



**COMPLETION OF THE PROPOSED DIVESTMENT OF ALL THE ISSUED SHARES IN
THE CAPITAL OF TENET INSURANCE COMPANY LTD**

The Board of Directors ("**Board**") of Hwa Hong Corporation Limited (the "**Company**") refers to the announcements made by the Company on 11 December 2009, 8 March 2010, 9 April 2010 and 14 May 2010 and the circular to shareholders of the Company (the "**Shareholders**") dated 9 April 2010 (the "**Circular**") in relation to the proposed divestment by the Company and its wholly-owned subsidiary, Hwa Hong Capital (Pte) Limited (collectively, the "**Vendors**"), of all the issued shares in the capital of Tenet Insurance Company Ltd ("**Tenet**") to Sompo Japan Insurance Inc. (the "**Purchaser**") (the "**Proposed Divestment**").

Terms and references used in this announcement which have not been defined herein bear the same meaning as ascribed to them in the Circular.

The Board wishes to announce that the Proposed Divestment has been completed today.

The Consideration of S\$95.0 million paid by the Purchaser to the Vendors for the Sale Shares is subject to adjustment (if any) based on the Completion NTA as described in Sections 2.3 and 2.4 of the Circular. The Completion NTA will be determined by the Auditors within 30 days from the Completion Date and the Adjustment Sum shall be payable by the Purchaser to the Vendors or (as the case may be) by the Vendors to the Purchaser within 14 days thereafter. A separate announcement will be made in due course in respect of the adjustment (if any) to the Consideration.

As stated in Section 6 of the Circular, assuming no adjustments to the Consideration of S\$95.0 million, the Company intends to utilise approximately S\$33.0 million from the net proceeds of the Proposed Divestment for the payment of a special dividend to its Shareholders ("**Special Dividend**"). The final amount of Special Dividend payable to Shareholders and the date of payment of the Special Dividend will be decided by the Board and announced by the Company in due course.

Following the completion of the Proposed Divestment, the Vendors ceased to have any interest in Tenet and Tenet has ceased to be a subsidiary of the Company.

By Order of the Board

Ong Bee Leem
Company Secretary

31 May 2010