

**UNAUDITED RESULTS FOR SECOND QUARTER ENDED 30 JUNE 2010****PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS****1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group					
	Second Quarter Ended			Six Months Ended		
	30.6.2010	30.6.2009	+ / (-)	30.6.2010	30.6.2009	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
<u>Continuing operations</u>						
Revenue	9,989	11,132	(10.3)	24,559	17,264	42.3
Cost of sales	(5,063)	(5,756)	(12.0)	(13,028)	(7,623)	70.9
Gross profit	4,926	5,376	(8.4)	11,531	9,641	19.6
Other income	3,553	379	n.m.	3,647	823	n.m.
General and administrative costs	(2,683)	(982)	n.m.	(5,594)	(2,159)	n.m.
Selling and distribution costs	(53)	(50)	6.0	(107)	(73)	46.6
Other operating costs	(476)	(751)	(36.6)	(476)	(3,780)	(87.4)
Finance costs	(388)	(977)	(60.3)	(854)	(1,862)	(54.1)
Share of after tax results of associates and unincorporated joint venture	(235)	11,258	n.m.	(160)	15,670	n.m.
Profit from continuing operations, before taxation	4,644	14,253	(67.4)	7,987	18,260	(56.3)
Taxation	(685)	(506)	35.4	(1,080)	(522)	n.m.
Profit from continuing operations, after taxation	3,959	13,747	(71.2)	6,907	17,738	(61.1)
<u>Discontinued operation</u>						
Profit from discontinued operation, after taxation	36,735	1,371	n.m.	37,054	537	n.m.
Net profit after taxation	40,694	15,118	n.m.	43,961	18,275	n.m.
Net profit after taxation attributable to:						
Equity holders of the Company	40,694	15,118	n.m.	43,961	18,275	n.m.
Minority Interests	-	-	-	-	-	-
	40,694	15,118		43,961	18,275	

n.m. denotes not meaningful.

Note:

- Increase in revenue by \$7.3 million year-on-year ("yoy"), from \$17.3 million for six months ended 30 June 2009 ("1H2009") to \$24.6 million for same period ended 2010 ("1H2010") was mainly due to increase in
 - proceeds from sale of investment securities by \$6.5 million (1H2010: \$14.4 million; 1H2009: \$7.9 million); and
 - rental income by \$0.8 million (1H2010: \$3.9 million; 1H2009: \$3.1 million). The RiverGate units which were acquired in 2Q2009 and UK properties contributed \$0.5 million and \$0.3 million of the increase respectively.

Reduction in revenue by \$1.1 million quarter-on-quarter ("qoq") from \$11.1 million for second quarter ended 30 June 2009 ("2Q2009") to \$10.0 million for the same period in 2010 ("2Q2010") was mainly due to reduction in proceeds from sale of investment securities by \$1.3 million (2Q2010: \$5.0 million; 2Q2009: \$6.3 million).

- Increase in cost of sales by \$5.4 million yoy and decrease of \$0.7 million qoq was broadly in line with increase/decrease in revenue.

The increase in cost of sales for 1H2010 is not proportionate to the increase in revenue because in 1H2009, certain investment securities sold were already impaired in FY2008 and first quarter of 2009. Most of the investment securities sold in 1H2010 were not impaired.

3. Increase in other income by \$2.8 million yoy and \$3.2 million qoq was mainly due to gain on sale of investment properties of \$3.1 million. The increase is offset by reduction in gain on sale of investment securities by \$0.5 million yoy (1H2010: nil; 1H2009: \$0.5 million) and \$0.3 million qoq (2Q2010: nil; 2Q2009: \$0.3 million).
4. Increase in general and administrative costs by \$3.4 million yoy and \$1.7 million qoq was mainly due to
 - reduction in foreign exchange gain by \$1.7 million yoy (1H2010: exchange loss of \$0.1 million; 1H2009: exchange gain on \$1.6 million) and by \$0.9 million qoq (2Q2010: \$0.3 million; 2Q2009: \$1.2 million) due to weakening of Sterling Pound against Singapore Dollar arising from our net monetary assets denominated in Sterling Pound;
 - increase in legal and professional fees by \$0.2 million yoy (1H2010: \$0.5 million; 1H2009: \$0.3 million) and \$0.1 million qoq (2Q2010: \$0.2 million; 2Q2009: \$0.1) incurred in connection with the disposal of Tenet; and
 - increase in salary and staff costs by \$1.4 million yoy (1H2010: \$2.8 million; 1H2009: \$1.4 million) was mainly due to a reversal of over accrual of salary and bonus in 1H2009 of \$0.6 million. There was no such reversal in 2010. There was also an incentive of \$0.4 million (1H2009: nil) paid to staff in 1H2010.

Increase in salary and staff costs by \$0.6 million qoq (2Q2010: \$1.6 million; 2Q2009: \$1.0 million) was mainly due to an incentive of \$0.4 million (2Q2009: nil) paid to staff in 2Q2010.

5. Reduction in other operating costs by \$3.3 million yoy and \$0.3 million qoq was mainly due to lower allowance made for impairment on investment securities by \$3.7 million yoy (1H2010: \$0.3 million; 1H2009: \$4.0 million) and \$0.7 million qoq (2Q2010: \$0.3 million; 2Q2009: \$1.0 million).

The reduction is offset by increase in allowance made for doubtful debts receivable from associates by \$0.4 million for the year and for the quarter (1H2010: allowance made of \$0.2 million; 1H2009: allowance written back of \$0.2 million).

6. Reduction in finance costs by \$1.0 million yoy and \$0.6 million qoq was due to repayment of interest bearing loans.
7. Reduction in share of after tax results of associates and unincorporated joint venture by \$15.8 million yoy and \$11.5 million qoq was mainly because there was no contribution from the RiverGate project in the current year (1H2009: \$16.8 million) and current quarter (2Q2009: \$11.4 million). The project was fully completed and sold in FY2009.

The reduction in share of results of associates for 1H2010 was mitigated by increase in share of profit from Hong Property by \$0.4 million (1H2010: share of profit of \$0.3 million; 1H2009: share of loss of \$0.1 million) and reduction in share of loss from Scotts Spazio by \$0.8 million (1H2010: \$0.5 million; 1H2009: \$1.3 million).

8. Lower tax charge in previous periods was because share of results of associates and unincorporated joint venture were shown as net of tax, that is, the tax for the share of results in associates and unincorporated joint venture is excluded from the Group's taxation.

Effective tax rates for 1H2010 and 2Q2010 were 13.5% (1H2009: 2.9%) and 14.8% (2Q2009: 3.6%) respectively. The taxation charge for the Group were lower than that arrived at by applying the statutory tax rate of 17% to the profit before taxation from continuing operations because certain income were taxed at concession rates or were of capital nature.

9. Increase in profit from discontinued operation, after taxation by \$36.5 million yoy and \$35.4 million qoq was mainly due to completion of the disposal of Tenet on 31 May 2010. Gain on disposal of the subsidiary amounting to \$36.3 million was recognised in 1H2010.

The operating profit after taxation increased by \$0.3 million yoy mainly due to improvement in insurance results by \$1.4 million yoy. The improvement was offset by increase in allowance made for impairment for an investment security amounting to \$1.1 million in 1H2010 (1H2009; nil).

The reduction in operating profit after taxation by \$0.9 million qoq was mainly due to allowance made for impairment for an investment security amounting to \$1.1 million in 2Q2010. The reduction was mitigated by improvement in insurance results by \$0.6 million qoq.

Profit from continuing operations, before taxation included the following:

	Group					
	Second Quarter Ended			Six Months Ended		
	30.6.2010	30.6.2009	+ / (-)	30.6.2010	30.6.2009	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Investment income	305	131	n.m.	370	245	51.0
Other income including interest income	6,206	3,152	96.9	9,182	6,349	44.6
Interest on borrowings	(388)	(977)	(60.3)	(854)	(1,862)	(54.1)
Depreciation on property, plant and equipment and investment properties	(425)	(473)	(10.1)	(874)	(872)	0.2
Allowance made/(written-back) for doubtful debts and bad debts (associate)	(157)	250	n.m.	(157)	250	n.m.
Allowance made for impairment loss on						
- quoted non-current investments	(318)	(1,000)	(68.2)	(318)	(1,000)	(68.2)
- quoted current investments	(1)	-	100.0	(1)	(3,030)	(100.0)
(Under)/over provision of taxation in prior years	(94)	(248)	(62.1)	(94)	(248)	(62.1)
Foreign exchange gain/(loss)	309	1,199	(74.2)	(97)	1,606	n.m.
Gain on disposal of investments						
- included in gross profit	444	1,035	(57.1)	2,401	1,193	n.m.
- included in other income	36	181	(80.1)	24	518	(95.4)
Loss on disposal of property, plant and equipment	-	(1)	(100.0)	-	(1)	(100.0)
Gain on disposal of investment properties	3,076	-	100.0	3,076	-	100.0

Statement of Comprehensive Income

	Group					
	Second Quarter Ended			Six Months Ended		
	30.6.2010 \$'000	30.6.2009 \$'000	+/(-) %	30.6.2010 \$'000	30.6.2009 \$'000	+/(-) %
Net profit after taxation	40,694	15,118	n.m.	43,961	18,275	n.m.
<u>Other comprehensive income/(loss):</u>						
Net gain/(loss) on available-for-sale investments (net of tax)	250	14,302	n.m.	(2,228)	13,314	n.m.
Exchange difference arising from - consolidation	(335)	832	n.m.	(266)	985	n.m.
- revaluation of net investment in foreign operation	(425)	1,275	n.m.	(1,214)	1,645	n.m.
Revaluation gain realised by an associate to income statement	(215)	(698)	(69.2)	(215)	(3,666)	(94.1)
Reclassification of fair value reserve on disposal of discontinued operation	(261)	-	n.m.	(261)	-	n.m.
Other comprehensive loss/(gain), net of tax	(986)	15,711	n.m.	(4,184)	12,278	n.m.
Total comprehensive gain for the period	39,708	30,829	28.8	39,777	30,553	
Total comprehensive gain for the period attributable to:						
Equity holders of the Company	39,708	30,829	28.8	39,777	30,553	30.2
Minority Interests	-	-	-	-	-	-
	<u>39,708</u>	<u>30,829</u>		<u>39,777</u>	<u>30,553</u>	

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

	Group		Company	
	30.6.2010 \$'000	31.12.2009 \$'000	30.6.2010 \$'000	31.12.2009 \$'000
Non-current assets				
Property, plant and equipment	6,545	6,111	78	127
Investment properties	85,115	94,079	-	-
Investment in subsidiaries	-	-	205,221	205,221
Investment in associates	3,819	12,386	767	767
Investment securities	6,594	6,220	-	-
Other receivables	7,784	6,295	-	-
Amounts due from associates	17,599	15,000	-	-
	127,456	140,091	206,066	206,115
Current assets				
Inventories	24	10	-	-
Trade receivables	1,248	714	-	-
Prepayments and deposits	689	472	16	71
Other receivables	2,740	1,123	372	-
Amounts due from associates	14,106	15,739	-	-
Investment securities	28,720	85,753	-	-
Cash and bank balances	181,067	39,005	6,067	488
	228,594	142,816	6,455	559
Assets of disposal group classified as held for sale	-	128,158	-	7,010
	228,594	270,974	6,455	7,569
Current liabilities				
Trade payables	(703)	(464)	-	-
Other payables	(1,918)	(1,418)	(194)	(203)
Accrued operating expenses	(1,628)	(2,578)	(52)	(296)
Amounts due to associates	(552)	(552)	(373)	(373)
Amounts due to subsidiaries	-	-	(3,500)	(3,509)
Bank overdraft (unsecured)	(14)	-	-	-
Bank loans (secured)	(15,527)	(22,215)	-	-
Tax payable	(2,330)	(328)	-	-
	(22,672)	(27,555)	(4,119)	(4,381)
Liabilities directly associated with disposal group classified as held for sale	-	(68,770)	-	-
	(22,672)	(96,325)	(4,119)	(4,381)
Net current assets	205,922	174,649	2,336	3,188
Non-current liabilities				
Deferred tax liabilities	(3,721)	(4,761)	-	-
Bank loans (secured)	(16,831)	(28,568)	-	-
Other payables	(503)	(696)	-	-
	(21,055)	(34,025)	-	-
Net assets	312,323	280,715	208,402	209,303

	Group		Company	
	30.6.2010 \$'000	31.12.2009 \$'000	30.6.2010 \$'000	31.12.2009 \$'000
Equity attributable to equity holders of the Company				
Share capital	172,154	172,154	172,154	172,154
Capital reserve	2,196	2,411	-	-
Revenue reserve	147,505	111,713	36,248	37,149
Fair value reserve	5,479	8,160	-	-
Currency translation reserve	(15,011)	(13,531)	-	-
Reserve of disposal group classified as held for sale	-	(192)	-	-
	312,323	280,715	208,402	209,303
Minority interests	-	-	-	-
Share capital and reserves	312,323	280,715	208,402	209,303

Note:

- Reduction in investment properties by \$9.0 million was mainly due to sale of 2 properties in Singapore and UK and translation loss arising from the UK properties due to deterioration of Sterling Pound.
- Reduction in investment in associates by \$8.6 million was mainly due to dividends received from an associate amounting to \$8.0 million.
- Increase in non current other receivables by \$1.5 million was due to the accrual of interest income receivable from an associate.
- Increase in non current amounts due from associates by \$2.6 million was due to loans made to an associate during the year.
- Increase in current other receivables by \$1.6 million was due to an amount of \$2.1 million due from the purchaser of Tenet, being the additional purchase consideration pursuant to the determination of the Completion NTA by the auditors as provided under the sale and purchase agreement.
- Reduction in current amounts due from associates by \$1.6 million was due to repayments received by associates.
- Reduction in current investment securities by \$57.0 million was mainly due to redemption of an unquoted investment security.
- Increase in cash and bank balances by \$142.1 million was mainly due to
 - proceeds received from the disposal of Tenet amounting to \$95.0 million;
 - proceeds received from the sale of investment properties amounting to \$8.9 million;
 - dividends received from an associate amounting to \$8.0 million; and
 - proceeds from redemption of an unquoted investment security and its cumulative interest totaling \$58.0 million.

The increase was offset by repayment of bank loans of \$16.8 million and payment of dividends of \$8.2 million.
- Reduction in accrued operating expenses by \$1.0 million was mainly due to reduction in accruals for bonus.
- Reduction of current and non current bank loans by \$6.7 million and \$11.7 million respectively was due to repayments made.

11. Increase in tax payable by \$2.0 million was due to provision of current tax upon the receipt of cumulative interest income from an unquoted investment security.
12. Reduction in deferred tax liabilities by \$1.0 million was due to the transfer of deferred liabilities to current tax payable upon the receipt of cumulative interest income from an unquoted investment security.

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

Amount repayable in one year or less, or on demand

	30.6.2010		31.12.2009	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Short term bank loans	-	14	3,797	-
Long term bank loans	15,527	-	18,418	-
	<u>15,527</u>	<u>14</u>	<u>22,215</u>	<u>-</u>

Amount repayable after one year

	30.6.2010		31.12.2009	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Long term bank loans	16,831	-	28,568	-

Details of any collateral

Long term bank loans of \$32.4 million (31.12.2009: \$47.0 million) are secured by a fixed charge over subsidiaries' investment properties. At 31 December 2009, short term bank loans were secured by a subsidiary's investment property and a charge of \$13.3 million on its fixed deposit.

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

	Group			
	Second Quarter Ended		Six Months Ended	
	30.6.2010	30.6.2009	30.6.2010	30.6.2009
	\$'000	\$'000	\$'000	\$'000
Cash flow from operating activities:				
Profit before taxation				
- continuing operations	4,644	14,253	7,987	18,260
- discontinued operation	36,533	1,543	36,951	1,141
	41,177	15,796	44,938	19,401
Adjustments for:				
Interest income	(3,145)	(3,138)	(6,386)	(6,316)
Interest expense	388	977	854	1,862
Depreciation of property, plant and equipment and investment properties	491	571	1,030	1,059
Share of results of associates and unincorporated joint venture	235	(11,258)	160	(15,670)
Net claims incurred	1,913	4,768	6,701	9,913
Provision for unexpired risks	(100)	(214)	2,626	1,808
Allowance made for impairment loss on quoted				
- non current investment securities	1,410	1,000	1,410	1,000
- current investment securities	1	-	1	3,605
Allowance made/(written-back) for doubtful receivables (associate)	157	(250)	157	(250)
Gain on disposal of property, plant and equipment	-	1	(1)	1
Gain on disposal of investment properties	(3,076)	-	(3,076)	-
Gain on disposal of subsidiary	(36,261)	-	(36,261)	-
Property, plant and equipment written off	-	5	-	5
	(37,987)	(7,538)	(32,785)	(2,983)
Operating income before reinvestment in working capital	3,190	8,258	12,153	16,418
(Increase)/decrease in receivables and current investments	4,501	(1,155)	(193)	(1,186)
Increase in inventories	(14)	(19)	(14)	(10)
(Decrease)/increase in payables	(1,670)	171	(2,229)	(483)
	2,817	(1,003)	(2,436)	(1,679)
Cash generated from operations	6,007	7,255	9,717	14,739
Net claims paid	(2,102)	(3,479)	(5,132)	(7,818)
Interest received	1,037	581	1,526	1,625
Interest paid	(387)	(830)	(854)	(1,642)
Income taxes recovered/(paid)	87	(1)	89	(143)
	(1,365)	(3,729)	(4,371)	(7,978)
Net cash generated from operating activities	4,642	3,526	5,346	6,761
Cash flow from investing activities:				
Dividends received from associate	-	-	8,000	-
Decrease in other investments	59,251	4,432	59,751	7,476
Decrease in amounts due from associates	512	4,578	355	7,656
Net cash inflow from disposal of subsidiary (see page 9)	22,191	-	22,191	-
Proceeds from disposal of investment properties	8,864	-	8,864	-
Proceeds from disposal of property, plant and equipment	-	-	1	20
Purchase of investment properties from an associate	-	-	-	(22,128)
Purchase of investment properties	(10)	(128)	(10)	(128)
Purchase of property, plant and equipment	(50)	-	(775)	(190)
Net cash generated from/(used in) investing activities	90,758	8,882	98,377	(7,294)
Net cash generated from/(used in) operating and investing activities carried forward	95,400	12,408	103,723	(533)

	Group			
	Second Quarter Ended		Six Months Ended	
	30.6.2010	30.6.2009	30.6.2010	30.6.2009
	\$'000	\$'000	\$'000	\$'000
Net cash generated from/(used in) operating and investing activities brought forward	95,400	12,408	103,723	(533)
Cash flow from financing activities:				
Proceeds from bank loans	-	546	-	18,205
Repayments in bank loans	(14,671)	(1,691)	(16,798)	(2,041)
Increase/(decrease) in bank overdrafts	14	(1,314)	14	(2,686)
Dividends paid	(8,169)	(8,169)	(8,169)	(8,169)
Decrease/(increase) in pledged cash and bank balances	3,649	(111)	4,429	2,110
Net cash (used in)/generated from financing activities	(19,177)	(10,739)	(20,524)	7,419
Net increase in cash and cash equivalents	76,223	1,669	83,199	6,886
Cash and cash equivalents at beginning of the period	91,501	40,802	84,624	35,344
Effects of exchange rate changes on cash and cash equivalents	3	889	(96)	1,130
Cash and cash equivalents at end of the period	167,727	43,360	167,727	43,360

For purposes of presenting consolidated cash flow statements, the consolidated cash and cash equivalents comprise the following:

	Group		Group	
	30.6.2010	30.6.2009	30.6.2010	30.6.2009
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances				
- continuing operations	181,067	51,511	181,067	51,511
- discontinued operation	-	34,324	-	34,324
Less: cash and bank balances pledged	(13,340)	(42,475)	(13,340)	(42,475)
Cash and cash equivalents at end of the period	167,727	43,360	167,727	43,360

Effect of disposal of discontinued operation

On 8 March 2010, the Company announced that the Group had entered into a sale and purchase agreement with Sompo Japan Insurance Inc in relation to the proposed divestment of one of its wholly-owned subsidiary, Tenet Insurance Company Ltd ("Tenet") for a cash consideration of \$95.0 million, subject to adjustment for the difference between the audited net assets value of Tenet on date of disposal and \$59.0 million.

The sale was completed on 31 May 2010 and Tenet ceased to be a subsidiary of the Group. The final purchase consideration has since been determined to be \$97.1 million.

The results of discontinued operation (till date of disposal) are provided below:

	Group			
	Second Quarter Ended		Six Months Ended	
	30.6.2010	30.6.2009	30.6.2010	30.6.2009
	\$'000	\$'000	\$'000	\$'000
Revenue	7,503	11,247	23,580	25,871
Cost of sales	(3,583)	(7,393)	(14,901)	(18,173)
Gross profit	3,920	3,854	8,679	7,698
Other income	337	1,527	871	2,167
General and administrative costs	(1,405)	(1,956)	(3,684)	(4,048)
Selling and distribution costs	(1,490)	(1,882)	(4,086)	(4,101)
Other operating costs	(1,090)	-	(1,090)	(575)
Operating profit before taxation	272	1,543	690	1,141
Taxation	202	(172)	103	(604)
Operating profit after taxation	474	1,371	793	537
Gain on disposal of discontinued operation	36,000	-	36,000	-
Transfer from shareholders' equity	261	-	261	-
Profit from discontinued operation, after taxation	36,735	1,371	37,054	537

Cash flows of discontinued operation (till date of disposal) are provided below:

	Group			
	Second Quarter Ended		Six Months Ended	
	30.6.2010	30.6.2009	30.6.2010	30.6.2009
	\$'000	\$'000	\$'000	\$'000
Operating activities	3,138	4,774	6,740	13,005
Investing activities	(40)	(25)	(54)	(45)
Financing activities	-	(3,500)	-	(3,500)
Net cash inflows	3,098	1,249	6,686	9,460

The net assets and cash flow of discontinued operation disposed are provided below:

	Group
	30.6.2010
	\$'000
Property, plant and equipment	6,507
Reinsurers' share of provision for	
- outstanding claims	5,357
- unearned premium	5,933
Non current assets	18,783
Current assets	24,438
Cash and cash equivalents	72,809
Provision for outstanding claims	(35,472)
Provision for unearned premiums	(28,791)
Provision for premium deficiency	(1,325)
Other non current liabilities	(97)
Other current liabilities	(7,012)
Identifiable net assets disposed	61,130
Transfer from shareholders' equity - fair value reserve	(261)
Gain on disposal of subsidiary	36,261
Proceeds from disposal of subsidiary	97,130
Less: cash and cash equivalents in disposed subsidiary	(72,809)
Net cash inflow on disposal of subsidiary*	24,321

* an amount of \$2.1 million, being the additional purchase consideration of Tenet was not received at 30 June 2010.

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 Equity Holders of the Company -----								
	Share capital	Capital reserve **	Revenue reserve	Fair value reserve	Currency translation reserve	Reserve of disposal group classified as held for sale	Minority interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group								
Balance at 1.1.2010	172,154	2,411	111,713	8,160	(13,531)	(192)	-	280,715
Total comprehensive gain/(loss) for the period	-	-	3,267	(2,101)	(720)	(377)	-	69
Balance at 31.3.2010	172,154	2,411	114,980	6,059	(14,251)	(569)	-	280,784
Total comprehensive gain/(loss) for the period	-	(215)	40,694	(580)	(760)	569	-	39,708
Dividends paid	-	-	(8,169)	-	-	-	-	(8,169)
Balance at 30.6.2010	172,154	2,196	147,505	5,479	(15,011)	-	-	312,323
Balance at 1.1.2009	172,154	6,515	156,445	(2,152)	(15,213)	-	-	317,749
Total comprehensive gain/(loss) for the period	-	(2,967)	3,157	(988)	524	-	-	(274)
Balance at 31.3.2009	172,154	3,548	159,602	(3,140)	(14,689)	-	-	317,475
Total comprehensive gain/(loss) for the period	-	(698)	15,118	14,302	2,107	-	-	30,829
Dividends paid	-	-	(8,169)	-	-	-	-	(8,169)
Balance at 30.6.2009	172,154	2,850	166,551	11,162	(12,582)	-	-	340,135

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

	Share capital	Revenue reserve	Total equity
	\$'000	\$'000	\$'000
Company			
Balance at 1.1.2010	172,154	37,149	209,303
Total comprehensive loss for the period	-	(466)	(466)
Balance at 31.3.2010	172,154	36,683	208,837
Total comprehensive gain for the period	-	7,734	7,734
Dividends paid	-	(8,169)	(8,169)
Balance at 30.6.2010	172,154	36,248	208,402
Balance at 1.1.2009	172,154	32,863	205,017
Total comprehensive gain for the period	-	6,307	6,307
Balance at 31.3.2009	172,154	39,170	211,324
Total comprehensive gain for the period	-	6,092	6,092
Dividends paid	-	(8,169)	(8,169)
Balance at 30.6.2009	172,154	37,093	209,247

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

No options have been granted under the Hwa Hong Corporation Limited (2001) Share Option Scheme since its adoption on 29 May 2001.

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.

Since 31 December 2009, there were no changes to the total number of 653,504,000 issued ordinary shares of the Company.

As at 31 December 2009 and 30 June 2010, the Company's share capital was \$172,153,626 with 653,504,000 ordinary shares issued and fully paid.

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.

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 explained in paragraph 5, 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 2009.

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 and revised FRSs that are mandatory for financial periods beginning on 1 July 2009 and 1 January 2010:-

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 27 Consolidated and Separate Financial Statements	1 July 2009
Amendments to FRS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Item	1 July 2009
Revised FRS 103 Business Combinations	1 July 2009
Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations	1 July 2009
INT FRS 117 Distributions of Non-cash Assets to Owners	1 July 2009
Improvements to FRSs issued in 2009:	
- Amendments to FRS 38 Intangible Assets	1 July 2009
- Amendments to FRS 102 Share-based Payment	1 July 2009
- Amendments to FRS 108 Operating Segments	1 July 2009
- Amendments to INT FRS 109 Reassessment of Embedded Derivatives	1 July 2009
- Amendments to INT FRS 116 Hedges of a Net Investment in a Foreign Operation	1 July 2009
- Amendments to FRS 1 Presentation of Financial Statements	1 January 2010
- Amendments to FRS 7 Statement of Cash Flows	1 January 2010
- Amendments to FRS 17 Leases	1 January 2010
- Amendments to FRS 36 Impairment of Assets	1 January 2010
- FRS 39 Financial Instruments: Recognition and Measurement	1 January 2010
- Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
- Amendments to FRS 108 Operating Segments	1 January 2010

The adoption of the above FRS and INT FRS did not have financial impact on the Group and the Company for second quarter and six months ended 30 June 2010.

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			
	Second Quarter Ended		Six Months Ended	
	30.6.2010	30.6.2009	30.6.2010	30.6.2009
<u>Continuing operations</u>				
Earnings per ordinary share after deducting any provision for preference dividends:				
(i) Based on the weighted average number of ordinary shares in issue (cents)	0.61	2.10	1.06	2.71
(ii) On a fully diluted basis (cents)	0.61	2.10	1.06	2.71
<u>Discontinued operation</u>				
Earnings per ordinary share after deducting any provision for preference dividends:				
(i) Based on the weighted average number of ordinary shares in issue (cents)	5.62	0.21	5.67	0.08
(ii) On a fully diluted basis (cents)	5.62	0.21	5.67	0.08

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital 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
	30.6.2010	31.12.2009	30.6.2010	31.12.2009
Net asset value per ordinary share (cents)	47.79	42.95	31.89	32.03

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.

First Half Ended 30 June 2010 ("1H2010") vs First Half Ended 30 June 2009 ("1H2009")

Revenue (excluding all inter-segment transactions)

	Group		
	Six Months Ended		
	30.6.2010	30.6.2009	+ / (-)
	\$'000	\$'000	%
Rental and Investments ("RI")	15,230	14,106	8.0
Trading and Investments ("Trading")	9,329	3,054	205.5
Corporate and Others	-	104	(100.0)
	24,559	17,264	

Increase in revenue for RI segment by \$1.1 million was mainly due to increase in rental income by \$0.8 million (1H2010: \$3.9 million; 1H2009: \$3.1 million). The RiverGate units which were acquired in 2Q2009 and UK properties contributed \$0.5 million and \$0.3 million of the increase respectively.

Proceeds from sale of investment securities increased by \$0.2 million, from \$5.2 million in 1H2009 to \$5.4 million in 1H2010.

Interest income increased slightly from \$5.5 million in 1H2009 to \$5.6 million in 1H2010.

Increase in revenue for Trading segment by \$6.3 million was mainly due to increase in proceeds from sale of investment securities by \$6.4 million (1H2010: \$9.0 million; 1H2009: \$2.6 million).

Profit before taxation (excluding all inter-segment transactions)

	Group		
	Six Months Ended		
	30.6.2010	30.6.2009	+ / (-)
	\$'000	\$'000	%
Rental and Investments ("RI")	9,377	19,825	(52.7)
Trading and Investments ("Trading")	695	(329)	(311.2)
Corporate and Others	(2,085)	(1,236)	68.7
	7,987	18,260	

Reduction in profit before taxation for RI segment by \$10.4 million or 52.7%, from \$19.8 million in 1H2009 to \$9.4 million in 1H2010 was mainly due to

- reduction in share of results of associates and unincorporated joint venture by \$15.9 million (1H2010: share of loss of \$0.2 million; 1H2009: share of profit of \$15.7 million) (see further information in point 7 on page 2);
- reduction in foreign exchange gains in 1H2010 by \$1.7 million (1H2010: exchange loss of \$0.1 million; 1H2009: exchange gain of \$1.6 million); and
- allowance made for doubtful receivable from an associate amounting to \$0.2 million (1H2009: nil).

Reduction in profit before taxation was mitigated by

- higher rental income of \$0.8 million (1H2010: \$3.9 million; 1H2009: \$3.1 million) and higher gain from sale of investment securities by \$0.6 million (1H2010: \$1.3 million; 1H2009: \$0.7 million);
- gain on disposal of investment properties by \$3.1 million (1H2009: nil);
- lower allowance made for impairment on investment securities amounting to \$3.2 million (1H2010: \$0.3 million; 1H2009: \$3.5 million); and
- reduction in finance costs by \$1.0 million (1H2010: \$0.9 million; 1H2009: \$1.9 million) due to repayment of interest bearing loans.

Improvement in profit before taxation for Trading segment by \$1.0 million was mainly due to

- higher gain from sale of investment securities of \$0.6 million, increasing from \$0.5 million in 1H2009 to \$1.1 million in 1H2010; and
- no allowance for impairment was made for investment securities in 1H2010 (1H2009: \$0.5 million).

The improvement was offset by the lack of allowance written back for doubtful debt receivable from an associate in 1H2010 (1H2009: \$0.2 million).

Increase in loss before taxation for Corporate and Others segment by \$0.9 million was mainly due to increase in legal and professional fees by \$0.2 million incurred in connection with the disposal of Tenet and incentive of \$0.4 million (1H2009: nil) paid to staff in 1H2010.

Second Quarter Ended 30 June 2010 ("2Q2010") vs Second Quarter Ended 30 June 2009 ("2Q2009")

Revenue (excluding all inter-segment transactions)

	Group		
	Second Quarter Ended		
	30.6.2010	30.6.2009	+ / (-)
	\$'000	\$'000	%
Rental and Investments ("RI")	7,719	9,520	(18.9)
Trading and Investments ("Trading")	2,270	1,612	40.8
Corporate and Others	-	-	-
	<u>9,989</u>	<u>11,132</u>	

Reduction in revenue for RI segment by \$1.8 million was mainly due to reduction in proceeds from sale of investment securities by \$2.0 million (2Q2010: \$2.9 million; 2Q2009: \$4.9 million).

The reduction was offset by rental income which improved slightly by \$0.2 million (2Q2010: \$1.9 million; 2Q2009: \$1.7 million) due to higher contribution from UK properties (2Q2010: \$0.9 million; 2Q2009: \$0.8 million).

Interest income remained stable at \$2.7 million for both quarters.

Increase in revenue from Trading segment by \$0.7 million, or 40.8% was due to increase in proceeds from sale of investment securities by \$0.7 million (2Q2010: \$2.1 million; 2Q2009: 1.4 million).

Profit before taxation (excluding all inter-segment transactions)

	Group		
	Second Quarter Ended		
	30.6.2010	30.6.2009	+ / (-)
	\$'000	\$'000	%
Rental and Investments ("RI")	5,986	14,451	(58.6)
Trading and Investments ("Trading")	(49)	409	(112.0)
Corporate and Others	(1,293)	(607)	113.0
	<u>4,644</u>	<u>14,253</u>	

Reduction in profit before taxation in RI segment by \$8.5 million or 58.6%, from \$14.4 million in 2Q2009 to \$6.0 million in 2Q2010 was mainly due to

- reduction in share of results of associates and unincorporated joint venture by \$11.5 million (2Q2010: share of loss of \$0.2 million; 2Q2009: share of profit of \$11.3 million);
- reduction in foreign exchange gains by \$0.9 million (2Q2010: \$0.3 million; 2Q2009: \$1.2 million); and
- allowance made for doubtful receivable from an associate amounting to \$0.2 million (2Q2009: nil).

Reduction in profit before taxation was mitigated by

- gain on sale of investment properties of \$3.1 million (2Q2009: nil);
- reduction in allowance made for impairment on investment securities by \$0.7 million (2Q2010: \$0.3 million; 2Q2009: \$1.0 million); and
- reduction in finance costs by \$0.6 million (2Q2010: \$0.4 million; 2Q2009: \$1.0 million) due to repayment of interest bearing loans during the period.

Reduction in profit before taxation in Trading segment by \$0.4 million was mainly due to lower profit in sale of investment securities by \$0.2 million (2Q2010: \$0.2 million; 2Q2009: \$0.4 million). In 2Q2010, there was no allowance written back for doubtful debt receivable from an associate (2Q2009: \$0.2 million).

Increase in loss before taxation in Corporate and Others segment by \$0.7 million was mainly due to professional fees incurred in connection with the disposal of Tenet amounting to \$0.1 million (2Q2010: \$0.2 million; 2Q2009: \$0.1 million) and incentive of \$0.4 million (2Q2009: nil) paid to staff in 2Q2010.

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.

With the divestment of Tenet Insurance, revenue for the group will be lower.

As part of the effort to improve the return on the Group's existing assets, the Group's warehouse at Paya Lebar will be undergoing upgrading soon. Rental income will be affected during the period when the property is undergoing upgrading works.

Future revenue and profit will be dependent on rental and investment income. The performance of the Group's investments will depend on the state of the financial and equity markets.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes.

Name of Dividend	Special Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	5 cents one-tier, tax exempt
Tax Rate	Not applicable

Name of Dividend	Interim Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	1 cent one-tier, tax exempt
Tax Rate	Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

Name of Dividend	Interim Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	1 cent one-tier, tax exempt
Tax Rate	Not applicable

(c) Date payable

27 August 2010

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 18 August 2010 for the preparation of dividend warrants. Duly completed registrable transfers received by the Company's Share Registrars, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623 up to 5.00 p.m. on 17 August 2010 will be registered before entitlements to the dividend are determined. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the said dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlements to holders of shares in accordance with its practice.

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

Not applicable.

13. COMPARATIVE FIGURES

With the classification of Tenet as discontinued operation, comparative income statement was restated to conform to current year's presentation.

14. INTERESTED PERSON TRANSACTIONS

Name of interested person	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)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Goh Kian Hwee – Professional fees charged by Rajah & Tann LLP.	\$275,500	Nil
Hong Leong Investment Holdings Pte. Ltd. Group – interest charged on shareholder loan to Hong Property Investment Pte Ltd for six months ended 30 June 2010.	\$177,867	Not applicable^

^ 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.

15. 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.

SUBMITTED BY

Simon Ong
Chief Financial Officer
30 July 2010