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**POST-COMPLETION ADJUSTMENT TO THE CONSIDERATION FOR THE  
DIVESTMENT OF TENET INSURANCE COMPANY LTD**

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The Board of Directors (“**Board**”) of Hwa Hong Corporation Limited (the “**Company**”) refers to (i) the circular to shareholders of the Company (the “**Shareholders**”) dated 9 April 2010 (the “**Circular**”) in relation to the 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**”); and (ii) the announcement made by the Company on 31 May 2010 in relation to the completion of the Proposed Divestment and the payment of the Consideration of S\$95.0 million by the Purchaser to the Vendors for the Sale Shares subject to adjustment (if any) based on the Completion NTA as described in Sections 2.3 and 2.4 of the Circular.

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 pursuant to the determination of the Completion NTA by the Auditors as provided under the SPA, an Adjustment Sum amounting to S\$2.13 million shall be payable by the Purchaser to the Vendors in the Specified Proportion. The Adjustment Sum shall be payable by the Purchaser within 14 business days from 30 June 2010.

As stated in Section 6 of the Circular, the Company intends to utilize approximately S\$33.0 million from the net proceeds of the Proposed Divestment (based on assumption then that there is no adjustment to the Consideration) for the payment of a special dividend to its Shareholders (“**Special Dividend**”). The Board proposes to decide on the final amount of the proposed Special Dividend when the Board reviews the Company’s announcement of its unaudited consolidated financial results for the six-months ended 30 June 2010 (“**1H Results Announcement**”) prior to its release. It is therefore expected that the final amount of the proposed Special Dividend and the books closure date for determining Shareholders’ entitlements to the proposed Special Dividend will be announced in the 1H Results Announcement.

By Order of the Board

Ong Bee Leem  
Company Secretary

1 July 2010