



Hiap Hoe Limited
(Registration No. : 199400676Z)

Full Year Financial Statement for the Year Ended 31 December 2009

1(a) Income Statement, together with Statement of Comprehensive Income for the Group for the Fourth Quarter and Full Year Ended 31 December 2009

Unaudited results for the fourth quarter and full year ended 31 December 2009

(All figures in \$'000)

	The Group			The Group		
	3 months ended		%	12 months ended		%
	31-Dec-09	31-Dec-08		31-Dec-09	31-Dec-08	
Revenue	26,446	10,077	162.4	110,480	29,729	271.6
Cost of sales	(15,427)	(7,299)	111.4	(66,682)	(16,538)	303.2
Gross profit	11,019	2,778	296.7	43,798	13,191	232.0
Other items of income						
Other income	997	139	617.3	1,527	1,898	(19.5)
Financial income	52	151	(65.6)	279	355	(21.4)
Other items of expenses						
Distribution and selling expenses	(446)	(1,329)	(66.4)	(1,149)	(3,560)	(67.7)
Administrative expenses	(968)	(850)	13.9	(2,774)	(2,801)	(1.0)
Other expenses	-	(40)	(100.0)	(1)	(196)	(99.5)
Financial expenses	-	(7)	(100.0)	(58)	(35)	65.7
Share of results of joint ventures	-	-	-	-	(600)	(100.0)
Profit before taxation	10,654	842	1,165.3	41,622	8,252	404.4
Tax expenses	(1,605)	(581)	176.2	(7,312)	(73)	9,916.4
Net profit for the period	9,049	261	3,367.0	34,310	8,179	319.5
Attributable to :						
Shareholders of the Company	9,059	292	3,002.4	34,350	8,292	314.3
Minority interests	(10)	(31)	(67.7)	(40)	(113)	(64.6)

Consolidated Statement of Comprehensive Income for the Fourth Quarter and Full Year ended 31 December 2009

(All figures in \$'000)

	The Group		The Group	
	3 months ended		12 months ended	
	31-Dec-09	31-Dec-08	31-Dec-09	31-Dec-08
Profit, net of tax	9,049	261	34,310	8,179
Other comprehensive income :				
Net fair value changes on cash flow hedge	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	9,049	261	34,310	8,179
Total comprehensive income attributable to :				
Shareholders of the Company	9,059	292	34,350	8,292
Minority interests	(10)	(31)	(40)	(113)

Additional Information

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

(All figures in S\$'000)

	The Group			The Group		
	3 months ended		%	12 months ended		%
	31-Dec-09	31-Dec-08		31-Dec-09	31-Dec-08	
Depreciation of property, plant and equipment	37	43	(14.0)	153	193	(20.7)
Loss on disposal of property, plant and equipment	-	-	-	1	-	NM
Fair value gain on investment properties	(870)	(10)	8,600.0	(870)	(1,442)	(39.7)
Dividend income, gross	(1)	-	NM	(5)	(9)	(44.4)
Write back of allowance for doubtful receivables (trade)	-	1	(100.0)	(3)	(127)	(97.6)
Fair value loss on derivatives	-	-	-	-	(6)	(100.0)
Fair value (gain) / loss on financial instruments - quoted investments held for trading	(20)	40	(150.0)	(139)	196	(170.9)

Notes:

- 1) NM – Not meaningful

1(b)(i) Balance Sheet as at 31 December 2009

The Group

(All figures in \$'000)

ASSETS LESS LIABILITIES

Non-Current Assets

	31-Dec-09	31-Dec-08	%
Property, plant and equipment ¹	6,277	3,741	67.8%
Investment properties	5,410	7,192	-24.8%
Trade and other receivables	30	-	NM
	11,717	10,933	7.2%

Current Assets

Cash, bank balances & fixed deposits	3,521	9,873	-64.3%
Other investments	234	94	148.9%
Trade and other receivables	855	150	470.0%
Other assets	75	174	-56.9%
Prepaid operating expenses	142	61	132.8%
Due from ultimate holding company (non-trade)	2	-	NM
Due from an associate (non-trade)	2	1	100.0%
Due from related companies (trade)	8	-	NM
Due from related companies (non-trade)	24	25	-4.0%
Due from joint venture (trade)	37	80	-53.8%
Due from joint ventures (non-trade)	48,707	47,564	2.4%
Development properties	534,653	463,097	15.5%
Work-in-progress	1,947	2,280	-14.6%
	590,207	523,399	12.8%

Current Liabilities

Trade and other payables	3,367	2,042	64.9%
Other liabilities	12,173	3,511	246.7%
Derivatives	348	554	-37.2%
Due to related companies (trade)	510	581	-12.2%
Due to a related company (non-trade)	13,664	12,047	13.4%
Interest-bearing loans and borrowings ²	58,759	1,064	5422.5%
Tax payable	776	1,121	-30.8%
	89,597	20,920	328.3%

Net Current Assets

500,610 **502,479** -0.4%

Non-Current Liabilities

Trade and other payables	201	463	-56.6%
Other liabilities	25	-	NM
Interest-bearing loans and borrowings	326,512	367,645	-11.2%
Deferred taxation	10,605	3,686	187.7%

Net Assets

174,984 **141,618** 23.6%

EQUITY

Share capital	84,446	84,446	0.0%
Treasury shares	(159)	(159)	0.0%
Reserves	90,479	57,073	58.5%
	174,766	141,360	23.6%
Minority Interests	218	258	-15.5%
Total Equity	174,984	141,618	23.6%

Notes :

- 1) As at 31 December 2009, the property at 56A Kallang Pudding Road was transferred from investment properties to property, plant and equipment at the net book value of \$2,652,000. The property, plant and equipment and investment properties would be \$6,393,000 and \$4,540,000 respectively if the transfer had been effected as at 31 December 2008.
- 2) This included bank overdraft of approximately \$202,000 (31 December 2008:\$6,000).

The Company

(All figures in \$'000)

ASSETS LESS LIABILITIES

Non-Current Assets

Property, plant and equipment
Investments in subsidiary companies
Trade and other receivables

	31-Dec-09	31-Dec-08	%
Property, plant and equipment	-	19	-100.0%
Investments in subsidiary companies	48,683	48,683	0.0%
Trade and other receivables	30	-	NM
	48,713	48,702	0.0%

Current Assets

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

Cash, bank balances & fixed deposits	63	3,466	-98.2%
Trade and other receivables	11	1	1000.0%
Other assets	-	128	-100.0%
Prepaid operating expenses	11	12	-8.3%
Due from subsidiary companies (non-trade)	75,562	72,257	4.6%
Due from subsidiary companies (trade)	1,369	1,075	27.3%
Due from joint ventures (non-trade)	43,136	42,013	2.7%
Due from joint venture (trade)	32	80	-60.0%
Due from a related company (non-trade)	24	-	NM
Due from an associate (non-trade)	2	1	100.0%
	120,210	119,033	1.0%

Current Liabilities

Trade and other payables
Other liabilities
Derivatives
Due to subsidiary companies (non-trade)
Interest-bearing loans and borrowings
Provision for taxation

Trade and other payables	221	214	3.3%
Other liabilities	261	253	3.2%
Derivatives	295	531	-44.4%
Due to subsidiary companies (non-trade)	67,051	64,380	4.1%
Interest-bearing loans and borrowings	10	10	0.0%
Provision for taxation	42	35	20.0%
	67,880	65,423	3.8%

Net Current Assets

	52,330	53,610	-2.4%
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Non-Current Liability

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings	9	19	-52.6%
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Net Assets

	101,034	102,293	-1.2%
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EQUITY

Share capital
Treasury shares
Reserves
Total Equity

Share capital	84,446	84,446	0.0%
Treasury shares	(159)	(159)	0.0%
Reserves	16,747	18,006	-7.0%
Total Equity	101,034	102,293	-1.2%

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 Dec 09		As at 31 Dec 08	
Secured	Unsecured	Secured	Unsecured
58,759	-	1,064	-

Amount repayable after one year

(\$'000)

As at 31 Dec 09		As at 31 Dec 08	
Secured	Unsecured	Secured	Unsecured
326,512	-	367,645	-

Details of any collateral

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

- 1) Mortgage on subsidiaries' development properties.
- 2) Mortgage on subsidiaries' investment properties and freehold properties.
- 3) Assignment of interest over property under sale & purchase agreements and tenancy agreements including sales & rental proceeds.
- 4) Assignment of all rights and benefits under
 - (i) Insurance policies taken up;
 - (ii) Performance bonds in relation to the Project.
- 5) Deed of Subordination to subordinate all loans / advances from the company to the facilities. Repayment of expenses / costs incurred on behalf by the company under the project has been allowed.
- 6) Corporate guarantees given by the company.

1(c) Consolidated Cash Flow Statement of the Group

(All figures in \$'000)

	3 months ended		12 months ended	
	31-Dec-09	31-Dec-08	31-Dec-09	31-Dec-08
Cash flows from operating activities :				
Profit before taxation	10,654	842	41,622	8,252
Adjustments :				
Depreciation of property, plant and equipment	37	43	153	193
Interest expenses	(449)	7	58	36
Interest income	397	(151)	(279)	(355)
Dividend income	(1)	-	(5)	(9)
Loss on disposal of property, plant and equipment	-	-	1	-
Fair value gain on derivatives	-	-	-	(6)
Fair value gain on investment properties	(870)	(10)	(870)	(1,442)
Write back of allowance for doubtful receivables - trade	-	-	(3)	(127)
Fair value (gain) / loss on financial instruments - quoted investments held for trading	(20)	40	(139)	196
Share of results of joint ventures	-	-	-	600
Operating profit before working capital changes	9,748	771	40,538	7,338
Changes in working capital				
(Increase)/decrease in :				
Development properties	(19,297)	(4,243)	(63,840)	(321,076)
Trade and other receivables	401	(195)	(732)	4,585
Other assets	87	125	99	29,799
Prepaid operating expenses	40	28	(81)	76
Work-in-progress	1,813	211	341	(1,989)
Due from ultimate holding company (non-trade)	(2)	-	(2)	-
Due from related companies, trade	11	-	(8)	-
Due from related companies, non-trade	-	-	1	-
Due from an associate, non-trade	-	(1)	-	(1)
Due from a joint venture, trade	(5)	774	43	(80)
Due from joint ventures, non-trade	(631)	(2)	(659)	(389)
(Decrease) / increase in :				
Trade and other payables	(325)	647	1,063	1,022
Other liabilities	2,586	593	8,688	(1,536)
Derivatives	(192)	364	(206)	460
Due to related companies, trade	84	(163)	(71)	355
Due to related companies, non-trade	-	(9)	-	(212)
Cash flows used in operations	(5,682)	(1,100)	(14,826)	(281,648)
Income tax refunded / (paid)	5	91	(741)	(57)
Compensation received for tax losses transferred	2	-	2	-
Net cash used in operating activities	(5,675)	(1,009)	(15,565)	(281,705)

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

(All figures in \$'000)

	3 months ended		12 months ended	
	31-Dec-09	31-Dec-08	31-Dec-09	31-Dec-08
Cash flows from investing activities :				
Dividend income	1	-	4	9
Interest income	1	45	6	111
Purchase of property, plant and equipment	(23)	(5)	(46)	(20)
Purchase of quoted investment	-	-	(1)	-
Net cash (used in) / generated from investing activities	(21)	40	(37)	100
Cash flow from financing activities :				
Dividend paid	-	-	(944)	(3,036)
Repayment of bank term loans	(2,421)	(500)	(7,921)	(14,979)
Borrowings from banks	9,992	34,209	24,438	301,667
Placement of shares, net of expenses	-	(10)	-	20,992
Purchase of treasury shares	-	(159)	-	(159)
Repayment of hire purchase	(2)	(27)	(10)	(110)
Interest paid	(1,132)	(2,252)	(7,879)	(6,618)
Loan to joint ventures	(420)	(27,432)	(212)	(41,674)
Loan from related companies	364	169	1,582	5,154
Net cash generated from financing activities	6,381	3,998	9,054	261,237
Net increase / (decrease) in cash and cash equivalents	685	3,029	(6,548)	(20,368)
Cash and cash equivalents at beginning of period	2,634	6,838	9,867	30,235
Cash and cash equivalents at end of period	3,319	9,867	3,319	9,867

Note :

Cash and bank balances	2,486	973	2,486	973
Fixed deposits	1,035	8,900	1,035	8,900
Less Bank overdraft	(202)	(6)	(202)	(6)
	3,319	9,867	3,319	9,867

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

(All figures in \$'000)

	The Group		The Company	
	4Q2009	4Q2008	4Q2009	4Q2008
Issued capital				
Balance at beginning	84,446	84,455	84,446	84,455
Warrant expenses	-	(9)	-	(9)
Balance at end of period	84,446	84,446	84,446	84,446
Treasury shares				
Balance at beginning of period	(159)	-	(159)	-
Buy back of shares	-	(159)	-	(159)
Balance at end of period	(159)	(159)	(159)	(159)
Capital reserve				
Balance at beginning / end of period	(7,671)	(7,671)	-	-
Dividend reserve				
Balance at beginning of period	-	-	-	-
Transfer from unappropriated profit	1,182	945	1,182	945
Balance at end of period	1,182	945	1,182	945
Accumulated profits / (losses)				
Balance at beginning of period	89,091	64,452	16,962	16,165
Total comprehensive income for the period	9,059	292	(215)	1,841
Transfer to dividend reserve	(1,182)	(945)	(1,182)	(945)
Balance at end of period	96,968	63,799	15,565	17,061
Minority interest				
Balance at beginning of period	228	289	-	-
Total comprehensive income for the period	(10)	(31)	-	-
Balance at end of period	218	258	-	-
Equity at end of period	174,984	141,618	101,034	102,293

	The Group		The Company	
	FY2009	FY2008	FY2009	FY2008
Issued capital				
Balance at beginning of year	84,446	63,453	84,446	63,453
Issuance of shares	-	21,261	-	21,261
Right issue expenses	-	(268)	-	(268)
Balance at end of year	84,446	84,446	84,446	84,446
Treasury shares				
Balance at beginning of year	(159)	-	(159)	-
Buy back of share	-	(159)	-	(159)
Balance at end of year	(159)	(159)	(159)	(159)
Capital reserve				
Balance at beginning / end of year	(7,671)	(7,671)	-	-
Dividend reserve				
Balance at beginning of year	945	3,037	945	3,037
Dividend on ordinary shares	(945)	(3,037)	(945)	(3,037)
Transfer from unappropriated profit	1,182	945	1,182	945
Balance at end of year	1,182	945	1,182	945
Accumulated profits				
Balance at beginning of year	63,799	56,432	17,061	13,871
Effect of change in accounting policy	-	19	-	-
Balance at beginning of year, restated	63,799	56,451	17,061	13,871
Total comprehensive income for the year	34,350	8,292	(315)	4,134
Dividend on ordinary shares	1	1	1	1
Transfer to dividend reserve	(1,182)	(945)	(1,182)	(945)
Balance at end of year	96,968	63,799	15,565	17,061
Minority interest				
Balance at beginning of year	258	371	-	-
Total comprehensive income for the year	(40)	(113)	-	-
Balance at end of year	218	258	-	-
Equity at end of year	174,984	141,618	101,034	102,293

1(d)(ii) Details of Changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Ordinary Shares

	Number of Ordinary Shares	
	3 months ended	
	31-Dec-09	31-Dec-08
Balance at 1 October	378,193,363	379,646,363
Share buy back	-	(1,453,000)
Balance at 31 December	378,193,363	378,193,363

	Number of Ordinary Shares	
	12 months ended	
	31-Dec-09	31-Dec-08
Balance at 1 January	378,193,363	303,717,091
Issuance of Shares	-	75,929,272
Share buy back	-	(1,453,000)
Balance at 31 December	378,193,363	378,193,363

Treasury Shares

	Number of Treasury Shares	
	3 months ended	
	31-Dec-09	31-Dec-08
Balance at 1 October	1,453,000	-
Shares buy back	-	1,453,000
Balance at 31 December	1,453,000	1,453,000

	Number of Treasury Shares	
	12 months ended	
	31-Dec-09	31-Dec-08
Balance at 1 January	1,453,000	-
Shares buy back	-	1,453,000
Balance at 31 December	1,453,000	1,453,000

During the fourth quarter ended 31 December 2009, there was no change in 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 December 2009 is 378,193,363 (31 December 2008 : 378,193,363).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

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

These figures have not been audited or reviewed.

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

Not applicable.

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

Except as disclosed in Section 5 below, the Group and the Company have adopted the same accounting policies and methods of computation for the current financial period as those for the financial year ended 31 December 2008.

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 2008, the Group has changed to adopt the equity method for recognising its interest in joint venture instead of proportionate consolidation. Therefore, the comparative figures of 2008 were restated accordingly.

The Group adopted the following new and revised FRS that are mandatory for the financial periods beginning on or after 1 January 2009 :

FRS 1	: Presentation of financial statements – Revised presentation
FRS 23	: Borrowing Costs
FRS 108	: Operating segments

The adoption of new and revised FSR did not have any impact on the results of the Group for the financial year ended 31 December 2009.

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		12 months ended	
	31-Dec-09	31-Dec-08	31-Dec-09	31-Dec-08
Earning per share (cents)				
Basic	2.40	0.16	9.08	2.46
Diluted	2.40	0.16	9.08	2.46
Weighted average number of shares				
Basic	378,193,363	336,520,253	378,193,363	336,520,253
Diluted	378,193,363	336,520,253	378,193,363	336,520,253

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

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the :-

- (a) current financial period reported on; and**
- (b) immediately preceding financial year**

	31-Dec-09	31-Dec-08
Net assets value per share (cents)		
The Group	46.21	37.38
The Company	26.71	27.05
Based on number of shares		
The Group	378,193,363	378,193,363
The Company	378,193,363	378,193,363

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

8. **Review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following :-**
- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

FINANCIAL HIGHLIGHTS

Revenue

Group revenue more than doubled, registering a 162.4% increase to \$26.4m for the fourth quarter ended 31 December 2009 ("4Q09"), from \$10.1m achieved in the previous corresponding period ("4Q08"). This was largely due to progressive revenue recognition from the development of residential projects, Cuscaden Royale (13.5%) and Oxford Suites (12.6%). On the back of the sale of units at, and commencement of construction of Signature at Lewis and Skyline 360⁰, 8.6% and 2.2% revenue from these developments were also recognized respectively for the quarter under review.

Group revenue for the financial year ended 31 December 2009 ("FY09") surged about 3.7 times to \$110.5m, from \$29.7m recorded in the same period last year ("FY08"). To date, about 21.7%, 11.6%, 87.6% and 92.2% of revenue from Signature at Lewis, Skyline 360⁰, Cuscaden Royale and Oxford Suites has been recognized respectively.

Profit

In line with the growth in revenue, gross profit rose 296.7% from \$2.8m in 4Q08 to \$11.0m in 4Q09, while gross profit for FY09 tripled to \$43.8m from \$13.2m in FY08. For the same reason, cost of sales also increased from \$7.3m in 4Q08 to \$15.4m in 4Q09 while for the full year, it rose from \$16.5m for FY08 to \$66.7m for FY09.

The increase in other income for 4Q09 was mainly contributed by fair value gain from investment properties. However, other income declined from \$1.9m in FY08 to \$1.5m in FY09. The decrease was mainly due to a write-back of impairment loss on investment property in FY08.

Year-on-year, distribution and selling expenses decreased 66.4% to \$0.4m and 67.7% to \$1.1m in 4Q09 and FY09 respectively. Expenses were significantly higher in 4Q08 and FY08 as a result of cost related to the construction of two show suites - Waterscape at Cavenagh and Signature at Lewis in 2008, as well as related marketing fees.

The Group's tax expense increased to \$1.6m in 4Q09 and \$7.3m in FY09, mainly due to deferred tax incurred, as profit was recognized on some projects prior to being granted their Temporary Occupational Permit ("TOP").

Taking into consideration the above factors, the Group's net profit after tax surged from \$0.3m in 4Q08 to \$9.0m in 4Q09. Net profit after tax for FY09 also increased by more than four times from \$8.2m in FY08 to \$34.3m.

Balance Sheet

Development properties increased from \$463.1m as at 31 December 2008 to \$534.7m as at 31 December 2009, mainly due to progressive construction and development cost incurred, which were partially offset by the progress billings for uncompleted projects. This also resulted in the corresponding decrease in cash, bank balances and fixed deposits from \$9.9m to \$3.5m and the increase in total bank borrowings by \$16.6m.

Amount due from joint ventures (non-trade) of \$48.7m was mainly the result of loans extended to the hotel/commercial development project at Balestier Road/Ah Hood Road and the residential development project - The Beverly.

In line with the increase in sales activity, trade and other receivables increased from \$0.15m as at 31 December 2008 to \$0.86m as at 31 December 2009.

Interest bearing loans and borrowings under current liabilities increased from \$1.1m to \$58.8m mainly due to the reclassification of loans for Oxford Suites and Cuscaden Royale which are expected to obtain their TOP in 1Q10. Oxford Suites had obtained its TOP on 20 January 2010.

Other liabilities increased from \$3.5m as at 31 December 2008 to \$12.1m as at 31 December 2009 mostly due to the increase in the provision of construction cost of \$5.5m, because of the higher number of ongoing development projects. As was announced in the 2009 Singapore Budget, land tax of \$1.8m has been deferred. Deposits received in 2009 for the booking of units amounted to \$0.4m. No deposits were received in 2008.

Deferred tax increased from \$3.7m to \$10.6m, mostly due to recognition of profit on some projects prior to their being granted the TOP.

Cash Flow

The Group's operating profit before working capital changes was \$9.7m in 4Q09. Higher cost was incurred for development properties as more projects had commenced construction works in the quarter under review. However, FY09 expenditure on development properties was \$257.2m lower than FY08 as three en-bloc acquisitions namely Clemenceau Court, Pheonix Court and The Aspine were completed in FY08. Other assets for FY09 were lower than FY08 by \$29.8m as deposits had been placed for the en-bloc properties in FY09 mentioned above. Other liabilities increased in 4Q09 and FY09 due to booking fees received and accruals of construction cost for on going projects.

During the period, net cash borrowed of \$7.9m was used to pay bank interest and loan to joint ventures. For 4Q08, bank borrowings were used to fund the acquisition of land for hotel development along Balestier Road/Ah Hood Road. Similarly, net cash borrowed of \$18.1m was used to pay bank interest of \$8.4m and dividends of \$0.9m. The higher bank borrowings were drawn down for the completion of the three en-bloc acquisitions mentioned above as well as for the hotel land.

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

There was no financial forecast made in the Group's announcement dated 6 November 2009.

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.

Despite the estimated economic contraction of about 2.1% in 2009 compared to 2008, buying interest in the local private residential property market continued to show signs of growth, as evidenced by the increase in prices of non-landed residential property in 4Q09. For 2009, prices of non-landed properties increased by 0.5%.

Riding on firm property demand in the year, the Group launched two residential projects, namely The Beverly and Signature at Lewis, and has to date, sold more than 70%. Proceeds from the sale of these units will continue to be progressively recognized at various construction milestones.

Projects that recently underwent a soft launch such as Skyline 360° and Waterscape at Cavenagh have also received good response.

Despite the early signs of recovery, the Group remains relatively cautious about its outlook. The Group will continue to take a prudent approach with regard to its sales programs for its various residential developments.

In January 2010, the Group together with its joint venture partner, SuperBowl Holdings Limited appointed Wyndham Hotel Management, Inc., an international hotel operator, to manage its two hotels located along Balestier Road/Ah Hood Road. The hotels will operate under the Ramada and Days Inn brands, which come under the Wyndham umbrella, and are expected to be open for business in 2014.

11. Dividend

(a) Current Financial Period Reported On

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

The Directors are pleased to announce a proposed dividend, subject to shareholders' approval for the financial year ended 31 December 2009 as follows :

Name of dividend	:	First and Final
Type of dividend	:	Cash
Dividend	:	0.25 cents per ordinary share
Tax rate	:	One tier

(b) Corresponding Period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

(c) Date payable

27 May 2010, subject to approval of the shareholders at the Company's Annual General Meeting to be held on 20 April 2010.

(d) Book closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of Hiap Hoe Limited (the “Company”) will be closed on 17 May 2010 at 5.00 p.m. for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 up to 5.00 p.m. on 17 May 2010 will be registered to determine shareholders’ entitlements to the said dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 17 May 2010 will be entitled to the proposed dividend.

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

Not applicable.

13. Segmental revenue and results for business or geographical segments (of the Group) in the form presented in the issuer’s most recently audited financial statements, with comparative information for the immediately preceding year.

1 January 09 to 31 December 09

(All figures in \$'000)

	Construction	Development Properties	Others	Elimination	Total
Segmental Revenue					
- External sales	6	110,350	124	-	110,480
- Inter-segment sales	29,017	-	727	(29,744)	-
Total revenue	29,023	110,350	851	(29,744)	110,480
Segmental results					
Other income	483	35	-	-	518
Financial income	1	19	888	(629)	279
Financial expenses	(7)	(678)	(2)	629	(58)
Depreciation	(131)	(3)	(19)	-	(153)
Fair value gain on investment properties	-	-	870	-	870
Fair value gain on financial instruments - quoted investment held for trading	-	-	139	-	139
Share of results of associate	-	-	-	-	-
Share of results of joint venture	-	-	-	-	-
Other expenses	-	(1)	-	-	(1)
Segment profit	246	42,934	1,346	(2,904)	41,622

1 January 08 to 31 December 08

(All figures in \$'000)

	Construction	Development Properties	Others	Elimination	Total
Segmental Revenue					
- External sales	1,283	28,366	80	-	29,729
- Inter-segment sales	6,936	-	912	(7,848)	-
Total revenue	8,219	28,366	992	(7,848)	29,729
Segmental results					
Other income	437	14	-	-	451
Financial income	-	108	246	-	355
Financial expenses	(23)	(11)	(2)	-	(36)
Depreciation	(140)	(2)	(50)	-	(193)
Fair vlaue gain on investment properties	-	-	1,442	-	1,442
Fair value loss on financial instruments - quoted investment held for trading	-	-	-	-	(196)
Share of results of associate	-	-	-	-	-
Share of results of joint venture	-	(600)	-	-	(600)
Other expenses	-	-	6	-	6
Segment profit / (loss)	(66)	11,126	995	(3,802)	8,253

There is no breakdown by geographical markets as the Group's operations and customers are mainly in Singapore.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

15. A breakdown of sales as follows:

\$'000	31-Dec-09	31-Dec-08	% change
Sale reported for first half year	47,295	15,509	205.0%
Operating profit after tax before deducting minority interests reported in first half year	16,800	7,288	130.5%
Sale reported for second half year	63,185	14,220	344.3%
Operating profit after tax before deducting minority interests reported in second half year	17,510	890	1867.4%

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

\$'000	31-Dec-09	31-Dec-08	% change
Ordinary	1,182	945	25%

17. INTERESTED PERSONS TRANSACTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

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 December 2009	12 months ended 31 December 2009	3 months ended 31 December 2009	12 months ended 31 December 2009
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"> - Bukit Panjang Plaza Pte Ltd (Value of transactions amounting to \$154,000) - Oxford Development Pte. Ltd. (Value of transactions amounting to \$6,000) - Leong Hoe Development Pte. Ltd (Value of transactions amounting to \$5,000) - Guan Hoe Development Pte. Ltd. (Value of transactions amounting to \$4,000) <p>Provision of Project and Construction Management Service to the Company's 60% owned subsidiary :</p> <ul style="list-style-type: none"> - Hiap Hoe SuperBowl JV Pte. Ltd. (Value of transactions amounting to \$nil) <p>Provision of Project and Construction Management Service to the Company's wholly-owned subsidiary's 60% share in joint venture :</p> <ul style="list-style-type: none"> - Goodluck View Development (60% share of value of transactions amounting to \$117,000) 	<p>Provision of Project and Construction Management Service to the Company's wholly-owned subsidiaries :</p> <ul style="list-style-type: none"> - Bukit Panjang Plaza Pte Ltd (Value of transactions amounting to \$511,000) - Oxford Development Pte. Ltd. (Value of transactions amounting to \$31,000) - Leong Hoe Development Pte. Ltd (Value of transactions amounting to \$30,000) - Guan Hoe Development Pte. Ltd. (Value of transactions amounting to \$42,000) <p>Provision of Project and Construction Management Service to the Company's 60% owned subsidiary :</p> <ul style="list-style-type: none"> - Hiap Hoe SuperBowl JV Pte. Ltd. (Value of transactions amounting to \$72,000) <p>Provision of Project and Construction Management Service to the Company's wholly-owned subsidiary's 60% share in joint venture :</p> <ul style="list-style-type: none"> - Goodluck View Development (60% share of value of transactions amounting to \$117,000) 	NA	NA

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	3 months ended 31 December 2009	12 months ended 31 December 2009	3 months ended 31 December 2009	12 months ended 31 December 2009
Hiap Hoe & Co. Pte Ltd (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd)	Provision of Project and Construction Management Service to the Company's 50% share in joint venture : - HH Properties Pte. Ltd. (50% share of value of transactions amounting to \$128,000)	Provision of Project and Construction Management Service to the Company's 50% share in joint venture : - HH Properties Pte. Ltd., Contract value of \$2,560,000 (50% share of value of transactions amounting to \$384,000)	NA	NA
SuperBowl Holdings Limited (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd)	Contribution by the Company of its 60% proportion of the loan extended to : - Hiap Hoe SuperBowl JV Pte. Ltd. (Value of loan amounted to \$546,000) Interest income amounting to \$15,800 Contribution by the Company of its 50% proportion of the loan to : - HH Properties Pte. Ltd. (Value of loan amounted to \$300,000) Interest income amounting to \$224,400	Contribution by the Company of its 60% proportion of the loan extended to : - Hiap Hoe SuperBowl JV Pte. Ltd. (Value of loan as at 31 December 2009 amounting to \$20,287,000) Interest income amounting to \$50,300 Contribution by the Company of its 50% proportion of the loan to : - HH Properties Pte. Ltd. (Value of loan as at 31 December 09 amounting to \$38,994,000) Interest income amounting to \$878,100	NA	NA
SuperBowl Management Pte Ltd (A subsidiary of SuperBowl Holdings Limited)	Contribution by the Group of its 60% proportion of the loan : - Goodluck View Development (Value of loan amounted to \$120,000) Interest income amounting to \$6,300	Contribution by the Group of its 60% proportion of the loan : - Goodluck View Development (Value of loan as at 31 December 09 amounting to \$8,114,000) Interest income amounting to \$23,200	Construction of 2 blocks of 5-storey residential flats for Goodluck View Development, Contact Value of \$62,113,000 (inclusive of GST) (Value of transaction amounting to \$nil)	Construction of 2 blocks of 5-storey residential flats for Goodluck View Development, Contact Value of \$62,113,000 (inclusive of GST) (Value of transaction 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.

BY ORDER OF THE BOARD

Lai Foon Kuen
Company Secretary
11 February 2010