



Hiap Hoe Limited
(Registration No.: 199400676Z)

UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2019

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 | | | 12 months ended | | |
| | 31-Dec-19 | 31-Dec-18 | % | 31-Dec-19 | 31-Dec-18 | % |
| | \$'000 | \$'000 | | \$'000 | \$'000 | |
| Revenue | 35,622 | 31,935 | 11.5 | 132,220 | 187,485 | (29.5) |
| Other items of income | | | | | | |
| Dividend income | 987 | 1,316 | (25.0) | 5,183 | 4,355 | 19.0 |
| Financial income | 873 | 1,304 | (33.1) | 3,382 | 4,627 | (26.9) |
| Other income | 1,397 | 3,252 | (57.0) | 9,429 | 7,259 | 29.9 |
| Impairment loss on trade receivables written back | - | 6 | NM | 10 | 11 | (9.1) |
| Gain on bargain purchase arising from acquisition | 13,524 | - | NM | 13,524 | - | NM |
| | 16,781 | 5,878 | 185.5 | 31,528 | 16,252 | 94.0 |
| Changes in completed properties for sale | (2,531) | (2,754) | (8.1) | (8,619) | (55,388) | (84.4) |
| Employee benefits expense | (8,319) | (6,548) | 27.0 | (31,306) | (27,270) | 14.8 |
| Depreciation expense | (8,433) | (7,502) | 12.4 | (32,549) | (27,749) | 17.3 |
| Other expenses | (20,505) | (16,242) | 26.2 | (64,253) | (55,090) | 16.6 |
| Finance cost | (4,619) | (4,130) | 11.8 | (19,348) | (14,027) | 37.9 |
| Fair value changes in financial instruments | 6,673 | (15,492) | NM | 13,723 | (23,504) | NM |
| Foreign exchange gain/(loss) | 1,683 | 263 | 539.9 | 2,769 | (4,277) | NM |
| Impairment loss on trade receivables | (126) | (56) | 125.0 | (137) | (73) | 87.7 |
| Profit/(loss) before tax | 16,226 | (14,648) | NM | 24,028 | (3,641) | NM |
| Income tax credit/(expense) | 9 | 1,289 | (99.3) | (1,870) | (6,384) | (70.7) |
| Profit/(loss) for the period | 16,235 | (13,359) | NM | 22,158 | (10,025) | NM |
| Attributable to : | | | | | | |
| Owners of the Company | 16,210 | (13,301) | NM | 22,100 | (9,925) | NM |
| Non-controlling interests | 25 | (58) | NM | 58 | (100) | NM |
| Total | 16,235 | (13,359) | NM | 22,158 | (10,025) | NM |

Statement of Comprehensive Income for the Group for the Fourth Quarter and Full Year Ended 31 December 2019.

| | The Group | | | |
|--|----------------|-----------------|-----------------|-----------------|
| | 3 months ended | | 12 months ended | |
| | 31-Dec-19 | 31-Dec-18 | 31-Dec-19 | 31-Dec-18 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Profit/(loss) for the period | 16,235 | (13,359) | 22,158 | (10,025) |
| Other comprehensive income/(loss) items that may be reclassified subsequently to profit or loss | | | | |
| Foreign currency translation | 1,204 | (3,263) | (2,959) | (12,181) |
| Exchange differences realised on de-registration of subsidiary recycled to profit or loss | - | - | (132) | - |
| Other comprehensive income/(loss) for the period, net of tax of nil | 1,204 | (3,263) | (3,091) | (12,181) |
| Total comprehensive income/(loss) for the period | 17,439 | (16,622) | 19,067 | (22,206) |
| Attributable to : | | | | |
| Owners of the Company | 17,414 | (16,564) | 19,009 | (22,106) |
| Non-controlling interests | 25 | (58) | 58 | (100) |
| Total comprehensive income/(loss) for the period | 17,439 | (16,622) | 19,067 | (22,206) |

Additional Information

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

| | The Group | | | | | |
|--|----------------|-----------|--------|-----------------|-----------|--------|
| | 3 months ended | | | 12 months ended | | |
| | 31-Dec-19 | 31-Dec-18 | % | 31-Dec-19 | 31-Dec-18 | % |
| | \$'000 | \$'000 | | \$'000 | \$'000 | |
| Depreciation of property, plant and equipment | 5,906 | 6,416 | (7.9) | 23,834 | 23,186 | 2.8 |
| Depreciation of investment properties | 1,485 | 1,086 | 36.7 | 5,545 | 4,563 | 21.5 |
| Depreciation of right-of-use assets ⁽¹⁾ | 1,042 | - | NM | 3,170 | - | NM |
| Interest expense - lease liabilities ⁽¹⁾ | 361 | - | NM | 1,260 | - | NM |
| (Gain)/loss on disposal of property, plant and equipment | (42) | (12) | 250.0 | (13) | 7 | NM |
| Property, plant and equipment written off | 11 | 57 | (80.7) | 26 | 73 | (64.4) |
| Fair value changes in held-for-trading investments | (6,505) | 16,128 | NM | (13,294) | 22,822 | NM |
| Fair value changes in derivative instruments | (168) | (636) | (73.6) | (429) | 682 | NM |
| Impairment loss on investment property | 5,245 | 3,672 | 42.8 | 5,245 | 3,672 | 42.8 |
| Bad debts written off - trade | 16 | 42 | (61.9) | 45 | 46 | (2.2) |
| Gain on disposal of investments | (26) | (997) | (97.4) | (3,037) | (1,716) | 77.0 |
| Amortisation of deferred income | (19) | (20) | (5.0) | (79) | (84) | (6.0) |
| Write back of excess accrued costs on building contracts | (245) | (857) | (71.4) | (245) | (857) | (71.4) |
| Gain on bargain purchase arising from acquisition ⁽²⁾ | (13,524) | - | NM | (13,524) | - | NM |

NM – Not meaningful

Note:

- (1) The Group has adopted the new SFRS(I) 16 Leases with effect from 1 January 2019. The detailed impact from the adoption is shown in Note 5 of the financial statements.
- (2) The Group recognised a gain on bargain purchase of \$13.5 million arising from the fair value of net assets acquired exceeding total consideration transferred for the business acquisition of Rowe Avenue, Perth.

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-Dec-19 \$'000 | 31-Dec-18 \$'000 | 31-Dec-19 \$'000 | 31-Dec-18 \$'000 |
| Non-Current Assets | | | | |
| Property, plant and equipment | 815,246 | 766,767 | 79 | 165 |
| Investment properties | 457,919 | 411,485 | - | - |
| Subsidiaries | - | - | 610,075 | 477,489 |
| Joint venture | - | - | 19,557 | 16,753 |
| Other assets | 2,120 | 10,675 | - | - |
| Other receivables | 331 | 171 | - | - |
| Deferred tax assets | 14,910 | 3,875 | - | - |
| | <u>1,290,526</u> | <u>1,192,973</u> | <u>629,711</u> | <u>494,407</u> |
| Current Assets | | | | |
| Cash and short-term deposits | 16,885 | 55,545 | 277 | 474 |
| Other investments ⁽¹⁾ | 306,177 | 280,353 | - | - |
| Trade and other receivables | 6,257 | 4,668 | - | - |
| Other assets | 653 | 2,165 | - | - |
| Derivatives - assets | - | 200 | - | - |
| Prepaid operating expenses | 1,603 | 1,092 | 7 | 7 |
| Due from subsidiaries, trade | - | - | 161 | 101 |
| Due from subsidiaries, non-trade | - | - | 11,950 | 161,451 |
| Due from related companies, trade | - | 3 | - | - |
| Due from related companies, non-trade | - | 1 | - | - |
| Completed properties for sale | 6,646 | 15,564 | - | - |
| Inventories | 2,817 | 2,753 | - | - |
| Tax recoverable | 962 | - | - | - |
| | <u>342,000</u> | <u>362,344</u> | <u>12,395</u> | <u>162,033</u> |
| Asset held for sale | 1,039 | - | - | - |
| | <u>343,039</u> | <u>362,344</u> | <u>12,395</u> | <u>162,033</u> |
| Current Liabilities | | | | |
| Trade and other payables | 6,790 | 7,951 | 119 | 30 |
| Other liabilities | 13,292 | 11,651 | 600 | 575 |
| Derivatives - liabilities | 108 | 646 | - | - |
| Due to subsidiaries, trade | - | - | - | 58 |
| Due to subsidiaries, non-trade | - | - | 116,090 | 134,287 |
| Due to related companies, trade | 37 | 23 | - | - |
| Due to related companies, non-trade | 39 | 33 | - | - |
| Interest-bearing loans and borrowings | 627,854 | 378,272 | - | - |
| Lease liabilities | 2,888 | - | - | - |
| Tax payable | 3,726 | 4,451 | 252 | 263 |
| | <u>654,734</u> | <u>403,027</u> | <u>117,061</u> | <u>135,213</u> |
| Net Current (Liabilities)/Assets⁽²⁾ | (311,695) | (40,683) | (104,666) | 26,820 |
| Non-Current Liabilities | | | | |
| Other liabilities | 3,717 | 3,235 | - | - |
| Interest-bearing loans and borrowings | 89,850 | 306,455 | - | - |
| Lease liabilities | 32,432 | - | - | - |
| Deferred tax liabilities | 79,196 | 80,939 | - | - |
| | <u>205,195</u> | <u>390,629</u> | <u>-</u> | <u>-</u> |
| Net Assets | 773,636 | 761,661 | 525,045 | 521,227 |
| 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 | 686,817 | 674,867 | 441,701 | 437,883 |
| | <u>770,161</u> | <u>758,211</u> | <u>525,045</u> | <u>521,227</u> |
| Non-controlling interests | 3,475 | 3,450 | - | - |
| Total Equity | 773,636 | 761,661 | 525,045 | 521,227 |

Notes:

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

⁽²⁾ The Group and the Company are in a net current liabilities position mainly due to maturity of borrowings within the next 12 months. The Group and the Company have 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 Dec 19 | | As at 31 Dec 18 | |
|-----------------|-----------|-----------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| 627,854 | - | 378,272 | - |

Amount repayable after one year

(\$'000)

| As at 31 Dec 19 | | As at 31 Dec 18 | |
|-----------------|-----------|-----------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| 89,850 | - | 306,455 | - |

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 and investment properties (collectively, the "Properties");
- 2) Legal assignment of all rights and benefits under the sale and purchase agreements, hotel management contracts and/or tenancy agreements;
- 3) Assignment of all insurance policies and interest service reserve account for certain Properties;
- 4) Deed of subordination to subordinate all loans and advances from the Company to the facilities;
- 5) Corporate guarantees given by the Company and certain subsidiaries; and
- 6) 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 | | 12 months ended | |
| | 31-Dec-19 | 31-Dec-18 | 31-Dec-19 | 31-Dec-18 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Cash flows from operating activities | | | | |
| Profit/(loss) before taxation | 16,226 | (14,648) | 24,028 | (3,641) |
| Adjustments for: | | | | |
| Amortisation of deferred income | (19) | (20) | (79) | (84) |
| Depreciation of investment properties | 1,485 | 1,086 | 5,545 | 4,563 |
| Depreciation of property, plant and equipment | 5,906 | 6,416 | 23,834 | 23,186 |
| Depreciation of right-of-use assets | 1,042 | - | 3,170 | - |
| Dividend income from investments | (987) | (1,316) | (5,183) | (4,355) |
| Fair value changes in held-for-trading investments | (6,505) | 16,128 | (13,294) | 22,822 |
| Fair value changes in derivative instruments | (168) | (636) | (429) | 682 |
| (Gain)/loss on disposal of property, plant and equipment | (42) | (12) | (13) | 7 |
| Impairment loss on trade receivables | 126 | 56 | 137 | 73 |
| Impairment loss on trade receivables written back | - | (6) | (10) | (11) |
| Interest expenses | 4,619 | 4,130 | 19,348 | 14,027 |
| Interest income | (873) | (1,304) | (3,382) | (4,627) |
| Gain on disposal of investments | (26) | (997) | (3,037) | (1,716) |
| Property, plant and equipment written off | 11 | 57 | 26 | 73 |
| Write back of excess accrued costs on building contracts | (245) | (857) | (245) | (857) |
| Impairment loss on investment property | 5,245 | 3,672 | 5,245 | 3,672 |
| Gain on bargain purchase arising from acquisition | (13,524) | - | (13,524) | - |
| Exchange difference | (2,318) | 429 | (2,802) | 4,433 |
| Operating cash flows before changes in working capital | 9,953 | 12,178 | 39,335 | 58,247 |
| <u>Changes in working capital</u> | | | | |
| (Increase)/decrease in : | | | | |
| Completed properties for sale | 2,532 | 2,716 | 8,620 | 55,350 |
| Inventories | (4) | (51) | 44 | (2) |
| Trade and other receivables | (901) | 544 | (1,683) | (719) |
| Other assets | 257 | 656 | 1,477 | 8,826 |
| Prepaid operating expenses | 235 | 402 | (291) | (182) |
| Due from related companies, trade | - | - | 3 | (3) |
| Due from related companies, non-trade | - | (1) | 1 | (1) |
| Increase/(decrease) in : | | | | |
| Trade and other payables | (674) | (1,499) | (1,328) | (18,186) |
| Other liabilities | 1,121 | (738) | 814 | (9,918) |
| Due to related companies, trade | 14 | (8) | 14 | (43) |
| Due to related companies, non-trade | 22 | 33 | 6 | 33 |
| | 12,555 | 14,232 | 47,012 | 93,402 |
| Income tax paid | (102) | (1,716) | (5,898) | (20,603) |
| Net cash flows generated from operating activities carried forward | 12,453 | 12,516 | 41,114 | 72,799 |

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 | | 12 months ended | |
| | 31-Dec-19 | 31-Dec-18 | 31-Dec-19 | 31-Dec-18 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Net cash flows generated from operating activities brought forward | 12,453 | 12,516 | 41,114 | 72,799 |
| Cash flows from investing activities | | | | |
| Interest income received and settlement of derivatives | 714 | 1,370 | 3,539 | 4,335 |
| Dividend income received and return of capital | 3,668 | 3,289 | 10,064 | 7,712 |
| (Adjustment)/purchase of property, plant and equipment | 255 | (319) | (700) | (1,102) |
| Purchase of held-for-trading investments | (4,109) | (17,627) | (58,301) | (257,021) |
| Proceeds from disposal of held-for-trading investments | 2,357 | 15,564 | 43,926 | 69,916 |
| Proceeds/(adjustment) from disposal of property, plant and equipment | 43 | (39) | 145 | 50 |
| Deposits paid on acquisition of capital assets | (1,793) | (11,117) | (2,120) | (11,117) |
| Net cash outflow on business combination ⁽¹⁾ | - | - | (83,891) | - |
| Changes in funds placed with fund managers | - | 1,609 | - | - |
| Net cash flows generated from/(used in) investing activities | 1,135 | (7,270) | (87,338) | (187,227) |
| Cash flow from financing activities | | | | |
| Acquisition of non-controlling interests | (1) | - | (1) | (11) |
| Interest paid | (4,450) | (4,387) | (18,860) | (13,897) |
| Changes in cash and bank balances pledged | (438) | (6,211) | 6,380 | (11,202) |
| Changes in fixed deposits pledged | - | (971) | 10,425 | (11,531) |
| Repayment of loans and borrowings | (48,508) | (45,095) | (173,819) | (335,517) |
| Repayment of principal portion of lease liabilities | (1,106) | - | (2,809) | - |
| Repayment of lease obligations | 77 | (39) | (37) | (168) |
| Proceeds from loans and borrowings | 40,947 | 43,930 | 211,061 | 457,326 |
| Dividends paid to non-controlling interests | - | - | (32) | (32) |
| Dividends paid on ordinary shares by the Company | - | - | (7,059) | (7,059) |
| Net cash flows (used in)/generated from financing activities | (13,479) | (12,773) | 25,249 | 77,909 |
| Net increase/(decrease) in cash and cash equivalents | 109 | (7,527) | (20,975) | (36,519) |
| Effect of exchange rate changes on cash and cash equivalents | 359 | (1,260) | (880) | (4,121) |
| Cash and cash equivalents at beginning of period | 7,374 | 38,484 | 29,697 | 70,337 |
| Cash and cash equivalents at end of period | 7,842 | 29,697 | 7,842 | 29,697 |
| <u>Cash and cash equivalents comprise:</u> | | | | |
| Cash and bank balances | | | 15,779 | 44,014 |
| Fixed deposits | | | 1,106 | 11,531 |
| | | | 16,885 | 55,545 |
| Cash and bank balances pledged | | | (7,937) | (14,317) |
| Fixed deposits pledged | | | (1,106) | (11,531) |
| | | | 7,842 | 29,697 |

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)

⁽¹⁾ Acquisition of properties

The Group had on 2 November 2018 entered into a Sale and Purchase Agreement with BAAC Pty Ltd to acquire the properties located at 25-27 Rowe Avenue, Rivervale, Western Australia, comprising Aloft Perth hotel and 25 Rowe Avenue office building. The acquisition was completed on 29 March 2019.

The effect of the acquisition of assets and liabilities on 29 March 2019 was:

| | <u>S\$'000</u> |
|--|-------------------------------|
| Property, plant and equipment | 38,424 |
| Investment properties | 60,869 |
| Deferred tax assets | 10,291 |
| Cash and cash equivalents | 541 |
| Trade and other receivables | 320 |
| Prepaid operating expenses | 236 |
| Inventories | 77 |
| Total assets | <u>110,758</u> |
| Trade and other payables | 209 |
| Other liabilities | 1,991 |
| Total liabilities | <u>2,200</u> |
| Net assets acquired | 108,558 |
| Gain on bargain purchase arising from acquisition | <u>(13,524)</u> |
| Consideration transferred | 95,034 |
| Cash and cash equivalents arising from acquisition | <u>(541)</u> |
| Net cash outflow on business combination | <u><u>94,493</u></u> * |

* Net cash outflow on acquisition includes \$10,601,800 deposit paid to BAAC Pty Ltd during the financial year ended 31 December 2018.

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 October 2019 to 31 December 2019 and 1 October 2018 to 31 December 2018

| | 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 October 2019 | 84,445 | (1,101) | 703,758 | (7,672) | (26,735) | 52 | 669,403 | 752,747 | 3,451 | 756,198 |
| Profit for the period | - | - | 16,210 | - | - | - | 16,210 | 16,210 | 25 | 16,235 |
| Foreign currency translation | - | - | - | - | 1,204 | - | 1,204 | 1,204 | - | 1,204 |
| Other comprehensive income net of tax of nil | - | - | - | - | 1,204 | - | 1,204 | 1,204 | - | 1,204 |
| Total comprehensive income for the period | - | - | 16,210 | - | 1,204 | - | 17,414 | 17,414 | 25 | 17,439 |
| Contributions by and distributions to owners | | | | | | | | | | |
| Dividends on ordinary shares | - | - | - | - | - | - | - | - | - | - |
| Acquisition of non-controlling interests | - | - | - | - | - | - | - | - | (1) | (1) |
| Total contributions by and distributions to owners | - | - | - | - | - | - | - | - | (1) | (1) |
| At 31 December 2019 | 84,445 | (1,101) | 719,968 | (7,672) | (25,531) | 52 | 686,817 | 770,161 | 3,475 | 773,636 |
| At 1 October 2018 | 84,445 | (1,101) | 718,228 | (7,672) | (19,177) | 52 | 691,431 | 774,775 | 3,508 | 778,283 |
| Loss for the period | - | - | (13,301) | - | - | - | (13,301) | (13,301) | (58) | (13,359) |
| Foreign currency translation | - | - | - | - | (3,263) | - | (3,263) | (3,263) | - | (3,263) |
| Other comprehensive loss net of tax of nil | - | - | - | - | (3,263) | - | (3,263) | (3,263) | - | (3,263) |
| Total comprehensive loss for the period | - | - | (13,301) | - | (3,263) | - | (16,564) | (16,564) | (58) | (16,622) |
| Contributions by and distributions to owners | | | | | | | | | | |
| Dividends on ordinary shares | - | - | - | - | - | - | - | - | - | - |
| Acquisition of non-controlling interests | - | - | - | - | - | - | - | - | - | - |
| Total contributions by and distributions to owners | - | - | - | - | - | - | - | - | - | - |
| At 31 December 2018 | 84,445 | (1,101) | 704,927 | (7,672) | (22,440) | 52 | 674,867 | 758,211 | 3,450 | 761,661 |

(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 2019 to 31 December 2019 and 1 January 2018 to 31 December 2018

Attributable to equity holders of the Company

| The Group (All figures in \$'000) | Share capital | Treasury shares | Accumulated profits | Capital reserve | Foreign currency reserve | Gain on | Total reserves | Total | Non-controlling interests | Total equity |
|---|---------------|-----------------|---------------------|-----------------|--------------------------|-------------------------------|----------------|----------------|---------------------------|----------------|
| | | | | | | reissuance of treasury shares | | | | |
| At 1 January 2019 | 84,445 | (1,101) | 704,927 | (7,672) | (22,440) | 52 | 674,867 | 758,211 | 3,450 | 761,661 |
| Profit for the year | - | - | 22,100 | - | - | - | 22,100 | 22,100 | 58 | 22,158 |
| Foreign currency translation | - | - | - | - | (2,959) | - | (2,959) | (2,959) | - | (2,959) |
| Exchange differences realised on de-registration of subsidiary recycled to profit or loss | - | - | - | - | (132) | - | (132) | (132) | - | (132) |
| Other comprehensive loss net of tax of nil | - | - | - | - | (3,091) | - | (3,091) | (3,091) | - | (3,091) |
| Total comprehensive income/(loss) for the period | - | - | 22,100 | - | (3,091) | - | 19,009 | 19,009 | 58 | 19,067 |
| Contributions by and distributions to owners | | | | | | | | | | |
| Dividends on ordinary shares | - | - | (7,059) | - | - | - | (7,059) | (7,059) | - | (7,059) |
| Dividends paid to non-controlling interests | - | - | - | - | - | - | - | - | (32) | (32) |
| Acquisition of non-controlling interests | - | - | - | - | - | - | - | - | (1) | (1) |
| Total contributions by and distributions to owners | - | - | (7,059) | - | - | - | (7,059) | (7,059) | (33) | (7,092) |
| At 31 December 2019 | 84,445 | (1,101) | 719,968 | (7,672) | (25,531) | 52 | 686,817 | 770,161 | 3,475 | 773,636 |
| 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 year | - | - | (9,925) | - | - | - | (9,925) | (9,925) | (100) | (10,025) |
| Foreign currency translation | - | - | - | - | (12,181) | - | (12,181) | (12,181) | - | (12,181) |
| Other comprehensive loss net of tax of nil | - | - | - | - | (12,181) | - | (12,181) | (12,181) | - | (12,181) |
| Total comprehensive loss for the period | - | - | (9,925) | - | (12,181) | - | (22,106) | (22,106) | (100) | (22,206) |
| Contributions by and distributions to owners | | | | | | | | | | |
| Dividends on ordinary shares | - | - | (7,059) | - | - | - | (7,059) | (7,059) | - | (7,059) |
| Dividends paid to non-controlling interests | - | - | - | - | - | - | - | - | (32) | (32) |
| Acquisition of non-controlling interests | - | - | - | - | - | - | - | - | (11) | (11) |
| Total contributions by and distributions to owners | - | - | (7,059) | - | - | - | (7,059) | (7,059) | (43) | (7,102) |
| At 31 December 2018 | 84,445 | (1,101) | 704,927 | (7,672) | (22,440) | 52 | 674,867 | 758,211 | 3,450 | 761,661 |

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 October 2019 to 31 December 2019 and 1 October 2018 to 31 December 2018

| The Company (All figures in \$'000) | Share capital | Treasury shares | Accumulated profits | Gain on reissuance of treasury shares | Total reserves | Total equity |
|--|----------------------|------------------------|----------------------------|--|-----------------------|---------------------|
| At 1 October 2019 | 84,445 | (1,101) | 440,929 | 52 | 440,981 | 524,325 |
| Profit for the period | - | - | 720 | - | 720 | 720 |
| Total comprehensive income for the period | - | - | 720 | - | 720 | 720 |
| <u>Contributions by and distributions to owners</u> | | | | | | |
| Dividends on ordinary shares | - | - | - | - | - | - |
| Total contributions by and distribution to owners | - | - | - | - | - | - |
| At 31 December 2019 | 84,445 | (1,101) | 441,649 | 52 | 441,701 | 525,045 |
| At 1 October 2018 | 84,445 | (1,101) | 441,931 | 52 | 441,983 | 525,327 |
| Loss for the period | - | - | (4,100) | - | (4,100) | (4,100) |
| Total comprehensive loss for the period | - | - | (4,100) | - | (4,100) | (4,100) |
| <u>Contributions by and distributions to owners</u> | | | | | | |
| Dividends on ordinary shares | - | - | - | - | - | - |
| Total contributions by and distribution to owners | - | - | - | - | - | - |
| At 31 December 2018 | 84,445 | (1,101) | 437,831 | 52 | 437,883 | 521,227 |

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 2019 to 31 December 2019 and 1 January 2018 to 31 December 2018

| The Company (All figures in \$'000) | Share capital | Treasury shares | Accumulated profits | Gain on reissuance of treasury shares | Total reserves | Total equity |
|--|----------------------|------------------------|----------------------------|--|-----------------------|---------------------|
| At 1 January 2019 | 84,445 | (1,101) | 437,831 | 52 | 437,883 | 521,227 |
| Profit for the year | - | - | 10,877 | - | 10,877 | 10,877 |
| Total comprehensive income for the period | - | - | 10,877 | - | 10,877 | 10,877 |
| <u>Contributions by and distributions to owners</u> | | | | | | |
| Dividends on ordinary shares | - | - | (7,059) | - | (7,059) | (7,059) |
| Total contributions by and distribution to owners | - | - | (7,059) | - | (7,059) | (7,059) |
| At 31 December 2019 | 84,445 | (1,101) | 441,649 | 52 | 441,701 | 525,045 |
| At 1 January 2018 | 84,445 | (1,101) | 432,843 | 52 | 432,895 | 516,239 |
| Profit for the year | - | - | 12,047 | - | 12,047 | 12,047 |
| Total comprehensive income for the period | - | - | 12,047 | - | 12,047 | 12,047 |
| <u>Contributions by and distributions to owners</u> | | | | | | |
| Dividends on ordinary shares | - | - | (7,059) | - | (7,059) | (7,059) |
| Total contributions by and distribution to owners | - | - | (7,059) | - | (7,059) | (7,059) |
| At 31 December 2018 | 84,445 | (1,101) | 437,831 | 52 | 437,883 | 521,227 |

- 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> | |
|---|----------------------------------|--------------------|
| | 31-Dec-19 | 31-Dec-18 |
| Balance as at 1 October and 31 December | <u>470,557,541</u> | <u>470,557,541</u> |
| Balance as at 1 January and 31 December | <u>470,557,541</u> | <u>470,557,541</u> |

Treasury Shares

| | <u>Number of Treasury Shares</u> | |
|---|----------------------------------|------------------|
| | 31-Dec-19 | 31-Dec-18 |
| Balance as at 1 October and 31 December | <u>3,999,850</u> | <u>3,999,850</u> |
| Balance as at 1 January and 31 December | <u>3,999,850</u> | <u>3,999,850</u> |

During the period ended 31 December 2019, 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 December 2019 is 470,557,541 (31 December 2018: 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.

- 1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings 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 modifications or emphasis of a matter).

Not applicable.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

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

Except as disclosed in Note 5, the Group and the Company have adopted the same accounting policies and methods of computation for the current financial period as those for the financial year ended 31 December 2018.

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 2019.

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 except as detailed below.

SFRS(I) 16 Leases

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items.

The Group and the Company adopted SFRS(I) 16 on 1 January 2019 using the modified retrospective approach. The effects of the adoption of SFRS(I) 16 to the Group are as follows:

| | <u>The Group</u> \$'000 |
|--|----------------------------|
| <u>Statement of financial position</u> | |
| Increase in right-of use assets | 29,658 |
| Decrease in property, plant and equipment | (788) |
| Increase in lease liabilities | (29,077) |
| Decrease interest-bearing loans and borrowings | <u>207</u> |

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-19 | 31-Dec-18 | 31-Dec-19 | 31-Dec-18 |
| Earning per share (cents) | | | | |
| Basic | 3.44 | (2.83) | 4.70 | (2.11) |
| Diluted | 3.44 | (2.83) | 4.70 | (2.11) |
| Weighted average number of shares | | | | |
| Basic | 470,557,541 | 470,557,541 | 470,557,541 | 470,557,541 |
| Diluted | 470,557,541 | 470,557,541 | 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-Dec-19 | 31-Dec-18 | 31-Dec-19 | 31-Dec-18 |
| Net assets value per share (cents) | 163.67 | 161.13 | 111.58 | 110.77 |
| 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 – fourth quarter ended 31 December 2019 (“4Q2019”) performance

Revenue

| | 3 months ended 31-Dec-19 | | 3 months ended 31-Dec-18 | | |
|------------------------|-----------------------------|------|-----------------------------|------|--------|
| | \$'000 | % | \$'000 | % | |
| Development properties | 3,538 | 9.9 | 3,813 | 11.9 | (7.2) |
| Rental | 6,719 | 18.9 | 7,769 | 24.4 | (13.5) |
| Hotel operations | 23,031 | 64.7 | 18,110 | 56.7 | 27.2 |
| Leisure business | 2,334 | 6.5 | 2,243 | 7.0 | 4.1 |
| | <u>35,622</u> | 100 | <u>31,935</u> | 100 | 11.5 |

The Group recorded revenue of \$35.6 million in the 3 months ended 31 December 2019 (“4Q2019”), an increase of \$3.7 million from \$31.9 million recorded in the previous corresponding period ended 31 December 2018 (“4Q2018”).

Revenue from development properties relates to the sale of units at Marina Tower, Melbourne. The Group recorded lower sales of development properties in 4Q2019 as compared to 4Q2018.

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)**

Rental revenue decreased by \$1.1 million from \$7.8 million in 4Q2018 to \$6.7 million in 4Q2019. Included in 4Q2019 is the revenue from 25 Rowe Avenue office acquired on 29 March 2019. The decrease in revenue was generally due to lower occupancies for the Group's other properties.

Revenue from hotel operations increased by \$4.9 million from \$18.1 million in 4Q2018 to \$23.0 million in 4Q2019. The increase in revenue was mainly attributable to the hotel operations in Aloft Perth hotel which was acquired on 29 March 2019.

Profit/(Loss) before Tax

The Group recorded a profit before tax of \$16.2 million in 4Q2019 and a loss before tax of \$14.6 million in 4Q2018. Included in 4Q2019 is a gain on bargain purchase of \$13.5 million arising from the business acquisition of Rowe Avenue, Perth.

Finance income decreased by \$0.4 million in 4Q2019 as compared to 4Q2018 mainly due to lower interest income from commercial papers.

Other income decreased by \$1.9 million from \$3.3 million in 4Q2018 to \$1.4 million in 4Q2019 partly due to lower gain on disposal of investments.

Changes in completed properties for sale in 4Q2019 and 4Q2018 relates to the sale of units at Marina Tower, Melbourne.

Employee benefits expense increased by \$1.8 million in 4Q2019 as compared to 4Q2018 mainly due to employee benefits expense recorded in relation to Aloft Perth hotel.

Depreciation expense increased by \$0.9 million in 4Q2019 as compared to 4Q2018 mainly due to depreciation expense relating to right-of-use assets and the depreciation expense relating to the new properties acquired in Perth.

Other expenses increased by \$4.3 million in 4Q2019 as compared to 4Q2018 mainly due to higher upkeep expenses for the Group's properties. Included in other expenses is an impairment loss on the investment property at Stirling Street, Perth of \$5.2 million and \$3.7 million in 4Q2019 and 4Q2018 respectively.

Finance cost increased by \$0.5 million in 4Q2019 as compared to 4Q2018 mainly due to borrowings for the acquisition of new properties in Perth. Included in 4Q2019 is also the interest expense on lease liabilities of \$0.4 million.

The Group recorded in 4Q2019 a fair value gain in financial instruments of \$6.7 million as compared to a fair value loss of \$15.5 million in 4Q2018.

The Group recorded a foreign exchange gain of \$1.7 million and \$0.3 million in 4Q2019 and 4Q2018 respectively mainly due to the fluctuation in Australian dollar exchange rates.

Tax Credit

Included in 4Q2019 an income tax adjustment due to the finalisation of capital allowances available to the Group arising from the new properties acquired in Perth. The tax credit recorded in 4Q2018 was mainly from unutilised tax loss arising from the fair value loss in financial instruments.

Net Profit/(Loss)

The Group registered a net profit after tax of \$16.2 million and a net loss after tax of \$13.3 million in 4Q2019 and 4Q2018 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)

Consolidated Income Statement – financial year ended 31 December 2019 (“FY2019”) performance

Revenue

| | 12 months ended 31-Dec-19 | | 12 months ended 31-Dec-18 | | |
|------------------------|------------------------------|------|------------------------------|------|--------|
| | \$'000 | % | \$'000 | % | |
| Development properties | 11,968 | 9.1 | 77,429 | 41.3 | (84.5) |
| Rental | 29,340 | 22.2 | 31,420 | 16.7 | (6.6) |
| Hotel operations | 82,514 | 62.4 | 70,271 | 37.5 | 17.4 |
| Leisure business | 8,398 | 6.3 | 8,365 | 4.5 | 0.4 |
| | <u>132,220</u> | 100 | <u>187,485</u> | 100 | (29.5) |

The Group recorded revenue of \$132.2 million for the financial year ended 31 December 2019 (“FY2019”), a decrease of \$55.3 million from \$187.5 million recorded in the previous financial year ended 31 December 2018 (“FY2018”). The decrease in revenue is mainly due to lower sales of development properties in FY2019.

Revenue from development properties in FY2019 and FY2018 relates to the sale of units at Marina Tower, Melbourne.

Rental revenue decreased by \$2.1 million from \$31.4 million in FY2018 to \$29.3 million in FY2019. Included in FY2019 is the revenue from 25 Rowe Avenue office acquired on 29 March 2019. The decrease in revenue was generally due to lower occupancies for the Group's other properties.

Revenue from hotel operations increased by \$12.2 million from \$70.3 million in FY2018 to \$82.5 million in FY2019. The increase in revenue was mainly attributable to the hotel operations in Aloft Perth hotel which was acquired on 29 March 2019.

Revenue from leisure business was recorded at \$8.4 million in both FY2019 and FY2018.

Profit/(Loss) before Tax

The Group recorded a profit before tax of \$24.0 million in FY2019 and a loss before tax of \$3.6 million in FY2018. Included in FY2019 is a gain on bargain purchase of \$13.5 million arising from the business acquisition of Rowe Avenue, Perth.

Finance income decreased by \$1.2 million in FY2019 as compared to FY2018 mainly due to lower interest income from commercial papers.

Other income increased by \$2.1 million from \$7.3 million in FY2018 to \$9.4 million in FY2019 mainly due to higher gain on disposal of investments. Included in FY2019 is the forfeited sale deposits relating to Marina Tower, Melbourne of \$0.5 million.

Changes in completed properties for sale in FY2019 and FY2018 relates to the sale of units at Marina Tower, Melbourne.

Employee benefits expense increased by \$4.0 million in FY2019 as compared to FY2018 mainly due to employee benefits expense recorded in relation to Aloft Perth hotel.

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)**

Depreciation expense increased by \$4.8 million in FY2019 as compared to FY2018 mainly due to depreciation expense relating to right-of-use assets and the depreciation expense relating to the new properties acquired in Perth.

Other expenses increased by \$9.2 million in FY2019 as compared to FY2018 mainly due to higher upkeep expenses for the Group's properties which was offset by lower selling expenses for Marina Tower, Melbourne. Included in other expenses is an impairment loss on the investment property at Stirling Street, Perth of \$5.2 million and \$3.7 million in FY2019 and FY2018 respectively. Also included in FY2019 is the stamp duty of \$5.0 million arising from the acquisition of the new properties in Perth.

Finance cost increased by \$5.3 million in FY2019 as compared to FY2018 mainly due to borrowings for the acquisition of new properties in Perth and for new trading investments. Included in FY2019 is also the interest expense on lease liabilities of \$1.3 million.

The Group recorded in FY2019 a fair value gain in financial instruments of \$13.7 million as compared to a fair value loss of \$23.5 million in FY2018.

The Group recorded in FY2019 a foreign exchange gain of \$2.8 million as compared to a foreign exchange loss of \$4.3 million in FY2018 mainly due to the fluctuation in Euro and Australian dollar exchange rates.

Tax Expense

The Group recorded a tax expense of \$1.9 million and \$6.4 million in FY2019 and FY2018 respectively. Included in FY2019 an income tax adjustment due to the finalisation of capital allowances available to the Group arising from the new properties acquired in Perth. The higher tax expense recorded in FY2018 relates mainly to the higher gains on sale of Marina Tower, Melbourne during that financial year.

Net Profit/(Loss)

The Group registered a net profit after tax of \$22.2 million and a net loss after tax of \$10.0 million in FY2019 and FY2018 respectively.

Consolidated Statement of Financial Position as at 31 December 2019

Non-current assets

Non-current assets increased by \$97.5 million as compared to 31 December 2018. This increase was mainly due to the new properties acquired in Perth on 29 March 2019 and its related deferred tax benefits arising from the unutilised capital allowances. Also included in this period was the right-of-use assets of \$35.5 million relating to the adoption of the SFRS(I) 16.

Included in Other assets as at 31 December 2018 was a deposit of \$10.6 million paid in relation to the acquisition of properties in Perth.

Current assets

Current assets decreased by \$19.3 million as compared to 31 December 2018 mainly due to cash settlement relating to the acquisition of properties in Perth. Included as at 31 December 2019 a transfer of an investment property unit at HH@Kallang to asset held for sale.

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

Current liabilities increased by \$251.7 million as compared to 31 December 2018 mainly due to increase in bank borrowings for the acquisition of properties in Perth and the reclassification of bank borrowings from non-current liabilities due to the maturity within the next 12 months. Also included in this financial year was the lease liabilities of \$2.9 million arising from the adoption of the SFRS(I) 16.

Non-current liabilities

Non-current liabilities decreased by \$185.4 million as compared to 31 December 2018 mainly due to the reclassification of bank borrowings to current liabilities as mentioned above. Also included in this financial year was the lease liabilities of \$32.4 million arising from the adoption of the SFRS(I) 16.

Consolidated Statement of Cash Flows Position as at 31 December 2019

The Group recorded net cash generated from operating activities of \$12.5 million and \$41.1 million for 4Q2019 and FY2019 respectively. This amount includes cash inflow from the sale of development properties at Marina Tower, Melbourne.

Net cash generated from investing activities amounted to \$1.1 million in 4Q2019. Included in FY2019 was a net cash used of \$83.9 million for the acquisition of properties in Perth.

Net cash used in financing activities of \$13.5 million in 4Q2019 was mainly due to higher repayment of bank borrowings. Recorded in FY2019 was a net cash generated of \$25.2 million 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 strengthen its recurring income base by focusing on improving its rental yields and occupancy rates of its existing properties. The Group expects the Coronavirus outbreak to have an adverse impact on the overall economy and consequently, on the performance of the hotel sector for the coming months.

The Group will also continue to explore new acquisition opportunities to expand its recurring income base both locally and abroad.

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

The Group's investment portfolios will continue to be affected by the current global macroeconomic conditions.

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 at the forthcoming Annual General Meeting for the financial year ended 31 December 2019 as follows:

| | |
|------------------|-------------------------------|
| Name of dividend | : Final (tax exempt one tier) |
| Type of dividend | : Cash |
| Dividend | : 1 cent 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

| | |
|------------------|-------------------------------|
| Name of dividend | : Final (tax exempt one tier) |
| Type of dividend | : Cash |
| Dividend | : 1 cent per ordinary share |
| Tax rate | : One tier |

(c) Date payable

To be advised.

(d) Books closure date

To be advised.

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

Not applicable.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. Segmented 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 2019 to 31 December 2019

| | Development Properties | Rental Income | Leisure Business | Hotel Income | Trading Investments | Others | Elimination | Total |
|---|------------------------|---------------|------------------|--------------|---------------------|-----------------------|-------------|----------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue | | | | | | | | |
| Segment revenue | | | | | | | | |
| - External sales | 11,968 | 29,340 | 8,398 | 82,514 | - | - | - | 132,220 |
| - Inter-segment sales | - | 291 | - | - | - | 1,368 | (1,659) | - |
| | 11,968 | 29,631 | 8,398 | 82,514 | - | 1,368 | (1,659) | 132,220 |
| Results | | | | | | | | |
| Segment profit/(loss) | 3,250 | 5,156 | 725 | 5,119 | 25,016 | (1,818) | (13,420) | 24,028 |
| Income tax expense | | | | | | | | (1,870) |
| Profit after tax | | | | | | | | 22,158 |
| Other information: | | | | | | | | |
| Other income | 750 | 5,338 | 25 | 217 | 3,064 | 35 | - | 9,429 |
| Financial income | - | 95 | - | - | 3,031 | 256 | - | 3,382 |
| Finance cost | - | (4,190) | (268) | (7,509) | (2,787) | (4,594) | - | (19,348) |
| Fair value changes in held-for-trading investments | - | - | - | - | 13,294 | - | - | 13,294 |
| Fair value changes in derivative instruments | - | - | - | - | 429 | - | - | 429 |
| Depreciation expense | - | (8,407) | (1,926) | (10,067) | - | (388) | (11,761) | (32,549) |
| Other expenses | (848) | (16,607) | (1,990) | (37,366) | (769) | (6,673) | - | (64,253) |
| Other material non-cash item: | | | | | | | | |
| - Gain on bargain purchase arising from acquisition | - | - | - | - | - | 13,524 ⁽¹⁾ | - | 13,524 |

Notes:

¹ This relates to a gain on bargain purchase arising from the fair value of net assets acquired exceeding total consideration transferred for the business acquisition of Rowe Avenue, Perth.

13. **Segmented 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. (Cont'd)**

1 January 2018 to 31 December 2018

| | Development Properties | Rental Income | Leisure Business | Hotel Income | Trading Investments | Others | Elimination | Total |
|--|------------------------|---------------|------------------|--------------|---------------------|----------|-------------|----------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue | | | | | | | | |
| Segment revenue | | | | | | | | |
| - External sales | 77,429 | 31,420 | 8,365 | 70,271 | - | - | - | 187,485 |
| - Inter-segment sales | - | 291 | 2 | 1 | - | 1,299 | (1,593) | - |
| | 77,429 | 31,711 | 8,367 | 70,272 | - | 1,299 | (1,593) | 187,485 |
| Results | | | | | | | | |
| Segment profit/(loss) | 20,059 | 11,634 | 1,093 | 6,586 | (14,696) | (14,960) | (13,357) | (3,641) |
| Income tax expense | | | | | | | | (6,384) |
| Loss after tax | | | | | | | | (10,025) |
| Other information: | | | | | | | | |
| Other income | 1,607 | 3,737 | 9 | 153 | 1,716 | 37 | - | 7,259 |
| Financial income | 5 | 72 | 3 | 2 | 3,882 | 663 | - | 4,627 |
| Finance cost | - | (1,727) | (5) | (6,028) | (1,852) | (4,415) | - | (14,027) |
| Fair value changes in held-for-trading investments | - | - | - | - | (22,822) | - | - | (22,822) |
| Fair value changes in derivative instruments | - | - | - | - | (682) | - | - | (682) |
| Depreciation expense | - | (5,515) | (924) | (9,055) | - | (492) | (11,763) | (27,749) |
| Other expenses | (3,593) | (15,792) | (2,859) | (30,416) | (988) | (1,442) | - | (55,090) |

Geographical segment revenues

| | 2019 | 2018 |
|----------------|--------|---------|
| | \$'000 | \$'000 |
| Australia | 47,769 | 102,886 |
| United Kingdom | 8,205 | 8,431 |
| Singapore | 76,246 | 76,168 |

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.**

Please refer to Note 8 above.

15. **A breakdown of sales.**

| | The Group | | |
|--|---------------------|---------------------|------|
| | 31-Dec-19 \$'000 | 31-Dec-18 \$'000 | % |
| Revenue reported for first half year | 61,338 | 113,433 | -46% |
| Operating profit after tax before deducting minority interests reported in first half year | 5,816 | 2,719 | 114% |
| Revenue reported for second half year | 70,882 | 74,052 | -4% |
| Operating profit/(loss) after tax before deducting minority interests reported in second half year | 16,342 | (12,744) | NM |

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

| | 31-Dec-19 \$'000 | 31-Dec-18 \$'000 |
|----------|---------------------|---------------------|
| Ordinary | 7,059 | 7,059 |

17. **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 December 2019 | 12 months ended 31 December 2019 | 3 months ended 31 December 2019 | 12 months ended 31 December 2019 |
| Hiap Hoe & Co. Pte. Ltd. (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd) | Provision of Services for Maintenance of Properties to the Company's subsidiaries: - SuperBowl Jurong Pte Ltd (value of transactions amounting to \$34,000) - HH Properties Pte Ltd (value of transactions amounting to \$30,000) | Provision of Services for Maintenance of Properties to the Company's subsidiaries: - SuperBowl Jurong Pte Ltd (value of transactions amounting to \$163,000) - HH Properties Pte Ltd (value of transactions amounting to \$150,000) | Nil | Nil |

17. 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. (Cont'd)

| 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 2019 | 12 months ended 31 December 2019 | 3 months ended 31 December 2019 | 12 months ended 31 December 2019 |
| Hiap Hoe & Co. Pte. Ltd. (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd) | Provision of Services for Maintenance of Properties to the Company's subsidiaries: - SuperBowl Development Pte Ltd (value of transactions amounting to \$85,000) | Provision of Services for Maintenance of Properties to the Company's subsidiaries: - SuperBowl Development Pte Ltd (value of transactions amounting to \$106,000) ⁽¹⁾ | Nil | Nil |

Note:

⁽¹⁾ The value of IPT transaction with SuperBowl Development Pte Ltd was \$21,000 for the nine months ended 30 September 2019. Pursuant to Rule 905(3) of the SGX-ST Listing Rules, no announcement was made previously by the Company with regard to this transaction as its value was below \$100,000.

No general mandate for IPTs has been obtained from shareholders.

18. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

| Name | Age | Family relationship with any director and/or substantial shareholder | Current position and duties, and the year the position was held | Details of changes in duties and position held, if any, during the year |
|--------------------|-----|--|--|---|
| Teo Ho Beng | 65 | Brother of Roland Teo Ho Kang | <p>Executive Director & Chief Executive Officer Hiap Hoe Limited and Group of subsidiaries (2003)</p> <p>Engaging meetings that enable the Board to perform its duties responsibly. Preparing meeting agenda. Assisting in ensuring compliance with the Company's guidelines on corporate governance. Formulate corporate strategies and policies for the Group. Ensuring senior management's implementation of policies and strategies at the operating level.</p> <p>Responsible for the day-to-day management of the Group as well as the exercise of control over quality, quantity and timeliness of information flow between the Board and Management and in developing the business of the Group.</p> | Nil |
| Roland Teo Ho Kang | 56 | Brother of Teo Ho Beng | <p>Managing Director of: Hiap Hoe Limited and Group of subsidiaries (2003)</p> <p>Formulate corporate strategies and policies for the Group. Overseeing the marketing and promotional activities. Responsible for product development, business expansion and staff development.</p> | Nil |

18. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement. (Cont'd)**

| Name | Age | Family relationship with any director and/or substantial shareholder | Current position and duties, and the year the position was held | Details of changes in duties and position held, if any, during the year |
|--------------------|-----|--|---|---|
| Teo Poh Sim, Agnes | 49 | Sister of Teo Ho Beng and Roland Teo Ho Kang | Head, Human Resource of Hiap Hoe Limited and Group of subsidiaries (2003) Director of a subsidiary company, SuperBowl Holdings Limited (2016) Formulate human resource policies and administrative policies for the group. Responsible for the group payroll, staff welfares and staff development as well as administration. | Nil |
| Teo Keng Joo, Marc | 34 | Son of Teo Ho Beng and nephew of Roland Teo Ho Kang | Executive Director Hiap Hoe Limited and Group of subsidiaries (2017) Oversee and head the Project Management department of the Group (2014). Responsible for the Group's expansion plans and corporate investments (2017). | Nil |
| Teo Poh Leng | 53 | Sister of Teo Ho Beng and Roland Teo Ho Kang | Director of Super Funworld Pte Ltd (1995) Responsible for monitoring and updating of daily takings of different bowling centres. Responsible for staff welfare. Responsible for staff payroll. | Nil |
| Teo Ho Kheong | 47 | Brother of Teo Ho Beng and Roland Teo Ho Kang | Director of: SuperBowl Development Pte Ltd (1996) SuperBowl Jurong Pte Ltd (2002) Super Funworld Pte Ltd (2002) Formulate operations and marketing concepts for SuperBowl Development Pte Ltd and SuperBowl Jurong Pte Ltd. Overall management of bowling programmes for youth tournaments and leagues. | Nil |

18. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement. (Cont'd)**

| Name | Age | Family relationship with any director and/or substantial shareholder | Current position and duties, and the year the position was held | Details of changes in duties and position held, if any, during the year |
|-----------------------|-----|--|---|---|
| Teo Poh Ho, Josephine | 52 | Sister of Teo Ho Beng and Roland Teo Ho Kang | Senior Manager (1994) Formulate operational policies for a few bowling centres. Oversee the operation of these centres. Responsible for staff welfare. Responsible for staff payroll. Oversee the revenue collection for these centres. | Nil |
| Sin Wong Chan | 65 | Wife of Teo Ho Beng Sister-in-law of Roland Teo Ho Kang | Finance Manager (2000) Oversee the financial operations of SuperBowl Jurong Pte Ltd and SuperBowl Development Pte Ltd. Oversee the revenue collection of a few bowling centres. Responsible for staff welfare. Responsible for staff payroll. | Nil |

19. **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
28 February 2020

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 fourth quarter and full year ended 31 December 2019 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