

**PROPOSED RESTRUCTURING OF THE CONSUMER PRODUCTS UNIT**

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The Board of Directors (the “**Board**”) of Hong Leong Asia Ltd. (“**HLA**” or the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Board and the management of the Company have conducted a strategic review of the Consumer Products Unit (“**Xinfei**”). Xinfei’s principal activities are those relating to the manufacturing and distribution of white goods comprising, *inter alia*, refrigerators, freezers and air-conditioners in China. Xinfei’s operations have been impacted by the challenging market environment facing the white goods industry in China with its intense competition and price pressure.

As a result of the strategic review, the Board has approved for Xinfei to undertake a restructuring exercise involving (i) the cessation of its manufacturing and production activities and the resolution of key issues arising therefrom which may involve various stakeholders and court procedures, and (ii) the exploration of strategic participation with potential partners in business opportunities using Xinfei’s trademark and intellectual property, which may include brand licensing, OEM (original equipment manufacturing) or other arrangements (the “**Restructuring Exercise**”).

Xinfei has engaged Ernst & Young (China) Advisory Limited to be the advisor for the Restructuring Exercise.

As the details of the Restructuring Exercise are still being worked out, it would be premature for the Company at the current moment to provide an estimate of its financial impact to the Company and the Group.

Further announcement will be issued by the Company when there is more information on the Restructuring Exercise.

By Order of the Board  
HONG LEONG ASIA LTD.

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

30 October 2017  
Singapore