Hoe Leong Corporation Ltd.

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

COMPLETION OF DISPOSAL OF ARKSTAR EAGLE 1

Introduction

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

(a) the announcement made by the Company on 8 October 2019 (the "**Disposal of Arkstar Eagle Vessels Announcement**") in relation to, *inter alia*:

(i) the entry into a conditional memorandum of agreement dated 7 October 2019 (the "**MOA for Arkstar Eagle 1**") by Markstar Marine Sdn Bhd (the "**Vendor of Arkstar Eagle 1**") with Allianz Offshore Shipmanagement Ltd (the "**Purchaser of Arkstar Eagle Vessels**") in relation to, *inter alia*, the disposal of Arkstar Eagle 1 (the "**Disposal of Arkstar Eagle 1**"); and

(ii) the entry into a conditional memorandum of agreement dated 7 October 2019 (the "**MOA for Arkstar Eagle 3**") by Arkstar Eagle 3 Pte. Ltd. (the "**Vendor of Arkstar Eagle 3**") with Purchaser of the Arkstar Eagle Vessels in relation to, *inter alia*, the disposal of Arkstar Eagle 3 (the "**Disposal of Arkstar Eagle 3**").

The Disposal of Arkstar Eagle 1 and the Disposal of Arkstar Eagle 3 shall collectively be referred to as the "**Disposal of Arkstar Eagle 1 and Arkstar Eagle 3**"; and

(b) the announcement made by the Company on 20 December 2019 (the "**Waiver Announcement**") in relation to, *inter alia*, the Company's application to the SGX-ST on 13 November 2019 for a waiver of the requirement of the Disposal of Arkstar Eagle 1 and Arkstar Eagle 3 to be made conditional upon approval by shareholders of the Company ("**Shareholders**") in general meeting pursuant to Rule 1014(2) of the Listing Manual and the 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 Manual (the "**Waiver**").

Completion of the Disposal of Arkstar Eagle 1

The Board wishes to announce that the consideration for the Disposal of Arkstar Eagle 1 of US$0.85 million (equivalent to approximately S$1.18 million based on an exchange rate of US$1 : S$1.39) which was held in an escrow account has been released and paid to the Vendor of Arkstar Eagle 1 on 13 March 2020.

As disclosed in the Disposal of Arkstar Eagle Vessels Announcement, the net proceeds from the Disposal of Arkstar Eagle 1 will be utilised towards partial repayment of the existing bank borrowings due to Sing Investments & Finance Limited. The aggregate amount of existing bank borrowings due to Sing Investments & Finance Limited by the Group is approximately S$ 2.47 million as at the date of this announcement.

Circular to Shareholders

As disclosed in the Waiver Announcement, the Waiver granted by the SGX-ST is subject to certain conditions which include, *inter alia*:

(a) the Disposal of Arkstar Eagle 1 and Arkstar Eagle 3 being subject to ratification by Shareholders in a general meeting as soon as practicable, and not later than 30 April 2020; and

(b) the Company obtaining irrevocable undertakings from substantial shareholders of the Company holding more than 50% of the total number of shares in the issued and paid-up share capital of the Company to (i) vote in favour of the Disposal of Arkstar Eagle 1 and Arkstar Eagle 3; and (ii) continue to hold more than 50% of the total number of shares in the issued and paid-up share capital of the Company before and up to the date of the extraordinary general meeting.

Accordingly, Shareholders should note that notwithstanding that the Disposal of Arkstar Eagle 1 has been completed, the Disposal of Arkstar Eagle 1 is still subject to ratification by Shareholders in a general meeting. A circular to Shareholders containing the relevant information relating to, and to seek Shareholders' approval for, the ratification of the Disposal of Arkstar Eagle 1 will be sent to Shareholders in due course.

The Board also wishes to update Shareholders that it has procured irrevocable letters of undertaking from Hoe Leong Co. (Pte.) Ltd., United Overseas Bank Limited, RHB Bank Berhad and Sing Investments & Finance Limited to fulfil the condition imposed by the SGX-ST set out in paragraph (b) above.

By Order of the Board of
Hoe Leong Corporation Ltd.

Liew Yoke Pheng, Joseph
Executive Chairman and Chief Executive Officer

13 March 2020