

INCORPORATION OF JOINT VENTURE COMPANY AND JOINT VENTURE WITH SUNWAY CONCRETE PRODUCTS (S) PTE LTD

The Board of Directors of Hong Leong Asia Ltd. (the “**Company**” and together with its subsidiaries, the “**HLA Group**”) announces the following:

A. Incorporation of Joint Venture Company

HL Building Materials Pte. Ltd. (“**HLBM**”), a wholly-owned subsidiary of the Company, and Sunway Concrete Products (S) Pte Ltd (“**SCPS**”), an unrelated third party and a subsidiary of Sunway Construction Group Berhad (“**SunCon Group**”), have established a joint venture company (“**JV Company**”). HLBM holds a 51% interest and SCPS holds the remaining 49% interest in the JV Company.

Information on the JV Company:

Name of Company	:	HL-Sunway JV Pte. Ltd.
Country of incorporation	:	Republic of Singapore
Issued and paid-up capital	:	S\$25,000.00
Principal activities	:	Manufacturing and sale of precast concrete components

B. Joint Venture with Sunway Concrete Products (S) Pte Ltd

I. Introduction

HLBM, SCPS and the JV Company, have today entered into a Joint Venture Agreement (“**JV Agreement**”) with the intent that the JV Company shall submit a tender to the Building & Construction Authority for the lease of land in Singapore, and to develop thereon, buildings for use by the respective businesses of each of HLBM and SCPS.

II. Source of Funds

HLBM’s share of the equity participation in HL-Sunway and its share of the subsequent funding to the JV Company shall be funded through internal sources and external bank borrowings.

III. Rationale for the Proposed Joint Venture

The proposed joint venture will allow HLBM and SunCon Group to expand their precast business.

The continued demand for precast products, driven by the Housing and Development Board and encouraged by the Government of Singapore, in its initiative to increase the productivity and usage of precast components in construction projects, has encouraged HLBM to enter into this joint venture with SunCon Group, the largest pure-play construction group in Malaysia. SunCon Group has built on its expertise and experience for more than 35 years. Its integrated expertise of design and build in building construction services, civil/infrastructure construction services, foundation and geotechnical services, mechanical, electrical and plumbing services, and manufacturing and sale of precast concrete products, offer end-to-end solutions for its clients. The joint venture will allow both HLBM and the SunCon Group to take advantage of and benefit from the strengths of each joint venture partner in this competitive precast industry.

By Order of the Board
HONG LEONG ASIA LTD.

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

30 January 2018
Singapore