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Media Release

Hoe Leong's 2Q2015 net profit rose 151.1% to S$1.8 million

Singapore, 14 August 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 30 June 2015 ("2Q2015") rose to S$1.8 million compared to the loss of S$3.4 million for the previous corresponding period ("2Q2014").

Mr James Kuah, Chairman and Chief Executive Officer of Hoe Leong Corporation Ltd. commented, ***"Despite challenges and uncertainties faced in the energy sector, we are pleased to share our stellar performance for 2Q2015, with the vessel chartering segment as a key contributing factor. Moving forward, we will continue to maintain our momentum for the year by managing costs and improving operational efficiencies."***

Financial Highlights

Financial Highlights	3 months ended 30 June			6 months ended 30 June		
(S$'M)	2015	2014	% Change	2015	2014	% Change
Revenue	19.4	15.2	28.0	37.9	30.6	24.0
Gross Profit	4.7	1.6	195.0	9.5	4.1	132.5
Profit/(Loss) for the year	1.8	(3.4)	151.1	3.2	(5.0)	163.0

Hoe Leong's total revenue for 2Q2015 increased by 28.0% from S$15.2 million for the three months ended 30 June 2014 ("2Q2014") to S$19.4 million. The increase was mainly due to the rise of S$4.4 million in revenue from the Vessel Chartering segment, which was partially offset by the decline in revenue of S$0.1 million from the Group's Equipment segment due to lower demand for third party brands of equipment parts from customers.

The Group's vessel charter revenue for 2Q2015 grew by S$4.4 million to S$4.5 million as compared to S$0.1 million in 2Q2014. The increase was mainly due to a higher utilisation rate of the Group's Arkstar fleet.

In tandem with the increase in total revenue, the Group's 2Q2015 gross profit margin increased to 24.0% as compared to 10.4% in 2Q2014. The Vessel Chartering segment was a key factor in contributing to the increase in gross profit margin.

The Group's other income for 2Q2015 decreased by 24.6%, to S$0.8 million mainly due to a decrease in rental income. Distribution expenses remained relatively unchanged at S$1.1 million for 2Q2015 and 2Q2014, whereas administrative expenses decreased by 51.4% to S$1.1 million in 2Q2015. In 2Q2015, other expenses remained relatively unchanged at S$0.7 million as compared to 2Q2014, and net finance costs increased by 172.7% to S$1.1 million due to more bank borrowings.

The Group's share of results from its associate Semua International Sdn Bhd and its subsidiaries ("Semua Group") was S$0.3 million in 2Q2015, compared to a loss of S$1.4 million in 2Q2014. The improvement was mainly due to the higher utilisation rates for the Semua fleet of oil tankers.

All in all, the Group's net profit attributable to shareholders for 2Q2015 was S$1.7 million compared to a loss of S$3.2 million in 2Q2014. The Group's net assets increased to $63.3 million as at 31 March 2015 from S$55.8 million as at 31 December 2014 and net asset value per ordinary share was 11.3 Singapore cents as at 30 June 2015, compared to 11.0 Singapore cents as at 31 December 2014.

Business Outlook

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

Issued for and on behalf of Hoe Leong Corporation Ltd. by Cogent Communications Pte Ltd. For more information, please contact:

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