

ASSET ACQUISITIONS AND DISPOSALS::ANNOUNCEMENT OF CHANGES IN INTERESTS IN THE COMPANY'S SUBSIDIARY AND ASSOCIATED COMPANIES

Issuer/ Manager

HONG LEONG ASIA LTD.

Securities

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Announcement Details

Announcement Title

Asset Acquisitions and Disposals

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Announcement of Changes in Interests in the Company's Subsidiary and Associated Companies

Announcement Reference

SG230224OTHR5UD4

Submitted By (Co./ Ind. Name)

Ng Siew Ping, Jaslin

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

Please refer to the attached announcement on the changes in interests in the Company's subsidiary and associated companies.

Attachments



[Rule 706A - 20230224 Final.pdf](#)

Total size =66K MB

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE LISTING MANUAL

Pursuant to Rule 706A of the Listing Manual of Singapore Exchange Securities Trading Limited, the Board of Directors of Hong Leong Asia Ltd. (the “**HLA**” or “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce the following changes that occurred during the second half year ended 31 December 2022:

A. DILUTION OF INTEREST IN SUBSIDIARY

Pursuant to a subscription agreement entered into between Guangxi Yuchai Machinery Company Limited (“**GYMCL**”), Yuchai Xin-Lan New Energy Power Technology Co., Ltd. (“**Yuchai Xin-Lan**”) and Nanning Industrial Investment New Energy Automobile (“**NIINEA**”, an unrelated third party, which is a NEV-related investment company of the Government of Nanning Municipality), NIINEA had in November 2022 injected RMB50 million into the capital of Yuchai Xin-Lan. Consequent thereto, the equity interest of GYMCL in Yuchai Xin-Lan had been diluted from 100% to 90.9%¹.

GYMCL is a subsidiary of China Yuchai International Limited (“**CYI**”) listed on the New York Stock Exchange, which in turn is a subsidiary of the Company.

B. DEREGISTRATION OF SUBSIDIARIES

1. Vietnam Yuchai Machinery Services Co., Ltd., a subsidiary of GYMCL, was deregistered on 19 July 2022 due to the restructuring of CYI’s overseas business through resource optimization.
2. Xuzhou Yuchai Machinery Industry Development Company Limited and Changchun Yuchai Marketing Company Limited, subsidiaries of Guangxi Yuchai Machinery Monopoly Development Co., Ltd. which in turn is a subsidiary of GYMCL, were deregistered on 20 October 2022 and 8 November 2022, respectively.

C. DISPOSAL OF ASSOCIATED COMPANY

Guangxi Yuchai Mould Equipment Company Limited (“**YMEC**”), a wholly-owned subsidiary of GYMCL, had on 1 November 2022 transferred its entire 20% equity interest in Guangxi Yuchai Quan Xing Machinery Co., Ltd. (“**GYQX**”) to Quanxing Machining Group Co., Ltd (“**Quanxing Group**”) for a cash consideration of RMB2 million. The consideration was based on, among other factors, an independent appraisal on the market value of the 100% equity interest of GYQX as at 30 June 2022 of RMB4.239 million which was performed by a third party valuation firm commissioned by Quanxing Group and YMEC.

Following the transfer, GYQX ceased to be an associated company of GYMCL.

By Order of the Board
HONG LEONG ASIA LTD.

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

24 February 2023
Singapore

¹ In its press release dated 9 February 2023, CYI disclosed that in January 2023, two new unrelated investors, Guangxi Guangtuo Incubation Investment Fund and GIIT Investment Development Company, had also agreed to contribute a total of RMB20 million capital into Yuchai Xin-Lan. As at the date of its press release, Yuchai Xin-Lan had received the amount of RMB10 million and it expected the remaining RMB10 million to be received subsequently. Upon receipt of the full RMB70 million capital contribution from the three investors, Yuchai Xin-Lan would become an 87.7%-owned subsidiary of GYMCL. Based on the subscription agreements entered into between GYMCL, Yuchai Xin-Lan and the three investors, these investors have the right to require that GYMCL buys back their respective Yuchai Xin-Lan equities at cost plus agreed interests if certain conditions are not met by end of 2027.