

**HONG LEONG ASIA LTD.**  
(Company Registration No. 196300306G)  
(Incorporated in the Republic of Singapore)

**ANNOUNCEMENT**

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**INCORPORATION OF NEW WHOLLY-OWNED SUBSIDIARIES AND INTERNAL RESTRUCTURING**

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**1. INCORPORATION OF NEW WHOLLY-OWNED SUBSIDIARIES AND INTERNAL RESTRUCTURING**

The Board of Directors of Hong Leong Asia Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the incorporation of:

- (a) a wholly-owned subsidiary known as HL Cement (Malaysia) Sdn. Bhd. (“**HLC(M)**”) in Malaysia;
- (b) a wholly-owned subsidiary known as HL Cement (Labuan) Limited (“**HLC(Labuan)**”) in Labuan; and
- (c) a wholly-owned subsidiary known as HL Cement (HK) Limited (“**HLC(HK)**”) in Hong Kong,

(collectively, the “**New Subsidiaries**”).

HLC(M) is a wholly-owned subsidiary of HLC(HK), which is in turn a wholly-owned subsidiary of the Company. HLC(Labuan) is also a wholly-owned subsidiary of HLC(HK).

The authorised and paid-up share capital of the New Subsidiaries and their principal activities are as follows:-

<u>Name of Subsidiary</u>	<u>Principal Activities</u>	<u>Country of Incorporation</u>	<u>Authorised share capital</u>	<u>Issued and paid-up share capital</u>
HLC(M)	Investment holding	Malaysia	RM300,000,000 divided into 300,000,000 ordinary shares of RM1.00 each	RM2.00 divided into 2 ordinary shares of RM1.00 each
HLC(Labuan)	Investment holding	Labuan, Malaysia	S\$400,000 divided into 400,000 ordinary shares of S\$1.00 each	S\$2.00 divided into 2 ordinary shares of S\$1.00 each
HLC(HK)	Investment holding	Hong Kong	HK\$10,000 divided into 10,000 ordinary shares of HK\$1.00 each	HK\$1

The New Subsidiaries were incorporated with a view to consolidating the holding of the ordinary and preference shares of Tasek Corporation Berhad (a Malaysian-incorporated company listed on the Main Market of Bursa Malaysia Securities Berhad) (collectively, the “**Tasek Shares**”) currently held by the Group, into HLC(M). To this end, the Board of Directors of the Company wishes to announce that:

- (i) the Company and other subsidiaries within the Group which currently hold Tasek Shares (namely, Lydale Pte Ltd, Hayford Holdings Sdn. Bhd., Hartwell Pte. Ltd., Island Concrete (Private) Limited and Kian Chiang Granite Quarry Company (Pte.) Limited) (collectively, the “**Sellers**”) have today entered into a conditional share sale agreement (the “**Tasek Share Sale Agreement**”) with HLC(M) for the sale by the Sellers to HLC(M) of their respective Tasek Shares comprising (a) an aggregate of 134,302,811 ordinary shares of RM1.00 each in Tasek (the “**Tasek Ordinary Shares**”), representing approximately 72.65% of the total Tasek Ordinary Shares<sup>1</sup>, and (b) an aggregate of 315,274 6% cumulative participating preference shares of RM1.00 each in Tasek (the “**Tasek Preference Shares**”), representing 63.05% of the total Tasek Preference Shares<sup>2</sup>, for an aggregate cash consideration of RM511,454,140.80 (equivalent to approximately S\$209.45 million<sup>3</sup>) (or RM3.80 per Tasek Ordinary Share and RM3.50 per Tasek Preference Share) (the “**Purchase Consideration**”), upon the terms and subject to the conditions of the Tasek Share Sale Agreement (the “**Tasek Acquisition**”); and
- (ii) HLC(HK) and HLC(Labuan) have today entered into a conditional share sale agreement (the “**HLC(M) Share Sale Agreement**”) for the sale by HLC(HK) of the two ordinary shares of RM1.00 each in the capital of HLC(M) (representing the entire issued share capital of HLC(M)) to HLC(Labuan) for a cash consideration of RM2.00 (the “**HLC(M) Acquisition**”).

## 2. TASEK SHARE SALE AGREEMENT

The Purchase Consideration was arrived at after taking into consideration the volume weighted average market price of Tasek Ordinary Shares and Tasek Preference Shares for the five market days up to and including 28 October 2009 (being the last trading day prior to the execution of the Tasek Share Sale Agreement on 29 October 2009) of RM3.90 and RM3.50 respectively. The Purchase Consideration is to be satisfied fully in cash on completion of the Tasek Acquisition. The consolidated net asset value for the Tasek Shares under the Tasek Acquisition as at 31 December 2008 was RM854.21 million.

Under the Tasek Share Sale Agreement, completion of the Tasek Acquisition is conditional upon, *inter alia*:

- (a) the Securities Commission (Take-overs and Mergers Department) of Malaysia providing an exemption (pursuant to Practice Note 2.9.7 of the Malaysian Code on Take-overs and Mergers, 1998) to HLC(M) and its parties acting in concert from the obligation under Part II of the Malaysian Code on Take-overs and Mergers, 1998 to undertake a mandatory take-over offer for the remaining Tasek Shares not already held by HLC(M) and its parties acting in concert upon completion of the Tasek Acquisition;
- (b) the Ministry of International Trade and Industry of Malaysia providing its approval for the acquisition by HLC(M) of the Tasek Shares from the Sellers;

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### Notes:

<sup>1</sup> Unless otherwise stated, references in this Announcement to the issued ordinary share capital of Tasek and total Tasek Ordinary Shares are based on an issued and paid-up share capital of RM184,860,700 comprising 184,860,700 Tasek Ordinary Shares (excluding treasury shares) as at 28 October 2009.

<sup>2</sup> Unless otherwise stated, references in this Announcement to the issued preference share capital of Tasek and total Tasek Preference Shares are based on an issued and paid-up preference share capital of RM500,000 comprising 500,000 Tasek Preference Shares as at 28 October 2009.

<sup>3</sup> For purposes of this Announcement, an exchange rate of RM2.4419 : S\$1 (being the exchange rate on 28 October 2009, the last day on which the Tasek Ordinary Shares and Tasek Preference Shares were traded on Bursa Malaysia Securities Berhad immediately preceding the date of the Tasek Share Sale Agreement) was used for translation purposes, unless otherwise stated.

- (c) the Controller of Foreign Exchange via Bank Negara Malaysia providing its approval for the foreign currency credit facilities and ringgit credit facilities to be obtained by HLC(M) (where required) to finance the acquisition of the Tasek Shares;
- (d) completion of the acquisition by HLC(Labuan) of the entire issued share capital of HLC(M) from HLC(HK);
- (e) a notification to the Labuan Offshore Financial Services Authority ("**LOFSA**") (if any, subject to the approval from LOFSA on the proposed exemption for the holding of a controlling interest in HLC(M) by HLC(Labuan)) being made of such credit facilities pursuant to the approval of the Controller of Foreign Exchange;
- (f) the loan to finance the Tasek Acquisition has been approved and a drawdown notice has been issued to part finance the acquisition of the Tasek Acquisition;
- (g) the approvals of the Sellers' financiers or such other authorities or persons as may be required to complete the disposal of the Tasek Shares, if required; and
- (h) the approval and/or consent by any other authorities/parties, if any.

If any of the conditions to the Tasek Share Sale Agreement is not satisfied or waived by the date falling twelve (12) months from the date of the Tasek Share Sale Agreement or such later date as the parties may agree in writing, either party may by notice to the other party terminate the Tasek Share Sale Agreement and such termination shall be without prejudice to any rights under or in relation to the Tasek Share Sale Agreement which may have accrued to a party prior to the termination of the Tasek Share Sale Agreement.

Completion of the Tasek Acquisition is to take place no later than the date falling thirty days (or such other date as the parties may agree as being the last date for completion) after the conditions have been satisfied or waived by HLC(M).

### **3. HLC(M) SHARE SALE AGREEMENT**

Under the HLC(M) Share Sale Agreement, completion of the HLC(M) Acquisition is conditional upon, *inter alia*, the approval of the Minister of Finance of Malaysia pursuant to Section 150 of the Offshore Companies Act 1990 of Malaysia (the "**OCA**") via the LOFSA for HLC(Labuan) to hold a controlling interest in HLC(M) notwithstanding Section 147(1) of the OCA.

If any of the conditions to the HLC(M) Share Sale Agreement is not satisfied or waived by the date falling twelve (12) months from the date of the HLC(M) Share Sale Agreement or such later date as the parties may agree in writing, either party may by notice to the other party terminate the HLC(M) Share Sale Agreement and such termination shall be without prejudice to any rights under or in relation to the HLC(M) Share Sale Agreement which may have accrued to a party prior to the termination of the HLC(M) Share Sale Agreement.

Completion of the HLC(M) Acquisition is to take place no later than the date falling thirty days (or such other date as the parties may agree as being the last date for completion) after the conditions have been satisfied or waived by HLC(Labuan).

By Order of the Board

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

29 October 2009