

HONG LEONG ASIA LTD.
(Company Registration Number: 196300306G)
(Incorporated in Singapore)

**RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE
– USE OF PROCEEDS FROM THE RIGHTS ISSUE**

*Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meaning as ascribed to them in the Company's offer information statement in relation to the Rights Issue (the "**Offer Information Statement**") lodged with the Monetary Authority of Singapore on 3 October 2018.*

The board of directors (the "**Board**" or the "**Directors**") of Hong Leong Asia Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Offer Information Statement in relation to the Rights Issue.

As stated in the Offer Information Statement, pending the deployment of the Net Proceeds, the Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, used to repay short-term revolving facilities and/or used for any other purpose on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interests of the Company. The Company had on 30 November 2018 (the "**30 November Announcement**") announced that out of the net proceeds from the Rights Issue of approximately S\$201.1 million, approximately S\$170.0 million had been used in the interim to repay short-term revolving facilities and the balance had been held as fixed deposit in banks, pending the deployment of such funds for their intended use.

Further to the 30 November Announcement, the Board wishes to announce that as at the date of this Announcement, approximately S\$42.9 million of the net proceeds from the Rights Issue has been utilised as follows:

No.	Intended Use of Net Proceeds	Amount Allocated	Amount Utilised as at the date of this Announcement	Balance of Net Proceeds
		S\$'million	S\$'million	S\$'million
(a)	Partial repayment of Acquisition Loan ⁽¹⁾	14.0	-	14.0
(b)	Construction of the Plant ⁽²⁾	60.0	4.6	55.4
(c)	Repayment of other loans	25.0	25.0	0
(d)	General corporate purposes or making strategic investments and/or acquisitions ²	102.1	13.3 ⁽³⁾	88.8
Total		201.1 ⁽⁴⁾	42.9	158.2 ⁽⁵⁾

Notes:

- (1) "Acquisition Loan" refers to the loan taken up by the Group, a portion of which was used to finance the consideration of approximately S\$14.0 million for the acquisition of a 51% stake in a piece of land at Pulau Punggol Barat, Singapore with a 30-year lease ("**Land**"), which award of tender for the Land was announced by the Company on 27 July 2018. The maturity date of the Acquisition Loan is not due as at the date of this Announcement.
- (2) "Plant" refers to a fully mechanized integrated precast plant with state of art technology on the Land.
- (3) Being acquisition of assets relating to the Group's quarry operations.

- (4) The final Net Proceeds raised after deducting expenses relating to the Rights Issue was approximately S\$201.1 million.
- (5) Includes approximately S\$156.9 million, which has been used in the interim to repay short-term revolving facilities.

Following the aforesaid deployment of the net proceeds from the Rights Issue, the amount utilised for the repayment of short-term revolving facilities has been reduced to S\$156.9 million, with the balance held as fixed deposit in banks.

The above utilisation of the net proceeds from the Rights Issue is consistent with the intended uses as stated in the Offer Information Statement.

The Company will continue to make periodic announcements via SGXNET as and when such funds are materially utilised and provide a status report on the use of the net proceeds from the Rights Issue in the Company's interim and full year financial results announcement(s) and in the Company's annual report(s), until such time the Net Proceeds have been fully utilised.

BY ORDER OF THE BOARD
HONG LEONG ASIA LTD.

Ng Siew Ping, Jaslin
Yeo Swee Gim, Joanne
Company Secretaries

13 March 2020
Singapore