



ACQUISITION OF CAPITAL NEW MOUNT LTD

ANNOUNCEMENT

The Board of Directors of Hwa Hong Corporation Limited ("Hwa Hong") wishes to announce that Vantagepro Investment Limited ("Vantagepro"), a wholly owned subsidiary of Hwa Hong, has acquired 82 shares of nominal value £1/- each in the share capital of Capital New Mount Ltd ("Capital New Mount"), representing 82% of Capital New Mount's total issued and paid-up share capital of £100/- (the "Acquisition"). The remaining 18% is held by Campden Investments Ltd.

Capital New Mount is a company incorporated in England and Wales on 18 September 2006. The principal activity of Capital New Mount is to hold the freehold office building situated at and known as 23 New Mount Street, Manchester M4 4DE, United Kingdom (the "Property"). The purchase of the Property was completed on 16 October 2006.

The Property is a commercial office building which is currently yielding a return of 6.52%. The Property was assessed by DTZ Debenham Tie Leung at a valuation of £6,100,000/- and was purchased at £6,075,000/-. The purchase of the Property was funded by bank borrowings of £4,921,000/- and by proportionate shareholders' loan amounting to a total of £1,520,000/-, of which Vantagepro's share is £1,246,400/-.

The purchase of the Property is not expected to have any material impact on the net tangible assets or earnings per share of Hwa Hong and of the Group for the current financial year.

As far as the Directors are aware, none of the Directors or controlling shareholders of Hwa Hong has any interest, direct or indirect in the Acquisition.

BY ORDER OF THE BOARD

Ong Bee Leem
Company Secretary

17 October 2006