

**UNAUDITED RESULTS FOR SECOND QUARTER ENDED 30 JUNE 2009****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					
	Second Quarter ended			Six Months Ended		
	30.6.2009	30.6.2008 (restated)	+/(-) %	30.6.2009	30.6.2008 (restated)	+/(-) %
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	22,379	19,290	16.0	43,135	42,051	2.6
Cost of sales	(13,149)	(12,272)	7.1	(25,796)	(26,503)	(2.7)
Gross profit	9,230	7,018	31.5	17,339	15,548	11.5
Other income	1,905	2,742	(30.5)	2,990	4,571	(34.6)
General and administrative costs	(2,936)	(4,847)	(39.4)	(6,207)	(10,316)	(39.8)
Selling and distribution costs	(1,933)	(2,090)	(7.5)	(4,174)	(4,362)	(4.3)
Other operating income/(costs)	(751)	335	n.m.	(4,355)	259	n.m.
Finance costs	(977)	(1,098)	(11.0)	(1,862)	(2,270)	(18.0)
Share of results of associates and unincorporated joint venture	11,258	21,817	(48.4)	15,670	38,193	(59.0)
Profit before taxation	15,796	23,877	(33.8)	19,401	41,623	(53.4)
Taxation	(678)	(64)	n.m.	(1,126)	(442)	n.m.
Profit after taxation	15,118	23,813	(36.5)	18,275	41,181	(55.6)
Attributable to:						
Equity holders of the Company	15,118	23,813		18,275	41,181	
Minority interests	-	-		-	-	
	15,118	23,813		18,275	41,181	

Note

Profit before taxation included the following:

	Group		
	Second Quarter Ended		
	30.6.2009	30.6.2008 (restated)	+/(-) %
	\$'000	\$'000	%
Investment income	131	385	(66.0)
Other income including interest income	4,679	5,181	(9.7)
Interest on borrowings	(977)	(662)	47.6
Depreciation on property, plant and equipment and investment properties	(571)	(581)	(1.7)
Allowance for doubtful debts written back	250	-	n.m.
Write-back/(allowance made) for impairment loss on			
- investment property	-	270	n.m.
- long term investment securities	(1,000)	242	n.m.
Underprovision of taxation in prior years	(248)	-	n.m.
Foreign exchange gain/(loss)	1,182	(410)	n.m.
Gain on disposal of investment securities	1,328	2,082	(36.2)
Loss on disposal of property, plant and equipment	(1)	-	100.0
Gain on disposal of investment property	-	-	n.m.

n.m. denotes not meaningful.

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

Statement of Comprehensive Income

	Group					
	Second Quarter ended			Six Months Ended		
	30.6.2009	30.6.2008 (restated)	+ / (-)	30.6.2009	30.6.2008 (restated)	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Profit after taxation	15,118	23,813	(36.5)	18,275	41,181	(55.6)
Other comprehensive income/(loss):						
Net gain/(loss) on available-for-sale investments (net of tax)	14,302	(8,383)	n.m.	13,314	(21,627)	n.m.
Exchange difference arising from						
- consolidation	832	(591)	n.m.	985	(1,347)	n.m.
- revaluation of net investment in foreign operations	1,275	(501)	n.m.	1,645	(1,049)	n.m.
Revaluation gain realised by an associate to income statement	(698)	(12,958)	(94.6)	(3,666)	(23,835)	(84.6)
Other comprehensive income/(loss), net of tax	<u>15,711</u>	<u>(22,433)</u>		<u>12,278</u>	<u>(47,858)</u>	
Total comprehensive gain/(loss) for the year	<u><u>30,829</u></u>	<u><u>1,380</u></u>		<u><u>30,553</u></u>	<u><u>(6,677)</u></u>	
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	30,829	1,380		30,553	(6,677)	
Minority Interests	-	-		-	-	
	<u><u>30,829</u></u>	<u><u>1,380</u></u>		<u><u>30,553</u></u>	<u><u>(6,677)</u></u>	

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	
	30.6.2009 \$'000	31.12.2008 \$'000	30.6.2009 \$'000	31.12.2008 \$'000
Non-current assets				
Property, plant and equipment	13,022	13,290	176	4,049
Investment properties	106,067	72,094	-	-
Investment in subsidiaries	-	-	212,230	191,460
Investment in associates	117,649	105,922	787	787
Investment securities	85,758	90,355	39	39
Other receivables	4,783	3,301	-	-
Amount due from associate	15,000	15,000	-	-
Reinsurers' share of provision for outstanding claims	2,963	1,857	-	-
Deferred tax assets	769	1,648	-	-
	346,011	303,467	213,232	196,335
Current assets				
Inventories	38	28	-	-
Trade receivables	7,101	5,862	8	-
Reinsurers' share of provision for - outstanding claims	987	619	-	-
- unearned premium	5,699	3,338	-	-
Deferred acquisition costs	6,302	5,169	-	-
Tax recoverable	538	786	472	472
Prepayments and deposits	270	5,566	18	59
Other receivables	5,557	4,879	-	-
Amounts due from subsidiaries	-	-	6	12,929
Amounts due from associates	18,265	19,932	-	-
Investment securities	62,903	52,832	-	-
Cash and bank balances	85,835	79,929	80	82
	193,495	178,940	584	13,542
Current liabilities				
Trade payables	(3,187)	(2,130)	-	(42)
Advance premiums	-	(991)	-	-
Other payables	(6,807)	(6,413)	(153)	(196)
Accrued operating expenses	(2,499)	(3,373)	(116)	(283)
Provision for - outstanding claims	(7,763)	(6,871)	-	-
- unearned premium	(27,074)	(21,739)	-	-
- premium deficiency	(1,183)	(1,183)	-	-
Amounts due to associates	(28,055)	(23,714)	(389)	(399)
Amounts due to subsidiaries	-	-	(3,530)	(3,544)
Bank overdrafts	(1,488)	(3,700)	(381)	(395)
Bank loans (secured)	(46,071)	(39,754)	-	-
Tax payable	(207)	(182)	-	(1)
	(124,334)	(110,050)	(4,569)	(4,860)
Net current assets/(liabilities)	69,161	68,890	(3,985)	8,682
Balance carried forward	415,172	372,357	209,247	205,017

	Group		Company	
	30.6.2009 \$'000	31.12.2008 \$'000	30.6.2009 \$'000	31.12.2008 \$'000
Balance brought forward	415,172	372,357	209,247	205,017
Non-current liabilities				
Deferred tax liabilities	(2,654)	(994)	-	-
Bank loans (secured)	(45,700)	(30,161)	-	-
Other payables	(3,247)	(2,695)	-	-
Provision for outstanding claims	(23,436)	(20,758)	-	-
	(75,037)	(54,608)	-	-
Net assets	340,135	317,749	209,247	205,017
Equity attributable to equity holders of the Company				
Share capital	172,154	172,154	172,154	172,154
Capital reserve	2,850	6,515	-	-
Revenue reserve	166,551	156,445	37,093	32,863
Fair value reserve	11,162	(2,152)	-	-
Currency translation reserve	(12,582)	(15,213)	-	-
	340,135	317,749	209,247	205,017
Minority interests	-	-	-	-
Share capital and reserves	340,135	317,749	209,247	205,017

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

Amount repayable in one year or less, or on demand

	30.6.2009		31.12.2008	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Bank overdrafts	1,107	381	3,305	395
Short term bank loans	45,600	-	39,473	-
Long term bank loans	471	-	281	-
	47,178	381	43,059	395

Amount repayable after one year

	30.6.2009		31.12.2008	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Long term bank loans	45,700	-	30,161	-

Details of any collateral

Long term bank loans of \$46.2 million (31.12.2008: \$30.4 million) are secured by a fixed charge over subsidiaries' investment properties. Short term bank loans are secured by a subsidiary's investment property and a charge of \$36.3 million (31.12.2008: \$36.3 million) on its fixed deposit. Certain bank overdrafts are secured by charges over time deposits and supported by corporate guarantee.

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			
	Second quarter ended		Six Months Ended	
	30.6.2009	30.6.2008 (restated)	30.6.2009	30.6.2008 (restated)
	\$'000	\$'000	\$'000	\$'000
Cash flow from operating activities:				
Profit before taxation	15,796	23,877	19,401	41,623
Adjustments for:				
Interest income	(3,138)	(2,255)	(6,316)	(5,300)
Interest expense	977	1,099	1,862	2,270
Depreciation on property, plant and equipment and investment properties	571	581	1,059	1,169
Share of results of associates and unincorporated joint venture	(11,258)	(21,817)	(15,670)	(38,193)
Net claims incurred	4,768	4,640	9,913	8,528
Provision for unexpired risks	(214)	1,073	1,808	3,808
Allowance made/(written-back) for impairment loss on				
- investment property	-	(270)	-	(270)
- long term investment securities	1,000	-	1,000	-
- short term investment securities	-	-	3,605	-
Allowance written-back for doubtful receivable	(250)	-	(250)	-
Gain on disposal of				
- property, plant and equipment	1	-	1	-
- investment property	-	-	-	(645)
Property, plant and equipment written off	5	-	5	-
	(7,538)	(16,949)	(2,983)	(28,633)
Operating income before reinvestment in working capital	8,258	6,928	16,418	12,990
Increase in receivables and current investment securities	(1,155)	(557)	(1,186)	(5,548)
Increase in inventories	(19)	(24)	(10)	(22)
(Decrease)/increase in payables	171	(518)	(483)	(6,093)
	(1,003)	(1,099)	(1,679)	(11,663)
Cash generated from operations	7,255	5,829	14,739	1,327
Net claims paid	(3,479)	(2,950)	(7,818)	(5,658)
Interest received	581	2,255	1,625	5,300
Interest paid	(830)	(1,099)	(1,642)	(2,270)
Income taxes paid	(1)	(281)	(143)	(250)
	(3,729)	(2,075)	(7,978)	(2,878)
Net cash generated from/(used in) operating activities carried forward	3,526	3,754	6,761	(1,551)

	Group			
	Second quarter ended		Six Months Ended	
	30.6.2009	30.6.2008 (restated)	30.6.2009	30.6.2008 (restated)
	\$'000	\$'000	\$'000	\$'000
Net cash generated from/(used in) operating activities brought forward	3,526	3,754	6,761	(1,551)
Cash flow from investing activities:				
Decrease in other investments	4,432	595	7,476	2,332
(Increase)/decrease in amounts due from associates	4,578	149	7,656	(147)
Purchase of property, plant and equipment	-	-	(190)	-
Purchase of investment property from an associate	-	-	(22,128)	-
Purchase of investment property	(128)	-	(128)	-
Proceeds from disposal of				
- property, plant and equipment	-	-	20	-
- investment property	-	-	-	645
Net cash generated from/(used in) investing activities	8,882	744	(7,294)	2,830
Cash flow from financing activities:				
Proceeds from bank loans	546	-	18,205	845
Repayments in bank loans	(1,691)	(136)	(2,041)	-
Decrease in bank overdrafts	(1,314)	(245)	(2,686)	(526)
Dividends paid	(8,169)	(32,675)	(8,169)	(32,675)
Increase/(decrease) in pledged fixed deposits	(111)	-	2,110	-
Net cash (used in)/generated from financing activities	(10,739)	(33,056)	7,419	(32,356)
Net increase/(decrease) in cash and cash equivalents	1,669	(28,558)	6,886	(31,077)
Cash and cash equivalents at beginning of the period	40,802	84,760	35,344	88,394
Effects of exchange rate changes on cash and cash equivalents	889	63	1,130	(1,052)
Cash and cash equivalents at end of the period	43,360	56,265	43,360	56,265
For purposes of presenting consolidated cash flow statements, the consolidated cash and cash equivalents comprise the following:				
Cash and bank balances	85,835	88,826	85,835	88,826
Less: fixed deposits pledged	(42,475)	(32,561)	(42,475)	(32,561)
Cash and cash equivalents at end of period	43,360	56,265	43,360	56,265

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 1.1.2009	172,154	6,515	156,445	(2,152)	(15,213)	-	317,749
Total comprehensive income for the period	-	(2,967)	3,157	(988)	524	-	(274)
Balance at 31.3.2009	172,154	3,548	159,602	(3,140)	(14,689)	-	317,475
Total comprehensive income for the period	-	(698)	15,118	14,302	2,107	-	30,829
Dividends paid	-	-	(8,169)	-	-	-	(8,169)
Balance at 30.6.2009	172,154	2,850	166,551	11,162	(12,582)	-	340,135
Balance at 1.1.2008	172,154	47,987	149,943	27,076	(7,220)	-	389,940
Total comprehensive income for the period	-	(10,877)	17,368	(13,244)	(1,304)	-	(8,057)
Balance at 31.3.2008	172,154	37,110	167,311	13,832	(8,524)	-	381,883
Total comprehensive income for the period	-	(12,958)	23,813	(8,383)	(1,092)	-	1,380
Dividends paid	-	-	(32,675)	-	-	-	(32,675)
Balance at 30.6.2008	172,154	24,152	158,449	5,449	(9,616)	-	350,588
Company							
			Share capital \$'000		Revenue reserve \$'000		Total equity \$'000
Balance at 1.1.2009			172,154		32,863		205,017
Total comprehensive income for the period			-		6,307		6,307
Balance at 31.3.2009			172,154		39,170		211,324
Total comprehensive income for the period			-		6,092		6,092
Dividends paid			-		(8,169)		(8,169)
Balance at 30.6.2009			172,154		37,093		209,247
Balance at 1.1.2008			172,154		32,573		204,727
Total comprehensive income for the period			-		(47)		(47)
Balance at 31.3.2008			172,154		32,526		204,680
Total comprehensive income for the period			-		32,907		32,907
Dividends paid			-		(32,675)		(32,675)
Balance at 30.6.2008			172,154		32,758		204,912

- 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 2008, there were no changes to the total number of 653,504,000 issued ordinary shares of the Company. As at 31 December 2008, the Company's share capital was \$172,153,626 with 653,504,000 ordinary shares issued and fully paid.

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 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 2008.

- 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 that are mandatory for financial periods beginning on 1 January 2009, except INT FRS 113 and INT FRS 116 which were effective on 1 July 2008 and 1 October 2008 respectively:-

FRS 1	Presentation of Financial Statements – Revised presentation Presentation of Financial Statements – Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation
FRS 23	Borrowing Costs
FRS 27	Consolidated and Separate Financial Statements – Amendments relating to Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
FRS 32	Financial Instruments: Presentation – Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation
FRS 101	First Time Adoption of Financial Reporting Standards – Amendments relating to Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

FRS 102	Share-based payment – Amendments relating to Vesting Conditions and Cancellations
INT FRS 113	Customer Loyalty Programmes
INT FRS 116	Hedges of a Net Investment in a Foreign Operation

The adoption of the above FRS and INT FRS did not have any financial impact on the Group and the Company, except for FRS 1 as indicated below:

FRS 1 Presentation of Financial Statements – Revised Presentation

The revised FRS 1 requires owner and non-owner changes in equity to be presented separately. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line item. In addition, the revised standard introduces the statement of comprehensive income: it presents all items of income and expense recognised in income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group and the Company present statement of comprehensive income in two linked 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 30.6.2009	30.6.2008 (restated)
Earnings per ordinary share after deducting any provision for preference dividends:		
(i) Based on the weighted average number of ordinary shares in issue	2.31 cents	3.65 cents
(ii) On a fully diluted basis	2.31 cents	3.65 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 30.6.2009	As at 31.12.2008	As at 30.6.2009	As at 31.12.2008
Net asset value per ordinary share	52.05 cents	48.62 cents	32.02 cents	31.37 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.

Second Quarter Ended 30 June 2009 ("2Q 2009") vs Second Quarter Ended 30 June 2008 ("2Q 2008")

Revenue (excluding all inter-segment transactions)

	Group		
	Second Quarter Ended		
	30.6.2009 \$'000	30.6.2008 \$'000	+/(-) %
Rental and Investments	9,520	7,708	23.5
Insurance	11,247	10,350	8.7
Trading and Investments	1,612	1,232	30.8
Corporate and Others	-	-	-
	22,379	19,290	

Increase in revenue by 16.0%, or \$3.1 million in 2Q 2009 was due to increase in revenue of all segments, with Rental and Investments segment contributing \$1.8 million of the increase and Insurance and Trading and Investments segments contributing \$0.9 million and \$0.4 million respectively.

Increase in revenue in Rental and Investments segment was mainly due to increase in proceeds from sale of investments and interest income of \$0.8 million and \$1.0 million respectively. The 19 units at the RiverGate which received the temporary occupation permit in March 2009 were rented out during the quarter and contributed about \$0.1 million increase in rental income.

Increase in revenue in Insurance segment was due to higher premiums from motor and medical insurance.

Increase in revenue in Trading and Investments segment was due to higher proceeds from sale of short term investments.

Profit before taxation (excluding all inter-segment transactions)

	Group		
	Second Quarter Ended		
	30.6.2009 \$'000	30.6.2008 (restated) \$'000	+/(-) %
Rental and Investments	14,451	24,452	(40.9)
Insurance	1,520	217	n.m.
Trading and Investments	409	(262)	n.m.
Corporate and Others	(584)	(530)	10.2
	15,796	23,877	

Analysis by segment

Reduction in profit before taxation of \$8.1 million or 33.9% was mainly contributed by Rental and Investment and Corporate and Others segments. Reduction in profit before taxation for Rental and Investments segment by \$10.0 million was mainly due to reduction in contribution from associates and unincorporated joint venture as well as lower gain from disposal of long term investment securities.

The reduction was partially offset by increase in profit before taxation for the Insurance and the Trading and Investments segments of \$1.3 million and \$0.7 million respectively.

The increase in Insurance segment was mainly due to improved underwriting results (2Q 2009: gain of \$0.1 million; 2Q 2008: loss of \$1.4 million). Increase in profit before taxation for Trading and Investments segment was mainly due to gains from sale of short term investment securities amounting to \$0.4 million (2Q 2008: loss of \$0.1 million). In addition, there was a write-back of allowance for doubtful debt receivable from an associate amounting to approximately \$0.3 million (2Q 2008: nil).

Analysis by nature

Reduction in profit before taxation from \$23.9 million in 2Q 2008 to \$15.8 million in 2Q 2009 was mainly due to

- i) reduction in other income by \$0.8 million, from \$2.7 million in 2Q 2008 to \$1.9 million in 2Q 2009. The reduction was mainly due to the reduction in gain from disposal of long term investment securities of \$0.6 million (2Q 2009: \$0.9 million; 2Q 2008: \$1.5 million) and interest income from long term investment securities of \$0.2 million (2Q 2009: \$0.4 million; 2Q 2008: \$0.6 million);
- ii) increase in other operating costs by \$1.1 million was mainly due to allowance made for impairment loss on long term investment securities; and
- iii) reduction in share of results of associates and unincorporated joint venture by \$11.6 million was mainly due to lower release of valuation gain from capital reserve of \$10.8 million (2Q 2009: \$0.2 million; 2Q 2008: \$11.0 million). The incremental percentages of profit recognised from the RiverGate project were 3.67% and 13.97% for 2Q 2009 and 2Q 2008 respectively. However, this was mitigated by cost of sale adjustment and higher interest income recorded by Riverwalk Promenade which increased our share of profit by about \$10 million.

Decrease in profit before taxation was partially mitigated by reduction in general and administrative costs by \$1.9 million mainly due to lower accruals for staff bonus in 2Q 2009. In addition, unrealised foreign exchange gains, due to our monetary assets such as cash and receivables held in Sterling Pounds, amounted to \$1.2 million (2Q 2008: losses of \$0.4 million).

The tax charge for the Group in 2Q 2009 was lower than that arrived at by applying the statutory tax rate of 17% to the profit before taxation mainly because share of associates' tax amounting to \$11.1 million is included in share of results of associates and unincorporated joint venture. In addition, no tax has been provided on the valuation gain of \$0.2 million recognised in the share of results of associates and unincorporated joint venture as the amount is not taxable.

First Half Ended 30 June 2009 vs First Half Ended 30 June 2008

Revenue (excluding all inter-segment transactions)

	Group		
	Six Months Ended		
	30.6.2009	30.6.2008	+/(-) %
	\$'000	\$'000	
Rental and Investments	14,106	14,716	(4.1)
Insurance	25,871	22,547	14.7
Trading and Investments	3,054	4,788	(36.2)
Corporate and Others	104	-	100.0
	43,135	42,051	

Revenue for first half ended 30 June 2009 ("1H 2009") was \$1.1 million higher than the corresponding period ended 30 June 2008 ("1H 2008"). The increase was mainly due to increase in interest income from investment securities by \$1.3 million from Rental and Investments segment and increase in gross written premium by \$3.3 million from the Insurance segment.

The above increases were partially offset by lower sales proceeds from sale of short term investments from Rental and Investments and Trading and Investments segments by \$1.8 million and \$1.3 million respectively. Trading sales also reduced by \$0.4 million.

Profit before taxation (excluding all inter-segment transactions)

	Group		
	Six Months Ended		+ / (-)
	30.6.2009	30.6.2008 (restated)	
	\$'000	\$'000	%
Rental and Investments	19,825	44,223	(55.2)
Insurance	1,141	(45)	n.m.
Trading and Investments	(329)	(1,208)	(72.8)
Corporate and Others	(1,236)	(1,347)	(8.2)
	<u>19,401</u>	<u>41,623</u>	

Analysis by segment

Profit before taxation decreased by \$22.2 million from \$41.6 million in 1H 2008 to \$19.4 million in 1H 2009. Reduction in profit before taxation is contributed by Rental and Investments segment while the rest of the segments reported higher profit before taxation (lower losses before taxation).

- Reduction in profit before taxation for Rental and Investments segment was mainly due to
- i) reduction in contribution from associates and unincorporated joint venture by \$22.5 million due to lower contribution from the RiverGate project; and
 - ii) lower gain from disposal of long term investment securities by \$1.6 million.

Decrease in profit before taxation was partially mitigated by unrealised exchange gains of \$1.6 million (1H 2008: losses of \$1.0 million) due to monetary assets such as cash and receivables held in Sterling Pound and increase in interest income of \$0.4 million.

Increase in profit before taxation for Insurance segment was due to improved underwriting results (1H 2009: loss of \$0.4 million; 1H 2008: loss of \$2.3 million).

Reduction in loss before taxation for Trading and Investments segment was due to higher profit from disposal of short term investment securities amounting to \$0.5 million (2Q 2008: \$0.3 million). In 1H 2008, there were unrealised exchange losses of \$0.5 million due to investments denominated in Korean Won which was absent in the current period.

Analysis by nature

Reduction in profit before taxation from \$41.6 million in 1H 2008 to \$19.4 million in 1H 2009 was mainly due to increase in other operating costs and reduction in share of results of associates and unincorporated joint venture by \$4.0 million and \$22.5 million respectively. The decrease was partially offset by decrease in general and administrative costs.

Analysis by quarter

Comparing 2Q 2009 and that for quarter ended 31 March 2009, profit before taxation for all segments improved by \$12.2 million, with Rental and Investments, Insurance and Trading and Investments segments contributing \$9.1 million; \$2.2 million and \$1.1 million respectively.

Balance Sheet

Net tangible assets increased from \$317.8 million as at 31 December 2008 to \$340.1 million as at 30 June 2009. Increases in investment properties and bank borrowings were due mainly to the payment of the 65% of the purchase price under the deferred payment scheme for the 19 units of RiverGate development and the bank borrowings taken to finance the payment. The project obtained temporary occupation permit in March 2009. The increase was also due to increase in valuation for Available for Sale investments which are stated at fair values.

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.

Although Singapore 2Q GDP contracted by approximately 3.7% compared to the same quarter last year, the rate of decline appears to be slowing. In line with the improvement in stock markets worldwide, the Group's fair value reserve increased to a positive \$11.2 million compared to a negative \$2.2 million in December 2008. The performance of the Group's investment portfolio will depend on the performance of the securities market.

The Certificate of Statutory Completion for the RiverGate Development was issued in June 2009 with final completion expected in September 2009. All the units except three have been sold and 99.56% of the profit has been recognised and any further contribution will be dependant on finalisation of construction and other accounts.

The Group's residential, industrial and commercial properties in Singapore and United Kingdom are substantially let. Maintaining high occupancy for the properties will remain a focus.

Results from Tenet Insurance are expected to continue to improve.

11. Dividend

(a) Current Financial Period Reported On

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

Name of Dividend	Interim Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	1 cent one-tier, tax exempt
Tax Rate	Not applicable

(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	Interim Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.5 cents tax exempt
Tax Rate	Not applicable

(c) Date payable

25 August 2009

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 14 August 2009 for the preparation of dividend warrants. Duly completed registrable transfers received by the Company's Share Registrars, Boardroom Corporate & Advisory Services Pte. Ltd., 3 Church Street, #08-01 Samsung Hub, Singapore 049483 up to 5.00 p.m. on 13 August 2009 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 restated because of a change in accounting policy for the Group’s property, plant and equipment during 4Q 2008. As disclosed in our announcement dated 6 February 2009, the Group changed the accounting policy for the freehold office property occupied by a subsidiary from valuation basis to the cost basis and to depreciate the cost over fifty years. The impact of the change in accounting policy is to increase depreciation expense and reduce profit before and after taxation for the six months and second quarter ended 30 June 2008 by \$23,000 and \$11,000 respectively.

With the adoption of FRS 1, statement of comprehensive income and statement of changes in equity for the previous period were re-presented to conform to current period’s presentation.

18. **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)
Hong Leong Investment Holdings Pte. Ltd. Group – interest charged on shareholder loan to Hong Property Investment Pte Ltd for six months ended 30 June 2009	\$183,852	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.

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.

SUBMITTED BY

Simon Ong
Chief Financial Officer
30 July 2009