DISPOSAL OF PROPERTIES IN LONDON, UNITED KINGDOM

The Board of Directors of Hwa Hong Corporation Limited (the "**Company**") wishes to announce that its 82%-owned subsidiaries, Capital 18 Vestry Limited, Capital 20 Vestry Limited and Capital East Limited (collectively, the "**Vendors**"), have entered into an agreement with an unrelated third party, Workspace 14 Limited (the "**Purchaser**") (which is a company related to Workspace Group plc) to dispose of all their respective interests in the properties located at 65 to 69 and 71 to 73 East Road, London N1, 10 to 18 Vestry Street, London N1 and 20 to 22 Vestry Street, London N1 (collectively, the "**Properties**") for a total cash consideration of GBP12,550,000 (equivalent to approximately S$26.6 million[1]) (the "**Consideration**") and upon the terms and conditions of the said agreement (the "**Disposal**").

The Disposal is expected to be completed on 15 May 2014 ("**Completion**"). The Purchaser has paid to the Vendors a sum of GBP1,250,000 as a deposit. Upon Completion, the Purchaser shall pay the Vendors the balance of the Consideration amounting to GBP11,300,000.

The Properties are freehold office properties located in the borough of Hackney in London, United Kingdom, and have a gross floor area of approximately 23,623 square feet. The Consideration was arrived at following an open market sales process and based on a willing-buyer, willing-seller basis. No valuation of the Properties was carried out by the Vendors.

The Disposal is a realisation of investment properties in the ordinary course of business of the Company and its subsidiaries (collectively, the "**Group**"). The Group's share of the net proceeds from the Disposal are expected to be applied towards re-investment, reducing bank borrowings and/or for working capital purposes of the Group.

If completed, the Disposal is expected to result in a pre-tax gain ("**Gain**") of approximately GBP5.4 million (equivalent to approximately S$11.5 million) to the Group (based on the net book value of the Properties as at 30 April 2014). As Completion is expected to take place in or about the 2nd quarter of 2014, the Gain will only be reflected in the results of the Group for the half year ending 30 June 2014.

For illustrative purposes, based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2013 ("**FY2013**") and assuming that the gain on disposal is not subject to tax, certain financial effects of the Disposal are set out below:

(a) assuming that the Disposal had been effected on 31 December 2013, the consolidated net tangible assets per share of the Group would have improved by 1.71 cents from 30.90 cents to 32.61 cents as at 31 December 2013; and

(b) assuming that the Disposal had been effected on 1 January 2013, the consolidated earnings per share from continuing operations of the Group would have improved by 1.53 cents from 1.35 cents to 2.88 cents for FY2013.

[1] Based on exchange rate of GBP1 to S$2.1221.

The financial effects presented above are purely for illustration and do not reflect the actual future financial performance or position of the Group after the Disposal.

The Company will make further announcement(s) on the Disposal upon Completion.

None of the Directors and (so far as the Directors are aware) none of the controlling shareholders of the Company has any interest, direct or indirect, in the Disposal.

BY ORDER OF THE BOARD

Lee Soo Wei
Chief Financial Officer
30 April 2014