

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

RECEIPT OF STATUTORY DEMAND OF PAYMENT

The Board of Directors of Hoe Leong Corporation Ltd. (the "Company" and together with its subsidiaries, the "Group") wishes to announce that the Company has on 29 August 2019 received a statutory demand under section 254(2)(a) of the Companies Act (Cap 50) (the "Act") from Allen & Gledhill LLP, acting on behalf of United Overseas Bank Limited ("UOB") seeking payment of S\$5,702,404.19 within 21 days from the date of receipt of the statutory demand. The said payment is in relation to the bank loan owing by its wholly owned subsidiary, Arkstar Voyager Pte Ltd ("the Borrower") and the Company is the guarantor for the loan.

Please refer to the announcements dated 3 July 2019 and 5 July 2019.

The continued viability of the Group is dependent on the following conditions:

- i. the continuing support of the Group's financial and trade creditors;
- ii. the ability of the Group to generate adequate cash flows and to repay its debt obligations as and when they fall due within the next twelve months; and
- iii. there is no material adverse change in the economic and operating environment that the Group operates in.

With the statutory demand from UOB, the Company is unable to reasonably assess its financial position.

The Company is presently seeking legal advice and is engaging with UOB to remedy the situation.

Since our earlier announcement dated 5 July 2019, the Borrower has recently received and currently has sufficient funds in its bank account with UOB to fully settle its outstanding principal repayments and accrued interest up to 31 August 2019.

Meanwhile, the Board recommends the trading of the shares of the Company be suspended with immediate effect pending the resolution of the situation.

Shareholders and potential investors are advised to exercise caution in trading their shares. The Company will release further announcements to update on any material developments in relation to the statutory demand as and when appropriate. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Kuah Geok Lin
Chairman and Chief Executive Officer
2 September 2019