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

ANNOUNCEMENT IN RELATION TO:
(I) THE VOLUNTARY CONDITIONAL CASH OFFER BY SANJURO UNITED PTE. LTD.; AND
(II) APPOINTMENT OF FINANCIAL ADVISER TO ASSIST THE COMPANY IN MAXIMISING SHAREHOLDER VALUE.

1. Introduction

The Board of Directors (the "**Board**") of Hwa Hong Corporation Limited (the "**Company**") refers to the voluntary conditional cash offer ("**SUPL Offer**") by Oversea-Chinese Banking Corporation Limited for and on behalf of Sanjuro United Pte. Ltd. ("**SUPL**"), to acquire all the issued and paid-up ordinary shares (the "**Shares**") in the capital of the Company, other than any Shares held in treasury and those Shares held, directly or indirectly, by SUPL as at the date of the SUPL Offer (the "**Offer Shares**") which was announced on 17 May 2022 ("**SUPL Offer Announcement**"). The SUPL Offer is unsolicited by the Board.

A copy of the SUPL Offer Announcement is attached to this announcement and is also available on the website of the Singapore Exchange Securities Trading Limited at www.sgx.com. Shareholders of the Company ("**Shareholders**") are advised to refer to the full text of the SUPL Offer Announcement for, *inter alia*, the principal terms of the SUPL Offer.

2. SUPL Offer Document, Independent Financial Adviser and Offeree Circular

2.1 According to the SUPL Offer Announcement, the formal offer document in relation to the SUPL Offer (the "**SUPL Offer Document**") setting out the terms and conditions of the SUPL Offer and enclosing the relevant form(s) of acceptance will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the date of the SUPL Offer Announcement.

2.2 The Board will be appointing an independent financial adviser ("**IFA**") to advise the directors of the Company who are considered independent for the purposes of the SUPL Offer under the Singapore Code on Take-overs and Mergers ("**Independent Directors**") and such appointment will be announced in due course.

2.3 A circular (the "**Offeree Circular**") containing, *inter alia*, the advice of the IFA and the recommendation of the Independent Directors in respect of the SUPL Offer will be despatched by the Company to the Shareholders within 14 days from the date of despatch of the SUPL Offer Document to be issued by SUPL.

2.4 **In the meantime, Shareholders of the Company are advised to exercise caution when dealing in their Shares of the Company and to refrain from taking any action in respect of their Shares in the Company which may be prejudicial to their interests, until they or their professional advisers have considered the information and the recommendation of the Independent Directors as well as the advice of the IFA set out in the Offeree Circular to be issued by the Company in due course. Shareholders who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

3. Appointment of Exclusive Financial Adviser to assist the Company in maximising Shareholder value

Prior to the SUPL Offer Announcement, the Board of the Company had been deliberating the appointment of a financial adviser to assist the Company in unlocking and maximising shareholder value, as the Board has been of the view that the Company's Shares are undervalued. The Board has on 17 May 2022 appointed Evercore Asia (Singapore) Pte. Ltd. as the Company's exclusive financial adviser ("**FA**") (separate from the IFA to be appointed) to assist the Company in maximising shareholder value, including soliciting other potential offers[1] and evaluating any and all such offers which may emerge against the SUPL Offer.

Shareholders should note that there is no assurance that any transaction will materialise from the exercise to maximise shareholder value and the Company will make an appropriate announcement in the event of any material developments. **In the meantime, Shareholders are advised to exercise caution when dealing in the Shares of the Company.**

4. Responsibility Statement

The Directors of the Company (including those who have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement (other than those relating to SUPL and the SUPL Offer) are fair and accurate, no material facts have been omitted from this 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 Announcement 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
17 May 2022

[1] Such solicitation is permitted under Note 8 to Rule 5 of The Singapore Code on Take-overs and Mergers which provides that "in considering the course of action which a company may take in the face of an offer, an offeree board may consider the feasibility of soliciting a competing offer or running a sale process. The Council will not normally treat actions by the offeree board in soliciting a competing offer or running a sale process for the offeree company as actions which frustrate the original offer. A better offer or an alternative offer is generally in the interest of the offeree company's shareholders. Such action neither hinders the progress of, nor results in shareholders being deprived of the opportunity to decide on the merits of, the first offer."

VOLUNTARY CONDITIONAL CASH OFFER

by



OVERSEA-CHINESE BANKING CORPORATION LIMITED
(Company Registration Number: 193200032W)
(Incorporated in Singapore)

for and on behalf of

SANJURO UNITED PTE. LTD.
(Company Registration Number: 202003823M)
(Incorporated in the Republic of Singapore)

to acquire all the issued and paid-up ordinary shares (excluding treasury shares) in the capital of

HWA HONG CORPORATION LIMITED
(Company Registration Number: 195200130C)
(Incorporated in the Republic of Singapore)

OFFER ANNOUNCEMENT

1. INTRODUCTION

Oversea-Chinese Banking Corporation Limited ("**OCBC**") wishes to announce, for and on behalf of Sanjuro United Pte. Ltd. (the "**Offeror**"), that the Offeror intends to make a voluntary conditional cash offer (the "**Offer**") in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the "**Code**") for all the issued and paid-up ordinary shares (the "**Shares**") in the capital of Hwa Hong Corporation Limited (the "**Company**"), other than any Shares held in treasury and those Shares held, directly or indirectly, by the Offeror as at the date of the Offer (collectively, the "**Offer Shares**" and each, an "**Offer Share**").

2. THE OFFER

2.1 Offer Terms

In accordance with Rule 15 of the Code, and subject to the terms and conditions set out in the formal offer document to be issued by OCBC, for and on behalf of the Offeror (the "**Offer Document**"), the Offeror will make the Offer for the Offer Shares at the following consideration:

For each Offer Share: S$0.370 in cash (the "Offer Price").

2.2 **No Encumbrances**

The Offer Shares are to be acquired (a) fully paid; (b) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever; and (c) together with all rights, benefits and entitlements attached thereto as at the date of this Announcement (the "**Offer Announcement Date**") and hereafter attaching thereto (including the right to receive and retain all dividends, other distributions and/or return of capital ("**Distributions**"), if any, which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date).

2.3 **Adjustment for Distributions**

Without prejudice to the generality of the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distributions that may be declared, paid or made by the Company on or after the Offer Announcement Date (excluding the final one-tier tax exempt dividend of one (1) cent per Share for the financial year ended 31 December 2021 proposed by the directors of the Company (the "**FY2021 Dividend**")). **In the event that any Distribution (other than the FY2021 Dividend) has been paid or made by the Company to a shareholder of the Company ("Shareholder") who accepts or has accepted the Offer and the settlement date in respect of the Offer Shares accepted pursuant to the Offer falls after the books closure date for the determination of entitlements to such Distribution, the Offer Price payable to such accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution paid or made by the Company to such accepting Shareholder.**

For the avoidance of doubt, the Shareholders will retain the FY2021 Dividend in addition to receiving the Offer Price.

In respect of the FY2021 Dividend, the Company has announced that the record date was 5 May 2022 and the FY2021 Dividend will be paid on 19 May 2022.

2.4 **Conditional Offer**

The Offer will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (whether before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and parties acting in concert with the Offeror holding more than 50% of the total number of Shares (excluding Shares held in treasury) as at the close of the Offer.

2.5 **Options**

The Company previously had in place the "Hwa Hong Corporation Limited (2001) Share Option Scheme" which has since lapsed on 28 May 2021. As at the Offer Announcement Date, based on publicly available information, no options are outstanding under this scheme.

2.6 **Further Information**

Further information on the Offer and the terms and conditions upon which the Offer will be made will be set out in the Offer Document to be issued.

3. INFORMATION ON THE COMPANY

3.1 Based on publicly available information, the Company was incorporated under the laws of Singapore on 29 December 1952 and was listed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 26 July 1979. The principal activities of the Company and its subsidiaries (the "**Group**") are property rental and investment and development and investment holding. The Group is headquartered in Singapore and operates in Singapore and the United Kingdom ("**UK**").

3.2 As at the Offer Announcement Date, based on publicly available information:

(a) the board of directors of the Company (the "**Board**") comprises the following individuals:

(i) Mr. Ong Mui Eng[1] (Non-Independent Executive Director);

(ii) Mr. Ong Eng Loke (Non-Independent Executive Director);

(iii) Mr. Ong Eng Keong (Non-Executive Non-Independent Director);

(iv) Mr. Huang Yuan Chiang (Non-Executive Non-Independent Director); and

(v) Dr. Ong Eng Hui David (Non-Executive Non-Independent Director); and

(b) the issued and paid-up share capital (excluding treasury shares) of the Company comprises 652,661,100 Shares. The Company has 842,900 Shares held in treasury.

4. INFORMATION ON THE OFFEROR AND THE CONSORTIUM

4.1 **The Offeror**

The Offeror is a special purpose vehicle incorporated in Singapore on 3 February 2020. As at the Offer Announcement Date, the Offeror has an issued and paid-up share capital comprising 100 ordinary shares, which are held by the shareholders (the "**Consortium**") as follows:

[1] As announced by the Company on 5 May 2022, Mr. Ong Mui Eng has tendered his resignation as part of the Company's succession planning and the resignation will take effect on 31 July 2022.

Shareholder of the Offeror	Shareholding Percentage (%)
Ely Investments (Pte) Ltd. ("**EIPL**")	30.00
Ergonomix Ltd. (as General Partner for and on behalf of Ergonomix, L.P.) ("**EL**")	29.00
Crystalic Star Global Limited ("**CSGL**")	29.00
Roswell Assets Limited ("**RAL**")	12.00

The board of directors of the Offeror comprises:

(a) Mr. Ong Eng Yaw, a director appointed by EIPL;

(b) Mr. Chiu Yoong Chian Gerald, a director appointed by EL;

(c) Mr. Cheng Zen-Tak, Kelvin, a director appointed by CSGL; and

(d) Mr. Seow Voon Ping, a director appointed by RAL.

4.2 **EIPL**

EIPL is a private limited company incorporated under the laws of Singapore on 28 November 1980. EIPL is wholly-owned by Mr. Ong Choo Eng ("**OCE**") and his family (including his son, Mr. Ong Eng Yaw ("**OEY**")). OCE and OEY are substantial shareholders of the Company. OCE was previously the Group Managing Director and retired in 2021 from this position. OEY joined the Company as Manager for Investments on 1 August 2008. OEY was subsequently appointed as the Chief Operating Officer and thereafter, the Acting Group Managing Director of the Company. OEY relinquished his role as the Acting Group Managing Director of the Company on 18 April 2022.

4.3 **EL**

EL is an exempted company with limited liability incorporated under the laws of the Cayman Islands on 22 January 2020. EL is acting as general partner for and on behalf of Ergonomix, L.P. EL, through Diamond GP Holdings II Ltd., is wholly-owned by Dymon Asia Private Equity (S.E. Asia) II Ltd., which is acting as general partner for and on behalf of Dymon Asia Private Equity (S.E. Asia) Fund II, L.P. (the "**Dymon Fund**"). The Dymon Fund has committed funds of US$450 million and is managed by Dymon Asia Private Equity (Singapore) Pte. Ltd., which is a Singapore-based fund manager licensed by the Monetary Authority of Singapore. Mr. Chiu Yoong Chian Gerald is a founding partner of Dymon Asia Private Equity.

4.4 **CSGL**

CSGL is a limited company incorporated in the British Virgin Islands on 4 January 2022. CSGL is a wholly-owned subsidiary of Zen Capital Pte. Ltd. ("**Zen Capital**"), a private limited company incorporated in Singapore on 31 October 2018. The sole shareholder of Zen Capital is Mr.

Cheng Zen-Tak, Kelvin ("**KC**"). The principal activity of each of CSGL and Zen Capital is investment holding.

KC is a senior investment professional and investor with approximately 20 years' investment experience in Asian real estate securities, covering research, portfolio management and investment strategy. He is currently the Chief Investment Officer and Managing Director of a private family office.

4.5 **RAL**

RAL is a limited company incorporated in the British Virgin Islands on 5 April 2004. The shareholders of RAL are Mr. Seow Voon Ping ("**VP**") and Ms. Yee Chin Shiar.

VP is currently the Group Managing Director of the Newfields Group, a holding company with principal activities in corporate finance, real estate development, and investment. He is also the Managing Director of Marloes Asset Management Pte Ltd, a private family office. VP can leverage his expertise in and understanding of the real estate industry and 23 years of investment experience in public and private equities. Ms. Yee Chin Shiar is a high net worth individual.

4.6 **Consortium Arrangements**

The Consortium and the Offeror have, on the Offer Announcement Date, entered into the following arrangements (collectively, the "**Consortium Arrangements**"):

(a) a consortium and shareholders' agreement to, amongst others, regulate the relationship of the Consortium *inter se* as shareholders of the Offeror and in the conduct of the business and affairs of the Offeror (including the Offer); and

(b) each of the members of the Consortium and its/his concert parties listed in **Schedule 1** to this Announcement has provided an irrevocable undertaking in favour of the Offeror (collectively, the "**Consortium Irrevocable Undertakings**" and each, a "**Consortium Irrevocable Undertaking**") pursuant to which they undertook and/or agreed, *inter alia*:

(i) to accept, or procure the acceptance of, the Offer in respect of all the Shares set out in **Schedule 1** to this Announcement;

(ii) to waive, or procure the waiver of, their rights to receive any cash settlement or payment for their acceptance of the Offer within the time period prescribed under Rule 30 of the Code;

(iii) that the total cash consideration payable by the Offeror for such acceptances from them in respect of the Shares held by them will be regarded as interest-free shareholder loans (the "**Relevant Consortium Loans**") extended by them to the Offeror; and

(iv) that after the close of the Offer, a portion of the Relevant Consortium Loans

will be settled via the issuance of new shares in the Offeror, with the remaining portion of the Relevant Consortium Loans to be settled in cash or retained as shareholders' loans.

Further details on the Consortium Arrangements will be disclosed in the Offer Document.

The Securities Industry Council of Singapore has confirmed that the Consortium Arrangements do not constitute special deals for the purpose of Rule 10 of the Code.

4.7 **Funding of Offer and Shareholding of the Offeror**

The Offer will be funded by a combination of interest-free shareholders' loans (including the Relevant Consortium Loans) and bank loan and subject to certain agreed maximum funding amounts as agreed between the members of the Consortium. Accordingly, the eventual shareholding of the Offeror after the completion of the Offer will be adjusted to reflect the funding contributions of each member of the Consortium. Depending on the acceptances received in respect of the Offer and based on the Offer Price, it is expected that the eventual shareholding of the Offeror will be as follows:

Shareholder of the Offeror	**Shareholding Percentage (%)**
EIPL	31.80 to 44.51
EL	19.10 to 27.93
CSGL	19.10 to 27.93
RAL	12.35 to 17.28

5. IRREVOCABLE UNDERTAKINGS

5.1 In addition to the Consortium Irrevocable Undertakings, Ms. Helen Chow has executed an irrevocable undertaking (the "**Additional Irrevocable Undertaking**") pursuant to which she has undertaken to accept the Offer in respect of (a) all the 27,967,900 Shares held by or on behalf of her, representing approximately 4.29% of the total number of Shares, and (b) any other Shares which she may acquire, or which may be allotted and issued to her, on or after the date of the Additional Irrevocable Undertaking.

5.2 Each Consortium Irrevocable Undertaking and Additional Irrevocable Undertaking will terminate, lapse and cease to have any effect if the Offer is withdrawn, lapses or fails to become unconditional in all respects for whatever reason, other than due to a breach by the relevant undertaking Shareholder of any of his/her/its obligations under the relevant Consortium Irrevocable Undertaking or Additional Irrevocable Undertaking (as the case may be).

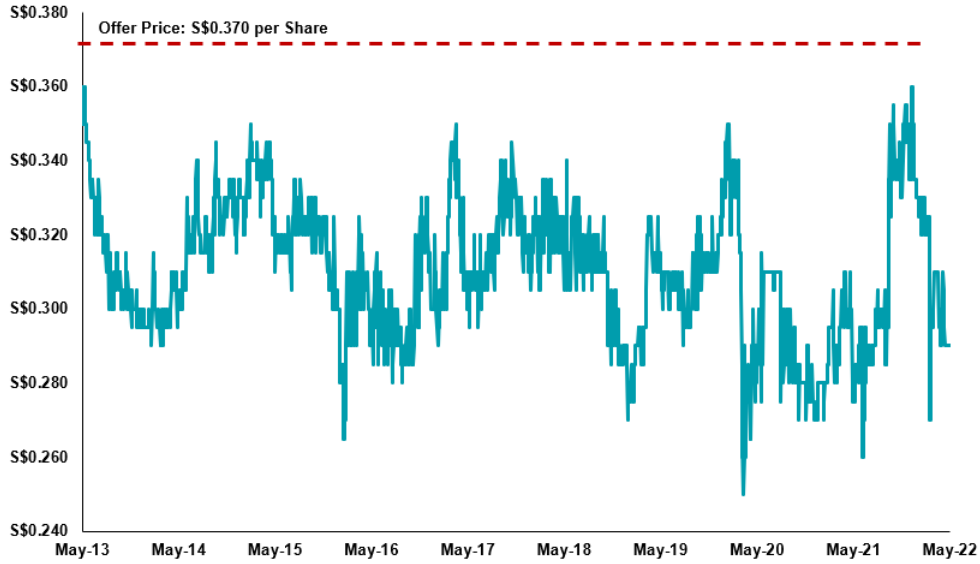
5.3 Save for the Consortium Irrevocable Undertakings and/or the Additional Irrevocable Undertaking, as at the Offer Announcement Date, neither the Offeror nor any party acting in concert with the Offeror has received any irrevocable undertaking from any other party to accept or reject the Offer.

6. RATIONALE FOR THE OFFER

6.1 Opportunity for Shareholders to realise their investment at an attractive price and a compelling premium.

The Offeror is of the view that the Offer represents an attractive cash exit opportunity for Shareholders to realise their entire investment in cash with price certainty at a compelling premium, without incurring brokerage and other trading costs.

(a) The Offer Price exceeds all previous closing prices of the Shares in the nine (9)-year period up to and including 12 May 2022, being the last full trading day of the Shares prior to the Offer Announcement Date (the "**Last Trading Date**").



(b) In addition, the Offer presents Shareholders with an opportunity to realise their investment in their Shares at a premium of approximately:

(i) 27.6% over S$0.290[2], the last traded price per Share on the Last Trading Date;

(ii) 25.9% over S$0.294, the volume weighted average price ("**VWAP**") of the Shares for the one (1)-month period up to and including the Last Trading Date;

(iii) 22.1% over S$0.303, the VWAP of the Shares for the three (3)-month period up to and including the Last Trading Date;

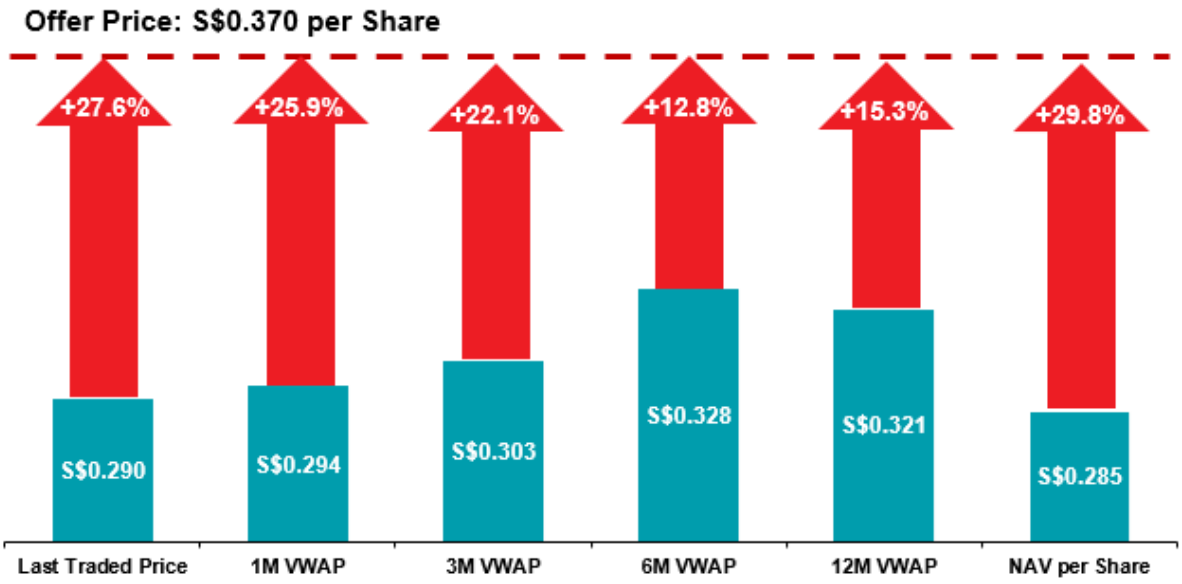
(iv) 12.8% over S$0.328, the VWAP of the Shares for the six (6)-month period up to and including the Last Trading Date;

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2 The S$ figures (excluding the Offer Price) are rounded to the nearest three decimal places and are sourced from Bloomberg L.P. up to and including the Last Trading Date. The respective premia are rounded to the nearest one decimal place.

(v) 15.3% over S$0.321, the VWAP of the Shares for the 12-month period up to and including the Last Trading Date; and

(vi) 29.8% over S$0.285, the net asset value ("**NAV**") per Share as at 31 December 2021.



6.2 **The Company, as with many property-related businesses, faces a challenging and unprecedented macro and operating environment driven by COVID-19, geopolitical tensions and Brexit.**

The Company faces a challenging macro and operating environment both in Singapore and the UK, driven by a myriad of risk factors including:

(a) **Global supply chain disruption, acceleration of global inflationary conditions and wage pressures**

As a result of the ongoing COVID-19 pandemic, the construction of developmental projects continues to face prolonged challenges due to global supply chain disruptions and labour shortages, leading to rising material and labour costs, higher tender prices for new projects and increasing risks of default by construction contractors. The Company may also face increasing risks of delays in project completion and challenges in the resumption of rental income from its redevelopment and refurbishment projects. Further uncertainties are driven by the post-Brexit environment that may materially impact businesses.

(b) **Shifting work trends and social patterns in the post-COVID-19 pandemic new normal and the increasing importance of environmental, social and governance ("ESG") standards may lead to lower demand and obsolescence of existing office space**

The adoption of hybrid working arrangements and the shift towards flexible working space may drive a structural change in office leases in favour of shorter tenures,

frequent vacancies and turnover and longer downtime. Widespread adoption of ESG standards and the upward trend of flight to quality trend are also increasingly leading tenants to demand and shift to newer and higher quality spaces that have the most updated green and social-friendly specifications, with an emphasis on employee well-being. This is ratcheting up the pressure on landlords to upgrade their office stock to meet exacting net-zero carbon demands and employee well-being needs. As some of the Company's office investment properties are ageing, the expected capital expenditure and loss of income arising from refurbishments and redevelopments may impact the Company's future income. The return on investment may also become unappealing given the rising cost of redevelopments. The higher ESG requirements may also impact the market value of the Company's properties. There is therefore no guarantee that the Company will be able to monetise its assets at favourable capital values. In addition, the Company's investments are in the form of joint ventures or non-controlling associate stakes, and the Company may therefore not be able to refurbish or redevelop without the agreement of its joint venture partners.

(c) **Geopolitical concerns stemming from the Ukraine-Russia war may lead to heightened energy costs and production disruptions, and spark a recession in Europe's largest economies and the UK from potential oil and gas sanctions**

The UK's and Europe's economies remain interdependent even post-Brexit. There are heightened geopolitical concerns stemming from the Ukraine-Russia war, which is the worst crisis in Europe since World War Two. Even as Europe is committed to end its reliance on Russian energy, it will take time. A sudden halt of Russian energy imports could see the physical shutdown of producers, especially German manufacturers and carmakers, and spark a sharp recession in Europe's biggest economy by 2023, with a wider impact across the continent as well as in the UK.

(d) **China's zero-COVID policy, coupled with a crackdown on Big Tech, a real estate slump and risks related to Russia's war in Ukraine, has caused a stall in China's economy with a slump in manufacturing and services**

Closer to Singapore, China is experiencing slowing export growth and a severe contraction in its property sector due to China's policy crackdown on its residential housing market. China is struggling to contain its most severe wave of COVID-19 infections since winter 2020. The headwinds from the impact of the Omicron wave as well as its unwavering zero-COVID strategy has led to economic pain and disruptions from widespread partial / full lockdowns, dampened consumer sentiment, private investments and disruptions in production and logistics supply chains. Increasing domestic logistics and port operations disruptions may spill over to regional and/or global supply chains. The impact of the Russia-Ukraine war has pushed up costs for Chinese businesses amidst fading export growth. Any sustained slowdown in China may potentially have a global impact, and when coupled with inflation risks and war, this may potentially raise recession fears in the United States of America and Europe this year.

These uncertainties may pause or halt business investments and dampen consumer sentiment in the markets that the Company operates in, leading to delays in leasing

decisions, thereby impacting future occupancies and rental outlook of the Company's investment properties.

(e) **Tax rises in the UK in response to a weakening of the public finances, caused initially by Brexit and, more recently, exacerbated by the COVID-19 pandemic**

UK companies will face an increase in corporation tax from 19% to 25% with effect from 1 April 2023. Interest rates are expected to be hiked to record levels as the Bank of England battles to cool the rocketing inflation. This will make it increasingly challenging as the Company has investment properties in the UK and will be affected by the macroeconomic conditions.

The increase in taxes is brought about as the government looks to restore public finances and prevent debt from rising in the aftermath of the COVID-19 pandemic given the unprecedented levels of government spending on various support measures. Such pressures will likely be compounded by surging energy prices and the ongoing conflict in Ukraine. The ageing population in the UK will demand more health and social care, both of which will be increasingly expensive.

(f) **End of loose monetary conditions and record low interest rates; interest rate hikes and quantitative tightening are leading to the tightening of credit conditions and the reduced appetite for expansion from businesses and investors**

The Federal Reserve is on an aggressive path to hike interest rates to combat sticky inflation, spiking energy prices and wage growth pressures. This has led global central banks to tighten monetary policies, leading to an end to a decade of loose monetary conditions and record low interest rates. This has raised the real cost of capital, lowered the appeal of real estate investment, lowered real estate values and a flight to quality assets. A potential recession in the United States of America, especially if triggered by a cycle of raising of interest rate by the Federal Reserve, may trigger chaos in the financial markets and increase global volatility. The rising interest rate environment may negatively affect the value of, and cashflows derived from, the Company's investment properties as a result of higher debt financing costs and higher discount or capitalisation rates.

The Offeror is of the view that the Offer represents an attractive opportunity for Shareholders to exit their investment in an uncertain economic environment.

6.3 **Following recent changes to the Board after the 2022 AGM, the Board is currently majority-controlled by certain close family members and substantial shareholders, with no independent directors on the Board. The Company has also been served with a Notice of Compliance by the SGX-ST. These developments create uncertainty in the future direction and strategy of the Company.**

(a) **The Company has no Independent Directors presently**

Since the conclusion of the annual general meeting of the Company held on 18 April 2022 (the "**2022 AGM**"), the following Board changes have taken place:

(i) 18 April 2022 – Cessation of Independent and Non-Executive Director, Mr. Tham Chee Soon, as the resolution for his re-appointment was not passed at the 2022 AGM;

(ii) 18 April 2022 – Re-designation of Mr. Huang Yuan Chiang from Non-Executive Independent Director to Non-Executive Non-Independent Director, as the requisite resolutions for his continued appointment as an Independent Director were not passed at the 2022 AGM;

(iii) 25 April 2022 – Resignation of Non-Executive Non-Independent Director, Dr. Ong Hian Eng, and cessation of Mr. Ong Eng Keong (who was appointed as an alternate director to Dr. Ong Hian Eng on 31 May 2021) as an alternate director;

(iv) 25 April 2022 – Appointment of Mr. Ong Eng Keong as a Non-Independent and Non-Executive Director of the Company;

(v) 4 May 2022 – Resignation of Chairman and Non-Executive Independent Director, Mr. Mak Lye Mun, due to "disagreement with certain Board members on the selection and appointment process of two (2) new Independent Directors";

(vi) 5 May 2022 – Resignation of Non-Independent and Executive Director, Mr. Ong Mui Eng, with effect from 31 July 2022, and withdrawal of Mr. Ong Eng Loke (who was appointed as an alternate director to Mr. Ong Mui Eng on 23 April 2021) as an alternate director; and

(vii) 5 May 2022 – Appointment of Mr. Ong Eng Loke as a Non-Independent Executive Director and Acting Group Managing Director of the Company.

With the resignation of the Independent Chairman of the Board, Mr. Mak Lye Mun, on 4 May 2022, the Board no longer has any Independent Directors to ensure proper functioning and corporate governance of the Company. In addition, despite there being insufficient or no Independent Directors to constitute a proper Nominating Committee after the conclusion of the 2022 AGM, the Board proceeded to appoint two (2) new Non-Executive and Non-Independent Directors during the same period.

(b) **The Company has had a good compliance track record for decades until recently**

The Company has, for many years under previous boards, complied with the independence requirements for board composition. With the recent changes in the Board post the recent 2022 AGM, the Board currently has no Independent Directors and is majority-controlled by certain close family members and substantial shareholders.

(c) **Need for independent review in the Company's internal controls, process and practices relating to Board nomination process**

The Company has been served a Notice of Compliance by the SGX-ST on 6 May 2022 (the "**Notice of Compliance**") and is required to, *inter alia*, appoint independent reviewers to review the process and practices relating to the selection and appointment of Independent Directors. In response to the Notice of Compliance, the Company released a clarification announcement on 9 May 2022 to disclose that five (5) potential Independent Director candidates were recommended by two (2) members of the Board, who are close family members and also substantial shareholders of the Company[3].

(d) **The Company has had recent changes in management which may lead to uncertainty in executing any business plan and strategy**

The Company has had changes in leadership in recent years with three (3) Managing Directors (including acting Managing Directors) since March 2021. These changes in key management personnel within a short time frame may result in uncertainty in the direction of the leadership and challenges in the execution of any business plan and strategy of the Company.

The current state of affairs of the Company is highly unsatisfactory. It is unclear whether the business plan and strategy that was proposed by the previous management team of the Company and approved by the previous Boards will continue to be implemented. Recent events also raise concerns as to the corporate governance of the Board and the Company going forward and the Board's ability to navigate the Company through the current volatile markets.

In view of the above, the Offeror believes that its Offer is a viable exit alternative for Shareholders who do not wish to be subject to the risk of uncertainty in the direction and strategy of the Company.

6.4 **Opportunity for Shareholders to exit their investment, which may otherwise be difficult due to low trading liquidity.**

The trading volume of the Shares has been generally low, with an average daily trading volume[4] of approximately 24,900 Shares, 22,089 Shares, 27,995 Shares and 41,337 Shares during the one (1)-month, three (3)-month, six (6)-month and 12-month periods respectively up to and including the Last Trading Date. Each of these represents less than approximately 0.007% of the total number of issued Shares (excluding treasury shares) for any of the aforementioned relevant periods.

The low trading liquidity may not provide Shareholders with sufficient opportunities to efficiently exit their investments in the Company. Hence, the Offer represents a unique cash exit

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[3] Based on publicly available information.

[4] The average daily trading volume is computed based on the total volume of Shares traded divided by the number of Market Days with respect to the one (1)-month period, three (3)-month period, six (6)-month period and 12-month period up to and including the Last Trading Date. "**Market Day**" refers to a day on which the SGX-ST is open for the trading of securities.

opportunity for Shareholders to liquidate and realise their entire investment at a premium, an option which may not otherwise be readily available due to the low trading liquidity of the Shares.

6.5 **Compliance costs of maintaining listing status.** In maintaining its listed status, the Company incurs compliance and associated costs. In the event that the Company is delisted from the SGX-ST, the Company will be able to save on expenses relating to the maintenance of its listed status and focus its resources on its business operations.

7. LISTING STATUS AND COMPULSORY ACQUISITION

7.1 Listing Status

Under Rule 723 of the listing manual of the SGX-ST (the "**Listing Manual**"), the Company must ensure that at least 10% of the total number of Shares is at all times held in public hands (the "**Free Float Requirement**"). Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and parties acting in concert with the Offeror to above 90% of the total number of issued Shares (excluding any Shares held in treasury), the SGX-ST may suspend the trading of the Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued Shares (excluding any Shares held in treasury) are held by at least 500 Shareholders who are members of the public.

Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding any Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding any Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

Under Rule 724(1) of the Listing Manual, if the Free Float Requirement is not satisfied, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of the Shares (excluding any Shares held in treasury) held in public hands to at least 10%, failing which the Company may be removed from the Official List of the SGX-ST.

7.2 Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act 1967 of Singapore ("**Companies Act**"), in the event that the Offeror acquires not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held in treasury), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer at a price equal to the Offer Price.

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held in treasury and Shares held by it, its

related corporations and their respective nominees, comprise 90% or more of the total number of issued Shares, the Shareholders who have not accepted the Offer will have a right to require the Offeror to acquire their Shares at the Offer Price. Such Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

7.3 **Offeror's Intentions**

The Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. Accordingly, the Offeror, if and when entitled, intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to support or take any step (including the placing out of Shares by the Offeror) for the public float to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, *inter alia*, less than 10% of the total number of issued Shares (excluding any Shares held in treasury) are held in public hands. In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.

8. DISCLOSURE OF SHAREHOLDINGS

8.1 Save as disclosed in **Schedule 2** of this Announcement and save for the financing arrangements made in connection with the Offer, including the creation of security interests over, *inter alia*, all present and future Shares legally and beneficially owned by the Offeror in favour of OCBC, prior to the making of this Announcement, none of (a) the Offeror and its directors; (b) EIPL and its shareholders; (c) RAL; (d) (i) CSGL and its related corporations, (ii) KC, (iii) companies controlled by KC, (iv) KC's spouse, (v) KC's parents and (vi) KC's siblings; (e) EL; and (f) OCBC, as the financial adviser to the Offeror:

(A) owns, controls or has agreed to acquire any:

(1) Shares;

(2) securities which carry voting rights in the Company; or

(3) convertible securities, warrants, options or derivatives in respect of such Shares or securities,

(collectively, the "**Company Securities**");

(B) has received any irrevocable commitment or undertaking (other than the Consortium Irrevocable Undertakings and the Additional Irrevocable Undertaking) from any party to accept or reject the Offer; and/or

(C) has:

(1) granted a security interest over any Company Securities to another person, whether through a charge, pledge or otherwise;

(2) borrowed from another person any Company Securities (excluding borrowed Company Securities which have been on-lent or sold); or

(3) lent any Company Securities to another person.

8.2 In the interest of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert with it in connection with the Offer. Further enquiries will be made of such persons by the Offeror and the relevant disclosures, if any, will be made in the Offer Document.

8.3 In accordance with the Code, the associates (as defined under the Code, and which includes all substantial shareholders) of the Company and the Offeror are hereby reminded to disclose their dealings in any securities of the Company and the Offeror under Rule 12 of the Code.

9. OVERSEAS SHAREHOLDERS

This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable laws. The Offer will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore, persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the laws of that jurisdiction (a "**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer (unless otherwise determined by the Offeror and permitted by applicable laws and regulations) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

The ability of Shareholders who are not resident in Singapore to accept the Offer may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in Singapore should inform themselves of, and observe, any applicable requirements.

The Offeror and OCBC each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders who are not resident in Singapore by announcement to the SGX-ST or notice and if necessary, by paid advertisement in a newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement, notice or advertisement.

10. CONFIRMATION OF FINANCIAL RESOURCES

OCBC, as the sole financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer by the holders of the Offer Shares on the basis of the Offer Price, excluding the quantum of the Relevant Consortium Loans.

11. OFFER DOCUMENT

The Offer Document setting out the terms and conditions of the Offer and enclosing the relevant form(s) of acceptance will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the Offer Announcement Date.

Shareholders should exercise caution and seek appropriate independent professional advice when dealing in the Shares.

12. RESPONSIBILITY STATEMENT

The directors of the Offeror (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement (other than those relating to the Company) are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

The directors of the Offeror jointly and severally accept responsibility accordingly.

Issued by
OVERSEA-CHINESE BANKING CORPORATION LIMITED

For and on behalf of
SANJURO UNITED PTE. LTD.
17 May 2022

Any inquiries relating to this Announcement or the Offer should be directed during office hours to the OCBC helpline at (65) 6530 1275.

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "aim", "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast", "target" and similar expressions or future or conditional verbs such as "will", "would", "shall", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor OCBC undertakes any obligation to update publicly or revise any forward-looking statements.

SCHEDULE 1

CONSORTIUM IRREVOCABLE UNDERTAKINGS

Shareholder	No. of Shares to be tendered in acceptance of the Offer	Shareholding Percentage (%)[1]
EIPL		
OCE	3,178,000	0.49
OEY	5,967,200	0.91
Ms. Ong Bee Leem[2]	151,440	0.02
EIPL	80,986,000	12.41
RAL	40,274,100	6.17

Notes:

(1) In this Announcement, any discrepancies between the listed percentages and the totals shown thereof are due to rounding. Accordingly, figures shown as totals in this Announcement may not be an arithmetic aggregation of the figures that precede them.

(2) Ms. Ong Bee Leem is OCE's daughter and OEY's sister.

SCHEDULE 2

HOLDINGS IN SHARES

Consortium Member and/or Concert Parties	No. of Shares	Shareholding Percentage (%)[1]
EIPL		
OCE	3,178,000	0.49
OEY	5,967,200	0.91
Ms. Ong Bee Leem[2]	151,440	0.02
EIPL	80,986,000	12.41
CSGL		
Ms. Helen Chow[3]	27,967,900	4.29
RAL	40,274,100	6.17

Notes:

(1) In this Announcement, any discrepancies between the listed percentages and the totals shown thereof are due to rounding. Accordingly, figures shown as totals in this Announcement may not be an arithmetic aggregation of the figures that precede them.

(2) Ms. Ong Bee Leem is OCE's daughter and OEY's sister.

(3) Ms. Helen Chow is KC's mother.