#### **REPL::Annual General Meeting::Voluntary**

#### Issuer & Securities

Issuer/ Manager	HONG LEONG ASIA LTD.
Security	HONG LEONG ASIA LTD SG1F76860344 - H22

#### **Announcement Details**

Announcement Title	Annual General Meeting	
Date & Time of Broadcast	22-Apr-2016 18:17:47	
Status	Replacement	
Announcement Reference	SG160404MEET8S3M	
Submitted By (Co./ Ind. Name)	Ng Siew Ping, Jaslin	
Designation	Company Secretary	
Financial Year End	31/12/2015	

#### **Event Narrative**

Narrative Type	Narrative Text
Additional Text	Please refer to the attached announcement on resolutions passed at the 55th Annual General Meeting of the Company held on 22 April 2016 ("AGM"). The presentation given by Mr Philip Ting, a Director and the Chief Executive Officer of the Company, at the AGM is also attached.

#### **Event Dates**

Meeting Date and Time	22/04/2016 15:00:00
Response Deadline Date	20/04/2016 00:00:00

#### Event Venue(s)

Place		
Venue(s) Meeting Venue	Venue details  M Hotel Singapore, Banque	et Suite, Level 10, 81 Anson Road, Singapore 079908
Attachments		UHLA AGM Results 22042016.pdf UHLA AGM Presentation Slides 22042016.pdf Total size =2380K
Related Announcer	ments	<u>04/04/2016 17:26:55</u>



Resolutions Passed at the  $55^{\rm th}$  Annual General Meeting of Hong Leong Asia Ltd. held on 22 April 2016

The Board of Directors of Hong Leong Asia Ltd. (the "Company") wishes to announce the following:

### Resolutions Passed at the 55<sup>th</sup> Annual General Meeting

At the Company's 55<sup>th</sup> Annual General Meeting held today, 22 April 2016 ("**55<sup>th</sup> AGM**"), all resolutions referred to in the Notice of the 55<sup>th</sup> AGM dated 4 April 2016 were duly passed by way of poll which was conducted electronically.

(a) A breakdown of all valid votes cast at the 55<sup>th</sup> AGM is set out below:

Ordinary Business					
Resolution number and	Total number of shares represented by votes for and against the relevant resolution	For		Against	
details		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
Resolution 1 Adoption of Directors' Statement, Financial Statements and Auditors' Report	272,750,574	272,244,574	99.81	506,000	0.19
Resolution 2 Declaration of Final Dividend	273,051,674	272,951,674	99.96	100,000	0.04
Resolution 3 Approval of Directors' Fees and Audit Committee Fees	272,703,174	272,556,174	99.95	147,000	0.05
Resolution 4 Re-election of Directors:					
(a) Mr Tan Huay Lim	272,776,574	272,158,555	99.77	618,019	0.23

Resolution number and	Total number of shares represented by votes for and against the relevant resolution	For		Against	
details		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
(b) Ms Kwong Ka Lo @ Caroline Kwong	272,848,574	272,739,174	99.96	109,400	0.04
(c) Mr Philip Ting Sii Tien @ Yao Sik Tien	272,565,574	272,412,174	99.94	153,400	0.06
Resolution 5 Appointment of Directors:					
(a) Mr Kwek Leng Beng	272,213,574	260,991,622	95.88	11,221,952	4.12
(b) Mr Ernest Colin Lee	272,737,574	272,563,174	99.94	174,400	0.06
Resolution 6 Re-appointment of Ernst & Young LLP as Auditor	272,760,174	272,700,174	99.98	60,000	0.02
Special Business					
Resolution 7 Authority for Directors to issue shares and/or make or grant offers, agreements or options pursuant to Section 161 of the Companies Act, Chapter 50 and the listing rules of Singapore Exchange Securities Trading Limited	272,720,174	268,244,519	98.36	4,475,655	1.64
Resolution 8 Authority for Directors to offer and grant options to eligible participants under the Hong Leong Asia Share Option Scheme 2000 (the "SOS") other than Parent Group Employees and Parent Group Non-Executive Directors and to issue shares in accordance with the provisions of the SOS	262,227,874	257,519,819	98.20	4,708,055	1.80

Resolution number and	umber and  Total number of shares represented by votes for and against the relevant resolution	For		Against	
details		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
Resolution 9 Renewal of Share Purchase Mandate	272,937,674	272,838,674	99.96	99,000	0.04
Resolution 10 Renewal of IPT Mandate for Interested Person Transactions	29,151,874	29,090,374	99.79	61,500	0.21

(b) Details of parties who were required to abstain from voting on any resolution(s), including the number of shares held and the individual resolution(s) on which they were required to abstain from voting are as follows:

Details of Party(ies)	Resolution number and details	Number of shares held (in own name and/or name of nominee)
Mr Philip Ting Sii Tien @ Yao Sik Tien	Resolution 4(c) Re-election of Mr Philip Ting Sii Tien @ Yao Sik Tien as Director  Resolution 8 Authority for Directors to offer and grant options to eligible participants under the SOS other than Parent Group Employees and Parent Group Non-Executive Directors and to issue shares in accordance with the provisions of the SOS  Resolution 10 Renewal of IPT Mandate for Interested Person Transactions	280,000

Details of Party(ies)	Resolution number and details  Number shares (in own and/or nomine)	
Mr Kwek Leng Beng	Resolution 5(a) Appointment of Mr Kwek Leng Beng as Director  Resolution 8 Authority for Directors to offer and grant options to eligible participants under the SOS other than Parent Group Employees and Parent Group Non-Executive Directors and to issue shares in accordance with the provisions of the SOS  Resolution 10 Renewal of IPT Mandate for Interested Person Transactions	660,000
Mr Ernest Colin Lee	Resolution 5(b) Appointment of Mr Ernest Colin Lee as Director  Resolution 8 Authority for Directors to offer and grant options to eligible participants under the SOS other than Parent Group Employees and Parent Group Non-Executive Directors and to issue shares in accordance with the provisions of the SOS  Resolution 10 Renewal of IPT Mandate for Interested Person Transactions	40,000
Mr Kwek Leng Peck	Resolution 8 Authority for Directors to offer and grant options to eligible participants under the SOS other than Parent Group Employees and Parent Group Non-Executive Directors and to issue shares in accordance with the provisions of the SOS  Resolution 10 Renewal of IPT Mandate for Interested Person Transactions	1,913,300
Employees of the Company (being eligible participants under the SOS), who voted in person or provided proxy for the voting of resolutions proposed at the 55 <sup>th</sup> AGM	Resolution 8 Authority for Directors to offer and grant options to eligible participants under the SOS other than Parent Group Employees and Parent Group Non-Executive Directors and to issue shares in accordance with the provisions of the SOS	122,000 (aggregate number of shares)
Hong Leong Investment     Holdings Pte. Ltd. group     of companies  Associate of a Director	Resolution 10 Renewal of IPT Mandate for Interested Person Transactions	239,932,000 (aggregate number of shares)
Associate of a Director		120,000

#### **Appointment of Scrutineer**

TS Tay Public Accounting Corporation was appointed the Scrutineer for the 55<sup>th</sup> AGM, and is independent of Trusted Source Pte Ltd which was appointed to undertake the electronic polling process at the 55<sup>th</sup> AGM.

#### Appointment or re-appointment of Directors to the Audit Committee

Pursuant to Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited, we wish to inform that Mr Tan Huay Lim, who was re-elected as a Director of the Company at the 55<sup>th</sup> AGM, will remain as the Chairman of the Audit Committee and Mr Ernest Colin Lee, who was appointed as a Director of the Company also at the 55<sup>th</sup> AGM, will remain as a member of the Audit Committee. The Board considers Mr Tan and Mr Lee to be independent.

#### **Retirement of Independent Non-Executive Director**

Mr Quek Shi Kui, an Independent Non-Executive Director, had retired at the 55<sup>th</sup> AGM. Consequent thereto, Mr Quek also ceased to be a member of the Audit Committee, Nominating Committee, Remuneration Committee and Hong Leong Asia Share Option Scheme 2000 Committee.

The Board would like to take this opportunity to express its sincere appreciation to Mr Quek for his invaluable contributions to the Company for more than 10 years since his appointment as Director in 2005.

BY ORDER OF THE BOARD

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

22 April 2016 Singapore



# Hong Leong Asia

AGM Presentation
Mr. Philip Ting
Chief Executive Officer











# **Business Update**

With China's economy slowing down, the impact has affected the rest of Asia and parts of the global economies. The lower consumption has severely affected manufacturing and other industries. This was further compounded by the weaker commodities prices and volatile stock markets and currency markets.

With China's slowdown and economy transition poses a challenge for the rest of Asia, this also provides opportunities for the countries in the APAC regions which are able to replace China in segments of global production chains with China's rising labour costs, production will shift increasingly to lower cost countries for instance Vietnam.

Hong Leong Asia's China businesses are mainly in the consumer manufacturing sectors. With the continuing development of new industries such as ecommerce, healthcare and automation, these will support the growth of the income levels of the local population. In turn, this will support domestic consumption and as it is necessary condition for China's transition to a high value-added economy.

For 1<sup>st</sup> quarter 2016, China registered a slow growth of 6.7% as announced during the National People's Congress in March. China will still grow at 7% with the start of the new Five Years Plan (2016- -2020), the new plan will encourage Chinese companies to expand overseas in the key sectors critical to the nation's priorities laid out in the plan.



### **Summary – Financial Highlights**

(In S\$'million)	FY2015	FY2014
Revenue	4,082.7	4,560.0
Operating profit	120.6	235.3
Exceptional items*	(39.4)	2.1
Profit before tax	81.2	237.4
Income tax	(72.8)#	(62.8)
Profit after tax	8.4	174.6
Net (loss)/profit attributable to shareholders	(61.4)	26.9

<sup>\*</sup> Refer to next slide for details.

<sup>#</sup> Included one-off reversal of deferred tax assets amounting to \$27.5 million.



### **Summary – Financial Highlights**

(In S\$'million)	FY2015	FY2014
Impairment losses:		
- Trade and other receivables	(10.6)	(2.8)
- Inventories	(12.6)	(1.7)
- Property, plant and equipment	(1.7)	(7.8)
- Intangible assets	(14.5)	(12.3)
Other income:		
- Waiver of trade payables	-	7.3
- Gains arising from acquisition	-	19.4
Net impact to profit before tax	(39.4)	2.1



### Sales Volume Analysis FY2015 FY 2014

### **Henan Xinfei**

Refrigerators	901,339	1,169,429
Freezers	501,591	476,516
Washing machines	48,497	64,354
Exports and others (include airconditioners)	60,584	87,423
ooriandirioro,	1,512,011	1,797,722

### **China Yuchai**

Trucks	137,264	222,668
Buses	103,000	122,768
Passenger Cars	3,507	4,631
(Sub-total)	243,771	350,067
Industrial Engines and others	32,302	49,500
Agricultural Engines	88,494	84,258
	364,567	483,825





### Consumer Products

Henan Xinfei Electric Co. Ltd. ("Xinfei"), Frestec





### 2015 Market Overview

- According to China Market Monitor (CMM), the entire refrigerator market declined by 5% (for Jan-Dec 2015) due to a slow down in the economic growth. At the same time, the entire property market (except tier one cities) declined in China, property sales went down. This has an adverse impact on the white goods industry in China.
- For refrigerator segment, from January December 2015, Haier decline by 2%, Ronshen decline 6%, Meiling decline 5%, and Xinfei decline 20%.
- The entire market is declining, multi-door, 4-door refrigerators maintains a high growth rate. Its accumulated growth of the year is approximately 59%, while frost free products achieved an accumulated growth of 38%.



### 2015 Xinfei Achievements

Frestec Xinfei refrigerator won the "Star preservation refrigerator" title on August 20 2015. The Beijing event was hosted by the China Household Electrical Appliances Research Institute.

The test results showed that Frestec Xinfei's fridge performed better in terms of preserving fresh produce's vitamin C and chlorophyll. Its preservation capabilities is far ahead of its competitors, it has reached an international advanced level.







### 2015 Voice of China City Auditions Event



Collaborator: Voice of China (Star cable)

■ Sponsor Brand: Frestec Xinfei

■ Program Slogan:新飞好冰箱 除菌新偶像

■ Mall Events

City	Location	Event Date
Nanjing Mall (Opening)	正洪广场	13 <sup>th</sup> May 15
郑州商圈 (Closing)	二七广场	31st May 15

#### ■ Campus Events

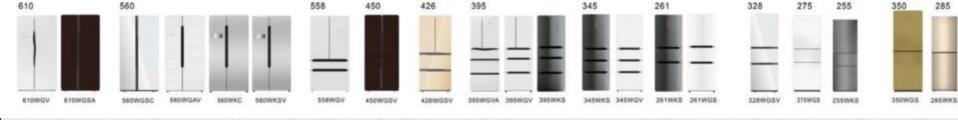
City		Event Date
Nanjing	南京师范大学仙林校区	14 <sup>th</sup> May 15
Wuhan	武汉大学大学生活动中心	19th May 15
Chengdu	西南交通大学大学生会堂	22 <sup>nd</sup> May 15
Anxi	西安文理学院大礼堂	26 <sup>th</sup> May 15
Zhengzhou	黄河科技学院南校区学术报告厅	1st June 15



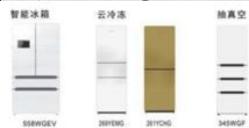


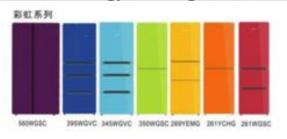
### 2015/2016 Products

#### Frost Free Models- 21 models



### Products with Special Function Models- 13 models (smart fridge, vacuum function, energy saving, rainbow series)







# Total 47 models

#### Direct Cool Models- 13 models







### 2015/2016 Products

SC/SD-323HA

SC/SD-618G

SC-360H

SC-360F SC-400WP

SC-360L



JC-378G

JC-1159B

BD-195W

BD-1018



### 2016 Print Collaterals







New Fridge Series KV

Vertical KV







AES Anti-bacteria LOGO



### 2016 High Speed Railway

Media Format: Table Top Image + Poster + LCD screen (Video)

Effective Date: 2nd Feb 2016 - 15 May 2016

Advertising period covers the Chinese New Year period to Labour day in May.

Purpose is to promote anti-bacteria

Table Stickers
12 sets of trains



Posters
12 sets of trains



Video 190 units playing video ad





# HO FONG AS

### 2016 Outdoor Ads

Effective Date: 7<sup>th</sup> April to 7<sup>th</sup> July 2016 to match with sales peak period Key cities selected base on sales strategy: 49 key cities, 49 billboard locations that matched with subway locations to have a holistic coverage.









# Shanghai Appliance World Expo (AWE) 2016





Time Period: 9<sup>th</sup> -12<sup>th</sup> March 2016

AWE 2016 received a total of 100,000 visitors from nearly 40 countries and regions.



### E-Commerce

2015 Total Sales Revenue for (Actual): RMB 136 Million

2016 sales revenue target expected to double from 2015.

#### **Current Platforms**







Tmall 天猫商城

Suning 苏宁易

JD 京东商城



Gome 国美在线

### New Additions planned







Amazon.cn亚马逊



Vip.com



### **E-Commerce - TMall**

### 天猫 TMALL.COM





- Joined Since: July 2011
- Online Flagship store on Tmall
- Models Online Qty: 22 models
- Operated by: Frestec Xinfei Self-managed
- Logistics: Cainiao Network Technology



### E-Commerce - Suning



| NB | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100





Joined since:Jan 2013



- Operated by :
   Managed by SUNING
- Logistics: SUNING National Distribution Network
- Models Online Qty :
   24 models





## E-Commerce - Jing Dong



Joined Since:May 2014



- Operated by : Xinfei
- Logistics by:
   JD Jingdong distribution network
- Models Online Qty:23 models





# Diesel Engines

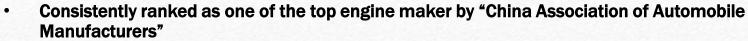
China Yuchai International ("CYI")



# **Key Business Highlights**

Awards / Accolades 2015





- <u>Sales</u> with 364,567 units sold in 2015 (483,485 units for 2014), decrease of -24.6%. The China Commercial Vehicle sales declined by 14.4% (excluding gasoline-powered and electric-powered engines) in 2015 compared to previous year, contributed mainly due to lower sales of Heavy-Duty engines.
- Yuchai's revenue decreased by -16.4% lower than the units sales decline. This was mainly attributed to higher sales of engines of higher emission standard (eg Nat 4) with higher average sales price)
- In 2015, we launched 10 new engine models for Nat 4/5 and Tier 3 emission standards. This is to further increase our leadership in the industry. In 2014 we also launched 10 engines model.

/Wards / /1000lau60 1010l
☐ GYMCL wins The China Patent Excellence Award in The 17th SIPO Award for Outstanding
Patented Invention from The State Intellectual Property Office (SIPO) of the PR China

- ☐ YC6K wins the *Fuel Saving Champion Engine* in the 6x4 Trailer class at The 8<sup>th</sup> China International Truck Fuel Saving Competition
- ☐ GYMCL wins *The National Advance Enterprise on Quality Inspection Award* from China Association for Quality Inspection
- ☐ GYMCL launched the Tier 3 emission-compliant marine engine YC6TD600L-C30, the first Tier 3 marine engine from China
- ☐ GYMCL launched Plug-in Hybrid system in bus market
- ☐ YC6MK wins The Best Environmental Technology Award

### Recent Highlights: Signing of ceremony for Joint Venture MTU







#### **Our JV partner MTU**

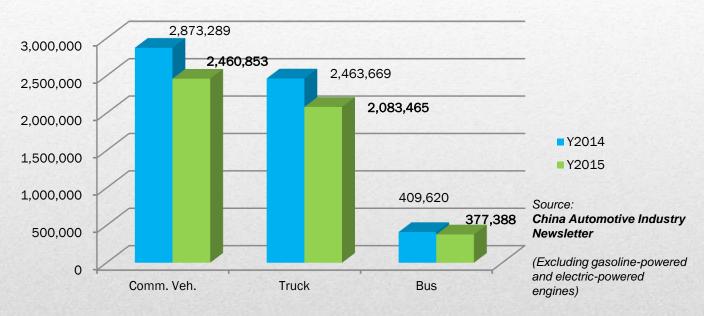
- A diesel engine manufacturer specialized in high-speed, large-rating diesel engine for power generation, oil & gas, railway, marine and mining applications
- MTU is a wholly owned subsidiary of Rolls-Royce Power Systems

#### The Joint Venture

- The Joint Venture ownership of 50:50 between MTU and GYMCL
- Main manufacturing site will be located in Yulin within present GYMCL facilities
- Target to start engine production by mid-2017
- Total investment of RMB150M in phase 1



# Market Overview: Commercial Vehicles



#### **China Truck Market Drivers**

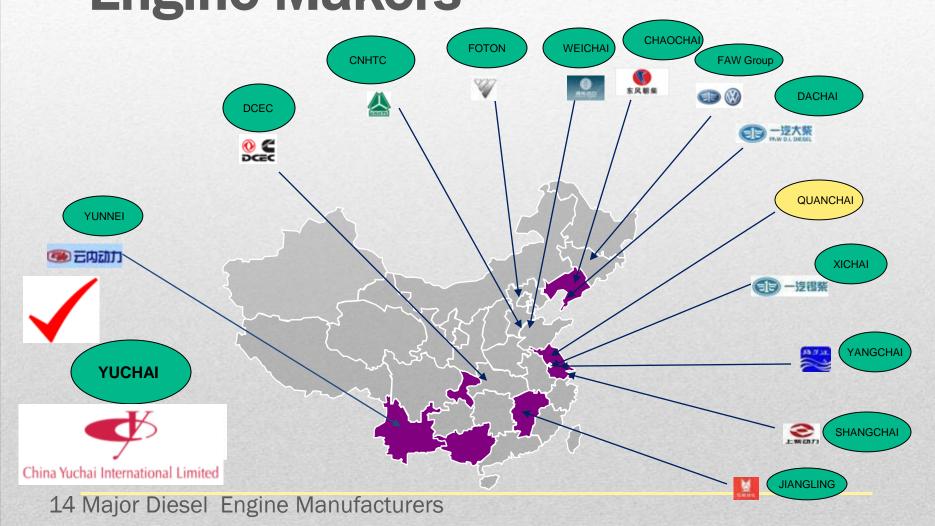
- ☐ China's economic growth
- Infrastructure projects
- Urbanization / logistics networks
- Stringent emission standards

#### **China Bus Market Drivers**

- Rapid expansion into rural areas
- Inter-city transportation
- Booming tourism
- Continued urbanization

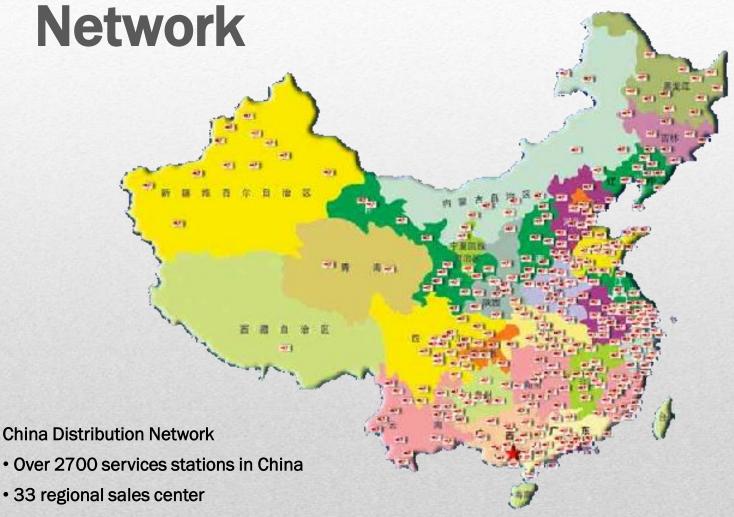
# **China Top Diesel Engine Makers**







China Distribution



<sup>•</sup>As of 31st December 2015



### **Investment Merits**

#### 1. Maximize shareholders' value

#### 2. Product Strategy

- Ensure all products meet current stringent emission standards and develop engines compliant with future emission standards
- Expand new nat gas engines to capture gas application demand
- Expand HD products into marine, power gen and construction markets
- 14 new engine models meeting the latest emission standards were launched in 2015 and 2016

#### 3. Business Strategy

- Grow new markets with new products such as High Horsepower engines for marine and power generation segments
- Nurture strategic alliances with OEM customers
- Grow international business
- Implement cost reductions through Lean Six Sigma manufacturing
- Explore launching more JV products to sustain future growth





# **Building Materials**

Building Materials Unit (BMU)
Tasek Corporation







### **Key Business Highlights**

- Total Singapore construction demand moderated to a preliminary estimate of \$27.0b in 2015, following a record high level at \$38.8b in 2014. In response to this low demand in both private and public sector, competitors are struggling to secure jobs and the building materials prices have decreased considerably.
- In BMG, revenue decreased 3% y-o-y mainly due to lower revenue from Ready Mix Concrete sales but partially offset by higher sales in Precast.
- BCA's forecast for 2016 is between \$27b to \$34b. About 65% is contributed by public sector projects, especially in civil engineering jobs. In light of current slowdown in property market, continued economic uncertainties and cooling measures, private sector remains gloomy.
- Tasek Corporation Berhad (listed in Bursa Malaysia) is the fourth largest integrated cement manufacturer in Malaysia with a rated production capacity of 2.3 million tones of clinker/year. It continue to maintain a market share of approximately 11%. FY 2015 reported profit after tax is RM91.3M.



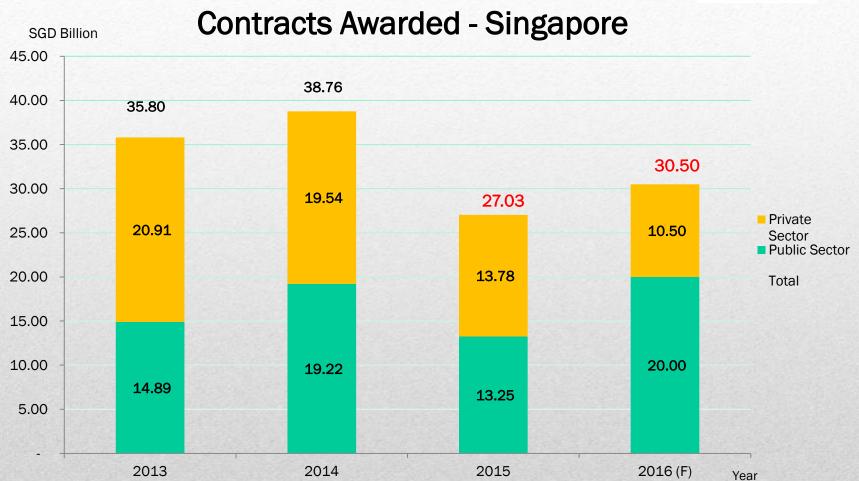
### **Investment Upsides**

- Mega projects such as Kuala Lumpur My Rapid Transit ("MRT") Line 2, Light Rail Transit ("LRT") 3, High Speed Rail ("HSR") linking KL to Singapore, Tun Razak Exchange ("TRX"), Wawasan 118, Kwasa Land, Bus Rapid Transit ("BRT"), Bukit Bintang City Center ("BBCC"), a few new highways & etc are expected to keep the construction activities' momentum going for the next few quarters despite the uncertainty from the GDP contractions since implementation of GST on 1st Apr'15.
- Strategically located across Malaysia and Singapore to maintain current market position.

### Value of Construction Activities







2016 BCA Forecast is \$27-34 billion. Average is \$30.5 billion (shown above). Source: BCA, Singapore Construction Prospects 2016





## Industrial Packaging

Rex Packaging Co., Ltd



- The weak economy have affected overall packing industry as well, especially Lube oil
  and Chemical industries. We expect some 20-30% impact on sales.
- Resin prices stayed relatively flat in Q4 and we expect this to continue into Q1 2016.
- Market remained highly competitive in both countries. However, our past year effort in exploring new market and costs reduction activities, has some positive result in Rex DG. Rex DG has breakeven in Dec month, this should continue in 2016, unless the market demand experiencing further drastic reduction.

#### Financials

Full year	FY 2015	FY 2014
Revenue	S\$52.6M	S\$60.1M
Loss after tax	-S\$10.6M	-S\$8.9M

- Revenue declined by 12% due to weak market demand and exclusion of results from Shanghai Rex for one and half months due to transfer of equity interests to JV partner in Mid November 2015.
- Loss after tax rose as a result of decline in revenue.





# Air-Conditioning Systems and Distribution of Lifestyle Consumer Appliances

Airwell Air-conditioning Technology (China) Co., Ltd. Fedders International Pte.Ltd.







## **Key Business Highlights**

- Will use FEDDERS brand to market in China and S.E.A. FEDDERS has a rich heritage in air-conditioning industry particularly in U.S. Historically, FEDDERS has been in the airconditioning business for more than 100 years.
- China has the largest air-condition manufacturing facilities in the world, operating in a very competitive environment with excess capacity and keen price competition.
- Will continue to carry out effective marketing activities to build brand awareness in China.
- Product strategy is to focus on residential heat pump and modular chillers for both the residential and light commercial sectors. To compliment the product offerings, will work with OEM partners on VRF and larger capacity chillers products.
- To develop FEDDERS as a one-stop home appliances solutions to dealers and end users.





## **Financial Highlights**

AAT Group	2015	2014
Air conditioners (units)	31,957	35,167
Net Revenue (RMB ' million)	113.3	104.5
Loss after tax and impairment (RMB ' million)	(44.2)	(56)

Sales – Export ( RMB Million)	82	68
Sales- Domestic ( RMB Million)	30	36

Plant operations only commence in June 2012. This is still a new start-up to build domestic customer base. There has been an increase sales to overseas customers in Europe in 2015.



### **Brand Stores - Enhance Brand Image and Customer Experience**

- ① Annuotai Store in Hebei
- ② Guirong Store in Guangxi







③ Hengtongchang Store in Fujian



- 4 Guangshuo Store in Changzhou
- 5 FEDDERS Store in Zhuhai



- Macalline showroom
   in Pujiang, Shanghai
- 7 Botao showroom in Pudong, Shanghai



- **8** Surui Store in Ningde
- Xiyingmen showroom in Fujian







Surui showroom
 in Suzhou

Started in 2014 with 4 stores expanding to 10 stores in 2015



### **Dealers Conference – Effective Marketing Activities**









#### Taiyuan Dealer Conference

- ✓ Dealer Conference was hold at Taiyuan, in 8<sup>th</sup> Dec., 2015
- The conference was well-received with more than 80 dealers from Shangxi, Beijing and Hebei attended this event.
- Media were also present to provide Media coverage on the event.

#### Chengdu Dealer Conference

- FEDDERS China held its first conference of the year at Chengdu, in 18th Jun., 2015.
- ✓ The conference was well-received with more than 80 dealers from Chengdu, Chongqing and Fujian attended this event.
- Media were also present to provide Media coverage on the event.

#### Suzhou Dealer Conference

- ✓ Dealer Conference was hold at Suzhou, in 26<sup>th</sup> Sept., 2014
- ✓ The conference was well-received with more than 60 dealers from Stabour.

  Stabour.
- Media were also present to provid Media coverage on the event.

#### Yangzhou Dealer Conference

- ✓ Dealer Conference was hold at Yangzhou, in 24<sup>th</sup> Sept., 2014
- The conference was well-received with more than 60 dealers from Nanjing and Yangzhou.
- Media were also present to provide Media coverage on the event.



## Marketing Collaterals - Brand Visual Identity









# **Product Strategy – Focus On Residential Heat Pumps and Modular Chillers**





Residential Heat Pumps



Modular Chillers



# Product Strategy – Work With OEM Partners To Compliment Product Offerings





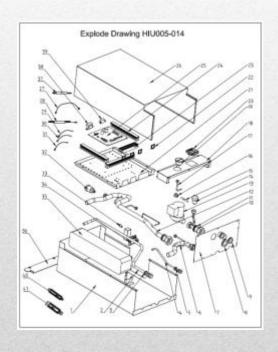
VRF system products 10kw (4HP) ~ 224kw (80HP)



Larger Capacity Chillers 130kw



## **New Models for Export Customers**





New Hydraulic Indoor Unit (HIU)

New Water Source Heat Pump (EWH models) with high static pressure to 120 ESP





# Thank You 谢谢

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