



HTL INTERNATIONAL HOLDINGS LIMITED

CESSATION OF BUSINESS IN HTL FURNITURE (M) SDN BHD (“HTL KULAI”)

On 13th November 2007, with the release of its Q3 2007 results, the Board of Directors of HTL International Holdings Limited (the “Company”) announced that one of the measures to be undertaken to improve productivity and cost efficiency would include the rationalization/consolidation of certain of the Group’s manufacturing facilities.

In line with this objective, the Board deliberated a number of options available and have decided to consolidate the Group’s sofa upholstery manufacturing facilities in the People’s Republic of China (“PRC”), which currently accounts for more than 90% of the total Group’s sofa upholstery output.

The Company has been progressively transferring the production capacity of its manufacturing facility in Kulai, Malaysia (“HTL Kulai”) to the Group’s various PRC manufacturing plants since late 2007 (“Rationalization”). The Rationalization exercise is now in its final phase, and the transfer of the production capacity from HTL Kulai to the Group’s sofa manufacturing facilities in the PRC has been completed. Accordingly, the Board wishes to announce that the Group will cease operations in HTL Kulai with effect from 30th January 2008. HTL Kulai will remain as a dormant company thereafter.

In conjunction with this Rationalisation exercise, the Board, on grounds of prudence, has recommended a one-off restructuring cost in relation to retrenchment of staff and production workers, provision for impairment of certain assets as well as other related closure costs. The Board estimates that these restructuring costs will not exceed S\$4 million. The restructuring costs will be fully provided for in the financial year ending 31 December 2008 (“FY 2008”) and has no impact on the financial statements for FY 2007.

BY ORDER OF THE BOARD

Jacqueline Loke
Company Secretary
Singapore, 29 January 2008