



Hiap Hoe Limited
(Registration No. : 199400676Z)

Unaudited Financial Statements for the Third Quarter Ended 30 September 2013

- 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.

Income Statement for the Group for the Third Quarter Ended 30 September 2013

(All figures in \$'000)

	The Group			The Group		
	3 months ended			9 months ended		
	30-Sep-13	30-Sep-12	%	30-Sep-13	30-Sep-12	%
Revenue	81,095	40,826	98.6	191,744	121,245	58.1
Cost of sales	(42,985)	(27,264)	57.7	(101,390)	(77,399)	31.0
Gross profit	<u>38,110</u>	<u>13,562</u>	181.0	<u>90,354</u>	<u>43,846</u>	106.1
Other items of income						
Other income	3,390	356	852.2	3,976	1,113	257.2
Financial income	163	89	83.1	423	211	100.5
Other items of expenses						
Distribution and selling expenses	(833)	(136)	512.5	(2,892)	(552)	423.9
Administrative expenses	(2,099)	(887)	136.6	(5,568)	(2,544)	118.9
Other expenses	(178)	-	NM	(575)	-	NM
Financial expenses	(634)	(51)	NM	(1,680)	(160)	950.0
Share of results of joint venture	813	2,255	(63.9)	1,749	8,922	(80.4)
Profit before taxation	<u>38,732</u>	<u>15,188</u>	155.0	<u>85,787</u>	<u>50,836</u>	68.8
Tax expenses	(5,783)	(1,887)	206.5	(14,049)	(6,826)	105.8
Net profit for the period	<u>32,949</u>	<u>13,301</u>	147.7	<u>71,738</u>	<u>44,010</u>	63.0
Attributable to :						
Owners of the Company	33,269	13,318	149.8	72,785	44,063	65.2
Non-controlling interests	(320)	(17)	NM	(1,046)	(53)	NM
Total	<u>32,949</u>	<u>13,301</u>		<u>71,739</u>	<u>44,010</u>	

Statement of Comprehensive Income for the Group for the Third Quarter ended 30 September 2013

(All figures in \$'000)

	The Group		The Group	
	3 months ended		9 months ended	
	30-Sep-13	30-Sep-12	30-Sep-13	30-Sep-12
Profit, net of tax	32,949	13,301	71,738	44,010
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	32,949	13,301	71,738	44,010
Total comprehensive income attributable to :				
Owners of the Company	33,269	13,318	72,785	44,063
Non-controlling interests	(320)	(17)	(1,046)	(53)

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-13	30-Sep-12		30-Sep-13	30-Sep-12	
Depreciation of property, plant and equipment	46	71	(35.2)	176	195	(9.7)
Profit on disposal of property, plant and equipment	-	-	-	-	(30)	(100.0)
Dividend income, gross	(37)	(7)	428.6	(56)	(70)	(20.0)
Fair value (gain) / loss on financial instruments - unquoted investments held for trading	12	(1)	NM	244	(65)	(475.4)
Fair value (gain) / loss on financial instruments - quoted investments held for trading	(2,925)	(105)	NM	(2,766)	(61)	NM

Notes :

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.

Statement of Financial Position for the Group as at 30 September 2013

(All figures in \$'000)

	30-Sep-13	31-Dec-12	%
ASSETS LESS LIABILITIES			
Non-Current Assets			
Property, plant and equipment	1,110	6,497	(82.9)
Investments in joint ventures	24,151	22,554	7.1
Trade and other receivables	-	7	(100.0)
	25,261	29,058	(13.1)
Current Assets			
Cash and short-term deposits	28,158	20,600	36.7
Other investments ¹	26,653	4,620	476.9
Trade and other receivables	40,686	29,535	37.8
Other assets	72,007	187	NM
Prepaid operating expenses	50	25	100.0
Due from related companies (trade)	75	18	316.7
Due from related companies (non-trade)	-	2	(100.0)
Due from joint ventures (trade)	42,152	31,632	33.3
Due from joint ventures (non-trade)	48,833	46,741	4.5
Due from an associate (non-trade)	3	3	-
Development properties	196,990	163,912	20.2
Properties held for sale	217,505	260,441	(16.5)
Tax recoverable	-	1	(100.0)
	673,112	557,717	20.7
Investment properties - held for sale	-	3,520	(100.0)
Current Liabilities			
Trade and other payables	13,160	12,225	7.6
Other liabilities	33,712	28,588	17.9
Due to related companies (trade)	379	891	(57.5)
Due to related companies (non-trade)	41,860	32,717	27.9
Due to joint venture (trade)	-	5,320	(100.0)
Due to joint venture (non-trade)	6,210	9,553	(35.0)
Interest-bearing loans and borrowings	87,542	101,969	(14.1)
Tax payable	11,505	8,955	28.5
	194,368	200,218	(2.9)
Net Current Assets	478,744	361,019	32.6
Non-Current Liabilities			
Trade and other payables	-	3,429	(100.0)
Other financial liabilities ²	40,000	-	NM
Interest-bearing loans and borrowings	79,737	69,919	14.0
Deferred taxation	15,199	11,408	33.2
Net Assets	369,069	305,321	20.9
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	84,446	84,445	0.0
Treasury shares	(1,101)	(1,101)	-
Reserves	287,045	222,251	29.2
	370,390	305,595	21.2
Non-controlling Interests	(1,321)	(274)	382.1
Total Equity	369,069	305,321	20.9

Statement of Financial Position for the Company as at 30 September 2013

(All figures in \$'000)

ASSETS LESS LIABILITIES

Non-Current Assets

Property, plant and equipment
Investments in subsidiary companies

Current Assets

Cash and short-term deposits
Trade and other receivables
Other assets
Prepaid operating expenses
Due from subsidiary companies (trade)
Due from subsidiary companies (non-trade)
Due from joint ventures (trade)
Due from joint ventures (non-trade)
Due from an associate (non-trade)

Current Liabilities

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

Net Current Assets

Non-Current Liability

Other financial liabilities ²

Net Assets

EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

Share capital
Treasury shares
Reserves
Total Equity

	30-Sep-13	31-Dec-12	%
	166	201	(17.4)
	60,699	60,700	(0.0)
	60,865	60,901	(0.1)
	3,318	1,107	199.7
	158	-	NM
	71,803	4	NM
	22	5	340.0
	1,949	1,829	6.6
	173,598	130,454	33.1
	152	90	68.9
	46,657	43,619	7.0
	3	3	-
	297,660	177,111	68.1
	55	46	19.6
	195	510	(61.8)
	158,010	68,767	129.8
	8	-	NM
	7	-	NM
	135	33	309.1
	71	156	(54.5)
	158,481	69,512	128.0
	139,179	107,599	29.3
	40,000	-	NM
	160,044	168,500	(5.0)
	84,445	84,445	-
	(1,101)	(1,101)	-
	76,700	85,156	(9.9)
	160,044	168,500	(5.0)

Notes :

- 1) This included short-term commercial papers and quoted investments.
- 2) The other financial liabilities comprise \$40 million fixed rate notes due in 2016

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 13		As at 31 Dec 12	
Secured	Unsecured	Secured	Unsecured
87,407	135	101,969	-

Amount repayable after one year
(\$'000)

As at 30 Sep 13		As at 31 Dec 12	
Secured	Unsecured ¹	Secured	Unsecured
79,737	40,000	69,919	-

Details of any collateral

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

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

Note :

- 1) Unsecured borrowings repayable after one year refers to the S\$40 million fixed rate notes due in 2016.

- 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.

Statement of Cash Flows for the Group

(All figures in \$'000)

	3 months ended		9 months ended	
	30-Sep-13	30-Sep-12	30-Sep-13	30-Sep-12
Cash flows from operating activities				
Profit before taxation	38,732	15,188	85,787	50,836
Adjustments :				
Depreciation of property, plant & equipment	46	71	176	195
Interest expenses	634	51	1,680	160
Interest income	(163)	(89)	(423)	(211)
Dividend income from quoted investments	(38)	(7)	(56)	(70)
Loss/(Gain) on disposal of property, plant & equipment	-	-	5	(30)
Fair value (gain) / loss on held for trading investments - quoted	(2,925)	(105)	(2,766)	(61)
Fair value (gain) / loss on held for trading investments - unquoted	17	(1)	249	(65)
Share of results of joint ventures	(813)	(2,255)	(1,749)	(8,922)
Operating cash flows before working capital changes	35,490	12,853	82,903	41,832
Changes in working capital				
<u>(Increase) / decrease in :</u>				
Development properties	(11,464)	121,894	(26,937)	101,808
Properties held for sale	20,312	(72,871)	42,936	(72,724)
Trade and other receivables	4,693	(44,105)	(11,144)	(43,173)
Other assets	(71,904)	(34)	(71,819)	(51)
Prepaid operating expenses	-	6	(25)	(10)
Due from related companies, trade	(26)	-	(57)	(2)
Due from related companies, non-trade	-	-	2	-
Due from a joint venture, trade	3,536	(28,485)	(15,828)	(32,869)
Due from joint ventures, non-trade	(835)	26	(766)	26
<u>Increase / (decrease) in :</u>				
Trade and other payables	(3,772)	419	(2,490)	(535)
Other liabilities	(4,897)	(1,359)	5,120	6,276
Due to a joint venture, non-trade	(942)	-	(3,399)	-
Due to related companies, trade	(185)	(187)	(512)	103
Due to related companies, non-trade	8	(7)	8	25
Cash flows (used in) / generated from operations	(29,986)	(11,850)	(2,008)	706
Income tax paid	(3,275)	101	(7,708)	(89)
Net cash (used in) / generated from operating activities	(33,261)	(11,749)	(9,716)	617

Statement of Cash Flows for the Group (cont'd)
(All figures in \$'000)

	3 months ended		9 months ended	
	30-Sep-13	30-Sep-12	30-Sep-13	30-Sep-12
Cash flows from investing activities				
Dividend income received	37	7	56	42
Interest income received	163	75	353	107
Repayment of loan from / (Loan to) joint ventures	-	(164)	(1,117)	4,977
Proceeds from disposal of fixed assets	-	-	-	30
Proceeds from disposal of unquoted investments	-	-	-	3,000
Proceeds from disposal of investment property	-	-	3,520	-
Purchase of property, plant and equipment	(7)	(164)	(321)	(230)
Purchase of quoted investment	(16,457)	-	(17,511)	-
Purchase of unquoted investment (Note 1)	-	(1,501)	(2,005)	(3,253)
Net cash (used in) / generated from investing activities	(16,264)	(1,747)	(17,025)	4,673
Cash flow from financing activities				
Dividend paid on ordinary shares by the Company	(5,646)	(2,352)	(7,991)	(3,529)
Repayment of bank term loans	-	(14,501)	(60,123)	(37,668)
Proceeds from loans and borrowings	22,397	13,736	55,397	30,113
Proceeds from other financial liabilities (Note 2)	40,000	-	40,000	-
Purchase of treasury shares	-	-	-	(133)
Repayment of hire purchase	(57)	37	(19)	(131)
Interest paid	(658)	(881)	(1,909)	(2,812)
Loan from related companies	384	192	8,944	2,578
Net cash (used) / generated from financing activities	56,420	(3,769)	34,299	(11,582)
Net (decrease) / increase in cash and cash equivalents	6,895	(17,265)	7,558	(6,292)
Cash and cash equivalents at beginning of period	21,263	21,343	20,600	10,370
Cash and cash equivalents at end of period (Note 3)	28,158	4,078	28,158	4,078

Note 1:

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

Note 2:

This comprise \$40 million fixed rate notes due in 2016

Note 3 :

Cash and bank balances
Fixed deposits
Less : Bank overdraft

11,858	2,078
16,300	2,000
-	-
28,158	4,078

11,858	2,078
16,300	2,000
-	-
28,158	4,078

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.

Statements of Changes in Equity

(All figures in \$'000)

	The Group		The Company	
	3Q2013	3Q2012	3Q2013	3Q2012
Share capital				
Balance at beginning / end of period	84,446	84,446	84,446	84,446
Treasury shares				
Balance at beginning of period	(1,101)	(1,101)	(1,101)	(1,101)
Balance at beginning / end of period	(1,101)	(1,101)	(1,101)	(1,101)
Capital reserve				
Balance at beginning / end of period	(7,671)	(7,671)	-	-
Other reserve				
Balance at beginning of period	51	51	51	51
Balance at beginning / end of period	51	51	51	51
Dividend reserve				
Balance at beginning / end of period	-	-	-	-
Accumulated profits				
Balance at beginning of period	267,041	202,746	82,631	29,902
Profit for the period	33,269	13,318	(337)	86
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	33,269	13,318	(337)	86
Dividend on ordinary shares	(5,646)	-	(5,646)	-
Balance at end of period	294,664	216,064	76,648	29,988
Minority interest				
Balance at beginning of period	(1,000)	21	-	-
Profit for the period	(320)	(17)	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(320)	(17)	-	-
Balance at end of period	(1,320)	4	-	-
Equity at end of period	369,069	291,793	160,044	113,384

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)

	Number of Ordinary Shares	
	3 months ended	
	30-Sep-13	30-Sep-12
Balance at 1 July	470,557,541	470,557,541
Shares buy back	-	-
Balance at 30 September	470,557,541	470,557,541

Treasury Shares

	Number of Treasury Shares	
	3 months ended	
	30-Sep-13	30-Sep-12
Balance at 1 July	3,999,850	3,999,850
Shares buy back	-	-
Balance at 30 September	3,999,850	3,999,850

During the period ended 30 September 2013, 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 30 September 2013 is 470,557,541 (31 December 2012: 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.

During the period ended 30 September 2013, there was no change to the treasury shares of the Company.

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

These figures have not been audited or reviewed.

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

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group and the Company have adopted the same accounting policies and methods of computation for the current financial period as those for the financial year ended 31 December 2012.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

The Group

	3 months ended		9 months ended	
	30-Sep-13	30-Sep-12	30-Sep-13	30-Sep-12
Earning per share (cents)				
Basic	7.07	2.83	15.47	9.36
Diluted	7.07	2.83	15.47	9.36
Weighted average number of shares				
Basic	470,557,541	470,613,709	470,557,541	470,613,709
Diluted	470,557,541	470,613,709	470,557,541	470,613,709

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

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the :-**
(a) current financial period reported on; and
(b) immediately preceding financial year

	30-Sep-13	31-Dec-12
Net assets value per share (cents)		
The Group	78.71	64.94
The Company	34.01	35.81
Based on number of shares		
The Group	470,557,541	470,557,541
The Company	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. **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 more than doubled to \$81.1m for the third quarter ended 30 September 2013 ("3Q2013"), compared to \$40.8m in the previous corresponding financial period ("3Q2012"). The increase was mainly driven by progressive revenue recognition of \$80.5m from the sale of residential projects, *Signature at Lewis*, *Skyline 360^o* and *Waterscape at Cavenagh*, compared to \$24.9m recognised in 3Q2012.

For the nine months ended 30 September 2013 ("9M2013"), Group revenue rose by 58.1% to \$191.7m, compared to \$121.2m a year ago ("9M2012"), mainly driven the abovementioned factors.

Revenue contribution from the sale of residential projects surged to \$179.7m in 9M2013, versus \$83.6m in 9M2012 while contribution from construction activities was \$10.0m, compared to \$37.3m in 9M2012 after Temporary Occupation Permit ("TOP") was obtained for *Signature at Lewis and Skyline 360^o*.

As at 30 September 2013, accumulated revenue recognised from the sale of *Waterscape at Cavenagh* was 66.3%.

Profit

Both 3Q2013 and 9M2013 gross profits more than doubled to \$38.1m and \$90.4m, respectively, from \$13.6m and \$43.8m a year ago, primarily due to higher revenues.

The significant increase in other income was mainly contributed by the fair value gain from quoted investments in both periods under review.

Financial income registered a year-on-year increase of 83.1% to \$0.2m in 3Q2013 and doubled to \$0.4m in 9M2013 as the Group invested funds in financial instruments and fixed deposits.

Distribution and selling expenses increased to \$0.8m and \$2.9m in 3Q2013 and 9M2013 respectively compared to \$0.1m and \$0.6m for the corresponding periods in 2012.

The increases were mainly a result of marketing expenses incurred from the construction of show suites for the Group's projects, *Signature at Lewis*, *Treasure on Balmoral* and *Skyline 360^o*, as well as commissions paid out in relation to the sale of units at *Skyline 360^o*. Print

advertisements in newspapers and magazines also contributed to the higher distribution and selling expenses.

The increase in administrative expenses for both periods under review was mainly due to property tax and maintenance fees that were incurred following the receipt of TOP for *Skyline 360^o* and *Treasure on Balmoral*. The Group also incurred additional costs from renting a warehouse to store construction equipment and tools, as well as higher staff costs.

The Group recorded an increase in financial expenses in 3Q2013 and 9M2013, in view of interest expensed off following the receipt of TOP for *Treasure on Balmoral* in 2012. Prior to the projects' receipt of TOP, the financial expenses were capitalised under Development Properties in the Group's statement of financial position.

Share of Results of Joint Venture

Share of profits of a joint venture for 3Q2013 and 9M2013, which amounted to \$0.8m and \$1.7m, respectively, were mainly contributed by revenue recognition from the sale of residential units at The Beverly, and was net of tax provision.

Tax Expenses

Group taxation increased for both 3Q2013 and 9M2013 to \$5.8m and \$14.0m respectively. This significant increase was mainly due to provision made for deferred taxation in relation to profits recognised progressively for the sold units as well as provision for tax for new units sold for completed projects.

Net Profit

Taking into consideration the factors above, the Group's net profit after tax doubled to \$32.9m in 3Q2013, compared to \$13.3m in 3Q2012, while that for 9M2013 rose 63.0% to \$71.7m, compared to \$44.0m in 9M2012.

Financial Position

The increase in investments in joint venture from \$22.6 million as at 31 December 2012 to \$24.1 million as at 30 September 2013 was mainly due to adjustments made to final construction costs for The Beverly.

Other investments increased to \$26.7m from \$4.6m as at 31 December 2012, mainly due to higher investments in both commercial papers and quoted shares in Ley Choon Group Holdings Limited.

Trade and other receivables increased to \$40.7m from \$29.5m mainly due to progress billings due from units sold at *Waterscape at Cavenagh* and *Skyline 360^o*.

Other assets of \$72.0m mainly comprised deposits totaling \$17.5m paid to acquire land and properties in Melbourne, Australia, namely: 6 – 22 Pearl River Road and 206 Bourke Street and funds of \$54.3m set aside for the completion of 380 Lonsdale Street in October 2013.

With the TOP of the Group's projects - *The Beverly* in October 2012, Days Hotel Singapore At Zhongshan Park in November 2012, and Ramada Singapore At Zhongshan Park along with the office block and retail mall in April 2013, amount due from joint venture (trade) increased by 33.3% to \$42.2m from \$31.6m as at 31 December 2012.

Development properties increase 20.2% from 163.9m as at 31 December 2012 to 197.0m largely due to construction progress for Waterscape at Cavenagh and work in progress for industrial property in Kallang Pudding.

With the sale of residential units in *Skyline 360^o*, properties held for sale decreased from \$260.4m as at 31 December 2012 to \$217.5m.

Trade and other payable (current) increased to \$13.2m from \$12.2m due to re-classification of retention money (trade) from non-current trade payables to current trade payables due to completion of Ramada Singapore At Zhongshan Park and the office block and retail mall in April 2013. This reclassification brought about the decrease in non-current trade and other payables.

Other liabilities (current) increased to \$33.7m from \$28.6m as at 31 December 2012, being provision made for construction and operating expenses incurred for the Group's projects in the period under review.

Amount due to related companies (non-trade) increased to \$41.9m from \$32.7m as at 31 December 2012, mainly due to funds injected by SuperBowl Holdings Limited to repay part of the bank borrowings in relation to the Group's joint-venture residential development project, *Treasure on Balmoral*. This explains the decrease in interest-bearing loans and borrowings under current liabilities.

The increase in tax payables was mainly due to provision of tax on profit of units sold for *Skyline 360^o* and Signature at Lewis.

Deferred taxation increased from \$11.4m to \$15.2m mainly due to recognition of profit on sale of units in Waterscape at Cavenagh prior to its TOP being obtained.

Other financial liability (non-current) is attributed to the issuance of a S\$40.0m fixed rate notes due in 2016. The Medium Term Notes Programme was set up by the Company in May 2013.

Cash Flow

The Group recorded net cash generated operating cash flow of \$35.5m and \$82.9m in 3Q2013 and 9M2013, respectively.

The net increase in development properties of \$11.5m in 3Q2013 and \$26.9m in 9M2013 reflected higher development cost incurred in these period.

The net decrease in properties held for sale in 3Q2013 and 9M2013 was mainly due to the sale of units at *Skyline 360^o* and *Signature at Lewis*.

Trade and other receivables recorded a net decrease in 3Q2013 compared to the previous corresponding period, in view of progress billings that were received from new units sold.

The substantial net increase in other assets of \$71.9m in 3Q2013 was mainly attributable to deposits totaling \$17.5m paid to acquire land and properties in Melbourne, Australia, namely: 6 – 22 Pearl River Road and 206 Bourke Street and funds set aside of \$54.3m for the completion of 380 Lonsdale Street in October 2013.

The net decrease in amount due from joint venture (trade) of \$3.5m in 3Q2013 and lower net increase of \$15.8m in 9M2013 were mainly due to payment received and lower construction cost billed out, following the TOPs received for the periods under review.

The net decrease of \$4.9m in other liabilities for 3Q2013 was due to cost accrued that was paid. The net increase in other liabilities in 9M2013 was lower compared to the previous corresponding period, mainly due to lower construction cost accrued for various projects.

With the above, the Group recorded net cash used \$30.0m in 3Q2013 and \$2.0m in 9M2013.

Net cash used in investing activities amounted to \$16.3m in 3Q2013. The Company had invested \$16.5m in quoted investments including Ley Choon Group Holdings Limited.

For 9M2013, net cash used in investing activities amounted to \$17.0m. The Company had respectively invested \$2.0m and \$17.5m in unquoted and quoted investments, including Ley Choon Group Holdings Limited. Loan of \$1.1m was extended to the joint venture partner. The outflow was offset with the proceeds received from sale of an investment property of \$3.5m.

The Group recorded net cash generated from financing activities of \$56.4m in 3Q2013. The funds were generated from the issuance of unsecured bonds of \$40.0m and bank borrowings of \$22.4m. The funds generated were partially offset by dividend payments of \$5.6m and bank interests of \$0.7m.

In 9M2013, the Group recorded net cash generated from financing activities of \$34.3m in 9M2013. Cash inflows were mainly derived from proceeds from issuance of bonds and drawdown of bank borrowings together with funds injected by a related company, SuperBowl Holdings Limited, for the Group's joint-venture project, *Treasure on Balmoral*.

The funds were offset with dividends payment of \$8.0m and repayment of bank term loans of \$60.1m together with payment of bank interests of \$1.9m.

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

The results for the current period ended 30 September 2013 are in line with the commentary in part 10 of our previous second quarter ended 30 June 2013 results announcement released on 5 August 2013.

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.

Based on the latest statistics released by the Urban Redevelopment Authority, Singapore developers launched fewer residential units in 3Q2013 as a result of the challenging operating environment, exacerbated by the Total Debt Servicing Ratio ("TDSR") framework implemented by the Monetary Authority of Singapore ("MAS") at the end of June 2013. Singapore developers launched 3,313 private residential units in 3Q2013, a decline of 24.6% from 4,395 units in 2Q2013. Despite the tightening of supply, sale of new private residential units continued to ease, declining 46% from 4,538 units in 2Q2013 to 2,430 units in 3Q2013. However, developers were able to maintain prices of private residential units in Singapore, which edged up 0.4% in 3Q2013.¹ Also, to address the tepid operating environment, the Group will continue to step-up its marketing efforts to sell the remaining units of its residential projects.

¹ "Release of 3rd Quarter 2013 real estate statistics", URA, 25 October 2013

Operationally, the Group has commenced construction of its industrial development at Kallang Pudding.

The hotels within Hiap Hoe's integrated hotels-cum-commercial development – Zhongshan Park Integrated Development – along Balestier Road are now fully operational. The official opening ceremony has been scheduled on 18 November 2013.

For Singapore, the Group will continue to adopt a prudent approach in its land acquisition programme to ensure that it remains well positioned in a potentially challenging environment.

In 3Q2013, the Group embarked on its strategic overseas expansion with foray into Melbourne, Australia. Following the Group's announcement on 1 August 2013, for the acquisition of a 3,795 square metre site located at 6 – 22 Pearl River Road in Melbourne, Australia, the Group has subsequently on 4 September 2013 and 5 September 2013 announced the acquisitions of 380 Lonsdale Street and 206 Bourke Street in Melbourne, Australia. Both developments are well located in close proximity to Melbourne's Central Business District, and present strong re-development and asset enhancement opportunities into mixed-used integrated developments that will enhance the Group's recurring income stream.

The Group has also on 3 October 2013 entered into a memorandum of understanding with Australia's leading construction company, Probuild Construction (Aust) Pty Ltd, to explore joint-venture opportunities for 6 – 22 Pearl River Road and 380 Lonsdale Street. The Group expects to formalise this partnership with binding agreements over next 12 months.

The Group will continue to evaluate opportunities by seeking well located land sites and quality completed properties to strengthen its regional property portfolio.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?
No

(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 30 September 2013	9 months ended 30 September 2013	3 months ended 30 September 2013	9 months ended 30 September 2013
Hiap Hoe & Co. Pte Ltd (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd)	<p>Provision of Project and Construction Management Service to the Company's wholly-owned subsidiaries :</p> <ul style="list-style-type: none"> - Cavenagh Properties Pte. Ltd. (Value of transactions amounting to \$4,000) <p>Provision of Project and Construction Management Service to the Company's 50% share in joint venture:</p> <ul style="list-style-type: none"> - HH Properties Pte. Ltd. (50% share of value of transactions amounting to \$Nil) 	<p>Provision of Project and Construction Management Service to the Company's wholly-owned subsidiaries :</p> <ul style="list-style-type: none"> - Cavenagh Properties Pte. Ltd. (Value of transactions amounting to \$12,000) <p>Provision of Project and Construction Management Service to the Company's 50% share in joint venture:</p> <ul style="list-style-type: none"> - HH Properties Pte. Ltd. (50% share of value of transactions amounting to \$55,000) 	NA	NA
SuperBowl Holdings Limited (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd)	<p>Contribution by the Company of its 60% proportion of the loan extended to :</p> <ul style="list-style-type: none"> - Hiap Hoe SuperBowl JV Pte. Ltd. (Value of loan amounting to \$576,000) <p>Interest income amounting to \$75,000</p>	<p>Contribution by the Company of its 60% proportion of the loan extended to :</p> <ul style="list-style-type: none"> - Hiap Hoe SuperBowl JV Pte. Ltd. (Value of loan as at 30 September 2013 amounting to \$61,804,000) <p>Interest income amounting to \$291,000</p>		

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	3 months ended 30 September 2013	9 months ended 30 September 2013	3 months ended 30 September 2013	9 months ended 30 September 2013
SuperBowl Holdings Limited (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd)	<p>Contribution by the Company of its 50% proportion of the loan to :</p> <p>- HH Properties Pte. Ltd. (Value of loan amounting to \$Nil)</p> <p>Interest income amounting to \$74,000</p>	<p>Contribution by the Company of its 50% proportion of the loan to :</p> <p>- HH Properties Pte. Ltd. (Value of loan as at 30 September 2013 amounting to \$44,748,000)</p> <p>Interest income amounting to \$213,000</p>	<p>Construction of 1 block of 14-Storey hotel, 1 block of 17-Storey hotel and 1 block of 13-Storey office building for HH Properties Pte. Ltd.</p> <p>(Value of transactions amounting to \$3,706,000)</p> <p>Provision of Equipments and Fittings for hotel rooms for HH Properties Pte Ltd</p> <p>(Value of transactions amounting to \$582,000)</p>	<p>Construction of 1 block of 14-Storey hotel, 1 block of 17-Storey hotel and 1 block of 13-Storey office building for HH Properties Pte. Ltd.</p> <p>(Value of transactions amounting to \$23,729,000)</p> <p>Provision of Equipments and Fittings for hotel rooms for HH Properties Pte Ltd</p> <p>(Value of transactions amounting to \$1,089,000)</p>
SuperBowl Management Pte Ltd (A subsidiary of SuperBowl Holdings Limited)	<p>Contribution by the Group of its 60% proportion of the loan :</p> <p>- Goodluck View Development (Value of loan amounting to \$162,000)</p> <p>Interest income amounting to \$300</p>	<p>Contribution by the Group of its 60% proportion of the loan :</p> <p>- Goodluck View Development (Value of loan as at 30 September 2013 amounting to \$210,000)</p> <p>Interest income amounting to \$5,000</p>	<p>Construction of 2 blocks of 5-storey residential flats for Goodluck View Development</p> <p>(Value of transaction amounting to \$10,900,000)</p>	<p>Construction of 2 blocks of 5-storey residential flats for Goodluck View Development</p> <p>(Value of transaction amounting to \$10,900,000)</p>

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

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

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

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

BY ORDER OF THE BOARD

Lai Foon Kuen
Company Secretary
4 November 2013

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 ended 30 September 2013 to be false or misleading in any material respect.

On behalf of the Board of Directors

Teo Ho Beng
Director

Teo Ho Kang, Roland
Director