

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

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

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

The board of directors (the "**Board**" or the "**Directors**") of Hong Leong Asia Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Offer Information Statement, and the Company's various subsequent announcements from 23 October 2018 to 13 August 2020 (the "**Announcements**") in relation to the net proceeds raised from the Rights Issue and the utilisation thereof.

The Board wishes to inform that in addition to S\$89.8 million indicated as utilised under the Announcements, approximately S\$20.2 million of the net proceeds from the Rights Issue have been further utilised as follows:

- (i) S\$1.0 million for the construction of the Plant⁽²⁾; and
- (ii) S\$19.2 million for general corporate purposes or making strategic investments and/or acquisitions:
 - (a) S\$1.1 million for the continuing purchase of assets relating to the Group's quarry operations;
 - (b) S\$18.0 million for the purchase of additional equity interests in China Yuchai International Limited, a listed subsidiary of the Company; and
 - (c) S\$0.1 million for the ongoing upgrading works of the Singapore plants of the Building Materials Unit.

Set out below is a summary of the utilisation of the net proceeds from the Rights Issue as at the date of this Announcement:

No.	Intended Use of Net Proceeds	Amount Allocated	Amount Utilised as at the date of this Announcement	Balance of Net Proceeds
		S\$'million	S\$'million	S\$'million
(a)	Partial repayment of Acquisition Loan ⁽¹⁾	14.0	0	14.0
(b)	Construction of the Plant ⁽²⁾	60.0	9.3	50.7
(c)	Repayment of other loans	25.0	25.0	0
(d)	General corporate purposes or making strategic investments and/or acquisitions	102.1	75.7 ⁽³⁾	26.4
Total		201.1 ⁽⁴⁾	110.0	91.1

Notes:

- (1) "Acquisition Loan" refers to the loan taken up by the Group, a portion of which was used to finance the consideration of approximately S\$14.0 million for the acquisition of a 51% stake in a piece of land at Pulau Punggol Barat, Singapore with a 30-year lease ("**Land**"), which award of tender for the Land was announced by the Company on 27 July 2018. The maturity date of the Acquisition Loan is not due as at the date of this Announcement.
- (2) "Plant" refers to a fully mechanized integrated precast plant with state of art technology on the Land.
- (3) Being acquisition of assets relating to the Group's quarry operations, purchase of additional equity interests in subsidiaries and ongoing upgrading works for the Singapore plants of the Building Materials Unit.
- (4) The final net proceeds raised after deducting expenses relating to the Rights Issue was approximately S\$201.1 million.

Following the aforesaid deployment of the net proceeds from the Rights Issue, the amount utilised for the repayment of short-term revolving facilities has been reduced to S\$91.1 million.

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

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

BY ORDER OF THE BOARD
HONG LEONG ASIA LTD.

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

20 October 2020
Singapore