



UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 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.

On 6 January 2014, Hiap Hoe Limited (the “Company”) announced that the Company has obtained shareholders’ approval in the Extraordinary General Meeting to acquire all the shares in the capital of SuperBowl Holdings Limited and its subsidiaries (“SuperBowl”) for \$0.75 per SuperBowl share.

In conjunction with the acquisition, two joint venture companies that owned by the Company and SuperBowl, Goodluck View Development (“GLV”) and HH Properties Pte. Ltd. (“HHP”) have become wholly-owned subsidiaries of the Company.

On 28 February 2014, the Group has took effective control of SuperBowl by acquiring 90.8% of the issued and paid-up share capital. As at 31 March 2014, the Group acquired 97.8% of the issued and paid-up share capital of SuperBowl. Thus the performance of the Group for the first quarter ended 31 March 2014 included one-month results of SuperBowl, GLV and HHP.

(All figures in \$'000)

	The Group		
	3 months ended		%
	31-Mar-14	31-Mar-13	
Revenue	31,195	30,347	2.8
Cost of sales	(14,067)	(16,370)	(14.1)
Gross profit	<u>17,128</u>	<u>13,977</u>	22.5
Other items of income			
Other income	2,870	281	NM
Financial income	220	116	89.7
Negative goodwill arising from acquisition ⁽¹⁾	148,744	-	NM
Gain on remeasurement of investment in HHP to fair value upon business combination achieved in stages ⁽²⁾	199,933	-	NM
Other items of expenses			
Distribution and selling expenses	(152)	(392)	(61.2)
Administrative expenses	(8,403)	(1,645)	NM
Other expenses	(901)	(56)	NM
Financial expenses	(3,220)	(531)	NM
Share of results of joint venture	(2)	(21)	(90.5)
Profit before tax	<u>356,217</u>	<u>11,729</u>	NM
Income tax expense	(1,992)	(1,945)	2.4
Net profit for the period	<u><u>354,225</u></u>	<u><u>9,784</u></u>	NM
Attributable to :			
Owners of the Company	354,237	10,173	NM
Non-controlling interests	(12)	(389)	(96.9)
Total	<u><u>354,225</u></u>	<u><u>9,784</u></u>	

Statement of Comprehensive Income for the Group for the First Quarter Ended 31 March 2014

(All figures in \$'000)

	The Group	
	3 months ended	
	31-Mar-14	31-Mar-13
Profit for the period	354,225	9,784
Foreign currency translation	2,955	-
Fair value gain on net investment hedge	2,316	-
Total other comprehensive income	5,271	-
Total comprehensive income for the period	359,496	9,784
Attributable to :		
Owners of the Company	359,508	10,173
Non-controlling interests	(12)	(389)
Total comprehensive income for the period	359,496	9,784

Additional Information

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

(All figures in S\$'000)

	The Group		
	3 months ended		%
	31-Mar-14	31-Mar-13	
Depreciation of property, plant and equipment	2,687	73	NM
Depreciation of investment properties	384	-	NM
Loss on disposal of property, plant and equipment	-	5	(100.0)
Dividend income, gross	(48)	(6)	NM
Fair value gain on financial instruments - unquoted investments held for trading	(37)	(25)	NM
Fair value loss on financial instruments - quoted investments held for trading	936	51	(172.5)
Fair value change in derivatives instruments	224	-	NM

Notes to the consolidated income statement of the Group:

- (1) Negative goodwill arising from the acquisition of SuperBowl. The negative goodwill is the excess of net acquisition-date amounts of the identifiable fair value assets acquired and the liabilities assumed over the amount of consideration transferred. (see 1(a) on page 1)
- (2) The Group recognised a gain of \$199.9m as a result of measuring at fair value its 50% equity interest in HHP held before the business combination. (see 1(a) on page 1)
- (3) NM – Not meaningful

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.

(All figures in \$'000)

	The Group		The Company	
	31-Mar-14	31-Dec-13	31-Mar-14	31-Dec-13
Non-Current Assets				
Property, plant and equipment	747,109	29,642	142	154
Investment properties	230,032	137,906	-	-
Investment in subsidiaries	-	-	163,700	163,700
Investments in joint ventures	-	6,729	-	-
Trade and other receivables	116	16	-	-
Deferred tax assets	-	356	-	-
	<u>977,257</u>	<u>174,649</u>	<u>163,842</u>	<u>163,854</u>
Current Assets				
Cash and short-term deposits	104,868	115,932	36,923	33,342
Other investments ⁽¹⁾	34,567	24,640	-	-
Trade and other receivables	10,314	12,202	-	-
Other assets	11,566	10,352	-	1
Derivatives assets	3,250	934	-	-
Prepaid operating expenses	739	613	30	8
Due from subsidiaries (trade)	-	-	1,139	1,139
Due from subsidiaries (non-trade)	-	-	268,988	267,793
Due from related companies (trade)	31	622	-	-
Due from related companies (non-trade)	5	-	-	-
Due from joint ventures (trade)	135	12,202	144	166
Due from joint ventures (non-trade)	-	1,951	1,910	1,915
Due from an associate (non-trade)	-	3	3	3
Due from hotel operators (other)	213	-	-	-
Development properties	272,234	254,972	-	-
Properties held for sale	217,350	217,882	-	-
Inventories	2,136	-	-	-
	<u>657,408</u>	<u>652,305</u>	<u>309,137</u>	<u>304,367</u>
Current Liabilities				
Trade and other payables	19,619	16,278	153	101
Other liabilities	31,203	28,355	664	2,351
Derivatives liabilities	749	515	-	-
Due to subsidiaries (non-trade)	-	-	76,510	68,503
Due to related companies (trade)	448	346	-	-
Due to related companies (non-trade)	-	42,075	-	1
Due to joint venture (non-trade)	-	130	-	-
Interest-bearing loans and borrowings	287,670	147,930	-	-
Tax payable	12,189	10,224	184	144
	<u>351,878</u>	<u>245,853</u>	<u>77,511</u>	<u>71,100</u>
Net Current Assets	305,530	406,452	231,626	233,267
Non-Current Liabilities				
Trade and other payables	18	1,946	-	-
Other liabilities	3,032	1,643	-	-
Other financial liabilities ⁽²⁾	114,716	114,689	114,716	114,689
Interest-bearing loans and borrowings	328,006	70,300	-	-
Deferred taxation	104,636	19,653	-	-
	<u>550,408</u>	<u>208,231</u>	<u>114,716</u>	<u>114,689</u>
Net Assets	732,379	372,870	280,752	282,432
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	84,445	84,445	84,445	84,445
Treasury shares	(1,101)	(1,101)	(1,101)	(1,101)
Reserves	649,047	291,192	197,408	199,088
	<u>732,391</u>	<u>374,536</u>	<u>280,752</u>	<u>282,432</u>
Non-controlling Interests	(12)	(1,666)	-	-
Total Equity	732,379	372,870	280,752	282,432

Notes to the statement of financial position of the Group:

- (1) This included short-term commercial papers and quoted investments.
- (2) The other financial liabilities comprise Fixed Rate Notes of \$115m issued from \$500m Multicurrency Medium Term Notes Programme due in 2016, net of issuance costs.

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-14		As at 31-Dec-13	
Secured	Unsecured	Secured	Unsecured
287,670	-	147,930	-

- Amount repayable after one year

(\$'000)

As at 31-Mar-14		As at 31-Dec-13	
Secured	Unsecured ⁽¹⁾	Secured	Unsecured ⁽¹⁾
328,006	114,716	70,300	114,689

Details of any collateral

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

- 1) legal mortgages on the Group's property, plant and equipment, investment properties and properties held for sale;
- 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 Accounts 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 Group.

Notes:

- (1) Unsecured borrowings repayable after one year refers to the drawdown of \$115m from \$500m Multicurrency Medium Term Notes Programme due in 2016, net of issuance costs.

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.

(All figures in \$'000)

	The Group	
	3 months ended	
	31-Mar-14	31-Mar-13
Cash flows from operating activities		
Profit before tax	356,217	11,729
Adjustments :		
Translation difference	(2,239)	-
Depreciation of property, plant and equipment	2,687	73
Depreciation of investment properties	384	-
Loss on disposal of property, plant and equipment	-	5
Amortisation expenses	27	-
Interest expense	3,220	531
Interest income	(220)	(116)
Dividend income from quoted investments	(48)	(6)
Fair value loss on financial instruments - quoted investments held for trading	936	51
Fair value gain on financial instruments - unquoted investments held for trading	(37)	(25)
Share of joint ventures' profit	2	21
Negative goodwill arising from acquisition (refer to note 1 on page 2)	(148,744)	-
Gain on remeasurement of investment in HHP to fair value upon business combination achieved in stages (refer to note 1 on page 2)	(199,933)	-
Operating cash flows before changes in working capital	12,252	12,263
<u>Changes in working capital</u>		
(Increase) / decrease in :		
Properties held for sale	532	4,636
Development properties	(16,183)	(8,842)
Inventories	8	-
Trade and other receivables	5,909	(6,855)
Other assets	(803)	17
Prepaid operating expenses	101	(12)
Due from associate (non-trade)	43,145	-
Due from related company (trade)	593	(8)
Due from related company (non-trade)	4	2
Due from a joint venture (trade)	15,966	(564)
Due from a joint venture (non-trade)	9,068	-
Due from a hotel operators (other)	(19)	-
Increase / (decrease) in :		
Trade and other payables	(6,098)	(2,104)
Other liabilities	(5,247)	(1,306)
Due to a joint venture (non-trade)	(48,305)	3
Due to related company, trade	(16,213)	(356)
Due to related company, non-trade	(146)	-
	(5,436)	(3,126)
Income tax paid	(212)	(72)
Net cash flows used in operating activities carried forward	(5,648)	(3,198)

(All figures in \$'000)

	The Group	
	3 months ended	
	31-Mar-14	31-Mar-13
Net cash flows used in operating activities brought forward	(5,648)	(3,198)
Cash flows from investing activities		
Interest income received	220	46
Dividend income received	48	5
Purchase of property, plant and equipment	(282)	(13)
Disposal of investment properties	-	3,520
Purchase of quoted investments	(6)	-
Net cash outflow on acquisition of subsidiaries ⁽¹⁾	(197,216)	-
Net cash flows (used in) / generated from investing activities	(197,236)	3,558
Cash flow from financing activities		
Interest paid	(4,704)	(688)
Repayment of bank borrowings	(11,569)	(38,363)
Repayment of lease obligations	(7)	(42)
Loan from related companies	-	8,372
Repayment of loan from joint ventures	-	(1,392)
Proceeds from bank borrowings	208,100	33,000
Net cash flows generated from financing activities	191,820	887
Net (decrease) / increase in cash and cash equivalents	(11,064)	1,247
Cash and cash equivalents at beginning of period	115,932	20,600
Cash and cash equivalents at end of period	104,868	21,847
<u>Cash and cash equivalents comprise of:</u>		
Cash and bank balances	66,456	8,347
Fixed deposits	38,412	13,500
	<u>104,868</u>	<u>21,847</u>

Notes to the consolidated statement of cash flows of the Group:

(1) Acquisitions of subsidiaries and joint ventures (see 1(a) on page 1)

The fair value of the identifiable assets and liabilities of SuperBowl, GLV and HHP as at the acquisition date on 28 February 2014 were:

(All figures in \$'000)	Fair value of identifiable assets and liabilities
Cash and cash equivalents	39,473
Trade and other receivables	54,118
Inventories	2,145
Other current assets	709
Other investments	10,799
Property, plant and equipment	722,826
Investment properties	87,750
Other non-current assets	38
Total assets	<u>917,858</u>
Trade and other payables	34,819
Current income tax liabilities	2,085
Deferred income tax liabilities	83,621
Interest-bearing loans and borrowings	197,785
Total liabilities	<u>318,310</u>
Identifiable net assets acquired	599,548
Fair value of equity interest in GLV held by the Group immediately before the acquisition	(6,728)
Negative goodwill arising from acquisition	(148,744)
Gain on remeasurement of investment in HHP to fair value upon business combination achieved in stages	(199,933)
Purchase consideration	244,143
Unpaid portion of purchase consideration	(7,454)
Cash consideration paid	236,689
Cash and cash equivalents in subsidiaries acquired	(39,473)
Net cash outflow on acquisition of subsidiaries	<u>197,216</u>

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 equity holders of the Company										Total	Non-controlling interests	Total equity	
	Share capital (1)	Treasury shares	Accumulated profits	Dividend reserve	Capital reserve	Foreign currency reserve	Hedging reserve	Gain on reissuance of treasury shares	Other reserve	Total reserves				
The Group														
(All figures in \$'000)														
At 1 January 2014	84,445	(1,101)	298,069	3,764	(7,672)	(3,955)	934	52	-	291,192	374,536	(1,666)	372,870	
Profit for the period	-	-	354,237	-	-	-	-	-	-	354,237	354,237	(12)	354,225	
Fair value gain on net investment hedge	-	-	-	-	-	-	2,316	-	-	2,316	2,316	-	2,316	
Foreign currency translation	-	-	-	-	-	2,955	-	-	-	2,955	2,955	-	2,955	
Total comprehensive income for the period	-	-	354,237	-	-	2,955	2,316	-	-	359,508	359,508	(12)	359,496	
<u>Contributions by and distributions to owners</u>														
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	
Premium for acquisition of NCI	-	-	-	-	-	-	-	-	(1,653)	(1,653)	(1,653)	1,666	13	
Transfer from unappropriated profit to dividend reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(1,653)	(1,653)	(1,653)	1,666	13	
At 31 March 2014	84,445	(1,101)	652,306	3,764	(7,672)	(1,000)	3,250	52	(1,653)	649,047	732,391	(12)	732,379	
At 1 January 2013	84,445	(1,101)	227,516	2,353	(7,671)	-	-	52	-	222,250	305,594	(274)	305,320	
Profit for the period	-	-	10,173	-	-	-	-	-	-	10,173	10,173	(389)	9,784	
Fair value gain on net investment hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	
Foreign currency translation	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the period	-	-	10,173	-	-	-	-	-	-	10,173	10,173	(389)	9,784	
<u>Contributions by and distributions to owners</u>														
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer from unappropriated profit to dividend reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	-	-	-	-	-	
At 31 March 2013	84,445	(1,101)	237,689	2,353	(7,671)	-	-	52	-	232,423	315,767	(663)	315,104	

The Company	Share capital	Treasury shares	Accumulated profits	Dividend reserve	Gain on reissuance of treasury shares	Total reserves	Total equity
(All figures in \$'000)							
At 1 January 2014	84,445	(1,101)	195,271	3,765	52	199,088	282,432
Profit for the period	-	-	(1,680)	-	-	(1,680)	(1,680)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(1,680)	-	-	(1,680)	(1,680)
<u>Contributions by and distributions to owners</u>							
Transfer from unappropriated profits to dividend reserve	-	-	-	-	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-
Total contributions by and distribution to owners	-	-	-	-	-	-	-
At 31 March 2014	84,445	(1,101)	193,591	3,765	52	197,408	280,752
At 1 January 2013	84,445	(1,101)	82,751	2,353	52	85,156	168,500
Profit for the period	-	-	67	-	-	67	67
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	67	-	-	67	67
<u>Contributions by and distributions to owners</u>							
Transfer from unappropriated profits to dividend reserve	-	-	-	-	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-
Total contributions by and distribution to owners	-	-	-	-	-	-	-
At 31 March 2013	84,445	(1,101)	82,818	2,353	52	85,223	168,567

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 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)

	<u>Number of Ordinary Shares</u>	
	<u>3 months ended</u>	
	31-Mar-14	31-Mar-13
Balance at 31 March	<u>470,557,541</u>	<u>470,557,541</u>

Treasury Shares

	<u>Number of Treasury Shares</u>	
	<u>3 months ended</u>	
	31-Mar-14	31-Mar-13
Balance at 31 March	<u>3,999,850</u>	<u>3,999,850</u>

During the period ended 31 March 2014, there was no change to the issued share capital of the Company.

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 2014 is 470,557,541 (31 December 2013: 470,557,541).

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 Note 5, 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 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.

In the current financial period, the Group and the Company adopted the new Financial Reporting Standards (“FRS”) and Amendments to FRS that are effective for annual periods beginning on or after 1 January 2014.

The adoption of the new FRSs and Amendments to FRSs did not result in any substantial change to the Group and the Company’s accounting policies nor any material 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.

	The Group	
	3 months ended	
	31-Mar-14	31-Mar-13
Earning per share (cents)		
Basic ⁽¹⁾	75.28	2.16
Diluted ⁽¹⁾	75.28	2.16
Weighted average number of shares		
Basic	470,557,541	470,557,541
Diluted	470,557,541	470,557,541

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

Notes:

(1) The increase was mainly due to:

- Negative goodwill arising from the acquisition of SuperBowl. The negative goodwill was the excess of net acquisition-date amounts of the identifiable fair value assets acquired and the liabilities assumed over the amount of consideration transferred. (refer to note 1 on page 2)
- The Group recognised a gain of \$199.9m as a result of measuring at fair value its 50% equity interest in HHP held before the business combination. (refer to note 2 on page 2)

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**

	The Group		The Company	
	31-Mar-14	31-Dec-13	31-Mar-14	31-Dec-13
Net assets value per share (cents) ⁽¹⁾	155.64	79.59	59.66	60.02
Based on number of shares	470,557,541	470,557,541	470,557,541	470,557,541

Net assets value per share is calculated based on the equity attributable to the equity holders of the parent excluding the non-controlling interests divided by the number of shares excluding treasury shares.

Notes:

- (1) The increase was mainly due to the net assets acquired in connection with the acquisition of SuperBowl.

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

(All figures in \$'000)	3 months ended 31-Mar-14		3 months ended 31-Mar-13		%
	Development properties	22,045	70.7%	30,347	
Rental	4,894	15.7%	-	-	NM
Hotel operations	3,262	10.5%	-	-	NM
Leisure business	994	3.1%	-	-	NM
	31,195	100%	30,347	100%	2.8

The Group recorded revenue of \$31.2m for the first quarter ended 31 March 2014 ("1Q2014"), a 2.8% increase from \$30.3m recorded in the previous corresponding period ended 31 March 2013 ("1Q2013").

The increase was mainly due to \$3.6m rental revenue generated from the investment properties in Australia which were acquired in the fourth quarter of the last financial year, and from SuperBowl, \$1.3m rental revenue, \$3.3m revenue from hotel operations and \$1.0m revenue from leisure business.

The above increases of \$9.2m were offset by the decrease of \$8.3m in sales income and project income. The decrease in sales income was due to lesser progressive revenue recognition from *Waterscape at Cavenagh*, whereas the decrease in project income was due to the absence of revenue from construction of the hotel/commercial properties at Zhongshan Park which were completed in 3Q2013.

Profit

Gross profit for 1Q2014 increased by 22.5% from \$14.0m in 1Q2013 to \$17.1m. The increase was primarily due to higher revenue.

The increase in other income was mainly due to the gain on foreign exchange which arose from the strengthening of the Singapore Dollar against the Australian Dollar.

Financial income more than doubled to \$220,000 in 1Q2014, from \$116,000 in the previous corresponding period, as the Group purchased more commercial papers and placed more of its funds in fixed deposits.

Following the acquisition of SuperBowl on 28 February 2014, the Group recognised a negative goodwill arising from the acquisition of \$148.7m and a gain on remeasurement of investment in HHP to fair value upon business combination achieved in stages of \$199.9m. Moving forward the Group's performance will accordingly be benchmark against the effect of such gains and any corresponding costs (such as depreciation).

The decrease in distribution and selling expenses of 61.2% was in line with the decrease in sales of development properties and project income.

The Group's administrative expenses increased to \$8.4m in 1Q2014 from \$1.6m in 1Q2013. The increase in administrative expenses was mainly due to the (i) administrative expenses of approximately \$2.7m attributable to SuperBowl following the completion of the acquisition; (ii) depreciation of \$2.9m attributable to the surplus value of property, plant and equipment and investment properties, and the investment properties in Australia which were acquired in the fourth quarter of the last financial year; and (iii) increase in legal and professional fees of S\$0.5m relating to the acquisition of SuperBowl.

The Group recorded an increase in financial expenses to \$3.2m in 1Q2014 as compared to \$0.5m in 1Q2013 partly due to the interest expenses for the fixed rate notes and increase in bank loans.

Tax Expenses

Group taxation increased to \$2.0m from \$1.9m in 1Q2013 was mainly due to provision made for deferred taxation in relation to profits recognised for the sold units of uncompleted project as well as withholding tax.

Net Profit

Taking into consideration of the above factors, the Group's net profit after tax increased to \$354.2m in 1Q2014, compared to \$9.8m in 1Q2013.

Review of Financial Position

Non-current assets

The increase in non-current assets of \$802.6m from \$174.6m as at 31 December 2013 to \$977.2m as at 31 March 2014 was mainly attributable to:

- Increase in property, plant and equipment of \$717.5m due to property, plant and equipment acquired in connection with the acquisition of SuperBowl, and fair value adjustment.
- Increase in investment properties of \$92.1m due to investment properties acquired in connection with the acquisition of SuperBowl, and fair value adjustment.

Current assets

The increase in current assets of \$5.1m or 0.8% from \$652.3m as at 31 December 2013 to \$657.4m as at 31 March 2014 was due to:

- Increase in other investments to \$34.6m from \$24.6m as at 31 December 2013, mainly due to other investments of \$10.8m acquired in connection with the acquisition of SuperBowl.
- Increase in development properties by 6.8% from \$255.0m as at 31 December 2013 to \$272.2m. The increase was mainly due to the construction in progress for Waterscape at Cavenagh amounted to \$11.2m, work in progress for an industrial property in Kallang Pudding amounted to \$2.4m, and development cost of Pearl River project in Australia amounted to \$3.6m.
- Increase in derivative assets by \$2.4m from \$0.9m as at 31 December 2013 to \$3.3m as at 31 March 2014 due to the fair value changes in derivative instruments.

The above increases were offset by the decrease in:

- Trade and other receivables decreased to \$10.3m from \$12.2m mainly due to lower progress billing receivables from units sold at Waterscape at Cavenagh.

Current liabilities

The increase in current liabilities of \$106.0m from \$245.9m as at 31 December 2013 to \$351.9m as at 31 March 2014 was mainly attributable to:

- Increase in trade and other payable to \$19.6m from \$16.3m as at 31 December 2013 due to trade and other payables acquired in connection with the acquisition of SuperBowl.
- Increase in interest-bearing loans and bank borrowings from \$147.9m in 31 December 2013 to \$287.7m in 31 March 2014 mainly due to loan drawdown for the financing of the acquisition of SuperBowl.
- Increase in tax payables mainly due to provision of tax on profit of units sold for Skyline 360° and Signature at Lewis, and \$1.8m acquired in connection with the acquisition of SuperBowl.

Non-current liabilities

The increase in non-current liabilities of \$342.2m from \$208.2m as at 31 December 2013 to \$550.4m as at 31 March 2014 was mainly attributable to:

- Increase in interest-bearing loans and bank borrowings from \$70.3m as at 31 December 2013 to \$328.0m as at 31 March 2014 mainly due to interest-bearing loans and bank borrowings obtained in connection with the acquisition of SuperBowl.
- Increase in deferred taxation from \$19.7m to \$104.6m mainly due to recognition of profit on Waterscape at Cavenagh units sold prior to its Temporary Occupation Permit being obtained and the deferred tax on the surplus value of property, plant and equipment.

Cash Flow

The Group recorded net cash used in operating activities of \$5.6m in 1Q2014 as compared to \$3.2m in 1Q2013, mainly due to:

- The net increase in development properties of \$16.2m in 1Q2014 reflected higher development costs incurred in this period.
- Trade and other receivables recorded a net decrease of \$5.9m in 1Q2014 compared to the previous corresponding period, in view of progress billings that were received from sold units.
- The net decrease of \$5.2m in other liabilities for 1Q2014 was due to cost accrued that was paid.

Net cash used in investing activities amounted to \$197.2m in 1Q2014 mainly due to the acquisition of SuperBowl.

The Group recorded net cash generated from financing activities of \$191.8m in 1Q2014 mainly due to proceeds from the bank borrowings of \$208.1m, offset by repayment of bank borrowings of \$11.6m.

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

There is no forecast, or prospect statement previously disclosed to shareholders.

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.

In view of the lacklustre property market in Singapore, the Group will continue to step-up its marketing efforts to sell the remaining units of its residential projects.

The Group will continue to adopt a prudent approach in its land acquisition programme to ensure that it remains well positioned in a challenging environment.

The construction of the Group's industrial development at Kallang Pudding is currently in progress. It is targeted to be launched in the second half of 2014 and temporary occupation permit targeted for 2016.

With the acquisition of SuperBowl and the joint ventures (GLV and HHP), there will be additional streams of revenue coming from rental, hotel operations and leisure business.

For the Group's property in Australia, its intention is to develop 6 -22 Pearl River Road in Melbourne. The mixed development will consist of 2 residential towers with 463 apartments and a 269 keys hotel. The Group will also commence sales launch of the residential towers in third quarter of 2014.

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. 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.

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 2014	3 months ended 31 March 2014
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 \$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 \$Nil)	NA
SuperBowl Holdings Limited (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd) ¹	Contribution by the Company of its 60% proportion of the loan extended to : - Hiap Hoe SuperBowl JV Pte. Ltd. (Value of loan amounting to \$2,758,000) Interest income amounting to \$80,000	Construction of 2 blocks of 12-Storey residential flats for Hiap Hoe SuperBowl JV Pte. Ltd. (Value of transaction amounting to \$Nil)
SuperBowl Holdings Limited (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd) ¹		Provision of Interior Fittings for showflats of Hiap Hoe SuperBowl JV Pte Ltd (Value of transactions amounting to \$Nil)

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 2014	3 months ended 31 March 2014
SuperBowl Holdings Limited (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd) ¹	Contribution by the Company of its 50% proportion of the loan to : - HH Properties Pte. Ltd. (Value of loan repayment amounting to \$Nil) Interest income amounting to \$Nil	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. (Value of transactions amounting to \$293,000) Provision of Equipments and Fittings for hotel rooms for HH Properties Pte Ltd (Value of transactions amounting to \$Nil)
SuperBowl Management Pte Ltd (A subsidiary of SuperBowl Holdings Limited) ¹	Contribution by the Group of its 60% proportion of the loan : - Goodluck View Development (Value of loan repayment amounting to \$Nil) Interest income amounting to \$Nil	Construction of 2 blocks of 5-storey residential flats for Goodluck View Development (Value of transactions amounting to \$Nil)

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.

¹ The above interested person transactions only reflected for the period from 1 January to 28 February 2014. Wef 31 March 2014, the Group acquired 97.8% of the issued and paid-up share capital of SuperBowl Holdings Limited and its subsidiaries.

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

We, on behalf of the directors of Hiap Hoe Limited, hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of Hiap Hoe Limited which may render the unaudited financial results of Hiap Hoe Limited for the first quarter ended 31 March 2014 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lai Foon Kuen
Company Secretary
12 May 2014