

HOE LEONG CORPORATION LTD.
(the "**Company**")
(Company registration number 199408433W)
(Incorporated in the Republic of Singapore)

DISPUTE WITH OTTO MARINE LIMITED

Hoe Leong Corporation Ltd (the "*Company*") wishes to announce that Otto Marine Limited has filed a winding up application as creditor in HC/CWU167/2016 (the "*Application*") with the Singapore High Court ("*the Court*") to wind up the Company.

The Court has directed the Application for hearing on 13 September 2016.

The sum claimed against the Company is US\$920,000.00 being the balance of a sum of US\$1,250,000.00 which was due from the Company to Otto Marine Ltd as of 7 July 2016 under a Deed of Settlement dated 12 February 2014 as amended and varied by a Supplemental Deed dated 3 July 2014, and a Letter of Undertaking dated 23 December 2014 from the Company to Otto Ventures Pte Ltd and Otto Marine Limited.

The Company has been advised by its lawyers that the Application is an abuse of process. The Company has a bona fide defence to the claim for US\$920,000.00, on the ground that the claim for the sum of US\$1,250,000.00 was settled on 7 July 2016 by and between the Company and Otto Marine Limited on the terms spelt out in the Company's e-mail to Otto Marine Limited dated 8 July 2016:

"The Company has abided by the terms of settlement and payment of the said sum of US\$1,250,000.00 as agreed between the Company and Otto Marine Limited on 7 July 2016 and have delivered to Otto Marine Limited 13 cheques for varying amounts totaling US\$1,250,000.00. Otto Marine Limited has accepted the said cheques and has since presented for payment 2 of the said 13 cheques, in affirmation of the said settlement. The next cheque towards settlement of the sum of US\$1,250,000.00 is not due until 1 September 2016."

The Company has already accounted for the above amount in its financial statements.

The Company has taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate in all material aspects as at the date hereof and that no material facts have been omitted from this announcement.

The Company will make further announcement as appropriate in due course and on any other material developments as and when necessary

By Order of the Board

Kuah Geok Lin
Chairman and Chief Executive Officer
18 August 2016