

Hoe Leong Corporation Ltd.

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

COMPLETION OF DISPOSAL OF ARKSTAR VOYAGER

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 5 March 2020 (the “**Disposal of Arkstar Voyager Announcement**”) in relation to, *inter alia*, the entry into a conditional memorandum of agreement dated 2 March 2020 (the “**MOA**”) by Arkstar Voyager Pte. Ltd. (the “**Vendor**”) with First Oil and Gas Services W.L.L. (the “**Purchaser**”) in relation to, *inter alia*, the disposal of Arkstar Voyager (the “**Disposal of Arkstar Voyager**”);
- (b) the announcement made by the Company on 8 April 2020 (the “**Waiver Announcement**”) in relation to, *inter alia*, the Company’s application to the SGX-ST on 12 March 2020 for a waiver of the requirement of the Disposal of Arkstar Voyager 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**”); and
- (c) the announcement made by the Company on 22 April 2020 (the “**Waiver Extension Announcement**”) in relation to, *inter alia*, the Company’s application to the SGX-ST on 13 April 2020 for an extension of time to 29 June 2020 to comply with condition (c) of the SGX-ST Outcome Letter dated 8 April 2020 (the “**Outcome Letter**”) and the email from the SGX-ST setting out, *inter alia*, that the SGX-ST has no objection to the Company’s application for an extension of time to comply with condition (c) of the Outcome Letter.

Completion of the Disposal of Arkstar Voyager

The Board wishes to announce that the consideration for the Disposal of Arkstar Voyager of US\$3.85 million (equivalent to approximately S\$5.4 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.

As disclosed in the Disposal of Arkstar Voyager Announcement, the net proceeds from the Disposal of Arkstar Voyager after deducting the costs and expenses incurred or to be incurred in connection with the Disposal of Arkstar Voyager will be utilised towards partial repayment of the existing bank borrowings due to United Overseas Bank Limited (“**UOB**”). The aggregate amount of existing bank borrowings due to UOB by the Group is approximately S\$6.5 million as at 31 May 2020.

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 Voyager being subject to ratification by Shareholders in a general meeting as soon as practicable, and not later than 30 April 2020¹; 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

¹ As disclosed in the Waiver Extension Announcement, the Company had, on 21 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 an extension of time to 29 June 2020 to comply with condition (c) of the Outcome Letter in respect of the Disposal of Arkstar Voyager by shareholders in a general meeting.

the Company to (i) vote in favour of the Disposal of Arkstar Voyager; 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 general meeting.

Accordingly, Shareholders should note that notwithstanding that the Disposal of Arkstar Voyager has been completed, it 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 Voyager 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. and UOB to fulfil the condition imposed by the SGX-ST set out in paragraph (b) above.

The Company will make further announcements to update its Shareholders when there are material updates in relation to the Disposal of Arkstar Voyager as may be necessary or appropriate.

By Order of the Board of
Hoe Leong Corporation Ltd.

Liew Yoke Pheng, Joseph
Executive Chairman and Chief Executive Officer

18 June 2020