

Hoe Leong Corporation Ltd.
(Company registration number 199408433W)
(Incorporated in the Republic of Singapore)

**APPOINTMENT OF LIQUIDATORS FOR THE VOLUNTARY WINDING-UP OF
WHOLLY-OWNED SUBSIDIARIES**

The Board of Directors (the “Board”) of Hoe Leong Corporation Ltd. (the “Company” and together with its subsidiaries, the “Group”) wishes to announce that wholly-owned subsidiaries of the Company, Arkstar Energy Pte Ltd, Arkstar Eagle 3 Pte Ltd and Polaris Ship Management Pte Ltd (collectively, the “Subsidiaries”) have been placed under creditors’ voluntary liquidation with effect from 29 December 2020 pursuant to resolutions passed at the extraordinary general meetings of the Subsidiaries held on 29 December 2020 and confirmation by the creditors of the Subsidiaries at creditors’ meetings of the Subsidiaries held on 29 December 2020.

The creditors’ voluntary liquidation of the Subsidiaries are being undertaken as the Subsidiaries have ceased their vessel chartering business following the disposal of all vessels under the vessel chartering segment of the Group. Mr Abuthahir Abdul Gafoor and Ms Yessica Budiman of AAG Corporate Advisory Pte Ltd have been appointed as the joint and several liquidators of the Subsidiaries for the purposes of the creditors’ voluntary liquidation of the Subsidiaries.

The estimated resultant gains on deconsolidation of these Subsidiaries of approximately S\$550,000 are expected to be recognised for the financial year ending 31 December 2020.

The financial effects of the creditors’ voluntary liquidation of the Subsidiaries on the net tangible asset (“NTA”) per ordinary share and the loss per ordinary share of the Group are presented below and have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2019 and based on, inter alia, the following assumptions:

- a) the financial effects on the NTA per ordinary share of the Group are computed assuming that the Subsidiaries are place under creditors’ voluntary liquidation on 31 December 2019;
- b) the financial effects on the loss per ordinary share of the Group are computed assuming that the Subsidiaries are place under creditors’ voluntary liquidation on 1 January 2019; and
- c) the costs and expenses incurred and to be incurred in connection with the creditors’ voluntary liquidation of the Subsidiaries shall be disregarded.

Financial effects on the NTA per ordinary share of the Group	Before deconsolidation of the Subsidiaries	After deconsolidation of the Subsidiaries
Consolidated NTA of the Group (S\$’000)	7,139	7,689
Number of ordinary shares in the issued and paid-up share capital of the Company, excluding treasury shares (’000)	5,619,433	5,619,433
NTA per ordinary share (Singapore cents)	0.13	0.14

Financial effects on the loss per ordinary share of the Group	Before deconsolidation of the Subsidiaries	After deconsolidation of the Subsidiaries
Net loss attributable to shareholders of the Company (S\$'000)	(16,881)	(16,331)
Number of ordinary shares in the issued and paid-up share capital of the Company, excluding treasury shares ('000)	5,619,433	5,619,433
Loss per ordinary share (Singapore cents)	(0.30)	(0.29)

The financial effects presented above are for illustrative purposes only and are not intended to reflect actual future results and/ or financial position of the Company and/ or the Group upon deconsolidation of the Subsidiaries. No representation is made as to the actual future results and/ or financial position of the Company and/ or the Group. The actual financial effects of the creditors' voluntary liquidation of the Subsidiaries will only be reflected in the audited financial statements of the Group for the financial year ending 31 December 2020.

Save for their respective shareholding interest in the Company (if any), none of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the creditors' voluntary liquidation of the Subsidiaries, other than through their respective shareholdings in the Company.

By Order of the Board

Liew Yoke Pheng Joseph
Executive Chairman & CEO
29 December 2020