

HOE LEONG CORPORATION LTD.

(the "Company")

(Company registration number 199408433W)

(Incorporated in the Republic of Singapore)

RESPONSE TO SGX-ST QUERY ON RECEIPT OF WRIT AND STATEMENT OF CLAIM

The Board of Directors (the "Board") of the Company refers to the query raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") regarding its announcement of 13 September 2019.

SGX's Query:

- a) Please provide a brief description of the relationship between the Plaintiff and the Company.

Company's Response:

At the material time between 2012 and 2013, the Plaintiff was the chairman of Markmore group of companies. Two companies under the Markmore group ultimately entered into a Joint investment with Sumatec Resource Behad ("Sumatec") in 2012. The Plaintiff was also a shareholder of Sumatec.

Sumatec, then had commercial dealings with the Company. Sumatec also entered into a Settlement Agreement in 2013 ("2013 Settlement Agreement") with, among other parties, the Company.

SGX's Query:

- b) Please set out the nature of the Plaintiff's claim against the Company

Company's Response:

The Plaintiff claims that the Company and/or Settingi Holdings Limited had deceived the Plaintiff and/or made fraudulent misrepresentations to the Plaintiff.

This, the Plaintiff contends, caused him sometime in 2013 to execute an irrevocable written undertaking to subscribe to further shares in Sumatec. The Plaintiff also contends that the purported deception and/or fraudulent misrepresentation caused companies in the Markmore group of companies to enter into a Joint Investment Agreement in 2012 with Sumatec.

The Plaintiff further claims against the Company that, in deceiving Sumatec, making fraudulent representations to Sumatec and failing to perform the 2013

Settlement Agreement, Sumatec purportedly suffered financial loss including being indebted to its bondholders and various financial institutions, legal proceedings being commenced against Sumatec, and a drop in Sumatec's share price which purportedly caused the Plaintiff's shares "to be the subject of a forced sale".

SGX's Query:

- c) Please disclose the amounts sought by the Plaintiff in his claim against the Company (including amounts which the Company is allegedly jointly and/or severally liable for). If the Plaintiff has not quantified his claim in the Statement of Claim, please provide us with the Board of Directors' assessment of the financial impact of the claim on the Company

Company's Response:

The Plaintiff has not quantified his claim in the Statement of Claim. The Plaintiff's purported loss is premised on his shares in Sumatec having being "the subject of a forced sale". The Company is not in a position to determine or estimate the financial loss purportedly suffered by the Plaintiff (if any).

The Company takes the view in consultation with its solicitors that there is no merit to the Claim. It denies the Plaintiff's allegations and will, in consultation with its solicitors, take all necessary steps to vigorously resist and refute any and all allegations or claims made against it. The Company is advised by its solicitors that the Plaintiff's purported loss cannot in law be claimed against the Company. Therefore, the Board of Directors believe that there is no material financial impact of the claim on the Company for the financial year ending 31 December 2019.

BY ORDER OF THE BOARD

Kuah Geok Lin
Chairman and Chief Executive Officer
17 September 2019