

Hoe Leong Corporation Ltd.
(Incorporated in the Republic of Singapore)
(Company Registration Number 199408433W)

USE OF PROCEEDS FROM EXERCISE OF OPTIONS

The Board of Directors (the “**Board**”) of Hoe Leong Corporation Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s:

- a) Circular to Shareholders dated 1 June 2021 (the “**Circular**”);
- b) SGXNet announcement dated 29 March 2022 in relation to the exercise of 4,900,000,000 Options (Principal amount: S\$7,154,000) by substantial shareholder, Shing Heng Holding Pte. Ltd; and
- c) SGXNet announcements dated 13 April 2022, 22 September 2022 and 30 December 2022; and results announcement for the first half year ended 30 June 2022 (Note 7 of Page 26) dated 12 August 2022 in relation to the use of net proceeds from exercise of Options (the “**Announcements**”).

Unless otherwise defined, capitalised terms used herein shall have the meanings as ascribed in the Circular and the Announcements.

The Board wishes to update that the net proceeds from the exercise of Options amounting to S\$3,154,000 was fully utilised.

Use of proceeds (As set out in the Circular)	Amount allocated S\$'000	Amount used per the Announcements S\$'000	Amount used post- Announcements S\$'000	Amount used as at the date of this announcement S\$'000	Amount unused as at the date of this announcement S\$'000
General working capital (and any potential investments in plant and equipment for expansion and enhancement of operational capacity)	3,154	(2,867)	(287)	(3,154)	-

The breakdown of the use of proceeds for general working capital purposes is as follows:

	S\$'000
Purchases from suppliers and subcontractors	535
Investments in plant and equipment	180
Other operating expenses*	2,439
Total	<u>3,154</u>

*Comprising mainly of rental expenses, payroll costs and legal and professional fees.

The use of proceeds from the exercise of Options is in accordance with the stated intended use and percentage allocation as disclosed in the Circular.

By Order of the Board

Yeo Puay Hin
Executive Director and CEO

27 February 2023