

WINDING UP / RECEIVER & MANAGER / RESTRAINING ORDER / SPECIAL ADMINISTRATOR Creditors' Voluntary Winding-Up Of An Associated Company

HONG LEONG INDUSTRIES BERHAD

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| Type | Announcement |
| Subject | WINDING UP / RECEIVER & MANAGER / RESTRAINING ORDER / SPECIAL ADMINISTRATOR |
| Description | Creditors' Voluntary Winding-Up Of An Associated Company |

Hong Leong Industries Berhad ("HLI") wishes to inform that the Board of its associated company, Malaysian Newsprint Industries Sdn Bhd ("MNI"), had on 1 August 2017, appointed Mr Lim San Peen of PricewaterhouseCoopers Advisory Services Sdn Bhd as the Interim Liquidator to commence creditors' voluntary winding-up proceedings of MNI in accordance with Section 440(1) of the Companies Act 2016 ("Creditors' Voluntary Winding-Up").

MNI, in which HLI has a 33.65% interest, is not a major associated company of HLI. MNI was incorporated in Malaysia on 4 August 1976 and is principally engaged in the manufacture and sale of newsprint.

The Board of MNI was of the opinion that MNI could not continue its business. MNI had been operating under very difficult market conditions, especially declining newsprint demand, and has incurred losses for the past 3 years.

Arising from the Creditors' Voluntary Winding-Up, HLI Group will make a full impairment provision of RM171.5 million which is HLI Group's carried amount of investment in MNI as at 30 June 2017, and this will have an adverse impact on its financial quarter ended 30 June 2017. Apart from the one-off impairment, the liquidation of MNI will not have any other adverse impact on HLI Group, and going forward, HLI Group will no longer have to equity account the results of MNI. In the event of any residual value from the liquidation process, HLI Group will recognise any recoveries in future periods.

This announcement is dated 1 August 2017.

Announcement Info

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| Company Name | HONG LEONG INDUSTRIES BERHAD |
| Stock Name | HLIND |
| Date Announced | 01 Aug 2017 |
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