

**UNAUDITED RESULTS FOR SECOND QUARTER ENDED 30 JUNE 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	Group					
		Second Quarter Ended			Six Months Ended		
		30.6.2014	30.6.2013	+/(-) %	30.6.2014	30.6.2013	+/(-) %
		\$'000	\$'000		\$'000	\$'000	
<b>Revenue</b>		3,650	7,884	(53.7)	9,511	16,876	(43.6)
Cost of sales	1	(1,644)	(5,232)	(68.6)	(4,747)	(11,633)	(59.2)
<b>Gross profit</b>		2,006	2,652	(24.4)	4,764	5,243	(9.1)
Other income	2	10,750	1,751	n.m.	12,201	3,753	n.m.
General and administrative costs	3	(2,224)	(1,655)	34.4	(3,668)	(4,498)	(18.5)
Selling and distribution costs		1	(50)	n.m.	(27)	(99)	(72.7)
Other operating costs	4	(5,618)	(700)	n.m.	(5,813)	(700)	n.m.
Finance costs		(146)	(96)	52.1	(299)	(193)	54.9
Share of after tax results of associates and joint ventures		493	333	48.0	970	1,099	(11.7)
Profit before taxation		5,262	2,235	n.m.	8,128	4,605	76.5
Taxation	5	(232)	(408)	(43.1)	(667)	(928)	(28.1)
<b>Profit from continuing operations, net of taxation</b>		5,030	1,827	n.m.	7,461	3,677	n.m.
<b>Discontinued operation</b>							
<b>Loss from discontinued operation, net of taxation</b>		-	(11)	n.m.	(71)	(18)	n.m.
<b>Net profit after taxation</b>		5,030	1,816		7,390	3,659	
<b>Attributable to:</b>							
<b>Owners of the Company</b>							
Profit from continuing operations, net of taxation		5,030	1,827	n.m.	7,461	3,677	n.m.
Loss from discontinued operation, net of taxation		-	(11)	n.m.	(71)	(18)	-
<b>Profit for the year attributable to owners of the Company</b>		5,030	1,816		7,390	3,659	

n.m. denotes not meaningful.

**Notes to Group Profit and Loss Statement – Continuing operations**

- Cost of sales decreased by \$6.9 million year-on-year (“yoy”) and \$3.6 million quarter-on-quarter (“qoq”) mainly due to lower share trading activities.
- Other income comprised the following:

	2Q2014	2Q2013	+/(-) %	FY2014	FY2013	+/(-) %
	\$'000	\$'000	%	\$'000	\$'000	%
Interest income	32	134	(76.1)	69	245	(71.8)
Dividend income	195	176	10.8	203	190	6.8
Gain on sale of investment securities	-	2	n.m.	-	46	n.m.
Gain on disposal of investment properties	10,455	1,418	n.m.	11,705	3,246	n.m.
Gain on disposal of property, plant and equipment	-	-	n.m.	21	-	n.m.
Other investment income	5	-	n.m.	78	-	n.m.
Sundry	63	21	n.m.	125	26	n.m.
	10,750	1,751		12,201	3,753	

3. General and administrative costs decreased by \$0.8 million yoy and increased by \$0.6 million qoq mainly due to a favourable exchange impact of \$0.9 million in unrealised foreign exchange yoy and unfavourable exchange impact of \$0.6 million qoq. The unrealised foreign exchange impact arose mainly from the translation of assets denominated in Sterling Pounds relating to the Group's investment in the United Kingdom.

4. Other operating costs comprised the following:

	2Q2014	2Q2013	+ / (-)	FY2014	FY2013	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Allowance made/(written back) for impairment on						
- unquoted non-current investments	(36)	-	n.m.	(36)	-	n.m.
- current investments	61	700	(91.3)	256	700	(63.4)
- investment properties	4,684	-	n.m.	4,684	-	n.m.
Allowance made for doubtful debts						
due from an associate	909	-	n.m.	909	-	n.m.
	<u>5,618</u>	<u>700</u>		<u>5,813</u>	<u>700</u>	

- Allowance for impairment loss on current investment securities relate to investment securities that had suffered a significant or prolonged decline in the market value below the acquisition cost of those investments.
- Allowance for impairment loss on investment properties of \$4.7 million was due to a decline in value of certain UK properties arising from a directors' valuation exercise carried out in 2Q2014.
- Allowance for doubtful debts receivable of \$0.9 million was made following an assessment exercise to determine collectability of the debt.

5. Effective tax rates for 1H2014 and 2Q2014 were 8.3% (1H2013: 20.2%) and 4.4% (2Q2013: 18.3%) respectively. The taxation charges for the Group for 1H2014 and 2Q2014 were lower than that arrived at by applying the statutory tax rate of 17% to the profit before taxation mainly due to certain other income that was capital in nature.

Profit before taxation included the following:

	Group					
	Second Quarter Ended			Six Months Ended		
	30.6.2014	30.6.2013	+/(-) %	30.6.2014	30.6.2013	+/(-) %
	\$'000	\$'000		\$'000	\$'000	
Investment income	391	300	30.3	1,278	449	n.m.
Interest income (included in revenue)	158	205	(22.9)	341	404	(15.6)
Interest on borrowings	(146)	(96)	52.1	(299)	(193)	54.9
Depreciation on property, plant and equipment and investment properties	(536)	(582)	(7.9)	(1,131)	(1,100)	2.8
Allowance made for doubtful debts due from an associate	(909)	-	n.m.	(909)	-	n.m.
Allowance made/(written back) for impairment loss on						
- unquoted non-current investments	36	-	n.m.	36	-	n.m.
- quoted current investments	(61)	(700)	(91.3)	(256)	(700)	(63.4)
- investment properties	(4,684)	-	n.m.	(4,684)	-	n.m.
Underprovision of taxation in prior years	-	(120)	n.m.	-	(120)	n.m.
Foreign exchange gain/(loss)	(53)	531	n.m.	441	(432)	n.m.
Gain on disposal of investments						
- included in gross profit	143	260	(45.0)	389	1,270	(69.4)
- included in other income	-	2	n.m.	-	46	n.m.
Gain on disposal of property, plant and equipment						
- included in other income	-	-	-	21	-	n.m.
Gain on disposal of investment properties						
- included in other income	10,455	1,418	n.m.	11,705	3,246	n.m.
Loss on disposal of a subsidiary						
- included in other income	-	-	-	(61)	-	n.m.

### **Statement of Comprehensive Income**

	Group					
	Second Quarter Ended			Six Months Ended		
	30.6.2014	30.6.2013	+/(-) %	30.6.2014	30.6.2013	+/(-) %
	\$'000	\$'000		\$'000	\$'000	
<b>Net profit after taxation</b>	<b>5,030</b>	<b>1,816</b>	<b>n.m.</b>	<b>7,390</b>	<b>3,659</b>	<b>n.m.</b>
<b>Other comprehensive income/(loss):</b>						
Items that may be reclassified subsequently to profit or loss:						
Net gain on available-for-sale investments (net of tax)	4,480	524	n.m.	4,512	2,024	n.m.
Exchange difference arising from						
- consolidation	62	62	-	170	(125)	n.m.
- revaluation of net investment in foreign operation	29	308	(90.6)	569	(262)	n.m.
- reclassification on disposal of a subsidiary	-	-	-	3,548	-	n.m.
Revaluation gain realised by an associate to income statement	-	-	n.m.	(106)	(157)	(32.5)
Other comprehensive gain, net of tax	<u>4,571</u>	<u>894</u>	<b>n.m.</b>	<u>8,693</u>	<u>1,480</u>	<b>n.m.</b>
<b>Total comprehensive gain for the period</b>	<b><u>9,601</u></b>	<b><u>2,710</u></b>	<b>n.m.</b>	<b><u>16,083</u></b>	<b><u>5,139</u></b>	<b>n.m.</b>
Total comprehensive gain for the period attributable to:						
Owners of the Company	9,601	2,710	n.m.	16,083	5,139	n.m.
Non-controlling Interests	-	-	-	-	-	-
	<u>9,601</u>	<u>2,710</u>		<u>16,083</u>	<u>5,139</u>	

Net gain on available-for-sale investments (net of tax) in 1H2014 and 2Q2014 of \$4.5 million were mainly due to increases in fair value of the available-for-sale investments arising from favourable market conditions on certain shares held by the Group.

The currency translation reserve of \$3.5 million relating to Phrata Sdn Bhd was being reclassified, arising from the disposal of this subsidiary in 1Q2014.

**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	
		30.6.2014 \$'000	31.12.2013 \$'000	30.6.2014 \$'000	31.12.2013 \$'000
<b>Non-current assets</b>					
Property, plant and equipment		5,541	5,730	-	-
Investment properties	1	63,690	87,429	-	-
Investment in subsidiaries		-	-	173,328	173,328
Investment in joint ventures	2	9,015	4,015	-	-
Investment in associates	3	15,787	14,986	746	746
Investment securities		14,603	14,464	-	-
Amounts due from associates	4	3,104	3,705	-	-
Deferred rental income	5	3,686	2,924	-	-
Other receivables		151	101	-	-
		<u>115,577</u>	<u>133,354</u>	<u>174,074</u>	<u>174,074</u>
<b>Current assets</b>					
Inventories		-	4	-	-
Trade receivables		376	271	-	-
Properties classified as held for sale	6	10,365	1,038	-	-
Prepayments and deposits		198	296	40	59
Other receivables	7	4,030	10,044	-	-
Amounts due from associates	8	9,817	8,853	-	-
Investment securities	9	43,985	37,222	-	-
Cash and bank balances	10	59,264	52,524	4,853	8,337
		<u>128,035</u>	<u>110,252</u>	<u>4,893</u>	<u>8,396</u>
Assets of disposal group classified as held for sale	11	-	3,177	-	3,099
		<u>128,035</u>	<u>113,429</u>	<u>4,893</u>	<u>11,495</u>
<b>Current liabilities</b>					
Trade payables		(458)	(585)	-	-
Other payables	12	(1,347)	(5,357)	(292)	(3,597)
Accrued operating expenses	13	(1,033)	(1,633)	(77)	(172)
Amounts due to associates		(517)	(517)	(335)	(335)
Bank loans (secured)	14	(19,621)	(28,990)	-	-
Tax payable	15	(2,312)	(1,846)	-	-
		<u>(25,288)</u>	<u>(38,928)</u>	<u>(704)</u>	<u>(4,104)</u>
Liabilities directly associated with disposal group classified as held for sale	11	-	(40)	-	-
		<u>(25,288)</u>	<u>(38,968)</u>	<u>(704)</u>	<u>(4,104)</u>
<b>Net current assets</b>		102,747	74,461	4,189	7,391
<b>Non-current liabilities</b>					
Deferred tax liabilities	16	(6,257)	(5,130)	-	-
Other payables		(582)	(748)	-	-
		<u>(6,839)</u>	<u>(5,878)</u>	<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>211,485</u>	<u>201,937</u>	<u>178,263</u>	<u>181,465</u>

	Group		Company	
	30.6.2014	31.12.2013	30.6.2014	31.12.2013
	\$'000	\$'000	\$'000	\$'000
<b>Equity attributable to Owners of the Company</b>				
Share capital	172,154	172,154	172,154	172,154
Capital reserve	1,202	1,308	-	-
Revenue reserve	33,282	32,427	6,109	9,311
Fair value reserve	15,384	10,872	-	-
Currency translation reserve	(10,537)	(14,824)	-	-
	<u>211,485</u>	<u>201,937</u>	<u>178,263</u>	<u>181,465</u>
Non-controlling interests	-	-	-	-
<b>Share capital and reserves</b>	<u>211,485</u>	<u>201,937</u>	<u>178,263</u>	<u>181,465</u>

Note:

1. Investment properties decreased by \$24 million mainly due to:
  - a. disposal of 1 Singapore property in Rivergate, 1 apartment unit and 3 commercial properties in London,
  - b. reclassification of a commercial property in London, to properties held for sale, and,
  - c. impairment loss of \$4.7 million relating to 2 UK investment properties outside London.
2. Investment in joint ventures increased by \$5 million mainly due to investment of \$5.9 million in Neo Bankside Retail LLP, offset by a refund of \$0.9 million being excess investment from Neo Pav E Investments LLP during the period.
3. Increase in investment in associates by \$0.8 million was mainly due to share of profits in associates for the period.
4. Decrease in amounts due from associates was mainly due to allowance for doubtful debts provided during the period.
5. Deferred rental income relates to lease income that remains to be amortised over the lease term on a straight line basis.
6. The properties classified as held for sale as at 31 December 2013 was sold during the period. As at 30 June 2014, one property was classified as held for sale with completion expected by 3Q2014.
7. Other receivable declined mainly due to repayment of loans from the UK joint ventures.
8. Increase in amounts due from associates was mainly due to increase in loans provided to one of the associates.
9. Increase in current investment securities by \$6.8 million was mainly due to purchases and fair value change of available-for-sale investments.
10. Decrease in the Company's cash and bank balances by \$3.5 million was mainly due to payment of dividends during the period offset by proceeds received from the disposal of a subsidiary. Increase in the Group's cash and bank balances by \$6.7 million was mainly due to receipt from the disposal of investment properties and proceeds from the disposal of a subsidiary, offset by payment of dividends and settlement of bank loans.
11. 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.

12. Reduction in current other payables of \$4 million at the Group and \$3.3 million at the 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. Decrease in bank loans was mainly due to settlement of an outstanding bank loan of \$15.4 million offset by a drawn down of a new loan of \$5.9 million during the period.
15. Increase in tax payable of \$0.5 million was mainly due to increase in certain chargeable income of some subsidiaries.
16. Increase in deferred tax liabilities of \$1.1 million was mainly due to provision made for accrued interest income, deferred rental 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

	30.6.2014		31.12.2013	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Short term bank loans	19,621	-	28,990	-

##### Amount repayable after one year

	30.6.2014		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 \$10.1 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			
	Second Quarter Ended		Six Months Ended	
	30.6.2014	30.6.2013	30.6.2014	30.6.2013
	\$'000	\$'000	\$'000	\$'000
<b>Cash flow from operating activities:</b>				
Profit before taxation from continuing operations	5,262	2,235	8,128	4,605
Loss before taxation from discontinued operation	-	(11)	(71)	(18)
Adjustments for:				
Interest income	(190)	(340)	(410)	(650)
Interest expense	146	96	299	193
Depreciation of property, plant and equipment and investment properties	536	582	1,131	1,100
Share of results of associates and joint ventures	(493)	(333)	(970)	(1,099)
Allowance made for doubtful debts due from an associate	909	-	909	-
Allowance made/(written back) for impairment loss on				
- non current investment securities	(36)	-	(36)	-
- current investment securities	61	700	256	700
- investment properties	4,684	-	4,684	-
Gain on disposal of investment properties	(10,455)	(1,418)	(11,705)	(3,246)
Gain on disposal of property, plant and equipment	-	-	(21)	-
Loss on disposal of subsidiary	-	-	61	-
Unrealised exchange differences	(761)	117	(552)	117
	(5,599)	(596)	(6,354)	(2,885)
<b>Operating profit before reinvestment in working capital</b>	(337)	1,628	1,703	1,702
Increase in receivables and current investments	(44)	(2,455)	(2,000)	(1,445)
(Increase)/decrease in inventories	-	(2)	4	2
Decrease in payables	(786)	(768)	(1,784)	(859)
	(830)	(3,225)	(3,780)	(2,302)
<b>Cash used in operations</b>	(1,167)	(1,597)	(2,077)	(600)
Interest received	165	279	360	479
Interest paid	(146)	(96)	(299)	(193)
Income taxes paid	(26)	(362)	(84)	(479)
	(7)	(179)	(23)	(193)
<b>Net cash used in operating activities</b>	(1,174)	(1,776)	(2,100)	(793)
<b>Cash flow from investing activities:</b>				
(Increase)/decrease in other investments	(668)	380	-	301
Decrease in other receivables	5,773	-	5,737	-
Increase in investment in joint ventures	(5,857)	-	(4,829)	-
Increase in amounts due from associates	(589)	(156)	(1,272)	(111)
Proceeds from disposal of property, plant and equipment	-	-	34	-
Proceeds from disposal of a subsidiary	-	-	3,185	-
Proceeds from disposal of investment properties	20,275	1,724	22,457	4,847
Additions to investment properties	(547)	-	(685)	(2,099)
Purchase of property, plant and equipment	(1)	(55)	(1)	(55)
<b>Net cash generated from investing activities</b>	18,386	1,893	24,626	2,883
<b>Net cash generated from operating and investing activities carried forward</b>	17,212	117	22,526	2,090

	Group			
	Second Quarter Ended		Six Months Ended	
	30.6.2014	30.6.2013	30.6.2014	30.6.2013
	\$'000	\$'000	\$'000	\$'000
<b>Net cash generated from operating and investing activities brought forward</b>	17,212	117	22,526	2,090
<b>Cash flow from financing activities:</b>				
Increase in bank loans	5,857	-	5,857	-
Repayments of bank loans	(15,394)	-	(15,394)	(2,900)
Dividends paid	(6,535)	(6,535)	(6,535)	(6,535)
Increase in pledged cash and bank balances	-	-	(1,660)	-
<b>Net cash used in financing activities</b>	(16,072)	(6,535)	(17,732)	(9,435)
Net increase/(decrease) in cash and cash equivalents	1,140	(6,418)	4,794	(7,345)
Cash and cash equivalents at beginning of the period	39,112	33,347	35,197	34,487
Effects of exchange rate changes on cash and cash equivalents	12	77	273	(136)
<b>Cash and cash equivalents at end of the period</b>	<b>40,264</b>	<b>27,006</b>	<b>40,264</b>	<b>27,006</b>

For the purpose of presenting consolidating cash flow statements, the consolidated cash and cash equivalents comprise the following:-

	Group		Group	
	30.6.2014	30.6.2013	30.6.2014	30.6.2013
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	59,264	44,346	59,264	44,346
Less: cash and bank balances pledged	(19,000)	(17,340)	(19,000)	(17,340)
Less: bank overdraft secured	-	-	-	-
Cash and cash equivalents at end of the period	<b>40,264</b>	<b>27,006</b>	<b>40,264</b>	<b>27,006</b>

#### 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 a 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:

	Second Quarter Ended		Six Months Ended	
	30.6.2014	30.6.2013	30.6.2014	30.6.2013
	\$'000	\$'000	\$'000	\$'000
Revenue	-	5	-	16
Other income	-	1	-	1
Expenses	-	(17)	(10)	(35)
Operating loss before taxation	-	(11)	(10)	(18)
Taxation	-	-	-	-
Operating loss after taxation	-	(11)	(10)	(18)
Loss on disposal of discontinued operation	-	-	(61)	-
Loss from discontinued operation, net of taxation	-	(11)	(71)	(18)

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

	<b>Group</b>			
	<b>Second Quarter Ended</b>		<b>Six Months Ended</b>	
	<b>30.6.2014</b>	<b>30.6.2013</b>	<b>30.6.2014</b>	<b>30.6.2013</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Operating cashflows	-	(33)	(11)	(35)
Net cash outflows	-	(33)	(11)	(35)

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

	<b>Group</b>
	<b>30.6.2014</b>
	<b>\$'000</b>
Investment properties	3,251
Prepayment and deposits	4
Cash and bank balances	2
Other payables	(9)
Accrued operating expenses	(26)
Identifiable net assets disposed of	3,222
Reclassification of currency translation	3,548
	6,770
Loss recognised in FY2013 on remeasurement to fair value less costs to sell	(200)
Loss on disposal of subsidiary	(61)
Proceeds from disposal of subsidiary	6,509
Less: deposits received in FY2013	(3,322)
Less: cash and cash equivalents in disposed subsidiary	(2)
	3,185

**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 -----						Total equity \$'000
	Share capital \$'000	Capital reserve ** \$'000	Revenue reserve \$'000	Fair value reserve \$'000	Currency translation reserve \$'000	Non-controlling interests \$'000	
<b>Group</b>							
Balance at 1.1.2014	172,154	1,308	32,427	10,872	(14,824)	-	201,937
Total comprehensive gain/(loss) for the period	-	(106)	2,360	32	4,196	-	6,482
Balance at 31.3.2014	172,154	1,202	34,787	10,904	(10,628)	-	208,419
Total comprehensive gain for the period	-	-	5,030	4,480	91	-	9,601
Dividends paid	-	-	(6,535)	-	-	-	(6,535)
Balance at 30.6.2014	172,154	1,202	33,282	15,384	(10,537)	-	211,485
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	172,154	1,308	32,177	10,084	(16,248)	-	199,475
Total comprehensive gain for the period	-	-	1,816	524	370	-	2,710
Dividends paid	-	-	(6,535)	-	-	-	(6,535)
Balance at 30.6.2013	172,154	1,308	27,458	10,608	(15,878)	-	195,650

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

	Share capital \$'000	Revenue reserve \$'000	Total equity \$'000
<b>Company</b>			
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	172,154	12,937	185,091
Total comprehensive gain for the period	-	(293)	(293)
Dividends paid	-	(6,535)	(6,535)
Balance at 30.6.2014	172,154	6,109	178,263
Balance at 1.1.2013	172,154	18,146	190,300
Total comprehensive loss for the period	-	(215)	(215)
Balance at 31.3.2013	172,154	17,931	190,085
Total comprehensive gain for the period	-	(276)	(276)
Dividends paid	-	(6,535)	(6,535)
Balance at 30.6.2013	172,154	11,120	183,274

**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 58<sup>th</sup> 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 30 June 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 30 June 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.**

	<b>GROUP</b>			
	<b>Second Quarter Ended</b>		<b>Six Months Ended</b>	
	<b>30.6.2014</b>	<b>30.6.2013</b>	<b>30.6.2014</b>	<b>30.6.2013</b>
<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)	0.77	0.28	1.14	0.56
(ii) On a fully diluted basis (cents)	0.77	0.28	1.14	0.56
<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)	0.00	0.00	(0.01)	0.00
(ii) On a fully diluted basis (cents)	0.00	0.00	(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 30.6.2014	As at 31.12.2013	As at 30.6.2014	As at 31.12.2013
Net asset value per ordinary share (cents)	32.36	30.90	27.28	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)

	2Q2014 \$'000	2Q2013 \$'000	+ / (-) %	FY2014 \$'000	FY2013 \$'000	+ / (-) %
Rental	1,772	2,416	(26.7)	3,692	4,178	(11.6)
Investments	1,878	5,318	(64.7)	5,809	12,400	(53.2)
Corporate and Others	-	150	n.m.	10	298	(96.6)
	<u>3,650</u>	<u>7,884</u>		<u>9,511</u>	<u>16,876</u>	

Decrease in revenue for rental segment by \$0.5 million yoy and \$0.6 million qoq was mainly due to:-

- decrease in rental income from certain UK commercial and service office properties by \$1.3 million yoy and \$0.7 million qoq mainly due to absence of rental income of \$0.7 million yoy and \$0.3 million qoq from one of its office buildings located at Clerkenwell, London as the property was undergoing asset enhancement works and a reduction of \$0.5 million yoy and \$0.3 million rental income arising from the repositioning of 2 service offices to long-lease offices;
- increase in rental income from the Paya Lebar property by \$0.7 million yoy subsequent to its completion in re-development in February 2013.

Decrease in revenue for investments segment by \$6.6 million yoy and \$3.4 million qoq was mainly due to:-

- decrease in proceeds from sale of investment securities by \$7.4 million yoy and \$3.5 million qoq mainly due to decrease in share trading activities;
- increase in dividend income by \$0.8 million yoy mainly due to a US\$0.6 million distribution from a fund held by the Group in 1Q 2014.

**Profit before taxation** (excluding all inter-segment transactions)

	2Q2014	2Q2013	+/(-)	FY2014	FY2013	+/(-)
	\$'000	\$'000	%	\$'000	\$'000	%
Rental	5,029	2,009	n.m.	6,692	3,805	75.9
Investments	1,004	286	n.m.	2,373	2,229	6.5
Corporate and Others	(562)	(484)	16.1	(1,001)	(955)	4.8
	5,471	1,811		8,064	5,079	
Unallocated items	(209)	424	n.m.	64	(474)	n.m.
	5,262	2,235		8,128	4,605	

Rental segment refers to rental of residential, commercial properties and warehouse. Profit before taxation for Rental segment increased by \$2.9 million yoy and \$3 million qoq mainly due to:-

- increase in gain from disposal of investment property by \$8.5 million yoy and \$9 million qoq;
- allowance made for impairment loss on doubtful debts due from associates of \$0.9 million yoy and qoq;
- allowance made for impairment loss on investment properties of \$4.7 million yoy and qoq on 2 UK properties outside of London, due to a decline in value of certain UK properties arising from a directors' valuation exercise carried out in 2Q2014.

Investment segment refers to investment holding. Profit before taxation for Investment segment in FY2014 and FY2013 remained relatively the same. Increased in profit before taxation in 2Q2014 by \$0.7 million was mainly due to:-

- decrease in impairment loss on quoted current investments of \$0.6 million qoq;
- increase in share of profits of the associates of \$0.2 million qoq;
- decrease in gain on disposal of investments of \$0.1 million qoq.

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 yoy and qoq 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 turnaround from \$0.5 million to a profit of \$0.1 million yoy mainly due to favourable foreign exchange impact arising from the translation of Sterling Pound against Singapore Dollar. The profit turnaround from \$0.4 million to a loss of \$0.2 million qoq mainly due to unfavourable foreign exchange impact.

**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 residential property market in Singapore has continued to soften. With more properties available for rental, leases have been renewed at lower rates.

In London, the Group completed the sale of an apartment unit in Q2 2014. The remaining 18 units are fully rented out.

Contracts were exchanged for the sale of our London office property in Clerkenwell and completion is expected in late August. Management expects that on completion, the net impact of the transaction will be a gain of GBP3.3 million (\$6.6 million).

Outside of London, the commercial property market remains sluggish.

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.**

No dividend has been declared.

