

**UNAUDITED RESULTS FOR FIRST QUARTER ENDED 31 March 2014****PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

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

	Note	First Quarter Ended		+ / (-)
		31.3.2014	31.3.2013	
		\$'000	\$'000	%
Continuing operations				
Revenue		5,861	8,992	(34.8)
Cost of sales	1	<u>(3,103)</u>	<u>(6,401)</u>	(51.5)
Gross profit		2,758	2,591	6.4
Other income	2	1,451	2,002	(27.5)
General and administrative costs	3	(1,444)	(2,843)	(49.2)
Selling and distribution costs		(28)	(49)	(42.9)
Other operating costs	4	(195)	-	n.m.
Finance costs		(153)	(97)	57.7
Share of after tax results of associates and joint ventures	5	<u>477</u>	<u>766</u>	(37.7)
Profit before taxation from continuing operations		2,866	2,370	20.9
Taxation	6	<u>(435)</u>	<u>(520)</u>	(16.3)
Profit from continuing operations, net of taxation		2,431	1,850	31.4
Discontinued operation				
(Loss) from discontinued operations, net of taxation		<u>(71)</u>	<u>(7)</u>	n.m.
Net profit after taxation		<u>2,360</u>	<u>1,843</u>	
Attributable to:				
Owners of the Company				
Profit from continuing operations, net of taxation		2,431	1,850	31.4
(loss) from discontinued operations, net of taxation		<u>(71)</u>	<u>(7)</u>	n.m.
Profit for the year attributable to owners of the Company		<u>2,360</u>	<u>1,843</u>	

n.m. denotes not meaningful.

Profit from continuing operations, before taxation included the following:

	Group		
	First Quarter Ended		+ / (-)
	31.3.2014	31.3.2013	
	\$'000	\$'000	%
Investment income	887	149	n.m.
Interest income (included in revenue)	183	199	(8.0)
Interest on borrowings	(153)	(97)	57.7
Depreciation on property, plant and equipment and investment properties	(595)	(518)	14.9
Foreign exchange gain/(loss)	494	(963)	n.m.
Gain on disposal of investments			
- included in gross profit	246	1,010	(75.6)
- included in other income	-	44	n.m.
Gain on disposal of property, plant and equipment			
- included in other income	21	-	-
(Under)/over provision of taxation in prior years	-	-	-
Gain on disposal of investment property			
- included in other income	1,250	1,828	(31.6)
Loss on disposal of a subsidiary			
- included in other income	(61)	-	n.m.
Allowance made for impairment loss			
- quoted current investments	(195)	-	n.m.

Notes to Group Profit and Loss Statement – Continuing operations

- Cost of sales decreased by \$3.3 million quarter-on-quarter (“qoq”) mainly due to lower share trading activities.
- Other income comprised the following:

	1Q2014	1Q2013	+ / (-)
	\$'000	\$'000	%
Interest income	37	111	(67)
Dividend income	8	14	(43)
Gain on sale of investment securities	-	44	n.m.
Gain on disposal of investment properties	1,250	1,828	(32)
Gain on disposal of property, plant and equipment	21	-	n.m.
Other investment income	73	-	n.m.
Sundry	62	5	n.m.
	<u>1,451</u>	<u>2,002</u>	

- General and administrative costs decreased by \$1.4 million mainly due to a favourable impact of \$1.4 million in unrealised foreign exchange qoq. The unrealised foreign exchange impact arose mainly from the translation of net monetary assets denominated in Sterling Pounds relating to the Group’s investment in the United Kingdom.
- Other operating costs in 1Q2014 came from impairment loss on current investment securities that had suffered a significant or prolonged decline in the market value below the acquisition cost of those investments.

5. Share of after tax results of associates and joint venture decreased by \$0.3 million mainly due to a lower contribution of \$0.4 million from one of its associated companies, Riverwalk Promenade Pte Ltd qoq.
6. Effective tax rates for 1Q2014 and 1Q2013 were 15.5% and 22% respectively. The taxation charge for the Group in 1Q2014 was lower than that arrived at by applying the statutory tax rate of 17% to the profit before taxation mainly due to absence of tax effect on the share of results of associates, as the share of results was after tax.

Statement of Comprehensive Income

	Group		
	First Quarter Ended		+ / (-)
	31.3.2014	31.3.2013	
	\$'000	\$'000	%
Net profit after taxation	2,360	1,843	28.1
<u>Other comprehensive gain/(loss):</u>			
Net gain on available-for-sale investments (net of tax)	32	1,500	(97.9)
Exchange difference arising from			
- consolidation	108	(187)	n.m.
- revaluation of net investment in foreign operations	540	(570)	n.m.
- reclassification on disposal of a subsidiary	3,548	-	n.m.
Revaluation gain realised by an associate to income statement	(106)	(157)	(32.5)
Other comprehensive gain , net of tax	4,122	586	n.m.
Total comprehensive gain for the period	6,482	2,429	
Total comprehensive gain for the period attributable to:			
Owners of the Company	6,482	2,429	
Non-controlling interests	-	-	
	6,482	2,429	

Net gain on available-for-sale investments (net of tax) in 1Q2013 of \$1.5 million was mainly due to increase in fair value gain of available-for-sale investments arising from favourable market conditions during the quarter.

In 1Q 2014, currency translation reserve of \$3.5 million related to Phratra Sdn Bhd was being reclassified, arising from the disposal of this subsidiary.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note	Group		Company	
		31.3.2014 \$'000	31.12.2013 \$'000	31.3.2014 \$'000	31.12.2013 \$'000
Non-current assets					
Property, plant and equipment		5,623	5,730	-	-
Investment properties	1	88,229	87,429	-	-
Investment in subsidiaries		-	-	173,328	173,328
Investment in joint ventures	2	3,121	4,015	-	-
Investment in associates	3	15,424	14,986	746	746
Investment securities	4	13,794	14,464	-	-
Amounts due from associates		3,767	3,705	-	-
Deferred rental income	5	3,305	2,924	-	-
Other receivables		126	101	-	-
		133,389	133,354	174,074	174,074
Current assets					
Inventories		-	4	-	-
Trade receivables		262	271	-	-
Properties classified as held for sale	6	257	1,038	-	-
Prepayments and deposits		287	296	54	59
Other receivables	7	10,777	10,044	-	-
Amounts due from associates	8	9,482	8,853	-	-
Investment securities	9	38,272	37,222	-	-
Cash and bank balances	10	58,112	52,524	11,748	8,337
		117,449	110,252	11,802	8,396
Assets of disposal group classified as held for sale	11	-	3,177	-	3,099
		117,449	113,429	11,802	11,495
Current liabilities					
Trade payables		(598)	(585)	-	-
Other payables	12	(1,781)	(5,357)	(276)	(3,597)
Accrued operating expenses	13	(1,072)	(1,633)	(169)	(172)
Amounts due to associates		(525)	(517)	(340)	(335)
Bank loans (secured)	14	(30,013)	(28,990)	-	-
Tax payable		(2,107)	(1,846)	-	-
		(36,096)	(38,928)	(785)	(4,104)
Liabilities directly associated with disposal group classified as held for sale	11	-	(40)	-	-
		(36,096)	(38,968)	(785)	(4,104)
Net current assets		81,353	74,461	11,017	7,391
Non-current liabilities					
Deferred tax liabilities	15	(5,568)	(5,130)	-	-
Other payables		(755)	(748)	-	-
		(6,323)	(5,878)	-	-
Net assets		208,419	201,937	185,091	181,465

	Group		Company	
	31.3.2014	31.12.2013	31.3.2014	31.12.2013
	\$'000	\$'000	\$'000	\$'000
Equity attributable to Owners of the Company				
Share capital	172,154	172,154	172,154	172,154
Capital reserve	1,202	1,308	-	-
Revenue reserve	34,787	32,427	12,937	9,311
Fair value reserve	10,904	10,872	-	-
Currency translation reserve	(10,628)	(14,824)	-	-
	<u>208,419</u>	<u>201,937</u>	<u>185,091</u>	<u>181,465</u>
Non-controlling interests	-	-	-	-
Share capital and reserves	<u>208,419</u>	<u>201,937</u>	<u>185,091</u>	<u>181,465</u>

Note:

- Investment properties increased by \$0.8 million mainly due to translation gain arising from the UK properties as Sterling Pound had strengthened against Singapore Dollar offset by a reclassification of one unit of a UK residential apartment to properties held for sale.
- Investment in joint ventures reduced by \$0.9 million mainly due to the refund of excess investment from the joint venture entity.
- Increase in investment in associates by \$0.4 million was mainly due to share of profits in associates for this period.
- Decrease in non-current investment securities by \$0.7 million was mainly due to a US\$0.6 million distribution of funds from one of the investments held by the Group.
- Deferred rental income relates to lease income that remains to be amortised over the lease term on a straight line basis.
- The properties classified as held for sale as at 31 December 2013 was sold during the period. As at 31 March 2014, one property was classified as held for sale with completion in April 2014.
- Increase in other receivables by \$0.7 million was mainly due to unrealised foreign exchange gains on translation of monetary assets denominated in Sterling Pound.
- Increase in amounts due from associates was mainly due to increase in loans provided to one of the associates.
- Increase in current investment securities by \$1 million was mainly due to purchases and fair value change of available-for-sale investments.
- Increase in cash and bank balances by \$3.4 million at the Company level was mainly due to proceeds received from the disposal of a subsidiary. At the Group level, increase in cash and bank balances by \$5.6 million was mainly due to proceeds received from the disposal of a subsidiary and receipts from net income.
- Assets of disposal group classified as held for sale and liabilities directly associated with disposal group classified as held for sale reflected the total assets and liabilities of the disposal of a subsidiary. The sale was completed on 17 February 2014.
- Reduction in current other payables of \$3.6 million at the Group and \$3.3 million at Company was mainly due to receipt of deposits from the disposal of subsidiary recorded under current other payables as at 31 December 2013.

13. Reduction in accrued operating expenses by \$0.6 million was mainly due to payment of bonuses during the period.
14. Increase in bank loans was mainly due to translation loss arising from the translation of Sterling Pound denominated bank loans as Sterling Pound had strengthened against Singapore Dollar.
15. Increase in deferred tax liabilities by \$0.4 million was mainly due to provision made for accrued interest income and the fair value increases of available-for-sale investments.

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

Amount repayable in one year or less, or on demand

	31.3.2014		31.12.2013	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Short term bank loans	30,013	-	28,990	-
	30,013	-	28,990	-

Amount repayable after one year

	31.3.2014		31.12.2013	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Long term bank loans	-	-	-	-

The Group has sufficient resources to repay the short-term bank loans.

Details of any collateral

Short term bank loans comprised:

- a) An amount of \$20.5 million (2013: \$19.8 million) secured by a pledge of \$15 million (2013: \$13.3 million) on a subsidiary's fixed deposits and a corporate guarantee of up to 15 million (2013: \$6.66 million) from the Company.
- b) An amount of \$1.1 million (2013: \$1.1 million) secured by a deed of guarantee and indemnity of \$4 million (2013: \$4 million) from a subsidiary.
- c) An amount of \$8.4 million (2013: \$8.1 million) secured by a pledge of \$4 million (2013: \$4 million) on a subsidiary's fixed deposits.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	First Quarter Ended 31.3.2014	31.3.2013
	\$'000	\$'000
Cash flow from operating activities:		
Profit before taxation from continuing operations	2,866	2,370
Profit before taxation from discontinued operation	(71)	(7)
Adjustments for:		
Interest income	(220)	(310)
Interest expense	153	97
Depreciation on property, plant and equipment and investment properties	595	518
Gain on disposal of property, plant and equipment	(21)	-
Share of results of associates and joint ventures	(477)	(766)
Loss on disposal of a subsidiary	61	-
Gain on disposal of investment properties	(1,250)	(1,828)
Unrealised exchange differences	209	-
	<u>(950)</u>	<u>(2,289)</u>
Operating income before reinvestment in working capital	1,845	74
(Increase)/decrease in receivables and current investments	(1,761)	1,649
Decrease in inventories	4	4
Decrease in payables	(998)	(91)
	<u>(2,755)</u>	<u>1,562</u>
Cash generated from/(used in) operations	(910)	1,636
Interest received	195	200
Interest paid	(153)	(97)
Income taxes paid	(58)	(117)
	<u>(16)</u>	<u>(14)</u>
Net cash generated from/(used in) operating activities	(926)	1,622
Cash flow from investing activities:		
Decrease/(increase) in other investments	668	(79)
Increase in other receivable	(36)	-
Decrease in investment in joint venture	1,028	-
(Increase)/decrease in amounts due from associates	(683)	45
Proceeds from disposal of investment properties	2,182	3,123
Proceeds from disposal of a subsidiary	3,185	-
Proceeds from disposal of property, plant and equipment	34	-
Addition to investment properties	(138)	(2,099)
Net cash generated from investing activities	6,240	990
Cash flow from financing activities:		
Increase in pledged cash and bank balances	(1,660)	-
Repayments in bank loans	-	(3,539)
Net cash used in financing activities	(1,660)	(3,539)
Net increase/(decrease) in cash and cash equivalents	3,654	(927)
Cash and cash equivalents at beginning of the period	35,197	34,487
Effects of exchange rate changes on cash and cash equivalents	261	(214)
Cash and cash equivalents at end of the period	39,112	33,346

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

	Group	
	31.3.2014	31.3.2013
	\$'000	\$'000
Cash and bank balances	58,112	50,687
Less: cash and bank balances pledged	(19,000)	(17,340)
Bank overdraft	-	(1)
Cash and cash equivalents at end of the period	<u>39,112</u>	<u>33,346</u>

Effect of disposal of discontinued operation

On 23 December 2013, the Company announced that the Group had entered into a sale and purchase agreement with two interested persons in relation to the proposed disposal of one of its wholly-owned subsidiary, Phratra Sdn Bhd ("Phratra"). The sale was completed on 17 February 2014 and Phratra ceased to be a subsidiary of the Group.

The results of discontinued operation (till date of disposal) are provided below:

	First Quarter Ended	
	31.3.2014	31.3.2013
	\$'000	\$'000
Revenue	-	11
Other income	-	-
Expenses	(10)	(18)
Operating (loss) before taxation	<u>(10)</u>	<u>(7)</u>
Taxation	-	-
Operating (loss) after taxation	<u>(10)</u>	<u>(7)</u>
Loss on disposal of discontinued operation	(61)	-
Loss from discontinued operation, net of taxation	<u>(71)</u>	<u>(7)</u>

Cash flows of discontinued operation (till date of disposal) are provided below:

	Group	
	First Quarter Ended	
	31.3.2014	31.3.2013
	\$'000	\$'000
Operating cashflows	(11)	(2)
Net cash outflows	<u>(11)</u>	<u>(2)</u>

The net assets and cashflow of discontinued operation disposed are provided below:

	Group 31.3.2014 \$'000
Investment properties	3,251
Prepayment and deposits	4
Cash and bank balances	2
Other payables	(9)
Accrued operating expenses	(26)
Identifiable net assets disposed	<u>3,222</u>
Reclassification of currency translation	<u>3,548</u>
	<u>6,770</u>
Loss recognised in FY2013 on remeasurement to fair value less costs to sell	(200)
Loss on disposal of subsidiary	<u>(61)</u>
Proceeds from disposal of subsidiary	6,509
Less: deposits received in FY2013	(3,322)
Less: cash and cash equivalents in disposed subsidiary	<u>(2)</u>
	<u><u>3,185</u></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 Owners of the Company -----						
	Share capital \$'000	Capital reserve ** \$'000	Revenue reserve \$'000	Fair value reserve \$'000	Currency translation reserve \$'000	Non- controlling interests \$'000	Total equity \$'000
Group							
Balance at 1.1.2014	172,154	1,308	32,427	10,872	(14,824)	-	201,937
Total comprehensive gain/(loss) for the period	0	(106)	2,360	32	4,196	-	6,482
Balance at 31.3.2014	<u>172,154</u>	<u>1,202</u>	<u>34,787</u>	<u>10,904</u>	<u>(10,628)</u>	<u>-</u>	<u>208,419</u>
Balance at 1.1.2013	172,154	1,465	30,334	8,584	(15,491)	-	197,046
Total comprehensive gain/(loss) for the period	-	(157)	1,843	1,500	(757)	-	2,429
Balance at 31.3.2013	<u>172,154</u>	<u>1,308</u>	<u>32,177</u>	<u>10,084</u>	<u>(16,248)</u>	<u>-</u>	<u>199,475</u>

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

Company	Share capital \$'000	Revenue reserve \$'000	Total equity \$'000
Balance at 1.1.2014	172,154	9,311	181,465
Total comprehensive gain for the period	-	3,626	3,626
Balance at 31.3.2014	<u>172,154</u>	<u>12,937</u>	<u>185,091</u>
Balance at 1.1.2013	172,154	18,146	190,300
Total comprehensive loss for the period	-	(215)	(215)
Balance at 31.3.2013	<u>172,154</u>	<u>17,931</u>	<u>190,085</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 option has been granted under the Hwa Hong Corporation Limited (2001) Share Option Scheme since its adoption on 29 May 2001. At the 58th Annual General Meeting held on 27 April 2011, the shareholders of the Company approved the extension of the scheme for another ten years from 29 May 2011 to 28 May 2021.

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 2013, there were no changes to the total number of 653,504,000 issued ordinary shares of the Company.

As at 31 December 2013 and 31 March 2014, 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 disclosed below, 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 2013.

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 standards that are mandatory for the financial periods beginning on 1 January 2014:-

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Revised FRS 27 Separate Financial Statements	1 January 2014
Revised FRS 28 Investments in Associates and Joint Ventures	1 January 2014
FRS 110 Consolidated Financial Statements	1 January 2014
FRS 111 Joint Arrangements	1 January 2014
FRS 112 Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 36 Recoverable Amount Disclosures for Non-financial Assets	1 January 2014

The adoption of the revised FRS did not have any financial impact on the financial statements of the Group and the Company for the quarter ended 31 March 2014.

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	
	31.3.2014	31.3.2013
<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)	0.37	0.28
(ii) On a fully diluted basis (cents)	0.37	0.28
<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)	(0.01)	(0.00)
(ii) On a fully diluted basis (cents)	(0.01)	(0.00)

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 31.3.2014	As at 31.12.2013	As at 31.3.2014	As at 31.12.2013
Net asset value per ordinary share (cents)	31.89	30.90	28.32	27.77

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)

	1Q2014 \$'000	1Q2013 \$'000	+ / (-) %
Rental	1,920	1,762	9.0
Investments	3,931	7,082	(44.5)
Corporate and Others	10	148	(93.2)
	<u>5,861</u>	<u>8,992</u>	

Increase in revenue for rental segment by \$0.1 million was mainly due to: -

- increase in rental income from the Paya Lebar property by \$0.7 million subsequent to its completion in re-development in February 2013;
- decrease in rental income from certain UK properties by \$0.6 million mainly due to absence of rental income from one of its office buildings located at Clerkenwell, London as the property was undergoing asset enhancement works.

Decrease in revenue for investments segment by \$3.2 million was mainly due to:-

- decrease in proceeds from sale of investment securities by \$3.9 million mainly due to decrease in share trading activities;
- increase in dividend income by \$0.7 million mainly due to a US\$0.6 million distribution from a fund held by the Group in 1Q 2014.

Profit before tax from continuing operations (excluding all inter-segment transactions)

	1Q2014 \$'000	1Q2013 \$'000	+/(-) %
Rental	1,663	1,796	(7.4)
Investments	1,369	1,943	(29.5)
Corporate and Others ("Corporate")	(439)	(471)	(6.8)
	2,593	3,268	
unallocated items	273	(898)	n.m.
	2,866	2,370	

Rental segment refers to rental of residential, commercial properties and warehouse. The profit before taxation for Rental segment in 1Q2014 and 1Q2013 remained relatively the same.

Investment segment refers to investment holding and the decrease in profit before taxation in 1Q2014 by \$0.6 million was mainly due to:-

- increase in impairment loss on quoted equity investments of \$0.2 million qoq arising from unfavourable market conditions which resulted in increase in the amount of investment securities which have suffered a significant or prolonged decline in the market value below the acquisition cost of those investments;
- decrease in gain on disposal of investments of investment securities of \$0.8 million qoq;
- decrease in share of profits of the associates of \$0.3 million mainly due to a lower contribution of \$0.4 million from one of its associated companies, Riverwalk Promenade Pte Ltd qoq;
- increase in dividend income of \$0.7 million qoq mainly due to a US\$0.6 million distribution in 1Q 2014 made by a fund held by the Group.

Corporate segment refers to the provision of management, administrative and support services to related companies and investment holding, as well as trading of edible oil products. The loss before tax of the Corporate segment for 1Q2014 and 1Q2013 remained relatively the same and were mainly contributed by salaries, bonuses, accruals of director fees and trading of edible oil products.

Unallocated items refer to items such as finance costs and certain foreign exchange differences which are managed on a Group basis and were not allocated to the segments. The loss decreased from \$0.9 million in 1Q2013 to a profit of \$0.3 million in 1Q2014 million mainly due to increase in foreign exchange gain arising from the strengthening of Sterling Pound against Singapore Dollar.

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.

While the growth forecast for the Singapore economy is between 3% and 4% for 2014, the outlook for the residential market is expected to remain cautious. Notwithstanding this, the Group was able to complete the sale of a unit of RiverGate with a gain of \$1.25m. The remaining 7 apartments are fully leased.

In London, the residential and commercial property markets remain buoyant. The Group concluded the sale of an apartment unit with gain of \$1 million to be recognised in Q2. In view of the favourable market conditions, one of our subsidiaries is presently in negotiations to divest certain of the Group's investment properties in London.

Refurbishment of our Clerkenwell property in London is expected to complete in mid year and we have received several enquiries from prospective tenants.

The commercial property market outside of London is expected to remain weak for the year.

The uncertain outlook in the world economy is expected to remain and returns from equity investments will correspondingly be influenced by the uncertainties.

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.

