



Hiap Hoe Limited
(Registration No. : 199400676Z)

9 Months Financial Statement for the Period Ended 30 September 2010

1(a) Income Statement, together with Statement of Comprehensive Income for the Group for the Third Quarter and 9 Months Ended 30 September 2010

Unaudited results for the third quarter and 9 months ended 30 September 2010

(All figures in \$'000)

	The Group			The Group		
	3 months ended		%	9 months ended		%
	30-Sep-10	30-Sep-09		30-Sep-10	30-Sep-09	
Revenue	30,836	36,738	(16.1)	79,326	84,034	(5.6)
Cost of sales	(20,147)	(25,259)	(20.2)	(47,253)	(51,255)	(7.8)
Gross profit	10,689	11,479	(6.9)	32,073	32,779	(2.2)
Other items of income						
Other income	124	175	(29.1)	397	529	(25.0)
Financial income	148	225	(34.2)	373	676	(44.8)
Other items of expenses						
Distribution and selling expenses	(565)	(493)	14.6	(9,049)	(703)	1,187.2
Administrative expenses	(695)	(595)	16.8	(2,025)	(1,806)	12.1
Other expenses	(13)	-	NM	(39)	(1)	3,800.0
Financial expenses	-	(180)	(100.0)	(189)	(507)	(62.7)
Profit before taxation	9,688	10,611	(8.7)	21,541	30,967	(30.4)
Tax expenses	(1,741)	(2,152)	(19.1)	(3,472)	(5,708)	(39.2)
Net profit for the period	7,947	8,459	(6.1)	18,069	25,259	(28.5)
Attributable to :						
Equity holders of the parent	7,965	8,470	(6.0)	18,148	25,289	(28.2)
Minority interests	(18)	(11)	63.6	(79)	(30)	163.3
Total	7,947	8,459		18,069	25,259	

Consolidated Statement of Comprehensive Income for the Third Quarter and 9 Months ended 30 September 2010

(All figures in \$'000)

	The Group		The Group	
	3 months ended 30-Sep-10	30-Sep-09	9 months ended 30-Sep-10	30-Sep-09
Profit net of tax	7,947	8,459	18,069	25,259
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	<u>7,947</u>	<u>8,459</u>	<u>18,069</u>	<u>25,259</u>
Total comprehensive income attributable to :				
Equity holders of the parent	7,965	8,470	18,148	25,289
Minority interests	<u>(18)</u>	<u>(11)</u>	<u>(79)</u>	<u>(30)</u>

Additional Information

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

(All figures in S\$'000)

	The Group			The Group		
	3 months ended		%	9 months ended		%
	30-Sep-10	30-Sep-09		30-Sep-10	30-Sep-09	
Depreciation of property, plant and equipment	45	38	18.4	138	116	19.0
Loss on disposal of property, plant and equipment	(38)	-	NM	(38)	1	(3,900.0)
Dividend income, gross	-	-	-	(7)	(4)	75.0
Write back of allowance for doubtful receivables (non-trade)	-	-	-	-	(2)	(100.0)
Fair value gain on financial instruments - quoted investments held for trading	(2)	(23)	(91.3)	(2)	(120)	(98.3)

1(b)(i) Balance Sheet as at 30 September 2010

The Group

(All figures in \$'000)

Non-Current Assets

	30-Sep-10	31-Dec-09	%
Property, plant and equipment	6,117	6,277	-2.5%
Investment properties	5,410	5,410	0.0%
Trade and other receivables	23	30	-23.3%
Deferred tax assets	188	-	NM
	11,738	11,717	0.2%

Current Assets

Cash, bank balances and fixed deposits	33,646	3,521	855.6%
Other investments ¹	20,237	234	8548.3%
Trade and other receivables	24,306	855	2742.8%
Deposits	90	66	36.4%
Prepaid operating expenses	309	142	117.6%
Due from ultimate holding company (non-trade)	2	2	0.0%
Due from an associate (non-trade)	2	2	0.0%
Due from related companies (trade)	2	8	-75.0%
Due from related companies (non-trade)	24	24	0.0%
Due from joint venture (trade)	2,398	37	6381.1%
Due from joint ventures (non-trade)	52,299	48,707	7.4%
Development properties	369,759	536,600	-31.1%
Tax recoverable	9	9	0.0%
	503,083	590,207	-14.8%

Current Liabilities

Trade and other payables	3,771	3,367	12.0%
Other liabilities	19,389	12,173	59.3%
Dividend payable	1,181	-	NM
Derivatives	-	348	-100.0%
Due to related companies (trade)	991	510	94.3%
Due to a related company (non-trade)	15,958	13,664	16.8%
Interest-bearing loans and borrowings ²	259	58,759	-99.6%
Tax payable	13,136	776	1592.8%
	54,685	89,597	-39.0%

Net Current Assets

448,398 **500,610** -10.4%

Non-Current Liabilities

Trade and other payables	968	201	381.6%
Other liabilities	65	25	160.0%
Interest-bearing loans and borrowings	267,067	326,512	-18.2%
Deferred taxation	1,540	10,605	-85.5%

Net Assets

190,496 **174,984** 8.9%

EQUITY

Share capital	84,446	84,446	0.0%
Treasury shares	(353)	(159)	122.0%
Reserves	106,265	90,479	17.4%
	190,358	174,766	8.9%
Minority Interests	138	218	-36.7%
Total Equity	190,496	174,984	8.9%

The Company

(All figures in \$'000)

Non-Current Assets

Investments in subsidiary companies
Trade and other receivables

Current Assets

Cash, bank balances and fixed deposits
Other investments ¹
Trade and other receivables
Prepaid operating expenses
Due from subsidiary companies (non-trade)
Due from subsidiary companies (trade)
Due from joint ventures (non-trade)
Due from joint venture (trade)
Due from a related company (non-trade)
Due from an associate (non-trade)

Current Liabilities

Trade and other payables
Other liabilities
Dividend payable
Derivatives
Due to subsidiary companies (non-trade)
Interest-bearing loans and borrowings
Tax payable

Net Current Assets

Non-Current Liability

Interest-bearing loans and borrowings

Net Assets

EQUITY

Share capital
Treasury shares
Reserves
Total Equity

	30-Sep-10	31-Dec-09	%
	48,683	48,683	0.0%
	23	30	-23.3%
	48,706	48,713	0.0%
	12,422	63	19617.5%
	20,000	-	NM
	294	11	2572.7%
	271	11	2363.6%
	77,784	75,562	2.9%
	1,731	1,369	26.4%
	46,725	43,136	8.3%
	24	32	-25.0%
	24	24	0.0%
	2	2	0.0%
	159,277	120,210	32.5%
	18	221	-91.9%
	230	261	-11.9%
	1,181	-	NM
	-	295	-100.0%
	108,036	67,051	61.1%
	10	10	0.0%
	7	42	-83.3%
	109,482	67,880	61.3%
	49,795	52,330	-4.8%
	2	9	-77.8%
	98,499	101,034	-2.5%
	84,446	84,446	0.0%
	(353)	(159)	122.0%
	14,406	16,747	-14.0%
	98,499	101,034	-2.5%

Note :

- 1) This included short-term commercial paper.
- 2) This included bank overdraft of approximately \$nil (31 December 2009:\$202,000).

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 30 Sep 10		As at 31 Dec 09	
Secured	Unsecured	Secured	Unsecured
259	-	58,759	-

Amount repayable after one year
(\$'000)

As at 30 Sep 10		As at 31 Dec 09	
Secured	Unsecured	Secured	Unsecured
267,067	-	326,512	-

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 the sales and 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

(All figures in \$'000)

	3 months ended		9 months ended	
	30-Sep-10	30-Sep-09	30-Sep-10	30-Sep-09
Cash flows from operating activities :				
Profit before taxation	9,688	10,612	21,541	30,967
Adjustments :				
Depreciation of property, plant and equipment	45	38	138	113
Interest expenses	-	180	189	507
Interest income	(148)	(225)	(373)	(676)
Dividend income	-	-	(7)	(4)
Loss on disposal of property, plant and equipment	38	-	38	1
Write back of allowance for doubtful receivables - non-trade	-	-	-	(2)
Fair value gain on financial instruments - quoted investments held for trading	(27)	(23)	(2)	(120)
Operating cash flows before working capital changes	9,596	10,582	21,524	30,786
Changes in working capital				
(Increase)/decrease in :				
Development properties	7,421	(16,862)	171,426	(46,013)
Trade and other receivables	(18,828)	(123)	(23,445)	(1,133)
Other assets	(18)	(2,002)	(24)	(2,060)
Prepaid operating expenses	(275)	-	(167)	(121)
Due from related companies, trade	7	(19)	6	(19)
Due from related companies, non-trade	-	17	-	2
Due from a joint venture, trade	(2,378)	112	(2,361)	48
Due from joint ventures, non-trade	73	(5)	7	(28)
(Decrease) / increase in :				
Trade and other payables	(2,055)	1,654	1,170	1,234
Other liabilities	6,525	3,540	7,255	6,102
Derivatives	(59)	14	(348)	(15)
Due to related companies, trade	353	(110)	481	-
Due to related companies, non-trade	-	428	-	-
Cash flows generated from / (used in) operations	362	(2,774)	175,524	(11,217)
Income tax paid	(179)	1,759	(364)	1,326
Net cash generated from / (used in) operating activities	183	(1,015)	175,160	(9,891)
Cash flows from investing activities :				
Dividend income	-	-	7	4
Interest income	124	-	186	5
Proceeds from disposal of unquoted investments	15,065	-	15,065	-
Purchase of property, plant and equipment	(5)	(18)	(37)	(23)
Purchase of unquoted investments (Note 1)	(29,050)	-	(35,065)	-
Purchase of quoted investment	-	-	(1)	(1)
Net cash used in investing activities	(13,866)	(18)	(19,845)	(15)

1(c) Consolidated Cash Flow Statement (cont'd)

(All figures in \$'000)

	30-Sep-10	30-Sep-09	30-Sep-10	30-Sep-09
Cash flow from financing activities :				
Dividend paid on ordinary shares by the Company	-	-	(1,182)	(944)
Repayment of bank term loans	(5,736)	(1,900)	(121,566)	(5,500)
Proceeds from loans and borrowings	-	8,045	4,490	14,446
Purchase of treasury shares	(194)	-	(194)	-
Repayment of hire purchase	(2)	(2)	(7)	(8)
Interest paid	(1,038)	(2,412)	(5,383)	(6,747)
Loan to joint ventures	(1,415)	(687)	(3,411)	208
Loan from related companies	686	-	2,265	1,218
Net cash (used in) / generated from financing activities	(7,699)	3,044	(124,988)	2,673
Net (decrease) / increase in cash and cash equivalents	(21,382)	2,011	30,327	(7,233)
Cash and cash equivalents at beginning of period	55,028	623	3,319	9,867
Cash and cash equivalents at end of period (Note 2)	33,646	2,634	33,646	2,634

Note 2:

Cash and bank balances
Fixed deposits
Less : Bank overdraft

13,844	2,153	13,844	2,153
19,802	1,034	19,802	1,034
-	(553)	-	(553)
33,646	2,634	33,646	2,634

1(d)(i) Statements of Changes in Equity

(All figures in \$'000)

	The Group		The Company	
	3Q2010	3Q2009	3Q2010	3Q2009
Share capital				
Balance at beginning / end of period	84,446	84,446	84,446	84,446
Treasury shares				
Balance at beginning of period	(159)	(159)	(159)	(159)
Buy back of shares	(194)	-	(194)	-
Balance at beginning / end of period	(353)	(159)	(353)	(159)
Capital reserve				
Balance at beginning / end of period	(7,671)	(7,671)	-	-
Dividend reserve				
Balance at beginning of period	-	945	-	945
Dividend on ordinary shares	-	(945)	-	(945)
Balance at end of period	-	-	-	-
Accumulated profits				
Balance at beginning of period	107,153	80,620	15,568	17,001
Total comprehensive income for the period	7,965	8,470	19	(40)
Tax exempt interim dividend	(1,181)	-	(1,181)	-
Balance at end of period	113,937	89,090	14,406	16,961
Minority interest				
Balance at beginning of period	155	239	-	-
Total comprehensive income for the period	(18)	(11)	-	-
Balance at end of period	137	228	-	-
Equity at end of period	190,496	165,934	98,499	101,248

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	
	30-Sep-10	30-Sep-09
Balance at 1 July	472,741,141	378,193,363
Share buy back	(500,000)	-
Balance at 30 September	472,241,141	378,193,363

Treasury Shares

	Number of Treasury Shares	
	3 months ended	
	30-Sep-10	30-Sep-09
Balance at 1 July	1,816,250	1,453,000
Share buy back	500,000	-
Balance at 30 September	2,316,250	1,453,000

During the third quarter ended 30 September 2010, the Company bought back 500,000 ordinary shares from the market.

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 30 September 2010 is 472,241,141 (31 December 2009 : 378,193,363).

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.

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.

Except as disclosed in paragraph 5 below, 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 2009.

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 new/revised FRSs and interpretation of FRS (“INT FRS”) that are effective for annual periods beginning on or after 1 January 2010.

The following are the new or amended FRS which are relevant to the Group and the Company:

- Amendments to FRS 27 Consolidated and Separate Financial Statements
- Revision to FRS 103 Business Combinations
- 2009 Improvements to FRSs

The adoption of the above FRS did not result in any substantial change to the Group’s and the Company’s accounting policies or any significant impact on the financial performance or position of the Group and the Company.

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 30-Sep-10	3 months ended 30-Sep-09	9 months ended 30-Sep-10	9 months ended 30-Sep-09
Earning per share (cents)				
Basic and diluted	1.69	1.79	3.84	5.35
Weighted average number of shares				
Basic and diluted	472,684,364	472,741,141	472,684,364	472,741,141

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

The Company had a bonus issue of 94,911,028 (including 363,250 treasury shares) new ordinary shares in the capital of the Company to be allotted and issued on the basis of one Bonus Share for every four existing ordinary shares in the capital of the Company held by shareholders of the Company (“Bonus Issue”). These shares were listed and quoted on the Singapore Exchange Securities Trading Limited on 24 March 2010. In accordance to FRS 33, the comparative figures for the period ended 30 September 2009 were adjusted to take into account of the Bonus Issue. The number of ordinary shares outstanding before the Bonus Issue is adjusted for the proportionate change in the number of ordinary shares outstanding as if the Bonus Issue had occurred at the beginning of the earliest period presented.

- 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**

	30-Sep-10	30-Sep-09
Net assets value per share (cents)		
The Group	40.31	43.82
The Company	20.86	26.77
Based on number of shares		
The Group	472,241,141	378,193,363
The Company	472,241,141	378,193,363

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

Group revenue decreased 16.1% to \$30.8m for the third quarter ended 30 September 2010 ("3Q2010"), compared to \$36.7m achieved in the previous corresponding period ("3Q2009"). The year-on-year decline was mainly due to slower progressive revenue recognition on the sale of the Group's residential development projects.

Hiap Hoe's 2009 financial year was an exceptional year with record-breaking results as the Group recognised good profit margin and substantial revenue from *Cuscaden Royale*, its luxury residential development. 87.6% of revenue from *Cuscaden Royale* was recognised as at 31 December 2009, leaving only a balance of 12.4% of revenue to be recognised in 2010.

Group revenue for the nine months ended 30 September 2010 ("9M2010") decreased by 5.6% to \$79.3m, compared to \$84.0m in the first nine months 2009 ("9M2009"). As at 30 September 2010, revenue recognised on the sale of *Signature at Lewis*, *Skyline 360°* and *Waterscape at Cavenagh*, was 42.4%, 24.5% and 5.8% respectively.

Profit

In line with the decline in revenue for 3Q2010, gross profit decreased 6.9% from \$11.5m in 3Q2009 to \$10.7m in 3Q2010. Similarly, gross profit for 9M2010 decreased marginally by 2.2% to \$32.1m from \$32.8m in 9M2009.

The decrease in other income for 3Q2010 and 9M2010 was mainly due to a higher write-back amount of fair value loss on investment and rental income in 3Q2009 and 9M2009.

Distribution and selling expenses increased from \$0.5m in 3Q2009 to \$0.6m in 3Q2010. For 9M2010, the Group's distribution and selling expenses increased significantly from \$0.7m to \$9.0m as the Group initiated an intensive marketing and advertising campaign for *Waterscape at Cavenagh*, which was launched to much success in the first quarter of 2010.

As a result of an increase in staff strength, and the removal of the job credits scheme from 1 July 2010, administrative expenses increased from \$1.8m in 9M2009 to \$2.0m in 9M2010.

Group taxation fell from \$2.2m in 3Q2009 to \$1.7m in 3Q2010 partly due to a write-back of over-provision of \$62,000. In line with the lower profit, group tax decreased from \$5.7m in 9M2009 to \$3.4m in 9M2010. In addition, there was an under-provision of \$0.4m in 9M2009 but none in 9M2010.

Although distribution and selling expenses relating to the Group's launched residential projects are fully included in the 9M2010 results, revenue of these projects can only be recognised based on the progressive completion of the project. As such, due to the mismatch in the timing of expenses incurred and revenue recognition, net profit after tax decreased from \$8.5m in 3Q2009 to \$7.9m in 3Q2010. Net profit for the nine months ended 30 September also decreased to \$18.1m in 9M2010 from \$25.3m in 9M2009.

Balance Sheet

After the respective temporary occupation permits ("TOP") were obtained for *Oxford Suites* and *Cuscaden Royale* in January and February respectively, an additional 25.0% of total sales proceeds was received in the first quarter of 2010. As a result, cash, bank balances and fixed deposits increased from \$3.5m to \$33.6m, and other investments increased from \$234,000 to \$20.2m.

With the TOPs in hand, sales proceeds of \$19.1m from *Oxford Suites* and *Cuscaden Royale* are receivable upon expiry of the one-year defect period. As such, trade and other receivables increased to \$24.3m at end-September.

Development properties decreased from \$536.6m as at 31 December 2009 to \$369.8m as at 30 September 2010, mostly due to an increase in progress payments received for the Group's uncompleted projects.

Other liabilities increased from \$12.2m as at 31 December 2009 to \$19.4m as at 30 September 2010, mainly due to the increase in accruals of deferred land tax and construction cost.

The sales proceeds from *Oxford Suites* and *Cuscaden Royale* were also used to pay down the Group's short-term borrowings, and resulted in a substantial decrease in interest-bearing loans and borrowings under current liabilities, from \$58.8m as at 31 December 2009 to \$259,000 as at 30 September 2010.

Similarly, proceeds received from the sales of uncompleted projects were used to repay a part of the Group's construction loans and land loans. Accordingly, non-current interest-bearing loans and borrowings as at 30 September declined to \$267.1m, from \$326.5m as at 31 December 2009.

Deferred taxation decreased substantially mainly due to the reversal of deferred tax to tax payable arising from the TOPs of *Oxford Suites* and *Cuscaden Royale*.

Subsidiary company, Westbuild Construction Pte Ltd ("WBC") was appointed as the main contractor of two joint-venture projects, namely, residential project, *The Beverly* and the hotel/commercial

project at Balestier Road/Ah Hood Road. In line with the commencement of construction of these joint-venture projects, WBC raised progress billings, of which \$2.4m remained outstanding as at 30 September 2010.

Cash Flow

The Group generated a net cash of \$183,000 and \$175.2m from operating activities in 3Q2010 and 9M2010 respectively. This arose mainly from more progress billings made on the back of an increase in sales of the Group's residential units. For the same reason, development properties decreased to \$7.4m in 3Q2010 and \$171.4m in 9M2010.

Other liabilities increased to \$6.5m and \$7.3m in 3Q2010 and 9M2010 respectively as accruals of the deferred land tax increased together with the commencement of more construction projects, resulting in more cost being accrued.

Net cash used in investing activities was \$13.9m and \$19.8m in 3Q2010 and 9M2010 respectively, as cash was used to purchase commercial papers.

Net cash used in financing activities was \$7.7m and \$125.0m in 3Q2010 and 9M2010 respectively. Despite the inflow of funds, net cash used for financing activities increased significantly, mainly due to the repayment of bank term loans of \$5.7m in 3Q2010, and \$121.6m in 9M2010. Interest payment on bank borrowings was \$1.0m in 3Q2010 and \$5.4m in 9M2010 respectively.

As indicated under the item, loan to joint ventures, \$1.4m and \$3.4m worth of funds was used in 3Q2010 and 9M2010 respectively, by the Group for the joint-venture projects that are being jointly developed with SuperBowl Holdings Limited.

In addition, \$0.7m and \$2.3m worth of funds were injected in 3Q2010 and 9M2010 respectively, 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 13 August 2010.

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 Singapore economy remains on track in its ability to achieve a growth forecast of 13% to 15% for 2010. According to statistics from the Urban Redevelopment Authority (URA), the rise in private residential prices has moderated from 5.3% in 2Q2010 to 2.9% in 3Q2010. Hence, it appears that the cooling measures implemented by the Singapore government in August are starting to take effect.

However, prices of homes in core central locations in Singapore are still holding up well. To date, *Waterscape at Cavenagh* has achieved sales of more than 70% of the 200-unit development. *Skyline 360°*, a 36-storey skyscraper with 61 freehold residences, which had a soft launch by way of private invitation in the first half of 2010, has since sold more than 50% of the total units.

With regard to the hotel/commercial development at Balestier Road/Ah Hood Road, piling work on the site has been completed. The Group expects to complete the Zhongshan Park in mid 2011. As for the two hotel-cum commercial blocks that flank Zhongshan Park, they are slated to be completed in 2014.

Despite the relatively positive local property landscape for high-end homes, the Group is cautious about its outlook, given various macro uncertainties that lie ahead. In this regard, the Group will continue to be prudent in the review of both its sales and purchase programs.

On 15 October 2010, the Group entered into an option to sell one of its investment properties at Tyrwhitt Road for a sale consideration of \$3.4m and the option was exercised on 29 October 2010. Should the completion takes place on the expected date, 23 December 2010, the Group is expected to gain \$0.6m.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

The Directors are pleased to announce an interim dividend for the financial period ended 30 September 2010 as follows :

Name of dividend	: Interim
Type of dividend	: Cash
Dividend	: 0.25 cents per ordinary share
Tax rate	: One tier (tax exempt)

(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

8 December 2010.

(d) Book closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of Hiap Hoe Limited (the "Company") will be closed on 25 November 2010 at 5.00 p.m. for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 up to 5.00 p.m. on 25 November 2010 will be registered to determine shareholders' entitlements to the said dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 25 November 2010 will be entitled to the proposed dividend.

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

Not applicable.

13. INTERESTED PERSONS TRANSACTIONS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2010

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 30 September 2010	9 months ended 30 September 2010	3 months ended 30 September 2010	9 months ended 30 September 2010
Hiap Hoe & Co. Pte Ltd (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd)	Provision of Project and Construction Management Service to the Company's wholly-owned subsidiaries : - Cavenagh Properties Pte. Ltd. (Value of transactions amounting to \$152,000) - Oxford Development Pte. Ltd. (Value of transactions amounting to \$8,000) - Bukit Panjang Plaza Pte Ltd (Value of transactions amounting to \$18,000) - Guan Hoe Development Pte. Ltd. (Value of transactions amounting to \$4,000) - Leong Hoe Development Pte. Ltd. (Value of transactions amounting to \$nil) Provision of Project and Construction Management Service to the Company's 60% owned subsidiary : - Hiap Hoe SuperBowl JV Pte. Ltd. (Value of transactions amounting to \$19,000)	Provision of Project and Construction Management Service to the Company's wholly-owned subsidiaries : - Cavenagh Properties Pte. Ltd. (Value of transactions amounting to \$612,000) - Oxford Development Pte. Ltd. (Value of transactions amounting to \$21,000) - Bukit Panjang Plaza Pte Ltd (Value of transactions amounting to \$71,000) - Guan Hoe Development Pte. Ltd. (Value of transactions amounting to \$17,000) - Leong Hoe Development Pte. Ltd. (Value of transactions amounting to \$10,000) Provision of Project and Construction Management Service to the Company's 60% owned subsidiary : - Hiap Hoe SuperBowl JV Pte. Ltd. (Value of transactions amounting to \$216,000)	NA	NA

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 30 September 2010	9 months ended 30 September 2010	3 months ended 30 September 2010	9 months ended 30 September 2010
Hiap Hoe & Co. Pte Ltd (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd)	Provision of Project and Construction Management Service to the Company's 50% share in joint venture : - HH Properties Pte. Ltd. (50% share of value of transactions amounting to \$nil)	Provision of Project and Construction Management Service to the Company's 50% share in joint venture : - HH Properties Pte. Ltd. (50% share of value of transactions amounting to \$128,000)	NA	NA
SuperBowl Holdings Limited (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd)	Contribution by the Company of its 60% proportion of the loan extended to : - Hiap Hoe SuperBowl JV Pte. Ltd. (Value of loan amounted to \$1,029,000) Interest income amounting to \$11,000 Contribution by the Company of its 50% proportion of the loan to : - HH Properties Pte. Ltd. (Value of loan amounted to \$785,000) Interest income amounting to \$19,000	Contribution by the Company of its 60% proportion of the loan extended to : - Hiap Hoe SuperBowl JV Pte. Ltd. (Value of loan as at 30 September 2010 amounting to \$23,685,000) Interest income amounting to \$38,000 Contribution by the Company of its 50% proportion of the loan to : - HH Properties Pte. Ltd. (Value of loan as at 30 September 2010 amounting to \$40,569,000) Interest income amounting to \$172,000	Construction of 2 blocks of 12-Storey residential flats for Hiap Hoe SuperBowl JV Pte. Ltd. (Value of transaction amounted to \$2,253,000) Supply and installation of temporary earth retaining structure, grout mix piles and excavation works for HH Properties Pte. Ltd. (Value of transaction amounted to \$1,477,000) 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., Contract value of \$168,426,000	Construction of 2 blocks of 12-Storey residential flats for Hiap Hoe SuperBowl JV Pte. Ltd., Contract value of \$29,448,000 (inclusive of GST) (Value of transaction amounted to \$2,591,000) Supply and installation of temporary earth retaining structure, grout mix piles and excavation works for HH Properties Pte. Ltd., Contract value of \$7,900,000 (Value of transaction amounted to \$1,477,000) 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., Contract value of \$168,426,000

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 30 September 2010	9 months ended 30 September 2010	3 months ended 30 September 2010	9 months ended 30 September 2010
SuperBowl Management Pte Ltd (A subsidiary of SuperBowl Holdings Limited)	Contribution by the Group of its 60% proportion of the loan : - Goodluck View Development (Value of loan amounted to \$630,000) Interest income amounting to \$4,600	Contribution by the Group of its 60% proportion of the loan : - Goodluck View Development (Value of loan as at 30 September 2010 amounting to \$9,950,000) Interest income amounting to \$15,500	Construction of 2 blocks of 5-storey residential flats for Goodluck View Development (Value of transaction amounting to \$1,689,000)	Construction of 2 blocks of 5-storey residential flats for Goodluck View Development (Value of transaction amounting to \$2,466,000)

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
 9 November 2010

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 third quarter and nine months ended 30 September 2010 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Teo Ho Beng
Director

Teo Ho Kang, Roland
Director