



REDEMPTION OF LOAN NOTES ISSUED BY EASTCOMM PTE. LTD.

The directors of Hwa Hong Corporation Limited (the “Company”, and together with its subsidiaries, the “Group”) wish to announce that arising from the redemption of the loan notes (the “Notes”) in Eastcomm Pte. Ltd. (“Eastcomm”) held by the Group, the Group has been issued ordinary shares (“Shares”) in the share capital of AsiaPhos Limited (“AsiaPhos”). AsiaPhos, a subsidiary of Eastcomm, launched its initial public offering on 25 September 2013 and was listed on the Catalist board on 7 October 2013 (the “AsiaPhos Listing”).

The Group (through its wholly-owned subsidiary, Hwa Hong Edible Oil Industries Pte Ltd (“HHEO”)) had invested in Notes of an aggregate principal amount of S\$4 million and, arising from their redemption, was issued 24,452,384 Shares (the “Investment”) which, as at the date of the AsiaPhos Listing, represents 3.1% of the issued share capital of AsiaPhos. Based on the invitation price of \$0.25 per AsiaPhos share as well as the computation as stated in the Notes agreements, the redemption of the Notes and accrued interest into 24,452,384 Shares resulted in an unrealised fair value gain of approximately \$1.5 million for the Group on the date of the AsiaPhos Listing.

As at the date of this Announcement and based on the offer document dated 25 September 2013 issued by AsiaPhos (“Offer Document”):

- (a) Dr Ong Hian Eng, a Non-Executive Director and substantial shareholder of the Company, holds approximately 45.5% of the issued share capital of Eastcomm. Mr Ong Kwee Eng, a substantial shareholder of the Company, holds approximately 45.5% interest in Eastcomm via Astute Ventures Pte. Ltd., a company in which Mr Ong Kwee Eng, his spouse and children hold 100% interests. Dr Ong Hian Eng and Mr Ong Kwee Eng and certain family members also hold shares in AsiaPhos directly.
- (b) The directors of Eastcomm are:
 - (i) Dr Ong Hian Eng;
 - (ii) Mr Ong Eng Siew Raymond, who is the son of Mr Ong Kwee Eng;
 - (iii) Ms Ong Bee Kuan Melissa, who is the daughter of Mr Ong Kwee Eng, and
 - (iv) Ms Ong Bee Pheng, who is the daughter of Dr Ong Hian Eng.
- (c) The directors of AsiaPhos include:
 - (i) Dr Ong Hian Eng;
 - (ii) Mr Ong Eng Hock Simon, who is the son of Mr Ong Kwee Eng;
 - (iii) Mr Ong Eng Siew Raymond, and
 - (iv) Ms Ong Bee Pheng.
- (d) Mr Guan Meng Kuan, a Non-Executive Director and Non-Independent Director of the Company, holds approximately 1.4 million Shares representing 0.2% of the issued share capital of AsiaPhos arising from the redemption of Notes held by him.

Save as set out above and in the Offer Document, none of the Directors or the controlling shareholders of the Company has any interest, direct or indirect, in the Investment.

The Company and HHEO applied to the SGX-ST for a waiver from the moratorium requirement for promoters under the Rules of Catalist (the "Catalist Rules") on the grounds that:

- (a) neither the Company nor HHEO is a promoter in its own right (i.e. neither the Company nor HHEO has or will have a controlling interest in AsiaPhos, both before and immediately after the AsiaPhos Listing);
- (b) the interests of Dr. Ong Hian Eng and all of his siblings ("Dr. Ong's Siblings") in the Shares that will be held by HHEO, are held through their shareholding interests in the Company, a company listed on the SGX-ST;
- (c) immediately after the AsiaPhos Listing, HHEO will hold less than five per cent. of the equity interest in AsiaPhos;
- (d) Dr. Ong Hian Eng's controlling interest in Asiaphos (held partly directly, and partly through Eastcomm) will be subject to moratorium; and
- (e) none of Dr Ong's Siblings is involved in the management of AsiaPhos.

The SGX-ST has waived (the "SGX-ST Waiver") the moratorium requirements for promoters under the Catalist Rules applicable to the Company, HHEO and/or Dr. Ong's Siblings (in connection with their interests in the Shares that will be held by HHEO).

The SGX-ST Waiver notwithstanding, as required by AsiaPhos' sponsor (the "Sponsor") in connection with the AsiaPhos Listing, HHEO has undertaken to the Sponsor, that it will not, without the prior written consent of the Sponsor, perform any of the restricted activities including to sell any part of its interest in the 24,452,384 Shares from the date of issue of the Shares to HHEO, until the date falling six months after the date of admission of AsiaPhos to Catalist.

SUBMITTED BY

Lee Soo Wei
Chief Financial Officer

7 October 2013