



HWA HONG CORPORATION LIMITED

61st Annual General Meeting
24 April 2014, 11am
Novotel Singapore Clarke Quay

OUR FY2013 OPERATING PERFORMANCE

| SGDm | FY2012 | FY2013 | Change |
|--------------------------|--------|--------|--------|
| Revenues | 26.3 | 28.6 | 8.7% |
| EBITDA | 7.6 | 12.3 | 61.8% |
| Net profit after tax | 6.6 | 8.8 | 33.3% |
| Earnings per share (cts) | 1.02 | 1.35 | 32.4% |



OUR FINANCIAL HIGHLIGHTS

Gearing

| | |
|----------|-------|
| Net debt | 29.0m |
|----------|-------|

| | |
|------------|------|
| Net assets | 202m |
|------------|------|

| | |
|--------------|-----|
| Net debt/Eq. | 14% |
|--------------|-----|

Payout

| | |
|------|------|
| NPAT | 8.8m |
|------|------|

| | |
|----------|------|
| Dividend | 6.5m |
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|--------------|-----|
| Payout ratio | 74% |
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|----------------|------|
| Dividend yield | 3.2% |
|----------------|------|

Market valuation

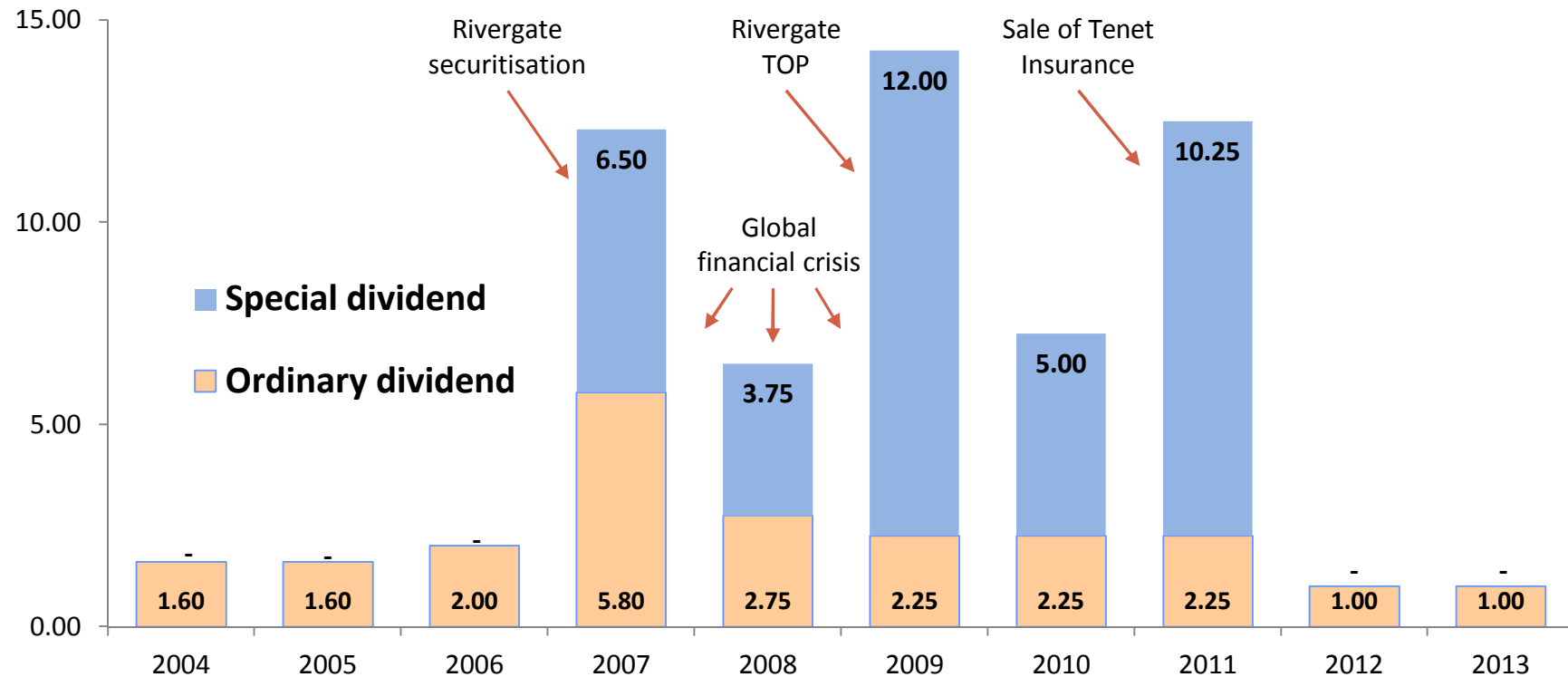
| | |
|---------|------|
| Mkt cap | 203m |
|---------|------|

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|----------|------|
| Price/BV | 1.0x |
|----------|------|

| | |
|-----|-------|
| PER | 23.0x |
|-----|-------|



OUR DIVIDEND HISTORY



An investor between 2004 and 2010 would have received 26% to 108% of his original cost of investment back from the ordinary and special dividends paid out to shareholders, while still holding on to his shares which are worth c.SGD31cts today



OUR BUSINESS

REAL ESTATE PORTFOLIO

| Location | Residential | Commercial | Industrial |
|----------------|---|---|---|
| Singapore | <u>Rivergate</u> 8 units | <u>Scotts Spazio</u> c.151,651sf | <u>110 Paya Lebar</u> Leased as data centre to Pacnet (c.157,109sf) |
| | | <u>Rivergate</u> 4 retail units (c.3,563sf) | |
| United Kingdom | <u>Queen's Gate</u> 9 apartments in 2 blocks | <u>Central London</u> 5 office buildings (c.46,567sf) | n.a. |
| | <u>Hornton Street</u> 11 apartments in 2 blocks | <u>Outside London</u> 3 office buildings in Liverpool, Manchester and Willenhall and 1 mixed-use development site in Sheffield (c.131,147sf) | |



OUR BUSINESS

INVESTMENT PORTFOLIO

| Investment type | Description |
|---|--|
| Private equity real estate investments (ownership of less than 50%) | <u>Orchard Medical Suites</u> 30% interest in 38 medical office units (c.32,959sf) at Lucky Plaza |
| | <u>Allen House</u> c.20% interest in redevelopment of a 45 unit residential apartment block in central London |
| | <u>Commercial office space at Orchard Towers</u> 30% interest in 3 units (c.3,563sf) |
| Quoted and unquoted investments excluding real estate investments (Asia ex-Japan) | Strategic interest in MTQ Corporation (c.5.5% interest) |
| | Other investments include REITs, blue chip companies, SGX-ST listed companies and dividend yield stocks |



KEY ACTIVITIES IN FY2013

NEW INVESTMENTS

Neo Bankside, London, UK

- Freehold commercial property
- c.7,300 sf of commercial space purchased at GBP5.2m (GBP712psf)
- Newly completed and designed by award winning architect Roger Stirk Harbour
- Located in the vibrant South Bank area
- Long lease signed for 15 years



Allen House, London, UK

- 45 unit residential block located off Kensington High Street
- Redevelopment planned
- Off-market transaction
- Investment of c.GBP5m
- c.20% interest with advisory role
- Currently undergoing planning process with an expected investment period of c.2.5 years



KEY ACTIVITIES IN FY2013

Divestments

Gain (SGDm)

| | |
|---|------|
| Rivergate residential unit: | 1.8m |
| 9 medical office units at Lucky Plaza : | 3.4m |
| London residential unit: | 1.5m |

Asset enhancement

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|--|--|
| 110 Paya Lebar: | Estimated 12% increase in lettable area, 15 year lease |
| Queens Gate London: | Increase in lettable area of all 6 apartment units and significant increase in rental income |
| Office building in Clerkenwell London: | Conversion from service office into high specification office |



GROUP STRATEGY FOR 2014

KEY STRATEGIC OBJECTIVES

- Increase the Group's recurrent income and cash flow
- Optimal mix of income generating assets vs development assets
- Improve allocation and use of capital
- Seek to enhance investment returns from investment business
- Explore possible new markets and businesses
- Strive to maintain regular dividends





HWA HONG CORPORATION LIMITED

Thank you