

UNAUDITED RESULTS FOR THIRD QUARTER ENDED 30 SEPTEMBER 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					
		Third Quarter Ended			Nine Months Ended		
		30.9.2014 \$'000	30.9.2013 \$'000	+ / (-) %	30.9.2014 \$'000	30.9.2013 \$'000	+ / (-) %
Revenue		4,337	4,868	(10.9)	13,848	21,744	(36.3)
Cost of sales	1	(2,565)	(2,391)	7.3	(7,312)	(14,024)	(47.9)
Gross profit		1,772	2,477	(28.5)	6,536	7,720	(15.3)
Other income	2	7,044	256	n.m.	19,245	4,009	n.m.
General and administrative costs	3	(2,059)	(1,051)	95.9	(5,727)	(5,549)	3.2
Selling and distribution costs		-	(41)	n.m.	(27)	(140)	(80.7)
Other operating costs	4	(2,641)	(175)	n.m.	(8,454)	(875)	n.m.
Finance costs		(115)	-	n.m.	(414)	(193)	n.m.
Share of after tax results of associates and joint ventures	5	178	1,119	(84.1)	1,148	2,218	(48.2)
Profit before taxation		4,179	2,585	61.7	12,307	7,190	71.2
Taxation	6	(212)	(278)	(23.7)	(879)	(1,206)	(27.1)
Profit from continuing operations, net of taxation		3,967	2,307	72.0	11,428	5,984	91.0
Discontinued operation							
Loss from discontinued operation, net of taxation		-	(23)	n.m.	(71)	(41)	73.2
Net profit after taxation		3,967	2,284		11,357	5,943	
Attributable to:							
Owners of the Company							
Profit from continuing operations, net of taxation		3,967	2,307		11,428	5,984	
Loss from discontinued operation, net of taxation		-	(23)		(71)	(41)	
Profit for the period attributable to owners of the Company		3,967	2,284		11,357	5,943	

n.m. denotes not meaningful.

Notes to Group Profit and Loss Statement – Continuing operations

- Cost of sales decreased by \$6.7 million year-on-year (“yoy”) mainly due to lower share trading activities.
- Other income comprised the following:

	3Q2014 \$'000	3Q2013 \$'000	+ / (-) %	FY2014 \$'000	FY2013 \$'000	+ / (-) %
Interest income	48	132	(63.6)	117	377	(69.0)
Dividend income	46	58	(20.7)	249	248	0.4
Gain on sale of investment securities	-	25	n.m.	-	71	n.m.
Gain on disposal of investment properties	6,866	17	n.m.	18,571	3,263	n.m.
Gain on disposal of property, plant and equipment	-	-	n.m.	21	-	n.m.
Other investment income	12	-	n.m.	90	-	n.m.
Sundry	72	24	n.m.	197	50	n.m.
	7,044	256		19,245	4,009	

3. General and administrative costs increased by \$1 million quarter on-quarter (“qoq”) mainly due to a unfavourable exchange impact of \$1 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:

	3Q2014	3Q2013	+ / (-)	FY2014	FY2013	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Allowance made/(written back) for impairment on						
- unquoted non-current investments	-	-	n.m.	(36)	-	n.m.
- current investments	1,008	175	n.m.	1,264	875	44.5
- investment properties	(26)	-	n.m.	4,658	-	n.m.
Allowance made for doubtful debts						
- due from trade receivables	173	-	n.m.	173	-	n.m.
- due from an associate	1,486	-	n.m.	2,395	-	n.m.
	<u>2,641</u>	<u>175</u>		<u>8,454</u>	<u>875</u>	

- Allowance for impairment loss on current investment securities relates 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 commercial properties of \$4.7 million was due to a decline in value of certain UK properties arising from an internal valuation exercise carried out in 3Q2014.
- Arising from an external valuation exercise carried out on the commercial property held by an associate, an impairment of a receivable of \$2.4 million due from the associate was provided.
- An impairment of \$0.2 million due from trade receivables was also made following assessment exercises to determine collectability of these debts.

5. Share of results of associates and joint ventures decreased by \$1.1 million yoy and \$0.9 million qoq mainly due to a reduction in share of results from one of its associates, Hong Property Investments Pte Ltd (“Hong”). In 3Q2013, the share of results of Hong included profits from completion of sale of 2 medical suites.

6. Effective tax rates for FY2014 and 3Q2014 were 7.2% (FY2013: 17%) and 5.1% (3Q2013: 11%) respectively. The taxation charges for the Group for FY2014 and 3Q2014 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					
	Third Quarter Ended			Nine Months Ended		
	30.9.2014	30.9.2013	+ / (-)	30.9.2014	30.9.2013	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Investment income	336	328	2.4	1,614	777	n.m.
Interest income (included in revenue)	122	205	(40.5)	463	609	(24.0)
Interest on borrowings	(115)	-	n.m.	(414)	(193)	n.m.
Depreciation on property, plant and equipment and investment properties	(504)	(583)	(13.6)	(1,635)	(1,683)	(2.9)
Allowance made for doubtful debts due from an associate	(1,486)	-	n.m.	(2,395)	-	n.m.
Allowance made for doubtful debts from trade receivables	(173)	-	n.m.	(173)	-	n.m.
Allowance (made)/written-back for impairment loss on						
- quoted non-current investments	-	-	-	36	-	n.m.
- quoted current investments	(1,008)	(175)	n.m.	(1,264)	(875)	44.5
Allowance written back/(made)for impairment loss on						
- investment properties	26	-	n.m.	(4,658)	-	n.m.
Overprovision of taxation in prior years	-	1	n.m.	-	121	n.m.
Foreign exchange (loss)/gain	(57)	931	n.m.	384	499	(23.0)
Gain on disposal of investment securities						
- included in gross profit	48	88	(45.5)	437	1,358	(67.8)
- included in other income	-	25	n.m.	-	71	n.m.
Gain on disposal of property, plant and equipment						
- included in other income	-	-	n.m.	21	-	n.m.
Gain on disposal of investment properties						
- included in other income	6,866	17	n.m.	18,571	3,263	n.m.
Loss on disposal of a subsidiary						
- included in other income	-	-	-	(61)	-	n.m.

Statement of Comprehensive Income

	Group					
	Third Quarter Ended			Nine Months Ended		
	30.9.2014	30.9.2013	+ / (-)	30.9.2014	30.9.2013	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit after taxation	3,967	2,284	73.7	11,357	5,943	91.1
Other comprehensive (loss)/income:						
Items that may be reclassified subsequently to profit or loss:						
Net (loss)/gain on available-for-sale investments (net of tax)	(3,729)	1,563	n.m.	783	3,587	(78.2)
Exchange difference arising from						
- consolidation	(581)	75	n.m.	(411)	(50)	n.m.
- revaluation of net investment in foreign operation	(552)	626	n.m.	17	364	(95.3)
- 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 (loss)/gain, net of tax	(4,862)	2,264		3,831	3,744	
Total comprehensive (loss)/gain for the period	(895)	4,548		15,188	9,687	
Total comprehensive gain for the period attributable to:						
Owners of the Company	(895)	4,548	n.m.	15,188	9,687	56.8
Non-controlling interests	-	-		-	-	
	(895)	4,548		15,188	9,687	

Net gain on available-for-sale investments (net of tax) for the nine months period ended 30 September 2014 and 2013 and for the quarter ended 30 September 2013 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. Net loss on available-for-sale investments (net of tax) for the quarter ended 30 September 2014 of \$3.7 million was mainly due to decreases in fair value of the available-for sale investments arising from unfavourable 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	
		30.9.2014 \$'000	31.12.2013 \$'000	30.9.2014 \$'000	31.12.2013 \$'000
Non-current assets					
Property, plant and equipment		5,485	5,730	-	-
Investment properties	1	62,781	87,429	-	-
Investment in subsidiaries	2	-	-	172,168	173,328
Investment in joint ventures	3	8,180	4,015	-	-
Investment in associates	4	16,107	14,986	746	746
Investment securities		14,669	14,464	-	-
Amounts due from associates	5	2,000	3,705	-	-
Deferred rental income	6	4,055	2,924	-	-
Other receivables		176	101	-	-
		113,453	133,354	172,914	174,074
Current assets					
Inventories		-	4	-	-
Trade receivables		482	271	-	-
Properties classified as held for sale	7	-	1,038	-	-
Prepayments and deposits		275	296	47	59
Other receivables	8	4,610	10,044	-	-
Amounts due from associates	9	9,064	8,853	-	-
Investment securities	10	39,486	37,222	-	-
Cash and bank balances	11	77,734	52,524	4,704	8,337
		131,651	110,252	4,751	8,396
Assets of disposal group classified as held for sale	12	-	3,177	-	3,099
		131,651	113,429	4,751	11,495
Current liabilities					
Trade payables	13	(3,766)	(585)	-	-
Other payables	14	(1,309)	(5,357)	(292)	(3,597)
Accrued operating expenses	15	(1,376)	(1,633)	(59)	(172)
Amounts due to associates		(522)	(517)	(338)	(335)
Bank overdrafts (secured)		(17)	-	-	-
Bank loans (secured)	16	(19,010)	(28,990)	-	-
Tax payable	17	(2,458)	(1,846)	-	-
		(28,458)	(38,928)	(689)	(4,104)
Liabilities directly associated with disposal group classified as held for sale	12	-	(40)	-	-
		(28,458)	(38,968)	(689)	(4,104)
Net current assets		103,193	74,461	4,062	7,391
Non-current liabilities					
Deferred tax liabilities	18	(5,558)	(5,130)	-	-
Other payables		(498)	(748)	-	-
		(6,056)	(5,878)	-	-
Net assets		210,590	201,937	176,976	181,465

	Group		Company	
	30.9.2014 \$'000	31.12.2013 \$'000	30.9.2014 \$'000	31.12.2013 \$'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	37,249	32,427	4,822	9,311
Fair value reserve	11,655	10,872	-	-
Currency translation reserve	(11,670)	(14,824)	-	-
	210,590	201,937	176,976	181,465
Non-controlling interests	-	-	-	-
Share capital and reserves	210,590	201,937	176,976	181,465

Note:

1. Investment properties decreased by \$24.6 million mainly due to:
 - a. disposal of 1 Singapore property in Rivergate, 1 apartment unit and 4 commercial properties in London,
 - b. impairment loss of \$4.7 million relating to 2 UK investment properties outside London.
2. Investment in subsidiaries decreased by \$1.1 million arising from an impairment made on the cost of investment in a subsidiary further to an assessment made on the carrying values of all the subsidiaries.
3. Investment in joint ventures increased by \$4.2 million mainly due to investment of \$5.3 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.
4. Increase in investment in associates by \$1.1 million was mainly due to share of profits in associates for the period.
5. Decrease in non-current amounts due from associates was mainly due to allowance for doubtful debts provided during the period.
6. Deferred rental income relates to lease income that remains to be amortised over the lease term on a straight line basis.
7. The properties classified as held for sale as at 31 December 2013 was sold during the period.
8. Other receivables declined mainly due to repayment of loans from the UK joint ventures.
9. Increase in amounts due from associates was mainly due to increase in loans provided to one of the associates.
10. Increase in current investment securities by \$2.3 million was mainly due to purchases and fair value change of available-for-sale investments.
11. Decrease in the Company's cash and bank balances by \$3.6 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 \$25.2 million was mainly due to receipts from the disposal of investment properties and proceeds from the disposal of a subsidiary, offset by payment of dividends and settlement of bank loans.

12. 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.
13. Trade payables increased by \$3.2 million mainly due to a VAT payable arising from the disposal of Clerkenwell property. This amount had been received from the buyer and would be payable to the UK tax authority after quarter end.
14. 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.
15. Reduction in accrued operating expenses by \$0.3 million was mainly due to payment of bonuses during the period.
16. 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.
17. Increase in tax payable of \$0.6 million was mainly due to increase in certain chargeable income of some subsidiaries.
18. Increase in deferred tax liabilities of \$0.4 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

	30.9.2014		31.12.2013	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Bank overdraft	17	-	-	-
Short term bank loans	19,010	-	28,990	-
	<u>19,027</u>	<u>-</u>	<u>28,990</u>	<u>-</u>

Amount repayable after one year

	30.9.2014		31.12.2013	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Long term bank loans	-	-	-	-

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

Details of any collateral

Bank overdraft is secured by a corporate guarantee from the Company of \$15 million.

Short term bank loans comprised:

- a) An amount of \$9.8 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 \$8.1 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			
	Third Quarter Ended 30.9.2014 \$'000	30.9.2013 \$'000	Nine Months Ended 30.9.2014 \$'000	30.9.2013 \$'000
Cash flow from operating activities:				
Profit before taxation from continuing operations	4,179	2,585	12,307	7,190
Loss before taxation from discontinued operation	-	(23)	(71)	(41)
Adjustments for:				
Interest income	(170)	(337)	(580)	(987)
Interest expense	115	-	414	193
Depreciation of property, plant and equipment and investment properties	504	583	1,635	1,683
Share of results of associates and joint ventures	(178)	(1,119)	(1,148)	(2,218)
Allowance made for doubtful debts due from an associate	1,486	-	2,395	-
Allowance made for doubtful debts due from trade receivables	173	-	173	-
Allowance (written back)/made for impairment loss on				
- non current investment securities	-	-	(36)	-
- current investment securities	1,008	175	1,264	875
- investment properties	(26)	-	4,658	-
Gain on disposal of property, plant and equipment	-	-	(21)	-
Gain on disposal of investment properties	(6,866)	(17)	(18,571)	(3,263)
Loss on disposal of subsidiary	-	-	61	-
Unrealised exchange differences	(596)	(975)	(1,148)	(858)
	(4,550)	(1,690)	(10,904)	(4,575)
Operating (loss)/income before reinvestment in working capital	(371)	872	1,332	2,574
Increase in receivables and current investments	(1,082)	(980)	(3,082)	(2,425)
(Decrease)/increase in inventories	-	(12)	4	(10)
Decrease/(increase) in payables	(179)	282	(1,963)	(577)
	(1,261)	(710)	(5,041)	(3,012)
Cash (used in)/generated from operations	(1,632)	162	(3,709)	(438)
Interest received	145	234	505	713
Interest paid	(115)	-	(414)	(193)
Income taxes paid	(18)	(265)	(102)	(744)
	12	(31)	(11)	(224)
Net cash (used in)/generated from operating activities	(1,620)	131	(3,720)	(662)
Cash flow from investing activities:				
Increase in other investments	-	(333)	-	(32)
Decrease in other receivables	2,432	-	8,169	-
Decrease/(Increase) in investment in joint ventures	475	-	(4,354)	-
Decrease/(increase) in amounts due from associates	371	1,033	(901)	922
Proceeds from disposal of a subsidiary	-	-	3,185	-
Proceeds from disposal of investment properties	17,703	-	40,160	4,847
Proceeds from disposal of property, plant and equipment	-	-	34	-
Additions to investment properties	(665)	(1,045)	(1,350)	(3,144)
Purchase of property, plant and equipment	-	-	(1)	(55)
Net cash generated from/(used in) investing activities	20,316	(345)	44,942	2,538
Net cash generated from/(used in) operating and investing activities carried forward	18,696	(214)	41,222	1,876

	Group			
	Third Quarter Ended		Nine Months Ended	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
	\$'000	\$'000	\$'000	\$'000
Net cash generated from/(used in) operating and investing activities brought forward	18,696	(214)	41,222	1,876
Cash flow from financing activities:				
Increase in bank loans	-	-	5,857	-
Repayments of bank loans	-	-	(15,394)	(2,900)
Dividends paid	-	-	(6,535)	(6,535)
Increase in pledged cash and bank balances	-	-	(1,660)	-
Net cash used in financing activities	-	-	(17,732)	(9,435)
Net increase/(decrease) in cash and cash equivalents	18,696	(214)	23,490	(7,559)
Cash and cash equivalents at beginning of the period	40,264	27,006	35,197	34,487
Effects of exchange rate changes on cash and cash equivalents	(243)	266	30	130
Cash and cash equivalents at end of the period	58,717	27,058	58,717	27,058

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

	Group		Group	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	77,734	44,398	77,734	44,398
Less: cash and bank balances pledged	(19,000)	(17,340)	(19,000)	(17,340)
Less: bank overdraft secured	(17)	-	(17)	-
Cash and cash equivalents at end of the period	58,717	27,058	58,717	27,058

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:

	Third Quarter Ended		Nine Months Ended	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
	\$'000	\$'000	\$'000	\$'000
Revenue	-	-	-	16
Other income	-	-	-	1
Expenses	-	(23)	(10)	(58)
Operating loss before taxation	-	(23)	(10)	(41)
Taxation	-	-	-	-
Operating loss after taxation	-	(23)	(10)	(41)
Loss on disposal of discontinued operation	-	-	(61)	-
Loss from discontinued operation, net of taxation	-	(23)	(71)	(41)

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

	Group			
	Third Quarter Ended		Nine Months Ended	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
	\$'000	\$'000	\$'000	\$'000
Operating cashflows	-	(42)	(11)	(77)
Net cash outflows	-	(42)	(11)	(35)

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

	Group
	30.9.2014
	\$'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 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	
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	-	(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
Total comprehensive gain for the period	-	-	3,967	(3,729)	(1,133)	-	(895)
Balance at 30.9.2014	172,154	1,202	37,249	11,655	(11,670)	-	210,590
Balance at 1.1.2013	172,154	1,465	30,334	8,584	(15,491)	-	197,046
Total comprehensive (loss)/gain 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 (loss)/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
Total comprehensive gain/(loss) for the period	-	-	2,284	1,563	701	-	4,548
Balance at 30.9.2013	172,154	1,308	29,742	12,171	(15,177)	-	200,198

** 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	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
Total comprehensive gain for the period	-	(1,287)	(1,287)
Balance at 30.9.2014	172,154	4,822	176,976
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
Total comprehensive gain for the period	-	(204)	(204)
Balance at 30.9.2013	172,154	10,916	183,070

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.

Total number of issued shares excluding treasury shares, as at 30 September 2014 was 653,504,000 (31 December 2013: 653,504,000). As at 30 September 2014 and 31 December 2013, there were no treasury shares held.

As at 30 September 2014 and 31 December 2013, there were no outstanding convertibles.

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 September 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			
	Third Quarter Ended		Nine Months Ended	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
<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)	0.61	0.35	1.75	0.92
(ii) On a fully diluted basis (cents)	0.61	0.35	1.75	0.92
<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)	(0.01)
(ii) On a fully diluted basis (cents)	0.00	0.00	(0.01)	(0.01)

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	As at	As at	As at
	30.9.2014	31.12.2013	30.9.2014	31.12.2013
Net asset value per ordinary share (cents)	32.22	30.90	27.08	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)

	3Q2014 \$'000	3Q2013 \$'000	+/(-) %	FY2014 \$'000	FY2013 \$'000	+/(-) %
Rental	1,693	2,451	(30.9)	5,385	6,629	(18.8)
Investments	2,644	2,390	10.6	8,453	14,790	(42.8)
Corporate and Others	-	27	n.m.	10	325	(96.9)
	<u>4,337</u>	<u>4,868</u>		<u>13,848</u>	<u>21,744</u>	

Decrease in revenue for rental segment by \$1.2 million yoy and \$0.8 million qoq were mainly due to:-

- decrease in rental income from certain UK commercial and service office properties by \$2 million yoy and \$0.8 million qoq mainly due to absence of rental income of \$1.2 million yoy and \$0.5 million qoq as four of its office buildings located in London were disposed and a reduction of \$0.8 million yoy and \$0.3 million qoq 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 \$6.3 million yoy was mainly due to:-

- decrease in proceeds from sale of investment securities by \$7 million yoy 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.

Increase in revenue for investments segment by \$0.3 million qoq was mainly due to increase in proceeds from sale of investment securities arising from the increase in share trading activities.

Profit before taxation (excluding all inter-segment transactions)

	3Q2014 \$'000	3Q2013 \$'000	+/(-) %	FY2014 \$'000	FY2013 \$'000	+/(-) %
Rental	5,433	725	n.m.	12,125	4,530	n.m.
Investments	(609)	1,437	n.m.	1,764	3,666	(51.9)
Corporate and Others	(384)	(540)	(28.9)	(1,385)	(1,495)	(7.4)
	<u>4,440</u>	<u>1,622</u>		<u>12,504</u>	<u>6,701</u>	
Unallocated items	(261)	963	n.m.	(197)	489	n.m.
	<u>4,179</u>	<u>2,585</u>	61.7	<u>12,307</u>	<u>7,190</u>	71.2

Rental segment refers to rental of residential, commercial properties and warehouse. Profit before taxation for Rental segment increased by \$7.6 million yoy and \$4.7 million qoq mainly due to:-

- increase in gain from disposal of investment property by \$15.3 million yoy and \$6.8 million qoq;
- an impairment of \$0.2 million due from trade receivables was made yoy and qoq following assessment exercises to determine collectability of these debts;
- an impairment of a receivable of \$2.4 million yoy and \$1.5 million qoq due from an associate was made arising from an external valuation exercise carried out on the commercial property held by the associate;
- allowance made for impairment loss on investment properties of \$4.7 million yoy on 2 UK properties outside of London, arising from an internal valuation exercise carried out in 3Q2014.

Investment segment refers to investment holding. Profit before taxation for Investment segment decreased by \$1.9 million yoy and \$2 million qoq mainly due to:-

- increase in impairment loss on quoted current investments of \$0.4 million yoy and \$0.8 million qoq;
- decrease in share of profits of the associates of \$1.1 million yoy and \$0.9 million qoq;
- decrease in interest income of \$0.4 million yoy and \$0.2 million qoq;
- decrease in gain on disposal of investments of \$0.9 million yoy;
- increase in dividend income of \$0.8 million yoy.

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 profit turnaround from \$0.5 million to a loss of \$0.2 million yoy and from \$1 million profit to a loss of \$0.3 million qoq mainly due to unfavourable foreign exchange impact arising from the translation of Sterling Pound against Singapore Dollar and higher finance costs incurred.

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 investment properties of the Group in Singapore and UK are expected to continue to perform satisfactorily in spite of weaker rental market conditions.

In London, after the disposal in Q2 and Q3 of part of the commercial property portfolio, the Group still retains 50% interest in a portfolio of office and retail properties which are held for rental income.

Outside of London, the commercial property market remains weak. The Group is exploring the development of a student accommodation facility and alternative usage for its other commercial properties, including residential use.

The returns from equity investments are expected to be affected by the volatility in the global equity markets.

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.

13. INTERESTED PERSON TRANSACTIONS

Name of interested person	Aggregate value of all interested person transactions during the financial period 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)
Hong Leong Investment Holdings Pte. Ltd. Group – Interest charged on shareholder loan to Hong Property Investment Pte Ltd for nine months ended 30 September 2014	\$112,020	Nil [^]
Guan Meng Kuan - Purchase consideration received from a director for the acquisition of a 40% interest in a subsidiary - Purchase consideration received from an associate of Mr Guan for the acquisition of a 60% interest in a subsidiary	\$2,621,400 \$3,887,220	Nil [^] Nil [^]

[^] There is no subsisting shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

14. 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

Lee Soo Wei
Chief Financial Officer
21 October 2014