

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

PROPOSED SCHEME OF ARRANGEMENT
– OUTCOME OF MORATORIA APPLICATIONS
– ADJUDICATION OF THE PROOFS OF DEBT AND VOTING ON THE SCHEME BY SCHEME CREDITORS

1. INTRODUCTION

The Board of Directors of the Company and its subsidiaries (the “**Group**”) refers to the Company’s announcement dated 17 November 2017, 23 November 2017, 29 November 2017 and 5 December 2017 (the “**Announcements**”) in relation to the proposed scheme of arrangement with its bank creditors and the controlling shareholder, Hoe Leong Co. (Pte) Ltd. Unless otherwise defined, capitalised terms used herein shall have the same meaning as ascribed to them in the Announcements.

2. OUTCOME OF MORATORIA APPLICATIONS

The Company previously announced on 29 November 2017 that it and its Relevant Subsidiaries had filed applications in the High Court of the Republic of Singapore (“**Court**”) for moratoria (“**Moratoria**”) pursuant to sections 211B(1) and 211C(1) of the Companies Act (“**Moratoria Applications**”). The Moratoria Applications sought, *inter alia*, orders that all creditors be restrained from taking enforcement action against the Company and its Relevant Subsidiaries for a period from the date of the order to be made until 31 July 2018.

On 7 December 2017, the Court granted the Moratoria Applications and ordered, amongst others, the following:

For the Company a moratorium until 31 July 2018 and for the Relevant Subsidiaries interim moratoria until 31 January 2018 that:

- (a) No action or proceedings in Singapore or elsewhere shall be proceeded with, continued or commenced against the Company and the Relevant Subsidiaries (including without limitation proceedings for the recovery of a debt or damages by civil action, by arbitration or by proceedings before the small claims tribunal, proceedings by way of execution on a judgment, proceedings to levy distress or proceedings in the nature of distress, winding up proceedings or proceedings to place the Company or the Relevant Subsidiaries under judicial management, and proceedings to enforce or execute against the assets of the Company or the Relevant Subsidiaries other than proceedings under sections 210, 211B, 211D, 211G, 211H or 212 of the Companies Act) for the enforcement of rights in equity or at law by any creditor of the Company or the Relevant Subsidiaries except with the consent of the Company or the Relevant Subsidiaries or the leave of the Court and subject to such terms as the Court imposes;
- (b) No appointment shall be made of a receiver or manager over any property or undertaking of the Company or the Relevant Subsidiaries;
- (c) No execution, distress or other legal process in Singapore or elsewhere against any property of the Company or the Relevant Subsidiaries shall be commenced, continued or levied, except with the consent of the Company or the Relevant Subsidiaries or the leave of the Court and subject to such terms as the Court imposes;

- (d) No step to enforce any security over any property of the Company or the Relevant Subsidiaries, or to repossess any goods held by the Company or the Relevant Subsidiaries under any chattels leasing agreement, hire-purchase agreement or retention of title agreement shall be taken or continued in Singapore or elsewhere, except with the consent of the Company or the Relevant Subsidiaries or the leave of the Court and subject to such terms as the Court imposes; and
- (e) No enforcement of any right of re-entry or forfeiture under any lease in respect of any premises occupied by the Company or the Relevant Subsidiaries in Singapore or elsewhere shall be commenced or continued (including any enforcement pursuant to sections 18 or 18A of the Conveyancing and Law of Property Act (Cap. 61)), except with the consent of the Company or the Relevant Subsidiaries or the leave of the Court and subject to such terms as the Court imposes.

The Court also allowed a limited carve-out of the Moratoria in relation to the vessel-owning Relevant Subsidiaries to allow the Vessel Lenders the liberty to take such action as may be necessary in any jurisdiction outside of Singapore in the event that their security interest is threatened or affected whether by an arrest or detention or its equivalent in such jurisdiction.

3. ADJUDICATION OF THE PROOFS OF DEBT AND VOTING ON THE SCHEME BY THE SCHEME CREDITORS

The Board wishes to announce that the Scheme Manager has received the ballot forms and proofs of debt from all the Scheme Creditors by 5.00 p.m. on 7 December 2017. Pursuant to the terms of the Scheme documents, the Scheme Manager will proceed to adjudicate the proofs of debt submitted by the Scheme Creditors for the purpose of determining whether the Scheme has been approved by the requisite majority in number representing three-fourths in value of each class of Scheme Creditors casting their votes through the ballot forms. The Scheme Manager will complete the adjudication of the proofs of debt no later than one (1) week after 7 December 2017. The Company will make further announcement in relation to the outcome of the voting on the Scheme by the Scheme Creditors upon the finalisation of the adjudication process mentioned above.

4. 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
7 December 2017