



HWA HONG CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 195200130C)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING DATED 8 APRIL 2008

IN RELATION TO

THE RENEWAL OF THE SHARE PURCHASE MANDATE

Registered Office: 38 South Bridge Road, Singapore 058672
Website: www.hwahongcorp.com

DEFINITIONS

In this Appendix, the following definitions shall apply throughout unless the context otherwise requires:

“AGM”	:	Annual general meeting of the Company
“Appendix”	:	This Appendix to the Notice of AGM dated 8 April 2008 convening the 55 th AGM to be held on 25 April 2008
“Board”	:	The board of Directors of the Company as at the Latest Practicable Date
“CDP”	:	The Central Depository (Pte) Limited
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Companies (Amendment) Act 2005”	:	The Companies (Amendment) Act 2005 of Singapore
“Company”	:	Hwa Hong Corporation Limited
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	25 March 2008, being the latest practicable date prior to the printing of this Appendix
“Listing Manual”	:	The listing manual of the SGX-ST, as amended or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Securities Account”	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Purchase Mandate”	:	The mandate to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares on the terms of such mandate
“Shareholders”	:	Persons who are registered as holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the persons named as Depositors in the Depository Register and whose Securities Accounts are credited with Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers
“S\$” or “\$” and “cents”	:	Singapore dollars and cents, respectively
“%” or “per cent.”	:	Percentage or per centum

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Appendix to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined under the Companies Act, the Listing Manual, the Take-over Code or any modification thereof and used in this Appendix shall have the meaning assigned to it under the Companies Act, the Listing Manual, the Take-over Code or any modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and date in this Appendix is a reference to Singapore time and date, respectively, unless otherwise stated. Any reference to currency set out in this Appendix is a reference to S\$ unless otherwise stated.

Any discrepancies in figures included in this Appendix between amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

HWA HONG CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 195200130C)

Board of Directors

Hans Hugh Miller (*Chairman*)
Ong Choo Eng (*Group Managing Director*)
Ong Mui Eng
Ong Hian Eng
Guan Meng Kuan
Goh Kian Hwee
Ma Kah Woh, Paul
Wee Sin Tho
Ong Eng Loke (*Alternate Director to Ong Mui Eng*)

Registered Office:

38 South Bridge Road
Singapore 058672

8 April 2008

To: The Shareholders of **HWA HONG CORPORATION LIMITED**

Dear Shareholders

1. INTRODUCTION

We refer to (a) the Notice convening the 55th AGM of the Company to be held on 25 April 2008 and (b) the proposed Resolution 13 (to be passed as an Ordinary Resolution) set out in the Notice of the 55th AGM in relation to the proposed renewal of the Share Purchase Mandate.

The purpose of this Appendix is to provide Shareholders with information relating to the above-mentioned proposal to be tabled at the 55th AGM.

The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Appendix.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 Background

At the extraordinary general meeting of the Company held on 7 November 2003, Shareholders had approved the grant of the Share Purchase Mandate to enable the Company to purchase or otherwise acquire issued Shares. The Share Purchase Mandate was subsequently renewed at AGMs of the Company held on 23 April 2004, 20 April 2005, 26 April 2006 and 25 April 2007 (the "2007 AGM"). The rationale for, and the authority and limitations on, the Share Purchase Mandate were set out in the Appendix to the Notice of the 2007 AGM and Ordinary Resolution 15 set out in the Notice of the 2007 AGM.

The existing Share Purchase Mandate was expressed to take effect on the date of the passing of Ordinary Resolution 15 at the 2007 AGM and will expire on the date of the forthcoming 55th AGM to be held on 25 April 2008. Accordingly, Shareholders' approval is being sought for the renewal of the Share Purchase Mandate at the 55th AGM.

2.2 Shares Purchased or Acquired during the Previous 12 Months

As at the Latest Practicable Date, the Company has not made any purchase or acquisition of Shares under the existing Share Purchase Mandate approved by Shareholders at the 2007 AGM.

2.3 Rationale

The Share Purchase Mandate will give the Directors the flexibility to undertake purchases or acquisitions of issued Shares during the period when the Share Purchase Mandate is in force, if and when circumstances permit. The purchases or acquisitions of Shares may, depending on market conditions and funding arrangements at the time, allow the Directors to better manage the Company's capital structure with a view to enhancing the earnings per share and/or net asset value per share of the Group. The purchases or acquisitions of Shares may, in appropriate circumstances, also help to mitigate short-term market volatility in the Company's share price, offset the effects of short-term speculation and bolster Shareholders' confidence.

The Directors will decide whether to effect the purchases or acquisitions of Shares after taking into account, the prevailing market conditions, the financial position of the Group and other relevant factors. Share purchases or acquisitions will only be made if the Directors believe that such purchases or acquisitions would benefit the Group.

2.4 Terms of the Share Purchase Mandate

The authority and limitations placed on the Share Purchase Mandate, if renewed at the 55th AGM, are the same as those previously approved by Shareholders at the 2007 AGM, and are summarised below:

2.4.1 *Maximum Number of Shares*

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

Subject to the Companies Act, the total number of Shares that may be purchased or acquired by the Company shall not exceed 10% of the total number of Shares (excluding any Shares which are held as treasury shares) in issue as at the date of the AGM at which the renewal of the Share Purchase Mandate is approved.

2.4.2 *Duration of Authority*

Purchases or acquisitions of Shares by the Company may be made, at any time and from time to time, on and from the date of the AGM at which the renewal of the Share Purchase Mandate is approved up to the earlier of:

- (a) the date on which the next AGM of the Company is held or required by law to be held; or
- (b) the date on which purchases or acquisitions of Shares are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company in general meeting.

2.4.3 *Manner of Purchases or Acquisitions of Shares*

Purchases or acquisitions of Shares by the Company may be made by way of:

- (a) an on-market purchase transacted through the SGX-ST's Central Limit Order Book (CLOB) trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose ("**Market Purchase**"); and/or
- (b) an off-market purchase in accordance with an equal access scheme as defined in Section 76C of the Companies Act ("**Off-Market Purchase**").

In an Off-Market Purchase, the Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate, the Memorandum and Articles of Association of the Company, the Listing Manual, the Companies Act and other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes.

Under the Companies Act, an equal access scheme must satisfy all the following conditions:

- (a) the offers under the scheme are to be made to every person who holds shares to purchase or acquire the same percentage of their shares;
- (b) all of those persons have a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers are the same except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that the offers relate to shares with different accrued dividend entitlements;
 - (ii) differences in consideration attributable to the fact that the offers relate to shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

Under the Listing Manual, in making an Off-Market Purchase in accordance with an equal access scheme, a listed company must issue an offer document to all shareholders containing, *inter alia*, the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed share purchases;
- (d) the consequences, if any, of share purchases by the listed company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the share purchases, if made, could affect the listing of the listed company's equity securities on the SGX-ST; and
- (f) details of any share purchases made by the listed company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases.

2.4.4 **Maximum Purchase Price**

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors, provided that such purchase price must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase, 120% of the Highest Last Dealt Price (as defined hereinafter),

("Maximum Price") in either case, excluding related expenses of the purchase or acquisition.

For the above purposes:

"Average Closing Price" means the average of the Closing Market Prices of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company, and deemed to be adjusted for any corporate action that occurs after such five-Market Day period;

"Closing Market Price" means the last dealt price for a Share transacted through the SGX-ST's Central Limit Order Book (CLOB) trading system as shown in any publication of the SGX-ST or other sources;

"Highest Last Dealt Price" means the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.5 Status of Purchased or Acquired Shares: Held in Treasury or Cancelled

Any Shares purchased or acquired pursuant to the Share Purchase Mandate will be dealt with in such manner as may be permitted by the Companies Act.

Under the Companies Act, any Share purchased or acquired by the Company shall be deemed to be cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share shall expire on cancellation), unless such Share is held by the Company in treasury in accordance with Section 76H to 76K of the Companies Act.

2.5.1 *Treasury Shares*

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Certain of the provisions on treasury shares under the Companies Act are summarised below:

- (a) Maximum Holding: The aggregate number of Shares held by the Company as treasury shares shall not at any time exceed 10% of the total number of Shares in issue at that time. In the event that the aggregate number of treasury shares held by the Company exceeds the aforesaid limit, the Company shall dispose of or cancel the excess treasury shares within six months from the day the aforesaid limit is first exceeded.
- (b) Voting and Other Rights: The Company cannot exercise any right in respect of the treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members of the Company on a winding up) may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of the treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

- (c) Disposal or Cancellation: Where Shares are held as treasury shares, the Company may at any time:
- (i) sell the treasury shares (or any of them) for cash;
 - (ii) transfer the treasury shares (or any of them) for the purposes of or pursuant to an employees' share scheme;
 - (iii) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
 - (iv) cancel the treasury shares (or any of them); or
 - (v) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister for Finance may by order prescribe.

2.5.2 ***Purchased or Acquired Shares Cancelled***

Under the Companies Act, where Shares purchased or acquired by the Company are cancelled, the Company shall:

- (a) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled.

Shares which are cancelled will be automatically delisted by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following such cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are cancelled and not held as treasury shares.

2.6 **Source of Funds**

In purchasing or acquiring its Shares, the Company may only apply funds legally available for such purchase or acquisition as provided in the Articles of Association of the Company and in accordance with applicable laws in Singapore.

The Companies Act permits any purchase or acquisition of shares to be made out of the company's capital or profits so long as the company is solvent. For this purpose, a company is "solvent" if:

- (a) the company is able to pay its debts in full at the time of the purchase or acquisition of its shares and will be able to pay its debts as they fall due in the normal course of business during the period of 12 months immediately following the date of the purchase or acquisition; and

- (b) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the proposed purchase or acquisition, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use the Group's internal resources to finance its purchases or acquisitions of Shares pursuant to the Share Purchase Mandate. The amount of funding required for the Company to purchase or acquire Shares under the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time.

The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such an extent that would materially affect the working capital requirements or the gearing levels of the Group.

2.7 Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits of the Company, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Company and the Group, based on the audited financial accounts of the Company and Group for the financial year ended 31 December 2007, are based on the assumptions set out below.

2.7.1 **Purchase or Acquisition of Shares made out of Capital or Profits**

Where the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced. Where the purchase or acquisition of Shares is made out of profits, the purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

2.7.2 **Number of, and Maximum Price paid for, Shares Purchased or Acquired**

Based on 653,504,000 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are issued and no Shares are held by the Company as treasury shares on or prior to the forthcoming AGM, the purchase or acquisition by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition by the Company of up to 65,350,400 Shares.

(a) Purchases or acquisitions made entirely out of capital

The financial effects on the purchase or acquisition of Shares by the Company made entirely out of capital are based on the purchase or acquisition of 65,350,000 Shares (rounded down to the nearest 1,000 Shares).

In the case of Market Purchases by the Company made entirely out of capital and assuming that the Company purchases or acquires 65,350,000 Shares at the Maximum Price of \$0.65 for each Share (being the price equivalent to 5% above the Average Closing Price of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 65,350,000 Shares is \$42,477,000 (rounded down to the nearest thousand).

In the case of Off-Market Purchases by the Company made entirely out of capital and assuming that the Company purchases or acquires 65,350,000 Shares at the Maximum Price of \$0.74 for each Share (being the price equivalent to 20% above the Highest Last Dealt Price of the Shares on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 65,350,000 Shares is \$48,359,000.

(b) Purchases or acquisitions made entirely out of profits

Having regard to the amount of distributable reserves of the Company as at 31 December 2007 of about \$32.573 million, the financial effects on the purchase or acquisition of Shares by the Company made entirely out of profits are based on the utilisation of funds of up to \$32.573 million.

In the case of Market Purchases by the Company made entirely out of profits and assuming the use of distributable reserves of the Company of up to \$32.573 million for the purchase or acquisition of Shares at the Maximum Price of \$0.65 for each Share (being the price equivalent to 5% above the Average Closing Price of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the Latest Practicable Date), the maximum number of Shares (rounded down to the nearest 1,000 Shares) which can be purchased or acquired by the Company is 50,112,000 Shares representing approximately 7.67% of the total number of Shares in issue as at the Latest Practicable Date.

In the case of Off-Market Purchases by the Company made entirely out of profits and assuming the use of distributable reserves of the Company of up to \$32.573 million for the purchase or acquisition of Shares at the Maximum Price of \$0.74 for each Share (being the price equivalent to 20% above the Highest Last Dealt Price of the Shares on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date), the maximum number of Shares (rounded up to the nearest 1,000 Shares) which can be purchased or acquired by the Company is 44,018,000 Shares representing approximately 6.74% of the total number of Shares in issue as at the Latest Practicable Date.

2.7.3 ***Illustrative Financial Effects***

It is not possible for the Company to realistically calculate or quantify the financial effects of Share purchases or acquisitions that may be made pursuant to the Share Purchase Mandate as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

Purely for illustrative purposes only, based on the audited financial statements of the Company and the Group for the financial year ended 31 December 2007, the assumptions stated above and assuming the purchases or acquisitions of Shares by the Company are funded solely from internal resources, the effects of such purchases or acquisitions of Shares by way of Market Purchases and Off-Market Purchases on the financial positions of the Company and the Group under each of the Scenarios A to D described below are as follows:

(1) **Market Purchases**

	GROUP				
	Before Share Purchase	After Share Purchase			
	Scenario A	Scenario B	Scenario C	Scenario D	
As at 31 December 2007 (audited)	←————— \$'000 —————→				
Share capital	172,154	172,154	172,154	172,154	129,677
Reserves	218,108	218,108	218,108	185,535	218,108
	390,262	390,262	390,262	357,689	347,785
Treasury shares	—	(32,573)	(42,477)	—	—
Shareholders' funds	390,262	357,689	347,785	357,689	347,785
Non-current liabilities	(50,579)	(50,579)	(50,579)	(50,579)	(50,579)
Non-current assets	281,226	281,226	281,226	281,226	281,226
Current assets	278,648	246,075	236,171	246,075	236,171
Current liabilities	(119,033)	(119,033)	(119,033)	(119,033)	(119,033)
Net current assets	159,615	127,042	117,138	127,042	117,138
Total liabilities ¹	(169,612)	(169,612)	(169,612)	(169,612)	(169,612)
Net tangible assets ²	390,262	357,689	347,785	357,689	347,785
Number of Shares ³	653,504	603,392	588,154	603,392	588,154
Financial Ratios					
Net tangible assets per Share (cents)	59.72	59.28	59.13	59.28	59.13
Basic earnings per Share (cents)	15.94	17.27	17.71	17.27	17.71
Gearing ratio ⁴ (times)	0.43	0.47	0.49	0.47	0.49
Current ratio ⁵ (times)	2.34	2.07	1.98	2.07	1.98

Notes:

- 1 Figure includes technical provisions amounting to \$37.51 million which comprise provision for outstanding claims of \$20.15 million, provision for unearned premiums of \$15.72 million and provision for premium deficiency of \$1.64 million.
- 2 Net tangible assets equals shareholders' funds.
- 3 Based on number of Shares Outstanding as at the Latest Practicable Date and adjusted for the effect of the Share purchases or acquisitions.
- 4 Gearing ratio equals total liabilities divided by shareholders' funds.
- 5 Current ratio equals current assets divided by current liabilities.

(1) Market Purchases (cont'd)

	COMPANY				
	Before Share	After Share Purchase			
	Purchase	Scenario A	Scenario B	Scenario C	Scenario D
As at 31 December 2007 (audited)	←————— \$'000 —————→				
Share capital	172,154	172,154	172,154	172,154	129,677
Reserves	32,573	32,573	32,573	–	32,573
	204,727	204,727	204,727	172,154	162,250
Treasury shares	–	(32,573)	(42,477)	–	–
Shareholders' funds	204,727	172,154	162,250	172,154	162,250
Non-current liabilities	(44)	(44)	(44)	(44)	(44)
Non-current assets	196,342	196,342	196,342	196,342	196,342
Current assets ¹	14,149	14,149	14,149	14,149	14,149
Current liabilities ¹	(5,720)	(38,293)	(48,197)	(38,293)	(48,197)
Net current assets/ (liabilities) ¹	8,429	(24,144)	(34,048)	(24,144)	(34,048)
Total liabilities	(5,764)	(38,337)	(48,241)	(38,337)	(48,241)
Net tangible assets ²	204,727	172,154	162,250	172,154	162,250
Number of Shares ³	653,504	603,392	588,154	603,392	588,154
Financial Ratios					
Net tangible assets per Share (cents)	31.33	28.53	27.59	28.53	27.59
Basic earnings per Share (cents)	n.m	n.m	n.m	n.m	n.m
Gearing ratio ⁴ (times)	0.03	0.22	0.30	0.22	0.30
Current ratio ⁵ (times)	2.47	0.37	0.29	0.37	0.29

n.m. denotes not meaningful.

Notes:

- 1 As at 31 December 2007, the Company has only approximately \$14.15 million of current assets, out of which \$0.2 million is in the form of cash and bank balances. The Company also has current liabilities of approximately \$5.7 million as at 31 December 2007, out of which \$3.56 million are amounts due to subsidiaries. The Group on a consolidated basis has \$121.23 million of cash and bank balances as at 31 December 2007. The Directors believe that the Company is in a healthy financial position and will be able to use the Group's internal financial resources to carry out purchases or acquisitions under the Share Purchase Mandate.
- 2 Net tangible assets equals shareholders' funds.
- 3 Based on number of Shares Outstanding as at the Latest Practicable Date and adjusted for the effect of the Share purchases or acquisitions.
- 4 Gearing ratio equals total liabilities divided by shareholders' funds.
- 5 Current ratio equals current assets divided by current liabilities.

- (a) Scenario A: Market Purchases of 50,112,000 Shares made entirely out of profits and held as treasury shares.

As illustrated under Scenario A in the tables above, such purchase of Shares will have the effect of reducing the working capital and net tangible assets of the Company and of the Group by the dollar value of the Shares purchased. The consolidated net tangible assets per Share of the Group as at 31 December 2007 will also decrease from 59.72 cents to 59.28 cents.

Assuming that the purchase of Shares had taken place on 1 January 2007, the consolidated basic earnings per Share of the Group for the financial year ended 31 December 2007 would be increased from 15.94 cents to 17.27 as a result of the reduction in the number of Shares Outstanding. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (b) Scenario B: Market Purchases of 65,350,000 Shares made entirely out of capital and held as treasury shares.

As illustrated under Scenario B in the tables above, such purchase of Shares will have the effect of reducing the working capital and net tangible assets of the Company and of the Group by the dollar value of the Shares purchased. The consolidated net tangible assets per Share of the Group as at 31 December 2007 will also decrease from 59.72 cents to 59.13 cents.

Assuming that the purchase of Shares had taken place on 1 January 2007, the consolidated basic earnings per Share of the Group for the financial year ended 31 December 2007 would be increased from 15.94 cents to 17.71 cents per Share as a result of the reduction in the number of Shares Outstanding. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (c) Scenario C: Market Purchases of 50,112,000 Shares made entirely out of profits and cancelled.

As illustrated under Scenario C in the tables above, such purchase of Shares will have the effect of reducing the working capital and net tangible assets of the Company and of the Group by the dollar value of the Shares purchased. The consolidated net tangible assets per Share of the Group as at 31 December 2007 will also decrease from 59.72 cents to 59.28 cents.

Assuming that the purchase of Shares had taken place on 1 January 2007, the consolidated basic earnings per Share of the Group for the financial year ended 31 December 2007 would be increased from 15.94 cents to 17.27 cents per Share as a result of the reduction in the number of Shares Outstanding. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (d) Scenario D: Market Purchases of 65,350,000 Shares made entirely out of capital and cancelled.

As illustrated under Scenario D in the tables above, such purchase of Shares will have the effect of reducing the working capital and net tangible assets of the Company and of the Group by the dollar value of the Shares purchased. The consolidated net tangible assets per Share of the Group as at 31 December 2007 will also decrease from 59.72 cents to 59.13 cents.

Assuming that the purchase of Shares had taken place on 1 January 2007, the consolidated basic earnings per Share of the Group for the financial year ended 31 December 2007 would be increased from 15.94 cents to 17.71 cents per Share as a result of the reduction in the number of Shares Outstanding. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

(2) **Off-Market Purchases**

	GROUP				
	Before Share	After Share Purchase			
	Purchase	Scenario A	Scenario B	Scenario C	Scenario D
As at 31 December 2007 (audited)	←————— \$'000 —————→				
Share capital	172,154	172,154	172,154	172,154	123,795
Reserves	218,108	218,108	218,108	185,535	218,108
	390,262	390,262	390,262	357,689	341,903
Treasury shares	—	(32,573)	(48,359)	—	—
Shareholders' funds	390,262	357,689	341,903	357,689	341,903
Non-current liabilities	(50,579)	(50,579)	(50,579)	(50,579)	(50,579)
Non-current assets	281,226	281,226	281,226	281,226	281,226
Current assets	278,648	246,075	230,289	246,075	230,289
Current liabilities	(119,033)	(119,033)	(119,033)	(119,033)	(119,033)
Net current assets	159,615	127,042	111,256	127,042	111,256
Total liabilities ¹	(169,612)	(169,612)	(169,612)	(169,612)	(169,612)
Net tangible assets ²	390,262	357,689	341,903	357,689	341,903
Number of Shares ³	653,504	609,487	588,154	609,487	588,154
Financial Ratios					
Net tangible assets per Share (cents)	59.72	58.69	58.13	58.69	58.13
Basic earnings per Share (cents)	15.94	17.09	17.71	17.09	17.71
Gearing ratio ⁴ (times)	0.43	0.47	0.50	0.47	0.50
Current ratio ⁵ (times)	2.34	2.07	1.93	2.07	1.93

Notes:

- 1 Figure includes technical provisions amounting to \$37.51 million which comprise provision for outstanding claims of \$20.15 million, provision for unearned premiums of \$15.72 million and provision for premium deficiency of \$1.64 million.
- 2 Net tangible assets equals shareholders' funds.
- 3 Based on number of Shares Outstanding as at the Latest Practicable Date and adjusted for the effect of the Share purchases or acquisitions.
- 4 Gearing ratio equals total liabilities divided by shareholders' funds.
- 5 Current ratio equals current assets divided by current liabilities.

(2) **Off-Market Purchases (cont'd)**

	COMPANY				
	Before Share Purchase	After Share Purchase			
		Scenario A	Scenario B	Scenario C	Scenario D
As at 31 December 2007 (audited)	←————— \$'000 —————→				
Share capital	172,154	172,154	172,154	172,154	123,795
Reserves	32,573	32,573	32,573	–	32,573
	204,727	204,727	204,727	172,154	156,368
Treasury shares	–	(32,573)	(48,359)	–	–
Shareholders' funds	204,727	172,154	156,368	172,154	156,368
Non-current liabilities	(44)	(44)	(44)	(44)	(44)
Non-current assets	196,342	196,342	196,342	196,342	196,342
Current assets ¹	14,149	14,149	14,149	14,149	14,149
Current liabilities ¹	(5,720)	(38,293)	(54,079)	(38,293)	(54,079)
Net current assets/ (liabilities) ¹	8,429	(24,144)	(39,930)	(24,144)	(39,930)
Total liabilities	(5,764)	(38,337)	(54,123)	(38,337)	(54,123)
Net tangible assets ²	204,727	172,154	156,368	172,154	156,368
Number of Shares ³	653,504	609,487	588,154	609,487	588,154
Financial Ratios					
Net tangible assets per Share (cents)	31.33	28.25	26.59	28.25	26.59
Basic earnings per Share (cents)	n.m	n.m	n.m	n.m	n.m
Gearing ratio ⁴ (times)	0.03	0.22	0.35	0.22	0.35
Current ratio ⁵ (times)	2.47	0.37	0.26	0.37	0.26

n.m. denotes not meaningful.

Notes:

- 1 As at 31 December 2007, the Company has only approximately \$14.15 million of current assets, out of which \$0.2 million is in the form of cash and bank balances. The Company also has current liabilities of approximately \$5.7 million as at 31 December 2007, out of which \$3.56 million are amounts due to subsidiaries. The Group on a consolidated basis has \$121.23 million of cash and bank balances as at 31 December 2007. The Directors believe that the Company is in a healthy financial position and will be able to use the Group's internal financial resources to carry out purchases or acquisitions under the Share Purchase Mandate.
- 2 Net tangible assets equals shareholders' funds.
- 3 Based on number of Shares Outstanding as at the Latest Practicable Date and adjusted for the effect of the Share purchases or acquisitions.
- 4 Gearing ratio equals total liabilities divided by shareholders' funds.
- 5 Current ratio equals current assets divided by current liabilities.

- (a) Scenario A: Off-Market Purchases of 44,018,000 Shares made entirely out of profits and held as treasury shares.

As illustrated under Scenario A in the tables above, such purchase of Shares will have the effect of reducing the working capital and net tangible assets of the Company and of the Group by the dollar value of the Shares purchased. The consolidated net tangible assets per Share of the Group as at 31 December 2007 will also decrease from 59.72 cents to 58.69 cents.

Assuming that the purchase of Shares had taken place on 1 January 2007, the consolidated basic earnings per Share of the Group for the financial year ended 31 December 2007 would be increased from 15.94 cents to 17.09 cents per Share as a result of the reduction in the number of Shares Outstanding. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (b) Scenario B: Off-Market Purchases of 65,350,000 Shares made entirely out of capital and held as treasury shares.

As illustrated under Scenario B in the tables above, such purchase of Shares will have the effect of reducing the working capital and net tangible assets of the Company and of the Group by the dollar value of the Shares purchased. The consolidated net tangible assets per Share of the Group as at 31 December 2007 will also decrease from 59.72 cents to 58.13 cents.

Assuming that the purchase of Shares had taken place on 1 January 2007, the consolidated basic earnings per Share of the Group for the financial year ended 31 December 2007 would be increased from 15.94 cents to 17.71 cents per Share as a result of the reduction in the number of Shares Outstanding. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (c) Scenario C: Off-Market Purchases of 44,018,000 Shares made entirely out of profits and cancelled.

As illustrated under Scenario C in the tables above, such purchase of Shares will have the effect of reducing the working capital and net tangible assets of the Company and of the Group by the dollar value of the Shares purchased. The consolidated net tangible assets per Share of the Group as at 31 December 2007 will also decrease from 59.72 cents to 58.69 cents.

Assuming that the purchase of Shares had taken place on 1 January 2007, the consolidated basic earnings per Share of the Group for the financial year ended 31 December 2007 would be increased from 15.94 cents to 17.09 cents per Share as a result of the reduction in the number of Shares Outstanding. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (d) Scenario D: Off-Market Purchases of 65,350,000 Shares made entirely out of capital and cancelled.

As illustrated under Scenario D in the tables above, such purchase of Shares will have the effect of reducing the working capital and net tangible assets of the Company and of the Group by the dollar value of the Shares purchased. The consolidated net tangible assets per Share of the Group as at 31 December 2007 will also decrease from 59.72 cents to 58.13 cents.

Assuming that the purchase of Shares had taken place on 1 January 2007, the consolidated basic earnings per Share of the Group for the financial year ended 31 December 2007 would be increased from 15.94 cents to 17.71 cents per Share as a result of the reduction in the number of Shares Outstanding. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

Shareholders should note that the financial effects set out above, based on the respective assumptions stated above, are for illustration purposes only and are not necessarily representative of future financial performance. In addition, the actual impact will depend on, *inter alia*, the actual number and price of Shares that may be purchased or acquired by the Company, whether the purchase or acquisition of Shares is made out of the profits or capital of the Company and whether the Shares purchased or acquired are held in treasury or cancelled.

Although the Share Purchase Mandate would authorise the Company to purchase up to 10% of the Company's issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares as mandated. In addition, the Company may cancel all or part of the Shares purchased or hold all or part of the Shares purchased in treasury. The Directors would emphasise that they do not propose to exercise the Share Purchase Mandate to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST.

2.8 Taxation

Shareholders who are in doubt as to their respective tax positions or any tax implications, including those who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

2.9 Listing Status on the SGX-ST

Under Rule 723 of the Listing Manual, a listed company shall ensure that at least 10% of the total number of Shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The word "public" is defined in the Listing Manual as persons other than directors, chief executive officer, substantial shareholders, or controlling shareholders of the listed company and its subsidiaries, as well as the associates of such persons.

As at the Latest Practicable Date, there are approximately 188,510,412 Shares, representing approximately 28.85% of the total number of issued Shares, held by the public. In the event that the Company purchases the maximum of 10% of its issued Shares from public Shareholders, the percentage of the Company's public float would be reduced to approximately 20.94% of the total number of Shares in issue. Accordingly, the Directors are of the view that there is, at present, a sufficient number of Shares in issue held by public Shareholders that would permit the Company to potentially undertake purchases or acquisitions of Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without affecting adversely the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect orderly trading of the Shares.

2.10 Certain Take-over Code implications arising from the Share Purchase Mandate

If, as a result of any purchase or acquisition of Shares made by the Company under the Share Purchase Mandate, the proportionate interest of a Shareholder and persons acting in concert with him in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or group of Shareholders acting in concert could obtain or consolidate effective control of the Company and become obliged to make a take-over offer for the Company under Rule 14.

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the Take-over Code presumes *inter alia*, the following individuals and companies to be acting in concert with each other: (i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts) and (ii) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other. For this purpose, a company is an associated company of another company if the second-mentioned company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company.

The circumstances under which Shareholders, including Directors, and persons acting in concert with them, respectively, will incur an obligation to make a take-over offer as a result of a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

In general terms, the effect of Rule 14 and Appendix 2 is that unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of a purchase or acquisition of Shares by the Company:

- (a) the percentage of voting rights held by such Directors and their concert parties in the Company increase to 30% or more; or
- (b) if the Directors and their concert parties hold between 30% and 50% of the Company's voting rights, and their voting rights increase by more than 1% in any period of six months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% to 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Any Shares held by the Company as treasury shares should be excluded from the calculation of the percentages of voting rights under the Code referred to above.

2.10.1 **Shareholding Interests of Directors**

Based on information in the Register of Directors' Shareholdings as at the Latest Practicable Date, the interests of the Directors in the Shares of the Company before and after the purchase or acquisition of Shares pursuant to the Share Purchase Mandate, assuming that (i) the Company purchases the maximum of 10% of the total number of issued Shares as at the Latest Practicable Date, (ii) there is no change in the number of Shares in which the Directors have an interest as at the Latest Practicable Date, (iii) there are no further issue of Shares and (iv) no Shares are held by the Company as treasury shares on or prior to the forthcoming AGM, will be as follows:

Name of Director	Number of Shares Held			% Before Share Purchase	% After Share Purchase
	Direct Interest	Deemed Interest	Total Interest		
Ong Choo Eng	587,000	188,763,392	189,350,392	28.975%	32.194%
Ong Mui Eng	4,547,248	175,443,140	179,990,388	27.542%	30.603%
Ong Hian Eng	3,062,604	175,506,392	178,568,996	27.325%	30.361%
Guan Meng Kuan	5,534,860	–	5,534,860	0.847%	0.941%

Name of Director	Number of Shares Held			% Before Share Purchase	% After Share Purchase
	Direct Interest	Deemed Interest	Total Interest		
Ong Eng Loke (alternate director to Ong Mui Eng)	406,500	164,519,896	164,926,396	25.237%	28.041%

2.10.2 *Shareholding Interests of Substantial Shareholders*

Based on information in the Register of Substantial Shareholders as at the Latest Practicable Date, the interests of the substantial shareholders of the Company (“**Substantial Shareholders**”) in the Shares of the Company before and after the purchase or acquisition of Shares pursuant to the Share Purchase Mandate, assuming that (i) the Company purchases or acquires the maximum of 10% of the total number of issued Shares as at the Latest Practicable Date, (ii) there is no change in the number of Shares in which the Substantial Shareholders have an interest as at the Latest Practicable Date, (iii) there are no further issue of Shares and (iv) no Shares are held by the Company as treasury shares on or prior to the forthcoming AGM, will be as follows:

Name of Substantial Shareholder	Number of Shares Held			% Before Share Purchase	% After Share Purchase
	Direct Interest	Deemed Interest	Total Interest		
Ong Holdings (Private) Limited	141,162,840	22,473,056	163,635,896	25.040%	27.822%
Ong Choo Eng	587,000	188,763,392	189,350,392	28.975%	32.194%
Ong Mui Eng	4,547,248	175,443,140	179,990,388	27.542%	30.603%
Ong Hian Eng	3,062,604	175,506,392	178,568,996	27.325%	30.361%
Ong Kwee Eng	–	176,721,892	176,721,892	27.042%	30.047%
Ong Eng Loke	406,500	164,519,896	164,926,396	25.237%	28.041%
Ong Eng Yaw	25,000	177,277,896	177,302,896	27.131%	30.146%
Hong Leong Enterprises Pte. Ltd.	45,664,000	24,942,000	70,606,000	10.804%	12.005%
City Developments Realty Limited	33,355,000	–	33,355,000	5.104%	5.671%
City Developments Limited	–	33,355,000	33,355,000	5.104%	5.671%
Hong Leong Investment Holdings Pte. Ltd.	–	150,342,248	150,342,248	23.006%	25.562%
Kwek Holdings Pte Ltd	–	150,342,248	150,342,248	23.006%	25.562%
Davos Investment Holdings Private Limited	–	150,342,248	150,342,248	23.006%	25.562%
Ong Kay Eng	31,723,934	10,381,378	42,105,312	6.443%	7.159%
Ong Hoo Eng	46,994,753	–	46,994,753	7.191%	7.990%

Notes:

- Ong Holdings (Private) Limited (“**Ong Holdings**”) is deemed under Section 7 of the Companies Act to have an interest in the Shares held by its wholly-owned subsidiaries, Bee Tong Trading Company Private Limited (“**Bee Tong**”) and International Foundation Engineering Pte. Ltd. (“**IFE**”).
- Ong Choo Eng is deemed under Section 7 of the Companies Act to have an interest in the Shares held by Ong Holdings, Bee Tong, IFE, Ely Investments (Pte) Ltd. (“**Ely Investments**”) and Ong Chay Tong & Sons (Private) Limited (“**OCTS**”), in which he and/or his associates are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.
- Ong Mui Eng is deemed under Section 7 of the Companies Act to have an interest in the Shares held by his spouse and Ong Holdings, Bee Tong, IFE and OCTS, in which he and/or his associates are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

- 4 Ong Hian Eng is deemed under Section 7 of the Companies Act to have an interest in the Shares held by Ong Holdings, Bee Tong, IFE, Fica (Pte) Ltd and OCTS, in which he and/or his associates are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.
- 5 Ong Kwee Eng is deemed under Section 7 of the Companies Act to have an interest in the Shares held by his spouse and Ong Holdings, Bee Tong, IFE and OCTS, in which he and/or his associates are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.
- 6 Ong Eng Loke is deemed under Section 7 of the Companies Act to have an interest in the Shares held by Ong Holdings, Bee Tong, IFE and OME Investment Holding Pte Ltd, in which he and/or his associates are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.
- 7 Ong Eng Yaw is deemed under Section 7 of the Companies Act to have an interest in the Shares held by Ong Holdings, Bee Tong, IFE and Ely Investments, in which he and/or his associates are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.
- 8 The aggregate interest of Hong Leong Enterprises Pte. Ltd. ("**HLE**") is based on its last notification to the Company on 30 May 2003. HLE is deemed under Section 7 of the Companies Act to have an interest in the Shares held by Starich Investments Pte. Ltd., being a company in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.
- 9 The aggregate interest of City Developments Realty Limited ("**CDRL**") is based on its last notification to the Company on 13 February 2006.
- 10 The aggregate interest of City Developments Limited ("**CDL**") is based on its last notification to the Company on 13 February 2006. CDL is deemed under Section 7 of the Companies Act to have an interest in the Shares held by its wholly owned subsidiary, CDRL.
- 11 The aggregate interest of Hong Leong Investment Holdings Pte. Ltd. ("**HLIH**") is based on its last notification to the Company on 13 July 2005. HLIH is deemed under Section 7 of the Companies Act to have an interest in the Shares held by Tudor Court Gallery Pte Ltd, Millennium Securities Pte Ltd, Welkin Investments Pte Ltd and CDRL, and the 70,606,000 Shares held directly and indirectly by HLE, being companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.
- 12 The aggregate interest of each of Kwek Holdings Pte Ltd ("**KH**") and Davos Investment Holdings Private Limited ("**Davos**") is based on their last notification to the Company on 13 July 2005. Each of KH and Davos is deemed under Section 7 of the Companies Act to have an interest in the 150,342,248 Shares held directly and indirectly by HLIH, in which each is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.
- 13 Ong Kay Eng is deemed to have an interest in 1,600,000 Shares held by Altrade Investments Pte Ltd, 744 Shares registered in the name of his spouse and 8,780,634 Shares registered in the name of Ong Eng Hui David pursuant to Section 7 of the Companies Act.

2.10.3 ***Consequences of Share Purchases or Acquisitions by the Company on the Ong Concert Group***

Mr Ong Choo Eng, Mr Ong Mui Eng, Dr Ong Hian Eng and Mr Ong Eng Loke (collectively, the "**Ong Directors**") are Directors and Substantial Shareholders of the Company. The Ong Directors and certain parties acting in concert with them, including Ong Holdings (Private) Limited, Mr Ong Kwee Eng and Mr Ong Eng Yaw who are Substantial Shareholders of the Company (collectively, the "**Ong Concert Parties**") own or control an aggregate of approximately 30.83% of the voting rights of the Company as at the Latest Practicable Date.

Assuming that there is no change in the shareholding interests of the Ong Concert Parties in the Company as at the Latest Practicable Date, the purchase or acquisition by the Company of the maximum 65,350,400 Shares (being 10% of the total number of issued Shares as at the Latest Practicable Date) will result in an increase in their collective shareholding interests from 30.83% to 34.25%. Based on the above information as at the Latest Practicable Date, the percentage of voting rights held by the Ong Concert Parties in the Company may be increased by more than 1% in any six-month period as a

result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate. In the event that the voting rights in the Company controlled by the Ong Concert Parties increase by more than 1% in any six-month period, the Ong Concert Parties will, unless exempted, be required to make a take-over offer for the Shares held by the other Shareholders pursuant to Rule 14 of the Take-over Code.

Save as disclosed herein, based on the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, the Directors are not aware of any Substantial Shareholder (together with persons acting in concert with it) who would become obliged to make a mandatory take-over offer for the Company under the Take-over Code in the event that the Company purchases or acquires the maximum 65,350,400 Shares (being 10% of the total number of issued Shares as at the Latest Practicable Date) pursuant to the Share Purchase Mandate.

The statements herein do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or the Securities Industry Council of Singapore at the earliest opportunity.

3. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the interests of the Company and, accordingly, recommend that Shareholders vote in favour of Ordinary Resolution 13 in respect of the renewal of the Share Purchase Mandate to be proposed at the 55th AGM.

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Appendix and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Appendix are fair and accurate in all material respects as at the date of this Appendix and there are no material facts the omission of which would make any statement in this Appendix misleading.

Yours faithfully,
For and on behalf of the Board of Directors of
HWA HONG CORPORATION LIMITED

Ong Choo Eng
Group Managing Director

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