Hoe Leong Corporation Ltd.
(the "Company")

(Company registration number 199408433W)
(Incorporated in the Republic of Singapore)

UPDATES ON MATERIAL LITIGATION

The Board of Directors (the "**Board**") of the Company refers to the material litigation disclosed in Note 20B of the Company's condensed interim financial statements for the 9 months ended 30 September 2021 dated 12 November 2021 (the "**Announcement**") and wishes to provide the following updates.

<u>Kuala Lumpur High Court – Tan Sri Halim Bin Saad v Hoe Leong Corporation Limited & 5 Ors</u>

On 9 September 2019, the Company received a writ dated 20 June 2019 from Tan Sri Halim Bin Saad ("**Tan Sri Halim**") claiming for, misrepresentation, fraud, and/or conspiracy alleged to have been committed by the Company and other defendants against Tan Sri Halim.

The Company engaged solicitors to enter its appearance in the civil suit and to defend against the same. The Company has filed its defence against the said civil suit on 4 November 2019. On 8 December 2020, the High Court had dismissed the striking out application with costs of RM3,000, payable each by the Company and 3 other defendants to the plaintiff (RM12,000 in total).

On 16 December 2020, the Company filed an appeal to the Court of Appeal against the dismissal of the striking out application. During the hearing on 20 October 2021, the Court of Appeal decided that the matter is better dealt with at trial and did not wish to disturb the High Court's exercise of discretion in dismissing the striking out application. The Company's appeal is therefore dismissed with costs of RM20,000. The said trial was fixed on 22 November 2021 to 25 November 2021.

On 29 October 2021, Tan Sri Halim filed an application to amend his statement of claim (the "Amendment Application"). The Company has filed affidavit in reply to oppose the Amendment Application on 8 November 2021.

During a case management on 12 November 2021, the High Court directed the following:

1. The trial is only fixed on 22 November 2021 and 23 November 2021;
2. The next case management in respect of the Amendment Application will be fixed on 16 November 2021; and
3. The High Court will provide the marking of all of the relevant trial documents on 16 November 2021.

The parties filed and exchanged their respective witness statements on 18 November 2021.

During a case management on 17 November 2021, the High Court dismissed Tan Sri Halim's application to amend his statement of claim. The above dismissal was done with costs in the cause (i.e. the cost to be paid and from whom will be determined at the end of the trial). On the same day, Tan Sri Halim filed an appeal against the dismissal of his amendment application and sought to stay the proceedings at the High Court pending this appeal.

Given the urgency of the matter, the Court of Appeal fixed an early case management on 18 November 2021. During the case management, Tan Sri Halim's lawyers informed the Court that they will be seeking an ad interim (temporary) stay ("**Ad Interim**") of the High Court's proceedings pending the hearing of its formal application to stay the High Court's proceedings ("**Stay Application**"). The Company indicated that we would object to the Ad Interim and the Stay Application. The Court of Appeal then directed as follows:

a. The parties are to file their respective submissions in respect of the Ad Interim by 19 November 2021 (5.00 pm).
b. The application for the Ad Interim will be heard by the Court of Appeal on 22 November 2021.
c. The Stay Application will be heard by the Court of Appeal on 27 January 2022, and that the parties are to file their respective submissions herein by 12 January 2022.

During the Ad Interim hearing at the Court of Appeal on 22 November 2021, the Company objected to the Ad Interim. The 6th defendant (Chan Yok Peng) did not object to the Ad Interim stay order. Consequently, the Court of Appeal allowed the Ad Interim stay order. The trial that was previously fixed on 22 November 2021 and 23 November 2021 is adjourned to 16 January 2023 to 18 January 2023. A case management is fixed on 14 November 2022.

Tan Sri Halim and the 6th defendant had filed supplementary witness statements on 22 November 2021 and 21 November respectively.

The Company will make further announcements to update its shareholders when there are material updates as may be necessary or appropriate.

Shareholders and potential investors of the Company are advised to read this announcement, the Announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

Liew Yoke Pheng Joseph
Executive Chairman & CEO
24 November 2021