UNAUDITED RESULTS FOR THIRD QUARTER ENDED 30 SEPTEMBER 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					
	Third Quarter Ended			Nine Months Ended		
	30.9.2007 $'000	30.9.2006(restated) $'000	+/(-) %	30.9.2007 $'000	30.9.2006 (restated) $'000	+/(-) %
Revenue	19,236	32,249	(40.35)	57,788	72,527	(20.32)
Cost of sales	(10,069)	(23,553)	(57.25)	(32,675)	(48,424)	(32.52)
Gross profit	9,167	8,696	5.42	25,113	24,103	4.19
Other income	5,227	2,314	125.89	16,721	11,052	51.29
General and administrative costs	(6,165)	(4,215)	46.26	(16,579)	(12,907)	28.45
Selling and distribution costs	(1,304)	(976)	33.61	(3,819)	(3,259)	17.18
Other operating cost	(526)	(346)	52.02	(785)	(451)	74.06
Finance costs	(1,168)	(377)	209.81	(2,746)	(1,097)	150.32
Share of results of associates and unincorporated joint venture	8,839	(418)	n.m	68,345	(818)	n.m
Profit before taxation	14,070	4,678	200.77	86,250	16,623	418.86
Taxation	(471)	(765)	(38.43)	(2,030)	(2,239)	(9.33)
Profit after taxation	13,599	3,913	247.53	84,220	14,384	485.51
Attributable to:						
Equity holders of the Company	13,599	3,913		84,220	14,384	
Minority interests	-	-		-	-	
	13,599	3,913		84,220	14,384	

Note

Profit before taxation included the following:

	GROUP		
	Third Quarter Ended		
	30.9.2007 $'000	30.9.2006 $'000	+/(-) %
Investment income	267	678	(60.62)
Other income including interest income	7,531	4,451	69.20
Interest on borrowings	(1,168)	(377)	209.81
Depreciation and amortisation and impairment loss on property, plant and equipment	(876)	(502)	74.50
Allowance for doubtful debts and bad debts written off	(91)	(348)	(73.85)
Allowance for inventory obsolescence	-	-	-
Foreign exchange gain	39	369	(89.43)
Adjustment for under provision of tax in respect of prior years	-	-	-
Gain on disposal of investment	3,892	3,634	7.10
Gain on disposal of investment properties *(included in other income)*	-	36	(100.00)
Gain on disposal of property, plant and equipment *(included in other income)*	-	123	(100.00)

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 30.9.2007 $'000	As at 31.12.2006 (restated) $'000	As at 30.9.2007 $'000	As at 31.12.2006 (restated) $'000
Non current assets				
Property, plant and equipment	12,590	14,250	4,198	4,800
Investment properties	93,051	83,038	–	–
Investment in subsidiaries	–	–	195,310	195,310
Investment in associates	76,793	55,997	614	614
Long term investments	98,432	72,556	31	31
Loans and receivables	19	43	–	–
Reinsurer's share of technical provisions				
Provision for unearned premiums	3,256	3,037	–	–
Provision for outstanding claims	2,170	2,848	–	–
	286,311	231,769	200,153	200,755
Current assets				
Short term investments	99,457	82,808	–	–
Inventories	49	59	–	–
Trade receivables	5,932	4,853	–	–
Amount due from associates	20,164	119,075	121	119
Amount due from subsidiaries	–	–	16,452	3,458
Deferred acquisition costs	3,046	2,469	–	–
Other receivables, deposits and prepayments	8,956	7,799	42	57
Tax recoverable	439	517	–	–
Cash and bank balances	121,499	66,607	766	522
	259,542	284,187	17,381	4,156
Current liabilities				
Trade payables and accruals	(6,754)	(1,390)	(1,052)	–
Other payables	(7,769)	(9,431)	(243)	(720)
Amount due to subsidiaries	–	–	(3,564)	(54,455)
Amount due to associates	(24,378)	(601)	(403)	(413)
Advance premiums	(3)	(1,166)	–	–
Bank overdrafts	(2,847)	(1,343)	–	–
Bank loans	(32,942)	(4,794)	–	–
Provision for taxation	(1,410)	(1,663)	(4)	(37)
	(76,103)	(20,388)	(5,266)	(55,625)
Net current assets/(liabilities)	183,439	263,799	12,115	(51,469)
Non current liabilities				
Bank loans	(41,358)	(33,482)	–	–
Other payables	(118)	(115)	–	–
Deferred taxation	(6,514)	(4,493)	(49)	(49)
	(47,990)	(38,090)	(49)	(49)
Technical provisions				
Provision for unearned premiums	(16,711)	(12,804)	–	–
Provision for outstanding claims	(20,580)	(23,395)	–	–
Provision for premium deficiency	(1,839)	(1,839)	–	–
	382,630	419,440	212,219	149,237

	GROUP		COMPANY	
	As at 30.9.2007	As at 31.12.2006 (restated)	As at 30.9.2007	As at 31.12.2006
	$'000	$'000	$'000	$'000
Share capital	172,154	172,154	172,154	172,154
Capital reserve	54,055	98,687	–	–
Revenue reserve	131,323	127,457	40,075	(22,910)
Fair value reserve	29,594	25,772	(10)	(7)
Currency translation adjustment reserve	(4,496)	(4,630)	–	–
	382,630	419,440	212,219	149,237

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

Amount repayable in one year or less, or on demand

As at 30.9.2007		As at 31.12.2006	
Secured	Unsecured	Secured	Unsecured
$35,789,000	–	$6,137,000	–

Amount repayable after one year

As at 30.9.2007		As at 31.12.2006	
Secured	Unsecured	Secured	Unsecured
$41,358,000	–	$33,482,000	–

Details of any collateral

Long term bank loans are secured over the investment properties of the Group. Short term bank loans of $32.59 million (31.12.2006 : $4.48 million) and bank overdrafts are secured by corporate guarantees and by a pledge of bank balances of $23 million (31.12.2006 : $0.43 million).

Bank Overdraft of $- million (31.12.2006: $0.90 million) is supported by a 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	
	Third Quarter Ended	
	30.9.2007	30.9.2006(restated)
	$'000	$'000
Cash flow from operating activities:		
Profit before taxation	14,070	4,678
Adjustments for:		
Interest income	(3,067)	(2,536)
Interest expense	1,168	377
Depreciation and impairment loss on property, plant and equipment	876	502
Share of results of associates and unincorporated joint venture	(8,839)	418
Gain on disposal of investment properties	-	(36)
Gain on disposal of property, plant and equipment	-	(123)
Movement in provision for outstanding claims	1,325	24
Movement in provision for unearned premiums	775	328
	(7,762)	(1,046)
Operating income before reinvestment in working capital	6,308	3,632
(Increase)/Decrease in receivables, short term investments and loans	(9,010)	1,854
(Increase)/Decrease in inventories	(22)	122
Increase in payables	2,603	331
	(6,429)	2,307
Cash (used in)/generated from operations	(121)	5,939
Net claims paid	(2,419)	(1,871)
Interest received	3,067	2,536
Interest paid	(1,168)	(377)
Income taxes paid	(989)	(442)
	(1,509)	(154)
Net cash (used in)/generated from operating activities	(1,630)	5,785
Cash flow from investing activities:		
Purchase of property, plant and equipment	-	(155)
(Increase)/decrease in other investments	(34,175)	1,725
Proceeds from disposal of investment properties	-	5,300
Amounts due from associates	(6,342)	(1,569)
Proceeds from disposal of property, plant and equipment	-	123
Acquisition of an associate	(500)	-
Net cash (used in)/generated from investing activities	(41,017)	5,424
Cash flow from financing activities:		
Increase/(Decrease) in bank loans	32,134	(4,338)
(Decrease)/Increase in bank overdrafts	(2,716)	218
Dividends paid	(52,280)	(7,842)
Net cash used in financing activities	(22,862)	(11,962)
Net decrease in cash and cash equivalents	(65,509)	(753)
Cash and cash equivalents at beginning of the period	187,008	60,609
Cash and cash equivalents at end of the period	121,499	59,856

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	
	Third Quarter Ended		Third Quarter Ended	
	30.9.2007	30.9.2006 (restated)	30.9.2007	30.9.2006 (restated)
	$'000	$'000	$'000	$'000
Share capital				
Balance at beginning and end of the period	172,154	172,154	172,154	172,154
Capital reserve				
Balance at beginning of the period as restated	61,790	98,717	-	-
Realisation of revaluation gain on property owned by an associate	(7,735)	-	-	-
Balance at end of the period	54,055	98,717	-	-
Revenue reserve				
Balance at beginning of the period as previously reported	173,503	129,124	38,227	(15,268)
Share of adjustment passed by an associate as a result of change in accounting policy for marketing cost incurred on a development project	(3,499)	(4,740)	-	-
Balance at beginning of the period as restated	170,004	124,384	38,227	(15,268)
Profit for the period	14,628	4,703	54,128	79
Share of adjustment passed by an associate as a result of change in accounting policy for marketing cost incurred on a development project	(704)	(551)	-	-
Effect of adoption of FRS 40	(325)	(239)	-	-
Total recognised income and expenses for the period	13,599	3,913	54,128	79
Dividends paid	(52,280)	(7,842)	(52,280)	(7,842)
Balance at end of the period	131,323	120,455	40,075	(23,031)
Fair value reserve				
Balance at beginning of the period as restated	34,474	8,327	(7)	-
(Decrease)/Increase in fair value of investment securities	(4,880)	2,465	(3)	-
Deferred tax liabilities	-	112	-	-
Balance at end of the period	29,594	10,904	(10)	-
Currency translation adjustment reserve				
Balance at beginning of the period as previously reported	(4,318)	(5,150)	-	-
Effect of adoption of FRS 40	-	6,076	-	-
Balance at beginning of the period as restated	(4,318)	926	-	-
Exchange differences arising from revaluation of monetary items forming part of net investment in foreign operation	(234)	-	-	-
Exchange differences arising from consolidation	56	510	-	-
Balance at end of the period	(4,496)	1,436	-	-
	382,630	403,666	212,219	149,123

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 30 June 2007, 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 for the third quarter and the nine months ended 30 September 2007.

I. As disclosed in the Group's announcement dated 27 April 2007, the directors have considered both the fair value model and the cost model allowed under FRS 40 and the Group has adopted the cost model and will depreciate its investment properties over fifty years. No depreciation is charged on the freehold land component of investment properties. The impact of the change is taken up retrospectively.

The effect of the adoption of FRS 40 on the results for the third quarter and the nine months ended 30 September 2007 is as follows:-

	Third Quarter Ended 30 September 2007	***Nine Months Ended 30 September 2007***
	$'000	***$'000***
Decrease profit before and after taxation	325	921

The effect of the adoption of FRS 40 on the opening net assets as at 1 January 2007 has been disclosed in our announcement dated 27 April 2007.

II. Following the decision to adopt the cost model for Investment Properties as highlighted above, the directors reviewed the appropriateness of the Company's accounting policy for its investment in subsidiaries. To align the basis for accounting for Investment Properties and the Company's investment in subsidiaries, the accounting policy for its investment in subsidiaries was changed from fair value to the cost basis.

The change in accounting policy has no effect on the Group's results and net tangible assets. The change in accounting policy also has no impact on the Company's results for the third quarter and nine months ended 30 September 2007. The effect on the Company's balance sheet as at 31 December 2006 is as follows:-

	$'000
Decrease in Investment in Subsidiaries	317,518
Decrease in Revenue Reserve	30,316
Decrease in Fair Value Reserve	287,202

III. An associate has changed its accounting policy for marketing costs incurred on the RiverGate development project. Such costs were previously capitalised and included in properties under development in its balance sheet. With the change in accounting policy, such costs are now charged to profit and loss account as and when they are incurred. The impact of the change in accounting policy on the Group's consolidated financial statements is as follows:-

	Third Quarter Ended 30 September 2007	***Nine Months Ended 30 September 2007***
	$'000	***$'000***
(Decrease)/Increase in profit after taxation	(704)	888

The effect on the Group's balance sheet as at 31 December 2006 is as follows:-

	$'000
Decrease in Investment in Associates	5,091
Decrease in Revenue Reserve	5,091

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	
	Third Quarter Ended	
	30.9.2007	30.9.2006 (restated)
Earnings per ordinary share after deducting any provision for preference dividends:		
(i) Based on the weighted average number of ordinary shares in issue	2.08 cents	0.60 cents
(ii) On a fully diluted basis	2.08 cents	0.60 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 30.9.2007	As at 31.12.2006 (restated)	As at 30.9.2007	As at 31.12.2006 (restated)
Net asset value per ordinary share	58.55 cents	64.18 cents	32.47 cents	22.84 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.

Nine months ended 30 September 2007 versus Nine months ended 30 September 2006

Group profit before taxation for the nine months ended 30 September 2007 ("YTD 30/9/07") increased by 418.86% to $86.25 million. The increase in Group profit before taxation for YTD 30/9/07 was mainly due to:-

(i) higher gain on disposal of investments (YTD 30/9/07 $14 million : YTD 30/9/06 $7.2 million);

(ii) increase in contribution from an associate due to recognition of profits from the RiverGate Project offset by an impairment allowance of $4.46 million in the Group's investment in Norwest Holdings Pte Ltd and its subsidiaries ("Norwest"). The impairment allowance has been made as Norwest is in a net current liability position and the shareholders have to-date been unwilling to provide further financial support.

The above was offset by lower gains from disposal of investment properties (YTD 30/09/07 $nil; YTD 30/9/06 $2.5 million) and a provision for bonus for key management staff and also lower profit recorded by Tenet Insurance (YTD 30/09/07 $5.4 million; YTD 30/09/06 $7.3 million) because of higher claims incurred (YTD 30/09/07 $4.2 million; YTD 30/09/06 $2.2million).

Quarter ended 30 September 2007 versus Quarter ended 30 September 2006

The revenue of the Group for the third quarter ended 30 September 2007 ("3Q 2007") decreased by about 40.35% from $32.25 million in the third quarter ended 30 September 2006 ("3Q 2006") to $19.24 million. This was mainly due to lower revenue recorded from sale of investments (3Q 2007 : $6.99 million; 3Q 2006 : $21.98 million). The decrease was partially offset by higher rental income (3Q 2007 : $1.6 million; 3Q 2006 : $1.1 million) and higher interest income (3Q 2007 : $2.28 million; 3Q 2006 : $1.65 million).

The decrease in cost of sales was in line with the lower revenue recorded.

Other income increased from $2.31 million to $5.23 million in 3Q 2007, due to higher gains on disposal of investment (3Q 2007 : $3.3 million; 3Q 2006 : $0.3 million).

General and administrative costs for 3Q 2007 increased by about 46.26%, as compared to 3Q 2006. This was mainly due to a provision for bonus for key management staff.

Selling and distribution costs for 3Q 2007 also increased, mainly due to increase in net commission expense incurred by Tenet Insurance (3Q 2007 : $1.25 million; 3Q 2006 : $0.98 million).

The increase in finance costs in 3Q 2007 was mainly due to higher bank borrowings.

The Group recorded an increase in share of results of associates and unincorporated joint venture mainly due to recognition of profit from RiverGate project. Profit was recognised based on 44.89% building completion of units sold (3Q 2006 : nil). As our cost of 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 realisation of revaluation gain on property (included in capital reserve) in line with the percentage of completion of the project. The increase in share of associates' results was reduced by an impairment allowance on Norwest as described above.

The tax charge for 3Q 2007 was lower than that arrived at by applying the statutory tax rate to the profit before tax mainly because the share of an associate's tax amounting to $1.5 million was included in the share of results of associates and also certain gains were exempted from tax.

Net tangible assets have decreased to $382.63 million because of the payment of dividends amounting to $80.35 million during the nine months ended 30 September 2007.

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 Group, including Tenet Insurance recorded a gain on disposal of investments amounting to $14 million. As at 30 September 2007, unrealised gain on the Group's investment portfolio amounted to $29.6 million. The performance of the investment portfolio for the rest of the year depends on market conditions which may remain volatile.

To date, 44.89% of the projected profit for the RiverGate Development was recognised and 3 units of penthouses remain unsold. Further profit from the RiverGate project will be recognised as construction of the project progresses.

In line with the robust Singapore economy, the demand for warehousing space has been strong and the occupancy level of the Paya Lebar property reached 92%. Higher rents were also achieved for new tenancies.

The Group was awarded a URA site located in Newton/Scotts Road at a tender price of $37 million. The site with a tenure of 15 years is being developed into an office building with an approximate net rentable area of 150,000 square feet. The project of which the Group has a 50% interest is expected to contribute to rental income from October 2008. A lease of 14 years has already been signed for the building which is scheduled to be ready in September 2008.

Demand for medical suites in Orchard Medical Centre (30% owned by the Group) improved and the sale and rental of some suites have contributed positively to the Group's profit. With medical tourism being actively promoted, there will be further demand for the remaining medical suites in the Centre.

The Group, through a joint venture and an associate, purchased two commercial buildings for approximately £9 million, in the UK for investment. These two buildings and the other properties in the Group's UK property portfolio are fully leased.

Although Tenet Insurance achieved a 21% increase in gross written premium for the nine months ended 30 September 2007, its contribution to the Group's profit is likely to be lower compared to its contribution in the previous financial year because of lower release of prior years' reserves and higher expenses.

Premium rates for insurance are expected to remain competitive.

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.

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. 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)
Goh Kian Hwee - professional fees charged by Rajah & Tann for nine months ended 30 September 2007	189,846	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 2007	249,072	Not applicable

18. Comparative Figures

Certain comparative figures have been restated as follows:-

	Third Quarter Ended 30.9.2006 $'000	*Nine Months Ended 30.9.2006 $'000*
Share of results of associates and unincorporated joint venture as previously reported	133	537
Share of adjustment passed by an associate as a result of change in accounting policy for marketing cost incurred on a development project	(551)	(1,355)
Share of results of associates and unincorporated joint venture as restated	(418)	(818)

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
7 NOVEMBER 2007