

**UNAUDITED RESULTS FOR THIRD QUARTER ENDED 30 SEPTEMBER 2019**
**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**
**1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Note	Group					
		Third Quarter Ended			Nine Months Ended		
		30.9.2019	30.9.2018	+ / (-)	30.9.2019	30.9.2018	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%	
		(restated)		(restated)			
<b>Revenue</b>		2,988	2,355	26.9	8,649	7,853	10.1
Cost of sales		(945)	(878)	7.6	(2,900)	(2,834)	2.3
Changes in fair value of investment securities	1	(213)	343	n.m.	377	(1,529)	n.m.
<b>Gross profit</b>		1,830	1,820	0.5	6,126	3,490	75.5
Other income	2	453	(53)	n.m.	3,906	7,713	(49.4)
General and administrative costs	3	(1,365)	(1,494)	(8.6)	(4,283)	(6,076)	(29.5)
Other operating costs	4	(26)	-	n.m.	(55)	(71)	(22.5)
Finance costs	5	(550)	(222)	n.m.	(1,738)	(815)	n.m.
Share of after tax results of associates and joint ventures	6	1,043	268	n.m.	1,545	737	n.m.
Profit before taxation		1,385	319	n.m.	5,501	4,978	10.5
Taxation	7	(252)	(178)	41.6	(1,136)	(708)	60.5
<b>Net profit after taxation</b>		1,133	141	n.m.	4,365	4,270	2.2
<b>Attributable to:</b>							
Owners of the Company		1,140	141	n.m.	4,387	4,270	2.7
Non-controlling interests		(7)	-	n.m.	(22)	-	n.m.
<b>Profit for the year attributable to owners of the Company</b>		1,133	141		4,365	4,270	

n.m. denotes not meaningful.

The Purchase Price Allocation (“PPA”) exercise for the acquisition of Capital Eagle Limited (“CEL”) was completed. Q3 2018 financial was revised in accordance with SFRS(I) 3 Business Combinations to take into account the assessment of the PPA exercise from the date of acquisition.

**Notes to Group Profit and Loss Statement**

- Changes in fair value of investment securities of \$0.4 million in FY2019 was due to net increases in fair values for fair value through profit and loss (“FVPL”) investment securities arising from favourable market conditions on the investment securities that were being held by the Group. Changes in fair value of investment securities of \$0.2 million in 3Q2019 was due to unfavourable market conditions for that quarter. The STI Index increased from 3,068.76 as at 31 December 2018 to 3,321.61 as at 30 June 2019 and declined to 3,119.99 as at 30 Sept 2019 and KOSPI Index increased from 2,041.04 as at 31 December 2018 to 2,130.62 as at 30 June 2019 and declined to 2,063.05 as at 30 September 2019.

2. Other income comprised the following:

	3Q2019	3Q2018	+/(-) %	FY2019	FY2018	+/(-) %	
	\$'000	\$'000		\$'000	\$'000		
Interest income	1	1	n.m.	6	18	(66.7)	
Loss/(gain) on disposal of investment properties	(10)	-	n.m.	3,173	1,572	n.m.	
Gain on disposal of property, plant and equipment	-	30	n.m.	-	30	n.m.	
Other investment income	216	-	n.m.	216	-	n.m.	
Foreign exchange gain/(loss)	(c)	187	(110)	n.m.	332	59	n.m.
Gain on remeasurement of investment in joint operation to fair value upon business combination achieved in stages ("remeasurement gain")	(a)	-	(27)	n.m.	-	4,789	n.m.
Gain on disposal of a subsidiary and its related joint operation	(b)	-	-	-	-	1,037	n.m.
Sundry	59	53	11.3	179	208	(13.9)	
	<u>453</u>	<u>(53)</u>		<u>3,906</u>	<u>7,713</u>		

(a) Remeasurement gain arose from the acquisition of 30% remaining interests in Capital Eagle Limited ("CEL") in 2Q2018.

(b) Gain on disposal of a subsidiary and its related joint operation refers to the disposal of the Group's interests in Capital Herbal Limited in 2Q2018.

(c) The strengthening of the Singapore Dollars against Sterling Pound in FY2019 resulted in unrealised translation gain of \$0.3 million in FY2019 and \$0.2 million in 3Q2019. The unrealised translation gain arose mainly due to the translation of receivables denominated in Singapore Dollars of a UK subsidiary arising from the strengthening of the Singapore Dollars against Sterling Pounds. Sterling Pounds has decreased from 1.743628 as at 31 December 2018 to 1.718691 as at 30 September 2019.

3. General and administrative costs decreased by \$1.8 million yoy mainly due to transaction costs incurred in the acquisition of 30% interest in CEL.

4. Other operating costs comprised the following:

	3Q2019	3Q2018	+/(-) %	FY2019	FY2018	+/(-) %
	\$'000	\$'000		\$'000	\$'000	
Fair value loss on derivatives	26	-	n.m.	55	-	-
Goodwill written off	-	-	-	-	71	n.m.
	<u>26</u>	<u>-</u>		<u>55</u>	<u>71</u>	

Goodwill written off relates to the differences in the purchase consideration versus the fair value of the net assets acquired in CEL.

5. Finance costs increased by \$0.9 million yoy and \$0.3 million qoq mainly due to higher average loan balance during the respective periods.

6. Share of after tax results of associates and joint ventures increased by \$0.8 million yoy and qoq mainly due to higher share of profit of \$1.1 million from an associated company, Hong Property Investments Pte Ltd (“Hong Property”) arising from the disposal of one medical unit at Lucky Plaza. This was partially offset by share of loss of \$0.4 million from Shorea Capital Pte Ltd.
7. Effective tax rate for FY2019 was 20.7% (FY2018: 14.2%) and 18.2% (3Q2018: 55.8%) for 3Q2019. The taxation charge for the Group for FY2019 and 3Q2019 was higher than that arrived at by applying the statutory tax rate of 17% to the profit before taxation mainly due to the absence of tax effect on the share of results of associates and joint ventures, as the share of results was after tax, certain non-deductible expenses and losses incurred by foreign subsidiaries which are not available for set off against profits of local subsidiaries, offset by certain gains being capital in nature. Utilisation of losses incurred by a local subsidiary under group relief is only considered as at year-end.

Profit before taxation included the following:

	Group						
	Note	Third Quarter Ended			Nine Months Ended		
		30.9.2019	30.9.2018	+/-)	30.9.2019	30.9.2018	+/-)
		\$'000	\$'000	%	\$'000	\$'000	%
	(restated)			(restated)			
Investment income		469	222	n.m.	958	892	7.4
Interest income (included in revenue)		172	168	2.4	529	467	13.3
Interest on borrowings		(550)	(222)	n.m.	(1,738)	(815)	n.m.
Depreciation on property, plant and equipment and investment properties		(625)	(520)	20.2	(1,889)	(1,644)	14.9
Fair value changes in investment securities		(213)	343	n.m.	377	(1,529)	n.m.
Fair value loss on derivatives		(26)	-	n.m.	(55)	-	n.m.
(Under)/overprovision of taxation in prior years		-	-	-	-	-	-
Foreign exchange gain/(loss)		187	(110)	n.m.	332	59	n.m.
Other income:							
- (Loss)/gain on disposal of investment properties	2	(10)	-	n.m.	3,173	1,572	n.m.
- Gain on disposal of property, plant and equipment	2	-	30	n.m.	-	30	n.m.
- Gain on remeasurement of investment in joint operation to fair value upon business combination achieved in stages	2	-	(27)	n.m.	-	4,789	n.m.
- Gain on disposal of a subsidiary and its related joint operation	2	-	-	-	-	1,037	n.m.
- Goodwill written off		-	-	-	-	(71)	n.m.

## **Statement of Comprehensive Income**

	Group						
	Note	Third Quarter Ended			Nine Months Ended		
		30.9.2019	30.9.2018	+/-)	30.9.2019	30.9.2018	+/-)
		\$'000	\$'000	%	\$'000	\$'000	%
	(restated)			(restated)			
<b>Net profit after taxation</b>		1,133	141	n.m.	4,365	4,270	2.2
<b><u>Other comprehensive gain/(loss):</u></b>							
<i>Items that will not be reclassified to profit or loss</i>							
Net gain/(loss) on investment securities	1	1,551	248	n.m.	2,443	(1,380)	n.m.
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Exchange difference arising from							
- consolidation	2	(195)	293	n.m.	(460)	(365)	26.0
- revaluation of net investment in foreign operation	2	(248)	217	n.m.	(542)	(430)	26.0
- reclassification of foreign currency translation on disposal of a joint operation	3	-	-	n.m.	-	1,463	n.m.
Revaluation gain realised by an associate to income statement		-	-	n.m.	(187)	(110)	70.0
Other comprehensive gain/(loss), net of tax		1,108	758		1,254	(822)	
<b>Total comprehensive gain for the period</b>		<b>2,241</b>	<b>899</b>		<b>5,619</b>	<b>3,448</b>	
Total comprehensive gain for the period attributable to:							
Owners of the Company		2,248	899	n.m.	5,641	3,448	63.6
Non-controlling interests		(7)	-	n.m.	(22)	-	n.m.
		<b>2,241</b>	<b>899</b>		<b>5,619</b>	<b>3,448</b>	

## **Notes to Statement of Comprehensive Income**

- 1) Net gains on FVOCI investment securities in FY2019 and 3Q2019 were mainly due to increase in fair values in certain investments held by the Group.
- 2) Exchange differences arising from consolidation of \$0.5 million (3Q2019: \$0.2 million) and revaluation of net investment in foreign operation of \$0.5 million in FY2019 (3Q2019: \$0.2 million) were mainly due to unfavourable foreign exchange impact arising from the translation of Sterling Pound against Singapore Dollars for those UK net investments and assets. The weakening of the Sterling Pound against Singapore Dollar resulted in overall net foreign exchange loss of approximately \$0.7 million for FY2019 (3Q2019: \$0.2 million). This is made up of \$0.5 million and \$0.5 million in Other Comprehensive Income (3Q2019: \$0.2 million and \$0.2 million respectively), which is partially offset by a translation gain in the profit and loss of \$0.3 million for FY2019 (3Q2019: \$0.2 million) mainly attributable to the translation of receivables denominated in Singapore Dollars of a UK subsidiary arising from the weakening of the Sterling Pound against Singapore Dollar.
- 3) The currency translation reserve of Capital Herbal Limited was reclassified arising from the disposal of this entity in 2Q2018.

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Note	Group		Company	
		30.9.2019 \$'000	31.12.2018 \$'000	30.9.2019 \$'000	31.12.2018 \$'000
<b>Non-current assets</b>					
Property, plant and equipment		4,272	4,443	-	-
Investment properties	1	151,596	156,089	-	-
Investment in subsidiaries		-	-	167,849	167,849
Investment in joint ventures		3,030	3,107	-	-
Investment in associates		23,408	23,699	746	746
Investment securities	2	31,207	26,799	-	-
Other receivables	3	14,821	13,936	-	-
		<u>228,334</u>	<u>228,073</u>	<u>168,595</u>	<u>168,595</u>
<b>Current assets</b>					
Tax recoverable		17	17	-	-
Trade receivables	4	1,416	1,861	-	-
Prepayments and deposits		185	180	47	48
Other receivables	5	3,196	4,067	-	-
Amounts due from subsidiaries	6	-	-	2,994	11,264
Amounts due from associates	7	5,145	6,383	-	-
Investment securities	8	15,321	18,426	-	-
Cash and bank balances	9	31,401	32,371	2,680	674
		<u>56,681</u>	<u>63,305</u>	<u>5,721</u>	<u>11,986</u>
<b>Current liabilities</b>					
Bank overdrafts (secured)		(160)	(100)	-	-
Trade payables		(568)	(317)	-	-
Other payables		(2,730)	(2,983)	(352)	(372)
Accrued operating expenses		(2,043)	(2,382)	(221)	(279)
Derivatives		(54)	-	-	-
Amounts due to associates		(1,981)	(1,983)	(368)	(366)
Bank loans (secured)	10	(59,831)	(65,120)	-	-
Tax payable		(1,791)	(1,698)	-	-
		<u>(69,158)</u>	<u>(74,583)</u>	<u>(941)</u>	<u>(1,017)</u>
<b>Net current (liabilities)/assets</b>		(12,477)	(11,278)	4,780	10,969
<b>Non-current liabilities</b>					
Deferred tax liabilities		(5,138)	(4,915)	-	-
Bank loans		(17,038)	(17,217)	-	-
Other payables		(5,469)	(5,543)	-	-
		<u>(27,645)</u>	<u>(27,675)</u>	<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>188,212</u>	<u>189,120</u>	<u>173,375</u>	<u>179,564</u>

	Group		Company	
	30.9.2019 \$'000	31.12.2018 \$'000	30.9.2019 \$'000	31.12.2018 \$'000
<b>Equity attributable to Owners of the Company</b>				
Share capital	172,154	172,154	172,154	172,154
Treasury shares	(260)	(260)	(260)	(260)
Capital reserve	704	891	-	-
Revenue reserve	40,233	42,373	1,481	7,670
Fair value reserve	236	(2,207)	-	-
Currency translation reserve	(24,837)	(23,835)	-	-
	188,230	189,116	173,375	179,564
Non-controlling interests	(18)	4	-	-
<b>Share capital and reserves</b>	<b>188,212</b>	<b>189,120</b>	<b>173,375</b>	<b>179,564</b>

### **Notes to Statement of Financial Position:**

1. Investment properties decreased by \$4.5 million mainly due to:
  - a. translation loss arising from the UK properties as Sterling Pound had weakened against Singapore Dollar;
  - b. disposal of a residential property in Singapore;
  - c. disposal of a UK residential property in London;
  - d. depreciation of the investment properties in this period; offset by
  - e. additions during the period.
2. Non-current investment securities increased by \$4.4 million mainly due to reclassification of \$2.7 million from current investment securities to non-current, fair value gains of \$2.4 million in FVOCI investments, partially reduced by a \$0.7 million being return of capital from two of its FVOCI investments.
3. Non-current other receivables increased by \$0.9 million mainly due to increase of \$0.5 million in amounts due from joint ventures and increase of \$0.4 million in deferred rental receivable.
4. Trade receivables decreased by \$0.4 million mainly due to:
  - a. receipt of \$1.0 million GST refundable arising from the purchase of a freehold land; offset by
  - b. higher receivables of \$0.6 million due from tenants.
5. Current other receivables decreased by \$0.9 million mainly due to receipt of \$0.7 million from a joint venture and \$0.3 million from a joint venture partner.
6. Amounts due from subsidiaries reduced by \$8.3 million mainly due to receipts from subsidiaries and out of which, \$6.5 million was utilised mainly for dividend payments and the remaining balance was largely held under cash at bank at the Company level.
7. Amounts due from associates decreased by \$1.2 million mainly due to repayment of \$2.2 million from Hong Property partially offset by loan of \$1.0 million to another associated company, Shorea Capital Pte Ltd during the period.

8. Current investment securities decreased by \$3.1 million mainly due to \$2.7 million reclassification to non-current investment securities, net disposal of certain investment securities of \$0.8 million offset by \$0.4 million of fair values gains during the period.
  
9. Decrease in Group's cash at bank balances of \$1.0 million was mainly due to payment of dividends and additional investment in an associate, offset by proceeds from disposal of residential properties in Singapore and London and dividends received from an associate. Increase in Company's cash at bank balances of \$2.0 million was mainly due to the receipt from a subsidiary company (refer to Note 6 above).
  
10. Current bank loans decreased by \$5.3 million mainly due to:
  - a. loan repayment of \$4.5 million; and
  - b. translation gain of \$0.8 million as Sterling Pound had weakened against Singapore Dollar.

## 1(b)(ii) Aggregate amount of group's borrowings and debt securities.

### Amount repayable in one year or less, or on demand

	30.9.2019		31.12.2018	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Bank overdrafts	160	-	100	-
Short term bank loans	59,831	-	65,120	-
	<u>59,991</u>	<u>-</u>	<u>65,220</u>	<u>-</u>

### Amount repayable after one year

	30.9.2019		31.12.2018	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Long term bank loans	17,038	-	17,217	-

The Group has the ability to repay the bank overdrafts, short-term and long-term bank loans as and when they fall due.

### Details of any collateral

Short term bank loans comprised:

- An amount of \$24.5 million (2018: \$24.9 million) secured by a pledge of \$15 million (2018: \$15 million) on a subsidiary's fixed deposits and a corporate guarantee from the Company.
- An amount of \$23.9 million (2018: \$24.2 million) secured by a legal charge over a subsidiary's investment property and assignment of tenancy agreement in respect of the property.
- An amount of \$3.4 million (2018: \$3.5 million) secured by a pledge of \$4 million (2018: \$4 million) on a subsidiary's fixed deposits.
- An amount of \$8 million (2018: \$12.5 million) secured by a legal charge over a subsidiary's investment properties, assignment of tenancy agreement in respect of the property and a corporate guarantee from another subsidiary company of the Group.

Long term bank loan is secured by a pledge of \$0.3 million (2018: \$0.3 million) on a subsidiary's fixed deposits, a corporate guarantee from a subsidiary and a legal charge over a subsidiary's investment property.

Bank overdraft is secured by a legal charge over a subsidiary's property and assignment of tenancy agreement in respect of the property.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group			
	Third Quarter Ended		Nine Months Ended	
	30.9.2019	30.9.2018	30.9.2019	30.9.2018
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities:</b>				
Profit before taxation	1,385	319	5,501	4,978
Adjustments for:				
Interest income	(173)	(169)	(535)	(485)
Interest expense	550	222	1,738	815
Fair value changes in investment securities	213	(343)	(377)	1,529
Fair value loss on derivatives	26	-	55	-
Dividend income from investment securities	(469)	(222)	(958)	(892)
Depreciation of property, plant and equipment and investment properties	625	520	1,889	1,644
Share of results of associates and joint ventures	(1,043)	(268)	(1,545)	(737)
Gain on disposal of property, plant and equipment	-	(30)	-	(30)
(Loss)/gain on disposal of investment properties	10	-	(3,173)	(1,572)
Gain on disposal of a subsidiary and its related joint operation	-	-	-	(1,037)
Gain on remeasurement of investment in joint operation to fair value upon business combination achieved in stages	-	27	-	(4,789)
Goodwill written off	-	-	-	71
Unrealised exchange differences	(257)	150	(462)	(307)
	(518)	(113)	(3,368)	(5,790)
<b>Operating cash flows before changes in working capital</b>	867	206	2,133	(812)
(Increase)/decrease in receivables and current investments	(301)	656	1,326	(2,970)
(Decrease)/increase in payables	(70)	315	(269)	1,081
	(371)	971	1,057	(1,889)
<b>Cash flows from/(used in) operations</b>	496	1,177	3,190	(2,701)
Interest received	-	121	275	343
Interest paid	(550)	(222)	(1,738)	(815)
Dividend income from investment securities	469	222	958	892
Income taxes paid	(349)	(462)	(803)	(1,111)
	(430)	(341)	(1,308)	(691)
<b>Net cash flows from/(used in) operating activities</b>	66	836	1,882	(3,392)
<b>Cash flows from investing activities:</b>				
Decrease/(increase) in other investments	-	576	-	(3,219)
Increase in investment in associates	-	-	(1,000)	-
Increase in amount due from joint ventures	-	(7,368)	-	(7,368)
Decrease in amounts due from associates	1,222	120	1,332	120
(Decrease)/increase in amounts due to associates	-	(2)	-	1,444
Decrease in investment securities	715	-	715	-
Dividend income from associates	1,250	-	2,750	2,750
Net cash inflows on disposal of subsidiary and its related joint operation	-	-	-	11,754
Net cash outflows on acquisition of a subsidiary	-	-	-	(18,650)
Proceeds from disposal of other investments	-	-	-	19
Proceeds from disposal of property, plant and equipment	-	30	1	30
Proceeds from disposal of investment properties	(15)	-	4,962	2,468
Additions to investment properties	38	14,577	(572)	(359)
Purchase of freehold land for properties under development	-	(14,209)	-	(14,209)
Purchase of property, plant and equipment	(44)	(286)	(59)	(286)
<b>Net cash flows from/(used in) investing activities</b>	3,166	(6,562)	8,129	(25,506)
<b>Net cash flows from(used in) operating and investing activities carried forward</b>	3,232	(5,726)	10,011	(28,898)

	<b>Group</b>			
	<b>Third Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30.9.2019</b>	<b>30.9.2018</b>	<b>30.9.2019</b>	<b>30.9.2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Net cash flows from /(used in) operating and investing activities brought forward</b>	3,232	(5,726)	10,011	(28,898)
<b>Cash flows from financing activities:</b>				
Proceeds from bank loans	-	5,040	-	18,646
Repayment of bank loans	(2,863)	-	(4,500)	(1,800)
Purchase of treasury shares	-	(95)	-	(95)
Dividends paid	-	-	(6,527)	(7,183)
<b>Net cash flows (used in)/from financing activities</b>	(2,863)	4,945	(11,027)	9,568
Net increase/(decrease) in cash and cash equivalents	369	(781)	(1,016)	(19,330)
Cash and cash equivalents at beginning of the period	10,158	13,071	11,548	31,683
Effects of exchange rate changes on cash and cash equivalents	(5)	21	(10)	(42)
<b>Cash and cash equivalents at end of the period</b>	<b>10,522</b>	<b>12,311</b>	<b>10,522</b>	<b>12,311</b>

For the purpose of presenting consolidating cash flow statements, the consolidated cash and cash equivalents comprise the following:-

	<b>Group</b>		<b>Group</b>	
	<b>30.9.2019</b>	<b>30.9.2018</b>	<b>30.9.2019</b>	<b>30.9.2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash and bank balances	31,401	31,382	31,401	31,382
Less: cash and bank balances pledged	(19,275)	(19,000)	(19,275)	(19,000)
Less: bank overdrafts secured	(160)	(71)	(160)	(71)
Less: restricted cash	(1,444)	-	(1,444)	-
Cash and cash equivalents at end of the period	<b>10,522</b>	<b>12,311</b>	<b>10,522</b>	<b>12,311</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	----- Attributable to Owners of the Company -----							
	Share capital \$'000	Treasury shares \$'000	Capital reserve ** \$'000	Revenue reserve \$'000	Fair value reserve \$'000	Currency translation reserve \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>Group</b>								
Balance at 1.1.2019	172,154	(260)	891	42,373	(2,207)	(23,835)	4	189,120
Total comprehensive (loss)/gain for the period	-	-	(187)	2,089	962	986	(4)	3,846
Balance at 31.3.2019	172,154	(260)	704	44,462	(1,245)	(22,849)	-	192,966
Total comprehensive gain/(loss) for the period	-	-	-	1,158	(70)	(1,545)	(11)	(468)
Dividends paid	-	-	-	(6,527)	-	-	-	(6,527)
Balance at 30.6.2019	172,154	(260)	704	39,093	(1,315)	(24,394)	(11)	185,971
Total comprehensive gain for the period	-	-	-	1,140	1,551	(443)	(7)	2,241
Balance at 30.9.2019	172,154	(260)	704	40,233	236	(24,837)	(18)	188,212
Balance at 1.1.2018, as previously stated	172,154	(165)	1,001	38,467	7,558	(21,874)	-	197,141
Impact on adoption of SFRS(I) 9	-	-	-	6,735	(6,735)	-	-	-
Balance at 1.1.2018, as restated	172,154	(165)	1,001	45,202	823	(21,874)	-	197,141
Total comprehensive (loss)/gain for the period	-	-	(110)	696	(1,323)	525	-	(212)
Balance at 31.3.2018	172,154	(165)	891	45,898	(500)	(21,349)	-	196,929
Total comprehensive gain/(loss) for the period	-	-	-	3,433	(305)	(367)	-	2,761
Dividends paid	-	-	-	(7,183)	-	-	-	(7,183)
Balance at 30.6.2018	172,154	(165)	891	42,148	(805)	(21,716)	-	192,507
Purchase of treasury shares	-	(95)	-	-	-	-	-	(95)
Total comprehensive gain for the period	-	-	-	141	248	510	-	899
Balance at 30.9.2018	172,154	(260)	891	42,289	(557)	(21,206)	-	193,311

\*\* Capital reserve relates to unrealised revaluation gain on certain properties purchased from an associate.

	Share capital \$'000	Treasury shares \$'000	Revenue reserve \$'000	Total equity \$'000
<b>Company</b>				
Balance at 1.1.2019	172,154	(260)	7,670	179,564
Total comprehensive loss for the period	-	-	(243)	(243)
Balance at 31.3.2019	172,154	(260)	7,427	179,321
Total comprehensive loss for the period	-	-	(327)	(327)
Dividends paid	-	-	(6,527)	(6,527)
Balance at 30.6.2019	172,154	(260)	573	172,467
Purchase of treasury shares	-	-	-	-
Total comprehensive gain for the period	-	-	908	908
Balance at 30.9.2019	172,154	(260)	1,481	173,375
Balance at 1.1.2018	172,154	(165)	8,955	180,944
Total comprehensive loss for the period	-	-	(241)	(241)
Balance at 31.3.2018	172,154	(165)	8,714	180,703
Total comprehensive loss for the period	-	-	(287)	(287)
Dividends paid	-	-	(7,183)	(7,183)
Balance at 30.6.2018	172,154	(165)	1,244	173,233
Purchase of treasury shares	-	(95)	-	(95)
Total comprehensive gain for the period	-	-	344	344
Balance at 30.9.2018	172,154	(260)	1,588	173,482

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	30/09/2019	30/09/2018
	\$'000	\$'000
Share capital	172,154	172,154
	30/09/2019	30/09/2018
	'000	'000
Total number of issued shares	653,504	653,504
Total number of treasury shares	(843)	(843)
Total number of subsidiary holdings	-	-
Total number of issued shares excluding treasury shares and subsidiary holdings	652,661	652,661

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	30/09/2019	31/12/2018
	'000	'000
Total number of issued shares	653,504	653,504
Total number of treasury shares	(843)	(843)
Total number of issued shares excluding treasury shares	<u>652,661</u>	<u>652,661</u>

As at 30 September 2019 and 31 December 2018, there were no outstanding convertibles.

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no shares buy-backs during the current quarter.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

**2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed below, the Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the most recently audited consolidated financial statements for the financial year ended 31 December 2018.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group and the Company have adopted the following new SFRS(I)s, amendments to and interpretations of SFRS(I) that are effective for the financial periods beginning on 1 January 2019:-

Description	Effective for annual periods beginning on or after
SFRS(I) 16 <i>Leases</i>	1 January 2019
SFRS(I) INT FRS 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to SFRS(I) 9: <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to SFRS(I) 1-28: <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019

The adoption of the new and revised standards did not have any material financial impact on the financial statements of the Group and the Company for the quarter ended 30 September 2019.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	GROUP			
	Third Quarter Ended		Nine Months Ended	
	30.9.2019	30.9.2018	30.9.2019	30.9.2018
Earnings per ordinary share after deducting any provision for preference dividends:				
(i) Based on the weighted average number of ordinary shares in issue (cents)	0.17	0.02	0.67	0.65
(ii) On a fully diluted basis (cents)	0.17	0.02	0.67	0.65

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

(a) **current financial period reported on; and**

(b) **immediately preceding financial year.**

	GROUP		COMPANY	
	As at	As at	As at	As at
	30.9.2019	31.12.2018	30.9.2019	31.12.2018
Net asset value per ordinary share (cents)	28.84	28.98	26.56	27.51

Note: dividend of 1.0 cent was paid in 2Q2019.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Revenue** (excluding all inter-segment transactions)

	3Q2019 \$'000	3Q2018 \$'000	+/(-) %	FY2019 \$'000	FY2018 \$'000	+/(-) %
Rental	2,346	1,965	19.4	7,161	6,494	10.3
Investments	642	390	64.6	1,488	1,359	9.5
Corporate and Others	-	-	-	-	-	-
	<u>2,988</u>	<u>2,355</u>		<u>8,649</u>	<u>7,853</u>	

Increase in revenue for rental segment by \$0.7 million yoy and \$0.4 million qoq takes into account:

- increase in rental income from 20 Garrett Street by \$0.8 million yoy and \$0.3 million qoq subsequent to the acquisition of property in December 2018;
- decrease in rental income from Herbal Hill by \$0.3 million yoy subsequent to the disposal of joint operation in 2Q2018.

Revenue for investments segment increased by \$0.3 million qoq mainly due to increase in dividend income.

**Profit before taxation** (excluding all inter-segment transactions)

	3Q2019 \$'000	3Q2018 \$'000	+/(-) %	FY2019 \$'000	FY2018 \$'000	+/(-) %
Rental	1,095	463	n.m.	6,069	6,708	(9.5)
Investments	1,127	702	60.5	2,389	602	n.m.
Corporate and Others	(484)	(503)	(3.8)	(1,592)	(1,604)	(0.7)
	<u>1,738</u>	<u>662</u>		<u>6,866</u>	<u>5,706</u>	
Unallocated items	(353)	(343)	2.9	(1,365)	(728)	87.5
	<u>1,385</u>	<u>319</u>		<u>5,501</u>	<u>4,978</u>	

Rental segment refers to rental of residential, commercial properties and warehouse. Decrease in profit before taxation for Rental segment by \$0.6 million yoy and increase of \$0.6 million qoq takes into account:-

- absence of re-measurement gain of \$4.8 million yoy;
- increase in gain from disposal of investment properties by \$1.6 million yoy;
- absence of transaction costs of \$1.6 million incurred yoy mainly arising from the acquisition of 30% interest in Capital Eagle Limited;
- increase in other investment income of \$0.2 million yoy and qoq;
- increase in revenue as mentioned under the Revenue section.

Investment segment refers to investment holding. Profit before taxation for Investment segment increased by \$1.8 million yoy and \$0.4 million qoq mainly due to:-

- increase in fair value gains changes in FVPL of \$1.9 million yoy and decrease of \$0.6 million qoq;
- increase in dividend income by \$0.1 million yoy and \$0.2 million qoq;
- absence of gain on disposal of a subsidiary and its related joint operation of \$1.0 million yoy;
- increase in share of results from associates of \$0.8 million yoy and qoq.

Corporate segment refers to the provision of management, administrative and support services to related companies and investment holding.

Unallocated items refer to items such as finance costs and certain foreign exchange differences which are managed on a Group basis and were not allocated to the segments. The losses yoy and qoq were mainly due to finance costs incurred on bank borrowings, partially offset by favourable foreign exchange impact arising from the translation of Sterling Pound against Singapore Dollar.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The global economy and the financial markets have been negatively affected by a widening trade war.

In the UK, uncertainties surrounding the outcome of Brexit have made buyers for residential properties cautious and there were no further sales of our refurbished apartments in Q3. The remaining apartments are fully let. For our Loman Street property, we received planning approval for an uplift of 20% in additional floor area. All units have been vacated in advance of renovation works which are scheduled to commence in November. The other commercial properties are fully let.

In Singapore, all our residential, commercial and industrial properties are fully let. Work has commenced on the Jalan Besar commercial property.

In October 2019, the Group received a net dividend income of approximately \$2.8 million from Gaw NP Capital Vietnam Fund 1 LP (Cayman) which will be recognised in 4Q2019.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on? No

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? No

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared.

**13. INTERESTED PERSON TRANSACTIONS**

<b>Name of interested person</b>	<b>Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</b>	<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)</b>
Nil	Nil	Nil <sup>^</sup>

<sup>^</sup> There is no subsisting shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

**14. CONFIRMATION BY THE BOARD**

The Board of Directors of Hwa Hong Corporation Limited confirms that to the best of its knowledge, nothing has come to its attention which may render the interim financial results to be false or misleading in any material respect.

**15. UNDERTAKINGS CONFIRMATION**

The Company hereby confirms that the undertakings as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual has been procured from all its Directors and Executive Officers.

**SUBMITTED BY**

Lee Soo Wei  
Chief Financial Officer  
25 October 2019