

**UNAUDITED RESULTS FOR FIRST QUARTER ENDED 31 MARCH 2010****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.****Income Statement**

	Group		
	First Quarter Ended		+ / (-)
	31.3.2010	31.3.2009	
	\$'000	\$'000	%
<u>Continuing operations</u>			
Revenue	14,570	6,137	n.m.
Cost of sales	(7,966)	(1,868)	n.m.
Gross profit	6,604	4,269	54.7
Other income	94	445	(78.9)
General and administrative costs	(2,908)	(1,179)	n.m.
Selling and distribution costs	(55)	(23)	n.m.
Other operating costs	-	(3,030)	n.m.
Finance costs	(466)	(887)	(47.5)
Share of after tax results of associates and unincorporated joint venture	74	4,412	(98.3)
Profit from continuing operations, before taxation	3,343	4,007	(16.6)
Taxation	(395)	(16)	n.m.
Profit from continuing operations, after taxation	2,948	3,991	(26.1)
<u>Discontinued operation</u>			
Profit/(loss) from discontinued operation, after taxation	319	(834)	n.m.
Net profit after taxation	3,267	3,157	3.5
Net profit attributable to:			
Equity holders of the Company	3,267	3,157	3.5
Minority Interests	-	-	
	<u>3,267</u>	<u>3,157</u>	3.5

Note:

1. Increase in revenue by \$8.4 million is mainly due to increase in
 - revenue from rental and storage by \$0.6 million from \$1.5 million for quarter ended 31 March 2009 ("1Q2009") to \$2.1 million for quarter ended 31 March 2010 ("1Q2010"). The RiverGate units and the UK properties contributed \$0.4 million and \$0.2 million of the increase respectively.
 - proceeds from sale of investment securities by \$7.8 million (1Q2010: \$9.4 million; 1Q2009: \$1.6 million) to realise gains in the rising stock market.
2. Increase in cost of sales by \$6.1 million is due to the increase in cost of sale of investment securities.
3. Reduction in other income by \$0.3 million is mainly due to reduction in gain on disposal of non-current investment securities.
4. Increase in general and administrative costs by \$1.7 million is mainly due to increase in
 - unrealised foreign exchange loss of \$0.8 million arising from translation of monetary assets denominated in foreign currencies; and
 - salary and bonus. In 1Q2009, there was a reversal for over accrual for salary and bonus of \$0.6 million. In 1Q2010, there was no such reversal.
5. In 1Q2009, other operating costs pertained to allowance made for impairment loss for investment securities arising from significant or prolonged decline in value. There was no such allowance made in 1Q2010.
6. Reduction in finance costs by \$0.4 million is due to reduction in interest-bearing borrowings.
7. Reduction in share of results of associates and unincorporated joint venture by \$4.3 million is mainly due to no contribution from the RiverGate project (1Q2010: nil; 1Q2009: \$5.5 million). The project was fully completed in FY2009 and fully sold then.

Reduction in share of results is mitigated by increase in share of profits in Hong Property by \$0.4 million and decrease in share of loss in Scotts Spazio by \$0.8 million.
8. Increase in taxation by \$0.4 million is mainly due to increase in deferred taxation arising from increase in accrued interest income.

Improvement in net profit from discontinued operation, after taxation by \$1.2 million is mainly due to improvement in insurance results by \$1.0 million and reduction in allowance made for impairment loss for investment securities of \$0.5 million (1Q2010: nil; 1Q2009: \$0.5 million).

Profit from continuing operations, before taxation included the following:

	Group		
	First Quarter Ended		
	31.3.2010	31.3.2009	+/(-) %
	\$'000	\$'000	%
Investment income	119	114	4.4
Other income including interest income	2,976	3,197	(6.9)
Interest on borrowings	(466)	(887)	(47.5)
Depreciation on property, plant and equipment and investment properties	(449)	(399)	12.5
Allowance for doubtful debts and bad debts written off	-	-	n.m.
Write-back/(allowance made) for impairment loss			
- investment properties	-	-	n.m.
- quoted non-current investments	-	-	n.m.
- quoted current investments	-	(3,030)	n.m.
(Under)/over provision of taxation in prior years	-	-	n.m.
Foreign exchange gain/(loss)	(406)	407	n.m.
Gain on disposal of investments			
- included in gross profit	1,958	158	n.m.
- included in other income	12	338	n.m.
Gain on disposal of property, plant and equipment	1	-	n.m.
Gain on disposal of investment property	-	-	n.m.

n.m. denotes not meaningful.

Statement of Comprehensive Income

	Group		
	First Quarter Ended		
	31.3.2010	31.3.2009	+/(-) %
	\$'000	\$'000	%
Net profit after taxation	3,267	3,157	3.5
Other comprehensive income/(loss):			
Net loss on available-for-sale investments (net of tax)	(2,478)	(988)	n.m.
Exchange difference arising from			
- consolidation	69	154	(55.2)
- revaluation of net investment in foreign operations	(789)	370	n.m.
Revaluation gain realised by an associate to income statement	-	(2,967)	n.m.
Other comprehensive loss, net of tax	(3,198)	(3,431)	(6.8)
Total comprehensive gain/(loss) for the period	69	(274)	
Total comprehensive gain/(loss) attributable to:			
Equity holders of the Company	69	(274)	
Minority Interests	-	-	
	69	(274)	

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	
	31.3.2010	31.12.2009	31.3.2010	31.12.2009
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment	6,667	6,111	102	127
Investment properties	91,358	94,079	-	-
Investment in subsidiaries	-	-	205,221	205,221
Investment in associates	4,368	12,386	767	767
Investment securities	5,439	6,220	-	-
Other receivables	7,036	6,295	-	-
Amounts due from associates	17,536	15,000	-	-
	132,404	140,091	206,090	206,115
Current assets				
Inventories	10	10	-	-
Trade receivables	2,204	714	-	-
Prepayments and deposits	414	472	62	71
Other receivables	528	1,123	-	-
Amounts due from associates	14,093	15,739	-	-
Investment securities	87,571	85,753	-	-
Cash and bank balances	41,900	39,005	205	488
	146,720	142,816	267	559
Assets of disposal group classified as held for sale	133,260	128,158	7,010	7,010
	279,980	270,974	7,277	7,569
Current liabilities				
Trade payables	(1,411)	(464)	-	-
Other payables	(2,014)	(1,418)	(477)	(203)
Accrued operating expenses	(1,151)	(2,578)	(177)	(296)
Amounts due to associates	(555)	(552)	(376)	(373)
Amounts due to subsidiaries	-	-	(3,500)	(3,509)
Bank loans (secured)	(16,245)	(22,215)	-	-
Tax payable	(393)	(328)	-	-
	(21,769)	(27,555)	(4,530)	(4,381)
Liabilities directly associated with disposal group classified as held for sale	(73,888)	(68,770)	-	-
	(95,657)	(96,325)	(4,530)	(4,381)
Net current assets	184,323	174,649	2,747	3,188
Non-current liabilities				
Deferred tax liabilities	(4,943)	(4,761)	-	-
Bank loans (secured)	(30,321)	(28,568)	-	-
Other payables	(679)	(696)	-	-
	(35,943)	(34,025)	-	-
Net assets	280,784	280,715	208,837	209,303

	Group		Company	
	31.3.2010 \$'000	31.12.2009 \$'000	31.3.2010 \$'000	31.12.2009 \$'000
Equity attributable to equity holders of the Company				
Share capital	172,154	172,154	172,154	172,154
Capital reserve	2,411	2,411	-	-
Revenue reserve	114,980	111,713	36,683	37,149
Fair value reserve	6,059	8,160	-	-
Currency translation reserve	(14,251)	(13,531)	-	-
Reserve of disposal group classified as held for sale	(569)	(192)	-	-
	<u>280,784</u>	<u>280,715</u>	<u>208,837</u>	<u>209,303</u>
Minority interests	-	-	-	-
Share capital and reserves	<u>280,784</u>	<u>280,715</u>	<u>208,837</u>	<u>209,303</u>

Note:

- Reduction in investment properties by \$2.7 million is mainly due to unrealised exchange loss arising from translation of properties denominated in Sterling Pound.
- Reduction in investment in associates by \$8.0 million is due to dividend received from an associate amounting to \$8.0 million.
- Increase in non-current amounts due from associates by \$2.5 million is due to loans made to an associate during the quarter.
- Increase in trade receivables by \$1.5 million is mainly due to
 - the new arrangement when the Group took over the leasing and management of some UK properties. The Group now deals directly with the tenants, resulting in an increase in trade receivables by \$0.6 million.
 - timing difference arising from trading positions where the Group sold certain investment securities but had yet to receive the sales proceeds. This resulted in an increase in trade receivables by \$0.8 million.
- Reduction in amounts due from associates by \$1.6 million is mainly due to repayments received from associates.
- Increase in current investment securities by \$1.8 million is mainly due increase in interest receivable on an unquoted bond amounting to \$2.0 million.
- Increase in cash and bank balances by \$2.9 million is mainly due to dividends received from an associate amounting to \$8.0 million. The increase is offset by repayments of bank loans amounting to \$2.1 million and purchase of property, plant and equipment amounting to \$0.7 million.
- Reduction in accrued operating expenses by \$1.4 million is mainly due to reduction in accrual for bonus by \$1.1 million.
- Reduction in current bank loans by \$6.0 million is mainly due to repayments amounting to \$2.2 million and reclassification of \$2.6 million of loans to non-current liabilities as the Group had renegotiated the repayment terms for these loans.
- Increase in non-current bank loans by \$1.8 million is mainly due to reclassification of \$2.6 million of loans from current liabilities.

Discontinued operation and disposal group classified as held for sale

On 8 March 2010, the Company announced that the Group had entered into a sale and purchase agreement with Sampo Japan Insurance Inc in relation to the proposed divestment of one of its wholly-owned subsidiary, Tenet Insurance Company Ltd (“Tenet”) for a cash consideration of \$95 million subject to adjustments if any as described further in that announcement. The decision was made to enable the Group to divest the entire interest in Tenet at an attractive cash consideration and realise its investment in Tenet at a substantial gain.

At 31 March 2010, the assets and liabilities related to Tenet have been presented in the balance sheets as “Assets of disposal group classified as held for sale” and “Liabilities directly associated with the disposal group classified as held for sale”, and its results are presented separately on the income statement as “profit/loss from discontinued operation, after taxation”. Negotiation is ongoing and if concluded, the disposal of Tenet is expected to be completed in the first half of 2010.

The extract of the balance sheet, income statement and cash flow statement of Tenet are shown below:

Balance sheet disclosures

	Group	
	31.3.2010	31.12.2009
	\$'000	\$'000
Assets:		
Property, plant and equipment	6,533	6,609
Reinsurers' share of provision for		
- outstanding claims	5,057	5,169
- unearned premium	6,120	5,252
Investment securities	33,735	35,347
Trade and other receivables	8,275	6,057
Deferred acquisition costs	6,877	6,336
Cash and cash equivalents	66,590	63,388
Deferred tax assets	73	-
Assets of disposal group classified as held for sale	<u>133,260</u>	<u>128,158</u>
Liabilities:		
Trade and other payables	(7,268)	(6,426)
Accrued operating expenses	(762)	(1,111)
Advanced premiums	-	(1,552)
Provision for tax	(131)	(34)
Deferred tax liabilities	-	(4)
Provision for outstanding claims	(35,360)	(33,714)
Provision for unearned premiums	(29,144)	(24,706)
Provision for premium deficiency	(1,223)	(1,223)
Liabilities directly associated with disposal group classified as held for sale	<u>(73,888)</u>	<u>(68,770)</u>
Net assets directly associated with disposal group classified as held for sale	<u>59,372</u>	<u>59,388</u>

	Group	
	31.3.2010	31.12.2009
	\$'000	\$'000
Reserve:		
Reserve of disposal group classified as held for sale	(569)	(192)

Income statement disclosures

	Group	
	First Quarter Ended	
	31.3.2010	31.3.2009
	\$'000	\$'000
Revenue	16,077	14,623
Cost of sales	(11,318)	(10,779)
Gross profit	4,759	3,844
Other income	534	641
General and administrative costs	(2,279)	(2,093)
Selling and distribution costs	(2,596)	(2,219)
Other operating costs	-	(575)
Profit before taxation	418	(402)
Taxation	(99)	(432)
Profit after taxation	319	(834)

Cash flow statement disclosures

	Group	
	First Quarter Ended	
	31.3.2010	31.3.2009
	\$'000	\$'000
Operating activities	3,602	8,231
Investing activities	(14)	(20)
Financing activities	-	-
Net cash inflows	3,588	8,211

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

Amount repayable in one year or less, or on demand

	31.3.2010		31.12.2009	
	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Short term bank loans	-	-	3,797	-
Long term bank loans	16,245	-	18,418	-
	<u>16,245</u>	<u>-</u>	<u>22,215</u>	<u>-</u>

Amount repayable after one year

	31.3.2010		31.12.2009	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Long term bank loans	30,321	-	28,568	-

Details of any collateral

Long term bank loans of \$46.6 million (31.12.2009: \$47.0 million) were secured by a fixed charge over subsidiaries' investment properties. At 31 December 2009, short term bank loans were secured by a subsidiary's investment property and a charge of \$13.3 million on its fixed deposit.

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 31.3.2010	31.3.2009
	\$'000	\$'000
Cash flow from operating activities:		
Profit/(loss) before taxation		
- continuing operations	3,343	4,007
- discontinued operation	418	(402)
	3,761	3,605
Adjustments for:		
Interest income	(3,240)	(3,178)
Interest expense	466	887
Depreciation and impairment loss on property, plant and equipment and investment properties	540	488
Share of results of associates and unincorporated joint venture	(74)	(4,412)
Net claims incurred	4,787	5,145
Provision for unexpired risks	2,727	2,021
Allowance made for impairment loss on quoted investment securities (current)	-	3,605
Gain on disposal of property, plant and equipment	(1)	-
	5,205	4,556
Operating income before reinvestment in working capital	8,966	8,161
(Increase)/decrease in receivables and current investments	(4,701)	3
(Increase)/decrease in inventories	-	10
Decrease in payables	(559)	(655)
	(5,260)	(642)
Cash generated from operations	3,706	7,519
Net claims paid	(3,030)	(4,339)
Interest received	489	1,044
Interest paid	(466)	(812)
Income taxes recovered/(paid)	2	(142)
	(3,005)	(4,249)
Net cash generated from operating activities	701	3,270
Cash flow from investing activities:		
Dividends received from associate	8,000	-
Decrease in other investments	501	3,043
(Increase)/decrease in amounts due from associates	(156)	3,078
Proceeds from disposal of property, plant and equipment	1	20
Purchase of investment properties from an associate	-	(22,128)
Purchase of property, plant and equipment	(725)	(225)
Net cash generated from/(used in) investing activities	7,621	(16,212)
Net cash generated from/(used in) operating and investing activities carried forward	8,322	(12,942)

	Group	
	First Quarter Ended	
	31.3.2010	31.3.2009
	\$'000	\$'000
Net cash generated from/(used in) operating and investing activities bought forward	8,322	(12,942)
Cash flow from financing activities:		
Decrease in bank loans	(2,127)	(350)
Decrease in bank overdrafts	-	(1,372)
Increase in bank loans	-	17,659
Increase in pledged cash and bank balances	781	2,222
Net cash (used in)/generated from financing activities	(1,346)	18,159
Net increase in cash and cash equivalents	6,976	5,217
Cash and cash equivalents at beginning of the period	84,624	35,344
Effects of exchange rate changes on cash and cash equivalents	(99)	241
Cash and cash equivalents at end of the period	91,501	40,802

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

	Group	
	31.3.2010	31.3.2009
	\$'000	\$'000
Cash and bank balances		
- continuing operations	41,900	50,654
- discontinued operation	66,590	32,511
Less: cash and bank balances pledged	(16,989)	(42,363)
Cash and cash equivalents at end of the period	91,501	40,802

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	Reserve of disposal group classified as held for sale \$'000	Minority interests \$'000	Total equity \$'000
Group								
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>280,784</u>
Balance at 1.1.2009	172,154	6,515	156,445	(2,152)	(15,213)	-	-	317,749
Total comprehensive gain/(loss) for the period	-	(2,967)	3,157	(988)	524	-	-	(274)
Balance at 31.3.2009	<u>172,154</u>	<u>3,548</u>	<u>159,602</u>	<u>(3,140)</u>	<u>(14,689)</u>	-	-	<u>317,475</u>

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

	Share capital \$'000	Revenue reserve \$'000	Total equity \$'000
Company			
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>
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	<u>172,154</u>	<u>39,170</u>	<u>211,324</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 2009, there were no changes to the total number of 653,504,000 issued ordinary shares of the Company.

As at 31 December 2009 and 31 March 2010, 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 2009.

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 2009 and 1 January 2010:-

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 27 <i>Consolidated and Separate Financial Statements</i>	1 July 2009
Amendments to FRS 39 <i>Financial Instruments: Recognition and Measurement – Eligible Hedged Item</i>	1 July 2009
Revised FRS 103 <i>Business Combinations</i>	1 July 2009
Amendments to FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 July 2009
INT FRS 117 <i>Distributions of Non-cash Assets to Owners</i>	1 July 2009
Improvements to FRSs issued in 2009:	
- Amendments to FRS 38 <i>Intangible Assets</i>	1 July 2009
- Amendments to FRS 102 <i>Share-based Payment</i>	1 July 2009
- Amendments to FRS 108 <i>Operating Segments</i>	1 July 2009
- Amendments to INT FRS 109 <i>Reassessment of Embedded Derivatives</i>	1 July 2009
- Amendments to INT FRS 116 <i>Hedges of a Net Investment in a Foreign Operation</i>	1 July 2009
- Amendments to FRS 1 <i>Presentation of Financial Statements</i>	1 January 2010
- Amendments to FRS 7 <i>Statement of Cash Flows</i>	1 January 2010
- Amendments to FRS 17 <i>Leases</i>	1 January 2010
- Amendments to FRS 36 <i>Impairment of Assets</i>	1 January 2010
- FRS 39 <i>Financial Instruments: Recognition and Measurement</i>	1 January 2010
- Amendments to FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 January 2010
- Amendments to FRS 108 <i>Operating Segments</i>	1 January 2010

The adoption of the above FRS and INT FRS did not have financial impact on the Group and the Company for first quarter ended 31 March 2010.

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	
	31.3.2010	31.3.2009
<hr/>		
<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)	0.45	0.61
(ii) On a fully diluted basis (cents)	0.45	0.61

Discontinued operation

Earnings/(loss) 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	(0.13)
(ii) On a fully diluted basis (cents)	0.05	(0.13)

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and

(b) immediately preceding financial year.

	GROUP		COMPANY	
	As at 31.3.2010	As at 31.12.2009	As at 31.3.2010	As at 31.12.2009
Net asset value per ordinary share (cents)	42.97	42.95	31.96	32.03

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

	Group		
	For Quarter Ended		+/(-)
	31.3.2010	31.3.2009	+/(-)
	\$'000	\$'000	%
Rental and Investments ("RI")	7,511	4,591	63.6
Trading and Investments ("Trading")	7,059	1,442	n.m.
Corporate and Others	-	104	(100.0)
	<u>14,570</u>	<u>6,137</u>	137.4

Increase in revenue from RI segment by \$2.9 million is mainly due to

- increase in proceeds from sale of investment securities by \$2.2 million (1Q2010: \$2.5 million; 1Q2009: \$0.3 million); and
- Increase in rental and storage revenue by \$0.7 million (1Q2010: \$2.1 million; 1Q2009: \$1.4 million) is mainly due to increase in rental revenue from RiverGate units and UK properties by \$0.4 million and \$0.2 million respectively.

Increase in revenue from Trading segment by \$5.6 million is mainly due to increase in proceeds from sale of investment securities amounting to \$5.7 million (1Q2010: \$6.9 million; 1Q2009: \$1.2 million).

Profit before taxation

	Group		
	For Quarter Ended		
	31.3.2010	31.3.2009	+ / (-)
	\$'000	\$'000	%
Rental and Investments ("RI")	3,393	5,393	(37.1)
Trading and Investments ("Trading")	743	(738)	n.m.
Corporate and Others	(793)	(648)	22.4
	<u>3,343</u>	<u>4,007</u>	(16.6)

The decrease in profit before taxation from RI segment by \$2.0 million is mainly due to

- reduction in gain on disposal of investment securities recorded in other income by \$0.4 million;
- increase in general and administrative costs by \$1.7 million; and
- reduction in share of results from associates and unincorporated joint venture amounting to \$4.3 million.

The above decrease is mitigated by

- increase in gross profit \$1.6 million (1Q2010: \$5.6 million; 1Q2009: \$4.0 million) due to better rental and storage results and higher gain on sale of investment securities;
- reduction in other operating costs by \$2.5 million (1Q2010: nil; 1Q2009: \$2.5 million) as no allowance made for impairment loss for investment securities in 1Q2010; and
- reduction in finance costs by \$0.4 million (1Q2010: \$0.5 million; 1Q2009: \$0.9 million) due to lesser interest bearing loans.

Improvement in profit before taxation for Trading segment by \$1.5 million is mainly due to

- improvement in gain on disposal of investment securities by \$0.9 million (1Q2010: \$1.0 million; 1Q2009: \$0.1 million); and
- reduction in other operating costs by \$0.5 million (1Q2010: nil; 1Q2009: \$0.5 million) as no allowance made for impairment loss for investment securities in 1Q2010.

Reduction of profit before taxation for Corporate and Others segment by \$0.1 million is mainly due to increase in professional fees incurred for the impending disposal 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.

With the impending divestment of Tenet, the Group will focus on its remaining businesses. Accordingly, revenue and profit will be affected in the current year. The Group intends to pursue other investments as and when the opportunity arises.

The Group's investment properties in Singapore and United Kingdom continue to enjoy good occupancy. The residential properties are fully let while the commercial properties are substantially let.

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 declared 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. COMPARATIVE FIGURES

With the classification of Tenet as discontinued operation, comparative income statement was restated to conform to current year's presentation.

14. 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)
Goh Kian Hwee – Professional fees charged by Rajah & Tann LLP	\$163,250	Nil

15. 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
28 April 2010