



Hiap Hoe Limited
(Registration No. : 199400676Z)

Unaudited Financial Statements for the Fourth Quarter and Full Year Ended 31 December 2013

1(a) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Income Statement for the Group for the Fourth Quarter and Full Year Ended 31 December 2013

(All figures in \$'000)

	The Group			The Group		
	3 months ended			12 months ended		
	31-Dec-13	31-Dec-12	%	31-Dec-13	31-Dec-12	%
Revenue	49,051	24,423	100.8	240,795	145,668	65.3
Cost of sales	(23,252)	(10,598)	NM	(124,641)	(87,997)	41.6
Gross profit	<u>25,799</u>	<u>13,825</u>	86.6	<u>116,154</u>	<u>57,671</u>	101.4
Other items of income						
Other income	377	1,565	NM	2,404	2,711	(11.3)
Financial income	158	110	43.6	581	321	81.0
Other items of expenses						
Distribution and selling expenses	(996)	(983)	1.3	(3,889)	(1,534)	NM
Administrative expenses	(14,991)	(1,804)	NM	(20,559)	(4,348)	NM
Other expenses	(1,576)	(2)	NM	(201)	(36)	NM
Financial expenses	(2,150)	(485)	NM	(3,830)	(645)	NM
Share of results of joint venture	4,093	3,792	7.9	5,841	12,715	(54.1)
Profit before taxation	<u>10,714</u>	<u>16,018</u>	(33.1)	<u>96,501</u>	<u>66,855</u>	44.3
Tax expense	(3,892)	(2,489)	56.4	(17,941)	(9,316)	92.6
Net profit for the period	<u>6,822</u>	<u>13,529</u>	(49.6)	<u>78,560</u>	<u>57,539</u>	36.5
Attributable to :						
Owners of the Company	7,168	13,807	(48.1)	79,952	57,869	38.2
Non-controlling interests	(346)	(278)	24.5	(1,392)	(330)	NM
Total	<u>6,822</u>	<u>13,529</u>		<u>78,560</u>	<u>57,539</u>	

Statement of Comprehensive Income for the Group for the Fourth Quarter and Full Year ended 31 December 2013

(All figures in \$'000)

	The Group		The Group	
	3 months ended		12 months ended	
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
Profit for the period	6,822	13,529	78,560	57,539
Exchange differences on translating foreign operations	(3,955)	-	(3,955)	-
Net Investment hedge	934	-	934	-
Total other comprehensive income	(3,021)	-	(3,021)	-
Total comprehensive income for the period	3,801	13,529	75,539	57,539
Attributable to :				
Owners of the Company	4,147	13,807	76,931	57,869
Non-controlling interests	(346)	(278)	(1,392)	(330)
Total comprehensive income for the period	3,801	13,529	75,539	57,539

Additional Information

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

(All figures in S\$'000)

	The Group			The Group		
	3 months ended		%	12 months ended		%
	31-Dec-13	31-Dec-12		31-Dec-13	31-Dec-12	
Depreciation of property, plant and equipment	1,581	72	NM	1,757	267	NM
Profit on disposal of property, plant and equipment	-	-	-	-	(30)	(100.0)
Profit on disposal of investment property held for sale	-	(235)	NM	-	(235)	NM
Dividend income, gross	(17)	(4)	NM	(73)	(75)	(2.7)
Fair value gain on investment property held for sale	-	(920)	NM	-	(920)	NM
Fair value (gain) / loss on financial instruments - unquoted investments held for trading	(55)	(39)	41.0	194	(104)	NM
Fair value (gain) / loss on financial instruments - quoted investments held for trading	1,575	(104)	NM	(1,192)	(165)	NM
Fair value change in derivatives instruments	537	-	NM	537	-	NM
Allowance for doubtful debts	145	-	NM	145	-	NM

Notes :

NM – Not meaningful

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

Statement of Financial Position for the Group as at 31 December 2013

(All figures in \$'000)

ASSETS LESS LIABILITIES

Non-Current Assets

	31-Dec-13	31-Dec-12	%
Property, plant and equipment	29,642	6,497	NM
Investment properties	137,906	-	-
Investments in joint ventures	6,729	22,554	(70.2)
Trade and other receivables	16	7	NM
Deferred tax assets	356	-	NM
	174,649	29,058	NM

Current Assets

Cash and short-term deposits	115,932	20,600	NM
Other investments ¹	24,640	4,620	NM
Trade and other receivables	12,202	29,535	(58.7)
Other assets	10,352	187	NM
Derivatives	934	-	NM
Prepaid operating expenses	613	25	NM
Due from related companies (trade)	622	18	NM
Due from related companies (non-trade)	-	2	NM
Due from joint ventures (trade)	12,202	31,632	(61.4)
Due from joint ventures (non-trade)	1,951	46,741	(95.8)
Due from an associate (non-trade)	3	3	NM
Development properties	254,972	163,912	55.6
Properties held for sale	217,882	260,441	(16.3)
Tax recoverable	-	1	NM
	652,305	557,717	17.0

Investment properties - held for sale

	-	3,520	NM
--	---	-------	----

Current Liabilities

Trade and other payables	16,278	12,225	33.2
Other liabilities	28,355	28,588	(0.8)
Derivatives	515	-	NM
Due to related companies (trade)	346	891	(61.2)
Due to related companies (non-trade)	42,075	32,717	28.6
Due to joint venture (trade)	-	5,320	NM
Due to joint venture (non-trade)	130	9,553	(98.6)
Interest-bearing loans and borrowings	147,930	101,969	45.1
Tax payable	10,224	8,955	14.2
	245,853	200,218	22.8

Net Current Assets

	406,452	361,019	12.6
--	----------------	----------------	------

Non-Current Liabilities

Trade and other payables	1,946	3,429	(43.2)
Other liabilities	1,643	-	NM
Other financial liabilities ²	114,689	-	NM
Interest-bearing loans and borrowings	70,300	69,919	0.5
Deferred taxation	19,653	11,408	72.3

Net Assets

	372,870	305,321	22.1
--	----------------	----------------	------

EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

Share capital	84,445	84,445	-
Treasury shares	(1,101)	(1,101)	-
Reserves	291,192	222,251	31.0
	374,536	305,595	22.6
Non-controlling Interests	(1,666)	(274)	NM
Total Equity	372,870	305,321	22.1

Statement of Financial Position for the Company as at 31 December 2013

(All figures in \$'000)

ASSETS LESS LIABILITIES

Non-Current Assets

Property, plant and equipment
Investments in subsidiary companies

Current Assets

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

Current Liabilities

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

Net Current Assets

Non-Current Liability

Other financial liabilities²

Net Assets

EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

Share capital
Treasury shares
Reserves
Total Equity

	31-Dec-13	31-Dec-12	%
	154	201	NM
	163,700	60,700	NM
	163,854	60,901	NM
	33,342	1,107	NM
	1	4	(75.0)
	8	5	60.0
	1,139	1,829	(37.7)
	267,717	130,454	NM
	166	90	84.4
	1,915	43,619	(95.6)
	3	3	-
	304,291	177,111	71.8
	101	46	NM
	2,351	510	NM
	68,427	68,767	(0.5)
	1	-	NM
	-	33	NM
	144	156	(7.7)
	71,024	69,512	2.2
	233,267	107,599	NM
	114,689	-	NM
	282,432	168,500	67.6
	84,445	84,445	-
	(1,101)	(1,101)	-
	199,088	85,156	NM
	282,432	168,500	67.6

Note :

- 1) This included short-term commercial papers and quoted investments.
- 2) The other financial liabilities comprise of Fixed rate notes of \$115 million issued from \$500 million Multicurrency Medium Term Notes Programme due in 2016, net of issuance cost.

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 13		As at 31 Dec 12	
Secured	Unsecured	Secured	Unsecured
147,930	1,766	101,969	-

Amount repayable after one year

(\$'000)

As at 31 Dec 13		As at 31 Dec 12	
Secured	Unsecured ¹	Secured	Unsecured
70,300	114,689	69,919	-

Details of any collateral

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

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

Note :

- 1) Unsecured borrowings repayable after one year refers to the drawdown of \$115 million from \$500 million Multicurrency Medium Term Notes Programme due in 2016, net of issuance cost.

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

Statement of Cash Flows for the Group

(All figures in \$'000)

	3 months ended		12 months ended	
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
Cash flows from operating activities				
Profit before taxation	10,714	16,018	96,501	66,855
Adjustments :				
Translation difference	(4,013)	-	(4,013)	-
Net fair value change in derivative instruments	537	-	537	-
Depreciation of property, plant and equipment	1,581	72	1,757	267
Loss on disposal of investment	2	-	2	-
Interest expenses	2,150	485	3,830	645
Interest income	(159)	(110)	(581)	(321)
Dividend income from quoted investments	(17)	(4)	(73)	(75)
Gain on disposal of property, plant and equipment	-	2	5	(28)
Gain on disposal of investment property held for sale	-	(235)	-	(235)
Employees' shares based payments	-	-	-	-
Write back of provision for contingency	-	-	-	-
Fair value gain on investment property held for sale	-	(920)	-	(920)
Write back of allowance for doubtful receivables				
- trade	145	-	145	-
Fair value (gain) / loss on held for trading investments - quoted	1,575	(104)	(1,192)	(165)
Fair value (gain) / loss on held for trading investments - unquoted	(55)	(39)	194	(104)
Share of results of joint ventures	(4,093)	(3,792)	(5,841)	(12,715)
Operating cash flows before changes in working capital	8,367	11,373	91,271	53,204
<u>Changes in working capital</u>				
(Increase) / decrease in :				
Development properties	(57,078)	6,996	(84,627)	35,910
Properties held for sale	(377)	9,873	42,559	10,045
Trade and other receivables	28,323	27,115	17,179	(16,058)
Other assets	61,655	(53)	(10,165)	(105)
Prepaid operating expenses	(563)	21	(588)	11
Due from related companies, trade	(547)	(16)	(604)	(18)
Due from related companies, non-trade	-	(2)	2	(2)
Due from a joint venture, trade	29,950	25,812	14,122	(7,057)
Due from joint ventures, non-trade	68,398	-	67,632	26
Increase / (decrease) in :				
Trade and other payables	5,063	2,927	2,574	2,392
Other liabilities	(3,849)	(22,092)	1,406	(15,817)
Derivatives	-	-	-	-
Due to related companies, trade	(33)	262	(545)	365
Due to related companies, non-trade	(6)	(25)	2	-
Due to joint venture, non-trade	(6,094)	3	(9,493)	3
Cash flows generated from operations	133,209	62,194	130,725	62,899
Income tax paid	(1,086)	-	(8,794)	(89)
Net cash flows generated from operating activities	132,123	62,194	121,931	62,810

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

	3 months ended		12 months ended	
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
Cash flows from investing activities				
Dividend income received	17	4	73	47
Interest income received	159	34	512	141
Repayment of (loan to) / loan from joint ventures	-	6,897	(1,117)	11,874
Proceeds from disposal of property, plant and equipment	-	-	-	30
Proceeds from disposal of unquoted investments	750	-	750	3,000
Proceeds from disposal of investment property	-	680	3,520	680
Purchase of plant and equipment	(30,002)	(1)	(30,322)	(331)
Purchase of investment properties	(137,980)	-	(137,980)	-
Purchase of quoted investment	(5)	-	(17,516)	-
Purchase of unquoted investment (Note 1)	(252)	-	(2,257)	(3,253)
Net cash flows (used in) / generated from investing activities	(167,313)	7,614	(184,337)	12,188
Cash flow from financing activities				
Dividend paid on ordinary shares by the Company	-	-	(7,991)	(3,528)
Repayment of bank term loans	(19,170)	(216,155)	(110,512)	(253,823)
Proceeds from loans and borrowings	70,300	145,968	156,960	176,081
Proceeds from other financial liabilities (Note 2)	74,691	-	114,689	-
Purchase of treasury shares	-	-	-	(133)
Repayment of hire purchase	(40)	(68)	(60)	(100)
Interest paid	(3,009)	(887)	(4,484)	(3,699)
Loan from joint venture	-	9,540	-	9,540
Loan from related companies	192	8,316	9,136	10,894
Net cash flows generated / (used in) from financing activities	122,964	(53,286)	157,738	(64,768)
Net increase in cash and cash equivalents	87,774	16,522	95,332	10,230
Cash and cash equivalents at beginning of period	28,158	4,078	20,600	10,370
Cash and cash equivalents at end of period (Note 3)	115,932	20,600	115,932	20,600

Note 1:

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

Note 2:

Proceeds from issuance of Multicurrency Medium Term Note Programme of S\$115M net of issuance cost.

Note 3:

Cash and bank balances
Fixed deposits

103,373	10,600	103,373	10,600
12,559	10,000	12,559	10,000
115,932	20,600	115,932	20,600

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statements of Changes in Equity

(All figures in \$'000)

	The Group		The Company	
	4Q2013	4Q2012	4Q2013	4Q2012
Share capital				
Balance at beginning / end of period	84,445	84,445	84,445	84,445
Treasury shares				
Balance at beginning / end of period	(1,101)	(1,101)	(1,101)	(1,101)
Capital reserve				
Balance at beginning / end of period	(7,671)	(7,671)	-	-
Other reserve				
Balance at beginning / end of period	52	52	52	52
Dividend reserve				
Transfer from unappropriated profit	5,647	2,353	5,647	2,353
Balance at end of period	5,647	2,353	5,647	2,353
Foreign currency translation reserve				
Other comprehensive income	(3,955)	-	-	-
Balance at end of period	(3,955)	-	-	-
Reserve - Forex Forward				
Other comprehensive income	934	-	-	-
Balance at end of period	934	-	-	-
Accumulated profits				
Balance at beginning of period	294,664	216,063	76,648	29,987
Profit for the period	7,168	13,807	122,388	55,117
Dividend on ordinary shares	-	-	-	-
Transfer to dividend reserve	(5,647)	(2,353)	(5,647)	(2,353)
Balance at end of period	296,185	227,517	193,389	82,751
Minority interest				
Balance at beginning of period	(1,320)	4	-	-
Profit for the period	(346)	(278)	-	-
Balance at end of period	(1,666)	(274)	-	-
Equity at end of period	372,870	305,321	282,432	168,500

Statements of Changes in Equity

(All figures in \$'000)

	The Group		The Company	
	FY2013	FY2012	FY2013	FY2012
Issued capital				
Balance at beginning / end of year	84,445	84,445	84,445	84,445
Treasury shares				
Balance at beginning of year	(1,101)	(968)	(1,101)	(968)
Buy back of shares	-	(133)	-	(133)
Balance at end of year	(1,101)	(1,101)	(1,101)	(1,101)
Capital reserve				
Balance at beginning / end of year	(7,671)	(7,671)	-	-
Other reserve				
Balance at beginning / end of year	52	52	52	52
Dividend reserve				
Balance at beginning of year	2,353	1,177	2,353	1,177
Dividend paid on ordinary shares	(2,353)	(1,177)	(2,353)	(1,177)
Transfer from unappropriated profit	5,647	2,353	5,647	2,353
Balance at end of year	5,647	2,353	5,647	2,353
Foreign currency translation reserve				
Balance at beginning of period				
Other comprehensive income	(3,955)	-	-	-
Balance at end of period	(3,955)	-	-	-
Reserve - Forex Forward				
Balance at beginning of period				
Other comprehensive income	934	-	-	-
Balance at end of period	934	-	-	-
Accumulated profits				
Balance at beginning of year	227,517	174,352	82,751	27,304
Profit for the period	79,952	57,869	121,922	60,151
Dividend paid on ordinary shares ⁽¹⁾	(5,637)	1	(5,637)	1
Transfer to dividend reserve	(5,647)	(4,705)	(5,647)	(4,705)
Balance at end of year	296,185	227,517	193,389	82,751
Non-controlling interests				
Balance at beginning of year	(274)	56	-	-
Profit for the period	(1,392)	(330)	-	-
Balance at end of year	(1,666)	(274)	-	-
Equity at end of year	372,870	305,321	282,432	168,500

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

Ordinary Shares (excluding Treasury Shares)

	Number of Ordinary Shares	
	3 months ended	
	31-Dec-13	31-Dec-12
Balance at 1 October	470,557,541	470,557,541
Shares buy back	-	-
Balance at 31 December	470,557,541	470,557,541

	Number of Ordinary Shares	
	12 months ended	
	31-Dec-13	31-Dec-12
Balance at 1 January	470,557,541	470,852,541
Share buy back	-	(295,000)
Treasury shares reissued pursuant to Performance Share Plan	-	-
Balance at 31 December	470,557,541	470,557,541

Treasury Shares

	Number of Treasury Shares	
	3 months ended	
	31-Dec-13	31-Dec-12
Balance at 1 October	3,999,850	3,999,850
Shares buy back	-	-
Balance at 31 December	3,999,850	3,999,850

	Number of Treasury Shares	
	12 months ended	
	31-Dec-13	31-Dec-12
Balance at 1 January	3,999,850	3,704,850
Shares buy back	-	295,000
Treasury shares reissued pursuant to Performance Share Plan	-	-
Balance at 31 December	3,999,850	3,999,850

During the year ended 31 December 2013, there was no change to the issued share capital of the company.

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

The number of issued shares as at 31 December 2013 is 470,557,541 (31 December 2012: 470,557,541).

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

During the period ended 31 December 2013, there was no change to the treasury shares of the Company.

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

These figures have not been audited or reviewed.

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

Not applicable.

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

The Group and the Company have adopted the same accounting policies and methods of computation for the current financial period as those for the financial year ended 31 December 2012 except as disclosed in paragraph 5 below.

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.

The Group has adopted all the new and revised FRSs that are relevant to its operations and effective for current period beginning on or after 1 January 2013. The adoption of these new or revised FRS did not result in any substantial changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior period.

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-13	31-Dec-12	31-Dec-13	31-Dec-12
Earning per share (cents)				
Basic	1.52	2.93	16.99	12.30
Diluted	1.52	2.93	16.99	12.30
Weighted average number of shares				
Basic	470,557,541	470,599,590	470,557,541	470,599,590
Diluted	470,557,541	470,599,590	470,557,541	470,599,590

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

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

	31-Dec-13	31-Dec-12
Net assets value per share (cents)		
The Group	79.59	64.94
The Company	60.02	35.81
Based on number of shares		
The Group	470,557,541	470,557,541
The Company	470,557,541	470,557,541

Net assets value per share is calculated based on the equity attributable to the equity holders of the parent excluding the non-controlling interests divided by the number of shares excluding treasury shares.

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

Revenue

The Group recorded revenue of \$240.8m for the financial year ended 31 December 2013 ("FY2013"), a 65.3% increase from \$145.7m recorded in the previous financial year ("FY2012").

Residential property development, which contributed \$224.7m, comprised of mainly progressive revenue recognition of Waterscape at Cavenagh and sales of units from completed projects, Skyline 360° and Signature at Lewis.

Following the acquisition of land and investment properties in Australia in fourth quarter ended 31 December 2013 ("4Q2013"), the rental revenue generated from these assets have contributed to the performance of the Group by \$1.4m.

Group revenue more than doubled to \$49.1m in ("4Q2013"), compared to \$24.4m in the previous corresponding financial period ("4Q2012"). The increase was mainly driven by progressive revenue recognition of \$45.0m from the sale of residential project, Waterscape at Cavenagh.

Profit

Gross profit for 4Q2013 almost doubled to \$25.8m from \$13.8m in 4Q2012, while gross profit in FY2013 more than doubled to \$116.2m from \$57.7m a year ago, primarily due to higher revenue and better margins.

Other income decreased to \$0.4m in 4Q2013 compared from \$1.6m a year ago due to the absence of a fair value gain on investment property of \$0.9m.

Financial income registered a year-on-year increase of 43.6% to \$0.2m in 4Q2013 and 81.0% to \$0.6m in FY2013 as the Group invested funds in financial instruments and fixed deposits.

While distribution and selling expenses incurred in fourth quarter of both financial years remained relatively unchanged at \$1.0m, distribution and selling expenses in FY2013 increased to \$3.9m from \$1.5m a year ago, primarily due to cost incurred in construction of show suites as well as commissions paid out in relation to the sale of units during the year.

The increase in administrative expenses for both periods under review was largely due to acquisition cost, including stamp duties, incurred in acquiring lands and properties in Melbourne, Australia. Other expenses such as property tax and maintenance fees were incurred for unsold units of the completed projects. Rental of warehouse to store construction equipment and professional fees in issuing fixed rate notes also contributed to the increase.

The Group recorded an increase in financial expenses to \$2.2m in 4Q2013 and \$3.8m in FY2013 partly due to interest expensed off following the TOP of Treasure on Balmoral in FY2012, interest incurred for the issuance of fixed rate notes and increase in bank loan.

Share of Results of Joint Venture

Share of profits of a joint venture for 4Q2013 and FY2013, which amounted to \$4.1m and \$5.8m, respectively, were mainly contributed by revenue recognition from the sale of residential units.

Tax Expenses

Group taxation increased for both 4Q2013 and FY2013 to \$3.9m and \$17.9m respectively. This increase was mainly due to provision made for deferred taxation in relation to profits recognised progressively for the sold units of uncompleted project as well as provision for tax for new units sold for completed projects.

Net Profit

Taking into consideration of the above factors, the Group's net profit after tax decreased by 49.6% to \$6.8m in 4Q2013, compared to \$13.5m in 4Q2012. In FY2013, the Group's net profit after tax rose 36.5% to \$78.6m, compared to \$57.5m in FY2012.

Financial Position

With the completion of the Group's investment properties acquisitions in Australia, in FY2013, both property, plant and equipment and investment properties increased compared to a year ago.

The decrease in investments in joint venture from \$22.6 million as at 31 December 2012 to \$6.7 million as at 31 December 2013, was mainly due to distributions made to joint venture partners in 4Q2013.

Other investments increased to \$24.6m from \$4.6m as at 31 December 2012, mainly due to higher investments in both commercial papers and quoted shares.

Trade and other receivables decreased to \$12.2m from \$29.5m mainly due to lower progress billings receivable from units sold at Waterscape at Cavenagh and Skyline 360^o.

Other assets of \$10.4m mainly comprised of deposit paid to acquire an investment property in Perth, Australia.

Derivative asset of \$0.9m arose from mark-to-market of a forex forward deal. It is entered to hedge net investment.

Amounts due from joint ventures (trade) and due from joint ventures (non-trade) decreased from \$31.6m and \$46.7m to \$12.2m and \$1.9m respectively, subsequent to trade settlement and repayment of loans in the period under review.

Development properties increased 55.6% from \$163.9m as at 31 December 2012 to \$255.0m. The increase was contributed by the construction progress for Waterscape at Cavenagh and work in progress for an industrial property in Kallang Pudding and cost of completion of a land parcel in Australia.

With the sale of residential units in Skyline 360^o, properties held for sale decreased from \$260.4m as at 31 December 2012 to \$217.9m as at 31 December 2013.

Trade and other payable (current) increased to \$16.3m from \$12.2m as at 31 December 2012 due to re-classification of retention money (trade) from non-current trade payables to current trade payables with the completion of residential development properties and Ramada Singapore At Zhongshan Park and the office block and retail mall in April 2013. This reclassification brought about the decrease in non-current trade and other payables.

Derivative liability of \$0.5m arose from mark-to-market of an interest rate swap taken-up.

Amount due to related companies (non-trade) increased to \$42.1m from \$32.7m as at 31 December 2012, mainly due to funds injected by SuperBowl Holdings Limited for partial repayment of the bank borrowings in relation to the Group's joint-venture residential development project, Treasure on Balmoral.

Interest bearing loans increased from \$102.0m in 31 December 2012 to \$147.9m in 31 December 2013 mainly due to reclassification of bank borrowings from non-current liabilities to current liabilities as Waterscape at Cavenagh is scheduled to receive its TOP in May 2014.

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

Deferred taxation increased from \$11.4m to \$19.7m mainly due to recognition of profit on sold units in Waterscape at Cavenagh prior to its TOP being obtained.

Other financial liability (non-current) is attributed to the issuance of S\$115.0m fixed rate notes due in 2016. The Medium Term Notes Programme was set up by the Company in May 2013.

Cash Flow

The Group recorded net cash generated operating cash flow of \$133.2m and \$130.7m in 4Q2013 and FY2013, respectively.

The net increase in development properties of \$57.1m in 4Q2013 and \$84.6m in FY2013 reflected higher development cost incurred in these period.

The net decrease in properties held for sale in FY2013 was mainly due to the sale of units at Skyline 360° and Signature at Lewis.

Trade and other receivables recorded a net decrease of \$28.3m in 4Q2013 and \$17.2m in FY2013 compared to the previous corresponding periods, in view of progress billings that were received from sold units.

The net decrease in other assets of \$61.7m in 4Q2013 was mainly attributable to conversion of deposits paid to acquire land and properties in Melbourne, Australia upon completion of the acquisition. The increase of \$10.2m in FY2013 was for deposit placed for acquisition of investment property in Perth, Australia.

In the periods under review, the amount due from joint venture, trade and non-trade, have decreased due to payments made by the joint venturer.

The net decrease of \$3.8m in other liabilities for 4Q2013 was due to cost accrued that was paid.

With the above, the Group recorded net cash generated of \$132.1m in 4Q2013 and \$121.9m in FY2013.

Net cash used in investing activities amounted to \$167.3m in 4Q2013. The Group had invested \$138.0m in acquisition of investment properties in Australia.

In FY2013, net cash used in investing activities amounted to \$184.3m. The Group has invested \$138.0m in acquisition of investment properties in Australia and \$17.5m in quoted investments.

In 4Q2013, the Group recorded net cash generated from financing activities of \$123.0m. The funds were generated from the issuance of 2nd tranche fixed rate note of \$75.0m and bank borrowing of \$70.3m. These were offset with repayment of bank borrowings of \$19.0m.

In FY2013, the Group recorded net cash generated from financing activities of \$157.7m. Cash inflows were mainly derived from proceeds from issuance of fixed rate notes of \$115.0m and drawdown bank borrowings of \$157.0m. . The funds were offset with dividends payment of \$8.0m and repayment of bank term loans of \$110.5m.

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

The results for the current financial year ended 31 December 2013 are in line with the commentary in part 10 of our previous quarter ended 30 September 2013 results announcement released on 4 November 2013.

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

The latest statistics released by the Urban Redevelopment Authority showed that private residential prices in Singapore fell by 0.9% in 4Q2013, posting its first quarterly decline since the first quarter of 2012. Home prices for 2013 grew by 1.1% compared to 2.8% increase for 2012.

To address the tepid market environment, the Group will continue to step-up its marketing efforts to sell the remaining units of its residential projects.

The Group has commenced construction of its industrial development at Kallang Pudding.

Following the Grand Opening of the Group's joint venture Zhongshan Park Integrated Development (which comprises Days Hotel, Ramada Singapore At Zhongshan Park, Zhongshan Mall as well as Hiap Hoe Building), the office tower block is currently 100% leased and Zhongshan Mall over 90% leased. Both hotels, Ramada Singapore and Days Hotel with combined 784 rooms continue to record steady occupancies since operations commenced.

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

Following the Group's foray into Australia, the Group continue its expansion into Australia and has recently acquired an investment property in Perth.

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

11. Dividend

(a) Current Financial Period Reported On

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

The Directors are pleased to announce a proposed dividend, subject to shareholders' approval for the financial year ended 31 December 2013 as follows :

Name of dividend	: Final (tax exempt one tier)
Type of dividend	: Cash
Dividend	: 0.8 cents per ordinary share
Tax rate	: One tier

(b) Corresponding Period of the immediately preceding financial year

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

Name of dividend	: Final (tax exempt one tier)
Type of dividend	: Cash
Dividend	: 0.5 cents per ordinary share
Tax rate	: One tier

(c) Date payable

26 May 2014, subject to approval of the shareholders at the Company's Annual General Meeting to be held on 17 April 2014.

(d) Book closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of Hiap Hoe Limited (the "Company") will be closed on 8 May 2014 at 5.00 p.m. for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 up to 5.00 p.m. on 8 May 2014 will be registered to determine shareholders' entitlements to the said dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 8 May 2014 will be entitled to the proposed dividend.

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

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	3 months ended 31 December 2013	12 months ended 31 December 2013	3 months ended 31 December 2013	12 months ended 31 December 2013
Hiap Hoe & Co. Pte Ltd (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd)	<p>Provision of Project and Construction Management Service to the Company's wholly-owned subsidiaries :</p> <p>- Cavenagh Properties Pte. Ltd. (Value of transactions amounting to \$1,000)</p> <p>Provision of Project and Construction Management Service to the Company's 50% share in joint venture:</p> <p>- HH Properties Pte. Ltd. (50% share of value of transactions amounting to \$Nil)</p>	<p>Provision of Project and Construction Management Service to the Company's wholly-owned subsidiaries :</p> <p>- Cavenagh Properties Pte. Ltd. (Value of transactions amounting to \$12,000)</p> <p>Provision of Project and Construction Management Service to the Company's 50% share in joint venture:</p> <p>- HH Properties Pte. Ltd. (50% share of value of transactions amounting to \$55,000)</p>	NA	NA
SuperBowl Holdings Limited (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd)	<p>Contribution by the Company of its 60% proportion of the loan extended to :</p> <p>- Hiap Hoe SuperBowl JV Pte. Ltd. (Value of loan amounting to \$288,000)</p> <p>Interest income amounting to \$54,000</p>	<p>Contribution by the Company of its 60% proportion of the loan extended to :</p> <p>- Hiap Hoe SuperBowl JV Pte. Ltd. (Value of loan as at 31 December 2013 amounting to \$62,092,000)</p> <p>Interest income amounting to \$345,000</p>	<p>Construction of 2 blocks of 12-Storey residential flats for Hiap Hoe SuperBowl JV Pte. Ltd.</p> <p>(Value of transaction amounting to \$1,376,000)</p>	<p>Construction of 2 blocks of 12-Storey residential flats for Hiap Hoe SuperBowl JV Pte. Ltd.</p> <p>(Value of transaction amounting to \$1,376,000)</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 31 December 2013	12 months ended 31 December 2013	3 months ended 31 December 2013	12 months ended 31 December 2013
SuperBowl Holdings Limited (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd)			Provision of Interior Fittings for showflats of Hiap Hoe SuperBowl JV Pte Ltd (Value of transactions amounting to \$265,600)	Provision of Interior Fittings for showflats of Hiap Hoe SuperBowl JV Pte Ltd (Value of transactions amounting to \$265,600)
SuperBowl Holdings Limited (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd)	Contribution by the Company of its 50% proportion of the loan to : - HH Properties Pte. Ltd. (Value of loan repayment amounting to \$44,748,000) Interest income amounting to \$1,000	Contribution by the Company of its 50% proportion of the loan to : - HH Properties Pte. Ltd. (Value of loan as at 31 December 2013 amounting to \$Nil) Interest income amounting to \$214,000	Construction of 1 block of 14-Storey hotel, 1 block of 17-Storey hotel and 1 block of 13-Storey office building for HH Properties Pte. Ltd. (Value of transactions amounting to \$8,214,000) Provision of Equipments and Fittings for hotel rooms for HH Properties Pte Ltd (Value of transactions amounting to \$Nil)	Construction of 1 block of 14-Storey hotel, 1 block of 17-Storey hotel and 1 block of 13-Storey office building for HH Properties Pte. Ltd. (Value of transactions amounting to \$31,943,000) Provision of Equipments and Fittings for hotel rooms for HH Properties Pte Ltd (Value of transactions amounting to \$1,089,000)
SuperBowl Management Pte Ltd (A subsidiary of SuperBowl Holdings Limited)	Contribution by the Group of its 60% proportion of the loan : - Goodluck View Development (Value of loan repayment amounting to \$210,000) Interest income amounting to \$100	Contribution by the Group of its 60% proportion of the loan : - Goodluck View Development (Value of loan as at 31 December 2013 amounting to \$Nil) Interest income amounting to \$5,000	Construction of 2 blocks of 5-storey residential flats for Goodluck View Development (Value of transactions amounting to \$2,900,000)	Construction of 2 blocks of 5-storey residential flats for Goodluck View Development (Value of transaction amounting to \$13,800,000)

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

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

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

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

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

1 January 13 to 31 December 13

(All figures in \$'000)

	Construction	Development Properties	Rental Income	Others	Elimination	Total
Revenue						
Segmental Revenue						
- External sales	14,547	224,727	1,365	156	-	240,795
- Inter-segment sales	45,509	-	-	1,128	(46,637)	-
	60,056	224,727	1,365	1,284	(46,637)	240,795
Results						
Other income	650	312	198	3,682	(3,630)	1,212
Financial income	1	72	26	482	-	581
Financial expenses	(27)	(1,991)	(724)	(1,077)	(11)	(3,830)
Fair value gain on investment properties	-	-	-	-	-	-
Fair value gain on financial instruments - quoted investment held for trading	(168)	-	-	1,360	-	1,192
Fair value loss on financial instruments - unquoted investment held for trading	-	-	-	(194)	-	(194)
Depreciation	(192)	-	(1,517)	(47)	-	(1,756)
Other expenses	(5)	-	-	(2)	-	(7)
Share of results of joint venture	-	5,638	-	-	204	5,842
Segment profit	2,897	103,444	(12,812)	2,518	454	96,501

1 January 12 to 31 December 12

(All figures in \$'000)

Revenue

Segmental Revenue

- External sales

- Inter-segment sales

Results

Other income

Financial income

Financial expenses

Write back of provision of contingency

Fair value gains on financial instruments

- quoted investment held for trading

Fair value losses on financial instruments

- unquoted investment held for trading

Depreciation

Share of results of joint venture

Segment profit

	Construction	Development Properties	Rental Income	Others	Elimination	Total
- External sales	31,885	113,735	-	48	-	145,668
- Inter-segment sales	62,728	-	-	759	(63,487)	-
	94,613	113,735	-	807	(63,487)	145,668
Other income	1,192	1	-	60	-	1,253
Financial income	2	30	-	302	(13)	321
Financial expenses	(57)	(372)	-	(1)	(214)	(644)
Write back of provision of contingency	-	-	-	-	-	-
Fair value gains on financial instruments	-	-	-	920	-	920
- quoted investment held for trading	-	-	-	165	-	165
Fair value losses on financial instruments	-	-	-	104	-	104
- unquoted investment held for trading	(232)	-	-	(35)	-	(267)
Depreciation	(2)	-	-	-	-	(2)
Share of results of joint venture	-	12,277	-	-	438	12,715
Segment profit	3,178	65,238	-	1,120	(2,681)	66,855

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

Not applicable.

16. A breakdown of sales.

\$'000

Sale reported for first half year

Operating profit after tax before deducting minority interests reported in first half year

Sale reported for second half year

Operating profit after tax before deducting minority interests reported in second half year

	31-Dec-13	31-Dec-12	% change
Sale reported for first half year	110,648	80,419	37.6%
Operating profit after tax before deducting minority interests reported in first half year	38,790	30,710	26.3%
Sale reported for second half year	130,147	65,249	99.5%
Operating profit after tax before deducting minority interests reported in second half year	39,770	26,829	48.2%

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

\$'000

Ordinary

	31-Dec-13	31-Dec-12	% change
Ordinary	9,411	4,706	100%

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(13) 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	59	Brother of Teo Ho Kang, Roland	<p><u>Executive Chairman & Chief Executive Officer</u> Hiap Hoe Limited and Group of subsidiaries (2003)</p> <p>Chairing the board of directors' meetings. Scheduling 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.</p> <p><u>Director of :</u> Hiap Hoe Holdings Pte Ltd and Group of non-listed subsidiaries (1983)</p> <p>SuperBowl Holdings Limited and Group of subsidiaries (1994)</p> <p>Formulate corporate strategies and policies for the Group. Ensuring senior management's implementation of policies and strategies at the operating level. Responsible for the day-to-day management of the Group as well as the exercise of control over the quality, quantity and timeliness of information flow between the Board and Management and in developing the business of the Group.</p>	.

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 Kang, Roland	50	Brother of Teo Ho Beng	<p><u>Managing Director</u> Hiap Hoe Limited and Group of subsidiaries (2003)</p> <p>Hiap Hoe Holdings Pte Ltd & Group of non-listed subsidiaries (1999)</p> <p>SuperBowl Holdings Limited and Group of subsidiaries (1994)</p> <p>Formulating corporate strategies and policies for the Group. Overseeing the marketing and promotional activities. Responsible for product development, business expansion and staff development.</p>	
Teo Poh Sim, Agnes	43	Sister of Teo Ho Beng and Teo Ho Kang, Roland	<p>Head, Human Resource of Hiap Hoe Limited & Group of subsidiaries (2003)</p> <p>Formulating human resource policies and administration policies for the group. Responsible for the group payroll, staff welfares and staff development as well as administration.</p>	
Teo Keng Joo, Marc	28	Son of Teo Ho Beng and nephew of Teo Ho Kang, Roland and Ms Teo Poh Sim, Agnes	<p>Head of Project Management Oversee and head the Project Management department of the Group and report directly to the Executive Board Of Directors. (2014)</p>	

BY ORDER OF THE BOARD

Lai Foon Kuen
Company Secretary
21 February 2014