

HONG FOK CORPORATION LIMITED

(Co. Reg. No. 196700468N)

First Quarter Financial Statement for the Period Ended 31 March 2013**PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS****1(a) A statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

First quarter financial statement on consolidated results for the period ended 31 March 2013.
These figures have not been audited.

	The Group		
	\$'000		%
	1st Quarter 2013	1st Quarter 2012	Increase/ (Decrease)
Revenue (Note 1)	57,257	25,291	126
Other income	121	77	57
	57,378	25,368	126
Cost of sales of development properties	(34,968)	(11,145)	214
Depreciation of fixed assets	(55)	(46)	20
Gain on remeasurement of other investments	111	121	(8)
Impairment loss on trade and other receivables and bad debts written off, net	-	(20)	NM
Other expenses	(7,246)	(7,469)	(3)
	15,220	6,809	124
Finance expense	(3,338)	(2,378)	40
	11,882	4,431	168
Share of results of associates, net of tax	(350)	(176)	99
Profit before income tax (Note 2)	11,532	4,255	171
Income tax expense	(1,399)	(573)	144
Profit for the period attributable to Owners of the Company	10,133	3,682	175
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign subsidiaries and associates	1,897	(3,581)	NM
Exchange differences on monetary items forming part of net investments in foreign subsidiaries	392	(856)	NM
Other comprehensive income for the period, net of income tax	2,289	(4,437)	NM
Total comprehensive income for the period attributable to Owners of the Company	12,422	(755)	NM

Notes:

- (1) Included in Revenue is investment income of approximately \$3,000 (2012 : \$2,000).
- (2) Included in Profit before income tax is net profit on sale of development properties of approximately \$10,685,000 (2012 : \$3,370,000).
- (3) NM – Not Meaningful.
- (4) NA – Not Applicable.

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.

	The Group		The Company	
	\$'000		\$'000	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
Non-current Assets				
Fixed assets	358	253	-	-
Subsidiaries	-	-	402,002	232,111
Associates	167,149	165,164	-	-
Investment properties	1,305,846	1,305,499	-	-
Other assets	63,869	377	-	-
	1,537,222	1,471,293	402,002	232,111
Current Assets				
Other investments	1,605	448	-	-
Development properties	306,273	291,058	-	-
Trade and other receivables	5,122	8,354	22	3
Cash and cash equivalents	117,899	72,805	48,314	310
	430,899	372,665	48,336	313
Total Assets	1,968,121	1,843,958	450,338	232,424
Equity Attributable to Owners of the Company				
Share capital	186,688	186,688	186,688	186,688
Reserves	1,030,497	1,018,075	43,154	43,101
Total Equity	1,217,185	1,204,763	229,842	229,789
Non-current Liabilities				
Trade and other payables	1,926	1,453	-	-
Loans and borrowings	703,989	592,232	217,375	-
Financial guarantees	-	-	283	542
Deferred tax liability	4,865	3,895	-	-
	710,780	597,580	217,658	542
Current Liabilities				
Bank overdraft	-	694	-	-
Trade and other payables	37,590	38,689	1,808	1,067
Obligations under finance leases	1	11	-	-
Financial guarantees	-	-	1,030	1,026
Tax payable	2,565	2,221	-	-
	40,156	41,615	2,838	2,093
Total Liabilities	750,936	639,195	220,496	2,635
Total Equity and Liabilities	1,968,121	1,843,958	450,338	232,424

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

Amount repayable in one year or less, or on demand

As at 31.03.2013		As at 31.12.2012	
Secured	Unsecured	Secured	Unsecured
\$1,000	-	\$705,000	-

Amount repayable after one year

As at 31.03.2013		As at 31.12.2012	
Secured	Unsecured	Secured	Unsecured
\$486,614,000	\$217,375,000	\$592,232,000	-

Details of any collaterals

The borrowings by the subsidiaries are generally secured by the Group's investment properties and certain development properties and are guaranteed by the Company.

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.**

	The Group	
	\$'000	
	1st Quarter 2013	1st Quarter 2012
Operating Activities		
Profit before income tax	11,532	4,255
Adjustments for:		
Share of results of associates, net of tax	350	176
Amortisation of transaction cost of loans and borrowings	379	186
Depreciation of fixed assets	55	46
Gain on remeasurement of other investments	(111)	(121)
Impairment loss on trade and other receivables and bad debts written off, net	-	20
Interest income	(31)	(14)
Interest expense	2,959	2,192
	15,133	6,740
Changes in working capital:		
Development properties	(15,088)	(5,420)
Trade and other receivables	3,261	(306)
Trade and other payables	(1,510)	(2,240)
Cash generated from/(used in) operations	1,796	(1,226)
Income tax paid	(85)	-
Interest income received	28	18
Cash Flows from Operating Activities	1,739	(1,208)
Investing Activities		
Capital expenditure on investment properties	(347)	(187)
Purchase of fixed assets	(160)	(14)
Payment of development charge	(63,492)	-
Purchase of other investments	(1,046)	-
Cash Flows from Investing Activities	(65,045)	(201)
Financing Activities		
Interest expense paid	(2,205)	(2,280)
Payment of finance lease rentals	(10)	(11)
Payment of transaction costs on loans and borrowings	(2,695)	(1,320)
Proceeds from loans and borrowings	220,000	2,081
Repayment of loans and borrowings	(106,000)	-
Cash Flows from Financing Activities	109,090	(1,530)
Net Increase/(Decrease) in Cash and Cash Equivalents	45,784	(2,939)
Cash and cash equivalents at 1 January	72,111	57,008
Effect of exchange rate fluctuations	4	-
Cash and Cash Equivalents at 31 March	117,899	54,069
Cash and Cash Equivalents at 31 March is represented by:		
Cash at banks and in hand	51,999	1,862
Fixed deposits	65,900	53,000
Bank overdraft	-	(793)
	117,899	54,069

Included in cash and cash equivalents as at 31 March 2013 is an amount held under the Housing Developers (Project Account) Rules of approximately \$67,014,000 (2012 : \$53,522,000) the use of which is subject to restriction imposed by the said Rules.

- 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.

	\$'000				
	Share Capital	Capital and Other Reserves	Translation Reserves	Retained Profit	Total Attributable to Owners of the Company
The Group					
At 1 January 2012, as previously reported	186,688	2,640	(50,657)	889,677	1,028,348
Effect of adopting the Amendments to FRS 12	-	-	130	107,537	107,667
At 1 January 2012, as restated	186,688	2,640	(50,527)	997,214	1,136,015
Total comprehensive income for the period					
Profit for the period	-	-	-	3,682	3,682
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of financial statements of foreign subsidiaries and associates	-	-	(3,581)	-	(3,581)
Exchange differences on monetary items forming part of net investments in foreign subsidiaries	-	-	(856)	-	(856)
Total other comprehensive income	-	-	(4,437)	-	(4,437)
Total comprehensive income for the period	-	-	(4,437)	3,682	(755)
At 31 March 2012, as restated	186,688	2,640	(54,964)	1,000,896	1,135,260
At 1 January 2013	186,688	2,371	(58,987)	1,074,691	1,204,763
Total comprehensive income for the period					
Profit for the period	-	-	-	10,133	10,133
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of financial statements of foreign subsidiaries and associates	-	-	1,897	-	1,897
Exchange differences on monetary items forming part of net investments in foreign subsidiaries	-	-	392	-	392
Total other comprehensive income	-	-	2,289	-	2,289
Total comprehensive income for the period	-	-	2,289	10,133	12,422
At 31 March 2013	186,688	2,371	(56,698)	1,084,824	1,217,185
The Company					
At 1 January 2012	186,688	-	-	45,149	231,837
Loss for the period - Total comprehensive income for the period	-	-	-	(671)	(671)
At 31 March 2012	186,688	-	-	44,478	231,166
At 1 January 2013	186,688	-	-	43,101	229,789
Profit for the period - Total comprehensive income for the period	-	-	-	53	53
At 31 March 2013	186,688	-	-	43,154	229,842

- 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.

Nil.

- 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.

	31.03.2013	31.12.2012
Total number of issued shares excluding treasury shares	791,465,621	791,465,621

- 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.**

NA.

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 Company's auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

NA.

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 in paragraph 5 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 compared with the Group's and the Company's audited financial statements for the year ended 31 December 2012.

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 has adopted various new/revised Financial Reporting Standards (FRS) which became effective for the Group's financial year beginning on 1 January 2013. The adoption of these new/revised FRS (including consequential amendments) are not expected to have any significant impact on the financial statements of the Group.

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.**

Earnings per ordinary share of the Group after deducting any provision for preference dividends:

- (a) Based on the weighted average number of ordinary shares on issue; and
(b) On a fully diluted basis (detailing any adjustments made to the earnings)

The Group	
1st Quarter 2013	1st Quarter 2012
1.28 cts	0.47 cts
1.28 cts	0.47 cts

The basic and diluted earnings per ordinary share of the Group were calculated based on the consolidated profit for the period of approximately \$10,133,000 (2012 : \$3,682,000) and the weighted average number of ordinary shares outstanding of 791,465,621 (2012 : 791,465,621).

There are no potential dilutive ordinary shares in existence as at 31 March 2013 and 31 March 2012.

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

- (a) **current financial period reported on; and**
(b) **immediately preceding financial year.**

Net asset value per ordinary share based on the total number of issued shares excluding treasury shares

The Group		The Company	
31.03.2013	31.12.2012	31.03.2013	31.12.2012
154 cts	152 cts	29 cts	29 cts

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.**

The Group's revenue for the current period increased by approximately \$32.0 million as compared to the previous period. This was due mainly to higher revenue recognised from the residential units of Concourse Skyline based on the percentage of completion method.

The Group's other income increased due mainly to credit received from certain government schemes.

With the recognition of the sales revenue from the residential units of Concourse Skyline, the Group recorded the cost of sales of these development properties.

The increase in finance expense was mainly due to the increase in loans and borrowings.

The loss from associates increased by approximately \$0.2 million in the current period.

The increase in income tax expense was due mainly to the recognition of profit from the sales of Concourse Skyline.

The Group's profit for the period, therefore, increased by approximately \$6.5 million as compared to the previous period.

The increase in other assets was due mainly to the payment of development charge by its wholly owned subsidiary in respect of the proposed additions and alterations to the existing International Building involving an extension of a single storey commercial block and redevelopment of the existing car park block to a new 27 storey hotel on Lot 956X at 360 Orchard Road and Lot 1719L at Claymore Hill, Town Subdivision 25 (Orchard Planning Area).

The Group recorded an increase in other investments due to acquisitions of quoted equity securities in the current period.

The decrease in trade and other receivables was mainly attributed to lower receivables from purchasers of Concourse Skyline and decrease in advance payment to contractors made in December 2012 due to work done in the current period.

The increase in cash and cash equivalents arose from monies drawn from the Medium Term Notes Programme in the current period.

The Group also recorded an increase in loans and borrowings due mainly to the drawdown of \$220 million of fixed rate notes from the Medium Term Notes Programme, offset by the repayment of bank loans of \$106 million.

The increase in deferred tax liability is in line with the recognition of profits from Concourse Skyline.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

NA.

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 Group expects the office rental revenue to remain stable.

The Group will continue to recognise revenue from the sold residential units of Concourse Skyline based on the percentage of completion method.

In February 2013, a wholly owned subsidiary of the Company obtained Grant of Written Permission from the Urban Redevelopment Authority and paid a development charge (See paragraph 8 above). With this proposed redevelopment, the Group expects an increase in the revaluation of these said properties within the next 12 months.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b)(i) Amount per share cents

NA.

(ii) Previous corresponding period cents

NA.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

NA.

(d) The date the dividend is payable.

NA.

(e) The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

NA.

12. If no dividend has been declared (recommended), a statement to that effect.

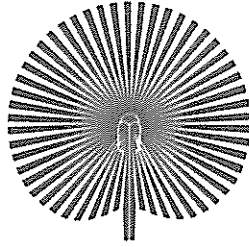
No dividend has been declared/recommendeded for the first quarter ended 31 March 2013.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a general mandate from shareholders for interested person transactions.

BY ORDER OF THE BOARD

Koh Chay Tiang
Dorothy Ho
Company Secretaries
15 May 2013



HONG FOK CORPORATION LIMITED

CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

The Directors of Hong Fok Corporation Limited ("the Company") confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the First Quarter Financial Statement on the unaudited results of the Company and of the Group for the period ended 31 March 2013 to be false or misleading in any material respect.

On behalf of the Board of Directors

Cheong Sim Eng

Cheong Hooi Kheng

Singapore
15 May 2013