

HONG LEONG ASIA LTD. (Co. Reg. No. 196300306G)

Incorporation of Joint Venture Companies and Acquisition of Shares

The Board of Directors of Hong Leong Asia Ltd. (“**HLA**” or the “**Company**”) wishes to announce the following:

- (i) Guangxi Yuchai Machinery Monopoly Company Limited (“**YMMC**”), a subsidiary of New York Stock Exchange listed China Yuchai International Limited (“**CYI**”), which in turn is a subsidiary of the Company, has incorporated in the People’s Republic of China (the “**PRC**”), the following joint venture companies:

Name of Company	Principal Activities	Registered and Paid-up Capital RMB	Joint Venture Partner/ Shareholding	Shareholding of YMMC	Investment by YMMC RMB
1. Guangzhou Tongju Commerce And Trade Company Limited	Trading of diesel engines and accessories and gasoline engines and accessories	2,000,000	Guangzhou Xinan Huida Investment Management Ltd./ 49%	51%	1,020,000
2. Hunan Yuchai Machinery Industry Company Limited	Research and development, assembly and sales of diesel engines and parts, sales of cars maintenance equipment and car spare parts, tyres, lubricating oil and chemical products, cars decorative items, engineering machinery and related parts, and hard metals, communication and electrical products	6,000,000	Hunan Chengwei Automobile Spare Parts Company Limited/ 49%	51%	3,060,000
3. Sichuan Yuchai Machinery Industry Company Limited	Research and development, assembly and sales of diesel engines and related parts, cleaning machine, plastics products, tyres, motor cars and related parts, lubricating oil, chemical products, cars decorative items, engineering machinery, motors and parts, hard metals and communication and electrical products and technical consultancy	13,150,000	Sichuan Yuhua Automobile Business Trading Company Limited/ 34.98% Sichuan Quanxin Automobile Spare Parts Company Limited/ 12.55%	52.47%	6,900,000

Name of Company	Principal Activities	Registered and Paid-up Capital RMB	Joint Venture Partner/ Shareholding	Shareholding of YMMC	Investment by YMMC RMB
4. Yunnan Yuchai Machinery Industry Company Limited	Research and development, assembly and sales of diesel engines and related parts, and cars' spare parts; cleaning machine, cars' maintenance and services equipments, rubber products, tyres, motor-bikes and their parts, lubricating oil and chemical products, cars' decorative items, engineering machinery and related parts, motors and parts, distribution and sales of hard metals, motor machinery, engineering machinery, and technical consultancy.	11,000,000	Kunming Feichikun Automobile Business Trading Company Limited 40%	60%	6,600,000
5. Zhujishi Machinery Company Limited	Manufacture of spare parts and sales of auto spare parts, diesel engines, generators and spare parts, metallic materials, chemical products and lubricating oil.	9,800,000	Zhejiang Quanxing Machinery Manufacturing Company Limited/ 25% Jin Fang Ming/ 25% He Wen Hua/ 20%	30%	2,940,000

- (ii) YMMC, together with its wholly-owned subsidiary, Beijing Jingduo Yuchai Trade Company Limited (“**Beijing Jingduo**”), have acquired the remaining 90% equity interests in Shanghai Yuchai Jidian Marketing Company Limited (“**Shanghai Yuchai**”), a 10%-owned company of YMMC, for an aggregate consideration of RMB1,664,039. Following the acquisition, YMMC and Beijing Jingduo now hold 90% and 10% equity interests respectively in Shanghai Yuchai, thereby making it a wholly-owned subsidiary of YMMC.

The consideration for the above transaction was arrived at on a “willing-buyer willing-seller” basis after taking into account the independent valuation report prepared by Equal Certified Public Accountants, and commissioned by YMMC and the vendor. The consideration for the above transaction was paid for in cash and funded through internal sources.

- (iii) As announced previously, Guangxi Yuchai Machinery Company Limited ("**Guangxi Yuchai**"), a subsidiary of CYI, has pursuant to a Share Transfer Contract acquired the entire registered and paid-up share capital of Guangxi Yulin Hotel Company Limited ("**Yulin Hotel Company**") (the "**Acquisition**") from Yuchai Marketing Co., Ltd ("**Yuchai Marketing**"), for a consideration of RMB245.6 million (the "**Consideration**"). The Consideration was arrived at on a "willing-buyer willing-seller" basis and was computed based on two independent valuation reports dated 12 April 2007 and 20 December 2007 prepared respectively by DTZ Debenham Tie Leung and Tong De, and commissioned by Guangxi Yuchai. The Consideration would be setoff against the outstanding RMB205 million of indebtedness owing by Yuchai Marketing to Guangxi Yuchai, which indebtedness had been guaranteed by Coomber Investments Limited and Guangxi Yuchai Machinery Group Company Limited (together, the "**Guarantors**"). The balance of the Consideration would be setoff against certain trade receivables due from Yuchai Marketing, the Guarantors and other related parties. The Acquisition was subject to the receipt of approval from the provincial government regulatory agency in charge of state-owned assets administration in the PRC. On 13 January 2009, the said approval was obtained. Following the completion of the Acquisition, Yulin Hotel Company is now a wholly-owned subsidiary of Guangxi Yuchai.

By Order of the Board
HONG LEONG ASIA LTD.

Ng Siew Ping, Jaslin
Company Secretary

18 May 2009
Singapore