

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

**UPDATE ON DECISION OF COURT PERTAINING TO THE ORIGINATING SUMMONS BY
AUSPICIOUS JOURNEY SDN BHD**

The Board of Directors (the '**Board**') of Hoe Leong Corporation Limited (the '**Company**'), refers to the previous announcement released on 12 June 2013 and 9 October 2013 pertaining to the service of the Originating Summons in Suit 24NCC189-06/2013 on the Company and Company's directors, by Auspicious Journey Sdn Bhd (the '**Plaintiff**') on 10 June 2013 which was filed in the Malaysian High Court (the '**Court**').

The Plaintiff and the Company are shareholders of Ebony Ritz Sdn Bhd ("**Ebony**"), which owned shares in Semua International Sdn Bhd. The Plaintiff had commenced the Originating Summons against the Company on the basis of that the Company had allegedly conducted the affairs of Ebony in manner that is oppressive to the Plaintiff and sought relief from the Court to bring an end to the matters complained of.

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 3 August 2016. The Order is partially in favour of the Plaintiff in that the Company is declared to have conducted the affairs of Ebony in a manner that is oppressive to the Plaintiff and as a result, the Court orders the following:

- a. Ebony is to be wound up and the Official Receiver of Malaysia be appointed as the liquidator of Ebony;
- b. The Company is to pay general damages (with interest) to the Plaintiff; the damages and interest on the damages are to be assessed by the Court through an assessment process; and
- c. The Company has to pay costs of RM300,000.00 to the Plaintiff.

The actions against the Company directors were dismissed by the Court.

The Company is currently seeking legal advice and exploring all of its options in respect of the above-mentioned Order of the Court. The Order is appealable to the Court of Appeal and the Company will be appealing against the Order. The legal advisors of the Company have advised that there are merits in the appeal.

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
04 August 2016