

UPDATES ON NOTICE OF COMPLIANCE

1. BACKGROUND

1.1. The Board of Directors (the "**Board**") of Hwa Hong Corporation Limited (the "**Company**") refers to the Notice of Compliance dated 6 May 2022 ("**NOC**") issued by the Singapore Exchange Regulation ("**SGX RegCo**").

1.2. The Board also refers to the following announcements released by the Company via SGXNET:

- (i) Announcement dated 17 May 2022, in relation to the Voluntary Conditional Cash Offer of the Company (Ref: SG220517OTHR2OMM);
- (ii) Announcement dated 3 June 2022, in relation the appointment of KPMG Services Pte. Ltd. as its Independent Reviewer ("**KPMG**" or "**Independent Reviewer**") (Ref: SG220603OTHROXQ);
- (iii) Announcements dated:
 - a. 5 May 2022, in relation to the resignation of Mr Ong Mui Eng as Non-Independent Executive Director effective 31 July 2022 (Ref: SG220505OTHRP8A8); and
 - b. 1 August 2022, in relation to (a) the resignation of Mr Ong Eng Loke as Non-Independent Executive Director and Acting Group Managing Director (Re: SG220801OTHRJ1R6); (b) the resignation of Dr Ong Eng Hui David (Wang Ronghui David) as Non-Independent Non-Executive Director (Ref: SG220801OTHR4FZK); and (c) the resignation of Mr Ong Eng Keong (Wang Rongkang) as Non-Independent Non-Executive Director (Ref: SG220801OTHRVN66),(collectively referred to as "**the Previous Board of Directors**");
- (iv) Announcements dated 1 August 2022, in relation to (i) the appointment of Mr Ong Choo Eng as Non-Independent Executive Director (Ref: SG220801OTHROQKN); and (ii) the appointment of Mr Ong Eng Yaw as Non-Independent Executive Director and Group Managing Director (Ref: SG220801OTHRK216) (collectively referred to as "**the Incumbent Board of Directors**" alongside Mr Huang Yuan Chiang);
- (v) Announcement dated 2 August 2022, in relation to Close of Offer, Compulsory Acquisition and Loss of Free Float (Ref: SG220802OTHR7792);
- (vi) Announcement dated 2 August 2022, in relation to Request for Suspension (Ref: SG220802SUSPWGP6); and
- (vii) Announcement dated 1 September 2022, in relation to In-Principle Approval to Delist (Ref: SG220901OTHRFYRI).

2. UPDATES ON THE NOC

2.1. Action Items Under the NOC

As set out in paragraphs 9(b), 9(c) and 10 of the NOC, SGX RegCo requires that the Company:

- (i) appoint an Independent Reviewer to undertake an independent review (“**Review**”) of the terms of reference of the Nominating Committee (“**NC**”) and the Company’s internal controls, processes and practices relating to the board nomination process, including the selection and appointment of the Potential Candidates (as defined in the NOC), and to make recommendations on improvements;
- (ii) prior to the completion of the Review and implementation of all recommendations, consult the Independent Reviewer on the proposed appointment of new directors, including any of the Potential Candidates and subject all its proposed appointments of new directors, including the appointment of any Potential Candidates, to the review of the Independent Reviewer; and to announce the Independent Reviewer’s basis for its recommendations on the suitability and independence (if applicable) of such appointments; and
- (iii) announce the findings and recommendations of the Independent Reviewer via SGXNet.

2.2. Appointment of Independent Reviewer

As announced by the Company on 3 June 2022, KPMG has been appointed as the Independent Reviewer for the Review.

2.3. KPMG’s Findings and Recommendations In Respect of the Review of the Terms of Reference of the NC and the Company’s Internal Controls, Processes and Practices Relating to the Board Nomination Process

KPMG has reported to SGX RegCo its findings of the independent review of the Board Nomination Process. The independent review for the period of 1 October 2019 to 31 May 2022 identified five areas for improvement detailed in the report issued to the Company. The areas for improvement have been communicated to the Incumbent Board of Directors for their deliberation and action.

In this regard, the Company wishes to highlight that the NOC was issued on 6 May 2022, when the Company was led by the Previous Board of Directors and that the Incumbent Board of Directors are not responsible for any events which may have led to or triggered the issuance of a NOC by the SGX RegCo.

The Board was reconstituted with the Incumbent Board of Directors on 1 August 2022.

2.4. New Directors Subject to KPMG’s Review & Recommendations – Suitability of Mr Ong Choo Eng and Mr Ong Eng Yaw

Following the resignations of the Previous Board of Directors¹, Mr Ong Choo Eng and Mr Ong Eng Yaw were appointed as directors of the Company on 1 August 2022.

Based on KPMG’s review and desktop assessment of the Curriculum Vitae of Mr Ong Choo Eng and Mr Ong Eng Yaw which were provided to KPMG, there are no negative results on the suitability of the two candidates to be appointed as Executive Directors.

KPMG has also made recommendations to the Board to take the necessary steps whilst the Company remains listed on the Official List of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) to ensure compliance with requirements relating to the composition of Board in respect of the appointment of independent directors and directors.

¹ The resignation dates of the Previous Board of Directors are as set out in paragraph 1.2(iii) – Mr Ong Mui Eng had resigned effective 31 July 2022 and Mr Ong Eng Loke, Dr Ong Eng Hui David (Wang Ronghui) and Mr Ong Eng Keong (Wang Rongkang) had resigned on 1 August 2022.

3. DELISTING

The Company had on 15 August 2022 submitted its application to delist the Company from the Official List of the SGX-ST and SGX-ST had on 31 August 2022 given its in-principle approval to the delisting. Upon the completion of the compulsory acquisition under Section 215(1) of the Companies Act by Sanjuro United Pte. Ltd., the Company will be making an announcement on the delisting date and time of the Company.

The Incumbent Board of Directors wishes to thank SGX-ST for its support to the Company since its admission to the Official List on 26 July 1979.

**BY ORDER OF THE BOARD
HWA HONG CORPORATION LIMITED**

Ong Eng Yaw
Group Managing Director
21 September 2022