

**UNAUDITED RESULTS FOR FULL YEAR ENDED 31 DECEMBER 2006****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 | | |
|---|---------------|---------------------|--------------|
| | FY2006 | FY2005 | +/(–) |
| | \$'000 | (restated) * | |
| | | \$'000 | % |
| Revenue | 88,865 | 68,081 | 30.53 |
| Cost of sales | (54,798) | (40,991) | 33.68 |
| Gross profit | 34,067 | 27,090 | 25.75 |
| Other income | 14,608 | 10,334 | 41.35 |
| General and administrative costs | (17,265) | (17,053) | 1.24 |
| Selling and distribution costs | (4,093) | (3,842) | 6.54 |
| Other operating (costs)/income | (1,610) | 987 | n.m. |
| Finance costs | (1,882) | (1,754) | 7.30 |
| Share of results of associated companies and unincorporated joint venture | 1,887 | 371 | 408.63 |
| Profit before taxation | 25,712 | 16,133 | 59.38 |
| Taxation | (2,338) | (137) | n.m. |
| Profit after taxation | 23,374 | 15,996 | 46.12 |
| Attributable to: | | | |
| Equity holders of the Company | 23,374 | 16,004 | |
| Minority interests | – | (8) | |
| | 23,374 | 15,996 | |

* Please see item 17.

| | GROUP | | |
|--|--------------------------|--------------------------|--------------------|
| | FY2006 \$'000 | FY2005 \$'000 | +/(–) % |
| Investment income | 3,303 | 2,198 | 50.27 |
| Other income including interest income | 20,881 | 15,271 | 36.74 |
| Interest on borrowings | (1,882) | (1,754) | 7.30 |
| Depreciation and amortisation and impairment loss on fixed assets | (1,105) | (1,191) | (7.22) |
| (Allowance)/write-back for doubtful debts and bad debts written off | (522) | 46 | n.m. |
| Write-off for stock obsolescence | – | – | – |
| (Allowance)/write-back for impairment in value of investments | (1,202) | 151 | n.m. |
| (Allowance)/write-back for impairment in value of investment properties | – | 382 | (100.00) |
| Foreign exchange gain/(loss) | 164 | (2,029) | n.m. |
| Adjustments for overprovision of tax in respect of prior years | 518 | 1,437 | (63.95) |
| Gain on disposal of investments | 5,432 | 1,742 | 211.83 |
| Gain on disposal of investment properties <i>(Included in other income)</i> | 2,417 | 6,723 | (64.05) |
| Gain/(loss) on disposal of fixed assets <i>(Included in other income)</i> | 355 | (16) | n.m. |
| Fixed assets written off | – | (155) | (100.00) |
| Exceptional items | – | – | – |
| Extraordinary items | – | – | – |

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 31.12.2006 \$'000 | As at 31.12.2005 \$'000 | As at 31.12.2006 \$'000 | As at 31.12.2005 \$'000 |
| Fixed assets | 14,250 | 14,031 | 4,800 | 4,527 |
| Investment properties | 126,557 | 108,090 | – | – |
| Investment in subsidiaries | – | – | 512,828 | 471,043 |
| Investment in associated companies | 61,089 | 61,606 | 614 | 643 |
| Long term investments | 72,557 | 78,994 | 31 | 3,040 |
| Other receivables | 43 | 415 | – | – |
| Reinsurer's share of technical provisions | | | | |
| Provision for unearned premiums | 3,037 | 2,695 | – | – |
| Provision for outstanding claims | 2,848 | 6,474 | – | – |
| Current assets | | | | |
| Short term investments | 82,808 | 63,875 | – | – |
| Inventories | 59 | 144 | – | – |
| Trade receivables | 4,854 | 4,243 | – | – |
| Amount due from associated companies | 119,075 | 114,072 | 119 | 124 |
| Amount due from subsidiaries | – | – | – | 2,588 |
| Amount due from affiliated companies | – | – | 57 | – |
| Tax recoverable | 517 | 2,495 | – | – |
| Deferred acquisition costs | 2,469 | 2,267 | – | – |
| Other receivables, deposits and prepayments | 7,798 | 8,360 | 3,458 | 75 |
| Cash and bank balances | 66,606 | 63,444 | 523 | 86 |
| | 284,186 | 258,900 | 4,157 | 2,873 |
| Current liabilities | | | | |
| Trade payables and accruals | (1,390) | (1,379) | – | – |
| Other payables | (5,326) | (7,066) | (241) | (290) |
| Accrued operating expenses | (4,105) | (2,805) | (479) | (538) |
| Amount due to subsidiaries | – | – | (54,455) | (46,577) |
| Amount due to associated companies | (601) | (446) | (413) | (446) |
| Advance premiums | (1,166) | (1,195) | – | – |
| Bank overdrafts | (1,343) | (457) | – | – |
| Bank loans | (4,794) | (4,952) | – | – |
| Provision for taxation | (1,663) | (859) | (37) | (60) |
| | (20,388) | (19,159) | (55,625) | (47,911) |
| Net current assets/(liabilities) | 263,798 | 239,741 | (51,468) | (45,038) |
| Non current liabilities | | | | |
| Bank loans | (33,482) | (25,527) | – | – |
| Other payables | (115) | (38) | – | – |
| Deferred taxation | (5,789) | (4,255) | (50) | (50) |
| | (39,386) | (29,820) | (50) | (50) |
| Technical provisions | | | | |
| Provision for unearned premiums | (12,804) | (11,777) | – | – |
| Provision for outstanding claims | (23,395) | (34,025) | – | – |
| Provision for premium deficiency | (1,839) | (2,245) | – | – |
| | 466,755 | 434,179 | 466,755 | 434,165 |

| | GROUP | | COMPANY | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | As at 31.12.2006 \$'000 | As at 31.12.2005 \$'000 | As at 31.12.2006 \$'000 | As at 31.12.2005 \$'000 |
| Share capital | 172,154 | 163,376 | 172,154 | 163,376 |
| Share premium | – | 8,778 | – | 8,778 |
| Capital reserve | 123,185 | 117,718 | – | – |
| Revenue reserve | 143,489 | 133,185 | 7,406 | 16,593 |
| Fair value reserve | 25,771 | 9,919 | 287,195 | 245,418 |
| Currency translation adjustment reserve | 2,156 | 1,203 | – | – |
| Share capital and reserves | 466,755 | 434,179 | 466,755 | 434,165 |
| Minority interests | – | – | – | – |
| Total equity | 466,755 | 434,179 | 466,755 | 434,165 |

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

Amount repayable in one year or less, or on demand

| As at 31.12.2006 | | As at 31.12.2005 | |
|------------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| \$6,137,000 | – | \$5,409,000 | – |

Amount repayable after one year

| As at 31.12.2006 | | As at 31.12.2005 | |
|------------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| \$33,482,000 | – | \$25,527,000 | – |

Details of any collateral

The amount of long term bank loans repayable after one year and an amount of \$0.31 million (31.12.2005: \$0.49 million) of long term bank loans repayable within one year are secured over the investment properties of the Group. Bank overdrafts and short term bank loans of \$4.48 million (31.12.2005: \$4.47 million) 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 | |
|---|------------------|------------------|
| | FY2006 \$'000 | FY2005 \$'000 |
| Cash flow from operating activities: | | |
| Profit before taxation | 25,712 | 16,133 |
| <i>Adjustments for:-</i> | | |
| Interest income | (9,858) | (8,503) |
| Interest expense | 1,882 | 1,754 |
| Depreciation and impairment loss on fixed assets | 1,105 | 1,191 |
| Exchange realignment | (338) | (266) |
| Gain on disposal of investment properties | (2,417) | (6,723) |
| (Gain)/loss on disposal of fixed assets | (355) | 16 |
| Share of results in associates and unincorporated joint ventures | (1,887) | (371) |
| Impairment loss on investments | 1,202 | - |
| Allowance for doubtful receivables from affiliated companies | 537 | 191 |
| Write-back of provision for obligation and warranties | - | (799) |
| Write-back of allowance for impairment loss on investment properties | - | (382) |
| Write-back of allowance for impairment loss on property plant and equipment | (130) | - |
| Write-back of doubtful receivables | (16) | (56) |
| Fixed assets written off | - | 155 |
| Movement on provision for outstanding claims | 1,029 | 4,715 |
| Movement on provision for unexpired risks | 21 | 572 |
| | <u>(9,225)</u> | <u>(8,506)</u> |
| Operating income before reinvestment in working capital | 16,487 | 7,627 |
| Increase in receivables and short term investments | (13,330) | (15,490) |
| Decrease in inventories | 86 | 224 |
| (Decrease)/increase in payables | (150) | 481 |
| | <u>(13,394)</u> | <u>(14,785)</u> |
| Cash generated from/ (used in) operations | 3,093 | (7,158) |
| Net claims paid | (8,033) | (8,508) |
| Interest received | 9,858 | 8,503 |
| Interest paid | (1,882) | (1,754) |
| Income taxes recovered/(paid) | 433 | (1,304) |
| | <u>376</u> | <u>(3,063)</u> |
| Net cash generated from/(used in) operating activities | 3,469 | (10,221) |
| Cash flow from investing activities: | | |
| Purchase of investment properties | (30,279) | (54,166) |
| Purchase of fixed assets | (1,344) | (410) |
| Decrease in other investments | 19,158 | 17,213 |
| Increase in amount due from associated companies | (5,385) | (8,221) |
| Proceeds from disposal of investment properties | 21,976 | 51,401 |
| Proceeds from disposal of fixed assets | 521 | 123 |
| Net cash generated from investing activities | 4,647 | 5,940 |
| Cash flow from financing activities: | | |
| Increase in bank loans | 7,231 | 20,701 |
| Increase/(decrease) in bank overdrafts | 885 | (1) |
| Dividends paid | (13,070) | (10,456) |
| Repayment to hire purchase creditors | - | (37) |
| Net cash (used in)/ generated from financing activities | (4,954) | 10,207 |
| Net increase in cash and cash equivalents | 3,162 | 5,926 |
| Cash and cash equivalents at beginning of the year | 63,444 | 57,518 |
| Cash and cash equivalents at end of the year | <u>66,606</u> | <u>63,444</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.

| | GROUP | | COMPANY | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 31.12.2006 \$'000 | 31.12.2005 \$'000 | 31.12.2006 \$'000 | 31.12.2005 \$'000 |
| Share capital | | | | |
| Balance at beginning of the year | 163,376 | 163,376 | 163,376 | 163,376 |
| Transfer from Share Premium * | 8,778 | – | 8,778 | – |
| Balance at end of the year | 172,154 | 163,376 | 172,154 | 163,376 |
| Share premium | | | | |
| Balance at beginning of the year | 8,778 | 8,778 | 8,778 | 8,778 |
| Transfer to Share Capital * | (8,778) | – | (8,778) | – |
| Balance at end of the year | – | 8,778 | – | 8,778 |
| Capital reserve ** | | | | |
| Balance at beginning of the year | 117,718 | 125,865 | – | 234,595 |
| Adoption of FRS 39 | – | – | – | (234,595) |
| Exchange difference arising on consolidation | 16 | – | – | – |
| Net surplus/(deficit) on revaluation of investment properties | 6,768 | 2,473 | – | – |
| Deferred tax liabilities | (91) | (91) | – | – |
| Adjustment due to disposal of investment properties | (1,226) | (10,529) | – | – |
| Balance at end of the year | 123,185 | 117,718 | – | – |
| Revenue reserve | | | | |
| Balance at beginning of the year | 133,185 | 127,732 | 16,593 | 23,497 |
| Adoption of FRS 39 | – | (95) | – | – |
| Profit attributable to equity holders of the Company | 23,374 | 16,004 | 3,883 | 3,552 |
| Dividend | (13,070) | (10,456) | (13,070) | (10,456) |
| Balance at end of the year | 143,489 | 133,185 | 7,406 | 16,593 |

* With the introduction of the Companies (Amendment) Act 2005 on 30 January 2006, the amount standing to the credit of the Company's share premium account became part of the Company's share capital on that date.

** Capital reserve comprises an amount of \$20.89 million (31.12.2005 \$15.42 million) relating to surplus on revaluation of investment properties and an amount of \$102.29 million (31.12.2005 \$102.29 million) relating to revaluation gain on a property in an associate which is under development.

| | GROUP | | COMPANY | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 31.12.2006 \$'000 | 31.12.2005 \$'000 | 31.12.2006 \$'000 | 31.12.2005 \$'000 |
| Fair value reserve | | | | |
| Balance at beginning of the year | 9,919 | 6,440 | 245,418 | 234,595 |
| Net gain on fair value changes | 17,312 | 4,889 | 41,777 | 10,823 |
| Deferred tax liabilities | (1,460) | (1,410) | – | – |
| Balance at end of the year | 25,771 | 9,919 | 287,195 | 245,418 |
| Currency translation adjustment reserve | | | | |
| Balance at beginning of the year | 1,203 | 4,576 | – | – |
| Exchange differences arising from revaluation of monetary items forming part of net investment in foreign operation | 248 | (337) | – | – |
| Exchange differences arising on consolidation | 705 | (3,036) | – | – |
| Balance at end of the year | 2,156 | 1,203 | – | – |
| Share capital and reserves | | | | |
| | 466,755 | 434,179 | 466,755 | 434,165 |
| Minority interests | | | | |
| Balance at beginning of the year | – | 8 | – | – |
| Share of loss in a subsidiary | – | (8) | – | – |
| Balance at end of the year | – | – | – | – |
| Total equity | | | | |
| | 466,755 | 434,179 | 466,755 | 434,165 |

- 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 September 2006, there were no changes to the total number of 653,504,000 issued ordinary shares of the Company. As at 31 December 2006, 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.**

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 2005.

- 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.**

Not applicable.

- 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 | |
|--|---------------|---------------|
| | FY2006 | FY2005 |
| Earnings per ordinary share after deducting any provision for preference dividends:- | | |
| (i) Based on the weighted average number of ordinary shares in issue | 3.58 cents | 2.45 cents |
| (ii) On a fully diluted basis | 3.58 cents | 2.45 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 31.12.2006 | As at 31.12.2005 | As at 31.12.2006 | As at 31.12.2005 |
| Net asset value per ordinary share | 71.42 cents | 66.44 cents | 71.42 cents | 66.44 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.

Group revenue increased by about \$20.78 million or 30.53%, from \$68.08 million for the financial year ended 31 December 2005 ("FY 2005") to \$88.87 million for the financial year ended 31 December 2006 ("FY 2006"), mainly because of the higher contribution from the insurance and investment segment:-

- (a) Increase in proceeds from disposal of short term investments (FY 2006: \$48.10 million; FY 2005: \$29.78 million) taking advantage of the bull market in FY 2006;
- (b) Increase in interest income (FY 2006: \$6.3 million; FY 2005: \$4.9 million) mainly due to higher interest rates and increase in amount of loans to associated companies;
- (c) Increase in gross written premium (FY 2006: \$25.4 million; FY 2005: \$23.9 million); and
- (d) Higher dividend income (FY 2006: \$3.3 million; FY 2005: \$2.2 million).

However, the above increases were offset by decrease in rental income (FY 2006: \$4.5 million; FY 2005: \$4.9 million) mainly because of disposal of investment properties in FY 2005.

Cost of sales increased mainly due to increase in cost of sales of investments (FY 2006: \$46.82 million; FY 2005: \$28.10 million). This was partially offset by lower net claims incurred by Tenet Insurance (FY2006: \$1.03 million; FY2005: \$4.72 million). This was due to improvement in loss ratios of Tenet Insurance (FY 2006: 5%; FY 2005: 27%) and especially from releases of prior years' reserves (FY 2006: \$10.8 million; FY 2005: \$9.4 million) reflecting particularly favourable claims settlement trends.

As a result of the above, gross profit in FY 2006 increased by about \$6.977 million or 25.75% as compared to FY 2005.

Other income for FY 2006 increased by \$4.274 million or 41.35%, as compared to FY 2005, mainly due to:-

- (i) higher gain on sale of investments (FY 2006: \$4.15 million; FY 2005: \$0.04 million);
- (ii) higher dividend income (FY 2006: \$2.2 million; FY 2005: \$1.4 million);
- (iii) higher gain on disposal of fixed assets (FY 2006: \$0.36 million; FY 2005: loss \$0.017 million); and
- (iv) higher sundry income (FY 2006: \$1.426 million; FY 2005: \$0.325 million).

In addition, the Group recorded an exchange gain of about \$0.164 million in FY 2006, because of favourable exchange rate movement between Sterling Pound and Singapore Dollar, compared to an exchange loss of about \$2.03 million for FY 2005 when the Singapore Dollar appreciated against Sterling Pound. However, the impact of the foregoing was offset by lower gain on disposal of investment properties (FY 2006: \$2.4 million; FY 2005: \$6.7 million).

General and administrative costs increased by about 1.24%, from \$17.05 million for FY 2005 to \$17.27 million for FY 2006, mainly due to higher staff cost including directors' remuneration due to increment and increase in headcount (FY 2006: \$ 8.84 million; FY 2005: \$8.62 million). The increase in staff costs was mitigated by lower general and administrative expenses in the UK because of disposals of investment properties in FY2005 and also, in China as a result of lower level of activity in Jining Ningfeng Chemical Industry Co Ltd due to the impending sale of the Choline Chloride factory.

Selling and distribution costs increased by about \$0.2 million or 6.54%, mainly due to the increase in net commission expense (FY 2006: \$3.8 million; FY 2005: \$3.4 million) of Tenet Insurance. The manufacturing and trading division recorded lower selling and distribution expenses because of the lower level of activity.

Other operating costs in FY 2006 were due to the following:-

- write-back of allowance for impairment loss on investments of about \$0.15 million in FY 2005 was not repeated in FY 2006;
- write-back of allowance for obligation and warranties of \$0.8 million as the guarantee provided by the Company in respect of banking facility granted to an associated company has been discharged when the facility was fully repaid by the associated company in FY 2005. There was no write-back in FY 2006;
- write-back of allowance for impairment loss on an investment property in Malaysia of about \$0.38 million for FY 2005 was not repeated in FY 2006; and
- allowance for impairment loss on investment and doubtful debt of \$1.203 million (FY 2005: Nil) and \$0.5 million (FY 2005: \$0.19 million) were made in FY 2006.

Finance costs increased by about \$0.13 million or 7.30%, mainly due to increase in bank borrowings because of the purchase of investment properties in the United Kingdom.

Share of results of associated companies and unincorporated joint venture increased by about \$1.52 million or 408.63%, due to increase in share of profits from the 20% joint venture in *The Pier at Robertson* (FY 2006: \$2.5 million; FY 2005: \$0.8 million) which was completed in FY 2006. In addition, the Group recorded lower share of

losses from 50% Associate, Riverwalk Promenade Pte Ltd, as borrowing costs were capitalised upon commencement of the development of the Rivergate project during the year (FY2006: profit \$0.536 million ; FY 2005: loss \$0.89 million). The above improvements were offset by lower contributions from 49.5% Associate, Norwest Holdings Pte Ltd (FY 2006: \$0.114 million; FY 2005: \$1.5 million) as it was affected by disruptions to its mining operations and adverse market conditions for its main product.

Group profit before taxation increased because of the reasons set out above.

The tax charge is lower than the amount determined by applying the Singapore income tax rate of 20% to the profit before taxation due to non-taxable items and overprovision of tax in prior years.

Bank loans increased mainly because of the financing taken up for the acquisitions of properties in the United Kingdom in the fourth quarter of FY 2006. Increase in currency translation adjustment reserve was due to exchange gain arising on consolidation as a result of weakening of Singapore Dollars against Sterling Pounds.

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 strong growth of the high end residential market is expected to continue throughout 2007. As a result, the marketing of the remaining units of the RiverGate development, which is 50% owned by the Group, is expected to remain positive. Profit from this development is expected to be recognised progressively commencing in the first quarter of the year 2007 and progressively thereafter.

In the United Kingdom, the Group's residential and commercial properties are 98% let, yielding satisfactory rental income. A commercial building in Manchester was purchased in late 2006 and this building is fully leased.

Tenet Insurance will be embarking on a new Insurance Application Programme which will involve a certain amount of capital expenditure on computer hardware and software. Staff costs are also expected to increase. With a robust economy, the Company can look forward to higher premium growth for 2007. However, sustaining current level of profitability will be dependent on *inter alia* release of prior years' reserves.

Following the completion of the securitisation exercise by 50% owned associate, Riverwalk Promenade Pte Ltd, and settlement of shareholders' loan, the Group intends to fully utilise its Section 44 tax credits of \$6.1 million by declaring special interim dividends in 2007.

11. Dividend

(a) Current Financial Period Reported On

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

| | |
|--------------------------------------|-------------------------|
| Name of Dividend | Final Ordinary Dividend |
| Dividend Type | Cash |
| Dividend Amount per Share (in cents) | 1.25 cents, less tax |
| Tax Rate | 18% |

(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 | Final Ordinary Dividend | Interim Dividend |
| Dividend Type | Cash | Cash |
| Dividend Amount per Share (in cents) | 1 cent, less tax | 1 cent, less tax |
| Tax Rate | 20% | 20% |

(c) Date payable

The proposed final dividend, if approved at the forthcoming Annual General Meeting of the Company, will be paid on 25 May 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 15 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 14 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.

(e) Interim dividend declared and paid for the current reporting period

| | |
|--------------------------------------|---------------------|
| Name of Dividend | Interim Dividend |
| Dividend Type | Cash |
| Dividend Amount per Share (in cents) | 1.5 cents, less tax |
| Tax Rate | 20% |
| Date of Payment | 1 September 2006 |

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.**

BY BUSINESS SEGMENTS

| | Warehousing & Property | Insurance & Investment | Manufacturing & Trading | Eliminations | Total |
|---|------------------------|------------------------|-------------------------|--------------|----------|
| 2006 | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) |
| Segment Revenue | | | | | |
| External | 4,515 | 83,146 | 1,204 | - | 88,865 |
| Inter Segment | 34 | 5,004 | 249 | (5,287) | - |
| Total Revenue | 4,549 | 88,150 | 1,453 | (5,287) | 88,865 |
| Operating profit/(loss) | 4,455 | 27,228 | (1,704) | (4,272) | 25,707 |
| Finance costs | | | | | (1,882) |
| Share of results of associates and unincorporated joint venture | | | | | 1,887 |
| Profit before tax | | | | | 25,712 |
| Tax | | | | | (2,338) |
| Profit after tax | | | | | 23,374 |
| Minority interest | | | | | - |
| Profit attributable to shareholders | | | | | 23,374 |
| Segment Assets | 149,977 | 884,868 | 1,906 | (615,028) | 421,723 |
| Investment in Associated Companies | - | 56,917 | 4,172 | - | 61,089 |
| Unallocated Assets | 149,977 | 941,785 | 6,078 | (615,028) | 482,812 |
| Total Assets | | | | | 81,756 |
| | | | | | 564,568 |
| Segment Liabilities | (33,699) | (105,322) | (13,003) | 100,374 | (51,650) |
| Unallocated Liabilities | | | | | (46,162) |
| Total Liabilities | | | | | (97,812) |
| Capital expenditure | 30,701 | 588 | 334 | - | 31,623 |
| Depreciation | 114 | 809 | 182 | - | 1,105 |
| (Write-back)/ impairment loss | - | 1,291 | - | (88) | 1,203 |
| Other non cash expenses | (20) | 344 | 609 | (620) | 313 |

BY BUSINESS SEGMENTS (cont'd)

| | Warehousing & Property | Insurance & Investment | Manufacturing & Trading | Eliminations | Total |
|--|---------------------------|---------------------------|----------------------------|----------------|---------------|
| 2005 | | (restated) | (restated) | | (restated) |
| | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) |
| Segment Revenue | | | | | |
| External | 4,905 | 60,910 | 2,266 | - | 68,081 |
| Inter Segment | 34 | 5,100 | 960 | (6,094) | - |
| Total Revenue | 4,939 | 66,010 | 3,226 | (6,094) | 68,081 |
| Operating profit/(loss) | 7,444 | 15,184 | 1,938 | (7,050) | 17,516 |
| Finance costs | | | | | (1,754) |
| Share of results of associates and unincorporated joint venture | | | | | 371 |
| Profit before tax | | | | | 16,133 |
| Tax | | | | | (137) |
| Profit after tax | | | | | 15,996 |
| Minority interest | | | | | 8 |
| Profit attributable to shareholders | | | | | 16,004 |
| Segment Assets | 135,324 | 863,724 | 2,393 | (611,476) | 389,965 |
| Investment in Associated Companies | - | 56,492 | 5,114 | - | 61,606 |
| Unallocated Assets | 135,324 | 920,216 | 7,507 | (611,476) | 451,571 |
| Total Assets | | | | | 79,634 |
| Segment Liabilities | (36,696) | (110,896) | (11,174) | 94,137 | (64,629) |
| Unallocated Liabilities | | | | | (32,397) |
| Total Liabilities | | | | | (97,026) |
| Capital expenditure | 54,172 | 404 | - | - | 54,576 |
| Depreciation | 146 | 914 | 131 | - | 1,191 |
| (Write-back)/ impairment loss | - | (151) | (3,500) | 3,500 | (151) |
| Other non cash expenses | (370) | 42 | 520 | (1,265) | (1,073) |

BY GEOGRAPHICAL SEGMENTS

| | Singapore | United Kingdom | Others | Eliminations | Total |
|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2006 | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) |
| Revenue | | | | | |
| External | 85,164 | 3,548 | 153 | - | 88,865 |
| Inter Segment | 5,287 | - | - | (5,287) | - |
| Total Revenue | 90,451 | 3,548 | 153 | (5,287) | 88,865 |
| Segment Assets | 1,061,752 | 113,842 | 4,002 | (615,028) | 564,568 |
| Capital expenditure | 1,344 | 30,279 | - | - | 31,623 |
| 2005 | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) |
| Revenue | | | | | |
| External | 64,031 | 3,910 | 140 | - | 68,081 |
| Inter Segment | 6,094 | - | - | (6,094) | - |
| Total Revenue | 70,125 | 3,910 | 140 | (6,094) | 68,081 |
| Segment Assets | 1,039,721 | 98,687 | 4,273 | (611,476) | 531,205 |
| Capital expenditure | 409 | 54,167 | - | - | 54,576 |

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.

BY BUSINESS SEGMENTS

Warehousing & Property

Decrease in revenue was due to lower rental income as a result of disposal of investment properties in FY2005.

Decrease in operating profit was due to lower gains from disposal of investment properties.

Insurance & Investment

Increase in revenue was increase in proceeds from sale of investments.

Increase in operating profit was profit from sale of investments.

Manufacturing & Trading

Decrease in revenue and operating profit was due to the lower level of activity in Jining Ningfeng Chemical Industry Co Ltd.

BY GEOGRAPHICAL SEGMENTS

Singapore

Increase in revenue was due to increase in trading of equities.

United Kingdom

Decrease in revenue was due to lower rental income because of disposals of investment properties in FY 2005.

15. A breakdown of sales.

| | GROUP | | |
|--|------------------|------------------|------------|
| | FY2006 \$'000 | FY2005 \$'000 | +/(–) % |
| (a) Revenue reported for first half year | 40,278 | 36,294 | 10.98 |
| (b) Operating profit after tax before deducting minority interests reported for first half year | 11,735 | 10,892 | 7.74 |
| (c) Revenue reported for second half year | 48,587 | 31,787 | 52.85 |
| (d) Operating profit after tax before deducting minority interests reported for second half year | 11,639 | 5,104 | 128.04 |

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

| | GROUP | |
|------------|------------------|------------------|
| | FY2006 \$'000 | FY2005 \$'000 |
| Ordinary | 13,070 | 10,456 |
| Preference | – | – |
| Total | 13,070 | 10,456 |

17. Comparative figures

Certain comparative figures have been reclassified to conform with current presentation:-

- (i) Share of results of associates and joint venture are now shown net of tax, and
- (ii) Investment securities under manufacturing & trading segment were previously classified under unallocated assets and these are now classified to the Insurance & Investment segment as the segment result includes proceeds and cost of sale of these investment securities.

18. Subsequent Events

On 15 February 2007, the Singapore Finance Minister announced the revision in the Singapore corporate tax rate from 20% to 18% with effect from Year of Assessment 2008. In accordance with FRS 12, Income Taxes, and FRS 10, Events After the Balance Sheet Date, this is a non-adjusting subsequent event and the financial effect of the reduced tax rate will be reflected in the 31 December 2007 financial year.

The Group's deferred tax provision has been computed on the year end prevailing tax rate of 20%. Applying the reduced tax rate of 18% would result in an approximately \$480,000 reduction in deferred tax liability.

19. 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) |
|--|--|--|
| Boon Suan Lee – professional services rendered to Hwa Hong Corporation Limited Group by firms in which he has an interest | \$139,320 | Not applicable [^] |
| Hong Leong Investment Holdings Pte. Ltd. Group – interest charged on shareholder loan to Hong Property Investment Pte Ltd | \$316,601 | 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.

BY ORDER OF THE BOARD

TAN MEE CHOO
COMPANY SECRETARY

26 February 2007