

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 Circular to Shareholders dated 1 June 2021 (the “**Circular**”) and announcement dated 29 March 2022 in relation to the exercise of 4,900,000,000 Options (Principal amount: S\$7,154,000) by Shing Heng Holding Pte. Ltd. (the “**Announcement**”).

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

The Board wishes to inform that the exercise consideration of S\$7,154,000 was set off against bridging loans of S\$4 million owed to Shing Heng Holding Pte. Ltd. and a net consideration of S\$3,154,000 has been paid to the Company.

The bridging loans were disbursed in December 2020 and October 2021 and proceeds were used for working capital purposes as follow:

	S\$'000
Purchases from suppliers and subcontractors	2,201
Rental expenses	430
Legal and professional fees	251
Payroll costs	950
Other expenses	168
Total	<u>4,000</u>

Consequently, the use of proceeds from exercise of Options is as follows:

Use of proceeds (As set out in the Circular)	Proceeds from exercise of Options 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)	7,154	(4,000)	3,154

The use of proceeds from the exercise of Options is in accordance with the intended use as disclosed in the Circular. The Company will make periodic announcements as and when the unused proceeds are materially disbursed.

By Order of the Board

Liew Yoke Pheng Joseph
Executive Chairman and CEO

13 April 2022