FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

HONG LEONG ASIA LTD.

Securities

HONG LEONG ASIA LTD. - SG1F76860344 - H22

Stapled Security

No

Announcement Details

Announcement Title

Financial Statements and Related Announcement

Date &Time of Broadcast

12-Aug-2026 17:18:49

Status

New

Announcement Sub Title

Half Yearly Results

Announcement Reference

SG260812OTHRRWLA

Submitted By (Co./ Ind. Name)

Nor Aishah Binte Nasit

Designation

Company Secretary

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

Please refer to the attached documents:

1. Condensed Interim Consolidated Financial Statements for the Half Year ended 30 June ("1H") 2026 (Unaudited);
2. Press Release titled "Hong Leong Asia Posts 1H 2026 PATMI of S$91.9 Million"; and
3. 1H 2026 Results Presentation.

Additional Details

For Financial Period Ended

30-Jun-2026

Attachments

HLA Condensed Interim Consolidated Financials 30 Jun 2026.pdf

HLA Press Release 1H 2026.pdf

HLA 1H 2026 Results Presentation.pdf

Total size =2282K MB

Company Registration No. 196300306G

Hong Leong Asia Ltd. and its subsidiaries

Condensed Interim Consolidated Financial Statements
For the Half Year Ended 30 June 2026 (Unaudited)

Hong Leong Asia Ltd. and its subsidiaries

Index

Hong Leong Asia Ltd. and its subsidiaries

Condensed Interim Consolidated Balance Sheet
As at 30 June 2026

		Group		Company	
		30 June	31 December	30 June	31 December
	Note	2026	2025	2026	2025
		$'000	$'000	$'000	$'000
Non-current assets					
Property, plant and equipment	5	877,928	778,957	415	511
Intangible assets	6	320,043	285,027	-	-
Investment in subsidiaries		-	-	481,755	391,072
Interests in associates		192,019	218,823	14,605	14,605
Interests in joint ventures		133,878	126,694	-	-
Investment property		739	761	-	-
Other investments		9,174	3,159	-	-
Non-current receivables		7,904	4,540	-	-
Capitalised contract costs		-	32,412	-	-
Right-of-use assets		132,233	126,886	106	134
Deferred tax assets		67,242	63,628	-	-
Long-term cash deposits		33,285	-	-	-
		1,774,445	1,640,887	496,881	406,322
Current assets					
Inventories		1,205,399	1,132,823	-	-
Development properties		3,383	3,319	-	-
Capitalised contract costs		7,499	-	-	-
Trade and other receivables		2,993,224	2,310,728	247,428	245,611
Cash and short-term deposits		1,838,068	1,602,648	145,856	2,075
Derivatives		77	-	-	-
		6,047,650	5,049,518	393,284	247,686
Assets of disposal group classified as held for distribution to owners		1,220	1,222	-	-
		6,048,870	5,050,740	393,284	247,686
Total assets		7,823,315	6,691,627	890,165	654,008

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

Hong Leong Asia Ltd. and its subsidiaries

Condensed Interim Consolidated Balance Sheet
As at 30 June 2026

	Note	Group 30 June 2026 $'000	Group 31 December 2025 $'000	Company 30 June 2026 $'000	Company 31 December 2025 $'000
Current liabilities					
Trade and other payables		3,429,024	2,819,479	7,992	7,684
Contract liabilities		162,526	175,521	-	-
Lease liabilities	8	14,635	14,860	57	57
Provisions		120,125	100,857	-	-
Loans and borrowings	8	493,384	493,709	206,977	115,877
Current tax payable		37,761	22,436	-	-
Derivatives		-	5	-	-
		4,257,455	3,626,867	215,026	123,618
Liabilities directly associated with disposal group classified as held for distribution to owners		297	280	-	-
		4,257,752	3,627,147	215,026	123,618
Net current assets		1,791,118	1,423,593	178,258	124,068
Non-current liabilities					
Loans and borrowings	8	263,804	263,676	260,000	260,000
Deferred tax liabilities		27,181	29,395	5,225	5,225
Deferred grants		121,806	106,288	-	-
Other liabilities		41,074	41,352	-	-
Contract liabilities		7,487	7,235	-	-
Lease liabilities	8	35,826	33,342	52	80
		497,178	481,288	265,277	265,305
Total liabilities		4,754,930	4,108,435	480,303	388,923
Net assets		3,068,385	2,583,192	409,862	265,085
Equity attributable to owners of the Company					
Share capital	9	610,153	468,084	610,153	468,084
Reserves		726,247	621,921	(200,291)	(202,999)
Reserve attributable to disposal group classified as held for distribution to owners		702	616	-	-
		1,337,102	1,090,621	409,862	265,085
Non-controlling interests		1,731,283	1,492,571	-	-
Total equity		3,068,385	2,583,192	409,862	265,085
Total equity and liabilities		7,823,315	6,691,627	890,165	654,008

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

Hong Leong Asia Ltd. and its subsidiaries

Condensed Interim Consolidated Income Statement
For the Half Year Ended 30 June 2026

	Note	Group Half year ended 30 June 2026 $'000	 Half year ended 30 June 2025 $'000	+/- %
Continuing operations				
Revenue	10	3,129,259	2,660,095	17.6%
Cost of sales		(2,532,071)	(2,232,587)	13.4%
Gross profit		597,188	427,508	**39.7%**
Other item of income				
Other income		32,905	43,414	-24.2%
Other items of expense				
Selling and distribution expenses		(152,091)	(119,320)	27.5%
Research and development expenses		(110,699)	(86,719)	27.7%
General and administrative expenses		(143,271)	(127,236)	12.6%
Finance costs		(9,600)	(12,798)	-25.0%
Other expenses		(115)	(164)	-29.9%
Share of results of associates and joint ventures, net of income tax		34,451	24,523	40.5%
Profit before income tax from continuing operations	11	**248,768**	**149,208**	**66.7%**
Income tax expense	12	(50,365)	(27,990)	79.9%
Profit from continuing operations, net of tax		**198,403**	**121,218**	**63.7%**
Discontinued operation				
Loss from discontinued operation, net of tax		(58)	(67)	-13.4%
Profit for the period		**198,345**	**121,151**	**63.7%**
Attributable to:				
Owners of the Company				
- Profit from continuing operations, net of tax		91,945	56,056	64.0%
- Loss from discontinued operation, net of tax		(39)	(45)	-13.3%
		91,906	**56,011**	64.1%
Non-controlling interests				
- Profit from continuing operations, net of tax		106,458	65,162	63.4%
- Loss from discontinued operation, net of tax		(19)	(22)	-13.6%
		106,439	**65,140**	63.4%
Earnings per share from continuing operations attributable to owners of the Company (cents per share)				
- Basic	13	12.05	7.49	60.9%
- Diluted	13	12.04	7.49	60.7%
Earnings per share (cents per share)				
- Basic	13	12.04	7.49	60.7%
- Diluted	13	12.04	7.49	60.7%

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

Hong Leong Asia Ltd. and its subsidiaries

Condensed Interim Consolidated Statement of Comprehensive Income
For the Half Year Ended 30 June 2026

	Group		
	Half year ended 30 June 2026 $'000	Half year ended 30 June 2025 $'000	+/- %
Profit for the period	**198,345**	**121,151**	**63.7%**
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Net fair value changes of equity instruments at fair value through other comprehensive income	512	(57)	NM
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	82,125	(99,394)	NM
Net fair value changes of debt instruments at fair value through other comprehensive income	4,052	1,078	275.9%
Other comprehensive income for the period, net of income tax	**86,689**	**(98,373)**	**NM**
Total comprehensive income for the period	**285,034**	**22,778**	**1151.4%**
Attributable to:			
Owners of the Company	124,691	17,594	608.7%
Non-controlling interests	160,343	5,184	2993.0%
Total comprehensive income for the period	**285,034**	**22,778**	**1151.4%**
Attributable to:			
Owners of the Company			
- Total comprehensive income from continuing operations, net of tax	124,730	17,639	607.1%
- Total comprehensive income from discontinued operation, net of tax	(39)	(45)	-13.3%
	124,691	**17,594**	**608.7%**

NM – Not meaningful

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

Hong Leong Asia Ltd. and its subsidiaries

Condensed Interim Consolidated Statement of Changes in Equity
For the Half Year Ended 30 June 2026

	Share capital $'000	Capital reserve $'000	Statutory reserve $'000	Fair value reserve $'000	Share option reserve $'000	Translation reserve $'000	Surplus on changes of non-controlling interests $'000	Reserve attributable to disposal group classified as held for distribution to owners $'000	Accumulated profits $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
The Group												
At 1 January 2026	468,084	48,644	39,259	9,001	8,034	(74,266)	79,180	616	512,069	1,090,621	1,492,571	2,583,192
Profit for the period	-	-	-	-	-	-	-	-	91,906	91,906	106,439	198,345
Other comprehensive income												
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	30,843	-	-	-	30,843	51,282	82,125
Net fair value changes of equity instruments at fair value through other comprehensive income	-	-	-	512	-	-	-	-	-	512	-	512
Net fair value changes of debt instruments at fair value through other comprehensive income	-	-	-	1,430	-	-	-	-	-	1,430	2,622	4,052
Other comprehensive income for the period, net of tax	-	-	-	1,942	-	30,843	-	-	-	32,785	53,904	86,689
Total comprehensive income for the period	-	-	-	1,942	-	30,843	-	-	91,906	124,691	160,343	285,034
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Shares issued during the period	145,005	-	-	-	-	-	-	-	-	145,005	-	145,005
Shares issuance expenses	(2,936)	-	-	-	-	-	-	-	-	(2,936)	-	(2,936)
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(22,444)	(22,444)	-	(22,444)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(17,753)	(17,753)
Cost of share-based compensation	-	-	-	-	2,203	-	-	-	-	2,203	2,856	5,059
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,641	1,641
Changes in ownership interests in subsidiaries												
Non-controlling interest arising from acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	91,665	91,665
Acquisition of non-controlling interest without change in control	-	(197)	-	-	-	-	159	-	-	(38)	(40)	(78)
Others												
Transfer to statutory reserve	-	-	16,057	-	-	-	-	-	(16,057)	-	-	-
Reserve attributable to disposal group classified as held for distribution to owners	-	-	-	-	-	(86)	-	86	-	-	-	-
At 30 June 2026	610,153	48,447	55,316	10,943	10,237	(43,509)	79,339	702	565,474	1,337,102	1,731,283	3,068,385

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

Hong Leong Asia Ltd. and its subsidiaries

Condensed Interim Consolidated Statement of Changes in Equity
For the Half Year Ended 30 June 2026

The Group	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 2025	467,977	(19)	41,752	7,898	5,922	(72,206)	79,032	665	483,112	1,014,133	1,436,720	2,450,853
Profit for the period	-	-	-	-	-	-	-	-	56,011	56,011	65,140	121,151
Other comprehensive income												
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	-	-	-	-	-	(38,766)	-	-	-	(38,766)	(60,628)	(99,394)
Net fair value changes of equity instruments at fair value through other comprehensive income	-	-	-	(57)	-	-	-	-	-	(57)	-	(57)
Net fair value changes of debt instruments at fair value through other comprehensive income	-	-	-	406	-	-	-	-	-	406	672	1,078
Other comprehensive income for the period, net of tax	-	-	-	349	-	(38,766)	-	-	-	(38,417)	(59,956)	(98,373)
Total comprehensive income for the period	-	-	-	349	-	(38,766)	-	-	56,011	17,594	5,184	22,778
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Shares issued during the period	107	-	-	-	-	-	-	-	-	107	-	107
Dividends paid to shareholders	-	-	-	-	-	-	-	-	(22,444)	(22,444)	-	(22,444)
Dividends paid/payable to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(24,102)	(24,102)
Cost of share-based compensation	-	-	-	-	504	-	-	-	-	504	916	1,420
Contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,263	1,263
Changes in ownership interests in subsidiaries												
Dilution of interest in subsidiary	-	-	-	-	-	-	(242)	-	-	(242)	242	-
Others												
Transfer to statutory reserve	-	-	7,017	-	-	-	-	-	(7,017)	-	-	-
Reserve attributable to disposal group classified as held for distribution to owners	-	-	-	-	-	49	-	(49)	-	-	-	-
At 30 June 2025	468,084	(19)	48,769	8,247	6,426	(110,923)	78,790	616	509,662	1,009,652	1,420,223	2,429,875

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

Hong Leong Asia Ltd. and its subsidiaries

Condensed Interim Statement of Changes in Equity
For the Half Year Ended 30 June 2026

Company	Share capital $'000	Capital reserve $'000	Share option reserve $'000	Accumulated (losses)/profits $'000	Total equity $'000
At 1 January 2026	468,084	9,199	2,646	(214,844)	265,085
Total comprehensive income for the period	-	-	-	25,145	25,145
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Shares issued during the period	145,005	-	-	-	145,005
Shares issuance expenses	(2,936)	-	-	-	(2,936)
Dividends paid to shareholders	-	-	-	(22,444)	(22,444)
Cost of share-based compensation	-	-	7	-	7
At 30 June 2026	610,153	9,199	2,653	(212,143)	409,862
At 1 January 2025	467,977	9,199	2,631	(216,669)	263,138
Total comprehensive income for the period	-	-	-	17,372	17,372
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Shares issued during the period	107	-	-	-	107
Dividends paid to shareholders	-	-	-	(22,444)	(22,444)
Cost of share-based compensation	-	-	5	-	5
At 30 June 2025	468,084	9,199	2,636	(221,741)	258,178

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

Hong Leong Asia Ltd. and its subsidiaries

Condensed Interim Consolidated Cash Flow Statement
For the Half Year Ended 30 June 2026

	Group	
	Half year ended 30 June 2026 $'000	**Half year ended 30 June 2025 $'000**
Operating activities		
Profit before income tax from continuing operations	248,768	149,208
Loss before income tax from discontinued operation	(58)	(67)
Adjustments for:		
Share of results of associates and joint ventures, net of income tax	(34,451)	(24,523)
Cost of share-based payments	5,059	1,420
Depreciation and amortisation	90,283	77,573
Allowance made for inventories obsolescence	8,258	5,634
Impairment losses recognised for trade and other receivables	998	3,202
Impairment losses recognised for property, plant and equipment	1,385	-
Property, plant and equipment written off	96	54
Finance costs	9,600	12,798
Dividend income from other investments	(120)	(36)
Interest income	(8,518)	(10,474)
Gain on disposal of property, plant and equipment	(168)	(244)
Fair value (gain)/loss on derivatives	(82)	25
Provision for warranties and other costs	50,897	61,120
Operating cash flows before changes in working capital	371,947	275,690
Changes in working capital:		
Inventories and development properties	(7,794)	(5,509)
Trade and other receivables and capitalised contract costs	(432,107)	(706,197)
Trade and other payables and contract liabilities	403,297	891,671
Grant received from government	24,791	20,633
Provisions utilised	(42,556)	(46,978)
Cash flows from operations	317,578	429,310
Income tax paid	(40,860)	(31,814)
Net cash flows from operating activities	276,718	397,496

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

Hong Leong Asia Ltd. and its subsidiaries

Condensed Interim Consolidated Cash Flow Statement
For the Half Year Ended 30 June 2026

	Group	
	Half year ended 30 June 2026 $'000	**Half year ended 30 June 2025 $'000**
Investing activities		
Acquisition of subsidiaries, net of cash acquired	(56,096)	-
Payment for investment in associates	(26,935)	-
Dividends received from:		
- associates and joint ventures	10,008	27,648
- other investments	120	36
Interest received	8,334	10,540
Net (placement)/release of deposits with banks	(155,398)	20,240
Purchase/Addition of:		
- property, plant and equipment	(54,650)	(47,543)
- right-of-use assets	-	(833)
- intangible assets	(4,980)	(12,176)
- other investments	(5,505)	-
Net cash inflow on disposal of:		
- subsidiary, net of cash disposed	-	948
- property, plant and equipment	450	494
Net cash flows used in investing activities	(284,652)	(646)
Financing activities		
Acquisition of non-controlling interests	(38)	-
Contribution by non-controlling interests	1,641	1,263
Dividends paid to non-controlling interests of subsidiaries	(17,753)	(24,102)
Dividends paid to shareholders of the Company	(22,444)	(22,444)
Interest paid	(9,870)	(13,661)
Net proceeds from share issuance	142,069	107
Proceeds from borrowings	296,842	226,584
Repayment in respect of borrowings	(310,730)	(290,658)
Repayment of obligation under lease liabilities	(10,565)	(7,233)
Net cash flows from/(used in) financing activities	69,152	(130,144)
Net increase in cash and cash equivalents	61,218	266,706
Cash and cash equivalents at beginning of the financial period	1,533,778	1,256,770
Effect of exchange rate changes on balances held in foreign currencies	46,606	(54,358)
Cash and cash equivalents at end of the financial period	1,641,602	1,469,118
Comprising:		
Cash and short-term deposits	1,838,068	1,540,475
Less: Short-term deposits and restricted deposits	(197,686)	(72,573)
Add: Cash at bank attributable to discontinued operation	1,220	1,216
	1,641,602	1,469,118

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

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, architectural components and building products, rigid packaging products, air-conditioning systems (discontinued operation), and of investment holding and dealing.

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

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

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

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The condensed interim consolidated financial statements for the half year ended 30 June 2026 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting*.

The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2025.

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

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

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

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

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

2.3 *Use of judgements and estimates*

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2025.

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

3. Seasonal operations

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

4. Segment information

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

Reportable segments

(i) Powertrain solutions: engines for on-road, off-road, gensets and marine applications.

(ii) Building materials: cement, precast concrete products, ready-mix concrete, quarry products and architectural components and building products.

Other operations include rigid packaging products, hospitality and property development and air-conditioning systems (discontinued operation). None of these segments meet any of the quantitative thresholds for determining reportable segments in 2026 or 2025. Results relating to discontinued operation are excluded from this note as they are presented in a single line item as "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 Executive Officer, who is the Chief Operating Decision Maker. Segment report is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

4. Segment information (cont'd)

Reportable segments (cont'd)

	Powertrain solutions $'000	Building materials $'000	Corporate and Others* $'000	Adjustments $'000	Total $'000
Half year ended 30 June 2026					
Total external revenue	2,732,831	384,835	11,593	-	3,129,259
Reportable segment profit/(loss) before income tax	196,754	66,210	(14,254)	58	248,768
Reportable segment profit/(loss) after income tax	156,663	56,127	(14,445)	58	198,403
30 June 2026					
Assets and liabilities					
Reportable segment assets@	6,547,691	546,002	1,849,320	(1,445,595)	7,497,418
Interests in associates and joint ventures	95,402	230,444	51	-	325,897
Reportable segment liabilities	4,030,894	223,361	1,273,510	(772,835)	4,754,930
Half year ended 30 June 2025					
Total external revenue	2,339,871	310,207	10,017	-	2,660,095
Reportable segment profit/(loss) before income tax	117,902	44,190	(12,951)	67	149,208
Reportable segment profit/(loss) after income tax	96,824	37,448	(13,121)	67	121,218
31 December 2025					
Assets and liabilities					
Reportable segment assets@	5,670,708	483,133	1,506,199	(1,313,930)	6,346,110
Interests in associates and joint ventures	121,804	223,663	50	-	345,517
Reportable segment liabilities	3,501,547	209,218	1,178,882	(781,212)	4,108,435

* Others include rigid packaging products, hospitality and property development and air-conditioning systems (discontinued operation).
@ Exclude interests in associates and joint ventures.

5. Property, plant and equipment

During the half year ended 30 June 2026, the Group acquired assets with a cost of $51,720,000 (30 June 2025: $48,020,000).

Capital commitments

As at 30 June 2026, the Group had capital expenditure contracted for but not recognised in the financial statements amounting to $41,564,000 (31 December 2025: $66,066,000).

6. Intangible assets

Group	Development expenditure $'000	Technology know-how $'000	Computer software $'000	Trade-marks $'000	Club membership $'000	Goodwill $'000	Total $'000
At 31 December 2025							
Cost	86,925	338,618	6,354	34,681	313	11,569	478,460
Accumulated amortisation and impairment losses	(23,334)	(150,127)	(5,522)	(3,470)	(313)	(10,667)	(193,433)
Net carrying amount	63,591	188,491	832	31,211	-	902	285,027
Half year ended 30 June 2026							
Opening net carrying amount	63,591	188,491	832	31,211	-	902	285,027
Additions	5,403	-	12	-	-	-	5,415
Acquisition of subsidiary	-	-	-	-	-	46,428	46,428
Amortisation charge for the period	-	(26,157)	(136)	-	-	-	(26,293)
Transfer	(36,349)	36,349	-	-	-	-	-
Translation differences	1,605	6,763	11	1,087	-	-	9,466
Closing net carrying amount	34,250	205,446	719	32,298	-	47,330	320,043
At 30 June 2026							
Cost	53,518	387,469	6,393	35,765	313	57,997	541,455
Accumulated amortisation and impairment losses	(19,268)	(182,023)	(5,674)	(3,467)	(313)	(10,667)	(221,412)
Net carrying amount	34,250	205,446	719	32,298	-	47,330	320,043

The increase in intangible assets during the half year ended 30 June 2026 was mainly due to (a) provisional goodwill recognised from the acquisition of Yong Tai Loong (Pte) Ltd. (“Yong Tai Loong”), a leading architectural building products supplier in Singapore (Note 7) and (b) capitalised technology development costs for development of National VI(b), Tier 3 engines and new energy products.

6. Intangible assets (cont'd)

Company	Computer software and related costs $'000	Club membership $'000	Total $'000
At 31 December 2025 and 30 June 2026			
Cost	1,502	313	1,815
Accumulated amortisation and impairment losses	(1,502)	(313)	(1,815)
Net carrying amount	-	-	-

7. Acquisition of subsidiaries

(a) Yong Tai Loong

On 21 April 2026, the Group acquired 100% of the issued share capital in Yong Tai Loong for a purchase consideration of $90,683,000. Yong Tai Loong is in the business of manufacturing and supplying architectural building products for the public and private residential markets in Singapore. This acquisition aligns with the Group's long-term strategy of growing its Building Materials segment in Singapore.

Provisional fair values of the identifiable assets and liabilities as at date of acquisition were:

	Group $'000
Assets	
Property, plant and equipment	2,761
Right-of-use assets	1,758
Cash	25,895
Trade and other receivables	25,361
Inventories	2,444
	58,219
Liabilities	
Trade and other payables	(6,336)
Loans and borrowings	(2,881)
Lease liabilities	(1,926)
Current tax payables	(2,821)
	(13,964)
Total identifiable net assets at fair value	44,255
Provisional goodwill arising on acquisition (Note 6)	46,428
Purchase consideration transferred	90,683
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary	25,895
Cash paid	(90,683)
Net cash outflow on acquisition	(64,788)

Transaction costs of $651,000 have been expensed and are included in General and administrative expenses in the income statement and are part of operating cash flows in the cash flow statement.

7. Acquisition of subsidiaries (cont'd)

(b) Nanyue Fuel Injection Systems Co., Ltd (formerly referred to as Nanyue Diankong (Hengyang) Industrial Technology Company Limited) ("NYDK")

In December 2025, the Group's subsidiary, Guangxi Yuchai Machinery Company Limited ("GYMCL") acquired 27.97% equity interest in NYDK for a cash consideration of $32,391,000 and accounted for it as an associate of the Group. Purchase consideration for the acquisition was fully settled in the first quarter of 2026.

On 31 March 2026, the Group obtained control over NYDK upon approval of the updated Articles of Association and appointment of majority of the directors on NYDK's board, in addition to a signed concerted action agreement with the largest shareholder of NYDK.

NYDK's financial results for the period 1 January 2026 to 31 March 2026 have been included under the "share of results of associates and joint ventures" line item in the income statement. The assets and liabilities relating to NYDK as at 31 December 2025 and 30 June 2026 have been recognised based on their provisional values.

8. Loans and borrowings and lease liabilities

	Group		Company	
	30 June 2026	**31 December 2025**	**30 June 2026**	**31 December 2025**
	$'000	$'000	$'000	$'000
Amount repayable in one year or less, or on demand				
Unsecured bank loans	490,503	493,709	206,977	115,877
Secured bank loans	2,881	-	-	-
	493,384	493,709	206,977	115,877
Unsecured lease liabilities	14,635	14,860	57	57
Amount repayable after one year				
Unsecured bank loans	263,804	263,676	260,000	260,000
Unsecured lease liabilities	35,826	33,342	52	80

The banking facilities of a newly acquired subsidiary are secured on assets with a total carrying value as at 30 June 2026 of $1,585,000 (31 December 2025: Nil). Subsequent to 30 June 2026, these secured banking facilities were converted to unsecured facilities.

9. Share capital

	Group and Company			
	30 June 2026		31 December 2025	
	No. of shares ’000	Amount $’000	No. of shares ’000	Amount $’000
Issued and fully paid ordinary shares, with no par value				
Beginning of period/year	748,142	468,084	747,979	467,977
Shares placement	50,000	142,064	–	–
Shares issued under the Hong Leong Asia Share Option Scheme 2000 (the “Scheme”)	5	5	163	107
End of period/year	798,147	610,153	748,142	468,084

The total number of issued shares as at 30 June 2026 was 798,146,268 (31 December 2025: 748,141,318). There were no shares held as treasury shares or subsidiary holdings as at 30 June 2026, 31 December 2025 and 30 June 2025.

On 8 May 2026, the Company completed a share placement of 50,000,000 new ordinary shares at the placement price of $2.90 per share. The net proceeds from the placement were $142.1 million.

There was no sale, transfer, disposal, cancellation and/or use of treasury shares/subsidiary holdings during the half year ended 30 June 2026.

Share options

During the half year ended 30 June 2026, options to acquire 4,950 shares granted in 2025 were exercised at $1.06 per share pursuant to the terms of the Scheme.

During the half year ended 30 June 2026, options to acquire 10,050 shares granted in 2025 under the Scheme had been cancelled following the departure of the employee.

As at 30 June 2026, there were a total of 485,000 (30 June 2025: 500,000) unissued shares under option granted pursuant to the Scheme. Details are as follows:

Year of Grant	Exercise Price	Number of Outstanding Options
2020	$0.54	75,000
2021	$0.72	200,000
2025	$1.06	210,000
Total		485,000

10. Revenue

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

	Half year ended 30 June 2026			
Segments	**Powertrain solutions $'000**	**Building materials $'000**	**Others $'000**	**Consolidated total $'000**
Major product or service lines				
Sale of heavy-duty engines	1,167,395	-	-	1,167,395
Sale of medium-duty engines	583,853	-	-	583,853
Sale of light-duty engines	291,696	-	-	291,696
Sale of precast concrete products	-	77,696	-	77,696
Sale of ready-mix concrete	-	184,279	-	184,279
Sale of cement	-	85,820	-	85,820
Sale of other goods	-	26,300	-	26,300
Sale of rigid packaging products	-	-	8,402	8,402
Hospitality operations	4,957	-	3,175	8,132
Others [(1)]	684,930	10,740	16	695,686
	2,732,831	384,835	11,593	3,129,259

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

10. Revenue (cont'd)

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

	Half year ended 30 June 2026			
Segments	**Powertrain solutions $'000**	**Building materials $'000**	**Others $'000**	**Consolidated total $'000**
Geographical markets				
The PRC	2,676,696	-	7,513	2,684,209
Singapore	866	266,483	889	268,238
Malaysia	974	118,352	3,191	122,517
Others	54,295	-	-	54,295
	2,732,831	384,835	11,593	3,129,259
Timing of revenue recognition				
Goods and services transferred at a point in time	2,713,052	384,835	9,229	3,107,116
Services transferred over time	19,779	-	2,364	22,143
	2,732,831	384,835	11,593	3,129,259

10. Revenue (cont'd)

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

	Half year ended 30 June 2025			
Segments	**Powertrain solutions $'000**	**Building materials $'000**	**Others $'000**	**Consolidated total $'000**
Major product or service lines				
Sale of heavy-duty engines	858,898	-	-	858,898
Sale of medium-duty engines	563,148	-	-	563,148
Sale of light-duty engines	266,436	-	-	266,436
Sale of precast concrete products	-	57,711	-	57,711
Sale of ready-mix concrete	-	155,785	-	155,785
Sale of cement	-	81,654	-	81,654
Sale of other goods	-	14,867	-	14,867
Sale of rigid packaging products	-	-	7,174	7,174
Hospitality operations	5,085	-	2,828	7,913
Others [1]	646,304	190	15	646,509
	2,339,871	310,207	10,017	2,660,095

[1] Included sales of power generator sets, new energy products and others.

10. Revenue (cont'd)

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

	Half year ended 30 June 2025			
Segments	**Powertrain solutions $'000**	**Building materials $'000**	**Others $'000**	**Consolidated total $'000**
Geographical markets				
The PRC	2,318,518	-	6,335	2,324,853
Singapore	324	200,162	839	201,325
Malaysia	1,333	110,045	2,843	114,221
Others	19,696	-	-	19,696
	2,339,871	310,207	10,017	2,660,095
Timing of revenue recognition				
Goods and services transferred at a point in time	2,329,782	310,207	7,960	2,647,949
Services transferred over time	10,089	-	2,057	12,146
	2,339,871	310,207	10,017	2,660,095

As disclosed in the Group's Condensed Interim Consolidated Financial Statements for the half year and full year ended 31 December 2025, sales and cost of sales figures previously reported for Powertrain solutions segment for the first half of 2025 ("1H 2025") have been adjusted downwards by $168.9 million to reflect recognition of certain revenue on a net basis. The adjustment has no impact on the gross profit and net profit of the Group for 1H 2025.

11. Profit before income tax from continuing operations

Profit before income tax from continuing operations includes the following:

	Group		
	Half year ended 30 June 2026 $'000	**Half year ended 30 June 2025 $'000**	**+/- %**
Gain on disposal of property, plant and equipment, net	168	244	-31.1%
Impairment losses on property, plant and equipment	(1,385)	-	NM
Impairment losses recognised for trade and other receivables, net	(998)	(3,202)	-68.8%
Allowance made for inventories obsolescence	(8,258)	(5,634)	46.6%
Depreciation and amortisation	(90,283)	(77,573)	16.4%
Foreign exchange gain, net	48	867	-94.5%
Interest expense	(8,806)	(12,247)	-28.1%
Interest income	8,518	10,474	-18.7%
Write-off of property, plant and equipment	(96)	(54)	77.8%

NM – Not meaningful

12. Income tax expense

For the half year ended 30 June 2026, the Group's tax expenses included a reversal of overprovision of $43,000 for prior years (30 June 2025: additional provision of $255,000 for prior years).

13. Earnings per share

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

	Group	
	Half year ended 30 June 2026 No. of shares	**Half year ended 30 June 2025** No. of Shares
Weighted average number of shares issued, used in the calculation of basic earnings per share	763,058,883	748,113,368
Dilutive effect of share options	360,603	126,013
Weighted average number of ordinary shares (diluted)	763,419,486	748,239,381

As of 30 June 2026 and 30 June 2025, there were no anti-dilutive share options under the Scheme.

14. Related party transactions

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

During the half year ended 30 June 2026, the Group made payments to firms, in which a director has an interest, in respect of professional services rendered. This amounted to $285,617 (30 June 2025: $Nil). No balance was outstanding at the balance sheet date. (31 December 2025: $15,030).

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

	Group	
	Half year ended 30 June 2026	**Half year ended 30 June 2025**
	$'000	$'000
Sale of engines and materials		
- associates and joint ventures	70,587	101,304
- related corporations	70,127	33,423
Purchase of materials, supplies and engines		
- associates and joint ventures	250,929	287,769
- related corporations	352,204	244,043
Management services income		
- an associate	222	222
Management services paid and payable		
- related corporations	58	62
Rental paid and payable (include general expenses)		
- related corporations	364	363
- a joint venture	2,622	2,722
General and administrative expenses		
- joint ventures	156	597
- related corporations	14,610	10,643
Delivery, storage, distribution and handling expenses		
- related corporations	18,657	16,125
Hospitality, restaurant, consultancy and other service income		
- joint ventures	4,866	385
- related corporations	1,145	5,449
Purchase of property, plant and equipment		
- related corporations	375	-
Sale of intangible assets		
- a joint venture	18,792	-
Rental income		
- joint ventures	24	4
- related corporations	160	46

14. Related party transactions (cont'd)

(b) *Outstanding balances with a related party*

As at 30 June 2026, fixed deposits held with a related party amounted to $18,256,000 (31 December 2025: $18,631,000).

(c) *Commitments with related parties*

As at 30 June 2026, the Group had commitments to purchase raw materials from related parties amounting to approximately $71,502,000 between 2026 and 2028 (31 December 2025: $90,136,000 between 2026 and 2028).

15. Dividends

	Group	
	Half year ended 30 June 2026	**Half year ended 30 June 2025**
	$'000	$'000
Declared and paid during the financial period		
Dividends on ordinary shares:		
Final tax exempt (1-tier) dividend paid of 3 cents per share in respect of year 2025 (30 June 2025: Final tax exempt (1-tier) dividend paid of 3 cents per share in respect of year 2024)	22,444	22,444

16. Net Asset Value

	Group		Company	
	30 June 2026	**31 December 2025**	**30 June 2026**	**31 December 2025**
Net asset value per ordinary share (cents)	167.53	145.78	51.35	35.43

17. 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.

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

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

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

30 June 2026	Quoted prices in active markets for identical instruments (Level 1) $'000	Significant observable inputs other than quoted prices (Level 2) $'000	Total $'000
Financial assets			
Other investments	9,174	-	9,174
Bill receivables	-	292,871	292,871
Derivatives	-	77	77
As at 30 June 2026	9,174	292,948	302,122
31 December 2025			
Financial assets			
Other investments	3,159	-	3,159
Bill receivables	-	900,060	900,060
As at 31 December 2025	3,159	900,060	903,219
Financial liabilities			
Derivatives	-	5	5
As at 31 December 2025	-	5	5

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

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

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

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

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

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

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

Classification of financial instruments

	Financial assets at amortised cost $'000	Fair value through other comprehensive income $'000	Financial liabilities at amortised cost $'000	Total $'000
30 June 2026				
Assets				
Other investments	-	9,174	-	9,174
Trade and other receivables	2,659,207	292,871	-	2,952,078
Cash and bank balances	1,871,353	-	-	1,871,353
	4,530,560	302,045	-	4,832,605
Liabilities				
Trade and other payables	-	-	3,391,673	3,391,673
Other non-current liabilities	-	-	41,067	41,067
Loans and borrowings	-	-	757,188	757,188
	-	-	4,189,928	4,189,928
31 December 2025				
Assets				
Other investments	-	3,159	-	3,159
Trade and other receivables	1,327,879	900,060	-	2,227,939
Cash and bank balances	1,602,648	-	-	1,602,648
	2,930,527	903,219	-	3,833,746
Liabilities				
Trade and other payables	-	-	2,819,479	2,819,479
Other non-current liabilities	-	-	41,345	41,345
Loans and borrowings	-	-	757,385	757,385
	-	-	3,618,209	3,618,209

1. Review

The condensed interim consolidated balance sheets of Hong Leong Asia Ltd. and its subsidiaries as at 30 June 2026 and the related condensed interim consolidated income statement and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the half year period then ended and certain explanatory notes have not been audited or reviewed.

2. Notes to the financial statements for the half year ended 30 June 2026

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

Group

- **Non-current assets**: The increase in non-current assets was mainly due to:
  - increase in property, plant and equipment following additional capital expenditure during the half year ended 30 June ("**1H**") 2026 and addition of new subsidiaries, Nanyue Fuel Injection Systems Co., Ltd (formerly referred to as Nanyue Diankong (Hengyang) Industrial Technology Company Limited) ("**NYDK**") and Yong Tai Loong (Pte) Ltd. ("**Yong Tai Loong**")), which was partially offset by depreciation of property, plant and equipment. NYDK (previously an associate) became a subsidiary of the Group, as control was established over NYDK upon entering into a concerted action agreement with Hunan Hengyang Auto Parts Factory, the largest shareholder of NYDK during 1H 2026;
  - increase in intangible assets largely due to goodwill recognised on acquisition of Yong Tai Loong as well as capitalisation of development costs for National VI(b), Tier 3 engines and new energy products which was partially offset by amortisation recognised in 1H 2026;
  - increase in other investments arising from increase in quoted equity securities held;
  - increase in non-current receivables arising from higher retention sums on projects;
  - long-term deposit placed with the banks in 1H 2026; and
  - translation gain as Renminbi ("**RMB**") strengthened against the Singapore dollar ("**SGD**").

  However, interests in associates and joint ventures decreased mainly due to NYDK becoming a subsidiary of the Group in April 2026. This decrease was partially offset by recognition of share of profits of associates and joint ventures net of dividends received in 1H 2026. Decrease in capitalised contract costs was due to reclassification of contracts maturing within a year to current assets, and completion of contracts.

- **Current assets**: Other than the acquisition of NYDK and Yong Tai Loong, the increase in current assets was mainly due to (a) higher trade and other receivables mainly due to higher sales during the period, (b) higher inventory balances due to higher inventory balances held by the Group's Powertrain Solutions Unit ("**Yuchai**") to meet increased demand, and (c) higher cash and cash equivalents held as at 30 June 2026.

2. Notes to the financial statements for the half year ended 30 June 2026 (cont'd)

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

Group (cont'd)

- **Current liabilities**: Other than the acquisition of NYDK and Yong Tai Loong, the increase in current liabilities was mainly due to higher trade and other payables, provisions and current tax payable. In particular:
  - The increase in trade and other payables was mainly due to higher purchases during the period.
  - Additional provision for warranty was taken up during 1H 2026 due to higher sales for Yuchai.
  - Contract liabilities decreased as there was less advanced payment from customers during 1H 2026.
  - The increase in current tax payable was due to higher taxable income.

- **Non-current liabilities**: The increase in non-current liabilities was mainly due to the increase in deferred government grants.

- **Shareholders' equity:** The increase in equity attributable to owners of the Company was largely because of (a) current period profit achieved, (b) foreign currency translation gain during the period due to stronger RMB relative to the SGD and (c) increase in share capital from placement of 50,000,000 new shares. This increase was partially offset by share issuance expenses and dividends paid to shareholders during the period.

Company

- **Non-current assets**: The increase in non-current assets was mainly due to an increase in investment in subsidiaries with the acquisition of Yong Tai Loong.

- **Current assets**: The increase in current assets was mainly due to higher cash and cash equivalents from the net proceeds from the share placement exercise.

- **Current liabilities**: The increase in current liabilities was mainly due to additional borrowings which funded the acquisition of Yong Tai Loong.

2.2 Notes to the consolidated income statement

Items included in profit before income tax from continuing operations:

- Net gain on disposal of property, plant and equipment in 1H 2026 and 1H 2025 was attributed mainly to Yuchai.

- Net impairment losses on property, plant and equipment in 1H 2026 was attributed to Yuchai.

- Net impairment losses recognised for trade and other receivables in 1H 2026 and 1H 2025 were attributed mainly to Yuchai.

- Net allowances made for inventory obsolescence in 1H 2026 and 1H 2025 were mainly attributed to Yuchai.

2. Notes to the financial statements for the half year ended 30 June 2026 (cont'd)

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

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

- Higher depreciation and amortisation recorded in 1H 2026 as compared to 1H 2025 were mainly due to additions of property, plant and equipment, right-of-use assets and intangible assets from capitalised technology development costs during the period. A stronger RMB relative to SGD had also contributed to the higher depreciation and amortisation expense.

- The net foreign exchange gain recorded in 1H 2026 was lower at $0.05 million as compared to $0.87 million in 1H 2025. The net foreign exchange gain recorded in 1H 2025 was mainly due to (a) foreign exchange gain on revaluation of SGD assets in CYI (with functional currency in USD) as SGD strengthened against USD, and (b) realised foreign exchange gain on Euro-denominated trade sales and USD-denominated trade purchases. This was partially offset by foreign exchange loss on USD-denominated monetary assets, due to the weakening of USD against SGD and foreign exchange loss on revaluation of SGD-denominated liabilities in subsidiaries with functional currency in RM as a result of the weakening of RM against SGD.

- The decrease in interest expense in 1H 2026 was due mainly to lower bank interest rates.

- Interest income in 1H 2026 was lower than 1H 2025 mainly due to lower bank interest rates despite higher fixed deposits placed.

- The write-offs of property, plant and equipment in 1H 2026 and 1H 2025 were recorded mainly by Yuchai.

3. Review of performance of the Group

The Group operates mainly in China, Singapore and Malaysia. The main business units of the Group are Yuchai and BMU. BMU includes Yong Tai Loong, which operates in Singapore.

In China, National Bureau of Statistics reported that GDP eased to 4.3% in the second quarter ("**2Q**") of 2026 from 5.0% in the first quarter, landing below the lower end of China's 4.5% to 5.0% full-year target and marking the weakest performance since late 2022 due to a deepening property crisis, weak consumption, and trade pressures. This data has added pressure on policymakers to roll out additional economic stimulus measures[1]. With improved sales mix, greater economies of scale and ongoing cost reduction efforts, Yuchai reported a significant increase in profits due to strong volume growth.

In Singapore, the Ministry of Trade and Industry announced that the construction sector expanded by 5.8% year-on-year in 2Q 2026, slower than the 12.9% growth in the preceding quarter. Growth during the quarter was supported by an increase in both public and private sector construction output[2]. BMU Singapore saw revenue growth due to higher sales volume growth for its precast and ready-mix concrete businesses, underpinned by robust construction activities.

---

[1] https://www.reuters.com/world/china/chinas-q2-gdp-growth-slows-43-yy-misses-market-forecast-2026-07-15/

[2] https://www.mti.gov.sg/newsroom/mti-upgrades-2026-gdp-growth-forecast-to--4-5-to-5-5-per-cent-/

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

The Department of Statistics Malaysia announced that the construction sector grew by 6.6% in 2Q 2026, easing from the 7.7% recorded in the first quarter[3]. BMU in Malaysia ("**Tasek**") reported higher profits, driven by stronger contributions from both concrete and cement businesses as well as its key associate.

1H 2026 versus 1H 2025

Notes:

(a) Approximately 87% of the Group's total revenue is generated from Yuchai. For the half year ended 30 June, translation of income statements from RMB to SGD had been made at the average exchange rates of RMB5.3605 = SGD1.00 for 1H 2026 and RMB5.4970 = SGD1.00 for 1H 2025. For 1H 2026, RMB appreciated by about 2.5% as compared to 1H 2025.

*(b) Discontinued operation – Airwell Air-conditioning Technology (China) Co., Ltd. and its subsidiary, Airwell Air-conditioning (Hong Kong) Company Limited (collectively, "**Airwell**") had ceased business operations in 2020. Accordingly, the operating performance of Airwell had been presented separately under "discontinued operation" in the income statement for 1H 2026 and 1H 2025.*

Revenue for the Group was $3.129 billion in 1H 2026, an increase of $469.2 million or 17.6%, from $2.660 billion in 1H 2025. The increase in revenue was due to higher revenue recorded by Yuchai and BMU.

- Yuchai's revenue increased by $393.0 million or 16.8% as compared to 1H 2025. The total number of engines sold by Yuchai in 1H 2026 was 277,684 units, a 10.9% increase as compared to 250,396 units sold in 1H 2025. The increase was mainly driven by stronger performance in the truck segment, as well as in off-road applications, particularly for marine & power generation and construction machinery.

  Total truck engine unit sales were up 20.4% year-on-year ("**YoY**") in 1H 2026, outperforming the 5.8% YoY growth in overall commercial truck (excluding gasoline and electric vehicles) sales reported by the China Association of Automobile Manufacturers ("**CAAM**") in the same period. Heavy-duty ("**HD**") truck engine unit sales increased by 47.3% YoY, compared with the 13.1% YoY growth in HD truck sales reported by CAAM. Light-duty ("**LD**") truck engine unit sales rose by 23.6%, contrasted with a decline in LD truck sales according to CAAM. Medium-duty truck engine unit sales also grew 7.9% YoY.

  Engine unit sales to off-road markets increased by 7.7% YoY in 1H 2026. The growth was primarily driven by strong demand in the marine and power generation markets, where engine unit sales increased by 42.0% YoY. Sales for industrial applications rose by 15.8% YoY, while engine sales for agricultural machinery declined by 18.9% in the same period.

- BMU's revenue increased by $74.6 million or 24.1% as compared to 1H 2025 due to volume growth for ready-mix concrete and precast, partially offset by lower sales volume for cement.

- NYDK and Yong Tai Loong started contributing revenue post-acquisition.

[3] https://www.dosm.gov.my/portal-main/release-content/advance-gross-domestic-product-gdp-estimates-q22026.

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

1H 2026 versus 1H 2025 (cont'd)

The Group's gross profit was $597.2 million in 1H 2026, an increase of $169.7 million from $427.5 million in 1H 2025. This was mainly due to higher sales volume, and lower warranty expenses for Yuchai. The Group's gross margin increased to 19.1% in 1H 2026 as compared to 16.1% in 1H 2025.

Other income, which comprised mainly government grants and VAT rebate, interest income, and foreign exchange gain, was $32.9 million in 1H 2026, a decrease of $10.5 million from $43.4 million in 1H 2025. The decrease was largely due to the absence of technology licensing income that was duly recognised in FY2025, lower government grants and foreign exchange gains in 1H 2026.

Selling and distribution expenses were $152.1 million in 1H 2026, an increase of $32.8 million or 27.5% as compared to $119.3 million in 1H 2025, largely due to higher staff costs and freight costs.

Research and development ("**R&D**") expenses were $110.7 million in 1H 2026, an increase of $24.0 million or 27.7% as compared to $86.7 million in 1H 2025, largely due to higher experimental costs and staff costs for Yuchai. Total R&D expenditures (including capitalised costs) were $116.1 million representing 4.2% of Yuchai's revenue in 1H 2026, as compared to $100.4 million, or 4.3% of Yuchai's revenue, in 1H 2025.

General and administrative expenses were $143.3 million in 1H 2026, an increase of $16.1 million or 12.6% as compared to $127.2 million in 1H 2025. The increase was mainly due to higher professional fees incurred, higher staff costs and share option expense for Yuchai.

Finance costs were $9.6 million in 1H 2026, a decrease of $3.2 million or 25.0% as compared to $12.8 million in 1H 2025. This was mainly due to lower interest rates.

Share of results of associates and joint ventures was $34.5 million in 1H 2026 as compared to $24.5 million in 1H 2025. This was mainly due to higher profits at MTU Yuchai Power Company Limited ("**MTU JV**").

Income tax expenses were $50.4 million in 1H 2026 as compared to $28.0 million in 1H 2025. The increase was mainly due to higher taxable income for Yuchai in 1H 2026.

In conclusion, profit for the period was $198.3 million in 1H 2026 as compared to $121.2 million in 1H 2025. Profit attributable to the owners of the Company was $91.9 million in 1H 2026, an increase of $35.9 million or 64.1% as compared to $56.0 million in 1H 2025.

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

Working Capital and Cash Flow

The Group had cash and short-term deposits of $1.838 billion as at 30 June 2026 compared with $1.603 billion as at 31 December 2025.

During the period under review, the Group generated operating cash inflow before changes in working capital of $371.9 million and net cash inflow from operating activities of $276.7 million. This was mainly due to higher profits for the period and higher trade and other payables which was partially offset by higher trade and other receivables.

The net cash outflow from investing activities of $284.7 million was mainly due to net placement of deposits with banks, acquisition of subsidiaries, additional investment in associates as well as purchase of property, plant and equipment, intangible assets and other investments. This was partially offset by dividends received from associates and joint ventures and interest from banks.

The net cash inflow from financing activities of $69.2 million was mainly due to proceeds from share placement exercise of $142.1 million which was offset by net repayment of borrowings of $13.9 million, dividends paid to shareholders of the Company and non-controlling interests of subsidiaries of $40.2 million and interest and lease payments.

As reported in the Group's results announcement for the third quarter of 2018 dated 14 November 2018, the Company had raised net proceeds of $201.1 million from the rights issue exercise in October 2018. On 21 April 2026, the Company had announced that the balance of the net proceeds of approximately $13.1 million had been fully utilised for the acquisition of Yong Tai Loong.

As reported in the Group's announcement dated 7 May 2026, the Company had completed a share placement exercise in May 2026, pursuant to which 50,000,000 placement shares were issued at the placement price of $2.90 per share. Net proceeds raised amounted to $142.1 million. On 24 July 2026, the Group announced that $40.2 million of the net proceeds had been utilised for the repayment of bank borrowings and related interest related to the acquisition of Yong Tai Loong.

Other than the above, the remaining unutilised funds had been deposited with financial institutions pending future deployment of such funds for their intended use. The Company will make periodic announcements via SGXNET on the further deployment of the net proceeds.

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

None.

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

In China, while the Group expects demand in domestic market to remain mixed, there will be continued growth, underpinned by increasing demand for more advanced engines from data centre applications and growth in the export market. There is also higher R&D spending to improve the powertrain solutions portfolio, including the development of new energy solutions. Yuchai R&D initiatives included the recent introduction of an internal combustion engine designed for heavy–duty commercial vehicles capable of operating entirely on ammonia. At the same time, Yuchai's partnerships with global industrial leaders will continue to strengthen market access.

In Singapore, BMU Singapore expects healthy growth in precast, ready-mix concrete as well as the architectural building products segments as they deliver on their respective order books. While there continues to be demand from public and private sector projects, the Middle East conflict will continue to heighten competitive landscape, supply chain and pricing pressures. The Group will continue to invest in new batching plants, automation and autonomous technologies and grow its fleet of 12 and 14 cubic-metre concrete mixer trucks to further improve operational efficiencies.

In Malaysia, while the Group expects demand to continue to increase with Malaysia's continued infrastructure development and growth at the Johor-Singapore Special Economic Zone, there are challenges from higher input costs and a tighter logistics situation. Tasek is focused on growing its footprint, improving its operational efficiencies and increasing the use of alternative raw materials and alternative fuels for its production to mitigate higher fuel cost.

The Group has delivered a strong set of results in 1H 2026 with robust contributions from the businesses. Despite continued challenges faced from global economy uncertainties, geopolitical risks, supply chain disruptions and costs pressures, the Group remains focused on strengthening our order books, improving operational efficiencies and managing costs to stay relevant and resilient.

Barring any unforeseen circumstances, the Group expects performance for the second half of 2026 and full year 2026 results to be satisfactory.

6. Dividend

(a) Current Financial Period Reported On

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

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

(c) Date payable

9 September 2026

(d) Record date

5.00 p.m. on 27 August 2026

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

Not applicable.

8. Interested person transactions

Name of Interested Person (“**IP**”)	Nature of Relationship	Aggregate value of all interested person transactions for 1H 2026 conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Kimsik Sdn Bhd (“**KS**”)	Hong Leong Investment Holdings Pte. Ltd. (“**HLIH**”) is a controlling shareholder of the Company. KS and SPCS, being associates of HLIH, are IPs.	**Construction-related Transaction** - Sale of raw materials to IP: $545,330.06
Southern PC Steel Sdn Bhd (“**SPCS**”)		**Construction-related Transaction** - Purchase of raw materials from IP: $136,737.30
		Total: $682,067.36

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

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

BY ORDER OF THE BOARD

Ng Siew Ping, Jaslin
Nor Aishah Binte Nasit
Company Secretaries

12 August 2026

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

The Board hereby confirms that to the best of its knowledge, nothing has come to its attention which may render the unaudited condensed interim consolidated financial statements of the Group for the half year ended 30 June 2026 to be false or misleading in any material respect.

On behalf of the Board

Kwek Leng Peck

Executive Chairman

Stephen Ho Kiam Kong

Executive Director and Chief Executive Officer

12 August 2026

Media Release

Hong Leong Asia Posts 1H 2026 PATMI of S$91.9 Million

- ***Rise in profitability driven by both Powertrain Solutions and Building Materials businesses***
- ***Newly-acquired architectural building products business has strengthened the Building Materials portfolio***
- ***Interim dividend increases 50% YoY to S$0.03/share***

Singapore, August 12, 2026 – Hong Leong Asia Ltd. ("**HLA**" and together with its subsidiaries, the "**Group**"), a diversified Asian multinational with core businesses in powertrain solutions ("**Yuchai**") and building materials ("**BMU**"), today announced attributable net profit ("**PATMI**") of S$91.9 million for the half year ended 30 June 2026 ("**1H 2026**"), an increase of 64.1% year-on-year ("**YoY**").

1H 2026 FINANCIAL SUMMARY

	Half Year ended 30 June 2026	Half Year ended 30 June 2025	+/-
	S$'000	S$'000	
Revenue	3,129,259	2,660,095	17.6%
Net Profit after tax	198,345	121,151	63.7%
Net Profit Attributable to Shareholders	91,906	56,011	64.1%
Earnings Per Share (cents)	12.05	7.49	60.9%
Dividend Per Share (cents)	3.00	2.00	50.0%

The YoY increase in PATMI for 1H 2026 was driven by strong performances in Yuchai and BMU as well as positive contribution from Yong Tai Loong (Pte) Ltd. ("**Yong Tai Loong**") acquired earlier in the year.

Group revenue increased 17.6% YoY to S$3.1 billion, lifted by the strong performance of Yuchai, underpinned by strong demand growth for power generators in the marine and power generation sector as well as exports in powertrains for trucks and industrial applications.

In China, Yuchai's revenue of S$2.7 billion grew 16.8% YoY, with reportable segment profit after tax of S$156.7 million, up 61.8% YoY. Powertrain units sold in 1H 2026 increased 10.9% YoY to 277,684 units. Truck powertrain unit sales rose by 20.4% YoY, compared with commercial vehicle market sales growth (excluding gasoline- and electric-powered vehicles) of 5.8% YoY as reported by the China Association of Automobile Manufacturers for 1H 2026. Off-road engine unit sales performed well, with both marine and genset and industrial units showing growth of 42.0% and 15.8% YoY respectively. Yuchai's higher gross margin was supported by an improved sales mix with higher unit sales of high horsepower engines, higher mix of export engines and improved scale savings.

In Singapore and Malaysia, BMU's revenue was S$384.8 million, up 24.1% YoY with reportable segment profit after tax of S$56.1 million, an increase of 49.9% YoY. Demand for building materials such as precast and ready-mix concrete was strong, with continued growth in construction activities in Singapore. While higher fuel inputs due to ongoing Middle East conflict have created industry uncertainties, key project wins boosted the order book to a record level for the precast segment in 1H 2026.

Profitability of the BMU in Malaysia ("**Tasek**") was held by improved pricing as the industry adjusted for higher fuel and logistics costs as well as healthy performance at a key associate.

The acquisition of architectural building products leader Yong Tai Loong in April 2026 has strengthened the Group's building materials portfolio and expanded our product offering in Singapore. Riding on the back of strong construction demand from both public and private residential projects, the addition of Yong Tai Loong to the building materials portfolio positions the Group for further growth in Singapore's built environment sector.

HLA Board of Directors is pleased to declare an interim dividend of S$0.03 per share for 1H 2026, an increase of 50% YoY.

Stronger Balance Sheet

The placement of 50 million new HLA shares at S$2.90 a share was completed on 7 May 2026. This has strengthened the Group's financial position, broadened the shareholder base and provided flexibility for the Group to support future growth.

Market Outlook

China: While the Group expects demand in domestic market to remain mixed, there will be continued growth, underpinned by increasing demand for more advanced engines from data centre applications and growth in the export market. There is also higher R&D spending to improve the powertrain solutions portfolio, including the development of new energy solutions. Yuchai R&D initiatives included the recent introduction of an internal combustion engine designed for heavy–duty commercial vehicles capable of operating entirely on ammonia. At the same time, Yuchai's partnerships with global industrial leaders will continue to strengthen market access.

Singapore: BMU in Singapore expects healthy growth in precast, ready-mix concrete as well as the architectural building products segments as they deliver on their respective order books. While there continues to be demand from public and private sector projects, the Middle East conflict will continue to heighten competitive landscape, supply chain and pricing pressures. The Group will continue to invest in new batching plants, automation and autonomous technologies and grow its fleet of 12 and 14 cubic-metre concrete mixer trucks to further improve operational efficiencies.

Malaysia: While the Group expects demand to continue to increase with Malaysia's continued infrastructure development and growth at the Johor-Singapore Special Economic Zone, there are challenges from higher input costs and a tighter logistics situation. Tasek is focused on growing its footprint, improving its operational efficiencies and increasing the use of alternative raw materials and alternative fuels for its production to mitigate higher fuel cost.

The Group has delivered a strong set of results in 1H 2026 with robust contributions from the businesses. Despite continued challenges from global economy uncertainties, geopolitical risks, supply chain disruptions and cost pressures, the Group remains focused on strengthening our order books, improving operational efficiencies and managing costs to stay relevant and resilient.

Barring any unforeseen circumstances, we expect performance for the second half of 2026 and full year 2026 results to be satisfactory.

About Hong Leong Asia:

Hong Leong Asia Ltd. is a diversified Asian multinational with core businesses in powertrain solutions and building materials. Incorporated in 1963 and listed on the Singapore Exchange since 1998, Hong Leong Asia as part of Hong Leong Group, a Singapore-based conglomerate, aims to deliver growth sustainably through advancing innovative urban solutions for a better world.

About Hong Leong Group:

Hong Leong Group Singapore is a globally diversified company and one of Asia's largest and most successful conglomerates. Headquartered in Singapore, the Group has assets 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.

For more information, please contact:

Patrick Yau
Head of Investor Relations &
Head of Transformation Office
(Building Materials Group Singapore)
T: 6488 5794
E: investor_relations@hlasia.com.sg

Lilian Low
Corporate Communications Manager
T: 6322 6223
E: lilianlow@hlasia.com.sg

HONG LEONG ASIA LTD.

1H 2026 RESULTS PRESENTATION

12 AUGUST 2026 | MR. STEPHEN HO KIAM KONG, CEO

1H 2026 FINANCIALS

	1H 2026	1H 2025	Change (%)
Revenue (S$'000)	3,129,259	2,660,095	17.6%
Net Profit (S$'000)	198,345	121,151	63.7%
Net Profit Excluding Discontinued Operation (S$'000)	198,403	121,218	63.7%
Net Profit Attributable to Shareholders (S$'000)	91,906	56,011	64.1%
Earnings Per Share (Cents)	12.05	7.49	60.9%
Interim Dividend Per Share (Cents)	3.0	2.0	50.0%
Net Cash Flow Generated from Operating Activities (S$'000)	276,718	397,496	(30.4%)
	30 Jun 2026	31 Dec 2025	Change (%)
Net Debt [1] / Equity Ratio	(0.88)	(0.81)	8.6%

[1] Net Debt is defined as Loans and Borrowings, less Cash and Deposits. The Group is in a Net Cash position of S$1,114M (31 Dec 2025: S$845M).

KEY SEGMENT RESULTS

	Unless specified, figures are in S$'000	1H 2026	1H 2025	Change (%)
Powertrain Solutions	Volume (Units)	277,684	250,396	10.9%
	Revenue	2,732,831	2,339,871	16.8%
	Profit After Tax	156,663	96,824	61.8%
Building Materials (including Yong Tai Loong)	Revenue	384,835	310,207	24.1%
	Profit After Tax	56,127	37,448	49.9%
Corporate and Others	Revenue	11,593	10,017	15.7%
	Loss After Tax	(14,445)	(13,121)	10.1%

KEY HIGHLIGHTS OF CASH FLOW

	1H 2026 (S$'000)	1H 2025 (S$'000)
Operating Cash Flow before Working Capital Changes	**371,947**	**275,690**
Net Cash Flow Generated from Operating Activities	**276,718**	**397,496**
(Less)/Add:		
Acquisition of Subsidiaries, Net of Cash Acquired	(56,096)	-
Payment for Investment in Associates	(26,935)	-
Capital Expenditure (PPE, Right-of-use Assets, Intangible Assets and Other Investments)	(65,135)	(60,552)
Net Cash Inflow from Disposal of Subsidiary and PPE	450	1,442
Acquisition of Non-Controlling Interests	(38)	-
Contribution by Non-Controlling Interests	1,641	1,263
Dividends Received from Associates, Joint Ventures and Other investments	10,128	27,684
Dividends Paid to Shareholders of the Company	(22,444)	(22,444)
Dividends Paid to Non-Controlling Interests of Subsidiaries	(17,753)	(24,102)
Net Proceeds from Share Issuance	142,069	107
Net Decrease from Borrowings	(13,888)	(64,074)
Net (Placement)/Release of Deposits with Banks	(155,398)	20,240
Interest Paid, Net	(1,536)	(3,121)
Repayment of Obligations under Lease Liabilities	(10,565)	(7,233)
Net Cash Flow	**61,218**	**266,706**
Free Cash Flow	**211,583**	**336,944**

BUSINESS UPDATE: POWERTRAIN SOLUTIONS

Performance Highlights

- **277,684 powertrain units sold** in 1H 2026, an increase of 10.9% YoY.
- There was **strong growth in applications for marine/genset** (+42.0% YoY), **industrial** (+15.8% YoY) **and truck engines** (+20.4% YoY). Export volumes from OEM customers continue to be very strong, which now account more than a third of total volumes.
- **FY 2025 cash dividend of US$0.87 per ordinary share** paid by China Yuchai in July 2026 (July 2025: US$0.53 per ordinary share).

Key Developments

- ► R&D initiatives: higher R&D spending to strengthen its portfolio of powertrain solutions, including the development of new energy solutions:
  - ✓ launch of commercial minibuses equipped with Yuchai's YCY24-65kW Flywheel Range Extender System (YC-FRS) in Hong Kong SAR;
  - ✓ introduction of ammonia-fuelled internal combustion engine designed for heavy-duty commercial vehicles.
- ► Acquired 27.97% equity interest in Nanyue Fuel Injection Systems Co., Ltd (formerly referred to as Nanyue Diankong (Hengyang) Industrial Technology Company Limited) ("NYDK") and became the second-largest shareholder of NYDK:
  - ✓ NYDK - a national high-tech and industry leader specialising in fuel injection systems, including common rail systems, unit pumps and mechanical pumps;
  - ✓ acquisition strengthens and secures the supply of key powertrain components.

BUSINESS UPDATE: BUILDING MATERIALS

Performance Highlights

- **R3 Precast** - key project wins bolstered order book for precast segment to achieve record level in 1H 2026 on the back of strong demand from public and private residential housing sectors.
- **Island Concrete** - growth in sales volume for ready-mix concrete as new plants kick-in.
- **Order books in Singapore** continue to grow from public and private sector projects.
- **Tasek** - profitability was held by improved pricing as the industry adjusted for higher fuel and logistics costs, operational efficiency gains in its ready-mix concrete operations and improvements at a key associate.

Key Developments

- Acquisition of Yong Tai Loong (Pte) Ltd. ("Yong Tai Loong"), an architectural building products leader was completed in April 2026.
- Tasek – improving and expanding product offering with Portland Limestone Cement Bulk (CEM II) for Malaysian market.
- Island Concrete – low-carbon ready-mix concrete mixes approved by Singapore Green Building Council according to revised standards that track embodied carbon as opposed to replacement rate of recycled/alternative materials.

SINGAPORE GREEN BUILDING PRODUCT S G B C

Green Building Product Certification

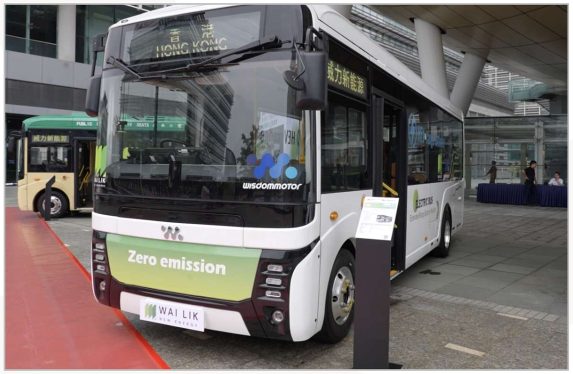
FOCUSED AND RESILIENT PORTFOLIO

Will continue to focus on operational execution to better support our customers and drive shareholder value

Vision 2030
The MERIT Roadmap

- Enhancing our **market leadership position**
- Building a **resilient and high-performance business portfolio**
- Capitalising **talent pool**

- ▶ **Strong 1H 2026 financial results** on positive momentum in operating markets and durable demand for wide-ranging products from HLA businesses
- ▶ **Strengthened portfolio competitiveness** with acquisitions of NYDK and Yong Tai Loong
- ▶ Continued investments in automation and autonomous technologies to **drive productivity and operational efficiencies**
- ▶ **Growing recognitions** from corporate and industry agencies**:**
    - I. Ranked 92nd for Fortune Southeast Asia 500 companies list, June 2026
    - II. Ranked 231st as one of Singapore's Best Employers by The Straits Times and Statista, April 2026



A bus equipped with YCY24-65kW Flywheel Range Extender System in Hong Kong SAR

Precast slabs at ICPH

CONTACT US

HONG LEONG ASIA LTD.

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

+65 6220 8411

investor_relations@hlasia.com.sg

www.hlasia.com.sg

Hong Leong Asia Ltd.