HONG LEONG ASIA LTD.

Sustaining Growth

Future Forward

ANNUAL
REPORT
2024

About Us

Hong Leong Asia Ltd. ("HLA" or the "Group") is a diversified Asian multinational with core businesses in Powertrain Solutions and Building Materials. Headquartered in Singapore and operating principally in China, Singapore and Malaysia, HLA was incorporated in Singapore on 30 August 1963, and listed on the mainboard of the Singapore Exchange (SGX: H22) since 1998.

The Group's industry-leading businesses comprise China Yuchai International Limited ("CYI") with its principal operating subsidiary, Guangxi Yuchai Machinery Company Limited ("GYMCL" or "Yuchai") under the Powertrain Solutions portfolio, as well as Island Concrete (Private) Limited ("Island Concrete"), R3 Precast of HL Building Materials Pte. Ltd. ("HLBM") and Tasek Corporation Berhad ("Tasek") under the Building Materials portfolio.

In recent years, we have made further inroads in our green transition with new businesses including Yuchai Simlan Technology Co., Ltd.[1] – an innovation arm under Powertrain Solutions, to develop and create new energy solutions in China. This was followed by ReGen Sustainable Solutions Sdn Bhd for the Building Materials business, which co-processes waste materials to drive circular solutions in Malaysia. HLA works closely with the Group's businesses to develop and deliver innovative and sustainable solutions for cities of the future.

OUR PARENT COMPANY

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.

1 *Formerly known as Yuchai Xin-Lan New Energy Power Technology Co., Ltd.*

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Corporate Profile

OUR BUSINESSES

Powertrain Solutions

CYI, a subsidiary of HLA, is a Bermuda investment holding company established in 1993 and is listed on the New York Stock Exchange (NYSE:CYD). Its principal operating subsidiary, GYMCL, is one of the largest Powertrain Solutions manufacturers in China.

Based in Yulin City, Guangxi Zhuang Autonomous Region, GYMCL manufactures, assembles and sells a diverse range of light, medium and heavy-duty engines for trucks, buses, passenger vehicles, industrial equipment, marine and agricultural applications.

GYMCL also produces high-value core components for these applications, along with electrical and hybrid powertrain solutions for new energy vehicles.

GYMCL has an extensive sales and distribution network in China with a presence in 18 other countries, and more than 6,000 service stations worldwide. Its research and development centres also holds a portfolio of over 3,000 patents and partnerships focused on energy efficiency, new energy components, high-power electrical systems as well as hybrid and alternate fuels engine technologies.

Building Materials

HLA's Building Materials portfolio is one of the longest-established integrated building materials businesses in Southeast Asia, with subsidiaries across the value chain from raw materials to cement, ready-mix concrete and precast.

In Singapore, the Building Materials group of key companies ("BMG") comprising fully-owned Island Concrete and HLBM, supplies all grades of ready-mix concrete as well as precast concrete elements for public and private housing construction including the real estate and built environment sectors in Singapore.

In Malaysia, Tasek is one of the largest integrated cement manufacturers, with key business activities encompassing the manufacturing and sale of cement, cement-related products and ready-mix concrete in Peninsular Malaysia.

To deliver sustainable growth and create long-term shareholder value, the Group actively seeks partnerships and investments synergistic to its Building Materials businesses. HLA currently holds equity stakes in:

- Singapore Cement Manufacturing Company (Private) Limited (50% stake)
- HL-Sunway JV Pte Ltd (51% stake)
- Cement Industries (Sabah) Sdn Bhd (29.48% stake)
- BRC Asia Limited (20.15% stake)

To learn more, visit www.hlasia.com.sg

Corporate Highlights

AWARDS & ACCOLADES

HLA

Ranked 14th out of 477 SGX-listed companies on the Singapore Governance and Transparency Index 2024

Ranked 118th in the inaugural Fortune Southeast Asia 500 companies in 2024

Awarded "Best Managed Board" (Gold Award, S$300 million to less than S$1 billion market capitalisation category) by Singapore Corporate Awards 2024

Awarded "Best Annual Report" (Silver Award, S$300 million to less than S$1 billion market capitalisation category) by Singapore Corporate Awards 2024

Named Asia's top 350 Asia-Pacific Climate Leaders 2024 for the third consecutive year by Financial Times and Statista for transparency in reporting and achieving greatest reduction in Scope 1 and Scope 2 Greenhouse Gas emissions intensity from 2017 to 2022

Named one of "Singapore's Best Employer" for the second consecutive year by The Straits Times Singapore's Best Employers 2024

Awarded Silver Standard in Employee Experience & Well-being by Singapore Human Resources Institute (SHRI) at the 17th Singapore HR Awards 2024

BEYOND HLA

HLA

Launched Youth4Planet Challenge at Xingnan Primary School – a corporate responsibility initiative to empower future generations with STEAM skills, equipping students for 21st century challenges and nurturing a talent pipeline for the workforce of the future

Building Materials Island Concrete, Singapore

Signed sponsorship agreement with Life3 Biotech Pte Ltd to supply 400m³ of concrete for their Life3 Sustainability Hub (LUSH) pilot facility in Singapore

CORPORATE DEVELOPMENTS

Powertrain Solutions GYMCL, China

Appointed as Committee Member of New Hydrogen Innovation Consortium of China Internal Combustion Engine Society to advance the technology development of hydrogen combustion engines for applications in the automobile, power generation, marine, industrial and agricultural industries

Joint venture - Beijing Yuchai Xingshunda New Energy Technology Co., Ltd launched 50 green energy buses equipped with hydrogen fuel cells in Beijing, China

Subsidiary - Guangxi Yuchai Foundry Company Limited successfully launched QT700-10 turbine fan main shaft – key component to wind power generation for the renewable energy sector

Building Materials Island Concrete, Singapore

Initiated Environmental Product Declaration (EPD) for ready-mix product mixes to customers

Initiated trial project to manufacture a new autonomous front wheel loader that mechanises the transfer of aggregates during the production process

Completed construction of the Group's new batching plant at Jurong Port – the world's first centralised concrete manufacturing facility spanning 11.8 hectares, which was operational since Q4 2024

Financial Highlights

REVENUE*
(S$ million)

2024	**4,249**
2023	4,081
2022	3,881
2021	4,933
2020	4,496

PROFIT BEFORE TAX*
(S$ million)

2024	**194**
2023	166
2022	124
2021	132
2020	195

ATTRIBUTABLE PROFIT
(S$ million)

2024	**88**
2023	65
2022	55
2021	60
2020	47

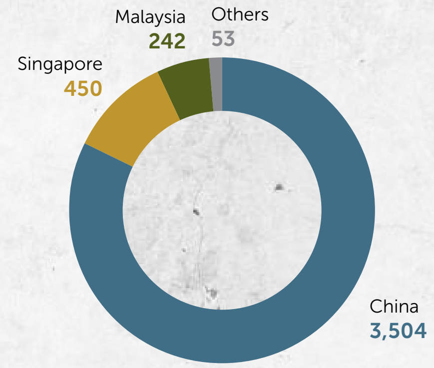
EARNINGS PER SHARE
(Singapore cents)

2024	**11.7**
2023	8.7
2022	7.3
2021	8.0
2020	6.3

DIVIDEND PER SHARE
(Singapore cents)

2024	**4**
2023	2
2022	2
2021	2
2020	1

REVENUE BY COUNTRY
(S$ million)



REVENUE BY BUSINESS SEGMENT*

S$4.25 billion
TOTAL

S$3.55 billion
POWERTRAIN SOLUTIONS

S$682 million
BUILDING MATERIALS

S$22 million
OTHERS

** Encompasses continuing operations only.*

What We Do

OUR KEY BUSINESSES AND INVESTMENTS

POWERTRAIN SOLUTIONS

China Yuchai International Limited

BUILDING MATERIALS

Island Concrete

R3 Precast

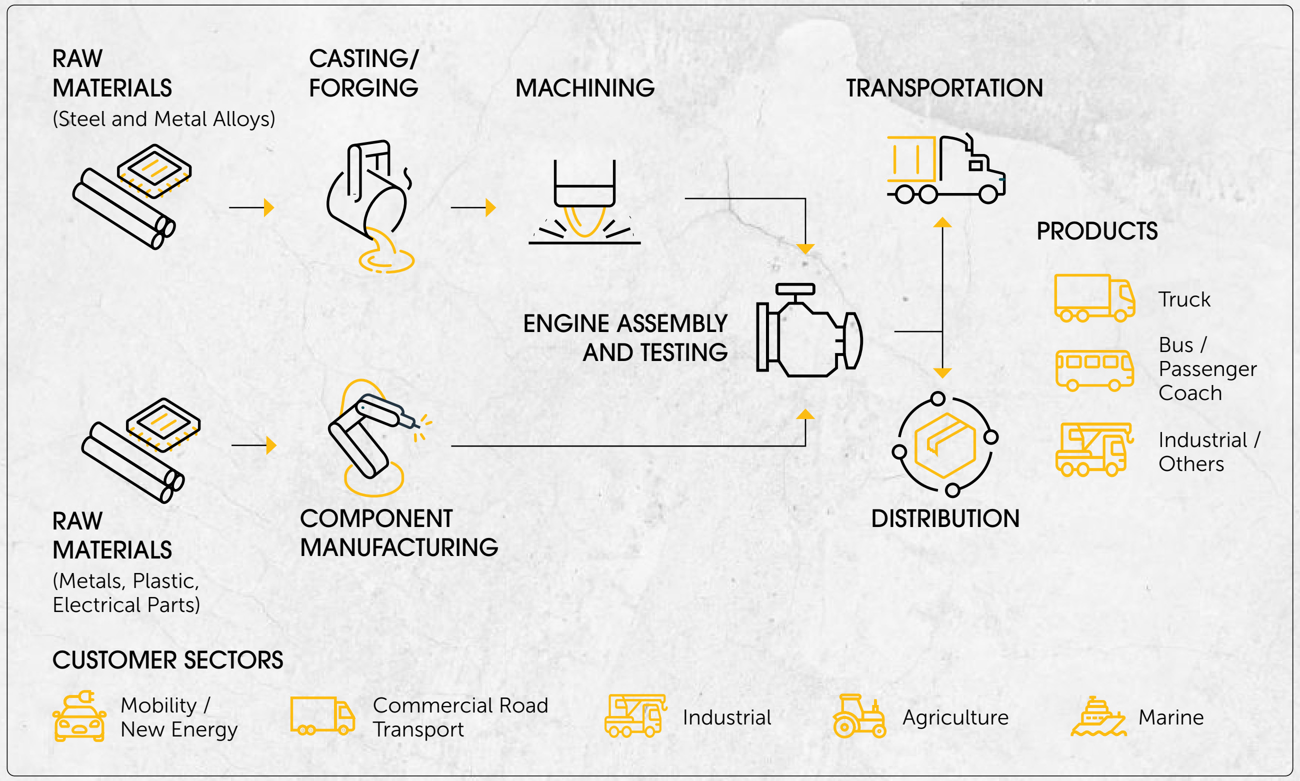
TASEK

PORTLAND CEMENT ONODA SINGAPORE CEMENT MANUFACTURING CO. (PTE) LTD

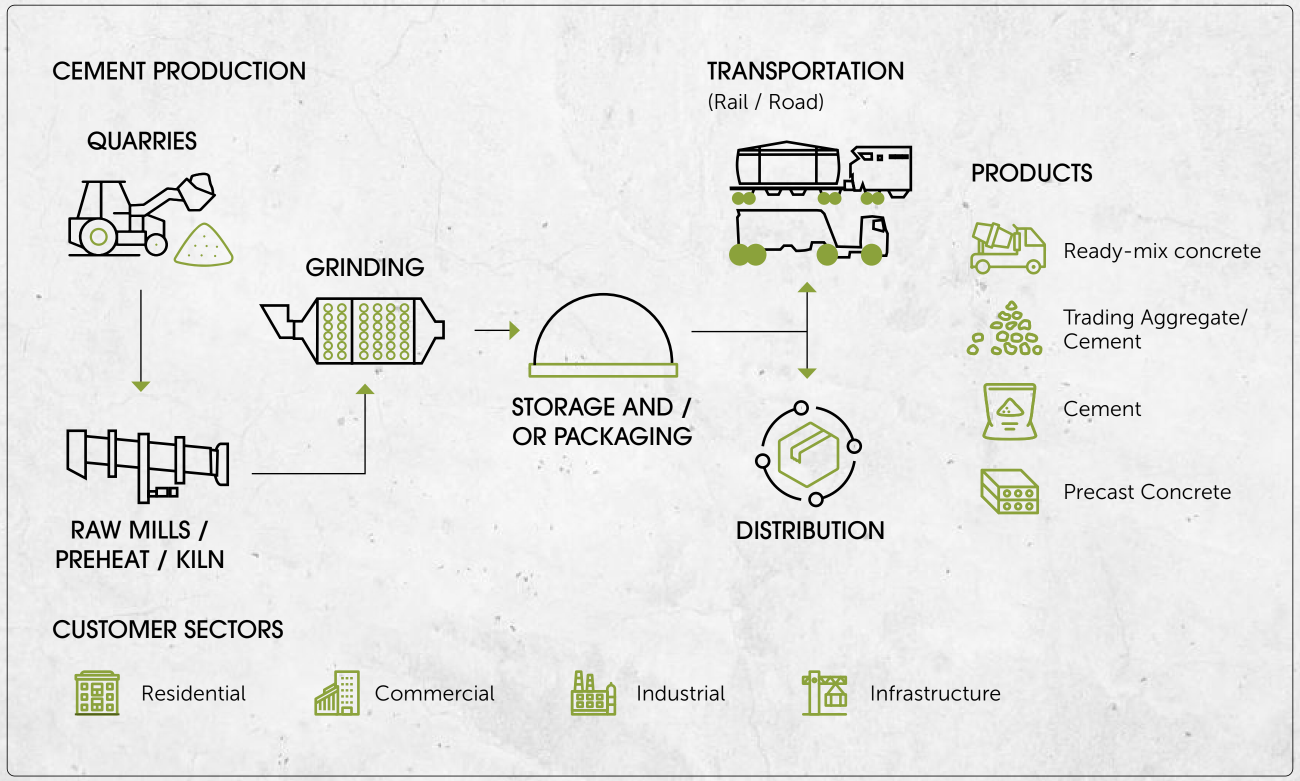
BRC ASIA

ReGen Sustainable Solutions

POWERTRAIN SOLUTIONS



BUILDING MATERIALS



Vision & Core Values

OUR VISION

Established Asian multinational known for our Market Leadership and Financial Strength, working closely with our customers to Develop and Deliver Sustainable and Innovative Urban Solutions for cities of the future.

OUR CORE VALUES

Keep The Customer First

Stay ahead of our customers' need by constantly having our fingers on the market's pulse and ensuring our products and services exceed their expectations today and in the future

Mind The Details That Matter

Sometimes, small things can make a big difference, so while we're growing quickly, let's make sure we continue to maintain our attention on things – big and small – that matter

Do The Right Things

Maintain the highest level of business ethics and take personal ownership to conduct ourselves in an honest and responsible manner in order to do what's right

Think Fast, Work Faster

Let's make sure we take the time to think and plan, but also make sure we take decisive action to put our plans into action and drive our businesses forward

Create An Impact Beyond Our Business

Let's ensure our products and our actions as an organisation help nurture an inclusive society and contribute towards environmental sustainability

Corporate Structure

as at 31 December 2024

HONG LEONG GROUP SINGAPORE

75%

HONG LEONG ASIA LTD.[a]

Powertrain Solutions

BERMUDA
China Yuchai International Limited[b]
(48.70%)

CHINA
Guangxi Yuchai Machinery Company Limited[c]
(76.41%)

Guangxi Yuchai Machinery Sales and Marketing Development Co., Ltd.[1]
(71.83%)

Yuchai Simlan Technology Co., Ltd.[2]
(87.7%)

Guangxi Yuchai Foundry Co., Ltd.
(100%)

Guangxi Yuchai Marine and Genset Power Co., Ltd.
(93.46%)

MTU Yuchai Power Company Limited
(50%)

Building Materials[d]

Ready-Mix Concrete

SINGAPORE
Island Concrete (Private) Limited
(100%)

MALAYSIA
Tasek Concrete Sdn Bhd
(98.28%)

Precast

SINGAPORE
HL Building Materials Pte. Ltd.
(100%)

MALAYSIA
HL-Manufacturing Industries Sdn.Bhd.
(100%)

Cement

SINGAPORE
Singapore Cement Manufacturing Company (Private) Limited
(50%)

MALAYSIA
Tasek Corporation Berhad
(98.28%)

Trading, Granite & Others

SINGAPORE
HL Building Materials Pte. Ltd.
(100%)

HL Granite Resources Pte. Ltd.
(100%)

BRC Asia Limited[a]
(20.15%)

MALAYSIA
Hayford Holdings Sdn. Bhd.
(100%)

Circular Economy Solutions

MALAYSIA
ReGen Sustainable Solutions Sdn. Bhd.
(98.28%)

Others

Rigid Packaging

CHINA
Dongguan Rex Packaging Company Limited
(100%)

Hospitality & Property Development

SINGAPORE
HL Global Enterprises Limited[a][e]
(24.43%)

Notes:
(a) listed on the Singapore Exchange Securities Trading Limited
(b) listed on the New York Stock Exchange
(c) 50 Subsidiary companies + 5 Joint ventures
(d) 12 Subsidiary companies + 4 Associates and Joint ventures
(e) 10 Subsidiary companies + 2 Associates and Joint ventures
(1) formerly known as Guangxi Yuchai Machinery Monopoly Development Co., Ltd.
(2) formerly known as Yuchai Xin-Lan New Energy Power Technology Co., Ltd.

WHAT SETS US APART

At HLA, we see immense business opportunities to grow and create positive impact beyond our business.

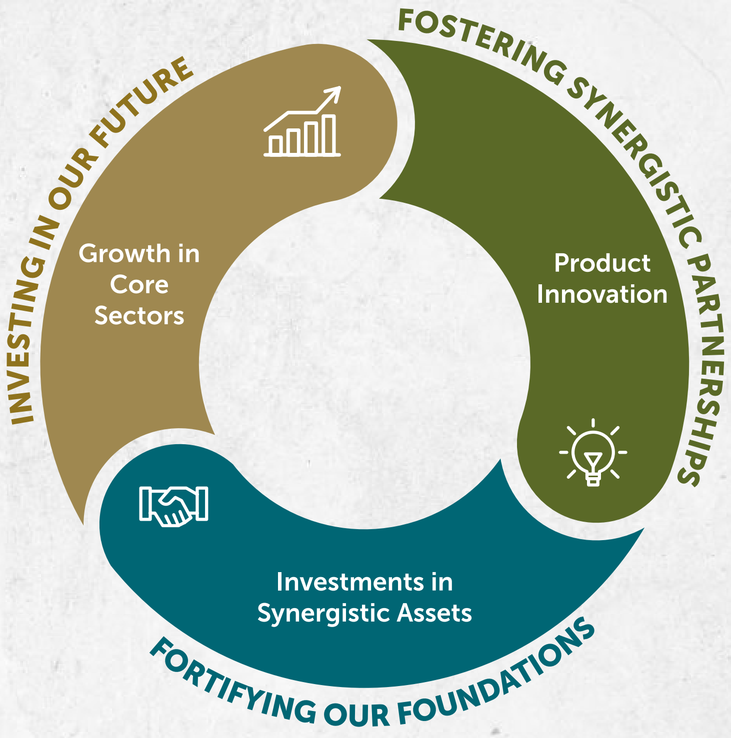
Competitive advantages as a **diversified Asian multinational** with core expertise in Powertrain Solutions and Building Materials

Industry leader in **pioneering and innovating sustainable urban solutions** for cities and communities

Diverse team of **reliable, resilient and responsible** employees providing urban solutions for various customer industries

WHAT WE DO

Key strategic growth thrusts to achieve HLA's aspiration of becoming a provider of sustainable and innovative urban solutions for cities of the future.



OUR ASSETS

Powertrain Solutions
- >3,000 patents
- >6,000 service stations in Chinese domestic markets and globally
- R&D laboratories

Building Materials
- 22 batching plants in 15 locations across Singapore and Malaysia
- >300 concrete mixer trucks in Singapore and Malaysia
- Cement plant in Malaysia
- Limestone and granite quarries

People
Over 10,000 employees spanning China, Singapore and Malaysia

WHAT WE DELIVER

We harness our competitive strengths to responsibly build scale and grow our businesses to create long-term shareholder value.

FY2024 FINANCIAL HIGHLIGHTS

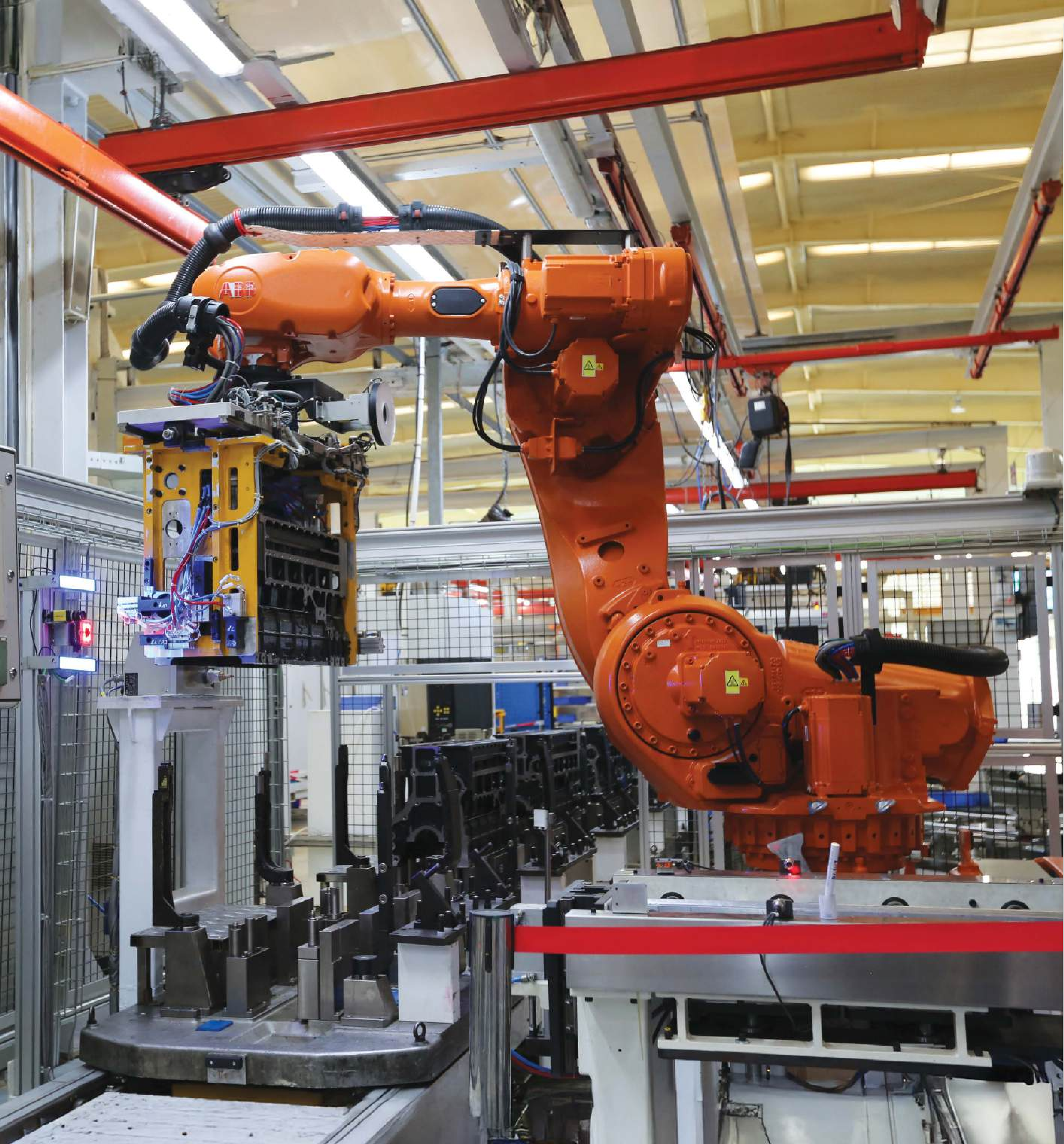
S$4.2 billion	S$87.8 million	S$1.0 billion
Group Revenue	Net Profit Attributable to the Owners of the Company	Equity Attributable to the Owners of the Company

SUSTAINABILITY PERFORMANCE INDICATORS

As urbanisation continues to drive demand for new buildings, infrastructure and mobility solutions, we will leverage our understanding of the markets we serve to offer low-carbon, innovative urban solutions for safer, resilient and sustainable future cities.

Sustainability is an integral part of the Group's business strategy in order to make HLA more resilient. Our key businesses, CYI/GYMCL, Island Concrete, R3 Precast and Tasek are well positioned to grow with a strong focus on responsible business practices and sustainability across our operations.

HLA Group	Powertrain Solutions	Building Materials	
27%	3.4%	0.88	18%
Reduction in CO_2 Emission Intensity vs. 2016 Baseline.	New Energy Products Sold Against Total Powertrain Solutions Sales	Clinker-to-Cement Ratio	Coal Substitution by Alternative Fuels



PROFIT AFTER TAX
BY BUSINESS SEGMENT

POWERTRAIN SOLUTIONS	BUILDING MATERIALS
S$89.6million	S$86.2million
▲17.2% YoY	▲13.1% YoY

Capitalising Core Strengths for Sustained Growth

Chairman's Message

Dear Shareholders,

I am pleased to present the Annual Report of Hong Leong Asia Ltd. ("HLA" or the "Group") to you for the financial year ended 31 December 2024 ("FY2024").

STRONG GROWTH MOMENTUM

HLA delivered a strong set of financial results for FY2024, with PATMI up 35.3% year-on-year to S$87.8 million from S$64.9 million a year ago. Group revenue increased 4.1% to S$4.25 billion (FY2023: S$4.08 billion), reflecting broad-based momentum across the business portfolio.

As in past years, this reflected the competitiveness and resilience of the Group's businesses in key home markets - China, Singapore, and Malaysia. Export sales to Southeast Asia, Africa and Europe for the Powertrain Solutions business also performed well, with strong growth. In China, on-going concerns with the deep property slowdown and the Chinese economy growing at a slower pace had the Chinese Government implementing a sizeable economic stimulus package to bolster the economy. This helped to boost some confidence in the market, and together with stronger export sales enabled the Powertrain Solutions business to do well and register revenue growth.

In Singapore and Malaysia, the built environment industry is staging a multi-year recovery led by the increase in public sector construction output. The Building and Construction Authority in Singapore has forecasted construction demand to remain buoyant, average of between S$39 billion and S$46 billion per year from 2026 to 2029[1]. There are at least three mega projects scheduled to commence construction in 2025 – the construction of Changi Airport Terminal 5, expansions of the Marina Bay Sands Integrated Resort and the Resorts World Sentosa which will help fuel industry demand for building materials. In Malaysia, we have seen the construction sector showing strong double-digit growth driven by increasing demand for data centres as well as residential and non-residential projects. These opportunities align well with our strategy to ride the growth momentum in our key markets.

CORE VALUES MATTER

Just as important as our business performance is the manner in which we achieve them. At HLA, we have an unwavering commitment to maintaining high ethical standards and demonstrating market leadership in our operations and products. Today, our customers, suppliers and partners have come to know us as a reliable, resilient and responsible Group. Our Core Values - "Keeping the Customer First" and "Minding the Details that Matter" galvanise our 10,000 employees globally to continuously innovate and deliver exceptional value and services that our customers have come to expect. I have great pride of association with our employees. Their dedication, along with our advanced manufacturing technologies in pioneering solutions has enabled us to navigate the landscape to not only support our customers but to position the Group for sustained long-term growth. Collectively, "Doing the Right Things", "Think Fast and Work Faster" and "Creating an Impact Beyond Our Business" are also core values that reaffirm our commitment to building a sustainable business for the future.

INNOVATE TO BE MORE SUSTAINABLE

In our efforts to be more sustainable, we collaborated with our JV partner and through Beijing Yuchai Xingshunda New Energy Technology Co., Ltd. launched 50 green energy buses equipped with hydrogen fuel cells in Beijing, China. In addition, our wholly owned subsidiary, Guangxi Yuchai Foundry Company Limited, extending their casting capabilities in our traditional Powertrain Solutions business, developed and launched QT700-10 wind turbine fan main shafts for the Chinese market. Closer to home, our shareholders would be familiar that we were the first in Singapore to launch the 12 cubic metre ready-mix concrete trucks in 2022 to address the issue of shortage of drivers in our Building Materials business. Since then, we have more than doubled the number of trucks on the roads in Singapore to 96. This innovation with the larger trucks has increased the productivity per truck and reduced the number of truck trips and carbon emission. Overall, productivity is estimated to increase by about 30% as compared to the older 9 cubic metre ready-mix concrete trucks.

In Malaysia, I am happy to report that ReGen Sustainable Solutions Sdn. Bhd., under Tasek Corporation Berhad ("Tasek"), which was set up to co-process waste materials for a circular economy and to provide alternative raw materials in the production of cement has achieved the highest ever usage of 109% increase when compared with 2021. These innovations are just examples where we strive to create a more sustainable future in our businesses.

OUR SYNERGISTIC INVESTMENTS

In October 2021, we took a 20% stake in BRC Asia Limited ("BRC"), our partner and strategic supplier of steel reinforcement solutions. This investment has performed well. BRC enjoys a strong market position in the built environment industry in Singapore and reported Net Profit after Tax of S$93.5 million for the financial year ended 30 September 2024, an increase of 23.5% year-on-year, helped in part by a one-off gain on disposal of an associate company. The construction industry outlook remains favourable over the next few years.

Our other investment in Tasek with the privatisation exercise in August 2020 also turned out well. The Tasek group of companies have turned profitable since the days of lockdown during the COVID-19 pandemic. The Malaysian construction sector has


Fifty green energy buses equipped with Yuchai Xingshunda hydrogen fuel cells debuted in Beijing, China.

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

Chairman's Message

revived and there will be more opportunities in the southern market of Johor when the Johor - Singapore Special Economic Zone ("JS-SEZ") starts to attract new investors and businesses. With ready-mix concrete plants and precast concrete facilities located in Johor Bahru, Malaysia and Singapore, we are well placed to capitalise on opportunities that may arise in the JS-SEZ.

CORPORATE GOVERNANCE - STRENGTHENING MANAGEMENT BENCH AND THE BOARD

As a Group, we are committed to maintaining good corporate governance and business integrity in all our business activities. At the top, the HLA Board provides the overall leadership and guidance on the strategic objectives and ensures that the HLA Management Team has the necessary financial, operational and human resources to meet performance objectives. In July 2024, with the approval of the Nominating Committee, we filled the Group Chief Financial Officer ("Group CFO") role, a key management position with the appointment of Ms Josephine Lee Woan Chiou. Her extensive working experiences across diversified industries and multiple geographies made her very well qualified to serve as Group CFO of HLA and she will contribute greatly to realise HLA's ambition for further growth. In December 2024, we announced the appointment of Mr Ng Chee Khern as an Independent and Non-Executive Director to the HLA Board. Mr Ng is also a member of the Board Sustainability Committee. We are pleased that Mr Ng has joined the HLA Board as his extensive experience in building long lasting systems, sustainable governance and fostering national and international networks would provide further diversity to the core competencies and skillsets of the Board.

OUR PEOPLE AND CULTURE

I am also pleased to share that we have added another feather in our cap with the numerous accolades and awards garnered in the past year. These industry recognitions attested to our hard work as a Group - keeping high corporate governance standards as well as advancing our reputational capital as an employer of choice. As a Group, we have embraced sustainability, not only in our products but also within our operations. Through the efforts and commitment of our employees, HLA has become stronger and to be accorded the list of awards below is an honour for us – and a motivation to become even better:

Singapore Governance and Transparency Index 2024
We ranked 14th out of 477 SGX-listed companies in the 2024 Singapore Governance and Transparency Index published jointly by CPA Australia, NUS Business School's Centre for Governance and Sustainability and Singapore Institute of Directors.

Fortune Southeast Asia 500 companies 2024
We were named one of Fortune Southeast Asia 500 companies in 2024, ranking 118th for the overall inaugural list. HLA placed 2nd in the industrials sector, just behind Keppel Corporation Ltd, and 39th on the list by profitability in Singapore. Regionally, HLA ranked 12th among 34 companies in the Industrial sector.

Singapore Corporate Awards 2024 – Best Managed Board and Best Annual Report Awards
We were named "Best Managed Board" (Gold Award, S$300 million to less than S$1 billion market capitalisation category) and accorded the "Best Annual Report" (Silver Award, S$300 million to less than S$1 billion market capitalisation category).

Asia-Pacific Climate Leaders List, 2024
For the third consecutive year, we ranked among Asia's top 350 companies, a list compiled by Financial Times and Statista for transparency in reporting and the greatest reduction in Scopes 1 and 2 greenhouse gas emissions intensity between 2017 and 2022.

The Straits Times "Singapore's Best Employers 2024" List
We were named in the Straits Times "Singapore's Best Employers 2024" list for the second consecutive year.

Singapore HR Awards 2024
For the first time, HLA was awarded the Silver Standard for Excellence in Employee Experience and Well-being by Singapore Human Resources Institute at the 17th Singapore HR Awards.

HLA was conferred Best Managed Board (Gold) at Singapore Corporate Awards 2024 among listed companies with a market capitalisation of S$300 million to S$1 billion.

Photo Credit: *Singapore Corporate Awards*

DIVIDENDS

In view of the stronger performance of the Group in FY2024, the Board has recommended a final tax-exempt dividend of S$0.03 per share. Together with the interim dividend declared at S$0.01 per share, the total payout will be S$0.04 per share for FY2024. The payout is an increase of 100% over the previous year and represents a dividend payout ratio of 34.1%. This greatly improves the total shareholder return for all our shareholders and I would like to thank them especially our long-term shareholders for their loyalty and trust.

LOOKING FORWARD

As we continue into 2025, we are cautiously optimistic that the growth prospects in our markets remain favourable. The macro environment however is going to be more turbulent and uncertain with geopolitical developments taking centre stage. This will create challenges as well as opportunities especially for our supply chains. We remain steadfast, confident and ready for these new challenges.

ACKNOWLEDGMENT

On behalf of the Board of Directors, I would like to express my gratitude to all our stakeholders including customers, joint venture partners, bankers and suppliers for the trust and support they have given us. We are grateful for the opportunity to work together to provide sustainable and innovative urban solutions for our cities and our communities. I am also grateful to the Board of Directors for their time and the efforts they put in to make the Board an effective one. Finally, I would like to thank my fellow colleagues for their hard work and delivering a good set of results for FY2024.

I wish you a good year ahead.

KWEK LENG PECK
Executive Chairman
26 March 2025

Standing from left to right
Ng Chee Khern, Ng Sey Ming, Tan Chian Khong, Kwek Pei Xuan, Stephen Ho Kiam Kong

Seated from left to right
Kwong Ka Lo @ Caroline Kwong, Kwek Leng Peck, Maimoonah Binte Mohamed Hussain

Board of Directors

KWEK LENG PECK, 68
Executive Chairman

Date of first appointment as director
1 September 1982

Date of appointment as Executive Chairman
28 April 2017

Date of last re-election as director
25 April 2024

Length of service as director
42 years 6 months

Board Committee(s) served on:
- Nominating Committee (Member)
- Hong Leong Asia Share Option Scheme 2000 Committee (Member)

Present Directorships:

Listed companies:
- China Yuchai International Limited (Non-Executive Director)
- Hong Leong Finance Limited (Non-Executive Director)

Other principal commitments:
- Hong Leong Corporation Holdings Pte Ltd (Executive Director)
- Hong Leong Investment Holdings Pte. Ltd. (Executive Director)
- Hong Realty (Private) Limited (Executive Director)
- Tasek Corporation Berhad (Non-Executive Chairman)

Major Appointments (other than directorships):
Nil

Past Directorships in other listed companies and principal commitments held over the preceding 3 years:
Nil

Mr Kwek has many years of experience in trading, manufacturing, property investment and development, hotel operations, corporate finance and management as well as extensive involvement in Hong Leong Group, Singapore's real estate developments, investments and hotel operations.

With his in-depth knowledge of the Hong Leong Asia Ltd. ("HLA") Group's business, Mr Kwek has overseen the growth of the HLA Group over the last four decades from an integrated building materials group in the 1980s and 1990s to being also a major player in the consumer products and diesel engines industries in China beginning in the 2000s.

Note:
Hong Leong Corporation Holdings Pte Ltd and Hong Leong Investment Holdings Pte. Ltd. are the immediate and ultimate holding companies of HLA respectively. China Yuchai International Limited and Tasek Corporation Berhad are subsidiaries of HLA. Hong Leong Finance Limited and Hong Realty (Private) Limited are related corporations under the Hong Leong Group, Singapore.

Information as at 11 March 2025

Board of Directors

STEPHEN HO KIAM KONG, 65
Executive Director and Chief Executive Officer

Date of first appointment as director
3 August 2020

Date of last re-election as director
25 April 2024

Length of service as director
4 years 7 months

Board Committee(s) served on:
- Board Sustainability Committee (Member)

Present Directorships:

Listed companies:
- BRC Asia Limited (Non-Executive Director)
- China Yuchai International Limited (Non-Executive Director)

Other principal commitments:
- Tasek Corporation Berhad (Non-Executive Director)

Major Appointments (other than directorships):
Nil

Past Directorships in other listed companies and principal commitments held over the preceding 3 years:
Nil

Mr Ho has extensive experience in finance, treasury and risk management from his executive positions previously held at Wilmar International Limited and Dutch multinational corporate, Royal Philips. Prior to his financial management role, Mr Ho worked for major international financial institutions in Singapore, Hong Kong and New York in the areas of corporate banking, global markets trading, marketing and sales.

Mr Ho holds a Bachelor of Commerce and Administration degree from the Victoria University of Wellington, New Zealand and attended the Advanced Management Program at the Harvard Business School, Boston, US.

Note:
China Yuchai International Limited and Tasek Corporation Berhad are subsidiaries of HLA while BRC Asia Limited is an associated company of HLA.

KWEK PEI XUAN, 33
Executive Director and Head of Sustainability and Corporate Affairs

Date of first appointment as director
26 April 2023

Date of last re-election as director
Not applicable
(Appointed at 2023 Annual General Meeting)

Length of service as director
1 year 10 months

Board Committee(s) served on:
- Board Sustainability Committee (Member)

Present Directorships:

Listed companies:
- BRC Asia Limited (Non-Executive Director)

Other principal commitments:
- Tasek Corporation Berhad (Non-Executive Director)

Major Appointments (other than directorships):
- TomoWork Ltd. (Board Member, Chairman of Fundraising Committee, and Programme and Service Committee Member)
- Republic Polytechnic (School of Applied Science Advisory Committee Member)

Past Directorships in other listed companies and principal commitments held over the preceding 3 years:
Nil

Ms Kwek is currently the Head of Sustainability and Corporate Affairs of HLA where she oversees the Group's strategic direction in its management of environmental, social and governance (ESG) issues, sustainability reporting framework and corporate communications. Her past experience included business development, marketing and communications and investment.

Ms Kwek holds a Bachelor of Commerce degree, majoring in Marketing and Finance from University of Melbourne as well as a Masters in Hospitality Management from Les Roches International School of Hotel Management, Switzerland. She has also been awarded certifications of completion for Business Sustainability Management and Supply Chain Management from the University of Cambridge.

Note:
Tasek Corporation Berhad is a subsidiary of HLA while BRC Asia Limited is an associated company of HLA.

Information as at 11 March 2025

TAN CHIAN KHONG, 69
Non-Executive and Lead Independent Director

Date of first appointment as director
1 March 2018

Date of appointment as Lead Independent Director
28 April 2021

Date of last re-election as director
26 April 2023
(Will be seeking re-election at the 2025 Annual General Meeting)

Length of service as director
7 years

Board Committee(s) served on:
- Audit and Risk Committee (Chairman)
- Nominating Committee (Member)
- Remuneration Committee (Member)
- Hong Leong Asia Share Option Scheme 2000 Committee (Member)

Present Directorships:

Listed companies:
- Alliance Bank Malaysia Berhad (Non-Executive Director)
- Banyan Tree Holdings Limited (Non-Executive Director)
- CSE Global Limited (Non-Executive Director)
- The Straits Trading Company Limited (Non-Executive Director)

Other principal commitments:
- SMRT Corporation Ltd (Non-Executive Director)

Major Appointments (other than directorships):
- Gambling Regulatory Authority of Singapore (Board Member)

Past Directorships in other listed companies and principal commitments held over the preceding 3 years:
- Methodist Welfare Services (Honorary Treasurer)
- Trailblazer Foundation Ltd. (Honorary Executive Director)

Mr Tan retired as an audit partner of Ernst & Young LLP in June 2016. He has approximately 35 years of experience in providing audit and business advisory services to clients in a wide range of industries.

Mr Tan holds a Bachelor of Accountancy degree from the National University of Singapore and an Environmental Management degree from the University of Adelaide. He is a member of the American Institute of Certified Public Accountants, a Fellow of the Institute of Singapore Chartered Accountants and of CPA Australia.

Information as at 11 March 2025

KWONG KA LO @ CAROLINE KWONG, 66
Non-Executive and Independent Director

Date of first appointment as director
22 February 2016

Date of last re-election as director
25 April 2024
(Will be stepping down at the 2025 Annual General Meeting)

Length of service as director
9 years

Board Committee(s) served on:
- Board Sustainability Committee (Chairman)
- Nominating Committee (Chairman)
- Audit and Risk Committee (Member)
- Remuneration Committee (Member)
- Hong Leong Asia Share Option Scheme 2000 Committee (Member)

Present Directorships:

Listed companies:
Nil

Other principal commitments:
- The Global Value Investment Portfolio Management Pte Ltd (Managing Director)

Major Appointments (other than directorships):
Nil

Past Directorships in other listed companies and principal commitments held over the preceding 3 years:
Nil

Ms Kwong is currently the Managing Director of The Global Value Investment Portfolio Management Pte Ltd, an investment management company based in Singapore with its investment focus on commercialisation of leading edge technology beneficial to a clean environment and sustainable living. She has more than nine years' involvement in technology companies in alternative energy and circular economy including photovoltaics and biogas as well as solid-state batteries based in global innovation centres.

Ms Kwong has extensive experience in investment, fundraising, corporate finance, capital markets and debt restructuring arising from her senior management positions previously held at Laurel Capital Kingsway LLP, United Kingdom; HL Bank Singapore; Mycom Berhad (now Dutaland) and Olympia Industries Berhad Group, Malaysia; PrimeEast Capital Ltd (now BNP Paribas Hong Kong), Hong Kong; and Deutsche Morgan Grenfell (Asia) Ltd (now Deutsche Bank), Singapore and Hong Kong.

Ms Kwong holds a Bachelor of Science in Business Administration with a Major in Finance and Human Resources Management, and Minor in French, from the California State University, Sacramento, and a Master of Science in Finance and Accounting from the London School of Economics and Political Science.

Board of Directors

NG SEY MING, 50
Non-Executive and Independent Director

Date of first appointment as director
8 May 2017

Date of last re-election as director
26 April 2023
(Will be seeking re-election at the 2025 Annual General Meeting)

Length of service as director
7 years 10 months

Board Committee(s) served on:
- Remuneration Committee (Chairman)
- Hong Leong Asia Share Option Scheme 2000 Committee (Chairman)
- Audit and Risk Committee (Member)
- Nominating Committee (Member)

Present Directorships:

Listed companies:
Nil

Other principal commitments:
- Rajah & Tann Singapore LLP (Partner)

Major Appointments (other than directorships):
- Christopher & Lee Ong (Partner)
- Yew Tee Citizens' Consultative Committee (Member)

Past Directorships in other listed companies and principal commitments held over the preceding 3 years:
Nil

Mr Ng is currently a partner in the Banking & Finance Practice Group in Rajah & Tann Singapore LLP ("R&T") and a partner in Christopher & Lee Ong, a member of the R&T Asia network of law firms. He commenced his legal practice in R&T in 2000 and became a partner in 2007. His main areas of practice are banking, project finance and debt restructurings. He has also advised on cross border transactions, joint ventures, investments, restructurings, mergers and acquisitions, listings on Singapore Exchange and shareholders' disputes.

Mr Ng was admitted as an Advocate and Solicitor of the Supreme Court in Singapore in 2000, and a Solicitor of England and Wales and an Advocate and Solicitor of the High Court of Malaya, in 2007. He holds a Bachelor of Laws (Honours) degree from the National University of Singapore.

Information as at 11 March 2025

MAIMOONAH BINTE MOHAMED HUSSAIN, 66
Non-Executive and Independent Director

Date of first appointment as director
26 April 2023

Date of last re-election as director
Not applicable
(Will be seeking re-election at the 2025 Annual General Meeting)

Length of service as director
1 year 10 months

Board Committee(s) served on:
- Audit and Risk Committee (Member)

Present Directorships:

Listed companies:
- Singapore Exchange Limited (Independent Non-Executive Director)

Other principal commitments:
- Ekuiti Nasional Berhad (Independent Non-Executive Director)
- GX Bank Berhad (Independent Non-Executive Director)
- National Gallery Singapore (Independent Non-Executive Director)

Major Appointments (other than directorships):
Council for Board Diversity (Member)

Past Directorships in other listed companies and principal commitments held over the preceding 3 years:
Nil

Datuk Maimoonah is an accomplished banker with over 40 years of experience specialising in debt capital markets, structured finance, securities, asset management and investment banking. She had worked with leading global financial and banking institutions including Morgan Grenfell (Asia) Ltd, Standard Chartered Bank, Singapore and Malaysia, Affin Bank and Affin Hwang Capital group, Malaysia.

Datuk Maimoonah joined the Affin Group in 2003 and held various senior management positions with the latest being the Group Managing Director of Affin Hwang Capital from 2014 until her retirement in 2019. She led the successful merger of Affin Investment Bank and Hwang DBS Investment Bank, exceeding all merger targets. She was instrumental in building the business and franchise, and transformed Affin Investment Bank to become one of the leading players in Malaysia, recognised as 'Overall Best Equities House' by Bursa Malaysia for five consecutive years. Her contributions have been recognised through various awards, notably Singapore Business Awards 'Outstanding Chief/Senior Executive (Overseas) 2014 and World HRD Congress' Asian CEO of the Year and Malaysian CEO with HR orientation 2019.

Datuk Maimoonah is a Chartered Banker and holds a Bachelor of Accountancy from the National University of Singapore.

NG CHEE KHERN, 59
Non-Executive and Independent Director

Date of first appointment as director
1 January 2025

Date of last re-election as director
Not applicable
(Will be seeking re-election at the 2025 Annual General Meeting)

Length of service as director
2 months

Board Committee(s) served on:
- Board Sustainability Committee (Member)

Present Directorships:

Listed companies:
- SIA Engineering Company Limited (Independent Non-Executive Director)

Other principal commitments:
- Ministry of Manpower, Singapore (Permanent Secretary, Manpower)

Major Appointments (other than directorships):
Nil

Past Directorships in other listed companies and principal commitments held over the preceding 3 years:
- Smart Nation and Digital Government, Prime Minister's Office, Singapore (Permanent Secretary)
- Government Technology Agency of Singapore (GovTech) (Chairman)

Mr Ng is currently the Permanent Secretary for Manpower in the Ministry of Manpower, which is responsible for government policies and programmes covering the workforce and workplaces. In the last 10 years, he was also Permanent Secretary for the Smart Nation and Digital Government Group in the Prime Minister's Office from May 2017 to March 2022, Permanent Secretary for Defence Development in the Ministry of Defence from May 2014 to April 2017 and the Second Permanent Secretary for the Ministry of Health from August 2014 to March 2016.

Mr Ng served for about 40 years in the Public Service with extensive experience in sustainable governance, building long last systems, fostering national and international networks including a track record in assessing regional and international affairs, and implementing national initiatives in security, digital and work force transformation.

Information as at 11 March 2025

Mr Ng holds a Master of Public Administration from the Kennedy School of Government, Harvard University, and a Master of Arts and Social Sciences (Philosophy, Politics and Economics) and a Bachelor of Arts and Social Sciences (Second Class Honors) (Philosophy, Politics and Economics) from the University of Oxford.

Group Business Management Team

Left to Right

Standing – Chen Fun Tee, Chief Operating Officer of Tasek, Malaysia, Hoh Weng Ming, President of CYI and Simon Loh, Chief Operating Officer of Building Materials Group, Singapore

Seated – Kwek Pei Xuan, Executive Director and Head of Sustainability and Corporate Affairs, Stephen Ho Kiam Kong, Executive Director and Chief Executive Officer and Josephine Lee, Group Chief Financial Officer

Group Corporate Management Team

Left to Right

Standing – Joshua Loh, Head of Information Technology, Kwek Pei Xuan, Executive Director and Head of Sustainability and Corporate Affairs, Tan Hui Pin, Head of Group Human Resources and Vincent Lo, Head of Internal Audit

Seated – Loo Hwee Fang, Group General Counsel and Head of Compliance, Stephen Ho Kiam Kong, Executive Director and Chief Executive Officer and Josephine Lee, Group Chief Financial Officer

LOWER - CARBON
PRODUCT PERFORMANCE

NEW ENERGY POWERTRAIN SOLUTIONS SALES	ALTERNATIVE RAW MATERIALS UTILISED
62%	20%
Growth YoY	Growth YoY

Delivering Value Creation Through New Growth

CEO'S Operational Review

Dear Shareholders,

In 2024, we celebrated the 60th anniversary of Tasek Corporation Berhad ("Tasek") and the 30th anniversary of China Yuchai International Limited's ("CYI") listing on the New York Stock Exchange. It was an important milestone as both Tasek and CYI have evolved to become household names in the Building Materials and Powertrain Solutions sectors in Malaysia and China respectively. They have played an important role as responsible stewards by providing long-term employment opportunities for their employees, supporting the local community, and caring for the environment.

Together with our other leading Building Materials businesses in Singapore, the group under Hong Leong Asia ("HLA") has established ourselves as a responsible Asian multinational company with a strong reputation for market leadership and financial strength. Founded over six decades ago, HLA is re-inventing itself to develop and deliver innovative and sustainable urban solutions for cities of the future.

I have now the pleasure of presenting to you a summary of the Group's operational performance in 2024.

OUR HOME MARKETS

We start off with China where our Powertrain Solutions business operates. China's auto sales in commercial trucks and buses that run on diesel engines registered a decrease of 2.6% year-on-year, with 2.26 million units sold. Passenger vehicles and pickup trucks with diesel engines did better, registering a 9.5% growth year-on-year. Overall, China's total diesel vehicle sales grew just under 1% in FY2024, reflecting a slow domestic demand for diesel trucks and buses. The replacement of trucks and buses has been slow due to the weak consumption in the economy. Domestic tourism has done better, and it has helped the sale of heavy- and medium-duty buses for long distance travel, but the trucks market has not fully recovered. In response to a slowing economy, the Chinese Government launched a series of stimulus programmes aimed at encouraging consumption spending, including an announcement in July 2024 of a RMB 300 billion (USD 41 billion) allocation for subsidies, encouraging businesses and consumers to scrap old and polluting vehicles and equipment and replacing them with cleaner alternatives. We expect the business confidence to improve over time with these stimulus measures.

Special guest Minister for Manpower and Second Minister for Trade and Industry Dr Tan See Leng (3rd from left) joined CYI's Board of Directors onstage to launch the celebration of CYI's 30th anniversary as a listed company.

China's drive towards electrification is impacting the diesel engines sales especially for light-duty trucks and buses and even more so for passenger vehicles where the penetration rate is coming close to 50%. Heavy- and medium-duty trucks and buses, which are the main product segments for CYI, are also transitioning towards electrification but in absolute terms, the conversion is not as large due to the weight constraint of heavy battery loads and the usual time-sensitive nature of long-distance travel.

Despite the muted 1% growth in China's total diesel vehicle sales, CYI performed well during the year with total unit sales for both on-road and off-road vehicle engines reaching 356,586 units, up 13.7% year-on-year. This was attributable to strong growth in our export sales although the domestic engines sales also grew faster than the market in FY2024.

STRONG CONSTRUCTION DEMAND

In our home market Singapore, the local construction industry and Building Materials market for cement, aggregates and concrete continue to make a strong recovery. This is despite the on-going industry challenges with availability of truck drivers and the slower than expected take-off of projects on site. The Building and Construction Authority ("BCA") in Singapore has reported that the total construction demand for 2024 reached S$44.2 billion in nominal terms, exceeding its mid-year forecast of between S$35 billion and S$41 billion.[1] Initial consumption estimates for ready-mix concrete volume is 13.3 million cubic metres, up from 12.3 million cubic metres the year before. Precast concrete volume also grew to 1.6 million cubic metres, up from 1.5 million cubic metres the year before. This is led mainly by public sector including HDB and private housing projects. Construction demand in the coming years till 2029 is expected to remain strong driven by a pipeline of mega projects and public housing development and upgrading works.

Over in Malaysia where Tasek operates, we saw strong double-digit growth in the construction sector in 2024, driven by residential and non-residential building projects including an increase in demand for data centres. The new Johor-Singapore Special Economic Zone ("JS-SEZ") in Malaysia announced in January 2025 will create a stream of new projects which is positive news for the Building Materials sector as both Governments seek to attract new investments from within and globally. These are good opportunities for us as we seek to ride the growth in our Building Materials businesses across Singapore and Malaysia.

FAVOURABLE RESULTS

The Group has reported higher Revenues of S$4.25 billion, up 4.1% and PATMI of S$87.8 million, up 35.3% year-on-year. All three businesses in China, Singapore and Malaysia did better with top and bottom-line improvements.

POWERTRAIN SOLUTIONS

CYI's main operating subsidiary, Guangxi Yuchai Machinery Company Limited ("GYMCL" or "Yuchai") is a leading manufacturer and distributor for on-

1 *Source: https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2025/01/23/construction-demand-to-remain-strong-for-2025#:~:text=3%20The%20preliminary%20total%20construction,public%20and%20private%20housing%20projects.*

CEO'S Operational Review

road and off-road Powertrain Solutions business and applications in China. Yuchai is also involved in the development and sale of new energy solutions in hybrid power, electric and fuel cell development for the Chinese commercial vehicles market.

With greater focus on key accounts and after sales services, Yuchai reported stronger unit sales in 2024 in the domestic and export markets. Yuchai has improved on their local market ranking in almost all segments of the on-road and off-road vehicle engine sales. The Marine, Genset and Power business did particularly well and continues to be a clear leader in the domestic market. Export sales to Southeast Asia, Africa and Europe have registered strong double-digit growth compared to 2023. Yuchai also participates in the New Energy engines segment and although small, reported 12,100 units sold in 2024, a 50.2% increase from 8,057 units in the prior year. Yuchai's Range Extenders, which is an alternate hybrid engine using battery power as its primary fuel and back-up generators to charge the battery when depleted, are increasingly seen as a favourable option to reduce range anxiety.

With the increase in unit sales, Yuchai's sales revenue rose 4.2% to S\$3.5 billion. Margins have improved across the product segments and better performances in their joint ventures have contributed to Yuchai's Profit after Tax of S\$89.6 million in 2024 compared to S\$76.5 million in the previous year, an increase of 17.2% year-on-year.

GROWTH OPPORTUNITIES IN THE POWER GENERATION MARKET

Phase two of Yuchai's JV with Rolls-Royce's Power Systems division will localise the production of MTU Series 4000 for both Power Generation and Oil and Gas segments of the market. This phase is scheduled to commence mass production in the second half of 2025 and with this increase in capacity, MTU Yuchai Power can provide more product offerings to address new market opportunities in the data centres and semiconductor fabrication plants. Since 2017, the JV has produced and sold more than 2,000 units of high value MTU Series 4000 products to customers.

BUILDING MATERIALS

With the Singapore construction industry making a strong recovery, our ready-mix concrete supply volume in 2024 registered a similar strong double-digit growth. Overall precast component sales were affected due to delays in the take-off of projects on site, which was not within our control. Our Order Book for both ready-mix concrete and precast components continues to grow compared to FY2023.

In Malaysia, our upstream business in cement and clinker production performed well in volume sales during the year. Our downstream concrete business has turned around due to higher demand and improved ASP, but challenges remain with the rising input costs in aggregates and transportation as well as the tight credit environment across the industry.

AUTOMATION IS KEY TO EFFICIENCY IMPROVEMENTS

Shareholders would be familiar that our Precast operation, R3 Precast partnered with Sunway Construction Group in Singapore to build and manage Singapore's largest Integrated Construction and Prefabrication Hub ("ICPH") situated in Pulau Punggol Barat. ICPH has commenced operations in 2023 with 26 production lines. It can further raise construction productivity, increase production quantity and improve the quality of precast components.

We have also progressed well to automate our ready-mix concrete operations at our wholly owned subsidiary in Singapore, Island Concrete (Private) Limited ("Island Concrete"). Island Concrete invested in a state-of-the-art concrete batching plant in Jurong Port Ready-Mixed Concrete Ecosystem which commenced operations in late 2024. The batching plant is equipped with advanced automation technologies including a unique conveyor belt system and bucket elevators that allow for high-speed transfer and loading of raw materials from bunkers to aggregate towers. Computerised technologies also enable us to better control the quality of our output, producing 540 cubic metres of concrete per hour.

With the on-going challenges of manpower shortage and high labour costs in Singapore, automation is the key to improving our operational efficiency and ensuring sustainable growth.

LOWERING CARBON INTENSITY IN OUR PRODUCTS

It is well known that production of cement and concrete contributes to about 8% of global carbon emissions, with clinker production (the key component of cement) accounting for most of it. To reduce our usage of clinker, we have been exploring alternative raw materials such as ground granulated blast-furnace slag and fly ash, both by-products from steel industry and coal fired power plants respectively. CEM II cement products with lower carbon intensity

Minister for Social and Family Development and Second Minister for National Development, Mr Desmond Lee, (7th from the right) officiated the opening of Ready-Mixed Ecosystem at Jurong Port.

have been developed for the Malaysian markets with Green Product certification by the Singapore Environment Council.

In the concrete operations, we are focused on developing ternary blend containing ordinary portland cement and two other cementitious materials within our concrete products to lower the carbon intensity.

In Singapore, we have expanded to over 160 concrete mixes certified as Singapore Green Building Products, offering customers lower carbon options with the same level of quality and performance as traditional concrete.

The combined sales in Singapore and Malaysia reached S\$682.3 million in FY2024, up 4.9% from S\$650.6 million a year ago. Including results of our associates and joint venture, Profit after Tax increased to S\$86.2 million, up 13.1% from S\$76.3 million in FY2023. Meanwhile, sales of certified Green Building concrete products in Singapore achieved 10% of total concrete sales volume.

EMPLOYEE HEALTH AND SAFETY A TOP PRIORITY

HLA takes the business of our employees' health and safety seriously. The tone is set at the top with the HLA Board, setting the right governance and culture in the organisation.

In 2024, the various Heads of Department and Management staff in Singapore conducted a total of 113 Safety Observation Tours. In total, 790 irregularities were rectified in the business units. Over 220 toolbox meetings took place during the year, conducted regularly by Senior Managers and Employee Health and Safety personnel in the plants. In Singapore and Senai, Malaysia, where one of our precast plants operates, total man-day loss has reduced in the last 3 years from 221 days in 2022 to 28 days in 2024. We work to ensure that our health and safety practices are embedded in our businesses and to always remind ourselves not to be complacent.

PROSPECTS

In China, we expect the market for powertrain solutions to gradually recover as the Chinese Government renders their support to stimulate the economy. Export sales to Southeast Asia and European markets should continue to do well. Demand for back-up generators resulting from the construction of new data centres and semiconductor fabrication plants will grow.

In Singapore, the construction industry will be a key driver of growth for the economy in the next few years.

In Malaysia, the southern market of Johor will do well once the implementation of the JS-SEZ comes into effect.

The external environment is expected to be more turbulent with geopolitical developments taking centre stage. However, growth levers are already in place, supported by many Government-led initiatives. We have also learnt to be more resilient as a company.

We remain cautiously optimistic that we can accomplish what we set out to achieve together.

STEPHEN HO KIAM KONG
Executive Director and Chief Executive Officer
26 March 2025

Our Portfolio

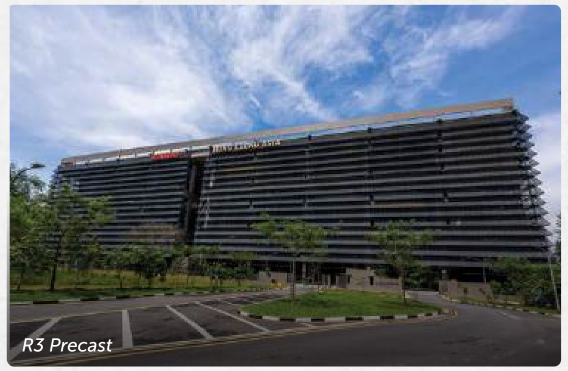
BUILDING MATERIALS

From quarries to cement plants and concrete mixer trucks, HLA's Building Materials portfolio is vertically integrated to supply critical building materials for the built industries across Singapore and Malaysia.

Island Concrete (Private) Limited

Island Concrete (Private) Limited ("Island Concrete") is a leading provider of building material solutions for the built industry in Singapore. Established in 1970 with a single batching plant in Aljunied, Island Concrete is today well equipped to supply more than 3 million m3 of ready-mix concrete annually.

With strategically located batching plants and a fleet of over 250 concrete mixer trucks to meet the needs of our customers, Island Concrete is dedicated to deliver the next generation of sustainable building material solutions.


R3 Precast

R3 Precast, under HL Building Materials Pte. Ltd., is a leading precast concrete supplier specialising in the design and manufacturing of prefabricated building components such as PPVC units for both public and private sectors in Singapore.

R3 Precast has partnered with Sunway Concrete, a subsidiary of Sunway Construction Group Berhad to form a 51:49 joint venture to set up the largest integrated construction prefabricated hub – HL-Sunway Prefab Hub in Singapore. Located at Punggol Bharat, R3 Precast is strategically focused on delivering sustainable, advanced and efficient precast solutions for the future.

Tasek Corporation Berhad

Tasek Corporation Berhad ("Tasek") is one of the pioneers of building materials with established integrated cement plants in Malaysia. Together with its wholly owned subsidiary, Tasek Concrete Sdn Bhd, Tasek supplies cement and ready-mix concrete to construction projects in Peninsular Malaysia. In East Malaysia, Cement Industries (Sabah) Sdn Bhd, an associated company under Tasek, has a clinker grinding plant in Kota Kinabalu which supplies cement to the whole of Sabah market.

In 2024, ReGen Sustainable Solutions Sdn. Bhd. ("ReGen"), a subsidiary under Tasek, was created as a comprehensive one-stop waste management business. ReGen handles both hazardous and non-hazardous industrial waste. Through ReGen, Tasek drives circular economy initiatives by enhancing material recovery and its reuse.

KEY HIGHLIGHTS IN FY2024

Island Concrete and R3 Precast continue to execute improvements in operational efficiencies

Island Concrete

- During the year, construction had started on Island Concrete's latest batching plant at Pulau Punggol Timor, in northeastern Singapore, targeted to be commissioned by 2Q 2025. Designed with sustainability features in mind, the state-of the art batching plant features larger, more efficient mixers as well as a conveyor system which will minimize carbon footprint and reduce labour inputs.

R3 Precast

- Further operational improvements were made to R3 Precast's integrated construction prefabrication hub ("ICPH") – HL Sunway Prefab Hub to enable the capacity of its robotic carousel production line to increase by approximately 30% which will translate to improved output volumes. This is targeted for completion by 2Q 2025.

Singapore Cement Manufacturing Company (Private) Limited (""SCMC") and HL Granite Resources Pte Ltd secure supply agreements

SCMC

- A joint venture between Hong Leong Asia Ltd and Taiheiyo Singapore Pte. Ltd, SCMC successfully delivered and completed two supply contracts totalling 360,000 tons of Ordinary Portland Cement to the Housing Development Board in Singapore.

HL Granite Resources Pte. Ltd.

- Under Hong Leong Asia's Building Materials Group, Singapore, HL Granite Resources Pte. Ltd. is a key provider of high-quality raw materials to meet growing demands of the business and during the year, renewed the agreement for granite supply from Indonesia till 2029.

Tasek Corporation Berhad advances the Group's circular solution goals through ReGen Sustainable Solutions Sdn. Bhd.

- In Malaysia, the Group's efforts to improve circularity in our building materials business and facilitate the diversification of energy-intensive materials in our operations has yielded results.
- In 2024, through ReGen Sustainable Solutions Sdn. Bhd., we significantly improved and realised a record volume of alternative materials used for Tasek's cement products as well as achieved a record high usage of alternative fuels to replace coal usage in the kiln

ReGen
Sustainable Solutions

POWERTRAIN SOLUTIONS

GYMCL is a leading manufacturer of a wide array of light, medium and heavy duty and high horsepower engines including diesel, gas, hybrid engines as well as new energy powertrains for multiple markets.

Established on 29 April 1993, China Yuchai International Limited ("CYI"), owns a controlling 76.4% equity stake in its principal operating subsidiary, Guangxi Yuchai Machinery Company Limited ("GYMCL"). Headquartered in China with primary manufacturing plant and facilities in Yulin, Guangxi Zhuang Autonomous Region, GYMCL is a leading manufacturer of diesel engines and powertrain systems with a strong repute in research and development ("R&D"). GYMCL's 87.7%-owned New Energy arm, Yuchai Simlan Power Technology Co., Ltd. ("Yuchai Simlan") focuses on research, development and manufacturing of new powertrains including fuel cell systems, range extenders, hybrid power and electric drive system.

Ranked as one of the top commercial vehicle engine suppliers in annual unit sales by the China Association of Automobile Manufacturers

Growing new energy product portfolio of electric, diesel hybrids and hydrogen fuel cell solutions developed at three R&D facilities in Nanning and Wuxi

Operating the largest single facility to produce commercial automotive and industrial engines in China

Manufacturing capacity of 600,000 units annually from engine production facilities in both GYMCL and its subsidiaries

Over 6,000 domestic service stations throughout China and more than 500 service stations location located worldwide to provide after-sales service

After-sales service team at a Yuchai's flagship branch in China

KEY HIGHLIGHTS IN FY2024

MTU Yuchai Power Company Limited: Entered Second Phase of Cooperation

- GYMCL's 50:50 joint venture ("JV") with Rolls-Royce Power Systems – MTU Yuchai Power Company Limited ("MTU Yuchai Power").
- Since 2017, the JV has produced and sold more than 2,000 units of high-value MTU Series 4000 engine products to customers in the power generation as well as oil and gas segments.
- Phase two of the cooperation agreement will continue to focus on the production of MTU Series 4000 engines for the oil and gas segment in China and undertake the production and sales of the MTU Series 2000 and Yuchai-branded VC series diesel engines.

Yuchai Power System (Thailand) CO., Ltd: Commenced Production of K08 Engines

- Yuchai Power System (Thailand) CO., Ltd's manufacturing assembly will produce a range of Yuchai engine products to meet with the demand for both on-road and off-road markets in Thailand.
- Small batch production of the K08 series has begun, while the S06 and S04 engine production lines to commence in 2025. Total annual production capacity is estimated to be around 2,500 units in 2025.

Launch of the First Batch of Green Energy Buses with Yuchai Xingshunda Hydrogen Fuel Cells

- Through Beijing Yuchai Xingshunda New Energy Technology Co. Ltd, a 65:35 joint venture with Beijing Xingshunda Bus Co., Ltd., 50 12-metre green energy buses equipped with Yuchai Xingshunda hydrogen fuel cells were launched in May 2024.
- Operating around Beijing, China, the buses are powered by 30 units of 82kW and 20 units of 125kW fuel cell systems. These systems are designed to offer an increased energy efficiency of up to 45% and the capability to operate for more than 15,000 hours.
- Yuchai Xingshunda will continue to explore and participate in the new development and demonstration projects in Beijing.

Guangxi Yuchai Foundry Company Limited: Launch of QT700-10-Turbine Fan Main Shaft

- Launched after undergoing six-month long wind farm tests, the QT700-10 turbine fan main shaft features a new design and weighs up to 30% lighter compared to conventional main shaft products.
- When used with wind turbine capacity of 5 megawatts, it can potentially generate 5,000 kilowatt-hours of electricity per hour, creating considerable economic benefits. With an annual capacity of 1,000 units, Yuchai Foundry is ready to support powering the renewable energy sector and is gradually building up its order book.

Investor Relations

HLA is committed to upholding high standards of corporate governance and transparency, with our investor communications efforts focused on the quality of disclosure, corporate transparency and fairness in disclosure. We continuously strive to provide clear, consistent and timely information regarding the Group's performance and progress to facilitate informed investment decisions, nurture continued confidence in HLA and foster strong, enduring relations with our shareholders and the investment community.

During the year, HLA's Management Team engaged and proactively communicated with the investment community on the Group's corporate developments as well as gained insights into the equity market's perception of the Group. In 2024, HLA's Management Team also participated in investor meetings and non-deal roadshows to facilitate understanding of the Group's business and development plans. Analysts and media briefings were also held during HLA half-year and full-year financial results. These efforts have improved research analyst coverage and institutional investors' interest of the Group. The Group will continue to engage equities research firms and financial intermediaries to broaden our access to investors and shareholders.

At the 63rd Annual General Meeting ("AGM") held on 25 April 2024, the Group presented its FY2023 business performance to shareholders as well as shared business developments across the Group in the past year. At the same time, HLA's Board of Directors and Management Team also addressed questions from shareholders.

Interaction with shareholders at the 63rd Annual General Meeting in April 2024

As part of our regular updates on the Group's business, half-year and full-year financial results are announced on the SGXNet. Other channels of communication include emails, telephone calls, LinkedIn and the corporate website. Disclosures of material and other pertinent information are posted on HLA's corporate website – www.hlasia.com.sg in addition to the Singapore Exchange website to ensure easy access to information. The corporate website also provides comprehensive company information and relevant investor relations contact details. Investors can direct questions to HLA via investor_relations@hlasia.com.sg.

AWARDS AND RECOGNITION

In 2024, the Group's sustainability efforts continued to be recognised with HLA named amongst Asia's 350 leading companies on Financial Times and Statista's Asia Pacific Climate Leaders 2024 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. HLA was also named one of Fortune Southeast Asia 500 companies, ranking 118th on the overall inaugural list.

Our commitment to corporate transparency and investor outreach also gained due recognition by the investing community. In the 2024 Singapore Governance and Transparency Index jointly published by CPA Australia, NUS Business School's Centre for Governance and Sustainability and the Singapore Institute of Directors, HLA ranked 14th out of 477 SGX-listed companies under the General category placing HLA amongst the top Singapore-listed companies assessed in terms of corporate governance and transparency. At the Singapore Corporate Awards held in August 2024, HLA garnered "Best Managed Board" (Gold Award, S$300 million to less than S$1 billion market capitalisation category) and "Best Annual Report" (Silver Award, S$300 million to less than S$1 billion market capitalisation category).

OUR SHAREHOLDER BASE

As of 11 March 2025, Hong Leong Corporation Holdings Pte Ltd remains our largest shareholder holding 73.38% interest.

3,164 shareholders with up to 10,000 shares formed 1.94% of our shareholder base, with another 1,477 shareholders holding between 10,001 and 1 million shares making up 9.88% of our shareholder base. 22 shareholders holding 1 million shares or more account for 88.18% of our shareholder base.

HLA bagged the Best Annual Report (Silver) at Singapore Corporate Awards 2024 in recognition of its excellence in financial reporting and disclosure

***Photo Credit:** Singapore Corporate Awards*

CORPORATE CALENDAR

2025	
Announcement of 2H 2024 and 2024 full-year financial results	26 February
64th Annual General Meeting	25 April
Proposed Final Dividend for FY2024* Record Date* Payment Date*	 5.00 pm, 5 May 14 May
Announcement of 1H 2025 financial results	August
2026	
Announcement of 2H 2025 and 2025 full-year financial results	February

**Note: Subject to the approval of shareholders at the Annual General Meeting*

INVESTOR RELATIONS CONTACT

For feedback and inquiries, please contact:

Patrick Yau
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PEOPLE
DEVELOPMENT

POWERTRAIN SOLUTIONS	BUILDING MATERIALS
53 hours / employees	43 hours / employees

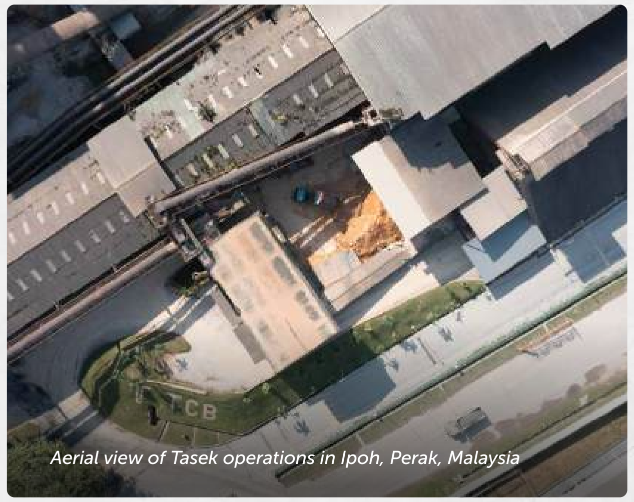
Developing a Future - Forward Workforce

Sustainability Board Statement 2024

Dear Stakeholders,

For over half a century since the company was founded, HLA has been through many business cycles and changing demands in the key markets where we operate. We have been innovating to stay ahead and remain relevant to all our stakeholders.

As a leading Asian multinational in powertrain solutions and building materials, we understand the need to remain focused on delivering concrete results for our key stakeholders in order to have a positive impact. In 2021, we adopted the Group's 2025 Vision and we are delivering on our goals and making major steps toward our ambition to create a positive impact beyond our businesses.


Aerial view of Tasek operations in Ipoh, Perak, Malaysia

DRIVING TOWARDS A LOW-CARBON, CIRCULAR ECONOMY

In 2024, together with our customers, business partners, suppliers and employees:

Powertrain Solutions Portfolio

- We saw unit sales for the New Energy Solutions segment under Yuchai Simlan Technology Co., Ltd ("Simlan")[1], a subsidiary of Guangxi Yuchai Machinery Company Limited ("GYMCL"), up 50.2% compared to 2023, which translated into a 61.9% increase in revenue. Despite a marked improvement, we continue to see an overall slow uptake for these products and will fall short on our new energy sales target of 20% over total powertrain solutions sales by 2025.
- We continue to see stronger demand in transitionary alternatives, particularly in the range extender system as its fuel efficiency potential and hence, carbon reduction and cost savings are recognised by our customers. Simlan recorded a 274% growth in revenue from range extender sales compared to 2023, part of which includes its first delivery to the Singapore market for city buses and tour coaches, continued demand from Macau for its city buses, as well as mining trucks for the off-road segment for other markets.
- Simlan's subsidiary, Yuchai Cynland (Jiangsu) Hyentech Co., Ltd. ("Yuchai Cynland") based in Wuxi High Tech Zone, China continues to work on the development of Proton Exchange Membrane fuel cell systems in collaboration with Tsinghua University and provides technical support to Simlan's joint venture entity, Beijing Xingshunda New Energy Technology Co., Ltd., in its road trials of 50 hydrogen fuel cell city buses in Beijing, China.
- To support its greater push for decarbonisation in the marine sector, GYMCL has also expanded its research and development (R&D) to include the development of ammonia-diesel combustion and methanol propulsion engines.

Building Materials Portfolio

- We continued to reduce the emissions intensity at the cement plant under Tasek Corporation Berhad ("Tasek") compared to our baseline year of 2016. However, given the limited availability of alternative materials, we will fall short on our clinker-to-cement ratio target of $\leq$0.75 by 2025. In the coming years, we expect the market for lower-carbon intensity products to develop further with greater market-based incentives which will help to drive the reduction in emissions intensity over the longer run.
- We have developed a decarbonisation roadmap for Tasek in Q3 2024. This will be a crucial pillar of the Group's 2030 Vision and climate risk management strategy over the longer term.
- We laid the groundwork for ReGen Sustainable Solutions Sdn. Bhd. ("ReGen") to commence operations in 2025 – a significant step towards driving circularity for the Building Materials portfolio through creating a second life for waste materials while reducing waste to landfill and contributing towards a low-carbon future.
- We commenced operations at the flagship batching plant of Island Concrete (Private) Limited ("Island Concrete") in Jurong Port's ready-mix concrete hub – an integrated facility that targets to shorten the production time and reduce carbon emissions of the built environment industry by cutting more than a million truck trips per year.
- In our quest to reduce manpower and increase operational efficiencies, we are piloting automated truck scheduling to optimise delivery routes and working on Singapore's first autonomous (hybrid) wheel-loader to maximise efficiency in material handling.
- We continue to replace Island Concrete's fleet of ready-mix 9m^3 concrete trucks to 12m^3. This will reduce the number of truck trips needed which will improve operational efficiency and reduce diesel usage. The number of 12m^3 ready-mix concrete mixer trucks now makes up about 40% of our total fleet.

Even as we create positive impact through the work we do, we are also advancing our sustainability stewardship efforts, lowering our carbon emissions, delivering on our diversity and inclusion commitments and fostering a culture of care and safety.

GYMCL has made headway in pioneering hydrogen combustion engines in China. This has been recogised by GYMCL being appointed as a committee member of the new Hydrogen Combustion Engine Innovation Consortium division of the China Internal Combustion Engine Society to contribute to the development of low-carbon and zero-carbon internal combustion engines. This division was launched in May 2024 under the guidance of the China Association for Science and Technology and the Ministry of Industry and Information Technology to pursue China's "dual carbon" goals – to peak carbon emissions before 2030 and achieve carbon neutrality by 2060. Aside from advancing its R&D strategy, GYMCL has also started to strengthen capabilities towards energy-related performance and targets within and beyond its operations.

The Group's environmental efforts have also been recognised by the Financial Times & Statista as one of the Asia-Pacific Climate Leaders in 2024 for the third consecutive year. This is also a testament to the hard work of our operational teams in ensuring operational efficiency, contributing to the Group's reduction of Scope 1 and 2 emissions intensity despite being in the challenging category of "hard-toabate" sectors. As one of seven listed companies in Singapore to make the list, this accolade inspires our continued commitment towards a low-carbon, circular future as we advance towards 2030. In 2024, we achieved a 27% reduction in total Scope 1 and 2 CO_2 emissions intensity [t CO_2 / million (SGD Revenue)] compared to the baseline year of 2016.

EMPOWERING OUR PEOPLE AND COMMUNITIES

Reflecting upon our journey to empower our people, we spent the year developing the *Beyond***HLA** foundation to encourage greater involvement in our sustainability ambition amongst HLA employees as well as to form longer-term collaborations with

Road trials of Yuchai Xingshunda hydrogen fuel cells-powered city buses in China.

1 *Fomerly known as Yuchai Xin-Lan New Energy Power Technology Co., Ltd.*

HLA leaders across the various building materials businesses gathered in Singapore for Vision 2030 workshop in June 2024.

like-minded partners. We kicked this off through Future City workshops that offered employees the opportunity to engage in activities that strengthened their understanding of HLA's vision and sustainability ambition. We continued in this vein with more youths by spending time to connect with primary schools and polytechnics/technical institutes across Singapore and Malaysia to share about our sustainability ambitions to inspire potential possibilities for innovation within our sectors. We discussed the challenge towards decarbonising the built environment and the role that our Powertrain Solutions must play in developing a new infrastructure for low-carbon transportation in future cities. We aim for our businesses to develop projects that will encourage the move towards innovating at speed through empowering employees and extending their reach in communities. We believe this will also result in greater positive impact such as building a more resilient and diverse workforce.

BUILDING RESILIENCE FOR THE LONG TERM

Having launched our updated Supplier Code of Conduct and Occupational Health and Safety policies in 2023, we conducted refresher briefings for our business units in 2024 and obtained their feedback.

In our efforts to increase supplier engagement within our Building Materials business, we have achieved our target to screen all high-value suppliers in Singapore and Malaysia after the adoption of updated HLA Supplier Code of Conduct in early 2023. We also engaged four of these suppliers to better understand their ESG practices. For our Powertrain Solutions business in China, we saw greater interest from high-value customers and suppliers to better understand ESG performance within their supply chain. In view of these developments, the procurement team at GYMCL is updating their supplier audit questionnaires to cover a baseline on ESG disclosures and to align this over time with the requirements of the HLA Supplier Code of Conduct.

Upholding the safety of our employees and other stakeholders remains paramount to the Group. We are committed to maintaining high safety standards and will continue to work closely with partners and contractors to ensure this. In the area of safety performance, the Group closed off 2024 with zero workplace fatalities and injuries for third-party transportation. However, we recorded 18 lost-time injuries ("LTI") most of which were related to non-observance of procedures. Most of these cases involved our employees compared to the contractors. Two serious incidents related to vehicular accidents within the plant were reported under GYMCL. The investigation reported gaps in the review of employee competencies in safety training as well as oversight of safety officers on the ground which have since been resolved while other improved safety procedures to operate electric trucks and other mobile equipment within the factory have been implemented.

To improve safety reporting standards within the Group, we have updated our reporting framework and communication channels to streamline notification of critical safety incidents to the HLA Chief Executive Officer. Aside from ensuring timely updates on such incidents, this process has provided greater visibility across our business units in relation to the safety reporting indicators and safety performance management. We have also seen increased engagement on safety related matters on the ground with a total of 704 safety engagement sessions held across Singapore and Malaysia in 2024. In Singapore, this included safety observation tours conducted by 19 management personnel as well as safety appreciation events involving over 1,000 workers and drivers. In Malaysia, Tasek's "Visible Felt Leadership" programme continues to progress well with 584 sessions held during the year while safety campaigns were held by Tasek in Malaysia with almost 600 participating employees.

STRENGTHENING OUR FOUNDATIONS 2030

As the businesses continue to work towards their respective 2025 targets, the HLA Sustainability Team began to work on the Group's 2030 ESG ambitions. During the year, leaders were brought together to envision a more sustainable 2030 for HLA and build a baseline to discuss and develop the Group's potential 2030 ESG targets. Thereafter, the HLA Sustainability Team organised further consultations with the businesses in late 2024 and early 2025. The Group's key ESG ambitions and high-level targets have since been drafted, discussed and reviewed with HLA's senior management as well as presented to the HLA Board Sustainability Committee for feedback on 10 February 2025. HLA Board will approve the 2030 ESG strategy when it is ready.

Further, in collaboration with the newly formed GYMCL ESG committee, the HLA Sustainability team aligned its sustainability reporting standards and supported GYMCL in its transition. The collaboration also enabled HLA to expand GYMCL's scope of data to include key subsidiaries as updated under the "About this Report" section of our 2024 Sustainability Report. We will continue to work with GYMCL to improve the accuracy and coverage of ESG data related to these entities in the coming years.

Last but not least, the HLA Internal Audit team has also conducted its third audit of the Group's sustainability reporting practice which has been a useful exercise to review gaps in our data collection and management process as well as to prepare for future external audits. In total, a data review covering four material issues on carbon emissions, waste, employees and safety was performed, with appropriate recommendations for improvement made to the HLA Sustainability Team and business units.

LOOKING AHEAD

As we progress towards finalising our 2030 ESG targets, driving towards a lowcarbon and circular economy remains our top priority. Our operations in China, Singapore and Malaysia have ambitions to meet their respective national targets on carbon reduction and carbon neutrality in the years ahead. National plans are still work in progress and evolving for most parts, and the speed in rolling out supportive measures as well as carbon pricing mechanism can vary. This can create uncertainty over the rate of uptake of greener products in our markets. It is also important to note that new technology on carbon capture requires very high investments at the present point in time, and so are the investments required to develop the infrastructure for alternative energy sources. Both of these are likely to remain high for the next five years.

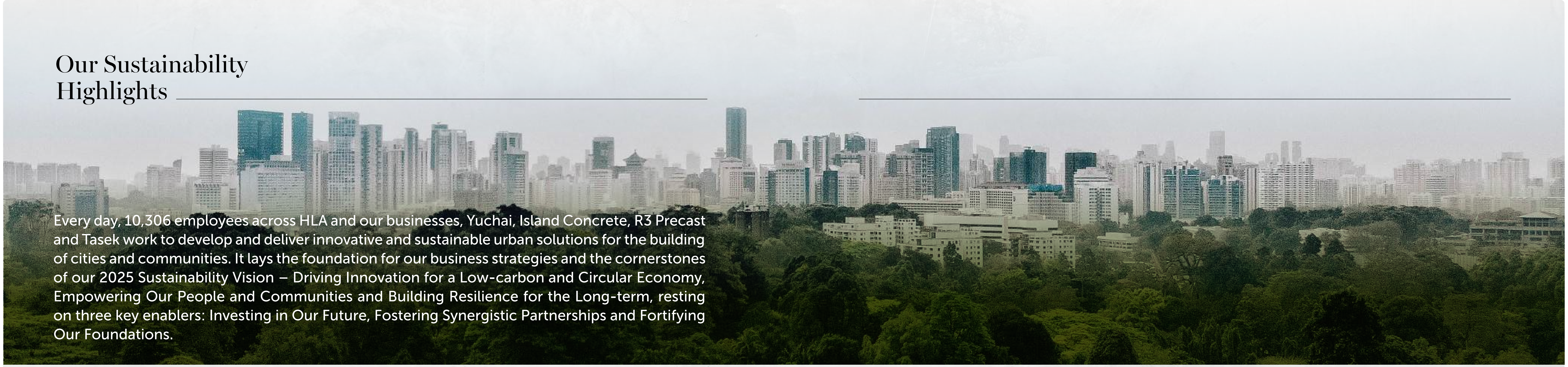
Hence, the strategic implementation of our decarbonisation roadmap for Tasek is an important area of focus in 2025 to assess our potential to reduce the Group's Scope 1 and 2 CO_2 emissions while developing our Scope 3 CO_2 emissions profile will help map out the subsequent areas of focus to drive the decarbonisation of our sectors. This will be dependent on our efforts to increase stakeholder engagement within our respective value chains to collaborate on opportunities to innovate. Without partnerships with customers, suppliers and solution providers, we would not be able to support the transition from "brown to green" in our sectors.

To support this journey, we need to continue building a strong, diverse and talented workforce to help drive this agenda. We will leverage upon our *Beyond***HLA** framework to engage with our employees and develop them in pursuit of our 2030 ESG ambitions. We are proud to have achieved recognition for our efforts to drive employee engagement and continually improve our work environment in a changing landscape. Our people have always been the bedrock of our success and will continue to advance HLA to do better for the environment and communities.

BOARD OF DIRECTORS

Hong Leong Asia Ltd.
26 March 2025

Our Sustainability Highlights



Every day, 10,306 employees across HLA and our businesses, Yuchai, Island Concrete, R3 Precast and Tasek work to develop and deliver innovative and sustainable urban solutions for the building of cities and communities. It lays the foundation for our business strategies and the cornerstones of our 2025 Sustainability Vision – Driving Innovation for a Low-carbon and Circular Economy, Empowering Our People and Communities and Building Resilience for the Long-term, resting on three key enablers: Investing in Our Future, Fostering Synergistic Partnerships and Fortifying Our Foundations.

INVESTING IN OUR FUTURE

As HLA sets it sights to grow in key markets around the Asia Pacific region, we recognise that people drive the strength of our business and our ability to serve our customers efficiently whilst sustaining our competitive positioning. We are committed to support lifelong learning for our workforce, providing learning, skills upgrading opportunities to all employees at all levels to equip them with the necessary knowledge and technical skills for the future of work.

In 2024, we further develop leadership capability in strengthened alignment with key themes from climate transition risks to innovation. We launched the HLA Fireside Chat series with invited guest speakers sharing invaluable insights on topics such as capitalising core competencies, leading with clarity and navigating disruptions to drive change. To prepare shifting gears towards our 2030 Vision, we held a "Future-Fit Business Benchmark" workshop designed to look at various key touch points, including workshop exercises integrating sustainability and strategic thinking into decision-making, inspiring HLA leaders to drive the transformative potential of the Group's businesses.

During the year, we had also ramped up our efforts to improve digital literacy and capabilities of our people through collaborating with the Digital Business Transformation Centre at Temasek Polytechnic in Singapore to hold creative marketing workshops for office-based, backend functions. Over in Malaysia, to drive accountability for personal and professional growth, Tasek introduced an online learning platform – e-LATiH, a talent development initiative under Malaysian Human Resource Development Fund, enabling Tasek employees to access to a wide range of training resources to upskill and reskill in certified competencies. These initiatives underpin the support and development available to our people, enabling them to perform and achieve the competencies effectively.

A key part of the Group's people strategy will be to bring fresh talent, perspectives and energy into the business by investing in young people and skills development. In 2024, the Group had over 30 interns from various education institutes in Singapore and Malaysia. The industrial placements from various universities saw interns seconded with operations, production, quality control, maintenance and support services functions, providing them an opportunity to develop their practical and technical skills in a role directly relevant to their fields of study.

HLA

10,306
employees groupwide

51
training hours per employee in 2024

INVESTING IN COMMUNITIES

The core businesses of HLA coupled with the Group's ESG initiatives can significantly contribute to the communities where we operate and in return, sustain support for our business operations. Since 2021, the Group has been focusing our corporate social responsibility activities in the areas where we can make a difference, leveraging our expertise and resources to actively support key stakeholders.

In 2024, we launched, making our expectations clear on the Group's commitment to make a material difference for our people, and the communities around our operations. With *Beyond***HLA**, under the three key pillars of focus - "Sustainable Cities and Communities", "Enabling Solutions for Healthier Environments and Communities" and "Educating Future Generations", HLA will be advancing societal initiatives that promote lasting employee engagement and support for communities.

During the year, Group efforts were focused on establishing the key pillars of the *Beyond***HLA** framework which was established in 2023 to strengthen HLA's corporate social responsibility agenda. We continue to initiate community-related collaborations with employee volunteers across the Group participating in environmental conservation activities including beach clean-ups as well as refurbish facilities in local communities for China and Malaysia, giving back to communities where we have significant operations.

Under *Beyond***HLA**, we had launched a flagship initiative – "Youth4Planet Challenge" with Xingnan Primary School in Singapore in 2024 to nurture STEAM (Science, Technology, Engineering, Arts and Mathematics) skills in school children – educating young children about climate change and its impact on future cities as well as inculcating problem-solving and critical thinking skills through real learning experiences in young minds. Through S$80,000 in financial support for the Youth4Planet Challenge education programme, we reached 160 children and over 40 employee volunteers and school teachers with fun, hands-on workshops on climate change and sustainable cities.

POWERTRAIN SOLUTIONS

20,521
employee volunteer hours clocked

BUILDING MATERIALS

34%
employee volunteer participation rate

Our Sustainability Highlights

FOSTERING STRATEGIC PARTNERSHIPS

Buildings account for almost 40% of the world's energy use and a large portion of the world's greenhouse gas emissions. At HLA, we collaborate closely with business partners to reduce our footprint and drive circular solutions. Across the Building Materials portfolio of companies – Island Concrete, R3 Precast and Tasek work with respective agencies in Singapore and Malaysia including Singapore Green Building Council ("SGBP"), Singapore Environment Council ("SEC"), Standard and Industrial Research Institute of Malaysia and Construction and Industry Development Board of Malaysia to attain green certification for our supply of more sustainable building materials. We will continue to look for opportunities to drive a low-carbon and circular economy through responsible business practices and investments in innovative solutions.


National VI production lines at a Yuchai plant in China

Across our footprint, we have also made concerted efforts to contribute new solutions towards the transportation sector which accounts for around 20% of global carbon emissions. We aim to improve our positive impact on the global environment by driving greater efficiency with the Powertrain Solutions we develop and manufacture. In 2024, we continued to invest RMB 1.2 billion to develop new R&D initiatives and improve current technologies to meet future emission standards globally and offer industry collaboration to enhance technical competencies.

BUILDING MATERIALS

29%
total concrete volume generated contains alternative/ recycled materials

POWERTRAIN SOLUTIONS

50%
growth in new energy product sales

RMB 1.2 billion
spent on R&D activities

604
patents granted in 2024

FORTIFYING OUR FOUNDATIONS

At HLA, the safety of our employees, contractors and visitors is a top priority and we continuously strive to provide an optimal workplace environment for our key stakeholders everyday.

Our corporate culture is based on five core values: Keeping the Customer First, Minding the Details that Matter, Doing the Right Things, Thinking Fast, Work Faster and Creating an Impact Beyond Our Business. We seek to foster an accountable culture in which the building blocks of these company values apply always and everywhere, and to all employees. Guided by standard operational guidelines, HLAsians are expected to act responsibly in their day-to-day work, committed to minimising the environmental impact of our products, operations and supply chain as well as providing a safe work environment for all.

With business activities and operations spanning across China, Singapore and Malaysia, HLA also has various policies and procedures in place such as Code of Business Conduct and Ethics, Anti-Fraud, Anti-Bribery & Anti-Corruption Policy and Occupational Health and Safety ("OHS") Policy. Employees are kept informed from time to time and training are provided on key new policies.

Recognising safety is a collective responsibility, HLA's leadership teams and the OHS professionals across business operations work to support employees with safety programmes, processes and platforms to help achieve the Group's safety targets. The Group's OHS policy emphasises the importance of occupational health and workplace safety in the work environment and serve to instil in all employees a culture of being responsible and practise safe workplace habits. Annual health screenings, mandatory workplace health and safety briefings and fire drills are held regularly throughout the year to create awareness that keeping the workplace and environment safe is of paramount importance to the HLA work culture and to reinforce and promote a robust safe and healthy environment. In addition, HLA also strives to provide a safe and healthy work environment that is non-threatening, with no harassment, assaults and bullying. Proper grievance handling procedures are also in place to ensure all incidents are resolved in a timely and impartial manner.

The Group's success is measured not just by financial value creation to stakeholders but also excelling in high standards of corporate governance with clear accountability and robust risk management, as well as building an inclusive and engaged workforce and contributing meaningfully to the community at large. Together, these building blocks further fortify the foundation for HLA's sustainable growth.

HLA

100%
participation rate for compliance and ethics-based training

Enhanced Supplier Code of Conduct (with ESG criteria)

Enhanced Occupational, Health and Safety Policy

BUILDING MATERIALS

88%
operations sites ISO 45001 certified for Occupational Safety and Health Management Systems

704
total leadership-led safety engagement sessions

OUR APPROACH

Sustainability Framework

The HLA Group Sustainability Framework provides a clear articulation of the Group's sustainability priorities. Its three interconnected pillars encompass the material ESG topics facing HLA Group. Ensuring the sound management of these material topics is crucial to the success of our business strategy to create long-term value for our stakeholders.

HLA 2025 Vision

At HLA, our vision is to develop and deliver sustainable and innovative urban solutions for cities of the future. Our core values set the foundation for building resilience for the long-term.

DRIVING INNOVATION FOR A LOW-CARBON AND CIRCULAR ECONOMY

1. Energy Consumption and CO_2 emissions
2. Alternative Cement and Concrete Products
3. Energy Efficient Products
4. Circular Economy and Waste Management
5. Dust and Other Emissions
6. Product Quality and Customer Satisfaction

EMPOWERING OUR PEOPLE AND COMMUNITIES

1. Community Engagement
2. Diversity, Equity, Inclusion and Talent Management

BUILDING RESILIENCE FOR THE LONG-TERM

1. Ethical Conduct and Regulatory Compliance
2. Cybersecurity and Data Protection
3. Responsible Supply Chain
4. Occupational Health, Safety and Welfare

Notes:

1. *To differentiate the material topic of "Innovative Products" between Powertrain Solutions and Building Materials businesses, our core business units as depicted on the materiality matrix in the HLA 2024 Sustainability Report, we have renamed the topic as "Alternative Cement and Concrete Products" and "Energy Efficient Products: for the Building Materials and Powertrain Solutions" businesses, respectively.*
2. *The topic "Responsible Supply Chain" was formerly known as "Supply Chain Management" and was renamed to reflect the integration of ESG in our practices.*

Sustainability Governance

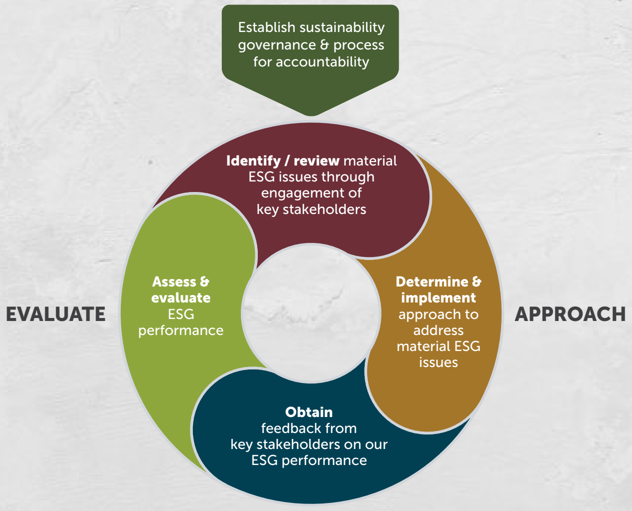
The Board of Directors (the "Board") provides guidance for the Group's sustainability framework, governance and reporting practice. The Board has oversight on the Group's business strategy and operational matters and also ensures these are consistent with the Group's efforts to mitigate climate-related risks and pursuit of climate-related opportunities.

In May 2023, the Board Sustainability Committee ("BSC") was set up and has since provided specific oversight over HLA's sustainability initiatives , which had previously been under the purview of the Audit and Risk Committee ("ARC"). The Building Materials business, made up of Building Materials Group, Singapore, and Tasek in Malaysia, have their own Environmental, Social and Governance ("ESG") Impact Working Groups. CYI/GYMCL also have an ESG Committee. Meanwhile, the HLA Sustainability Team led by the Head of Sustainability and Corporate Affairs would oversee sustainability related issues, climate-related agenda, track and support the progress of ESG commitments and strategies of the above business units and report to the BSC; which in turn would report to the Board.

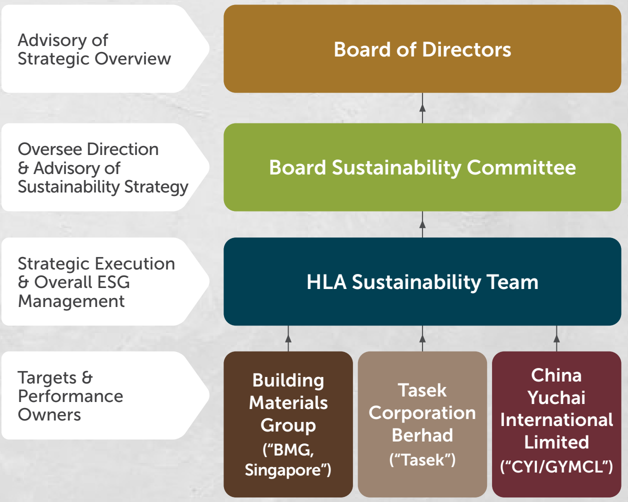
The CEO has the overall responsibility in driving ESG performance while managing the internal control and risk management framework of the Group's businesses and operations.

Since 2023, HLA has linked its ESG performance with the remuneration of its key executives. The key performance indicators ("KPIs") of our ESG performance, including those of the health and safety of our employees and the use of recycled and alternative materials in cement and concrete, have been implemented and cascaded down to our business leaders. In 2024, it was expanded to include the participation of business and functional leaders, at least once a quarter on health and safety activities such as safety audits, training and talks. All leaders must also participate in one corporate social responsibility ("CSR") activity and ensure at least 30% of employees participate in one CSR activity during the year. The ESG KPIs form a minimum of 20% of total performance evaluation in 2024.

HLA'S SUSTAINABILITY GOVERNANCE PROCESS



HLA'S SUSTAINABILITY GOVERNANCE STRUCTURE



Our Sustainability Highlights

HLA'S KEY STAKEHOLDERS AND MATERIALITY ASSESSMENT PROCESS

Our Key Stakeholders

We recognise the importance of engaging our stakeholders and define our key stakeholders as groups that the HLA businesses in China, Singapore and Malaysia may have a significant impact on or vice versa, and those with a vested interest in our business conduct. They include shareholders, customers, employees, local communities, government agencies, industry associations, suppliers and business partners.

Recognising the importance of engaging our stakeholders to encourage open communication and build relationships, we have adopted a stakeholder-inclusive approach – understanding the diversity of our stakeholders, keeping our ears to the ground and staying abreast of industry trends – and deployed various platforms to this end. The frequency of ongoing engagement with our stakeholders varies with their concerns and needs as well as with the topics of engagement.

KEY STAKEHOLDERS	MATERIAL ESG ISSUES	ENGAGEMENT PATHWAYS
CUSTOMERS		
Our customers are the reason for our business existence. We aim to assist our customers to meet future requirements and transit to a low carbon economy with key focus on sustainable and innovative urban solutions in the built environment and transport sectors.	• Energy Consumption and CO_2 Emissions • Alternative Cement and Concrete Products (BMG, Singapore) • Energy Efficient Products (CYI / GYMCL) • Product Quality and Customer Satisfaction • Cybersecurity and Data Protection	• Materiality Survey (assessed in 2021 and reviewed periodically) • Customer Surveys (Yearly) • Partnerships / Joint Ventures • Customer Site Visits • Service Centres / Call Centres, Mobile Applications • Online Channels • Rebranding Projects • After-Sales Services (CYI / GYMCL)
EMPLOYEES		
Our employees are the engines that drive our business forward, anticipating needs of our customers, delivering value and executing business strategies.	• Diversity, Equity, Inclusion and Talent Management • Occupational Health, Safety and Welfare • Cybersecurity and Data Protection	• Materiality Survey (assessed in 2021 and reviewed periodically) • Recruitment Channels • Talent Management Programme • Employee Surveys • Training and Development Initiatives • Town Hall Meetings, Management Meetings • Department / Team Bonding • Staff Engagement Events and Wellness Activities • Newsletters, Bulletin Boards, Email Communication • Whistle-blowing Channel • Rebranding Projects • Occupational Health and Safety Channels (toolbox meetings, management meetings, trainings, safety week / day, visible felt programme, safety observation tour) • Phishing Email Assessments • Data Protection Policy Briefing
SUPPLIERS, CONTRACTORS AND VENDORS		
Across our value chain, we expect our suppliers to adhere to our policies and codes. In addition, we recognise the important role we play in collaborating with our suppliers, contractors and vendors to improve sustainable and responsible practices.	• Ethical Conduct and Regulatory Compliance • Occupational Health, Safety and Welfare • Responsible Supply Chain • Cybersecurity and Data Protection	• Materiality Survey (assessed in 2021 and reviewed periodically) • Supplier Evaluation (Yearly) • Supplier Code of Conduct Self-Assessment (Yearly) • Health and Safety Trainings / Inductions • Tender/Bidding Process, Request for Proposals / Support, Meetings, Dialogues
GOVERNMENT AGENCIES AND AUTHORITIES		
Beyond meeting regulatory requirements, we recognise the importance of building partnerships and good relations with the authorities and regulators to participate in nation building and development.	• Energy Consumption and CO_2 Emissions • Circular Economy and Waste Management • Dust and Other Emissions Management • Ethical Conduct and Regulatory Compliance • Occupational Health, Safety and Welfare	• Materiality Survey (2021) • Site Inspections, Site Audits, Reports Submissions • Meetings, Trainings, Seminars, Technical Committees at respective industry associations
LOCAL COMMUNITIES		
We are part of the communities wherever we operate. We are committed to invest our resources in the local communities to support their well-being and development.	• Dust and other Emissions Management • Community Engagement	• Environmental and Social Impact Activities and Initiatives • Partnerships or Collaborations with Non-Governmental Organisations
SHAREHOLDERS, INVESTORS, ANALYSTS AND MEDIA		
We aim to maximise shareholder value and implement prudent risk management to ensure company financial resilience and embed sustainability strategies into the business.	• Energy Consumption and CO_2 Emissions • Ethical Conduct and Regulatory Compliance • Cybersecurity and Data Protection	• Annual General Meeting • Corporate Websites, Annual Reports, Financial Reports • Meetings, Presentations and Dialogues

Our Sustainability Highlights

MATERIALITY ASSESSMENT

HLA conducted its sustainability materiality assessment in 2021 to re-frame the ESG concerns from the respective business key stakeholders. The material issues have since been updated accordingly and are reviewed periodically to ensure alignment with current issues or trends.

To understand the sustainability concerns and identify relevant sustainability key topics, we followed the process as shown below.

HLA GROUP MATERIALITY ASSESSMENT PROCESS

1 — IDENTIFY RELEVANT SUSTAINABILITY TOPICS

- Peer benchmarking, desktop research and collaborative working sessions with the HLA Group Sustainability Team were done to understand the Group's sustainability context and identify relevant sustainability topics for HLA and its businesses

2 — PRIORITISE TOPICS THROUGH STAKEHOLDER ENGAGEMENT

- Interviews with key personnel from business units and online surveys for employees (364 out of 596 responses) to identify important sustainability issues
- The process was repeated with interviews and online surverys for external stakeholders including consultants, customers, authorities, suppliers, contractors etc. (93 out of 269 responses)

3 — VALIDATION OF MATERIAL TOPICS

- Analysis of results from the stakeholder engagement process was presented to the Group's Management Team and its business unit leaders
- Discussion and final agreement on material ESG issues for both Group and respective business unit

4 — PRIORITISED MATERIAL TOPICS

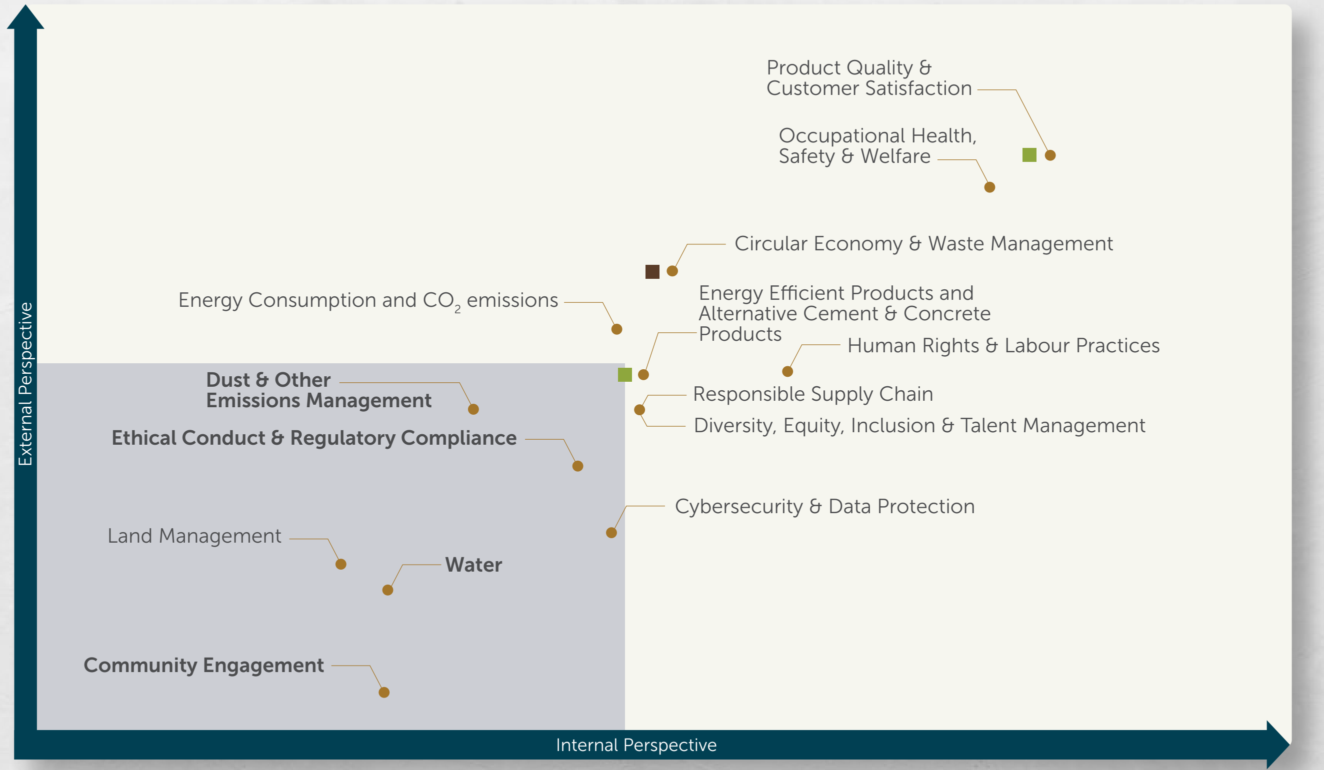
- Significant sustainability issues ranked and prioritised by key personnel from business units. The prioritised issues were considered when formulating HLA's business strategy which serves as inputs for sustainability strategy and reporting purposes

Our employees continuously upgrade their skillsets to execute work safely and productively, whilst adapting to new and disruptive technologies introduced into our operations.

HLA MATERIALITY MATRIX

HLA's materiality matrix is summarised from our engagement with various stakeholders both internally and externally. The list of ESG issues were mapped onto a matrix reflecting the importance of key stakeholders (external) and HLA (internal).

The materiality matrix compiled reflected a strong consistency between internal and external ratings on the material issues. It also served to affirm the high relevance of SDGs 9 and 12 to the Group's businesses.



**Note: Material issues bolded within the blue box were included as key prioritised topics during the management workshops.*

SDG 9
- Innovative Products
- Product Quality & Customer Satisfaction

SDG 12
- Circular Economy & Waste

- HLA prioritised material issues
- SDG 9: Industry, Innovation and Infrastructure
- SDG 12: Responsible Consumption and Production

MORE IN OUR SUSTAINABILITY REPORT 2024

The sustainability highlights here serve as a summary of our sustainability initiatives and progress and should be read in conjunction with the full HLA 2024 Sustainability Report, which has been prepared in accordance with Global Reporting Initiative ("GRI") Standards "Core" option and complies with the Singapore Exchange Securities Trading Limited (the "SGX-ST") requirements on sustainability reporting.

In line with SGX's Listing Rules, we also conducted an inaugural internal assurance of our sustainability reporting processes in FY2024. We invite you to learn more about our sustainability approach and welcome your feedback in our efforts to continuously improve our sustainability practices and performance. Access the HLA 2024 Sustainability Report at https://www.hlasia.com.sg/reports

Scan to view our Sustainability Report 2024 from 26 March 2025 onwards

Corporate Directory

BOARD OF DIRECTORS

Executive Directors
Kwek Leng Peck – Executive Chairman
Stephen Ho Kiam Kong – Chief Executive Officer
Kwek Pei Xuan – Head of Sustainability and Corporate Affairs

Lead Independent Director
Tan Chian Khong

Independent Non-Executive Directors
Kwong Ka Lo @ Caroline Kwong
Ng Sey Ming
Maimoonah Binte Mohamed Hussain
Ng Chee Khern

AUDIT AND RISK COMMITTEE
Tan Chian Khong – Chairman
Kwong Ka Lo @ Caroline Kwong
Ng Sey Ming
Maimoonah Binte Mohamed Hussain

BOARD SUSTAINABILITY COMMITTEE
Kwong Ka Lo @ Caroline Kwong – Chairman
Stephen Ho Kiam Kong
Kwek Pei Xuan
Ng Chee Khern

NOMINATING COMMITTEE
Kwong Ka Lo @ Caroline Kwong – Chairman
Kwek Leng Peck
Tan Chian Khong
Ng Sey Ming

REMUNERATION COMMITTEE
Ng Sey Ming – Chairman
Tan Chian Khong
Kwong Ka Lo @ Caroline Kwong

HONG LEONG ASIA SHARE OPTION SCHEME 2000 COMMITTEE
Ng Sey Ming – Chairman
Kwek Leng Peck
Tan Chian Khong
Kwong Ka Lo @ Caroline Kwong

SECRETARIES
Ng Siew Ping, Jaslin
Yeo Swee Gim, Joanne

INVESTOR RELATIONS
Patrick Yau – Head of Investor Relations
Lilian Low – Corporate Communications Manager

Email : investor_relations@hlasia.com.sg
Tel : (65) 6220 8411

SUSTAINABILITY FEEDBACK
Email : sustainability@hlasia.com.sg

REGISTERED OFFICE
16 Raffles Quay
#26-00 Hong Leong Building
Singapore 048581

Tel : (65) 6220 8411
Fax : (65) 6222 0087 / 6226 0502

Website : www.hlasia.com.sg

SHARE REGISTRAR & SHARE TRANSFER OFFICE
B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

Tel : (65) 6593 4848

AUDITORS
Ernst & Young LLP
Public Accountants and Chartered Accountants
One Raffles Quay
North Tower, Level 18
Singapore 048583

(Partner-in-charge : Chan Yew Kiang, appointed from commencement of audit of financial statements for the year ended 31 December 2021)

PRINCIPAL BANKERS
CIMB Bank Berhad
DBS Bank Ltd
MUFG Bank, Ltd.
Standard Chartered Bank (Singapore) Limited
Sumitomo Mitsui Banking Corporation
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

Corporate Governance Report

Hong Leong Asia Ltd. ("**HLA**" or the "**Company**") is committed to maintaining a high standard of corporate governance and business integrity which is essential for the long-term sustainability of the businesses of the Company and its subsidiaries (the "**Group**") and the enhancement of shareholders' value.

To demonstrate its commitment towards excellence in corporate governance, HLA has joined the Securities Investors Association Singapore ("**SIAS**") and its partners in making the following public Statement of Support as part of the annual SIAS Corporate Governance Week (organised by SIAS):

"As a Company, we are committed to upholding high standards of corporate governance to enhance shareholder value, a sustainable future and making a lasting sustainable transition to a low-carbon environment. We believe practising good environmental, social and corporate governance standards are central to the health and stability of our financial markets and economy."

Recognition of HLA's Commitment to Best Practices in Corporate Governance

Singapore Board Diversity Index 2025	Singapore Governance and Transparency Index 2024	Singapore Corporate Awards 2024	SGX Fast Track Programme [1]
One of the 6 named companies that exhibits exemplary diversity standards (mid-cap)	Ranked 14th amongst 477 SGX-listed companies	Best Managed Board (mid-cap) (Gold) Best Annual Report (Silver)	Since April 2018

The Company has complied with Rule 710 of the Listing Manual of Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Listing Manual**") by describing in this report its corporate governance practices with specific reference to the principles and provisions in the Code of Corporate Governance, as amended ("**CG Code**"). Where the Company's practices differ from the principles and guidelines under the CG Code, the Company's position and reasons in respect of the same are explained in this report.

The Group's listed subsidiaries, China Yuchai International Limited ("**CYI**") and CYI's listed subsidiary, HL Global Enterprises Limited ("**HLGE**"), are listed on the New York Stock Exchange and SGX-ST respectively. The independent boards and board committees of these listed subsidiaries are responsible to uphold good corporate governance and oversee the effectiveness of their internal controls and risk management systems. Further information on the governance regime, corporate governance practices, and the assurances on the adequacy/effectiveness of the internal controls and risk management systems of these listed subsidiaries can be found in their respective Securities and Exchange Commission ("**SEC**") Form 20F and/or annual report.

BOARD OF DIRECTORS

Executive Directors ("ED")
Mr Kwek Leng Peck, Executive Chairman
Mr Stephen Ho Kiam Kong, Chief Executive Officer ("**CEO**")
Ms Kwek Pei Xuan, Head of Sustainability and Corporate Affairs

Independent Directors ("ID")
Mr Tan Chian Khong, Lead Independent Director
Ms Kwong Ka Lo @ Caroline Kwong
Mr Ng Sey Ming
Datuk Maimoonah Binte Mohamed Hussain
Mr Ng Chee Khern

1 This programme was launched by Singapore Exchange Regulation ("**SGX RegCo**") in recognition of listed companies which have maintained good corporate governance standing and compliance track record. Companies under this programme will receive prioritised clearance on selected corporate action submissions to SGX RegCo.

Key Objectives
Provides leadership by setting the strategic objectives of the Company together with the Management to achieve long-term success for the Group. Oversees the performance of the Group for accountability to shareholders by ensuring that necessary financial, operational, and human resources are in place for the Company to meet its strategic objectives, which are supported by an adequate and effective system of risk management and internal controls.

Audit and Risk Committee ("ARC")	Mr Tan Chian Khong, Chairman (Lead ID) Ms Kwong Ka Lo @ Caroline Kwong (ID) Mr Ng Sey Ming (ID) Datuk Maimoonah Binte Mohamed Hussain (ID) **Key objective** Assists the Board in the review of the Company's financial reporting, internal accounting controls, audit function, and key risks under a risk management framework.
Board Sustainability Committee ("BSC")	Ms Kwong Ka Lo @ Caroline Kwong, Chairman (ID) Mr Stephen Ho Kiam Kong (ED) Ms Kwek Pei Xuan (ED) Mr Ng Chee Khern (ID) **Key objective** • Assists the Board in the review of the Group's sustainability issues including climate risks, sustainability initiatives and related performance as well as emerging corporate governance trends and best practices. • Reviews the Company's sustainability, climate-related disclosures and corporate governance reports.
Nominating Committee ("NC")	Ms Kwong Ka Lo @ Caroline Kwong, Chairman (ID) Mr Kwek Leng Peck (ED) Mr Tan Chian Khong (Lead ID) Mr Ng Sey Ming (ID) **Key objectives** • Assists the Board in its succession planning through the review of board size, composition, and mix, and provides recommendations on the independence of directors, appointment, re-nomination and retirement of Directors. • Assists the Board in the evaluation of the performance of the Board, the Board Committees, and the Directors. • Reviews the succession plan for the CEO (or its equivalent) and key management personnel ("**KMP**") (not being a Director). • Develops and reviews the board diversity policy, including targets, plans and timelines, and reviews progress made.
Remuneration Committee ("RC")	Mr Ng Sey Ming, Chairman (ID) Mr Tan Chian Khong (Lead ID) Ms Kwong Ka Lo @ Caroline Kwong (ID) **Key objective** Assists the Board in the review and determination of the remuneration of the Board and the KMP, including setting appropriate remuneration frameworks and policies to reflect a performance-based remuneration system.

Hong Leong Asia Share Option Scheme 2000 ("SOS") Committee ("SOSC")	Mr Ng Sey Ming, Chairman (ID) Mr Kwek Leng Peck (ED) Mr Tan Chian Khong (Lead ID) Ms Kwong Ka Lo @ Caroline Kwong (ID) **Key objective** Reviews and approves the grant of options to eligible participants pursuant to the terms of the Company's SOS.

BOARD MATTERS

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

The Primary Functions of the Board
The Board oversees the Company's business and its performance under its collective responsibility for the long-term success of the Company, working with the Management to achieve the strategic objectives of the Company.

The Board's primary functions are to provide leadership, set broad policies, provide guidance on and approve strategic objectives, ensure that necessary financial, operational, and human resources are in place for the Company to meet its objectives, review the performances of the Company, the Group and the Management, and satisfy itself as to the adequacy and effectiveness of the framework and processes for internal controls (including financial, operational, compliance, and information technology ("**IT**") controls) and risk management for the safeguarding of shareholders' interests and the Group's assets. The Board assumes responsibility for good corporate governance and sets the right 'tone at the top' in its policies and decisions to ensure that the Company's corporate values and ethical standards are observed and that there is proper accountability throughout the Company and obligations to its shareholders and other stakeholders are clearly understood and met.

Sustainability
The Board is committed to the Company's strategic approach to integrating sustainability in its businesses and operations, and to advance the Company's sustainability efforts and achievements. The Board also aims to decide on the Group's business strategy and operational matters to be consistent with the Group's efforts to mitigate climate-related risks and pursuit of climate-related opportunities. The BSC was set up in May 2023 to provide specific oversight over these areas to assist the Board through making recommendations, previously under the purview of the ARC. Since 2017, the Company has been publishing its annual Sustainability Reports which meet SGX-ST's sustainability reporting requirements. The Sustainability Team led by the Head of Sustainability and Corporate Affairs is responsible for identifying, evaluating, monitoring, and managing the Group's material environmental, social and governance ("**ESG**") factors, and reports to the BSC. The CEO has the overall responsibility in driving ESG performance while managing the internal control and risk management framework of the Group's business and operations. Details on the Company's corporate sustainability practices and climate-related agenda will be presented in its 2024 Sustainability Report which will be available on 27 March 2025 in digital format on the Company's corporate website at the URL https://www.hlasia.com.sg/reports, and on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

The key responsibilities of the BSC as set out in its written terms of reference, approved by the Board, include the following:

(a) Provides oversight on the Group's compliance relating to sustainability governance and reporting including reviewing the framework put in place by the Management for the identification, assessment, management, and monitoring of the material ESG factors and climate risks, and setting of the targets and key performance indicators for the achievement of the Group's sustainability strategy;

(b) Reviews the Group's sustainability issues including climate risks, sustainability initiatives and related performance as well as emerging corporate governance trends and best practices and recommends to the Board the adoption of such trends and best practices; and

(c) Reviews the Company's sustainability, climate-related disclosures and corporate governance reports.

The BSC held two meetings during the year and carried out its duties as set out within its terms of reference. The Company Secretaries maintain records of all BSC meetings including records of key deliberations and decisions taken.

For the financial year under review, the BSC conducted a self-assessment of its own effectiveness in the discharge of its roles and responsibilities, which was facilitated through the use of a self-assessment checklist ("**BSC Self-Assessment Checklist**").

The BSC Self-Assessment Checklist covered, *inter alia*, the responsibilities of the BSC under its terms of reference and considered the contributions of BSC members to the deliberation and decision-making process at BSC meetings.

Based on the self-assessment, the BSC believes that it has fulfilled its responsibilities and discharged its duties as set out in its terms of reference.

Directors' Objective Discharge of Duties and Declaration of Interests (Provision 1.1)
All Directors are fiduciaries who exercise due diligence and objectively discharge their duties and responsibilities in the interests of the Company. This ability to exercise objectivity is one of the assessment criteria in the NC's annual evaluation of the Directors.

Directors who are in any way, directly or indirectly, interested in a transaction or proposed transaction, declare the nature of their interests in accordance with the Company's Constitution and provisions of the Companies Act 1967, and in the event of any conflict of interests (actual or potential), recuse themselves from any discussions and abstain from decision-making on such transactions, with abstention duly recorded within the minutes and/or the resolutions of the Board and/or the Board Committees.

Accountability of the Board and Management (Provision 1.1)
The Board and the Management are committed to conducting business with integrity and consistent with high standards of business ethics, and in compliance with applicable laws and regulatory requirements. The Company has established various corporate policies as necessary which provide a communicable and understandable framework for employees to observe the Company's principles on honesty, integrity, responsibility, and accountability at all levels of the organisation and in the conduct of the Group's businesses in their relationships with the Group's stakeholders, including customers, suppliers, and employees. Further details of these policies are described in the segment entitled 'Corporate Values and Conduct of Business' under Principle 13 in this report.

Board Orientation and Training (Provision 1.2)
Every newly appointed Director receives a formal letter, setting out his/her general duties and obligations as a Director pursuant to the relevant legislation and regulations. The new Director will also receive an induction pack containing information and documents relating to the role, duties and responsibilities of a director and a member of the Board Committees, the Group's principal businesses, the Company's Board processes, corporate governance practices, relevant company policies and procedures as well as a Board and the Board Committees meeting calendar for the year with a brief of the routine agenda for each meeting.

The Company also conducts a comprehensive induction programme for newly appointed Directors and for existing Directors pursuant to their appointments to any of the Board Committees, which seeks to familiarise Directors with the Group's principal businesses, the Company's Board processes, internal controls and governance practices, and in the case of appointments to any of the Board Committees, the roles and areas of responsibilities of such Board Committees. The induction programme includes meetings with the chairmen of the Board Committees in the case of appointments to any of the Board Committees, on matters relevant to such Board Committees, and various key executives of the Management to allow the new Directors to be acquainted with the Management and to facilitate their independent access to the Management in future. The programme also includes site visits to the Group's key operations and briefings by the CEO and other members of the Management on key areas of the Group's operations.

For a first time Director who has no prior experience as a director of a listed company, in addition to the induction as detailed above, he/she will be required to also attend certain specific modules of the Listed Entity Director ("**LED**") Programme conducted by the Singapore Institute of Directors ("**SID**") in order to acquire relevant knowledge of what is expected of a listed company director, this being a mandatory requirement under the Listing Manual. Completion of the LED Programme, which focuses on comprehensive training of company directors on compliance, regulatory and corporate governance matters, should provide the first time Director with a broad understanding of the roles and responsibilities of a director of a listed company under the requirements of the Companies Act 1967, the Listing Manual and the CG Code.

Mr Ng Chee Khern who was appointed as an ID and a member of the BSC on 1 January 2025, attended the induction programmes conducted by the Company in February 2025. Although he is not a first time Director of a listed company, he attended the LED Programme on ESG Essentials, one of the core modules which delves into the role and responsibilities of the board and directors in sustainability governance, conducted by the SID. The Company will arrange for him to visit the Group's key operations in Singapore and Malaysia in 2025.

The Board recognises that it is important for Directors to undergo continual training/development. From time to time, the Directors are provided with updates and/or briefings by professional advisers, auditors, the Management, and the Company Secretaries in areas such as directors' duties and responsibilities, corporate governance practices, relevant legislation and regulations, risk management, and financial reporting standards. They are also regularly kept informed by the Company Secretaries of the availability of appropriate courses, conferences, and seminars such as those conducted by the SID, and the Directors are encouraged to attend such trainings at the Company's expense. The NC and the Board are kept informed of the trainings attended by the Directors during the year. As part of the NC's annual assessment of the skill sets of the Board and the Board Committees, the NC would also recommend further training for the Directors in specific areas, if so required, to supplement the regular updates/briefings provided to the Directors from time to time.

During the year, the trainings attended by the Directors included SID Seminars: Navigating Towards ISSB Compliance - Building the Global Baseline for Sustainable Growth; Navigating Sustainable Governance; Directors Sued/Charged - Lessons from Recent Cases; Directorship in Transition - Redefining Roles, Risks and Results, Climate Governance Singapore - Understanding Directors' Duties in Climate Risk, LED Programme 9 – ESG Essentials, briefings, and other seminars organised by SID and other consultants in relation to board, audit, nominating and remuneration committees matters, and climate-related disclosures and sustainability matters. In addition, three in-house seminars/webinars were also organised and conducted by invited external speakers in 2024, on the following topics:

(a) Digitalisation Training
(b) Forward Faster towards Business Sustainability
(c) Artificial Intelligence in Building Operations
(d) Anti-Money Laundering update and trends

The Company's external auditors also provided members of the ARC with updates on applicable Accounting Standards, climate and sustainability reporting, cybersecurity, and regulatory updates during the year.

All the Board members attended various training webinars, seminars, and workshops in 2024 which accounted for more than 210 training hours in aggregate.

In addition to the training courses/programmes and briefing updates, Directors are also at liberty to approach the Management should they require any further information or clarification concerning the Group's operations.

Board Approval (Provision 1.3)
The Board has in place an internal guide wherein certain key matters are specifically reserved for approval by the Board and these include decisions over the strategic direction and policies of the Group and its financial objectives which have or may have material impact on the profitability or performance of the relevant business units; decisions to commence, discontinue or modify significantly any business activity or to enter into or withdraw from a particular market sector; corporate or financial restructuring; decisions over new borrowings or significant amendments to the terms and conditions of existing borrowings other than in the ordinary course of business; material acquisition and disposal of assets/business undertakings; adoption of key corporate policies; and any other matters which require Board approval as prescribed under the relevant legislation and regulations as well as the provisions of the Company's Constitution. All issuance of the Company's financial results requires the approval of the Board, including decisions on the Company's dividend policy and payouts. Management is fully apprised of such matters which require the approval of the Board or the Board Committees.

Delegation by the Board (Provision 1.4)
The primary functions of the Board are either carried out directly by the Board or through the Board Committees with clear written terms of reference setting out their composition, authority, and responsibilities, including reporting back to the Board. The committees established by the Board are the ARC, the BSC, the NC, the RC, and the SOSC, all collectively referred to as the "**Board Committees**".

Specific written terms of reference for each of these Board Committees set out the required composition, authority and responsibilities of the Board Committees and provide for each Board Committee to submit at least an annual report of its activities to the Board. All terms of reference for the Board Committees are approved by the Board and reviewed periodically to ensure their continued relevance taking into consideration the changes in the governance and regulatory environment.

The delegation of authority by the Board to the Board Committees enables the Board to achieve operational efficiency by empowering these Board Committees to decide, review and make recommendations on matters within their respective written terms of reference and/or limits of delegated authority, and yet without abdicating the Board's overall responsibility.

Please refer to the sections under Principles 4, 5, 6, 7, 9 and 10 in this Annual Report 2024 ("**AR**") for further information on the activities of the ARC, NC and RC. Information on the activities of the BSC can be found in the segment entitled 'Sustainability' within this section under Principle 1 in this report. Information on the activities of the SOSC can be found under Principle 7 in this report, the Directors' Statement and Note 31 of the Notes to the Financial Statements in this AR.

Board and Board Committee Meetings (Provision 1.5)
Meetings of the Board and Board Committees are held regularly, with the Board meeting no less than four times a year. At the regular quarterly Board meetings, the agenda includes updates by the Management on the performance and operations of each business unit of the Group, and the Group's periodic financial performance. Five Board meetings were held in 2024.

Corporate
Governance Report

A meeting of the non-executive Directors ("**NEDs**") who are all also the IDs of the Company, chaired by the Lead ID, was held in 2024 without the presence of the Management. Meetings of the IDs are convened as often as may be warranted by circumstances. The IDs also meet regularly under the various Board Committees' meetings and the Lead ID is a member of some of these Board Committees.

The proposed meetings for the Board and all Board Committees for each new calendar year are set out in a schedule of meetings and notified to all Board members before the start of that calendar year. Additional meetings are convened as and when circumstances warrant. For significant issues, the Board convenes meetings to discuss and deliberate such issues thoroughly. Records of all such meetings including key deliberations and decisions taken are maintained by the Company Secretaries. The Company's Constitution allows for the meetings of its Board and the Board Committees to be held via teleconferencing and videoconferencing. Administrative or routine matters may be efficiently resolved via circulating resolutions so long as they are agreed upon by a majority of Directors (including a majority of those entitled to vote thereon), including through approved electronic means.

The attendance (including via electronic means) of the Directors at the annual general meeting of the Company ("**AGM**") and at meetings of the Board, the Board Committees and the IDs, as well as the frequency of such meetings in 2024, are set out below:

	Board	IDs	ARC	BSC	NC	RC	SOSC	AGM(b)
Number of meetings held in 2024:	5	1	3	2	2	2	1	1
Name of Director	**Number of meetings attended in 2024**							
Kwek Leng Peck	5	N.A.	N.A.	N.A.	2	2(a)	1	1
Stephen Ho Kiam Kong	5	N.A.	3(a)	2	N.A.	1(a)	1(a)	1
Kwek Pei Xuan	5	N.A.	3(a)	2	N.A.	N.A.	N.A.	1
Kwong Ka Lo @ Caroline Kwong	5	1	3	2	2	2	1	1
Ng Sey Ming	5	1	3	N.A.	2	2	1	1
Tan Chian Khong	5	1	3	N.A.	2	2	1	1
Maimoonah Binte Mohamed Hussain	5	1	3	N.A.	N.A.	N.A.	N.A.	1
Ng Chee Khern(c)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

N.A. – Not applicable

Notes:
(a) Attendance by invitation for all or part of the meeting.
(b) All Directors including Mr Kwek Leng Peck, the Executive Chairman, and Mr Stephen Ho Kiam Kong, who is also the CEO, were in attendance at the AGM in 2024 together with the Company's external auditors.
(c) Mr Ng Chee Khern was appointed as an ID on 1 January 2025.

The Board is of the view that the contribution of each Director should not be focused solely on his/her attendance at the AGM and at meetings of the Board, the Board Committees and/or the IDs. A Director's contribution also extends beyond the confines of the formal environment of such meetings, through the sharing of views, advice, experience, and strategic networking relationships which would further the interests of the Group. The Directors also, whether individually or collectively, engage with the Management to better understand the challenges faced by the Group and the inputs of the Directors, through such engagement, provide valuable perspective to the Management.

Directors' Multiple Board Representations and Time Commitments (Provision 1.5)
When considering the nomination of Directors for re-election, the NC also takes into account the competing time commitments faced by Directors with multiple listed company board representations and/or other principal commitments. An analysis of the directorships (which includes directorships within corporate groups and executive appointments) held by the Directors is reviewed annually by the NC. Each Director is also required to confirm annually to the NC as to whether he/she has any issue with competing time commitments which may impact his/her ability to provide sufficient time and attention to his/her duties

as a Director of the Company. Based on the analysis, the Directors' annual confirmation and the Directors' commitments and contributions to the Company which are also evident in their level of attendance and participation at meetings of the Board, the Board Committees and the IDs, the NC is satisfied that all Directors are able to carry out and have been adequately carrying out their duties as Directors of the Company.

The NC noted that, including the directorship held in the Company, the number of listed company board representations currently held by each of the Directors ranged from one to five and those held by Mr Kwek Leng Peck, Mr Stephen Ho and Ms Kwek Pei Xuan are on the boards of related corporations of the Company including a listed subsidiary and/or a listed associated company.

On the NC's recommendation, the Board has approved the maximum number of listed company board representations which a Director of the Company may hold at six (including the Company), with a view to providing a guide to address potential competing time commitments that may be faced by Directors serving on multiple listed company boards. The NC may review this guideline from time to time, and will also consider the circumstances of individual Directors or potential candidates with multiple listed company directorships above the recommended number to determine their capacity to participate and contribute effectively to the Board.

In addition to the current procedures for the review of the attendance records and analysis of directorships/ principal commitments, a policy has also been put in place for Directors to consult the Executive Chairman and the chairman of the NC prior to accepting any new listed company board appointments or principal commitments and notifying the Board of any changes in their external appointments. This would allow the Director to review his/her time commitments with the proposed new appointment and in the case of an ID, to also ensure that his/her independence would not be affected.

Complete, Adequate and Timely Information (Provision 1.6)
Prior to each meeting, members of the Board and the Board Committees are provided with the meeting agenda and the relevant papers such as reports on the operations and financial performances of the various business units respectively, reports from the corporate risk management committee, Sustainability Team, internal auditors ("**IA**") and external auditors ("**EA**"), regulatory updates, and/or significant projects/events updates. Such reports enable the Directors to keep abreast of key issues and developments, as well as challenges and opportunities for the Group. As far as possible, such information is provided a week in advance of a meeting.

Management also provides all Directors with monthly financial reports of the Group's financial performance including analysis of the same. Any material variances between the results and the budget and year-on-year for the periods under review are explained in the monthly financial reports. Where the Board's or a Board Committee's approval is sought, relevant background and explanatory information on the specific matter is provided to enable Directors to understand the issues and to request for further information, as necessary.

Management, the Company's EA and professional advisers who can provide additional insight into the matters for discussion are also invited from time to time to attend Board and/or Board Committees' meetings.

Draft agendas for Board and Board Committee meetings are circulated to the Executive Chairman and the chairmen of the Board Committees respectively, in advance, for them to review and suggest items for the agenda. The Board and the Board Committees are also furnished with routine reports, where applicable, from the various departments of the Company. Each of the chairmen of the ARC, BSC, NC, RC and SOSC provides an annual report of the respective committees' activities during the year under review to the Board. The minutes of meetings of the Board Committees and the NEDs/IDs are circulated to all Board members.

Access to Management, Company Secretaries and Independent Professional Advisers (Provision 1.7)
All Directors have direct and independent access to the Management. To facilitate this access, all Directors are provided with the contact details of the KMP, the Company Secretaries and other members of the Management.

The Directors, whether as a group or individually, are entitled to take independent professional advice at the expense of the Company, in furtherance of their duties and in the event that circumstances warrant the same. The Company has internal guidelines in place, allowing the Directors to seek independent professional advice.

The Company Secretaries' appointment and removal are subject to the Board's approval. At least one of the Company Secretaries attends meetings of the Board, the Board Committees and the NEDs/IDs, and ensures that all Board procedures are followed. The Company Secretaries, together with Management, also ensure that the Company complies with applicable statutory and regulatory rules. Together with the Management, the Company Secretaries also advise the Executive Chairman, the Board and the Board Committees on corporate governance matters and assist to implement and strengthen corporate governance practices and processes, including ensuring adequate and timely information flows within the Board and the Board Committees and between the Directors and the Management, facilitating the induction for newly appointed Directors and newly appointed Board Committee members, and assisting in the continuing training and development programmes for the Directors. On an on-going basis, the Directors have separate and independent access to the Company Secretaries.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

Board Independence (Provisions 2.1, 2.2 and 2.3)
The Board currently comprises 8 members, 3 of whom are EDs, while the other 5 members of the Board are NEDs. The NC has determined all 5 NEDs, being more than half of the Board, to be independent ("**5 IDs**"). Of the 5 IDs, Mr Ng Chee Khern who was appointed on 1 January 2025, will replace Ms Caroline Kwong who having served as an ID for more than 9 years, has notified the Company that she will be stepping down at the conclusion of the upcoming AGM in April 2025 ("**2025 AGM**"). Upon her cessation as a Director, she will also cease to be the chairman of BSC and NC as well as a member of the ARC, RC and SOSC at the conclusion of the 2025 AGM. The Board expresses its sincere gratitude to Ms Kwong for her invaluable contributions and dedicated service. Following the cessation, the Board will have 7 members with 4 IDs, maintaining majority independence, thus providing for a strong and independent element on the Board, capable of exercising objective judgement on the corporate affairs of the Company. No individual or small group of individuals dominates the Board's decision-making. No alternate Directors have been appointed in respect of any of the Directors.

When reviewing the independence of the 5 IDs, namely, Ms Caroline Kwong, Mr Ng Sey Ming, Mr Tan Chian Khong, Datuk Maimoonah Hussain and Mr Ng Chee Khern, the NC has considered the applicable Rule 210(5)(d) of the Listing Manual and the guidelines for independence set out in Provision 2.1 of the CG Code and its accompanying Practice Guidance. As part of the consideration of their independence, the NC has also taken into account the following:

- Other directorships;
- Declaration (in the case of the newly appointed Director, Mr Ng Chee Khern) and annual declarations (in the case of the other IDs) regarding their independence;
- Disclosures of interests in transactions in which they have a direct/indirect interest (if any);

- Their ability to avoid any apparent conflict of interest especially by abstaining from deliberation and decision-making on such transactions;
- Their ability to maintain objectivity in their conduct as Directors of the Company; and
- Their ability to objectively raise issues and seek clarification as and when necessary from the Board, the Management and the Company's external advisers on matters pertaining to their area of responsibilities whether on the Board or on the Board Committees.

Each of the IDs on the NC recused himself or herself from discussion and abstained from the NC's deliberation on his/her own independence.

None of the 5 IDs is currently employed or has been employed at any time during the past three financial years by the Company or any of its related corporations. These 5 IDs also do not have immediate family members who are currently employed or have been employed at any time during the past three financial years by the Company or any of its related corporations, and whose remuneration is determined by the RC. For purposes of determining independence, the 5 IDs have also provided confirmation that they are not related to the Directors and substantial shareholders of the Company. The NC is satisfied that there is no other relationship which could affect their independence. The Board undertook a review of the independence of the 5 IDs with each ID abstaining from participating in his/her own review, and the Board concurred with the NC's determination of the independence of the 5 IDs.

Mr Ng Sey Ming, an ID, is a partner of legal firms, Messrs Rajah & Tann Singapore LLP ("**R&T**") and Messrs Christopher & Lee Ong ("**CLO**") (with less than 5% stake in each of them) which rendered professional legal services to the Group from time to time. The total amount of the fees paid/to be paid to R&T and CLO for legal services rendered to the Group in FY 2024 was less than S$200,000. Mr Ng Sey Ming had abstained from the deliberation and decision-making in the engagements of R&T and CLO as solicitors for transactions relating to these legal services. The NC has determined, and the Board has concurred, that Mr Ng Sey Ming's independence is not affected by this relationship of the Group with R&T and CLO.

The 5 IDs had also avoided apparent conflict of interests especially by abstaining from deliberation on transactions in which they had a direct/indirect interest and were able to maintain objectivity in their conduct as Directors of the Company. They have objectively raised issues and sought clarification as and when necessary from the Board, the Management, and the Group's external advisers on matters pertaining to their area of responsibilities whether on the Board or on the Board Committees.

Board Composition, Size and Diversity (Provision 2.4)
The Board has a strong independent element. There are 8 Directors on the Board comprising 5 NEDs and 3 EDs. NEDs constitute at least a majority of the Board to prevent undue influence of the Management and to ensure that appropriate checks and balances are in place. The Board has appointed a Lead Independent Director.

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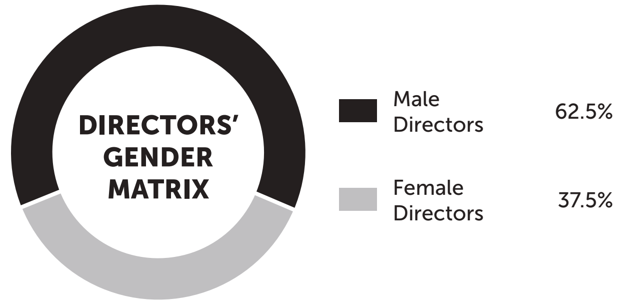
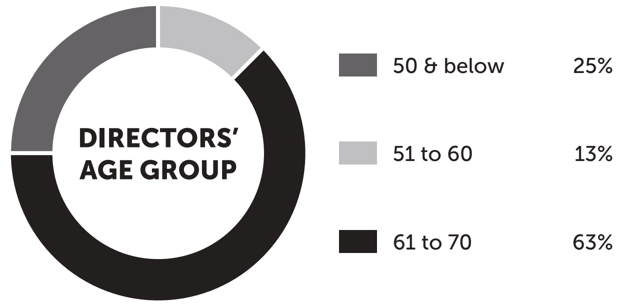
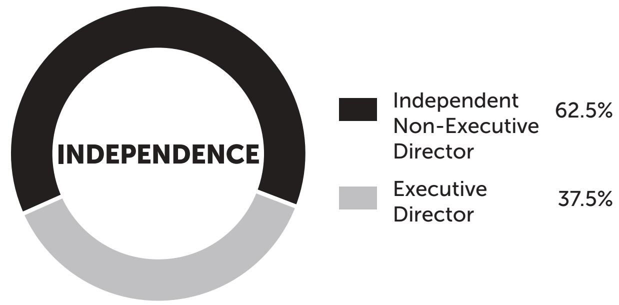
Having considered the scope and nature of the operations of the Group, the Board, taking into account the recommendation of the NC, is satisfied that the current size and composition of the Board and Board Committees are conducive and allow for informed and constructive discussions and effective decision making at meetings of the Board and Board Committees. Details of the current Board composition are as follows:

DIRECTORS' SKILLS MATRIX







The Company is committed to building a diverse and inclusive culture. Since 2018, the Company has in place a Board Diversity Policy ("**BDP**") which sets out the framework for promoting diversity on the Board. The Company recognises that a diverse Board is an important element which will better support the Company's achievement of its strategic objectives for sustainable development by enhancing the decision-making process of the Board through the perspectives derived from the various skills, business experience, industry discipline and other aspects of diversity (such as gender and age) of the Directors.

The BDP, which is available on the Company's corporate website, provides that the NC shall consider all aspects of diversity when reviewing and assessing the composition of the Board and when making recommendations to the Board for the appointment of Directors to arrive at an optimal balanced composition of the Board. The BDP also provides for the NC to discuss and recommend annually to the Board targets and timelines for promoting and achieving diversity on the Board.

The Company has put in place a skills matrix to help identify gaps in the Board. The skills matrix classifies skills, experience and knowledge of the existing Directors into broad categories such as industry knowledge; management expertise; and skills in finance/accounting, risk management, legal, sustainability, corporate finance/mergers and acquisitions, digital/technology and human resources.

When reviewing and assessing the size and composition of the Board and the Board Committees, and making recommendations to the Board annually including the re-election of Directors, the NC takes into consideration factors under the BDP including the annual Board targets and timelines for promoting and achieving diversity on the Board. As prescribed under the BDP, the final decision on the selection of Directors is based on merits against objective criteria and targets considered by the NC annually and recommended to the Board for approval.

Diversity Targets and Progress in FY 2024

Targets	Progress
Skills diversity: Expand the Board skill set with three key areas namely, industry experience, sustainability and human resources, to achieve the Company's strategic objectives.	Mr Ng Chee Khern was appointed as an ID on 1 January 2025 to replace Ms Caroline Kwong who will be stepping down from the Board at the conclusion of the 2025 AGM, after having served as an ID for more than 9 years. Mr Ng is currently the Permanent Secretary for Manpower in the Ministry of Manpower. In the last 10 years, he was Permanent Secretary for the Smart Nation and Digital Government Group in the Prime Minister's Office from May 2017 to March 2022, Permanent Secretary for Defence Development in the Ministry of Defence from May 2014 to June 2017 and the Second Permanent Secretary for the Ministry of Health from August 2014 to March 2016. Mr Ng has served for about 40 years in the Public Service and with his extensive experience in sustainable governance, building long last systems, fostering national and international networks including a track record in assessing regional and international affairs, and implementing national initiatives in security, digital and work force transformation, his appointment has provided further diversity to the core competencies and skill set of the Board.
Gender diversity: Maintain at least 25% female representation on the Board. The NC will ensure that: (a) if external search consultants are used to search for candidates for Board appointments, the brief will include a requirement to present female candidates; (b) when seeking to identify a new Director for appointment to the Board, the NC will request for female candidates to be fielded for consideration; (c) female representation on the Board be continually monitored over time based on the set targets of the Board; and (d) at least one female Director be appointed to the NC.	The NC noted that the Council for Board Diversity ("**CBD**") for listed companies has recommended for listed companies to have 25% female representation on their boards by 2025 and 30% by 2030. With Ms Caroline Kwong, Ms Kwek Pei Xuan and Datuk Maimoonah Hussain on the Board, the Company has achieved a 43% female Board representation in FY2024. Following the cessation of Ms Kwong as an ID at the conclusion of the 2025 AGM, the Company will have a 28.5% female representation on the Board, exceeding its gender diversity target and the CBD's recommendation. Ms Caroline Kwong is currently the NC chairman.
Board independence: Maintain majority independence on the Board.	The Board maintained majority independence in FY2024. With the appointment of Mr Ng Chee Khern as an ID on 1 January 2025 and the impending cessation of Ms Caroline Kwong as an ID at the conclusion of the 2025 AGM, IDs will make up 57% of the Board, maintaining majority independence.
Age diversity: Maintain age diversity with Directors with age ranging from below 50s to below 70s with majority of the Directors in the 60 to 70 age group.	The Board has continued to maintain this target for FY2024.

The NC and the Board also agreed that there was no need to set a specific target for ethnicity/nationality so long as the candidates provide distinguishing qualities that complement and expand the skills and experience of the Board as a whole. Further information on the individual Directors' background, experience and skills can be found in the section entitled 'Board of Directors' in this AR.

NEDs' Participation (Provision 2.5)
NEDs are encouraged to participate actively at Board meetings in the development of the Group's strategic plans and direction, and in the review and monitoring of the Management's performance against budgets. To facilitate this, they are kept informed of the Group's businesses and performances through monthly and quarterly reports from the Management, and have unrestricted access to the Management. They also sit on various Board Committees to provide unbiased and independent views, constructive input and the independent review and monitoring of performances of the Group and the Management.

Under the chairmanship of the Lead ID, a meeting of the NEDs who are all also the IDs of the Company, was convened in 2024 without the presence of the Management including the Executive Chairman. The NEDs would also confer among themselves without the presence of the Management as and when the need arises. The Lead ID collates the feedback from the NEDs and communicates the same to the Board, the Executive Chairman and/or Management, as appropriate.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")

Roles of Chairman and the CEO (Provisions 3.1 and 3.2)
The roles of Chairman of the Board and the CEO are separate to ensure a clear division of responsibilities and increased accountability.

Mr Kwek Leng Peck, the Executive Chairman of the Board, plays an instrumental role in providing the Company with strong leadership and vision, assisting the Board to develop policies and strategies, and ensuring that these are implemented effectively. The Board sets out clear division of his responsibilities as Chairman of the Board with written terms of reference approved by the Board. Mr Kwek bears primary responsibility for the workings of the Board, by ensuring effectiveness in all aspects of its role including setting agenda for Board meetings with inputs from the Management, ensuring that sufficient time is allocated for discussion of each agenda item at Board meetings, promoting an open environment within the Boardroom for constructive debate, encouraging the NEDs to speak freely and contribute effectively, and exercising control over the quality, quantity and timeliness of information flow between the Board and the Management. As the Executive Chairman, he also promotes and leads the Company in its commitment to achieve and maintain good corporate governance. At AGMs and other shareholder meetings, he plays a pivotal role in fostering constructive dialogue between shareholders, the Board and Management.

As the Executive Chairman, Mr Kwek Leng Peck is the most senior executive in the Company and bears overall executive responsibility for the Group's business. He is assisted by the ED and CEO, Mr Stephen Ho and other members of the Management which includes:

- Ms Kwek Pei Xuan, ED and Head of Sustainability and Corporate Affairs
- Ms Josephine Lee Woan Chiou, Group Chief Financial Officer ("**GCFO**")
- Mr Simon Loh Swee Heng, Chief Operating Officer (Building Materials, Singapore)
- Mr Hoh Weng Ming, President (Powertrain Solutions, China Yuchai International Limited)
- Mr Chen Fun Tee, Group Chief Operating Officer (Building Materials, Malaysia)
- Mr Qin Xiao Ming, General Manager (Rigid Packaging)

The CEO, who is a KMP, bears executive responsibility for the performance of the Group and the achievement of the corporate goals set for the Group. There is a clear division of responsibilities between the Executive Chairman and the CEO. The CEO is not related to the Executive Chairman.

The Board had considered Mr Kwek Leng Peck's role as Executive Chairman, and the strengths he brings to such a role by virtue of his in-depth knowledge of the Group's business. Through the appointment of the Lead ID and the establishment of various Board Committees with power and authority to perform key functions without undue influence from the Executive Chairman, and the implementation of internal controls for proper accountability and to allow for effective oversight by the Board of the Group's business, the Board ensures that there is appropriate balance of power which allows the Board to exercise objective decision making in the interest of the Company. The Board is of the view that Mr Kwek's role as Executive Chairman would continue to facilitate the Group's decision-making and implementation process without diminishing the capacity of the Board for independent decision-making.

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Lead Independent Director (Provision 3.3)
In view that the Executive Chairman is not an ID, the Board has appointed Mr Tan Chian Khong as Lead ID to serve as a sounding board for the Executive Chairman and as an intermediary between the NEDs and the Executive Chairman. The role of the Lead ID is set out under the written terms of reference of the Lead ID, which has been approved by the Board. The Lead ID is available to shareholders should they have concerns and for which contact through the normal communication channels with the Executive Chairman or the Management has failed to resolve or are inappropriate or inadequate.

PRINCIPLE 4: BOARD MEMBERSHIP

NC Composition and Role (Provisions 4.1 and 4.2)
3 out of the 4 members of the NC, including the NC chairman, are IDs. The Lead ID is one of the independent members of the NC.

The key responsibilities of the NC as set out in its written terms of reference, approved by the Board, are as follows:

- Examine Board size;
- Review all Board and Board Committees composition and membership;
- Review the board diversity policy and recommend to the Board objectives for diversity (both qualitative and quantitative) and review the progress made towards achieving the Board's objectives for diversity;
- Review succession plans for the Directors (including the Executive Chairman) and the KMP which comprises the Executive Chairman, CEO, Head of Sustainability and Corporate Affairs, and the GCFO;
- Determine each Director's independence annually and as and when circumstances require;
- Evaluate the effectiveness of the Board and the Board Committees as well as the contributions of the Executive Chairman and chairmen of the Board Committees, and the performance of the Board, the Board Committees and Directors;
- Review appointments and re-election of Directors (including alternate directors, if any), and the reasons for their resignations;
- Review appointments and the reasons for resignations and terminations of the KMP;
- Review and confirm the induction programme for newly appointed Directors and for existing Directors in respect of their appointments to any of the Board Committees; and
- Review the training and continuous professional development programme for the Directors.

Two NC meetings were held in 2024. The Company Secretaries maintain records of all NC meetings including records of key deliberations and decisions taken.

For the financial year under review, the NC conducted a self-assessment of its own effectiveness in the discharge of its roles and responsibilities, which was facilitated through the use of a self-assessment checklist ("**NC Self-Assessment Checklist**").

The NC Self-Assessment Checklist covered, *inter alia*, the responsibilities of the NC under its terms of reference, and considered also the contribution of NC chairman and members to the deliberation and decision-making process at NC meetings.

Based on the self-assessment, the NC believes that it has fulfilled its responsibilities and discharged its duties as set out in its terms of reference.

Nomination of Directors and Determination of Independence (Provisions 4.3 and 4.4)
The NC reviews the nomination of the relevant Directors for re-election as well as the independence of Directors annually. When considering the nomination of Directors for re-election, the NC takes into account their contribution to the effectiveness of the Board as well as their time commitment, especially for Directors who have multiple listed company board representations and/or other principal commitments, and also reviews their independence having regard to the provisions in the applicable Rule 210(5)(d) of the Listing Manual and the guidelines for independence set out in Provision 2.1 of the CG Code as well as factors considered under Principle 2 above in relation to Board independence. The recommendation of the NC on the annual nomination of the Directors for re-election is submitted to the Board for decision and thereafter put to the shareholders for approval at the AGM.

The Constitution of the Company provides that not less than one-third of the Directors for the time being shall retire as Directors at each AGM of the Company. All new Directors appointed by the Board shall hold office until the next AGM, and be eligible for re-election at the said AGM. Excluding new Directors who are seeking appointment at the AGM or who will be seeking re-election at the first AGM immediately after their initial appointment, the remaining Directors of the Company will retire from office at least once in every three years.

In accordance with the Company's Constitution, Mr Ng Sey Ming, Mr Tan Chian Khong and Datuk Maimoonah Hussain will be retiring by way of rotation while Mr Ng Chee Khern who was appointed to the Board on 1 January 2025, will also be retiring, at the 2025 AGM. The retiring Directors being eligible, have offered themselves for re-election at the 2025 AGM. The NC has reviewed their contribution and performance, and the Board, at the recommendation of the NC, is satisfied and approved the nomination of their re-election at the 2025 AGM. Detailed information on the Directors who are proposed to be re-elected at the 2025 AGM can be found under the sections on 'Board of Directors' and 'Additional Information on Directors Seeking Re-election' in this AR.

Criteria and Process for Nomination and Selection of New Directors (Provision 4.3)
The NC interviews shortlisted candidates before formally considering and recommending them for appointment to the Board and where applicable, to the Board Committees. Searches for and selection of candidates to be considered for appointment as Directors are facilitated through recommendations from the Directors, the Management or external parties including the Company's contacts in the related industries, finance, legal and accounting professions. Where necessary, assistance may also be obtained from SID and professional executive search firms engaged to source for suitable candidates for the NC's consideration.

Candidates would be required to furnish their curriculum vitae containing information on their academic/professional qualification, work experience, employment history and experience (if any) as directors of listed companies.

In reviewing and recommending to the Board any new Director appointments, including appointments to the appropriate Board Committee(s), the NC considers the following as well as factors prescribed under the Company's BDP, details of which are set out in the segment entitled 'Board Composition, Size and Diversity (Provision 2.4)':

(a) The candidate's track record, experience and capabilities or such other factors including age and gender, as may be determined by the NC to be relevant and which would contribute to the Board's collective skills and diversity;

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(b) The composition requirements for the Board and Board Committees after matching the candidate's skill set to the requirement of the relevant Board Committees (if the candidate is proposed to be appointed to any of the Board Committees);

(c) Any competing time commitments if the candidate has multiple listed company board representations and/or other principal commitments; and

(d) The candidate's independence, in the case of the appointment of an ID.

Key Information on Directors (Provision 4.5)
Please refer to the sections in this AR on 'Board of Directors' for key information on the Directors, which includes the dates of their first appointment and last re-election to the Board (if applicable), their academic/professional qualifications, directorships held in listed companies and principal commitments for both the current and the preceding three years, and other relevant information; 'Additional Information on Directors seeking re-election'; and the 'Notice of AGM' for information on Directors proposed for re-election at the 2025 AGM.

Succession Planning for the Board, the Board Chairman and KMP (Provision 4.1)
The Board believes in carrying out succession planning for itself, the Executive Chairman and the KMP to ensure continuity of leadership. Board renewal is a continuing process and in this regard, the NC reviews annually the compositions of the Board and Board Committees, which include size and mix, and recommends to the Board the selection and appointment of new Directors, whether in addition to existing Board members or as replacement of retiring Board members, with a view to identifying any gaps in the Board skill set taking into account the Group's business operations. New Directors are also appointed so that the experience of longer serving Directors can be drawn upon while tapping into the new external perspectives and insights which new Directors bring to the Board's deliberation. The Board will be able to function smoothly notwithstanding any resignation or retirement of any Director given the present number of members and mix of competencies on the Board. The NC also conducts annual review on the succession planning to ensure continuity of leadership for the KMP.

As part of the succession planning for the Board and Board Committees, which is aligned with the Company's Board Diversity Targets, Mr Ng Chee Khern was appointed as an ID on 1 January 2025 to replace Ms Caroline Kwong who will be stepping down from the Board at the conclusion of the 2025 AGM. Consequent thereto, she will also cease to be the chairman of the BSC and NC as well as a member of the ARC, RC and SOSC. Mr Ng Chee Khern has served for about 40 years in the Public Service and with extensive experience in sustainable governance, building long last systems, fostering national and international networks including a track record in assessing regional and international affairs, and implementing national initiatives in security, digital and work force transformation. His appointment has provided further diversity to the core competencies and skill set of the Board. Mr Ng was also appointed as a BSC member on the same date.

As recommended by the NC, the Board has approved the following appointments, which shall take effect from the conclusion of the 2025 AGM:

1. Mr Ng Chee Khern be appointed as the chairman of the BSC, and a member of the RC and SOSC;
2. Mr Tan Chian Khong be appointed as the chairman of the NC; and
3. Datuk Maimoonah Hussain be appointed as a member of the NC.

The above appointments are subject to the Directors' respective re-election at the 2025 AGM.

In the financial year under review, the Board had also, at the recommendation of the NC, approved the appointment of Ms Josephine Lee Woan Chiou as the GCFO with effect from 5 August 2024 after taking into consideration her accounting qualifications and her extensive working experience covering diversified industries and multiple geographies in the areas of financial planning and reporting, capital markets and fund-raising, corporate strategy, treasury management, mergers and acquisitions, and audit and control.

The Company has currently identified its Executive Chairman, the CEO, the Head of Sustainability and Corporate Affairs, and the GCFO as its KMP.

Board Development (Provision 4.5)
The NC reviews the training and development of the Directors to ensure that Directors receive appropriate development on a continuing basis, to perform their roles on the Board and where applicable, the Board Committees. The Directors are provided with updates and/or briefings to assist them to properly discharge their duties. The briefings are conducted either internally with invited speakers, or externally, at the Company's expense. Further trainings for the Directors in specific areas are also being recommended by the NC, where required, based on the NC's review of the annual evaluation checklists from the Board and the Board Committees. A separate programme is established for new Directors, details of which are set out in the relevant paragraph under the segment entitled 'Board Orientation and Training' in this report.

The Board is kept apprised twice yearly on the list of training programmes attended by the Directors during the year.

PRINCIPLE 5: BOARD PERFORMANCE

Board Evaluation Process (Provision 5.1)
The Company has in place a formal process for assessment of the effectiveness of the Board as a whole, the various Board Committees and the contribution by each Director to the effectiveness of the Board and the Board Committees, where applicable. No external facilitator has been used. The NC assesses the Board's performance as a whole annually using objective and appropriate criteria which were recommended by the NC and approved by the Board. When assessing the overall Board performance, the NC takes into consideration the Board composition, the Directors' independence, the feedback from individual Directors on areas relating to the Board's role on strategy and performance, the Board's process and governance (including oversight on risk management and internal controls) and the effectiveness of the Executive Chairman. The results of the overall evaluation of the Board by the NC including its recommendations for improvements, if any, are presented to the Board.

The NC also undertook an evaluation of the performance of the Board Committees with the assistance of self-assessment checklists completed by these Board Committees as well as a report provided by the chairman of the SOSC.

Board Evaluation Criteria (Provision 5.2)
The qualitative criteria used by the NC to evaluate the Board cover five key areas relating to Board structure, the Board's review of the Company's strategy and performance, the Board's oversight on the Company's governance including risk management and internal controls, and the effectiveness of the Executive Chairman and Board processes.

The quantitative criteria used to evaluate the overall Board performance comprise periodic performance indicators which include a comparison of the Group's performance (including segmental performance) for the financial period under review against the Group's performance for the corresponding period in preceding year and the budget, and also other indicators such as the Company's share price performance over a historical period.

Individual Director Evaluation (Provisions 5.1 and 5.2)
The annual evaluation process for the Executive Chairman's and the individual Director's performance comprises two parts: (a) review of background information concerning the Director including his/her attendance record at meetings of the Board, Board Committees and IDs; and (b) NC's evaluation based on certain assessment parameters, which were recommended by the NC and approved by the Board.

Factors taken into account in the assessment of a Director's performance include his/her abilities and competencies, his/her objectivity and the level of participation at Board and, where applicable, Board Committees' meetings including his/her contributions to Board processes and the business strategies and performance of the Group. The performance evaluation of each Director is taken into account in the NC's consideration with regard to his/her re-election as a Director.

When deliberating on the performance of a particular Director who is also a member of the NC, that member abstains from the discussions in order to avoid any conflict of interest.

The results of the individual evaluation of the Directors are also used by the NC, in its consultation with the Executive Chairman (who is also a member of the NC), to review, where appropriate, the compositions of the Board and Board Committees, and to support its proposals, if any, for appointment of new members and its recommendations for the re-election of retiring Directors. The Executive Chairman, as a member of the NC, is fully apprised of the results of the performance evaluation for the individual Directors and would take into consideration such evaluation and act as appropriate on the recommendations of the NC. Comments from the Directors, if any, concerning the Board as a whole and the general performance of the Directors, are also presented to the Board.

REMUNERATION MATTERS

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

RC Composition and Role (Provisions 6.1, 6.2, 6.3 and 6.4)
The RC comprises 3 NEDs, all of whom including the chairman of the RC are independent. All the members of the RC also sit on the SOSC and the chairman of the RC is also the chairman of the SOSC.

The key responsibilities of the RC as set out in its written terms of reference approved by the Board, are to review and recommend, for the endorsement of the Board, a framework of remuneration for the Board and the KMP as well as the specific remuneration packages for each Director and KMP.

The Company has in place a remuneration framework (which covers all aspects of remuneration) for the Directors and the KMP. On an annual basis, the RC reviews and recommends fees payable to the Directors for the Board's consideration before approval is sought from the shareholders at the AGM. The RC also reviews and recommends annually the specific remuneration packages for the Directors and the KMP including the annual increments, mid-year and year-end variable bonuses, special bonus, if any, and share options for the KMP for the Board's approval. The RC also considers the KMP's contracts of service to ensure that they do not contain any unfair or unreasonable termination clauses.

The RC has access to appropriate advice from the Group Head of HR, who attends all RC and SOSC meetings. There being no specific necessity, the RC did not seek expert advice from external remuneration consultants in 2024.

The Company Secretaries maintain records of all RC and SOSC meetings including records of key deliberations and decisions taken. Two meetings of the RC and a meeting of SOSC were convened during 2024.

For the financial year under review, the RC conducted a self-assessment of its own effectiveness in the discharge of its roles and responsibilities, which was facilitated through the use of a self-assessment checklist ("**RC Self-Assessment Checklist**"). The RC Self-Assessment Checklist covered, *inter alia*, the responsibilities of the RC under its terms of reference, and considered also the contribution of RC members to the deliberation and decision-making process at RC meetings.

Based on the self-assessment, the RC believes that it has fulfilled its responsibilities and discharged its duties as set out in its terms of reference.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

Remuneration of Directors and KMP (Provisions 7.1, 7.2 and 7.3)
The Company's remuneration policy for Directors comprises the following distinct objectives:

- To ensure that the procedure for determining remuneration for Directors is formal and transparent;
- To ensure that the level of remuneration is sufficient (without being excessive) to attract and retain Directors to exercise oversight responsibility over the Company; and
- To ensure that no Director is involved in deciding on his/her own remuneration.

In reviewing the remuneration packages of the KMP, the RC, with the assistance of the Group Head of HR, considers the level of remuneration based on the Company's remuneration policy which comprises the following three distinct objectives:

- To ensure that the remuneration packages are competitive in attracting and retaining employees capable of meeting the Company's needs;
- To reward employees for achieving corporate and individual performance targets in a fair and equitable way; and
- To ensure that the remuneration reflects employees' duties and responsibilities.

The Company advocates a performance-based remuneration system that is flexible and responsive to the market, and the performance of the Group's business units and individual employees. In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration are competitive, relevant, and appropriate in finding a balance between the current and longer-term interest and risk policies of the Company.

For the KMPs, 60% of the weightings is based on the Group achieving the short-term financial targets set for the year and 40% is based on some longer-term SMART goals, i.e. goals that are specific, measurable, achievable, relevant and time-bound. The Group has identified the following as longer-term key business objectives:

- Build a lasting second engine of growth within the Group's core businesses;
- Invest in new markets with growth potential;
- Set up a Transformation Office to deliver tangible outcomes on being cost competitive and serving customers better;
- Identify opportunities and workable solutions in the decarbonisation roadmap;
- Look after the safety and well-being of staff; and
- Implement a Succession Planning Framework.

These longer-term business objectives are formed with the view that, as a Group, to stay relevant and resilient, each business must work hand in hand with partners and customers to develop sustainable and innovative urban solutions for cities of the future.

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Based on the remuneration framework, the remuneration packages for the KMP comprise a fixed component (in the form of a base salary, annual wage supplement, and where applicable fixed allowances determined by the Company's human resource policies), a variable component (comprising short-term incentives in the form of mid-year and year-end variable bonuses, special bonus and long-term incentives in the form of the grant of share options subject to a vesting schedule) and benefits-in-kind, where applicable.

The variable components take into account amongst other factors, the KMP's individual performance, the Group's performance, the business unit's performance and industry practices. The Company exercises broad discretion and independent judgement in ensuring that the amount and mix of compensation are aligned with the interests of shareholders and promote the long-term success of the Company.

The mix of fixed and variable reward is considered appropriate for the Group and for each individual role. The overall level of remuneration is not considered to be at a level which is likely to promote behaviour contrary to the Group's risk profile. The compensation structure is directly linked to corporate and individual performance, both in terms of financial, non-financial performance and the creation of shareholder wealth.

HLA has also established the links between its ESG performance as part of the longer-term SMART goal setting with the remuneration of the KMP. The ESG key performance indicators ("**KPIs**") which include those of the health and safety of staff and the use of recycled and alternative materials in cement and concrete, have been implemented and cascaded down to the Heads of Business Units since 2023. In 2024, the KPIs were expanded to include the participation of business and functional leaders on safety activities like safety audits, training and talks at least once a quarter. All leaders must also participate in one corporate social responsibility ("**CSR**") activity and ensure at least 30% of their staff participate in one CSR activity per year. These ESG KPIs form a minimum of 20% of total performance evaluation in 2024.

The Company currently has in place a long-term incentive scheme, which is the SOS. Key management who have a greater ability to influence the Group's outcomes have a greater proportion of overall reward at risk. It is put in place to increase the Group's flexibility and effectiveness in its continuing efforts to reward, retain and motivate key good employees to achieve superior performance and to motivate them to continue to strive for the Group's long-term shareholder value. It also aims to strengthen the Group's competitiveness in attracting and retaining talented key management. The Company does not require the key management to continue to hold their shares upon exercise of the options after the vesting period. Options granted under the SOS to the key management vest progressively over a period of three years. To-date, the Company has granted only Market Price Options and Incentive Price Options (both as defined in the SOS). Information on the SOS is set out in the Directors' Statement and Note 31 of the Notes to the Financial Statements in this AR.

The SOS was first approved by the shareholders at an extraordinary general meeting in 2000 for an initial period of ten years commencing on 30 December 2000. It was extended at the AGM in April 2010 for a further period of ten years from 30 December 2010 to 29 December 2020. At the AGM held in June 2020, the shareholders approved the second extension of the duration of the SOS for another period of ten years from 30 December 2020 to 29 December 2030.

The Company does not discourage Directors from holding shares in the Company. There is however, no requirement under the Company's Constitution for Directors to hold shares in order to be qualified to act as a Director. The NEDs are eligible to participate in the SOS. The grant of options under the SOS to the NEDs is subject to the SOSC's recommendation and the Board's endorsement.

The letter of offer of options to eligible participants (including key management) under the SOS includes a claw-back provision which gives the Company the right to recover or cancel the options (whether in whole or in part, before they are exercised) in the event of exceptional circumstances involving a misstatement of the financial results of the Company and the Group for the financial year on which the grant is based, or any misconduct by an employee of the Company, resulting in financial loss to the Group.

When reviewing the structure and level of Directors' fees, which comprise base director's fee and additional fees for services rendered under the various Board Committees and fee for the Lead ID, the RC takes into consideration the Directors' respective roles and responsibilities in the Board and Board Committees and the changes in the business, corporate governance practices and regulatory rules. The RC also compared the Company's fee structure against industry practices. Other factors taken into consideration in the fee review include the frequency of Board and Board Committee meetings, corporate performance for the financial year under review as well as the corporate and economic outlook in the new financial year, and the interval since the last fee review and changes. The RC is mindful that the remuneration for IDs should not be excessive so as to compromise or reasonably be perceived to compromise their independence. No Director is involved in deciding his/her own remuneration.

Each of the Directors receives a base Director's fee, with the Executive Chairman receiving an additional fee for serving as the chairman. The Lead ID also receives an additional fee to reflect his expanded responsibility. Directors who serve on the various Board Committees (other than the SOSC) also receive additional fees in respect of each Board Committee that they serve on, with the chairmen of the Board Committees receiving a higher fee in respect of their service as chairman of the respective committees.

The structure of fees payable to Directors of the Company for FY 2024 is as follows:

Appointment	Fees per annum (S$)
Board of Directors	50,000 (Base fee)
	Additional Fees:
Board Chairman	20,000
Audit and Risk Committee (ARC)	
- ARC Chairman	58,000
- ARC Member	38,000
Nominating Committee (NC)	
- NC Chairman	18,000
- NC Member	12,000
Remuneration Committee (RC)	
- RC Chairman	18,000
- RC Member	12,000
Board Sustainability Committee (BSC)	
- BSC Chairman	18,000
- BSC Member	12,000
Lead Independent Director	10,000

PRINCIPLE 8: DISCLOSURE OF REMUNERATION

Disclosure of Remuneration (Provisions 8.1(a) and 8.3)
The compensation packages for employees including the KMP comprise a fixed component (in the form of a base salary and fixed allowances), a variable component (comprising short-term incentives in the form of mid-year and year-end variable bonuses, and special bonus, if any, and longer-term incentives in the form of the grant of share options subject to a vesting schedule) and benefits-in-kind, where applicable, taking into account amongst other factors, the individual's performance, the Group's performance, the business unit's performance and industry practices. During the year, there were no termination, retirement and post-employment benefits granted to any Director or KMP.

The Company's remuneration policies, level and mix of remuneration, as well as the link between the remuneration paid to Directors and the KMP, and performance are as set out under Principle 7 above.

Information on the SOS is set out under Principle 7 above and in the Directors' Statement and Note 31 of the Notes to the Financial Statements in this AR.

Directors' Remuneration for FY 2024 (Provision 8.1(a))
The remuneration of each Director including a breakdown (in percentage terms) earned through base salary, variable bonuses/allowances, fees, share option grants and other benefits for FY 2024 is set out below:

	Total Remuneration	Base Salary[1]	Variable Bonuses/ Allowances[1]	Board/ Board Committee Fees[2]	Share Option Grants[3]	Other Benefits	Total
	S$	%	%	%	%	%	%
Executive Directors							
Kwek Leng Peck [4] (Executive Chairman)	1,440,941	39.1	44.6	15.1	0	1.2	100
Stephen Ho Kiam Kong [4]	1,518,793	40.4	46.2	11.2	0.1	2.1	100
Kwek Pei Xuan [4]	407,269	43.9	37.0	18.8	0	0.3	100
Non-executive Directors							
Kwong Ka Lo @ Caroline Kwong	136,000	0	0	100	0	0	100
Ng Sey Ming	118,000	0	0	100	0	0	100
Tan Chian Khong	142,000	0	0	100	0	0	100
Maimoonah Binte Mohamed Hussain	88,000	0	0	100	0	0	100
Ng Chee Khern[5]	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Notes:
1. The salary and variable bonuses/allowances paid/payable are inclusive of employer's central provident fund contributions.
2. These fees comprise Board and Board Committee fees for FY 2024, which are subject to approval by shareholders as a lump sum at the 2025 AGM.
3. This relates to options granted during FY 2021. The fair value of the options as at the date of grant ranges from S$0.18 to S$0.21 for each share under option taking into account the vesting schedule using the Black-Scholes Option Pricing Formula.
4. Remuneration of these Directors includes remuneration paid or payable by subsidiary(ies) of the Company.
5. Mr Ng Chee Khern was appointed as an ID and a member of the BSC on 1 January 2025.

Remuneration of KMP (not being a Director or CEO) for FY 2024 (Provisions 8.1(b) and 8.3)
For FY 2024, the Company identified the GCFO, Ms Josephine Lee Woan Chiou, who joined the Company in August 2024, as its only KMP (not being a Director or CEO).

The Board does not believe it is in the interest of the Company to disclose the FY 2024 remuneration of the GCFO having regard to the highly competitive human resource environment.

The Board has also considered the need to balance the interests of all stakeholders, including the shareholders, the Group and its employees, and believes that shareholders' interest will not be prejudiced by the non-disclosure of the remuneration of the only KMP (not being a Director or CEO).

Remuneration of Director's, CEO's or Substantial Shareholder's Immediate Family Members for FY 2024 (Provision 8.2)
During FY 2024, there were no employees of the Company who were substantial shareholders of the Company or were immediate family members of a Director, the CEO, or a substantial shareholder of the Company.

ACCOUNTABILITY AND AUDIT

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

Oversight of Risk Management (Provision 9.1)
The Group's approach to risk management is to proactively identify, evaluate and manage significant risks inherent in the business to facilitate a balanced, responsible and informed risk taking. Risk management activities are aligned to the Group's strategic objectives and priorities while protecting the interests of the Board and shareholders.

An Enterprise Risk Management ("**ERM**") framework (guided by the principles of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework) has been established by the Management to formalise and document the internal processes to enable significant strategic, financial, operational, compliance and IT risks within the relevant Group companies to be identified, assessed, monitored, managed and evaluated. The Board is responsible for the governance of risk, including determining the nature and extent of the significant risks which the Company is willing to take. It determines the Group's levels of risk appetite/tolerance and risk policies, and oversees management in the design, implementation and monitoring of the risk management and internal control systems. HLA strives to build an organisational culture where active and effective risk management is an integral part of our business activities, and a core management capability and responsibility. Strong emphasis is placed on creating risk awareness, promoting accountability and setting the appropriate tone at the top. Ongoing communication and training sessions (covering areas such as workplace safety and health, cybersecurity, Code of Business Conduct and Ethics, ESG) are carried out to engage employees on risk awareness and enhance the Group's risk culture. As part of sustainability governance and ESG risk management, HLA has established the links between its ESG performance with the remuneration of key executives.

A risk management oversight and reporting structure has been established to enable the Management to effectively carry out their roles and responsibilities under the ERM framework, aligned with a four lines of defence model. The four lines of defence are:

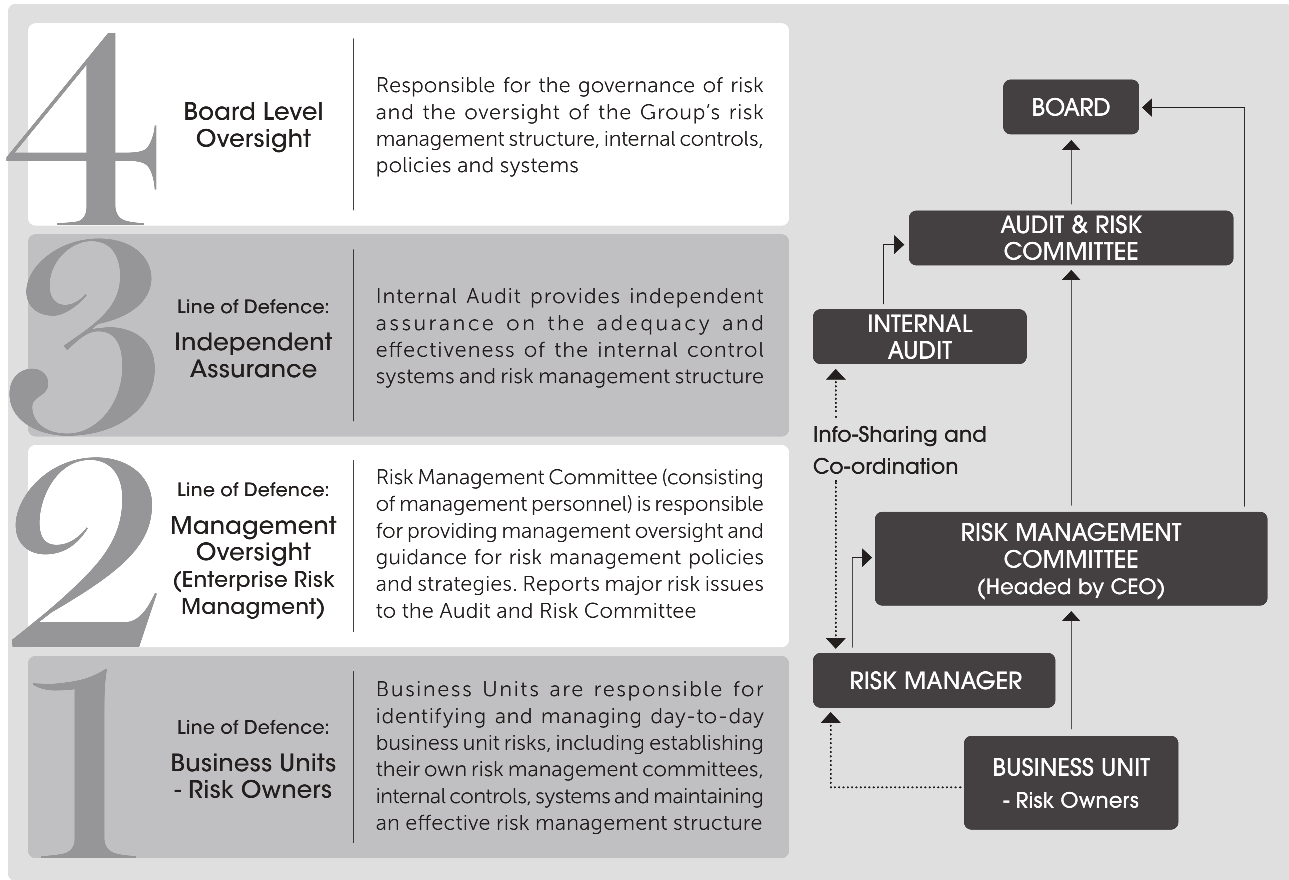
(1) Business Units, which are the risk owners.
(2) Risk Management Committee (consisting of Management personnel), which provides management oversight and guidance over risk management policies and strategies.
(3) Internal Audit, which provides independent assurance on the adequacy and effectiveness of the internal control systems and risk management structure.
(4) Board of Directors, which is responsible for the governance of risk and oversight over the Group's risk management structure, internal control policies and systems.

The risk management committees (consisting of cross functional personnel), at both corporate and business unit levels, implement and maintain risk management policies and initiatives across the Group. The risk management processes at the key business units are driven by their respective risk management committees, with regular reporting to the corporate risk management committee (comprising members of the Management and headed by the CEO), who in turn reports to the ARC on a half-yearly basis.

Reports on risk management issues are presented to the ARC on a half-yearly basis. The IA's role includes independent review of the Group's risk management policies and systems. A review was carried out by IA to evaluate the effectiveness of the Group's ERM processes in 2024. Also, independent risk consultants are engaged from time to time to review the appropriateness of the Group's risk management framework and processes.

Corporate
Governance Report

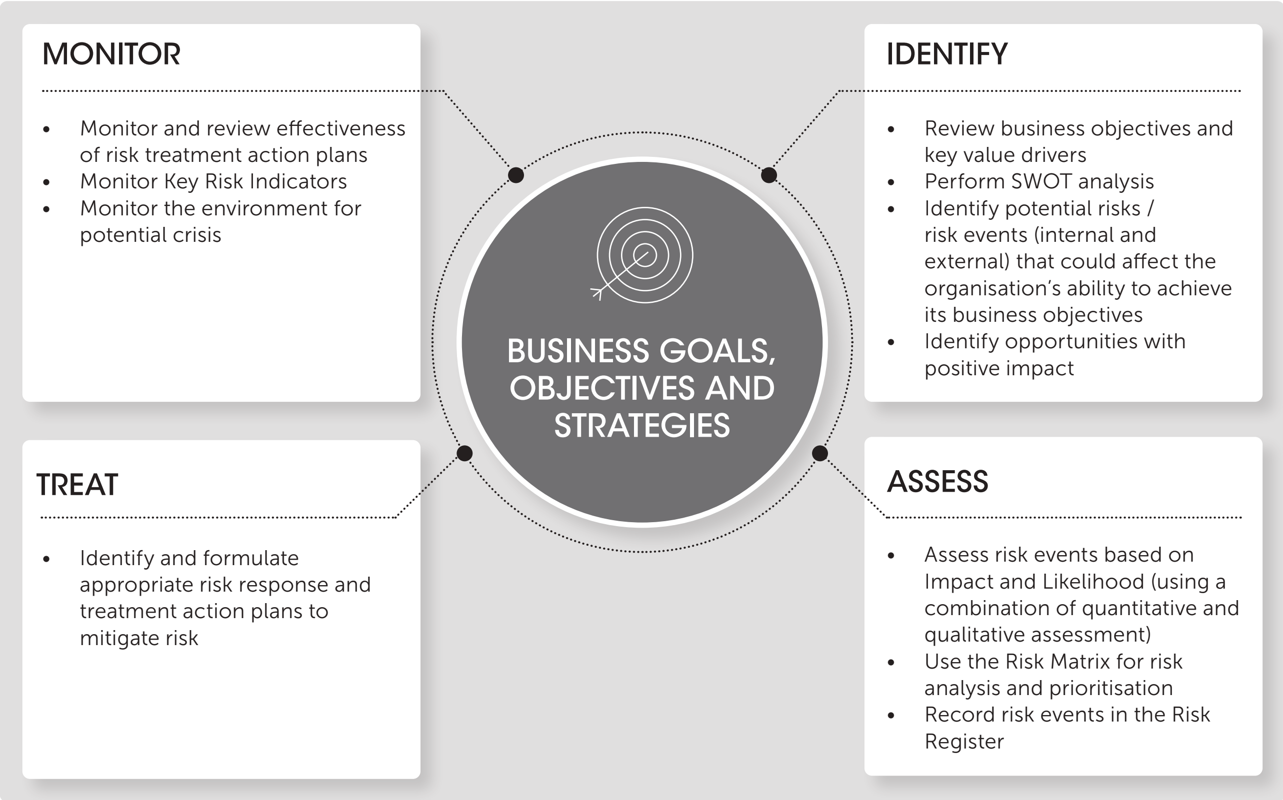
Risk Management Oversight and Reporting Structure



RISK MANAGEMENT PROCESS

The Group adopts a bottom-up approach, complemented by a top-down review in managing risks. A key focus is on the integration of risk management process into organisational processes at the business unit level. Each business unit is responsible for establishing and maintaining an effective risk management structure in their respective business units. Information on key risks from the business units are brought to the attention of senior management for evaluation through the annual business planning and budgeting process and monitored through monthly management meetings. Risks are actively monitored and risk mitigation plans considered as part of the decision-making process during weekly operational meetings. Key issues identified are escalated in a timely manner to the corporate level for further deliberation and resolution.

The risk management process is a four-step process used to manage the risks of the Group in achieving its business objectives. The four key steps in the risk management process are Risk Identification, Risk Assessment, Risk Treatment and Risk Monitoring:



On an ongoing basis, the Management reviews the Group's business operations to identify key risk areas and risk mitigating strategies to ensure that risks are adequately managed within the Group's risk tolerance limits. Key risk indicators are identified for each key risk to monitor the Group's risk exposure with risk mitigation plans formulated for when key risk indicators are triggered. An annual group wide risk review is carried out internally by the risk management committees across the business units in the Group. Key results from the review by the business units are presented to the corporate risk management committee for review and approval. From time to time, external consultants are also engaged to conduct the review. Objectives of this review include:

- Review effectiveness of risk management process and policies;
- Continuously improve quality of tools and techniques;
- Improve and update risk registers and risk controls;
- Facilitate risk management education (learning and sharing) through risk interviews and workshops; and
- Alignment of business objectives, strategies and risk management.

Overall, close monitoring of macro-environment factors, internal indicators and emerging market trends allows the Group to better identify business risks and challenges and tap on new opportunities.

A summary of the Group's top risks and risk mitigation plans is set out below:

No.	Risk Category	Risk Name	Risk Description	Risk Mitigation Plans
1	Strategic	Market and competition / Margin pressures	Volatility of global economies impacting market demand. Intense market competition resulting in increased margin pressure for the Group's businesses. Price fluctuation of raw materials – Inability to effectively mitigate fluctuations in raw material prices.	• Monitor market conditions and key external indicators which may affect the Group's businesses. • Review of product and operational costs. • Monitor competitors' pricing and continue to strengthen quality and service level to meet customers' requirements. • Develop new sales strategies plus market channels and implement marketing activities to maintain price advantage. • Maintain sufficient debt headroom / cash runway to sustain business over prolonged periods of disruption and/or economic downturn. • Raw material pricing – Monitor and review price changes to track volatility and fluctuations. Widen supplier groups and provide guidance for business units to establish raw material reserves where practical to reduce exposure to price fluctuations. • Further utilisation of alternative raw materials and alternative fuels to reduce exposure to input cost volatility.

No.	Risk Category	Risk Name	Risk Description	Risk Mitigation Plans
2	Strategic	Future growth and long-term business sustainability	Challenges to growth and long-term sustainability of the business, with the ability to produce innovative and competitive products to stay ahead and gain market share. Portfolio management – Balancing risks and returns in making investments decisions and maintaining an appropriate investment mix for the Group. Long-term asset investment / replacement plan – Use of aging assets (i.e. production and IT facilities) poses the risk of lower efficiency and potential asset failure, which may disrupt business operation.	• Development of strategic workplan (refreshing and extending our 2025 Vision) and alignment with goals, objectives, and KPIs. Periodic review of the Company's current progress against goals or objectives laid out in the workplan. We are in the process of formulating our 2030 vision which will be rolled out in 2025. • Product innovation and productivity enhancements through automation and digitalisation to stay ahead. Example: Innovate production processes and explore use of alternative raw materials, cost reduction to improve product margins, develop engine products with reduced emissions and higher energy efficiency. • Review investment portfolio. Identify merger and acquisition opportunities and evaluate non-core asset disposals. • Perform due diligence work to identify risks and assist Management in making informed decisions on investment proposals. Major investment proposals are tabled and approved by the Board. • Ensure that critical assets are functioning at appropriate level of service. Perform regular assessment of asset condition to determine remaining useful life of assets. • Formulate long term assets replacement plan, with cost-benefit analysis. • Develop and implement recovery plans for business operations and/or loss of data.

Corporate Governance Report

No.	Risk Category	Risk Name	Risk Description	Risk Mitigation Plans
3	Strategic	Environmental Sustainability	Inability to meet environmental targets and increasing expectations of stakeholders. Non-compliance with local or global environmental standards.	• Formalised environmental targets (e.g. 50% reduction in CO_2 intensity against the Group's revenue vs. 2016 levels and 20% of powertrain solutions sales to be from new energy products) in place, developed in conjunction with the powertrain solutions and building material units. • Since 2022, the Group has complied with Task Force on Climate-Related Financial Disclosures reporting (please refer to HLA 2024 Sustainability Report), meeting SGX-ST's regulatory requirement for HLA to implement climate reporting by FY2024, being in the transportation as well as materials and building sectors. • Began reporting Scope 3 emissions in 2024, found under HLA 2023 Sustainability Report, completing full coverage of its greenhouse gas emissions profile. • Developing a decarbonisation roadmap strategy for the Tasek Cement plant being the greatest contributor of Scope 1 and 2 emissions in the Group's portfolio. • Keep a lookout for suitable decarbonisation technologies and green product solutions for the Group's core industries. By 2025, the final approved decarbonisation roadmap strategy will guide the Group on focused efforts and investments into decarbonisation solutions.
4	Financial	Customer credits and collections	Potential financial loss resulting from the failure of customers/ counterparty/ business partners to settle their financial and contractual obligations when due.	• Close monitoring of customers' credit positions and review of all overdue receivables. • Perform credit assessment for new customers. • Credit insurance to minimise bad debt exposure. • Close monitoring of market conditions and key macroeconomic indicators which may indicate potential difficulties in business outlook / collections.

No.	Risk Category	Risk Name	Risk Description	Risk Mitigation Plans
5	Financial	Interest rate risk	Exposure to interest rate hikes resulting in higher cost of borrowing.	• Diversify the sources of funding. • Close monitoring of market conditions and key macroeconomic indicators. • Review and plan for short-term and long-term funding requirement to align with overall strategic direction/ plans of the Group. • Reduce total borrowings.
6	Operational	Health and Safety	Occupational, Health & Safety ("**OHS**") - Workplace safety and health.	• The Group is committed to upholding the highest standards of safety in its business operations, fostering a strong health and safety culture across the Group, particularly at the ground level where the risks are greatest. • The Group has an OHS policy to indicate standards and commitments required of its businesses to adhere to. In support, there is a Group Safety Reporting process direct to the CEO and Safety Compliance Team to provide added visibility on critical safety incidents to review overall safety performance and align on reporting standards. • Since 2023, the Group has included safety engagement for senior management as key performance indicators in their performance review.
7	Operational	Business Continuity Planning	Inability to handle major global / country wide disruption and resume operations within the optimum timeframe and resulting in losses. Lack of fully equipped sites (hot sites).	• Business continuity, recovery plans and remote work arrangement capabilities are in place. • BCP exercises are carried out annually for certain operating sites to test the effectiveness of BCP, using different disruption scenarios.
8	Operational	Supply chain resilience	Supply chain constraints and challenges as a result of geopolitical tension and impact of pandemic. Geopolitical tensions could escalate and lead to further constraints in supply chains.	• Monitor and review of supply and reserve levels on a regular basis. • Identification and engagement with alternative suppliers to build supply chain resilience. • Further vertical integration and waste recycling initiatives. • Explore product / material substitution.

No.	Risk Category	Risk Name	Risk Description	Risk Mitigation Plans
9	Operational	Human capital – Succession planning, Recruitment & retention	Human Resource continues to be a top priority for the Group. The Group minimises the impact of loss of key employees and critical knowledge by constantly reviewing succession plans and grooming talents with needed skill sets.	• Continue to invest in human capital development of existing workforce as well as build up current and emerging capabilities through professional hires and targeted recruitment. • Roll out leadership development programmes to groom talent and establish succession planning for key positions. • Conduct annual analysis of training needs and set out structured trainings to fill new and emerging skill gaps so as to develop and retain talent.
10	Operational	Cyber Security	Growing trend of cyber threats with a shift of focus on industries which are typically of lesser interest to known hackers or threat actor groups.	• Build up internal capabilities to perform cyber threats detection, hunting, identification and containment. • Conduct vulnerability assessments, external penetration test and cyber security assessment. • Improve on system patching cadence to minimise potential attack from known vulnerabilities. • Progressively step up level of defence against potential cyber-attacks starting with the strengthening of internal controls and processes, IT staff training as well as raising awareness of different forms of cyber-attacks. • Exercise continuous improvement process through regular internal reviews on new or existing security initiatives to measure their effectiveness. • Participate in external conferences to gain insights on cyber defence tools and trends. • Partner with cyber security experts to establish an extended response team for critical cyber incidents. • Align cyber security operations and processes with cyber security compliance frameworks. • Plan and conduct regular cyber incident response exercise to prepare the organisation for potential incidents and on the recovery procedures.

No.	Risk Category	Risk Name	Risk Description	Risk Mitigation Plans
11	Compliance	Regulatory Compliance	Failure to comply with local laws and regulations in various geographical locations could have a detrimental effect to the Group in multiple areas such as financial and operational performances or reputation.	• Close monitoring of relevant regulations and developments to keep abreast on the latest regulatory requirements and policy changes. • Assess impact of regulatory changes and review business processes/ strategies where necessary. Information about regulatory changes are communicated/ disseminated to staff. • The Company has adopted an Anti-fraud, Anti-bribery and Anti-corruption Policy and has zero tolerance towards fraud, bribery and corruption. Annually, employees are required to declare their understanding and compliance of the Code of Business Conduct and Ethics, which governs aspects such as conflict of interests, compliance with legal and regulatory provisions, and ensuring proper internal controls within the organisation. • Whistleblowing policy and procedures are in place so that employees can securely raise their concerns for matters such as improprieties in financial reporting, other malpractices and misconduct.

Internal Controls

The Directors recognise that they have overall responsibility to ensure proper financial reporting for the Group and the adequacy and effectiveness of the Group's system of internal controls including financial, operational, compliance and IT controls, and risk management policies and systems. The Group's separately listed subsidiaries, namely CYI and its listed subsidiary HLGE, have separate boards and audit and risk committees which are responsible for the oversight of their respective groups' internal control and risk management systems and the ARC relied on the respective board of directors and the various board committees of these listed subsidiaries to provide oversight on the adoption and implementation of appropriate corporate governance practices, internal control and risk management systems. These listed subsidiaries, which operate under the governance regime of their respective stock exchanges, provide the relevant assurances on the effectiveness and adequacy of their internal controls and risk management systems in their respective annual reports.

The internal controls structure of the Group has been designed and put in place by management of the Group's business units to provide reasonable assurance against material financial misstatements or loss, for the safeguarding of assets, for the maintenance of proper accounting records, for the provision of financial and other information with integrity, reliability and relevance, and in compliance with applicable laws and regulations. However, no internal controls system can provide absolute assurance in view of inherent limitations of any internal controls system against the occurrence of human and system errors, poor judgement in decision-making, losses, fraud, or other irregularities.

Assurances from the KMP (Provision 9.2)

In relation to Provision 9.2 of the CG Code and Rule 1207(10) of the Listing Manual, the ARC and the Board received:

(i) Written assurance from the CEO and the Deputy CFO (in view that the new GCFO was appointed in August 2024), not being identified as the Company's KMP, that the Group's financial records have been properly maintained and the financial statements for the first half year of 2024 give a true and fair view of the Group's operations and finances;

(ii) Written assurance from the CEO and the GCFO that the Group's financial records have been properly maintained and the financial statements for FY 2024 give a true and fair view of the Group's operations and finances; and

(iii) Written assurance from the Executive Chairman, the CEO and the GCFO that the Group's system of internal controls and risk management systems in place are adequate and effective to address in all material respects the financial, operational, compliance and IT risks within the current scope of the Group's business operations for FY 2024.

The above are supported by written assurances provided by the management of the Group's listed subsidiaries/key business units. The Board in turn provided a negative assurance confirmation in respect of the unaudited financial statements for the first half year in accordance with the regulatory requirements.

The ARC reviewed the adequacy and effectiveness of the Group's key internal controls that address the Group's financial, operational, compliance and IT controls, and risk management systems, with the assistance of the IA, the EA and the Management, who provide regular reports during the year to the ARC in addition to the briefings and updates provided at the ARC meetings. The management action plans are initiated to address the deficiencies identified by the IA and the EA.

Based on the work performed by the IA and the risk committees during the financial year, as well as observations shared by the EA, Ernst & Young LLP ("**EY**") during the course of their audits of the Company and its significant subsidiaries, and the written assurances from the KMP, the Board, with the concurrence of the ARC, is of the opinion that the system of internal controls and risk management systems in place as of 31 December 2024 are adequate and effective to address in all material aspects the financial, operational, compliance and IT risks within the current scope of the Group's business operations.

The Board wishes to highlight that a substantial part of the Group's businesses are located in China, which is a challenging control environment to operate in.

The Board noted that CYI, a subsidiary listed on the New York Stock Exchange, had in its annual filing on Form 20F for FY 2023 on 26 April 2024, disclosed that its Independent Public Accountants, EY, had concluded in their opinion, that CYI maintained, in all material respects, effective internal control over financial reporting as of 31 December 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework).

CYI is still in the process of evaluating its internal controls over financial reporting. The Sarbanes-Oxley Act (SOX) program will be subject to final review by the auditors, and is currently on-going. To date, CYI's management has not received any report on material weaknesses from its auditors. The full results will not be known until the finalisation of CYI's FY 2024 annual report filing on Form 20F in April 2025.

As part of internal audit program for FY 2024, audit findings identified control weaknesses at some of the Group's subsidiaries. Management action plans based on the IA's recommendations were developed to address these weaknesses. EY, during the audit of the financial statements of the Group, had also identified certain deficiencies in internal controls, which had been reported to the ARC and are currently in the process of being remediated by the Management. Management had assessed and determined that the deficiencies did not have significant financial impact on the financial statements of the Group for FY 2024.

Management will continue to review and strengthen the Group's control environment, and further refine its internal policies and procedures. Management continues to devote resources and expertise towards improving the level of governance and internal controls.

PRINCIPLE 10: AUDIT AND RISK COMMITTEE

Composition of ARC (Provisions 10.2 and 10.3)
The ARC comprises 4 NEDs, all of whom including the chairman of the ARC are independent. 3 members including the ARC chairman, namely Mr Tan Chian Khong, Ms Caroline Kwong and Datuk Maimoonah Hussain possess the relevant audit, accounting or related financial management expertise and experience whilst the remaining member, Mr Ng Sey Ming possesses a legal background.

Based on the terms of reference of the ARC, a former partner or director of the Company's existing EA should not act as a member of the ARC: (a) within a period of two years commencing on the date of his/her ceasing to be a partner or director of the EA; and (b) in any case, for as long as he/she has any financial interest in the EA. Mr Tan Chian Khong had ceased to be a partner of EY, the EA of the Company, in June 2016 and has no financial interest in EY. Besides Mr Tan, none of the remaining ARC members were former partners or directors of or have any financial interest in the Company's existing EA. Please refer to the section on 'Board of Directors' in this AR for the academic/professional qualification and experience of the members of the ARC.

With the current composition, the ARC believes that it has the relevant accounting or related financial management expertise and experience to discharge its functions within its written terms of reference which has been approved by the Board.

Powers and Duties of the ARC (Provisions 10.1 and 10.5)
The ARC is authorised by the Board to review or investigate any matters it deems appropriate within its terms of reference and has direct and unrestricted access to the EA, the IA, the Management and any officer and employee of the Group. It may invite any Director, Management, officer or employee of the Group, the EA and the IA to attend its meetings. It is also authorised to engage any firm of accountants, lawyers, or other professionals as it sees fit to provide independent counsel and advice to assist in the review or investigation on such matters within its terms of reference as it deems appropriate, at the Company's expense.

The principal responsibility of the ARC is to assist the Board in maintaining a high standard of corporate governance, particularly by providing an independent review of the adequacy and effectiveness of the Group's financial reporting process (including reviewing the accounting policies and practices of the Company and the Group on a consolidated basis) and key internal controls, including financial, operational, compliance, IT and risk management controls. Other duties within its written terms of reference include:

- To review significant financial reporting issues and judgements so as to ensure the integrity of the Company's and the Group's financial statements, and of announcements on the Company's and the Group's financial performance and recommend changes, if any, to the Board;

- To review the adequacy and effectiveness of the Group's risk management and internal controls including financial, operational, compliance and IT controls and report to the Board;

- To assess the role and effectiveness of the IA function in the overall context of the Group's risk management and internal control systems;

- To approve the appointment, termination, evaluation of performance and remuneration of the Head of IA within the Company's human resource guidelines;

- To review annually the scope and results of the external audit and the independence and objectivity of the EA, and in this regard to also review the nature and extent of any non-audit services provided by the EA to the Group;

- To make recommendations to the Board on the nomination for the appointment, re-appointment and/or removal of the EA, and to approve the remuneration and terms of engagement of the EA;

- To review interested person transactions to ensure that they are entered on normal commercial terms and are not prejudicial to the interests of the Company or its minority shareholders;

- To oversee the establishment and operation of the whistle-blowing policy and arrangements in place for raising, in confidence, concerns about possible improprieties on matters of financial reporting or any other matters in the Group; and

- To provide oversight of the risk management framework for the purpose of guiding and providing direction to build up risk management capability within the Group.

The ARC held three meetings during the year and carried out its duties as set out within its terms of reference. For details of the activities performed by the ARC during the year, please refer to the 'Directors' Statement' in this AR. The Company Secretaries maintain records of all ARC meetings including records of key deliberations and decisions taken. The ARC meets with the IA and the EA, each separately without the presence of the Management, at least once annually.

The ARC members continually keep themselves abreast of changes to accounting standards and issues which have a direct impact on financial statements.

For the financial year under review, the ARC conducted a self-assessment of its own effectiveness in the discharge of its roles and responsibilities, which was facilitated through the use of a self-assessment checklist ("**ARC Self-Assessment Checklist**").

The ARC Self-Assessment Checklist covered, *inter alia*, the responsibilities of the ARC under its terms of reference, and considered the contribution of the ARC members to the ARC's deliberation and decision making process.

Based on the self-assessment, the ARC believes that it has fulfilled its responsibilities and discharged its duties as set out in its terms of reference.

ARC's Commentary on significant financial reporting matters
In the review of the financial statements for FY 2024, the ARC had discussed with both the Management and the EA the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The following significant matter impacting the financial statements was discussed with Management and the EA:

Significant Matters	How did the ARC address these matters
Capitalisation of development expenditure	The ARC reviewed the significant assumptions used by Management in the capitalisation of development expenditure. The ARC noted that about 31% of the intangible assets relates to development expenditure capitalised by CYI. From discussion with Management, the ARC noted that CYI had capitalised development expenditure when they met the criteria outlined in SFRS(I) 38 for capitalisation and begun amortisation when the technology was ready for use. The Management also informed the ARC on CYI's recognition criteria and basis for capitalisation and that CYI had recognised development expenditure in accordance with CYI's R&D capitalisation policy.

The above significant matter was also an area of focus for EA who have included this as a key audit matter in their audit report set out in this AR.

External Auditors (Provisions 10.1(d) and 10.1(e))
Taking cognisance that the EA should be free from any business or other relationships with the Group that could materially interfere with their ability to act with integrity and objectivity, the ARC undertook a review of the independence of EY and gave careful consideration to the Group's relationships with them during 2024. In determining the independence of EY, the ARC reviewed the Group's relationships with them and considered the nature and volume of the provision of the non-audit services in 2024 and the corresponding fees. The ARC is of the opinion that the nature and amount of such non-audit services and fees, which had not exceeded 50% of the aggregate audit fees paid/payable to EY in 2024, did not impair or threaten their audit independence. EY's confirmation of their audit independence was further noted. Based on the review, the ARC is of the opinion that EY is, and is perceived to be, independent for the purpose of the Group's statutory financial audit. The fees paid and/or payable by the Group to EY in respect of audit and non-audit services for FY 2024 are set out below:

	S$'000
Audit fees	2,096
Non-audit fees	11

In reviewing the nomination of EY for re-appointment for the financial year ending 31 December 2025, the ARC had considered the adequacy of the resources, experience and competence of EY, and had taken into account the Audit Quality Indicators relating to the experience of the engagement partner and key team members' experience in handling the audit of multi-listed entities under different jurisdictions. The size and complexity of the audit of the Group, the level of audit fee, and the number and experience of the supervisory and professional staff assigned were taken into account. The ARC had also considered the audit team's ability to work in a co-operative manner with the Management whilst maintaining integrity and objectivity and to deliver their services professionally and within agreed timelines.

EY has confirmed that they are registered with the Accounting and Corporate Regulatory Authority. The Company is thus, in compliance with Rule 712 and Rule 715 (read with Rule 716) of the Listing Manual in relation to the appointment of the Group's auditors.

On the basis of the above, the ARC has recommended to the Board the nomination of EY for re-appointment as EA of the Company at the 2025 AGM.

Interested Person Transactions ("IPTs")
On 30 May 2003, the Company obtained shareholders' approval for the Company, its subsidiaries and its associated companies not listed on SGX-ST or an approved exchange, over which the Company, its subsidiaries and/or interested persons ("**IPs**") have control, to enter into transactions within the categories of IPTs set out in the Company's circular to shareholders dated 5 May 2003, with such persons within the class or classes of IPs as described in the said circular, provided that such transactions are made on normal commercial terms and in accordance with the review procedures set out in the said circular (the "**IPT Mandate**"). The IPT Mandate was last renewed at the AGM held on 25 April 2024. As such IPTs may occur at any time, and to allow the Group to undertake such transactions in an expeditious manner, shareholders' approval will be sought at the 2025 AGM for the renewal of the IPT Mandate.

The ARC has confirmed that an independent financial adviser's opinion is not required for the renewal of the IPT Mandate as the methods and procedures for determining the transaction prices of the IPTs conducted under the IPT Mandate have not changed since the IPT Mandate was obtained on 30 May 2003, and such methods and procedures continue to be sufficient to ensure that these IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

Particulars of IPTs required to be disclosed under Rule 907 of the Listing Manual are as follows:

Name of IP	Nature of Relationship	Aggregate value of all IPTs in FY 2024 (excluding transactions less than S$100,000 and transactions conducted under the IPT Mandate pursuant to Rule 920) S$	Aggregate value of all IPTs conducted in FY 2024 under the IPT Mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$
Kim Sik Sdn Bhd ("**KS**")	Hong Leong Investment Holdings Pte. Ltd. ("**HLIH**") is a controlling shareholder of the Company. CDLMS, KS and HRPL, being associates of HLIH, are IPs.	–	**Construction-related Transaction** *Sale of raw materials to IP:* 1,491,794
Hong Realty (Private) Limited ("**HRPL**")		–	**General Transaction** *Sub-lease of office premises from IP for a lease tenure of three years:* 2,138,976
CDL Management Services Pte. Ltd. ("**CDLMS**")		*Provision of corporate secretarial services by IP:* 344,900	–
Total:		**344,900**	**3,630,770**

The above IPTs were carried out on normal commercial terms and were not prejudicial to the interests of the Company and its minority shareholders.

Material Contracts
Except as disclosed above and in the financial statements for FY 2024, there were no material contracts entered into by the Company and its subsidiaries involving the interests of the CEO, each Director or controlling shareholders (as defined in the Listing Manual), which are either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

Whistle-blowing Policy (Provision 10.1(f))
HLA has in place a whistle-blowing policy where employees of the Group or other persons can raise in confidence, whether anonymously or otherwise, concerns on possible improprieties in matters relating to accounting, financial reporting or other matters such as improper business conduct, fraud or any unlawful practices without fear of retaliation in any form. The ARC has the responsibility of overseeing this policy which is administered by the Head of IA. Under these procedures, arrangements are in place for independent investigation of such matters raised in good faith, (where appropriate) and for appropriate follow up action to be taken.

A dedicated whistle-blowing email account at hla999@hlasia.com.sg has been set up for the Head of IA, being the appointed Designated Officer, to receive complaints and information from all employees of the Group or other persons in order to facilitate and encourage the reporting of such matters. Details on the dedicated channels of communication (email and postal address) have also been made available on the Company's corporate website and intranet. The ARC monitors the whistleblowing complaints based on reports prepared by the Head of IA and ensures appropriate follow up actions are taken.

The Company is committed to ensure the identity of the whistle-blower is kept confidential and to protect the whistle-blower from any detrimental or unfair treatment as a result of his/her report.

The whistle-blowing policy is reviewed by the ARC annually to ensure that it remains current. For more details on the said policy including the procedures for raising concerns, please refer to the Company's corporate website at www.hlasia.com.sg.

Anti-fraud, Anti-bribery and Anti-corruption Policy
The Company is committed to ensuring high standards of ethical business conduct, including zero tolerance for fraud, bribery and corruption.

The Company has adopted an Anti-fraud, Anti-bribery and Anti-corruption Policy. This policy sets out the responsibilities of the Group functions and business units in observing and upholding the Company's position on fraud, bribery and corruption, and it applies to the Group, its affiliates, agents, consultants, business partners as well as officers and employees of the Group (collectively, the "**Employees**"). It provides guidance to the Employees on matters relating to the prevention, detection and reporting of fraudulent or corrupt conduct through the Company's whistle-blowing channel. The Anti-fraud, Anti-bribery and Anti-corruption Policy is posted on the Company's corporate website at www.hlasia.com.sg and incorporated into the existing Code of Business Conduct and Ethics which Employees are required to confirm compliance with on a regular basis.

Internal Audit (Provisions 10.4 and 10.5)
The IA function is independent of the activities it audits. The Head of IA's primary reporting line is to the ARC chairman with an administrative line of reporting to the GCFO of the Company. The appointment, resignation and dismissal of the Head of IA is reviewed and/or approved by the ARC. The ARC also provides input on the annual performance appraisal of the Head of IA and the ARC chairman is consulted on all bonus payments and salary adjustments for this position. The ARC meets the Head of IA at least once annually without the presence of the Management. The Head of IA has unfettered access to the ARC, the Board and the Management as well as the Group's documents, records, and properties except for those under the Group's separately listed subsidiaries.

IA operates within the framework stated in its IA Charter which is approved by the ARC, and reviewed on a periodic basis. The standards of the IA Charter are consistent with the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The Head of IA, Mr Vincent Lo, is a Certified Internal Auditor (CIA) and a member of the Institute of Internal Auditors of Singapore ("**IIAS**") and the Institute of Singapore Chartered Accountants ("**ISCA**").

Corporate Governance Report

Role and Activities of IA
The primary role of the IA is to assist the Board and the ARC to evaluate the reliability, adequacy and effectiveness of the internal controls and risk management processes of the Group (other than the Group's separately listed subsidiaries which either have their own or have outsourced their IA functions). IA's coverage extends to the review and testing of controls in areas of key risks which include sales and channels operations, procurement, inventory management, information systems and compliance with company policies and procedures.

The ARC approved the annual IA plan and received regular reports during 2024 on the progress of the audit work under the IA plan. Copies of IA reports are extended to relevant members of the Management. IA reports are also provided to the EA. Processes are in place such that recommendations raised in IA reports are followed up to ensure that they are dealt with within a reasonable time frame, taking into account the severity and nature of the control weaknesses identified. The ARC is apprised regularly on the implementation by the Management of the recommendations of the IA.

The Company has a well-established IA function with formal procedures for the IA to report their audit findings to the ARC and to the Management. The IA members attend external training programmes to keep abreast of developments. As the Head of IA is a member of the IIAS and ISCA, the team receives regular updates on the latest development of IA policies and practices, accounting pronouncements, risk-based audit information and other audit related knowledge from time to time. The ARC reviewed the effectiveness and adequacy of the IA function including its resources through a review of the IA activities on a regular basis as well as its annual assessment of the IA function. The assessment was facilitated through the use of an evaluation framework modelled on the framework recommended in the Guidebook for Audit Committees in Singapore. The evaluation framework covers IA organisation, resources and continuing training, audit plans, work scope, quality of reports and recommendations, IA Charter, and IA internal control assessment. Based on the assessment conducted for 2024, the ARC is satisfied with the quality and effectiveness of the IA function and that the IA function has adequate resources and appropriate independent standing within the Group to perform its functions properly, and the ARC has continually emphasized the importance of ensuring that the IA function is adequately staffed. CYI has its own IA team and the other China operations of the Group are not material.

SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Being committed to good corporate practices, the Company treats all shareholders fairly and equitably. To facilitate the exercise of shareholders' rights, the Company ensures that all material information relating to the Group and its financial performance is disclosed in an accurate and timely manner via SGXNet.

General Meetings (Provisions 11.1, 11.2, 11.3)
Shareholders are informed of general meetings through notices sent to them. All shareholders are entitled to attend and vote at general meetings in person or by proxy or in the case of a corporate shareholder, through its appointed representative. They are given the opportunity to communicate their views and are encouraged to ask the Directors and the Management questions regarding matters concerning the Company.

The rules for the appointment of proxies, including information that the voting will be conducted by way of poll, are set out in the notice of general meetings. In accordance with the Company's Constitution, shareholders who are not relevant intermediaries may appoint not more than two proxies each to attend, speak and vote at general meetings in their absence. In the case of shareholders who are relevant intermediaries, more than two proxies each may be appointed. The proxy forms must be deposited at such place or places specified in the notice or documents accompanying the notice convening the general meetings at least seventy-two (72) hours before the time set for the general meetings.

The Company provides for separate resolutions at general meetings on each substantial issue, including treating the re-election of each Director as a separate resolution. Should the resolutions be 'bundled', the Company will explain the reasons and material implications for doing so in the notice of the general meeting. Detailed information on each item in the AGM agenda is provided in the explanatory notes to the notice of AGM in this AR.

All Directors, including the Lead ID, the chairmen of the respective Board Committees, certain members of the Management, the EA and legal advisers (where necessary) are present at general meetings to address queries from the shareholders. Questions relating to the conduct of the audit and the preparation and content of the EA's report may be addressed by the EA. At each AGM, the CEO delivers a presentation to update shareholders on the Group's business and financial performance in the preceding year.

2024 AGM
The 2024 AGM was held in a wholly physical mode at M Hotel Singapore on 25 April 2024. Arrangements for the submission of questions to the Chairman of the Meeting in advance of the 2024 AGM and voting at the 2024 AGM by shareholders or their duly appointed proxy(ies) were set out in the Notice of AGM which was released on SGXNet on 27 March 2024. The Notice of AGM together with a copy each of the proxy form and request form for AR and Letter to Shareholders dated 27 March 2024 were also despatched to shareholders by post.

All the Directors including the Executive Chairman, the CEO, chairmen of the ARC, BSC, NC, RC and SOSC and certain members of the Management together with the EA were in attendance at the 2024 AGM.

FORTHCOMING 2025 AGM
The forthcoming 2025 AGM will continue to be held in a wholly physical mode at M Hotel Singapore on 25 April 2025. Shareholders will receive, via post, the Notice of the 2025 AGM together with a copy each of the proxy form and request form for AR and Letter to Shareholders dated 27 March 2025 in relation to the proposed renewal of the (i) Share Purchase Mandate and (ii) IPT Mandate (the "**Letter to Shareholders**"), for shareholders' use. These documents will also be made available on the Company's corporate website. The AR, Letter to Shareholders, Notice of the 2025 AGM and the accompanying proxy form will also be published on the SGX website.

Further, as part of the Company's commitment towards environmental sustainability, printed AR and Letter to Shareholders will only be sent to shareholders upon receipt of duly completed request forms. Arrangements relating to the submission of questions in advance of the 2025 AGM and voting at the 2025 AGM by shareholders or their duly appointed proxy(ies) or representative(s) in the case of corporate shareholder(s), are set out in the Notes of the Notice of the 2025 AGM.

Voting at General Meetings (Provision 11.4)
Shareholders are given the opportunity to vote at general meetings even when they are not in attendance as they may appoint proxy(ies) to vote on their behalf. The Constitution allows for absentia voting at general meetings. However, as the authentication of shareholder identity information and other related integrity issues remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail or electronic means.

Electronic poll voting will be conducted at the 2025 AGM. In support of greater transparency and to allow for a more efficient voting system, the Company had been conducting electronic poll voting since its 2014 AGM (except the 2020 to 2022 AGMs which were held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the checklist issued by ACRA, MAS and SGX RegCo). With electronic poll voting, shareholders present in person or represented by proxy at the AGM will be entitled to vote on a 'one-share, one-vote' basis. The voting results of all votes cast in respect of each resolution will also be displayed on-screen at the meeting and announced via SGXNet after the AGM. Voting procedures for the electronic poll voting will be explained at the AGM and an external firm, which is independent of the firm appointed to undertake the electronic poll voting process, will be appointed as scrutineers for the AGM voting process.

Minutes of General Meetings (Provision 11.5)
The Company also maintains minutes of its general meetings, which include the key comments and queries raised by shareholders and the responses from the Board, the Management and/or the EA. The minutes of general meetings are available on the Company's corporate website and the SGX website as soon as practicable after the meetings.

Dividend Policy (Provision 11.6)
The Company has a formalised dividend policy which aims to pay dividends to shareholders at least once a year, balancing returns to shareholders with prudent capital management and consistent with the Company's overall governing objective of maximising shareholder value over time. Before proposing any dividends, the Board will consider a range of factors, including the Group's results of operations, long-term and short-term capital requirements, current balance sheet, future investment plans and the general business conditions and other macro environment factors. The Board will review the dividend policy from time to time and reserves the right to modify, amend and update the policy.

The Company aims to maintain a strong capital position to ensure market confidence, to support its ongoing business and to meet the expectations of its stakeholders.

In line with the Company's dividend policy, the Board has recommended a final dividend of 3 cents per share for FY 2024. Including the interim dividend of 1 cent per share paid in September 2024, this will bring the total dividend for FY 2024 to 4 cents per share, which is double the payout of 2 cents per share in the preceding year. The dividend payouts in the current and past four years are set out in the 'Financial Highlights' section in this AR.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

The Company notifies its investors in advance of the date of release of its financial results via SGXNet. The Board provides shareholders with periodic financial results in accordance with the timelines prescribed in the Listing Manual. For FY 2024, the Company's results for the first half year ("**1H**") were released to shareholders within 45 days of the end of 1H whilst the annual results were released within 60 days from the financial year end. In presenting the Group's financial results, the Board aims to provide investors with a balanced and understandable assessment of the Group's performance and financial position with a commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which it operates.

The Company ensures that investors are notified of all material information in an accurate and timely manner. Should there be an inadvertent disclosure made to a select group, the Company will release the same information promptly via SGXNet. The financial statements and other presentation materials presented at the Company's general meetings, including material and price-sensitive information, are disseminated and publicly released via SGXNet on a timely basis. All shareholders are notified of general meetings and the documents relating thereto which are made available on the Company's corporate website and SGX website.

Shareholder Communication (Provisions 12.1, 12.2 and 12.3)
The Company has in place an investor relations ("**IR**") policy (available on the Company's corporate website) which outlines the principles and framework for the Company to provide investors, analysts, and other IR stakeholders with balanced, clear, and pertinent information on matters pertaining to and/or affecting the Group. Shareholders and investors can contact the Company or access information on the Company at its corporate website at www.hlasia.com.sg which provides, *inter alia*, information on the Board of Directors, the Management, and the Group's key business units, annual reports, corporate announcements, press

releases and financial results as released by the Company on SGXNet, and contact details of its IR. Further information on the Company's investor engagement outreach is set out in the section entitled 'Investor Communications' in this AR.

Shareholders are encouraged to attend the 2025 AGM in person so that they can engage with the Board directly.

MANAGING STAKEHOLDER RELATIONSHIPS

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

HLA has grown and diversified its portfolio within the manufacturing space over the decades, which has provided many opportunities to ingrain the importance of proactive and thoughtful engagement with its stakeholders. The stakeholders have been identified as those who are impacted by the Group's business and operations and those who similarly impact the Group's business and operations. The six key stakeholder groups identified are customers, employees, government agencies, local communities, shareholders, and suppliers.

The Company acknowledges that success and long-term value across its operations would not be possible without the Management's dedication and careful attention towards managing supplier, customer, government agency and community relationships. This has only strengthened with a combined knowledge across various industries, which has allowed the Group's businesses to both gain vital knowledge and adopt tested, effective policies and measures to evolve supplier collaboration, improve products' standards and enhance customer service. To achieve such standards, the business units adopt industry-specific practices to create supportive environments and set codes of ethical business conduct that allow employees to thrive and in turn, help cultivate long-term working relationships with all stakeholders that support our business activities.

Into the ninth year of its Sustainability Reporting journey, the Company periodically reviews its approach to ensure that the relevant sustainability challenges are addressed across the value chain in order to achieve meaningful engagement with various stakeholders, greater ownership in tracking our environmental footprint, assuring high standards of health and safety in the workplace environment and supporting our communities. In the 2022 Sustainability Report, the sustainability materiality assessment had been updated with the assistance of an external consultant to reframe the highlighted ESG concerns from the respective business key stakeholders. This was conducted via interviews with top management and key external stakeholders as well as online surveys which covered employees from management and executive level as well as external stakeholders (customers, consultants, contractors, government agencies and suppliers). The material issues had thus been revised and its practices including stakeholder engagement will continue to come under the annual review, evaluation and endorsement of the Board.

More details on HLA's approach to stakeholder engagement and materiality assessment will be disclosed in the 2024 Sustainability Report. A digital copy will be available on 27 March 2025 on the Company's corporate website at the URL https://www.hlasia.com.sg/reports, and on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

The Company has in place arrangements through a variety of channels including the Company's corporate website to engage with the stakeholders.

Corporate Governance Report

Corporate Values and Conduct of Business

The Board and the Management are committed to conducting business with integrity and consistent with high standards of business ethics, and in compliance with all applicable laws and regulatory requirements. The Company has in place an internal Code of Business Conduct and Ethics ("**Code**") crystallising the Company's business principles and practices with respect to matters which may have ethical implications. The Code provides a communicable and understandable framework for employees to observe the Company's principles such as honesty, integrity, responsibility, and accountability at all levels of the organisation and in the conduct of the Group's businesses in their relationships with customers, suppliers and amongst employees, including situations where there are potential conflicts of interest.

The Code which incorporates the Anti-fraud, Anti-bribery and Anti-corruption Policy provides guidance on issues such as:

- Conflicts of interest and the appropriate disclosures to be made;
- The Company's stance against corruption and bribery;
- Compliance with applicable laws and regulations;
- Compliance with the Company's policies and procedures, including those on internal controls and accounting;
- Safeguarding and proper use of the Company's assets, confidential information and intellectual property rights, including the respect of the intellectual property rights of third parties;
- Competition and fair dealing in the conduct of the Company's business, in its relationships with customers, suppliers, competitors and towards its employees; and
- Prevention, detection and reporting of fraudulent or corrupt conduct through the Company's whistle-blowing channel.

In line with the Board's commitment to maintain high ethical standards which are integral to the Company's corporate identity and business, the following corporate policies and procedures are in place:

(i) Whistle-blowing Policy, which provides guidance to the Group's officers, employees and non-employees of the Group that may have any legitimate bona fide concerns about any possible improprieties in financial reporting or any other matters, the same may be raised without fear of reprisals in any forms, discriminating or adverse consequences; and

(ii) Policy on transactions with IPs which provides guidance to the Group's officers and employees to conduct IPTs on an arm's length basis and on normal commercial terms consistent with its usual business practices and policies, not prejudicial to the interest of the Company and its minority shareholders and on terms which are not more favourable to the IP than those extended to other unrelated third parties under similar circumstances.

Internal Code on Dealing in Securities

The Company has in place an internal code on securities trading which sets out the implications of insider trading and provides guidance and internal regulation with regard to dealings in the Company's securities by the Company, its Directors, and officers. These guidelines prohibit the Company, all Directors and employees from dealing in the Company's securities (a) while in possession of unpublished material price-sensitive information; and (b) during the period commencing (i) one month before the date of announcement of the Company's 1H and full year financial statements (if the Company is not required to announce its quarterly financial statements); or (ii) two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the date of announcement of the Company's full year financial statements (if the Company is required to announce its quarterly financial statements). The internal code also prohibits all Directors and employees from dealing in the Company's securities on short-term considerations. The Directors and employees of the Company are notified in advance of the commencement of each 'closed period' relating to dealing in the Company's securities.

Rights Issue

In FY 2018, the Company had pursuant to a renounceable non-underwritten rights issue raised net proceeds of S$201.1 million. Between 13 March 2020 and 26 February 2025, the Company announced that an aggregate of S$188.0 million of the net proceeds had been utilised in accordance with the intended uses as stated in the Offer Information Statement dated 3 October 2018. Since then, no further utilisation of the rights proceeds has been made, and other than previously announced, the remaining unutilised funds have been used in the interim to repay short-term revolving facilities and the balance has been deposited with financial institutions pending future deployment. The Company will make periodic announcements via SGXNet on the further deployment of the rights proceeds.

FINANCIAL REPORT

The directors are pleased to present their statement to the members of Hong Leong Asia Ltd. (the "Company") together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2024.

In our opinion:

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company set out on pages 112 to 224 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International); and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Kwek Leng Peck
Stephen Ho Kiam Kong
Kwek Pei Xuan
Kwong Ka Lo @ Caroline Kwong
Ng Sey Ming
Tan Chian Khong
Maimoonah Binte Mohamed Hussain
Ng Chee Khern (appointed on 1 January 2025)

DIRECTORS' INTERESTS

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants and/or debentures of the Company, or of its related corporations, either at the beginning or at the end of the financial year.

According to the register of directors' shareholdings kept by the Company under Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year (including those of their spouses and children below 18 years of age) in shares and/or share options in the Company and in related corporations are as follows:

Directors'
Statement

DIRECTORS' INTERESTS (CONT'D)

	Holdings in which the director, his spouse and children below 18 years of age have a direct interest	
	At beginning of the year	At end of the year
Kwek Leng Peck		
The Company		
Hong Leong Asia Ltd. *	8,870,700	8,870,700
Ultimate Holding Company		
Hong Leong Investment Holdings Pte. Ltd. *	10,921	10,921
Related Corporations		
Hong Leong Finance Limited *	517,359	517,359
Hong Leong Holdings Limited *	381,428	381,428
Hong Realty (Private) Limited *	150	150
City Developments Limited *	43,758	43,758
Stephen Ho Kiam Kong		
The Company		
Hong Leong Asia Ltd. *	103,500	103,500
– Options to subscribe for ordinary shares under the Hong Leong Asia Share Option Scheme 2000	200,000	200,000
Kwek Pei Xuan		
The Company		
Hong Leong Asia Ltd. *	200,000	345,000

* Ordinary shares

DIRECTORS' INTERESTS (CONT'D)

The directors' interests in the Company as at 31 December 2024 disclosed above remained unchanged as at 21 January 2025.

Except as disclosed under the section on "Share options" in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangements whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTIONS

By the Company

(a) Hong Leong Asia Share Option Scheme 2000 (the "HLA Share Option Scheme")

The HLA Share Option Scheme was approved by the shareholders at the extraordinary general meeting of the Company held on 30 December 2000 for an initial duration of 10 years (from 30 December 2000 to 29 December 2010). The HLA Share Option Scheme was extended at the annual general meeting ("AGM") of the Company held on 29 April 2010 for a further period of 10 years from 30 December 2010 to 29 December 2020. At the Company's AGM held on 18 June 2020, the shareholders approved the second extension of the duration of the HLA Share Option Scheme for another period of 10 years from 30 December 2020 to 29 December 2030.

The HLA Share Option Scheme is administered by a committee comprising the following members:

Ng Sey Ming – Chairman
Kwek Leng Peck
Tan Chian Khong
Kwong Ka Lo @ Caroline Kwong

The HLA Share Option Scheme provides the Company with the flexibility of granting options to participants at Market Price (as defined in the HLA Share Option Scheme) and/or with a discount (either up-front or on a deferred basis) to the Market Price. All options granted to date are Market Price Options and Incentive Price Options which are at Market Price under the HLA Share Option Scheme.

Under the HLA Share Option Scheme,

Market Price Options (as defined in the HLA Share Option Scheme) granted to:

(i) Group Employees and Parent Group Employees (both as defined in the HLA Share Option Scheme) may be exercised one year after the date of the grant and will have a term of ten years from the date of the grant; and

(ii) Group Non-Executive Directors, Parent Group Non-Executive Directors and Associated Company Employees (all three as defined in the HLA Share Option Scheme) may be exercised one year after the date of the grant and will have a term of five years from the date of the grant.

SHARE OPTIONS (CONT'D)

By the Company (cont'd)

(a) Hong Leong Asia Share Option Scheme 2000 (the "HLA Share Option Scheme") (cont'd)

Incentive Price Options (as defined in the HLA Share Option Scheme) granted to:

(i) Group Employees and Parent Group Employees may be exercised two years after the date of the grant and will have a term of ten years from the date of the grant; and

(ii) Group Non-Executive Directors, Parent Group Non-Executive Directors and Associated Company Employees may be exercised two years after the date of the grant and will have a term of five years from the date of the grant.

The aggregate number of ordinary shares in the capital of the Company ("Shares") over which options may be granted under the HLA Share Option Scheme on any date, when added to the number of Shares issued and issuable in respect of all options granted under the HLA Share Option Scheme shall not exceed 15% of the total number of issued Shares excluding treasury shares, if any, on the day preceding the relevant date of grant. The aggregate number of Shares which may be offered by way of grant of options to Parent Group Employees and Parent Group Non-Executive Directors collectively under the HLA Share Option Scheme shall not exceed 20% of the total number of Shares available under the HLA Share Option Scheme.

(i) During the financial year, no options were granted to Group Employees under the HLA Share Option Scheme.

(ii) Details of Market Price Options granted to the directors of the Company who held office at the end of the financial year are as follows:

Name of director	Aggregate Shares under option granted since commencement of the HLA Share Option Scheme to end of financial year	Aggregate Shares under option exercised since commencement of the HLA Share Option Scheme to end of financial year	Aggregate Shares under option lapsed/ cancelled since commencement of the HLA Share Option Scheme to end of financial year	Aggregate Shares under option outstanding as at end of financial year
Kwek Leng Peck	2,150,000	(1,680,000)	(470,000)	–
Stephen Ho Kiam Kong	200,000	–	–	200,000

There was no issuance of new Shares or transfer of existing Shares to the directors during the financial year.

(iii) None of the participants were regarded by the directors as controlling shareholders of the Company.

(iv) None of the participants were granted options representing 5% or more of the total number of Shares under option available under the HLA Share Option Scheme.

SHARE OPTIONS (CONT'D)

By the Company (cont'd)

(b) Options granted under the HLA Share Option Scheme (cont'd)

(v) None of the Parent Group Employees were granted options representing 5% or more of the total number of Shares under option available under the HLA Share Option Scheme to all Parent Group Employees and Parent Group Non-Executive Directors. A total of 1,080,000 Shares under option were granted to Parent Group Employees since the commencement of the HLA Share Option Scheme to the end of the financial year under review.

(vi) Except for options granted to persons in their capacity as Group Employees or Group Non-Executive Directors or Parent Group Employees, no other options have been granted by the Company to any other categories of persons since the commencement of the HLA Share Option Scheme.

(vii) All options granted under the HLA Share Option Scheme are subject to a vesting schedule as follows:

Market Price Options:

(1) one year after the date of grant for up to 33% of the Shares over which the options are exercisable;

(2) two years after the date of grant for up to 66% (including (1) above) of the Shares over which the options are exercisable; and

(3) three years after the date of grant for up to 100% (including (1) and (2) above) of the Shares over which the options are exercisable.

Incentive Price Options:

(1) two years after the date of grant for up to 33% of the Shares over which the options are exercisable;

(2) three years after the date of grant for up to 66% (including (1) above) of the Shares over which the options are exercisable; and

(3) four years after the date of grant for up to 100% (including (1) and (2) above) of the Shares over which the options are exercisable.

(viii) The persons to whom these options have been granted do not have the right to participate by virtue of the options in any share issue of any other company.

Directors' Statement

SHARE OPTIONS (CONT'D)

By the Company (cont'd)

(c) Unissued Shares under option

There were a total of 438,000 unissued Shares under option granted pursuant to the HLA Share Option Scheme at the end of the financial year. Details of the options to subscribe for Shares including those granted to the directors of the Company are as follows:

Date of grant	Exercise price per Share	Number of options outstanding at 1 January 2024	Options granted	Options exercised	Options cancelled/ lapsed	Options outstanding at 31 December 2024	Number of option holders at 31 December 2024	Exercise period
28/1/2014	$1.31	60,000	–	–	(60,000)	–	–	28/1/2015 to 27/1/2024
11/6/2020	$0.54	178,000	–	–	–	178,000	3	11/6/2021 to 10/6/2030
3/3/2021	$0.72	200,000	–	–	–	200,000	1	3/3/2022 to 2/3/2031
18/8/2021	$0.87	60,000	–	–	–	60,000	1	18/8/2022 to 17/8/2031
Total		498,000	–	–	(60,000)	438,000		

By Subsidiary

(a) China Yuchai International Limited ("CYI") Equity Incentive Plan ("CYI Equity Plan")

The CYI Equity Plan was approved by the shareholders at the annual general meeting of CYI held on 4 July 2014. It is administered by CYI's Compensation Committee comprising the following members:

Kwek Leng Peck – Chairman
Neo Poh Kiat
Xie Tao

The CYI Equity Plan contains the following key terms:

(i) only awards of share options, restricted stock and stock payments (the "Awards") may be granted to employees of CYI or a subsidiary of CYI ("CYI Group Employees");

(ii) the maximum aggregate number of shares that may be issued under the CYI Equity Plan shall not exceed 1,800,000 ordinary shares of US$0.10 each ("Ordinary Shares") subject to adjustment under the CYI Equity Plan;

(iii) the maximum aggregate number of Ordinary Shares with respect to one or more Awards that may be granted to any one eligible person during any calendar year is 300,000;

SHARE OPTIONS (CONT'D)

By Subsidiary (cont'd)

(a) China Yuchai International Limited ("CYI") Equity Incentive Plan ("CYI Equity Plan") (cont'd)

(iv) CYI's Compensation Committee shall administer the CYI Equity Plan and it has full power and authority to (a) select grantees from eligible individuals to receive the Awards and determine the time when Awards will be granted; (b) determine the number of Awards and the number of Ordinary Shares covered by each Award; (c) determine the terms and conditions of each Award; (d) approve the forms of agreement for use under the CYI Equity Plan; (e) establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the CYI Equity Plan; and (f) take any and all other action as it deems necessary or advisable for the operation or administration of the CYI Equity Plan and the Awards;

(v) the price per Ordinary Share at which a holder may subscribe for the Ordinary Shares issuable upon the exercise of the option granted pursuant to the CYI Equity Plan shall be determined by CYI's Compensation Committee and shall not be less than:

– the Fair Market Value of the Ordinary Shares on the date the option is granted; and

– the par value of the Ordinary Shares;

(vi) Options granted under the CYI Equity Plan shall become exercisable ("vest") in the manner and subject to such conditions provided by CYI's Compensation Committee and set forth in the written Award agreement with respect to such options; and

(vii) the CYI Equity Plan shall terminate automatically ten years after its effective date unless terminated earlier. Awards outstanding at the time of the CYI Equity Plan's termination may continue to be exercised in accordance with their terms and shall continue to be governed by and interpreted consistent with the terms of the CYI Equity Plan.

(b) Options granted under the CYI Equity Plan

No option was granted under the CYI Equity Plan during the financial year under review. As at the end of the year, a total of 270,000 unissued Ordinary Shares under option granted pursuant to the CYI Equity Plan had lapsed. Details of the said options are as follows:

Date of grant	Exercise price per Ordinary Share	Balance at 1 January 2024	Options granted	Options exercised	Options cancelled/ lapsed	Balance at 31 December 2024	Exercise Period
29/7/2014	US$21.11	270,000	–	–	(270,000)	–	29/7/2015 to 28/7/2024

The above options were subject to a vesting period of three years from the date of grant with one-third of the options vesting on each 12-month anniversary of the date of grant.

The persons to whom these options have been granted have not been granted any right to participate by virtue of the options, in any share issue of any other company.

The CYI Equity Plan had expired and was terminated on 8 May 2024.

Directors' Statement

SHARE OPTIONS (CONT'D)

By Subsidiary (cont'd)

(c) Guangxi Yuchai Machinery Company Limited ("GYMCL") Equity Holding Scheme (the "GYMCL Share Scheme") and Guangxi Yuchai Marine and Genset Power Co., Ltd ("MGP") Incentive Scheme (the "MGP Share Scheme") (collectively, the "Two Schemes")

The Two Schemes were approved by the shareholders of GYMCL on 20 June 2024. They are administered by GYMCL's Remuneration Committee ("GYMCL RC") comprising the following members:

Kwek Leng Peck – Chairman
Li Hanyang
Neo Poh Kiat

The salient terms of the Two Schemes are as follows:

(i) participants of the Two Schemes were awarded interests in MGP on 26 June 2024 such that the registered capital of MGP was increased by an aggregate amount of RMB28.00 million which corresponded to approximately 6.54% interest in the enlarged registered capital of MGP (the "MGP Interest") and participants of the Two Schemes contributed an aggregate amount of RMB82.9 million at the price of RMB2.96 per RMB1 registered capital in cash;

(ii) the subscription price was based on the fair value of the net assets of MGP and its subsidiaries as at 31 December 2022 and was arrived at after taking into consideration, among other things, the rationale for the Two Schemes and the valuation of MGP factoring in the restrictions placed on the MGP Interest;

(iii) participants of the GYMCL Share Scheme are employees (who may also be directors) within the GYMCL group of entities (other than MGP and its subsidiaries) and participants of the MGP Share Scheme are employees of MGP and its subsidiaries;

(iv) the MGP Interest is held by separate partnership vehicles established by the participants of the Two Schemes such that (a) RMB7.33 million which corresponded to approximately 1.71% was awarded under the GYMCL Share Scheme; and (b) RMB20.67 million which corresponded to approximately 4.83% was awarded under the MGP Share Scheme;

(v) the list of participants of the Two Schemes was approved by the GYMCL RC and newly identified employees for permitted transfers would also need to be approved by the GYMCL RC;

(vi) restrictions on the partnership vehicles which hold the MGP Interest ("Partnership Interest") include (a) a lock-up period commencing on the date of issuance of the MGP Interest and a moratorium period ending (ai) in the event that MGP undertakes a public listing, three years after such listing; or (aii) in the event that MGP does not undertake a public listing, ten years; (b) the partnership vehicles are to vote on all matters proposed at shareholders' meetings in the same manner as GYMCL; (c) transfer/sale/mortgage/gift restrictions on Partnership Interests; (d) save for six key employees (being also the general partners of the partnership vehicles) who may continue to hold their Partnership Interests upon retirement provided that they shall be converted into a limited partner, Partnership Interests must be transferred in accordance with the agreed terms and to approved person under certain special scenarios including death, termination/resignation/divorce and dismissal; and

SHARE OPTIONS (CONT'D)

By Subsidiary (cont'd)

(c) Guangxi Yuchai Machinery Company Limited ("GYMCL") Equity Holding Scheme (the "GYMCL Share Scheme") and Guangxi Yuchai Marine and Genset Power Co., Ltd ("MGP") Incentive Scheme (the "MGP Share Scheme") (collectively, the "Two Schemes") (cont'd)

(vii) the partnership vehicles have the right to distributions declared and made by MGP upon the issuance of the MGP Interest.

Although all partners in each of the partnership vehicles including GYMCL have the right (but not the obligation) to buy the Partnership Interests in that partnership vehicle under a special scenario, should GYMCL buy any Partnership Interests in any partnership vehicle, it has to transfer the Partnership Interests to newly identified employees approved by the GYMCL RC within six months.

Following the awards of the MGP Interest, GYMCL's interest in MGP decreased from 100% to 93.46% as at 31 December 2024. GYMCL is a 76.41%-owned subsidiary of CYI.

(d) Awards granted under the Two Schemes

During the financial year:

(i) No awards have been granted to controlling shareholders of the Company or their associates, or parent group directors or employees under the Two Schemes.

(ii) No awards have been granted to directors of the Company under the Two Schemes.

(iii) Save for Mr Ning Xing Yong, the general manager of MGP, who was awarded approximately 18.10% of the MGP Interest and Dr Wu Qi Wei, the President of GYMCL who was awarded approximately 8.45% of the MGP Interest, no participant has received 5% or more of the total amount of MGP Interest awarded under the Two Schemes.

(iv) The MGP Interest was granted at the fair value of net assets of MGP and its subsidiaries.

Except as disclosed above, during the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares of the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee ("ARC") comprises four members who are independent. The members of the ARC at the date of this statement are:

Tan Chian Khong – Chairman
Kwong Ka Lo @ Caroline Kwong
Ng Sey Ming
Maimoonah Binte Mohamed Hussain

AUDIT AND RISK COMMITTEE (CONT'D)

The ARC performs the functions of an audit and risk committee under its terms of reference including those specified in the Act, the Listing Manual of Singapore Exchange Securities Trading Limited ("Listing Manual") and the Code of Corporate Governance.

The ARC held three meetings during the financial year. In the performance of its functions, the ARC met with the Company's internal and external auditors to discuss the scope of their work, the results of their examination and their evaluation of the Group's system of internal controls.

The ARC also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- half-yearly and annual financial statements of the Group and of the Company prior to their submission to the directors of the Company for approval; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual).

The ARC has full access to management and is given the resources required by it to discharge its functions. It has full authority and the discretion to invite any director or executive officer or third party advisor to attend its meetings. The ARC also reviews the nature and level of audit and non-audit fees, and recommends the appointment/re-appointment of external auditor.

The ARC is satisfied with the independence and objectivity of the external auditor and has recommended to the directors that the auditor, Ernst & Young LLP, be nominated for re-appointment as auditor at the forthcoming AGM of the Company.

In appointing the auditors for the Company and its subsidiaries, the Company has complied with Rules 712 and 715 (read with Rule 716) of the Listing Manual.

AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor of the Company.

On behalf of the Board of Directors

Kwek Leng Peck
Executive Chairman

Stephen Ho Kiam Kong
Executive Director & Chief Executive Officer

26 March 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HONG LEONG ASIA LTD.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Hong Leong Asia Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2024, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HONG LEONG ASIA LTD.

Key Audit Matters (cont'd)

Capitalisation of development expenditure

As at 31 December 2024, the carrying amount of the Group's intangible assets amounted to $319.8 million, of which $100.3 million pertained to development expenditure that was capitalised by the powertrain solutions segment. The Group engages in research and development activities to improve existing engine products and develop new engine products and related technologies (the "Development Projects"). The Group had determined that the Development Projects met the capitalisation criteria. This included $37.9 million capitalised during the year. There was significant management judgement involved in determining what constitutes development activities, when a project moves from the research phase into the development phase and when a Development Project should cease further capitalisation of development costs.

Our audit procedures included, amongst others, obtaining an understanding and testing controls over the authorisation, approval and recording of expenses and controls over monitoring of the status of the ongoing Development Projects. We evaluated management's judgement relating to the determination of the research and development phases and the determination of which development expenditure can be capitalised by conducting inquiries of the engineers in the Research and Development ("R&D") department to understand the progress of the Development Projects. We checked, on a sampling basis, the status of the projects and the cost capitalised by agreeing these amounts to supporting documents and the Company's capitalisation criteria. We also evaluated management's assessment that the Development Projects continued to be in progress by inspecting the testers' feedback and responses from the R&D department on a sample basis.

We also assessed the adequacy of the Group's disclosures concerning this in Note 38 Significant accounting judgements and estimates and Note 4 Intangible assets to the financial statements.

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HONG LEONG ASIA LTD.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HONG LEONG ASIA LTD.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business unit within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chan Yew Kiang.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
26 March 2025

Balance Sheets

As at 31 December 2024

	Note	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Non-current assets					
Property, plant and equipment	3	757,545	779,625	668	1,120
Intangible assets	4	319,760	323,923	–	–
Investment in subsidiaries	6	–	–	229,867	229,867
Interests in associates	7	147,764	134,941	14,605	14,605
Interests in joint ventures	8	72,794	53,767	–	–
Investment property	9	776	761	–	–
Other investments	10	2,130	6,040	–	–
Non-current receivables	11	57,219	52,281	–	–
Capitalised contract costs	24	24,170	25,074	–	–
Right-of-use assets	20	121,285	119,045	190	234
Deferred tax assets	12	77,527	80,183	–	–
		1,580,970	1,575,640	245,330	245,826
Current assets					
Inventories	13	964,472	937,315	–	–
Development properties	14	3,110	3,104	–	–
Trade and other receivables	15	1,906,849	1,744,786	409,184	384,966
Cash and short-term deposits	16	1,351,961	1,233,720	4,776	15,916
Derivatives		14	–	–	–
		4,226,406	3,918,925	413,960	400,882
Assets of disposal group classified as held for distribution to owners	6(f)	1,329	1,415	–	–
		4,227,735	3,920,340	413,960	400,882
Total assets		5,808,705	5,495,980	659,290	646,708

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

Balance Sheets

As at 31 December 2024

	Note	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Current liabilities					
Trade and other payables	21	2,058,624	1,845,195	8,145	7,668
Contract liabilities	24	108,304	118,574	–	–
Lease liabilities	20	13,926	11,150	55	51
Provisions	23	78,213	51,285	–	–
Loans and borrowings	19	576,320	509,986	204,214	133,080
Current tax payable		19,237	19,233	–	–
Derivatives		–	30	–	–
		2,854,624	2,555,453	212,414	140,799
Liabilities directly associated with disposal group classified as held for distribution to owners	6(f)	269	782	–	–
		2,854,893	2,556,235	212,414	140,799
Net current assets		1,372,842	1,364,105	201,546	260,083
Non-current liabilities					
Loans and borrowings	19	297,604	377,995	179,000	250,000
Deferred tax liabilities	12	26,567	23,366	4,601	3,549
Deferred grants	22	91,992	83,826	–	–
Other liabilities	21	44,951	46,046	–	–
Contract liabilities	24	8,940	9,686	–	–
Lease liabilities	20	32,905	31,366	137	182
		502,959	572,285	183,738	253,731
Total liabilities		3,357,852	3,128,520	396,152	394,530
Net assets		2,450,853	2,367,460	263,138	252,178
Equity attributable to owners of the Company					
Share capital	17	467,977	467,977	467,977	467,977
Reserves	18	545,491	453,205	(204,839)	(215,799)
Reserve attributable to disposal group classified as held for distribution to owners	6(f)	665	825	–	–
		1,014,133	922,007	263,138	252,178
Non-controlling interests		1,436,720	1,445,453	–	–
Total equity		2,450,853	2,367,460	263,138	252,178
Total equity and liabilities		5,808,705	5,495,980	659,290	646,708

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

Consolidated Income Statement

For the financial year ended 31 December 2024

	Note	Group 2024 $'000	Group 2023 $'000
Continuing operations			
Revenue	24	4,249,425	4,081,454
Cost of sales		(3,518,626)	(3,396,979)
Gross profit		730,799	684,475
Other item of income			
Other income		123,995	96,887
Other items of expense			
Selling and distribution expenses		(283,428)	(229,775)
Research and development expenses		(182,736)	(165,607)
General and administrative expenses		(200,102)	(194,888)
Finance costs	26	(34,503)	(39,862)
Other expenses		(1,706)	(10,555)
Share of results of associates and joint ventures, net of income tax		41,826	25,765
Profit before income tax from continuing operations	25	194,145	166,440
Income tax expense	28	(42,377)	(46,350)
Profit from continuing operations, net of tax		151,768	120,090
Discontinued operation			
Profit/(loss) from discontinued operation, net of tax	6(f)	532	(167)
Profit for the year		152,300	119,923
Attributable to:			
Owners of the Company			
– Profit from continuing operations, net of tax		87,421	64,991
– Profit/(loss) from discontinued operation, net of tax		356	(112)
		87,777	64,879
Non-controlling interests			
– Profit from continuing operations, net of tax		64,347	55,099
– Profit/(loss) from discontinued operation, net of tax		176	(55)
		64,523	55,044
Earnings per share from continuing operations attributable to owners of the Company (cents per share)			
– Basic	29	11.69	8.69
– Diluted	29	11.69	8.69
Earnings per share (cents per share)			
– Basic	29	11.74	8.67
– Diluted	29	11.73	8.67

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2024

	Group 2024 $'000	Group 2023 $'000
Profit for the year	152,300	119,923
Other comprehensive income		
Item that will not be subsequently reclassified to profit or loss		
Net fair value changes of equity instruments at fair value through other comprehensive income	(1,181)	2,694
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	17,516	(86,584)
Net fair value changes of debt instruments at fair value through other comprehensive income ("FVOCI")	517	2,012
Realisation of reserves upon disposal and liquidation of subsidiaries	(72)	568
Other comprehensive income for the year, net of income tax	16,780	(81,310)
Total comprehensive income for the year	169,080	38,613
Attributable to:		
Owners of the Company	98,303	35,311
Non-controlling interests	70,777	3,302
Total comprehensive income for the year	169,080	38,613
Attributable to:		
Owners of the Company		
– Total comprehensive income from continuing operations, net of tax	97,947	35,423
– Total comprehensive income from discontinued operation, net of tax	356	(112)
	98,303	35,311

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

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2024

Group	Note	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
Other comprehensive income													
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 FVOCI		–	–	–	(705)	–	–	–	–	705	–	–	–
Net fair value changes of equity instruments at FVOCI		–	–	–	(1,181)	–	–	–	–	–	(1,181)	–	(1,181)
Net fair value changes of debt instruments at FVOCI		–	–	–	91	–	–	–	–	–	91	426	517
Realisation of reserves upon disposal and liquidation of subsidiaries		–	–	(526)	–	–	454	–	–	–	(72)	–	(72)
Other comprehensive income for the year, net of tax		–	–	(526)	(1,795)	–	12,142	–	–	705	10,526	6,254	16,780
Total comprehensive income for the year		–	–	(526)	(1,795)	–	12,142	–	–	88,482	98,303	70,777	169,080
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners													
Dividends paid to shareholders	30	–	–	–	–	–	–	–	–	(22,440)	(22,440)	–	(22,440)
Dividends paid to non-controlling interests of subsidiaries		–	–	–	–	–	–	–	–	–	–	(26,987)	(26,987)
Cost of share-based compensation	27	–	–	–	–	517	–	–	–	–	517	937	1,454
Contribution by non-controlling interests	6(e)	–	–	–	–	–	–	–	–	–	–	15,421	15,421
Repurchase of own shares by a subsidiary	6(d)	–	–	–	–	–	–	17,416	–	–	17,416	(70,411)	(52,995)
Changes in ownership interests in subsidiaries													
Dilution of interest in subsidiary	6(e)	–	–	–	–	–	–	(1,670)	–	–	(1,670)	1,530	(140)
Others													
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.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2024

Group	Note	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 2023		467,977	1,167	22,207	7,797	5,394	(51,812)	63,007	793	386,022	902,552	1,456,061	2,358,613
Profit for the year		–	–	–	–	–	–	–	–	64,879	64,879	55,044	119,923
<u>Other comprehensive income</u>													
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures		–	–	–	–	–	(34,559)	–	–	–	(34,559)	(52,025)	(86,584)
Realisation of reserve upon disposal of instruments at FVOCI		–	–	–	(1,366)	–	–	–	–	1,366	–	–	–
Net fair value changes of equity instruments at FVOCI		–	–	–	2,574	–	–	–	–	–	2,574	120	2,694
Net fair value changes of debt instruments at FVOCI		–	–	–	688	–	–	–	–	–	688	1,324	2,012
Realisation of reserves upon disposal and liquidation of subsidiaries		–	–	(166)	–	–	1,895	–	–	–	1,729	(1,161)	568
Other comprehensive income for the year, net of tax		–	–	(166)	1,896	–	(32,664)	–	–	1,366	(29,568)	(51,742)	(81,310)
Total comprehensive income for the year		–	–	(166)	1,896	–	(32,664)	–	–	66,245	35,311	3,302	38,613
Transactions with owners, recorded directly in equity													
<u>Contributions by and distributions to owners</u>													
Dividends paid to shareholders	30	–	–	–	–	–	–	–	–	(14,960)	(14,960)	–	(14,960)
Dividends paid to non-controlling interests of subsidiaries		–	–	–	–	–	–	–	–	–	–	(15,125)	(15,125)
Cost of share-based compensation	27	–	–	–	–	11	–	–	–	–	11	–	11
Contribution by non-controlling interests		–	–	–	–	–	–	–	–	–	–	3,779	3,779
<u>Changes in ownership interests in subsidiaries</u>													
Dilution of interest in subsidiary		–	–	–	–	–	–	279	–	–	279	(279)	–
<u>Others</u>													
Transfer to statutory reserve		–	–	8,689	–	–	–	–	–	(8,689)	–	–	–
Reserve attributable to disposal group classified as held for distribution to owners		–	–	–	–	–	(32)	–	32	–	–	–	–
Issuance of put option to non-controlling interests of subsidiary		–	(1,186)	–	–	–	–	–	–	–	(1,186)	(2,285)	(3,471)
At 31 December 2023		467,977	(19)	30,730	9,693	5,405	(84,508)	63,286	825	428,618	922,007	1,445,453	2,367,460

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

Statement of Changes in Equity

For the financial year ended 31 December 2024

Company	Note	Share capital $'000	Capital reserve $'000	Share option reserve $'000	Accumulated (losses)/profits $'000	Total equity $'000
At 1 January 2024		467,977	9,199	2,629	(227,627)	252,178
Total comprehensive income for the year		–	–	–	33,398	33,398
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Dividends paid to shareholders	30	–	–	–	(22,440)	(22,440)
Cost of share-based compensation	27	–	–	2	–	2
At 31 December 2024		467,977	9,199	2,631	(216,669)	263,138
At 1 January 2023		467,977	9,199	2,618	(228,748)	251,046
Total comprehensive income for the year		–	–	–	16,081	16,081
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Dividends paid to shareholders	30	–	–	–	(14,960)	(14,960)
Cost of share-based compensation	27	–	–	11	–	11
At 31 December 2023		467,977	9,199	2,629	(227,627)	252,178

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

Consolidated Cash Flow Statement

For the financial year ended 31 December 2024

	Note	Group 2024 $'000	Group 2023 $'000
Operating activities			
Profit before income tax from continuing operations		194,145	166,440
Profit/(loss) before income tax from discontinued operation		532	(167)
Adjustments for:			
Share of results of associates and joint ventures, net of income tax		(41,826)	(25,765)
Cost of share-based payments	27	1,454	11
Depreciation and amortisation		158,790	151,306
Allowance for inventory obsolescence, net	25	10,716	10,439
Impairment losses recognised for trade and other receivables and bad debts written off		38,426	4,685
Impairment losses on property, plant and equipment and intangible assets		7,138	8,439
Property, plant and equipment written off	25	60	464
Finance costs	26	34,503	39,862
Dividend income from other investments	25	(47)	(153)
Interest income		(29,445)	(32,716)
Loss/(gain) on disposal of:			
– subsidiary	25	–	(19,593)
– joint venture	25	74	–
– property, plant and equipment	25	(2,973)	(395)
– right-of-use assets	25	–	(1,442)
Gain on liquidation of subsidiaries	25	(61)	(129)
Fair value loss on derivatives	25	618	–
Provisions for warranties and other costs, net	25	118,443	78,891
Operating cash flows before changes in working capital		490,547	380,177
Changes in working capital:			
Inventories and development properties		(32,634)	40,046
Trade and other receivables, and capitalised contract costs		(304,731)	(233,427)
Trade and other payables, and contract liabilities		227,663	229,429
Grant received from government		38,749	48,670
Provisions utilised	23	(91,706)	(71,053)
Cash flows from operations		327,888	393,842
Income taxes paid		(38,246)	(31,803)
Net cash flows generated from operating activities		289,642	362,039

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

Consolidated Cash Flow Statement

For the financial year ended 31 December 2024

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

Note:

Cash and cash equivalents totalling $1,022,177,000 (2023: $920,599,000) are held in the PRC which have foreign exchange controls.

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

Notes to the Financial Statements

For the financial year ended 31 December 2024

1. CORPORATE INFORMATION

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

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

The principal activities of the subsidiaries are those relating to the manufacturing and distribution of powertrain solutions and related products, building materials, rigid packaging products, air-conditioning systems (discontinued operation – See Note 6(f)), 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 MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

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

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2024. Except for the amendments to SFRS(I) 1-12 described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

Amendments to SFRS(I) 1-12: *International Tax Reform—Pillar Two Model Rules*

The Group has adopted Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules* upon their release on 23 May 2023. The amendments provide a temporary exception from deferred tax accounting for the top-up tax that may arise from the jurisdiction adoption of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OCED), and require new disclosures about the Pillar Two exposure. The mandatory exception is effective immediately and applies retrospectively.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-21: *Lack of Exchangeability*	1 January 2025
Amendments to SFRS(I) 9 and SFRS(I) 7: *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Annual Improvements to SFRS(I)s – Volume 11	1 January 2026
Amendments to SFRS(I) 9 and SFRS(I) 7: *Contracts Referencing Nature-dependent Electricity*	1 January 2026
SFRS(I) 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
SFRS(I) 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

Except for SFRS(I) 18, the directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of SFRS(I) 18 are described below.

<u>SFRS(I) 18 Presentation and Disclosure in Financial Statements</u>

SFRS(I) 18 is a new standard that replaces SFRS 1 Presentation of Financial Statements. SFRS(I) 18 introduces new categories of subtotals in the statement of profit or loss. Entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, wherein the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for the location, aggregation and disaggregation of financial information.

In addition, narrow-scope amendments have been made to SFRS(I) 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. SFRS(I) 18 will apply retrospectively.

The Group is in the process of assessing the impact of the new standard and its disclosure requirements.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations

Goodwill arising from business combinations generally represents the excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities on the acquisition date.

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.6 Subsidiaries

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less impairment losses.

2.7 Associates and joint ventures

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

There is no loss of significant influence of material associates or joint ventures.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.8 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly-controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost includes the cost of replacing part of the property, plant and equipment and costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and leasehold land	:	Over the period of the lease ranging from 4 to a maximum of 50 years
Leasehold improvements	:	9 to 50 years
Plant and machinery	:	2 to 30 years
Office furniture, fittings and equipment	:	2 to 20 years
Motor and transport vehicles	:	4 to 11 years

Construction-in-progress is not depreciated as it is not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

Notes to the
Financial Statements
For the financial year ended 31 December 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.10 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to income statement over the expected useful life of the relevant asset by equal annual instalments. Where the grant relates to an expense item, it is recognised as income on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

The Group's government grants were mainly to support and fund production facilities and research and development activities for product innovations and developments of engines.

2.11 Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(i) Trademarks

Trademarks acquired are assessed as either finite or indefinite. Trademark with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that trademark may be impaired. The amortisation expense and impairment loss are recognised in profit or loss in the expenses category consistent with the function of the trademarks.

Trademarks with indefinite useful lives are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.11 Intangible assets (cont'd)

(ii) Research and development costs

Research costs are expensed as incurred. Deferred development costs arising from development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development.

Following initial recognition of the deferred development costs as an intangible asset, it is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation of the intangible asset begins when development is complete and the asset is available for use. Deferred development costs are amortised over the estimated useful lives of the period of expected pattern of future economic benefits embodied in the development. The amortisation expense is recognised in profit or loss. During the period of development, the asset is tested for impairment annually.

(iii) Technology know-how

Technology know-how is amortised on a straight-line basis over its finite useful life of 5 – 10 years.

(iv) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

(v) Club membership

Club membership was acquired separately and is amortised on a straight-line basis over its finite useful life of 10 years.

(vi) Computer softwares

Computer softwares have a finite useful life and are amortised over the period of estimated useful life of 5 years on a straight-line basis.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.12 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only, when the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

(ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

The Group's debt instruments at fair value through OCI includes certain bill receivable that are not held to maturity.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.12 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement (cont'd)

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group has made an irrevocable elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.12 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

(ii) Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets when, and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.13 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity but exclude borrowing costs.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.15 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For bill receivables at fair value through OCI, the Group assesses the credit risk of the financial institution, which issue the bills, at every reporting date. The Group evaluates whether the bills are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort.

The information about the ECLs on the Company's trade receivables is disclosed in Note 15 and 34(a).

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.16 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.17 Employee benefits

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Singapore and Malaysia companies in the Group make contributions to the Central Provident Fund scheme in Singapore and the Employee Provident Fund in Malaysia respectively, a defined contribution pension scheme. The companies in the People's Republic of China ("PRC") participate in and make contributions to the national pension schemes at a fixed proportion of the basic salary of the employee. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Employment benefits are classified as short term or non-current based on expected timing of settlement.

(c) *Share-based payments*

The share option programme allows Group employees to acquire shares of certain Group companies. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates in employee expense with a corresponding adjustment to equity over the remaining vesting period.

2.18 Provisions

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

<u>Warranties</u>

A provision for warranties is recognised when the product is sold or service provided. The provision is based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

Costs incurred are charged against the provision and any over or under provision is recognised in profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.19 Revenue from contracts with customers

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Sale of engines*

Revenue from sale of engines is recognised when the engines are delivered to the customer and all criteria for acceptance have been satisfied.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties).

– Service-type warranty

The Group provides certain warranties for both repairs and maintenance service as part of the sales of engines. For general repairs, such warranties will be assurance-type warranties which will continue to be accounted for under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. Warranty for maintenance service is a distinct service to the customer in addition to the assurance that the product complies with agreed-upon specifications. Under SFRS(I) 15, the Group accounts for service-type warranty as a separate performance obligation to which the Group allocates a portion of the transaction price. The portion of the consideration allocated to the service-type warranty is initially recorded as a contract liability and recognised as revenue upon the service rendered.

– Variable consideration

The Group enters into contractual arrangements to provide certain customers with sales rebates when the quantity of products purchased during the period exceeds a threshold specified in the contract. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for each individual contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a liability in "Trade and other payables" for the expected future rebates to be utilised by the customers. Based on contractual arrangements with the customers, the rebates are netted against "Trade receivables", and only amounts in excess of "Trade receivables" continue to be recognised as refund liabilities in "Trade and other payables".

The Group does not extend its sales returns policy to all customers. However, the Group allows for certain returns, only on a case-by-case basis. The Group estimates the provision for such returns based on the historical return rates and accounts for it as a reduction in revenue and forms part of refund liability that is recognised in "Trade and other payables". A corresponding right of return assets is recognised in "Inventories".

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.19 Revenue from contracts with customers (cont'd)

(b) Sale of building materials

Revenue from the sale of building materials is recognised at a point in time when control of the goods passes to the customer, usually upon delivery of the goods.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of building materials, the Group considers the effects of variable consideration.

– Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which they will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of cement and related products provide customers with prompt payment rebates and volume rebates. The prompt payment rebates and volume rebates give rise to variable consideration.

– Early payment rebates

The Group provides prompt payment rebates to customers who settle the payments within certain period of time specified in the contract.

– Volume rebates

The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract.

(c) Sale of rigid packaging products

Revenue from sale of rigid packaging products is recognised at the point in time when control of the goods is transferred to the customer, usually upon delivery of the goods.

(d) Rendering of services

Revenue from rendering services relates to project management contracts, and hotel room and restaurant operations. Revenue is recognised over the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.19 Revenue from contracts with customers (cont'd)

(e) Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

(f) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(g) Interest income

Interest income is recognised using the effective interest method.

<u>Contract balances</u>

Capitalised contract costs

The capitalised contract costs are costs which have been capitalised and are directly related to a contract, for which resources were used in satisfying the contract and are expected to be recovered.

Capitalised contract costs are subsequently recognised in profit or loss as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional. Refer to Note 2.12 for details.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Right of return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods and any potential decreases in value. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned products.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.20 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) *As lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

<u>Right-of-use assets</u>

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land and land use rights	1 to 76 years
Building and office space	1 to 6 years
Motor and transport vehicles	12 years
Office furniture, fittings and equipment	3 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to accounting policies in Note 2.16.

<u>Lease liabilities</u>

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.20 Leases (cont'd)

(a) *As lessee (cont'd)*

<u>Lease liabilities (cont'd)</u>

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

<u>Short-term leases and leases of low-value assets</u>

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(b) *As lessor*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the income statement. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

2.21 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.21 Taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

(c) Sales tax (cont'd)

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(d) Global minimum top-up tax

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of SFRS(I) 1-12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

2.22 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and short-term deposits at banks are placed with financial institutions which are regulated.

2.23 Non-current assets held for sale and distribution to owners

Non-current assets and disposal groups classified as held for sale and distribution to owners are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for distribution to owners if the Group is committed to distribute the asset or disposal group to the owners. A component of the Group is classified as a 'discontinued operation' when the criteria to be classified as held for distribution to owners have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Property, plant and equipment once classified as held for sale are not depreciated.

2.24 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 37, including the factors used to identify the reportable segments and the measurement basis of segment information.

3. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land $'000	Buildings and leasehold land $'000	Leasehold improvements $'000	Plant and machinery $'000	Office furniture, fittings and equipment $'000	Motor and transport vehicles $'000	Construction-in-progress $'000	Total $'000
Cost								
At 1 January 2023	56,461	506,967	2,597	1,108,454	44,097	33,505	82,212	1,834,293
Translation differences	(906)	(22,981)	–	(57,088)	(1,893)	(1,043)	(2,368)	(86,279)
Additions	–	996	994	5,546	1,983	3,239	44,446	57,204
Transfers	–	18,849	–	54,864	2,202	–	(75,915)	–
Disposals	–	(90)	–	(3,932)	(197)	(8,694)	(1)	(12,914)
Disposal of a subsidiary	–	(15,225)	–	(4,614)	(1,052)	–	–	(20,891)
Write-off	–	(546)	(122)	(4,990)	(891)	(414)	–	(6,963)
At 31 December 2023 and 1 January 2024	55,555	487,970	3,469	1,098,240	44,249	26,593	48,374	1,764,450
Translation differences	954	5,731	–	17,727	1,343	494	357	26,606
Additions	–	450	1,236	5,269	2,886	4,523	67,738	82,102
Transfers	–	3,334	–	52,580	1,074	222	(57,210)	–
Disposals	–	(4,186)	–	(5,785)	(457)	(2,794)	–	(13,222)
Write-off	–	(36)	(56)	(1,412)	(1,179)	(1,405)	(38)	(4,126)
At 31 December 2024	56,509	493,263	4,649	1,166,619	47,916	27,633	59,221	1,855,810
Accumulated depreciation and impairment losses								
At 1 January 2023	1,548	214,219	1,618	657,410	37,968	30,926	2,709	946,398
Translation differences	(6)	(11,866)	–	(40,737)	(1,835)	(709)	(103)	(55,256)
Charge for the year	–	20,290	387	86,070	5,539	3,071	–	115,357*
Impairment losses made	–	1,731	–	6,510	83	9	106	8,439
Disposals	–	–	–	(2,435)	(182)	(7,873)	–	(10,490)
Disposal of a subsidiary	–	(8,364)	–	(3,782)	(978)	–	–	(13,124)
Write-off	–	(391)	(122)	(4,861)	(865)	(260)	–	(6,499)
At 31 December 2023 and 1 January 2024	1,542	215,619	1,883	698,175	39,730	25,164	2,712	984,825
Translation differences	5	4,205	–	15,444	1,258	419	7	21,338
Charge for the year	–	19,632	661	78,917	4,452	2,423	–	106,085*
Impairment losses made	–	–	–	1,361	–	–	–	1,361
Disposals	–	(3,810)	–	(4,304)	(421)	(2,743)	–	(11,278)
Write-off	–	(11)	(56)	(1,394)	(1,165)	(1,402)	(38)	(4,066)
At 31 December 2024	1,547	235,635	2,488	788,199	43,854	23,861	2,681	1,098,265
Net book value								
At 31 December 2023	54,013	272,351	1,586	400,065	4,519	1,429	45,662	779,625
At 31 December 2024	54,962	257,628	2,161	378,420	4,062	3,772	56,540	757,545

* An amount of $3,568,000 (2023: $3,142,000) and $269,000 (2023: $416,000) were capitalised as intangible assets and capitalised contract costs respectively.

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Leasehold improvements $'000	Office furniture, fittings and equipment $'000	Motor and transport vehicles $'000	Total $'000
Cost				
At 1 January 2023	858	1,426	217	2,501
Additions	–	24	–	24
At 31 December 2023 and 1 January 2024	858	1,450	217	2,525
Additions	–	20	–	20
At 31 December 2024	858	1,470	217	2,545
Accumulated depreciation				
At 1 January 2023	133	697	104	934
Charge for the year	264	164	43	471
At 31 December 2023 and 1 January 2024	397	861	147	1,405
Charge for the year	263	164	45	472
At 31 December 2024	660	1,025	192	1,877
Net book value				
At 31 December 2023	461	589	70	1,120
At 31 December 2024	198	445	25	668

4. INTANGIBLE ASSETS

Group	Development expenditure $'000	Technology know-how $'000	Computer software $'000	Trademarks $'000	Club membership $'000	Goodwill $'000	Total $'000
Cost							
At 1 January 2023	207,596	129,640	10,091	36,344	313	11,569	395,553
Additions	35,182	–	121	–	–	–	35,303
Transfer	(142,526)	142,526	–	–	–	–	–
Write-off	(315)	–	(18)	–	–	–	(333)
Translation differences	(5,913)	(7,428)	(103)	(1,295)	–	–	(14,739)
At 31 December 2023 and 1 January 2024	94,024	264,738	10,091	35,049	313	11,569	415,784
Additions	37,909	–	855	–	–	–	38,764
Transfer	(21,830)	21,830	–	–	–	–	–
Write-off	–	–	(79)	–	–	–	(79)
Translation differences	242	608	354	199	–	–	1,403
At 31 December 2024	110,345	287,176	11,221	35,248	313	11,569	455,872
Accumulated amortisation and impairment losses							
At 1 January 2023	4,570	44,826	8,015	3,621	313	10,667	72,012
Amortisation charge for the year	97	20,765	1,797	–	–	–	22,659
Write-off	(315)	–	(18)	–	–	–	(333)
Translation differences	(252)	(2,052)	(101)	(72)	–	–	(2,477)
At 31 December 2023 and 1 January 2024	4,100	63,539	9,693	3,549	313	10,667	91,861
Amortisation charge for the year	72	37,380	471	–	–	–	37,923
Write-off	–	–	(79)	–	–	–	(79)
Impairment losses	5,777	–	–	–	–	–	5,777
Translation differences	121	201	177	131	–	–	630
At 31 December 2024	10,070	101,120	10,262	3,680	313	10,667	136,112
Net carrying amount							
At 31 December 2023	89,924	201,199	398	31,500	–	902	323,923
At 31 December 2024	100,275	186,056	959	31,568	–	902	319,760

4. INTANGIBLE ASSETS (CONT'D)

Development expenditure

Development expenditure relates to costs incurred for the following:
- design, construction and testing of new powertrain solutions and new energy products
- exploration and evaluation expenditure of quarries, quarry use right
- cost saving on granites extraction projects to secure supply
- removal of waste to enable access to the mineral ore

Development expenditure for the design, construction and testing of new powertrain solutions and new energy products amounting to $100,275,000 (2023: $89,760,000) is not amortised as the development has not been completed and is not available for use. Other development expenditure has been fully amortised in 2024 (2023: 1 year).

Technology know-how

Technology know-how relates to an intellectual property right of a technology for building of certain engine platform relating to National VI, Tier 4 and new energy system, and has remaining amortisation period of 4 to 9 years (2023: 5 to 9 years).

Trademarks

Trademarks belonging to the Group's powertrain solutions segment and lifestyle appliances unit are estimated to have an indefinite useful life because management believes that there is no foreseeable limit to the period over which the trademarks are expected to generate net cash inflows for the Group.

Amortisation expense

The amortisation of club membership is included in the "General and administrative expenses" line items in the income statement. The amortisation of technology know-how, computer software and other intangible assets is included mainly in the "Cost of sales" and "General and administrative expenses" line items in the income statement.

Company	Computer software and related costs $'000	Club membership $'000	Total $'000
Cost			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	1,502	313	1,815
Accumulated amortisation and impairment losses			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	1,502	313	1,815
Net carrying amount			
At 31 December 2023 and 2024	–	–	–

5. IMPAIRMENT ASSESSMENT OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Powertrain solutions segment

Technology know-how

The Group has an intangible asset being technology development costs relating to the production of 4Y20 engines. As at 31 December 2024, the carrying amount was $763,000 (2023: $927,000) (net of accumulated impairment losses, accumulated amortisation and exchange difference).

Management believed that there was no indicator for further impairment in 2023 and 2024. Also, having considered that there was no significant change to the market and economic environment that had a favorable effect to the recoverable amount of the intangible asset, management had concluded that no reversal of impairment was necessary in 2023 and 2024. As at 31 December 2024, the accumulated impairment losses related to 4Y20 engines was $23,554,000 (2023: $23,503,000). The change in accumulated impairment losses is due to exchange translation.

In addition, the development of certain engine platform relating to National VI, Tier 4 and new energy system was completed in 2024 and the related development expenditure amounting to $21,830,000 (2023: $142,526,000) (net of exchange difference) was transferred from development expenditure to technology know-how.

Development expenditure

As at 31 December 2024, the Group has capitalised technology development costs of $100,275,000 (2023: $89,760,000) (net of accumulated impairment losses and exchange difference) mainly for new engines that comply with National VI/VI(b) and Tier 4 emission standards. These development costs are not amortised as the development has not been completed and are not available for use.

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

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.

The 2024 cash flow forecast with 5-8 years' projection period (2023: 6 – 10 years' projection period) was based on the updated financial budgets approved by the management with no terminal value.

The assumptions used in the assessment for the development expenditure in 2024 were:

- Profit from operation was based on management's estimate with reference to historical revenue generated, growth rate and estimation of future business outlook. The revenue growth rate was estimated in the range of 10% to 25% year-on-year from 2025 to 2029 in view of the industry outlook for China. Management expects a continued growth in new energy products in the market (2023: The revenue growth rate was estimated in the range of 10% to 25% year-on-year from 2024 to 2029).

- Discount rate of 15.0% (2023: 15.1%), which reflects management's estimate of the risks specific to the cash-generating unit ("CGU"), was estimated based on weighted average cost of capital.

5. IMPAIRMENT ASSESSMENT OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Powertrain solutions segment (cont'd)

Development expenditure (cont'd)

A decrease in demand can lead to a decline in profit from operation. If the demand decreases by 27.5% (2023: 6.6%) from management's estimate, it would result in impairment of the development expenditure. If the pre-tax discount rate increases to 20.3% (2023: 16.0%), it would result in impairment of the development expenditure.

With regard to the assessment of value in use, management believes that no reasonably possible change in any of the above key assumptions would cause the recoverable amount to materially fall below the carrying value.

Trademark

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 2024, the carrying amount was $31,568,000 (2023: $31,500,000) (net of exchange difference).

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

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

The recoverable amount was determined based on a value in use calculation using cash flow projections from financial budgets approved by the management covering a 5-year period (2023: 5-year period).

The assumptions used in the assessment for the trademark in 2024 were:

- Profit from operation was based on management's estimate with reference to historical performance and future business outlook.
- Discount rate of 13.2% (2023: 15.1%), which reflects management's estimate of the risks specific to the CGU, was based on weighted average cost of capital.
- Cash flows beyond the 5-year period are extrapolated using a 1.0% growth rate (2023: 1.0%), after taking into consideration industry outlook.

A decrease in demand can lead to a decline in profit from operation. If the demand decreases by 10.3% (2023: 12.9%) from management's estimate, it would result in impairment of the trademark. If the pre-tax discount rate increases to 19.2% (2023: 20.9%), it would result in impairment of the trademark.

With regard to the assessment of value in use, management believes that no reasonably possible change in any of the above key assumptions would cause the recoverable amount to materially fall below the carrying value.

5. IMPAIRMENT ASSESSMENT OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Powertrain solutions segment (cont'd)

Property, plant and equipment

Separately, the Group recognised impairment losses of $1,361,000 (2023: $8,439,000) in the income statement under the line items "Cost of sales" (2023: "Cost of sales" and "Other expenses") in respect of specific plant and equipment which were no longer in use.

6. INVESTMENT IN SUBSIDIARIES

	Company	
	2024 $'000	2023 $'000
Shares, at cost	232,387	232,387
Amounts due from subsidiaries	80,955	80,955
Impairment losses	(83,475)	(83,475)
	229,867	229,867

Assets pledged as security

As at 31 December 2023, the Group's investment in a subsidiary with a carrying amount of $79,211,000 was pledged to secure the Group's loans and borrowings (Note 19). The pledge had been discharged during the financial year ended 31 December 2024.

(a) Composition of the Group

The Group has the following significant investment in subsidiaries:

Name of subsidiaries	Country of incorporation	Effective equity interest Group 2024 %	Effective equity interest Group 2023 %
Held by the Company			
Hayford Holdings Sdn. Bhd.	Malaysia	100	100
HL Building Materials Pte. Ltd.	Singapore	100	100
HL-Manufacturing Industries Sdn. Bhd.	Malaysia	100	100
Hong Leong (China) Limited	Singapore	100	100
Island Concrete (Private) Limited	Singapore	100	100

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Composition of the Group (cont'd)

The Group has the following significant investment in subsidiaries (cont'd):

Name of subsidiaries	Country of incorporation	Effective equity interest Group 2024 %	2023 %
Held by the Group			
Airwell Air-conditioning Technology (China) Co., Ltd. [1] [2]	The People's Republic of China	67	67
China Yuchai International Limited ("CYI") [3] [6]	Bermuda	48.70	44.72
Dongguan Rex Packaging Company Limited [7]	The People's Republic of China	100	100
Fedders International Pte. Ltd.	Singapore	100	100
Guangxi Yuchai Foundry Company Limited [4]	The People's Republic of China	37.21	34.17
Guangxi Yuchai Machinery Company Limited [4]	The People's Republic of China	37.21	34.17
Guangxi Yuchai Machinery Sales and Marketing Development Co., Ltd. (formerly known as Guangxi Yuchai Machinery Monopoly Development Co., Ltd) [4]	The People's Republic of China	26.73	24.54
Guangxi Yuchai Marine and Genset Power Co., Ltd. ("MGP") [4]	The People's Republic of China	34.78	34.17
Guangxi Yulin Hotel Company Limited [4]	The People's Republic of China	37.21	34.17
HL Global Enterprises Limited ("HLGE") [4] [5]	Singapore	24.43	22.43
Tasek Corporation Berhad [6]	Malaysia	98.28	98.28
Tianjin Rex Packaging Co., Ltd. [8]	The People's Republic of China	–	100
Yuchai Simlan Technology Co., Ltd. (formerly known as Yuchai Xin-Lan New Energy Power Technology Co., Ltd.) [4]	The People's Republic of China	32.63	29.97

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6. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Composition of the Group (cont'd)

Ernst & Young LLP, Singapore, is the auditor of all significant Singapore-incorporated subsidiaries while other member firms of Ernst & Young Global are auditors of significant foreign incorporated subsidiaries.

(1) As reported in the Company's announcements on 30 September 2020, 16 November 2020, 12 August 2021 and 25 February 2022 relating to the disposal of assets of Airwell Air-conditioning Technology (China) Co., Ltd. ("Airwell China") and the cessation of Airwell China's business as at 31 December 2020, the assets and liabilities related to Airwell China have been presented in the balance sheet as "assets of disposal group classified as held for distribution to owners" and "liabilities directly associated with disposal group classified as held for distribution to owners" and its results are presented separately in the consolidated income statement as "loss from discontinued operation, net of tax". The company is in members' voluntary liquidation. Please refer to Note 6(f) for details.

(2) Audited by XinLianyi Certified Public Accountants (Limited) Liability Partnership and is not considered a significant foreign incorporated subsidiary.

(3) The directors consider CYI as a subsidiary of the Company as the Group owns 18,270,965 (2023: 18,270,965) or 48.70% (2023: 44.72%) of the ordinary shares and a special share of CYI that entitles the Group to elect a majority of directors in CYI. Accordingly, the Group is exposed to, and has rights, to variable returns from its involvement with CYI, and has the ability to affect those returns through its power over CYI.

(4) These companies are subsidiaries of CYI.

(5) The Group considers HLGE a subsidiary as it has the power to exercise effective control and direct the activities of HLGE that most significantly affect its economic performance and has the exposure or rights to receive benefits from HLGE from its involvement. CYI Group has effective equity interest in HLGE of 50.16% (2023: 50.16%), excluding the ordinary shares held by Amicorp Trustees (Singapore) Limited under the HL Global Enterprises Share Option Scheme 2006 Trust as of 31 December 2024.

(6) The effective equity interest was computed based on the total number of ordinary shares excluding treasury shares.

(7) Audited by Dongguan City Changxin Certified Public Accountants and is not considered a significant foreign incorporated subsidiary.

(8) The company was dissolved under member's voluntary liquidation during the year.

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Interest in subsidiaries with material non-controlling interests ("NCI")

The Group has the following subsidiaries that have NCI that are material to the Group.

Name of Subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interests	Profit allocated to NCI during the reporting period $'000	Accumulated NCI at the end of reporting period $'000	Dividends paid to NCI $'000
31 December 2024:					
Guangxi Yuchai Machinery Company Limited	The People's Republic of China	62.79%	59,590	1,445,577	16,588
31 December 2023:					
Guangxi Yuchai Machinery Company Limited	The People's Republic of China	65.83%	53,690	1,419,077	6,623

Significant restrictions

The nature and extent of significant restrictions on the Group's ability to use or access assets and settle liabilities of subsidiaries with material non-controlling interests are:

Cash and cash equivalents of $1,018,025,000 (2023: $915,371,000) held in the PRC are subject to local exchange control regulations. These regulations place restrictions on the amount of currency being exported other than through dividends, trade and service related transactions.

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) Summarised financial information about subsidiaries with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests is as follows:

Summarised balance sheets

	Guangxi Yuchai Machinery Company Limited 2024 $'000	2023 $'000
Current		
Assets	3,657,649	3,350,236
Liabilities	(2,455,436)	(2,231,471)
Net current assets	1,202,213	1,118,765
Non-current		
Assets	1,157,359	1,169,738
Liabilities	(269,857)	(270,335)
Net non-current assets	887,502	899,403
Net assets	2,089,715	2,018,168

Summarised income statement and statement of comprehensive income

	Guangxi Yuchai Machinery Company Limited 2024 $'000	2023 $'000
Revenue	3,545,154	3,403,537
Profit before income tax	115,246	106,312
Income tax expense	(20,342)	(24,753)
Profit after tax	94,904	81,559
Other comprehensive income	844	2,072
Total comprehensive income	95,748	83,631

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) Summarised financial information about subsidiaries with material NCI (cont'd)

Other summarised information

	Guangxi Yuchai Machinery Company Limited	
	2024 $'000	2023 $'000
Net cash flows generated from operations	197,824	287,032
Net cash flows used in investing activities	(39,108)	(44,233)
Net cash flows used in financing activities	(54,277)	(12,770)
Acquisition of significant property, plant and equipment	(64,898)	(33,398)

(d) Repurchase of shares by a subsidiary

On 31 October 2024, the Group's subsidiary, CYI announced that it had ended its share buyback plan which was adopted on 7 June 2024, under which CYI may repurchase its ordinary shares up to US$40 million in dollar amount or 4 million in number of shares, whichever occurs earlier. The shares purchased under CYI's share buyback plan are to be held as treasury shares for the time being.

As at 31 October 2024, CYI had repurchased a total of 3,339,968 shares amounting to a total amount of US$39,825,731. Accordingly, CYI's outstanding shares have been reduced from 40,858,290 to 37,518,322. This resulted in a 3.98% increase in HLA's shareholding in CYI, from 44.72% to 48.70%. The Group recorded a surplus on changes of non-controlling interests amounting to S$17,416,000, representing the difference between the buyback price and the net tangible asset value of those 37,518,322 shares.

(e) Dilution of ownership in subsidiary, without loss of control

In June 2024, the Group's subsidiary, MGP issued additional ordinary shares pursuant to MGP share scheme (Note 31) for cash consideration of $15,421,000. As a result, the Group's effective equity interest in MGP decreased to 31.94%, with a loss on dilution of $1,670,000 recognised as "deficit on changes of non-controlling interests" within equity.

Following the share buyback plan by CYI (Note 6(d)), the Group's effective equity interest increased to 34.78%.

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6. INVESTMENT IN SUBSIDIARIES (CONT'D)

(f) Disposal group held for distribution to owners and discontinued operation

On 30 September 2020, the Company announced that its subsidiary, Airwell Air-conditioning Technology (China) Co., Ltd. ("Airwell China"), entered into a sale and purchase agreement for the sale of assets (mainly right-of-use assets and building) for a cash consideration of RMB 141,000,000. Subsequent to an update on the asset sale announced on 16 November 2020, the business operations of Airwell China and its subsidiary (collectively, "Airwell") had ceased as at 31 December 2020. Accordingly, the assets and liabilities related to Airwell had been presented in the balance sheet as "assets of disposal group classified as held for distribution to owners" and "liabilities directly associated with disposal group classified as held for distribution to owners" and its results are presented separately in the consolidated income statement as "loss from discontinued operation, net of tax".

The sale of assets was completed in the financial year ended 31 December 2021. Airwell is in the process of liquidation.

The results of Airwell for the years ended 31 December are as follows:

	Group	
	2024 $'000	2023 $'000
Expenses	(94)	(175)
Other income	626	8
Profit/(loss) before tax from discontinued operation	532	(167)
Income tax expense	–	–
Profit/(loss) after tax from discontinued operation	532	(167)
Attributable to:		
Owners of the Company	356	(112)
Non-controlling interests	176	(55)
	532	(167)
Earnings/(loss) per share from discontinued operation attributable to owners of the Company (cent per share)		
– Basic	0.05	(0.02)
– Diluted	0.05	(0.02)

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

(f) Disposal group held for distribution to owners and discontinued operation (cont'd)

The major classes of assets and liabilities of Airwell classified as held for distribution to owners and the related translation reserve as at 31 December are as follows:

	2024 $'000	2023 $'000
Assets		
Cash and cash equivalents	1,329	1,415
Assets of disposal group classified as held for distribution to owners	1,329	1,415
Liabilities		
Trade and other payables	269	782
Liabilities directly associated with disposal group classified as held for distribution to owners	269	782
Net assets directly associated with disposal group	1,060	633
Equity		
Translation reserve	665	825
Reserve attributable to disposal group classified as held for distribution to owners	665	825

The net cash flows incurred by the disposal group are as follows:

	2024 $'000	2023 $'000
Operating	(92)	(329)
Investing	6	8
Net cash outflow	(86)	(321)

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6. INVESTMENT IN SUBSIDIARIES (CONT'D)

(g) Disposal of subsidiary

In December 2023, the Group's subsidiary, Guangxi Yuchai Machinery Company Limited disposed of its entire shareholding interest in its wholly owned subsidiary, Yuchai Remanufacturing Services (Suzhou) Co., Ltd., to a third party for a cash consideration of $45,670,000.

The value of assets and liabilities of the disposal recorded in the consolidated financial statements and the cash flow effect, and the effects of the disposal were:

	2023 $'000
Property, plant and equipment	7,767
Right-of-use assets	4,304
Trade and other receivables	8,992
Cash and cash equivalents	6,056
	27,119
Trade and other payables	(3,799)
Provisions	(405)
Contract liabilities	(20)
Carrying value of net assets	22,895
Consideration less cost of disposal	44,251
Add: Transaction cost unpaid	1,419
Less: Sales proceed to be received	(44,725)
Less: Sales proceed received but restricted in use	(945)
Less: Cash and cash equivalents of a subsidiary	(6,056)
Net cash outflow on disposal of a subsidiary	(6,056)
Gain on disposal:	
Consideration less cost of disposal	44,251
Net assets derecognised	(22,895)
Realisation of translation differences	(1,763)
Gain on disposal of a subsidiary	19,593

Proceeds (net of transaction costs and foreign exchange) of $40,379,000 from the disposal of subsidiary were received during the year ended 31 December 2024.

7. INTERESTS IN ASSOCIATES

The Group's and Company's material investments in associates are summarised below:

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Singapore Cement Manufacturing Company (Private) Limited	20,608	18,988	14,605	14,605
Cement Industries (Sabah) Sdn. Bhd.	15,803	14,393	–	–
BRC Asia Limited ("BRC")	110,141	100,428	–	–
Other associates	1,212	1,132	–	–
	147,764	134,941	14,605	14,605
Fair value of investment in an associate for which there is a published price quotation	138,201	98,952	–	–

Name of significant associate	Country of incorporation	Principal activities	Effective equity interest 2024 %	2023 %
Held by the Company				
Singapore Cement Manufacturing Company (Private) Limited [1]	Singapore	Storage, packaging and distribution of cement	50	50
Held by the Group				
Cement Industries (Sabah) Sdn. Bhd. [2] [3]	Malaysia	Manufacture and sale of cement	29.48	29.48
BRC Asia Limited [1]	Singapore	Prefabrication of steel reinforcement for use in concrete, trading of steel reinforcing bars, and manufacturing and sale of wire mesh fences	20.15	20.15

(1) Audited by Ernst & Young LLP, Singapore.

(2) Audited by member firms of Ernst & Young Global.

(3) Proportion of ownership interest held by the Group in Cement Industries (Sabah) Sdn. Bhd. is 30% (2023: 30%) as at 31 December 2024.

7. INTERESTS IN ASSOCIATES (CONT'D)

The summarised financial information in respect of Singapore Cement Manufacturing Company (Private) Limited, Cement Industries (Sabah) Sdn. Bhd. and BRC Asia Limited based on its SFRS(I) financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheets

	Singapore Cement Manufacturing Company (Private) Limited		Cement Industries (Sabah) Sdn. Bhd.		BRC Asia Limited		Total	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Current assets	39,764	35,043	27,011	26,091	735,868	856,428		
Non-current assets	15,796	17,881	33,762	31,794	138,120	130,838		
Total assets	55,560	52,924	60,773	57,885	873,988	987,266		
Current liabilities	(11,177)	(11,777)	(7,594)	(9,908)	(350,619)	(515,377)		
Non-current liabilities	(3,168)	(3,172)	(503)	–	(28,672)	(27,224)		
Total liabilities	(14,345)	(14,949)	(8,097)	(9,908)	(379,291)	(542,601)		
Net assets	41,215	37,975	52,676	47,977	494,697	444,665		
Proportion of the Group's ownership	50%	50%	30%	30%	20.15%	20.15%		
Group's share of net assets	20,608	18,988	15,803	14,393	99,681	89,600		
Goodwill on acquisition	–	–	–	–	7,151	7,151		
Assets revaluation reserves	–	–	–	–	3,309	3,677		
Carrying amount of significant associates	20,608	18,988	15,803	14,393	110,141	100,428	146,552	133,809
Carrying amount of other associates							1,212	1,132
Carrying amount of the investment in associates							147,764	134,941

7. INTERESTS IN ASSOCIATES (CONT'D)

Summarised income statement and statement of comprehensive income

	Singapore Cement Manufacturing Company (Private) Limited		Cement Industries (Sabah) Sdn. Bhd.		BRC Asia Limited		Total	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Revenue	107,697	82,805	149,003	125,191	1,431,955	1,684,952		
Profit after tax	3,339	1,345	7,507	6,381	95,920	81,192		
Group's share of results	1,670	673	2,252	1,914	19,328	16,360		
Other adjustments	–	–	–	–	(368)	(368)		
Group's share of results of significant associates	1,670	673	2,252	1,914	18,960	15,992	22,882	18,579
Group's share of results of other associates							6	(57)
Group's share of results of associates for the year							22,888	18,522
Other comprehensive income of significant associates	–	–	–	–	151	521	151	521
Other comprehensive income of other associates							–	–
Group's share of results for the year representing the Group's share of total comprehensive income for the year							23,039	19,043

8. INTERESTS IN JOINT VENTURES

	Group	
	2024 $'000	2023 $'000
Y&C Engine Co., Ltd.	6,482	2,407
MTU Yuchai Power Company Limited	53,324	37,686
Guangxi Purem Yuchai Automotive Technology Co., Ltd.	3,134	2,943
HL-Sunway JV Pte. Ltd.	9,852	9,761
Other joint ventures	186	1,154
Allowance for impairment loss	(184)	(184)
	72,794	53,767

Particulars of the significant joint venture entities are as follows:

Name of significant joint venture entity	Country of incorporation	Principal activities	Effective equity interest 2024 %	Effective equity interest 2023 %
Held by the Group				
HL-Sunway JV Pte. Ltd. [1]	Singapore	Manufacturing and sale of precast concrete components	51	51
MTU Yuchai Power Company Limited [2] [3]	The People's Republic of China	Manufacturing of off-road powertrain solutions engines	17.39	17.09
Y&C Engine Co., Ltd. [2] [4]	The People's Republic of China	Manufacturing and sale of heavy duty powertrain solutions engines, spare parts and after-sales services	16.74	15.38
Guangxi Purem Yuchai Automotive Technology Co., Ltd. [2] [5]	The People's Republic of China	Application development, production, sales and service on engine exhaust control system	18.23	16.74

(1) Audited by Ernst & Young LLP, Singapore.

(2) Audited by member firms of Ernst & Young Global.

(3) Proportion of ownership interest held by the Group in MTU Yuchai Power Company Limited is 50% (2023: 50%) as at 31 December 2024. During the year ended 31 December 2024, the repurchase of shares by CYI and issuance of shares by MGP pursuant to MGP share scheme (refer to Note 6(d), 6(e) and 31) resulted in the change in effective equity interest held by the Group.

8. INTERESTS IN JOINT VENTURES (CONT'D)

[4] Proportion of ownership interest held by the Group in Y&C Engine Co., Ltd. is 45% (2023: 45%) as at 31 December 2024. During the year ended 31 December 2024, the repurchase of shares by CYI (refer to Note 6(d)) resulted in the change in effective equity interest held by the Group.

[5] Proportion of ownership interest held by the Group in Guangxi Purem Yuchai Automotive Technology Co., Ltd. is 49% (2023: 49%) as at 31 December 2024. During the year ended 31 December 2024, the repurchase of shares by CYI (refer to Note 6(d)) resulted in the change in effective equity interest held by the Group.

As at 31 December 2024, the Group's share of joint ventures' capital commitment that are contracted but not paid for was $2,905,000 (2023: $1,062,000).

As at 31 December 2024, the Group's share of outstanding bill receivables discounted with banks for which a joint venture retained a recourse obligation was $3,363,000 (2023: $2,181,000).

As at 31 December 2024, the Group's share of outstanding bill receivables endorsed to suppliers for which a joint venture retained a recourse obligation was $786,000 (2023: $1,641,000).

Significant restrictions

As at 31 December 2024, the nature and extent of significant restrictions on the Group's ability to use or access assets and settle liabilities of joint ventures are:

- The Group's share of cash and cash equivalents of $123,671,000 (2023: $51,661,000) held in the PRC are subject to local exchange control regulations. These regulations places restriction on the amount of currency being exported other than through dividends, trade and service related transactions.
- The Group's share of restricted cash of $9,015,000 (2023: $4,141,000) was used as collateral by the banks for the issuance of bills to suppliers. No bill receivables (2023: The Group's share of bill receivables of $419,000) was used as collateral by the banks for the issuance of bills to suppliers.

8. INTERESTS IN JOINT VENTURES (CONT'D)

Summarised financial information, in respect of Y&C Engine Co., Ltd., MTU Yuchai Power Company Limited, Guangxi Purem Yuchai Automotive Technology Co., Ltd. and HL-Sunway JV Pte. Ltd., based on its SFRS(I) financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheets

	Y&C Engine Co., Ltd.		MTU Yuchai Power Company Limited		Guangxi Purem Yuchai Automotive Technology Co., Ltd.		HL–Sunway JV Pte. Ltd.		Total	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Cash and short-term deposits	11,783	11,919	113,566	97,176	7,452	3,000	1,182	377		
Other current assets	82,437	79,042	47,130	42,086	5,557	8,349	4,122	2,001		
Total current assets	94,220	90,961	160,696	139,262	13,009	11,349	5,304	2,378		
Non-current assets	114,463	127,148	14,988	13,874	7,939	9,623	133,894	141,426		
Total assets	208,683	218,109	175,684	153,136	20,948	20,972	139,198	143,804		
Other current liabilities	(156,328)	(175,548)	(66,929)	(76,870)	(14,553)	(14,965)	(106,992)	(124,665)		
Non-current liabilities	(34,554)	(27,123)	(948)	(895)	–	–	(12,889)	–		
Total liabilities	(190,882)	(202,671)	(67,877)	(77,765)	(14,553)	(14,965)	(119,881)	(124,665)		
Net assets	17,801	15,438	107,807	75,371	6,395	6,007	19,317	19,139		
Proportion of the Group's ownership	45%	45%	50%	50%	49%	49%	51%	51%		
Group's share of net assets	8,010	6,947	53,904	37,686	3,134	2,943	9,852	9,761		
Unrealised profit on transactions with joint venture	(1,528)	(4,540)	(580)	–	–	–	–	–		
Carrying amount of significant joint ventures	6,482	2,407	53,324	37,686	3,134	2,943	9,852	9,761	72,792	52,797
Carrying amount of other joint ventures									186	1,154
Allowance for impairment loss									(184)	(184)
Carrying amount of the investment in joint ventures									72,794	53,767

8. INTERESTS IN JOINT VENTURES (CONT'D)

Summarised income statement and statement of comprehensive income

	Y&C Engine Co., Ltd.		MTU Yuchai Power Company Limited		Guangxi Purem Yuchai Automotive Technology Co., Ltd.		HL–Sunway JV Pte. Ltd.		Total	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Revenue	277,013	295,135	180,632	133,840	14,581	14,947	26,329	4,412		
Depreciation and amortisation	(13,707)	(12,025)	(1,758)	(1,640)	(1,336)	(1,428)	(7,387)	(7,567)		
Interest income	78	120	2,163	2,253	9	7	–	–		
Interest expense	(3,891)	(4,372)	(201)	(976)	–	–	–	–		
Profit/(loss) after tax	2,336	(1)	32,218	28,345	373	(1,738)	178	(8,797)		
Group's share of results	1,051	–	16,109	14,172	183	(852)	91	(4,486)		
Unrealised loss/(profit) on transactions with joint venture	1,859	(759)	(55)	(54)	–	–	–	–		
Group's share of results of significant joint ventures	2,910	(759)	16,054	14,118	183	(852)	91	(4,486)	19,238	8,021
Group's share of results of other joint ventures									(300)	(778)
Group's share of results of joint ventures for the year									18,938	7,243
Other comprehensive income of significant joint ventures	–	–	–	–	–	–	–	–	–	–
Other comprehensive income of other joint ventures									–	–
Group's share of results for the year representing the Group's share of total comprehensive income for the year									18,938	7,243

9. INVESTMENT PROPERTY

	Group	
	2024 $'000	2023 $'000
Cost		
At 1 January	5,889	6,242
Translation differences	369	(353)
At 31 December	6,258	5,889
Accumulated depreciation		
At 1 January	5,128	5,326
Charge for the year	67	67
Translation differences	287	(265)
At 31 December	5,482	5,128
Net carrying amount	776	761
Fair value	2,462	2,124
Income statement:		
Rental income	29	29
Direct operating expenses (including repairs, maintenance and depreciation expense) arising from the rental generating property	(191)	(203)

The Group has no restrictions on the realisability of its investment property. The Group is in the process of planning to carry out major refurbishment of the entertainment complex for conversion into additional hotel and function rooms. The building permit for the conversion of the entertainment complex into hotel and function rooms had been approved by the Cameron Highlands District Council in 2024.

The entertainment complex is classified as investment property as it is still held to earn rental income and is being leased to third parties.

Depreciation is calculated using straight-line method to allocate the depreciable amounts over the estimated useful life of 30 years.

The Group engaged an independent professional qualified valuer to determine the fair value of investment property at the end of each financial year.

The fair value of investment property is determined by the market comparison and cost methods. In valuing the investment property, due consideration is given to factors such as location and size of building, building infrastructure, market knowledge and historical comparable transactions to arrive at their opinion of value.

9. INVESTMENT PROPERTY (CONT'D)

The following table shows information about fair value measurement of the investment property using significant unobservable inputs (Level 3):

	Valuation techniques	Unobservable input	Inter-relationship between key unobservable inputs and fair value measurement
2024	Market comparison and cost method	Comparable price: $19 to $106 per square foot	The estimated fair value increases with higher comparable price
2023	Market comparison and cost method	Comparable price: $35 to $85 per square foot	The estimated fair value increases with higher comparable price

10. OTHER INVESTMENTS

Financial instruments as at 31 December

	Group	
	2024 $'000	2023 $'000
Non-current		
At fair value through other comprehensive income		
Quoted equity securities		
– related corporations (quoted in Singapore)	1,225	1,392
– other companies (quoted in Singapore, Malaysia and United States of America)	905	4,648
	2,130	6,040

Investment in equity instruments designated at fair value through other comprehensive income

The Group has elected to measure these equity securities at FVOCI due to the Group's intention to hold these equity instruments for long-term appreciation.

During the financial year ended 31 December 2024, the Group disposed of certain quoted equity securities. The fair value of these securities at the date of disposal amounted to $3,179,000 (2023: $7,228,000). The cumulative gain arising from the disposal amounting to $705,000 (2023: $1,336,000) was transferred from fair value reserve to accumulated profits.

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11. NON-CURRENT RECEIVABLES

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Amounts due from subsidiaries	–	–	281,752	281,752
Amounts due from joint venture	52,855	47,258	–	–
Retention sums	4,364	5,023	–	–
Less: Allowance for expected credit losses	–	–	(281,752)	(281,752)
	57,219	52,281	–	–

Group

Retention sums relate to retention sums on projects and are non-interest bearing and not expected to be repaid within the next 12 months.

The amounts due from joint venture are non-trade in nature, unsecured, non-interest bearing and not expected to be repaid within the next 12 months.

Company

As at 31 December 2024 and 2023, the amounts due from subsidiaries are non-trade in nature, unsecured and non-interest bearing. The settlement is neither planned nor likely to occur in the foreseeable future.

12. DEFERRED TAX

Movements in deferred tax assets and liabilities during the year are as follows:

Group	At 1 January 2024 $'000	Recognised in income statement $'000	Recognised in other comprehensive income $'000	Withholding taxes paid on remittance of dividends $'000	Translation differences $'000	At 31 December 2024 $'000
Deferred tax liabilities						
Property, plant and equipment	(21,946)	6,482	–	–	(251)	(15,715)
Unremitted income	(5,263)	(1,251)	–	–	12	(6,502)
Withholding tax on dividend income	(11,966)	(2,884)	–	2,884	(31)	(11,997)
	(39,175)	2,347	–	2,884	(270)	(34,214)
Deferred tax assets						
Property, plant and equipment	60	128	–	–	1	189
Inventories	6,939	273	–	–	15	7,227
Trade and other receivables	1,688	4,575	–	–	11	6,274
Provisions	43,754	(11,439)	–	–	93	32,408
Deferred grants	9,381	8,488	–	–	35	17,904
Other items	34,170	(13,751)	703	–	50	21,172
	95,992	(11,726)	703	–	205	85,174
Total	56,817	(9,379)	703	2,884	(65)	50,960

Movements in deferred tax assets and liabilities during the year are as follows:

Group	At 1 January 2023 $'000	Recognised in income statement $'000	Withholding taxes paid on remittance of dividends $'000	Translation differences $'000	At 31 December 2023 $'000
Deferred tax liabilities					
Property, plant and equipment	(28,632)	6,291	–	395	(21,946)
Unremitted income	(4,372)	(891)	–	–	(5,263)
Withholding tax on dividend income	(11,915)	(2,731)	2,185	495	(11,966)
	(44,919)	2,669	2,185	890	(39,175)
Deferred tax assets					
Property, plant and equipment	12,942	(12,629)	–	(253)	60
Inventories	5,741	1,436	–	(238)	6,939
Trade and other receivables	1,584	156	–	(52)	1,688
Provisions	42,243	3,131	–	(1,620)	43,754
Deferred grants	5,245	4,412	–	(276)	9,381
Other items	46,802	(11,224)	–	(1,408)	34,170
	114,557	(14,718)	–	(3,847)	95,992
Total	69,638	(12,049)	2,185	(2,957)	56,817

12. DEFERRED TAX (CONT'D)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The amounts determined after appropriate offsetting included in the balance sheet are as follows:

	Group 2024 $'000	Group 2023 $'000
Deferred tax assets	77,527	80,183
Deferred tax liabilities	(26,567)	(23,366)
	50,960	56,817

Deferred tax assets and liabilities of the Company (prior to offsetting of balances) are attributable to the following:

	Company 2024 $'000	Company 2023 $'000
Deferred tax liabilities		
Property, plant and equipment	(109)	(178)
Unremitted income	(5,156)	(4,406)
	(5,265)	(4,584)
Deferred tax assets		
Provisions	6	12
Investment allowances	658	1,023
	664	1,035

The amounts determined after appropriate offsetting included in the balance sheet are as follows:

	Company 2024 $'000	Company 2023 $'000
Deferred tax assets	664	1,035
Deferred tax liabilities	(5,265)	(4,584)
	(4,601)	(3,549)

12. DEFERRED TAX (CONT'D)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2024 $'000	2023 $'000
Unutilised tax losses	329,922	136,043
Unutilised capital allowances and investment allowances	26,828	26,754
Other unrecognised temporary differences relating to provisions and deferred grants	32,124	29,595
	388,874	192,392

Unutilised tax losses and unabsorbed capital allowances for the Group are subject to agreement with the tax authorities and compliance with tax regulations in the respective countries in which the Group operates. The unabsorbed capital allowances do not expire under current tax legislation. The unutilised tax losses can be carried forward for 5 to 10 years, except for an amount of $11,024,000 (2023: $11,024,000) with no expiry date. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group can utilise the benefits.

13. INVENTORIES

	Group	
	2024 $'000	2023 $'000
Raw materials and consumables	450,861	453,925
Manufacturing work-in-progress	15,811	15,889
Finished goods	475,894	460,818
Right of return assets	21,906	6,683
Total inventories at the lower of cost and net realisable value	964,472	937,315

	2024 $'000	2023 $'000
Inventories recognised as an expense in cost of sales (Note 25)	2,796,996	2,771,591
Inclusive of the following charge/(credit):		
– Inventory obsolescence	24,365	17,302
– Reversal of inventory obsolescence	(13,649)	(6,863)

The reversal of inventory obsolescence was made when the related inventories were sold above their carrying value or consumed for production.

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14. DEVELOPMENT PROPERTIES

	Group	
	2024 $'000	2023 $'000
Freehold land	2,700	2,549
Development costs	10,168	9,768
Allowance for anticipated losses	(9,758)	(9,213)
	3,110	3,104

Movements in the carrying amounts of development properties are as follows:

	Group	
	2024 $'000	2023 $'000
At 1 January	3,104	3,221
Translation adjustments	184	(170)
Capitalisation of costs during the year	7	53
Write-back of costs	(185)	–
At 31 December	3,110	3,104

No borrowing cost has been capitalised in 2024 and 2023.

The change in allowance for anticipated losses in respect of development properties during the year is as follows:

	Group	
	2024 $'000	2023 $'000
At 1 January	9,213	9,791
Translation adjustments	545	(578)
At 31 December	9,758	9,213

15. TRADE AND OTHER RECEIVABLES

	Group 2024 $'000	Group 2023 $'000
Trade receivables	446,300	357,257
Bill receivables	1,340,337	1,172,324
Less: Allowance for expected credit losses	(39,155)	(7,098)
Net trade receivables	1,747,482	1,522,483
Amounts receivable from:		
– ultimate holding company (non-trade)	10	8
– immediate holding company (non-trade)	18	16
– associates and joint ventures (trade)	19,300	34,864
– associates and joint ventures (non-trade)	2,536	19,237
– other related corporations (trade)	24,132	39,457
– other related corporations (non-trade)	1,715	730
Advances paid to suppliers	22,362	13,846
Prepaid expenses	8,584	2,805
Refundable deposits	3,619	3,396
Tax recoverable	26,686	20,204
Other receivables	121,254	156,166
Less: Allowance for expected credit losses	(70,849)	(68,426)
Net other receivables	159,367	222,303
Total trade and other receivables	1,906,849	1,744,786

	Company 2024 $'000	Company 2023 $'000
Amounts receivable from:		
– ultimate holding company (non-trade)	10	8
– immediate holding company (non-trade)	18	10
– subsidiaries (non-trade)	419,814	395,585
– other related corporations (non-trade)	13	13
Prepaid expenses	59	51
Refundable deposits	–	1
Other receivables	2	–
Less: Allowance for expected credit losses	(10,732)	(10,702)
Total trade and other receivables	409,184	384,966

15. TRADE AND OTHER RECEIVABLES (CONT'D)

Group

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Bill receivables have contractual maturities of up to 12 months from the date of bills issuance.

The non-trade balances due from ultimate and immediate holding companies, associates, joint ventures and other related corporations are unsecured, interest-free, repayable on demand and are to be settled in cash.

The maximum exposure to credit risk for trade and bill receivables at the reporting date is as follows:

	Group 2024 $'000	Group 2023 $'000
Powertrain solutions	1,594,650	1,375,033
Building materials	149,952	143,654
Others	2,880	3,796
	1,747,482	1,522,483

Company

The non-trade balances due from subsidiaries include loans and advances of $240,299,000 (2023: $259,784,000) which bear interest at rates ranging from 3.95% to 6.65% (2023: 4.94% to 6.67%) per annum. The weighted average effective interest rate at the balance sheet date in respect of the interest-bearing balances is 3.55% (2023: 3.49%) per annum. Interest rates will be repriced within 12 months. These balances are repayable on demand and are to be settled in cash.

The remaining non-trade balances are unsecured, interest-free, repayable on demand and are to be settled in cash.

Based on management's assessment, no additional allowance for expected credit losses (2023: nil) was made on amounts receivable from subsidiaries.

15. TRADE AND OTHER RECEIVABLES (CONT'D)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Weighted average loss rate %	Group Gross carrying amount at default $'000	Expected credit loss $'000
2024			
Current	–	153,457	–
Past due 0 to 30 days	–	87,846	–
Past due 31 to 120 days	10.1	136,576	13,822
Past due 121 days to one year	19.6	41,564	8,136
Past due more than one year	64.0	26,857	17,197
Total	8.8	446,300	39,155
2023			
Current	–	161,582	–
Past due 0 to 30 days	0.1	72,923	31
Past due 31 to 120 days	0.1	81,304	36
Past due 121 days to one year	1.9	26,509	511
Past due more than one year	43.6	14,939	6,520
Total	2.0	357,257	7,098

The Group's and Company's movements in allowances for trade and other receivables and non-current receivables at the end of the reporting period are as follows:

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
At 1 January	75,524	71,164	292,454	292,474
Allowances made, net	34,432	4,685	–	–
Amounts written off	(50)	(56)	–	–
Translation differences	98	(269)	30	(20)
At 31 December	110,004	75,524	292,484	292,454

In addition, the Group wrote off receivables amounting to $3,994,000 (2023: nil) relating to specific customers during the year ended 31 December 2024.

15. TRADE AND OTHER RECEIVABLES (CONT'D)

The Group receives financial guarantees given by banks, shareholders or directors of customers in managing exposure to credit risks. At the reporting date, the Group received financial guarantees up to a limit of $12,169,000 (2023: $11,139,000) for certain trade receivables. These guarantees included cash collateral held from certain customers of $1,961,000 (2023: $5,913,000). The remaining balance of trade receivables are not secured by any collateral or supported by any other credit enhancements.

As at 31 December 2024, outstanding bill receivables discounted with banks for which the Group retained a recourse obligation were $189,843,000 (2023: $307,824,000). All bill receivables discounted have contractual maturities of less than 12 months at the time of discounting.

As at 31 December 2024, outstanding bill receivables endorsed to suppliers with recourse obligation were $252,707,000 (2023: $302,333,000).

Receivables subject to offsetting arrangements

The Company had certain counterparties with receivables and payables that are offset as follows:

	Gross carrying amounts $'000	Gross amounts offset in the balance sheet $'000	Net amounts in the balance sheet $'000
Company			
31 December 2024			
Current			
Amounts due from subsidiaries	8,446	(159)	8,287
Amounts due to subsidiaries	(159)	159	–
31 December 2023			
Current			
Amounts due from subsidiaries	4,255	(197)	4,058
Amounts due to subsidiaries	(211)	197	(14)

15. TRADE AND OTHER RECEIVABLES (CONT'D)

Receivables subject to an enforceable master netting arrangement that are not otherwise set off

The Group had certain counterparties with receivables and payables subject to an enforceable master netting arrangement that are not otherwise set-off as follows:

	Gross carrying amounts $'000	Related amounts not set off in the balance sheet $'000	Net amounts $'000
Group			
31 December 2024			
Trade and other receivables	44,604	(2,260)	42,344
Trade and other payables	(25,735)	2,260	(23,475)
31 December 2023			
Trade and other receivables	28,051	(5,202)	22,849
Trade and other payables	(24,030)	5,202	(18,828)

16. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Short-term fixed deposits	273,843	273,671	4,010	14,780
Cash at banks and in hand	1,078,118	960,049	766	1,136
	1,351,961	1,233,720	4,776	15,916
Short-term deposits*	(74,121)	(86,781)		
Restricted deposits	(22,399)	(5,194)		
Cash at bank attributable to discontinued operation	1,329	1,415		
Cash and cash equivalents in the cash flow statement	1,256,770	1,143,160		

* Relate to certain bank deposits with initial maturities of more than three months and subject to more than insignificant risk of changes in value upon withdrawal before maturity.

16. CASH AND SHORT-TERM DEPOSITS (CONT'D)

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and 12 months, depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective short-term deposit rates.

Restricted deposits largely represent bank balances of certain subsidiaries placed with banks to obtain credit facilities and loans.

The weighted average effective interest rates per annum of the fixed deposits at the balance sheet date are as follows:

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
Fixed deposits	3.48	4.49	3.35	5.10

Interest rates will be repriced within 12 months.

17. SHARE CAPITAL

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

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

18. RESERVES

	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Capital reserve	(19)	(19)	9,199	9,199
Statutory reserve	41,752	30,730	–	–
Fair value reserve	7,898	9,693	–	–
Share option reserve	5,922	5,405	2,631	2,629
Translation reserve	(72,206)	(84,508)	–	–
Surplus on changes of non-controlling interests	79,032	63,286	–	–
Accumulated profits/(losses)	483,112	428,618	(216,669)	(227,627)
	545,491	453,205	(204,839)	(215,799)

(a) Capital reserve comprises:

	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Merger reserve	392	392	–	–
Business participation fee and realised capital gain on disposal of investments	3,046	3,046	9,199	9,199
Adjustment relating to shares of the Company issued to an associate for assets transferred to the Company	(11,380)	(11,380)	–	–
Issuance of put option to non-controlling interests of a subsidiary	(4,370)	(4,370)	–	–
Others	12,293	12,293	–	–
	(19)	(19)	9,199	9,199

The merger reserve relates to reserve arising from certain acquisitions accounted for under the pooling of interests method.

The put option relates to an option issued by a subsidiary of the Group ("Issuer") to the NCI of its subsidiary, which allows the NCI to sell the shares of its subsidiary back to the Issuer, if certain conditions are not met by end of 2027. Accordingly, a financial liability (Note 21), for the put option based on the present value of the amount payable upon exercise of the put, was recognised. A corresponding component of equity was recognised.

(b) Statutory reserve comprises the Group's share of general reserves of its subsidiaries in the PRC which are not available for dividends or other payments. The transfers are required to be made at the rate of 10% (2023: 10%) of profit after tax of subsidiaries arrived at under generally accepted accounting principles applicable in the PRC. The transfer to the statutory reserve is mandatory until the cumulative total of the statutory reserve reaches 50% of the subsidiary's registered capital. Subject to the approval from the relevant PRC authorities, the statutory reserve may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The statutory reserve is not available for dividend distribution to shareholders.

18. RESERVES (CONT'D)

(c) The fair value reserve includes:

- the cumulative net change in the fair value of equity instruments designated at fair value through OCI;
- the cumulative net change in the fair value of debt instruments at fair value through OCI until the assets are derecognised or reclassified; and
- the Group's share of the post-acquisition fair value adjustments arising from the allocation of purchase price to the identifiable net assets and contingent liabilities of subsidiaries.

(d) The share option reserve comprises the cumulative value of employee services received for the issue of share options. The amount in the reserve is retained when the option is exercised or expired.

(e) The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations and the translation of monetary items used to form part of the Group's net investments in foreign entities.

19. LOANS AND BORROWINGS

	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Current liabilities				
Unsecured bank loans	574,461	501,997	204,214	133,080
Secured bank loans	1,859	7,989	–	–
	576,320	509,986	204,214	133,080
Non-current liabilities				
Unsecured bank loans	297,604	377,995	179,000	250,000
Total loans and borrowings	873,924	887,981	383,214	383,080

The secured bank loans are secured on assets with the following carrying values:

	Group 2024 $'000	Group 2023 $'000
Investment in a subsidiary (Note 6)	–	79,211
Bill receivables	2,324	2,319

These loans and borrowings have externally imposed capital requirements on certain subsidiaries of the Group which have been complied with before reporting dates for the financial years ended 31 December 2024 and 2023.

19. LOANS AND BORROWINGS (CONT'D)

Terms and conditions of outstanding loans and borrowings are as follows:

2024	Weighted average interest rate %	Year of maturity	Carrying amount $'000
Group			
Secured bank loans:			
– RMB fixed rate loans	0.3	2025	1,859
Unsecured bank loans:			
– SGD floating rate loans	3.6	2025 – 2027	401,814
– RMB fixed rate loans	2.3	2025 – 2026	464,713
– MYR fixed rate loans	3.8	2025	5,538
			872,065
			873,924
Company			
Unsecured bank loans:			
– SGD floating rate loans	3.6	2025 – 2027	383,214

2023	Weighted average interest rate %	Year of maturity	Carrying amount $'000
Group			
Secured bank loans:			
– MYR floating rate loans	4.9	2024	4,279
– RMB fixed rate loans	1.3	2024	3,710
			7,989
Unsecured bank loans:			
– SGD floating rate loans	4.5	2024 – 2028	408,267
– HKD floating rate loans	6.6	2024	68
– RMB fixed rate loans	2.2	2024 – 2026	467,515
– MYR fixed rate loans	3.8	2024	4,142
			879,992
			887,981
Company			
Unsecured bank loans:			
– SGD floating rate loans	4.5	2024 – 2028	383,080

19. LOANS AND BORROWINGS (CONT'D)

A reconciliation of liabilities arising from financing activities is as follows:

			Non-cash changes				
	1 January 2024 $'000	Cash flows $'000	Foreign exchange movement $'000	New leases $'000	Termination of leases $'000	Other $'000	31 December 2024 $'000
Loans							
– current	509,986	28,268	949	–	–	37,117	576,320
– non-current	377,995	(43,534)	260	–	–	(37,117)	297,604
Lease liabilities							
– current	11,150	(16,603)	582	10,711	(657)	8,743	13,926
– non-current	31,366	–	10	10,272	–	(8,743)	32,905
	930,497	(31,869)	1,801	20,983	(657)	–	920,755

			Non-cash changes				
	1 January 2023 $'000	Cash flows $'000	Foreign exchange movement $'000	New leases $'000	Termination of leases $'000	Other $'000	31 December 2023 $'000
Loans							
– current	671,528	(146,898)	(14,644)	–	–	–	509,986
– non-current	203,075	178,038	(3,118)	–	–	–	377,995
Lease liabilities							
– current	12,260	(12,867)	(319)	9,461	(261)	2,876	11,150
– non-current	28,332	–	(154)	6,064	–	(2,876)	31,366
	915,195	18,273	(18,235)	15,525	(261)	–	930,497

The 'other' column relates to reclassification of non-current portion of loans and borrowings including obligations under lease liabilities (Note 20) due to passage of time.

19. LOANS AND BORROWINGS (CONT'D)

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

Group	Carrying amount $'000	Contractual cash flows $'000	Cash flows Within 1 year $'000	1 to 5 years $'000	More than 5 years $'000
31 December 2024					
Floating interest rate loans	401,814	426,187	237,323	188,864	–
Fixed interest rate loans	472,110	479,492	359,563	119,929	–
Trade and other liabilities	2,058,624	2,058,624	2,058,624	–	–
Non-current liabilities	44,946	47,057	–	47,057	–
Lease liabilities	46,831	53,204	15,353	20,267	17,584
	3,024,325	3,064,564	2,670,863	376,117	17,584
31 December 2023					
Floating interest rate loans	412,614	447,451	181,243	266,208	–
Fixed interest rate loans	475,367	484,934	353,086	131,848	–
Trade and other liabilities	1,845,195	1,845,195	1,845,195	–	–
Non-current liabilities	46,042	48,697	–	48,697	–
Lease liabilities	42,516	65,963	15,124	28,203	22,636
	2,821,734	2,892,240	2,394,648	474,956	22,636

Company	Carrying amount $'000	Contractual cash flows $'000	Cash flows Within 1 year $'000	1 to 5 years $'000	More than 5 years $'000
31 December 2024					
Floating interest rate loans	383,214	406,843	217,979	188,864	–
Trade and other payables	8,145	8,145	8,145	–	–
Lease liabilities	192	207	62	145	–
	391,551	415,195	226,186	189,009	–
31 December 2023					
Floating interest rate loans	383,080	416,545	150,337	266,208	–
Trade and other payables	7,668	7,668	7,668	–	–
Lease liabilities	233	256	60	196	–
	390,981	424,469	158,065	266,404	–

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20. LEASES

As a lessee

The Group has lease contracts for various items of land, building, office spaces and equipment used in its operations. Leases generally have lease terms between 1 and 20 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain leases with lease terms of 12 months or less and leases of low-value assets. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Group	Leasehold land and land use rights $'000	Building and office space $'000	Office furniture, fittings and equipment $'000	Motor and transport vehicles $'000	Total $'000
At 1 January 2023	116,044	10,241	39	57	126,381
Additions	12,335	5,876	230	189	18,630
Disposal	(1,052)	–	–	–	(1,052)
Disposal of subsidiary	(4,304)	–	–	–	(4,304)
Write-off	(688)	(262)	–	–	(950)
Depreciation expense	(10,310)	(6,419)	(31)	(21)	(16,781)
Translation differences	(2,515)	(359)	–	(5)	(2,879)
At 31 December 2023 and 1 January 2024	109,510	9,077	238	220	119,045
Additions	10,422	10,523	10	28	20,983
Disposal	(151)	–	–	–	(151)
Write-off	(406)	(251)	–	–	(657)
Depreciation expense	(11,186)	(7,288)	(56)	(22)	(18,552)
Translation differences	580	36	–	1	617
At 31 December 2024	108,769	12,097	192	227	121,285

Company	Office furniture, fittings and equipment $'000
At 1 January 2023	34
Additions	230
Depreciation expense	(30)
At 31 December 2023 and 1 January 2024	234
Additions	11
Depreciation expense	(55)
At 31 December 2024	190

20. LEASES (CONT'D)

As a lessee (cont'd)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group $'000	Company $'000
At 1 January 2023	40,592	34
Additions	15,525	230
Accretion of interest	1,066	8
Payments	(13,933)	(39)
Termination of leases	(261)	–
Translation differences	(473)	–
At 31 December 2023 and 1 January 2024	42,516	233
Additions	20,983	11
Accretion of interest	1,604	9
Payments	(18,207)	(61)
Termination of leases	(657)	–
Translation differences	592	–
At 31 December 2024	46,831	192
Current	13,926	55
Non-current	32,905	137
At 31 December 2024	46,831	192
Current	11,150	51
Non-current	31,366	182
At 31 December 2023	42,516	233

	2024		
	Interest rate %	Year of maturity	Carrying amount $'000
Group			
Lease liabilities	1.3 – 6.7	2025 – 2043	46,831
Company			
Lease liabilities	2.4 – 4.6	2027 – 2029	192

20. LEASES (CONT'D)

As a lessee (cont'd)

	2023		
	Interest rate %	Year of maturity	Carrying amount $'000
Group			
Lease liabilities	1.3 – 6.7	2024 – 2043	42,516
Company			
Lease liabilities	2.4 – 4.6	2027 – 2028	233

The following are the amounts recognised in the income statement:

	Group	
	2024 $'000	2023 $'000
Depreciation expense of right-of-use assets	18,552	16,781
Interest expenses on lease liabilities	1,604	1,066
Expenses relating to short-term leases	3,392	3,453
Expenses relating to leases of low-value assets	49	49
Total amount recognised in profit or loss	23,597	21,349

The Group had total cash outflows for leases of $21,648,000 (2023: $17,435,000) in 2024. The Group also had non-cash additions to right-of-use assets and lease liabilities of $20,983,000 (2023: $15,525,000) in 2024.

As a lessor

The Group has entered into commercial property leases on its surplus office and manufacturing buildings. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

The future minimum rental receivable under non-cancellable operating leases as at 31 December is as follows:

	Group	
	2024 $'000	2023 $'000
Within 1 year	2,632	2,521
After 1 year but within 5 years	7,642	7,855
After 5 years	6,888	7,796
	17,162	18,172

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Trade payables	1,550,866	1,379,868	–	–
Accrued expenses	290,290	275,945	6,258	5,900
Other payables	30,562	30,190	182	178
Refund liabilities	82,275	60,132	–	–
Deferred grants (Note 22)	–	1,496	–	–
Amounts due to:				
– immediate holding company (non-trade)	100	215	–	115
– subsidiaries (trade)	–	–	292	292
– subsidiaries (non-trade)	–	–	1,413	1,183
– associates and joint ventures (trade)	37,175	39,192	–	–
– associates and joint ventures (non-trade)	1	1	–	–
– other related corporations (trade)	66,475	56,279	–	–
– other related corporations and party (non-trade)	880	1,877	–	–
Total trade and other payables (current)	2,058,624	1,845,195	8,145	7,668

	Group	
	2024 $'000	2023 $'000
Other liabilities (non-current)		
Provision for bonus	31,932	33,604
Financial liability arising from put option to NCI (Note 18(a))	13,014	12,438
Retirement benefit obligations	5	4
	44,951	46,046

Trade payables/other payables

Current trade and other payables are normally settled on agreed credit terms ranging from 7 to 90 days' terms and are non-interest bearing.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group's refund liabilities arise from customers' right of return and volume rebates. The Group updates its estimates of refund liabilities at the end of each reporting period.

Amounts due to related corporations and party

The balances with the immediate holding company, subsidiaries, associates, joint ventures and other related corporations and party are unsecured, interest-free, repayable on demand and are to be settled in cash.

Purchases from related corporations are made at terms agreed between the parties.

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22. DEFERRED GRANTS

	Group	
	2024 $'000	2023 $'000
At 1 January	85,322	94,382
Received and receivable during the year	33,819	27,456
Grant disbursed to partner of joint project	(4,723)	(3,103)
Released to consolidated income statement	(22,621)	(11,301)
Reclassification to other payables	–	(18,688)
Translation differences	195	(3,424)
At 31 December	91,992	85,322
Current (Note 21)	–	1,496
Non-current	91,992	83,826
	91,992	85,322

The government grants received were mainly to support and fund powertrain solutions segment's production facilities and research and development activities for product innovations and development of engines.

23. PROVISIONS

Group	Claims and restoration costs $'000	Warranties $'000	Total $'000
At 1 January 2023	3,169	42,423	45,592
Provision made	1,345	78,219	79,564
Provision utilised	(34)	(71,019)	(71,053)
Provision reversed	(666)	(7)	(673)
Disposal of subsidiary	–	(405)	(405)
Translation differences	(32)	(1,708)	(1,740)
At 31 December 2023 and 1 January 2024	3,782	47,503	51,285
Provision made	2,419	116,222	118,641
Provision utilised	(71)	(91,635)	(91,706)
Provision reversed	(198)	–	(198)
Translation differences	47	144	191
At 31 December 2024	5,979	72,234	78,213

Claims and restoration costs

The provision for claims consists of costs arising from delays in the completion of contracts or complaints from customers. The provision is made based on estimates from prior experience on similar projects with customers.

The provision for restoration costs relates to costs associated with the obligations to restore the lands at the end of the tenancy period.

Warranties

The provision for warranties relates to products sold over the warranty period. The provision is made based on estimates from historical warranty data.

24. REVENUE

Disaggregation of revenue

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

	2024			
Segments	Powertrain solutions $'000	Building materials $'000	Others $'000	Consolidated total $'000
Major product or service lines				
Sale of heavy-duty engines	1,190,976	–	–	1,190,976
Sale of medium-duty engines	965,331	–	–	965,331
Sale of light-duty engines	419,175	–	–	419,175
Sale of precast concrete products	–	100,564	–	100,564
Sale of ready-mix concrete	–	372,576	–	372,576
Sale of cement	–	180,179	–	180,179
Sale of other goods	–	29,006	–	29,006
Sale of rigid packaging products	–	–	16,234	16,234
Hospitality operations	10,740	–	5,683	16,423
Others [1]	958,933	–	28	958,961
	3,545,155	682,325	21,945	4,249,425
Geographical markets				
The PRC	3,489,012	–	14,702	3,503,714
Singapore	953	447,394	1,531	449,878
Malaysia	1,806	234,931	5,712	242,449
Others	53,384	–	–	53,384
	3,545,155	682,325	21,945	4,249,425
Timing of revenue recognition				
Goods and services transferred at a point in time	3,525,444	682,325	17,766	4,225,535
Goods and services transferred over time	19,711	–	4,179	23,890
	3,545,155	682,325	21,945	4,249,425

[1] Included sales of power generator sets, new energy products and others.

24. REVENUE (CONT'D)

Disaggregation of revenue (cont'd)

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

	2023			
Segments	Powertrain solutions $'000	Building materials $'000	Others $'000	Consolidated total $'000
Major product or service lines				
Sale of heavy-duty engines	1,049,014	–	–	1,049,014
Sale of medium-duty engines	1,076,152	–	–	1,076,152
Sale of light-duty engines	306,349	–	–	306,349
Sale of precast concrete products	–	126,101	–	126,101
Sale of ready-mix concrete	–	315,532	–	315,532
Sale of cement	–	184,581	–	184,581
Sale of other goods	–	24,382	–	24,382
Sale of rigid packaging products	–	–	21,451	21,451
Hospitality operations	10,569	–	5,841	16,410
Others [1]	961,454	–	28	961,482
	3,403,538	650,596	27,320	4,081,454
Geographical markets				
The PRC	3,377,490	–	19,201	3,396,691
Singapore	2,121	426,515	2,250	430,886
Malaysia	884	224,081	5,869	230,834
Others	23,043	–	–	23,043
	3,403,538	650,596	27,320	4,081,454
Timing of revenue recognition				
Goods and services transferred at a point in time	3,392,968	650,596	22,984	4,066,548
Goods and services transferred over time	10,570	–	4,336	14,906
	3,403,538	650,596	27,320	4,081,454

[1] Included sales of power generator sets, new energy products and others.

24. REVENUE (CONT'D)

Contract balances

	Group 2024 $'000	Group 2023 $'000
Trade receivables (Note 15)	407,145	350,159
Capitalised contract costs	24,170	25,074
Contract liabilities	117,244	128,260

The Group has recognised impairment losses made and bad debts written off on receivables arising from contracts with customers amounting to $32,021,000 (2023: $4,089,000) and $3,994,000 (2023: nil) respectively.

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms.

Capitalised contract costs are the costs incurred in fulfilling a contract for the development of technology know-how for heavy-duty engines platforms for a joint venture company of the Group. Capitalised contract costs are subsequently recognised in income statement when the Group performs the contract.

	Group 2024 $'000	Group 2023 $'000
Capitalised contract costs relating to service fee charges on development of technology know-how		
At 1 January	25,074	38,095
Addition	1,371	5,134
Released to income statement	(2,328)	(16,945)
Translation differences	53	(1,210)
At 31 December	24,170	25,074

24. REVENUE (CONT'D)

Contract balances (cont'd)

Contract liabilities comprise short-term advances from customers and unfulfilled maintenance services. The advances from customers are recognised as revenue upon the delivery of goods, and the contract liability arising from unfulfilled service-type warranty is recognised upon the completion of the maintenance services. According to the business customary practice, the remaining performance obligations (unfulfilled maintenance service) at the year-end are expected to be satisfied within 2 years.

	Group 2024 $'000	Group 2023 $'000
Contract liabilities		
Unfulfilled maintenance services	27,015	28,788
Advance from customer	90,229	99,472
At 31 December	117,244	128,260
Current	108,304	118,574
Non-current	8,940	9,686
At 31 December	117,244	128,260

Set out below are the amounts of revenue recognised from:

	Group 2024 $'000	Group 2023 $'000
Amounts included in contract liabilities at the beginning of the year	115,651	121,075

Performance obligations

The transaction price allocated to the remaining performance obligation as at the end of the year are as follows:

	Group 2024 $'000	Group 2023 $'000
Within 1 year	18,075	19,102
More than 1 year	8,940	9,686

The remaining performance obligations expected to be recognised in more than one year relate to the unfulfilled maintenance service that is to be satisfied within 2 years.

25. PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS

Profit before income tax from continuing operations includes the following:

		Group	
	Note	2024 $'000	2023 $'000
Impairment losses recognised for trade and other receivables		34,432	4,685
Bad debts written off		3,994	–
Inventories recognised as an expense in cost of sales	13	2,796,996	2,771,591
Amortisation of intangible assets		37,923	22,659
Depreciation of property, plant and equipment		102,248	111,799
Depreciation of investment property		67	67
Depreciation of right-of-use assets		18,552	16,781
Property, plant and equipment written off		60	464
Audit fees paid/payable:			
– auditors of the Company		2,096	2,133
– other auditors		249	253
Non-audit fees paid/payable to:			
– auditors of the Company		11	115
– other auditors		289	310
Exchange (gain)/loss, net		(2,128)	3,448
Gain on disposal of subsidiary	6(g)	–	(19,593)
Loss on disposal of joint venture		74	–
Gain on disposal of property, plant and equipment		(2,973)	(395)
Gain on disposal of right-of-use assets		–	(1,442)
Gain on liquidation of subsidiaries		(61)	(129)
Provisions made, net		118,443	78,891
Allowance made for inventory obsolescence, net		10,716	10,439
Impairment losses on property, plant and equipment		1,361	8,439
Impairment losses on intangible assets		5,777	–
Dividend income from other investments		(47)	(153)
Interest income:			
– cash and short-term deposits		(29,186)	(32,257)
– other related corporations		(253)	(451)
Fair value loss on derivatives		618	–
Sale of scrap		(1,953)	(1,453)
Government grants		(63,104)	(32,510)

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26. FINANCE COSTS

	Group	
	2024 $'000	2023 $'000
Bank term loans	28,779	30,786
Lease liabilities	1,604	1,066
Bills and other discounting	2,859	6,655
Bank charges	811	985
Facilities fees	450	370
	34,503	39,862

27. EMPLOYEE BENEFITS

	Group	
	2024 $'000	2023 $'000
Wages and salaries	336,115	312,526
Cost of share-based payments	1,454	11
Contributions to defined contribution plans	59,716	67,565
	397,285	380,102

28. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2024 and 2023 are:

	Group	
	2024 $'000	2023 $'000
Consolidated income statement:		
Current tax charge		
– Current year	34,740	29,066
– (Over)/under provision in respect of prior years	(1,742)	5,235
	32,998	34,301

28. INCOME TAX EXPENSE (CONT'D)

Major components of income tax expense (cont'd)

	Group 2024 $'000	Group 2023 $'000
Deferred tax expense		
– Movements in temporary differences	2,912	(941)
– Under provision in respect of prior years	3,560	10,259
	6,472	9,318
Withholding tax expense	2,907	2,731
Income tax expense recognised in profit or loss	42,377	46,350
Consolidated other comprehensive income:		
Deferred tax expense		
– Net fair value changes of debt instruments at FVOCI	703	–
Income tax expense recognised in other comprehensive income	703	–

Relationship between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2024 and 2023 are as follows:

	Group 2024 $'000	Group 2023 $'000
Profit before income tax from continuing operations	194,145	166,440
Income tax using the PRC tax rate of 25% (2023: 25%)	48,536	41,610
Adjustments:		
Effect of different tax rates in other countries	(1,676)	(2,207)
Effect of tax concessions	(20,263)	(7,057)
Non-deductible expenses	7,697	6,571
Tax-exempt income	(5,877)	(1,890)
Utilisation of deferred tax benefits previously not recognised	(2,334)	(1,173)
Deferred tax benefits not recognised	13,493	8,027
Tax credits for research and development expense	(21,158)	(16,129)
(Over)/under provision in respect of prior years:		
– current	(1,742)	5,235
– deferred	3,560	10,259
Withholding tax expense	2,907	2,731
Write-off of deferred tax benefits previously recognised	19,613	–
Others	(379)	373
	42,377	46,350

28. INCOME TAX EXPENSE (CONT'D)

Relationship between tax expense and accounting profit (cont'd)

Certain subsidiaries of the Group in the PRC have been granted a concessionary tax rate under the Corporate Income Tax ("CIT") Law of the PRC. Income from these entities is subject to tax at the concessionary rate of 15% instead of the national standard income tax rate of 25% (2023: 25%). This concession is available subject to certain conditions including these entities remain engaged in advanced and new technology.

The CIT law also provides for a tax of 10% to be withheld from dividends paid to foreign investors of the PRC enterprises. This withholding tax provision does not apply to dividends paid out of profits earned prior to 1 January 2008. Beginning on 1 January 2008, a 10% withholding tax is imposed on dividends paid to the Group, as a non-resident enterprise, unless an applicable tax treaty provides for a lower tax rate and the Group will recognise a provision for withholding tax payable for profits accumulated after 31 December 2007 for the earnings that the Group does not plan to indefinitely reinvest in the PRC enterprises. As of 31 December 2024, the amount of deferred tax liability recognised in respect of withholding tax payable was $11,997,000 (2023: $11,966,000). The amount of unrecognised deferred tax liability relating to undistributed earnings of the PRC enterprises is estimated to be $42,231,000 (2023: $37,974,000).

Global minimum top-up tax

The Group has applied a temporary mandatory relief from deferred tax accounting for the impact of the top-up tax and accounts for it as a current tax when it is incurred. Malaysia, Singapore, Thailand and Germany had substantially enacted new legislation to implement the global minimum top-up tax. The Group does not expect Pillar 2 top up exposure arising from the operations in these countries for FY2024.

29. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share is based on:

	Group 2024 $'000	Group 2023 $'000
Net profit attributable to owners of the Company	87,777	64,879
(Less)/Add: (Profit)/Loss from discontinued operation, net of tax attributable to owners of the Company	(356)	112
Profit from continuing operations, net of tax, attributable to owners of the Company used in the computation of basic earnings per share from continuing operations	87,421	64,991

Diluted earnings per share

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

	Group 2024 No. of shares	Group 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	55,301	30,191
Weighted average number of ordinary shares (diluted)	748,033,619	748,008,509

60,000 (2023: 320,000) share options granted to employees under the existing employee share option plans have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

30. DIVIDENDS

	Group 2024 $'000	Group 2023 $'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
First and final tax exempt dividend paid of 2 cents per share in respect of year 2023 (2023: 2 cents per share in respect of year 2022)	14,960	14,960
Interim tax exempt dividend paid of 1 cent per share in respect of year 2024 (2023: nil)	7,480	–
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
Final tax exempt (one-tier) dividend for 2024: 3 cents (2023: 2 cents) per share	22,444	14,960

31. SHARE OPTIONS

By the Company

Hong Leong Asia Share Option Scheme 2000 (the "HLA Share Option Scheme")

The HLA Share Option Scheme was approved by the shareholders at the extraordinary general meeting of the Company held on 30 December 2000 for an initial duration of 10 years (from 30 December 2000 to 29 December 2010). The HLA Share Option Scheme was extended at the annual general meeting ("AGM") of the Company held on 29 April 2010 for a further period of 10 years from 30 December 2010 to 29 December 2020. At the Company's AGM held on 18 June 2020, the shareholders approved the second extension of the duration of the HLA Share Option Scheme for another period of 10 years from 30 December 2020 to 29 December 2030.

The HLA Share Option Scheme is administered by a committee comprising the following members:

Ng Sey Ming – Chairman
Kwek Leng Peck
Tan Chian Khong
Kwong Ka Lo @ Caroline Kwong

All options granted under the HLA Share Option Scheme are subject to a vesting schedule as follows:

Market Price Options:

(1) one year after the date of grant for up to 33% of the Shares over which the options are exercisable;

(2) two years after the date of grant for up to 66% (including (1) above) of the Shares over which the options are exercisable; and

(3) three years after the date of grant for up to 100% (including (1) and (2) above) of the Shares over which the options are exercisable.

Incentive Price Options:

(1) two years after the date of grant for up to 33% of the Shares over which the options are exercisable;

(2) three years after the date of grant for up to 66% (including (1) above) of the Shares over which the options are exercisable; and

(3) four years after the date of grant for up to 100% (including (1) and (2) above) of the Shares over which the options are exercisable.

31. SHARE OPTIONS (CONT'D)

By the Company (cont'd)

Hong Leong Asia Share Option Scheme 2000 (the "HLA Share Option Scheme") (cont'd)

Details of the options granted under the HLA Share Option Scheme to subscribe for ordinary shares of the Company as at the end of the financial year are as follows:

Date of grant	Exercise price per Share	Number of options outstanding at 1 January 2024	Options granted during the year	Options exercised during the year	Options cancelled/ lapsed during the year	Number of options outstanding at 31 December 2024	Number of options exercisable at 1 January 2024	Number of options exercisable at 31 December 2024	Proceeds on options exercised during the year credited to share capital	Market price of Shares at exercise date of option	Exercise period
28/1/2014	$1.31	60,000	–	–	(60,000)	–	60,000	–	–	–	28/1/2015 to 27/1/2024
11/6/2020	$0.54	178,000	–	–	–	178,000	178,000	178,000	–	–	11/6/2021 to 10/6/2030
3/3/2021	$0.72	200,000	–	–	–	200,000	132,000	200,000	–	–	3/3/2022 to 2/3/2031
18/8/2021	$0.87	60,000	–	–	–	60,000	39,600	60,000	–	–	18/8/2022 to 17/8/2031
Total		498,000	–	–	(60,000)	438,000	409,600	438,000	–		

31. SHARE OPTIONS (CONT'D)

By the Company (cont'd)

Hong Leong Asia Share Option Scheme 2000 (the "HLA Share Option Scheme") (cont'd)

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is estimated at the date of the grant using the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Fair value of share options and assumptions:

Date of grant of options	On 28 January 2014	On 11 June 2020	On 3 March 2021	On 18 August 2021
Fair value at measurement date ($)	0.13 – 0.25	0.12 – 0.15	0.18 – 0.21	0.23 – 0.27
Share price ($)	1.31	0.52	0.72	0.855
Exercise price ($)	1.31	0.54	0.72	0.87
Expected volatility (%)	21.1 – 34.0	38.2 – 42.2	39.6 – 41.8	41.2 – 43.1
Expected option life (years)	2 – 4	2 – 4	2 – 4	2 – 4
Expected dividends (%)	3.1	0.5	0.4	–
Risk-free interest rate (%)	0.6 – 0.8	0.3 – 0.5	0.4 – 0.7	0.5 – 0.8

The expected volatility is based on the historic volatility (calculated based on the weighted average expected life of the share options), adjusted for any expected changes to future volatility.

There are no market conditions associated with the share option grants. Service conditions and non-market performance conditions are not taken into account in the measurement of the fair value of the services to be received at the grant date.

The range of exercise prices for options outstanding at the end of the year was $0.54 to $0.87 (2023: $0.54 to $1.31). The weighted average remaining contractual life for these options is 5.94 years (2023: 6.12 years).

By Subsidiary

China Yuchai International Limited ("CYI") Equity Incentive Plan ("CYI Equity Plan")

The CYI Equity Plan was approved by the shareholders at the annual general meeting of CYI held on 4 July 2014. It is administered by CYI's Compensation Committee comprising the following members:

Kwek Leng Peck – Chairman
Neo Poh Kiat
Xie Tao

31. SHARE OPTIONS (CONT'D)

By Subsidiary (cont'd)

China Yuchai International Limited ("CYI") Equity Incentive Plan ("CYI Equity Plan") (cont'd)

The CYI Equity Plan contains the following key terms:

(i) only share options, restricted stock and stock payments (the "Awards") may be granted to employees of CYI or a subsidiary of CYI ("CYI Group Employees");

(ii) the maximum aggregate number of shares that may be issued under the CYI Equity Plan shall not exceed 1,800,000 ordinary shares of US$0.10 each ("Ordinary Shares") subject to adjustment under the CYI Equity Plan;

(iii) the maximum aggregate number of Ordinary Shares with respect to one or more Awards that may be granted to any one eligible person during any calendar year is 300,000;

(iv) CYI's Compensation Committee shall administer the CYI Equity Plan and it has full power and authority to (a) select grantees from eligible individuals to receive the Awards and determine the time when Awards will be granted; (b) determine the number of Awards and the number of Ordinary Shares covered by each Award; (c) determine the terms and conditions of each Award; (d) approve the forms of agreement for use under the CYI Equity Plan; (e) establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the CYI Equity Plan; and (f) take any and all other action as it deems necessary or advisable for the operation or administration of the CYI Equity Plan and the Awards;

(v) the price per Ordinary Share at which a holder may subscribe for the Ordinary Shares issuable upon the exercise of the option granted pursuant to the CYI Equity Plan shall be determined by CYI's Compensation Committee and shall not be less than:

- the Fair Market Value of the Ordinary Shares on the date the option is granted; and
- the par value of the Ordinary Shares;

(vi) Options granted under the CYI Equity Plan shall become exercisable ("vest") in the manner and subject to such conditions provided by CYI's Compensation Committee and set forth in the written Award agreement with respect to such options; and

(vii) the CYI Equity Plan shall terminate automatically ten years after its effective date unless terminated earlier. Awards outstanding at the time of the CYI Equity Plan's termination may continue to be exercised in accordance with their terms and shall continue to be governed by and interpreted consistent with the terms of the CYI Equity Plan.

31. SHARE OPTIONS (CONT'D)

By Subsidiary (cont'd)

China Yuchai International Limited ("CYI") Equity Incentive Plan ("CYI Equity Plan") (cont'd)

No option was granted under the CYI Equity Plan during the financial year under review. As at the end of the year, a total of 270,000 unissued Ordinary Shares under option granted pursuant to the CYI Equity Plan had lapsed. Details of the said options are as follows:

Date of grant	Exercise price per Ordinary Share	Balance at 1 January 2024	Options granted	Options exercised	Options cancelled/ lapsed	Balance at 31 December 2024	Exercise Period
29/7/2014	US$21.11	270,000	–	–	(270,000)	–	29/7/2015 to 28/7/2024

The above options were subject to a vesting period of three years from the date of grant with one-third of the options vesting on each 12-month anniversary of the date of grant.

The persons to whom these options have been granted have not been granted any right to participate by virtue of the options, in any share issue of any other company.

The CYI Equity Plan had expired and was terminated on 8 May 2024.

Guangxi Yuchai Machinery Company Limited ("GYMCL") Equity Holding Scheme (the "GYMCL Share Scheme") and Guangxi Yuchai Marine and Genset Power Co., Ltd ("MGP") Incentive Scheme (the "MGP Share Scheme") (collectively, the "Two Schemes")

The Two Schemes were approved by the shareholders of GYMCL on 20 June 2024. They are administered by GYMCL's Remuneration Committee ("GYMCL RC") comprising the following members:

Kwek Leng Peck – Chairman
Li Hanyang
Neo Poh Kiat

The salient terms of the Two Schemes are as follows:

(i) participants of the Two Schemes were awarded interests in MGP on 26 June 2024 such that the registered capital of MGP was increased by an aggregate amount of RMB28.00 million which corresponded to approximately 6.54% interest in the enlarged registered capital of MGP (the "MGP Interest") and participants of the Two Schemes contributed an aggregate amount of RMB82.9 million at the price of RMB2.96 per RMB1 registered capital in cash;

(ii) the subscription price was based on the fair value of the net assets of MGP and its subsidiaries as at 31 December 2022 and was arrived at after taking into consideration, among other things, the rationale for the Two Schemes and the valuation of MGP factoring in the restrictions placed on the MGP Interest;

(iii) participants of the GYMCL Share Scheme are employees (who may also be directors) within the GYMCL group of entities (other than MGP and its subsidiaries) and participants of the MGP Share Scheme are employees of MGP and its subsidiaries;

31. SHARE OPTIONS (CONT'D)

By Subsidiary (cont'd)

Guangxi Yuchai Machinery Company Limited ("GYMCL") Equity Holding Scheme (the "GYMCL Share Scheme") and Guangxi Yuchai Marine and Genset Power Co., Ltd ("MGP") Incentive Scheme (the "MGP Share Scheme") (collectively, the "Two Schemes") (cont'd)

(iv) the MGP Interest is held by separate partnership vehicles established by the participants of the Two Schemes such that (a) RMB7.33 million which corresponded to approximately 1.71% was awarded under the GYMCL Share Scheme; and (b) RMB20.67 million which corresponded to approximately 4.83% was awarded under the MGP Share Scheme;

(v) the list of participants of the Two Schemes was approved by the GYMCL RC and newly identified employees for permitted transfers would also need to be approved by the GYMCL RC;

(vi) restrictions on the partnership vehicles which hold the MGP Interest ("Partnership Interest") include (a) a lock-up period commencing on the date of issuance of the MGP Interest and a moratorium period ending (ai) in the event that MGP undertakes a public listing, three years after such listing; or (aii) in the event that MGP does not undertake a public listing, ten years; (b) the partnership vehicles are to vote on all matters proposed at shareholders' meetings in the same manner as GYMCL; (c) transfer/sale/mortgage/gift restrictions on Partnership Interests; (d) save for six key employees (being also the general partners of the partnership vehicles) who may continue to hold their Partnership Interests upon retirement provided that they shall be converted into a limited partner, Partnership Interests must be transferred in accordance with the agreed terms and to approved person under certain special scenarios including death, termination/resignation/divorce and dismissal; and

(vii) the partnership vehicles have the right to distributions declared and made by MGP upon the issuance of the MGP Interest.

Although all partners in each of the partnership vehicles including GYMCL have the right (but not the obligation) to buy the Partnership Interests in that partnership vehicle under a special scenario, should GYMCL buy any Partnership Interests in any partnership vehicle, it has to transfer the Partnership Interests to newly identified employees approved by the GYMCL RC within six months.

Following the awards of the MGP Interest, GYMCL's interest in MGP decreased from 100% to 93.46% as at 31 December 2024 (Note 6(e)). GYMCL is a 76.41%-owned subsidiary of CYI.

32. COMMITMENTS

Capital commitments

Capital expenditure contracted for as at the end of the year but not recognised in the financial statements is as follows:

	Group	
	2024 $'000	2023 $'000
Capital commitments in respect of property, plant and equipment	60,151	37,472

32. COMMITMENTS (CONT'D)

Operating lease commitments as lessee

As at 31 December 2024, the Group has no lease contract that has not yet commenced.

As at 31 December 2023, the Group had various lease contracts that have not yet commenced. The future lease payments for these non-cancellable lease contracts are $18,000 within one year and $37,000 within five years.

33. RELATED PARTY TRANSACTIONS

(a) *Compensation of key management personnel*

	Group	
	2024	**2023**
	$'000	**$'000**
Short-term employee benefits	10,158	8,449
Defined contribution plans	127	140
Equity compensation benefits	178	7
	10,463	8,596

Directors' remuneration included in key management personnel compensation amounted to $3,851,000 (2023: $3,143,000).

Hong Leong Asia Share Option Scheme 2000 (the "HLA Share Option Scheme")

Key management personnel of the Group participate in the HLA Share Option Scheme as described in Note 31. During the financial year, no (2023: nil) option was granted to key management personnel pursuant to the HLA Share Option Scheme. All options are subject to a vesting schedule.

As at the end of the year, 249,000 (2023: 249,000) options granted to key management personnel were outstanding, of which 200,000 (2023: 200,000) were options granted to an Executive Director of the Company.

China Yuchai International Limited ("CYI") Equity Incentive Plan ("CYI Equity Plan")

Awards of share options, restricted stock and stock payments may be granted to key management personnel of the Group who are employees of CYI or a subsidiary of CYI pursuant to the CYI Equity Plan as described in Note 31. During the financial year, no (2023: nil) award was granted to key management personnel under the CYI Equity Plan. As at the end of the year, no (2023: 270,000) options were outstanding as the 270,000 options granted previously to key management personnel had lapsed.

Guangxi Yuchai Machinery Company Limited ("GYMCL") Equity Holding Scheme (the "GYMCL Share Scheme") and Guangxi Yuchai Marine and Genset Power Co., Ltd ("MGP") Incentive Scheme (the "MGP Share Scheme") (collectively, the "Two Schemes")

Key management personnel of the Group who are directors of CYI or employees of a subsidiary of CYI may participate in the Two Schemes where an aggregate of approximately 6.54% interest of the enlarged registered capital of MGP (the "MGP Interest") were awarded as described in Note 31. During the financial year, 8.45% of the MGP Interest was awarded to a director of CYI.

33. RELATED PARTY TRANSACTIONS (CONT'D)

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

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

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

	Group	
	2024	**2023**
	$'000	**$'000**
Sale of engines and materials		
– associates and joint ventures	187,495	178,575
– related corporations	393,537	384,331
Purchase of materials, supplies and engines		
– associates and joint ventures	409,248	393,986
– related corporations	357,675	339,516
Management services income		
– an associate	444	444
Management services paid and payable		
– related corporations	376	333
Rental paid and payable (include general expenses)		
– immediate holding company	344	637
– related corporations	404	–
General and administrative expenses		
– joint ventures	2,625	660
– related corporations	28,396	20,127
Delivery, storage, distribution and handling expenses		
– related corporations	33,965	40,159
Hospitality, restaurant, consultancy and other service income		
– Joint ventures	3,200	3,831
– related corporations	4,736	3,405
Sales of an intangible asset		
– A joint venture	–	19,155
Rental income		
– associates and joint ventures	541	724
– related corporations	2,349	2,310

(c) *Outstanding balances with a related party*

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

33. RELATED PARTY TRANSACTIONS (CONT'D)

(d) Commitments with related parties

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

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management is integral to the whole business of the Group and the Company. The management continually monitors the Group's and the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. The Group's and the Company's policies and financial authority limits are documented and reviewed periodically. The financial authority limits seek to limit and mitigate operational risk by setting threshold of approvals required for the entry into contractual obligations and investments.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, the Group and the Company minimise credit risk by dealing with counterparties which they have assessed to have low risk of default based on both quantitative and qualitative information that is reasonable and supportable.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed for all customers requiring credit over a certain amount. The Group and the Company require collateral in respect of financial assets in certain circumstances.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the customer is unable to pay its contractual obligations to the Group when they fall due which are derived based on the Group's historical information.

The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

– Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation;

– Actual or expected significant changes in the operating results of the debtor;

– Significant increases in credit risk on other financial instruments of the same debtor;

– Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and

– Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

Regardless of the analysis above, a financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence includes observable data about the following indicators:

– There are significant financial difficulties of the issuer or the debtor;

– A breach of contract, such as a default or past due event;

– It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and

– There is a disappearance of an active market for that financial asset because of financial difficulty.

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 360 days from the invoice date. Financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the income statement.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance with days past due. The expected credit losses incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

The Group's exposure to credit risk arises primarily from its powertrain solutions segment. As at 31 December 2024, the carrying amount of the trade receivables from the top five customer groups of the powertrain solutions segment was $45,067,000 (2023: $110,865,000). This accounted for approximately 9.2% (2023: 25.7%) of the Group's trade receivables (including trade amounts due from related corporation but excluding bill receivables). These customers are located in the PRC.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings and short-term deposits.

The Group's and the Company's policy is to maintain an efficient and optimal interest cost structure using a mix of fixed and variable rate debts. The Group's and the Company's debt obligations are mainly denominated in Singapore Dollar, Chinese Renminbi and Ringgit Malaysia, and at fixed and floating rates of interest. For variable rate financial instruments, a change of 100 bp in interest rate at the reporting date would increase/(decrease) profit before income tax by the amounts shown below.

	Profit before income tax	
	100 bp Increase $'000	100 bp Decrease $'000
Group		
31 December 2024		
Floating rate instruments	(1,280)	1,280
31 December 2023		
Floating rate instruments	(1,389)	1,389

	Profit before income tax	
	100 bp Increase $'000	100 bp Decrease $'000
Company		
31 December 2024		
Floating rate instruments	(3,792)	3,792
31 December 2023		
Floating rate instruments	(3,683)	3,683

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank credit facilities.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows, and having adequate amounts of committed credit facilities.

The maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash outflows is disclosed in Note 19.

(d) Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily the Singapore Dollar, Chinese Renminbi ("RMB"), United States Dollar ("USD"), Ringgit Malaysia ("MYR") and Euro.

Foreign currency translation exposure is managed by incurring debt in the operating currency so that where possible operating cash flows can be primarily used to repay obligations in the local currency. This also has the effect of minimising the exchange differences recorded against income, as the exchange differences on the net investment are recorded directly against equity.

The Group does not apply hedge accounting for such foreign currency denominated sales, purchases and borrowings.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) *Foreign currency risk (cont'd)*

The Group's and the Company's financial assets and liabilities balances that have exposures to foreign currencies are as follows:

Group			2024		
	Singapore Dollar $'000	Chinese Renminbi $'000	United States Dollar $'000	Ringgit Malaysia $'000	Euro $'000
Trade and other receivables	118	903	83,421	328	743
Cash and bank balances	32,764	4,657	27,910	–	1,343
Loans and borrowings	(164)	–	–	–	–
Trade and other payables	(92,755)	(748)	(92,731)	(4,567)	(617)
	(60,037)	4,812	18,600	(4,239)	1,469
Add: Loan payables forming part of net investment in foreign entities	54,516	–	–	–	–
	(5,521)	4,812	18,600	(4,239)	1,469

Group			2023		
	Singapore Dollar $'000	Chinese Renminbi $'000	United States Dollar $'000	Ringgit Malaysia $'000	Euro $'000
Trade and other receivables	317	1,766	57,320	5,024	2,746
Cash and bank balances	29,370	359	20,143	2,823	992
Loans and borrowings	(292)	–	–	–	–
Trade and other payables	(61,240)	(676)	(87,331)	(9,372)	(7,220)
	(31,845)	1,449	(9,868)	(1,525)	(3,482)
Add: Loan payables forming part of net investment in foreign entities	54,516	–	–	–	–
	22,671	1,449	(9,868)	(1,525)	(3,482)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) *Foreign currency risk (cont'd)*

Company	2024		2023	
	Chinese Renminbi $'000	United States Dollar $'000	Chinese Renminbi $'000	United States Dollar $'000
Trade and other receivables	837	71,566	835	55,962
Cash and bank balances	68	3,034	69	14,816
Trade and other payables	–	(10)	–	–
	905	74,590	904	70,778

Sensitivity analysis

A 10% strengthening of the following major currencies against the functional currency of each of the Group's entities at the reporting date would increase/(decrease) profit before income tax by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit before income tax 2024 $'000	Profit before income tax 2023 $'000
Group		
Singapore Dollar	(552)	2,267
Chinese Renminbi	481	145
United States Dollar	1,860	(987)
Ringgit Malaysia	(424)	(153)
Euro	147	(348)
Company		
Chinese Renminbi	91	90
United States Dollar	7,459	7,078

A 10% weakening of the above would have equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

35. 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.

(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:

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

35. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(c) *Level 2 fair value measurements*

The Group's derivatives at the end of the reporting period consist of the following:

i. In 2023, the Group entered into forward currency contracts which were used for certain purchases denominated in USD for which firm commitments existed at the reporting date, extending to 2024. The Group accounted for the derivatives at fair value through "Other expenses" in the income statement.

ii. In 2024, the Group entered into forward currency contracts which were used for certain purchases denominated in USD for which firm commitments existed at the reporting date, extending to 2025. The Group accounted for the derivatives at fair value through "Other expenses" in the income statement.

The fair value of forward currency contracts and onshore foreign currency loans are determined directly by reference to the marked-to-market ("MTM") rates provided by the bank.

The fair value of the Group's bill receivables are measured based on quoted market interest rates of similar instruments.

The carrying amounts of current trade and other receivables (Note 15), cash and short-term deposits (Note 16), trade and other payables (Note 21), and current loans and borrowings (Note 19) are reasonable approximation of fair values due to their short-term nature.

The carrying amounts of non-current receivables (Note 11) and other non-current liabilities (Note 21) 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 (Note 19) 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.

35. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

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

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

Classification of financial instruments

Group	Financial assets at amortised cost $'000	Fair value through OCI $'000	Financial liabilities at amortised cost $'000	Total $'000
31 December 2024				
Assets				
Other investments	–	2,130	–	2,130
Non-current receivables	57,219	–	–	57,219
Trade receivables	407,145	–	–	407,145
Bill receivables	541,455	798,882	–	1,340,337
Due from related corporations	45,292	–	–	45,292
Refundable deposits	3,619	–	–	3,619
Other receivables	52,824	–	–	52,824
Cash and bank balances	1,351,961	–	–	1,351,961
	2,459,515	801,012	–	3,260,527
Liabilities				
Trade payables	–	–	1,550,866	1,550,866
Accrued expenses	–	–	290,290	290,290
Other payables	–	–	30,562	30,562
Refund liabilities	–	–	82,275	82,275
Due to related corporations	–	–	104,631	104,631
Loans and borrowings	–	–	873,924	873,924
Other non-current liabilities	–	–	44,946	44,946
	–	–	2,977,494	2,977,494

35. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(d) 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)

Classification of financial instruments (cont'd)

Group	Financial assets at amortised cost $'000	Fair value through OCI $'000	Financial liabilities at amortised cost $'000	Total $'000
31 December 2023				
Assets				
Other investments	–	6,040	–	6,040
Non-current receivables	52,281	–	–	52,281
Trade receivables	350,159	–	–	350,159
Bill receivables	461,900	710,424	–	1,172,324
Due from related corporations	94,312	–	–	94,312
Refundable deposits	3,396	–	–	3,396
Other receivables	87,740	–	–	87,740
Cash and bank balances	1,233,720	–	–	1,233,720
	2,283,508	716,464	–	2,999,972
Liabilities				
Trade payables	–	–	1,379,868	1,379,868
Accrued expenses	–	–	277,095	277,095
Other payables	–	–	30,190	30,190
Refund liabilities	–	–	60,132	60,132
Due to related corporations and party	–	–	96,414	96,414
Loans and borrowings	–	–	887,981	887,981
Other non-current liabilities	–	–	46,042	46,042
	–	–	2,777,722	2,777,722

35. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(d) 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)

Classification of financial instruments (cont'd)

Company	Financial assets at amortised cost $'000	Financial liabilities at amortised cost $'000	Total $'000
31 December 2024			
Assets			
Due from related corporations	409,123	–	409,123
Other receivables	2	–	2
Cash and short-term deposits	4,776	–	4,776
	413,901	–	413,901
Liabilities			
Accrued expenses	–	6,258	6,258
Other payables	–	182	182
Due to related corporations	–	1,705	1,705
Loans and borrowings	–	383,214	383,214
	–	391,359	391,359
31 December 2023			
Assets			
Due from related corporations	384,914	–	384,914
Refundable deposits	1	–	1
Cash and short-term deposits	15,916	–	15,916
	400,831	–	400,831
Liabilities			
Accrued expenses	–	5,900	5,900
Other payables	–	178	178
Due to related corporations	–	1,590	1,590
Loans and borrowings	–	383,080	383,080
	–	390,748	390,748

36. CAPITAL MANAGEMENT

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains healthy capital structure in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2024 and 2023.

36. CAPITAL MANAGEMENT (CONT'D)

As disclosed in Note 18(b), the Group's subsidiaries in the PRC are required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiaries for the financial years ended 31 December 2024 and 2023.

There were no changes in the Group's approach to capital management during the year.

	Group 2024 $'000	Group 2023 $'000
Loans and borrowings (current and non-current)	873,924	887,981
Less: Cash and deposits	(1,351,961)	(1,233,720)
Net cash	(478,037)	(345,739)
Equity attributable to the owners of the Company	1,014,133	922,007
Less: Fair value reserve	(7,898)	(9,693)
Statutory reserve	(41,752)	(30,730)
Total capital	964,483	881,584

37. 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, precast concrete products, ready-mix concrete and quarry products.

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

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

37. SEGMENT INFORMATION (CONT'D)

Reportable segments (cont'd)

2024	Powertrain solutions $'000	Building materials $'000	Corporate and others* $'000	Adjustments $'000	Consolidated total $'000
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
Other material non-cash items:					
– Impairment losses recognised on property, plant and equipment and intangible assets	7,138	–	–	–	7,138
– Claims and restoration costs, net	–	2,221	–	–	2,221
– Warranties	116,222	–	–	–	116,222
Assets and liabilities					
Reportable segment assets**	4,887,959	549,921	1,188,875	(1,038,608)	5,588,147
Interests in associates and joint ventures	62,940	157,568	50	–	220,558
Capital expenditure @	103,389	16,874	603	–	120,866
Reportable segment liabilities	2,739,652	202,799	1,370,611	(955,210)	3,357,852

37. SEGMENT INFORMATION (CONT'D)

Reportable segments (cont'd)

2023	Powertrain solutions $'000	Building materials $'000	Corporate and others* $'000	Adjustments $'000	Consolidated total $'000
Total external revenue	3,403,538	650,596	27,320	–	4,081,454
Interest income	27,368	1,264	16,805	(12,729)	32,708
Interest expense	(18,059)	(1,051)	(32,482)	12,715	(38,877)
Depreciation and amortisation	(124,716)	(24,375)	(2,215)	–	(151,306)
Reportable segment profit/(loss) before income tax	104,411	93,384	(31,522)	167	166,440
Share of results of associates and joint ventures, net of income tax	11,721	14,037	7	–	25,765
Reportable segment profit/(loss) after income tax	76,454	76,276	(32,807)	167	120,090
Other material non-cash items:					
– Impairment losses recognised on property, plant and equipment and intangible assets	8,439	–	–	–	8,439
– Claims and restoration costs, net	–	679	–	–	679
– Warranties	78,212	–	–	–	78,212
Assets and liabilities					
Reportable segment assets**	4,658,874	478,527	1,156,287	(986,416)	5,307,272
Interests in associates and joint ventures	43,696	144,656	356	–	188,708
Capital expenditure @	68,594	23,307	606	–	92,507
Reportable segment liabilities	2,517,378	184,396	1,346,251	(919,505)	3,128,520

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

@ Capital expenditure consists of additions of property, plant and equipment and intangible assets.

** Exclude interests in associates and joint ventures.

37. SEGMENT INFORMATION (CONT'D)

Geographical segments

The Group operations are primarily in the PRC, Singapore and Malaysia.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	The PRC $'000	Singapore $'000	Malaysia $'000	Others $'000	Consolidated total $'000
2024					
Total revenue from external customers	3,503,714	449,878	242,449	53,384	4,249,425
Non-current assets #^^	986,133	82,851	127,015	3,367	1,199,366
2023					
Total revenue from external customers	3,396,691	430,886	230,834	23,043	4,081,454
Non-current assets #^^	1,018,427	83,402	121,188	337	1,223,354

Exclude interests in associates and joint ventures, other investments, capitalised contract costs, deferred tax assets and non-current receivables.

^^ Exclude assets relating to the discontinued air-conditioning systems segment.

Major customer

Revenues from two customer groups of the Group's powertrain solutions segment in the PRC amounted to approximately $574,091,000 (2023: $459,701,000) and $393,537,000 (2023: $384,331,000) respectively.

38. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) Derecognition of bill receivable

The Group sells bill receivable to banks on an ongoing basis depending on funding needs and money market conditions. The Group also endorses certain bills to suppliers for debts settlement. Chinese law governing bills allows recourse to be traced to all the parties in the discounting and endorsing process. Management assesses the credit rating of banks that issued these bills based on the credit rating given by the China regulators. For designated commercial banks with high credit rating and where Management believes that the contractual right to receive the cash from the Group has ceased, and has been transferred to the banks and suppliers, these bills are derecognised. The discount equal to the difference between the carrying value of the bill receivable and cash received from the banks is recorded in the statement of profit or loss. Please refer to Note 15 to the financial statements.

(ii) Identifying contract price and performance obligations in sales of engines

The Group provides certain warranties for both general repairs and maintenance service as part of the sales of engines. For general repairs, such warranties will be assurance-type warranty that will continue to be accounted for under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. For maintenance services, it will be accounted for as a service-type warranties that are capable of being distinct and customers can benefit from the service on its own. Hence, the Group identified two separate performance obligations, one is the promise to transfer the engine and the other one is to provide maintenance services after reaching certain on-road mileage or running hours. Consequently, the Group allocated a portion of the transaction price to the engines and the maintenance services based on a combination of residual approach and observable price. Please refer to Note 24 to the financial statements.

(iii) Capitalisation of development expenditure

Development expenditure are capitalised in accordance with the accounting policy in Note 2.11. Capitalisation of development expenditure is based on management's judgement to determine what constitutes development activities, and when a development project moves from the research phase into development phase. In addition, management's judgement is required to determine the nature of the expenses that qualify for capitalisation. The carrying amount of development expenditure capitalised is disclosed in Note 4 to the financial statements.

38. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. The cash flows do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash-generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to development expenditure and trademark recognised by the Group.

Further details of the key assumptions applied in the impairment assessment of intangible assets are disclosed in Note 5 to the financial statements.

39. COMPARATIVE FIGURES

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

40. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of Hong Leong Asia Ltd. for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors passed on 26 March 2025.

Analysis of Shareholdings

As at 11 March 2025

Class of Shares	:	Ordinary shares ("**Shares**")
Number of Shares in issue	:	748,141,318
Number of Ordinary Shareholders	:	4,663
Voting Rights	:	1 vote for 1 share

As at 11 March 2025, there were no Shares or subsidiary holdings^ held by the Company.

^ 'Subsidiary holdings' is defined in the Listing Manual of Singapore Exchange Securities Trading Limited ("**Listing Manual**") to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

Range of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1 – 99	13	0.28	116	0.00
100 – 1,000	600	12.87	556,767	0.07
1,001 - 10,000	2,551	54.71	13,948,830	1.87
10,001 - 1,000,000	1,477	31.67	73,910,946	9.88
1,000,001 and above	22	0.47	659,724,659	88.18
	4,663	**100.00**	**748,141,318**	**100.00**

Based on information available to the Company as at 11 March 2025, 23.25% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual is complied with.

TOP TWENTY SHAREHOLDERS
(As shown in the Register of Members and Depository Register)

No.	Name of Shareholder	No. of Shares Held	%*
1	Hong Leong Corporation Holdings Pte Ltd	549,001,657	73.38
2	CGS International Securities Singapore Pte Ltd	30,065,000	4.02
3	Citibank Nominees Singapore Pte Ltd	17,205,787	2.30
4	DBS Nominees Pte Ltd	13,755,503	1.84
5	Taiheiyo Singapore Pte Ltd	9,079,659	1.21
6	Raffles Nominees (Pte) Limited	6,184,902	0.83
7	HSBC (Singapore) Nominees Pte Ltd	4,974,846	0.67
8	Morph Investments Ltd	4,850,000	0.65
9	Phillip Securities Pte Ltd	4,600,783	0.62
10	United Overseas Bank Nominees Pte Ltd	2,401,100	0.32
11	OCBC Securities Private Ltd	2,084,500	0.28
12	Cheng Yong Liang	1,946,200	0.26
13	DBSN Services Pte Ltd	1,940,122	0.26
14	Ang Jwee Herng	1,600,000	0.21
15	OCBC Nominees Singapore Pte Ltd	1,520,900	0.20
16	UOB Kay Hian Pte Ltd	1,435,100	0.19
17	DBS Vickers Securities (S) Pte Ltd	1,348,900	0.18
18	ABN AMRO Clearing Bank N.V.	1,281,500	0.17
19	Maybank Securities Pte. Ltd.	1,140,100	0.15
20	Morgan Stanley Asia (S) Securities Pte Ltd	1,139,800	0.15
		657,556,359	**87.89**

* The percentage is based on the total number of issued Shares of the Company as at 11 March 2025.

Analysis of Shareholdings

As at 11 March 2025

SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders)

	No. of Shares			
	Direct Interest	Deemed Interest	Total Interest	%*
Hong Leong Corporation Holdings Pte Ltd	549,001,657	13,804,000(1)	562,805,657	75.23
Hong Leong Enterprises Pte. Ltd.	–	562,805,657(2)	562,805,657	75.23
Hong Leong Investment Holdings Pte. Ltd.	–	562,865,657(3)	562,865,657	75.24
Davos Investment Holdings Private Limited	–	562,865,657(4)	562,865,657	75.24
Kwek Holdings Pte Ltd	–	562,865,657(4)	562,865,657	75.24

* The percentage is based on the total number of issued Shares of the Company as at 11 March 2025.

Notes:

(1) Hong Leong Corporation Holdings Pte Ltd ("**HLCH**") is deemed under Section 4 of the Securities and Futures Act 2001 (the "**SFA**") to have an interest in the Shares held directly by its wholly-owned subsidiary, Starich Investments Pte. Ltd. ("**Starich**").

(2) Hong Leong Enterprises Pte. Ltd. is deemed under Section 4 of the SFA to have an interest in the Shares held directly and indirectly by HLCH, in which it is entitled to exercise or control the exercise of not less than 20% of the voting shares in HLCH.

(3) Hong Leong Investment Holdings Pte. Ltd. ("**HLIH**") is deemed under Section 4 of the SFA to have an interest in the Shares held directly by its subsidiaries, HLCH, Starich and Millennium Securities Pte Ltd.

(4) Davos Investment Holdings Private Limited and Kwek Holdings Pte Ltd are deemed under Section 4 of the SFA to have interests in the Shares referred to in Note 3 above held indirectly by HLIH, in which each of them is entitled to exercise or control the exercise of not less than 20% of the voting shares in HLIH.

5-Year Financial Summary

	2024	2023	2022	2021	2020
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER ($'000)					
Revenue	4,249,425	4,081,454	3,881,141	4,932,589	4,496,207
Net profit from continuing operations	151,768	120,090	102,917	118,743	152,993
Net profit	152,300	119,923	102,592	119,431	155,207
Net profit attributable to owners of the Company	87,777	64,879	54,538	60,121	46,745
AS AT 31 DECEMBER ($'000)					
Property, plant and equipment	757,545	779,625	887,895	1,012,752	993,781
Intangible assets	319,760	323,923	323,541	332,851	264,800
Interests in associates and joint ventures	220,558	188,708	170,224	173,100	103,970
Inventories	964,472	937,315	1,028,903	1,186,923	967,929
Cash and deposits	1,351,961	1,233,720	1,017,468	1,242,352	1,374,611
Other assets	2,194,409	2,032,689	1,888,028	2,003,721	2,141,139
Total assets	5,808,705	5,495,980	5,316,059	5,951,699	5,846,230
Shareholders' funds	1,014,133	922,007	902,552	956,905	879,973
Non-controlling interests	1,436,720	1,445,453	1,456,061	1,572,100	1,538,361
Loans and borrowings	873,924	887,981	874,603	900,833	823,305
Other liabilities	2,483,928	2,240,539	2,082,843	2,521,861	2,604,591
Total liabilities and equity	5,808,705	5,495,980	5,316,059	5,951,699	5,846,230
FINANCIAL RATIOS					
Return on equity [1]	9.1%	7.1%	5.9%	6.5%	5.7%
Net debt [2] / equity ratio	(0.50)	(0.39)	(0.16)	(0.37)	(0.66)
SHAREHOLDERS' RETURN					
Earnings per share (cents) [3]	11.74	8.67	7.29	8.04	6.25
Net asset value per share (cents) [4]	135.58	123.27	120.67	127.94	117.67
Dividends per share (cents)	4.00	2.00	2.00	2.00	1.00

[1] Based on net profit attributable to owners of the Company divided by average shareholders' equity

[2] Based on loans and borrowings, less cash and deposits. The Group is in a net cash position of $478,037,000 as at 31 December 2024

[3] Based on net profit attributable to owners of the Company divided by the weighted average number of shares issued during the financial year ended 31 December

[4] Based on equity attributable to owners of the Company divided by the number of ordinary shares issued at the end of the financial year ended 31 December

NOTICE IS HEREBY GIVEN that the Sixty-Fourth Annual General Meeting (the "**Meeting**") of HONG LEONG ASIA LTD. (the "**Company**") will be held at M Hotel Singapore, Banquet Suite, Level 10, 81 Anson Road, Singapore 079908 on Friday, 25 April 2025 at 3.00 p.m. for the following purposes:

A. ORDINARY BUSINESS:

1. To receive the Directors' Statement and Audited Financial Statements for the year ended 31 December ("**FY**") 2024 and the Auditor's Report thereon. **Resolution 1**

2. To declare a final one-tier tax exempt dividend of 3 cents per ordinary share for FY 2024 ("**Final Dividend**"). **Resolution 2**

3. To approve Directors' Fees of S$690,000 for FY 2024 (FY 2023: S$627,666). **Resolution 3**

4. To re-elect the following Directors of the Company ("**Directors**") who would be retiring in accordance with the Company's Constitution and who, being eligible, offer themselves for re-election as Directors:

   (a) Mr Ng Sey Ming **Resolution 4(a)**
   (b) Mr Tan Chian Khong **Resolution 4(b)**
   (c) Datuk Maimoonah Binte Mohamed Hussain **Resolution 4(c)**
   (d) Mr Ng Chee Khern (appointed on 1 January 2025) **Resolution 4(d)**

   Note: Ms Kwong Ka Lo @ Caroline Kwong, who has served as an independent Director for more than nine years, has notified the Company that she will be stepping down as a Director at the conclusion of the Meeting.

   Key information on the Directors who are proposed to be re-elected can be found under the sections on "Board of Directors" and "Additional Information on Directors Seeking Re-election at the 64th Annual General Meeting" of the Annual Report 2024.

5. To re-appoint Ernst & Young LLP as Auditor of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

B. SPECIAL BUSINESS:

To consider and, if thought fit, to pass, with or without any modifications, the following resolutions which will be proposed as Ordinary Resolutions:

6. That authority be and is hereby given to the Directors to: **Resolution 6**

   (a) (i) issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

   (b) (notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Ordinary Resolution is in force,

provided that:

(1) the aggregate number of Shares to be issued pursuant to this Ordinary Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution but excluding Shares which may be issued pursuant to any adjustments effected under any relevant Instrument), does not exceed 50% of the total number of issued Shares, excluding treasury shares and subsidiary holdings, of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution but excluding Shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed 20% of the total number of issued Shares, excluding treasury shares and subsidiary holdings, of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited ("**SGX-ST**")) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares, excluding treasury shares and subsidiary holdings, of the Company at the time this Ordinary Resolution is passed, after adjusting for:

   (i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Ordinary Resolution is passed; and

   (ii) any subsequent bonus issue, consolidation or subdivision of Shares,

   and, in sub-paragraph (1) above and this sub-paragraph (2), "**subsidiary holdings**" has the meaning given to it in the Listing Manual of SGX-ST;

(3) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**"), the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Ordinary Resolution shall continue in force until the conclusion of the next annual general meeting ("**AGM**") of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

7. That approval be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the Hong Leong Asia Share Option Scheme 2000 (the "**SOS**") to eligible participants under the SOS other than Parent Group Employees and Parent Group Non-Executive Directors (each as defined under the terms of the SOS) and to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options granted under the SOS, provided that the aggregate number of Shares to be issued pursuant to the SOS shall not exceed 15% of the total number of issued Shares, excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of SGX-ST), of the Company from time to time. **Resolution 7**

8. That: **Resolution 8**

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) market purchase(s) on SGX-ST and/or any other stock exchange on which the Shares may for the time being be listed and quoted ("**Other Exchange**"); and/or

(ii) off-market purchase(s) (if effected otherwise than on SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may, in their absolute discretion, deem fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) (unless varied or revoked by the Company in general meeting) the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on the earliest of:

(i) the date on which the next AGM of the Company is held or required by law to be held; or

(iii) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Ordinary Resolution:

"**Average Closing Price**" means the average of the closing market prices of a Share for the five consecutive market days on which the Shares are transacted on SGX-ST or, as the case may be, Other Exchange, immediately preceding the date of market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of SGX-ST for any corporate action which occurs during the relevant five-day period and the day on which the market purchase is made or, as the case may be, the date of the making of the offer market pursuant to the off-market purchase or, as the case may be, the date of the making of the offer pursuant to the off-market purchase;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price) for each Share, and the relevant terms of the equal access scheme for effecting the off-market purchase;

"**Maximum Limit**" means that number of issued Shares representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of SGX-ST)) as at the date of the passing of this Ordinary Resolution; and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, stamp duties (if applicable), commission, clearance fees, applicable goods and services tax and other related expenses (if applicable)) which shall not exceed:

(i) in the case of a market purchase of a Share, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an off-market purchase of a Share pursuant to an equal access scheme, 110% of the Average Closing Price of the Shares; and

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.

9. That: **Resolution 9**

(a) approval be and is hereby given for the purpose of Chapter 9 of the Listing Manual of SGX-ST, for the Company, its subsidiaries and its associated companies that are not listed on SGX-ST, or an approved exchange, over which the Company, its subsidiaries and/or its interested person(s), have control, or any of them, to enter into any of the transactions falling within the category of Interested Person Transactions, particulars of which are set out in the Letter to Shareholders dated 27 March 2025 (the "**Letter to Shareholders**") with any party who is of the class or classes of Interested Persons described in the Letter to Shareholders; provided that such transactions are made on normal commercial terms and in accordance with the review procedures for Interested Person Transactions as set out in the Letter to Shareholders (the "**IPT Mandate**");

(b) the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the next AGM of the Company; and

(c) the Directors and/or each of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Ordinary Resolution.

BY ORDER OF THE BOARD

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

27 March 2025
Singapore

EXPLANATORY NOTES:

Ordinary Business

1. With reference to Resolution 2, the Share Transfer Books and Register of Members will be closed from 5.00 p.m. on 5 May 2025 up to (and including) 6 May 2025. Registrable transfers received up to 5.00 p.m. on 5 May 2025 will be registered to determine shareholders' entitlement to the Final Dividend. If approved at the Meeting, it will be paid on 14 May 2025.

2. With reference to Resolution 3, the Directors' Fees of S$690,000 for FY 2024 will be payable upon approval of the shareholders at the Meeting. The structure of fees payable to Directors for FY 2024 can be found under the section on the "Corporate Governance Report" of the Annual Report 2024.

3. With reference to Resolution 4(a), Mr Ng Sey Ming will, upon re-election as a Director of the Company, remain as the Chairman of the Remuneration Committee ("**RC**") and Hong Leong Asia Share Option Scheme 2000 ("**SOS**") Committee ("**SOSC**"), and a member of the Audit and Risk Committee ("**ARC**") and Nominating Committee ("**NC**"). Mr Ng is considered independent for the purposes of Rule 704(8) of the Listing Manual of SGX-ST.

4. With reference to Resolution 4(b), Mr Tan Chian Khong will, upon re-election as a Director, remain as the Lead Independent Director, the Chairman of the ARC, a member of the RC and SOSC, and will also be appointed as the Chairman of the NC following the conclusion of the Meeting. Mr Tan is considered independent for the purposes of Rule 704(8) of the Listing Manual of SGX-ST.

5. With reference to Resolution 4(c), Datuk Maimoonah Binte Mohamed Hussain will, upon re-election as a Director, remain as a member of the ARC and will also be appointed as a member of the NC following the conclusion of the Meeting. Datuk Maimoonah is considered independent for the purposes of Rule 704(8) of the Listing Manual of SGX-ST.

6. With reference to Resolution 4(d), Mr Ng Chee Khern will, upon re-election as a Director, be appointed as the Chairman of the Board Sustainability Committee ("**BSC**") and a member of the RC and SOSC following the conclusion of the Meeting.

7. Ms Kwong Ka Lo @ Caroline Kwong, who has served as an independent Director for more than nine years, will be stepping down as a Director at the conclusion of the Meeting. Consequent thereto, she will also cease as the Chairman of the BSC and NC, and a member of the ARC, RC and SOSC.

Special Business

8. Resolution 6, if passed, will empower the Directors from the date of the Meeting until the next AGM (unless such authority is revoked or varied at a general meeting) to issue Shares and/or make or grant Instruments that might require Shares to be issued up to a number not exceeding 50% of the total number of issued Shares, excluding treasury shares and subsidiary holdings, of the Company, of which up to 20% may be issued other than on a *pro rata* basis to shareholders. The aggregate number of Shares which may be issued under this Ordinary Resolution will be calculated based on the total number of issued Shares, excluding treasury shares and subsidiary holdings, of the Company at the time that this Ordinary Resolution is passed, after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

9. Resolution 7, if passed, will empower the Directors to offer and grant options in accordance with the SOS to eligible participants under the SOS other than Parent Group Employees and Parent Group Non-Executive Directors and to issue from time to time such number of Shares pursuant to the exercise of such options under the SOS subject to such limits as prescribed in the SOS *(see note below on voting restrictions)*.

   Voting restrictions pursuant to Rule 859 of the Listing Manual of SGX-ST
   *Please note that a shareholder who is eligible to participate in the SOS (other than as a director and/or employee of Hong Leong Investment Holdings Pte. Ltd. (the "**Parent Company**") and its subsidiaries (but not including the Company and its subsidiaries)), should abstain from voting at the Meeting in respect of Resolution 7 in relation to the SOS, and accordingly, should not accept nominations as proxies or otherwise for voting at the Meeting, in respect of the aforesaid resolution, unless specific instructions have been given in the proxy form on how the vote is to be cast for the aforesaid resolution.*

10. Resolution 8, if passed, will empower the Directors to make purchases or otherwise acquire the Company's issued Shares from time to time subject to and in accordance with the guidelines set out in Annexure I of the Letter to Shareholders. This authority will expire at the conclusion of the next AGM of the Company, unless previously revoked or varied at a general meeting or when such purchases or acquisitions are carried out to the full extent mandated.

11. Resolution 9, if passed, will renew the IPT Mandate first approved by shareholders on 30 May 2003 to facilitate the Company, its subsidiaries and its associated companies, to enter into Interested Person Transactions, the details of which are set out in Annexures II and III of the Letter to Shareholders. The IPT Mandate will continue in force until the conclusion of the next AGM of the Company, unless previously revoked or varied at a general meeting.

    Voting restrictions pursuant to Rule 921(7) of the Listing Manual of SGX-ST
    The Parent Company and its subsidiaries, the Directors of the Company and their associates, who are also shareholders of the Company and being Interested Persons under the IPT Mandate, are required to abstain from voting at the Meeting in respect of Resolution 9 in relation to the proposed renewal of the IPT Mandate.

MEETING NOTES:

Format of Meeting

1. The Meeting will be held in a wholly physical format and **there will be no option for shareholders to participate virtually**. Shareholders, including CPF and SRS investors who hold the Company's Shares through CPF Agent Banks or SRS Operators, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote by attending the Meeting in person.

   Attendees are required to bring along their NRIC/passport so as to enable the Company to verify their identities.

   Printed copies of this Notice and the accompanying proxy form are sent by post to members. These documents will also be published on the Company's website at the URL https://www.hlasia.com.sg/shareholder-meetings and on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

2. All resolutions at the Meeting shall be voted on by way of a poll. Polling will be done by way of an electronic poll voting system and members present in person or represented by proxy at the Meeting will be entitled to vote on a 'one-share, one-vote' basis. The detailed procedures for the electronic poll voting will be explained at the Meeting.

Access to Documents

3. The Annual Report 2024 and the Letter to Shareholders are available on the Company's website at the URL https://www.hlasia.com.sg/shareholder-meetings and may also be accessed on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

   Shareholders may request for printed copies of the Annual Report 2024 and the Letter to Shareholders in the following manner:

   (a) by completing and returning the Request Form which is sent to them by post; or

   (b) by completing and submitting the Request Form via email to the Company's Share Registrar at main@zicoholdings.com,

   in either case, by 5.00 p.m. on 10 April 2025.

Submission of Questions

4. Shareholders, including CPF and SRS investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the Meeting, in advance of the Meeting, in the following manner:

   (a) via email to the Company's Investor Relations at investor_relations@hlasia.com.sg; or

   (b) by post to the Company's Investor Relations at 16 Raffles Quay, #26-00 Hong Leong Building, Singapore 048581.

   When submitting questions, shareholders should provide the following details: (a) full name as it appears in the CDP/CPF/SRS records; (b) address; (c) number of Shares held in the Company; and (d) the manner in which the Shares are held in the Company (e.g., via CDP, CPF and/or SRS), for verification purposes.

   All questions submitted in advance must be received by 5.00 p.m. on 11 April 2025.

Notice of
Annual General Meeting

5. The Company will address substantial and relevant questions received from shareholders by the 11 April 2025 deadline by publishing its responses to such questions on the Company's website at the URL https://www.hlasia.com.sg/shareholder-meetings and the SGX website at the URL https://www.sgx.com/securities/company-announcements at least 48 hours prior to the closing date and time for the lodgement/receipt of instruments appointing a proxy(ies).

Appointment of Proxy(ies)

6. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member's proxy form appoints more than one proxy, the number of Shares in relation to which each proxy has been appointed shall be specified in the proxy form.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act.

7. A proxy need not be a member of the Company.

8. Completion and return of the instrument appointing a proxy(ies) shall not preclude a member from attending, speaking and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under this proxy form to the Meeting.

9. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to the voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

10. The duly completed instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

    (a) if submitted personally or by post, be deposited at the office of the Company's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or

    (b) if submitted electronically, via email to the Company's Share Registrar at main@zicoholdings.com,

    in either case, by 3.00 p.m. on 22 April 2025, being 72 hours before the time for holding the Meeting.

11. A member who wishes to submit an instrument appointing a proxy(ies) personally, by post or via email can either use the printed copy of the instrument appointing a proxy(ies), which is sent to him/her/it by post, or download a copy of the instrument appointing a proxy(ies) from the Company's website or the SGX-ST website, and complete and sign the copy, before submitting it personally or by post to the address provided above, or before scanning and sending it by email to the email address provided above.

CPF/SRS Investors

12. CPF or SRS investors:

    (a) may attend and vote at the Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

    (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Meeting, in which case they should approach their CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 15 April 2025.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, or submitting any question prior to the Meeting in accordance with this Notice, a member of the Company:

(a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of processing, administration and analysis by the Company (or its agents or service providers) of the proxy(ies) and/or representative(s) appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Meeting (including any adjournment thereof) and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities (collectively, the "**Purposes**"); and

(b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service provider), the member has obtained the prior consent of such proxy(ies) and representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and

(c) agrees to provide the Company with written evidence of such prior consent upon reasonable request.

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Additional Information on Directors Seeking Re-Election at the 64th Annual General Meeting

Name of Director	Ng Sey Ming	Tan Chian Khong	Maimoonah Binte Mohamad Hussain	Ng Chee Khern
Age	50	69	66	59
Date of appointment	8 May 2017	1 March 2018	26 April 2023	1 January 2025
Job Title	Non-Executive and Independent Director Chairman of the Remuneration Committee ("**RC**") and Hong Leong Asia Share Option Scheme 2000 Committee ("**SOSC**"), and a member of Audit and Risk Committee ("**ARC**") and Nominating Committee ("**NC**")	Non-Executive Director and Lead Independent Director Chairman of the ARC and a member of the NC, RC and SOSC	Non-Executive and Independent Director A member of the ARC	Non-Executive and Independent Director A member of the Board Sustainability Committee ("**BSC**")
Date of last re-election (if applicable)	26 April 2023	26 April 2023	Not applicable	Not applicable
Country of principal residence	Singapore	Singapore	Singapore	Singapore
Board's comments on the re-election (including rationale, selection criteria, and the search and nomination process)	The Board has considered the recommendation of the NC on the re-election of Mr Ng Sey Ming, Mr Tan Chian Khong, Datuk Maimoonah Hussain and Mr Ng Chee Khern, and took into account, *inter alia,* • their skill sets, experiences and contribution to the effectiveness of the Board (which included their participation at Board, Board committees and independent Directors' meetings, where applicable); and • their time commitment especially for Directors with multiple board representations and/or other principal commitments; and also reviewed the independence of Mr Ng Sey Ming, Mr Tan Chian Khong, Datuk Maimoonah Hussain and Mr Ng Chee Khern.		The Board is satisfied that Mr Ng Sey Ming, Mr Tan Chian Khong, Datuk Maimoonah Hussain and Mr Ng Chee Khern possess the experience, knowledge and skills to contribute to the Board. For more details on the NC's evaluation process, please refer to Principle 4: Board Membership and Principle 5: Board Performance of the Corporate Governance Report.	
Whether appointment is executive, and if so, the area of responsibility	No	No	No	No

Name of Director	Ng Sey Ming	Tan Chian Khong	Maimoonah Binte Mohamad Hussain	Ng Chee Khern
Professional qualification and working experience and occupation(s) during the past 10 years	Advocate and Solicitor of the Supreme Court in Singapore and of the High Court of Malaya, and a Solicitor of England and Wales. Bachelor of Laws (Honours) degree from the National University of Singapore. <u>July 2000 to Present</u> Commenced legal practice in Rajah & Tann Singapore LLP ("R&T") in 2000 and became a partner of R&T in 2007. <u>February 2015 to Present</u> Partner of Christopher & Lee Ong, a member of the R&T Asia network of law firms.	Bachelor of Accountancy degree from the National University of Singapore and an Environmental Management degree from the University of Adelaide. A member of the American Institute of Certified Public Accountants, a Fellow of the Institute of Singapore Chartered Accountants and of CPA Australia. Approximately 35 years of experience in providing audit and business advisory services to clients in a wide range of industries. <u>1981 to 2016</u> Joined Ernst & Young LLP (then known as Ernst & Whinney) in 1981 and became an audit partner in 1996 until his retirement in 2016	Chartered Banker. Bachelor of Accountancy from the National University of Singapore. An accomplished banker with over 40 years of experience specialising in debt capital markets, structured finance, securities, asset management and investment banking. <u>2014 to 2019</u> Group Managing Director, Affin Hwang Capital <u>2007 to 2013</u> Managing Director, Affin Investment Bank	Master of Public Administration from the Kennedy School of Government, Harvard University, and a Master of Arts and Social Sciences (Philosophy, Politics and Economics) and a Bachelor of Arts and Social Sciences (Second Class Honors) (Philosophy, Politics and Economics) from the University of Oxford. Served for about 40 years in the Public Service with extensive experience in sustainable governance, building long last systems, fostering national and international networks including a track record in assessing regional and international affairs, and implementing national initiatives in security, digital and work force transformation. <u>2022 to Present</u> Permanent Secretary (Manpower), Ministry of Manpower <u>2017 to 2022</u> Permanent Secretary (Smart Nation and Digital Government), Prime Minister's Office <u>2014 to 2017</u> Permanent Secretary (Defence Development), Ministry of Defence
Shareholding interest in the Company and its subsidiaries	Nil	Nil	Nil	Nil
Relationship (including immediate family relationship) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	Nil	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company.	Yes	Yes	Yes	Yes

Additional Information on Directors Seeking Re-Election at the 64th Annual General Meeting

Name of Director	Ng Sey Ming	Tan Chian Khong	Maimoonah Binte Mohamad Hussain	Ng Chee Khern
Other Principal Commitments including directorships	Principal Commitments: Please see information under segment "Professional qualification, working experience and occupation(s) during the past 10 years".	Principal Commitments: Please see information under segment "Professional qualification, working experience and occupation(s) during the past 10 years".	Principal Commitments: Please see information under segment "Professional qualification, working experience and occupation(s) during the past 10 years".	Principal Commitments: Please see information under segment "Professional qualification, working experience and occupation(s) during the past 10 years".
Directorships: • Past (for the last 5 years):	• XMH Holdings Ltd.*	• Methodist Welfare Services • Trailblazer Foundation Ltd. • Xinghua Port Holdings Ltd.*	Nil	• Changi Airport Group (Singapore) Pte. Ltd. • CapitaLand Integrated Commercial Trust Management Limited^ • Government Technology Agency of Singapaore (GovTech)
• Present:	• HLA*	• HLA* • Alliance Bank Malaysia Berhad* • Banyan Tree Holdings Limited* • CSE Global Limited* • SMRT Corporation Ltd • The Straits Trading Company Limited* • Gambling Regulatory Authority of Singapore	• HLA* • Ekuiti Nasional Berhad • GX Bank Berhad • National Gallery Singapore • Singapore Exchange Limited* • U Mobile Holdings Berhad	• HLA* • Human Capital Leadership Institute • SIA Engineering Company Limited*
Responses to questions (a) to (k) under Appendix 7.4.1 of the SGX Listing Manual	Responses to questions (a) to (k) are negative (same as previously announced on 8 July 2017).	Responses to questions (a) to (k) are negative (same as previously announced on 28 February 2018).	Responses to questions (a) to (k) are negative (same as previously announced on 28 March 2023).	Responses to questions (a) to (k) are negative (same as previously announced on 16 December 2024).

* listed company
^ manager of a listed trust

Information as at 11 March 2025

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HONG LEONG ASIA LTD.
Co. Reg. No. 196300306G
(Incorporated in the Republic of Singapore)

PROXY FORM

for 64th Annual General Meeting

IMPORTANT:
1. The Meeting will be held in a wholly physical format and **there will be no option for shareholders to participate virtually**. Printed copies of the Notice of Meeting and this Proxy Form are sent by post to members. These documents will also be published on the Company's website at the URL https://www.hlasia.com.sg/shareholder-meetings and on the SGX website at the URL https://www.sgx.com/securities/company-announcements.
2. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).
3. Relevant intermediaries (as defined in Section 181 of the Companies Act 1967) may appoint more than two proxies to attend, speak and vote at the Meeting.
4. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold shares through their CPF/SRS funds. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

Personal Data Privacy

5. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Meeting dated 27 March 2025.

I/We, (name) ______________________ with NRIC/Passport/Co. Reg. No.: __________

of (address) ____

being a member/members of HONG LEONG ASIA LTD. (the "**Company**"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of shares	**%**
Address			

and/or

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of shares	**%**
Address			

as my/our proxy/proxies, to attend, speak and vote for me/us on my/our behalf at the Sixty-Fourth Annual General Meeting of the Company (the "**Meeting**") to be held at M Hotel Singapore, Banquet Suite, Level 10, 81 Anson Road, Singapore 079908 on Friday, 25 April 2025 at 3.00 p.m., and at any adjournment thereof in the following manner as specified below.

NOTE: Voting on all resolutions will be conducted by poll. If you wish to exercise 100% of your votes **For** or **Against** a resolution, please tick with "✓" in the corresponding box against that resolution. If you wish to split your votes, please indicate the number of votes **For** and/or **Against** that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with "✓" in the **Abstain** box provided in respect of that resolution. Alternatively, please insert the relevant number of shares in the **Abstain** box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on any of the below resolutions if no voting instruction is specified, and on any other matter arising at the Meeting and at any adjournment thereof.

No.	Resolutions		For	Against	Abstain
A.	**ORDINARY BUSINESS:**				
1.	Receipt of the Directors' Statement, Audited Financial Statements and the Auditor's Report thereon				
2.	Declaration of a Final Dividend				
3.	Approval of Directors' Fees				
4.	Re-election of Directors:	(a) Mr Ng Sey Ming			
		(b) Mr Tan Chian Khong			
		(c) Datuk Maimoonah Binte Mohamed Hussain			
		(d) Mr Ng Chee Khern			
5.	Re-appointment of Ernst & Young LLP as Auditor				
B.	**SPECIAL BUSINESS:**				
6.	Authority for Directors to issue shares and/or make or grant offers, agreements or options pursuant to Section 161 of the Companies Act 1967 and the Listing Manual of Singapore Exchange Securities Trading Limited				
7.	Authority for Directors to offer and grant options to eligible participants under the Hong Leong Asia Share Option Scheme 2000 (the "**SOS**") other than Parent Group Employees and Parent Group Non-Executive Directors and to issue shares in accordance with the provisions of the SOS				
8.	Renewal of Share Purchase Mandate				
9.	Renewal of IPT Mandate				

Dated this ______________ day of ______________ 2025

Total No. of Shares Held

Contact Number/Email Address of Member(s)

Signature(s) or Common Seal of Member(s)

NOTES: SEE OVERLEAF

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If no number is inserted, this proxy form will be deemed to relate to all the shares held by you.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form.
   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than one proxy, the number of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.
3. A proxy need not be a member of the Company.
4. CPF or SRS investors who hold shares in the Company through CPF Agent Banks/SRS Operators:
   (a) may vote at the Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Meeting, in which case they should approach their CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 15 April 2025.

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64th AGM
PROXY FORM

Affix
Postage
Stamp

HONG LEONG ASIA LTD.
c/o The Share Registrar
B.A.C.S. Private Limited
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

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5. The duly completed instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
   (a) if submitted personally or by post, be deposited at the office of the Company's Share Registrar, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
   (b) if submitted electronically, via email to the Company's Share Registrar at main@zicoholdings.com,
   in either case, by 3.00 p.m. on 22 April 2025, being 72 hours before the time for holding the Meeting.
   The proxy must bring along his/her NRIC/passport so as to enable the Company to verify his/her identity.
6. The instrument appointing a proxy(ies) must be signed by the appointor or his/her attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its common seal or signed by a director or an officer or an attorney duly authorised.
7. Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent the member from attending, speaking and voting at the Meeting if the member so wishes. The appointment of the proxy(ies) for the Meeting will be deemed to be revoked if the member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any proxy(ies) appointed under the relevant instrument appointing a proxy(ies) to the Meeting.
8. The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy(ies) lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Operating Network

CORPORATE OFFICE

Hong Leong Asia Ltd.
16 Raffles Quay #26-00
Hong Leong Building
Singapore 048581
T : (65) 6220 8411
F : (65) 6222 0087 / 6226 0502

Hong Leong Asia (Shanghai) Co., Ltd.
Room 506, 1090 Defu Road
Jia Ding District
Shanghai 201800
People's Republic of China
T : (86) 21 6226 2996
F : (86) 21 6226 2996

POWERTRAIN SOLUTIONS

China Yuchai International Limited
Executive Office
16 Raffles Quay #39-01A
Hong Leong Building
Singapore 048581
T : (65) 6220 8411
F : (65) 6221 1172

Guangxi Yuchai Machinery Company Limited
88 Tianqiao West Road, Yulin
Guangxi 537005
People's Republic of China
T : (86) 775 328 9000
F : (86) 775 322 9600

BUILDING MATERIALS

Ready-Mix Concrete Division

Island Concrete (Private) Limited
43/45 Sungei Kadut Street 4
Singapore 729061
T : (65) 6488 5777
F : (65) 6368 0312

Precast Concrete Division

HL Building Materials Pte. Ltd.
10 Punggol Barat Lane #03-01
Singapore 797359
T : (65) 6862 3501
F : (65) 6861 0674

HL-Manufacturing Industries Sdn. Bhd.
Lot 2595 and Lot 2596
Jalan Perindustrian 3
Kawasan Perindustrian Senai Fasa 2
81400 Senai
Johor Darul Ta'zim
Malaysia
T : (607) 598 6828
F : (607) 598 6822

Cement Division

Singapore Cement Manufacturing Company (Private) Limited
10 Punggol Barat Lane #03-02
Singapore 797359
T : (65) 6488 5777
F : (65) 6368 0312

Tasek Corporation Berhad
Lot 5, Persiaran Tasek,
Tasek Industrial Estate,
31400 Ipoh, Perak
Malaysia
T : (605) 290 9000
F : (605) 291 9932

Trading and Granite Division

HL Building Materials Pte. Ltd.
10 Punggol Barat Lane #03-02
Singapore 797359
T : (65) 6488 5777
F : (65) 6368 0312

HL Granite Resources Pte. Ltd.
10 Punggol Barat Lane #03-02
Singapore 797359
T : (65) 6488 5777
F : (65) 6368 0312

Hayford Holdings Sdn. Bhd.
Lot 2595 and Lot 2596
Jalan Perindustrian 3
Kawasan Perindustrian Senai Fasa 2
81400 Senai
Johor Darul Ta'zim
Malaysia
T : (607) 598 6828
F : (607) 598 6822

OTHERS

Rigid Packaging

Dongguan Rex Packaging Co., Ltd.
Su Keng, Chang Ping, Dongguan
Guangdong Province 523577
People's Republic of China
T : (86) 769 8900 9055
F : (86) 769 8391 0879

Tianjin Rex Packaging Co., Ltd.*

Hospitality & Property Development

HL Global Enterprises Limited
10 Anson Road
#19-08 International Plaza
Singapore 079903
T : (65) 6324 9500
F : (65) 6221 4861

** Ceased operations in February 2024.*

HONG LEONG ASIA LTD.
CO. Reg. No. 196300306G

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www.hlasia.com.sg