



HONG LEONG ASIA

AGM Presentation
25 April 2013

Frestec 新飞



Key Investment Highlight

- Well-recognized and trusted brand name in China. It is now recognized as one of the top “Chinese Famous Brands”.
- Achieved quality standards with R&D collaboration.
- New product offering called “LIBRA” range.
- Extensive sales, distribution and after-sales service network in China combined with access to international markets.
- A new round of competition in appliances industry (price and offerings), which may be serious situation for medium-sized and small enterprises.
- Increase in raw material and labour costs during the year.
- Acquired “FEDDERS”, an American brand (inception since 1896), will reach out to the mid-high consumers in the international markets with sophisticated Air conditions and refrigeration manufactured by Airwell and Frestec .





Revitalized the brand in Q3 of 2012.

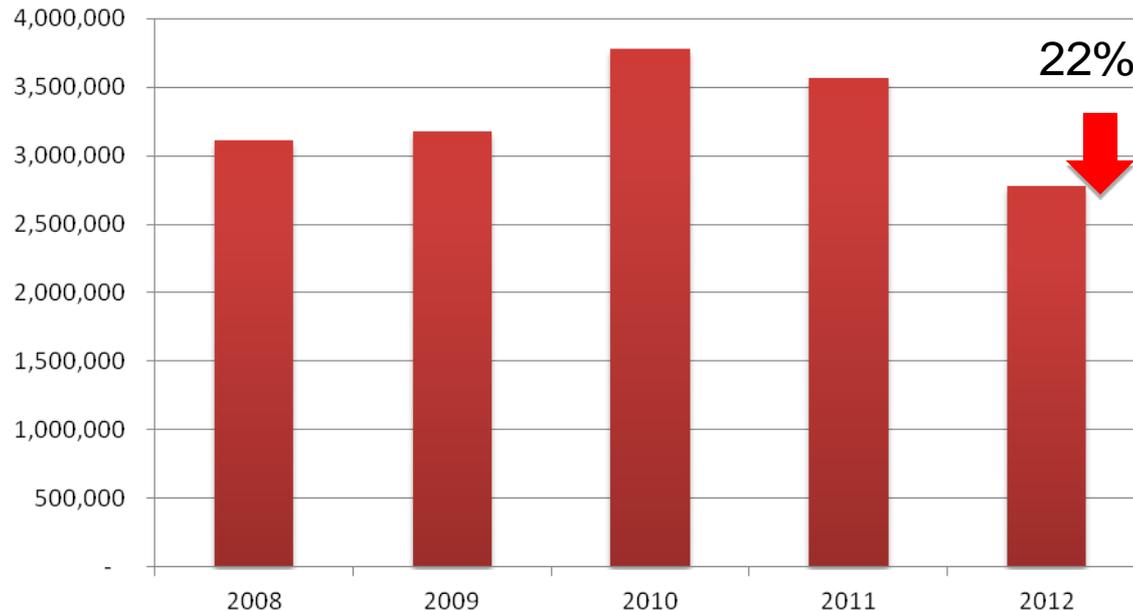
This is to reach out to the young and sophisticated consumers in China.

Expand Frestec to the International markets outside of China.



Financial Highlights

Unit Sales



Overall market situation remained sluggish due to the economic climate of China and at the same time, the Household Appliances Trade-in Subsidy Programme and the Rural Household Appliance Subsidy Programme ended directly causing the slump in growth of home laundry appliances, refrigeration appliances and air conditioners, in 2012.

Major refrigerator players experienced drop in sales revenue (Midea -39.1%; Meiling -23.8%; Siemens -17.5%; LG -47.3%; by China Market Monitor Jan-Dec 2012 report).

Full year 2012 domestic refrigerator sales recorded a decline of between 15.6%¹ and 28.2%²

Response to new energy saving program in 2012 was weak. The energy subsidy which started in June 2012, will end in May 2013:

Source:

¹- Tracked by China Market Monitor on 900 cities

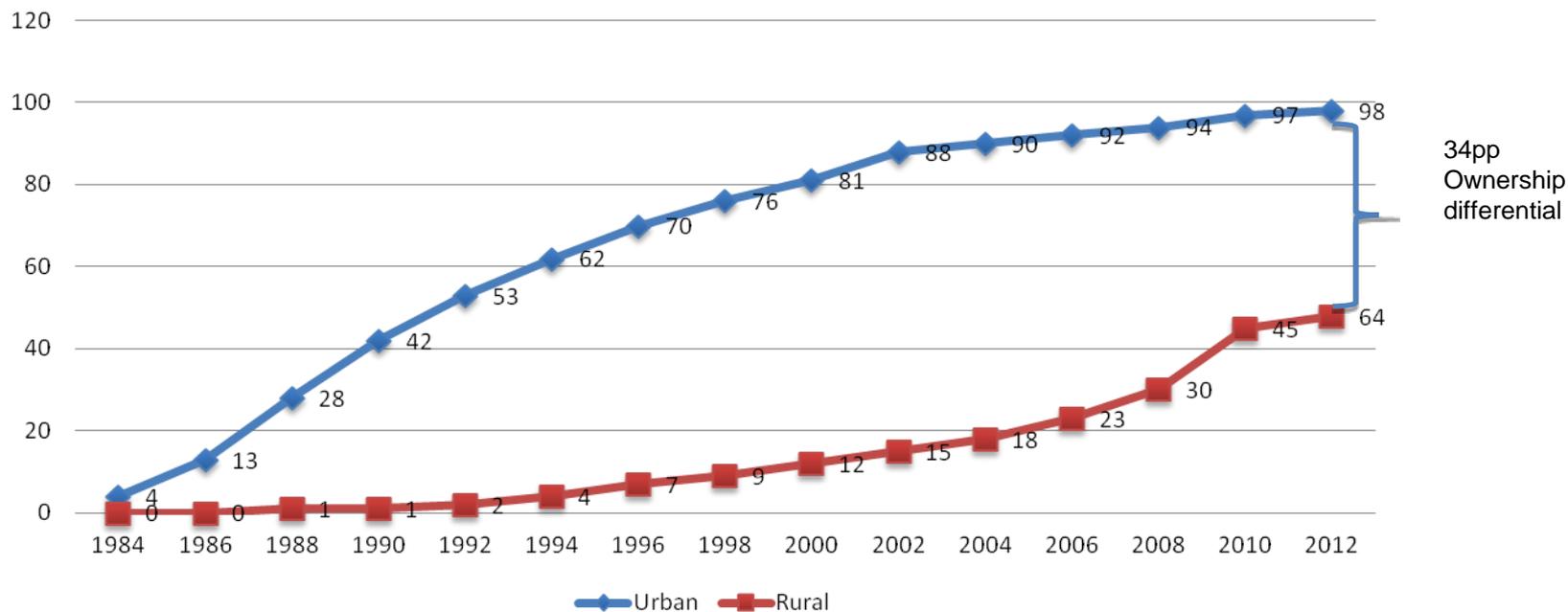
²- Tracked by AVC on 265 urban cities



Refrigeration Market Penetration

Refrigerator Ownership in China

Ownership per 100 households



The gap between the urban and rural have reduced significantly.



Sales & Distribution Network



- **Sales network**

More than 13,651 sales points, including 1,800 hypermarkets

- **After-sales service**

Nationwide after-sales service network with 32 service centres and 2,615 after-sales service points

24-hour toll free hotline

- **Distribution network**

64 warehouses in almost every province(except Tibet)



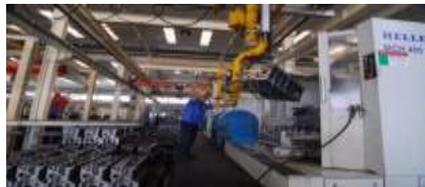
Investment Upsides

- A new round of construction in cities and towns will stimulate consumption.
- The policy of “Income Doubling Programme” gives a chance to rise consumerism.
- Well-recognized among Chinese consumers in cities and towns and associated with high quality and affordability
- Improve and develop new product range- Increase the high-end product series, Libra 1.0 has been launched in the market and more new models will be launched in 2013.
- Improve the internal management to reduce costs, gain competitive advantage.
- To expand Frestec in other countries outside of China.





China Yuchai International Limited



Key Investment Highlights



China Yuchai International Limited

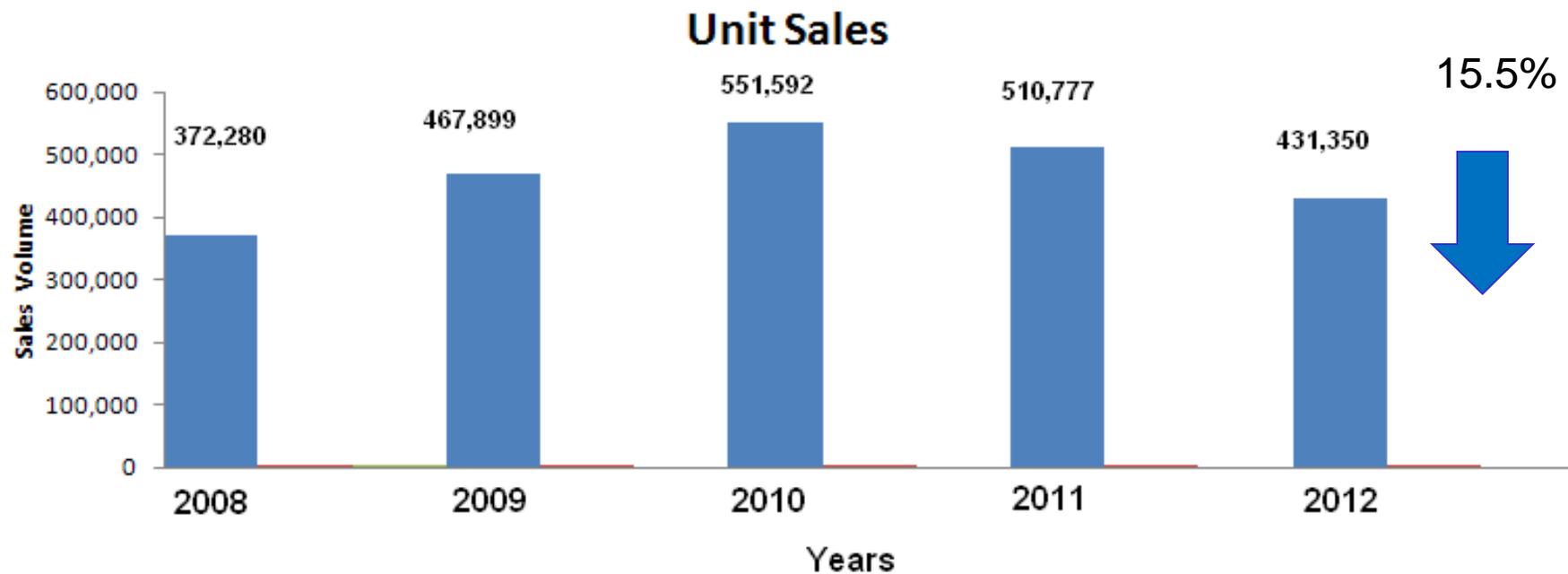
- Consistently ranked No. 1 for unit sales by the China Association of Automobile Manufacturers.
- Leading manufacturer of a wide array of light-duty, medium-duty and heavy-duty diesel engines in China and overseas.
- Operates the largest single facility for commercial automotive diesel engines in China.
- Main production base is in Yulin, Guangxi province. Capacity of 622,500 units at end 2012.
- World-class R&D program with large patent portfolio
- Over 3000 services stations and 32 regional sales offices throughout China.



Unit Sales: 2008- 2012



China Yuchai International Limited



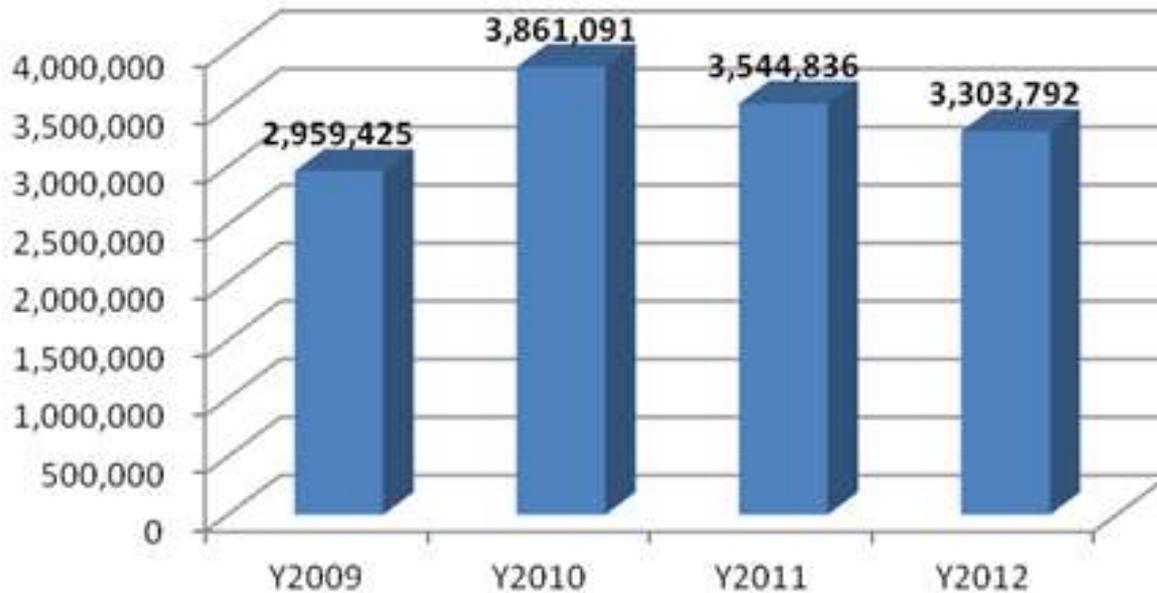
Market Overview: Commercial Vehicles

China Truck Market



China Yuchai International Limited

China Truck Market



Truck Market Drivers:

China economic growth	Infrastructure projects	Urbanization
Logistics Networks	Stringent emission standards	



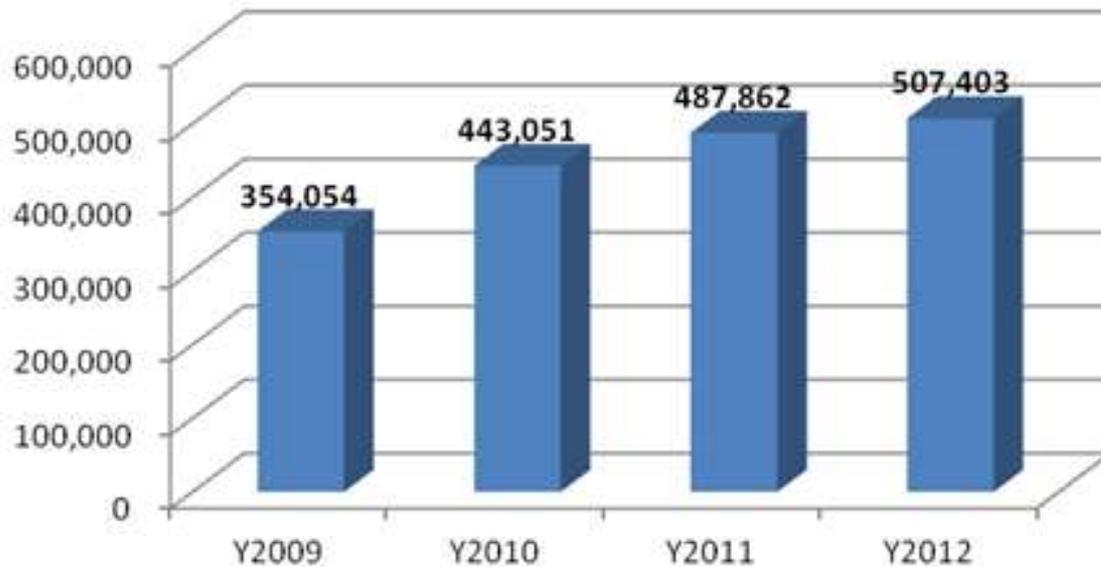
Market Overview: Commercial Vehicles

China Bus Market



China Yuchai International Limited

China Bus Market



Bus Market Drivers:

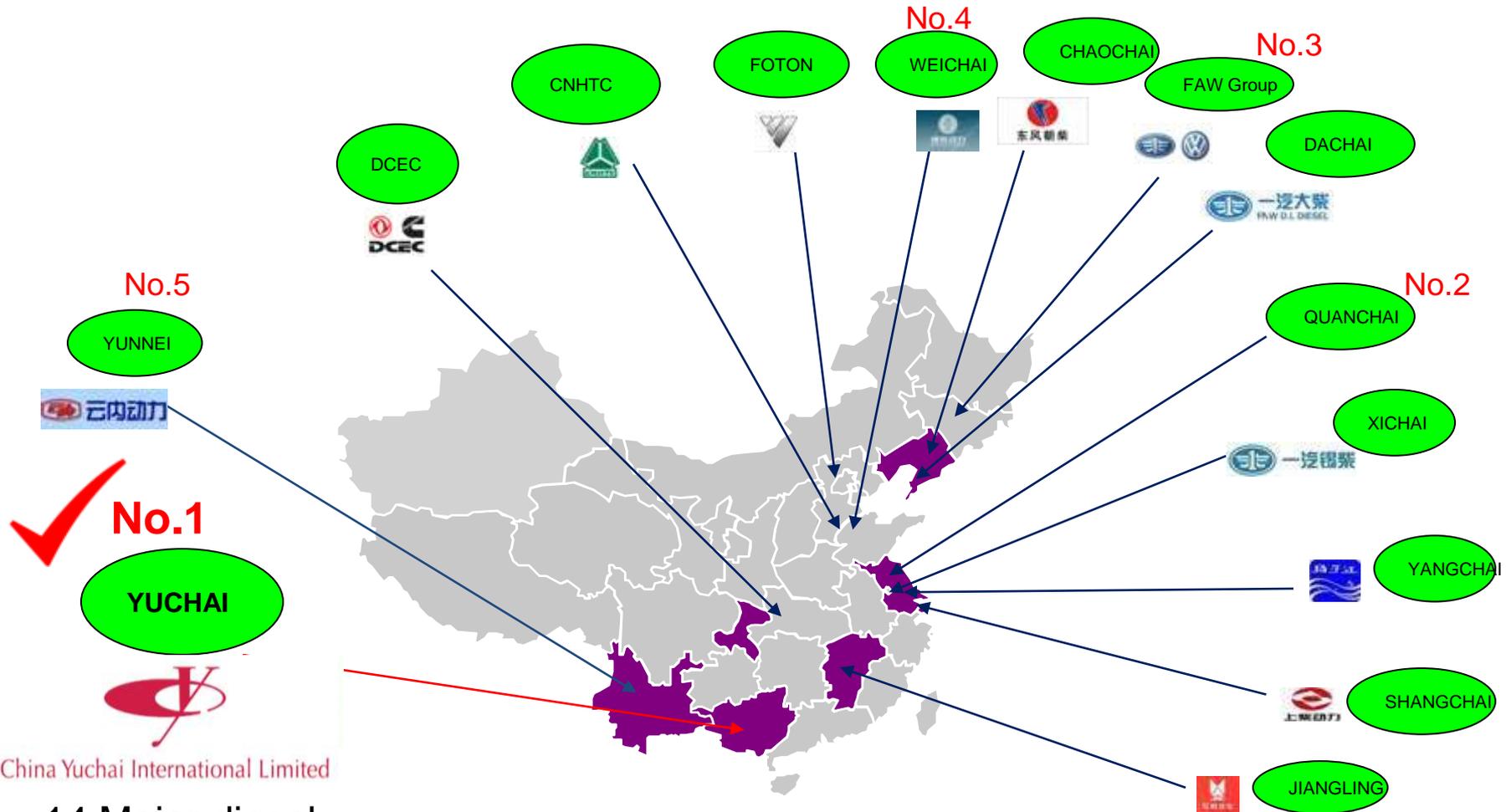
Rapid expansion into rural areas	Booming tourism	Highway expansion
Continued urbanization	Growing number of major events	



China Top Diesel Engine Makers



China Yuchai International Limited



China Yuchai International Limited

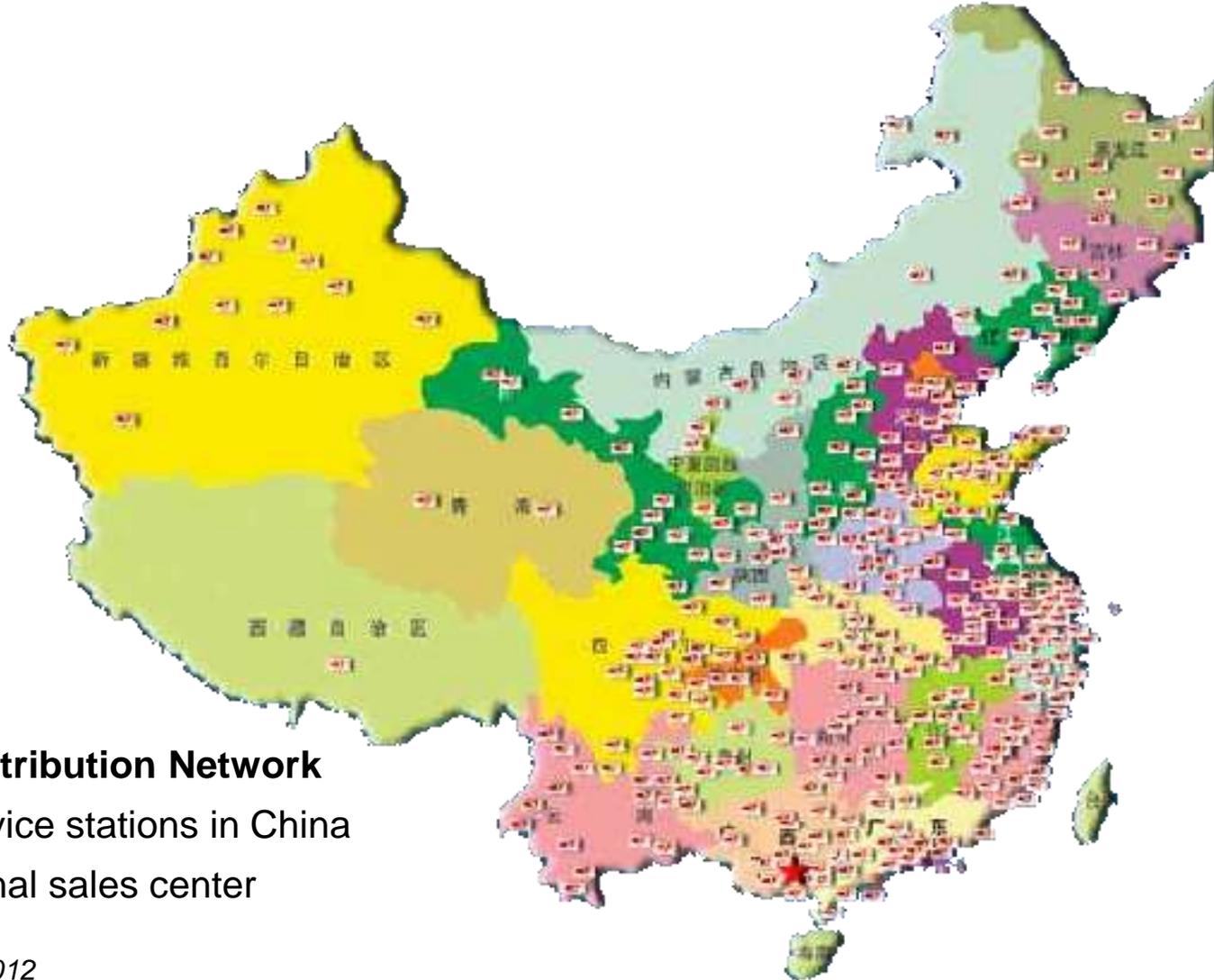
14 Major diesel Engine manufacturers



China Distribution Network



China Yuchai International Limited



- China Distribution Network**
- 3000 service stations in China
 - 32 regional sales center

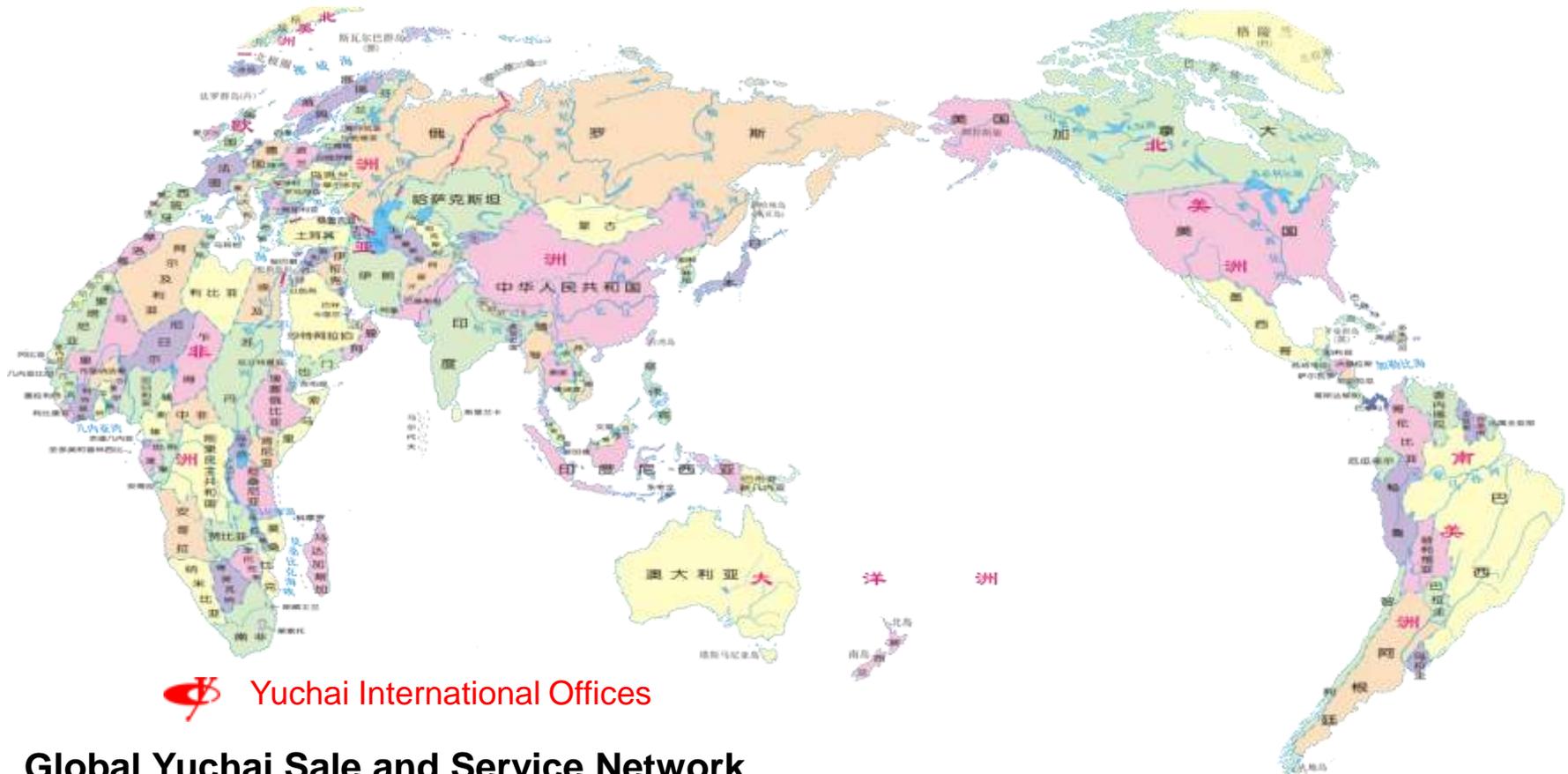
* As March 2012



International Offices



China Yuchai International Limited



 Yuchai International Offices

Global Yuchai Sale and Service Network

- 13 Yuchai international offices
- 95 overseas service stations.

* As of March 2012

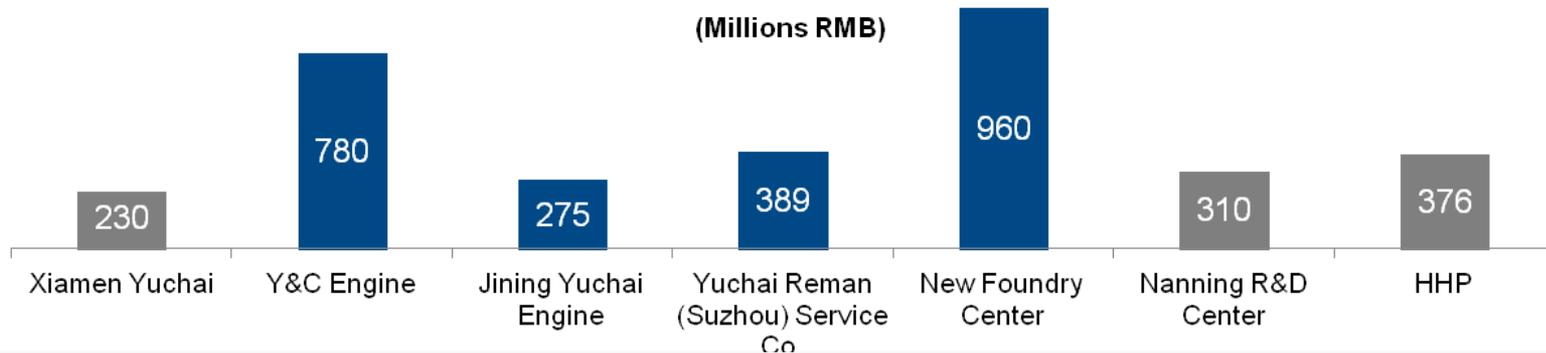


Strategic Partnerships



China Yuchai International Limited

Major Projects Investment



	Y&C Engine Co Ltd	Jining Yuchai	Yuchai Caterpillar Remanufacturing JV
JV Partner	CIMC-Chery	Geely	Caterpillar China
Ownership	45% GYMCL	70% GYMCL	51% Yuchai
Objectives	To produce heavy-duty vehicle engines such as the production of YC6K diesel engines.	To develop diesel engines for passenger cars in China.	To provide remanufacturing services for and relating to Yuchai's and Caterpillar's diesel engines and its respective components





- Expand into HD Products, construction, marine and power generators markets
- Grow international business
- Launch new gas engines to address increasing gas application demand
- Continue to meet stringent emissions across all products
- Launch JVs product to support future profitable growth
- Implement improvements and cost reductions through Lean Six Sigma manufacturing
- Maximize our shareholders' value

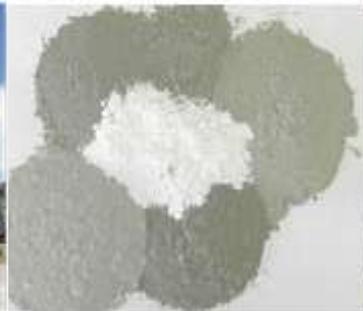




Building Materials



Tasek



Key Investment Highlights



- Maintain market leadership positions: No.1 in Precast and No. 2 in Ready Mix Concrete.
- Strong financials.
- Strong presence in Singapore's construction sector. One of the largest suppliers of essential building materials to the construction industry in Singapore.
- High construction activity in public housing and infrastructure projects in the coming year. Singapore healthy demand in the construction sector in 2012, with \$28.1 billion of projects.
- Precast production capacity increased by 60% with new Senai II factory.
- Tasek Cement in Malaysia is the Fourth largest cement manufacturer-occupy approximately 11 % of market share.

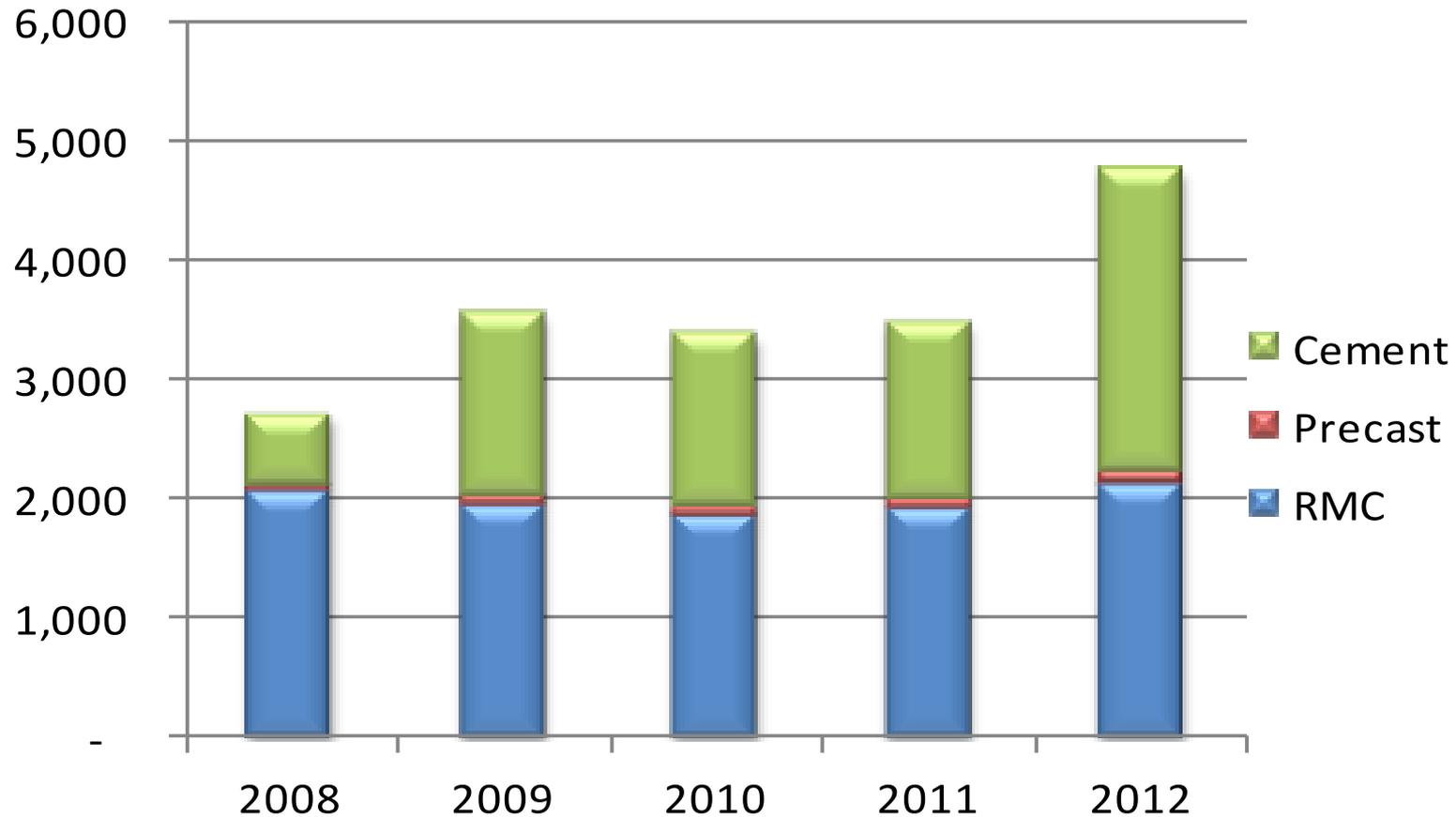


Financial Highlights



(*000 MT /*000 m3)

Unit Sales



Note: RMC, Precast are measured by cubic meter-m3, cement is measured in tons

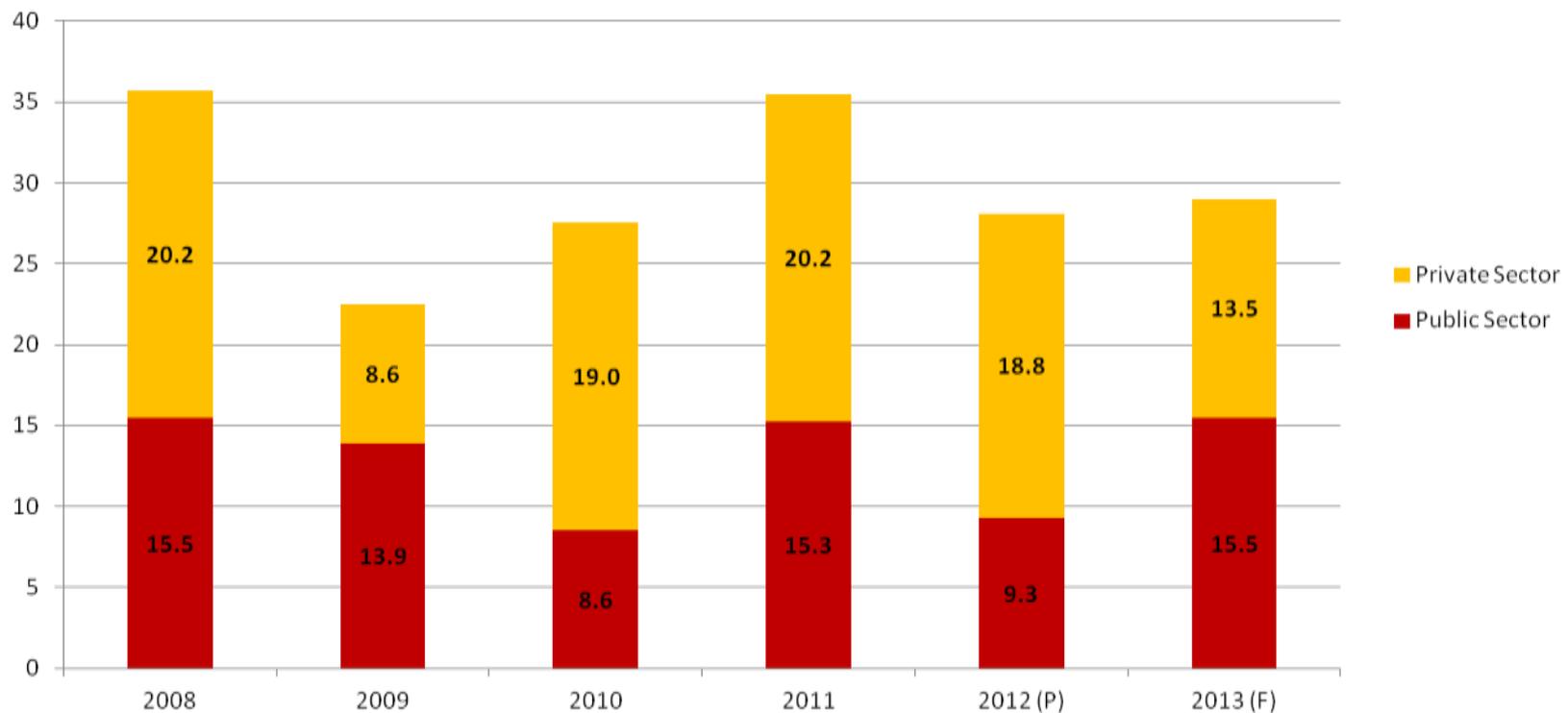


Value of Construction Activities



Contracts Awarded-Singapore

SGD Billion



2012: Preliminary Actual

2013 BCA Forecast is \$26-32 billion. Average is \$29 billion (shown above).

Source: BCA Media Release: Public sector projects to boost construction demand in 2013



Investment Upsides



- Proactive Singapore & Malaysia government policies on construction sector.
- Leading market positions in cement (Tasek), RMC and precast concrete operations: No.1 in Precast and No. 2 in Ready Mix Concrete.
- Government announced projects on both sides of the Causeway will keep the construction industry buoyant.
- All units of BMG will have adequate orders in hand for the short & medium term.
- Synergy derive from vertically integrated operations within BMG Group.
- BMG group is strategically located across Malaysia and Singapore.
- Tasek Cement achieved RM\$92m profit after tax in 2012 (RM\$102m in 2011)





Key Investment Highlights



- Profitable – Rex has remained profitable amidst the weak market conditions in the packaging business in China.
- Serves high profile customers – Established strong relationship with MNC partners for over 20 years including Shell, Nestle, Caltex, Pepsi- Cola, J&J, Petronas, Monsanto & Colgate.
- Strategic location – good geographical spread with manufacturing sites in China particularly in Tianjin, Shanghai and Dongguan presents a unique value proposition to the customers and offers a single point of contact yet extending service to those customers having multiple locations in China like Shell, Nestle, Pepsi -Cola.
- Higher raw material costs/labour costs in PRC – a direct impact on the bottomline from crude oil price hike and the Chinese legislation on increasing min wage rate every 2 years.
- To launch Raw material Central Feeding system for bottle machines in two of the plants. To reduce direct labour and improve quality.
- To continue extending our support beyond after-sales service including technical support at Rex's customers' filling line and addressing packaging-related issues along the customers' supply chain.
- Implement improvements and cost reductions through lean manufacturing



Airwell



Key Investment Highlights

Airwell

- The Company is based in Taicang, Jiangsu province. It was previously based in Shenzhen but relocated to Taicang in October 2012.
- Airwell's heating, ventilation and air conditioning (HVAC) systems are applicable for Residential, Commercial, and Industrial purposes.
- Airwell is a highly respected and recognized brand name in Europe.
- Airwell's products are distributed within China and exported worldwide with concentration in Europe and Asia Pacific.
- The Company passed the ISO9001 certification in December 2012. China Compulsory Certificate (3C) and factory production audits were passed in March 2013.
- Development and expansion of dealer distribution network for China and ASEAN region.
- Factory production lines equipment optimization, and supplier consolidation for cost reduction and maximizing out.
- Rationalized product lines to focus on profitable products in 2013.





THANK YOU

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