

**ANNOUNCEMENT PURSUANT TO RULE 704(15)(B) OF THE LISTING MANUAL****ANNOUNCEMENT**

The Board of Directors of Hwa Hong Corporation Limited ("Hwa Hong") wishes to announce that Singapore Warehouse Company (Private) Ltd., a wholly owned subsidiary, has subscribed for 21.5 million Placement Shares at S\$0.35 for each Placement Share in the initial public offering by Pan Hong Property Group Limited ("Pan Hong"), representing 4.48% of Pan Hong's post-listing enlarged share capital (the "Acquisition").

Pan Hong is a residential and commercial property developer in the People's Republic of China.

The Acquisition has resulted in an increase in the Hwa Hong Group's aggregate cost of investment in quoted securities from 9.361% to 11.094% of the Group's latest audited consolidated net tangible assets ("NTA"). The details relating to the Group's cost of investment in and value of these quoted investments are set out below:-

	Before the Acquisition	After the Acquisition
Aggregate cost of quoted investments	S\$40,644,517	S\$48,169,517
Hwa Hong's consolidated NTA as at 31 December 2005	S\$434,178,378	S\$434,178,378
% of the cost against Hwa Hong's consolidated NTA as at 31 December 2005	9.361%	11.094%
Total market value of the quoted investments	S\$40,220,149	S\$47,745,149
Provision for diminution in value of the investments	None	None

BY ORDER OF THE BOARD

Ong Bee Leem
Company Secretary

13 September 2006