

## OFFER INFORMATION STATEMENT DATED 3 OCTOBER 2018

(Lodged with the Monetary Authority of Singapore ("Authority") on 3 October 2018)

**THIS OFFER INFORMATION STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.**

Capitalised terms used below which are not otherwise defined herein shall have the same meanings ascribed to them under the section entitled "Definitions" of this offer information statement ("**Offer Information Statement**") issued by Hong Leong Asia Ltd. ("**Company**").

A copy of this Offer Information Statement, together with copies of the Provisional Allotment Letter ("**PAL**"), the Application Form for Rights Shares and Excess Rights Shares ("**ARE**") and the Application Form for Rights Shares ("**ARS**"), has been lodged with the Authority. The Authority assumes no responsibility for the contents of this Offer Information Statement, the PAL, the ARE and the ARS. Lodgment of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Rights Shares (as defined herein) being offered for investment.

The securities offered are issued by the Company, whose shares are listed for quotation on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Company intends to list the Rights Shares, and an application has been made for permission for the securities to be listed for quotation on the SGX-ST. In-principle approval has been granted by the SGX-ST to the Company on 5 September 2018 for the listing of and quotation for the Rights Shares on the SGX-ST, subject to compliance with the SGX-ST's listing requirements. The in-principle approval granted by the SGX-ST for the admission of, listing of and quotation for the Rights Shares is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained and opinions expressed in this Offer Information Statement. The Rights Shares will be admitted to the SGX-ST and the official listing of, and quotation for, the Rights Shares will commence after all conditions imposed by the SGX-ST are satisfied, the certificates relating thereto have been issued and the notification letters from The Central Depository (Pte) Limited ("**CDP**") have been despatched.

Acceptance of applications will be conditional upon the issue of the Rights Shares and upon listing of the Rights Shares on the SGX-ST. Monies paid in respect of any application accepted will be returned if the Rights Shares are not issued or if the listing and quotation of the Rights Shares does not proceed.

This Offer Information Statement and its accompanying documents have been prepared solely in relation to the Rights Issue and shall not be relied upon by any other person or for any other purpose.

After the expiry of six (6) months from the date of lodgment of this Offer Information Statement, no person shall make an offer of securities, or allot, issue or sell any Rights Shares, on the basis of this Offer Information Statement, and no officer or equivalent person or promoter of the Company will authorise or permit the offer of any securities or the allotment, issue or sale of any Rights Shares, on the basis of this Offer Information Statement.

**YOUR ATTENTION IS DRAWN TO THE SECTION ENTITLED "RISK FACTORS" OF THIS OFFER INFORMATION STATEMENT WHICH YOU SHOULD REVIEW CAREFULLY.**



### HONG LEONG ASIA LTD.

(Company Registration Number: 196300306G)  
(Incorporated in Singapore)

**RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE ("RIGHTS ISSUE") OF UP TO 374,678,559 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY ("RIGHTS SHARES") AT AN ISSUE PRICE OF S\$0.54 FOR EACH RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY HELD BY ENTITLED SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE**

Manager for the Rights Issue



#### IMPORTANT DATES AND TIMES:

Last date and time for splitting	:	15 October 2018 at 5.00 p.m.
Last date and time for acceptance of and payment for the Rights Shares	:	19 October 2018 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for acceptance of and payment for the Rights Shares by renouncees	:	19 October 2018 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for application and payment for Excess Rights Shares	:	19 October 2018 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)



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## IMPORTANT NOTES

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*Capitalised terms used below which are not otherwise defined herein shall have the same meanings as ascribed to them under the section entitled “Definitions” of this Offer Information Statement.*

**For Entitled Depositors (which excludes Entitled Scripholders, CPF Investors, SRS Investors and investors who hold Shares through finance companies or Depository Agents) and their renounees, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares may be made through CDP or by way of an Electronic Application at any ATM of a Participating Bank.**

**For Entitled Scripholders and their renounees, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares may be made through the Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902.**

**For CPF Investors who had purchased Shares using CPF Funds, acceptances of provisional allotments of Rights Shares and (if applicable) applications for Excess Rights Shares can only be made using, subject to applicable CPF rules and regulations, their CPF Funds. In the case of insufficient CPF Funds or stock limit, CPF Investors would have to top up cash into their CPF Investment Accounts before instructing their respective approved CPF agent banks to accept provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares. CPF Funds cannot, however, be used for the purchase of provisional allotments of Rights Shares directly from the market.**

**For SRS Investors and investors who hold Shares through finance companies or Depository Agents, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares must be done through their respective finance companies or Depository Agents. Such investors are advised to provide their respective finance companies, or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptances and (if applicable) applications for Excess Rights Shares on their behalf by the Closing Date. Any acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made directly through CDP, Electronic Applications at any ATM of a Participating Bank, the Share Registrar and/or the Company will be rejected.**

**For renounees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares represented by the provisional allotment of Rights Shares purchased must be done through the respective finance companies or Depository Agents, as the case may be. Such renounees and Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptance of the Rights Shares made directly through CDP, Electronic Applications at any ATM of a Participating Bank, the Share Registrar and/or the Company will be rejected.**

### Use of SRS Funds

SRS Investors who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS accounts.

SRS Investors who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares using SRS monies, must instruct the relevant approved banks in which they hold their SRS accounts to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with the terms and conditions of this Offer Information Statement.

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## IMPORTANT NOTES

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SRS Investors who have insufficient funds in their SRS accounts may, subject to the SRS contribution cap, deposit cash into their SRS accounts with their approved banks before instructing their respective approved banks to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares. SRS Investors are advised to provide their respective approved banks in which they hold their SRS accounts with the appropriate instructions no later than the deadlines set by their respective approved banks in order for their respective approved banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance of the Rights Shares and (if applicable) application for the Excess Rights Shares made directly through CDP, Electronic Applications at any ATM of a Participating Bank, the Share Registrar and/or the Company will be rejected. For the avoidance of doubt, monies in the SRS accounts may not be used for the purchase of provisional allotments of the Rights Shares directly from the market.

The existing Shares are listed and quoted on the SGX-ST.

Persons wishing to subscribe for the Rights Shares offered under this Offer Information Statement should, before deciding whether to so subscribe for the Rights Shares, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of the affairs of the Company and the Group, including but not limited to, the assets and liabilities, profits and losses, financial position, risk factors, performance and prospects of the Company and the Group, and the rights and liabilities attaching to the Rights Shares and/or the Shares. They should make their own independent enquiries and investigations of any bases and assumptions upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons seek professional advice from their stockbroker, bank manager, legal adviser, accountant or other professional adviser before deciding whether to acquire the Rights Shares, purchase any Shares or invest in the Company.

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement in connection with the Rights Issue, the provisional allotments of the Rights Shares or the allotment and issuance of the Rights Shares and, if given or made, such information or representations must not be relied upon as having been authorised by the Company or the Manager.

Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Company and/or the Group. Neither the delivery of this Offer Information Statement nor the issue of the Rights Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no change in the affairs of the Company or of the Group or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same via SGXNET and, if required, lodge a supplementary or replacement Offer Information Statement with the Authority. All Entitled Shareholders and their renounees and Purchasers should take note of any such announcement and, upon the release of such announcement and/or lodgment of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

Neither the Company nor the Manager is making any representation or warranty to any person in this Offer Information Statement regarding the legality of an investment in the Rights Shares and/or the Shares, by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, financial,

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## IMPORTANT NOTES

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legal or tax advice. Each prospective investor should consult his own professional or other adviser(s) for business, financial, legal or tax advice regarding an investment in the Rights Shares and/or the Shares.

The Company and the Manager make no representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the Rights Shares, the Shares, the Company, the Group or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to accept and/or purchase the Rights Shares, and/or the Shares. Prospective subscribers of the Rights Shares should rely on their own investigation of the financial condition and affairs of, and appraisal and determination of the merits of investing in, the Company and the Group and shall be deemed to have done so.

This Offer Information Statement and its accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Rights Shares under the Rights Issue and may not be relied upon by any person, other than Entitled Shareholders (and their renounees and Purchasers) to whom it is despatched by the Company or for any other purpose.

This Offer Information Statement, the PAL, the ARE and the ARS may not be used for the purpose of, and do not constitute an offer, invitation or solicitation to anyone in any jurisdiction or under any circumstances in which such offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

**The distribution of this Offer Information Statement and/or its accompanying documents may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Shareholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to inform themselves of and observe such prohibitions and restrictions at their own expense and without liability to the Company or the Manager. Please refer to the section entitled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement for further information.**

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## DEFINITIONS

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In this Offer Information Statement, the PAL, the ARE and the ARS, the following definitions apply throughout unless the context otherwise requires or is otherwise stated:

### Companies within the Group

<b>“Chongqing MM”</b>	:	Chongqing Yuchai Machinery Monopoly Company Limited
<b>“Company”</b>	:	Hong Leong Asia Ltd.
<b>“CYI”</b>	:	China Yuchai International Limited
<b>“CYI Group”</b>	:	CYI and its subsidiaries, excluding the HLGE Group
<b>“Eberspaecher Yuchai”</b>	:	Eberspaecher Yuchai Exhaust Technology Co. Ltd.
<b>“EHM”</b>	:	Equatorial Hotel Management Pte. Ltd.
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“GY Crankshaft”</b>	:	Guangxi Yuchai Crankshaft Co., Ltd.
<b>“GYMCL”</b>	:	Guangxi Yuchai Machinery Company Limited
<b>“HLBM”</b>	:	HL Building Materials Pte. Ltd.
<b>“HLE”</b>	:	Hong Leong Enterprises Pte. Ltd.
<b>“HLGE”</b>	:	HL Global Enterprises Limited
<b>“HLGE Group”</b>	:	HLGE and its subsidiaries
<b>“HLS JV Co”</b>	:	HL-Sunway JV Pte. Ltd.
<b>“HL Electric”</b>	:	Hong Leong Electric Pte Ltd
<b>“HL Technology”</b>	:	HL Technology Systems Pte Ltd
<b>“HYMIC”</b>	:	Hunan Yuchai Machinery Industry Company Limited
<b>“Jining Yuchai”</b>	:	Jining Yuchai Engine Company Limited
<b>“Rex Plastics Malaysia”</b>	:	Rex Plastics (Malaysia) Sdn. Bhd.
<b>“Sichuan MI”</b>	:	Sichuan Yuchai Machinery Industrial Development Company Limited
<b>“Venture Lewis”</b>	:	Venture Lewis Limited

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## DEFINITIONS

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<b>“Well Summit”</b>	:	Well Summit Investments Limited
<b>“YC Europe”</b>	:	YC Europe Co., Limited
<b>“YETC”</b>	:	Guangxi Yuchai Exhaust Technology Co., Ltd
<b>“YMMC”</b>	:	Guangxi Yuchai Machinery Monopoly Development Co., Ltd
<b>“YYAMC”</b>	:	Guangxi Yuchai Equipment Mould Company Limited, formerly known as Guangxi Yulin Yuchai Accessories Manufacturing Company Limited

### Other Corporations and Agencies

<b>“Authority”</b>	:	Monetary Authority of Singapore
<b>“CAAC”</b>	:	CAAC East China Regional Administration Authority Service Center
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“CHQ”</b>	:	Copthorne Hotel Qingdao Co., Ltd.
<b>“CPF”</b>	:	Central Provident Fund
<b>“Eberspaecher”</b>	:	Eberspaecher Exhaust Technology International GmbH
<b>“GWG”</b>	:	Guangzhou Wanbao Group Co., Ltd
<b>“GYMG”</b>	:	Guangxi Yuchai Machinery Group Company Limited
<b>“HLCH” or “Undertaking Shareholder”</b>	:	Hong Leong Corporation Holdings Pte Ltd
<b>“HLIH”</b>	:	Hong Leong Investment Holdings Pte. Ltd.
<b>“Jingrui”</b>	:	Jingrui Properties (Group) Co., Ltd
<b>“KWM”</b>	:	King & Wood Mallesons (Beijing)
<b>“LKNII”</b>	:	LKN Investment International Pte. Ltd.
<b>“Manager”</b>	:	DBS Bank Ltd.
<b>“MTU”</b>	:	MTU Friedrichshafen GmbH
<b>“Natural Apex”</b>	:	Natural Apex Limited



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## DEFINITIONS

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<b>“SCPS”</b>	:	Sunway Concrete Products (S) Pte Ltd
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Shanghai Fengzhe”</b>	:	Shanghai Fengzhe Hotel Management Co., Ltd
<b>“Share Registrar” or “Share Transfer Agent”</b>	:	M & C Services Private Limited
<b>“Shentou”</b>	:	Shentou Investments (Hong Kong) Limited
<b>“SIC”</b>	:	The Securities Industry Council of Singapore
<b>“Starich”</b>	:	Starich Investments Pte. Ltd.
<b>“SUAEE”</b>	:	Shanghai United Assets and Equity Exchange
<b>“Viscount Plastics”</b>	:	Viscount Plastics (Malaysia) Sdn Bhd
<b>“Xinfei Companies”</b>	:	Henan Xinfei Household Appliance Co., Ltd., Henan Xinfei Refrigeration Appliances Co., Ltd. and Henan Xinfei Electric Co., Ltd.

### General

<b>“2018 AGM”</b>	:	Annual general meeting of the Company held on 27 April 2018
<b>“Acquisition Loan”</b>	:	A 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 the Land
<b>“ARE”</b>	:	Application and acceptance form for Rights Shares and Excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Rights Issue
<b>“ARS”</b>	:	Application and acceptance form for Rights Shares to be issued to Purchasers
<b>“ATM”</b>	:	Automated teller machine
<b>“Bidder SPA”</b>	:	Has the meaning ascribed thereto in paragraph 9(c) of Part IV (Key Information) of this Offer Information Statement
<b>“BMU”</b>	:	Building Materials Unit

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## DEFINITIONS

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<b>“Board”</b>	:	The board of Directors of the Company as at the date of this Offer Information Statement
<b>“Books Closure Date”</b>	:	5.00 p.m. on 2 October 2018, being the time and date at and on which the Register of Members and the Transfer Books of the Company were closed to determine the entitlements of Entitled Shareholders under the Rights Issue and, in the case of Entitled Depositors, at and on which their provisional allotments under the Rights Issue were determined
<b>“CHQ Equity Interest”</b>	:	Has the meaning ascribed thereto in paragraph 9(c) of Part IV (Key Information) of this Offer Information Statement
<b>“Closing Date”</b>	:	(a) 19 October 2018 at 5.00 p.m. (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), being the last time and date for acceptance and/or excess application and payment, and renunciation and payment of the Rights Shares under the Rights Issue through CDP or the Share Registrar; or  (b) 19 October 2018 at 9.30 p.m. (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), being the last time and date for acceptance and/or excess application and payment, renunciation and payment of the Rights Shares under the Rights Issue through an Electronic Application at any ATM of a Participating Bank
<b>“Code”</b>	:	The Singapore Code on Take-overs and Mergers, as may be amended, supplemented or modified from time to time
<b>“Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore, as amended, supplemented or modified from time to time
<b>“Constitution”</b>	:	The constitution of the Company, as amended, modified or supplemented from time to time
<b>“CPF Board”</b>	:	The Board of the CPF established pursuant to the Central Provident Fund Act, Chapter 36 of Singapore, as amended, modified or supplemented from time to time
<b>“CPF Funds”</b>	:	The CPF account savings of CPF members under the CPFIS-OA
<b>“CPF Investment Account”</b>	:	An account opened by a member of CPF with a CPF agent bank from which money may be withdrawn for, <i>inter alia</i> , payment for the Rights Shares pursuant to the Rights Issue

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## DEFINITIONS

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<b>“CPF Investors”</b>	:	Investors who have purchased Shares pursuant to the CPFIS
<b>“CPFIS”</b>	:	Central Provident Fund Investment Scheme
<b>“CPFIS-OA”</b>	:	CPF Investment Scheme – Ordinary Account
<b>“Directors”</b>	:	The directors of the Company as at the date of this Offer Information Statement
<b>“Dividend CYI Shares”</b>	:	Has the meaning ascribed thereto in paragraph 9(c) of Part IV (Key Information) of this Offer Information Statement
<b>“Electronic Application”</b>	:	Acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made through an ATM of one of the Participating Banks in accordance with the terms and conditions of this Offer Information Statement
<b>“Enlarged Issued Share Capital”</b>	:	The enlarged issued and paid-up share capital of the Company immediately after the completion of the Rights Issue
<b>“Entitled Depositors”</b>	:	Shareholders with Shares entered against their names in the Depository Register maintained by CDP as at the Books Closure Date and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
<b>“Entitled Scripholders”</b>	:	Shareholders whose share certificates have not been deposited with CDP and who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
<b>“Entitled Shareholders”</b>	:	Entitled Depositors and Entitled Scripholders
<b>“EPS”</b>	:	Earnings per Share
<b>“Equity Transaction Agreement”</b>	:	Has the meaning ascribed thereto in paragraph 9(c) of Part IV (Key Information) of this Offer Information Statement

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## DEFINITIONS

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<b>“Excess Rights Shares”</b>	:	The provisional allotments of Rights Shares, which are available for application by Entitled Shareholders, subject to the terms and conditions in the ARE, this Offer Information Statement and (if applicable) the Constitution of the Company, comprising Rights Shares not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renouncer(s) or Purchasers, together with any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Constitution of the Company
<b>“Existing Issued Share Capital”</b>	:	373,908,559 Shares representing the entire issued and paid-up share capital of the Company, as at the Latest Practicable Date
<b>“Foreign Purchasers”</b>	:	Persons purchasing the provisional allotments of Rights Shares under the Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system and whose registered addresses with CDP are outside Singapore and who had not, at least three (3) Market Days prior to the Books Closure Date, provided to CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents
<b>“Foreign Shareholders”</b>	:	Shareholders whose registered addresses with CDP or the Company are outside Singapore as at the Books Closure Date and who had not, at least three (3) Market Days prior to the Books Closure Date, provided to CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents
<b>“Framework Agreement”</b>	:	Has the meaning ascribed thereto in paragraph 9(c) of Part IV (Key Information) of this Offer Information Statement
<b>“G&amp;A”</b>	:	General and administrative
<b>“HLCH Entitlement”</b>	:	Has the meaning ascribed thereto under paragraph 1(f) of Part X (Additional Information Required for Offer of Securities by way of Rights Issue) of this Offer Information Statement
<b>“HLCH Excess Application”</b>	:	Has the meaning ascribed thereto under paragraph 1(f) of Part X (Additional Information Required for Offer of Securities by way of Rights Issue) of this Offer Information Statement
<b>“HLGE-LKNII Disposal”</b>	:	Has the meaning ascribed thereto in paragraph 9(c) of Part IV (Key Information) of this Offer Information Statement

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## DEFINITIONS

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<b>“Irrevocable Undertaking”</b>	:	The irrevocable deed of undertaking executed on 14 August 2018 by the Undertaking Shareholder in favour of the Company
<b>“Issue Price”</b>	:	The issue price of the Rights Shares, being S\$0.54 for each Rights Share
<b>“Land”</b>	:	Has the meaning ascribed thereto in paragraph 3 of Part IV (Key Information) of this Offer Information Statement
<b>“Last Traded Price”</b>	:	Has the meaning ascribed thereto in the Section entitled “Principal Terms of the Rights Issue” of this Offer Information Statement
<b>“Latest Practicable Date”</b>	:	27 September 2018, being the latest practicable date prior to the printing of this Offer Information Statement
<b>“Listing Manual”</b>	:	The Listing Manual of the SGX-ST, as amended, supplemented or modified from time to time
<b>“LKNII-CHQ Disposal”</b>	:	Has the meaning ascribed thereto in paragraph 9(c) of Part IV (Key Information) of this Offer Information Statement
<b>“LKNII Equity Interest”</b>	:	Has the meaning ascribed thereto in paragraph 9(c) of Part IV (Key Information) of this Offer Information Statement
<b>“LKNII Reserve Price”</b>	:	Has the meaning ascribed thereto in paragraph 9(c) of Part IV (Key Information) of this Offer Information Statement
<b>“LKNII Revised Reserve Price”</b>	:	Has the meaning ascribed thereto in paragraph 9(c) of Part IV (Key Information) of this Offer Information Statement
<b>“LKNII Shares”</b>	:	Has the meaning ascribed thereto in paragraph 9(c) of Part IV (Key Information) of this Offer Information Statement
<b>“LKNII SPA”</b>	:	Has the meaning ascribed thereto in paragraph 9(c) of Part IV (Key Information) of this Offer Information Statement
<b>“Long-Stop Date”</b>	:	Has the meaning ascribed thereto in paragraph 9(c) of Part IV (Key Information) of this Offer Information Statement
<b>“LPS”</b>	:	Loss per Share

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## DEFINITIONS

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<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“Maximum Scenario”</b>	:	The scenario based on the Existing Issued Share Capital and the assumption that (i) all of the Outstanding Share Options are exercised before the Books Closure Date; and (ii) the Rights Issue is fully subscribed for, 374,678,559 Rights Shares will be issued pursuant to the Rights Issue
<b>“Minimum Scenario”</b>	:	The scenario based on the Existing Issued Share Capital and the assumption that (i) none of the Outstanding Share Options are exercised before the Books Closure Date; (ii) none of the other Shareholders (other than the Undertaking Shareholder) or purchasers of the “nil-paid” rights during the “nil-paid” rights trading period subscribe and pay for any Rights Shares; and (iii) only the Undertaking Shareholder subscribes and pays for in full, the HLCH Entitlement and the HLCH Excess Application in accordance with the Irrevocable Undertaking, 373,908,559 Rights Shares will be issued pursuant to the Rights Issue
<b>“MOGA”</b>	:	Has the meaning ascribed thereto in paragraph 9(c) of Part IV (Key Information) of this Offer Information Statement
<b>“NAV”</b>	:	Net asset value
<b>“Net Proceeds”</b>	:	The estimated net proceeds from the Rights Issue, after deducting estimated expenses of approximately S\$0.6 million
<b>“NRIC”</b>	:	National Registration Identity Card
<b>“Offer Information Statement”</b>	:	This offer information statement issued by the Company in respect of the Rights Issue, together with the PAL, the ARE or the ARS (as the case may be) and all other accompanying documents issued by the Company, including, where the context admits, any supplementary or replacement document which may be issued by the Company and lodged with the Authority in connection with the Rights Issue
<b>“Original LKNII MOU”</b>	:	Has the meaning ascribed thereto in paragraph 9(c) of Part IV (Key Information) of this Offer Information Statement
<b>“Original Loan”</b>	:	Has the meaning ascribed thereto in paragraph 9(c) of Part IV (Key Information) of this Offer Information Statement

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## DEFINITIONS

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<b>“Outstanding Share Options”</b>	:	The 770,000 outstanding share options granted under the Hong Leong Asia Share Option Scheme 2000 as at the Latest Practicable Date, which are exercisable into 770,000 new Shares
<b>“PAL”</b>	:	The provisional allotment letter to be issued to the Entitled Scripholders, setting out the provisional allotment of Rights Shares of such Entitled Scripholder under the Rights Issue
<b>“Participating Banks”</b>	:	DBS Bank Ltd. (including POSB) and United Overseas Bank Limited, and each of them a <b>“Participating Bank”</b>
<b>“Plant”</b>	:	Has the meaning ascribed thereto in paragraph 3 of Part IV (Key Information) of this Offer Information Statement
<b>“PRC” or “China”</b>	:	People’s Republic of China
<b>“Public Tender Process”</b>	:	Has the meaning ascribed thereto in paragraph 9(c) of Part IV (Key Information) of this Offer Information Statement
<b>“Purchasers”</b>	:	Persons purchasing the provisional allotments of Rights Shares under the Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system
<b>“R&amp;D”</b>	:	Research and development
<b>“Record Date”</b>	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
<b>“Register of Members”</b>	:	Register of members of the Company
<b>“Restructuring Exercise”</b>	:	Has the meaning ascribed thereto in paragraph 9(c) of Part IV (Key Information) of this Offer Information Statement
<b>“Rex SPA”</b>	:	Has the meaning ascribed thereto in paragraph 9(c) of Part IV (Key Information) of this Offer Information Statement
<b>“Rights Issue”</b>	:	The renounceable non-underwritten rights issue by the Company of up to 374,678,559 Rights Shares at the Issue Price, on the basis of one (1) Rights Share for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date

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## DEFINITIONS

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<b>“Rights Issue Announcement”</b>	:	The announcement in relation to the Rights Issue, which was published on SGXNET on 14 August 2018
<b>“Rights Shares”</b>	:	Up to 374,678,559 new Shares to be allotted and issued by the Company pursuant to the Rights Issue
<b>“Sale Shares”</b>	:	Has the meaning ascribed thereto in paragraph 9(c) of Part IV (Key Information) of this Offer Information Statement
<b>“S&amp;D”</b>	:	Selling and distribution
<b>“Securities Account”</b>	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
<b>“Securities and Futures Act”</b>	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, supplemented or modified from time to time
<b>“SGXNET”</b>	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system network(s) as may be prescribed by the SGX-ST
<b>“Shareholders”</b>	:	Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term <b>“Shareholders”</b> shall, in relation to such Shares and where the context admits, mean the Depositors whose Securities Accounts are credited with such Shares
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company
<b>“SRS”</b>	:	Supplementary Retirement Scheme
<b>“SRS Investors”</b>	:	Investors who had purchased the Shares using their SRS accounts
<b>“Substantial Shareholder”</b>	:	A person who has an interest in one or more voting Shares and the total votes attached to such Share(s) is not less than 5.0% of the total votes attached to all the voting Shares
<b>“Successful Bidder”</b>	:	Has the meaning ascribed thereto in paragraph 9(c) of Part IV (Key Information) of this Offer Information Statement



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## DEFINITIONS

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<b>“Undertaken Shares”</b>	:	Has the meaning ascribed thereto under paragraph 1(f) of Part X (Additional Information Required for Offer of Securities by way of Rights Issue) of this Offer Information Statement
<b>“United States” or “US”</b>	:	United States of America
<b>“Xinfei”</b>	:	Consumer Products Unit
<b>“Yuchai”</b>	:	Diesel Engines Unit

### **Currencies, Units and Others**

<b>“1H”</b>	:	The half year ended 30 June
<b>“FY”</b>	:	The financial year ended or ending 31 December
<b>“RM” or “MYR”</b>	:	Malaysian Ringgit, the lawful currency of Malaysia
<b>“RMB”</b>	:	Renminbi, the lawful currency of the PRC
<b>“S\$” or “SGD”, and “Singapore cents”</b>	:	Singapore dollars and cents, respectively, the lawful currency of the Republic of Singapore
<b>“US\$” or “USD”, and “US cents”</b>	:	United States dollars and cents, respectively, the lawful currency of the United States of America
<b>“%” or “per cent.”</b>	:	Per centum or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act.

The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Companies Act or as otherwise stated in this Offer Information Statement.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

The headings in this Offer Information Statement, the PAL, the ARE and the ARS are inserted for convenience only and shall be ignored in construing this Offer Information Statement, the PAL, the ARE and the ARS.

The words **“written”** and **“in writing”** include any means of visible reproduction.

Any reference to a time of day or date in this Offer Information Statement, the PAL, the ARE or the ARS shall be a reference to a time of day or date, as the case may be, in Singapore, unless otherwise stated. Any reference to a date and/or time in this Offer Information Statement, the PAL, the ARE or the ARS in relation to the Rights Issue (including but not limited to the Closing Date, and the last dates and times for splitting, acceptance and payment, renunciation and payment,

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## DEFINITIONS

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and excess application and payment) shall include such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Company.

Any reference in this Offer Information Statement, the PAL, the ARE or the ARS to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the Securities and Futures Act, the Listing Manual, the Code or any amendment or modification thereof and used in this Offer Information Statement, the PAL, the ARE or the ARS shall, where applicable, have the meaning assigned to it under the Companies Act, the Securities and Futures Act, the Listing Manual, the Code or such amendment or modification thereof, as the case may be, unless otherwise provided.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any discrepancies in the figures included in this Offer Information Statement between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

Where any word or expression is defined in this Offer Information Statement, such definition shall extend to the grammatical variations of such word or expression.

**Any reference to announcements of or by the Company in this Offer Information Statement, the PAL, the ARE and the ARS includes announcements of or by the Company posted on the website of the SGX-ST at <http://www.sgx.com>.**

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## PRINCIPAL TERMS OF THE RIGHTS ISSUE

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The following is a summary of the principal terms and conditions of the Rights Issue and is derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and is qualified in its entirety by reference to information appearing elsewhere in this Offer Information Statement.

**Basis of provisional allotment** : One (1) Rights Share for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date.

In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and the Directors and the Substantial Shareholders (including the Undertaking Shareholder and its concert parties) who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

**Number of Rights Shares** : Up to 374,678,559 Rights Shares.

**Issue Price** : S\$0.54 for each Rights Share, payable in full on acceptance and (if applicable) application.

The Issue Price of S\$0.54 for each Rights Share represents:

(a) a discount of approximately 34.1% to the closing price of S\$0.82 per Share on the SGX-ST on 14 August 2018 (being the last market day on which the Shares were traded on the SGX-ST immediately prior to the release of the Rights Issue Announcement) ("**Last Traded Price**"); and

(b) a discount of approximately 20.6% to the theoretical ex-rights price ("**TERP**")<sup>1</sup> of approximately S\$0.68 per Share based on the Last Traded Price.

**Status of the Rights Shares** : The Rights Shares will, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares.

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<sup>1</sup> TERP of each Share is calculated based on the following formula, assuming completion of the Rights Issue based on the Minimum Scenario:

$$\text{TERP} = \frac{\text{Market capitalisation of the Company based on the Last Traded Price} + \text{gross proceeds from the Rights Issue}}{\text{Number of Shares after completion of the Rights Issue}}$$

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## PRINCIPAL TERMS OF THE RIGHTS ISSUE

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**Eligibility to Participate in the Rights Issue** : Please refer to the section entitled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement.

**Listing of the Rights Shares** : On 5 September 2018, the SGX-ST had granted its in-principle approval for the listing of and quotation for the Rights Shares on the SGX-ST, subject to the following conditions:

- (a) compliance with the SGX-ST’s listing requirements;
- (b) Shareholders’ approval for the Rights Issue;
- (c) a written undertaking from the Company that it will comply with Rules 704(30), 815 and 1207(20) of the Listing Manual in relation to the use of the proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company’s announcements on use of proceeds and in the annual report;
- (d) a written undertaking from the Company that it will comply with Rule 877(10) of the Listing Manual with regard to the allotment of any excess Rights Shares; and
- (e) a written confirmation from financial institution(s) as required under Rule 877(9) of the Listing Manual that the Undertaking Shareholder who has given the Irrevocable Undertaking has sufficient financial resources to fulfil its obligations under the Irrevocable Undertaking.

The in-principal approval granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and opinions expressed in this Offer Information Statement.

**Trading of the Rights Shares** : Upon the listing of and quotation for the Rights Shares on the SGX-ST, the Rights Shares will be traded on the SGX-ST under the book-entry (scripless) settlement system. For the purposes of trading on the SGX-ST, each board lot of Shares will comprise 100 Shares.

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## PRINCIPAL TERMS OF THE RIGHTS ISSUE

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**Non-underwritten** : The Rights Issue is not underwritten. The Company has received the Irrevocable Undertaking from HLCH that it will, *inter alia*, irrevocably subscribe and pay for (or procure subscription and payment for) the HLCH Entitlement and procure subscription and payment for the HLCH Excess Application. The details of the Irrevocable Undertaking are set out in paragraph 1(f) of Part X of this Offer Information Statement. In view of the Irrevocable Undertaking and the savings in underwriting costs which the Company will enjoy, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

On the basis that the Irrevocable Undertaking is fulfilled by the Undertaking Shareholder, the Net Proceeds from the Minimum Scenario will be sufficient to meet the Company's present funding requirements.

**Acceptance, excess application and payment procedures** : Please refer to Appendices II to IV to this Offer Information Statement, and the accompanying PAL, ARE or ARS.

**Use of CPF Funds** : CPFIS Investors may use, subject to applicable CPF rules and regulations, their CPF Funds to pay for the subscription of their provisional allotments of the Rights Shares and (if applicable) the application for Excess Rights Shares, if they had previously bought their Shares using CPF Funds. Such CPFIS Investors who wish to accept the provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares using their CPF Funds will need to instruct their respective approved CPF agent banks where they hold their CPF Investment Accounts, to accept and (if applicable) apply for the Rights Shares on their behalf. CPF Funds may not, however, be used for the purchase of the provisional allotments of Rights Shares directly from the market.

Such CPFIS Investors who wish to accept and/or apply for the Rights Shares and/or Excess Rights Shares using CPF Funds should ensure that there are sufficient funds in their respective CPF accounts before instructing their respective approved CPF agent banks to accept and (if applicable) apply for the Rights Shares and/or Excess Rights Shares on their behalf. In the event that such CPFIS Investor has insufficient CPF Funds available for his acceptance and/or application, he may top-up his CPF Investment Account to the required amount with cash.

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## PRINCIPAL TERMS OF THE RIGHTS ISSUE

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CPFIS Investors should also note that CPF Funds cannot be used for the payment of Rights Shares and/or Excess Rights Shares if they submit their acceptances and/or applications directly to CDP, Share Registrar, the Company and/or through the ATMs of the Participating Banks. Any such acceptance and/or application purporting to use CPF Funds for the payment of Rights Shares and/or Excess Rights Shares will be rejected.

**Governing law** : Laws of the Republic of Singapore.

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## INDICATIVE TIMETABLE OF KEY EVENTS

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An indicative timetable for the Rights Issue is set out below (all references are to Singapore dates and times). For the events listed which are described as “expected”, please refer to future announcement(s) by the Company and/or the SGX-ST for the exact dates of these events.

Last day Shares trade cum-rights	:	27 September 2018
Shares traded ex-rights	:	28 September 2018
Books Closure Date	:	2 October 2018 at 5.00 p.m.
Date of lodgment of this Offer Information Statement with the Authority	:	3 October 2018
Despatch of this Offer Information Statement, together with the ARE and the PAL (as the case may be), to Entitled Shareholders	:	5 October 2018
Commencement of trading of “nil-paid” rights	:	5 October 2018 from 9.00 a.m.
Last date and time for splitting rights	:	15 October 2018 at 5.00 p.m.
Last date and time for trading of “nil-paid” rights	:	15 October 2018 at 5.00 p.m.
Last date and time for acceptance of and payment for the Rights Shares <sup>(1)</sup>	:	19 October 2018 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for acceptance of and payment for the Rights Shares by renouncees	:	19 October 2018 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for application and payment for Excess Rights Shares <sup>(1)</sup>	:	19 October 2018 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Expected date for issuance of Rights Shares	:	26 October 2018
Expected date for crediting of Rights Shares	:	29 October 2018
Expected date for refund of unsuccessful or invalid applications (if made through CDP)	:	29 October 2018
Expected date and time for the listing and commencement of trading of Rights Shares	:	29 October 2018 from 9.00 a.m.

**Note:**

- (1) SRS Investors, CPFIS Investors and investors who hold Shares through a finance company and/or a Depository Agent, where applicable, will receive notification letter(s) from their respective approved banks, finance companies, Depository Agents and/or approved CPF agent banks and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective approved banks, finance companies, Depository Agents and/or approved CPF agent banks. Any acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made directly through CDP, Electronic Applications at any ATM of a Participating Bank, the Share Registrar and/or the Company will be rejected.

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## INDICATIVE TIMETABLE OF KEY EVENTS

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Pursuant to Rule 820(1) of the Listing Manual, the Rights Issue will not be withdrawn after the Shares have commenced ex-rights trading. Based on the above timetable, the Shares have commenced ex-rights trading on 28 September 2018 from 9.00 a.m..

The above timetable is indicative only and is subject to change. As at the Latest Practicable Date, the Company does not expect the above timetable to be modified. However, the Company may, upon consultation with the Manager and its advisers, and with the approval of the SGX-ST and/or CDP (if necessary), modify the above timetable subject to any limitation under any applicable law. In that event, the Company will publicly announce any modification through a SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.



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## ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

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### (a) ENTITLED SHAREHOLDERS

Entitled Shareholders are entitled to participate in the Rights Issue and to receive this Offer Information Statement together with the ARE or the PAL, as the case may be, and other accompanying documents at their respective Singapore addresses as maintained with the records of CDP or the Share Registrar, as the case may be.

Entitled Depositors who do not receive this Offer Information Statement and the AREs may obtain them from CDP or the Share Registrar during the period up to the Closing Date. Entitled Scripholders who do not receive this Offer Information Statement and the PALs may obtain them from the Share Registrar during the period up to the Closing Date.

Entitled Shareholders will be provisionally allotted the Rights Shares on the basis of their shareholdings as at the Books Closure Date. Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce or in the case of Entitled Depositors only, trade their provisional allotments of Rights Shares on the SGX-ST during the rights trading period prescribed by the SGX-ST and are eligible to apply for Excess Rights Shares in excess of their provisional allotments under the Rights Issue. For the avoidance of doubt, only Entitled Shareholders (and not the Purchasers or the renounees) shall be entitled to apply for Excess Rights Shares in excess of their provisional allotments under the Rights Issue.

**All dealings in, and transactions of, the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs which are issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the SGX-ST.**

Entitled Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP. Entitled Depositors are reminded that any request to CDP to update their records or to effect any change in address must reach CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, not later than 5.00 p.m. (Singapore time) on a date being three (3) Market Days prior to the Books Closure Date.

Entitled Scripholders should note that all correspondences and notices will be sent to their last registered addresses with the Company. Entitled Scripholders are reminded that any request to the Company to update their records or to effect any change in address must reach Hong Leong Asia Ltd. c/o the Share Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902 not later than 5.00 p.m. (Singapore time) on a date being three (3) Market Days prior to the Books Closure Date. Entitled Scripholders may open Securities Accounts with CDP if they have not already done so and to deposit their share certificates with CDP prior to the Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and the provisional allotments of Rights Shares. Entitled Scripholders should note that their Securities Accounts will only be credited with the Shares on the 12th Market Day from the date of lodgment of the share certificates with CDP or such later date subject to the completion of the lodgment process.

In the allotment of any Excess Rights Shares, preference will be given to the rounding of odd lots, and the Directors and the Substantial Shareholders (including HLCH and its concert parties) who have control or influence in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company will also not make any allotment and issuance of any

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## ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

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Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

The procedures for, and the terms and conditions applicable to, the acceptances, splitting, renunciation and/or sales of the provisional allotments of Rights Shares and the applications for Excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices II, III and IV to this Offer Information Statement and in the PAL, the ARE and the ARS (as the case may be).

### (b) FOREIGN SHAREHOLDERS

This Offer Information Statement and its accompanying documents relating to the Rights Issue have not been and will not be lodged, registered or filed in any jurisdiction other than in Singapore. The distribution of this Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or unless relevant securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Rights Shares will **NOT** be offered to and this Offer Information Statement and its accompanying documents have not been and will **NOT** be despatched to Foreign Shareholders or into any jurisdictions outside Singapore.

**Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of the Rights Shares has been made or will be made to Foreign Shareholders and no purported acceptance thereof or application therefor by any Foreign Shareholder will be valid.**

This Offer Information Statement and its accompanying documents will also NOT be despatched to the Foreign Purchasers. Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Further, any renounee of an Entitled Scripholder, whose address as stated in the PAL is outside Singapore, will not be entitled to accept the provisional allotment of the Rights Shares renounced to him. The Company further reserves the right to reject any acceptances of the Rights Shares and (if applicable) any application for Excess Rights Shares where it believes, or has reason to believe, that such acceptance or application may violate the applicable legislation of any jurisdiction.

The Company reserves the right to treat as invalid any ARE, ARS or PAL which (a) appears to the Company or its agents to have been executed in a jurisdiction outside Singapore or which the Company believes or has reason to believe may violate the applicable legislation of such jurisdiction, (b) provides an address outside Singapore for the receipt of the share certificate(s) of the Rights Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore, or (c) purports to exclude any representation or warranty, whether expressed or deemed, to be given by such person.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotment of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a

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## ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

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premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Books Closure Date and sent to them by means of a crossed cheque at their own risk by ordinary post, or in such other manner as they may have agreed with CDP for payment of any cash distributions. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors, the Manager, CDP, the Share Registrar and/or their respective officers in connection therewith.

Where the provisional allotments of Rights Shares are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors, the Manager, CDP, the Share Registrar and/or their respective officers in connection therewith.

If such provisional allotments of Rights Shares cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be aggregated and allotted to satisfy applications for Excess Rights Shares (if any) or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Directors, the Manager, CDP, the Share Registrar and/or their respective officers in connection therewith.

Shareholders should note that the special arrangements described above would apply only to Foreign Shareholders.

**Notwithstanding the above, Shareholders and any other person having possession of this Offer Information Statement and its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without violating any regulation or legal requirements in those territories.**

**This Offer Information Statement and/or its accompanying documents are not intended for distribution outside of Singapore.**

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## TRADING

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### 1. LISTING OF AND QUOTATION FOR THE RIGHTS SHARES

In-principle approval was granted by the SGX-ST to the Company on 5 September 2018 for the listing of and quotation for the Rights Shares on the SGX-ST, subject to compliance with the SGX-ST's listing requirements. The in-principle approval granted by the SGX-ST for the admission of, listing of and quotation for the Rights Shares is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries.

The listing of the Rights Shares will commence after all the securities certificates have been issued and the notification letters from CDP have been despatched. Upon listing and quotation on the SGX-ST, the Rights Shares will be traded under the book-entry (scripless) settlement system. All dealings in, and transactions (including transfers) of, the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with CDP", and the "Terms and Conditions for CDP to act as Depository for the Rights Shares", as the same may be amended from time to time. Copies of the above are available from CDP.

### 2. ARRANGEMENTS FOR SCRIPLESS TRADING

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for Excess Rights Shares, and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names (if they do not already maintain such Securities Accounts) in order that the number of Rights Shares and (if applicable) the Excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept their provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares and have their Rights Shares credited by CDP into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who have provided incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in the Securities Accounts currently maintained with CDP, will be issued physical share certificates for the Rights Shares allotted to them in their own names and (if applicable) the Excess Rights Shares allotted to them. Physical share certificates if issued, will be forwarded to Entitled Scripholders by ordinary post at their own risk but will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.

If an Entitled Scripholder's address stated in the PAL is different from the address registered with CDP, he must inform CDP of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.

A holder of physical share certificate(s) or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but wishes to trade on the SGX-ST, must deposit his share certificate(s) with CDP, together with the duly stamped and executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares and/or existing Shares, as the case may be, before he can effect the desired trade.

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## TRADING

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### 3. TRADING OF ODD LOTS

**Shareholders should note that the Rights Issue may result in them holding odd lots of Shares (that is, lots other than board lots of 100 Shares).**

Following the Rights Issue, Entitled Depositors who wish to trade all or part of their provisional allotment of Rights Shares on the SGX-ST during the provisional allotments trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 100 Rights Shares, or any other board lot size which the SGX-ST may require. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST which allows trading of odd lots with a minimum of one (1) Share, during the provisional allotments trading period. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST. Following the Rights Issue, Shareholders who hold odd lots of the Rights Shares (i.e. less than 100 Shares) and who wish to trade in odd lots on the SGX-ST will be able to do so on the Unit Share Market of the SGX-ST. The market for trading of such odd lots of Shares may be illiquid. There is no assurance that they can acquire such number of Shares to make up one board lot of 100 Shares, or to dispose of their odd lots (whether in part or in whole) on the SGX-ST.

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## CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

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All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its Directors, officers or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or, are forward-looking such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, operating results, business strategy, plans and future prospects of the Group’s industry are forward-looking statements. These forward-looking statements, including but not limited to, statements as to the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual and/or future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks (both known and unknown), uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. The Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. Neither the Company, the Manager nor any other person represents or warrants that the Group’s actual future results, performance or achievements will be as discussed in those forward-looking statements.

Further, each of the Company and the Manager disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future, subject to compliance with any applicable laws and regulations and/or rules of the SGX-ST and/or any regulatory or supervisory body or agency. Where such developments, events or circumstances occur after the lodgment of this Offer Information Statement with the Authority or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same on the SGXNET and, if required, lodge a supplementary or replacement document with the Authority.

The Company is also subject to the provisions of the Listing Manual regarding corporate disclosure.

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## TAKE-OVER LIMITS

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The Code regulates the acquisition of ordinary shares of public companies, including the Company.

Pursuant to the Code, except with the SIC's consent, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, Shares which (taken together with Shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights in the Company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights of the Company and such person, or any person acting in concert with him, acquires in any period of six (6) months additional Shares carrying more than 1.0% of the voting rights of the Company,

such person is required to make a mandatory general offer for all the remaining Shares in the Company in accordance with the provisions of the Code. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

**Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of any acquisition of the Rights Shares pursuant to the Rights Issue or the acceptance of the provisional allotments of Rights Shares and (if applicable) application for Excess Rights Shares, should consult the SIC and/or their professional adviser(s) immediately.**

As at the Latest Practicable Date, the Undertaking Shareholder owns and/or has shareholding interests in 239,664,000 Shares representing approximately 64.10% of the Existing Issued Share Capital, and does not own any instruments convertible into, rights to subscribe for, or options in respect of, the Shares. The Undertaking Shareholder has irrevocably undertaken to the Company that it will, *inter alia*, irrevocably subscribe and pay for (or procure subscription and payment for) the HLCH Entitlement and procure subscription and payment for the HLCH Excess Application.



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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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### PART II: IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

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#### Directors

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.

Names of Directors	Designation	Address
Kwek Leng Peck	Executive Chairman	c/o 16 Raffles Quay #26-00 Hong Leong Building Singapore 048581
Philip Ting Sii Tien @ Yao Sik Tien	Executive Director and Chief Executive Officer	c/o 16 Raffles Quay #26-00 Hong Leong Building Singapore 048581
Ernest Colin Lee	Non-Executive and Lead Independent Director	c/o 16 Raffles Quay #26-00 Hong Leong Building Singapore 048581
Kwong Ka Lo @ Caroline Kwong	Non-Executive and Independent Director	c/o 16 Raffles Quay #26-00 Hong Leong Building Singapore 048581
Ng Sey Ming	Non-Executive and Independent Director	c/o 16 Raffles Quay #26-00 Hong Leong Building Singapore 048581
Tan Chian Khong	Non-Executive and Independent Director	c/o 16 Raffles Quay #26-00 Hong Leong Building Singapore 048581



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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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### Advisers

#### 2. Provide the names and addresses of –

- (a) the issue manager to the offer, if any;
- (b) the underwriter to the offer, if any; and
- (c) the legal adviser for or in relation to the offer, if any.

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Role	Name and Address
Manager of the Rights Issue	: DBS Bank Ltd. 12 Marina Boulevard Level 46 Marina Bay Financial Centre Tower 3 Singapore 018982
Underwriter to the Rights Issue	: Not applicable as the Rights Issue is not underwritten
Legal Advisers to the Company in respect of the Rights Issue	: Rajah & Tann Singapore LLP 9 Battery Road #25-01 Singapore 049910

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### Registrars and Agents

#### 3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities being offered, where applicable

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Role	Name and Address
Share Registrar	: M & C Services Private Limited 112 Robinson Road #05-01 Singapore 068902
Transfer Agent	: Not applicable
Receiving Banker	: DBS Bank Ltd. 12 Marina Boulevard Level 46 Marina Bay Financial Centre Tower 3 Singapore 018982

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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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### PART III: OFFER STATISTICS AND TIMETABLE

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#### Offer Statistics

**1. For each method of offer, state the number of the securities being offered.**

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**Rights Shares**

Method of offer	:	Renounceable non-underwritten rights issue of Rights Shares
Basis of allotment	:	One (1) Rights Share for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date
Number of Rights Shares	:	Up to 374,678,559 Rights Shares
Issue Price	:	S\$0.54 for each Rights Share, payable in full on acceptance and (if applicable) application
Status of the Rights Shares	:	The Rights Shares will, upon allotment and issuance, rank <i>pari passu</i> in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares

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#### Method and Timetable

**2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to –**

**(a) the offer procedure; and**

**(b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.**

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Please refer to paragraphs 3 to 7 of this Part III below.

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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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3. **State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgment of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.**
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Please refer to the section entitled “Indicative Timetable of Key Events” of this Offer Information Statement.

As at the Latest Practicable Date, the Company does not expect the timetable under the section entitled “Indicative Timetable of Key Events” of this Offer Information Statement to be modified. However, the Company may, upon consultation with the Manager and its advisers, and with the approval of the SGX-ST and/or CDP (if necessary), modify the timetable subject to any limitation under any applicable laws. In that event, the Company will publicly announce any modification through a SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

The procedures for and the terms and conditions applicable to the acceptances, splitting, renunciation and/or sales of the provisional allotments of Rights Shares and the application for Excess Rights Shares, including the different modes of acceptances or application and payment are set out in Appendices II, III, and IV to this Offer Information Statement and in the PAL, the ARE and the ARS (as the case may be).

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4. **State the method and time limit for paying up for the securities and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**
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The Rights Shares and (if applicable) the Excess Rights Shares are payable in full upon acceptance and (if applicable) application.

Please refer to details on the procedures for acceptance and/or application of, and payment for, the Rights Shares and Excess Rights Shares contained in Appendices II, III and IV to this Offer Information Statement and in the PAL, the ARE and the ARS (as the case may be).

Please refer to the section entitled “Indicative Timetable of Key Events” of this Offer Information Statement for the last date and time for payment for the Rights Shares and (if applicable) the Excess Rights Shares.

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## **SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005**

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**5. State, where applicable, the methods of and time limits for –**

- (a) the delivery of the documents evidencing title to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
- (b) the book-entry transfers of the securities being offered in favour of subscribers or purchasers.**

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The Rights Shares will be provisionally allotted to Entitled Shareholders on or about 4 October 2018 by crediting the provisional allotments to the Securities Accounts of respective Entitled Depositors or through the despatch of the relevant PALs to Entitled Scripholders, based on their respective shareholdings of the Company as at the Books Closure Date.

In the case of Entitled Scripholders and their renounees with valid acceptances for the Rights Shares and/or (if applicable) successful applications of the Excess Rights Shares and who have, among others, failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant form comprised in the PAL, share certificate(s) representing such number of Rights Shares will be sent by ordinary post, at their own risk, to their mailing addresses in Singapore as maintained with the Share Registrar within ten (10) Market Days after the Closing Date.

In the case of Entitled Depositors and Entitled Scripholders and their renounees (who have furnished valid Securities Account numbers in the relevant form(s) comprised in the PAL) with valid acceptances and/or (if applicable) successful applications for Excess Rights Shares, share certificate(s) representing such number of Rights Shares will be sent to CDP within ten (10) Market Days after the Closing Date and CDP will thereafter credit such number of Rights Shares to their relevant Securities Accounts. CDP will then send to the relevant subscribers, at their own risk, a notification letter stating the number of Rights Shares credited to their Securities Accounts.

Please refer to Appendices II, III and IV to this Offer Information Statement and the PAL, the ARE and the ARS (as the case may be) for more information.

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**6. In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**

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Not applicable as no pre-emptive rights have been offered in relation to the Rights Issue.

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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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7. Provide a full description of the manner in which results of the allotment or allocation of the securities are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).
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### Results of the Rights Issue

The Company will publicly announce the results of the allotment or the allocation of the Rights Shares, as soon as it is practicable after the Closing Date, through a SGXNET announcement to be posted on the website of the SGX-ST at <http://www.sgx.com>.

### Manner of refund

In the case of any acceptance of Rights Shares and (if applicable) application for Excess Rights Shares which is invalid or unsuccessful, or if an Entitled Shareholder applies for Excess Rights Shares but no Excess Rights Shares are allotted to that Entitled Shareholder, or if the number of Excess Rights Shares allotted to that Entitled Shareholder is less than the number applied for, the amount paid on acceptance and (if applicable) application, or the surplus application monies, as the case may be, will be refunded to the relevant Entitled Shareholder, Purchaser or their renouncee by the Company (in the case of Entitled Scripholders) or CDP (in the case of Entitled Depositors and Purchasers) on behalf of the Company without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date by any one or a combination of the following:

- (a) in respect of Entitled Depositors, if they accept and/or (if applicable) apply by way of Electronic Application, by crediting the relevant applicant's bank account with the relevant Participating Bank, at their own risk, with the appropriate amount within three (3) business days after the commencement of trading of the Rights Shares, the receipt by such bank being a good discharge by the Company, the Manager and CDP of their obligations, if any;
- (b) in respect of Entitled Depositors, if they accept and (if applicable) apply through CDP, by means of a crossed cheque for the appropriate amount drawn in Singapore currency on a bank in Singapore and sent to them by ordinary post and at their own risk to their mailing addresses as maintained with CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions, within three (3) business days after the commencement of trading of the Rights Shares; or
- (c) in respect of Entitled Scripholders, by means of a crossed cheque for the appropriate amount drawn in Singapore currency on a bank in Singapore and sent to them at their mailing addresses as maintained with the Share Registrar by ordinary post and at their own risk, within 14 days after the Closing Date.

The details of refunding excess amounts paid by applicants are set out in Appendices II, III and IV to this Offer Information Statement and in the PAL, the ARE and the ARS (as the case may be).

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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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### PART IV: KEY INFORMATION

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#### Use of Proceeds from Offer and Expenses Incurred

1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.

Please refer to paragraphs 2 to 7 of this Part IV below.

2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.

Under the Maximum Scenario, based on the 374,678,559 Rights Shares to be issued, the Net Proceeds (after deducting estimated expenses of approximately S\$0.6 million) is expected to be approximately S\$201.7 million.

Under the Minimum Scenario, based on the 373,908,559 Rights Shares to be issued, the Net Proceeds (after deducting estimated expenses of approximately S\$0.6 million) is expected to be approximately S\$201.3 million.

All Net Proceeds will go to the Company for allocation to its principal intended uses set out in paragraph 3 of this Part IV below.

3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.

## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

The Company intends to utilise the Net Proceeds for the following purposes, details of the breakdown are set out below:

- (a) the partial repayment of the Acquisition Loan, 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**"). The Company announced the award of the tender on 27 July 2018;
- (b) to finance the construction of a fully mechanised integrated precast plant with state of art technology ("**Plant**") on the Land for an aggregate amount of approximately S\$60.0 million;
- (c) the repayment of loans and other indebtedness of the Group (other than the Acquisition Loan) of up to S\$25.0 million; and
- (d) the balance for the general corporate purposes including general and working capital requirements of the Group or making strategic investments and/or acquisitions.

For illustrative purposes only, the table below sets out the proposed use of Net Proceeds by the Company based on the Maximum Scenario and the Minimum Scenario:

Use of Net Proceeds	Minimum Scenario		Maximum Scenario	
	Amount (S\$'million)	Percentage of Net Proceeds (%)	Amount (S\$'million)	Percentage of Net Proceeds (%)
Partial repayment of Acquisition Loan	14.0	7.0	14.0	6.9
Construction of the Plant	60.0	29.8	60.0	29.8
Repayment of other loans <sup>1</sup>	25.0	12.4	25.0	12.4
General corporate purposes or making strategic investments and/or acquisitions <sup>1</sup>	102.3	50.8	102.7	50.9
<b>Total</b>	<b>201.3</b>	<b>100.0</b>	<b>201.7</b>	<b>100.0</b>

The above allocations are based on the Maximum Scenario and the Minimum Scenario only. In the event the Net Proceeds falls in between the Maximum Scenario and the Minimum Scenario, the Company will make the necessary announcements on the allocations once the final Net Proceeds have been determined. It is anticipated that the allocations would not deviate significantly from the above illustrations.

In the reasonable opinion of the Directors, there is no minimum amount that needs to be raised from the Rights Issue.

<sup>1</sup> Based on an amount of S\$25.0 million utilised for the repayment of other loans.

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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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Pending the deployment of the Net Proceeds, such 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 Directors are of the opinion that as at the Latest Practicable Date, barring any unforeseen circumstances:

- (a) after taking into consideration the internal resources and the present bank facilities of the Group, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the present sufficiency of working capital, the Directors are of the opinion that the Rights Issue will strengthen the financial position and capital base of the Group. Please refer to the paragraph(s) above for further information on the intended use of the Net Proceeds; and
- (b) after taking into consideration the internal resources and the present bank facilities of the Group as well as the Net Proceeds (assuming the Minimum Scenario), the working capital available to the Group is sufficient to meet its present requirements.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed, and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds 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. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

Where the Net Proceeds are to be used for working capital, the Company will disclose a breakdown with specific details on the use of the Net Proceeds for working capital in its announcements and annual reports.

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**4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.**

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Under the Maximum Scenario, for each dollar of the gross proceeds of approximately S\$202.3 million that will be raised from the Rights Issue, the Company will allocate:

- (a) approximately 6.9 cents for the partial repayment of the Acquisition Loan;
- (b) approximately 29.7 cents for financing the construction of the Plant;
- (c) approximately 12.4 cents for the repayment of other loans and/or indebtedness;
- (d) approximately 50.7 cents for the general corporate purposes including general and working capital requirement of the Group or making strategic investments and/or acquisitions; and



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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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- (e) approximately 0.3 cents to pay for the expenses incurred in connection with the Rights Issue.

Under the Minimum Scenario, for each dollar of the gross proceeds of approximately S\$201.9 million that will be raised from the Rights Issue, the Company will allocate:

- (i) approximately 6.9 cents for the partial repayment of the Acquisition Loan;
- (ii) approximately 29.7 cents for financing the construction of the Plant;
- (iii) approximately 12.4 cents for the repayment of other loans and/or indebtedness;
- (iv) approximately 50.7 cents for the general corporate purposes including general corporate purposes including general and working capital requirement of the Group or making strategic investments and/or acquisitions; and
- (v) approximately 0.3 cents to pay for the expenses incurred in connection with the Rights Issue.

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- 5. If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.**
- 

As stated above under paragraph 3 of this Part IV (Key Information), the Company intends to apply the balance of the Net Proceeds for general corporate purposes including general and working capital requirements of the Group and/or making strategic investments and/or acquisitions. However, as at the Latest Practicable Date, the Group has not identified any such investment and/or acquisition.

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- 6. If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.**
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Not applicable. Please refer to paragraph 5 of this Part IV (Key Information).

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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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7. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.
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The Company intends to utilise part of the Net Proceeds for the partial repayment of the Acquisition Loan, a portion of which was used to finance the consideration of approximately S\$14.0 million for the acquisition of a 51% stake in the Land. The Acquisition Loan is due for repayment three (3) years from the drawdown date.

The Company also intends to utilise part of the Net Proceeds for the repayment of short-term revolving working capital loans. For more information, please refer to paragraph 3 of this Part IV (Key Information).

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8. In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.
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Not applicable. The Rights Issue is not underwritten and no placement or selling agent has been appointed by the Company in relation to the Rights Issue.

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### Information on the Relevant Entity

9. Provide the following information:

- (a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office);
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Registered Office and Principal Place of Business	:	16 Raffles Quay #26-00 Hong Leong Building Singapore 048581
Telephone number	:	+65 6220 8411
Facsimile number	:	+65 6226 0502

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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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**(b) The nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;**

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The principal activity of the Company is that of an investment holding company. The main business units of the Group are Yuchai and BMU. The other business units in the Group are the Industrial Packaging Unit and the Air-conditioning Systems Unit.

Yuchai is operated mainly by the Group's subsidiary, China Yuchai International Limited, which is listed on the New York Stock Exchange. Yuchai engages in the manufacture, assembly and sale of a wide variety of light-duty, medium-duty and heavy-duty engines for trucks, buses, passenger vehicles, construction equipment and marine and agriculture applications in China. Yuchai also produces engines for diesel power generators. The engines produced by Yuchai range from diesel to natural gas and hybrid engines. Through its regional sales offices and authorised customer service centres, Yuchai distributes its engines directly to original equipment manufacturers and retailers and provides maintenance and retrofitting services throughout China.

The Group's BMU operates in both Singapore and Malaysia, and is one of the largest suppliers of essential building materials to the construction industry in Singapore. It sells all grades of ready mixed concrete and is the largest producer of precast concrete elements for public housing construction. It imports and distributes cement in Singapore and operates a granite quarry in Johor. The BMU in Malaysia is operated by its subsidiary, Tasek Corporation Berhad, which is listed on Bursa Malaysia Securities Berhad.

In May 2018, the Group completed the de-consolidation of its Consumer Products Unit, Xinfei, through a restructuring exercise.

As at the Latest Practicable Date, the subsidiaries in which the Group has significant investments and their principal activities are as follows:

<b>Name of Subsidiary</b>	<b>Country of incorporation</b>	<b>Principal activities</b>	<b>Effective equity interest held by the Company (%)</b>
China Yuchai International Limited <sup>(1)</sup>	Bermuda	Investment Holding	40.04
Hong Leong (China) Limited	Singapore	Investment Holding	100.00
HL Global Enterprises Limited <sup>(2)(3)</sup>	Singapore	Investment Holding	20.08
Guangxi Yuchai Accessories Manufacturing Company Limited <sup>(3)</sup>	China	Diesel Engines	30.59

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<b>Name of Subsidiary</b>	<b>Country of incorporation</b>	<b>Principal activities</b>	<b>Effective equity interest held by the Company (%)</b>
Guangxi Yuchai Equipment Mould Company Limited <sup>(3)</sup>	China	Diesel Engines	30.59
Guangxi Yuchai Machinery Company Limited <sup>(3)</sup>	China	Diesel Engines	30.59
Guangxi Yuchai Machinery Monopoly Development Co., Ltd <sup>(3)</sup>	China	Diesel Engines	21.97
Jining Yuchai Engine Company Limited <sup>(3)</sup>	China	Diesel Engines	30.59
Yuchai Remanufacturing Services (Suzhou) Co., Ltd. <sup>(3)</sup>	China	Diesel Engines	30.59
Hayford Holdings Sdn. Bhd.	Malaysia	Building Materials	100.00
HL Building Materials Pte. Ltd.	Singapore	Building Materials	100.00
HL-Manufacturing Industries Sdn. Bhd.	Malaysia	Building Materials	100.00
Island Concrete (Private) Limited	Singapore	Building Materials	100.00
Tasek Corporation Berhad	Malaysia	Building Materials	74.28 <sup>(4)</sup>
Dongguan Rex Packaging Company Limited	China	Industrial Packaging	100.00
Tianjin Rex Packaging Co., Ltd.	China	Industrial Packaging	100.00
Airwell Air-conditioning Technology (China) Co., Ltd.	China	Air-Conditioning Systems	67.00
Fedders International Pte. Ltd.	Singapore	Air-Conditioning Systems	100.00
Guangxi Yulin Hotel Company Limited <sup>(3)</sup>	China	Hospitality	30.59

**Notes:**

- (1) The Directors consider CYI as a subsidiary as the Group owns 16,360,845 (2016: 16,360,845) or 40.04% (2016: 40.19%) of the ordinary shares and a special share of CYI that entitles the Group to elect a majority of directors in CYI as at the Latest Practicable Date. 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.
- (2) Based on Singapore Financial Reporting Standards, 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% excluding the ordinary shares held by Amicorp Trustees (Singapore) Limited under the HL Global Enterprises Share Option Scheme 2006 Trust as at the Latest Practicable Date.
- (3) These companies are subsidiaries of CYI as at the Latest Practicable Date.
- (4) The effective equity interest was computed based on the total number of ordinary shares excluding treasury shares as at the Latest Practicable Date.

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- (c) the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –
  - (i) the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or
  - (ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;

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The general development of the business of the Group from FY2015 up to the Latest Practicable Date is set out below in chronological order. The significant developments included in this section have been extracted from and summarised herein based on the related announcements released by the Company via SGXNET and the information presented herein is correct as at the date of the relevant announcements.

Shareholders are advised to refer to the public announcements released by the Company via SGXNET and Part V of this Offer Information Statement for further information.

### **ASSET ACQUISITIONS AND DISPOSALS (INCLUDING INCORPORATION AND DISSOLUTION OF SUBSIDIARIES AND ASSOCIATED COMPANIES)**

#### **(a) HLGE Group**

- (i) On 28 July 2016, HLGE announced that its wholly-owned subsidiaries, LKN Construction Pte Ltd and Joo Chiat Holding Pte Ltd, had applied to the Registrar of Companies for their names to be struck off the Register of Companies.
- (ii) On 31 October 2017, HLGE announced that its wholly-owned subsidiary, EHM, had incorporated a subsidiary in China, Shanghai Fengzhe, with EHM owning an 80% interest in Shanghai Fengzhe and the remaining 20% interest being held by Shanghai Hua Yang Network Technology Co., Ltd. The registered capital of Shanghai Fengzhe was RMB3,000,000 and its principal activities relate to hotel and property management.
- (iii) On 23 August 2018, HLGE announced that EHM had on 23 August 2018 entered into an equity transfer agreement to transfer its entire 80% equity interest in the capital of Shanghai Fengzhe to Turbo Win Investment Limited for a nominal consideration of S\$1.00. Shanghai Fengzhe would cease to be an indirect subsidiary of HLGE following the submission of the relevant transfer documents to the local company registry in China.

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(iv) Disposal of CHQ

On 22 February 2016, HLGE announced that its wholly-owned subsidiary, LKNII, intended to undertake a disposal ("**LKNII-CHQ Disposal**") of its 60% equity interest in CHQ ("**LKNII Equity Interest**"). The remaining 40% equity interest in CHQ was held by CAAC (the collective interest in CHQ being the "**CHQ Equity Interest**"). The LKNII-CHQ Disposal was to be effected in connection with the listing of the CHQ Equity Interest on SUAEE by way of public tender ("**Public Tender Process**"). The reserve price for the LKNII-CHQ Disposal ("**LKNII Reserve Price**") was set at approximately RMB327.73 million. On 22 March 2016, HLGE announced that no bid had been received for the CHQ Equity Interest and the initial bidding period had expired, thus the CHQ Equity Interest would be listed again for another period of 20 business days and the LKNII Reserve Price would be reduced by 10% from RMB327.73 million to RMB294.96 million. On 26 April 2016, HLGE announced that the second bidding period for the sale of the CHQ Equity Interest had expired and no bid had been received under the Public Tender Process.

On 31 March 2017, HLGE announced that LKNII and CAAC had pre-listed the CHQ Equity Interest on SUAEE for a period of 20 business days ("**Pre-Listing Period**") prior to effecting the formal listing of the CHQ Equity Interest on SUAEE for sale pursuant to the Public Tender Process.

On 19 May 2017, HLGE announced that the Pre-Listing Period had expired on 28 April 2017 and the CHQ Equity Interest would be formally listed on SUAEE with effect from 22 May 2017 for sale pursuant to the Public Tender Process. The revised reserve price for the LKNII-CHQ Disposal ("**LKNII Revised Reserve Price**") was set at approximately RMB238.17 million.

On 20 June 2017, HLGE announced that the period for the formal listing of the CHQ Equity Interest for sale pursuant to the Public Tender Process had expired at the end of the day on 19 June 2017 (being 20 business days from 22 May 2017) and SUAEE had informed HLGE that there were two (2) bidders, Qingdao Zhongtian Enterprise Development Co., Ltd and Shanghai Inkeri Equity Investment Funds Co., Ltd, which had been qualified to participate in the Public Tender Process for the CHQ Equity Interest.

On 27 June 2017, HLGE announced that SUAEE had informed them that Qingdao Zhongtian Enterprise Development Co., Ltd and Shanghai Inkeri Equity Investment Funds Co., Ltd had withdrawn from participating in the Public Tender Process for the sale of the CHQ Equity Interest by HLGE and CAAC. Accordingly, no bid had been received following the first round of listing of the CHQ Equity Interest for bidding under the Public Tender Process. HLGE and CAAC had on 27 June 2017 submitted an application to SUAEE to proceed with a second round of listing of the CHQ Equity Interest on SUAEE ("**Second Round Listing**"). Both HLGE and CAAC had intended to reduce the reserve price for the sale of the CHQ Equity Interest by 10% under the Second Round Listing.

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On 3 July 2017, HLGE announced that pursuant to the application made by LKNII and CAAC to SUAEE, the CHQ Equity Interest would be listed again on SUAEE with effect from 4 July 2017 for another period of 20 business days for sale pursuant to the Public Tender Process. The LKNII Revised Reserve Price had been reduced by 10% from RMB238.17 million to RMB214.35 million.

On 1 August 2017, HLGE announced that the period for the Second Round Listing of the CHQ Equity Interest had expired on 31 July 2017 and SUAEE had informed HLGE that there were two (2) bidders which had been qualified to participate in the Public Tender Process for the CHQ Equity Interest.

On 25 August 2017, HLGE announced that Qingdao Haiyi Jun Zhuo Culture Travel Property Investment Co Ltd ("**Successful Bidder**") had been selected by LKNII, CAAC and SUAEE as the successful bidder for the sale of the CHQ Equity Interest under the Public Tender Process. LKNII had on 25 August 2017 entered into a conditional equity transaction agreement ("**Equity Transaction Agreement**") together with a supplemental agreement to the Equity Transaction Agreement (collectively, the "**Bidder SPA**") with the Successful Bidder pursuant to which LKNII had agreed to sell, and the Successful Bidder had agreed to purchase, the LKNII Equity Interest for an aggregate cash consideration of RMB214.35 million on the terms and subject to the conditions set out in the Bidder SPA.

On 19 October 2017, HLGE announced that the conditions precedent for the LKNII-CHQ Disposal had been satisfied and that the Successful Bidder had received the new business license from the Qingdao Industrial and Commercial Administration Bureau, thus confirming the Successful Bidder as the sole shareholder of CHQ and completion of the LKNII-CHQ Disposal.

(v) Disposal of LKNII

On 13 February 2017, HLGE announced that HLGE and Jingrui had entered into a memorandum of understanding ("**Original LKNII MOU**") in relation to the proposed disposal of all the issued shares in the capital of LKNII ("**LKNII Shares**") to Jingrui ("**HLGE-LKNII Disposal**"). Pursuant to the Original LKNII MOU, HLGE and Jingrui had agreed to use reasonable commercial efforts to execute a sale and purchase agreement in relation to the HLGE-LKNII Disposal by 28 February 2017 or such other date as may be agreed by HLGE and Jingrui in writing ("**Long-Stop Date**").

On 28 February 2017, HLGE announced that further to the Original LKNII MOU, HLGE and Jingrui had entered into a supplemental memorandum of understanding pursuant to which they had agreed that the Long-Stop Date under the Original LKNII MOU would be extended from 28 February 2017 to 15 March 2017 and Jingrui would purchase the LKNII Shares through its affiliate, Natural Apex, subject to the terms of a sale and purchase agreement to be executed between Natural Apex and HLGE. On 15 March 2017, HLGE announced that HLGE and Jingrui had entered into a second supplemental memorandum of understanding pursuant to which they had



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agreed that the Long-Stop Date under the Original LKNII MOU would be extended from 15 March 2017 to 15 April 2017 or such later date as HLGE and Jingrui may agree in writing. On 16 April 2017, HLGE announced that no sale and purchase agreement had been entered into between HLGE and Jingrui by the Long-Stop Date (being 15 April 2017) on the HLGE-LKNII Disposal and there had been no extension of the Long-Stop Date. Accordingly, the Original LKNII MOU had lapsed.

On 31 May 2017, HLGE announced that it had entered into a conditional sale and purchase agreement with Natural Apex ("**LKNII SPA**"), pursuant to which HLGE had agreed to sell and Natural Apex had agreed to purchase, the LKNII Shares for an aggregate cash consideration of RMB550 million on the terms and subject to the conditions set out in the LKNII SPA. On 29 August 2017, HLGE announced that it had at an extraordinary general meeting held on 29 August 2017 obtained the approval of its shareholders for the HLGE-LKNII Disposal. HLGE and Natural Apex had, on 31 October 2017 and 16 November 2017, extended the long-stop date under the LKNII SPA up to 23 November 2017 or such later date as both parties may mutually agree in writing. The applicable conditions precedent under the LKNII SPA had been satisfied and completion of the HLGE-LKNII Disposal had taken place on 22 November 2017. Under the terms of the LKNII SPA, the aggregate sum which HLGE was entitled to receive was approximately RMB604.88 million (before deducting tax and relevant expenses).

### **(b) CYI Group**

- (i) On 30 January 2015, the Company announced the incorporation of Suzhou Yuchai Machinery Monopoly Co., Ltd in China, which at incorporation had a registered and paid-up capital of RMB5 million and in which YMMC and its subsidiary, Yulin Yuchai Machinery Industry Development Co., Ltd held equity interests of 90% and 10% respectively.
- (ii) On 9 April 2015, CYI announced that GYMCL had entered into an agreement with Shentou and an individual to form a new joint venture in Hong Kong, YC Europe, and to establish a wholly-owned subsidiary of YC Europe in Germany to market GYMCL's off-road diesel and gas engines (excluding marine engines) in Europe. On 24 July 2015, the Company announced that YC Europe had been incorporated with an issued capital of €3.0 million, with 35% interest held by GYMCL and the remaining 57.5% and 7.5% interests held respectively by Shentou and its other joint venture partner. The Company further announced on 13 January 2016 the incorporation of YC Europe GmbH in Germany with a registered and paid-up capital of €100,000.
- (iii) On 24 August 2015, the Company announced that YMMC, a subsidiary of CYI, had acquired the remaining 40% equity interest in Yunnan Yuchai Machinery Industry Company Limited from its joint venture partner, Kunming Feichikun Automobile Business Trading Company Limited, for a consideration of RMB18,247,700, making Yunnan Yuchai Machinery Industry Company Limited a wholly-owned subsidiary of YMMC.



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- (iv) On 6 October 2015, CYI announced that GYMCL had entered into an equity transfer agreement to sell its 100% shareholding interest in Xiamen Yuchai Diesel Engines Co., Ltd. to a third party for a total consideration of RMB189.5 million.
- (v) On 5 November 2015, the Company announced that (aa) GYMCL had acquired the remaining 2.86% equity interest in YYAMC, from GYMG, its joint venture partner, for a consideration of RMB4,170,000, making YYAMC a wholly-owned subsidiary of GYMCL, and (bb) GYMCL's equity interest in Guangxi Yineng IOT Science & Technology Co., Ltd had been diluted from 40% to 20% whilst the equity interest of its joint venture partner, Guangxi Skylink Software Technology Co., Ltd. had increased from 60% to 80%, following an additional capital contribution from Guangxi Skylink Software Technology Co., Ltd.. GYMCL had decided not to increase its investment in Guangxi Yineng IOT Science & Technology Co., Ltd beyond its current capital contribution of RMB7.2 million.
- (vi) On 19 February 2016, CYI announced that GYMCL and MTU, a subsidiary of Rolls-Royce Power Systems, had signed an agreement to set up a 50:50 joint venture for the production of MTU Series 4000 engines in China, with each party investing RMB75 million in the joint venture. Further to the above announcement, the Company and CYI had on 27 March 2017 and 29 March 2017 respectively announced that the said parties had set up a 50:50 joint venture company in China known as MTU Yuchai Power Company Limited with a registered and paid-up capital of RMB150 million.
- (vii) On 25 August 2016, the Company announced that GYMCL had incorporated a wholly-owned subsidiary, Yuchai Machinery (Hong Kong) Co., Limited in Hong Kong, with a registered and paid-up capital of HKD1 million. The principal activities of Yuchai Machinery (Hong Kong) Co., Limited relate to the import, export and sales of diesel engines and related parts and components.
- (viii) On 1 March 2017, the Company announced that GYMCL had acquired a further 32.5% equity interest in YC Europe from one of its joint venture partners, Shentou, for a consideration of €975,000. Following the said acquisition, GYMCL's equity interest in YC Europe had increased from 35% to 67.5%, whilst Shentou's equity interest in YC Europe had reduced from 57.5% to 25%.
- (ix) On 27 March 2017, the Company announced that GYMCL had incorporated a wholly-owned subsidiary in China known as Guangxi Yuchai Deyou Engine Co., Ltd. with a registered and paid-up capital of RMB20 million. The principal activities of Guangxi Yuchai Deyou Engine Co., Ltd. relate to the development, installation, testing, maintenance and sales of engines, related parts and components, and the import and export of goods.
- (x) On 19 April 2017, CYI announced that its indirect subsidiary, YMMC, had (i) acquired the remaining 47.53% equity interest in Sichuan MI from its joint venture partners, Sichuan Yuhua Automobile Business Trading Company

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Limited and Sichuan Quanxin Automobile Spare Parts Company Limited, for an aggregate consideration of RMB8,922,900, thus making Sichuan MI a wholly-owned subsidiary of YMMC, and (ii) acquired the remaining 20% equity interest in Chongqing MM from its joint venture partner Chongqing Kehai Material Company Limited for a consideration of RMB154,000, making Chongqing MM a wholly-owned subsidiary of YMMC.

- (xi) On 31 May 2017, CYI announced that HLGE, in which CYI held 48.9% shareholding interests, had entered into a conditional sale and purchase agreement for the disposal of HLGE's entire shareholding interest in a subsidiary holding its hotel properties in China for a consideration of RMB550 million. HLGE intended to utilize a portion of the proceeds from the disposal to repay the then outstanding loan of S\$68 million extended to it by CYI.
- (xii) On 23 August 2017, CYI announced that its subsidiary, Guangxi Yuchai Accessories Manufacturing Company Limited had acquired the remaining 25% equity interest in GY Crankshaft from its joint venture partner, GYMG for a total consideration of RMB1,335,000, making GY Crankshaft a wholly owned subsidiary of Guangxi Yuchai Accessories Manufacturing Company Limited.
- (xiii) On 31 October 2017, in connection with the announcement on the completion of LKNII-CHQ Disposal, CYI also announced that that on a preliminary basis, it was expected to record a profit attributable to equity holders of the parent of RMB68.2 million.
- (xiv) On 9 November 2017, CYI announced that its subsidiary, YYAMC had disposed its remaining 30% equity interest in Guangxi Yulin Yuchai Property Management Co., Ltd. to its joint venture partner, GYMG, for a cash consideration of RMB1,930,792.11 and Guangxi Yulin Yuchai Property Management Co., Ltd. had ceased to be an associated company of YYAMC.
- (xv) On 28 November 2017, CYI announced that GYMCL had acquired all the issued shares in Jining Yuchai for a cash consideration of RMB250,000 from the existing holder of the shares pursuant to an irrevocable option to acquire the shares in Jining Yuchai granted to GYMCL. GYMCL had management control over Jining Yuchai pursuant to a management agreement dated 13 October 2014 between GYMCL and the vendor. The acquisition would align the equity control of Jining Yuchai with the management control that GYMCL already exercised over it.
- (xvi) On 1 December 2017, in connection with the announcement on the completion of HLGE-LKNII Disposal, CYI also announced that on a preliminary basis, it was expected to record a profit after tax of RMB320.0 million and a profit attributable to equity holders of the parent of RMB160.0 million as a result of the HLGE-LKNII Disposal, and the LKNII-CHQ Disposal which was announced on 31 October 2017.

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- (xvii) On 2 January 2018, CYI announced that its subsidiary YMMC had acquired the remaining 49% equity interest in HYMIC from its joint venture partner, Hunan Chengwei Automobile Spare Parts Company Limited for a total consideration of RMB6,694,500, making HYMIC a wholly-owned subsidiary of YMMC.
- (xviii) On 27 July 2018, CYI announced the establishment of a new subsidiary, YETC with a registered capital of RMB62 million, to design, produce and sell exhaust emission control systems for Chinese commercial vehicles.
- (xix) On 28 August 2018, CYI announced the signing by YETC of a contract with Eberspaecher to form a joint venture company, Eberspaecher Yuchai to (aa) jointly supply and produce China National VI exhaust emission control systems for commercial vehicles, (bb) construct new production plant in Yulin and (cc) to provide sales and after services for on-road/off-road commercial vehicles, including buses. Eberspaecher would hold 51% shareholding interest of Eberspaecher Yuchai, with YETC, a subsidiary of GYMCL, holding the remaining 49%.

### (c) The Group (excluding the CYI Group and the HLGE Group)

- (i) On 31 March 2015, the Company announced that Rex Plastics Malaysia, an indirect wholly-owned subsidiary, had entered into a sale and purchase agreement ("**Land SPA**") with purchaser Aspen Vision Synergy Sdn. Bhd. for the sale and disposal of a piece of land in Pekan Country Height, Daerah Petaling, Negeri Selangor Darul Ehsan together with the building erected thereon (collectively, the "**Malaysia Land**") for a cash consideration of RM59,958,000. The disposal was subject to, *inter alia*, the written approval from the relevant authority in Malaysia, for the conversion of the land use category of the Malaysia Land from "Perusahaan" to "Bangunan" and the express condition of the Malaysia Land from "Perusahaan" to "Komersial" ("**Conversion Approval**") being obtained by Aspen Vision Synergy Sdn. Bhd. On 30 December 2016, the Company announced that both parties had agreed to allow the Land SPA to lapse on 31 December 2016 as the Conversion Approval could not be obtained by 31 December 2016, the date mutually agreed by both parties.
- (ii) On 16 July 2015, the Company announced that its two wholly-owned subsidiaries, HL Technology and Well Summit, both shareholders of CYI, had elected to receive dividends declared by CYI, in the form of ordinary shares of US\$0.10 each in the capital of CYI ("**CYI Ordinary Shares**") in lieu of cash ("**Dividend CYI Shares**"), and were on 14 July 2015 allotted 540,765 and 380,589 Dividend CYI Shares respectively for an aggregate consideration of US\$15,551,718.44 for the Dividend CYI Shares. Following the allotment of the Dividend CYI Shares, the Group held in aggregate 15,059,315 CYI Ordinary Shares and one special share of US\$0.10 in CYI ("**CYI Special Share**"), representing approximately 38.32% of CYI's issued and paid-up share capital as at 14 July 2015.

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- (iii) On 16 July 2015, the Company announced that the Company's indirect wholly-owned subsidiary, Rex Holdings Pte. Ltd. ("**Rex Holdings**"), had entered into a framework agreement with Shanghai Zijiang Enterprise Group Co., Ltd ("**Shanghai Zijiang**"), Shanghai Rex Packaging Co., Ltd ("**Shanghai Rex**") and Tianjin Rex Packaging Co., Ltd ("**Tianjin Rex**"), pursuant to which Rex Holdings would enter into a first sale and purchase agreement to sell all of its 55% equity interest in Shanghai Rex to its joint venture partner, Shanghai Zijiang and at the same time enter into a second sale and purchase agreement to acquire the remaining 75% equity interests in Tianjin Rex, comprising 54.55% and 20.45% equity interests in Tianjin Rex from Shanghai Rex and Shanghai Zijiang respectively. The consideration for each of the transactions would be determined and specified in the sale and purchase agreements, subject to the agreement of the transacting parties that the net difference between the consideration for the first and second transaction would be approximately RMB10 million (excluding any applicable China taxes), payable by Shanghai Zijiang to Rex Holdings. The Company announced the completion of the above transactions on 18 November 2015.
- (iv) On 1 September 2015, the Company announced that Well Summit had on 25 August 2015 purchased in the open market 130,213 CYI Ordinary Shares for a cash consideration of US\$1,934,314.11, following which the Group held in aggregate 15,189,528 CYI Ordinary Shares and one CYI Special Share, representing approximately 38.652% of CYI's issued and paid-up share capital as at 1 September 2015.
- (v) On 13 November 2015, the Company announced that it had entered into a sale and purchase agreement ("**Airwell SPA**") with Elco Holland B.V. ("**EHL**") for the acquisition from EHL by the Company's nominee, Hong Leong Asia Investments Pte. Ltd., of the remaining 20% equity interest in the capital of Airwell Air-conditioning (Asia) Company Limited ("**Sale Shares**") ("**Airwell Asia**"). The parties had entered into the Airwell SPA pursuant to a settlement agreement dated 13 November 2015 ("**Settlement Agreement**") to settle (i) an arbitration suit commenced by Hong Leong Asia Investments Pte. Ltd. and Fedders Investment Holdings Pte. Ltd. (two wholly-owned subsidiaries of the Group holding an aggregate 80% equity interest in Airwell Asia) (collectively, the "**Purchaser Group**") against ACE SAS (the vendor) and Elco Ltd (formerly known as Elco Holdings Ltd., the vendor's guarantor) in relation to certain claims for breach of warranties in a share purchase agreement dated 11 April 2012 under which the Purchaser Group had acquired equity interests in Airwell Asia, and (ii) a legal suit commenced by EHL against Airwell Asia to recover a shareholders' loan granted in 2012 in the sum of RMB10,784,520 together with interest at the rate of 4.9% per annum. One of the conditions under the Settlement Agreement required EHL and the Company to enter into the Airwell SPA pursuant to which EHL would transfer the Sale Shares on an "as is" basis to the Company or its nominee for a consideration of US\$1. The Company announced the completion of the acquisition of the Sale Shares on 30 November 2015.

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- (vi) On 24 December 2015, the Company announced that its wholly-owned subsidiary, Transport Climate Control Systems Pte. Ltd., had applied for its name to be struck off the Register of Companies. On 14 April 2016, the Company announced that Transport Climate Control Systems Pte. Ltd. was struck off the Register of Companies with effect from 4 April 2016.
- (vii) On 13 May 2016, the Company announced that its wholly-owned subsidiary, HL Electric, had entered into a binding Memorandum of General Agreement (“**MOGA**”) with GWG in relation to the proposed joint venture between GWG and HL Electric to establish a joint venture company to merge the consumer product businesses of the Xifei Companies and the Wanbao Companies, being several subsidiaries of GWG which were engaged in the business of manufacturing refrigerators, freezers, washing machines, wine coolers and similar products as well as compressors and display units thereof, including without limitation Guangzhou Wanbao Group Compressor Co., Ltd. and Guangzhou Wanbao Group Refrigerator Co., Ltd.. On 9 November 2016, the Company announced that no definitive agreement had been reached between the parties on the proposed merger by 8 November 2016, being the expiration date of the period of exclusivity as provided in the MOGA.
- (viii) On 1 June 2016, Tasek Corporation Berhad, a subsidiary, announced that its wholly-owned dormant subsidiary, Posek Pembangunan Sdn. Bhd., had been struck off the register pursuant to a notice dated 30 May 2016 from the Companies Commission of Malaysia.
- (ix) On 5 July 2016, the Company announced that HL Technology and Well Summit had elected to receive dividends declared by CYI, in the form of Dividend CYI Shares in lieu of cash, and were on 29 June 2016 allotted 681,581 and 489,736 Dividend CYI Shares respectively for an aggregate consideration of US\$12,911,075.90 for the Dividend CYI Shares. Following the allotment of the Dividend CYI Shares, the Group held in aggregate 16,360,845 CYI Ordinary Shares and one CYI Special Share, representing approximately 40.19% of CYI’s issued and paid-up share capital as at 29 June 2016.
- (x) On 6 September 2017, the Company announced that Rex Plastics Malaysia had entered into a sale and purchase agreement (“**Rex SPA**”) with Viscount Plastics for the sale of its business and assets to Viscount Plastics, for a cash consideration of RM10.8 million upon the terms and conditions of the SPA. On 4 December 2017, the Company announced the completion of the disposal for an adjusted consideration of RM7.54 million in accordance with the terms of the Rex SPA.
- (xi) On 20 November 2017, Tasek Corporation Berhad announced that its wholly-owned dormant subsidiary, Tasek Plantation Sdn. Bhd., had been struck off the register pursuant to a notice dated 31 October 2017 from the Companies Commission of Malaysia.
- (xii) On 30 January 2018, the Company announced that HLBM, a wholly-owned subsidiary, and SCPS had established a joint venture company HLS JV Co with an initial issued and paid-up share capital of S\$25,000. HLBM holds a



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51% interest and SCPS holds the remaining 49% interest in HLS JV Co. The principal activities of HLS JV Co include the manufacture and sale of precast concrete components. The Company also announced that HLBM, SCPS and HLS JV Co had entered into a joint venture agreement in relation to their intent for HLS JV Co to submit a tender to the Building and Construction Authority for the lease of land in Singapore, and to develop thereon, buildings for use by the respective businesses of each of HLBM and SCPS. On 27 July 2018, the Company further announced that pursuant to a concept and price tender exercise, HLS JV Co had been awarded the tender for the Land (as defined in paragraph 3 of Part IV (Key Information) of this Offer Information Statement) by the Building and Construction Authority for the development of an Integrated Construction and Pre-Fabrication Hub. The consideration for the Land is approximately S\$25.7 million (including administration fee but excluding goods and services tax and stamp duty).

### LOAN AGREEMENTS/ISSUE OF DEBT SECURITIES

#### (a) Issue of GYMCL Bonds

On 14 April 2015, CYI announced that further to the receipt of approval from China's National Association of Financial Market Institutional Investors for the issuance of RMB-denominated unsecured ultra short-term bonds not exceeding 270 days amounting to RMB2 billion ("**Bonds**"), GYMCL had on 8 April 2015 issued the first tranche of the Bonds amounting to RMB400 million, the par value and issue price of each Bond being RMB100 and the maturity date of the first tranche of the Bonds being 9 May 2015. On 28 September 2015, CYI announced that GYMCL had on 16 September 2015 issued the second tranche of the Bonds amounting to RMB400 million, the par value and issue price of each Bond being RMB100 and the maturity date of the second tranche of the Bonds being 13 June 2016.

#### (b) Loan from Venture Lewis to HLGE

On 11 February 2015, CYI announced that its wholly-owned subsidiary, Venture Lewis, had entered into an agreement with HLGE in relation to the extension of the period of an original unsecured loan granted in February 2009 by Venture Lewis to HLGE, the outstanding amount of which was S\$68 million ("**Original Loan**"), for an additional one year term from 3 July 2015 to 2 July 2016, upon the terms and subject to the conditions of the said loan agreement. The principal amount of the Original Loan of S\$93 million had been reduced to S\$68 million pursuant to partial repayments of S\$10 million, S\$8 million and S\$7 million made by HLGE in February 2011, April 2012 and July 2013 respectively.

On 27 January 2016, CYI and HLGE announced that Venture Lewis had entered into a loan agreement with HLGE in relation to the extension of the period of the Original Loan for an additional one year term from July 2016 to July 2017, upon the terms and subject to the conditions of the said loan agreement.

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On 8 February 2017, CYI and HLGE announced that Venture Lewis had entered into a loan agreement with HLGE in relation to the extension of the period of the Original Loan for an additional one-year term from July 2017 to July 2018, upon the terms and subject to the conditions of the said loan agreement.

On 26 December 2017, HLGE announced that HLGE had utilised S\$68 million out of the net proceeds of approximately S\$70.08 million from the HLGE-LKNII Disposal (which completed on 22 November 2017) for the repayment of the outstanding Original Loan. An amount of S\$0.65 million, being part of the interest paid on the Original Loan for the financial year ending 31 December 2017, would be refunded to HLGE upon Venture Lewis receiving the full prepayment of the Original Loan.

### XINFEI'S RESTRUCTURING EXERCISE

On 30 October 2017, the Company announced that the Board and the management of the Company had conducted a strategic review of Xinfei, the Consumer Products Unit, and the Board had given approval for Xinfei to undertake a restructuring exercise involving (i) the cessation of its manufacturing and production activities and the resolution of key issues arising therefrom and (ii) the exploration of strategic participation with potential partners in business opportunities using Xinfei's trademark and intellectual property or other arrangements ("**Restructuring Exercise**").

On 22 January 2018, the Company announced that the Xinxiang Intermediate People's Court had held a first creditors' meeting on 19 January 2018 for KWM (appointed as an administrator for the Restructuring Exercise) to provide an interim update. In addition, as part of the required procedure, the Company had registered its interest, through a letter of intent, to participate in the restructuring plan for Xinfei, which would allow the Company to facilitate the process for the solicitation of potential partners and/or investors.

On 13 April 2018, the Company announced that on 9 April 2018, the Xinxiang Intermediate People's Court had been notified of the plan for local parties to acquire the Company's entire equity stake in the Xinfei Companies, a part of the Restructuring Exercise. The Board also announced that the Company had entered into a framework agreement ("**Framework Agreement**") with certain unrelated parties in China for the proposed acquisition by these parties of the Company's entire equity stake in each of the Xinfei Companies as part of the Restructuring Exercise.

On 22 May 2018, the Company announced that the Xinxiang Intermediate People's Court had held a second creditors' meeting on 18 May 2018 for KWM to provide an interim update, as well as for the creditors to vote on a new draft restructuring plan presented by KWM. As announced by the Company on 22 May 2018, following the decision of the Xinxiang Intermediate People's Court, the Company took action to terminate the Framework Agreement.

On 26 June 2018, the Company announced that following the second creditors' meeting held on 18 May 2018, the Xinxiang Intermediate People's Court had issued its judgment, dated 21 May 2018, to approve the new restructuring plan presented by KWM and confirmed the completion of the Restructuring Exercise. Following from the

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judgement, and as required by the Singapore Financial Reporting Standards (International) 10 Consolidated Financial Statements, the Xinfei Companies were de-consolidated from the Group.

On 6 August 2018, the Company announced the completion of the equity transfer of shares in each of the Xinfei Companies to AnHui Kang Jia Home Appliances Technology Co Ltd.

### CHANGES IN HLGE'S SHARE CAPITAL

On 3 June 2016, HLGE announced that the rights to convert all or any of the non-redeemable convertible cumulative preference shares in the capital of HLGE ("**NCCPS**") into fully paid ordinary shares in the capital of HLGE would expire on 4 July 2016 (being the date of expiry of the conversion period of the NCCPS) after which time the conversion rights comprised in the NCCPS which had not been exercised would lapse.

On 16 March 2018, HLGE announced the proposed conversion of all the existing issued and outstanding NCCPS into new ordinary shares in the capital of HLGE at a proposed conversion ratio of one (1) ordinary share in HLGE for every ten (10) NCCPS ("**NCCPS Conversion**"), subject to the approval of the holders of the NCCPS at a separate class meeting and the ordinary shareholders of HLGE at an extraordinary general meeting of HLGE. On 26 April 2018, HLGE announced that it had at an extraordinary general meeting held on 26 April 2018 obtained the approval of its ordinary shareholders for, *inter alia*, the proposed NCCPS Conversion.

### REMOVAL OF HLGE FROM SGX-ST WATCH-LIST

On 31 May 2016, HLGE announced that it had on 25 May 2016 written to the SGX-ST to request for an extension of time by a further 12 months to meet the requirements relating to the financial exit criteria set out in Rule 1314(1) of the Listing Manual ("**Financial Exit Criteria**") for removal from the SGX-ST watch-list ("**Watch-List**"). The SGX-ST had on 31 May 2016 informed HLGE that it had no objection to granting HLGE an extension of time of up to 12 months to 3 June 2017 to meet the Financial Exit Criteria, subject to (i) the confirmation by the board of directors of HLGE that it intended to complete the LKNII-CHQ Disposal by the financial year ended 31 December 2016 and would provide regular updates on milestones relating to the said disposal via SGXNET; (ii) an announcement made by HLGE via SGXNET on the period of extension granted, the reasons for seeking the extension of time and the conditions as required under Rule 107 of the Listing Manual; and (iii) submission of a written confirmation from HLGE that the extension of time does not contravene any laws and regulations governing HLGE and its constitution.

On 2 June 2017, HLGE announced that it had on 12 May 2017 submitted an application to SGX-ST to request for a further extension of time till 3 June 2018, being an extension of 12 months from 3 June 2017, to meet the Financial Exit Criteria. On 1 August 2017, HLGE announced that SGX-ST had on 1 August 2017 informed HLGE that it had no objection to granting HLGE a further extension of 12 months to 3 June 2018 ("**Expiry Date**") to meet the Financial Exit Criteria for removal from the Watch-List, subject to the following:



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- (a) HLGE announcing via SGXNET the period of extension granted, the reasons for seeking the extension of time and the conditions;
- (b) submission of a written confirmation from HLGE that the extension of time does not contravene any laws and regulations governing HLGE and its Constitution;
- (c) disclosure via SGXNET of the steps that HLGE would be taking to make a reasonable exit offer pursuant to Rule 1309 read with Rule 1306 of the Listing Manual (“**Exit Offer**”) in the event HLGE is unable to exit the Watch-List by the Expiry Date; and
- (d) disclosure via SGXNET of the undertakings by HLGE to the SGX-ST in connection with the Exit Offer.

HLGE announced that it had received in-principle approval from the SGX-ST on 4 April 2018 for the removal of HLGE from the Watch-List with effect from 5 April 2018.

### SALES AND MARKETING

- (a) On 27 January 2015, CYI announced that its main operating subsidiary, GYMCL, had at its annual sales and marketing conference held on 24 January 2015 introduced ten (10) new engines for 2015.
- (b) On 6 July 2015, CYI announced that GYMCL had won a competitive bid for nearly 1,300 engines for school buses to be exported to Saudi Arabia. CYI's engines represented around 90% of the total units awarded in the contract.
- (c) On 8 January 2016, CYI announced that GYMCL had won a competitive bid for the supply of 1,237 engines to power buses for the Lhasa Public Transportation Corporation.
- (d) On 1 February 2016, CYI announced that GYMCL had launched four (4) new engines compliant with National V emission standards covering the light, medium and heavy-duty and new energy engine segments. The new engines were unveiled at GYMCL's Sales & Marketing Conference held in Kunshan, Jiangsu Province on 21 January 2016.
- (e) On 29 August 2016, CYI announced that it had, from January to July 2016, supplied over 700 engines to Thailand. The orders were from Shanghai Shenlong Bus Co., Ltd. (“**Sunlong Bus**”) for export to Thailand. Further to this, another order was received from Sunlong Bus for the supply of a further 264 engines comprising GYMCL's YC6L330 and YC6G240 engines, to be installed in Sunlong Bus' 10-metre and 12-meter buses.
- (f) On 22 December 2016, CYI announced that it had delivered a total of 303 hybrid engines to Inner-Mongolia Tian'an Public Transportation Group and Lanzhou Mass Transit Company.

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- (g) On 17 February 2017, CYI announced the entry into a strategic partnership agreement with Zoomlion Heavy Industry Science & Technology Co., Ltd, a leading manufacturer of high-tech equipment for the engineering and agricultural industries.
- (h) On 24 February 2017, CYI announced that 321 units of Xiamen Kinglong buses had been purchased by the Saudi Arabia Public Transport Company for use in Mecca. The municipal buses were all powered by GYMCL's YC6MK380 and YC6L280 heavy-duty engines.
- (i) On 6 April 2017, CYI announced that engines produced by GYMCL and installed in 200 Yutong buses were put into use in Lahore's Bus Rapid Transit system in Pakistan. Lahore is Pakistan's second largest city and a key municipal market for buses. A further 100 bus engines would also be supplied to the city of Multan further extending GYMCL's coverage in Pakistan.
- (j) On 22 June 2017, CYI announced that GYMCL had won new orders for the supply of bus engines to Myanmar and Saudi Arabia. GYMCL received an initial order for 2,000 of its YC6G260N heavy-duty natural gas engines to be used in Rangoon's upgraded public transportation system and a further 1,000 engines were expected to be ordered during the second phase of the upgrade.
- (k) On 7 July 2017, CYI announced that engines produced by GYMCL had entered the Cambodian bus market through a batch order where 98 Yutong buses powered by GYMCL's YC6G240-30 and YC4G180-30 engines had been exported to Cambodia's capital Phnom Penh.
- (l) On 10 July 2017, CYI announced that GYMCL had won an order for 100 hybrid engines from Liuzhou Hengda Bus Co., Ltd. who operates Liuzhou's public transportation system. The order comprised 85 new buses from Xiamen Kinglong and 15 buses from Zhongtong Bus, all powered by GYMCL's YC6J200-50 diesel-electric hybrid engines. GYMCL was the exclusive engine supplier for this order.
- (m) On 27 July 2017, CYI announced that 76 diesel-electric hybrid buses all powered by GYMCL's YC6A270-50 engines were delivered to Siweimei Motor Transport Co., Ltd. ("**Siweimei**") in Shenzhen. This was the second large order from Siweimei since its purchase of 110 units at the end of 2016.
- (n) On 21 August 2017, CYI announced that 598 school buses manufactured by Changan Bus Manufacturing Co., Ltd. and all powered by GYMCL's YC6J190-20 engines were recently delivered to the Kuwait Public Transport Company.
- (o) On 6 September 2017, CYI announced that 748 buses powered by Yuchai engines were being utilised to transport athletes competing in the 13th National Games of the People's Republic of China which were being held in the city of Tianjin. 100 new energy buses equipped with Yuchai's YC6J diesel-electric hybrid system were delivered to Wuzhou Zhenbao Bus Co., Ltd.

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- (p) On 31 October 2017, CYI announced that 200 buses manufactured by Inner Mongolia Qingshan Automobile Co., Ltd. and all powered by GYMCL's YC6J210N-52 hybrid gas engines were recently delivered to Baotou Bus in the city of Baotou in Inner Mongolia.
- (q) On 22 November 2017, CYI announced that GYMCL had received its first order from Beijing Automotive Group Co., Ltd. for 600 YC4Y20 engines that would be used to power Beiqi B40L SUVs that would be launched in China in January 2018.
- (r) On 12 January 2018, CYI announced that it had launched 14 new engines compliant with China's more stringent National VI emission standards.
- (s) On 23 January 2018, CYI announced that it exported a record number of engines, globally, in 2017. In 2017, GYMCL exported 12,173 units to the market for buses, globally, breaking the 10,000-unit mark for the first time and establishing a record high. Among the units sold, sales of engine models YC6L and YC6MK exceeded 3,000 units, an increase of 64% over the previous year. Natural gas engine export sales grew to more than 2,500 units, an increase of 300% over the preceding year. In addition, over 1,200 engine units were exported for use in the passenger vehicle market, representing a year-on-year increase of 17%.
- (t) On 26 September 2018, CYI announced that the first batch of 18 school buses powered by Yuchai engine model YCS04160-60 had passed their emission tests and are now operating in the city of Shenzhen. The YCS04 engine is compliant with National VI emission standards for use in light- to medium-duty buses and trucks.

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**(d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –**

- (i) in the case of the equity capital, the issued capital; or**
  - (ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;**
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As at the Latest Practicable Date, the equity capital and loan capital of the Company are as follows:

Issued and paid-up share capital	:	S\$266,830,420.65
Number of ordinary shares in issue	:	373,908,559
Loan capital	:	Nil

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(e) where –

- (i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or
  - (ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;
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As at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares, based on information recorded in the Register of Substantial Shareholders maintained by the Company, are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
HLCH	233,000,000	62.31	6,664,000 <sup>(2)</sup>	1.78
HLE	–	–	239,664,000 <sup>(3)</sup>	64.10
HLIH	–	–	239,932,000 <sup>(4)</sup>	64.17
Davos Investment Holdings Private Limited	–	–	239,932,000 <sup>(5)</sup>	64.17
Kwek Holdings Pte Ltd	–	–	239,932,000 <sup>(5)</sup>	64.17

**Notes:**

- (1) Based on 373,908,559 issued Shares as at the Latest Practicable Date.
- (2) HLCH is deemed under Section 4 of the Securities and Futures Act to have an interest in the Shares held directly by its wholly-owned subsidiary, Starich.
- (3) HLE is deemed under Section 4 of the Securities and Futures Act to have an interest in the Shares held directly by HLCH and Starich, in which it is entitled to exercise or control the exercise of not less than 20% of the voting shares in the latter companies.
- (4) HLIH is deemed under Section 4 of the Securities and Futures Act to have an interest in the Shares held directly by its subsidiaries, HLCH, Starich, Millennium Securities Pte Ltd and Welkin Investments Pte Ltd.
- (5) Davos Investment Holdings Private Limited and Kwek Holdings Pte Ltd are deemed under Section 4 of the Securities and Futures Act to have interests in the Shares referred to in Note (4) 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.

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- (f) **Any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;**
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Save as disclosed under paragraph 9(c) of Part IV (Key Information) of this Offer Information Statement under the section “Xinfei’s Restructuring Exercise” in relation to the Restructuring Exercise, as at the date of lodgment of this Offer Information Statement, the Directors are not aware of any legal or arbitration proceedings to which the Company or any of its subsidiaries is a party, including those which are pending or known to be contemplated, which may have, or have had in the 12 months immediately preceding the date of lodgment of this Offer Information Statement, a material effect on the financial position or profitability of the Group taken as a whole.

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- (g) **Where any securities or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date –**
- (i) **if the securities or equity interests have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interests issued at each price; or**
  - (ii) **if the securities or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interests.**
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The Company has not issued any securities or equity interests for cash or for services within the 12 months immediately preceding the Latest Practicable Date.

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- (h) **A summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgment of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.**
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A summary of the material contracts, not being contracts entered into in the ordinary course of business, entered into by the Company or its subsidiaries during the two (2) years immediately preceding the date of lodgment of this Offer Information Statement is set out below:

### **From 1 January 2016 to 31 December 2016**

- (a) the loan agreement dated 27 January 2016 entered into between CYI’s wholly-owned subsidiary, Venture Lewis, and HLGE in relation to the extension of the

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period of the Original Loan, the outstanding amount of which was S\$68 million, for an additional one (1) year term from 3 July 2016 to 2 July 2017;

- (b) the joint venture agreement dated 19 February 2016 entered into between CYI's main operating subsidiary, GYMCL and MTU, a subsidiary of Rolls-Royce Power Systems, pursuant to which each of GYMCL and MTU agreed to set up a 50/50 joint venture for the production, under licence from MTU, of MTU diesel engines in China and to each invest RMB75 million into the joint venture;
- (c) the binding MOGA dated 13 May 2016 entered into between the Company's wholly-owned subsidiary, GWG in relation to a proposed joint venture between HL Electric and GWG to establish a joint venture company to merge the consumer product businesses of the Xinfeng Companies and the Wanbao Companies, being several subsidiaries of GWG which were engaged in the business of manufacturing refrigerators, freezers, washing machines, wine coolers and similar products as well as compressors and display units thereof, including without limitation Guangzhou Wanbao Group Compressor Co., Ltd. and Guangzhou Wanbao Group Refrigerator Co., Ltd.. However, no definitive agreement was reached between the parties by 8 November 2016, the expiration date of the period of exclusivity provided in the MOGA;
- (d) the sale and purchase agreement dated 20 September 2016 entered into between CYI's subsidiary, YMMC and each of Sichuan Yuhua Automobile Business Trading Company Limited and Sichuan Quanxin Automobile Spare Parts Company Limited in relation to YMMC's acquisition of the remaining 47.53% equity interest in Sichuan MI, for an aggregate consideration of RMB8,922,900, thus increasing YMMC's shareholding interest in Sichuan MI from 52.47% to 100%;
- (e) the sale and purchase agreement dated 5 November 2016 entered into between YMMC and Chongqing Kehai Material Company Limited in relation to YMMC's acquisition of the remaining 20% equity interest in Chongqing MM, for a consideration of RMB154,000, thus increasing YMMC's shareholding interest in Chongqing MM from 80% to 100%;
- (f) the sale and purchase agreement dated 20 December 2016 entered into between GYMCL and Shentou in relation to GYMCL's acquisition of a further 32.5% equity interest in YC Europe from Shentou for a consideration of €975,000, thus increasing GYMCL's equity interest in YC Europe from 35.0% to 67.5%;

### **From 1 January 2017 to 31 December 2017**

- (g) the loan agreement dated 8 February 2017 entered into between Venture Lewis and HLGE for the extension of the period of the Original Loan, the outstanding amount of which was S\$68 million, for an additional one (1) year term from 3 July 2017 to 2 July 2018;
- (h) the Original LKNII MOU entered into between HLGE and Jingrui in relation to the proposed disposal of the LKNII Shares to Jingrui, whereby the parties agreed to use reasonable commercial efforts to execute a sale and purchase agreement in relation to the HLGE-LKNII Disposal by the Long-Stop Date;

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- (i) the supplemental memorandum of understanding dated 28 February 2017 entered into between HLGE and Jingrui whereby it was agreed that the Long-Stop Date under the Original LKNII MOU be extended from 28 February 2017 to 15 March 2017, and that Jingrui would purchase the LKNII Shares through its affiliate, Natural Apex, subject to the terms of a sale and purchase agreement in relation to the HLGE-LKNII Disposal to be executed between Natural Apex and HLGE;
- (j) the second supplemental memorandum of understanding dated 15 March 2017 entered into between HLGE and Jingrui whereby they agreed that the Long-Stop Date under the Original LKNII MOU be extended from 15 March 2017 to 15 April 2017 or such later date as may be agreed by HLGE and Jingrui in writing. No sale and purchase agreement in relation to the HLGE-LKNII Disposal was entered into between HLGE and Jingrui by the Long-Stop Date of 15 April 2017 and accordingly, the Original LKNII MOU lapsed;
- (k) the LKNII SPA dated 31 May 2017 entered into between HLGE and Natural Apex in relation to the HLGE-LKNII Disposal, pursuant to which HLGE agreed to sell, and Natural Apex agreed to purchase the LKNII Shares for an aggregate cash consideration of RMB550 million (which was equivalent to approximately S\$111.31 million based on the exchange rate of S\$1:RMB4.941 as at 30 May 2017) on the terms and subject to the conditions set out in the LKNII SPA. HLGE and Natural Apex had, on 31 October 2017 and 16 November 2017, extended the long-stop date under the LKNII SPA up to 23 November 2017 or such later date as both parties may mutually agree in writing. The applicable conditions precedent under the LKNII SPA were satisfied and completion of the HLGE-LKNII Disposal took place on 22 November 2017;
- (l) the sale and purchase agreement dated 27 June 2017 entered into between CYI's subsidiary, Guangxi Yuchai Accessories Manufacturing Company Limited, and GYMG for the acquisition by Guangxi Yuchai Accessories Manufacturing Company Limited of the remaining 25% equity interest in GY Crankshaft from GYMG for a consideration of RMB1,335,000, thus resulting in GY Crankshaft becoming a wholly-owned subsidiary of YYAMC;
- (m) the sale and purchase agreement dated 30 June 2017 entered into between CYI's subsidiary YYAMC and GYMG for the disposal by YYAMC of its remaining 30% equity interest in Guangxi Yulin Yuchai Property Management Co., Ltd. to GYMG for a cash consideration of RMB1,930,792.11;
- (n) the Equity Transaction Agreement together with the Bidder SPA entered into between LKNII with the Successful Bidder on 25 August 2017 pursuant to which LKNII had agreed to sell, and the Successful Bidder had agreed to purchase LKNII Equity Interest for an aggregate cash consideration of RMB214.35 million (which was equivalent to approximately S\$43.83 million based on the exchange rate of S\$1:RMB4.891 as at 24 August 2017) on the terms and subject to the conditions set out in the Bidder SPA. The conditions precedent under the Bidder SPA were satisfied and completion of the LKNII-CHQ Disposal took place on 19 October 2017;



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- (o) the Rex SPA dated 4 September 2017 entered into between Rex Plastics Malaysia, a wholly-owned subsidiary, and Viscount Plastics for the sale of Rex Plastics Malaysia's business and assets to Viscount Plastics for a cash consideration of RM10,800,000, subject to adjustments. As at the completion date on 4 December 2017, the consideration was adjusted to RM7,540,000 in accordance with the terms of the Rex Agreement;
- (p) the sale and purchase agreement dated 30 October 2017 entered into between CYI's subsidiary, YMMC and Hunan Chengwei Automobile Spare Parts Company Limited ("**Hunan Chengwei**") in relation to YMMC's acquisition of Hunan Chengwei's 49% equity interest in HYMIC for a consideration of RMB6,694,500, thus resulting in HYMIC becoming a wholly-owned subsidiary of YMMC;
- (q) the sale and purchase agreement dated 31 October 2017 entered into between GYMCL and the existing shareholder of Jining Yuchai in relation to GYMCL's acquisition of all the issued shares in Jining Yuchai from the existing shareholder for a cash consideration of RMB250,000;

### **From 1 January 2018 to the Latest Practicable Date**

- (r) the joint venture agreement dated 30 January 2018 entered into between the Company's wholly-owned subsidiary, HLBM, SCPS and their joint venture company, HLS JV Co, in relation to their intent for HLS JV Co to submit a tender, to the Building and Construction Authority, for the lease of land in Singapore, and to develop thereon, buildings for use by the respective businesses of each of HLBM and SCPS. HLS JV Co had an initial issued and paid-up capital of S\$25,000 as at 30 January 2018, of which HLBM held a 51% shareholding interest;
- (s) the Framework Agreement entered into between the Company and certain unrelated local parties in China in April 2018, for the possible acquisition by these parties of the Company's entire shareholding interests in the Xinfei Companies. As announced by the Company on 22 May 2018, following the decision of the Xinxiang Intermediate People's Court, the Company took action to terminate the Framework Agreement;
- (t) the joint venture agreement dated 17 August 2018 entered into between CYI's subsidiary, YETC and Eberspaecher in relation to the formation of a joint venture company to be known as Eberspaecher Yuchai for the production and sale of exhaust emission control systems for Chinese commercial vehicles to meet the highest domestic emission standard, China National VI. Eberspaecher will hold 51% of the shareholding interest in Eberspaecher Yuchai with YETC holding the remaining 49%. The establishment and operation of Eberspaecher Yuchai is subject to certain approvals to be granted by the relevant government authorities in China; and
- (u) the equity transfer agreement dated 23 August 2018 entered into between EHM, HLGE's wholly-owned subsidiary, and Turbo Win Investment Limited in relation to the transfer of EHM's entire 80% equity interest in the capital of Shanghai Fengzhe to Turbo Win Investment Limited at a nominal consideration of S\$1.00.



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**PART V: OPERATING AND FINANCIAL REVIEW AND PROSPECTS**

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**Operating Results**

**1. Provide selected data from –**

- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and**
  - (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.**
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The audited consolidated income statements of the Group for FY2015, FY2016 and FY2017 are set out below:

	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Audited)</b>
<b>Revenue</b>	4,082,728	3,724,759	4,026,670
Cost of sales	(3,229,428)	(2,959,812)	(3,209,259)
<b>Gross profit</b>	<b>853,300</b>	<b>764,947</b>	<b>817,411</b>
Other income	36,293	32,955	133,443
Selling and distribution expenses	(423,200)	(360,165)	(356,279)
Research and development expenses	(123,108)	(132,894)	(135,152)
General and administrative expenses	(201,992)	(193,250)	(216,252)
Finance costs	(43,387)	(34,740)	(41,552)
Other expenses	(18,338)	(17,409)	(30,902)
<b>Profit from operations</b>	<b>79,568</b>	<b>59,444</b>	<b>170,717</b>
Share of results of associates and joint ventures, net of tax	1,673	1,907	1,566
<b>Profit before income tax</b>	<b>81,241</b>	<b>61,351</b>	<b>172,283</b>
Income tax expense	(72,191)	(38,522)	(46,197)
<b>Profit for the year</b>	<b>9,050</b>	<b>22,829</b>	<b>126,086</b>
<b>Attributable to:</b>			
Owners of the Company	(60,731)	(71,246)	(66,451)
Non-controlling interests	69,781	94,075	192,537
	<b>9,050</b>	<b>22,829</b>	<b>126,086</b>

**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005**

	<b>FY2015</b> <b>S\$'000</b> <b>(Audited)</b>	<b>FY2016</b> <b>S\$'000</b> <b>(Audited)</b>	<b>FY2017</b> <b>S\$'000</b> <b>(Audited)</b>
<b>Profit for the year</b>	<b>9,050</b>	<b>22,829</b>	<b>126,086</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	1,918	(70,481)	(36,238)
Net fair value changes of available-for-sale financial assets	(349)	16	613
Exchange differences on monetary items forming part of net investment in foreign entities	—	(4,416)	(3,367)
Realisation of foreign currency translation reserves upon liquidation/disposal of foreign operation	(64)	—	(835)
<b>Other comprehensive income for the year, net of income tax</b>	<b>1,505</b>	<b>(74,881)</b>	<b>(39,827)</b>
<b>Total comprehensive income for the year</b>	<b>10,555</b>	<b>(52,052)</b>	<b>86,259</b>
<b>Attributable to:</b>			
Owners of the Company	(72,469)	(97,694)	(79,136)
Non-controlling interests	83,024	45,642	165,395
<b>Total comprehensive income for the year</b>	<b>10,555</b>	<b>(52,052)</b>	<b>86,259</b>

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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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The unaudited consolidated income statements of the Group for 1H2017 and 1H2018 are set out below:

	<b>1H2017 S\$'000 (Unaudited)</b>	<b>1H2018 S\$'000 (Unaudited)</b>
<b>Continuing operations</b>		
<b>Revenue</b>	1,978,272	2,016,064
Cost of sales	(1,619,577)	(1,640,414)
<b>Gross profit</b>	<b>358,695</b>	<b>375,650</b>
Other income	22,745	22,379
Selling and distribution expenses	(119,552)	(122,496)
Research and development expenses	(49,410)	(58,427)
General and administrative expenses	(79,747)	(80,121)
Finance costs	(15,727)	(17,416)
Other expenses	(695)	(2,330)
<b>Profit from continuing operations</b>	<b>116,309</b>	<b>117,239</b>
Share of results of associates and joint ventures, net of tax	(634)	2,166
<b>Profit before income tax from continuing operations</b>	<b>115,675</b>	<b>119,405</b>
Income tax expense	(26,898)	(28,036)
<b>Profit from continuing operations, net of tax</b>	<b>88,777</b>	<b>91,369</b>
<b>Discontinued operation</b>		
Loss from discontinued operation, net of tax	(48,219)	(56,136)
<b>Profit for the period</b>	<b>40,558</b>	<b>35,233</b>
<b>Attributable to:</b>		
<b>Owners of the Company</b>		
Profit from continuing operations, net of tax	15,592	15,328
Loss from discontinued operation, net of tax	(43,423)	(53,750)
	<b>(27,831)</b>	<b>(38,422)</b>
<b>Non-controlling interests</b>		
Profit from continuing operations, net of tax	73,185	76,041
Loss from discontinued operation, net of tax	(4,796)	(2,386)
	<b>68,389</b>	<b>73,655</b>

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005**

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	<b>1H2017</b> <b>S\$'000</b> <b>(Unaudited)</b>	<b>1H2018</b> <b>S\$'000</b> <b>(Unaudited)</b>
<b>Profit for the period</b>	<b>40,558</b>	<b>35,233</b>
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Exchange differences on translation of financial statements of foreign subsidiaries, associates and joint ventures	(47,464)	17,938
Net fair value changes of available-for-sale financial assets	164	10,573
Realisation of reserves upon de-consolidation of subsidiaries	—	(10,480)
Exchange differences on monetary items forming part of net investment in foreign entities	(5,525)	2,911
<b>Other comprehensive income for the period, net of income tax</b>	<b>(52,825)</b>	<b>20,942</b>
<b>Total comprehensive income for the period</b>	<b>(12,267)</b>	<b>56,175</b>
<b>Attributable to:</b>		
Owners of the Company	(45,193)	(77,604)
Non-controlling interests	32,926	133,779
<b>Total comprehensive income for the period</b>	<b>(12,267)</b>	<b>56,175</b>

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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:
- (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
  - (b) earnings or loss per share; and
  - (c) earnings or loss per share, after any adjustment to reflect the sale of new securities.

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	FY2015	FY2016	FY2017	1H2017	1H2018
Dividends per Share (cents)	2.0	1.0	–	–	–
<b>EPS before the Rights Issue<sup>(1)</sup> (cents)</b>					
Basic	(16.24)	(19.05)	(17.77)	(7.44)	(10.28)
Diluted	(16.24)	(19.05)	(17.77)	(7.44)	(10.28)
<b>EPS<sup>(2)</sup> after the exercise of 770,000 Outstanding Share Options and before the Rights Issue (cents)</b>					
Basic	(16.21)	(19.02)	(17.74)	(7.43)	(10.25)
Diluted	(16.21)	(19.02)	(17.74)	(7.43)	(10.25)
<b>EPS<sup>(3)</sup> after the Rights Issue assuming the Minimum Scenario (cents)</b>					
Basic	(8.12)	(9.53)	(8.89)	(3.72)	(5.14)
Diluted	(8.12)	(9.53)	(8.89)	(3.72)	(5.14)
<b>EPS<sup>(4)</sup> after the Rights Issue assuming the Maximum Scenario (cents)</b>					
Basic	(8.10)	(9.51)	(8.87)	(3.71)	(5.13)
Diluted	(8.10)	(9.51)	(8.87)	(3.71)	(5.13)

**Notes:**

- (1) Calculated based on weighted average number of Shares in issue of 373,908,559 in FY2015, FY2016, FY2017, 1H2017 and 1H2018.
- (2) Calculated based on note 1 above and adjusting for 770,000 Outstanding Share Options assumed to be exercised at the beginning of each financial year/period.

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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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- (3) Calculated based on note 1 above and adjusting for the issuance of 373,908,559 Rights Shares and assuming that the Rights Issue had been completed at the beginning of each financial year/period and there is no income from the Net Proceeds.
- (4) Calculated based on note 2 above and adjusting for the issuance of 374,678,559 Rights Shares and assuming that the Rights Issue had been completed at the beginning of each financial year/period and there is no income from the Net Proceeds.

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### 3. In respect of:

- (a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and
- (b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

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Save as disclosed below and in this Offer Information Statement, the Directors are not aware of any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the Group.

#### *Discontinued operation*

*As reported in the Company's announcement on 26 June 2018, the Xinfei Companies had ceased to be subsidiaries of the Group with effect from 21 May 2018. On 6 August 2018, the Company further announced the completion of the equity transfer of the shares in each of the Xinfei Companies.*

*As required by the Singapore Financial Reporting Standards (International) 10 Consolidated Financial Statements, the Xinfei Companies were de-consolidated from the Group. The de-consolidation involved de-recognition of the assets and liabilities of the Xinfei Companies and recognition of other related obligations. The financial effect of the de-consolidation was a loss of S\$32.3 million which was recognised in the second quarter of 2018.*

*The operating performance of the Xinfei Companies, together with the net loss on de-consolidation of S\$32.3 million, has been presented separately under "discontinued operation" in the income statement. As a result, loss from discontinued operation was S\$56.1 million in 1H2018. Comparative figures for 1H2017 have been restated to conform to current period's presentation.*

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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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The main business units of the Group are Yuchai and BMU. The other business units in the Group are the Industrial Packaging Unit and the Air-conditioning Systems Unit.

A summary of the operations, business and financial performance of the Group is set out below:

### **1H2018 vs 1H2017**

Revenue for the Group was S\$2.016 billion, an increase of S\$37.8 million or 1.9%, from S\$1.978 billion in 1H2017. The increase was mainly due to higher revenue recorded by Yuchai and BMU in 1H2018.

- Yuchai's revenue increased by S\$13.7 million or 0.8% as compared to 1H2017. Yuchai sold 210,788 engines in 1H2018, comparable with 210,648 units sold in 1H2017. The increase in unit sales was mainly due to increase in engine demand by the truck and off-road segments. However, sales of bus engines and agriculture application decreased.
- BMU's revenue increased by S\$27.7 million or 15.3% as compared to 1H2017. In Singapore, the increase was due to higher sales volume from both the ready-mixed concrete division and the precast division, despite continued price pressure. In Malaysia, the increase was mainly due to the increase in domestic demand for cement. However, price competition and lower average selling prices for both cement and ready-mixed concrete affected performance.

The Group's gross profit was S\$375.7 million in 1H2018, an increase of S\$17.0 million or 4.7%, from S\$358.7 million in 1H2017. The gross profit margin was 18.6% in 1H2018 as compared to 18.1% in 1H2017, a slight increase of 0.5%.

Other income was S\$22.4 million in 1H2018, a decrease of S\$0.3 million from S\$22.7 million in 1H2017. For 1H2018, other income mainly comprised interest income. For 1H2017, other income mainly comprised interest income, net foreign exchange gain and gain on disposal of property, plant and equipment.

S&D expenses were S\$122.5 million in 1H2018, an increase of S\$2.9 million or 2.5% as compared to S\$119.6 million in 1H2017. The increase was mainly due to higher freight charges and staff costs, partially offset by lower warranty expenses. As a percentage of sales, S&D expenses were 6.1% in 1H2018 as compared to 6.0% in 1H2017, an increase of 0.1%.

R&D expenses were S\$58.4 million in 1H2018, an increase of S\$9.0 million or 18.2% as compared to S\$49.4 million in 1H2017. The increase was mainly due to higher R&D spending by Yuchai. As a percentage of sales, R&D expenses were 2.9% in 1H2018 as compared to 2.5% in 1H2017, an increase of 0.4%.

G&A expenses were S\$80.1 million in 1H2018, an increase of S\$0.4 million or 0.5% as compared to S\$79.7 million in 1H2017. As a percentage of sales, G&A expenses were 4.0% in 1H2018, consistent with 1H2017.

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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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Finance costs were S\$17.4 million in 1H2018, an increase of S\$1.7 million or 10.7% as compared to S\$15.7 million in 1H2017. The increase in finance costs was mainly due to higher borrowings by Yuchai.

Other expenses were S\$2.3 million in 1H2018, an increase of S\$1.6 million from S\$0.7 million in 1H2017. In 1H2018, other expenses were mainly due to net foreign exchange loss. In 1H2017, other expenses were mainly due to net fair value loss on derivatives.

Profit from continuing operations after tax was S\$91.4 million in 1H2018 as compared to S\$88.8 million in 1H2017.

### **FY2017 vs FY2016**

Revenue for the Group was S\$4.027 billion in FY2017, an increase of S\$301.9 million or 8.1%, from S\$3.725 billion in FY2016. The increase in revenue was mainly due to revenue growth recorded by Yuchai which was partially offset by the revenue decline of BMU and Xinfei.

- Yuchai's revenue increased by S\$479.6 million or 17.0% as compared to FY2016. Yuchai sold 367,097 engines in FY2017, an increase of 14.6% or 46,673 units as compared to 320,424 units sold in FY2016. The increase in engine sales was mainly due to the rebound in the sales of truck and off-road engines, while bus engines sales softened. The statistics from China Association of Automotive Manufacturers reported a growth of commercial vehicles (excluding gasoline-powered and electric-powered vehicles) by 16.9% for 2017 as compared to 2016.
- BMU's revenue decreased by S\$83.9 million or 18.1% as compared to FY2016. In Singapore, the decrease was due to lower sales from the precast division and price competition. The construction industry in Singapore started declining since the third quarter of 2016 and continued through 2017. In Malaysia, the decrease in revenue was mainly due to lower demand for cement in the domestic market and price competition.
- Xinfei's revenue decreased by S\$94.1 million or 25.4% as compared to FY2016. Total unit sales were 1.20 million units for FY2017, a decrease of 20.0% as compared to 1.50 million units for FY2016. This was due to the cessation of production activities following the Restructuring Exercise and the fact that the fridge and freezer market in China was highly competitive and affected by excess capacity. China Market Monitor reported that the fridge and freezers unit sales declined by 11.4% and 13.6%, respectively for FY2017 as compared to FY2016.

The Group's gross profit was S\$817.4 million in FY2017, an increase of S\$52.5 million or 6.9%, from S\$764.9 million in FY2016. The gross profit margin was 20.3% as compared to 20.5% in FY2016, a slight decrease of 0.2%.



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## **SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005**

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Other income was S\$133.4 million in FY2017, an increase of S\$100.4 million from S\$33.0 million in FY2016. The increase was mainly due to asset disposal gains from HLGE of S\$66.3 million, gain on disposal of intangible asset of S\$23.5 million and higher interest income in FY2017. HLGE is a subsidiary of CYI. The asset disposal gains comprised a gain of S\$44.1 million from the disposal of a HLGE's subsidiary which owns and operates a service apartment hotel in Shanghai, and a gain of S\$22.2 million from the disposal of a joint venture which owns and operates a hotel in Qingdao. The gain on disposal of intangible asset was related to a sale of engineering design services for a heavy-duty engine platform for a joint venture by Yuchai.

S&D expenses were S\$356.3 million in FY2017, a decrease of S\$3.9 million or 1.1% as compared to S\$360.2 million in FY2016. As a percentage of sales, S&D expenses were 8.8% for FY2017 as compared to 9.7% in FY2016, a reduction of 0.9%.

R&D expenses were S\$135.2 million in FY2017, an increase of S\$2.3 million or 1.7% as compared to S\$132.9 million in FY2016. The increase was mainly due to higher R&D spending by Yuchai. As a percentage of sales, R&D expenses were 3.4% in FY2017 as compared to 3.6% in FY2016, a reduction of 0.2%.

G&A expenses were S\$216.3 million in FY2017, an increase of S\$23.0 million or 11.9% as compared to S\$193.3 million in FY2016. The increase was mainly due to higher staff costs in Yuchai arising from retrenchment exercise and impairment of an intangible asset in Yuchai. As a percentage of sales, G&A expenses were 5.4% in FY2017 as compared to 5.2% in FY2016, an increase of 0.2%.

Finance costs were S\$41.6 million in FY2017, an increase of S\$6.9 million or 19.6% as compared to S\$34.7 million in FY2016. This was due mainly to higher finance costs for borrowings and bills discounting incurred by Yuchai and higher bank interest expenses incurred by the Company due to increased bank borrowings arising from higher working capital requirement.

Other expenses were S\$30.9 million in FY2017, an increase of S\$13.5 million from S\$17.4 million in FY2016. In FY2017, other expenses were mainly due to impairment for plant and equipment and intangible assets, and provisions for receivables and inventories related to Xinfei's Restructuring Exercise which amounted to S\$27.6 million. In FY2016, other expenses were mainly due to a plant shut-down by Xinfei.

As a result, profit after tax was S\$126.1 million in FY2017 as compared to S\$22.8 million in FY2016. The Group recorded a loss attributable to the owners of the Company of S\$66.5 million in FY2017, as compared to loss of S\$71.2 million in FY2016. The loss for FY2017 included impairments relating to the Xinfei's Restructuring Exercise which amounted to S\$24.9 million.

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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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### FY2016 vs FY2015

Revenue for the Group was S\$3.725 billion in FY2016, a decrease of S\$358.0 million or 8.8%, from S\$4.083 billion in FY2015. The decrease in revenue was mainly due to slowing economic growth in China which affected Yuchai and Xinfai. In addition, revenue for BMU also decreased as the market competition intensified in Singapore and Malaysia in a weaker construction sector especially in the private sector projects.

- Yuchai's revenue declined by S\$166.4 million or 5.6% as compared to FY2015. Yuchai sold 320,424 engines in FY2016, a decline of 12.1% or 44,143 units less than the 364,567 units sold in FY2015. The decline in sales unit was mainly due to decline in the sale of engines in the bus segments and the off-road applications. The bus segment was affected by the switch to electric bus and off-road segment was affected by the transition of the emission standards from Tier 2 to Tier 3, which was aggravated by the different implementation dates for engine makers and applications sellers.
- BMU's revenue decreased by S\$117.1 million or 20.2% as compared to FY2015. The decrease was due to lower sales from both the ready-mixed concrete division and the precast division in Singapore. In addition, revenue in Malaysia was affected by price competition.
- Xinfai's revenue declined by S\$54.5 million or 12.8% as compared to FY2015. This was due to the weakening demand for fridges and freezers in an intense price competition environment. Total unit sales were 1.50 million units for FY2016, a slight decline of 0.8% as compared to 1.51 million units for FY2015.

The Group's gross profit was S\$764.9 million in FY2016, a decrease of S\$88.4 million or 10.4%, from S\$853.3 million in FY2015. The gross profit margin was 20.5% as compared to 20.9% in FY2015, a slight decrease of 0.4% point. The competitive environment resulted in lower gross profit margin for Xinfai and BMU, which was offset by the higher gross profit margin of Yuchai.

Other income was S\$33.0 million in FY2016, a decrease of S\$3.3 million from S\$36.3 million in FY2015. The decrease was mainly due to fair value gain on derivatives in FY2015 offset by higher interest income in FY2016.

S&D expenses were S\$360.2 million in FY2016, a decrease of S\$63.0 million or 14.9% as compared to S\$423.2 million in FY2015. It was mainly due to lower sales incentives and promotions by Xinfai, lower outward freight incurred by BMU and Yuchai. In addition, lower provision for receivables and staff costs were incurred. As a percentage of sales, S&D expenses were 9.7% for FY2016 as compared to 10.4% in FY2015, an improvement of 0.7% point.

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## **SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005**

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R&D expenses were S\$132.9 million in FY2016, an increase of S\$9.8 million or 7.9% as compared to S\$123.1 million in FY2015. The increase was mainly due to R&D spending by Yuchai as it continued to invest in R&D of new and existing engine products and R&D to introduce new engine models for both the on-road and off-road markets compliant with increasingly stringent emission standards. As a percentage of sales, R&D expenses were 3.6% in FY2016 as compared to 3.0% in FY2015, an increase of 0.6% point. It was mainly due to higher R&D expenses incurred by Yuchai.

G&A expenses were S\$193.3 million in FY2016, a decrease of S\$8.7 million or 4.3% as compared to S\$202.0 million in FY2015. The decrease was mainly due to lower staff costs. As a percentage of sales, G&A expenses were 5.2% of revenue in FY2016 as compared to 4.9% in FY2015, an increase of 0.3% point.

Finance costs were S\$34.7 million in FY2016, a decrease of S\$8.7 million or 19.9% as compared to S\$43.4 million in FY2015. This was due mainly to lower bank borrowings by Yuchai.

Other expenses were S\$17.4 million in FY2016, a decrease of S\$0.9 million from S\$18.3 million in FY2015. The decrease was mainly due to lower foreign exchange loss in FY2016 and a loss on disposal of a subsidiary in FY2015. This was offset by expenses due to a plant shut-down of Xinfei in FY2016.

Profit after tax was S\$22.8 million in FY2016 as compared to S\$9.1 million in FY2015. The profit after tax for FY2016 was affected by certain non-cash items such as impairments and provision for receivables and inventories amounting to S\$19.0 million, as compared to S\$39.4 million in FY2015. In addition, the profit after tax for FY2015 was further affected by reversals of deferred tax assets of S\$27.5 million. These non-cash items had contributed to higher loss attributable to the owners of the Company by S\$16.0 million and S\$39.3 million for FY2016 and FY2015, respectively.

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005**

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**Financial Position**

4. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of –

- (a) the most recent completed financial year for which audited financial statements have been published; or
  - (b) if interim financial statements have been published for any subsequent period, that period.
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The (i) audited consolidated statement of financial position of the Group as at 31 December 2017, (ii) unaudited consolidated statement of financial position of the Group as at 30 June 2018, (iii) audited statement of financial position of the Company as at 31 December 2017, and (iv) unaudited statement of financial position of the Company as at 30 June 2018 are set out below:

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 December 2017 S\$'000 (Audited)</b>	<b>As at 30 June 2018 S\$'000 (Unaudited)</b>	<b>As at 31 December 2017 S\$'000 (Audited)</b>	<b>As at 30 June 2018 S\$'000 (Unaudited)</b>
<b>Non-current assets</b>				
Property, plant and equipment	1,005,664	923,339	78	54
Land use rights	128,882	109,996	–	–
Intangible assets	52,293	8,190	138	125
Investment in subsidiaries	–	–	202,955	202,955
Interests in associates	47,043	45,319	13,726	13,726
Interests in joint ventures	40,153	43,037	–	–
Investment property	1,522	1,533	–	–
Other investments	5,202	4,263	–	–
Non-current receivables	8,375	2,037	166,843	34,455
Deferred tax assets	65,345	67,666	–	–
Long-term deposits	14,336	18,558	–	–
	<b>1,368,815</b>	<b>1,223,938</b>	<b>383,740</b>	<b>251,315</b>

**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005**

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 December 2017 S\$'000 (Audited)</b>	<b>As at 30 June 2018 S\$'000 (Unaudited)</b>	<b>As at 31 December 2017 S\$'000 (Audited)</b>	<b>As at 30 June 2018 S\$'000 (Unaudited)</b>
<b>Current assets</b>				
Inventories	631,817	483,094	—	—
Development properties	4,881	4,123	—	—
Other investments	5,061	5,061	—	—
Trade and other receivables	1,714,744	1,885,786	216,088	247,493
Cash and short-term deposits	1,363,934	1,428,535	19,161	18,483
	<b>3,720,437</b>	<b>3,806,599</b>	<b>235,249</b>	<b>265,976</b>
<b>Total assets</b>	<b>5,089,252</b>	<b>5,030,537</b>	<b>618,989</b>	<b>517,291</b>
<b>Current liabilities</b>				
Trade and other payables	1,816,925	1,879,881	18,865	85,456
Provisions	73,188	48,569	—	—
Loans and borrowings	677,709	596,565	175,075	129,259
Current tax payable	12,749	11,584	15	5
	<b>2,580,571</b>	<b>2,536,599</b>	<b>193,955</b>	<b>214,720</b>
<b>Net current assets</b>	<b>1,139,866</b>	<b>1,270,000</b>	<b>41,294</b>	<b>51,256</b>
<b>Non-current liabilities</b>				
Loans and borrowings	217,701	277,712	200,000	266,900
Deferred tax liabilities	41,497	32,929	2,100	2,100
Deferred grants	70,674	76,904	—	—
Other non-current payables	32,019	39,438	—	—
Retirement benefit obligations	1	2	—	—
	<b>361,892</b>	<b>426,985</b>	<b>202,100</b>	<b>269,000</b>
<b>Total liabilities</b>	<b>2,942,463</b>	<b>2,963,584</b>	<b>396,055</b>	<b>483,720</b>
<b>Net assets</b>	<b>2,146,789</b>	<b>2,066,953</b>	<b>222,934</b>	<b>33,571</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	266,830	266,830	266,830	266,830

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005**

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	<b>Group</b>		<b>Company</b>	
	<b>As at 31 December 2017 S\$'000 (Audited)</b>	<b>As at 30 June 2018 S\$'000 (Unaudited)</b>	<b>As at 31 December 2017 S\$'000 (Audited)</b>	<b>As at 30 June 2018 S\$'000 (Unaudited)</b>
Reserves	350,314	262,896	(43,896)	(233,259)
	617,144	529,726	222,934	33,571
<b>Non-controlling interests</b>	1,529,645	1,537,227	—	—
<b>Total equity</b>	<b>2,146,789</b>	<b>2,066,953</b>	<b>222,934</b>	<b>33,571</b>
<b>Total equity and liabilities</b>	<b>5,089,252</b>	<b>5,030,537</b>	<b>618,989</b>	<b>517,291</b>

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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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5. The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:
- (a) number of shares after any adjustment to reflect the sale of new securities;
  - (b) net assets or liabilities per share; and
  - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities.
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For illustrative purposes only, the following is an analysis of the financial effects of the Rights Issue on the NAV per Share of the Group.

As at 31 December 2017	Maximum Scenario <sup>(1)</sup>		Minimum Scenario	
	Before the Rights Issue	After the Rights Issue	Before the Rights Issue	After the Rights Issue
NAV (S\$'000)	618,860	820,586	617,144	818,455
Number of Shares	374,678,559	749,357,118	373,908,559	747,817,118
NAV per Share (cents)	165.17	109.51	165.05	109.45

As at 30 June 2018	Maximum Scenario <sup>(1)</sup>		Minimum Scenario	
	Before the Rights Issue	After the Rights Issue	Before the Rights Issue	After the Rights Issue
NAV (S\$'000)	531,442	733,168	529,726	731,037
Number of Shares	374,678,559	749,357,118	373,908,559	747,817,118
NAV per Share (cents)	141.84	97.84	141.67	97.76

**Note:**

- (1) The financial effects are computed based on the assumption that 770,000 Outstanding Share Options were exercised on 31 December 2017 or 30 June 2018 (as the case may be), at the exercise price per Outstanding Share Option.
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### Liquidity and Capital Resources

6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of –
- (a) the most recent completed financial year for which financial statements have been published; and
  - (b) if interim financial statements have been published for any subsequent period, that period.
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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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The audited consolidated statement of cash flows of the Group for FY2017 is set out below:

	FY2017 S\$'000 (Audited)
<b>Operating activities</b>	
Profit before income tax	172,283
Adjustments for:	
Share of results of associates and joint ventures, net of income tax	(1,566)
Cost of share-based payments	876
Depreciation and amortisation	129,777
Allowance recognised for inventory obsolescence, net	8,230
Impairment losses recognised for trade and other receivables	10,029
Impairment losses on property, plant and equipment and intangible assets	21,554
Property, plant and equipment written off	1,246
Finance costs	41,552
Dividend income from other investments	(560)
Interest income	(24,532)
Gain on disposal of:	
– subsidiaries	(44,107)
– joint venture (assets held for sale)	(22,213)
– property, plant and equipment	(2,266)
– intangible assets	(23,521)
Fair value gain on investments	(2,602)
Provisions for warranties and other costs, net	86,781
<b>Operating cash flows before changes in working capital</b>	<b>350,961</b>
Changes in working capital:	
Inventories and development properties	(181,320)
Trade and other receivables	12,717
Trade and other payables	140,380
Grant received from government	10,225
Provisions utilised	(82,456)
<b>Cash flows from operations</b>	<b>250,507</b>
Income taxes paid	(46,604)
<b>Net cash flows generated from operating activities</b>	<b>203,903</b>



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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005**

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	<b>FY2017 S\$'000 (Audited)</b>
<b>Investing activities</b>	
Additional investment in associates and joint ventures	(15,322)
Dividends received from:	
– associates and joint ventures	1,613
– other investments	560
Interest received	27,232
Net placement of deposits with banks	(29,201)
Purchase of:	
– property, plant and equipment	(77,314)
– intangible assets	(1,438)
– other investments	(3,139)
Proceeds from disposal of:	
– subsidiaries, net of cash disposed	69,727
– associate	374
– property, plant and equipment	6,326
– intangible assets	10,206
– joint venture (assets held-for-sale)	37,288
Repayment of loan from joint venture	2,858
<b>Net cash flows generated from investing activities</b>	<b>29,770</b>
<b>Financing activities</b>	
Acquisition of non-controlling interests in subsidiaries	(1,695)
Dividends paid to:	
– non-controlling interests of subsidiaries	(56,774)
– shareholders of the Company	(3,739)
Interest paid	(43,085)
Proceeds from borrowings	564,035
Capital contribution by non-controlling interests of subsidiaries	4,508
Repayments of borrowings	(369,573)
Repayment of obligation under finance leases	(1,645)
<b>Net cash flows from financing activities</b>	<b>92,032</b>
Net increase in cash and cash equivalents	325,705
Cash and cash equivalents at the beginning of the financial year	945,171
Effect of exchange rate changes on balances held in foreign currencies	(8,772)
<b>Cash and cash equivalents at the end of the financial year</b>	<b>1,262,104</b>

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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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The unaudited consolidated statement of cash flows of the Group for 1H2018 is set out below:

	<b>1H2018 S\$'000 (Unaudited)</b>
<b>Operating activities</b>	
Profit before income tax from continuing operations	119,405
Loss before income tax from discontinued operation	(56,136)
Adjustments for:	
Share of results of associates and joint ventures, net of income tax	(2,166)
Depreciation and amortisation	56,670
Allowance recognised for inventory obsolescence, net	1,145
Impairment losses written back for trade and other receivables	(1,222)
Property, plant and equipment written off	343
Finance costs	17,606
Dividend income from other investments	(243)
Interest income	(16,942)
Loss on de-consolidation of subsidiaries	32,277
Gain on disposal of property, plant and equipment	(53)
Fair value gain on investments	(1)
Provisions for warranties and other costs, net	27,427
<b>Operating cash flows before changes in working capital</b>	<b>178,110</b>
Changes in working capital:	
Inventories and development properties	117,813
Trade and other receivables	(228,460)
Trade and other payables	64,148
Grant received from government	7,091
Provisions utilised	(25,942)
<b>Cash flows from operations</b>	<b>112,760</b>
Income taxes paid	(31,574)
<b>Net cash flows generated from operating activities</b>	<b>81,186</b>

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**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005**

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	<b>1H2018 S\$'000 (Unaudited)</b>
<b>Investing activities</b>	
Additional investment in joint ventures	(1,006)
Dividends received from associates and joint ventures	2,954
Dividends received from other investments	243
Interest received	16,512
Net release of deposits with banks	5,856
Purchase of:	
– property, plant and equipment	(41,048)
– intangible assets	(305)
– other investments	(1,146)
Net cashflow on de-consolidation of subsidiaries	(5,201)
Proceeds from disposal of property, plant and equipment	899
<b>Net cash flows used in investing activities</b>	<b>(22,242)</b>
<b>Financing activities</b>	
Dividends paid to non-controlling interests of subsidiaries	(30,280)
Interest paid	(19,681)
Proceeds from borrowings	363,123
Repayments of borrowings	(305,379)
Repayment of obligation under finance leases	(485)
<b>Net cash flows from financing activities</b>	<b>7,298</b>
<b>Net increase in cash and cash equivalents</b>	<b>66,242</b>
Cash and cash equivalents at the beginning of the financial period	1,262,104
Effect of exchange rate changes on balances held in foreign currencies	7,558
<b>Cash and cash equivalents at the end of the financial period</b>	<b>1,335,904</b>

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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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A review of the cash flow position of the Group is set out below:

### **Review of cash flow for 1H2018**

The Group had cash and cash equivalents of S\$1.336 billion as at 30 June 2018 compared with S\$1.262 billion as at 31 December 2017. The net increase in cash and cash equivalents during the period was S\$66.2 million.

During 1H2018, the Group generated cash from operating activities of S\$81.2 million. The cash generated was derived from operating profit, lower inventories holdings and higher trade and other payables. This was partially offset by lower net collection from trade receivables.

The Group had net cash outflow from investing activities of S\$22.2 million. It was mainly due to purchase of property, plant and equipment of S\$41.0 million, partially offset by interest received.

The Group had net cash inflow from financing activities of S\$7.3 million. It was mainly due to net borrowings of S\$57.7 million, partially offset by dividend payment of S\$30.3 million and interest payment of S\$19.7 million.

### **Review of cash flow for FY2017**

The Group had cash and cash equivalents of S\$1.262 billion as at 31 December 2017 compared with S\$945.2 million as at 31 December 2016. The net increase in cash and cash equivalents during the year was S\$325.7 million.

During FY2017, the Group generated cash from operating activities of S\$203.9 million. The cash generated was derived from operating profit. It was used partially to finance the increase in inventories holding, which was offset by higher trade and other payables at year-end.

The Group had net cash inflow from investing activities of S\$29.8 million. It was mainly due to proceeds from disposal of assets of S\$123.9 million, partially offset by the purchase of property, plant and equipment of S\$77.3 million.

The Group had net cash inflow from financing activities of S\$92.0 million. It was mainly due to net borrowings of S\$194.5 million, partially offset by dividend payment of S\$60.5 million and interest payment of S\$43.1 million.

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## **SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005**

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7. **Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgment of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided.**
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As at the date of lodgment of this Offer Information Statement, the Directors are of the reasonable opinion that, barring any unforeseen circumstances, after taking into consideration the internal resources and the present banking facilities of the Group, the working capital available to the Group is sufficient to meet its present requirements.

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8. **If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide**
- (a) a statement of that fact;**
  - (b) details of the credit arrangement or bank loan; and**
  - (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).**
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As at the date of lodgment of this Offer Information Statement, to the best of the Directors' knowledge, the Directors are not aware of any breach by any entity in the Group of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the Company's financial position and results or business operations, or the investments by holders of securities in the Company.

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### **Trend Information and Profit Forecast or Profit Estimate**

9. **Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**
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## **SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005**

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The discussion on the business and financial prospects of the Group as set out herein may contain forward-looking statements, and are subject to certain risks. Please refer to the section entitled “Cautionary Note on Forward-Looking Statements” of this Offer Information Statement for further details.

Save as disclosed below and in this Offer Information Statement, the Company’s annual reports, circulars and SGXNET announcements, and barring any unforeseen circumstances, the Directors are not aware of any known trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Group’s revenue, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the Group.

### **Business and Financial Prospects of the Group for the Current Financial Year Ending 31 December 2018**

For the current financial year of the Group ending 31 December 2018, the Group expects the operating environment for Yuchai to continue to be challenging, particularly in view of the trade tensions between the United States and China having a negative effect on China’s economic growth. In Singapore and Malaysia, the Group expects BMU to operate in challenging market conditions. Although the Group had witnessed an improvement in sales volume in the second quarter ended 30 June 2018 as compared to the first quarter ended 31 March 2018, average selling prices continued to be weak, affecting margins. Also, the private property market in Singapore may be weighed down by the property cooling measures implemented recently.

In Singapore, the Group’s proposed new precast manufacturing facility, when ready, will enable its precast business unit to continue to be a significant player in Singapore. In Malaysia, some major infrastructure and government construction projects may be deferred with the announcements made by the new Malaysian government. This will affect the demand for cement and concrete products for Tasek Corporation Berhad. The Group believes that the challenges facing BMU will continue to affect its performance.

In May 2018, the Group completed the de-consolidation of Xinfei (the Consumer Products Unit) through the Restructuring Exercise. The Board believes that the de-consolidation of Xinfei and cessation of the Xinfei Companies as the Group’s subsidiaries are positive developments for the Group. The Group will also continue to explore other strategic options and potential alliance opportunities, whilst maintaining its cost control discipline and continuing its organisational restructuring initiatives.

### **RISK FACTORS**

To the best of the Directors’ knowledge and belief as at the Latest Practicable Date, the risk factors that are material to Shareholders and prospective investors in making an informed judgment on the Rights Issue (save for those which have already been disclosed to the general public) are set out below. Shareholders and prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding whether to invest in the Rights Shares. The Group could be affected by a number of risks that may relate to the industries and countries in which the Group operates as well as those that may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein.

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## **SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005**

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The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations in the future. If any of the following considerations and uncertainties develops into actual events, the business, financial condition, results of operations and prospects of the Company and the Group could be materially and adversely affected. In such event, the trading price of the Shares and/or the Rights Shares could decline due to any of these considerations and uncertainties, and Shareholders and investors may lose all or part of their investment in the Shares and/or the Rights Shares.

### **RISKS RELATING TO THE GROUP'S OPERATIONS IN CHINA**

**The Group's operations in China are largely dependent on the performance of the global economy and in particular, the Chinese economy, and the Group may be adversely affected by slowdowns in the global and the Chinese economies.**

The Group's operations and performance depend significantly on worldwide economic conditions. During periods of economic expansion, the demand for building materials, trucks, construction machinery and other applications of diesel engines generally increases. Conversely, uncertainty about current global economic conditions or adverse changes in the economy could lead to a significant decline in the building materials industry and diesel engine industry which is generally adversely affected by a decline in demand.

The current political climate has introduced greater uncertainty with respect to trade policies (including those implemented by the US government and the Chinese government), tariffs and aluminium, including imports from China where the Group's operations are primarily located. The effect of these policies, and the possibility and extent of any international trade conflicts, particularly trade conflicts between the US and China, and their impact, if any, on the Group's business or results of operations, is uncertain.

In addition, the performance of the Chinese economy affects, to a significant degree, the Group's business, financial condition, results of operations and prospects. Uncertainty and adverse changes in the Chinese economy could also increase costs associated with developing the Group's products, increase the cost and decrease the availability of potential sources of financing, and increase its exposure to material losses from its investments, any of which could have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

According to the National Bureau of Statistics, China's economy grew by 6.9% in 2017. Although the growth slowdown in China continues to be gradual in response to the Chinese government's planned reform of the economy, there are downside risks to growth. The main short-term risk is the unwinding of high leverage in sectors with excess capacity, namely the manufacturing, industrial and real estate sectors. This may result in a sharper-than expected slowdown in investment and hence in aggregate demand. There have been increasing concerns over China's current debt levels which continue to trend upwards despite decelerating credit growth which has resulted in fears over possible defaults by local banks, corporate entities including state-owned enterprises and local provincial governments. On 5 March 2016, at the National People's Congress in Beijing, Premier Li Keqiang in his annual policy report lowered the growth target for China for the next five (5) years from 2016 to 2020 to a range of 6.5% to 7.0%, conceding that there were many challenges ahead including growing downward pressures on China's economy. The business and prospects for the



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## **SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005**

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diesel engine industry, and thus the business and prospects of the Group, may be adversely affected by changes in Chinese government policies.

Further, as a result of recurring liquidity tightening in the banking system, alternative lending and borrowing outside of traditional banking practices, generally known as “shadow banking”, has grown to become an integral and significant aspect of the Chinese economy. Such alternative lending is loosely regulated and has led to an increase in China’s debt levels leading to concern over rising bad debts and financial problems. As an increasing portion of the funds obtained from shadow banking are being used for investments in speculative and risky products or assets, should a widespread default on such investments occur, this could harm the growth prospects of the Chinese economy. While there has been increased scrutiny and oversight by regulators, this has not entirely eradicated the shadow banking industry in China. Even if the Chinese government increases regulation over such alternative lending and borrowing, there is no assurance that such regulations will be successful, or that they would not have an adverse impact on the overall loan markets and liquidity in China, which will negatively impact the Chinese economy. This, in turn, could have a material adverse impact on the Group’s business, financial condition, results of operations and prospects.

### **The Group’s business in China is largely dependent on Chinese government policy.**

The Group’s business in China is in large part dependent on Chinese government policy. For instance, Yuchai’s business is dependent on the state of the commercial vehicle market in China. According to China Association of Automobile Manufacturers, the sales of commercial vehicles have experienced fluctuations over the years primarily as a result of government incentives and subsidies introduced from time to time as well as the replacement cycle of commercial vehicles. For example, the Chinese government introduced generous incentives to encourage purchases of electric-powered vehicles to curb air pollution in the major cities, resulting in increased sales of electric-powered commercial vehicles, particularly in the light-duty engine vehicles segment. As a result of these initiatives, bus engine sales volume in China and Yuchai’s share of the bus market have gradually decreased.

In recent years, the policies of the Chinese government have encouraged energy conservation and emissions reduction. Amongst others, China’s 13th Five-Year Plan covering the years 2016 to 2020, which was formerly adopted at the National People’s Congress in Beijing in March 2016, seeks to reduce energy consumption by 15% and carbon emissions by 18% by 2020. In addition, green and low-carbon industry systems will be set up, the use of new energy vehicles will be promoted and the industrialisation level of electric cars improved. On 10 April 2017, the Ministry of Environmental Protection issued its 13th Five-Year Plan for National Environmental Protection Standards, which calls for the amendment of existing environmental protection standards and the implementation of new environmental protection standards, including in relation to air quality and pollution emission control, environment detection and basic environment standards and environmental management standards. A series of policy and reform measures have been formulated to create a sustainable environment for the rapid growth of the energy saving and environmental protection industry and such policy changes may de-emphasise the use of diesel engines and encourage increased use of cleaner energy alternatives. Since government incentive schemes may be changed from time to time, there can be no assurance that sales of Yuchai’s engines will continue to grow at the same rate as in the past or at all. Any such changes will adversely affect the Group’s business, financial condition, results of operations and prospects.



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## **SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005**

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**Recently enacted tariffs on certain imports into the United States and China, and other potential changes to tariff and import/export regulations may have a negative effect on global economic conditions and the Group's business, financial results and financial condition.**

On 17 September 2018, the US government implemented new tariffs on imports of an additional US\$200 billion of Chinese goods into the United States which came into effect on 24 September 2018. Further, there have been ongoing discussions and activities regarding changes to other US trade policies and treaties, including threats by the United States to withdraw from certain treaties and other countries signing new trade agreements without US participation.

On 18 September 2018, the Chinese government announced a proposal to impose tariffs on US\$60 billion of imports from the United States to China. In addition, a number of other countries are threatening to impose tariffs on US imports. Further, on 26 September 2018, the US President reportedly indicated that his friendship with his Chinese counterpart could be over, as he accused China of undermining his prospects in the upcoming US elections.

These developments may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between the China and the United States. Any of these factors could depress economic activity and restrict the Group's access to suppliers or customers and have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

These tariffs have just been announced and are subject to a number of uncertainties as they are implemented, including future adjustments and changes in the countries excluded from such tariffs. The ultimate reaction of other countries, and the impact of these tariffs on China, the global economy and the Group's business, financial condition, results of operations and prospects, cannot be predicted at this time, nor can the Group predict the impact of any other developments with respect to global trade.

### **RISKS RELATING TO THE GROUP'S BUSINESS AND INDUSTRY**

**The Group operates in a highly competitive environment and its failure to compete successfully would adversely affect the Group's market position, business and financial results.**

The Group operates in a highly competitive environment, with competition being based on many different factors such as selling price, product features and design, performance, innovation, reputation, energy efficiency, quality, cost, distribution, and financial incentives, such as cooperative advertising, co-marketing funds, salespersons incentives, volume rebates and terms. Certain of the domestic and overseas competitors may have more financial, sales and marketing, manufacturing, research and development or technological resources than the Group, and are able to manufacture products on a larger scale or with higher cost efficiencies than the Group. Certain of the Group's competitors may also have more flexibility to try out different product designs and develop alternative technologies that consumers may prefer over those of the Group. Rapid technological advancements, shortened product life cycles and ease of imitation, could make it increasingly difficult for the Group to take advantage of the higher selling prices typically associated with new products, services and technologies while having to invest more on research and development. In addition, any excess capacity or decrease in demand could lead to a decrease in product prices, which would in turn adversely impact revenues, margins and overall profitability.

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## **SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005**

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The Group's ability to compete successfully also depends on factors both within and outside its control, including changes in technology, product pricing, performance and reliability, successful and timely investment and product development, success or failure in marketing its brand and products, component and raw material supply costs, and general economic and industry conditions. There can be no assurance that the Group will be able to compete successfully with its competitors on all fronts and, as a result, the Group may be unable to sustain its current market position, and the Group's business, financial condition, results of operations and prospects may be adversely affected.

**The Group is dependent on the demand for its products in the countries in which it operates.**

The Group is dependent on demand for its diesel engines and building materials in the countries in which it operates. A slowdown in the demand amid challenging market conditions in an uncertain global economic climate will also affect supply of diesel engines and building materials which will have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

**The Group is exposed to the cyclical and seasonal nature of the sectors which it operates in.**

The Group is exposed to the cyclical and seasonal nature of the sectors and industries it operates in. In response to unfavourable market conditions, the Group may decide to close plants or operations and may therefore incur significant exceptional costs in the relevant financial period and subsequent periods, even if such closures are made in order to reduce recurring costs and investments in future years. This will invariably have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

**Changes in the availability or price of raw materials and products could adversely affect the price competitiveness and costs of the Group.**

The markets for raw materials and products are competitive and largely based on price, therefore the Group may be adversely affected by the availability and/or price of these raw materials and products. The availability and price of raw materials may be subject to curtailment or change due to, among other things, new laws or regulations, global economic or political events including (but not limited to) terrorist attacks and war, suppliers' allocations to other purchasers, interruptions in production by suppliers, changes in exchange rates and prevailing price levels.

Disruption in the supply of raw materials or products or the Group's inability to come to favourable agreements with its suppliers could impair the Group's ability to manufacture, sell and deliver its products and require the Group to pay higher prices, thereby reducing its price competitiveness. Any failure to maintain the Group's price competitiveness in the market could have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

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## **SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005**

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**The financial performance of the Group is dependent on the Group's ability to secure new projects on a continuous basis and the non-cancellation of secured projects, as well as the pricing and conditions of the projects secured.**

As the Group's projects are undertaken on a contract-by-contract basis, there may be fluctuations in the aggregate value and volume of projects that the Group is able to secure on an ongoing basis. If the Group becomes unable to continuously secure and/or maintain projects of similar contract value and/or volume, this will have a material and adverse impact on the Group's financial performance. In addition, there may be a lapse of time between the completion of the Group's ongoing projects and the commencement of the Group's subsequent projects. Accordingly, the Group's earnings and financial performance during such periods may be materially and adversely affected.

Cancellation or delay in the commencement of secured projects due to external factors may also materially and adversely affect the Group. Any cancellation or delay of projects could lead to the Group's inability to recover costs associated with purchase of raw materials and rental of equipment, idle or excess capacity, and in the event that the Group is unable to secure new projects in place thereof on a timely basis, there may be a material adverse impact on the Group's business, financial condition, results of operations and prospects.

Furthermore, there is no guarantee that the projects secured will be priced well and/or on terms and conditions which are favourable to the Group. As mentioned above, the Group operates in a highly competitive environment and market players compete in relation to, among other things, contract bid price, track record, quality of products and services, timeliness in completion of projects, and financial standing and resources. In particular, the Group may have to submit competitive bid prices in order to secure projects in the face of keen competition, which may have a material adverse effect on its profit margins. Accordingly, the Group's earnings and financial performance may be materially and adversely affected.

### **The Group's operations require various licences and permits.**

The Group is required to obtain various licences and permits to carry out its business in countries in which it operates, such as business licences, manufacturing licences and raw material import permits. These licences and permits are generally subject to various conditions and relevant laws and regulations under which such licences and permits are issued. Failure to comply with such conditions, laws or regulations could result in the Group being penalised. Penalties could include the imposition of fines, stop work orders, business suspension or the revocation or non-renewal of the relevant licences or permits. Whilst the Group constantly monitors and ensures its compliance with such conditions imposed, any serious breaches of compliance could result in the revocation or non-renewal of any of the licences and permits that could render the Group unable to carry out its business and operations. In such instances, there may be a material adverse impact on the Group's business, financial condition, results of operations and prospects.

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### **The Group faces risks associated with energy costs.**

In the case of BMU, cement production in particular requires a high level of energy consumption, especially for the kilning and grinding processes. The principal elements of these energy costs are fuel and electricity expenses. The results of operations of the Group are therefore expected to be affected by movements in energy prices. Energy prices may vary significantly in the future, largely due to market forces and other factors beyond the control of the Group, including, for example, changes in the regulatory regime applicable to energy prices in some countries where the Group operates. The Group may also, particularly in the case of coal, experience time lags between movements in the energy prices and movements in production costs. Similarly, the Group's production facilities could experience interruption in the supply of energy or fuels.

The Group seeks to protect itself against the risk of energy price increases through its ability to diversify fuel sources, including the use of cheaper alternative fuel.

Despite these measures, if high energy prices prevail over time or if the Group encounters increases or significant fluctuations in energy costs, insufficient availability of cost-efficient alternative fuels or the violation of supply agreements, this could have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

### **Work stoppage and other labour relations matters may have an adverse effect on the Group's business, financial condition, results of operations and prospects.**

The Group generally has a good working relationship with its employees and has not experienced any material work stoppages, strikes or other labour problems in the past. Certain employees of Tasek Corporation Berhad have also entered into a union agreement with the company, which seeks to ensure the protection of their salaries and other benefits. However, there is no assurance that work stoppages, strikes or other labour problems will not arise in the future. If the Group's employees were to engage in a strike or other forms of work stoppage, the Group could experience a significant disruption of operations and/or higher ongoing labour costs, which may have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

### **Any failure to keep abreast with the latest trends in technology may adversely affect the Group's cost competitiveness and ability to develop new products.**

The Group may not always be able to keep pace with the changing technological environment. The materials used for its business have changed over time because of technological changes. Any such failure on the Group's part could have a bearing on its ability to compete efficiently, its cost competitiveness, ability to develop new products and the consequential quality of its products, and could also impact its sales and profitability, thus having a material adverse impact on the Group's business, financial condition, results of operations and prospects.

### **The Group may not be successful in protecting its intellectual property rights, including its unpatented proprietary know-how and trade secrets, or in avoiding claims that the Group has infringed on the intellectual property rights of others.**

In addition to relying on patent and trademark rights, the Group relies on unpatented proprietary know-how and trade secrets, and employs various methods, including

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confidentiality agreements with employees and consultants, customers and suppliers to protect its know-how and trade secrets. There can be no assurance that others will not independently develop the know-how and trade secrets or develop better production methods than the Group. Further, the Group may not be able to deter current and former employees, contractors and other parties from breaching confidentiality agreements and misappropriating proprietary information and it is possible that third parties may copy or otherwise obtain and use the Group's information and proprietary technology without authorisation or otherwise infringe on the Group's intellectual property rights. The Group has licensed, and may license in the future, patents, trademarks, trade secrets, and similar proprietary rights to third parties.

While the Group attempts to ensure that its intellectual property and similar proprietary rights are protected when entering into business relationships, third parties may take actions that could materially and adversely affect the Group's rights or the value of its intellectual property, similar proprietary rights or reputation. In the future, the Group may also rely on litigation to enforce its intellectual property rights and contractual rights. Any such litigation could be protracted and costly and could have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

### **The Group may potentially be subject to product liability claims.**

The Group's products are exported to Asia and Europe and it may be liable for any loss and injury caused where such products turn out to be defective. The Group is also exposed to potential product liability claims if its products are found to be unfit for use, contain defects or if there are any alleged injuries to its customers from the use of its products.

As at the Latest Practicable Date, although the Group has not been involved in legal proceedings or subject to claims or complaints that its products are unsafe or hazardous, there can be no assurance that the Group will not be involved in such legal proceedings or subject to such claims or complaints in the future. A significant and successful claim for product liability, against the Group, could create an adverse impact on the Group's reputation. If legal proceedings are commenced against the Group, there can be no assurance that it will be successful in its defence or counterclaim against the plaintiffs. Such legal proceedings may create a material and adverse impact on the Group's business, financial condition, results of operations and prospects.

### **The Group may be exposed to changes in prevailing government regulations.**

The Group is subject to government regulations of the countries in which it has operations such as Singapore, Malaysia and the PRC. Changes in government regulations in respect of (but not limited to) foreign investments, taxation, employment, wage controls, importation of cranes and heavy equipment, and repatriation of profits could adversely affect the Group's business, earnings, investment returns, asset values, and cash flows. In a number of countries in which the Group operates, there are numerous regulations governing the use and importation of heavy equipment. Such regulations prescribe, *inter alia*, safety specifications, the maximum age of the equipment, and level of exhaust emissions. A change towards a more stringent regulatory regime may cause the Group to incur additional costs in meeting the prescribed regulations and may impact its operations. For example, changes in

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regulations may render some of the Group's equipment unsuitable for use in their present condition and the Group would have to incur additional cost to upgrade or replace such equipment.

The Group needs to comply with all the regulations in the various countries in which it operates. A failure to do so may result in the imposition of a fine, a stop work order and other penalties which may include the suspension of its business or revocation of licences. All these would have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

### **The Group is subject to credit risks of its customers.**

The Group is subject to the credit risks of its customers. The Group's ability to receive payment promptly is dependent on the creditworthiness of its customers and their ability to honour the repayment terms contained in the Group's contracts. There is no assurance that the Group will be able to collect all or any part of its trade receivables within the credit terms stipulated in its contracts. If the Group's customers default on their payments, there may be a material adverse impact on the Group's business, financial condition, results of operations and prospects.

### **The Group is exposed to risk of loss from fire, theft and natural disasters.**

The Group is exposed to the risk of loss and/or damage to its properties and machineries ensuing from fire, theft and/or natural disasters such as earthquakes and floods. Such events may disrupt or cause a cessation in the Group's business operations, which may adversely affect its results of operations. While the Group's insurance policies cover some losses arising from business interruption, damage or loss of its properties and machineries, the Group's insurance may not be sufficient to cover all its potential losses. Should such loss exceed the insurance coverage or if such loss is not covered by the insurance policies taken up by the Group, there may be a material adverse impact on the Group's business, financial condition, results of operations and prospects.

### **The Group is exposed to foreign exchange translation risks.**

The Group operates in jurisdictions such as the PRC and Malaysia, with revenues, purchases and operational expenses primarily denominated in currencies such as RMB or Malaysian Ringgit. However, the Group records its financial results in SGD. Accordingly, any fluctuations in currency exchange rates will result in exchange gains and losses as well as translations of foreign currency assets and liabilities as at the various balance sheet dates.

### **Terrorist attacks, armed conflicts, and/or outbreak of Severe Acute Respiratory Syndrome ("SARS"), avian influenza, H1N1, H7N9, Zika and/or any other diseases or viruses, may affect the markets in which the Group operates and the Group's business and operations.**

The effects of terrorist attacks or armed conflicts may materially and adversely affect the Group's business and operations or those of the Group's suppliers or customers. Such terrorist attacks or armed conflicts could have an adverse impact on the demand for the Group's products and the Group's ability to deliver products to its customers in a timely and cost-effective manner, which in turn could have a material adverse impact on the Group's business and operations. Political and economic instability in some regions of the world may



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also result from such terrorist attacks and armed conflicts. These could negatively impact the Group's business. The consequences of any of these terrorist attacks or armed conflicts are unpredictable, and the Group is not able to foresee such events that could have an adverse impact on the Group's business, financial condition, results of operations and prospects.

An outbreak of contagious disease or of viruses may have an adverse effect on the economies of certain Asian countries and may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

For example, in the first half of 2003, certain countries in Asia experienced an outbreak of SARS, a highly contagious form of atypical pneumonia. In 2009, there was a global outbreak of new strain of influenza A virus sub-type H1N1. In the last few years, large parts of Asia experienced unprecedented outbreaks of avian flu. In 2013, a deadly strain of influenza A virus sub-type H7N9 was reported in the PRC. These infectious diseases seriously interrupted economic activities and general demand for goods plummeted in the affected regions.

There can be no assurance that an outbreak of SARS, avian flu, H1N1, H7N9, Zika or other diseases or of viruses, or the measures taken by the governments of affected countries against such potential outbreaks, will not seriously interrupt the Group's operations or those of the Group's contractors, suppliers and/or customers. This, in turn, may have a material adverse effect on the Group's business. The perception that there may be a recurrence of an outbreak of SARS, avian flu, H1N1, H7N9, Zika or other diseases or viruses may also have an adverse effect on the economic conditions of countries in Asia and accordingly, the Group's business, financial condition, results of operations and prospects.

**There is no guarantee that the Group will be able to achieve the same growth as in the past, if at all.**

The Group's business performance and growth in revenue and sales are affected by a number of factors, such as market demand, changes in manufacturing capacity, pricing strategy, market conditions, interruptions in production, general economic conditions and competition landscape. Material adverse changes in any of these factors may have a material negative impact to the Group's sales and revenue. Therefore, the Group's financial condition and results of operations may continue to experience fluctuations in the future.

### **RISKS RELATING TO YUCHAI, THE GROUP'S DIESEL ENGINES UNIT**

**There have in the past been and there may, in the future, be disagreements and difficulties with the Chinese shareholders in Yuchai.**

Although CYI owns 76.4% of the outstanding shares of Yuchai, and the CYI Group has proper legal ownership of its investment and a controlling financial interest in Yuchai, in the event that there is a dispute with Yuchai's Chinese shareholders regarding the Group's investment in Yuchai, it may have to rely on the Chinese legal system for remedies. The Chinese legal system may not be as effective as compared to those of other more developed countries, such as the United States. The CYI Group had, in the past, experienced problems, from time to time, in obtaining assistance and cooperation of both Yuchai's Chinese shareholders, in the daily management and operation of Yuchai, as well as the State Holding Company, in dealing with various matters, including the implementation of corporate governance

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procedures, the payment of dividends, the holding of Yuchai board meetings and the resolution of employee-related matters.

There can be no assurance that such disagreements and difficulties with Yuchai's management and/or Yuchai's Chinese shareholders will not recur and that these disagreements and difficulties would not, ultimately, have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

### **Yuchai depends on and expects to continue to depend on the Dongfeng group for a significant percentage of Yuchai's sales.**

Yuchai's sales are concentrated among the Dongfeng group of companies, which includes Dongfeng Automobile Co., Ltd., one of the largest state-owned automobile companies in China, and other major diesel truck manufacturers controlled by or affiliated with Dongfeng Automobile Co., Ltd. In 2017, sales to the Dongfeng group accounted for 29.8% of Yuchai's total revenue, of which sales to its two largest customers, Dongfeng Liuzhou Motor Co., Ltd and Dong Feng Special Vehicle Chassis National Agent (a Dong Feng Commercial Vehicle Co., Ltd. company), accounted for 10.7% and 4.3%, respectively. In 2017, sales to its top five customers including the Dongfeng group accounted for 40.1% of its total revenue. As such, the loss of one or more of the companies, within the Dongfeng group, as a customer or any one of its other top four customers, whether singly or together, would have a material adverse effect on the Group's financial condition, results of operations, business and prospects.

As Yuchai is dependent on the purchases made by the Dongfeng group, it has exposure to their liquidity owing to the high level of accounts receivables from them. There can be no assurance that the Dongfeng group will continue to be able to repay all the money they owe to Yuchai. In addition, the Dongfeng group may not be able to continue purchasing the same volume of products from Yuchai, which would reduce Yuchai's overall sales volume. This would have a material adverse effect on the Group's financial condition, results of operations, business and prospects.

The Dongfeng group also competes with Yuchai in the diesel engine market in China. There can be no assurance that truck manufacturers affiliated with Dongfeng Automobile Co., Ltd. will not preferentially purchase diesel engines manufactured by companies within the Dongfeng Group over those manufactured by Yuchai.

### **RISKS RELATING TO AN INVESTMENT IN THE SHARES**

#### **Shareholders who do not or are not able to accept their provisional allotment of Rights Shares will experience a dilution in their ownership of the Company.**

In the event that Entitled Shareholders do not or are not able to accept their provisional allotment of Rights Shares, their proportionate ownership of the Company will be reduced and such Shareholders will have their shareholdings in the Company diluted after completion of the Rights Issue due to the issuance of new Shares. They may also experience a dilution in the value of their Shares. Even if an Entitled Shareholder sells his provisional allotment of Rights Shares, or such provisional allotment of Rights Shares are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his ownership of the Company as a result of the Rights Issue.



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**The price of the Shares may be volatile, which could result in substantial losses for investors subscribing for the Rights Shares.**

The trading price of the Shares could be subject to fluctuations in response to variations in the Group's results of operations, changes in general economic conditions, changes in accounting principles or other developments affecting the Group, its involvement in litigation, additions or departures in key personnel, any announcements by the Group of corporate developments, changes in financial estimates by securities analysts, the operating and stock price performance of other companies and other events or factors. The global financial markets have experienced significant price and volume fluctuations in recent years. Volatility in the price of the Shares may be caused by factors outside its control and may be unrelated or disproportionate to the Group's operating results.

There is no assurance that the market price for the Shares will not fluctuate significantly and rapidly as a result of certain factors, some of which are beyond the Company's control. Examples of such factors include, *inter alia*, (i) corporate actions; (ii) variation(s) of its operating results; (iii) changes in securities analysts' estimates of the Group's financial performance; (iv) additions or departures of key personnel; (v) fluctuations in stock market prices and volume; (vi) involvement in litigation; and (vii) general economic, political and regulatory environment in the markets that the Group operates in.

**There is no assurance that an active market for the Shares will develop after the Rights Issue.**

There is no assurance that the market price for the Rights Shares will not decline below the Issue Price after the Rights Issue. Shareholders should note that the Shares trade in board lots of 100 Shares. Following the Rights Issue, Shareholders who hold odd lots of the Rights Shares and who wish to trade in odd lots on the SGX-ST should note that there is no assurance that they will be able to acquire such number of Rights Shares to make up one board lot of 100 Rights Shares or to dispose of their odd lots (whether in part or whole) on the SGX-ST. Further, Entitled Shareholders who hold odd lots of less than 100 Rights Shares may experience difficulty and/or have to bear disproportionate transaction costs in disposing of odd lots of their Rights Shares.

**An active market may not develop for the "nil-paid" rights entitlements during the provisional allotment period prescribed by the SGX-ST.**

There is no assurance that an active trading market for the "nil-paid" rights on the SGX-ST will develop during the trading period or that any over-the-counter trading market for the "nil-paid" rights will develop. Even if an active market develops, the trading price of the "nil-paid" rights, which depends on the trading price of the Shares, may be volatile. In addition, Shareholders in certain jurisdictions are not allowed to participate in the Rights Issue. The "nil-paid" rights which would otherwise be provisionally allotted to Foreign Shareholders may be sold by the Company, which could affect the trading price of the "nil-paid" rights.

**Investors may experience future dilution in the value of their Shares.**

The Company may need to raise additional funds in the future to finance the repayment of borrowings, business expansion and/or acquisitions and/or investments. If additional funds

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are raised through the issuance by the Company of new Shares other than on a *pro rata* basis to existing Shareholders, the percentage ownership of existing Shareholders may be reduced and existing Shareholders may experience dilution in the value of their Shares.

**Any future sales of the Shares by the Group's Substantial Shareholders and/or Directors could adversely affect its Share price.**

Any future sale of Shares by the Substantial Shareholders and/or Directors in the public market can have a downward pressure on the price of the Shares. The sale of a significant amount of such Shares in the public market, or the perception that such sales may occur could materially and adversely affect the market price of its Shares. These factors could also affect the Group's ability to issue additional equity securities in future.

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- 10. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**
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Not applicable. No profit forecast is disclosed in this Offer Information Statement.

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- 11. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**
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Not applicable. No profit forecast or profit estimate is disclosed in this Offer Information Statement.

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- 12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**
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Not applicable. No profit forecast is disclosed in this Offer Information Statement.

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- 13. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –**
- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or**

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- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

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Not applicable. No profit forecast is disclosed in this Offer Information Statement.

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14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

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Not applicable. No profit forecast is disclosed in this Offer Information Statement.

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**Significant Changes**

**15. Disclose any event that has occurred from the end of –**

**(a) the most recent completed financial year for which financial statements have been published; or**

**(b) if interim financial statements have been published for any subsequent period, that period,**

**to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.**

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Save as disclosed in this Offer Information Statement, in the Company's annual reports, circulars and SGXNET announcements, the Directors are not aware of any event which has occurred from 1 January 2018 and up to the Latest Practicable Date which has not been publicly announced and may have a material effect on the financial position and results of the Group.

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**16. In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNET.**

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Noted.

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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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### PART VI: THE OFFER AND LISTING

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#### Offer and Listing Details

- 1. Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, the method by which the offer price is to be determined must be explained.**

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The Issue Price for each Rights Share is S\$0.54, payable in full on acceptance and (if applicable) application.

The expenses incurred in respect of the Rights Issue will not be specifically charged to subscribers or purchasers of the Rights Shares. The expenses associated with the Rights Issue will be deducted from the gross proceeds received by the Company from the Rights Issue.

However, an administrative fee will be charged by the Participating Banks for each Electronic Application made through the ATMs of the respective Participating Banks, and such administrative fee will be borne by the subscribers of the Rights Shares.

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- 2. If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**

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Not applicable. The Shares are, and the Rights Shares will be, listed, quoted and traded on the SGX-ST.

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- 3. If –**

- (a) any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities being offered; and**
- (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived, indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.**

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Not applicable. None of the Shareholders have pre-emptive rights to subscribe for the Rights Shares.

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As there may be prohibitions or restrictions against the offering of the Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the section titled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement for further details.

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- 4. If securities of the same class as those securities being offered are listed for quotation on any securities exchange:**
- (a) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –**
    - (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and**
    - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or**
  - (b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities**
    - (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and**
    - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;**
  - (c) disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than 3 years, during the period from the date on which the securities were first listed to the latest practicable date; and**
  - (d) disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange.**
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- (a) The following table sets forth the highest and lowest market prices for the Shares and the volume of the Shares traded on the SGX-ST for each of the last 12 months immediately preceding the Latest Practicable Date and for the period from 1 September 2018 to the Latest Practicable Date:

	Share price (S\$)		Volume of Shares traded
	Highest market price	Lowest market price	
<b>September 2017</b>	0.985	0.860	1,699,000
<b>October 2017</b>	1.260	0.865	15,092,300
<b>November 2017</b>	1.290	1.040	10,647,400
<b>December 2017</b>	1.100	1.000	3,389,000
<b>January 2018</b>	1.250	1.040	7,454,700
<b>February 2018</b>	1.190	1.020	6,583,300
<b>March 2018</b>	1.090	0.930	5,699,600
<b>April 2018</b>	1.040	0.900	3,085,800
<b>May 2018</b>	1.040	0.935	1,382,200
<b>June 2018</b>	0.980	0.885	1,282,600
<b>July 2018</b>	0.905	0.850	1,807,100
<b>August 2018</b>	0.870	0.630	4,667,000
<b>1 September 2018 to 27 September 2018 (being the Latest Practicable Date)</b>	0.645	0.555	3,139,500

*(Source: Bloomberg L.P. Bloomberg L.P. has not consented to the inclusion of the information above which is publicly available, and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. The Company has included the above information in its proper form and context and have not verified the accuracy of the content of such information. The Company is not aware of any disclaimers made by Bloomberg L.P. in relation to the above information.)*

- (b) Not applicable. The Shares have been listed and quoted on the SGX-ST for more than 12 months preceding the Latest Practicable Date.
- (c) There has not been any significant trading suspension of the Shares during the three (3) years immediately preceding the Latest Practicable Date.
- (d) Please refer to the table above for the volume of Shares traded during each of the last 12 calendar months immediately preceding the Latest Practicable Date and for the period from 1 September 2018 to the Latest Practicable Date. Based on the information set out therein, the Shares are regularly traded on the SGX-ST.

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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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5. Where the securities being offered are not identical to the securities already issued by the relevant entity, provide
- (a) statement of the rights, preferences and restrictions attached to the securities being offered; and
  - (b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or *pari passu* with the securities being offered.
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- (a) The Rights Shares will, upon allotment and issuance, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares.
  - (b) The Rights Shares are to be issued pursuant to the specific approval by Shareholders to the Directors at the Company's extraordinary general meeting held on 24 September 2018.
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### Plan of Distribution

6. Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.
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The Rights Issue is made on a renounceable non-underwritten basis of up to 374,678,559 Rights Shares to Entitled Shareholders at the Issue Price of S\$0.54 for each Rights Share, on the basis of one (1) Rights Share for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date.

The Rights Shares will not be offered through any broker or dealer.

Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce or in the case of Entitled Depositors only, trade (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotments of Rights Shares on the SGX-ST and are eligible to apply for Excess Rights Shares in excess of their provisional allotments under the Rights Issue.

The basis of allotting any Excess Rights Shares will be determined at the absolute discretion of the Directors. In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and the Directors and the Substantial Shareholders (including HLCH and its concert parties) who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company will also not make



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## **SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005**

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any allotment and issuance of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting. For the avoidance of doubt, only Entitled Shareholders (and not Purchasers or renounees) shall be entitled to apply for Excess Rights Shares.

The distribution of this Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or unless relevant securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than in Singapore, the Rights Issue is only offered to Entitled Shareholders and the Rights Shares will not be offered to Foreign Shareholders. This Offer Information Statement and its accompanying documents have not been and will not be despatched to Foreign Shareholders or into any jurisdiction outside Singapore. Please refer to the section entitled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement for further details.

The allotment and issuance of the Rights Shares pursuant to the Rights Issue are governed by the terms and conditions as set out in this Offer Information Statement, including Appendices II, III and IV to this Offer Information Statement, the PAL, the ARE and the ARS and (if applicable) the Constitution of the Company.

In view of the Irrevocable Undertaking and the savings in underwriting costs which the Company will enjoy, the Company has decided to proceed with the Rights Issue on a non-underwritten basis. Please refer to paragraph 1(f) of Part X of this Offer Information Statement for further details on the Irrevocable Undertaking.

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### **7. Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter.**

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Not applicable. The Rights Issue is not underwritten by any financial institution. However, please refer to paragraph 1(f) of Part X of this Offer Information Statement for further details on the Irrevocable Undertaking.

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## **SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005**

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### **PART VII: ADDITIONAL INFORMATION**

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#### **Statements by Experts**

- 1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

- 2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert**

- (a) state the date on which the statement was made;**
- (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
- (c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

- 3. The information referred to in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 26(2) or (3) applies.**

Not applicable. No statement or report made by an expert is included in this Offer Information Statement.

#### **Consents from Issue Managers and Underwriters**

- 4. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**

The Manager has given and has not, before the lodgment of this Offer Information Statement, withdrawn its written consent to being named in this Offer Information Statement as the Manager of the Rights Issue.

No underwriter has been appointed in relation to the Rights Issue.

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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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### Other Matters

5. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly
- (a) the relevant entity's business operations or financial position or results; or
  - (b) investments by holders of securities in the relevant entity.

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Save as disclosed in this Offer Information Statement and the Company's annual reports, circulars and SGXNET announcements, the Directors are not aware of any other matters which could materially affect, directly or indirectly, the Group's business operations or financial position or results or investments by holders of securities in the Company.

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### PART VIII: ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES

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Not applicable.

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### PART IX: ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES

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Not applicable.

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### PART X: ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES BY WAY OF RIGHTS ISSUE

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1. Provide –

- (a) the particulars of the Rights Issue;

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Please refer to section entitled "Principal Terms of the Rights Issue" of this Offer Information Statement for the particulars of the Rights Issue.

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- (b) the last day and time for splitting of the provisional allotment of the securities to be issued pursuant to the rights issue;

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The last date and time for splitting of the provisional allotment of Rights Shares is on 15 October 2018 at 5.00 p.m. (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

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- (c) the last day and time for acceptance of and payment for the securities to be issued pursuant to the rights issue;

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The last date and time for acceptance of and payment for the Rights Shares is on 19 October 2018 at 5.00 p.m. (and 9.30 p.m. for Electronic Applications) (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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**(d) the last day and time for renunciation of and payment by the renouncee for the securities to be issued pursuant to the rights issue;**

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The last date and time for acceptance of payment by the renouncee for the Rights Shares is on 19 October 2018 at 5.00 p.m. (and 9.30 p.m. for Electronic Applications) (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Entitled Depositors who wish to renounce their provisional allotments of Rights Shares in favour of a third party should note that CDP requires three (3) Market Days to effect such renunciation. As such, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for the renouncee to accept his provisional allotment of Rights Shares.

Please refer to the section entitled "Indicative Timetable of Key Events" of this Offer Information Statement for more details.

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**(e) the terms and conditions of the offer of securities to be issued pursuant to the rights issue;**

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The terms and conditions of the Rights Issue are as set out in this Offer Information Statement, including Appendices II, III and IV to this Offer Information Statement, and in the PAL, the ARE and the ARS.

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**(f) the particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the relevant entity to subscribe for their entitlements; and**

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As at the date of this Offer Information Statement, the Undertaking Shareholder owns and/or has shareholding interests in 239,664,000 Shares representing approximately 64.10% of the Existing Issued Share Capital, and does not own any instruments convertible into, rights to subscribe for, or options in respect of, Shares.

To demonstrate its confidence in the Rights Issue and its commitment and support to the Company, the Undertaking Shareholder has executed the Irrevocable Undertaking in favour of the Company, pursuant to which it has irrevocably undertaken to the Company, *inter alia*, that:

- (a) as at the Books Closure Date, it will own, directly and/or indirectly, no less than 239,664,000 Shares ("**Undertaken Shares**");
- (b) it will not sell, transfer or otherwise dispose of the Undertaken Shares on or prior to the Books Closure Date;
- (c) it will vote, and procure that the relevant persons will vote, in respect of the Undertaken Shares, in favour of the resolutions to be proposed at the extraordinary general meeting to approve the Rights Issue;

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## SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

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- (d) it will, by way of acceptance, subscribe and pay for (or procure subscription and payment for) in full at the Issue Price, an aggregate of 239,664,000 Rights Shares (the aggregate value of which is approximately S\$129.4 million based on the Issue Price) to be provisionally allotted to it on the basis of the Undertaken Shares (“**HLCH Entitlement**”); and
- (e) it will, by way of excess application, subscribe and pay for, at the Issue Price, all the Rights Shares which are not taken up by the other Shareholders who are eligible to participate in the Rights Issue or their renouncees by way of acceptances and/or excess applications (subject to availability) (“**HLCH Excess Application**”).

The Irrevocable Undertaking is subject to:

- (i) the in-principle approval of the SGX-ST for the listing of and quotation for the Rights Shares on the SGX-ST (which was granted on 5 September 2018) and if such approval is granted subject to conditions, such conditions being acceptable to the Company and the Undertaking Shareholder, and such approval not having been withdrawn or revoked on or prior to the completion of the Rights Issue;
- (ii) the approval of the Shareholders at the extraordinary general meeting convened for the Rights Issue; and
- (iii) the lodgment of the Offer Information Statement, together with all other accompanying documents (if applicable) in respect of the Rights Issue with the Authority.

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- (g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.**
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In view of the Irrevocable Undertaking and the savings in underwriting costs which the Company will enjoy, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

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## APPENDIX I – ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8.2 OF THE LISTING MANUAL

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### 1. Provide a review of the working capital for the last three financial years and the latest half year, if applicable.

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The working capital of the Group as at 31 December 2015, 31 December 2016, 31 December 2017 and 30 June 2018 are set out below:

	<b>As at 31 December 2015 S\$'000 (Audited)</b>	<b>As at 31 December 2016 S\$'000 (Audited)</b>	<b>As at 31 December 2017 S\$'000 (Audited)</b>	<b>As at 30 June 2018 S\$'000 (Unaudited)</b>
Total current assets	3,468,467	3,305,062	3,720,437	3,806,599
Total current liabilities	2,686,181	2,350,121	2,580,571	2,536,599
<b>Working capital</b>	<b>782,286</b>	<b>954,941</b>	<b>1,139,866</b>	<b>1,270,000</b>

A review of the working capital of the Group is set out below:

#### **As at 30 June 2018 vs 31 December 2017**

Working capital increased by S\$130.1 million from S\$1.139 billion as at 31 December 2017 to S\$1.270 billion as at 30 June 2018. This was due to an increase in current assets of S\$86.1 million and a decrease in current liabilities of S\$44.0 million.

Current assets increased by S\$86.1 million due to an increase in trade receivables of S\$171.0 million and an increase in short term deposits of S\$64.6 million, partially offset by a decrease in inventories of S\$148.7 million.

Current liabilities decreased by S\$44.0 million due to a decrease in short term borrowings of S\$81.1 million and decrease in provisions of S\$24.6 million, partially offset by an increase in trade and other payables of S\$63.0 million.

#### **As at 31 December 2017 vs 31 December 2016**

Working capital increased by S\$184.9 million from S\$0.955 billion as at 31 December 2016 to S\$1.139 billion as at 31 December 2017. This is due to an increase in current assets of S\$415.4 million, partially offset by an increase in current liabilities of S\$230.5 million.

Current assets increased by S\$415.4 million due to an increase in short term deposits of S\$330.2 million and an increase in inventories of S\$166.8 million, partially offset by a decrease in trade receivables of S\$65.8 million and a decrease in assets held for sale of S\$18.4 million in relation to the disposal of interest in CHQ.

Current liabilities increased by S\$230.5 million due to an increase in short term borrowings of S\$139.8 million, and an increase in trade and other payables of S\$85.2 million.

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## **APPENDIX I – ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8.2 OF THE LISTING MANUAL**

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### **As at 31 December 2016 vs 31 December 2015**

Working capital increased by S\$172.7 million from S\$782.3 million as at 31 December 2015 to S\$954.9 million as at 31 December 2016. This is due to a decrease in current liabilities of S\$336.0 million, partially offset by a decrease in current assets of S\$163.4 million.

Current liabilities decreased by S\$336.0 million due to a decrease in loans and borrowings of S\$383.6 million in relation to CYI's repayment of its medium term and ultra short term bond. This was partially offset by an increase in trade and other payables of S\$50.7 million.

Current assets decreased by S\$163.4 million due to a decrease in trade and other receivables of S\$139.1 million and a decrease in inventories of S\$59.8 million. This was partially offset by an increase in cash holdings of S\$20.5 million and an increase of S\$18.4 million due to interest held in Copthorne Hotel Qingdao Co., Ltd. reclassified from non-current asset to assets held for sale.

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### **2. Convertible Securities**

- (a) Where the rights issue or bought deal involves an issue of convertible securities, such as company warrants or convertible debt, the information in Rule 832 of the Listing Manual.**
- (b) Where the rights issue or bought deal is underwritten and the exercise or conversion price is based on price fixing formula, to state that the exercise or conversion price must be fixed and announced before trading of nil-paid rights commences.**

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Not applicable as the Rights Issue does not involve an issue of convertible securities.

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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### 1. INTRODUCTION

- 1.1 Entitled Depositors are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM shall, where the Entitled Depositor is a Depository Agent, be taken to include an application made via the SGX-SSH Service.
- 1.2 The provisional allotments of Rights Shares are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Constitution of the Company and the instructions in the ARE.

The number of Rights Shares provisionally allotted to each Entitled Depositor is indicated in the ARE. The Securities Accounts of Entitled Depositors have been credited by CDP with the provisional allotments of Rights Shares as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Shares in full or in part and are eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue. Full instructions for the acceptance of and payment for the provisional allotments of Rights Shares and the application and payment for Excess Rights Shares are set out in the Offer Information Statement as well as the ARE.

- 1.3 If an Entitled Depositor wishes to accept his provisional allotment of Rights Shares specified in the ARE, in full or in part, and (if applicable) apply for Excess Rights Shares in addition to the Rights Shares which have been provisionally allotted to him, he may do so by way of an Electronic Application or by completing and signing the relevant sections of the ARE. An Entitled Depositor should ensure that the ARE is accurately completed and signed, failing which the acceptance of the provisional allotment of Rights Shares and (if applicable) application for Excess Rights Shares may be rejected.

For and on behalf of the Company, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if this ARE is not accurately completed and signed or if the “Free Balance” of your Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares accepted as at the last time and date for acceptance, application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the excess application is in breach of the terms of the ARE or the Offer Information Statement, at CDP’s absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank) or **BY MEANS OF A CROSSED CHEQUE in Singapore currency SENT BY ORDINARY POST to his/their mailing addresses as maintained in the records of CDP for the payment of any cash distribution**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

**AN ENTITLED DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF RIGHTS SHARES SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS SHARES EITHER THROUGH CDP AND/OR BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK. WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SSH SERVICE.**



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## **APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS**

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Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or with the terms and conditions of this Offer Information Statement, or in the case of an acceptance and/or application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Shares and/or Excess Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

The Company and CDP shall be entitled to process each application submitted for the acceptance of the provisional allotment of Rights Shares, and where applicable, each application for Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Shares.

- 1.4 **For SRS Investors and investors who hold Shares through finance companies or Depository Agents, acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares must be done through the respective finance companies or Depository Agents. Any acceptance and/or application made directly through CDP, Electronic Applications at any ATM of a Participating Bank, the Share Registrar and/or the Company will be rejected.**
- 1.5 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Entitled Depositors or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

### **2. MODE OF ACCEPTANCE AND APPLICATION**

#### **2.1 Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank**

Instructions for Electronic Applications through ATMs to accept the Rights Shares provisionally allotted or (if applicable) to apply for Excess Rights Shares will appear on the ATM screens of the respective Participating Banks. Please refer to Appendix IV of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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IF AN ENTITLED DEPOSITOR MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, HE WOULD HAVE IRREVOCABLY AUTHORISED THE PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ENTITLED DEPOSITOR WHO HAS ACCEPTED THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO HIM BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS SHARES BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, THE COMPANY AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE COMPANY AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.

### 2.2 Acceptance/Application through CDP

If the Entitled Depositor wishes to accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part C(i) of the ARE the total number of Rights Shares provisionally allotted to him which he wishes to accept and the number of Excess Rights Shares applied for and in Part C(ii) of the ARE the 6 digits of the Cashier's Order/Banker's Draft; and
- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for:
  - (i) by hand to **HONG LEONG ASIA LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588;**
  - (ii) by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **HONG LEONG ASIA LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147,**

in each case so as to arrive not later than **5.00 P.M. ON 19 OCTOBER 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The payment for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to **"CDP – HONG LEONG ASIA RIGHTS ISSUE ACCOUNT"** and crossed **"NOT NEGOTIABLE, A/C PAYEE ONLY"** with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

**NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

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## **APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS**

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### **2.3 Acceptance through the SGX-SSH Service (for Depository Agents only)**

Depository Agents may accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares through the SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Company to receive acceptances on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and the Offer Information Statement as if the ARE had been completed and submitted to CDP.

### **2.4 Insufficient Payment**

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares accepted by the Entitled Depositor and (if applicable) the Excess Rights Shares applied for by the Entitled Depositor; the attention of the Entitled Depositor is drawn to paragraphs 1.3 and 5.2 of this Appendix II which set out the circumstances and manner in which the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf whether under the ARE, the ARS or any other application form for Rights Shares in relation to the Rights Issue.

### **2.5 Acceptance of Part of Provisional Allotments of Rights Shares and Trading of Provisional Allotments of Rights Shares**

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Shares and trade the balance of his provisional allotment of Rights Shares on the SGX-ST, he should:

- (a) complete and sign the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 2.2 above to CDP; or
- (b) accept and subscribe for that part of his provisional allotment of Rights Shares by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.1 or 2.3 above.

The balance of his provisional allotment of Rights Shares may be sold as soon as dealings therein commence on the SGX-ST.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 100 Rights Shares, or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the provisional allotment trading period.

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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### 2.6 Sale of Provisional Allotments of Rights Shares

The ARE need not be forwarded to the purchasers of the provisional allotments of Rights Shares (“**Purchasers**”) as arrangements will be made by CDP for separate ARS to be issued to the Purchasers whose mailing addresses maintained with CDP are in Singapore. Purchasers should note that CDP will, for and on behalf of the Company, send the ARS, accompanied by this Offer Information Statement and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS’ OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARSs are accurately completed and signed, failing which their acceptances of the provisional allotments of Rights Shares may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP or the Share Registrar, for the period up to **5.00 p.m. on 19 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Purchasers should also note that if they make any purchase on or around the last trading day of the nil-paid Rights, this Offer Information Statement and its accompanying documents might not be despatched in time for the subscription of the Rights Shares. Purchasers may obtain a copy from CDP. Alternatively, Purchasers may accept and subscribe by way of Electronic Applications in the prescribed manner as described in paragraph 2.1 above.

This Offer Information Statement and its accompanying documents will not be despatched to Purchasers whose registered addresses with CDP are not in Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Foreign Purchasers are advised that their participation in the Rights Issue may be restricted or prohibited by the laws of the jurisdiction in which they are located or resident.

**PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS SHARES REPRESENTED BY THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ON THEIR BEHALF.**

### 2.7 Renunciation of Provisional Allotments of Rights Shares

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Rights Shares in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Rights Shares which they wish to renounce. Such renunciation shall be made in accordance with the “Terms and Conditions for Operations of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least 3 Market Days to effect such renunciation, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his

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## **APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS**

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provisional allotments of Rights Shares. The last time and date for acceptance of the provisional allotments of Rights Shares and payment for the Rights Shares by the renouncee is **5.00 p.m. on 19 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) (if acceptance is made through CDP) or **9.30 p.m. on 19 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) (if acceptance is made by way of an Electronic Application through an ATM of a Participating Bank).

### **3. COMBINATION APPLICATION**

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Rights Shares by way of the ARE and/or the ARS and also by way of Electronic Application(s) and/or has applied for Excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or the Purchaser shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Shares provisionally allotted to him and/or application for Excess Rights Shares (including an Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

### **4. ILLUSTRATIVE EXAMPLES**

As an illustration, if an Entitled Depositor has 1,000 Shares standing to the credit of his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 1,000 Rights Shares as set out in his ARE. The Entitled Depositor's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

<b>Alternatives</b>	<b>Procedures to be taken</b>
(a) Accept his entire provisional allotment of 1,000 Rights Shares and (if applicable) apply for Excess Rights Shares.	(1) Accept his entire provisional allotment of 1,000 Rights Shares and (if applicable) apply for Excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than <b>9.30 p.m. on 19 October 2018</b> (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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### Alternatives

### Procedures to be taken

- (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his provisional allotment of 1,000 Rights Shares and (if applicable) the number of Excess Rights Shares applied for and forward the original signed ARE together with a single remittance for S\$540.00 (or, if applicable, such higher amount in respect of the total number of Rights Shares accepted and Excess Rights Shares applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to **"CDP – HONG LEONG ASIA RIGHTS ISSUE ACCOUNT"** and crossed **"NOT NEGOTIABLE, A/C PAYEE ONLY"** for the full amount due on acceptance and (if applicable) application, by hand to **HONG LEONG ASIA LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588** or by post, at his own risk, in the self-addressed envelope provided to **HONG LEONG ASIA LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **5.00 p.m. on 19 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

**NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**



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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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### Alternatives

### Procedures to be taken

- (b) Accept a portion of his provisional allotment of Rights Shares, for example 400 provisionally allotted Rights Shares, not apply for Excess Rights Shares and trade the balance on the SGX-ST.

- (1) Accept his provisional allotment of 400 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 19 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 400 Rights Shares, and forward the original signed ARE, together with a single remittance for S\$216.00, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.00 p.m. on 19 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 600 Rights Shares which is not accepted by the Entitled Depositor may be traded on the SGX-ST during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Rights Shares would be tradable in the ready market in board lots, each board lot comprising provisional allotments size of 100 Rights Shares or any other board lot size which the SGX-ST may require.

- (c) Accept a portion of his provisional allotment of Rights Shares, for example 400 provisionally allotted Rights Shares, and reject the balance.

- (1) Accept his provisional allotment of 400 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 19 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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### Alternatives

### Procedures to be taken

- (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of his provisional allotment of 400 Rights Shares and forward the original signed ARE, together with a single remittance for S\$216.00, in the prescribed manner described in alternative (a)(2) above to CDP so as to arrive not later than **5.00 p.m. on 19 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 600 Rights Shares which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through an ATM of a Participating Bank by **9.30 p.m. on 19 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or if an acceptance is not made through CDP by **5.00 p.m. on 19 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

## 5. TIMING AND OTHER IMPORTANT INFORMATION

### 5.1 Timing

**THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IN RELATION TO THE RIGHTS ISSUE IS:**

- (A) **9.30 P.M. ON 19 OCTOBER 2018 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH AN ATM OF A PARTICIPATING BANK; OR**
- (B) **5.00 P.M. ON 19 OCTOBER 2018 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH CDP OR SGX-SSH SERVICE.**



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## **APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS**

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If acceptance of and (if applicable) excess application and payment for, the Rights Shares in the prescribed manner as set out in the ARE, the ARS, or the PAL (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank by **9.30 p.m. on 19 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or through CDP by **5.00 p.m. on 19 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser, the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All monies received in connection therewith will be returned or refunded by CDP for and on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by ordinary post to their mailing addresses as maintained in the records of CDP and **AT THE ENTITLED DEPOSITOR'S OR THE PURCHASER'S OWN RISK (AS THE CASE MAY BE).**

**IF AN ENTITLED DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.**

### **5.2 Appropriation**

Without prejudice to paragraph 1.3 of this Appendix II, an Entitled Depositor should note that:

- (a) by accepting his provisional allotment of Rights Shares and/or applying for Excess Rights Shares, he acknowledges that, in the case where the amount of remittance payable to the Company in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) in respect of his application for Excess Rights Shares as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Shares in relation to the Rights Issue differs from the amount actually received by CDP. The Company and/or CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Shares provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for Excess Rights Shares. Without prejudice to the above, CDP shall be entitled to make such appropriation for each application based on the amount received for that application notwithstanding payment (or overpayment) made in that or other application(s). The determination and appropriation by the Company and/or CDP shall be conclusive and binding;
- (b) if the Entitled Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Shares and/or Excess Rights Shares in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Company and CDP, in applying the amounts payable for his acceptance of the Rights Shares and

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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(if applicable) his application for Excess Rights Shares, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Shares and/or Excess Rights Shares in relation to the Rights Issue made through CDP; and

- (c) in the event that the Entitled Depositor accepts the Rights Shares provisionally allotted to him by way of the ARE and/or the ARS and/or has applied for Excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be deemed as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for Excess Rights Shares (including Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

### 5.3 Application for Excess Rights Shares

The Excess Rights Shares available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Constitution of the Company. Applications for Excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renouncee(s) or the Purchaser(s) of the provisional allotments of Rights Shares together with any unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Constitution of the Company. In the event that applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of any Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, and the Directors and the Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation on the Board (whether direct or through a nominee) will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company reserves the right to refuse any application for Excess Rights Shares, in whole or in part, without assigning any reason whatsoever. In the event that the number of Excess Rights Shares allotted to an Entitled Depositor is less than the number of Excess Rights Shares applied for, the Entitled Depositor shall be deemed to have accepted the number of Excess Rights Shares actually allotted to him.

If no Excess Rights Shares are allotted or if the number of Excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application moneys, as the case may be, will be refunded to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom, within 3 business days after the commencement of trading of the Rights Shares, by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for Excess Rights

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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Shares by way of an Electronic Application through an ATM of a Participating Bank), the receipt by such banks being a good discharge to the Company and CDP of their obligations, if any, thereunder, or by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent **BY ORDINARY POST AT THEIR OWN RISK** to their mailing address as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they had applied for Excess Rights Shares through CDP).

### 5.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of the provisional allotment of Rights Shares is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Shares is effected by **9.30 p.m. on 19 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) Excess Rights Shares applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – HONG LEONG ASIA RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft is submitted by hand to **HONG LEONG ASIA LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED**, at **9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588** or by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **HONG LEONG ASIA LTD. C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5.00 p.m. on 19 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (c) acceptance is made by a Depository Agent via the SGX-SSH Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent(s) for the Rights Shares is effected by **5.00 p.m. on 19 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

the provisional allotment of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All monies received in connection therewith will be returned or refunded to the Entitled Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom **BY ORDINARY POST** and at the **ENTITLED DEPOSITOR'S OR THE PURCHASERS' OWN RISK (AS THE CASE MAY BE)** to their mailing addresses as maintained in the records of CDP or in such other manner as they may

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## **APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS**

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have agreed with CDP for the payment of any cash distribution (where acceptance and/or application has been made through CDP) or by crediting their accounts with the relevant Participating Banks (where acceptance and/or application has been made by way of an Electronic Application through an ATM of a Participating Bank), **AT THE ENTITLED DEPOSITORS' OR THE PURCHASERS' OWN RISK (AS THE CASE MAY BE).**

**ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.**

### **5.5 Certificates**

The certificates for the Rights Shares and Excess Rights Shares will be registered in the name of CDP or its nominee. Upon the crediting of the Rights Shares and Excess Rights Shares, CDP will send to you, **BY ORDINARY POST AND AT YOUR OWN RISK**, a notification letter showing the number of Rights Shares and Excess Rights Shares credited to your Securities Account.

### **5.6 General**

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Shares provisionally allotted and credited to your Securities Account. You can verify the number of Rights Shares provisionally allotted and credited to your Securities Account online if you have registered for CDP Internet Access or through CDP Automated Phone Services Hotline number (65) 6535-7511 using your telephone pin (T-Pin). Alternatively, you may proceed personally to CDP with your identity card or passport to verify the number of Rights Shares provisionally allotted and credited to your Securities Account.

It is your responsibility to ensure that the ARE and/or the ARS is accurately completed in all respects and signed. The Company and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein and in the ARE and/or the ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or the ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Company accepts any responsibility or liability for the consequences of such a decision.

**EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES AND (IF APPLICABLE) YOUR APPLICATION FOR EXCESS RIGHTS SHARES IS IRREVOCABLE.**

No receipt or acknowledgement will be given for any submissions sent by post, deposited into boxes located at CDP's premises or submitted by hand at CDP's counters. You can check the status of your acceptance of the provisional allotment of Rights Shares and (if applicable) your application for Excess Rights Shares through CDP Automated Phone Services Hotline number (65) 6535-7511 using your T-Pin.

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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### CDP Phone User Guide

1. Dial (65) 6535-7511
2. Press '1' for English; Press '2' Mandarin
3. Press '1' for 'All CDP account related queries'
4. Press '3' for 'Corporate Actions Announcement and Transactions'
5. Press '2' for your rights application status
6. Enter your 12 digit CDP securities account number
7. Enter your 6 digit telephone pin

All communications, notices, documents and remittances to be delivered or sent to you will be sent **BY ORDINARY POST** to your mailing address in Singapore as maintained in the records of CDP, and **AT YOUR OWN RISK**.

### 5.7 Personal Data Privacy

By completing and delivering an ARE or an ARS and in the case of an Electronic Application, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key, an Entitled Depositor or a Purchaser (i) consents to the collection, use and disclosure of his personal data by the Participating Banks, the Share Registrar, Securities Clearing and Computer Services (Pte) Limited, CDP, the SGX-ST, the Company and the Manager ("**Relevant Persons**") for the purpose of facilitating his application for the Rights Shares, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

## 6. PROCEDURE TO COMPLETE THE ARE/ARS

### 6.1 Know your holdings and entitlement

#### A. KNOW YOUR HOLDINGS & ENTITLEMENT

Number of Shares  
currently held by you

XX,XXX

This is your  
shareholdings as at  
Books Closure Date.

Units as at  
XX January 2017  
(Record Date)

This is the date to  
determine your Rights  
Shares entitlements.

Number of Rights  
Units provisionally  
allotted\*

XX,XXX

This is your number of  
Rights Shares  
entitlements.

Issue Price

S\$0.0X per Rights Unit

This is price that you  
need to pay when you  
subscribe for one (1)  
Rights Share.

## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

### 6.2 Select your application options

#### **B. SELECT YOUR APPLICATION OPTIONS**

- 1. ATM** Follow the procedures set out on the ATM screen and submit your application through an ATM of a Participating Bank by **XX September 2015 at 9.30 p.m.**
- Participating Banks are **XXX, XXX** and **XXX**.
- 2. Mail** Complete section below and submit this form to CDP by **XX September at 5.00 p.m.**
- (i) Only BANKER'S DRAFT/CASHIER'S ORDER payable to **"CDP-XXXXX RIGHTS ISSUE ACCOUNT"** will be accepted
  - (ii) Applications using a PERSONAL CHEQUE, POSTAL ORDER or MONEY ORDER will be **rejected**
  - (iii) Write your name and securities account number on the back of the Banker's Draft/Cashier's Order

This is the last date and time to subscribe for the Rights Shares through ATMs of Participating Banks and CDP.

You can apply for your Rights Shares through ATMs of these Participating Banks.

This is the payee name to be issued on your Cashier's Order where XXXXX is the name of Company.

**Note:**

Please refer to the ARE/ARS for the actual holdings, entitlements, Books Closure Date, Issue Price, Closing Date, list of Participating Banks and payee name on the Cashier's Order.

### 6.3 Declaration

#### **C. DECLARATION**

Please read the instructions overleaf and fill in the blanks below accordingly.

- i. Total Number of Rights Shares Applied:**  
(Provisionally Allotted + Excess Rights Shares)

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- ii. Cashier's Order/Banker's Draft Details:**  
(Input last 6 digits of CO/BD)

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Signature of Shareholder(s)

Date

Fill in the total number of the Rights Shares and Excess Rights Shares (for ARE)/ number of Rights Shares (for ARS) that you wish to subscribe within the boxes.

Fill in the 6 digits of the Cashier's Order / Banker's Draft number (eg.001764) within the boxes.

Sign within the box.

**Notes:**

- (i) If the total number of Rights Shares applied exceeds the provisional allotted holdings in your CDP Securities Account as at the Closing Date, the remaining application will be put under excess and subjected to the excess allocation basis.
- (ii) The total number of Rights Shares applied will be based on cash amount stated in your Cashier's Order/Banker's Draft. The total number of Rights Shares will be appropriated accordingly if the applied quantity exceeds this amount.
- (iii) Please note to submit one (1) Cashier's Order per application form.

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

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### 6.4 Sample of a Cashier's Order

<b>CASHIER'S ORDER</b>		DATE <div style="border: 1px solid black; width: 150px; height: 20px; display: inline-block;"></div> <small>DD / MM / YY</small>
PAY CDP - <span style="background-color: black; color: black;">XXXX</span> RIGHTS ISSUE ACCOUNT		OR ORDER <div style="border: 1px solid black; width: 150px; height: 30px; display: inline-block; vertical-align: middle;">S\$ 7,600.00</div>
SINGAPORE DOLLARS **SEVEN THOUSAND SIX HUNDRED ONLY**		
BANK REF. : 0105085000052      S1		
VALID FOR SIX MONTHS ONLY FROM DATE OF ISSUE		
⑈ 001764 77105105099997 ⑈		



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## APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

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### 1. INTRODUCTION

Acceptances of the provisional allotment of and any excess application for the Rights Shares must be made on the appropriate form(s) accompanying and forming part of this Offer Information Statement.

Entitled Scripholders are entitled to receive this Offer Information Statement together with the following documents which are enclosed herewith, and are deemed to constitute a part of, this Offer Information Statement:

**Renounceable PAL incorporating:**

Form of Acceptance	Form A
Request for Splitting	Form B
Form of Renunciation	Form C
Form of Nomination	Form D
Application of Excess Rights Shares	Form E

The provisional allotments of the Rights Shares and application for Excess Rights Shares are governed by the terms and conditions of this Offer Information Statement and the enclosed PAL and (if applicable) the Constitution of the Company. The number of Rights Shares provisionally allotted to Entitled Scripholders is indicated in the PAL. Entitled Scripholders may accept their provisional allotments of Rights Shares, in full or in part, and are eligible to apply for Rights Shares in excess of their entitlements under the Rights Issue. Full instructions for the acceptance of and payment for the Rights Shares provisionally allotted to Entitled Scripholders and the procedures to be adopted should they wish to renounce, transfer or split all or part of their provisional allotments are set out in this Offer Information Statement as well as the PAL.

With regard to any acceptance, application and/or payment which does not conform strictly to the instructions set out under this Offer Information Statement, the PAL, the ARE, the ARS and/or any other application form for the Rights Shares in relation to the Rights Issue or with the terms and conditions of this Offer Information Statement, or in the case of any application by the PAL, the ARE and the ARS, and/or any other application form for the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Company may, at its absolute discretion, reject or treat as invalid any such acceptance, application and present for payment or other processes all remittances at any time after receipt in such manner as it may deem fit.

The Company and the Share Registrar shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Scripholder or a renouncee, on its own, without regard to any other application and payment that may be submitted by the same Entitled Scripholder or renouncee. For the avoidance of doubt, insufficient payment for an



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## APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

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application may render the application invalid and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application of Rights Shares and (if applicable) application for Excess Rights Shares.

**The full amount payable for the relevant number of Rights Shares accepted/applied for will be rounded up to the nearest whole cent, if applicable.**

**Entitled Scripholders who intend to trade any part of their provisional allotments of Rights Shares on the SGX-ST should note that all dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs will not be valid for delivery pursuant to trades done on the SGX-ST.**

Unless expressly provided to the contrary in this Offer Information Statement and/or the PAL, a person who is not a party to any contracts made pursuant to this PAL and/or this Offer Information Statement has no right under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

### 2. FORM OF ACCEPTANCE (FORM A)

#### 2.1 Acceptance

An Entitled Scripholder who wishes to accept his entire provisional allotment of Rights Shares or to accept any part of it and decline the balance should:

- (a) complete and sign the Form A of the PAL for the number of Rights Shares which he wishes to accept; and
- (b) forward the PAL at his own risk, in its entirety, duly completed and signed, together with payment in the prescribed manner to **HONG LEONG ASIA LTD. C/O THE SHARE REGISTRAR, M & C SERVICES PRIVATE LIMITED, 112 ROBINSON ROAD, #05-01, SINGAPORE 068902** so as to arrive not later than **5.00 p.m. on 19 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

#### 2.2 Insufficient payment

If:

- (a) no remittance is attached for the full amount that is payable for the provisional allotment of Rights Shares accepted by the Entitled Scripholder and (if applicable) the Excess Rights Shares applied for by the Entitled Scripholder; or

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## APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

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- (b) the remittance submitted together with the PAL, is less than the full amount that is payable for the provisional allotment of Rights Shares accepted by the Entitled Scripholder and (if applicable) the Excess Rights Shares applied for by the Entitled Scripholder,

in each case, the attention of the Entitled Scripholder is drawn to paragraph 2.3 of this Appendix III entitled “Appropriation” which sets out the circumstances and manner in which the Company and the Share Registrar shall be authorised and entitled to determine the number of Rights Shares which the Entitled Scripholder has given instructions to accept.

### 2.3 Appropriation

An Entitled Scripholder should note that by accepting his provisional allotment of Rights Shares, he acknowledges that, the Company and the Share Registrar, in determining the number of Rights Shares which the Entitled Scripholder has given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier’s Order or Banker’s Draft drawn on a bank in Singapore to be applied towards the payment of his acceptance of Rights Shares.

### 3. REQUEST FOR SPLITTING (FORM B), RENUNCIATION (FORM C) AND FORM OF NOMINATION (FORM D)

Entitled Scripholders who wish to accept a portion of their provisional allotment of Rights Shares and renounce the balance of their provisional allotment of Rights Shares, or who wish to renounce all or part of their provisional allotments in favour of more than one (1) person, should first, using Form B, request to have their provisional allotments under the PAL split into separate PALs (“**Split Letters**”) according to their requirements.

The duly completed Form B together with the PAL, in its entirety, should be returned to **HONG LEONG ASIA LTD. C/O THE SHARE REGISTRAR, M & C SERVICES PRIVATE LIMITED, 112 ROBINSON ROAD, #05-01, SINGAPORE 068902** so as to arrive not later than **5.00 p.m. on 15 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Split Letters will then be issued to Entitled Scripholders in accordance with their request. No Split Letters will be issued to Entitled Scripholders if Form B is received after **5.00 p.m. on 15 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The Split Letters, representing the number of Rights Shares which Entitled Scripholders intend to renounce, may be renounced by completing and signing Form C before delivery to the renounee(s). Entitled Scripholders should complete and sign Form A of the Split Letter(s) representing that part of their provisional allotments they intend to accept, if any, and forward the said Split Letter(s) together with payment in the prescribed manner to **HONG LEONG ASIA LTD. C/O THE SHARE REGISTRAR, M & C SERVICES PRIVATE LIMITED, 112 ROBINSON ROAD, #05-01, SINGAPORE 068902** so as to arrive not later than **5.00 p.m. on 19 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

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## APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

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Entitled Scripholders who wish to renounce their entire provisional allotment of Rights Shares in favour of one (1) person, or renounce any part of it in favour of one (1) person and decline the balance, should complete Form C for the number of provisional allotment of Rights Shares which they wish to renounce and deliver the PAL in its entirety to the renounee(s).

The renounee(s) should complete and sign Form D and send Form D together with the PAL in its entirety, duly completed and signed, together with payment in the prescribed manner, to reach **HONG LEONG ASIA LTD. C/O THE SHARE REGISTRAR, M & C SERVICES PRIVATE LIMITED, 112 ROBINSON ROAD, #05-01, SINGAPORE 068902** so as to arrive not later than **5.00 p.m. on 19 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Each Entitled Scripholder may consolidate the Rights Shares provisionally allotted in the PAL together with those comprised in any PALs and/or Split Letters renounced in his favour by completing and signing Form A and the Consolidated Listing Form in Form D of the PAL and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed and with the serial number of the Principal PAL (as hereinafter defined) stated on each of them. A renounee who is not an Entitled Scripholder and who wishes to consolidate the provisional allotments of Rights Shares comprised in several renounced PALs and/or Split Letters in one name only or in the name of a joint Securities Account should complete the Consolidated Listing Form in Form D of only one PAL or Split Letter (“**Principal PAL**”) by entering therein details of the renounced PALs and/or Split Letters and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed, and with the serial number of the Principal PAL stated on each of them. **ALL THE RENOUNCED PALS AND SPLIT LETTERS, EACH DULY COMPLETED AND SIGNED, MUST BE ATTACHED TO FORM A OR FORM D (AS THE CASE MAY BE).**

### 4. PAYMENT

Payment for the full amount due on acceptance and/or application in relation to the PALs must be made in Singapore currency in the form of a Cashier’s Order or Banker’s Draft drawn on a bank in Singapore and made payable to “**HONG LEONG ASIA LTD. – RIGHTS ISSUE ACCOUNT**” and crossed “**NOT NEGOTIABLE, A/C PAYEE ONLY**” with the name and address of the Entitled Scripholder or accepting party clearly written in block letters on the reverse side of the Cashier’s Order or Banker’s Draft. The completed and signed PAL and remittance should be addressed to and forwarded at the sender’s own risk to **HONG LEONG ASIA LTD. C/O M & C SERVICES PRIVATE LIMITED, 112 ROBINSON ROAD, #05-01, SINGAPORE 068902** by **5.00 p.m. on 19 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

If acceptance and (if applicable) excess application and payment in the prescribed manner as set out in this Offer Information Statement and the PAL is not received by **5.00 p.m. on 19 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the provisional allotment of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance and such provisional allotment of Rights Shares not so accepted will

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## APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

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be used to satisfy excess applications, if any, or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company subject to applicable laws and the SGX-ST Rules. The Company will return or refund all unsuccessful application monies received in connection therewith **BY ORDINARY POST** and at the risk of the Entitled Scripholders or their renouncee(s), as the case may be, without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date.

### 5. APPLICATION FOR EXCESS RIGHTS SHARES (FORM E)

Form E contains full instructions with regard to Excess Rights Shares application, and payment and the procedures to be followed if you wish to apply for Rights Shares in excess of your provisional allotment of Rights Shares. Entitled Scripholders who wish to apply for Excess Rights Shares in addition to those which have been provisionally allotted to them may do so by completing, signing the Form E of the PAL and forwarding it with a **SEPARATE SINGLE REMITTANCE** for the full amount payable in respect of the Excess Rights Shares applied for in the form and manner set out above to **HONG LEONG ASIA LTD. C/O THE SHARE REGISTRAR, M & C SERVICES PRIVATE LIMITED, 112 ROBINSON ROAD, #05-01, SINGAPORE 068902** so as to arrive not later than **5.00 p.m. on 19 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

Applications for Excess Rights Shares are subject to the terms and conditions contained in the PAL, Form E and this Offer Information Statement and (if applicable) the Constitution of the Company. Applications for Excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Scripholders, the original allottee(s) or their respective renouncee(s), or the Purchaser(s) of the provisional allotment of Rights Shares, the unsold "nil-paid" provisional allotments (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in this Offer Information Statement, the PAL, Form E and (if applicable) the Constitution of the Company.

In the event that applications are received by the Company for more Excess Rights Shares than are available, the Excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots. Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation on the Board (whether direct or through a nominee) will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company reserves the right to allot the Excess Rights Shares applied for under Form E in any manner as the Directors may deem fit and to reject or refuse, in whole or in part, any application for Excess Rights Shares without assigning any reason. CDP takes no responsibility for any decision that the Directors may make.

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## APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

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In the event that the number of the Excess Rights Shares allotted to Entitled Scripholders is less than the number of Excess Rights Shares applied for, Entitled Scripholders shall be deemed to have accepted the number of Excess Rights Shares actually allotted to them. If no Excess Rights Shares are allotted to Entitled Scripholders or if the number of Excess Rights Shares allotted to them is less than that applied for, it is expected that the amount paid on application or the surplus of the application monies for Excess Rights Shares received by the Company, as the case may be, will be returned or refunded to them by the Company without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date by means of a crossed cheque drawn on a bank in Singapore and sent, **BY ORDINARY POST** to their mailing addresses as maintained with the Share Registrar at their **OWN RISK**.

### 6. GENERAL

No acknowledgements or receipts will be issued in respect of any acceptances, remittances, applications or payments received.

**Entitled Scripholders who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.**

Upon listing and quotation on the SGX-ST, the Rights Shares, when issued will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "**Terms and Conditions for Operation of Securities Accounts with CDP**" and the "**Terms and Conditions for CDP to act as Depository for the Rights Shares**", as the same may be amended from time to time. Copies of the above are available from CDP.

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for Excess Rights Shares and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Rights Shares and, if applicable, the Excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept and/or apply for the Excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP will be issued physical share certificates in their own names for the Rights Shares allotted to them and if applicable, the Excess Rights Shares allotted to them. Such physical share certificates, if issued, will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title. These physical share certificates

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## **APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS**

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will be sent **BY ORDINARY POST** to person(s) entitled thereto to their mailing addresses as recorded with CDP at his/their **OWN RISK**.

If the Entitled Scripholders' addresses stated in the PALs are different from their addresses registered with CDP, they must inform CDP of their updated addresses promptly, failing which the notification letters on successful allotments and other correspondences will be sent to their addresses last registered with CDP.

A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but who wishes to trade on the SGX-ST, must deposit with CDP his existing share certificate(s), together with the duly executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares and/or existing Shares, as the case may be, before he can effect the desired trade.

**THE FINAL TIME AND DATE FOR ACCEPTANCES AND/OR APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES UNDER THE RIGHTS ISSUE IS 5.00 P.M. ON 19 OCTOBER 2018 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY).**

### **7. PERSONAL DATA PRIVACY**

By completing and delivering the PAL, an Entitled Scripholder or a renouncee (i) consents to the collection, use and disclosure of his personal data by the Relevant Persons (as defined in Appendix II) for the Purposes (as defined in Appendix II); (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.



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## APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS

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The procedures for Electronic Applications are set out on the ATM screens of the relevant Participating Banks. Please read carefully the terms and conditions of this Offer Information Statement, the instructions are set out on the ATM screens of the relevant Participating Banks (“Steps”).

Please read carefully the terms of this Offer Information Statement, the Steps, and the terms and conditions for Electronic Applications set out below before making an Electronic Application. An ATM card issued by one (1) Participating Bank cannot be used in respect of the acceptance of provisional allotments of and (if applicable) excess application for Rights Shares at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Any reference to the “**Applicant**” in the terms and conditions for Electronic Applications and the Steps shall mean the Entitled Depositor or his renouncee or the Purchaser who accepts the provisional allotments of Rights Shares or (as the case may be) who applies for the Excess Rights Shares through an ATM of the Participating Banks. An Applicant must have an existing bank account with, and be an ATM cardholder of, one (1) of the Participating Banks before he can make an Electronic Application through an ATM of the Participating Banks.

The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of his Electronic Application. The Transaction Record is to be retained by the Applicant and should not be submitted with any ARE and/or ARS.

For investors who hold Shares through finance companies or Depository Agents, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares must be done through the respective finance companies, Depository Agents or approved banks. Such investors are advised to provide their finance companies, Depository Agents or approved banks, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and (if applicable) application made directly through CDP, Electronic Application at any ATM of a Participating Bank n, the Share Registrar and/or the Company will be rejected.

For SRS Investors and investors who hold Shares through finance companies or Depository Agents, acceptances of the Rights Shares and (if applicable) applications for Excess Rights Shares must be done through the respective finance companies, Depository Agents or approved banks. Such investors are advised to provide their finance companies, Depository Agents or approved banks, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and (if applicable) application made directly through CDP, Electronic Application at any ATM of the Participating Bank, the Share Registrar and/or the Company will be rejected.

For renouncees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares represented by the provisional allotment of Rights Shares purchased must be done through the respective finance companies or Depository Agents. Such renouncees or Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate

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## APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS

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instructions early in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptance of the Rights Shares and (if applicable) application for Excess Rights Shares made directly through CDP, Electronic Application at any ATM of a Participating Bank, the Share Registrar and/or the Company will be rejected.

**An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance or (as the case may be) application liable to be rejected.**

The Electronic Application shall be made in accordance with, and subject to, the terms and conditions of this Offer Information Statement, including but not limited to the terms and conditions appearing below.

- (1) In connection with his Electronic Application for the Rights Shares, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
  - (a) **that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance of and (as the case may be) application for the Rights Shares under the Rights Issue and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and**
  - (b) **that he consents to the disclosure of his name, NRIC/passport number, address, nationality, Securities Account number and application details (“Relevant Particulars”) from his account with that Participating Bank to the Share Registrar, CDP, Securities Clearing and Company Services (Pte) Limited, the SGX-ST, the Company, the Manager and any other relevant parties (“Relevant Parties”) as CDP may deem fit for the purpose of the Rights Issue and his acceptance and/or (if applicable) excess application.**

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the “Enter” or “OK” or “Confirm” or “Yes” key, as the case may be. By doing so, the Applicant shall be treated as signifying his confirmation of each of the two (2) statements above. In respect of statement 1(b) above, his confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key, as the case may be, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

- (2) An Applicant may make an Electronic Application through an ATM of a Participating Bank for the Rights Shares using cash only by authorising such Participating Banks to deduct the full amount payable from his account with such Participating Bank.



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## APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS

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- (3) The Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of the Rights Shares provisionally allotted and Excess Rights Shares applied for as stated on the Transaction Record or the number of Rights Shares represented by the provisional allotment of the Rights Shares as may be standing to the credit of the “Free Balance” of his Securities Account as at the Closing Date. In the event that the Company decides to allot any lesser number of such Excess Rights Shares or not to allot any number of Excess Rights Shares to the Applicant, the Applicant agrees to accept the decision as conclusive and binding.
- (4) If the Applicant’s Electronic Application is successful, his confirmation (by his action of pressing the “**Enter**” or “**OK**” or “**Confirm**” or “**Yes**” key, as the case may be, on the ATM screen) of the number of Rights Shares accepted and/or Excess Rights Shares applied for shall signify and shall be treated as his acceptance of the number of Rights Shares accepted and/or Excess Rights Shares applied that may be allotted to him.
- (5) In the event that the Applicant accepts the Rights Shares and (if applicable) instructions to apply for Excess Rights Shares together with payment therefor both by way of the ARE and/or ARS (as the case may be), whether directly to CDP and/or by way of acceptance through Electronic Application through an ATM of a Participating Bank, the Company and/or CDP shall be authorised and entitled to accept the Applicant’s instructions in whichever mode or combination thereof as they may, in their absolute discretion, deem fit. In determining the number of Rights Shares which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the aggregate number of provisionally allotted Rights Shares which have been accepted by the Applicant by way of the ARE and/or the ARS (as the case may be) and by Electronic Application through an ATM of a Participating Bank, and the number of Rights Shares represented by the provisional allotment of the Rights Shares standing to the credit of the “Free Balance” of his Securities Account which is available for acceptance and payment as at the Closing Date. The Company and/or CDP, in determining the number of Rights Shares for which the Applicant has given valid instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of the Rights Shares, whether by way of Cashier’s Order or Banker’s Draft in Singapore currency drawn on a bank in Singapore accompanying the ARE and/or the ARS or by way of acceptance by Electronic Application through an ATM of a Participating Bank, which the Applicant has authorised or is deemed to have authorised to be applied towards the payment in respect of his acceptance.
- (6) If applicable, in the event that the Applicant applies for Excess Rights Shares both by way of ARE and by way of an application through Electronic Application through an ATM of a Participating Bank, the Company and/or CDP shall be authorised and entitled to accept the Applicant’s instructions in whichever mode or a combination thereof as they may, in their absolute discretion, deem fit. In determining the number of Excess Rights Shares which the Applicant has validly given instructions to apply for, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of Excess Rights Shares not exceeding the aggregate number of Excess Rights Shares for which he has applied by way of the ARE, whether directly to CDP and/or by Electronic Application through an ATM of a Participating Bank. The Company and/or CDP, in determining the number of Excess Rights Shares which the Applicant has given valid instructions to apply for, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application for the Excess Rights Shares, whether by way of Cashier’s

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## APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS

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Order or Banker's Draft in Singapore currency drawn on a bank in Singapore accompanying the ARE or by way of application by Electronic Application through an ATM of a Participating Bank, which the Applicant has authorised or is deemed to have authorised to be applied towards the payment in respect of his application.

- (7) The Applicant irrevocably requests and authorises the Company to:
- (a) register or procure the registration of the Rights Shares and (if applicable) the Excess Rights Shares allotted to the Applicant in the name of CDP for deposit into his Securities Account;
  - (b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application in respect of the Rights Shares not be accepted and/or Excess Rights Shares applied for not be accepted by the Company for any reason, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within 14 days after the Closing Date; and
  - (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application for Excess Rights Shares be accepted in part only, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within 14 days after the Closing Date.
- (8) **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES AS NOMINEE OF ANY OTHER PERSON.**
- (9) The Applicant irrevocably agrees and acknowledges that the submission of his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses, theft (in each case whether or not within the control of the Company, the Manager, CDP, the Share Registrar and/or the Participating Banks) and any other events whatsoever beyond the control of the Company, the Manager, CDP, the Share Registrar and/or the Participating Banks and if, in any such event, the Company, the Manager, CDP, the Share Registrar and/or the Participating Banks do not record or receive the Applicant's Electronic Application by **9.30 p.m. on 19 October 2018**, or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application and the Applicant shall have no claim whatsoever against the Company, the Manager, CDP, the Share Registrar and/or the Participating Banks in respect of any purported acceptance thereof and (if applicable) excess applications therefor, or for any compensation, loss or damages in connection therewith or in relation thereto.
- (10) **ELECTRONIC APPLICATIONS MAY ONLY BE MADE THROUGH AN ATM OF THE PARTICIPATING BANKS FROM MONDAY TO SATURDAYS (EXCLUDING PUBLIC HOLIDAYS) BETWEEN 7.00 A.M. TO 9.30 P.M..**

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## APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS

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- (11) Electronic Applications shall close at **9.30 p.m. on 19 October 2018** or such other time as the Directors may, in their absolute discretion, decide (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
- (12) All particulars of the Applicant in the records of his Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify his Participating Bank.
- (13) The Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made through the ATMs of Participating Banks that does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.
- (14) Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance/application monies will be refunded in the S\$ (without interest or any share of revenue or other benefit arising there from) to the Applicant by being automatically credited to the Applicant's account with the relevant Participating Bank within 14 days after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance/application monies will be refunded on the same terms.
- (15) In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 19 October 2018** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), and by making and completing an Electronic Application, the Applicant agrees that:
  - (a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any supplementary or replacement document referred to in Section 241 of the Securities and Futures Act is lodged with the Authority);
  - (b) his Electronic Application, the acceptance by the Company and the contract resulting there from shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
  - (c) none of the Company, the Manager, CDP, the Share Registrar, or the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Company, CDP or the Participating Banks due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective control;
  - (d) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of the provisionally allotted Rights Shares or and (if applicable) application for Excess Rights Shares;

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## APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS

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- (e) in respect of the Rights Shares and/or Excess Rights Shares for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and
  - (f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application with respect to enforcement against the Applicant, a person who is not a party to any contract made pursuant to this Offer Information Statement and/or the Electronic Application has no right under the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore) to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of liability) or terminate such contracts. Where the third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- (16) The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Banks are correct and identical. Otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and/or other correspondence will be sent to his address last registered with CDP.
- (17) The existence of a trust will not be recognised. Any Electronic Application by an Applicant must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.
- (18) In the event that the Applicant accepts or subscribes for the provisionally allotted Rights Shares or (if applicable) applies for Excess Rights Shares, as the case may be, by way of ARE or ARS and/or by way of Electronic Application through the ATMs of Participating Banks, the provisionally allotted Rights Shares and/or Excess Rights Shares will be allotted in such manner as the Company and/or CDP may, in their absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies, as the case may be, will be returned or refunded without interest or any share of revenue or other benefit arising there from within 14 days after the Closing Date by any one (1) or a combination of the following:
- (a) by means of a crossed cheque drawn on a bank in Singapore and sent **BY ORDINARY POST** at his **OWN RISK** to his mailing address as recorded with CDP or in such other manner as he may have agreed with CDP for the payment of any cash distributions if he accepts and (if applicable) applies through CDP; and/or
  - (b) by crediting the Applicant's bank account with the relevant Participating Bank at his **OWN RISK** if he accepts and (if applicable) applies through an ATM of that Participating Bank, the receipt by such bank being a good discharge to the Company and CDP of their obligations, if any, thereunder.

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## **APPENDIX IV – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH ATMS OF PARTICIPATING BANKS**

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- (19) The Applicant acknowledges that, in determining the total number of Rights Shares represented by the provisional allotment of Rights Shares which he can validly accept, the Company and CDP are entitled and the Applicant authorises the Company and CDP to take into consideration:
- (a) the total number of Rights Shares represented by the provisional allotment of Rights Shares that the Applicant has validly accepted, whether under the ARE and/or ARS or any other form of application (including Electronic Application through an ATM) for the Rights Shares;
  - (b) the total number of Rights Shares represented by the provisional allotment of Rights Shares standing to the credit of the “Free Balance” of the Applicant’s Securities Account which is available for acceptance; and
  - (c) the total number of Rights Shares represented by the provisional allotment of Rights Shares which has been disposed of by the Applicant.

The Applicant acknowledges that the Company’s and CDP’s determination shall be conclusive and binding on him.

- (20) The Applicant irrevocably requests and authorises the Company and/or CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the provisional allotment of Rights Shares accepted by the Applicant and (if applicable) the Excess Rights Shares which the Applicant has applied for.
- (21) With regard to any application which does not conform strictly to the instructions set out under this Offer Information Statement, the PAL, the ARE, the ARS, (if applicable) the Constitution of the Company and/or other application form for the Rights Shares in relation to the Rights Issue or which does not comply with the instructions for Electronic Application or with the terms and conditions of this Offer Information Statement, or in the case of an application by the PAL, the ARE, the ARS and/or any other application form for the Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, or where the “Free Balance” of the Applicant’s Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares subscribed as at the Closing Date, the Company and/or CDP may, at their absolute discretion, reject or treat as invalid any such application or present for payment or other processes all remittances at any time after receipt in such manner as it may deem fit.
- (22) The Company and/or CDP shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of Excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid and evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for Excess Rights Shares.

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## **APPENDIX V – LIST OF PARTICIPATING BANKS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM**

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1. DBS Bank Ltd. (including POSB); and
2. United Overseas Bank Limited.

This Offer Information Statement is dated this 3rd day of October 2018.

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Information Statement constitutes full and true disclosure of all material facts about the Rights Issue, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Offer Information Statement misleading. Where information in this Offer Information Statement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Information Statement in its proper form and context.

For and on behalf of **HONG LEONG ASIA LTD.**

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Kwek Leng Peck

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Philip Ting Sii Tien @ Yao Sik Tien

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Ernest Colin Lee

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Kwong Ka Lo @ Caroline Kwong

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Ng Sey Ming

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Tan Chian Khong



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