

UNAUDITED RESULTS FOR SECOND QUARTER ENDED 30 JUNE 2012
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.

	Group					
	Second Quarter Ended			Six Months Ended		
	30.6.2012	30.6.2011	+/(-) %	30.6.2012	30.6.2011	+/(-) %
	\$'000	\$'000		\$'000	\$'000	
Revenue	5,465	6,112	(10.6)	11,115	14,916	(25.5)
Cost of sales	(3,216)	(2,740)	17.4	(6,182)	(8,127)	(23.9)
Gross profit	2,249	3,372	(33.3)	4,933	6,789	(27.3)
Other income	2,080	240	n.m.	4,201	459	n.m.
General and administrative costs	(2,548)	(2,516)	1.3	(4,640)	(5,058)	(8.3)
Selling and distribution costs	(44)	(38)	15.8	(101)	(87)	16.1
Other operating costs	(201)	(83)	142.2	(201)	(83)	142.2
Finance costs	(89)	(160)	(44.4)	(192)	(303)	(36.6)
Share of after tax results of associates and unincorporated joint venture	(229)	(311)	(26.4)	(487)	(547)	n.m.
Profit from continuing operations, before taxation	1,218	504	141.7	3,513	1,170	200.3
Taxation	(143)	(198)	(27.8)	(883)	(430)	n.m.
Net profit after taxation	1,075	306	251.3	2,630	740	255.4
Net profit after taxation attributable to:						
Equity holders of the Company	1,075	306	n.m.	2,630	740	n.m.
Minority Interests	-	-	-	-	-	-
	<u>1,075</u>	<u>306</u>		<u>2,630</u>	<u>740</u>	

n.m. denotes not meaningful.

Note:

- Revenue decreased by \$3.8 million year-on-year (“yoy”), from \$14.9 million in 1H2011 to \$11.1 million in 1H2012 mainly due to decrease in
 - proceeds from sale of investment securities by \$3.4 million (1H2012: \$5.2 million; 1H2011: \$8.6 million);
 - rental income by \$0.9 million (1H2012: \$2.6 million; 1H2011: \$3.5 million).

Decrease in revenue by \$0.6 million quarter-on-quarter (“qoq”) from \$6.1 million in 2Q2011 to \$5.5 million in 2Q2012 was mainly due to decrease in proceeds from sale of investment securities by \$0.6 million (2Q2012: \$2.2 million; 2Q2011: \$2.8 million).

2. Increase in other income by \$3.7 million yoy and \$1.8 million qoq was mainly due to gain on disposal of investment properties. In the previous financial period, there was no disposal of investment properties.
3. General and administrative costs decreased by \$0.4 million yoy mainly due to lower property related expenses.
4. Other operating costs increased by \$0.12 million yoy and qoq mainly due to higher allowance for impairment loss on investment securities.
5. Finance costs decreased by \$0.1 million yoy and \$0.08 million qoq due to repayment of interest bearing loans during the period.
6. Effective tax rates for 1H2012 and 2Q2012 were 25.1% (1H2011: 36.8%) and 11.7% (2Q2011: 39.2%) respectively. The taxation charge for the Group for 1H2012 was higher than that arrived at by applying the statutory tax rate of 17% to the profit before taxation because losses incurred by foreign subsidiaries are not available for set off against profits in Singapore. For 2Q2012, the effective rate was lower than that arrived at by applying the statutory rate of 17% to the profit before taxation because certain income was capital in nature.

Profit before taxation included the following:

	Group					
	Second Quarter Ended			Six Months Ended		
	30.6.2012	30.6.2011	+/(-) %	30.6.2012	30.6.2011	+/(-) %
	\$'000	\$'000		\$'000	\$'000	
Investment income	380	495	(23.2)	559	684	(18.3)
Other income including interest income	2,573	1,115	130.8	6,018	2,228	170.1
Interest on borrowings	(89)	(160)	(44.4)	(192)	(303)	(36.6)
Depreciation on property, plant and equipment and investment properties	(408)	(413)	(1.2)	(786)	(834)	(5.8)
Allowance made/(written-back) for doubtful debts and bad debts (associate)	-	-	-	-	-	-
Allowance made for impairment loss on						
- quoted non-current investments	(36)	-	n.m.	(36)	-	n.m.
- quoted current investments	(165)	(85)	94.1	(165)	(85)	94.1
(Under)/over provision of taxation in prior years	-	-	-	-	-	-
Foreign exchange gain/(loss)	(338)	(222)	52.3	(365)	(534)	n.m.
Gain on disposal of investments						
- included in gross profit	(14)	663	(102.1)	613	1,515	(59.5)
- included in other income	1	1	-	6	1	500.0
Loss on disposal of property, plant and equipment	-	-	-	-	-	-
Gain on disposal of investment properties						
- included in other income	1,844	-	n.m.	3,853	-	n.m.

Statement of Comprehensive Income

	Group					
	Second Quarter Ended			Six Months Ended		
	30.6.2012	30.6.2011	+/(-) %	30.6.2012	30.6.2011	+/(-) %
	\$'000	\$'000		\$'000	\$'000	
Net profit after taxation	1,075	306	n.m.	2,630	740	n.m.
<u>Other comprehensive income/(loss):</u>						
Net gain/(loss) on available-for-sale investments (net of tax)	(881)	(1,991)	n.m.	5,849	(2,987)	n.m.
Exchange difference arising from						
- consolidation	(88)	(70)	n.m.	(96)	(38)	n.m.
- revaluation of net investment in foreign operation	(143)	(149)	n.m.	(232)	(283)	n.m.
Revaluation gain realised by an associate to income statement	(178)	-	-	(360)	-	-
Other comprehensive (loss)/gain, net of tax	(1,290)	(2,210)	n.m.	5,161	(3,308)	n.m.
Total comprehensive (loss)/gain for the period	(215)	(1,904)		7,791	(2,568)	
Total comprehensive gain for the period attributable to:						
Equity holders of the Company	(215)	(1,904)	n.m.	7,791	(2,568)	(403.4)
Minority Interests	-	-	-	-	-	-
	(215)	(1,904)		7,791	(2,568)	

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.

	Group		Company	
	30.6.2012	31.12.2011	30.6.2012	31.12.2011
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	6,231	6,044	-	-
Investment properties	85,668	80,890	-	-
Investment in subsidiaries	-	-	149,904	149,904
Investment in associates	-	166	746	746
Investment securities	13,575	7,594	-	-
Other receivables	13,779	12,296	-	-
Amounts due from associates	18,022	16,871	-	-
	137,275	123,861	150,650	150,650
Current assets				
Inventories	39	66	-	-
Asset classified as held for sale	-	3,573	-	-
Trade receivables	1,660	748	-	-
Prepayments and deposits	634	543	-	66
Other receivables	9,211	5,733	47	18
Amounts due from subsidiaries	-	-	10,440	6,440
Amounts due from associates	14,385	15,504	-	-
Investment securities	24,260	24,435	-	-
Cash and bank balances	38,916	47,161	12,812	23,880
	89,105	97,763	23,299	30,404
Current liabilities				
Trade payables	(2,341)	(840)	-	-
Other payables	(2,086)	(2,084)	(238)	(282)
Accrued operating expenses	(1,074)	(1,577)	(70)	(188)
Amounts due to associates	(549)	(608)	(343)	(351)
Amounts due to subsidiaries	-	-	-	-
Bank overdraft (secured)	(8)	(1,545)	-	-
Bank loans (secured)	(16,432)	(13,161)	-	-
Tax payable	(1,635)	(1,049)	-	(11)
	(24,125)	(20,864)	(651)	(832)
Net current assets	64,980	76,899	22,648	29,572
Non-current liabilities				
Deferred tax liabilities	(5,665)	(5,299)	-	-
Bank loans (secured)	-	-	-	-
Other payables	(331)	(458)	-	-
	(5,996)	(5,757)	-	-
Net assets	196,259	195,003	173,298	180,222

	Group		Company	
	30.6.2012 \$'000	31.12.2011 \$'000	30.6.2012 \$'000	31.12.2011 \$'000
Equity attributable to equity holders of the Company				
Share capital	172,154	172,154	172,154	172,154
Capital reserve	1,465	1,825	-	-
Revenue reserve	25,913	29,818	1,144	8,068
Fair value reserve	12,101	6,252	-	-
Currency translation reserve	(15,374)	(15,046)	-	-
	196,259	195,003	173,298	180,222
Non-controlling interests	-	-	-	-
Share capital and reserves	196,259	195,003	173,298	180,222

Note:

1. Investment properties increased by \$4.7 million due to costs incurred in the refurbishment of the property in Paya Lebar.
2. Decrease in investment in associates by \$0.2 million was mainly due to equity accounting for the share of losses in the associates.
3. Increase in non current investment securities was mainly due to increase in fair values.
4. Increase in non current other receivables by \$1.5 million was due to the accrual of interest income receivable from an associate.
5. Increase in current other receivables by \$3.5 million was due to additional loans given to UK joint ventures.
6. Decrease in cash and bank balances by \$8 million was mainly due to payment of dividend during the period.
7. Reduction in accrued operating expenses by \$0.5 million was mainly due to payment of bonuses and audit fees made during the period.

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

Amount repayable in one year or less, or on demand

	30.6.2012		31.12.2011	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Bank Overdrafts	8	-	1,545	-
Short term bank loans	16,433	-	7,980	-
Long term bank loans	-	-	5,180	-
	16,441	-	14,705	-

Amount repayable after one year

	30.6.2012		31.12.2011	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Long term bank loans	-	-	-	-

Details of any collateral

Long term bank loans of \$ - million (31.12.2011: \$5.2 million) are secured by a fixed charge over subsidiaries' investment properties. Short term bank loans of \$15.3 million (31.12.2011: \$6.8 million) are secured by a pledge of \$13.3 million (31.12.2011: \$13.3 million) on a subsidiary's fixed deposits. Another short term bank loan of \$1.1 million (31.12.2011: \$1.1 million) is secured an existing deed of guarantee and indemnity of \$4 million (31.12.2011: \$4 million) from a subsidiary. A short term loan facility has been obtained in 2Q2012 but not drawn down as at 30 June 2012. The security for this facility is secured by a pledge of \$4 million on a subsidiary's fixed deposit.

Bank overdraft is secured by a corporate guarantee from the Company of \$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			
	Second Quarter Ended 30.6.2012 \$'000	30.6.2011 \$'000	Six Months Ended 30.6.2012 \$'000	30.6.2011 \$'000
Cash flow from operating activities:				
Profit before taxation	1,218	504	3,513	1,170
Adjustments for:				
Interest income	(916)	(2,490)	(1,978)	(3,475)
Interest expense	89	160	192	303
Depreciation of property, plant and equipment and investment properties	408	413	786	834
Share of results of associates and unincorporated joint venture	229	311	487	547
Allowance made for impairment loss on quoted - non current investment securities	36	-	36	-
- current investment securities	165	85	165	85
Gain on disposal of investment properties	(1,844)	-	(3,853)	-
	(1,833)	(1,521)	(4,165)	(1,706)
Operating loss before reinvestment in working capital	(615)	(1,017)	(652)	(536)
Decrease in receivables and current investments	1,665	76	202	1,179
Increase in inventories	(18)	(12)	27	(8)
(Decrease)/increase in payables	(190)	547	(949)	(1,284)
	1,457	611	(720)	(113)
Cash generated used in operations	842	(406)	(1,372)	(649)
Interest received	41	1,604	453	1,848
Interest paid	(89)	(160)	(192)	(303)
Income taxes recovered/(paid)	412	(511)	(17)	(852)
	364	933	244	693
Net cash generated from/(used in) operating activities	1,206	527	(1,128)	44
Cash flow from investing activities:				
Decrease in other investments	(739)	105	234	583
Increase in other receivables	(3,446)	-	(3,446)	-
(Increase)/decrease in amounts due from associates	(529)	(11)	(91)	(110)
Proceeds from disposal of investment properties	3,335	-	6,747	-
Purchase of investment properties	-	(1,103)	-	(1,103)
Refurbishment of investment properties	(3,695)	(789)	(5,039)	(1,110)
Purchase of property, plant and equipment	(17)	(55)	(393)	(106)
Net cash used in investing activities	(5,091)	(1,853)	(1,988)	(1,846)
Net cash used in operating and investing activities carried forward	(3,885)	(1,326)	(3,116)	(1,802)

	Group			
	Second Quarter Ended		Six Months Ended	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
	\$'000	\$'000	\$'000	\$'000
Net cash used in operating and investing activities brought forward	(3,885)	(1,326)	(3,116)	(1,802)
Cash flow from financing activities:				
Proceeds from bank loans	8,453	-	8,453	-
Repayments of bank loans	(5,016)	(24)	(5,182)	(24)
Dividends paid	(6,535)	(65,350)	(6,535)	(65,350)
Increase in pledged short term deposits	(4,000)	-	(4,000)	-
Net cash used in financing activities	(7,098)	(65,374)	(7,264)	(65,374)
Net decrease in cash and cash equivalents	(10,983)	(66,700)	(10,380)	(67,176)
Cash and cash equivalents at beginning of the period	32,865	114,434	32,276	114,950
Effects of exchange rate changes on cash and cash equivalents	(314)	(50)	(328)	(90)
Cash and cash equivalents at end of the period	21,568	47,684	21,568	47,684

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

	Group		Group	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	38,916	61,982	38,916	61,982
Less: cash and bank balances pledged	(17,340)	(13,340)	(17,340)	(13,340)
Less bank overdraft secured	(8)	(958)	(8)	(958)
Cash and cash equivalents at end of the period	21,568	47,684	21,568	47,684

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 \$'000	Capital reserve ** \$'000	Revenue reserve \$'000	Fair value reserve \$'000	Currency translation reserve \$'000	Minority interests \$'000	Total equity \$'000
Group							
Balance at 1.1.2012	172,154	1,825	29,818	6,252	(15,046)	-	195,003
Total comprehensive gain/(loss) for the period	-	(182)	1,555	6,730	(97)	-	8,006
Balance at 31.3.2012	172,154	1,643	31,373	12,982	(15,143)	-	203,009
Total comprehensive gain/(loss) for the period	-	(178)	1,075	(881)	(231)	-	(215)
Dividends paid	-	-	(6,535)	-	-	-	(6,535)
Balance at 30.6.2012	172,154	1,465	25,913	12,101	(15,374)	-	196,259
<hr/>							
Balance at 1.1.2011	172,154	2,040	109,355	7,999	(14,677)	-	276,871
Total comprehensive gain/(loss) for the period	-	-	433	(996)	(101)	-	(664)
Balance at 31.3.2011	172,154	2,040	109,788	7,003	(14,778)	-	276,207
Total comprehensive gain/(loss) for the period	-	-	306	(1,991)	(219)	-	(1,904)
Dividends paid	-	-	(65,350)	-	-	-	(65,350)
Balance at 30.6.2011	172,154	2,040	44,744	5,012	(14,997)	-	208,953

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

	Share capital \$'000	Revenue reserve \$'000	Total equity \$'000
Company			
Balance at 1.1.2012	172,154	8,068	180,222
Total comprehensive loss for the period	-	(162)	(162)
Balance at 31.3.2012	172,154	7,906	180,060
Total comprehensive gain for the period	-	(227)	(227)
Dividends paid	-	(6,535)	(6,535)
Balance at 30.6.2012	172,154	1,144	173,298
<hr/>			
Balance at 1.1.2011	172,154	25,686	197,840
Total comprehensive gain for the period	-	(200)	(200)
Balance at 31.3.2011	172,154	25,486	197,640
Total comprehensive gain for the period	-	57,219	57,219
Dividends paid	-	(65,350)	(65,350)
Balance at 30.6.2011	172,154	17,355	189,509

- 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.

- 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 2011, there were no changes to the total number of 653,504,000 issued ordinary shares of the Company.

As at 31 December 2011 and 30 June 2012, 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 2011.

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 July 2011 and 1 January 2012:-

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 107 Disclosures – Transfers of Financial Assets	1 July 2011
Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets	1 January 2012

The adoption of the revised FRS did not result in any substantial change to the Group's and Company's accounting policies or have any significant financial impact on the financial statements.

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	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
Earnings per ordinary share after deducting any provision for preference dividends:				
(i) Based on the weighted average number of ordinary shares in issue (cents)	0.16	0.05	0.40	0.11
(ii) On a fully diluted basis (cents)	0.16	0.05	0.40	0.11

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
	30.6.2012	31.12.2011	30.6.2012	31.12.2011
Net asset value per ordinary share (cents)	30.03	29.84	26.52	27.58

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 2012 ("1H2012") vs First Half Ended 30 June 2011 ("1H2011")

Revenue (excluding all inter-segment transactions)

	Group		
	Six Months Ended		
	30.6.2012	30.6.2011	+/(-) %
	\$'000	\$'000	
Rental and Investments ("RI")	5,516	7,908	(30.2)
Trading and Investments ("Trading")	5,599	7,008	(20.1)
Corporate and Others	-	-	-
	11,115	14,916	

Decrease in revenue for RI segment by \$2.3 million was mainly due to

- lower proceeds from sale of investment securities of \$1.4 million (1H2012: \$0.4 million; 1H2011: \$1.8 million);
- decrease in rental income by \$0.9 million (1H2012: \$2.6 million; 1H2011: \$3.5 million).

Decrease in revenue for Trading segment by \$1.4 million was mainly due to decrease in proceeds from sale of investment securities by \$1.6 million (1H2012: \$5.2 million; 1H2011: \$6.8 million). The decrease was mitigated by increase in trading sales.

Profit before taxation (excluding all inter-segment transactions)

	Group		
	Six Months Ended		
	30.6.2012	30.6.2011	+/(-) %
	\$'000	\$'000	
Rental and Investments ("RI")	4,491	2,273	97.6
Trading and Investments ("Trading")	(32)	70	(145.7)
Corporate and Others	(946)	(1,173)	(19.4)
	3,513	1,170	

Profit before taxation for RI segment increased by \$2.2 million from \$2.3 million in 1H2011 to \$4.5 million in 1H2012. The increase was mainly due to

- gain on disposal of investment properties in 1H2012 of \$3.8 million (1H2011: nil);
- lower rental income of \$0.9 million because of refurbishment and upgrading work on the Group's properties in Singapore and the UK;
- lower gain from disposal of investment of \$0.9 million.

Loss before taxation for Trading segment of \$0.03 million in 1H2012 compared to a profit before tax of \$0.07 \$ million in 1H2011 was mainly due to

- lower gain from sale of investment securities of \$0.2 million (1H2012: \$0.4 million; 1H2011: \$0.6 million);
- higher allowance for impairment loss of \$0.15 million made for investment securities in 1H2012 (1H2011: \$0.1 million);
- higher trading profit from sale of edible oil (1H2012: \$0.12 million; 1H2011: \$0.05 million).

Decrease in loss before taxation for Corporate and Others segment by \$0.2 million was mainly due to lower Staff costs.

Second Quarter Ended 30 June 2012 ("2Q2012") vs Second Quarter Ended 30 June 2011 ("2Q2011")

Revenue (excluding all inter-segment transactions)

	Group		
	Second Quarter Ended		
	30.6.2012	30.6.2011	+ / (-)
	\$'000	\$'000	%
Rental and Investments ("RI")	2,722	3,926	(30.7)
Trading and Investments ("Trading")	2,743	2,186	25.5
Corporate and Others	-	-	-
	<u>5,465</u>	<u>6,112</u>	

Revenue decreased for RI segment by \$1.2 million mainly due to

- reduction in proceeds from sale of investment securities by \$ 0.9 million (2Q2012: nil; 2Q2011: \$0.9 million);
- lower rental by \$0.4 million (2Q2012: \$ 1.3 million; 2Q2011: \$1.7 million).

Trading segment revenue increased mainly due to increase in proceeds from sale of investment securities.

Profit before taxation (excluding all inter-segment transactions)

	Group		
	Second Quarter Ended		
	30.6.2012	30.6.2011	+ / (-)
	\$'000	\$'000	%
Rental and Investments ("RI")	2,003	1,200	66.9
Trading and Investments ("Trading")	(306)	(61)	401.6
Corporate and Others	(479)	(635)	(24.6)
	<u>1,218</u>	<u>504</u>	

Increase in profit before taxation in RI segment by \$0.8 million from \$1.2 million in 2Q2011 to \$2 million in 2Q2012 was mainly due to

- gain on disposal of investment properties in 2Q2012 of \$1.8 million (2Q2011: nil);
- lower rental income (2Q2012 : \$1.3 million; 2Q2011: \$1.7 million);
- lower gain on disposal of investment (2Q2012 : \$0.2 million; 2Q2011: \$0.5 million).

Increase in loss before taxation for Trading segment was due mainly to allowance for impairment loss on investment.

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

Not applicable.

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

The upgrading of our Paya Lebar property is expected to be completed at year end. Marketing to lease the property has commenced.

The refurbishment of one block of residential apartments in London was completed in May and all the units have since been leased out at higher rents compared to the previous year.

The multi-tenant office buildings in London remain fully occupied. However, the present poor economic situation in Europe is affecting occupancy of our service offices in other cities in UK.

An investment fund in which the group has a 17.82% interest has successfully completed the divestment of a dormitory investment at a gain. Subject to the finalisation of the fund's accounts, our gain of approximately \$4 million is expected to be realised in the third quarter of this financial year.

The performance of the Group's investment and property portfolio will continue to be dependent on the state of the securities and property markets.

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? Yes.

Name of Dividend	Special Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.5 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

(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)
Ong Hian Eng – interest earned on convertible note issued by a company in which the above director has a substantial interest for six months ended 30 June 2012	\$106,735	Not applicable^
Hong Leong Investment Holdings Pte. Ltd. Group – interest charged on shareholder loan to Hong Property Investment Pte Ltd for six months ended 30 June 2012.	\$140,534	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.

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
27 July 2012