

**RESPONSE TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERY
REGARDING ANNUAL REPORT FOR FY 2014**

In response to the query raised by Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in its email of 20 April 2015 in connection with the Company’s Annual Report for the financial year ended 31 December (“**FY**”) 2014, the Board of Directors of the Company wishes to clarify as follows:

SGX-ST’s Query

With reference to the audited consolidated Cash Flow Statement on pages 60 to 62 of the Annual Report, please disclose the reasons for the material difference in amounts for the net cash flows used in investing activities of \$7,647,000, as compared to the amount of \$10,898,000 in the announced financial results of the Company dated 27 February 2015.

Company’s Response

The difference for the net cash flows used in investing activities of \$7,647,000 in the Annual Report, as compared to the amount of \$10,898,000 in the announced unaudited financial results of the Company dated 27 February 2015 comprises two items as follows:

(1) Acquisition of non-controlling interests in subsidiaries

The difference of \$1,862,000 is in relation to acquisition of non-controlling interests in Jining Yuchai Engine Company Limited. This balance was previously included as part of the changes in working capital for trade and other receivables under cash flows from operating activities.

(2) Release of fixed deposits

The difference of \$1,389,000 is related to deposits of Henan Xinfei Group Companies (“Xinfei”) which were pledged to the banks. The amount, which was previously included as part of the cash and cash equivalents, has been reclassified as deposits in the Annual Report.

The abovementioned changes were not material to the overall cash flow statement and had no effect on the financial position of the Group as of 31 December 2014 or the financial performance of the Group for the year then ended.

By Order of the Board
Hong Leong Asia Ltd.

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

22 April 2015