

**UNAUDITED RESULTS FOR FIRST QUARTER ENDED 31 MARCH 2011****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		+ / (-) %
	31.3.2011 \$'000	31.3.2010 \$'000	
<u>Continuing operations</u>			
Revenue	8,804	14,570	(39.6)
Cost of sales	(5,387)	(7,966)	(32.4)
Gross profit	3,417	6,604	(48.3)
Other income	219	94	n.m.
General and administrative costs	(2,544)	(2,908)	(12.5)
Selling and distribution costs	(48)	(55)	(12.7)
Finance costs	(143)	(466)	(69.3)
Share of after tax results of associates and unincorporated joint venture	(236)	74	n.m.
Profit from continuing operations, before taxation	665	3,343	(80.1)
Taxation	(232)	(395)	(41.3)
Profit from continuing operations, after taxation	433	2,948	(85.3)
<u>Discontinued operation</u>			
Profit from discontinued operation, after taxation *	-	319	(100.0)
Net profit after taxation	433	3,267	(86.7)
Profit attributable to:			
Equity holders of the Company	433	3,267	(86.7)
Non-controlling interests	-	-	-
	433	3,267	

* Profit from discontinued operation, after taxation for first quarter ended 31 March 2010 was contributed by Tenet Insurance Company Ltd ("Tenet"). The sale of Tenet was completed on 31 May 2010 and it ceased to be a subsidiary on that date. Please refer to 1Q2011 financial results announcement dated 28 April 2010 for more information.

n.m. denotes not meaningful.

Profit from continuing operations, before taxation included the following:

	Group		
	First Quarter Ended		+ / (-)
	31.3.2011	31.3.2010	
	\$'000	\$'000	%
Investment income	189	119	58.8
Other income including interest income	1,113	2,976	(62.6)
Interest on borrowings	(143)	(466)	(69.3)
Depreciation on property, plant and equipment and investment properties	(421)	(449)	(6.2)
Allowance for doubtful debts (trade)	(38)	-	100.0
Foreign exchange loss	(312)	(406)	(23.2)
Gain on disposal of investments			
- included in gross profit	852	1,958	(56.5)
- included in other income	-	12	(100.0)
Gain on disposal of property, plant and equipment	-	1	(100.0)
(Under)/over provision of taxation in prior years	-	-	n.m.

Note:

1. Decrease in revenue by \$5.8 million or 39.6% from \$14.6 million in first quarter ended 31 March 2010 (1Q2010) to \$8.8 million in first quarter ended 31 March 2011 (1Q2011) was mainly due to
 - Reduction in proceeds from sale of investment securities by \$3.6 million (1Q2011: \$5.8 million; 1Q2010: \$9.4 million) mainly due to less favourable market conditions.
 - Reduction in interest income by \$1.9 million (1Q2011: \$1.0 million; 1Q2010: \$2.9 million) due to redemption of interest bearing investment securities in FY2010. An investment security which contributed about \$2.0 million of interest income in 1Q2010 was redeemed in FY2010.
 - Reduction in rental income by \$0.3 million (1Q2011: \$1.8 million; 1Q2010: \$2.1 million) as the Group sold 3 investment properties in FY2010.
2. Reduction in general and administrative costs by \$0.4 million in 1Q2011 was mainly due to reduction in professional fees by \$0.3 million. In 1Q2010, the Group incurred professional fees in connection with the sale of Tenet.
3. Reduction in finance costs was due to repayments of interest bearing bank loans in FY2010.
4. Share of after tax results of associates and unincorporated joint venture of \$0.3 million was mainly contributed by Scotts Spazio which holds an office building in Scotts Road. The transitional office building had been fully let out since FY2008. In 1Q2010, associate Hong Property made a positive contribution to our share of results of associates.
5. Effective tax rates for 1Q2011 and 1Q2010 were 34.9% and 11.8% respectively. The taxation charge for the Group in 1Q2011 was higher than that arrived at by applying the statutory tax rate of 17% to the profit before taxation from continuing operations due to certain non-deductible expenses and losses in foreign joint ventures which are not available for set off against profits in Singapore. The taxation charge for the Group in 1Q2010 was lower than that arrived at by applying the statutory rate of tax of 17% mainly because share of results of associates and unincorporated joint venture is shown net of tax, that is, the share of tax of associates is excluded from the Group's taxation.

Statement of Comprehensive Income

	Group		
	First Quarter Ended		+/(-) %
	31.3.2011 \$'000	31.3.2010 \$'000	
Net profit after taxation	433	3,267	(86.7)
Other comprehensive gain/(loss):			
Net loss on available-for-sale investments (net of tax)	(996)	(2,478)	(59.8)
Exchange difference arising from			
- consolidation	33	69	(52.2)
- revaluation of net investment in foreign operations	(134)	(789)	(83.0)
Other comprehensive loss, net of tax	<u>(1,097)</u>	<u>(3,198)</u>	(65.7)
Total comprehensive (loss)/gain for the period	<u>(664)</u>	<u>69</u>	
Total comprehensive (loss)/gain attributable to:			
Equity holders of the Company	(664)	69	
Non-controlling interests	-	-	
	<u>(664)</u>	<u>69</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	
	31.3.2011 \$'000	31.12.2010 \$'000	31.3.2011 \$'000	31.12.2010 \$'000
Non-current assets				
Property, plant and equipment	6,131	6,218	21	28
Investment properties	84,084	84,419	-	-
Investment in subsidiaries	-	-	194,984	194,984
Investment in associates	968	1,185	746	746
Investment securities	7,871	8,399	-	-
Other receivables	10,036	9,296	-	-
Amounts due from associates	17,519	17,565	-	-
	126,609	127,082	195,751	195,758
Current assets				
Inventories	14	18	-	-
Trade receivables	990	1,336	-	-
Prepayments and deposits	432	490	26	34
Other receivables	3,585	3,729	44	50
Amounts due from subsidiaries	-	-	1,800	1,800
Amounts due from associates	14,198	14,070	-	-
Investment securities	31,133	32,538	-	-
Cash and bank balances	128,645	128,940	43,754	43,919
	178,997	181,121	45,624	45,803
Current liabilities				
Trade payables	(550)	(1,575)	-	-
Other payables	(1,695)	(1,676)	(205)	(205)
Accrued operating expenses	(1,808)	(2,818)	(162)	(137)
Amounts due to associates	(524)	(520)	(338)	(349)
Amounts due to subsidiaries	-	-	(43,030)	(43,030)
Bank overdraft (secured)	(872)	(650)	-	-
Bank loans (secured)	(8,309)	(8,382)	-	-
Tax payable	(2,160)	(2,389)	-	-
	(15,918)	(18,010)	(43,735)	(43,721)
Net current assets	163,079	163,111	1,889	2,082
Non-current liabilities				
Deferred tax liabilities	(5,329)	(5,272)	-	-
Bank loans (secured)	(7,539)	(7,591)	-	-
Other payables	(613)	(459)	-	-
	(13,481)	(13,322)	-	-
Net assets	276,207	276,871	197,640	197,840

	Group		Company	
	31.3.2011	31.12.2010	31.3.2011	31.12.2010
	\$'000	\$'000	\$'000	\$'000
Equity attributable to equity holders of the Company				
Share capital	172,154	172,154	172,154	172,154
Capital reserve	2,040	2,040	-	-
Revenue reserve	109,788	109,355	25,486	25,686
Fair value reserve	7,003	7,999	-	-
Currency translation reserve	(14,778)	(14,677)	-	-
	276,207	276,871	197,640	197,840
Non-controlling interests	-	-	-	-
Share capital and reserves	276,207	276,871	197,640	197,840

Note:

1. Reduction in non-current investment securities by \$0.5 million was mainly due to proceeds from capital reduction of an unquoted investment.
2. Increase in non-current other receivables by \$0.7 million was due to the accrual of interest income receivable from an associate.
3. Reduction in current investment securities by \$1.4 million was mainly due to changes in fair value and sale of investment securities.
4. Reduction in trade payables by \$1.0 million was mainly due to payments made in 1Q2011.
5. Reduction in accrued operating expenses by \$1.0 million was mainly due to reduction in accruals for bonus.
6. The special and final dividend for the year ended 31 December 2010 amounting to \$65.35 million will be paid to shareholders on 20 May 2011.

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

Amount repayable in one year or less, or on demand

	31.3.2011		31.12.2010	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Bank overdraft	872	-	650	-
Short term bank loans	1,100	-	1,100	-
Long term bank loans	7,209	-	7,282	-
	9,181	-	9,032	-

Amount repayable after one year

	31.3.2011		31.12.2010	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Long term bank loans	7,539	-	7,591	-

Details of any collateral

Long term bank loans of \$14.7 million (31.12.2010: \$14.9 million) are secured by a fixed charge over the subsidiaries' investment properties. Short term bank loans of \$1.1 million (31.12.2010: \$1.1 million) are secured by an existing deed of guarantee and indemnity of \$4.0 million from a subsidiary.

Bank overdraft is secured by a corporate guarantee from the Company of \$15.0 million (31.12.2010: \$15.0 million).

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	
	31.3.2011	31.3.2010
	\$'000	\$'000
Cash flow from operating activities:		
Profit before taxation		
- continuing operations	665	3,343
- discontinued operation	-	418
	<u>665</u>	<u>3,761</u>
Adjustments for:		
Interest income	(985)	(3,240)
Interest expense	143	466
Depreciation on property, plant and equipment and investment properties	421	540
Share of results of associates and unincorporated joint venture	236	(74)
Net claims incurred	-	4,787
Provision for unexpired risks	-	2,727
Gain on disposal of property, plant and equipment	-	(1)
	<u>(185)</u>	<u>5,205</u>
Operating income before reinvestment in working capital	480	8,966
Decrease/(increase) in receivables and current investments	1,103	(4,701)
Decrease in inventories	4	-
Decrease in payables	(1,831)	(559)
	<u>(724)</u>	<u>(5,260)</u>
Cash generated from operations	(244)	3,706
Net claims paid	-	(3,030)
Interest received	244	489
Interest paid	(143)	(466)
Income taxes (paid)/recovered	(341)	2
	<u>(240)</u>	<u>(3,005)</u>
Net cash (used in)/generated from operating activities	(484)	701
Cash flow from investing activities:		
Dividends received from associate	-	8,000
Decrease in other investments	478	501
Increase in amounts due from associates	(99)	(156)
Proceeds from disposal of property, plant and equipment	-	1
Refurbishment of investment properties	(321)	-
Purchase of property, plant and equipment	(51)	(725)
Net cash generated from investing activities	7	7,621
Cash flow from financing activities:		
Decrease in bank loans	-	(2,127)
Increase in bank overdrafts	222	-
Increase in pledged cash and bank balances	-	781
Net cash generated from/(used in) financing activities	222	(1,346)
Net (decrease)/increase in cash and cash equivalents	(255)	6,976
Cash and cash equivalents at beginning of the period	115,600	84,624
Effects of exchange rate changes on cash and cash equivalents	(40)	(99)
Cash and cash equivalents at end of the period	115,305	91,501

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

	Group	
	31.3.2011	31.3.2010
	\$'000	\$'000
Cash and bank balances		
- continuing operations	128,645	41,900
- discontinued operation	-	66,590
Less: cash and bank balances pledged	(13,340)	(16,989)
Cash and cash equivalents at end of the period	<u>115,305</u>	<u>91,501</u>

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	Capital reserve **	Revenue reserve	Fair value reserve	Currency translation reserve	Reserve of disposal group classified as held for sale	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group								
Balance at 1.1.2011	172,154	2,040	109,355	7,999	(14,677)	-	-	276,871
Total comprehensive gain/(loss) for the period	-	-	433	(996)	(101)	-	-	(664)
Balance at 31.3.2011	<u>172,154</u>	<u>2,040</u>	<u>109,788</u>	<u>7,003</u>	<u>(14,778)</u>	<u>-</u>	<u>-</u>	<u>276,207</u>
Balance at 1.1.2010	172,154	2,411	111,713	8,160	(13,531)	(192)	-	280,715
Total comprehensive gain/(loss) for the period	-	-	3,267	(2,101)	(720)	(377)	-	69
Balance at 31.3.2010	<u>172,154</u>	<u>2,411</u>	<u>114,980</u>	<u>6,059</u>	<u>(14,251)</u>	<u>(569)</u>	<u>-</u>	<u>280,784</u>

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

	Share capital	Revenue reserve	Total equity
	\$'000	\$'000	\$'000
Company			
Balance at 1.1.2011	172,154	25,686	197,840
Total comprehensive loss for the period	-	(200)	(200)
Balance at 31.3.2011	<u>172,154</u>	<u>25,486</u>	<u>197,640</u>
Balance at 1.1.2010	172,154	37,149	209,303
Total comprehensive loss for the period	-	(466)	(466)
Balance at 31.3.2010	<u>172,154</u>	<u>36,683</u>	<u>208,837</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 options have been granted under the Hwa Hong Corporation Limited (2001) Share Option Scheme since its adoption on 29 May 2001.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Since 31 December 2010, there were no changes to the total number of 653,504,000 issued ordinary shares of the Company.

As at 31 December 2010 and 31 March 2011, 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 2010.

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 July 2010 and 1 January 2011:-

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 32 Financial Instruments: Presentation Classification of Right Issues	1 February 2010
INT FRS 119 Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
Revised FRS 24 Related Party Disclosures	1 January 2011
Amendments to INT FRS 114 Prepayments of a Minimum Funding Requirement	1 January 2011
INT FRS 115 Agreements for the Construction of Real Estate Improvements to FRSs issued in 2010:	1 January 2011
- Amendments to FRS 1 Presentation of Financial Statements	1 January 2011
- Transition requirements for amendments arising as a result of FRS 27 Consolidated and Separate Financial Statements	1 July 2010
- Amendment to FRS 34 Interim Financial Reporting	1 January 2011
- Amendment to FRS 101 First-time Adoption of Financial Reporting Standards	1 January 2011
- Amendments to FRS 103 Business Combinations	1 July 2010
- Amendments to FRS 107 Financial Instruments: Disclosures	1 January 2011
- Amendments to INT FRS 113 Customer Loyalty Programmes	1 January 2011

The adoption of the above FRS and INT FRS did not have any financial impact on the Group and the Company for first quarter ended 31 March 2011.

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	
	31.3.2011	31.3.2010
<u>Continuing operations</u>		
Earnings per ordinary share after deducting any provision for preference dividends:		
(i) Based on the weighted average number of ordinary shares in issue (cents)	0.07	0.45
(ii) On a fully diluted basis (cents)	0.07	0.45
<u>Discontinued operation</u>		
Earnings per ordinary share after deducting any provision for preference dividends:		
(i) Based on the weighted average number of ordinary shares in issue (cents)	-	0.05
(ii) On a fully diluted basis (cents)	-	0.05

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 31.3.2011	As at 31.12.2010	As at 31.3.2011	As at 31.12.2010
Net asset value per ordinary share (cents)	42.27	42.37	30.24	30.27

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)

	1Q2011 \$'000	1Q2010 \$'000	+ / (-) %
Rental and Investments ("RI")	3,982	7,511	(47.0)
Trading and Investments ("Trading")	4,822	7,059	(31.7)
Corporate and Others	-	-	-
	<u>8,804</u>	<u>14,570</u>	

Reduction in revenue for RI segment by \$3.5 million was mainly due to

- Reduction in proceeds from sale of investment securities by \$1.3 million.
- Reduction in interest income by \$1.9 million as an investment security which contributed significantly to the segment's interest income was redeemed in 2Q2010.
- Reduction in rental income by \$0.3 million.

Reduction in revenue for Trading segment by \$2.2 million was mainly due to reduction in proceeds from sale of investment securities.

Profit before taxation (excluding all inter-segment transactions)

	1Q2011 \$'000	1Q2010 \$'000	+ / (-) %
Rental and Investments ("RI")	1,073	3,393	(68.4)
Trading and Investments ("Trading")	131	743	(82.4)
Corporate and Others	(539)	(793)	(32.0)
	<u>665</u>	<u>3,343</u>	

Reduction in profit before taxation for RI segment by \$2.3 million or 68.4%, from \$3.4 million in 1Q2010 to \$1.1 million in 1Q2011 was mainly due to

- reduction in rental and interest income; and
- higher share of loss of associates and unincorporated joint venture of about \$0.3 million.

Reduction in profit before taxation is mitigated by reduction in finance costs by \$0.3 million.

Reduction in profit before taxation for Trading segment by \$0.6 million was mainly due to lower gain from sale of investment securities of \$0.6 million, decreasing from \$1.0 million in 1Q2010 to \$0.4 million in 1Q2011.

Reduction in loss before taxation for Corporate and Others segment by \$0.3 million was mainly due to reduction in legal and professional fees by \$0.2 million incurred in connection with the sale of Tenet.

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 has entered into options to sell two of its residential units at the RiverGate. Completion is expected to be in July 2011 and a gain on completion is estimated at \$2.6 million. The Group has a balance of 11 residential and 4 commercial units remaining in RiverGate.

The UK austerity programme to reduce the budget deficit has affected revenue in our serviced office operations in the UK and will continue to do so.

The asset enhancement exercise on our London residential property and the Paya Lebar building will also reduce rental income for the remainder of the year.

The global economic outlook and sentiment remain unclear and can affect our investment gains. The performance of the Group's investment and property portfolio will be dependent on the state of the securities and property markets.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? 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.

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)
Nil	Nil	Nil

^ 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

Simon Ong
Chief Financial Officer
27 April 2011