



PRESS RELEASE: ACQUISITION OF COMMERCIAL PROPERTY LOCATED AT 2 TO 28 (EVEN) AND 20 AND 32 PROCTER STREET, HOLBORN, LONDON WC1 6NX, UNITED KINGDOM

The Board of Directors of Hwa Hong Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, Vantagepro Investment Limited (“**VPL**”) has acquired 700 shares of nominal value GBP0.10 each in the share capital of Capital Eagle Limited (“**CEL**”), representing 70% of the total issued and paid-up capital of GBP100. The remaining 300 shares (representing 30%) are held by unrelated parties, including Langland Estates Limited. CEL is a company incorporated in England and Wales and its principal activity is property investment.

On 10 December 2014, CEL entered into an agreement with unrelated third parties, Clova No. 1 Limited and Clova No. 2 Limited, to acquire a freehold property located at Eagle House, 2 to 28 (even) and 20 and 32 Procter Street, Holborn, London WC1 6NX, United Kingdom (the “**Property**”) for a total cash consideration of GBP24.6 million (equivalent to approximately SGD50.7 million¹) (the “**Consideration**”) and upon the terms and conditions of the said agreement (the “**Acquisition**”). The Acquisition is expected to be completed by 19 December 2014.

With a total floor area of approximately 30,533 square feet, the Property is a freehold retail and commercial property located in the Holborn area of London. The Property is within walking distance of notable landmarks such as Covent Garden, The British Museum and the Royal Courts of Justice. The Property is served by excellent transport links as it is located approximately 200 meters from Holborn London Underground station and within walking distance of three other London Underground stations, two of which are future Crossrail stations.

The Property is currently fully leased and produces an annual gross rental income of approximately GBP1.4 million.

The Group’s Managing Director, Mr Ong Choo Eng, said of the transaction “we are delighted to be able to add this Property to our portfolio of investments in the UK. We believe that this Property complements our other investments in London. It will provide us with recurrent rental income and also has the potential for capital appreciation in the long term. With this acquisition, our Group now has investments in 3 key areas in London, including the Royal Borough of Kensington and Chelsea, the London Borough of Southward and the City of Westminster.”

The Consideration was arrived at following an open market sales process and on a willing-buyer, willing-seller basis. The Acquisition will be funded by a combination of bank loans and internal cash sources.

The Acquisition is not expected to have a material impact on the earnings per share and net tangible assets of the Company and the Group for the financial year ending 31 December 2014.

None of the Directors or the controlling shareholders of the Company has any direct or indirect interest in the Acquisition.

¹ Based on exchange rate of GBP1 to S\$2.06.