



SUBSCRIPTION OF SHARES IN SCOTTS SPAZIO PTE. LTD.

ANNOUNCEMENT

The Board of Directors of Hwa Hong Corporation Limited ("Hwa Hong") wishes to announce that its wholly-owned subsidiary, Singapore Warehouse Company (Private) Ltd. ("SWC"), has subscribed for a total of 500,000 ordinary shares at \$1/- per share for cash in the share capital of Scotts Spazio Pte. Ltd. ("Scotts Spazio"), representing 50% of Scotts Spazio's total issued and paid-up capital of \$1 million (the "Subscription"). The remaining 50% of Scotts Spazio's issued and paid-up capital is held by Dubai Investment Group LLC ("DIG") which holds 45% and KOP Capital Pte Ltd ("KOP") which holds 5%.

Scotts Spazio is a company incorporated in Singapore and its principal activity is the acquisition and development of a URA site located at Newton/Scotts Road (the "Property"). The tender for the site was awarded to Scotts Spazio on 27 August 2007 for a tender price of \$37 million. The site, with a tenure of 15 years from 27 August 2007, can be developed into an office building with an approximate GFA of 168,000 square feet and an approximate net lettable area of 150,000 square feet.

DIG is the global investment company of the Dubai Group. It holds and manages a diversified portfolio of direct and indirect investments with a focus on capital markets, real estate and industrial sectors. DIG is headquartered in the Emirate of Dubai with offices in New York, London, Hong Kong and Kuala Lumpur.

KOP is a company incorporated in Singapore and provides business, investment, financial and management consultancy for real estate. KOP is also involved in high end boutique residential developments in Singapore. Currently, KOP, through its joint venture with Emirates Tarian Pte Ltd, is involved in the Ritz Carlton Residences in Cairnhill and 37 Scotts Road, which is the former Asia Hotel site.

The acquisition and development of the Property will be further funded by proportionate shareholders' loan of up to a total of \$32 million, of which SWC's share is \$16 million and bank borrowings of up to \$37 million. The Subscription and SWC's share in the shareholders' loan will be funded by internal resources and are 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 of Hwa Hong has any interest, direct or indirect in the Subscription or the acquisition and development of the Property.

BY ORDER OF THE BOARD

Ong Bee Leem
Company Secretary

5 October 2007