

HONG LEONG ASIA LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No.: 196300306G)

IMPLEMENTATION OF EQUITY INCENTIVE PLAN BY CHINA YUCHAI INTERNATIONAL LIMITED, A SUBSIDIARY OF THE COMPANY

1. INTRODUCTION

- 1.1. The board of directors (the "**Board**" or the "**Directors**") of Hong Leong Asia Ltd. (the "**Company**", "**HLA**" and together with its subsidiaries, the "**Group**") wishes to inform the shareholders of the Company that its subsidiary, China Yuchai International Limited ("**CYI**"), had in its annual general meeting held on 8 July 2025 resolved to establish and adopt the China Yuchai International Limited 2025 Equity Incentive Plan (the "**Plan**").
- 1.2. CYI is a 48.70%-owned subsidiary of the Company and it is listed on the New York Stock Exchange.
- 1.3. The Plan is considered a share scheme under Rule 843 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**").

2. INFORMATION ON CYI

CYI is an investment holding company. Its principal operating subsidiary, Guangxi Yuchai Machinery Company Limited, which is based in Yulin City, Guangxi Zhuang Autonomous Region in the People's Republic of China, is one of the largest powertrain solutions manufacturers in the People's Republic of China.

3. RATIONALE FOR THE PLAN

The purpose of the Plan is to create an opportunity for directors and employees of CYI and its subsidiaries (the "**CYI Group**") to participate in the equity of CYI, to incentivise such employees to remain dedicated and loyal towards the CYI Group, and to reward, retain and motivate such employees of the CYI Group who are in positions of substantial responsibility and whose contributions are important to the successful conduct of the CYI Group's business.

4. PRINCIPAL TERMS OF THE PLAN

Types of Awards	1. Options 2. Restricted Stock 3. Stock Payments
Eligible Participants	Directors and employees of the CYI Group.
Administration of the Plan	The Plan shall be administered by the Compensation Committee ¹ , which has, without limitation, the authority to (i) select participants in the Plan, (ii) determine when the awards of shares will be granted, (iii) determine the number of share awards, (iv) determine the number of shares covered under each share award, (v) determine the terms and conditions

¹ As at the date of this Announcement, the members of the Compensation Committee of CYI are Mr. Kwek Leng Peck (Executive Chairman of the Company and a director of CYI), Mr. Neo Poh Kiat (independent director of CYI) and Mr. Xie Tao (independent director of CYI).

	of the awards under the Plan including restrictions and vesting requirements, (vi) establish, adopt or vary any rules and regulations deemed necessary for the administration of the Plan; and (vii) take all and any actions deemed necessary or advisable for the administration of the Plan. All decisions, determinations and interpretations of the Compensation Committee shall be final and binding.
Size of Plan	1,800,000 ordinary shares of US\$0.10 each in the capital of CYI (" CYI Shares ") which represents 4.58% of the enlarged share capital of CYI (excluding treasury shares) on the date of this Announcement.
Limit	The maximum aggregate number of CYI Shares that may be granted to any one person during any calendar year shall be 300,000.
Duration	The Plan shall terminate on the date that is ten (10) years from 16 May 2025 (being the date on which the board of CYI adopted the Plan).
Award (Options)	<u>Option Price</u> It shall be determined by the Compensation Committee and shall not be less than (a) the Fair Market Value of the CYI Shares on the date the option is granted and (b) the par value of the CYI Shares of US\$0.10. "Fair Market Value" means the value of a CYI Share determined as follows: (i) If the CYI Shares are listed on any (A) established securities exchange (such as the New York Stock Exchange, the NASDAQ Global Market and the NASDAQ Global Select Market), (B) national market system or (C) automated quotation system, its Fair Market Value shall be the average closing trading price for a CYI Share as quoted on such exchange or system for the three trading days immediately preceding such date or, if there is no closing sales price for a CYI Share on any or all of such dates in question, the average closing trading price for a CYI Share on the last three (3) preceding dates for which such quotation exists, as reported in The Wall Street Journal or such other source as the Compensation Committee deems reliable, in each case, rounded up to the nearest whole cent; (ii) If the CYI Shares are not listed on an established securities exchange, national market system or automated quotation system, but the CYI Shares are regularly quoted by a recognized securities dealer, its Fair Market Value shall be the mean of the high bid and low asked prices for the three trading days immediately preceding such date or, if there are no high bid and low asked prices for a CYI Share on any or all of such dates, the high bid and low asked prices for a CYI Share on the last three preceding dates for which such information exists, as reported in The Wall Street Journal or such other source as the Compensation Committee deems reliable, in each case, rounded up to the nearest whole cent; or (iii) If the CYI Shares are neither listed on an established securities exchange, national market system or automated quotation system nor regularly quoted by a recognized securities dealer, its Fair Market Value shall be established by the Compensation Committee in good faith.

	<u>Option Period</u> The option period for an option shall be determined by the Compensation Committee, subject to a maximum term of ten (10) years from the date such option is granted and such other limitations as may apply upon the termination of an option holder's employment or service. <u>Rights</u> A holder of an option shall not have any rights as a CYI shareholder until such time as the CYI Shares underlying the award have been issued to the holder.
Award (Restricted Stock)	<u>Price</u> The purchase price, if any, shall be determined by the Compensation Committee. <u>Repurchase or Forfeiture of Restricted Stock</u> CYI shall have the right to repurchase the unvested restricted stock at a cash price per share equal to the price paid by a holder of such restricted stock or such other amount as specified in the award agreement in certain termination events as may be determined by the Compensation Committee in its sole discretion. <u>Rights</u> Unless otherwise provided by the Compensation Committee, a holder of a restricted stock shall have all the rights of a CYI shareholder with respect to such CYI Shares.
Award (Stock Payments)	<u>Price</u> The price, if any, shall be established by the Compensation Committee. <u>Rights</u> Unless otherwise provided by the Compensation Committee, a holder of a stock payment shall have no rights as a CYI shareholder until such time as the CYI Shares underlying the award have been issued to the holder. Stock payments may, but are not required to, be made in lieu of base salary, bonus, fees or other cash compensation otherwise payable to such eligible participant.
Adjustment Events	If a variation in the issued ordinary share capital of CYI (whether by way of division, consolidation or other capital adjustment, stock dividend, distribution (other than normal cash dividends) or otherwise) shall take place, the aggregate number and type of CYI Shares which may be granted or issued under the Plan, the limit, the number and type of CYI Shares covered by each outstanding award, the option price and the terms and conditions of the awards may be equitably adjusted, as determined by the Compensation Committee. The Compensation Committee shall have the sole discretion to act in such manner as it deems equitable and appropriate with respect to any such adjustments.
Amendment and Modification	The Compensation Committee or the CYI board may, at any time terminate, and from time-to-time may amend or modify the Plan; provided, however, that no amendment or modification may become effective without approval of the amendment or modification by the

	shareholders of CYI if (a) shareholder approval is required to enable the Plan to satisfy any applicable statutory or regulatory requirements or (b) the CYI Group, on the advice of counsel, determines that shareholder approval otherwise is necessary or desirable. No amendment, modification or termination of the Plan shall materially and adversely affect any awards that have been granted under the Plan without the consent of the holders of such awards, subject always to applicable laws.
Governing Law	The Plan and all award agreements shall be governed by and construed in accordance with the laws of Bermuda.

5. SHAREHOLDER APPROVAL

- 5.1. For the purposes of Rule 843 of the Listing Manual, as CYI is a "principal subsidiary" of the Company (within the meaning of the Listing Manual), the approval of the Company's shareholders must be obtained for any share plan implemented by a principal subsidiary if the scheme may cause (a) the principal subsidiary ceasing to be a subsidiary of the Company, or (b) a percentage reduction of 20% or more of the Company's equity interest in the principal subsidiary.
- 5.2. Upon the implementation of the Plan (i.e. issuance of all CYI Shares under the Plan), CYI will remain a subsidiary of the Company and the Company's existing effective interest in CYI as at the date of this Announcement of 48.70% will be reduced to 46.47%. As such, approval of the shareholders of the Company is not required for the Plan.

6. DISCLOSURES IN ANNUAL REPORT OF THE COMPANY

The Company will provide the necessary disclosures (or the appropriate negative statements) in relation to the Plan as required pursuant to Rule 852 of the Listing Manual, in the Company's annual report.

**BY ORDER OF THE BOARD
HONG LEONG ASIA LTD.**

Stephen Ho Kiam Kong
Executive Director and Chief Executive Officer
8 July 2025