



Hiap Hoe Limited
(Registration No.: 199400676Z)

UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2018

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, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group		
	3 months ended		%
	31-Mar-18 \$'000	31-Mar-17 \$'000	
Revenue	49,254	25,318	94.5
<u>Other items of income</u>			
Dividend income	629	562	11.9
Financial income	727	818	(11.1)
Other income	992	2,502	(60.4)
	2,348	3,882	(39.5)
Changes in development properties	(15,852)	(5,092)	211.3
Employee benefits expense	(7,139)	(6,674)	7.0
Depreciation expense	(6,646)	(5,159)	28.8
Other expenses	(12,517)	(7,901)	58.4
Finance cost	(2,800)	(1,571)	78.2
Fair value changes in financial instruments	(2,081)	3,354	(162.0)
Foreign exchange (loss)/gain	(3,965)	2,353	(268.5)
Profit before tax	602	8,510	(92.9)
Income tax expense	(1,955)	(1,411)	38.6
(Loss)/Profit for the period	(1,353)	7,099	(119.1)
Attributable to :			
Owners of the Company	(1,340)	7,082	(118.9)
Non-controlling interests	(13)	17	(176.5)
Total	(1,353)	7,099	(119.1)

Statement of Comprehensive Income for the Group for the First Quarter Ended 31 March 2018

	The Group	
	3 months ended	
	31-Mar-18	31-Mar-17
	\$'000	\$'000
(Loss)/Profit for the period	(1,353)	7,099
Other comprehensive income items that may be reclassified subsequently to profit or loss		
Foreign currency translation	(6,701)	3,347
Other comprehensive (loss)/income for the period, net of tax of nil	(6,701)	3,347
Total comprehensive (loss)/income for the period	(8,054)	10,446
Attributable to :		
Owners of the Company	(8,041)	10,429
Non-controlling interests	(13)	17
Total comprehensive (loss)/income for the period	(8,054)	10,446

Additional Information

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

	The Group		
	3 months ended		
	31-Mar-18	31-Mar-17	%
	\$'000	\$'000	
Depreciation of property, plant and equipment	5,431	4,229	28.4
Depreciation of investment properties	1,215	930	30.6
Loss/(gain) on disposal of property, plant and equipment	12	(56)	(121.4)
Property, plant and equipment written off	4	-	NM
Fair value changes in held-for-trading investments	2,035	(3,348)	(160.8)
Fair value changes in derivative instruments	46	(6)	(866.7)
Impairment/(written back) of trade receivables	6	(429)	(101.4)
Bad debts written off - trade	-	33	NM
Loss on disposal of investments	9	14	(35.7)
Amortisation of deferred income	(22)	-	NM
Write back of other provision	-	(999) ⁽¹⁾	NM

NM – Not meaningful

Note:

⁽¹⁾ This relates to the write back of provision for tenancy and contract matters arising from the disposal of our Australian properties.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group		The Company	
	31-Mar-18 \$'000	31-Dec-17 \$'000	31-Mar-18 \$'000	31-Dec-17 \$'000
Non-Current Assets				
Property, plant and equipment	789,946	797,141	230	251
Investment properties	368,532	372,832	-	-
Subsidiaries	-	-	479,669	479,669
Joint venture	-	-	14,458	13,379
Other assets	30	106	-	-
Other receivables	209	204	-	-
Deferred tax assets	1,889	1,838	-	-
	1,160,606	1,172,121	494,357	493,299
Current Assets				
Cash and short-term deposits	84,437	73,452	127	174
Other investments ⁽¹⁾	129,804	117,711	-	-
Trade and other receivables	4,294	3,770	-	-
Other assets	8,543	11,335	-	-
Derivatives - assets	441	275	-	-
Prepaid operating expenses	1,083	959	31	20
Due from subsidiaries, trade	-	-	221	211
Due from subsidiaries, non-trade	-	-	216,336	214,655
Due from related companies, non-trade	3	-	-	-
Completed properties for sale	108,326	126,486	-	-
Inventories	2,770	2,810	-	-
	339,701	336,798	216,715	215,060
Current Liabilities				
Trade and other payables	10,778	27,163	110	31
Other liabilities	17,215	21,355	336	748
Derivatives - liabilities	222	9	-	-
Due to subsidiaries, trade	-	-	14	68
Due to subsidiaries, non-trade	-	-	112,377	110,598
Due to related companies, trade	32	67	-	-
Due to related companies, non-trade	2	-	-	-
Interest-bearing loans and borrowings	309,381	474,297	18	24
Tax payable	16,863	15,139	690	627
	354,493	538,030	113,545	112,096
Net Current (Liabilities)/Assets⁽²⁾	(14,792)	(201,232)	103,170	102,964
Non-Current Liabilities				
Other liabilities	4,113	4,995	-	-
Due to subsidiary, non-trade	-	-	80,024	80,024
Interest-bearing loans and borrowings	276,521	92,245	-	-
Deferred tax liabilities	82,265	82,680	-	-
	362,899	179,920	80,024	80,024
Net Assets	782,915	790,969	517,503	516,239
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	695,991	704,032	434,159	432,895
	779,335	787,376	517,503	516,239
Non-controlling interests	3,580	3,593	-	-
Total Equity	782,915	790,969	517,503	516,239

Notes:

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

⁽²⁾ The Group is in a net current liabilities position mainly due to maturity of borrowings within the next 12 months. The Group has sufficient banking facilities available to refinance the portion of borrowings which are maturing within the next 12 months.

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 18		As at 31 Dec 17	
Secured	Unsecured	Secured	Unsecured
309,381	-	474,297	-

Amount repayable after one year

(\$'000)

As at 31 Mar 18		As at 31 Dec 17	
Secured	Unsecured	Secured	Unsecured
276,521	-	92,245	-

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 completed properties for sale (collectively, the "Properties");
- 2) Legal assignment of all rights and benefits under the sale and purchase agreements and/or tenancy agreements;
- 3) The building contracts of certain Properties;
- 4) Assignment of all insurance policies and interest service reserve account for certain Properties;
- 5) Deed of subordination to subordinate all loans and advances from the Company to the facilities;
- 6) Corporate guarantees given by the Company and certain subsidiaries; and
- 7) A charge over certain trading investments, cash and short-term deposits.

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	The Group	
	3 months ended	
	31-Mar-18	31-Mar-17
	\$'000	\$'000
Cash flows from operating activities		
Profit before taxation	602	8,510
Adjustments for:		
Amortisation of deferred income	22	-
Depreciation of investment properties	1,215	930
Depreciation of property, plant and equipment	5,431	4,229
Dividend income from investments	(629)	(562)
Fair value changes in held-for-trading investments	2,035	(3,348)
Fair value changes in derivative instruments	46	(6)
Loss/(gain) on disposal of property, plant and equipment	12	(56)
Impairment/(written back) of trade receivables	6	(429)
Interest expenses	2,800	1,571
Interest income	(727)	(818)
Loss on disposal of investments	9	14
Property, plant and equipment written off	4	-
Write back of other provision	-	(999)
Exchange difference	3,032	25
Operating cash flows before changes in working capital	13,858	9,061
<u>Changes in working capital</u>		
(Increase)/decrease in :		
Completed properties for sale/development properties	15,852	(22,002)
Inventories	40	(12)
Trade and other receivables	(729)	2,117
Other assets	2,439	(411)
Prepaid operating expenses	(141)	(13)
Due from related company, trade	-	4
Due from related company, non-trade	(3)	-
Increase/(decrease) in :		
Trade and other payables	(15,557)	(1,429)
Other liabilities	(4,595)	(3,842)
Due to related company, trade	(35)	(16)
Due to related company, non-trade	2	-
	11,131	(16,543)
Income tax paid	(339)	(140)
Net cash flows generated from/(used in) operating activities carried forward	10,792	(16,683)

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. (Cont'd)**

	The Group	
	3 months ended	
	31-Mar-18	31-Mar-17
	\$'000	\$'000
Net cash flows generated from/(used in) operating activities brought forward	10,792	(16,683)
Cash flows from investing activities		
Interest income received	895	801
Dividend income received and return of capital	999	1,815
Purchase of property, plant and equipment	(257)	(5,452)
Purchase of held-for-trading investments	(33,182)	(21,994)
Proceeds from disposal of held-for-trading investments	18,675	12,611
Proceeds from disposal of property, plant and equipment	39	118
Changes in funds placed with fund managers	(739)	(154)
Net cash flows used in investing activities	(13,570)	(12,255)
Cash flow from financing activities		
Interest paid	(2,696)	(1,636)
Cash and bank balances pledged	(8,587)	(3,732)
Repayment of loans and borrowings	(268,737)	(58,212)
Repayment of lease obligations	(46)	(26)
Proceeds from loans and borrowings	286,536	77,736
Net cash flows generated from financing activities	6,470	14,130
Net increase/(decrease) in cash and cash equivalents	3,692	(14,808)
Effect of exchange rate changes on cash and cash equivalents	(2,033)	266
Cash and cash equivalents at beginning of period	70,337	27,590
Cash and cash equivalents at end of period	71,996	13,048
<u>Cash and cash equivalents comprise:</u>		
Cash and bank balances	58,464	13,984
Fixed deposits	25,973	4,300
	84,437	18,284
Cash and bank balances pledged	(10,978)	(3,732)
Cash held by fund managers	(1,463)	(1,504)
Cash and cash equivalents	71,996	13,048

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.

Statement of changes in equity for the period from 1 January 2018 to 31 March 2018 and 1 January 2017 to 31 March 2017

	Attributable to equity holders of the Company							Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Accumulated profits	Capital reserve	Foreign currency reserve	Gain on reissuance of treasury shares	Total reserves			
The Group (All figures in \$'000)										
At 1 January 2018	84,445	(1,101)	721,911	(7,672)	(10,259)	52	704,032	787,376	3,593	790,969
Loss for the period	-	-	(1,340)	-	-	-	(1,340)	(1,340)	(13)	(1,353)
Foreign currency translation	-	-	-	-	(6,701)	-	(6,701)	(6,701)	-	(6,701)
Other comprehensive loss net of tax of nil	-	-	-	-	(6,701)	-	(6,701)	(6,701)	-	(6,701)
Total comprehensive loss for the period	-	-	(1,340)	-	(6,701)	-	(8,041)	(8,041)	(13)	(8,054)
<u>Contributions by and distributions to owners</u>										
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	-	-
At 31 March 2018	84,445	(1,101)	720,571	(7,672)	(16,960)	52	695,991	779,335	3,580	782,915
At 1 January 2017	84,445	(1,101)	648,501	(7,672)	(8,995)	52	631,886	715,230	3,584	718,814
Profit for the period	-	-	7,082	-	-	-	7,082	7,082	17	7,099
Foreign currency translation	-	-	-	-	3,347	-	3,347	3,347	-	3,347
Other comprehensive income net of tax of nil	-	-	-	-	3,347	-	3,347	3,347	-	3,347
Total comprehensive income for the period	-	-	7,082	-	3,347	-	10,429	10,429	17	10,446
<u>Contributions by and distributions to owners</u>										
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	-	-
At 31 March 2017	84,445	(1,101)	655,583	(7,672)	(5,648)	52	642,315	725,659	3,601	729,260

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. (Cont'd)

Statement of changes in equity for the period from 1 January 2018 to 31 March 2018 and 1 January 2017 to 31 March 2017

<u>The Company</u> (All figures in \$'000)	Share capital	Treasury shares	Accumulated profits	Gain on reissuance of treasury shares	Total reserves	Total equity
At 1 January 2018	84,445	(1,101)	432,843	52	432,895	516,239
Profit for the period	-	-	1,264	-	1,264	1,264
Total comprehensive income for the period	-	-	1,264	-	1,264	1,264
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares	-	-	-	-	-	-
Total contributions by and distribution to owners	-	-	-	-	-	-
At 31 March 2018	84,445	(1,101)	434,107	52	434,159	517,503
At 1 January 2017	84,445	(1,101)	388,689	52	388,741	472,085
Profit for the period	-	-	1,312	-	1,312	1,312
Total comprehensive income for the period	-	-	1,312	-	1,312	1,312
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares	-	-	-	-	-	-
Total contributions by and distribution to owners	-	-	-	-	-	-
At 31 March 2017	84,445	(1,101)	390,001	52	390,053	473,397

- 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>31-Mar-18</u>	<u>31-Mar-17</u>
Balance as at	<u>470,557,541</u>	<u>470,557,541</u>

Treasury Shares

	<u>Number of Treasury Shares</u>	
	<u>31-Mar-18</u>	<u>31-Mar-17</u>
Balance as at	<u>3,999,850</u>	<u>3,999,850</u>

During the period ended 31 March 2018, 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 2018 is 470,557,541 (31 December 2017: 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 by the Company's auditors.

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

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 Accounting Standards Council announced on 29 May 2014 that Singapore-incorporated companies listed on the Singapore Exchange will apply a new financial reporting framework identical to the International Financial Reporting Standards. The Group have adopted the new financial reporting framework on 1 January 2018 and thereafter Singapore Financial Reporting Standards (International) ("**SFRS(I)**"), including SFRS(I) Interpretation issued by ASC on 29 December 2017.

The Group has performed an assessment of the impact of SFRS(I) 1 for the transition to the new reporting framework and the Group does not expect to change its existing accounting policies on adoption of the new framework on 1 January 2018.

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 2017.

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 SFRS(I) and Amendments to SFRS(I) that are effective for annual periods beginning on or after 1 January 2018.

The adoption of the new SFRS(I) and Amendments to SFRS(I) did not result in any substantial change to the Group and the Company's accounting policies or 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-18	31-Mar-17
Earning per share (cents)		
Basic	(0.28)	1.51
Diluted	(0.28)	1.51
Weighted average number of shares		
Basic	470,557,541	470,557,541
Diluted	470,557,541	470,557,541

Earnings per share are 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 period reported on and (b) immediately preceding financial year.**

	The Group		The Company	
	31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
Net assets value per share (cents)	165.62	167.33	109.98	109.71
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.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Consolidated Income Statement – first quarter ended 31 March 2018 (“1Q2018”) performance

Revenue

	3 months ended 31-Mar-18		3 months ended 31-Mar-17		
	\$'000	%	\$'000	%	
Development properties	22,190	45.1	6,696	26.5	231.4
Rental	7,844	15.9	6,608	26.1	18.7
Hotel operations	17,253	35.0	10,411	41.1	65.7
Leisure business	1,967	4.0	1,603	6.3	22.7
	<u>49,254</u>	100	<u>25,318</u>	100	94.5

The Group recorded revenue of \$49.3 million in the 3 months ended 31 March 2018 (“1Q2018”), an increase of \$24.0 million from \$25.3 million recorded in the previous corresponding period ended 31 March 2017 (“1Q2017”).

Revenue from development properties from sale of units at Marina Tower, Melbourne, had increased by \$15.5 million from \$6.7 million in 1Q2017 to \$22.2 million in 1Q2018.

Rental revenue increased from \$6.6 million in 1Q2017 to \$7.8 million in 1Q2018. This was due to rental revenue from Orchard Towers units acquired in December 2017 and higher occupancies for the Group's other properties.

Revenue from hotel operations increased by \$6.9 million from \$10.4 million in 1Q2017 to \$17.3 million in 1Q2018. The increase was mainly attributable to the hotel operations in Four Points by Sheraton, Melbourne, which commenced operations on 28 March 2017 and the Holiday Inn Express Trafford City, Manchester, following completion of the acquisition of Trafford City Hotel Limited on 16 June 2017.

The leisure business saw an increase in revenue by \$0.4 million from \$1.6 million in 1Q2017 to \$2.0 million in 1Q2018 partly due to two additional bowling centres in the Group.

Profit before tax

The Group registered a profit before tax of \$0.6 million and \$8.5 million in 1Q2018 and 1Q2017 respectively.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (Cont'd)**

Finance income decreased by \$0.1 million in 1Q2018 as compared to 1Q2017 due to lower interest income from commercial papers.

Other income decreased by \$1.5 million in 1Q2018 as compared to 1Q2017. Included in 1Q2017 was a write back of \$1.0 million provision for tenancy and contract matters relating to the disposal of our Australian properties.

Changes in development properties in 1Q2018 were due to the sale of units in Marina Tower, Melbourne.

Employee benefits expense increased by \$0.4 million from \$6.7 million in 1Q2017 to \$7.1 million in 1Q2018 mainly due to the new hotel operations in Melbourne.

Depreciation expense increased by \$1.5 million in 1Q2018 as compared to 1Q2017 due to additional depreciation expense from the new hotels in the Group as well as the newly acquired investment property at Orchard Towers.

Other expenses increased by \$4.6 million from \$7.9 million in 1Q2017 to \$12.5 million in 1Q2018. The increases were mainly due to selling expenses for Marina Tower, Melbourne and operating costs for the Group's hotels.

The Group recorded an increase of \$1.2 million in finance cost in 1Q2018 as compared to 1Q2017 due to higher borrowings in the Group.

The Group recorded in 1Q2018 a foreign exchange loss of \$4.0 million due to the weakening of Australian dollar as compared to a foreign exchange gain of \$2.4 million in 1Q2017. Included in 1Q2018 was also a fair value loss in financial instruments of \$2.1 million as compared to a fair value gain of \$3.4 million in 1Q2017.

Tax Expense

The Group recorded a higher tax expense of \$2.0 million in 1Q2018 as compared to tax expense of \$1.4 million in 1Q2017 due mainly to the gains on sale of Marina Tower.

Net (Loss)/Profit

The Group registered a net loss after tax of \$1.3 million in 1Q2018 and a net profit after tax of \$7.1 million in 1Q2017 respectively.

Consolidated Statement of Financial Position as at 31 March 2018

Non-current assets

Non-current assets decreased by \$11.5 million as compared to 31 December 2017 mainly due to depreciation charge of \$6.6 million in 1Q2018 and translation differences for the overseas properties.

Current assets

The sale proceeds of Marina Tower, Melbourne (less payment for related development cost) has increased the cash and short-term deposits of the Group. Other investments increased by \$12.1 million during the period which was funded by borrowings. Current assets overall increased by \$2.9 million as at 31 March 2018 as compared to 31 December 2017.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (Cont'd)**

Current liabilities

The decrease in current liabilities of \$183.5 million from \$538.0 million as at 31 December 2017 to \$354.5 million as at 31 March 2018 was mainly due to reclassification of interest-bearing loans and borrowings to non-current liabilities, following the loan which was refinanced.

Non-current liabilities

The increase in non-current liabilities of \$183.0 million from \$179.9 million as at 31 December 2017 to \$362.9 million as at 31 March 2018 was due to the reclassification of interest-bearing loans and borrowings as mentioned above.

Consolidated Statement of Cash Flows Position as at 31 March 2018

The Group recorded in 1Q2018 a net cash generated from operating activities of \$10.8 million mainly from cash inflow from the sale of properties at Marina Tower, Melbourne. While in 1Q2017, a net cash used of \$16.7 million was recorded due to cash outflow for the development properties in respect of Marina Tower.

Net cash used in investing activities amounted to \$13.6 million and \$12.3 million in 1Q2018 and 1Q2017 respectively, mainly due to increase in financial investments.

Net cash generated from financing activities amounted to \$6.5 million and \$14.1 million in 1Q2018 and 1Q2017 respectively, mainly due to increase in bank borrowings.

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

The results reported herein are in line with the announcements previously made.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group will continue to manage our recurring rental income by increasing both the yields and occupancy rates of the properties and will seize opportunities to expand our portfolio of properties locally and overseas.

The Group expects the hotel sector to remain competitive both locally and overseas and this sector to contribute positively to the Group's revenue in the next 12 months.

In relation to Marina Tower, Melbourne, the completion of units sold will continue in the next 12 months.

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 2018	3 months ended 31 March 2018
Nil	Nil	Nil

14. Confirmation Pursuant to Rule 720(1) of the Listing Manual

The Company hereby confirms that it has procured undertaking from all directors and executive officers under Rule 720(1).

By Order of the Board

Ong Beng Hong
Joint Company Secretary
8 May 2018

Confirmation by the Board 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 2018 to be false or misleading in any material respect.

On behalf of the Board of Directors

Teo Ho Beng
Executive Director / Chief Executive Officer

Roland Teo Ho Kang
Managing Director