Overall costs are expected to rise with the recent removal of diesel subsidies. Tasek is focused on improving its operational efficiency and increasing the use of recycled materials as well as alternative raw materials and fuels in our ongoing efforts to be more sustainable.

Barring unforeseen circumstances, the Group expects its businesses to be on track to perform well in 2024.

⁴ <https://www.globaltimes.cn/page/202407/1316751.shtml>

⁵ <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2024/01/15/steady-demand-for-the-construction-sector-projected-for-2024>

⁶ <https://www.mida.gov.my/mida-news/strong-spillover-from-mega-infrastructure-projects-in-q2/>

Hong Leong Asia Ltd. and its subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the Half Year Ended 30 June 2024

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)	1 cent 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? No

(c) Date payable

10 September 2024

(d) Record date

5.00 p.m. on 29 August 2024

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 2024 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 and HRPL, being associates of HLIH, are IPs.	Construction-related Transaction - Sale of raw materials to IP: \$776,900
Hong Realty Private Limited ("HRPL")		General Transaction - Sub-lease of office premises from IP for a lease tenure of three years: \$2,138,976
		Total: \$2,915,876

Hong Leong Asia Ltd. and its subsidiaries

**Other Information Required by Listing Rule Appendix 7.2
For the Half Year Ended 30 June 2024**

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
Yeo Swee Gim, Joanne
Company Secretaries

13 August 2024

**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 2024 to be false or misleading in any material respect.

On behalf of the Board

Kwek Leng Peck

Executive Chairman

13 August 2024

Stephen Ho Kiam Kong

Executive Director and Chief Executive Officer



Media Release

Hong Leong Asia's Attributable Net Profit Up 60.9% to S\$49.5 million in 1H 2024

Singapore, August 13, 2024 – Hong Leong Asia (“HLA” or the “Group”), a diversified Asian multinational with core businesses in building materials and powertrain solutions, today announced attributable net profit of S\$49.5 million for the half year ended 30 June 2024 (“1H 2024”).

1H 2024 FINANCIAL SUMMARY

	Half Year ended 30 June 2024	Half Year ended 30 June 2023	+/-
	S\$'000	S\$'000	%
Revenue	2,251,215	2,075,085	8.5%
Net Profit	92,529	64,121	44.3%
Net Profit Attributable to Shareholders	49,544	30,794	60.9%
Earnings Per Share (cents)	6.62	4.12	60.9%
Dividends Per Share (cents – Interim)	1.00	-	NM

Group revenue increased 8.5% YoY to S\$2.3 billion, with robust growth at both powertrain solutions (“Yuchai”) and building materials units (“BMU”). The Group’s profitability was lifted by strong performance at both Yuchai and BMU on the back of improving market conditions in Singapore, Malaysia and China.

In China, Yuchai revenue grew 9.3% YoY to S\$1.9 billion, with reportable segment profit after tax of S\$61.9 million, up 28.8% YoY. Total number of engines sold in 1H 2024 increased 16.3% YoY to 192,743 units led by truck and bus/industrial engines sales volume growth. Higher gross margins were also realised by ongoing cost reduction efforts and better sales mix toward heavy-duty vehicle engines and industrial engines.



In Singapore and Malaysia, BMU revenue grew 5.0% YoY to S\$321.5 million, with reportable segment profit after tax of S\$42.0 million, representing growth of 35.2% YoY. Demand for building materials in ready-mix concrete continued to be strong, led by public sector projects in Singapore. Our prefabrication business in R3 Precast was affected by the slow project off-take in the industry although the order book continues to grow. In Malaysia, notwithstanding challenges in rising energy and transportation costs with the removal of diesel subsidies, Tasek's profitability was lifted by higher sales volumes and selling prices, bolstered by the softening of coal prices.

The Company is pleased to announce an interim dividend of S\$0.01 per share.

Market Outlook

In China, Yuchai is doing well with strong unit sales growth in almost all segments. The key statistics from China Association of Automobile Manufacturers' Report shows commercial diesel vehicles unit sales growing at 4.4% YoY in 1H 2024. In July 2024, China's National Development and Reform Commission announced a RMB 300 billion stimulus programme to encourage businesses and consumers to scrap old vehicles and equipment and replace them for newer versions¹. The stimulus programme is seen as a net positive for the powertrain industry and is likely to be felt as business confidence improves and the programme is drawn down. In the meantime, Yuchai continues to invest in R&D initiatives to improve its powertrain portfolio, including the development of new energy solutions.

In Singapore, BMU in Singapore expects its order books in the Precast and Ready-Mix Concrete segments to continue to grow from public and private sector projects. This is in line with the Building and Construction Authority's projection of the total value of construction contracts to be awarded in 2024². Our innovation with the introduction of the larger 12 cubic metre ready-mix concrete trucks to counter a shortage of drivers has improved our operational efficiency and productivity gains.

In Malaysia, BMU in Malaysia ("**Tasek**") expects demand to continue to improve with the increased infrastructure development expenditure³. Overall costs are expected to rise with the recent removal of diesel subsidies. Tasek is focused on improving its operational efficiency and increasing the use of recycled materials as well as alternative raw materials and fuels in our ongoing efforts to be more sustainable.

Barring unforeseen circumstances, the Group expects its businesses to be on track to perform well in 2024.

¹ <https://www.globaltimes.cn/page/202407/1316751.shtml>

² <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2024/01/15/steady-demand-for-the-construction-sector-projected-for-2024>

³ <https://www.mida.gov.my/mida-news/strong-spillover-from-mega-infrastructure-projects-in-q2/>



About Hong Leong Asia:

Hong Leong Asia Ltd. has been listed on the Singapore Exchange since 1998 and is part of Hong Leong Group, a Singapore-based conglomerate. We are a diversified Asian multinational with core businesses in building materials and powertrain solutions. We work closely with customers to develop and deliver innovative and sustainable solutions for cities of the future.

For more information, please visit <https://www.hlasia.com.sg> or follow us on LinkedIn.

About Hong Leong Group:

Headquartered in Singapore, the Hong Leong Group is a globally-diversified company with gross assets of over S\$40 billion in property investment and development, hotel ownership and management, financial services and industrial enterprises across Asia Pacific including China, the Middle East, Europe and North America.

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HONG LEONG ASIA LTD.

1H 2024 RESULTS PRESENTATION

13 AUGUST 2024 | MR. STEPHEN HO KIAM KONG, CEO

1H 2024 FINANCIALS

	1H 2024	1H 2023	Change (%)
Revenue (S\$'000)	2,251,215	2,075,085	8.5%
Net Profit (S\$'000)	92,529	64,121	44.3%
Net Profit Excluding Discontinued Operation (S\$'000)	92,377	64,254	43.8%
Net Profit Attributable to Shareholders (S\$'000)	49,544	30,794	60.9%
Earnings Per Share (Cent)	6.62	4.12	60.9%
Interim Dividends Per Share (Cent)	1.0	-	N.A.
Net Cash Flow Generated from Operating Activities (S\$'000)	45,528	75,241	(39.5%)
	30 Jun 2024	31 Dec 2023	Change (%)
Net Debt ¹ / Equity Ratio	(0.42)	(0.39)	7.7%
Net Debt ² / Equity Ratio	2.03	1.75	16.0%

¹ Net Debt is defined as Loans and Borrowings, less Cash and Deposits. The Group is in a Net Cash position of S\$388M (31 Dec 2023: S\$346M)

² Net Debt is defined as Trade and Other Liabilities and Loans and Borrowings, less Cash and Deposits and does not include Trade and Other Receivables. Including Trade and Other Receivables, the Group is in a Net Cash Position of S\$329M (31 Dec 2023: Net Cash Position of S\$252M)

KEY SEGMENT RESULTS

	Unless specified, figures are in S\$'000	1H 2024	1H 2023	Change (%)
Powertrain Solutions	Volume (Units)	192,743	165,793	16.3%
	Revenue	1,918,325	1,755,713	9.3%
	Profit After Tax	61,915	48,070	28.8%
Building Materials	Revenue	321,480	306,270	5.0%
	Profit After Tax	41,951	31,032	35.2%
Corporate and Others	Revenue	11,410	13,102	(12.9%)
	Loss After Tax	(11,489)	(14,848)	(22.6%)

KEY HIGHLIGHTS OF CASH FLOW

	1H 2024 (S\$'000)	1H 2023 (S\$'000)
Operating Cash Flow before Working Capital Changes	241,086	190,279
Net Cash Flow Generated from Operating Activities	45,528	75,241
(Less)/Add:		
Capital Expenditure (PPE and Intangible Assets)	(43,594)	(40,911)
Net Cash Inflow from Disposal of Subsidiary, Associate, Joint Venture, PPE and Other Investments	48,759	4,411
Contribution by Non-Controlling Interests	15,450	3,835
Additional Investment in Joint Venture	-	(1,246)
Dividends Received from Associates and Other investments	7,028	6,639
Dividends Paid to Shareholders of the Company	(14,960)	(14,960)
Dividends Paid to Non-Controlling Interests of Subsidiaries	(8,943)	-
Net Increase from Borrowings	49,456	140,278
Net Placement of Deposits with Banks	(7,884)	(53,774)
Interest Paid, Net	(2,365)	(4,731)
Repayment of Obligations under Lease Liabilities	(7,072)	(6,740)
Net Cash Flow	81,403	108,042
Free Cash Flow	1,934	34,330

KEY BUSINESS UPDATES

Business Segment

Business Updates

Powertrain Solutions

- 192,743 engine units sold in 1H 2024, an increase of 16.3% YoY. Growth in volumes was led by truck engines and bus/industrial engines. Sales increased in all products categories except pickups.
- Higher gross margins on on-going cost reduction efforts and better sales mix towards heavy-duty vehicle engines and industrial engines.
- R&D initiatives to develop New Energy powertrains such as hybrids, integrated electric drive axles, hydrogen fuel cell systems and hydrogen powered engines.

Some Key Developments:

- ❖ Launched 50 fuel cell powered bus with Beijing Xingshunda (82KW & 120KW versions).
- ❖ Launched new QT700-10 wind turbine fan main shaft.
- ❖ US\$40m/4m shares buyback program approved and announced by Board of China Yuchai in June 2024.
- ❖ Chinese Government programme on large scale equipment renewal announced in July 2024 to incentivise scrapping of older commercial vehicles and equipment in place of new energy solutions.

KEY BUSINESS UPDATES

Business Segment

Business Updates

Building Materials

- BMU's order books in the Precast and Ready-Mix Concrete (RMC) segments in Singapore continue to grow from public and private sector project launches.
- Prefabrication business in R3 Precast affected by slow project off-take in the industry.
- In Malaysia, Tasek's (integrated cement plant and RMC) profitability was supported by higher sales volume and selling prices.
- Tasek continues to improve its operational efficiency and working to increase the use of alternative fuels and alternative raw materials.

Some Key Developments:

- ❖ Investments in Integrated Construction and Prefabrication Hub facility in Punggol and RMC Ecosystem Batching Plant at Jurong Port have position us as a leading player in Singapore.
- ❖ Productivity in Singapore RMC delivery improved with use of 12 cubic metre ready-mix concrete trucks to counter the shortage in truck drivers.
- ❖ Improvement in Tasek's operational efficiency will counter some of the costs pressure arising from the removal of diesel subsidies in June 2024.

AWARDS & ACCOLADES

- Ranked 14th on the Singapore Governance and Transparency Index under the General Category by NUS Business School's Centre for Governance and Sustainability, *August 2024*
- Ranked among Asia's 350 leading companies as one of Asia Pacific Climate Leaders 2023 on the Financial Times and Statista list for transparency in reporting and greatest reduction in core emission intensity relating to Scopes 1 and 2 between 2017 and 2022 for the third consecutive year, *June 2024*
- Ranked 118th for the inaugural Fortune Southeast Asia 500 companies list, *June 2024*
- Ranked 90th as one of Singapore's Best Employers by The Straits Times and Statista, *April 2024*



SUSTAINABILITY

At HLA, our vision is to develop and deliver sustainable and innovative urban solutions for cities of the future.

In pursuit of this vision, we are committed to integrating sustainability into our business strategy. Empowering our people and driving innovation in low carbon and circular solutions for the built environment and transport sectors are crucial focus areas of our strategy.

Achieving our vision will not be easy. It will require investment, concerted effort and time, but it is an imperative for HLA given the global and local sustainability contexts facing our businesses.

We are committed to achieving the following focus Sustainable Development Goals throughout our operations and in our strategy:



DRIVING INNOVATION FOR A LOW-CARBON AND CIRCULAR ECONOMY

EMPOWERING OUR PEOPLE AND COMMUNITIES

BUILDING RESILIENCE FOR THE LONG-TERM

1H 2024 INITIATIVES

- *CYI/GYMCL* – Yuchai Xingshunda's 50 green energy buses equipped with hydrogen fuel cells commenced commercial operations.
- *CYI/GYMCL* – Guangxi Foundry Company Ltd. has advanced in the wind energy sector with the launch of the QT700-10 turbine fan main shaft.
- *BMU, Malaysia* – Achieved highest alternative fuel substitution rate at 18%.
- *HLA* – Launched the Youth4Planet and Future Cities series under the Group's CSR / Impact program to raise awareness on climate change effects on the urban environment amongst youth and promote volunteerism within the organisation.
- *BMU, Singapore* – Conducted two supplier audits with regards to the Group's Supplier Code of Conduct.
- *HLA* – Launched new Occupational, Health and Safety reporting framework for safety incidents/accidents reporting.
- *BMU, Malaysia* – Achieved ISO 45001 at 66% of operational sites, compared to 33% in FY2023.


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