

HONG LEONG ASIA LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number 196300306G)

Directors

Kwek Leng Beng
Kwek Leng Peck
Teo Tong Kooi
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Registered Office

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6 October 2009

To : The Shareholders of Hong Leong Asia Ltd.

Dear Sir/Madam

THE PROPOSED HLA SELECTIVE CAPITAL REDUCTION

The Board of Directors of Hong Leong Asia Ltd. (the “**Company**”) refers to the circular to shareholders of the Company dated 15 September 2009 (the “**Circular**”). Terms and references used in this letter which have not been defined herein bear the same meaning as ascribed to them in the Circular.

As stated under the second paragraph of section 2.3 on page 8 of the Circular, the HLA Selective Capital Reduction will involve the reduction of the issued and paid-up share capital of the Company by the amount of S\$14,890,640.76 (equivalent to S\$1.64 for each of the Relevant HLA Shares cancelled), with such reduction to be effected by cancelling the Relevant HLA Shares (comprising an aggregate of 9,079,659 HLA Shares) which are held by SCIC and which represent HLA’s entitlement under the SCIC Capital Distribution. Based on the issued and paid-up share capital of the Company of S\$278,664,005.41 comprising 381,392,018 HLA Shares as at the latest practicable date prior to the printing of the Circular (the “**Latest Practicable Date**”), pursuant to the HLA Selective Capital Reduction, the issued and paid-up share capital of HLA will be reduced from S\$278,664,005.41 comprising 381,392,018 HLA Shares, to S\$263,773,364.65 comprising 372,312,359 HLA Shares.

The Company wishes to inform Shareholders that as at 6 October 2009, the issued and paid-up share capital of the Company has increased to S\$278,838,405.41 comprising 381,502,018 HLA Shares due to the exercise of 110,000 HLA Share Options into HLA Shares during the period between the Latest Practicable Date and the date of this letter. Accordingly, based on the current issued and paid-up share capital of the Company, the issued and paid-up share capital of HLA will now be reduced from S\$278,838,405.41 comprising 381,502,018 HLA Shares, to S\$263,947,764.65 comprising 372,422,359 HLA Shares pursuant to the HLA Selective Capital Reduction. To avoid having to update the resolution in the event there is any further exercise of HLA Share Options, the Board of Directors of the Company would like to inform Shareholders

that the special resolution set out in the Notice of EGM in the Circular and in the announcement made by the Company on 15 September 2009 should read as follows:-

“SPECIAL RESOLUTION

HLA SELECTIVE CAPITAL REDUCTION

That, pursuant to Article 10(A) of the Articles of Association of the Company and Section 78G of the Companies Act, Chapter 50 of Singapore (“**Companies Act**”), and subject to (i) the SCIC Capital Distribution and the SCIC Capital Reduction being approved and confirmed by the High Court, and (ii) the approval and confirmation by the High Court:-

- (a) the issued and paid-up share capital of the Company be reduced by an amount of S\$14,890,640.76, and that such reduction be effected by cancelling 9,079,659 issued and fully paid-up ordinary shares in HLA held by SCIC (“**HLA Selective Capital Reduction**”) which would otherwise be distributed to the Company by SCIC pursuant to the SCIC Capital Distribution; and
- (b) the Directors and each of them be and are hereby authorised to exercise all discretions and do all such acts and things (including executing all such documents as may be required under or pursuant to the HLA Selective Capital Reduction) as they or he may consider necessary, desirable or expedient to give effect to the HLA Selective Capital Reduction.

All capitalised terms used in this Notice which are not defined herein shall unless the context otherwise requires have the same meanings ascribed to them in the Company’s Circular to Shareholders dated 15 September 2009 (including supplements and modifications thereto).”

There is no change in the substance of the aforesaid special resolution from that set forth in the Notice of EGM contained in the Circular, as the number of HLA Shares and the amount of share capital of HLA to be cancelled under the HLA Selective Capital Reduction remains unchanged. The special resolution set out above shall be proposed at the EGM of the Company to be held at M Hotel Singapore, Banquet Suite, Level 10, 81 Anson Road, Singapore 079908 on Thursday, 8 October 2009 at 3.00 p.m., in place of the special resolution set out in the Notice of EGM contained in the Circular.

Yours faithfully
For and on behalf of
the Board of Directors of
HONG LEONG ASIA LTD.

KWEK LENG BENG
Chairman