

HOE LEONG CORPORATION LTD.
(the "**Company**")
(Company registration number 199408433W)
(Incorporated in the Republic of Singapore)

ANNOUNCEMENT OF COURT ORDER

The Board of Directors (the '**Board**') of Hoe Leong Corporation Limited (the '**Company**'), refers to the previous announcement released on 4 September 2015 and Annual Report FY 2017 pertaining to the service of the Originating Summons in Suit No. HCA1199/2015 on a wholly-owned subsidiary, Arkstar Ship Management Pte Ltd ('**ASM**') which was filed in the High Court of Hong Kong Special Administrative Region (the '**Court**') by Chimbusco Pan Nation Petro-Chemical Co. Ltd (the '**Plaintiff**').

The Plaintiff had commenced the Originating Summons against ASM in relation to non-payment of the Sale Contract (the '**Contract**'). ASM, through its solicitors, has submitted its defence and counterclaim against the Plaintiff for breach of Contract by supplying contaminated bunkers which caused damage to auxiliary engines of the Vessel.

The Board wishes to announce that the trial and hearing of the legal action has been concluded and that the Court has given an Order on 11 January 2019. The Court ruled against ASM on the basis that ASM's defence and counterclaim was excluded according to the interpretation of the Contract and the factual finding that the bunkers were not contaminated and as a result, the Court orders the following:

- (a) ASM has to pay a principal sum in the amount of US\$335,858.31;
- (b) ASM has to pay interest at Prime Rate plus 1% from a date 30 days after the date of the invoice made on 17 February 2014 until the date of Judgment (i.e. 11 January 2019) and at the Judgment Rate (i.e. 8.088% per annum) thereafter; and
- (c) ASM to pay the cost of the Plaintiff on a party-to-party basis.

ASM is currently seeking legal advice and exploring all of its options in respect of the above-mentioned Order of the Court.

The Company will make further announcements as and when there are material developments in this matter.

BY ORDER OF THE BOARD

Kuah Geok Lin
Chairman and Chief Executive Officer
18 January 2019