HWA HONG CORPORATION LIMITED (Company Registration No. 195200130C)

RESPONSE TO NOTICE OF COMPLIANCE

The Board of Directors of Hwa Hong Corporation Limited (the "**Company**") and together with its subsidiaries (the "**Group**") refers to the:

(i) the Company's announcement on 5 May 2022 titled "Response to SGX Queries", providing clarification and responses to SGX on the five potential candidates considered by the Board ("**Potential Candidates**") during its selection and appointment process for new independent directors; and

(ii) the notice of compliance issued by the Singapore Exchange Regulation ("**SGX RegCo**") on 6 May 2022 (the "**Notice of Compliance**").

SGX RegCo Request:

The SGX Regco had, amongst other things, requested that the Company release an announcement via SGXNet no later than Monday, 9 May 2022, disclosing whether any of the Potential Candidates were introduced or nominated by, or has any connections or relationships (including business relationships), with any of the directors and/or controlling shareholders of the Company.

Company's Response:

As mentioned in the Company's announcement on 5 May 2022, following the Annual General Meeting on 18 April 2022 ("**2022 AGM**"), the Board of Directors (the "**Board**") had invited all Directors to provide recommendations of any new potential candidates for independent directorship they may have for the Board's consideration, in addition to the ready pool of potential candidates maintained by the Company. The 5 Potential Candidates were identified by the Board as follows:

(1) Potential Candidate 1 ("**PC1**")

- PC1 was referred as a potential candidate by the Company Secretary of the Company to Mr Ong Eng Loke (a Director and substantial shareholder of the Company) following the 2022 AGM. Mr Ong Eng Loke in turn introduced PC1 to the Board for consideration as an Independent Director.
- Save as aforesaid, Mr Ong Eng Loke does not have any relationship nor connection with PC1.

PC1 does not have any connections or relationships (including business relationships), with any Director or (so far as the Directors are aware) any of the controlling shareholders of the Company.

(2) Potential Candidate 2 ("**PC2**")

- PC2 was also introduced by Mr Ong Eng Loke to the Board for consideration as an Independent Director.
- PC2 was a former classmate of Mr Ong Eng Loke, whom he had not contacted since 1984.
- Given PC2's background in audit and real estate, Mr Ong Eng Loke recently decided to approach PC2 in April 2022 to discuss his/her potential candidature as an Independent Director.

Other than as disclosed above, PC2 does not have any other connections or relationships (including business relationships), with any of the other Directors or (so far as the Directors are aware) the controlling shareholders of the Company.

(3) Potential Candidate 3 ("**PC3**")

- PC3 was introduced by Dr David Ong (a Director and substantial shareholder of the Company) to the Board for consideration as an Independent Director.
- PC3 was referred as a potential candidate to Dr David Ong by one of his cousins after the 2022 AGM. Dr David Ong does not know PC3 personally and Dr David Ong does not have any relationship nor connection with PC3.

PC3 does not have any connections or relationships (including business relationships), with any Director or (so far as the Directors are aware) any of the controlling shareholders of the Company.

(4) Potential Candidate 4 ("**PC4**")

- PC4 was also introduced by Dr David Ong to the Board for consideration as an Independent Director.
- Dr David Ong became acquainted with PC4 during the course of their work as colleagues then between 2012 to 2014. Their relationship was purely on a professional basis and they did not socialise outside of their professional work.
- Dr David Ong did not have any contact with PC4 since 2014 until recently in 2021, when Dr David Ong approached PC4 to broach the subject of Independent Directorship. Dr David Ong subsequently suggested PC4 to the Board towards the end of 2021 for consideration as an Independent Director candidate but no further action was taken at the relevant time by the Board.

Other than as disclosed above, PC4 does not have any other connections or relationships (including business relationships), with any of the other Directors or (so far as the Directors are aware) the controlling shareholders of the Company.

(5) Potential Candidate 5 ("**PC5**")

- PC5 was previously introduced by Dr David Ong to the Board in 2019 for consideration as an Independent Director. PC5 is therefore from the Company's existing pool of Independent Director candidates since 2019.
- Dr David Ong became acquainted with PC5 through a mutual friend in 2019 and based on PC5's professional credentials, Dr David Ong (who was then a substantial shareholder but not a Director) had referred PC5 to the Company's former Chairman, Mr Hans Miller in August 2019. The Company's Nominating Committee ("**NC**") had in February 2020 considered PC5 as a potential candidate for Independent Directorship. However, due to PC5 being on the board of another real estate company, he was not considered suitable by the Company's NC.
- As PC5 no longer holds a board seat in the aforesaid real estate company, PC5 was approached after the 2022 AGM for candidature as an Independent Director.

Save as disclosed above and save for investments in a company which are held separately by Dr David Ong's wife and PC5 as passive minority investors (together with many other investors), PC5 does not have any other connections or relationships (including business relationships), with any of the other Directors or (so far as the Directors are aware) the controlling shareholders of the Company.

Other than Dr David Ong and Mr Ong Eng Loke, none of the other Board members had proposed or nominated any other potential candidates for Independent Directorship. As mentioned in the Company's announcement of 5 May 2022, after consideration of the 5 Potential Candidates, the Board had short-listed two Potential Candidates namely PC4 and PC5 for interview and for further consideration by the Board, taking into account the need to reconstitute the Board (including the Board committees) expeditiously.

The Company wishes to inform shareholders that it will take all necessary steps and actions to fulfil and comply with the other requests of SGX RegCo, being:

(i) to appoint independent professionals ("**Independent Reviewer**") to undertake an independent review ("**Review**") as directed by SGX of the terms of reference of the 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, and to make recommendations on improvements;

(ii) to 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 the recommendations and suitability and independence (if applicable) of such appointments; and

(iii) to announce the findings and recommendations of the Independent Reviewer.

BY ORDER OF THE BOARD

Ong Eng Loke
Acting Group Managing Director
09 May 2022