

**CLARIFICATION ANNOUNCEMENT**

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The Board of Directors (the “**Board**”) of Hwa Hong Corporation Limited (the “**Company**”) refers to the media statement on 20 May 2022 (the “**Media Statement**”) and would like to make the following clarifications to set out the views of Mr Huang Yuan Chiang (“**Mr Huang**”), a Non-Independent Non-Executive Director of the Company:

1. It was stated in the Media Statement that “Concerns were raised by the Current Ong Directors about the strategic direction and past performance of the Company over the course of the year. **The Current Ong Directors are pleased that Evercore Asia Singapore has been appointed as the Company’s exclusive financial adviser on 17 May 2022, to assist the Company in maximising shareholder value.**”

Mr Huang's views are as follows:

- (i) Mr Huang was not involved in the appointment of Evercore Asia (Singapore) Pte Ltd (“**Evercore**”) as the Company's financial adviser (“**FA**”) and as such, he is unable to form an opinion as to whether the appointment of the FA would assist the Company in maximising shareholder value.
- (ii) He has not been made privy to the terms of their appointment, their scope of work, the terms of their remuneration and whether there has been any past dealings between Evercore and Mr Ong Eng Loke, Mr Ong Eng Keong and Dr David Ong (“**Current Ong Directors**”) so as to make them unsuited for the purposes of advising the shareholders of the Company (“**Shareholders**”) as a whole.

The Current Ong Directors do not agree with the statement above by Mr Huang for the following reasons:

- (a) As mentioned in the Company's announcement on 17 May 2022 (“**17 May Announcement**”), prior to the announcement of the SUPL Offer (as defined in the 17 May Announcement), the Board had been deliberating the appointment of a FA to assist the Company in unlocking and maximising shareholder value. In this connection, proposals from several FAs (including Evercore) had been circulated to the Board in April 2022 and a meeting was scheduled amongst the Directors (including Mr Huang) to be held on 13 May 2022 to consider these proposals.
- (b) At the meeting on 13 May 2022, the Current Ong Directors discussed the appointment of Evercore as the Company's FA primarily to solicit other potential offers instead, following the emergence of the SUPL Offer. Thereafter, the Current Ong Directors had a telephone discussion with Mr Huang regarding the proposed appointment of an FA.
- (iii) Moreover, Mr Huang was of the view that the appointment of an FA was a rare and unnecessary step, in view of the specific obligation under The Singapore Code on Take-overs and Mergers (“**Code**”) to appoint an independent financial adviser (“**IFA**”). Mr Huang was concerned that the role of an FA may be at odds with the role of the IFA and that there may be some conflict in views between the FA and the IFA. He therefore objected to the appointment of an FA.

The Current Ong Directors note however, that the Code provides that a target company is not prohibited from soliciting potential competing offers in the interests of Shareholders, and that such solicitation does not amount to actions which frustrate the original offer.

2. It was also stated in the Media Statement that:

**“The Current Ong Directors are of the view that the current matters at hand are a result of multiple factors resulting from the outcome of the Company’s recent AGM, including the decision by the previous acting Managing Director (who is part of the Sanjuro offeror consortium) to resign on the day of the AGM itself “for personal reasons”. Nonetheless, the Current Ong Directors are confident in the intrinsic value of the Company and are committed to protecting the interest of shareholders, including all minority shareholders.”**

Mr Huang disagreed with the above statement because he does not see a nexus between ‘current matters at hand’ and the resignation of the former acting Managing Director. The word ‘nonetheless’ seems to suggest that the former acting Managing Director is not committed to protecting the interest (sic) of shareholders whereas the Current Ong Directors are. Mr Huang is of the view that he is unable to verify this statement.

Mr Huang is of the view that the statement on intrinsic value adds nothing to shareholders’ understanding of what the intrinsic value of the Company really is. The statement also suggests that the former acting Managing Director might not be confident of the intrinsic value of the Company. Mr Huang is of the view that he is unable to verify this suggestion.

3. The Directors’ responsibility statement contained in the Media Statement shall be superceded and the Directors of the Company assume responsibility for the Media Statement and this clarification announcement in accordance with the Directors’ responsibility statement set out below.

The Directors of the Company (including those who have delegated detailed supervision of this clarification announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in the Media Statement and this clarification announcement (which shall be read together) are fair and accurate, no material facts have been omitted from the Media Statement and this clarification announcement, and they jointly and severally accept responsibility accordingly. Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the SUPL Offer and any other announcements made by or on behalf of SUPL), the sole responsibility of the Directors of the Company has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement.

By Order of the Board

Ong Eng Loke  
Acting Group Managing Director  
25 May 2022