

---

## RESPONSE TO SGX QUERIES ON THE COMPANY'S ANNOUNCEMENT

---

The Board of Directors of Hwa Hong Corporation Limited (the "**Company**") and together with its subsidiaries (the "**Group**") refers to questions raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in respect of the Company's announcement dated 4 May 2022 concerning the resignation of Mr Mak Lye Mun as Independent and Non-Executive Director, Board Chairman, Chairman of the Nominating Committee, Member of the Audit and Risk Committee and Member of the Remuneration Committee, effective from 1 May 2022. The Company's responses to SGX are set out as follows:

### **SGX Query:**

The "Detailed Reason(s) for cessation" is stated to be: "Disagreement with certain Board members on the selection and appointment process of 2 new Independent Directors." Please elaborate on the aforesaid reason, as well as the processes which the Company has in place with regards to the selection and appointment of new directors.

### **Company's Response:**

#### (1) Process In Placed for Selection & Appointment of New Directors

The selection for suitable candidates is conducted through contacts and network of the Board and where necessary, external recruitment companies may be engaged at the Company's expense. The Company also maintains a ready pool of potential Independent Directors candidates which the Company may tap into, as and when required. Recommendations to the Board are made based on the Nominating Committee's ("**NC**") review of these candidates' suitability. Following the Board's confirmation, the NC will send the newly appointed Director a formal appointment letter which clearly set out his/her roles and responsibilities, authority and the Board's expectations in respect of his/her time commitment as a Director of the Company. New Directors are appointed by way of a Board resolution after the NC recommends the appointment for approval of the Board or at an AGM.

As announced by the Company following the conclusion of its Annual General Meeting ("**AGM**") held on 18 April 2022, there had been changes to the constitution of the Company's Board, with Mr Mak Lye Mun being the only Independent Director left on the Board. Consequently, the NC comprised only of Mr Mak (with Mr Guan's retirement and Mr Tham not being re-elected at the AGM).

The Board was keen to fill the vacancies created after the AGM, in particular to bring the number of Independent Directors up so as to be able to form the respective Board committees, including the NC. Following the AGM, the Board had invited all Directors to provide recommendations of any new potential candidates they may have, other than those that are in the Company's current pool of candidates, for consideration.

In the absence of a NC, the Board members had undertaken work previously undertaken by the NC members with regards to the selection process and had met with certain potential Independent Director candidates.

The Board members had, after having considered 5 potential candidates, had shortlisted 2 potential candidates for interview, and after the interview had accordingly called for a Board meeting to be held sometime this week (the "**Board Meeting**"), to consider the appointment of the 2 potential Independent Directors to be put forth for consideration and appointment.

(2) Elaborating on the Reason for Cessation Cited by Mr Mak Lye Mun

Mr Mak Lye Mun's statement of disagreement with "certain Board members" refers to the current Board members of the Company, with the exception of Mr Huang Yuan Chiang. Mr Mak had requested the deferment of the Board Meeting as himself and Mr Huang were travelling for 2 weeks and will not be able to dial in or attend the Board Meeting remotely. In addition, Mr Mak was of the view that the Board should consider more candidates and accord more time to the process of considering the appointment of the aforesaid 2 potential Independent Directors.

However, the remaining Board members (i.e. Dr David Ong Eng Hui, Mr Ong Mui Eng and Mr Ong Eng Keong) were of the view that the Board meeting should proceed due to the following reasons:

- (i) Since the AGM till to-date, 2 weeks had passed and the Board should act quickly and accord priority to the re-constitution of the Company's Board and its Board committees, including, filling the position of Acting Group Managing Director.
- (ii) The filing of vacancy in the Board and the positing of Acting Group Managing Director would allow the Company and Management to focus on the day-to-day running of the Group's business with confidence.
- (iii) Independent Directors should be appointed expeditiously, to comprise at least 1/3 of the Board to meet the requirements of the SGX-ST Listing Rules.
- (iv) The 2 Independent Directors selected were deemed to be suitable and high calibre candidates, giving regard to their qualifications, experience (including companies listed on the SGX-ST), expertise, skillsets and level of independence.
- (v) Time is of the essence with regards to providing the potential candidates with the Company's response on whether they are to be appointed.
- (vi) One candidate had been taken from the potential pool of candidates maintained by the Board for succession planning and the other candidate had been brought up in December 2021 as a possible candidate in the event of Mr Guan's retirement. This candidate came with an added bonus of fulfilling gender diversity in addition to her being suitably qualified for the role.

The Board wishes to inform that the Company is still in the process of re-constituting its Board and will keep shareholders apprised in due course.

**BY ORDER OF THE BOARD**

Lee Soo Wei  
Chief Financial Officer

05 May 2022