



Hiap Hoe Limited
(Registration No. : 199400676Z)

First Quarter Financial Statement for the Period Ended 31 March 2011

1(a) Income Statement, together with Statement of Comprehensive Income for the Group for the First Quarter Ended 31 March 2011

Unaudited results for the first quarter ended 31 March 2011

(All figures in \$'000)

	<u>The Group</u>		
	3 months ended		
	31-Mar-11	31-Mar-10	%
Revenue	25,712	25,954	(0.9)
Cost of sales	(16,808)	(13,459)	24.9
Gross profit	<u>8,904</u>	<u>12,495</u>	(28.7)
Other items of income			
Other income	198	161	23.0
Financial income	213	136	56.6
Other items of expenses			
Distribution and selling expenses	(40)	(6,563)	(99.4)
Administrative expenses	(882)	(776)	13.7
Other expenses	(17)	(2)	750.0
Financial expenses	-	(188)	(100.0)
Share of results of joint ventures	1,045	-	NM
Profit before taxation	<u>9,421</u>	<u>5,263</u>	79.0
Tax expenses	(1,403)	(1,392)	0.8
Net profit for the period	<u><u>8,018</u></u>	<u><u>3,871</u></u>	107.1
Attributable to :			
Owners of the parent	8,038	3,896	106.3
Non-controlling interests	(20)	(25)	(20.0)
Total	<u><u>8,018</u></u>	<u><u>3,871</u></u>	

Consolidated Statement of Comprehensive Income for the First Quarter ended 31 March 2011

(All figures in \$'000)

	<u>The Group</u>	
	3 months ended	
	31-Mar-11	31-Mar-10
Profit, net of tax	8,018	3,871
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period	<u>8,018</u>	<u>3,871</u>
Total comprehensive income attributable to :		
Owners of the parent	8,038	3,896
Non-controlling interests	<u>(20)</u>	<u>(25)</u>

Additional Information

Profit from operation is determined after charging / (crediting) :

(All figures in S\$'000)

	<u>The Group</u>		
	3 months ended		%
	31-Mar-11	31-Mar-10	
Depreciation of property, plant and equipment	48	47	2.1
Dividend income, gross	(1)	-	NM
Write back of allowance for doubtful receivables (trade)	(23)	-	NM
Fair value loss on financial instruments - quoted investments held for trading	13	2	NM

1(b)(i) Balance Sheet as at 31 March 2011

The Group

(All figures in \$'000)

ASSETS LESS LIABILITIES

Non-Current Assets

	31-Mar-11	31-Dec-10	%
Property, plant and equipment	6,089	6,133	-0.7%
Investment properties	3,045	3,045	0.0%
Investments in joint ventures	1,740	802	117.0%
Trade and other receivables	20	21	-4.8%
	10,894	10,001	8.9%

Current Assets

Cash and short-term deposits	18,739	36,449	-48.6%
Other investments ¹	40,549	27,940	45.1%
Trade and other receivables	3,551	14,198	-75.0%
Other assets	631	625	1.0%
Prepaid operating expenses	41	41	0.0%
Due from an associate (non-trade)	2	2	0.0%
Due from joint venture (trade)	10,189	3,332	205.8%
Due from joint ventures (non-trade)	57,736	57,259	0.8%
Development properties	390,384	377,686	3.4%
Tax recoverable	1	1	0.0%
	521,823	517,533	0.8%

Current Liabilities

Trade and other payables	9,281	6,086	52.5%
Other liabilities	19,258	18,437	4.5%
Due to related companies (trade)	1,121	960	16.8%
Due to related companies (non-trade)	17,522	17,006	3.0%
Interest-bearing loans and borrowings	124,165	125,152	-0.8%
Tax payable	10,368	12,782	-18.9%
	181,715	180,423	0.7%

Net Current Assets

340,108 **337,110** 0.9%

Non-Current Liabilities

Trade and other payables	436	1,458	-70.1%
Other liabilities	47	73	-35.6%
Interest-bearing loans and borrowings	130,933	135,088	-3.1%
Deferred taxation	4,878	3,499	39.4%

Net Assets

214,708 **206,993** 3.7%

EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT

Share capital	84,446	84,446	0.0%
Treasury shares	(709)	(353)	100.8%
Reserves	130,867	122,777	6.6%
	214,604	206,870	3.7%
Non-controlling Interests	104	123	-15.4%
Total Equity	214,708	206,993	3.7%

Note :

1) This included short-term commercial papers and quoted investments.

The Company

(All figures in \$'000)

ASSETS LESS LIABILITIES

Non-Current Assets

Investments in subsidiary companies

Trade and other receivables

Current Assets

Cash and short-term deposits

Other investments ¹

Trade and other receivables

Other assets

Prepaid operating expenses

Due from subsidiary companies (non-trade)

Due from subsidiary companies (trade)

Due from joint ventures (non-trade)

Due from joint ventures (trade)

Due from an associate (non-trade)

Current Liabilities

Trade and other payables

Other liabilities

Due to subsidiary companies (non-trade)

Interest-bearing loans and borrowings

Provision for taxation

Net Current Assets

Non-Current Liability

Interest-bearing loans and borrowings

Net Assets

EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT

Share capital

Treasury shares

Reserves

Total Equity

	31-Mar-11	31-Dec-10	%
	48,683	48,683	0.0%
	-	21	-100.0%
	48,683	48,704	0.0%
	4,377	14,717	-70.3%
	40,177	27,646	45.3%
	492	281	75.1%
	-	-	NM
	16	11	45.5%
	74,394	72,971	2.0%
	2,092	1,900	10.1%
	52,154	51,685	0.9%
	29	16	81.3%
	2	2	0.0%
	173,733	169,229	2.7%
	58	25	132.0%
	249	261	-4.6%
	120,047	115,325	4.1%
	7	9	-22.2%
	124	103	20.4%
	120,485	115,723	4.1%
	53,248	53,506	-0.5%
	-	-	-
	101,931	102,210	-0.3%
	84,446	84,446	0.0%
	(709)	(353)	100.8%
	18,194	18,117	0.4%
	101,931	102,210	-0.3%

1 (b)(ii) Aggregate amount of Group's borrowings and debts securities.

Amount repayable in one year or less, or on demand

(\$'000)

As at 31 Mar 11		As at 31 Dec 10	
Secured	Unsecured	Secured	Unsecured
124,165	-	125,152	-

Amount repayable after one year

(\$'000)

As at 31 Mar 11		As at 31 Dec 10	
Secured	Unsecured	Secured	Unsecured
130,933	-	135,088	-

Details of any collateral

The above borrowings are from financial institutions and are secured by the following:

- 1) legal mortgages on the Group's investment properties and freehold properties;
- 2) first legal mortgage over development properties;
- 3) first legal assignment of all rights and benefits under sales & purchase agreements and / or tenancy agreements;
- 4) assignment of proceeds of the Project Account and the rental account maintained with the bank;
- 5) the building contracts of the certain development properties;
- 6) assignment of all insurance policies for certain development properties;
- 7) deed of subordination to subordinate all loans and advances from the Company to the facilities; and
- 8) corporate guarantees given by the Company and the joint venturers.

1(c) Consolidated Cash Flow Statement of the Group

(All figures in \$'000)

	3 months ended	
	31-Mar-11	31-Mar-10
Cash flows from operating activities		
Profit before taxation	9,421	5,262
Adjustments :		
Depreciation of property, plant and equipment	48	47
Interest expenses	-	188
Interest income	(376)	(136)
Dividend income	(1)	-
Employees' shares based payments	79	-
Fair value loss on financial instruments - quoted investments held for trading	13	2
Fair value loss on financial instruments - unquoted investments held for trading	163	-
Share of results of joint ventures	(1,045)	-
Operating profit before working capital changes	8,302	5,363
Changes in working capital		
(Increase)/decrease in :		
Development properties	(11,697)	145,121
Trade and other receivables	10,648	(33,393)
Other assets	(4)	28
Prepaid operating expenses	-	(31)
Due from related companies, trade	-	6
Due from a joint venture, trade	(6,750)	(7)
Due from joint ventures, non-trade	(3)	7
(Decrease) / increase in :		
Trade and other payables	2,172	(106)
Other liabilities	796	5,314
Derivatives	-	(140)
Due to related companies, trade	161	358
Due to related companies, non-trade	3	-
Cash flows generated from operations	3,628	122,520
Income tax paid	(2,438)	(31)
Net cash generated from operating activities	1,190	122,489

1(c) Consolidated Cash Flow Statement of the Group (cont'd)

(All figures in \$'000)

	3 months ended	
	31-Mar-11	31-Mar-10
Cash flows from investing activities		
Dividend income	1	-
Interest income	325	(4)
Loan to joint ventures	(423)	(891)
Proceeds from disposal of unquoted investments	7,000	
Purchase of property, plant and equipment	(9)	(7)
Purchase of quoted investment	(90)	
Purchase of unquoted investment ¹	(19,694)	-
Net cash used in investing activities	(12,890)	(902)
Cash flow from financing activities		
Repayment of bank term loans	(5,125)	(75,018)
Borrowings from banks	-	5,286
Purchase of treasury shares	(383)	-
Repayment of hire purchase	(3)	(2)
Interest paid	(979)	(2,635)
Loan from related companies	480	907
Net cash used in financing activities	(6,010)	(71,462)
Net (decrease) / increase in cash and cash equivalents	(17,710)	50,125
Cash and cash equivalents at beginning of period	36,449	3,319
Cash and cash equivalents at end of period	18,739	53,444

Note 1:

This included commercial paper which matures in more than 3 months' time.

Note 2 :Cash and bank balances
Fixed deposits

8,839	26,195
9,900	27,249
18,739	53,444

1(d)(i) Statements of Changes in Equity
(All figures in \$'000)

	The Group		The Company	
	1Q2011	1Q2010	1Q2011	1Q2010
Issued capital				
Balance at beginning / end of period	84,446	84,446	84,446	84,446
Treasury shares				
Balance at beginning of period	(353)	(159)	(353)	(159)
Buy back of shares	(383)	-	(383)	-
Treasury shares reissued pursuant to Performance Share Plan	27	-	27	-
Balance at end of period	(709)	(159)	(709)	(159)
Capital reserve				
Balance at beginning / end of period	(7,671)	(7,671)	-	-
Other reserve				
Balance at beginning of period	-	-	-	-
Treasury shares reissued pursuant to Performance Share Plan	51	-	51	-
Balance at end of period	51	-	51	-
Dividend reserve				
Balance at beginning / end of period	1,181	1,182	1,181	1,182
Accumulated profits				
Balance at beginning of period	129,268	96,969	16,936	15,565
Profit for the period	8,038	3,896	26	(113)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	8,038	3,896	26	(113)
Balance at end of period	137,306	100,865	16,962	15,452
Minority interest				
Balance at beginning of period	124	218	-	-
Profit for the period	(20)	(25)	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(20)	(25)	-	-
Balance at end of period	104	193	-	-
Equity at end of period	214,708	178,856	101,931	100,921

1(d)(ii) Details of 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 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.

Ordinary Shares (excluding treasury shares)

	Number of Ordinary Shares	
	3 months ended	
	31-Mar-11	31-Mar-10
Balance at 1 January	472,241,141	378,193,363
Bonus issue	-	94,547,778
Shares buy back	(929,000)	-
Treasury shares reissued pursuant to Performance Share Plan	177,400	-
Balance at 31 March	471,489,541	472,741,141

Treasury Shares

	Number of Treasury Shares	
	3 months ended	
	31-Mar-11	31-Mar-10
Balance at 1 January	2,316,250	1,453,000
Bonus issue	-	363,250
Shares buy back	929,000	-
Treasury shares reissued pursuant to Performance Share Plan	(177,400)	-
Balance at 31 March	3,067,850	1,816,250

During the period ended 31 March 2011, the Company bought back 929,000 ordinary shares from the market. On 10 January 2011, the Company transferred 177,400 ordinary shares from the treasury shares pursuant to Hiap Hoe Performance Share Plan.

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.

The number of issued shares as at 31 March 2011 is 471,489,541 (31 December 2010 : 472,741,141).

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.

During the period ended 31 March 2011, the Company transferred 177,400 ordinary shares from the treasury shares pursuant to Hiap Hoe Performance Share Plan.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

These figures have not been audited or reviewed.

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.

The Group and the Company have adopted the same accounting policies and methods of computation for the current financial period as those for the financial year ended 31 December 2010.

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.

Not applicable.

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.

The Group

	3 months ended	
	31-Mar-11	31-Mar-10
Earning per share (cents)		
Basic	1.70	1.01
Diluted	1.70	1.01
Weighted average number of shares		
Basic	472,141,767	386,597,610
Diluted	472,141,767	386,597,610

Earnings per share is calculated based on the net profit attributable to ordinary shareholders divided by the weighted average number of shares.

- 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**

	31-Mar-11	31-Mar-10
Net assets value per share (cents)		
The Group	45.52	37.79
The Company	21.62	21.35
Based on number of shares		
The Group	471,489,541	472,741,141
The Company	471,489,541	472,741,141

Net assets value per share is calculated based on the equity attributable to the equity holders of the parent excluding the minority interest divided by the number of shares excluding treasury shares.

- 8. 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

The Group recorded revenue of \$25.7m for the first quarter ended 31 March 2011 ("1Q2011"), which was comparable to the \$26.0m recorded in the previous corresponding period ("1Q2010"). This was achieved mainly on the back of a \$21.3m progressive revenue recognition from the sale of residential units at *Signature at Lewis*, *Skyline 360°* and *Waterscape at Cavanagh*. Revenue received by the Group's subsidiary on the back of progress made in the construction of two joint-venture projects, namely *The Beverly*, and the hotel/commercial in Balestier contributed the remaining \$4.4m to total revenue.

Profit

Gross profit decreased by 28.7% from \$12.5m in 1Q2010 to \$8.9m in 1Q2011, in line with lower revenue generated from the sale of residential units, and partly compounded by the relatively lower gross profit margin of 5% generated by the Group's construction activities.

Higher other income for 1Q2011 was mainly contributed by an increase in rental income from the Group's investment properties.

The increase in financial income was mainly due to higher interest income generated from investments in commercial paper.

With the softening of the residential property market, the Group did not engage in any new project launch in 1Q2011, and thus incurred minimal marketing expenses of \$40,000, compared to a large marketing expense of \$6.6m in 1Q2010 for the successful launch of *Waterscape at Cavanagh*.

The share of results of joint venture for 1Q2011 amounting to \$1.0m was mainly contributed by progressive revenue recognition from the sale of residential units at *The Beverly*.

Tax expense was comparable to 1Q2011 at \$1.4m (1Q2010: 1.39m), despite a 79% jump in profit before tax to \$9.4m, compared to \$5.3m in 1Q2010. This was mainly due to non-recognition of deferred tax assets arising from marketing costs incurred in 1Q2010.

Despite flat year-on-year revenue, the Group's net profit after tax for 1Q2011 surged 107.1% from \$3.9m in 1Q2010 to \$8.0m in 1Q2011, mainly due to the absence of distribution and selling expenses of \$6.6m incurred in 1Q2010.

Balance Sheet

As at 31 March 2011, other investments increased to \$40.5m from \$27.9m as at 31 December 2010, some cash and short term deposits were utilized for the purchase of commercial papers with better returns.

Trade and other receivables decreased from \$14.2m to \$3.6m mainly due to proceeds received from *Cuscaden Royale*, *Oxford Suites* and *Skyline 360°* in the quarter under review. These proceeds were used to repay bank borrowings and construction cost for the residential development projects, which also explained the increase in development properties and the decrease in interest-bearing loans and borrowings.

With the progress made in the construction of joint venture projects, *The Beverly* and the hotel/commercial project in Balestier, amount due from joint venture (trade) increased significantly from \$ 3.3m to \$10.2m.

Trade and other payables increased from \$6.1m to \$9.3m in 1Q2011, driven by costs incurred on the back of progress made in the construction of the above-mentioned joint venture projects.

Non-current trade and other payables decreased from \$1.5m to \$0.4m, due to payment of retention monies following the completion of the construction of *Oxford Suites* and *Cuscaden Royale*.

Cash Flow

Net cash from operating activities of \$1.2m was generated, mainly through progress billings from residential units sold previously. The cash was used to pay for construction cost for the uncompleted projects and repayment of loans.

The net increase in development properties of \$11.7m in 1Q2011 reflected the lower progress billings generated from the sale of residential units viz-a-viz construction cost incurred for various projects. This compares to a net decrease in 1Q2010 when higher progress billings for residential development projects were partially offset by construction costs incurred.

The decrease in trade and other receivables was due to receipt of sales proceeds from the sale of units at *Skyline 360°*, and completed projects, *Cuscaden Royale* and *Oxford Suites*. In contrast, the Group only generated sales proceeds from the sale of units at Waterscape at Cavenagh which was higher than the development cost incurred in 1Q2010.

The progress made in the construction, of *The Beverly* and the hotel/commercial project at Balestier, constituted the increase in amount due from joint venture, trade.

Trade and other payables was higher at \$2.2m in view of the higher cost requirement to support the progress made in the construction of various projects. The increase in construction cost was offset by the retention of monies paid to creditors of the completed projects.

Other liabilities decreased in 1Q2011 as cost accrued for completed projects was settled, and accrued cost was classified to trade and other payables upon receipt of invoices.

Net cash used in investing activities was \$12.9m in 1Q2011. The purchase of unquoted investments of \$19.7m refers mainly to commercial papers. This was partly offset by proceeds from the disposal of unquoted investment of \$7m upon maturity.

For the period under review, the Group extended \$0.4m to its joint venture companies.

The Group recorded a net cash outflow from financing activities of \$6.0m in 1Q2011. Cash received from progress billings was used to repay bank term loans and interest of \$6.1m. This takes into consideration \$0.5m injected by a related company, SuperBowl Holdings Limited for the joint-venture residential development project, *Treasure on Balmoral*.

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

There was no financial forecast made in the Group's announcement dated 18 February 2011.

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.

Following the implementation of the property cooling measures in January 2011 the Urban Redevelopment Authority ("URA") has reported that 3,980 units were sold in 1Q2011. This was lower than the 4,700 units sold in 4Q2010. Prices of private residential properties also registered a lower sequential increase of 2.2% in 1Q2011, compared with a 2.7% sequential increase in 4Q2010.

To date, *Waterscape at Cavenagh*, a 200-unit development, has achieved sales of 73%. *Skyline 360°*, a 36-storey freehold development with 61 exclusive residential units, which the Group soft-launched last year, has sold 54% of the total units. Proceeds from the sale of these units should continue to contribute positively to the Group's top line as construction of these developments progresses.

Piling work for the integrated hotel/commercial development at Balestier has been completed. The park within this joint-venture project is expected to be completed in second half of 2011, while the hotels and commercial blocks are slated to complete in 2014.

Against a backdrop of macro-economic uncertainties as well as government policy overhang, the Group is cautious about its outlook for its 2011 financial year. In this regard, it will continue to be prudent in its review of both its sales and purchase programs.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?
None

(c) Date payable

Not applicable

(d) Book closure date

Not applicable.

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

No dividend has been declared / recommended during the financial period.

13. INTERESTED PERSONS TRANSACTIONS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

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 the shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	3 months ended 31 March 2011	3 months ended 31 March 2011
<p>Hiap Hoe & Co. Pte Ltd (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd)</p>	<p>Provision of Project and Construction Management Service to the Company's wholly-owned subsidiaries :</p> <ul style="list-style-type: none"> - Cavenagh Properties Pte. Ltd. (Value of transactions amounting to \$49,000) - Bukit Panjang Plaza Pte Ltd (Value of transactions amounting to \$36,000) - Guan Hoe Development Pte. Ltd. (Value of transactions amounting to \$9,000) <p>Provision of Project and Construction Management Service to the Company's 60% owned subsidiary :</p> <ul style="list-style-type: none"> - Hiap Hoe SuperBowl JV Pte. Ltd. (Value of transactions amounting to \$38,000) <p>Provision of Project and Construction Management Service to the Company's 50% share in joint venture:</p> <ul style="list-style-type: none"> - HH Properties Pte. Ltd. (50% share of value of transactions amounting to \$242,000) <p>Provision of Project and Construction Management Service to the Company's wholly-owned subsidiary's 60% share in joint venture:</p> <ul style="list-style-type: none"> - Goodluck View Development (60% share of value of transactions amounting to \$28,000) 	<p>NA</p>
<p>SuperBowl Holdings Limited (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd)</p>	<p>Contribution by the Company of its 60% proportion of the loan extended to :</p> <ul style="list-style-type: none"> - Hiap Hoe SuperBowl JV Pte. Ltd. (Value of loan as at 31 March 2011 amounting to \$25,881,000) <p>Interest income amounting to \$24,000</p>	<p>Construction of 2 blocks of 12-Storey residential flats for Hiap Hoe SuperBowl JV Pte. Ltd.</p> <p>(Value of transaction amounting to \$1,242,000)</p>

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 the shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	3 months ended 31 March 2011	3 months ended 31 March 2011
SuperBowl Holdings Limited (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd)	<p>Contribution by the Company of its 50% proportion of the loan to :</p> <p>- HH Properties Pte. Ltd. (Value of loan as at 31 March 2011 amounting to \$45,594,000)</p> <p>Interest income amounting to \$42,000</p>	<p>Supply and installation of temporary earth retaining structure, grout mix piles and excavation works for HH Properties Pte. Ltd.</p> <p>(Value of transactions amounting to \$1,587,000)</p> <p>Construction of 1 block of 14-Storey hotel, 1 block of 17-Storey hotel and 1 block of 13-Storey office building for HH Properties Pte. Ltd.</p> <p>(Value of transactions amounting to \$4,584,000)</p>
SuperBowl Management Pte Ltd (A subsidiary of SuperBowl Holdings Limited)	<p>Contribution by the Group of its 60% proportion of the loan :</p> <p>- Goodluck View Development (Value of loan as at 31 March 2011 amounting to \$10,280,000)</p> <p>Interest income amounting to \$9,400</p>	<p>Construction of 2 blocks of 5-storey residential flats for Goodluck View Development</p> <p>(Value of transaction amounting to \$4,940,000)</p>

Hiap Hoe SuperBowl JV Pte. Ltd. ("HHSB") is a subsidiary company which is 60% owned by Hiap Hoe Limited (the "Company") and 40% by SuperBowl Holdings Limited ("SBH"). Similarly, Goodluck View Development ("GLV") is a joint venture business formed under Wah Hoe Development Pte Ltd ("Wah Hoe"), a subsidiary of the Company. This joint venture is 60% owned by Wah Hoe and 40% by SuperBowl Management Pte Ltd.

HH Properties Pte. Ltd. ("HHP") is a joint venture company which is 50% owned by the Company and 50% owned by SBH.

The Audit Committee of the Company is satisfied that the Investments in HHSB, GLV and HHP are on commercial terms which are fair and reasonable and are not prejudicial to the interest of the minority shareholders of the Company. The Audit Committee is of the view that the risk and rewards are in proportion to the equity of each of the joint venture partner in HHSB and GLV.

The Investment in the joint ventures and the related loans extended to HHSB and GLV fall within the exception of Rule 916(2) and 916(3) of the Listing Manual of the Singapore Exchange Securities Trading Limited. Shareholders' approval is, therefore, not required for the Company to enter into the investment.

BY ORDER OF THE BOARD

Lai Foon Kuen
Company Secretary
10 May 2011

Confirmation pursuant to Rule 705(5) of the SGX Listing Manual

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements of the Company or the unaudited consolidated financial statements of the Group for the first quarter ended 31 March 2011 to be false or misleading in any material respect.

On behalf of the Board of Directors

Teo Ho Beng
Director

Teo Ho Kang, Roland
Director