

UNAUDITED RESULTS FOR HALF YEAR ENDED 30 JUNE 2020
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	Six Months Ended		+ / (-) %
		30.6.2020 \$'000	30.6.2019 \$'000	
Revenue		5,032	5,661	(11.1)
Cost of sales		(2,118)	(1,955)	
Changes in fair value of investment securities	1	214	590	(63.7)
Gross profit		3,128	4,296	(27.2)
Other income	2	3,077	3,453	(10.9)
General and administrative costs		(2,905)	(2,918)	(0.4)
Other operating costs	3	(1,856)	(29)	n.m.
Finance costs		(1,046)	(1,188)	(12.0)
Share of after tax results of associates and joint ventures	4	240	502	(52.2)
Profit before taxation		638	4,116	(84.5)
Taxation	5	(872)	(884)	(1.4)
Net (loss)/profit after taxation		(234)	3,232	n.m.
Attributable to:				
Owners of the Company		(216)	3,247	n.m.
Non-controlling interests		(18)	(15)	
(Loss)/profit for the year attributable to owners of the Company		(234)	3,232	

n.m. denotes not meaningful.

Notes to Group Profit and Loss Statement:

- Decline in changes in fair value of investment securities by \$0.4 million was due to decreases in fair values for fair value through profit and loss ("FVPL") investment securities arising from unfavourable market conditions. The STI Index decreased from 3,222.83 as at 31 December 2019 to 2,589.91 as at 30 June 2020.

2. Other income comprised the following:

		1H2020	1H2019	+ / (-)
		\$'000	\$'000	%
Interest income		34	5	n.m.
Gain on disposal of investment properties	(a)	2,540	3,183	(20.2)
Foreign exchange gain		72	145	(50.3)
Rental income from an associated company		11	-	n.m.
Management fee from an associated company		1	-	n.m.
Reimbursement of expenses from an associated company		5	-	n.m.
Grant income	(b)	238	-	n.m.
Sundry		176	120	46.7
		<u>3,077</u>	<u>3,453</u>	

(a) Gain on disposal of investment properties decreased by \$0.6 million as the Group sold one residential property each in Singapore and London in 1H2019 compared to one residential property sold in Singapore in 1H2020.

(b) The Group received government grant job support scheme of \$0.1 million and property tax rebate of \$0.1 million in 1H2020.

3. Other operating costs comprised the following:

	1H2020	1H2019	+ / (-)
	\$'000	\$'000	%
Fair value loss on derivatives	9	29	(69.0)
Impairment in other receivables	1,847	-	n.m.
	<u>1,856</u>	<u>29</u>	

Impairment in other receivables in 1H2020 was due to bad debts written off on the deferred rental receivable of a tenant in London. The deferred rental receivable relates to lease income that remains to be amortised over the lease term on a straight-line basis. The tenant has gone into administration during the period due, inter alia, to the current Covid-19 pandemic and the government imposed lockdown in the UK.

4. Share of results of associates and joint ventures decreased by \$0.3 million mainly due to an increase in share of losses of \$0.2 million from one of its joint ventures, Neo Pav E Investments LLP arising from a write-off of a development cost.

5. The taxation charge for the Group for 1H2020 was higher than that arrived at by applying the statutory tax rate of 17% to the profit before taxation mainly due to certain non-deductible expenses and losses incurred by foreign subsidiaries which are not available for set off against profits of local subsidiaries.

Profit before taxation included the following:

	Note	Six Months Ended		
		30.6.2020 \$'000	30.6.2019 \$'000	+ / (-) %
Investment income		261	489	(46.6)
Interest income (included in revenue)		302	357	(15.4)
Interest on borrowings		(1,046)	(1,188)	(12.0)
Depreciation on property, plant and equipment and investment properties		(1,336)	(1,264)	5.7
Fair value changes in investment securities		214	590	(63.7)
Fair value loss on derivatives		(9)	(29)	(69.0)
Foreign exchange gain		72	145	(50.3)
Other income:				
- Gain on disposal of investment properties	2	2,540	3,183	(20.2)
Impairment loss on other receivables	3	(1,847)	-	n.m.

Statement of Comprehensive Income

	Note	Six Months Ended		
		30.6.2020 \$'000	30.6.2019 \$'000	+ / (-) %
Net (loss)/profit after taxation		(234)	3,232	n.m.
<u>Other comprehensive (loss)/gain:</u>				
<i>Items that will not be reclassified to profit or loss</i>				
Net (loss)/gain on investment securities	1	(466)	892	n.m.
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation	2	(605)	(559)	8.2
Revaluation gain realised by an associate to profit or loss		(128)	(187)	(31.6)
Other comprehensive (loss)/income, net of tax		<u>(1,199)</u>	<u>146</u>	n.m.
Total comprehensive (loss)/income for the period		<u>(1,433)</u>	<u>3,378</u>	n.m.
Total comprehensive (loss)/income for the period attributable to:				
Owners of the Company		(1,418)	3,393	n.m.
Non-controlling Interests		(15)	(15)	
		<u>(1,433)</u>	<u>3,378</u>	

- 1) Net loss on Fair Value through Other Comprehensive Income ("FVOCI") investment securities in 1H2020 of \$0.5 million was mainly due to decrease in fair values in certain investments held by the Group.

- 2) Foreign currency translation came mainly from foreign exchange impact arising from the translation of Sterling Pound against Singapore Dollars for UK net investments. The weakening of the Sterling Pound against Singapore Dollar resulted in overall net foreign exchange loss of approximately \$0.6 million for 1H2020 (1H 2019: \$0.6 million).

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	
		30.6.2020 \$'000	31.12.2019 \$'000	30.6.2020 \$'000	31.12.2019 \$'000
Non-current assets					
Property, plant and equipment		4,124	4,264	-	-
Investment properties	1	150,097	153,026	-	-
Investment in subsidiaries		-	-	169,025	169,025
Investment in joint ventures		3,737	3,470	-	-
Investment in associates		21,432	22,158	746	746
Investment securities	2	24,056	25,190	-	-
Other receivables	3	14,065	15,323	-	-
		217,511	223,431	169,771	169,771
Current assets					
Tax recoverable		-	17	-	-
Trade receivables	4	968	490	-	-
Prepayments and deposits		170	154	29	42
Other receivables		2,978	3,041	-	6
Amounts due from subsidiaries		-	-	4,939	5,044
Amounts due from associates	5	5,746	5,168	-	-
Investment securities	6	18,895	17,811	-	-
Cash and bank balances	7	36,649	39,465	533	7,524
		65,406	66,146	5,501	12,616
Current liabilities					
Bank overdrafts (secured)		(226)	(200)	-	-
Trade payables		(561)	(560)	-	-
Other payables	8	(3,938)	(2,711)	(371)	(375)
Accrued operating expenses	9	(1,748)	(2,396)	(187)	(275)
Derivatives		(39)	(31)	-	-
Amounts due to associates		(1,988)	(1,979)	(373)	(366)
Bank loans (secured)	10	(57,654)	(61,311)	-	-
Tax payable	11	(2,099)	(1,401)	-	-
		(68,253)	(70,589)	(931)	(1,016)
Net current (liabilities)/assets		(2,847)	(4,443)	4,570	11,600
Non-current liabilities					
Deferred tax liabilities		(5,201)	(5,072)	-	-
Bank loans (secured)	12	(21,378)	(17,886)	-	-
Other payables		(5,586)	(5,571)	-	-
		(32,165)	(28,529)	-	-
Net assets		182,499	190,459	174,341	181,371

	Group		Company	
	30.6.2020	31.12.2019	30.6.2020	31.12.2019
	\$'000	\$'000	\$'000	\$'000
Equity attributable to Owners of the Company				
Share capital	172,154	172,154	172,154	172,154
Treasury shares	(260)	(260)	(260)	(260)
Capital reserve	631	759	-	-
Revenue reserve	35,585	42,328	2,447	9,477
Fair value reserve	(2,144)	(1,678)	-	-
Currency translation reserve	(23,428)	(22,823)	-	-
	182,538	190,480	174,341	181,371
Non-controlling interests	(39)	(21)	-	-
Share capital and reserves	182,499	190,459	174,341	181,371

Notes to Statement of Financial Position:

1. Investment properties decreased by \$2.9 million mainly due to:
 - a. disposal of a residential property in Singapore;
 - b. depreciation;
 - c. translation loss arising from the UK properties as Sterling Pound had weakened against Singapore Dollar; partially offset by
 - d. additions during the period.
2. Non-current investment securities decreased by \$1.1 million mainly due to capital distribution of \$0.6 million from some of the investment securities and fair value loss of \$0.5 million in FVOCI investments.
3. Other receivables decreased by \$1.3 million mainly due to:
 - a. impairment of \$1.8 million on the deferred rental receivables of a tenant in London. The tenant has gone into administration during the period due, inter alia, to the current Covid-19 pandemic and government imposed lockdown in the UK; partially offset by
 - b. an increased in amount due from a joint venture of \$0.7 million.
4. Trade receivables increased by \$0.5 million mainly due to the timing of receipts of rents from some of the UK tenants as at 31 December 2019 compared to 30 June 2020. Arising from the Covid-19 situation, with effect from June 2020, the Group has acceded to the requests from some of the UK tenants to change the payment schedule from advance quarterly payment to a monthly payment basis.
5. Amount due from associates increased by \$0.6 million mainly due to loan of \$0.6 million to an associated company, Shorea Capital Pte Ltd during the year.
6. Current investment securities increased by \$1.1 million mainly due to net acquisition of investment securities by \$0.9 million and fair value gains of \$0.2 million during the period.
7. Decrease in Group's cash at bank balances of \$2.8 million was mainly due to payment of dividends partially offset by proceeds from disposal of a residential property in Singapore. Decrease in Company's cash at bank balances of \$7.0 million was mainly due to payment of dividends during the period.

8. Other payables increased by \$1.2 million primarily due to a change in tenant in one of our properties. During the first half year, Telstra Group sold its data center business to BDx Corporation ("BDx"). Arising from the sale process, the Group received a receipt of security deposit from BDx in lieu of banker's guarantee.
9. Accrued operating expenses decreased by \$0.6 million mainly due to payment of employee bonuses during the period.
10. Current bank loans decreased by \$3.7 million mainly due to:
 - a. loan repayment of \$3.1 million;
 - b. translation gain of \$0.6 million as Sterling Pound had weakened against Singapore Dollar.
11. Tax payable increased by \$0.7 million mainly due to provision on tax on certain chargeable income during the period.
12. Non-current bank loans increased by \$3.5 million mainly due to loan draw down for the development of the property at 253JB Pte Ltd.

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

Amount repayable in one year or less, or on demand

	30.6.2020		31.12.2019	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Bank overdrafts	226	-	200	-
Short term bank loans	57,654	-	61,311	-
	<u>57,880</u>	<u>-</u>	<u>61,511</u>	<u>-</u>

Amount repayable after one year

	30.6.2020		31.12.2019	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Long term bank loans	21,378	-	17,886	-

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 \$24.8 million (2019: \$25.2 million) secured by a pledge of \$15 million (2019: \$15 million) on a subsidiary's fixed deposits and a corporate guarantee from the Company.
- An amount of \$24.3 million (2019: \$24.6 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 \$3.5 million (2019: \$3.5 million) secured by a pledge of \$4 million (2019: \$4 million) on a subsidiary's fixed deposits.
- An amount of \$5.0 million (2019: \$8.0 million) secured by a legal charge over a subsidiary's investment property, assignment of tenancy agreement in respect of the property and a corporate guarantee from another subsidiary company of the Group.

Long term bank loans comprised:

- \$17.4 million (2019: \$17.6 million) is secured by a pledge of \$0.3 million (2019: \$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.
- \$4.0 million (2019: \$0.3 million) is secured by a legal charge over the investment properties, assignment of construction contracts, performance bonds in respect to the development of the investment properties and a corporate guarantee from one of the subsidiary companies.

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	
	Six Months Ended	
	30.6.2020	30.6.2019
	\$'000	\$'000
Cash flows from operating activities:		
Profit before taxation	638	4,116
Adjustments for:		
Interest income	(336)	(362)
Interest expense	1,046	1,188
Fair value changes in investment securities	(214)	(590)
Fair value loss on derivatives	9	29
Dividend income from investment securities	(261)	(489)
Depreciation of property, plant and equipment and investment properties	1,336	1,264
Share of results of associates and joint ventures	(240)	(502)
Gain on disposal of investment properties	(2,539)	(3,183)
Impairment on other receivables	1,847	-
Unrealised exchange differences	(27)	(205)
	621	(2,850)
Operating cash flows before changes in working capital	1,259	1,266
(Increase)/decrease in receivables and current investments	(1,242)	1,627
Increase/(decrease) in payables	619	(199)
	(623)	1,428
Cash flows from operations	636	2,694
Interest received	285	275
Interest paid	(991)	(1,188)
Dividend income from investment securities	261	489
Income taxes paid	(15)	(454)
	(460)	(878)
Net cash flows from operating activities	176	1,816
Cash flows from investing activities:		
Decrease in investment securities	618	-
(Increase)/decrease in amounts due from associates	(527)	110
Increase in investment in associates	(452)	(1,000)
Increase in investment in joint ventures	(466)	-
Increase in amounts due from joint ventures	(752)	-
Dividend income from associates	1,500	1,500
Proceeds from disposal of property, plant and equipment	-	1
Proceeds from disposal of investment properties	3,995	4,977
Additions to investment properties	(864)	(610)
Purchase of property, plant and equipment	(25)	(15)
Net cash flows from investing activities	3,027	4,963
Net cash flows from operating and investing activities carried forward	3,203	6,779

	Six Months Ended	
	30.6.2020	30.6.2019
	\$'000	\$'000
Net cash flows from operating and investing activities brought forward	3,203	6,779
Cash flows from financing activities:		
Proceeds from bank loans	3,620	-
Repayment of bank loans	(3,103)	(1,637)
Dividends paid	(6,527)	(6,527)
Net cash flows used in financing activities	(6,010)	(8,164)
Net decrease in cash and cash equivalents	(2,807)	(1,385)
Cash and cash equivalents at beginning of the period	18,539	11,548
Effects of exchange rate changes on cash and cash equivalents	(33)	(5)
Cash and cash equivalents at end of the period	15,699	10,158

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

	Group	
	30.6.2020	30.6.2019
	\$'000	\$'000
Cash and bank balances	36,649	31,049
Less: cash and bank balances pledged	(19,280)	(19,277)
Less bank overdraft secured	(226)	(170)
Less: restricted cash	(1,444)	(1,444)
Cash and cash equivalents at end of the period	15,699	10,158

(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
Group								
Balance at 1.1.2020	172,154	(260)	759	42,328	(1,678)	(22,823)	(21)	190,459
Total comprehensive loss for the period	-	-	(128)	(216)	(466)	(605)	(18)	(1,433)
Dividends paid	-	-	-	(6,527)	-	-	-	(6,527)
Balance at 30.6.2020	172,154	(260)	631	35,585	(2,144)	(23,428)	(39)	182,499

----- 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
Group								
Balance at 1.1.2019	172,154	(260)	891	42,373	(2,207)	(23,835)	4	189,120
Total comprehensive loss for the period	-	-	(187)	3,247	892	(559)	(15)	3,378
Dividends paid	-	-	-	(6,527)	-	-	-	(6,527)
Balance at 30.6.2019	172,154	(260)	704	39,093	(1,315)	(24,394)	(11)	185,971

** 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
Company				
Balance at 1.1.2020	172,154	(260)	9,477	181,371
Total comprehensive loss for the period	-	-	(503)	(503)
Dividends paid	-	-	(6,527)	(6,527)
Balance at 30.6.2020	172,154	(260)	2,447	174,341
Balance at 1.1.2019	172,154	(260)	7,670	179,564
Total comprehensive loss for the period	-	-	(570)	(570)
Dividends paid	-	-	(6,527)	(6,527)
Balance at 30.6.2019	172,154	(260)	573	172,467

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.

(a) No option has been granted under the Hwa Hong Corporation Limited (2001) Share Option Scheme since its adoption on 29 May 2001. At the 58th 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.

(b)

	30/6/2020	30/6/2019
	\$'000	\$'000
Share capital	172,154	172,154
	30/6/2020	30/6/2019
	'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.

	30/6/2020	31/12/2019
	'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	652,661	652,661

As at 30 June 2020 and 31 December 2019, there were no outstanding convertibles.

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

There was no share buy-back during the current financial period.

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 2019.

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 2020:-

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 3: Definition of a Business	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of Material	1 January 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to References to the Conceptual Framework in SFRS(I) Standards	1 January 2020

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 financial period ended 30 June 2020.

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	
	Six Months Ended	
	30.6.2020	30.6.2019
(Loss)/earnings per ordinary share after deducting any provision for preference dividends:		
(i) Based on the weighted average number of ordinary shares in issue (cents)	(0.03)	0.50
(ii) On a fully diluted basis (cents)	(0.03)	0.50

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	
	30.6.2020	31.12.2019	30.6.2020	31.12.2019
Net asset value per ordinary share (cents)	27.96	29.18	26.71	27.79

Note: dividend of 1.0 cent per share was paid in Jun 2020.

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)

	1H2020 \$'000	1H2019 \$'000	+/(%)
Rental	4,469	4,815	(7.2)
Investments	563	846	(33.5)
Corporate and Others	-	-	-
	<u>5,032</u>	<u>5,661</u>	

Decrease in revenue for rental segment by \$0.3 million was mainly due to decrease in rental income from 20 Midtown as one of the tenants has gone under administration.

Decrease in revenue for investments segment by \$0.3 million was mainly due to reduction in dividend income of \$0.2 million from dividend income.

Profit before taxation (excluding all inter-segment transactions)

	1H2020 \$'000	1H2019 \$'000	+/(%)
Rental	2,073	4,974	(58.3)
Investments	381	1,262	(69.8)
Corporate and Others	(963)	(1,108)	(13.1)
	1,491	5,128	
Unallocated items	(853)	(1,012)	(15.7)
	638	4,116	

Rental segment refers to rental of residential, commercial properties and warehouse. Decrease in profit before taxation for Rental segment by \$2.9 million takes into account:-

- reduction in revenue of \$0.3 million;
- decrease in gain from disposal of investment properties by \$0.6 million;
- impairment of other debtors of \$1.8 million.

Investment segment refers to investment holding. Profit before taxation decreased by \$0.9 million mainly due to:-

- decrease in fair value gains changes in FVPL investment securities of \$0.4 million;
- decrease in dividend income by \$0.3 million;
- decrease in share of results of associates and joint ventures by \$0.3 million.

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 are not allocated to the segments. The losses decreased by \$0.2 million mainly due to lower finance costs.

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.

Covid-19 has had a negative impact on all the markets we operate in. The UK economy has also been adversely affected with the real estate sector seeing sharp falls in demand in both the commercial and residential sectors during the lockdown.

A major tenant in our commercial property, 20 Midtown, went into administration. However, a replacement tenant was secured, albeit at lower rentals.

Following the lifting of the lockdown in the UK, there has been an improvement in the market activity in both the commercial and residential sectors. We have exchanged contracts for the sale of a residential unit at Hornton Street at our asking price and, upon successful completion, a gain of approximately \$0.9 million will be recognised in 2H2020. Construction work at Loman Street has also resumed but the completion date has been delayed to 1H2021 due to the lockdown.

In Singapore, we have sold an additional unit at RiverGate and expect to record a gain of approximately \$2.4 million upon successful completion in 2H2020. All our other properties, both commercial and industrial properties, are fully let.

The Group accounted for its investment properties using the cost model and we have a policy of obtaining external, independent valuations for these properties once in every three years. In view of the negative impact of Covid-19 on the real estate sector, for this financial year-end, the Group will consider performing external valuations for certain properties in advance of the three-year cycle, to assess if any impairments are required at the year-end.

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

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)
Nil	Nil	Nil [^]

[^] 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
29 July 2020