

UNAUDITED RESULTS FOR FIRST QUARTER ENDED 31 MARCH 2007
PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | GROUP | | |
|--|----------------------------|---------------------------------|--------------|
| | First Quarter Ended | | +/(–) |
| | 31.3.2007 | 31.3.2006 (restated) | |
| | \$'000 | \$'000 | % |
| Revenue | 18,818 | 25,016 | (24.78) |
| Cost of sales | (11,991) | (18,056) | (33.59) |
| Gross profit | 6,827 | 6,960 | (1.91) |
| Other income | 967 | 486 | 98.97 |
| General and administrative costs | (4,330) | (4,287) | 1.00 |
| Selling and distribution costs | (1,263) | (1,257) | 0.48 |
| Other operating costs | (92) | (174) | (47.13) |
| Finance costs | (714) | (324) | 120.37 |
| Share of results of associates and unincorporated joint venture | 33,652 | 194 | n.m. |
| Profit before taxation | 35,047 | 1,598 | n.m. |
| Taxation | (600) | (426) | 40.84 |
| Profit for the period | 34,447 | 1,172 | n.m. |
| Attributable to: | | | |
| Equity holders of the Company | 34,447 | 1,172 | |
| Minority interests | – | – | |
| | 34,447 | 1,172 | |

Note

Profit before taxation included the following:

| | GROUP | | |
|---|----------------------------|---------------------------------|--------------|
| | First Quarter Ended | | +/(–) |
| | 31.3.2007 | 31.3.2006 (restated) | |
| | \$'000 | \$'000 | % |
| Investment income | 54 | 39 | 38.46 |
| Other income including interest income | 4,480 | 1,899 | 135.91 |
| Interest on borrowings | (714) | (324) | 120.37 |
| Depreciation and amortisation and impairment loss on property, plant and equipment | (530) | (462) | 14.72 |
| Allowance for doubtful debts and bad debts written off | (92) | (174) | (47.13) |
| Write-back of impairment loss on investment properties | – | – | – |
| Foreign exchange (loss)/gain (included in other income) | (193) | (866) | (77.71) |
| Gain on disposal of investments ^ | 755 | 1,448 | (47.86) |
| Gain on disposal of property, plant and equipment | 85 | – | n.m. |

^ Included an amount of about \$0.02 million (1Q2006 : \$0.248 million) under other income.
n.m. denotes not meaningful.

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

| | GROUP | | COMPANY | |
|--|-----------|--------------------------|-----------|------------|
| | As at | As at | As at | As at |
| | 31.3.2007 | 31.12.2006 (restated) | 31.3.2007 | 31.12.2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Property, plant and equipment | 13,444 | 14,250 | 4,749 | 4,800 |
| Investment properties | 81,917 | 83,038 | - | - |
| Investment in subsidiaries | - | - | 512,828 | 512,828 |
| Investment in associates | 66,321 | 61,089 | 614 | 614 |
| Long term investments | 71,647 | 72,556 | 31 | 31 |
| Other receivables | 32 | 43 | - | - |
| Reinsurer's share of technical provisions | | | | |
| Provision for unearned premiums | 3,279 | 3,037 | - | - |
| Provision for outstanding claims | 2,651 | 2,848 | - | - |
| Current assets | | | | |
| Short term investments | 83,116 | 82,808 | - | - |
| Inventories | 19 | 59 | - | - |
| Trade receivables | 5,297 | 4,853 | - | - |
| Amount due from associates | 13,429 | 119,075 | 120 | 119 |
| Amount due from subsidiaries | - | - | 3,626 | 3,458 |
| Deferred acquisition costs | 2,851 | 2,469 | - | - |
| Other receivables, deposits and prepayments | 9,009 | 7,799 | 56 | 57 |
| Tax recoverable | 7 | 517 | - | - |
| Cash and bank balances | 203,511 | 66,607 | 116 | 522 |
| | 317,239 | 284,187 | 3,918 | 4,156 |
| Current liabilities | | | | |
| Trade payables and accruals | (1,551) | (1,390) | - | - |
| Other payables | (7,829) | (9,431) | (862) | (720) |
| Amount due to subsidiaries | - | - | (54,029) | (54,455) |
| Amount due to associates | (23,910) | (601) | (406) | (413) |
| Advance premiums | - | (1,166) | - | - |
| Bank overdrafts | (2,164) | (1,343) | - | - |
| Bank loans | (1,124) | (4,794) | - | - |
| Provision for taxation | (1,899) | (1,663) | (35) | (37) |
| | (38,477) | (20,388) | (55,332) | (55,625) |
| Net current assets/(liabilities) | 278,762 | 263,799 | (51,414) | (51,469) |
| Non current liabilities | | | | |
| Bank loans | (32,903) | (33,482) | - | - |
| Other payables | (120) | (115) | - | - |
| Deferred taxation | (4,390) | (4,493) | (49) | (49) |
| | (37,413) | (38,090) | (49) | (49) |
| Technical provisions | | | | |
| Provision for unearned premiums | (15,010) | (12,804) | - | - |
| Provision for outstanding claims | (23,312) | (23,395) | - | - |
| Provision for premium deficiency | (1,839) | (1,839) | - | - |
| | 440,479 | 424,532 | 466,759 | 466,755 |

| | GROUP | | COMPANY | |
|--|--------------------|-----------------------------------|--------------------|---------------------|
| | As at 31.3.2007 | As at 31.12.2006 (restated) | As at 31.3.2007 | As at 31.12.2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Share capital | 172,154 | 172,154 | 172,154 | 172,154 |
| Capital reserve | 72,908 | 98,687 | - | - |
| Revenue reserve | 166,996 | 132,549 | 7,410 | 7,406 |
| Fair value reserve | 33,425 | 25,772 | 287,195 | 287,195 |
| Currency translation adjustment reserve | (5,004) | (4,630) | - | - |
| | 440,479 | 424,532 | 466,759 | 466,755 |
| Minority interests | - | - | - | - |
| | 440,479 | 424,532 | 466,759 | 466,755 |

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

Amount repayable in one year or less, or on demand

| As at 31.3.2007 | | As at 31.12.2006 | |
|-----------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| 3,288,000 | - | \$6,137,000 | - |

Amount repayable after one year

| As at 31.3.2007 | | As at 31.12.2006 | |
|-----------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| 32,903,000 | - | \$33,482,000 | - |

Details of any collateral

The amount of long term bank loans repayable after one year and an amount of \$0.3 million (31.12.2006: \$0.31 million) of long term bank loans repayable within one year are secured over the investment properties of the Group. Short term bank loans of \$0.82 million (31.12.2006: \$4.48 million) and bank overdrafts of \$0.98 million (31.12.2006: \$0.43 million) are secured by charges over time deposits and supported by corporate guarantees.

Bank overdraft of \$1.18 million (31.12.2006: \$0.91 million) is supported by corporate guarantee from the Company.

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

| | GROUP | |
|---|----------------------------|-------------------|
| | First Quarter Ended | 31.3.2006 |
| | 31.3.2007 | (restated) |
| | \$'000 | \$'000 |
| Cash flow from operating activities: | | |
| Profit before taxation | 35,047 | 1,598 |
| <i>Adjustments for:</i> | | |
| Interest income | (2,358) | (2,382) |
| Interest expense | 714 | 324 |
| Depreciation and impairment loss on property, plant and equipment | 530 | 462 |
| Share of results of associates and unincorporated joint venture | (33,652) | (194) |
| Movement on provision for outstanding claims | 2,173 | (165) |
| Movement on provision for unexpired risks | 1,964 | 1,513 |
| Gain on disposal of property, plant and equipment | (85) | – |
| | (30,714) | (442) |
| Operating income before reinvestment in working capital | 4,333 | 1,156 |
| Decrease/(increase) in receivables and short term investments | 5,983 | (819) |
| Decrease /(increase) in inventories | 40 | (79) |
| Decrease in payables | (2,601) | (388) |
| | 3,422 | (1,286) |
| Cash generated/(used in) from operations | 7,755 | (130) |
| Net claims paid | (2,059) | (2,081) |
| Interest received | 2,358 | 2,382 |
| Interest paid | (714) | (324) |
| Income taxes paid | (110) | (321) |
| | (525) | (344) |
| Net cash generated from/(used in) operating activities | 7,230 | (474) |
| Cash flow from investing activities: | | |
| Purchase of property, plant and equipment | – | (19) |
| Decrease in other investments | 4,062 | 7,230 |
| Decrease/(increase) in amounts due from associates | 128,955 | (1,201) |
| Proceeds from disposal of property, plant and equipment | 85 | – |
| Net cash generated from investing activities | 133,102 | 6,010 |
| Cash flow from financing activities: | | |
| Decrease in bank loans | (4,249) | (784) |
| Increase in bank overdrafts | 821 | 74 |
| Increase in amount due from an associate | – | – |
| Net cash used in financing activities | (3,428) | (710) |
| Net increase in cash and cash equivalents | 136,904 | 4,826 |
| Cash and cash equivalents at beginning of the period | 66,607 | 63,444 |
| Cash and cash equivalents at end of the period | 203,511 | 68,270 |

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.

| | GROUP | | COMPANY | |
|---|----------------------------------|-------------------------|----------------------------------|-----------|
| | First Quarter Ended 31.3.2007 | 31.3.2006 (restated) | First Quarter Ended 31.3.2007 | 31.3.2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Share capital | | | | |
| Balance at beginning of the period | 172,154 | 163,376 | 172,154 | 163,376 |
| Transfer from share premium | – | 8,778 | – | 8,778 |
| Balance at end of the period | 172,154 | 172,154 | 172,154 | 172,154 |
| Share premium | | | | |
| Balance at beginning of the period | – | 8,778 | – | 8,778 |
| Transfer to share capital | – | (8,778) | – | (8,778) |
| Balance at end of the period | – | – | – | – |
| Revenue reserve | | | | |
| Balance at beginning of the period as previously reported | 143,488 | 133,185 | 7,406 | 16,593 |
| Effect of adoption of FRS 40 | (10,939) | (10,108) | – | – |
| Balance at beginning of the period as restated | 132,549 | 123,077 | 7,406 | 16,593 |
| Profit/(loss) for the period | 34,732 | 1,407 | 4 | 44 |
| Effect of adoption of FRS 40 | (285) | (235) | – | – |
| Profit/(loss) for the period | 34,447 | 1,172 | 4 | 44 |
| Balance at end of the period | 166,996 | 124,249 | 7,410 | 16,637 |
| Capital reserve | | | | |
| Balance at beginning of the period as previously reported | 123,185 | 117,718 | – | – |
| Effect of adoption of FRS 40 | (24,499) | (18,968) | – | – |
| Balance at beginning of the period as restated | 98,686 | 98,750 | – | – |
| Exchange differences arising on consolidation | – | (33) | – | – |
| Deferred tax liabilities | – | (78) | – | – |
| Realisation of revaluation gain on property owned by an associate | (25,778) | – | – | – |
| Balance at end of the period | 72,908 | 98,639 | – | – |
| Fair value reserve | | | | |
| Balance at beginning of the period as previously reported | 25,772 | 9,919 | 287,195 | 245,417 |
| Increase in fair value of investment securities | 8,493 | 2,455 | – | – |
| Deferred tax | (840) | (491) | – | – |
| Balance at end of the period | 33,425 | 11,883 | 287,195 | 245,417 |
| Currency translation adjustment reserve | | | | |
| Balance at beginning of the period as previously reported | 2,156 | 1,203 | – | – |
| Effect of adoption of FRS 40 | (6,789) | (6,076) | – | – |
| Balance at beginning of the period as restated | (4,633) | (4,873) | – | – |
| Exchange differences arising from revaluation of monetary items forming part of net investment in foreign operation | (189) | (539) | – | – |
| Exchange differences arising on consolidation | (182) | (1,622) | – | – |
| Balance at end of the period | (5,004) | (7,034) | – | – |
| | 440,479 | 399,891 | 466,759 | 434,208 |

- 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 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.**

Since 31 December 2006, there were no changes to the total number of 653,504,000 issued ordinary shares of the Company.

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

- 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 has 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 2006.

- 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 has adopted the following new and revised FRS that are mandatory for financial periods beginning on or after 1 January 2007:-

| | |
|---------|--|
| FRS 1 | Amendment to FRS 1 (revised), Presentation of Financial Statements (Capital Disclosures) |
| FRS 40 | Investment Property |
| FRS 107 | Financial Instruments Disclosures |

Except as disclosed below, the adoption of new and revised FRS did not have any impact on the results of the Group and of the Company for the quarter ended 31 March 2007.

The directors have considered both the fair value model and the cost model allowed under FRS 40 and have adopted the cost model and will depreciate the investment property over fifty years. No depreciation is charged on the land component of investment properties. The impact of the change is taken up retrospectively.

The effect of the adoption of FRS 40 is as follows:-

| | | |
|------|--|------------------------|
| (i) | results for the quarter ended 31 March 2007 | |
| | Decrease profit before and after taxation | <u>\$0.285 million</u> |
| (ii) | net assets as at 1 Jan 2007 | |
| | Decrease revenue reserve | \$10.94 million |
| | Decrease capital reserve | \$24.50 million |
| | Decrease currency translation adjustment reserve | \$ 6.79 million |
| | Decrease deferred taxation | <u>\$ 1.29 million</u> |
| | | <u>\$43.52 million</u> |
| | Decrease investment property | <u>\$43.52 million</u> |

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 | |
|---|--|---------------------------------|
| | First Quarter Ended 31.3.2007 | 31.3.2006 (restated) |
| Earnings per ordinary share after deducting any provision for preference dividends: | | |
| (i) Based on the weighted average number of ordinary shares in issue | 5.27 cents | 0.18 cents |
| (ii) On a fully diluted basis | 5.27 cents | 0.18 cents |

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 31.3.2007 | As at 31.12.2006 (restated) | As at 31.3.2007 | As at 31.12.2006 |
| Net asset value per ordinary share | 67.40 cents | 64.97cents | 71.42 cents | 71.42 cents |

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.**

The Group achieved revenue of \$18.8 million for the first quarter ended 31 March 2007 ("1Q 2007"), which declined by 24.8% compared to the first quarter ended 31 March 2006 ("1Q 2006"). The decrease in Group revenue was mainly attributable to lower proceeds from the disposal of investments (1Q 2007: \$7 million; 1Q 2006: \$14.2 million). This was partially offset by higher gross written premiums (1Q 2007: \$8.7 million; 1Q 2006: \$7.8 million) from Tenet Insurance Company Ltd ("Tenet").

Cost of sales decreased due to lower cost of investment sold (1Q 2007: \$6.3 million; 1Q 2006: \$13 million).

Despite the lower revenue and gross profit, the Group registered a profit before taxation of \$35.05 million in 1Q 2007 compared to \$1.59 million in 1Q2006 due mainly to higher contribution from associates and unincorporated joint venture.

Other income increased 98.9% from \$0.49 million in 1Q 2006 to \$0.97 million in 1Q 2007 mainly due to a reduction in unrealised exchange loss from \$0.87 million in 1Q 2006, to \$0.19 million in 1Q 2007. The exchange loss in 1Q 2006 was mainly due to the appreciation of Singapore Dollar against Sterling Pound. The increase in other income was offset by lower gain on sale of investments (1Q 2007: \$0.02 million; 1Q 2006: \$0.248 million).

Other operating costs decreased in 1Q 2007 as compared to 1Q 2006 mainly because of lower allowance for doubtful debts.

Finance costs rose about 120.4% from \$0.324 million in 1Q 2006 to \$0.714 million in 1Q 2007 due to additional borrowings taken up to fund the acquisition of properties in the United Kingdom in the second half of FY2006.

Share of results of associates and unincorporated joint venture improved in 1Q 2007 as compared to 1Q 2006 mainly because the Group had started to recognise the profit from the development of the RiverGate project. Profit on the project was recognised in 1Q 2007 based on about 25% building completion of units sold (1Q 2006: Nil). As our cost of the land is different from our joint venture partner, the profit from the RiverGate project is made up of (i) share of profit of 50% owned associate, Riverwalk Promenade Pte Ltd and (ii) proportionate release of revaluation gain on property (included in capital reserve) in line with the percentage of completion of the project.

Taxation charge for the Group in 1Q 2007 was lower than that arrived at by applying the statutory tax rate of 18% to the profit before taxation mainly because share of associate's tax amounting to \$2.08 million is included in share of results of associate. In addition, no tax has been provided on the recognised revaluation gain of \$23.2 million as this amount is not taxable.

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.**

As at the latest practicable date, 520 apartments of the RiverGate development and the commercial areas have been sold. The project which is 50% owned by the Group has accounted for a significant portion of the Group's profits in the first quarter. Further contribution will be recognised as the building construction progresses. It is expected that all the remaining 25 units will be sold during the next 12 months.

The Group owns 15 residential units and 4 commercial units of the RiverGate development and these will be held as long term investments.

The apartments at the Pier at Robertson Quay (20% owned by the Group) were completely sold and the commercial areas fully leased.

The Group's residential and commercial properties in the UK continue to enjoy high occupancy. Contracts for the purchase of a commercial building in Liverpool were exchanged. The purchase which is expected to be completed in May 2007 will add to the portfolio of commercial investment properties in the UK.

For the first quarter, Tenet Insurance saw an 11% growth in premiums. However, market competition in motor insurance may lead to further declines in rates. Softening of interest rates will also have an impact on the investment income generated.

11. Dividend

(a) Current Financial Period Reported On

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

| | |
|--------------------------------------|--------------------------|
| Name of Dividend | Special Interim Dividend |
| Dividend Type | Cash |
| Dividend Amount per Share (in cents) | 3.989 cents, less tax |
| Tax Rate | 18% |

Following the completion of the securitisation exercise by 50% owned associate, Riverwalk Promenade Pte Ltd, and the settlement of shareholders' loans, the directors have declared the above Special Interim Dividend in order to fully utilise the Company's Section 44 balance.

(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

14 June 2007

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 29 May 2007 for the preparation of dividend warrants. Duly completed registrable transfers received by the Company's Share Registrars, Lim Associates (Pte) Ltd, 3 Church Street, #08-01 Samsung Hub, Singapore 049483 up to 5.00 p.m. on 28 May 2007 will be registered before entitlements to the dividend are determined. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the said dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlements to holders of shares in accordance with its practice.

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

Not applicable.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not applicable.

- 14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable.

- 15. A breakdown of sales.**

Not applicable.

- 16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

17. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current period's presentation.

18. INTERESTED PERSON TRANSACTIONS

| Name of interested person | Aggregate value of all interested person transactions during the financial year 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 |

19. 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.

BY ORDER OF THE BOARD

TAN MEE CHOO
COMPANY SECRETARY
27 APRIL 2007