

Hoe Leong Corporation Ltd.
(the “Company”)

(Company registration number 199408433W)
(Incorporated in the Republic of Singapore)

UPDATES ON MATERIAL LITIGATION

The Board of Directors (the “**Board**”) of the Company refers to the material litigation disclosed in item 8 (Page 15 and 16) of the Company’s unaudited financial statements and dividend announcement for the fourth quarter and full year ended 31 December 2020 dated 26 February 2021 (the “**Results Announcement**”) and wishes to provide the following updates.

Kuala Lumpur High Court - Auspicious Journey Sdn Bhd vs Ebony Ritz Sdn Bhd & 5 Ors

Auspicious Journey Sdn Bhd, a minority shareholder of a former subsidiary, Ebony Ritz Sdn Bhd (“**Ebony**”), filed a suit against the Company, being the majority shareholder in Ebony, for conducting the affairs of Ebony in a manner that is oppressive to the plaintiff.

On 3 August 2016, the High Court issued an order partially in favour of the plaintiff:

- (a) that a declaration that the Company has conducted the affairs of Ebony in a manner that is oppressive to the plaintiff by made;
- (b) that Ebony is to be wound up and the Official Receiver be appointed as the liquidator of Ebony;
- (c) that the Company is to pay general damages with interest to the plaintiff, to be assessed by the Court through an assessment process; and
- (d) that the Company has to pay costs of RM300,000 to the plaintiff.

The plaintiff and the Company appealed against the order and both appeals, heard on 21 November 2018 and 21 May 2018 respectively, were dismissed.

The plaintiff filed an application for leave to appeal to the Federal Court against the dismissal of its appeal by the Court of Appeal. On 13 May 2019, the Federal Court made a decision to allow the leave application in part, in particular only insofar as the leave application relates to whether the directors of the Company can be attributed with the Company’s liability in respect of its said oppression on the plaintiff. The hearing of the Federal Court appeal was concluded on 4 August 2020.

On 9 March 2021, the Federal Court dismissed the plaintiff’s appeal and directed the assessment of damages to be assessed by a High Court Judge.

The case management for the assessment of damages proceeding in the High Court will take place on 12 March 2021 to update the High Court on the outcome of the said Federal Court appeal.

Kuala Lumpur High Court – Tan Sri Halim Bin Saad v Hoe Leong Corporation Limited & 5 Ors

The solicitors of the Company attended the case management on 3 March 2021 in respect of the appeal against the dismissal of the striking out application. During the case management, the Court of Appeal directed, among others, that:

- 1) the hearing of the above matter is fixed on 20 October 2021;
- 2) the parties are to file their respective submissions and common core bundle of documents (if needed) by 6 October 2021; and

- 3) further case managements are fixed on 22 September 2021 and 13 October 2021 for the parties to update the Court of Appeal on the parties' compliance with the above directions.

The Company, through its solicitors, will be filing to the Court of Appeal its written submission and other important documents, including the common core bundle of documents (if needed) that are referred to in the written and oral submissions.

The Company will make further announcements to update its shareholders when there are material updates as may be necessary or appropriate.

Shareholders and potential investors of the Company are advised to read this announcement, the Results Announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

Liew Yoke Pheng Joseph
Executive Chairman & CEO
10 March 2021