

HOE LEONG CORPORATION LTD.
(Company Registration No.: 199408433W)
(Incorporated in the Republic of Singapore)

INCORPORATION OF A SPECIAL PURPOSE VEHICLE IN CONNECTION WITH THE PROPOSED TRANSACTIONS

1. Introduction

The board of directors (the “**Board**” or the “**Directors**”) of Hoe Leong Corporation Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement dated 21 December 2020 (the “**Announcement**”) in relation to *inter alia* the entry into definitive agreements with Shing Heng Holding Pte Ltd for the Proposed Investor Transactions.

Unless otherwise defined, all capitalised terms and references used herein shall bear the meanings ascribed to them in the Announcement.

The Proposed Investor Transactions include a proposed issuance of a S\$3 million convertible loan note to the Investor which is to be secured by, amongst other items, a charge over the all of the shares in the capital of a special purpose vehicle (“**SPV**”) owned by the Company. Following the incorporation of the SPV, a restructuring exercise is contemplated to be undertaken for the SPV to acquire 100% of the share capital of various subsidiaries¹ under the equipment business from the Company via a share swap (the “**Restructuring Exercise**”).

2. Incorporation of SPV

The Board is pleased to announce that the Company has on 7 January 2021 incorporated a wholly-owned subsidiary in Singapore known as Trackspares Global Pte. Ltd. (“**TGPL**”) for purposes of the Proposed Investor Transactions and the Restructuring Exercise. TGPL is an investment holding company and has an initial issued and paid-up share capital of S\$100 comprising 100 ordinary shares held by the Company.

The incorporation of TGPL is funded by internal resources and is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2021.

None of the Directors and to the best of the knowledge of the Directors, none of the controlling shareholders of the Company has any interest, direct or indirect, in the incorporation of TGPL, other than through their shareholdings in the Company (if any).

3. Further Announcements

The Company will make further announcements, in compliance with the requirements of the Listing Manual of the SGX-ST, when there are material developments in respect of the matters set out herein and contemplated under the Announcement.

¹ (i) Hoe Leong Crawler Parts Pte Ltd; (ii) Korea Crawler Track Ltd; and (iii) Trackspares (Aust) Pty. Ltd. (including its wholly-owned subsidiary, Trackex Pty. Ltd.).

4. Cautionary Statement

Shareholders should note that the Proposed Investor Transactions, and the Proposed Transactions as a whole, remain subject to, amongst others, the fulfilment of the conditions precedent under the definitive agreements entered into. **There is no certainty or assurance that the conditions precedent for the Proposed Transactions can be fulfilled or that the Proposed Transactions will be undertaken at all.** Although the Company's shares are under suspension, shareholders, security holders and investors are advised to read this announcement and any past and future announcements by the Company carefully when dealing with the shares and securities of the Company. Shareholders, security holders, and investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take or when dealing with their shares or securities of the Company.

By Order of the Board

Liew Yoke Pheng Joseph
Executive Chairman and Chief Executive Officer
7 January 2021