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Media Release

Hoe Leong returns to black with net profit of S\$1.4 million for 1Q2015

Singapore, 8 May 2015 – Mainboard listed Hoe Leong Corporation Ltd. (“Hoe Leong” and together with its subsidiaries, the “Group”), a supplier of heavy equipment parts and vessel charterer, is pleased to announce that its net profit for the three months ended 31 March 2015 (“1Q2015”) reached S\$1.4 million compared to the loss of S\$1.6 million for the previous corresponding period (“1Q2014”).

Mr James Kuah, Chairman and Chief Executive Officer of Hoe Leong Corporation Ltd. commented, *“Despite challenges and uncertainty faced in the energy sector, we are pleased to deliver a stellar improvement in our 1Q2015 results, with the vessel chartering segment as the key contributing factor. With a positive outlook for the vessel charter division, we expect it to further boost our financial performance for the year.”*

Financial Highlights

Financial Highlights	3 months ended 31 March		
(S\$'M)	1Q2015	1Q2014	% Change
Revenue	18.5	15.4	20.1
Gross Profit	4.8	2.5	92.8
Profit/(Loss) for the year	1.4	(1.6)	(188.8)

Hoe Leong’s total revenue for 1Q2015 increased by 20.1% from S\$15.4 million for the three months ended 31 March 2014 (“1Q2014”) to S\$18.5 million. The was mainly due to the rise in

S\$3.3 million of revenue from the Vessel Chartering segment, which was partially offset by the decline in revenue from the Group's equipment segment of S\$0.2 million due to lower sales.

The vessel charter revenue for 1Q2015 grew by 312.2% to S\$4.3 million due to a higher utilisation of the Group's vessels in 1Q2015.

In tandem with the increase in total revenue, the Group's 1Q2015 gross profit margin increased to 26.0% as compared to 16.2% in 1Q2014. The Vessel Chartering segment was a key factor in contributing to the increase in profit margin.

The Group's other income for 1Q2015 decreased by 36.3%, to S\$0.7 million mainly due a decrease in interest income. Distribution expenses decreased by 24.7% to S\$1.0 million in 1Q2015 due mainly to lower travelling expenses, packing and delivery costs incurred, whereas administrative expenses increased 26.6%, to S\$2.9 million. In 1Q2015, other expenses increased to S\$0.01 million mainly due to a net foreign exchange gain and a reversal of allowance for slow moving inventories, and net finance costs increased by 29.1% to S\$0.5 million due to higher borrowing costs.

The Group's share of results from its associate Semua International Sdn Bhd and its subsidiaries ("Semua Group") was S\$0.5 million in 1Q2015 compared to a loss of S\$1.1 million in 1Q2014. The improvement was due to operational improvements and higher utilisation rates for the Semua fleet of oil tankers.

All in all, the Group's net profit attributable to shareholders for 1Q2015 was S\$1.3 million compared to a loss of S\$1.4 million in 1Q2014. The Group's net assets increased to \$58.6 million as at 31 March 2015 from S\$54.2 million as at 31 December 2014 and net asset value per ordinary share was 10.5 cents as at 31 March 2015, compared to 10.8 cents as at 31 December 2014.

Business Outlook

The Group believes that the energy sector will continue to face uncertainty and challenges as the major drop in oil prices has led to a severe scaling down of capital expenditure by oil companies. As such the Group will continue to be vigilant in managing costs and improving operational efficiencies in response to this market condition.

Moving forward, the Group is taking steps to enhance its balance sheet by paring down its borrowings and raising new capital. The Group wants to be ready to enhance its growth potential when timely opportunities such as the acquisition of new vessels and charters arise.

Barring any unforeseen circumstances, the Group remains positive for the financial year ending 31 December 2015.

End.

Note to Media: This media release is to be read in conjunction with the announcement issued on SGXNET on the same date.

About Hoe Leong Corporation Ltd. (www.hoeleong.com)

Hoe Leong Corporation Ltd. ("Hoe Leong" or the "Group") was incorporated in Singapore on 18 November 1994 and was successfully admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 5 December 2005.

The Group's principal business activities entail trading and distribution of an extensive range of equipment parts for both heavy equipment and industrial machinery which include brands such as Caterpillar, Cummins, Hitachi, Hyster, Kato, Kobelco, Komatsu, Mitsubishi, P&H and Sumitomo. The Group also designs and manufactures equipment parts for both heavy equipment and industrial machinery under its own in-house brand names, "KBJ", "OEM" and "ROSSI".

Building on Hoe Leong's successful foray into the offshore oil & gas industry in 2008, Arkstar Offshore is the incorporated arm that represents the Group's advancement into the vessel chartering business. Continued efforts are made to enhance Arkstar Offshore's presence as an owner of offshore support

vessels, through close partnerships with strong and credible industry players, gainful ventures into diverse geographic markets, and sound investments in young and modern vessels. Possessing a sizeable fleet of anchor handling tug supply vessels, platform supply vessels and a mud-processing barge, Arkstar Offshore is keen on fleet expansion to better serve the needs of its clients. The establishment of a dedicated in-house ship management team, led by experienced professionals, bolsters Arkstar Offshore's commitment to client responsiveness.

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