

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

PROPOSED SCHEME OF ARRANGEMENT

1. INTRODUCTION

The Board of Directors of the Company and its subsidiaries (the “**Group**”) refers to the previous announcement released by the Company on 10 November 2017 in relation to, *inter alia*, the restructuring of the Group’s financial liabilities and the negotiations with the Group’s bank creditors (the “**Announcement**”).

2. PROPOSED “PREPACKAGED” SCHEME OF ARRANGEMENT

Further to the Announcement, the Board wishes to announce that the Company has proposed to enter into a “prepackaged” scheme of arrangement (the “**Scheme**”) with its bank creditors and the controlling shareholder, Hoe Leong Co. (Pte) Ltd. (collectively, the “**Scheme Creditors**”) pursuant to Sections 210 and 211I of the Companies Act. For the avoidance of doubt, the Scheme does not include the trade creditors of the Group who will be unaffected by the restructuring.

The Company has despatched the Scheme document dated 17 November 2017, together with the explanatory statement, ballot form and the proof of debt form on 17 November 2017 to the Scheme Creditors.

The Scheme Creditors will submit their vote on the Scheme by returning the completed ballot form by **5.00 p.m. on 4 December 2017**. Any vote received from the Scheme Creditors after 4 December 2017 will not be counted in the voting process to approve the Scheme.

If the Scheme is approved by a majority in number representing three-fourths in value of each class of Scheme Creditors casting their votes through the ballot forms an application will be made by the Company to the High Court of the Republic of Singapore (the “**Court**”) under Section 211I of the Companies Act, which allows the Court to sanction the Scheme without a meeting of creditors for fast-tracked pre-negotiated schemes (also known as “prepackaged” schemes).

3. MORATORIUM

The Company also intends to make an application to the Singapore High Court for a moratorium under Section 211B of the Companies Act to restrain legal proceedings against the Scheme Company.

4. PROPOSED SCHEME MANAGER

The Board also wishes to announce that it shall appoint Chee Yoh Chuang or, failing him, Abuthahir Abdul Gafoor all of RSM Corporate Advisory Pte Ltd, 8 Wilkie Road #03-08 Wilkie Edge, Singapore 228095 as the manager for the Scheme (the “**Scheme Manager**”).

5. FURTHER ANNOUNCEMENTS

Further announcements will be made by the Company via SGXNET as and when there are any material developments in compliance with the listing rules of the Singapore Exchange Securities Trading Limited.

Pending the completion of the Scheme, shareholders and potential investors should exercise caution when trading in the Company's securities. When in doubt as to the action they should take, shareholders and potential investors should consult their financial, legal, tax or other advisers.

BY ORDER OF THE BOARD

Kuah Geok Lin
Chairman and Chief Executive Officer
17 November 2017