



Hiap Hoe Limited
(Registration No. : 199400676Z)

9 Months Financial Statement for the Period Ended 30 September 2008

1(a) Income Statement for the Group for the Third Quarter and 9 Months Ended 30 September 2008

Unaudited results for the period ended 30 September 2008

(All figures in \$'000)

| | The Group | | | The Group | | |
|-----------------------------------|----------------|-----------|---------|----------------|-----------|---------|
| | 3 Months ended | | | 9 Months ended | | |
| | 30 Sep 08 | 30 Sep 07 | % | 30 Sep 08 | 30 Sep 07 | % |
| Revenue | 4,162 | 24,042 | (82.7) | 19,652 | 79,624 | (75.3) |
| Cost of sales | (2,173) | (13,533) | (83.9) | (9,239) | (55,534) | (83.4) |
| Gross profit | 1,989 | 10,509 | (81.1) | 10,413 | 24,090 | (56.8) |
| Other items of income | | | | | | |
| Other income | 110 | 103 | 6.8 | 1,754 | 594 | 195.3 |
| Financial income | 47 | 206 | (77.2) | 140 | 288 | (51.4) |
| Other items of expenses | | | | | | |
| Distribution and selling expenses | (1,040) | (1,318) | (21.1) | (3,004) | (4,466) | (32.7) |
| Administrative expenses | (662) | (674) | (1.8) | (2,007) | (2,234) | (10.2) |
| Other expenses | (72) | (11) | 554.5 | (151) | (65) | 132.3 |
| Financial expenses | (2) | (23) | (91.3) | (29) | (275) | (89.5) |
| Share of associate loss | (10) | - | NM | (10) | - | NM |
| Profit before taxation | 360 | 8,792 | (95.9) | 7,106 | 17,932 | (60.4) |
| Tax expenses | 8 | (1,878) | (100.4) | 508 | (2,975) | (117.1) |
| Net profit for the period | 368 | 6,914 | (94.7) | 7,614 | 14,957 | (49.1) |
| Attributable to : | | | | | | |
| Shareholders of the Company | 397 | 6,914 | (94.3) | 7,696 | 14,957 | (48.5) |
| Minority interests | (29) | - | NM | (82) | - | NM |

Notes:

- 1) NM – Not meaningful

Additional Information

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

(All figures in S\$'000)

| | The Group | | | The Group | | |
|---|----------------|-----------|---------|----------------|-----------|---------|
| | 3 Months ended | | % | 9 Months ended | | % |
| | 30 Sep 08 | 30 Sep 07 | | 30 Sep 08 | 30 Sep 07 | |
| Depreciation of fixed assets | 48 | 52 | (7.7) | 150 | 162 | (7.4) |
| Loss on disposal of fixed assets | - | 11 | (100.0) | - | 65 | (100.0) |
| Fair value gain on investment properties | - | - | - | (1,432) | - | NM |
| Dividend income, gross | (1) | (1) | - | (9) | (45) | (80.0) |
| Write back of provision for doubtful receivables (trade) | (18) | (4) | 350.0 | (127) | (19) | 568.4 |
| Fair value loss / (gain) on financial instruments - quoted investments held for trading | 72 | 30 | 140.0 | 156 | (148) | (205.4) |
| Write back of provision for foreseeable losses on development properties | - | - | - | - | (1,195) | (100.0) |

1(b)(i) Balance Sheet as at 30 September 2008

The Group

(All figures in \$'000)

ASSETS LESS LIABILITIES

Non-Current Assets

| | 30 Sep 08 | 31 Dec 07 | % |
|-------------------------------------|---------------|--------------|-------------|
| Fixed assets | 3,779 | 3,923 | (3.7) |
| Investment properties | 7,182 | 5,750 | 24.9 |
| Investments in associated companies | (10) | - | NM |
| Deferred tax assets | 744 | - | NM |
| | 11,695 | 9,673 | 20.9 |

Current Assets

| | | | |
|--|----------------|----------------|--------------|
| Cash, bank balances & fixed deposits | 7,267 | 30,235 | (76.0) |
| Other investments | 133 | 289 | (54.0) |
| Trade and other receivables | 126 | 4,608 | (97.3) |
| Other assets | 163 | 34,371 | (99.5) |
| Prepaid operating expenses | 89 | 138 | (35.5) |
| Due from associated company (non-trade) | 10,912 | - | NM |
| Due from related company (non-trade) | 17 | - | NM |
| Due from joint venture partner (non-trade) | 335 | 32 | 946.9 |
| Development properties | 504,799 | 136,015 | 271.1 |
| Work-in-progress | 2,491 | 282 | 783.3 |
| | 526,332 | 205,970 | 155.5 |

Current Liabilities

| | | | |
|---------------------------------------|---------------|---------------|---------------|
| Trade and other payables | 1,532 | 1,240 | 23.5 |
| Other liabilities | 2,921 | 5,047 | (42.1) |
| Derivatives | 190 | 99 | 91.9 |
| Due to related companies (trade) | 744 | 359 | 107.2 |
| Due to related companies (non-trade) | 11,947 | 6,998 | 70.7 |
| Interest-bearing loans and borrowings | 1,540 | 11,197 | (86.2) |
| Tax payables | 1,440 | 2,569 | (43.9) |
| | 20,314 | 27,509 | (26.2) |

Net Current Assets

506,018 **178,461** **183.5**

Non-Current Liabilities

| | | | |
|---------------------------------------|---------|--------|-------|
| Trade payables | 326 | 243 | 34.2 |
| Interest-bearing loans and borrowings | 372,747 | 70,047 | 432.1 |
| Deferred taxation | 3,439 | 2,222 | 54.8 |

Net Assets

141,201 **115,622** **22.1**

EQUITY

| | | | |
|--------------------|----------------|----------------|-------------|
| Share capital | 84,455 | 63,453 | 33.1 |
| Reserves | 56,458 | 51,798 | 9.0 |
| | 140,913 | 115,251 | 22.3 |
| Minority interests | 288 | 371 | (22.4) |

Total

141,201 **115,622** **22.1**

The Company

(All figures in \$'000)

ASSETS LESS LIABILITIES

Non-Current Assets

Fixed assets
Investments in subsidiary companies

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 associated company (non-trade)

Current Liabilities

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

Net Current Assets

Non-Current Liability

Interest-bearing loans and borrowings

Net Assets

EQUITY

Share Capital
Reserves

Total

| | 30 Sep 08 | 31 Dec 07 | % |
|--|----------------|---------------|---------|
| | | | |
| | 23 | 67 | (65.7) |
| | 48,683 | 48,683 | 0.0 |
| | 48,706 | 48,750 | (0.1) |
| | | | |
| | 68 | 6,987 | (99.0) |
| | 3 | 2 | 50.0 |
| | 127 | 126 | 0.8 |
| | 27 | 13 | 107.7 |
| | 89,789 | 40,840 | 119.9 |
| | 925 | 978 | (5.4) |
| | 10,912 | - | NM |
| | 101,851 | 48,946 | 108.1 |
| | | | |
| | 243 | 210 | 15.7 |
| | 214 | 530 | (59.6) |
| | 286 | 99 | 188.9 |
| | 49,115 | 16,427 | 199.0 |
| | - | 15 | (100.0) |
| | - | 4 | (100.0) |
| | 10 | 10 | 0.0 |
| | 47 | 11 | 327.3 |
| | 49,915 | 17,306 | 188.4 |
| | 51,936 | 31,640 | 64.1 |
| | | | |
| | 22 | 29 | (24.1) |
| | 100,620 | 80,361 | 25.2 |
| | | | |
| | 84,455 | 63,453 | 33.1 |
| | 16,165 | 16,908 | (4.4) |
| | 100,620 | 80,361 | 25.2 |
| | | | |

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 30 Sep 08 | | As at 31.12.07 | |
|-----------------|-----------|----------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| 1,540 | - | 11,197 | - |

Amount repayable after one year

(\$'000)

| As at 30 Sep 08 | | As at 31.12.07 | |
|-----------------|-----------|----------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| 372,747 | - | 70,047 | - |

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 | | 9 months ended | |
|---|----------------|---------------|------------------|-----------------|
| | 30 Sep 08 | 30 Sep 07 | 30 Sep 08 | 30 Sep 07 |
| Cash flows from operating activities : | | | | |
| Profit before taxation | 360 | 8,792 | 7,106 | 17,932 |
| Adjustments : | | | | |
| Depreciation of fixed assets | 48 | 52 | 150 | 162 |
| Interest expenses | 2 | 23 | 29 | 274 |
| Interest income | (47) | (206) | (139) | (287) |
| Dividend income | (1) | (1) | (9) | (45) |
| Loss on disposal of fixed assets | - | 11 | - | 65 |
| Fair value gain on derivatives | - | - | (6) | - |
| Fair value gain on investment properties | - | - | (1,432) | - |
| Write back of provision for doubtful receivables (trade) | (18) | (4) | (127) | (4) |
| Fair value loss / (gain) on financial instruments - quoted investments held for trading | 72 | 30 | 156 | (148) |
| Share of associate's loss | 10 | - | 10 | - |
| Write back of provision for foreseeable losses on development properties | - | - | - | (1,195) |
| Operating profit before working capital changes | 426 | 8,697 | 5,738 | 16,754 |
| Changes in working capital | | | | |
| (Increase)/decrease in : | | | | |
| Development properties | (4,768) | (9,847) | (363,327) | (37,624) |
| Trade and other receivables | 509 | 13,240 | 4,610 | (1,734) |
| Other assets | (3) | (3,391) | 34,333 | (5,513) |
| Prepaid operating expenses | 14 | 52 | 48 | 125 |
| Work-in-progress | (1,274) | 1,921 | (2,200) | 2,281 |
| Due from a joint venture partner, net | (319) | - | (303) | - |
| (Decrease) / increase in : | | | | |
| Trade and other payables | (286) | 2,631 | 375 | 1,693 |
| Other liabilities | 84 | (568) | (2,126) | (652) |
| Derivatives | 509 | - | 96 | - |
| Due to ultimate holding company | - | - | - | (104) |
| Due from related companies, net | (333) | 233 | 181 | 118 |
| Cash flows (used in) / generated from operations | (5,441) | 12,968 | (322,575) | (24,656) |
| Income tax paid | (545) | (1,200) | (273) | (2,598) |
| Net cash (used in) / generated from operating activities | (5,986) | 11,768 | (322,848) | (27,254) |

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

(All figures in \$'000)

| | 3 months ended | | 9 months ended | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 30 Sep 08 | 30 Sep 07 | 30 Sep 08 | 30 Sep 07 |
| Cash flows from investing activities : | | | | |
| Advances to associated company | (10,901) | - | (10,901) | - |
| Dividend income | 1 | 1 | 9 | 45 |
| Interest income | 47 | 206 | 139 | 287 |
| Purchase of fixed assets | (2) | (2) | (15) | (337) |
| Purchase of quoted investment | - | - | - | (30) |
| Purchase of unquoted investment | - | (11,000) | - | (22,500) |
| Net cash used in investing activities | (10,855) | (10,795) | (10,768) | (22,535) |
| Cash flow from financing activities : | | | | |
| Dividend paid | - | - | (3,036) | (2,752) |
| Repayment of bank term loans | (10,000) | (10,576) | (14,979) | (40,390) |
| Borrowings from banks | 4,578 | 661 | 307,267 | 70,856 |
| Placement of shares, net of expenses | - | - | - | 23,617 |
| Right issuance of shares | 21,002 | - | 21,002 | - |
| Proceeds from exercise of share options | - | 17 | - | 168 |
| Repayment of hire purchase | (27) | (28) | (83) | (83) |
| Hire purchase loan | - | - | - | 200 |
| Interest paid | (1,989) | (953) | (4,890) | (2,197) |
| Advances from related companies | 198 | - | 4,985 | - |
| Proceeds from conversion from warrants to shares | - | 134 | - | 5,776 |
| Net cash generated from / (used in) financing activities | 13,762 | (10,745) | 310,266 | 55,195 |
| Net (decrease) / increase in cash and cash equivalents | (3,079) | (9,772) | (23,350) | 5,406 |
| Cash and cash equivalents at beginning of period | 9,964 | 15,522 | 30,235 | 344 |
| Cash and cash equivalents at end of period | 6,885 | 5,750 | 6,885 | 5,750 |

Note :

Cash and bank balances
Fixed deposits
Less Bank overdraft

| | |
|--------------|--------------|
| 717 | 2,209 |
| 6,550 | 3,541 |
| (382) | - |
| 6,885 | 5,750 |

| | |
|--------------|--------------|
| 717 | 2,209 |
| 6,550 | 3,541 |
| (382) | - |
| 6,885 | 5,750 |

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

(All figures in \$'000)

| | The Group | | The Company | |
|---------------------------------------|-----------|----------|-------------|----------|
| | 3Q2008 | 3Q2007 | 3Q2008 | 3Q2007 |
| Issued Capital | | | | |
| Balance at beginning of period | 63,453 | 130,407 | 63,453 | 130,407 |
| Issuance of shares | 21,002 | 151 | 21,002 | 151 |
| Warrants exercised during the period | - | 23 | - | 23 |
| Balance at end of period | 84,455 | 130,581 | 84,455 | 130,581 |
| Warrant Reserves | | | | |
| Balance at beginning of period | - | 23 | - | 23 |
| Exercise during the period | - | (23) | - | (23) |
| Balance at end of period | - | - | - | - |
| Capital reduction reserve | | | | |
| Balance at beginning / end of period | - | 5,773 | - | 5,773 |
| Capital reserve | | | | |
| Balance at beginning / end of period | (7,672) | (81,003) | - | - |
| Other reserve | | | | |
| Balance at beginning / end of period | - | 292 | - | 292 |
| Accumulated profits / (losses) | | | | |
| Balance at beginning of period | 63,733 | 48,082 | 16,139 | (73,331) |
| Profit / (Loss) for the period | 397 | 6,913 | 26 | (32) |
| Balance at end of period | 64,130 | 54,995 | 16,165 | (73,363) |
| Minority interest | | | | |
| Balance at beginning of period | 317 | - | - | - |
| Net loss for the period | (29) | - | - | - |
| Balance at end of period | 288 | - | - | - |
| Equity at end of period | 141,201 | 110,638 | 100,620 | 63,283 |

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.

Employees' Stock Options

| | Number of Employees' Stock Options (Unexercised) | | Exercise Price (\$) | |
|-----------------------------|--|----------|---------------------|--------|
| | 3Q2008 | 3Q2007 | 3Q2008 | 3Q2007 |
| Balance at 1 July | - | 560,000 | | |
| Exercised during the period | - | (60,000) | - | 0.280 |
| Balance at 30 September | - | 500,000 | | |

Warrants

| | Number of Warrants (Unexercised) | | Exercise Price (\$) | |
|-----------------------------|----------------------------------|-------------|---------------------|--------|
| | 3Q2008 | 3Q2007 | 3Q2008 | 3Q2007 |
| Balance at 1 July | - | 1,116,121 | | |
| Exercised during the period | - | (1,073,548) | - | 0.125 |
| Expired during the period | | (42,573) | | |
| Balance at 30 September | - | - | | |

Ordinary Shares

| | Number of Ordinary Shares | |
|--|---------------------------|-------------|
| | 3Q2008 | 3Q2007 |
| Balance at 1 July | 303,717,091 | 302,083,543 |
| Right issue | 75,929,272 | - |
| Conversion from warrants | - | 1,073,548 |
| Conversion from employees' stock options | - | 60,000 |
| Balance at 30 September | 379,646,363 | 303,217,091 |

During the third quarter ended 30 September 2008, the Company issued 75,929,272 new ordinary shares subsequent to the right issue of new ordinary shares on the basis of one (1) rights share for every four (4) existing ordinary shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The number of issued shares as at 30 September 2008 is 379,646,363 (31 December 2007 : 303,717,091).

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.

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 2007.

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

Not applicable.

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

The Group

| | 3 Months ended | | 9 Months ended | |
|-----------------------------------|----------------|-------------|----------------|-------------|
| | 30 Sep 08 | 30 Sep 07 | 30 Sep 08 | 30 Sep 07 |
| Earning per share (cents) | | | | |
| Basic | 0.10 | 2.54 | 2.03 | 5.50 |
| Diluted | 0.10 | 2.38 | 2.03 | 5.16 |
| Weighted average number of shares | | | | |
| Basic | 379,646,363 | 271,801,457 | 379,646,363 | 271,801,457 |
| Diluted | 379,646,363 | 290,127,833 | 379,646,363 | 290,127,833 |

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**

| | 30 Sep 08 | 31 Dec 07 |
|------------------------------------|-------------|-------------|
| Net assets value per share (cents) | | |
| The Group | 37.12 | 37.95 |
| The Company | 26.50 | 26.46 |
| Based on number of shares | | |
| The Group | 379,646,363 | 303,717,091 |
| The Company | 379,646,363 | 303,717,091 |

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

Group revenue registered a decline of 82.7% to \$4.2m for the third quarter ended 30 September 2008 ("3Q2008"), compared with \$24.0m achieved in the previous corresponding period ("3Q2007"). Revenue for the quarter was mainly derived from the progressive recognition of residential development projects, Cuscaden Royale and Oxford Suites. In comparison, 3Q2007 revenue was boosted by sales of completed residential units of Papillon, Proximo and Moonstone Residences, as well as from progressive revenue recognition from the construction of City Edge, Oxford Suites and Cuscaden Royale.

Revenue for the 9 months ended 30 September 2008 ("9M2008") fell 75.3% to \$19.7m from \$79.6m recorded in the previous corresponding period ("9M2007").

Net profit after tax for 3Q2008 fell 94.7% to \$0.4m from \$6.9m, while year-to-date net profit after tax registered a decline of 49.1% to \$7.6m from \$15.0m in 9M2007.

Profit / Loss

In line with the drop in revenue, the Group's gross profit fell 81.1% from \$10.5m to \$2.0m in 3Q2008. Gross profit for the 9 months period also declined 56.8% to \$10.4m.

3Q2008 distribution and selling expenses of \$1.0m was mainly incurred in relation to the construction of two show suites and related marketing fees. This was 21.1% lower than that incurred in 3Q2007, during which more sales commission was paid out in view of the higher amount of sales transactions that took place during that period.

The Group saw a decline in financial expenses from \$23,000 to \$2,000 as most of the interest cost incurred in 3Q2008 was in relation to projects under construction and was capitalized. In contrast,

the bulk of interest cost incurred in 3Q2007 was in relation to completed projects and was thus expensed off.

The Group recorded a tax credit of \$8,000 in 3Q2008 and \$0.5m in 9M2008 due to tax discharge for subsidiary companies in prior years.

Balance Sheet

Cash, bank balances and fixed deposits declined from \$30.2m to about \$7.3m, as a result of a cash drawdown, to partly finance the acquisitions of four plots of land.

Other assets reduced from \$34.4m to \$0.2m mainly due to the reclassification of deposits placed for land acquisitions to development properties.

The value of development properties increased from \$136.0m to \$504.8m mainly due to the four new plots of land acquired for development and the construction cost incurred for uncompleted projects. Correspondingly, this has resulted in an increase in non-current borrowings from \$70.0m to \$372.7m.

Short-term bank borrowings declined by \$9.7m due to the repayment of bank loans by a subsidiary company, and a reclassification of a short-term loan as long-term loan.

Cash Flow

The Group recorded net cash used in operating activities of approximately \$6.0m mainly due to costs incurred in property development and construction work in-progress.

Net cash used in investing activities was \$10.9m, mainly due to advance payment of \$10.9m made to associate company HH Properties Pte Ltd ("HHP"), for land acquisition deposits in relation to the acquisition of a 99-year leasehold land parcel at Balestier Road / Ah Hood Road. HHP completed this acquisition on 4 November 2008.

Financing activities registered a net cash inflow of \$13.8m, mainly as a result of proceeds generated from the Rights Issue of shares worth \$21.0m and bank borrowings of \$4.6m. These were partially used to repay short-term bank borrowings of \$10.0m and bank interest of \$2.0m.

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 8 August 2008.

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.

According to real estate statistics for 3Q2008 by the Urban Redevelopment Authority, prices of private residential properties have fallen by some 2.4%, in contrast to a 0.2% increase in the previous quarter.

Against this backdrop and coupled with the recent global financial turmoil affecting overall property market sentiment, the Group expects sales of residential properties to remain slow.

The management will nevertheless, continue to monitor the development of the economy so as to seek an opportune time to launch some projects under its portfolio.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?
None

(c) Date payable

Not applicable.

(d) Book closure date

Not applicable.

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

No dividend has been declared / recommended during the financial period.

13. INTERESTED PERSONS TRANSACTIONS FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2008

| Name of interested person | Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | | Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) | |
|--|---|--|---|----------------------------------|
| | 3 months ended 30 September 2008 | 9 Months ended 30 September 2008 | 3 months ended 30 September 2008 | 9 months ended 30 September 2008 |
| 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 transaction amounting to \$(124,000)) - Cavenagh Properties Pte. Ltd. (Value of transaction amounting to \$153,000) | <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, Contract Value of \$1,027,000 (Value of transactions amounting to \$480,000) - Cavenagh Properties Pte. Ltd., Contract Value of \$956,000 (Value of transactions amounting to \$357,000) <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., Contract Value \$671,200 (Value of transactions amounting to \$144,000) | - | - |
| SuperBowl Holdings Limited (a subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd) | <p>Loan Contribution by the Company in accordance to the Joint Venture Agreement :</p> <ul style="list-style-type: none"> - Hiap Hoe SuperBowl JV Pte. Ltd. (Value of loan amounting to \$306,000) <p>Interest income amounting to \$84,000</p> | <p>Loan Contribution by the Company in accordance to the Joint Venture Agreement :</p> <ul style="list-style-type: none"> - Hiap Hoe SuperBowl JV Pte. Ltd. (Value of loan amounting to \$17,660,000) <p>Interest income amounting to \$200,000</p> | - | - |

| Name of interested person | Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | | Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) | |
|---|---|---|---|----------------------------------|
| | 3 months ended 30 September 2008 | 9 months ended 30 September 2008 | 3 months ended 30 September 2008 | 9 months ended 30 September 2008 |
| SuperBowl Management Pte Ltd (a subsidiary of SuperBowl Holdings Limited) | Loan Contribution by the Company in accordance to the Joint Venture Agreement : - Goodluck View Development (Value of loan amounting to \$nil) Interest income amounting to \$15,500 Loan Contribution by the wholly-owned subsidiary of the Company in accordance to the Joint Venture Agreement : - Goodluck View Development (Value of loan amounting to \$5,144,000) Interest income amounting to \$23,300 | Loan Contribution by the Company in accordance to the Joint Venture Agreement : - Goodluck View Development (Value of loan amounting to \$3,420,000) Interest income amounting to \$35,500 Loan Contribution by the wholly-owned subsidiary of the Company in accordance to the Joint Venture Agreement : - Goodluck View Development (Value of loan amounting to \$5,144,000) Interest income amounting to \$72,657 | - | - |
| HH Properties Pte. Ltd. (a 50% owned associated company) | Loan Contribution by the Company in accordance to the Joint Venture Agreement : - Value to loan amounting to \$10,901,000 Interest income amounting to \$9,380 | Loan Contribution by the Company in accordance to the Joint Venture Agreement : - Value of loan amounting to \$10,901,000 Interest income amounting to \$9,380 | - | - |

Hiap Hoe SuperBowl JV Pte. Ltd. ("HHSB") is a joint venture 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 an associated 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

Teo Ho Beng
Chief Executive Officer / Managing Director
7 November 2008

Confirmation pursuant to Rule 705(4) of the SGX Listing Manual

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements of the Company or the unaudited consolidated financial statements of the Group for the third quarter and 9 months ended 30 September 2008 to be false or misleading in any material respect.

On behalf of the Board of Directors

Teo Ho Beng
Director

Teo Ho Kang, Roland
Director