

Hoe Leong Corporation Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration Number 199408433W)

GRANT OF WAIVER FROM RULE 1014(2) OF THE LISTING RULES

Introduction

The Board of Directors (the “**Board**”) of Hoe Leong Corporation Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that it had, on 8 April 2020, received an email from the SGX-ST setting out, *inter alia*, that the SGX-ST has no objection to the Company’s application for a waiver with regard to compliance with Rule 1014(2) of the Listing Rules.

The Proposed Disposal

On 5 March 2020, the Company issued an announcement setting out, *inter alia*, that Arkstar Voyager Pte. Ltd., a wholly-owned indirect subsidiary of the Company, had on 2 March 2020 entered into a conditional memorandum of agreement with First Oil and Gas Services W.L.L., for the disposal of Arkstar Voyager, a vessel owned by Arkstar Voyager Pte. Ltd., for a consideration of US\$3,850,000 (equivalent to approximately S\$5,333,000 based on an exchange rate of S\$1: US\$1.38530 as at 4 March 2020)(the “**Proposed Disposal**”).

As the relative figures computed on the bases set out in Rule 1006 of the Listing Rules exceed 20%, the Proposed Disposal was classified as a “major transaction” under Chapter 10 of the Listing Rules and the Proposed Disposal had to be made conditional upon approval by shareholders in general meeting pursuant to Rule 1014(2) of the Listing Rules.

The Application for Waiver from Rule 1014(2) of the Listing Rules

Accordingly, the Company made an application to the SGX-ST on 12 March 2020 to seek a waiver from SGX-ST of the requirement for the Proposed Disposal to be made conditional upon approval by shareholders in general meeting pursuant to Rule 1014(2) of the Listing Rules.

The Company sought the waiver for the following reasons:

- (a) Shareholders holding more than 50% of the total number of issued and paid-up ordinary shares in the capital of the Company have undertaken to vote in favour of the resolution to approve the Proposed Disposal;
- (b) The Proposed Disposal involves a non-core asset. A non-core asset is one that meets all of the following criteria:
 - (i) it is not critical to the principal business activity of the Company;
 - (ii) it is ancillary to the principal business activity of the Company; and
 - (iii) it is not an existing principal business of the Company.
- (c) The Proposed Disposal represents a reduction in the risk profile of the Company;
- (d) The Company will enjoy administrative cost savings if it is not required to convene an extraordinary general meeting for the purposes of approving the Proposed Disposal; and
- (e) Time-sensitive nature of the Proposed Disposal;

Grant of Waiver from Rule 1014(2) of the Listing Rules

The Company had, on 8 April 2020, received an email from the SGX-ST setting out, *inter alia*, that the SGX-ST has no objection to the Company's application for a waiver (the "**Waiver**") with regard to compliance with Rule 1014(2) of the Listing Rules subject to the following:

- (a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Rule 107 of the Listing Rules and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;
- (b) submission of a written confirmation from the Company that the Waiver does not contravene any laws and regulations governing the Company and the constitution of the Company;
- (c) the transaction being subject to ratification by shareholders in a general meeting as soon as practicable, and not later than 30 April 2020; and
- (d) irrevocable undertakings from the substantial shareholders holding more than 50% of the issued shares in the Company to (i) vote in favour of the disposal; and (ii) continue to own more than 50% of the issued shares of the Company before and up to the date of the general meeting.

The Company will not be in contravention of any laws and regulations governing the Company and the constitution of the Company arising from the Waiver.

The Company is applying for an extension with regard to condition (c) as the Company is unable to convene a general meeting by 30 April 2020 due to the current 'circuit breaker' measures taken by the government to curb the spread of Covid-19.

Further Announcements

The Company will make further announcements to update its shareholders when there are material updates as may be necessary or appropriate.

Cautionary Statement

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board of
Hoe Leong Corporation Ltd

Liew Yoke Pheng, Joseph
Executive Director and Chief Executive Officer

8 April 2020