

HOE LEONG CORPORATION LTD.
(the "Company")
(Company Registration Number 199408433W)
(Incorporated in the Republic of Singapore)

**PROPOSED SCHEME OF ARRANGEMENT
– RECEIPT OF WHITEWASH WAIVER FROM THE SECURITIES INDUSTRY COUNCIL**

1. INTRODUCTION

The Board of Directors of the Company and its subsidiaries (the "**Group**") refers to the Company's announcements dated 17 November 2017, 23 November 2017, 29 November 2017, 5 December 2017, 7 December 2017, 11 December 2017, 5 January 2018 and 22 January 2018 (the "**Announcements**") in relation to the proposed scheme of arrangement with its bank creditors and the controlling shareholder, Hoe Leong Co. (Pte) Ltd. Unless otherwise defined, capitalised terms used herein shall have the same meaning as ascribed to them in the Announcements.

2. RECEIPT OF THE WHITEWASH WAIVER FROM THE SECURITIES INDUSTRY COUNCIL

The Company previously provided an overview of the Scheme in its announcement on 23 November 2017. In the aforementioned announcement, it was provided that the Scheme is subject to various conditions precedent being met, including the following:

*In the event that the issue of the Scheme Shares to certain bank creditor of the Group triggers an obligation for such bank creditor, together with its concert parties, to make a mandatory general offer, a whitewash waiver being granted by the Securities Industry Council ("**SIC**") to such bank creditor and its concert parties from making a mandatory general offer, being obtained.*

Based on the adjudicated debts of the Scheme Creditors as at 30 November 2017, and taking into consideration the interest which is expected to continue to accrue on the outstanding debts owed by the Company to the Scheme Creditors up to the date of the Share Distribution, there is a likelihood that the issue of the Scheme Shares to United Overseas Bank Limited ("**UOB**") will trigger an obligation for UOB, together with its concert parties (the "**UOB Group**"), to make a mandatory general offer under Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**").

Accordingly, an application was made to the SIC to seek a whitewash waiver of the obligation of the UOB Group to make a mandatory general offer under Rule 14 of the Code for the remaining shares in the Company not already owned or controlled by the UOB Group, which may arise as a result of the issue of the Scheme Shares to UOB pursuant to the Share Distribution under the Scheme (the "**UOB Group Whitewash Waiver**").

The Board wishes to inform Shareholders that the SIC had on 5 March 2018 granted the UOB Group Whitewash Waiver, subject to the following conditions:

- (a) a majority of holders of voting rights of the Company approve at a general meeting, before the issue of the Scheme Shares, a resolution (the "**Whitewash Resolution**") by way of a poll to waive their rights to receive a general offer from UOB and its concert parties;
- (b) the Whitewash Resolution is separate from other resolutions;
- (c) UOB and its concert parties as well as parties not independent of them abstain from voting on the Whitewash Resolution;
- (d) UOB and its concert parties did not acquire or are not to acquire any shares or instruments convertible into and options in respect of shares of the Company (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new shares which have been disclosed in the circular):

- (i) during the period between the announcement of the Scheme and the date independent shareholders' approval is obtained for the Whitewash Resolution; and
 - (ii) in the 6 months prior to the announcement of the Scheme but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the Company in relation to the Scheme;
- (e) the Company appoints an independent financial adviser to advise its independent shareholders on the Whitewash Resolution;
- (f) the Company sets out clearly in its circular to its shareholders:
 - (i) details of the issue of the Scheme Shares under the Share Distribution;
 - (ii) the dilution effect to existing shareholders arising from the issue of the Scheme Shares to UOB under the Share Distribution;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of ordinary shares in the capital of the Company (if any) held by UOB and its concert parties as at the latest practicable date;
 - (iv) the number and percentage of voting rights to be issued to UOB and its concert parties upon the issue of the Scheme Shares under the Share Distribution; and
 - (v) specific and prominent reference to the fact that shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from UOB at the highest price paid by UOB and its concert parties for the Company's shares in the past 6 months preceding the commencement of the offer;
- (g) the circular by the Company to its shareholders states that the waiver granted by SIC to UOB from the requirement to make a general offer under Rule 14 is subject to the conditions stated at (a) to (f) above;
- (h) the Company obtains SIC's approval in advance for those parts of the circular that refer to the Whitewash Resolution; and
- (i) to rely on the Whitewash Resolution, the allotment and issue of the Scheme Shares by the Company to UOB pursuant to the Share Distribution under the Scheme must be completed within 3 months of the date of the approval of the Whitewash Resolution.

3. FURTHER ANNOUNCEMENTS

Further announcements will be made by the Company via SGXNET as and when there are any material developments, in compliance with the listing rules of the Singapore Exchange Securities Trading Limited.

Pending the completion of the Scheme, shareholders and potential investors should exercise caution when trading in the Company's securities. When in doubt as to the action they should take, shareholders and potential investors should consult their financial, legal, tax or other advisers.

BY ORDER OF THE BOARD

Kuah Geok Lin
Chairman and Chief Executive Officer
6 March 2018