

**UNAUDITED RESULTS FOR THIRD QUARTER ENDED 30 SEPTEMBER 2015**
**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		
		30.9.2015 \$'000	30.9.2014 \$'000	+ / (-) %	30.9.2015 \$'000	30.9.2014 \$'000	+ / (-) %
<b>Revenue</b>		4,185	4,337	(3.5)	16,171	13,848	16.8
Cost of sales	1	(1,698)	(2,565)	(33.8)	(7,955)	(7,312)	8.8
<b>Gross profit</b>		2,487	1,772	40.3	8,216	6,536	25.7
Other income	2	1,245	6,987	(82.2)	3,319	19,629	(83.1)
General and administrative costs	3	(2,956)	(2,002)	47.7	(7,219)	(6,111)	18.1
Selling and distribution costs		-	-	-	-	(27)	n.m.
Other operating costs	4	(586)	(2,641)	(77.8)	(1,674)	(8,454)	(80.2)
Finance costs		(219)	(115)	90.4	(594)	(414)	43.5
Share of after tax results of associates and joint ventures		463	178	n.m.	1,163	1,148	1.3
Profit before taxation from continuing operations		434	4,179	(89.6)	3,211	12,307	(73.9)
Taxation	5	86	(212)	n.m.	(384)	(879)	(56.3)
<b>Profit from continuing operations, net of taxation</b>		520	3,967	(86.9)	2,827	11,428	(75.3)
<b>Discontinued operation</b>							
<b>Loss from discontinued operation, net of taxation</b>		-	-	-	-	(71)	n.m.
<b>Net profit after taxation</b>		520	3,967		2,827	11,357	
<b>Attributable to:</b>							
<b>Owners of the Company</b>							
Profit from continuing operations, net of taxation		520	3,967	(86.9)	2,827	11,428	(75.3)
Loss from discontinued operation, net of taxation		-	-	-	-	(71)	n.m.
<b>Profit for the period attributable to owners of the Company</b>		520	3,967		2,827	11,357	

n.m. denotes not meaningful.

**Notes to Group Profit and Loss Statement – Continuing operations**

- Cost of sales increased by \$0.6 million year-on-year (“yoy”) mainly due to higher share trading activities earlier in the year but decreased by \$0.9 million quarter-on-quarter (“qoq”) mainly due to lower share trading activities during the latest quarter.
- Other income comprised the following:

	3Q2015 \$'000	3Q2014 \$'000	+ / (-) %	FY2015 \$'000	FY2014 \$'000	+ / (-) %
Interest income	14	48	(70.8)	54	117	(53.8)
Dividend income	63	46	37.0	298	249	19.7
Gain on disposal of investment properties	1,113	6,866	(83.8)	2,652	18,571	(85.7)
Gain on disposal of property, plant and equipment	-	-	-	-	21	n.m.
Other investment income	(38)	12	n.m.	111	90	23.3
Foreign exchange gain	-	(57)	n.m.	-	384	n.m.
Sundry	93	72	29.2	204	197	3.6
	1,245	6,987		3,319	19,629	

3. General and administrative costs increased by \$1.1 million yoy and \$1 million qoq mainly due to unfavourable exchange impact of \$1.6 million yoy and \$1.1 million qoq. The unrealised foreign exchange impact arose mainly from the translation of bank loans denominated in Sterling Pounds.

4. Other operating costs comprised the following:

	3Q2015	3Q2014	+ / (-)	FY2015	FY2014	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Allowance made/(written back) for impairment on						
- unquoted non-current investments	-	-	-	-	(36)	n.m.
- current investments	586	1,008	(41.9)	1,674	1,264	32.4
- investment properties	-	(26)	n.m.	-	4,658	n.m.
Allowance made for doubtful debts						
- due from trade receivables	-	173	n.m.	-	173	n.m.
- due from an associate	-	1,486	n.m.	-	2,395	n.m.
	<u>586</u>	<u>2,641</u>		<u>1,674</u>	<u>8,454</u>	

- Allowance for impairment loss on current investment securities relate to investment securities that had suffered a significant or prolonged decline in the market value below the acquisition cost of those investments.
- Allowance for impairment loss on investment properties of \$4.7 million was due to a decline in value of certain UK properties arising from a directors' valuation exercise carried out in FY2014.
- Allowance for doubtful trade receivables of \$0.2 million was made in FY2014 following an assessment exercise to determine collectability of these debt.
- Allowance for receivables due from an associate of \$2.4 million was made in FY2014 arising from an external valuation exercise carried out on the commercial property held by the associate.

5. Effective tax rate for FY2015 was 11.9% (FY2014: 7.2%). The taxation charge for the Group for FY2015 was lower 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. The taxation charge for 3Q2015 became a credit mainly due to a reversal of deferred tax of \$0.2 million which no longer need to be provided. Effective tax rate for 3Q2015, excluding this reversal of deferred tax, was higher than the statutory tax rate of 17% mainly due to certain non-deductible expenses, losses incurred by foreign subsidiaries which were not available for set off against profits of local subsidiaries, offset by certain non-taxable income.

Profit before taxation included the following:

	Group					
	Third Quarter Ended			Nine Months Ended		
	30.9.2015	30.9.2014	+/(-) %	30.9.2015	30.9.2014	+/(-) %
	\$'000	\$'000		\$'000	\$'000	
Investment income	379	336	12.8	1,030	1,614	(36.2)
Interest income (included in revenue)	231	122	89.3	514	463	11.0
Interest on borrowings	(219)	(115)	90.4	(594)	(414)	43.5
Depreciation on property, plant and equipment and investment properties	(647)	(504)	28.4	(1,915)	(1,635)	17.1
Allowance made for doubtful debts due from an associate	-	(1,486)	n.m.	-	(2,395)	n.m.
Allowance made for doubtful debts from trade receivables	-	(173)	n.m.	-	(173)	n.m.
Allowance (made)/written-back for impairment loss on						
- quoted non-current investments	-	-	-	-	36	n.m.
- quoted current investments	(586)	(1,008)	(41.9)	(1,674)	(1,264)	32.4
Allowance written back/(made)for impairment loss on						
- investment properties	-	26	n.m.	-	(4,658)	n.m.
Overprovision of taxation in prior years	-	-	-	-	-	-
Foreign exchange (loss)/gain	(1,133)	(57)	n.m.	(1,617)	384	n.m.
Gain on disposal of investment securities						
- included in gross profit	213	48	n.m.	1,680	437	n.m.
Gain/(loss) on disposal of property, plant and equipment						
- included in other income	-	-	-	-	21	n.m.
- included in general and administrative expenses	-	-	-	(4)	-	n.m.
Gain on disposal of investment properties						
- included in other income	1,113	6,866	(83.8)	2,652	18,571	(85.7)
Loss on disposal of a subsidiary						
- included in other income	-	-	-	-	(61)	n.m.

### Statement of Comprehensive Income

	Note	Group					
		Third Quarter Ended			Nine Months Ended		
		30.9.2015	30.9.2014	+/(-) %	30.9.2015	30.9.2014	+/(-) %
		\$'000	\$'000		\$'000	\$'000	
<b>Net profit after taxation</b>		520	3,967	(86.9)	2,827	11,357	(75.1)
<u>Other comprehensive income/(loss):</u>							
Items that may be reclassified subsequently to profit or loss:							
Net (loss)/gain on available-for-sale investments (net of tax)	1	(3,508)	(3,729)	(5.9)	(6,163)	783	n.m.
Exchange difference arising from							
- consolidation	3	868	(581)	n.m.	1,171	(411)	n.m.
- revaluation of net investment in foreign operation	3	1,839	(552)	n.m.	2,545	17	n.m.
- reclassification on disposal of a subsidiary	2	-	-	-	-	3,548	n.m.
Revaluation gain realised by an associate to income statement		-	-	-	-	(106)	n.m.
Other comprehensive (loss)/gain, net of tax		(801)	(4,862)		(2,447)	3,831	
<b>Total comprehensive gain for the period</b>		<b>(281)</b>	<b>(895)</b>		<b>380</b>	<b>15,188</b>	
Total comprehensive gain for the period attributable to:							
Owners of the Company		(281)	(895)	(68.6)	380	15,188	(97.5)
Non-controlling interests		-	-		-	-	
		(281)	(895)		380	15,188	

- 1) Net losses on available-for-sale investments (net of tax) in FY2015 was mainly due to decreases in fair value of the available-for-sale investments arising from unfavourable market conditions on certain shares held by the Group.
- 2) The currency translation reserve of \$3.5 million relating to Phrata Sdn Bhd was reclassified, arising from the disposal of this subsidiary in 1Q2014.
- 3) Exchange differences arising from the consolidation of \$1.2 million in FY2015 and \$0.9 million in 3Q2015 and revaluation of net investment in foreign operation of \$2.6 million in FY2015 and \$1.8 million in 3Q2015 were mainly due to favourable foreign exchange impact arising from the translation of Sterling Pound against Singapore Dollars for those UK net investments and assets. The strengthening of Sterling Pound against Singapore Dollar resulted in overall net foreign exchange gain of approximately \$2.1 million for FY2015 and \$1.6 million for 3Q2015 notwithstanding a translation loss in the profit and loss of \$1.6 million attributable to our Sterling Pound loans.

**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	
		30.9.2015 \$'000	31.12.2014 \$'000	30.9.2015 \$'000	31.12.2014 \$'000
<b>Non-current assets</b>					
Property, plant and equipment		4,990	5,282	-	-
Investment properties		102,125	100,467	-	-
Investment in subsidiaries		-	-	171,439	171,439
Investment in joint ventures		8,505	8,142	-	-
Investment in associates		17,015	16,521	746	746
Investment securities	1	20,740	15,791	-	-
Other receivables	2	12,346	4,366	-	-
Amounts due from associates		2,000	2,000	-	-
		<b>167,721</b>	<b>152,569</b>	<b>172,185</b>	<b>172,185</b>
<b>Current assets</b>					
Trade receivables	3	270	771	-	-
Properties classified as held for sale	4	540	-	-	-
Prepayments and deposits		244	247	53	57
Other receivables	5	4,451	2,780	-	7
Amounts due from subsidiaries		-	-	200	200
Amounts due from associates		8,950	8,987	-	-
Investment securities	6	29,676	37,479	-	-
Cash and bank balances	7	43,110	52,156	2,469	8,897
		<b>87,241</b>	<b>102,420</b>	<b>2,722</b>	<b>9,161</b>
<b>Current liabilities</b>					
Trade payables		(497)	(578)	-	-
Other payables	8	(1,913)	(2,329)	(305)	(315)
Accrued operating expenses	9	(1,691)	(2,476)	(133)	(168)
Amounts due to associates		(575)	(546)	(378)	(354)
Bank loans (secured)	2	(40,260)	(31,259)	-	-
Bank overdrafts (secured)		(121)	-	-	-
Tax payable		(2,404)	(2,108)	-	(5)
		<b>(47,461)</b>	<b>(39,296)</b>	<b>(816)</b>	<b>(842)</b>
<b>Net current assets</b>		<b>39,780</b>	<b>63,124</b>	<b>1,906</b>	<b>8,319</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	10	(3,750)	(4,726)	-	-
Other payables		(399)	(480)	-	-
		<b>(4,149)</b>	<b>(5,206)</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>		<b>203,352</b>	<b>210,487</b>	<b>174,091</b>	<b>180,504</b>

	Group		Company	
	30.9.2015 \$'000	31.12.2014 \$'000	30.9.2015 \$'000	31.12.2014 \$'000
<b>Equity attributable to Owners of the Company</b>				
Share capital	172,154	172,154	172,154	172,154
Capital reserve	1,202	1,202	-	-
Revenue reserve	33,624	38,312	1,937	8,350
Fair value reserve	4,198	10,361	-	-
Currency translation reserve	(7,826)	(11,542)	-	-
	<u>203,352</u>	<u>210,487</u>	<u>174,091</u>	<u>180,504</u>
Non-controlling interests	-	-	-	-
<b>Share capital and reserves</b>	<u>203,352</u>	<u>210,487</u>	<u>174,091</u>	<u>180,504</u>

Note:

1. Non-current investment securities increased by \$4.9 million mainly to an investment in a new fund of \$3.1 million during the period and a further injection of \$1.3 million to an existing investment.
2. Increase in non-current receivables by \$8 million was mainly due to a secured loan of GBP3.5 million in connection with the Head Post Office site located at Sheffield, UK, in which the group has a financial interest. This was funded through additional bank loans to the group.
3. Decrease in trade receivables by \$0.5 million was mainly due to collection of receipts from one of its tenants.
4. As at 30 September 2015, one UK residential property was classified as held for sale with completion expected by 4Q2015.
5. Increase in current other receivables by \$1.7 million was mainly due to loan of \$1.3 million provided to UK joint ventures.
6. Decrease in current investment securities by \$7.8 million was mainly due to disposals and fair value change of available-for-sale investments during the period.
7. Decrease in the Company's cash and bank balances by \$6.4 million was mainly due to payment of dividends during the period. Decrease in the Group's cash and bank balances by \$9 million was mainly due to receipt from the disposal of investment property offset by payment of dividends.
8. Reduction in other payables of \$0.4 million was mainly due to a reduction in deferred income and rental received in advance offset by UK capital gain tax during the period. With effect from 6 April 2015, UK levied capital gain tax on gains arising from disposal of residential properties for non-UK residents and only gains from 6 April 2015 would be taxed, i.e. the value of the property as at 6 April 2015 would be used as the base cost.
9. Reduction in accrued operating expenses by \$0.8 million was mainly due to payment of bonuses and property tax during the period.
10. Decrease in deferred tax liabilities of \$1 million was mainly due to lesser provision made due to fair value decreases of available-for-sale investments.

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

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

	30.9.2015		31.12.2014	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Bank overdrafts	121	-	-	-
Short term bank loans	40,260	-	31,259	-
	<u>40,381</u>	<u>-</u>	<u>31,259</u>	<u>-</u>

### Amount repayable after one year

	30.9.2015		31.12.2014	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Long term bank loans	-	-	-	-

The Group has sufficient resources to repay the short-term bank loans and bank overdrafts.

### Details of any collateral

Short term bank loans comprised:

- An amount of \$17.9 million (2014: \$9.9 million) secured by a pledge of \$15 million (2014: \$15 million) on a subsidiary's fixed deposits and a corporate guarantee from the Company.
- An amount of \$10.9 million (2014: \$10.3 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 \$2.9 million (2014: \$2.9 million) secured by a deed of guarantee and indemnity of \$4 million (2014: \$4 million) from a subsidiary.
- An amount of \$8.6 million (2014: \$8.15 million) secured by a pledge of \$4 million (2014: \$4 million) on a subsidiary's fixed deposits.

Bank overdraft is secured by a corporate guarantee from the Company for \$15 million.

**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 30.9.2015 \$'000	30.9.2014 \$'000	Nine Months Ended 30.9.2015 \$'000	30.9.2014 \$'000
<b>Cash flow from operating activities:</b>				
Profit before taxation from continuing operations	434	4,179	3,211	12,307
Loss before taxation from discontinued operation	-	-	-	(71)
Adjustments for:				
Interest income	(245)	(170)	(568)	(580)
Interest expense	219	115	594	414
Dividend income from investment securities	(442)	(382)	(1,328)	(1,863)
Depreciation of property, plant and equipment and investment properties	647	504	1,915	1,635
Share of results of associates and joint ventures	(463)	(178)	(1,163)	(1,148)
Allowance made for doubtful debts due from an associate	-	1,486	-	2,395
Allowance made for doubtful debts due from trade receivables	-	173	-	173
Allowance (written back)/made for impairment loss on				
- non current investment securities	-	-	-	(36)
- current investment securities	586	1,008	1,674	1,264
- investment properties	-	(26)	-	4,658
Loss/(gain) on disposal of property, plant and equipment	-	-	4	(21)
Gain on disposal of investment properties	(1,113)	(6,866)	(2,652)	(18,571)
Loss on disposal of subsidiary	-	-	-	61
Unrealised exchange differences	46	(596)	34	(1,148)
	(765)	(4,932)	(1,490)	(12,767)
<b>Operating income before reinvestment in working capital</b>	(331)	(753)	1,721	(531)
Decrease in receivables and current investments	(1,059)	(1,082)	(1,345)	(3,082)
Decrease in inventories	-	-	-	4
Decrease/(increase) in payables	72	(179)	(1,363)	(1,963)
	(987)	(1,261)	(2,708)	(5,041)
<b>Cash (used in)/generated from operations</b>	(1,318)	(2,014)	(987)	(5,572)
Interest received	109	145	382	505
Interest paid	(219)	(115)	(594)	(414)
Dividend income from investment securities	442	382	1,328	1,863
Income taxes paid	(42)	(18)	(125)	(102)
	290	394	991	1,852
<b>Net cash (used in)/generated from operating activities</b>	(1,028)	(1,620)	4	(3,720)
<b>Cash flow from investing activities:</b>				
Increase in other investments	(1,236)	-	(4,743)	-
(Increase)/decrease in other receivables	(3,379)	2,432	(8,906)	8,169
Decrease/(Increase) in investment in joint ventures	-	475	-	(4,354)
Decrease/(increase) in amounts due from associates	143	371	177	(901)
Dividend income from associates	-	-	750	-
Proceeds from disposal of a subsidiary	-	-	-	3,185
Proceeds from disposal of investment properties	1,383	17,703	3,291	40,160
Proceeds from disposal of property, plant and equipment	-	-	-	34
Additions to investment properties	(851)	(665)	(1,591)	(1,350)
Purchase of property, plant and equipment	-	-	(2)	(1)
<b>Net cash generated from/(used in) investing activities</b>	(3,940)	20,316	(11,024)	44,942
<b>Net cash (used in)/generated from operating and investing activities carried forward</b>	(4,968)	18,696	(11,020)	41,222



	Group			
	Third Quarter Ended		Nine Months Ended	
	30.9.2015	30.9.2014	30.9.2015	30.9.2014
	\$'000	\$'000	\$'000	\$'000
<b>Net cash (used in)/generated from operating and investing activities brought forward</b>	(4,968)	18,696	(11,020)	41,222
<b>Cash flow from financing activities:</b>				
Increase in bank loans	1,395	-	9,001	5,857
Repayments of bank loans	-	-	-	(15,394)
Dividends paid	-	-	(7,515)	(6,535)
Increase in pledged cash and bank balances	-	-	-	(1,660)
<b>Net cash generated from/(used in) financing activities</b>	1,395	-	1,486	(17,732)
Net (decrease)/increase in cash and cash equivalents	(3,573)	18,696	(9,534)	23,490
Cash and cash equivalents at beginning of the period	27,297	40,264	33,156	35,197
Effects of exchange rate changes on cash and cash equivalents	265	(243)	367	30
<b>Cash and cash equivalents at end of the period</b>	<b>23,989</b>	<b>58,717</b>	<b>23,989</b>	<b>58,717</b>

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

	Group		Group	
	30.9.2015	30.9.2014	30.9.2015	30.9.2014
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	43,110	77,734	43,110	77,734
Less: cash and bank balances pledged	(19,000)	(19,000)	(19,000)	(19,000)
Less: bank overdraft secured	(121)	(17)	(121)	(17)
<b>Cash and cash equivalents at end of the period</b>	<b>23,989</b>	<b>58,717</b>	<b>23,989</b>	<b>58,717</b>



<b>Company</b>	<b>Share capital \$'000</b>	<b>Revenue reserve \$'000</b>	<b>Total equity \$'000</b>
Balance at 1.1.2015	172,154	8,350	180,504
Total comprehensive loss for the period	-	(225)	(225)
Balance at 31.3.2015	<u>172,154</u>	<u>8,125</u>	<u>180,279</u>
Total comprehensive loss for the period	-	(296)	(296)
Dividends paid	-	(7,515)	(7,515)
Balance at 30.6.2015	<u>172,154</u>	<u>314</u>	<u>172,468</u>
Total comprehensive gain for the period	-	1,623	1,623
Balance at 30.9.2015	<u><u>172,154</u></u>	<u><u>1,937</u></u>	<u><u>174,091</u></u>
Balance at 1.1.2014	172,154	9,311	181,465
Total comprehensive gain for the period	-	3,626	3,626
Balance at 31.3.2014	<u>172,154</u>	<u>12,937</u>	<u>185,091</u>
Total comprehensive loss for the period	-	(293)	(293)
Dividends paid	-	(6,535)	(6,535)
Balance at 30.6.2014	<u>172,154</u>	<u>6,109</u>	<u>178,263</u>
Total comprehensive loss for the period	-	(1,287)	(1,287)
Balance at 30.9.2014	<u><u>172,154</u></u>	<u><u>4,822</u></u>	<u><u>176,976</u></u>

**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 option has been granted under the Hwa Hong Corporation Limited (2001) Share Option Scheme since its adoption on 29 May 2001. At the 58<sup>th</sup> Annual General Meeting held on 27 April 2011, the shareholders of the Company approved the extension of the scheme for another ten years from 29 May 2011 to 28 May 2021.

**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 2014, there were no changes to the total number of 653,504,000 issued ordinary shares of the Company.

Total number of issued shares excluding treasury shares, as at 30 September 2015, was 653,504,000 (31 December 2014: 653,504,000). As at 30 September 2015 and 31 December 2014, there were no treasury shares held.

As at 30 September 2015 and 31 December 2014, 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.**

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 2014.

**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 standards that are mandatory for the financial periods beginning on 1 January 2015:-

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 19 Defined Benefit Plans: Employee Contribution	1 July 2014
Improvements to FRSs (January 2014)	1 July 2014
(a) Amendments to FRS 102 Share Based Payment	1 July 2014
(b) Amendments to FRS 103 Business Combinations	1 July 2014
(c) Amendments to FRS 108 Operating Segments	1 July 2014
(d) Amendments to FRS 113 Fair Value Measurements	1 July 2014
(e) Amendments to FRS 16 Property, Plant and Equipment and FRS 38 Intangible Assets	1 July 2014
(f) Amendments to FRS 24 Related Party Disclosures	1 July 2014
Improvements to FRSs (February 2014)	
(a) Amendments to FRS 103 Business Combinations	1 July 2014
(b) Amendments to FRS 113 Fair Value Measurement	1 July 2014

The adoption of the revised FRS did not have any material financial impact on the financial statements of the Group and the Company for the quarter ended 30 September 2015.

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.**

	<b>GROUP</b>			
	<b>Third Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30.9.2015</b>	<b>30.9.2014</b>	<b>30.9.2015</b>	<b>30.9.2014</b>
<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)	0.08	0.61	0.43	1.75
(ii) On a fully diluted basis (cents)	0.08	0.61	0.43	1.75
<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)	0.00	0.00	0.00	(0.01)
(ii) On a fully diluted basis (cents)	0.00	0.00	0.00	(0.01)

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.**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>30.9.2015</b>	<b>31.12.2014</b>	<b>30.9.2015</b>	<b>31.12.2014</b>
Net asset value per ordinary share (cents)	31.12	32.21	26.64	27.62

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)

	3Q2015 \$'000	3Q2014 \$'000	+ / (-) %	FY2015 \$'000	FY2014 \$'000	+ / (-) %
Rental	2,210	1,693	30.5	6,604	5,385	22.6
Investments	1,975	2,644	(25.3)	9,567	8,453	13.2
Corporate and Others	-	-	n.m.	-	10	n.m.
	<u>4,185</u>	<u>4,337</u>		<u>16,171</u>	<u>13,848</u>	

Increase in revenue for rental segment by \$1.2 million yoy and \$0.5 million qoq takes into account:-

- increase in rental income from Eagle House in London by \$1.5 million yoy and \$0.5 million qoq subsequent to its acquisition in December 2014;
- decrease of \$0.3 million yoy due to absence of rental income from certain UK properties arising from their disposals in May and September 2014.

Increase in revenue for investments segment by \$1.1 million yoy and decrease of \$0.7 million qoq takes into account:-

- increase in proceeds from sale of investment securities by \$1.6 million yoy mainly due to increase in share trading activities. A decrease of \$0.8 million qoq was noted due to decrease in share trading activities for the quarter;
- decrease in dividend income by \$0.6 million yoy mainly due to a US\$0.6 million distribution from a fund held by the Group in 1Q 2014.

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

	3Q2015 \$'000	3Q2014 \$'000	+ / (-) %	FY2015 \$'000	FY2014 \$'000	+ / (-) %
Rental	1,705	5,433	(68.6)	4,658	12,125	(61.6)
Investments	462	(609)	n.m.	2,166	1,764	22.8
Corporate and Others	(486)	(384)	26.6	(1,566)	(1,385)	13.1
	<u>1,681</u>	<u>4,440</u>		<u>5,258</u>	<u>12,504</u>	
Unallocated items	(1,247)	(261)	n.m.	(2,047)	(197)	n.m.
	<u>434</u>	<u>4,179</u>		<u>3,211</u>	<u>12,307</u>	

Rental segment refers to rental of residential, commercial properties and warehouse. Decrease in profit before taxation for Rental segment by \$7.5 million yoy and \$3.7 million qoq takes into account:-

- decrease in gain from disposal of investment properties by \$15.9 million yoy and \$5.8 million qoq;

- absence of allowance made for impairment loss on doubtful debts due from an associate of \$2.4 million yoy and \$1.5 million qoq. The allowance was made in 2Q2014 and 3Q2014 arising from assessment exercise to determine collectability of the debt;
- absence of allowance made for impairment loss on investment properties of \$4.7 million yoy. The allowance for impairment loss was made in 2Q2014 on 2 UK properties outside of London, due to a decline in value of certain UK properties arising from a directors' valuation exercise;
- positive contributions from Eagle House by \$1 million yoy and \$0.3 million qoq subsequent to its acquisition in Dec 2014.

Investment segment refers to investment holding. Increase in profit before taxation for Investment segment by \$0.4 million yoy and \$1.1 million qoq takes into account:-

- increase in gain on disposal of investment securities of \$1.2 million yoy and \$0.2 million qoq;
- increase in share of results of associates of \$0.3 million mainly due to increase in share of profits from two of its joint ventures, Neo Pav E Investments LLP and Neo Bankside Retail LLP qoq;
- increase in impairment loss on quoted current investments of \$0.4 million yoy and decrease of \$0.4 million qoq. Impairment loss on available-for-sale investments are made when the investment securities suffer a significant or prolonged decline in the market value below the acquisition cost;
- decrease in dividend income by \$0.6 million yoy mainly due to a US\$0.6 million distribution from a fund held by the Group in 1Q2014.

Corporate segment refers to the provision of management, administrative and support services to related companies and investment holding. The loss before tax of the Corporate segment yoy and qoq remained relatively the same and were mainly contributed by salaries, bonuses and accruals of director fees.

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 unfavourable 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.**

Global economic and financial developments remain uncertain.

The Singapore residential market remains weak and rental rates have dropped.

A third unit of our London residential property was successfully sold and a gain of approximately GBP857,000 will be recognised in Q4.

Despite the Group's recent favourable sales, the residential market in UK may be affected by recent changes to the UK residential property tax regime.

Construction works in Sheffield Post Office site are progressing and handover of the building to Sheffield Hallam University is expected in late December.

For our commercial property Eagle House in London, we will commence asset enhancement works in 4Q 2015 and expect the building to be re-let in 2H2016 at increased rents. In the interim period, we expect a decline in rental income.

The stock market is expected to remain volatile and may affect the performance of the Group's portfolio.

**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>
Hong Leong Investment Holdings Pte. Ltd. Group – Interest charged on shareholder loan to Hong Property Investment Pte Ltd for nine months ended 30 September 2015	\$113,850	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.

#### SUBMITTED BY

Lee Soo Wei  
Chief Financial Officer  
30 October 2015