

**UNAUDITED RESULTS FOR THIRD QUARTER ENDED 30 SEPTEMBER 2013****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					
	Third Quarter Ended			Nine Months Ended		
	30.9.2013	30.9.2012	+/(-) %	30.9.2013	30.9.2012	+/(-) %
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Revenue</b>	4,868	9,455	(48.5)	21,760	20,570	5.8
Cost of sales	(2,391)	(2,553)	(6.3)	(14,024)	(8,735)	60.5
<b>Gross profit</b>	2,477	6,902	(64.1)	7,736	11,835	(34.6)
Other income	256	311	(17.7)	4,010	4,512	(11.1)
General and administrative costs	(1,074)	(2,376)	(54.8)	(5,607)	(7,016)	(20.1)
Selling and distribution costs	(41)	(51)	(19.6)	(140)	(152)	(7.9)
Other operating costs	(175)	(2,302)	(92.4)	(875)	(2,503)	(65.0)
Finance costs	-	(103)	n.m.	(193)	(295)	(34.6)
Share of after tax results of associates and unincorporated joint venture	1,119	(209)	n.m.	2,218	(696)	n.m.
Profit before taxation	2,562	2,172	18.0	7,149	5,685	25.8
Taxation	(278)	(170)	63.5	(1,206)	(1,053)	14.5
<b>Net profit after taxation</b>	2,284	2,002	14.1	5,943	4,632	28.3
Net profit after taxation attributable to:	-					
Owners of the Company	2,284	2,002	14.1	5,943	4,632	28.3
Non-controlling interests	-	-	-	-	-	-
	<u>2,284</u>	<u>2,002</u>		<u>5,943</u>	<u>4,632</u>	

n.m. denotes not meaningful.

**Note:**

- Revenue increased by \$1.2 million year-on-year (“yoy”) and decreased by \$4.6 million quarter-on-quarter mainly due to: -
  - Increase in proceeds from sale of investment securities by \$5.8 million yoy arising from increase in share trading activities. A slight decrease qoq was noted arising from a decrease in share trading activities during the quarter;
  - Increase in rental income by \$2.6 million yoy and \$1 million qoq arising mainly from rental income from Paya Lebar property, which achieved completion in redevelopment in February 2013;
  - Reduction in interest income by \$2.1 million yoy and \$0.7 million qoq mainly due to a change in interest rate for a loan extended to an associate;
  - Reduction in dividend income by \$4.8 million yoy and \$4.7million qoq mainly due to a US\$3.8 million distribution in 3Q2012, made by a fund in which the Group has a 17.82% interest.
- Cost of sales increased by \$5.3 million yoy mainly due to higher share trading activities earlier in the year but decreased by \$0.2 million qoq due to lower share trading activities during the latest quarter.

3. Other income comprised the following:

	3Q2013 \$'000	3Q2012 \$'000	+ /(-) %	FY2013 \$'000	FY2012 \$'000	+ /(-) %
Interest income	132	154	(14)	378	313	21
Dividend income	58	58	0	248	218	14
Gain on sale of investment securities	25	1	n.m.	71	7	n.m.
Gain on disposal of plant and equipment	-	74	n.m.	-	74	n.m.
Gain on disposal of investment properties	17	-	n.m.	3,263	3,852	(15)
Sundry	24	24	0	50	48	4
	<u>256</u>	<u>311</u>		<u>4,010</u>	<u>4,512</u>	

4. General and administrative costs decreased by \$1.4 million yoy and qoq mainly due to a favourable exchange impact of \$1 million in unrealised foreign exchange. The unrealised foreign exchange impact arose mainly from the translation of assets denominated in Sterling Pounds relating to the Group's investment in the United Kingdom.

5. Other operating costs comprised the following:

	3Q2013 \$'000	3Q2012 \$'000	+ /(-) %	FY2013 \$'000	FY2012 \$'000	+ /(-) %
Allowance made for impairment on						
- non-current investments	-	-	-	-	(36)	n.m.
- current investments	(175)	(86)	n.m.	(875)	(251)	n.m.
Investment property written off	-	(342)	n.m.	-	(342)	n.m.
Allowance made for impairment loss on investment properties	-	(1,874)	n.m.	-	(1,874)	n.m.
	<u>(175)</u>	<u>(2,302)</u>		<u>(875)</u>	<u>(2,503)</u>	

- Higher allowance for impairment loss on investment securities of \$0.6 million yoy and \$0.1 million qoq was due to the unfavourable market conditions which resulted in increase in the amount of investment securities which have suffered a significant or prolonged decline in the market value below the acquisition cost of those investments;
- Investment property of \$0.3 million in 3Q2012 and FY2012 was due to the write off of certain equipment at the Paya Lebar property, which was undergoing re-development;
- Allowance made for impairment loss on investment properties of \$1.9 million in 3Q2012 and FY2012 due to a decline in the value of certain UK properties arising from a valuation exercise carried out in 3Q2012.

6. Finance cost decreased by \$0.1 million yoy and qoq due to repayment of certain interest bearing loans during the year.

7. Share of tax results of associates and unincorporated joint venture turned around from a loss of \$0.7 million in FY2012 and \$0.2 million in 3Q2012 to profit of \$2.2 million in FY2013 and \$1.1 million in 3Q2013 primarily due to positive contributions from its associated companies, Scotts Spazio Pte Ltd ("Scotts") and Hong Property Investments Pte Ltd ("Hong Property"). The positive contribution from Scotts came from a reduction of interest payable arising from a change in the interest rate on the loan extended from the Group. The positive contribution from Hong Property came from completion of sale of 2 medical suites in this quarter.

8. Effective tax rates for FY2013 and 3Q2013 were 17% (FY2012: 18%) and 11% (3Q2012: 7.6%) respectively. The taxation charge for the Group for 3Q2013 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 the tax effect on the share of results of associates as the share of results included in profit before taxation was after tax.

Profit from continuing operations, before taxation included the following:

	Group					
	Third Quarter Ended			Nine Months Ended		
	30.9.2013 \$'000	30.9.2012 \$'000	+/(-) %	30.9.2013 \$'000	30.9.2012 \$'000	+/(-) %
Investment income	328	5,014	(93.5)	777	5,573	(86.1)
Interest income (included in revenue)	205	154	33.1	609	313	94.6
Interest on borrowings	-	(103)	n.m.	(193)	(295)	(34.6)
Depreciation on property, plant and equipment and investment properties	(583)	(456)	27.9	(1,683)	(1,242)	35.5
Investment property written off	-	(342)	n.m.	-	(342)	n.m.
Allowance (made)/written-back for impairment loss on						
- quoted non-current investments	-	-	-	-	(36)	n.m.
- quoted current investments	(175)	(86)	n.m.	(875)	(251)	n.m.
Allowance made for impairment loss on						
- investment properties	-	(1,874)	n.m.	-	(1,874)	n.m.
Over/(under) provision of taxation in prior years	1	-	n.m.	121	-	n.m.
Foreign exchange (loss)/gain	931	(165)	n.m.	499	(530)	n.m.
Gain on disposal of investment securities						
- included in gross profit	88	-	n.m.	1,358	613	n.m.
- included in other income	25	1	n.m.	71	7	n.m.
Gain on disposal of property, plant and equipment						
- included in other income	-	74	n.m.	-	74	n.m.
Gain on disposal of investment properties						
- included in other income	17	-	n.m.	3,263	3,853	(15.3)

### **Statement of Comprehensive Income**

	Group					
	Third Quarter Ended			Nine Months Ended		
	30.9.2013 \$'000	30.9.2012 \$'000	+/(-) %	30.9.2013 \$'000	30.9.2012 \$'000	+/(-) %
<b>Net profit after taxation</b>	2,284	2,002	14.1	5,943	4,632	28.3
<u>Other comprehensive income/(loss):</u>						
Net gain/(loss) on available-for-sale investments (net of tax)	1,563	(4,080)	n.m.	3,587	1,769	n.m.
Exchange difference arising from						
- consolidation	75	62	21.0	(50)	(34)	47.1
- revaluation of net investment in foreign operation	626	(65)	n.m.	364	(297)	n.m.
Revaluation gain realised by an associate to income statement	-	-	-	(157)	(360)	(56.4)
Other comprehensive gain/(loss), net of tax	2,264	(4,083)		3,744	1,078	
<b>Total comprehensive gain/(loss) for the period</b>	<b>4,548</b>	<b>(2,081)</b>		<b>9,687</b>	<b>5,710</b>	
Total comprehensive gain/(loss) for the period attributable to:						
Equity holders of the Company	4,548	(2,081)	n.m.	9,687	5,710	69.6
Non-controlling interests	-	-		-	-	
	<u>4,548</u>	<u>(2,081)</u>		<u>9,687</u>	<u>5,710</u>	

Net gains on available-for-sale investments (net of tax) in FY2013, FY2012 and 3Q2013 of \$3.5 million, \$1.8million and \$1.6 million respectively, were mainly due to increase in fair value gain of the available-for-sale investments arising from favourable market conditions.

The net loss on available-for-sale investments (net of tax) in 3Q2012 of \$4 million was mainly due to realisation of the fair value gain arising from the distribution of US\$3.8 million by a fund, in which the Group has a 17.82% interest.

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	
	30.9.2013 \$'000	31.12.2012 \$'000	30.9.2013 \$'000	31.12.2012 \$'000
<b>Non-current assets</b>				
Property, plant and equipment	5,780	6,003	-	-
Investment properties	91,822	89,331	-	-
Investment in subsidiaries	-	-	164,904	164,904
Investment in associates	12,056	9,838	746	746
Investment securities	6,620	10,899	-	-
Amounts due from associates	3,757	3,640	-	-
Deferred rental income	2,543	-	-	-
Other receivables	-	1	-	-
	122,578	119,712	165,650	165,650
<b>Current assets</b>				
Inventories	15	5	-	-
Asset classified as held for sale	-	1,451	-	-
Trade receivables	664	970	-	-
Prepayments and deposits	344	554	17	59
Other receivables	9,571	9,266	25	17
Amounts due from subsidiaries	-	-	12,940	12,940
Amounts due from associates	14,159	15,181	-	-
Investment securities	37,889	29,341	-	-
Cash and bank balances	44,398	51,827	5,173	12,366
	107,040	108,595	18,155	25,382
<b>Current liabilities</b>				
Trade payables	(643)	(661)	-	-
Other payables	(2,283)	(3,010)	(273)	(271)
Accrued operating expenses	(1,470)	(1,781)	(122)	(127)
Amounts due to associates	(537)	(520)	(340)	(327)
Amounts due to subsidiaries	-	-	-	-
Bank loans (secured)	(16,639)	(19,160)	-	-
Tax payable	(1,889)	(2,021)	-	(7)
	(23,461)	(27,153)	(735)	(732)
<b>Net current assets</b>	83,579	81,442	17,420	24,650
<b>Non-current liabilities</b>				
Deferred tax liabilities	(5,149)	(3,777)	-	-
Other payables	(810)	(331)	-	-
	(5,959)	(4,108)	-	-
<b>Net assets</b>	200,198	197,046	183,070	190,300

	Group		Company	
	30.9.2013 \$'000	31.12.2012 \$'000	30.9.2013 \$'000	31.12.2012 \$'000
<b>Equity attributable to equity holders of the Company</b>				
Share capital	172,154	172,154	172,154	172,154
Capital reserve	1,308	1,465	-	-
Revenue reserve	29,742	30,334	10,916	18,146
Fair value reserve	12,171	8,584	-	-
Currency translation reserve	(15,177)	(15,491)	-	-
	200,198	197,046	183,070	190,300
Non-controlling interests	-	-	-	-
<b>Share capital and reserves</b>	<b>200,198</b>	<b>197,046</b>	<b>183,070</b>	<b>190,300</b>

Note:

- Investment properties increased by \$2.5 million mainly due to costs incurred in the re-development of the investment property at Paya Lebar, which was completed in February 2013.
- Increase in investment in associates by \$2.2 million was mainly due to share of profits in associates from Hong Property and Scotts for the period.
- Non-current investment securities decreased by \$4.3 million was mainly due to reclassification of \$4.5 million in an investment in Eastcomm loan notes ("Notes") to current investment securities arising from the certainty of the redemption of the Notes.
- Deferred rental income relates to lease income that remains to be amortised over the lease term on a straight line basis.
- Decrease in trade receivables by \$0.3 million was mainly due to decrease in GST receivables.
- The property classified as held for sale as at 31 December 2012 was sold during the period.
- Decrease in cash and bank balances by \$7.2 million at the Company level was mainly due to payment of dividends and operating expenses during the period. At the Group level, decrease in cash and bank balances by \$7.4 million was mainly due to payment of dividends, settlement of a bank loan offset by receipts from net income.
- Increase in current investment securities by \$8.5 million was mainly due to reclassification of \$4.5 million from non-current investment securities and the rest came mainly from fair value change of available-for-sale investments.
- Decrease in current other payables by \$0.7 million was mainly due to payment of construction costs incurred for the re-developments of the Paya Lebar property.
- Reduction in accrued operating expenses was mainly due to payment of bonuses, audit fees, interest expense and property tax during the period.
- Decrease in bank loans was mainly due to settlement of an outstanding bank loan during the period.
- Decrease in tax payable was mainly due to payment made during the period.

13. Increase in deferred tax liabilities of \$1.4 million was mainly due to provision made for accrued interest income, deferred rental income and the fair value increases of available-for-sale investments.

14. Increase in non-current other payables by \$0.5 million was mainly due to increases in tenancy deposits.

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

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

	30.9.2013		31.12.2012	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Short term bank loans	16,639	-	19,160	-

##### Amount repayable after one year

	30.9.2013		31.12.2012	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Long term bank loans	-	-	-	-

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

##### Details of any collateral

Short term bank loans comprised:

- An amount of \$15.5 million (2012: \$15.1 million) secured by a pledge of \$13.3 million (2012: \$13.3 million) on a subsidiary's fixed deposits and a corporate guarantee for \$6.66 million (2012: \$6.66 million) from the Company.
- An amount of \$1.1 million (2012: \$1.1 million) secured by a deed of guarantee and indemnity of \$4 million (2012: \$4 million) from a subsidiary.

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 30.9.2013 \$'000	30.9.2012 \$'000	30.9.2013 \$'000	30.9.2012 \$'000
<b>Cash flow from operating activities:</b>				
Profit before taxation	2,562	2,172	7,149	5,685
Adjustments for:				
Interest income	(337)	(1,044)	(987)	(3,022)
Interest expense	-	103	193	295
Depreciation of property, plant and equipment and investment properties	583	456	1,683	1,242
Investment property written off	-	342	-	342
Share of results of associates and unincorporated joint venture	(1,119)	209	(2,218)	696
Allowance made for impairment loss on				
- non current investment securities	-	-	-	36
- current investment securities	175	86	875	251
Gain on disposal of property, plant and equipment	-	(74)	-	(74)
Gain on disposal of investment properties	(17)	-	(3,263)	(3,853)
Allowance made for impairment loss on				
- investment properties	-	1,874	-	1,874
	(715)	1,952	(3,717)	(2,213)
<b>Operating income before reinvestment in working capital</b>	1,847	4,124	3,432	3,472
Increase in receivables and current investments	(1,955)	(841)	(3,283)	(639)
(Decrease)/increase in inventories	(12)	10	(10)	37
Increase/(decrease) in payables	282	(247)	(577)	(1,196)
	(1,685)	(1,078)	(3,870)	(1,798)
<b>Cash generated from/(used in) operations</b>	162	3,046	(438)	1,674
Interest received	234	124	713	577
Interest paid	-	(103)	(193)	(295)
Income taxes paid	(265)	(64)	(744)	(81)
	(31)	(43)	(224)	201
<b>Net cash generated from/(used in) operating activities</b>	131	3,003	(662)	1,875
<b>Cash flow from investing activities:</b>				
Increase in other investments	(333)	(2,933)	(32)	(2,699)
Decrease/(Increase) in other receivables	-	83	-	(3,363)
Decrease in amounts due from associates	1,033	101	922	10
Proceeds from disposal of investment properties	-	-	4,847	6,747
Proceeds from disposal of property, plant and equipment	-	74	-	74
Additions to investment properties	(1,045)	(2,925)	(3,144)	(7,964)
Purchase of property, plant and equipment	-	(7)	(55)	(400)
<b>Net cash (used in)/generated from investing activities</b>	(345)	(5,607)	2,538	(7,595)
<b>Net cash (used in)/generated from operating and investing activities carried forward</b>	(214)	(2,604)	1,876	(5,720)

	Group			
	Third Quarter Ended		Nine Months Ended	
	30.9.2013	30.9.2012	30.9.2013	30.9.2012
	\$'000	\$'000	\$'000	\$'000
<b>Net cash (used in)/generated from operating and investing activities brought forward</b>	(214)	(2,604)	1,876	(5,720)
<b>Cash flow from financing activities:</b>				
Proceeds from bank loans	-	2,803	-	11,256
Repayments in bank loans	-	-	(2,900)	(5,182)
Dividends paid	-	-	(6,535)	(6,535)
Increase in pledged cash and bank balances	-	-	-	(4,000)
<b>Net cash generated from/(used in) financing activities</b>	-	2,803	(9,435)	(4,461)
Net (decrease)/increase in cash and cash equivalents	(214)	199	(7,559)	(10,181)
Cash and cash equivalents at beginning of the period	27,006	21,568	34,487	32,276
Effects of exchange rate changes on cash and cash equivalents	266	(3)	130	(331)
<b>Cash and cash equivalents at end of the period</b>	<b>27,058</b>	<b>21,764</b>	<b>27,058</b>	<b>21,764</b>

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

	Group		Group	
	30.9.2013	30.9.2012	30.9.2013	30.9.2012
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	44,398	39,104	44,398	39,104
Less: cash and bank balances pledged	(17,340)	(17,340)	(17,340)	(17,340)
Less bank overdraft secured	-	-	-	-
Cash and cash equivalents at end of the period	<b>27,058</b>	<b>21,764</b>	<b>27,058</b>	<b>21,764</b>



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

	----- Attributable to Owners of the Company -----						Total equity \$'000
	Share capital \$'000	Capital reserve ** \$'000	Revenue reserve \$'000	Fair value reserve \$'000	Currency translation reserve \$'000	Non- controlling interests \$'000	
<b>Group</b>							
Balance at 1.1.2013	172,154	1,465	30,334	8,584	(15,491)	-	197,046
Total comprehensive (loss)/gain for the period	-	(157)	1,843	1,500	(757)	-	2,429
Balance at 31.3.2013	172,154	1,308	32,177	10,084	(16,248)	-	199,475
Total comprehensive (loss)/gain for the period	-	-	1,816	524	370	-	2,710
Dividends paid	-	-	(6,535)	-	-	-	(6,535)
Balance at 30.6.2013	172,154	1,308	27,458	10,608	(15,878)	-	195,650
Total comprehensive gain/(loss) for the period	-	-	2,284	1,563	701	-	4,548
Balance at 30.9.2013	172,154	1,308	29,742	12,171	(15,177)	-	200,198
Balance at 1.1.2012	172,154	1,825	29,818	6,252	(15,046)	-	195,003
Total comprehensive (loss)/gain 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 (loss)/gain 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
Total comprehensive gain/(loss) for the period	-	-	2,002	(4,080)	(3)	-	(2,081)
Balance at 30.9.2012	172,154	1,465	27,915	8,021	(15,377)	-	194,178

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

<b>Company</b>	<b>Share capital \$'000</b>	<b>Revenue reserve \$'000</b>	<b>Total equity \$'000</b>
Balance at 1.1.2013	172,154	18,146	190,300
Total comprehensive loss for the period	-	(215)	(215)
Balance at 31.3.2013	<u>172,154</u>	<u>17,931</u>	<u>190,085</u>
Total comprehensive gain for the period	-	(276)	(276)
Dividends paid	-	(6,535)	(6,535)
Balance at 30.6.2013	<u>172,154</u>	<u>11,120</u>	<u>183,274</u>
Total comprehensive gain for the period	-	(204)	(204)
Balance at 30.9.2013	<u><u>172,154</u></u>	<u><u>10,916</u></u>	<u><u>183,070</u></u>
Balance at 1.1.2012	172,154	8,068	180,222
Total comprehensive loss for the period	-	(162)	(162)
Balance at 31.3.2012	<u>172,154</u>	<u>7,906</u>	<u>180,060</u>
Total comprehensive gain for the period	-	(227)	(227)
Dividends paid	-	(6,535)	(6,535)
Balance at 30.6.2012	<u>172,154</u>	<u>1,144</u>	<u>173,298</u>
Total comprehensive gain for the period	-	2,240	2,240
Balance at 30.9.2012	<u><u>172,154</u></u>	<u><u>3,384</u></u>	<u><u>175,538</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 2012, there has been no change to the total number of 653,504,000 issued ordinary shares of the Company.

As at 31 December 2012 and 30 September 2013, 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 2012.

**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 2012 and 1 January 2013:-

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 1 Presentation of Items of Other Comprehensive Income	1 July 2012
Revised FRS 19 Employee Benefits	1 January 2013
FRS 113 Fair Value Measurement	1 January 2013
Amendments to FRS 107 Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Improvements to FRSs 2012	
- Amendment to FRS 1 Presentation of Financial Statements	1 January 2013
- Amendment to FRS 16 Property, Plant and Equipment	1 January 2013
- Amendment to FRS 32 Financial Instruments: Presentation	1 January 2013

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 2013.

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>30.9.2013</b>	<b>30.9.2012</b>	<b>30.9.2013</b>	<b>30.9.2012</b>
Earnings per ordinary share after deducting any provision for preference dividends:				
(i) Based on the weighted average number of ordinary shares in issue (cents)	0.35	0.31	0.91	0.71
(ii) On a fully diluted basis (cents)	0.35	0.31	0.91	0.71

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>30.9.2013</b>	<b>31.12.2012</b>	<b>30.9.2013</b>	<b>31.12.2012</b>
Net asset value per ordinary share (cents)	30.63	30.15	28.01	29.12

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)

	3Q2013 \$'000	3Q2012 \$'000	+ / (-) %	FY2013 \$'000	FY2012 \$'000	+ / (-) %
Rental	2,451	1,395	75.7	6,645	4,074	63.1
Investments	2,390	7,851	(69.6)	14,790	15,914	(7.1)
Corporate and Others	27	209	(87.1)	325	582	(44.2)
	<u>4,868</u>	<u>9,455</u>		<u>21,760</u>	<u>20,570</u>	

Increase in revenue for rental segment by \$2.6 million yoy and \$1 million qoq was mainly due to rental income from Paya Lebar property subsequent to its completion in re-development in February 2013.

Decrease in revenue for investments segment by \$1.1 million yoy and \$5.5 million qoq was mainly due to:-

- Decrease in dividend income by \$4.8 million yoy and \$4.7 million qoq mainly due to distribution of U\$3.8m in 3Q 2012, made by a fund in which the Group has a 17.82% interest;
- Increase in proceeds from sale of investment securities by \$5.8 million yoy arising from increase in share trading activities;
- Reduction in interest income by \$2.1 million yoy and \$0.7 million qoq mainly due to a change in interest rate for a loan extended to an associate.

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

	3Q2013 \$'000	3Q2012 \$'000	+ / (-) %	FY2013 \$'000	FY2012 \$'000	+ / (-) %
Rental	702	(2,539)	n.m.	4,489	685	n.m.
Investments	1,437	5,475	(73.8)	3,666	7,345	(50.1)
Corporate and Others	(540)	(517)	4.4	(1,495)	(1,648)	(9.3)
	<u>1,599</u>	<u>2,419</u>		<u>6,660</u>	<u>6,382</u>	
Unallocated items	963	(247)	n.m.	489	(697)	n.m.
	<u>2,562</u>	<u>2,172</u>		<u>7,149</u>	<u>5,685</u>	

Rental segment refers to rental of residential, commercial properties and warehouse. Profit before taxation for Rental segment increased by \$3.8 million yoy and \$3.2 million qoq mainly due to:-

- increase in rental income from the Paya Lebar property by \$2.6 million yoy and \$1 million qoq;
- allowance made for impairment of investment properties in 3Q2012 of \$1.9 million due to a decline in the value of certain UK properties arising from a valuation exercise carried out in 3Q2012;
- write off of investment property in 3Q2012 of \$0.3 million due to write off of certain equipment at Paya Lebar property, which was undergoing re-development;
- decrease in gain from disposal of investment property by \$0.6 million yoy;
- increase in depreciation of investment properties by \$0.4 million yoy and \$0.1 million qoq.

Investment segment refers to investment holding and profit before taxation for Investment segment decreased by \$3.7 million yoy and \$4 million qoq mainly due to:-

- increase in share of profits of the associates of \$2.9 million yoy and \$1.3 million qoq;
- increase in gain on disposal of investments of \$0.8 million yoy and \$0.1 million qoq;
- decrease in interest income of \$2.1 million yoy and \$0.7 million qoq;
- increase in impairment loss on quoted current investments of \$0.6 million yoy and \$0.1 million qoq;
- decrease in dividend income by \$4.8million yoy and \$4.7 million qoq.

The increase in share of profits of the associates was primarily due to positive contributions from its associated companies, Scotts and Hong Property. The positive contribution from Scotts came from a reduction of interest payable arising from a change in the interest rate on the loan extended from the Group. The positive contribution from Hong Property came from completion of sale of 2 medical suites in this quarter.

Corporate segment refers to the provision of management, administrative and support services to related companies and investment holding, as well as trading of edible oil products. The loss before tax of the Corporate segment were mainly contributed by salaries, bonuses, accruals of director fees and trading of edible oil products. The loss before tax of the Corporate segment reduced by \$0.2 million yoy mainly due to decrease in salary costs.

Unallocated items refer to items such as finance costs and certain foreign exchange differences which are managed on a Company basis and were not allocated to the segments. The losses turnaround from \$0.7 million in FY2012 and \$0.2 million in 3Q2012 to a profit of \$0.5 million in FY2013 and \$1 million in 3Q2013 mainly due to a favourable foreign exchange impact arising from the strengthening of Sterling Pound against Singapore Dollar during the quarter.

**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.**

In Singapore, the resale market for residential properties continues to be weak. As a result, up to Q3, only one unit of the RiverGate apartment was sold. Our associate company however was able to sell 9 medical office units of the Orchard Medical Centre. Our share of SGD792,000 profit was recognised in Q3 arising from the sale of 2 medical office units. Our share of profits from the sale of the additional 7 medical office units of SGD3 million is expected to be recognized in Q4. The associate has a balance of 38 unsold units.

The residential market in UK is buoyant in terms of price and rental and the Group is looking to capitalize on the strong demand. The Group is currently in negotiations for investments in both the commercial and residential sectors.

With signs of a gradual recovery in the UK economy, the Group has plans to reposition the service offices to long-lease offices that will result in lower operating costs and higher income. The repositioning may affect income in the first half of 2014 as existing short-term leases are likely to be terminated.

The Group's property and investment portfolio will continue to provide a recurrent income for the coming year.

The Group had on 7 October 2013 announced the redemption of loan notes ("Notes") issued by Eastcomm Pte. Ltd. to ordinary shares in the share capital of AsiaPhos Limited ("AsiaPhos"). The redemption of the Notes and accrued interest resulted in 24,452,384 AsiaPhos shares being issued to the Group at a cost of \$0.1875 per AsiaPhos share. Based on the invitation price of \$0.25 per AsiaPhos share, the Group had an unrealised fair value gain of approximately \$1.5 million on the date of the AsiaPhos Listing. The Group has to observe a 6 months moratorium which will end on 6 April 2014.

**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)
Ong Hian Eng – Interest earned on convertible note issued by a company in which the above director has a substantial interest for the nine months ended 30 September 2013	\$274,147	Not applicable^
Hong Leong Investment Holdings Pte. Ltd. Group – Interest charged on shareholder loan to Hong Property Investment Pte Ltd for nine months ended 30 September 2013	\$198,915	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  
23 October 2013