



**Hiap Hoe Limited**  
(Registration No.: 199400676Z)

**UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

**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, or a 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		
	31-Mar-15	31-Mar-14	%
	\$'000	\$'000	
<b>Revenue</b>	21,186	31,195	(32.1)
Cost of sales	(4,360)	(14,067)	(69.0)
<b>Gross profit</b>	16,826	17,128	(1.8)
<b>Other items of income</b>			
Other income	2,578	2,870	(10.2)
Financial income	105	220	(52.4)
Negative goodwill arising from acquisitions <sup>(1)</sup>	-	148,744	NM
Gain on remeasurement of investment in joint venture company to fair value upon business combination achieved in stages <sup>(2)</sup>	-	199,933	NM
<b>Other items of expenses</b>			
Distribution and selling expenses	(889)	(152)	484.7
Administrative expenses	(16,965)	(8,403)	101.9
Other expenses	(1,785)	(901)	98.2
Loss on disposal of subsidiary	(447)	-	NM
Financial expenses	(4,511)	(3,220)	40.1
Share of results of joint venture	-	(2)	NM
<b>Profit/ (loss) before tax</b>	(5,088)	356,217	NM
Income tax expense	(875)	(1,992)	(56.1)
<b>Net profit/ (loss) for the period</b>	(5,963)	354,225	NM
<b>Attributable to :</b>			
Owners of the Company	(6,094)	354,237	NM
Non-controlling interests	131	(12)	NM
Total	(5,963)	354,225	NM

## Statement of Comprehensive Income for the Group for the First Quarter Ended 31 March 2015

	The Group	
	3 months ended	
	31-Mar-15	31-Mar-14
	\$'000	\$'000
<b>Profit/ (loss) for the period</b>	(5,963)	354,225
<b>Other comprehensive income items that may be reclassified subsequently to profit or loss</b>		
Foreign currency translation	(1,462)	2,955
Fair value gain on net Investment hedge	804	2,316
Other comprehensive income for the period, net of tax	(658)	5,271
<b>Total comprehensive income for the period</b>	<b>(6,621)</b>	<b>359,496</b>
<b>Attributable to :</b>		
Owners of the Company	(6,752)	359,508
Non-controlling interests	131	(12)
<b>Total comprehensive income for the period</b>	<b>(6,621)</b>	<b>359,496</b>

### Additional Information

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

	The Group		
	3 months ended		%
	31-Mar-15	31-Mar-14	
	\$'000	\$'000	
Depreciation of property, plant and equipment	4,185	2,687	55.7
Depreciation of investment properties	1,524	384	296.9
Gain on disposal of property, plant and equipment	(60)	-	NM
Gain on disposal of investment property held for sale	(1,157)	-	NM
Dividend income, gross	(219)	(48)	359.4
Loss on property, plant and equipment written off	7	-	NM
Fair value gain on financial instruments - unquoted investments held for trading	(33)	(37)	(10.0)
Fair value loss on financial instruments - quoted investments held for trading	1,425	936	52.3
Fair value change in derivatives instruments	341	224	52.1
Write back of allowance for doubtful debts	(6)	-	NM
Loss on disposal of subsidiary	447	-	NM

### Notes to the consolidated income statement of the Group:

- (1) Negative goodwill arising from the acquisition of SuperBowl Holdings Limited and its subsidiaries. The negative goodwill is the excess of net acquisition-date amounts of the identifiable fair value assets acquired and the liabilities assumed over the amount of consideration transferred. (see 1(a) on page 1)
- (2) The Group recognised a gain of \$199.9m as a result of measuring at fair value its 50% equity interest in HH Properties Pte. Ltd. held before the business combination. (see 1(a) on page 1)
- (3) 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.**

	The Group		The Company	
	31-Mar-15 \$'000	31-Dec-14 \$'000	31-Mar-15 \$'000	31-Dec-14 \$'000
<b>Non-Current Assets</b>				
Property, plant and equipment	704,342	708,368	95	107
Investment properties	341,315	348,132	-	-
Investment in subsidiaries	-	-	160,352	163,102
Investments in joint ventures	-	-	1,953	755
Other assets	18,724	19,126	-	-
Other receivables	42	42	-	-
Deferred tax assets	7,027	7,178	-	-
	<u>1,071,450</u>	<u>1,082,846</u>	<u>162,400</u>	<u>163,964</u>
<b>Current Assets</b>				
Cash and short-term deposits	99,566	33,330	2,705	2,513
Other investments <sup>(1)</sup>	36,613	34,300	-	-
Trade and other receivables	50,595	54,036	-	-
Other assets	1,129	1,161	-	-
Derivatives assets	1,719	1,383	-	-
Prepaid operating expenses	1,595	1,059	27	1
Due from subsidiaries (trade)	-	-	1,338	1,333
Due from subsidiaries (non-trade)	-	-	298,980	297,997
Due from related companies (trade)	9	16	-	-
Due from related companies (non-trade)	20	-	-	-
Development properties	91,120	88,537	-	-
Properties held for sale	70,022	70,022	-	-
Inventories	2,049	2,062	-	-
	<u>354,437</u>	<u>285,906</u>	<u>303,050</u>	<u>301,844</u>
<b>Assets of disposal group classified as held for sale</b>	-	198,375	-	-
	<u>354,437</u>	<u>484,281</u>	<u>303,050</u>	<u>301,844</u>
<b>Current Liabilities</b>				
Trade and other payables	10,644	14,347	146	81
Other liabilities	24,214	28,306	630	2,379
Derivatives liabilities	4,050	4,228	-	-
Due to subsidiaries (non-trade)	-	-	87,392	86,893
Due to related companies (trade)	454	534	-	-
Due to related companies (non-trade)	-	16	-	-
Interest-bearing loans and borrowings	179,962	190,496	-	-
Tax payable	25,246	24,785	357	411
	<u>244,570</u>	<u>262,712</u>	<u>88,525</u>	<u>89,764</u>
<b>Liabilities directly associated with disposal group classified as held for sale</b>	-	114,232	-	-
	<u>244,570</u>	<u>376,944</u>	<u>88,525</u>	<u>89,764</u>
<b>Net Current Assets</b>	<b>109,867</b>	<b>107,337</b>	<b>214,525</b>	<b>212,080</b>
<b>Non-Current Liabilities</b>				
Trade payables	528	323	-	-
Other liabilities	20,440	20,842	-	-
Interest-bearing loans and borrowings	267,802	271,721	-	-
Deferred tax liabilities	93,330	93,332	-	-
Medium Term Notes	114,830	114,801	114,830	114,801
	<u>496,930</u>	<u>501,019</u>	<u>114,830</u>	<u>114,801</u>
<b>Net Assets</b>	<b>684,387</b>	<b>689,164</b>	<b>262,095</b>	<b>261,243</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	84,445	84,445	84,445	84,445
Treasury shares	(1,101)	(1,101)	(1,101)	(1,101)
Reserves	596,826	601,732	178,751	177,899
	<u>680,170</u>	<u>685,076</u>	<u>262,095</u>	<u>261,243</u>
Non-controlling Interests	4,217	4,088	-	-
<b>Total Equity</b>	<b>684,387</b>	<b>689,164</b>	<b>262,095</b>	<b>261,243</b>

**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. (Cont'd)**

Notes to the statement of financial position of the Group:

<sup>(1)</sup> This included short-term commercial papers and quoted investments.

**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 Mar 15		As at 31 Dec 14	
Secured	Unsecured	Secured	Unsecured
179,962	404	190,496	1,766

**Amount repayable after one year**

(\$'000)

As at 31 Mar 15		As at 31 Dec 14	
Secured	Unsecured <sup>(1)</sup>	Secured	Unsecured <sup>(1)</sup>
267,802	114,830	271,721	114,801

**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 and investment properties held for sale;
- 2) First legal mortgage over development properties and properties held for sale;
- 3) First legal assignment of all rights and benefits under the sales & purchase agreements and / or tenancy agreements;
- 4) Assignment of proceeds of the Project Accounts 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 holding company to the facilities; and
- 8) Corporate guarantees given by the Company.

Notes:

<sup>(1)</sup> Unsecured borrowings repayable after one year refers to the drawdown of \$115m from \$500m Multicurrency Medium Term Notes Programme due in 2016, net of issuance costs.

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	
	31-Mar-15 \$'000	31-Mar-14 \$'000
<b>Cash flows from operating activities</b>		
(Loss)/ profit before tax	(5,088)	356,217
Adjustments for:		
Translation difference	2,275	(2,239)
Net fair value change in derivative instrument	(50)	-
Depreciation of property, plant and equipment	4,185	2,687
Depreciation of investment properties	1,524	384
Gain on disposal of property, plant and equipment	(60)	-
Gain on disposal of investment properties held for sale	(1,157)	-
Loss on property, plant and equipment written off	7	-
Gain on disposal of investment	(6)	-
Amortisation expenses	29	27
Interest expense	4,511	3,220
Interest income	(105)	(220)
Dividend income from quoted investments	(219)	(48)
Fair value loss on financial instruments - quoted investments held for trading	1,425	936
Fair value gain on financial instruments - unquoted investments held for trading	(33)	(37)
Write back of allowance of bad debts	(6)	-
Share of joint ventures' profit	-	2
Negative goodwill arising from acquisition (refer to note 1 on page 2)	-	(148,744)
Gain on remeasurement of investment in joint venture company to fair value upon business combination achieved in stages (refer to note 1 on page 2)	-	(199,933)
Fair value loss on derivatives	341	-
Loss on disposal of subsidiary	447	-
<b>Operating cash flows before changes in working capital</b>	<b>8,020</b>	<b>12,252</b>
<u>Changes in working capital</u>		
(Increase) / decrease in :		
Properties held for sale	-	532
Development properties	(3,611)	(16,183)
Inventories	13	8
Trade and other receivables	3,268	5,909
Other assets	434	(803)
Prepaid operating expenses	(537)	101
Due from associate (non-trade)	-	43,145
Due from related company (trade)	7	593
Due from related company (non-trade)	(19)	4
Due from a joint venture (trade)	-	15,966
Due from a joint venture (non-trade)	-	9,068
Due from a hotel operators (other)	-	(19)
Increase / (decrease) in :		
Trade and other payables	(3,497)	(6,098)
Other liabilities	(3,133)	(5,247)
Due to a joint venture (non-trade)	-	(48,305)
Due to related company, trade	(80)	(16,213)
Due to related company, non-trade	(16)	(146)
	<b>849</b>	<b>(5,436)</b>
Income tax paid	(205)	(212)
<b>Net cash flows generated from/(used in) operating activities carried forward</b>	<b>644</b>	<b>(5,648)</b>

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	
	31-Mar-15	31-Mar-14
	\$'000	\$'000
<b>Net cash flows used in operating activities brought forward</b>	<b>644</b>	<b>(5,648)</b>
<b>Cash flows from investing activities</b>		
Interest income received	105	220
Dividend income received	219	48
Proceeds from disposal of quoted investments	461	-
Purchase of property, plant and equipment	(178)	(282)
Proceeds from disposal of property, plant and equipment	72	-
Proceeds from disposal of investment properties held for sale	14,280	-
Purchase of quoted investments	(4,109)	(6)
Net cash effect on disposal/acquisition of subsidiaries <sup>(1)</sup>	72,307	(197,216)
<b>Net cash flows generated from/(used in) investing activities</b>	<b>83,157</b>	<b>(197,236)</b>
<b>Cash flow from financing activities</b>		
Acquisition of non-controlling interest	(2)	-
Interest paid	(5,065)	(4,704)
Repayment of bank borrowings	(12,500)	(11,569)
Repayment of lease obligations	(8)	(7)
Proceeds from bank borrowings	-	208,100
Dividend (uncashed distribution)	10	-
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(17,565)</b>	<b>191,820</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>66,236</b>	<b>(11,064)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>33,330</b>	<b>115,932</b>
<b>Cash and cash equivalents at end of period</b>	<b>99,566</b>	<b>104,868</b>
<u>Cash and cash equivalents comprise of:</u>		
Cash and bank balances	26,628	66,456
Fixed deposits	72,938	38,412
	<b>99,566</b>	<b>104,868</b>

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)**

<sup>(1)</sup> Disposal of subsidiary:

The effects of the disposal of Hiap Hoe SuperBowl JV Pte Ltd. on the cash flow of the Group were:

	31-Mar-15 \$'000
<u>Carrying amounts of assets and liabilities disposed of:</u>	
Cash and cash equivalents	539
Other current assets	96
Properties held for sale	185,000
<b>Total assets</b>	<b>185,635</b>
Trade and other payables	2
Other liabilities	1,106
Due to joint venturer (non-trade)	68,261
Interest-bearing loans and borrowings	113,072
<b>Total liabilities</b>	<b>182,441</b>
<b>Net assets disposed off</b>	<b>3,194</b>
Net assets disposed off (as above)	3,194
- Reclassification of premium for acquisition of non-controlling interest	1,836
- Assignment of Intercompany loan	68,250
	73,280
Loss on disposal of subsidiary	(447)
Cash proceeds from disposal	72,833
Cash & cash equivalents in subsidiary disposed off	(526)
Net cash inflow on disposal	72,307

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.

The Group	Attributable to equity holders of the Company										Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Accumulated profits	Dividend reserve	Capital reserve	Foreign currency reserve	Hedging reserve	Gain on reissuance of treasury shares	Other reserve	Total reserves			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
At 1 January 2015	84,445	(1,101)	614,647	4,706	(7,672)	(7,244)	(934)	52	(1,823)	601,732	685,076	4,088	689,164
Loss for the period	-	-	(6,094)	-	-	-	-	-	-	(6,094)	(6,094)	131	(5,963)
Fair value gain on net investment hedge	-	-	-	-	-	-	804	-	-	804	804	-	804
Foreign currency translation	-	-	-	-	-	(1,462)	-	-	-	(1,462)	(1,462)	-	(1,462)
Other comprehensive loss net of tax	-	-	-	-	-	(1,462)	804	-	-	(658)	(658)	-	(658)
<b>Total comprehensive loss for the period</b>	-	-	(6,094)	-	-	(1,462)	804	-	-	(6,752)	(6,752)	131	(6,621)
<u>Contributions by and distributions to owners</u>													
Dividends on ordinary shares (uncashed distribution)	-	-	10	-	-	-	-	-	-	10	10	-	10
Premium for acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(2)	(2)
Reclassification of premium for acquisition of non-controlling interest upon disposal of subsidiary	-	-	-	-	-	-	-	-	1,836	1,836	1,836	-	1,836
<b>Total contributions by and distributions to owners</b>	-	-	10	-	-	-	-	-	1,836	1,846	1,846	(2)	1,844
<b>At 31 March 2015</b>	<b>84,445</b>	<b>(1,101)</b>	<b>608,563</b>	<b>4,706</b>	<b>(7,672)</b>	<b>(8,706)</b>	<b>(130)</b>	<b>52</b>	<b>13</b>	<b>596,826</b>	<b>680,170</b>	<b>4,217</b>	<b>684,387</b>
At 1 January 2014	84,445	(1,101)	298,069	3,764	(7,672)	(3,955)	934	52	-	291,192	374,536	(1,666)	372,870
Profit for the period	-	-	354,237	-	-	-	-	-	-	354,237	354,237	(12)	354,225
Fair value gain on net investment hedge	-	-	-	-	-	-	2,316	-	-	2,316	2,316	-	2,316
Foreign currency translation	-	-	-	-	-	2,955	-	-	-	2,955	2,955	-	2,955
Other comprehensive income net of tax	-	-	-	-	-	2,955	2,316	-	-	5,271	5,271	-	5,271
<b>Total comprehensive income for the period</b>	-	-	354,237	-	-	2,955	2,316	-	-	359,508	359,508	(12)	359,496
<u>Contributions by and distributions to owners</u>													
Premium for acquisition of non-controlling interest	-	-	-	-	-	-	-	-	(1,653)	(1,653)	(1,653)	1,666	13
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-	(1,653)	(1,653)	(1,653)	1,666	13
<b>At 31 March 2014</b>	<b>84,445</b>	<b>(1,101)</b>	<b>652,306</b>	<b>3,764</b>	<b>(7,672)</b>	<b>(1,000)</b>	<b>3,250</b>	<b>52</b>	<b>(1,653)</b>	<b>649,047</b>	<b>732,391</b>	<b>(12)</b>	<b>732,379</b>



<b>The Company</b>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Accumulated profits</b>	<b>Dividend reserve</b>	<b>Gain on reissuance of treasury shares</b>	<b>Total reserves</b>	<b>Total equity</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2015	84,445	(1,101)	173,142	4,705	52	177,899	261,243
Profit for the period	-	-	852	-	-	852	852
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	852	-	-	852	852
<u>Contributions by and distributions to owners</u>							
Dividends on ordinary shares	-	-	-	-	-	-	-
Transfer from unappropriated profits to dividend reserve	-	-	-	-	-	-	-
<b>Total contributions by and distribution to owners</b>	-	-	-	-	-	-	-
<b>At 31 March 2015</b>	<b>84,445</b>	<b>(1,101)</b>	<b>173,994</b>	<b>4,705</b>	<b>52</b>	<b>178,751</b>	<b>262,095</b>
At 1 January 2014	84,445	(1,101)	195,271	3,765	52	199,088	282,432
Loss for the period	-	-	(1,680)	-	-	(1,680)	(1,680)
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	(1,680)	-	-	(1,680)	(1,680)
<u>Contributions by and distributions to owners</u>							
Dividends on ordinary shares	-	-	-	-	-	-	-
Transfer from unappropriated profits to dividend reserve	-	-	-	-	-	-	-
<b>Total contributions by and distribution to owners</b>	-	-	-	-	-	-	-
<b>At 31 March 2014</b>	<b>84,445</b>	<b>(1,101)</b>	<b>193,591</b>	<b>3,765</b>	<b>52</b>	<b>197,408</b>	<b>280,752</b>

- 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)**

	31-Mar-15	31-Mar-14
Balance as at	<u>470,557,541</u>	<u>470,557,541</u>

**Treasury Shares**

	31-Mar-15	31-Mar-14
Balance as at	<u>3,999,850</u>	<u>3,999,850</u>

During the period ended 31 March 2015, 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 March 2015 is 470,557,541 (31 December 2014: 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.

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

These figures have not been audited or reviewed.

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

Not applicable.

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

Except as disclosed in 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 2014.

**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 Financial Reporting Standards ("FRS") and Amendments to FRS that are effective for annual periods beginning on or after 1 January 2015.

The adoption of the new FRSs and Amendments to FRSs 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.

**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	
	31-Mar-15	31-Mar-14
Earning per share (cents)		
Basic	(1.30)	75.28
Diluted	(1.30)	75.28
	<u>                    </u>	<u>                    </u>
Weighted average number of shares		
Basic	470,557,541	470,557,541
Diluted	470,557,541	470,557,541
	<u>                    </u>	<u>                    </u>

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-Mar-15	31-Dec-14	31-Mar-15	31-Dec-14
Net assets value per share (cents)	144.55	145.59	55.70	55.52
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Based on number of shares	470,557,541	470,557,541	470,557,541	470,557,541
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

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.

### Revenue

	3 months ended 31-Mar-15		3 months ended 31-Mar-14		
	\$'000	%	\$'000	%	
Development properties	22	0.1	22,045	70.7	NM
Rental	9,287	43.8	4,894	15.7	89.8
Hotel operations	10,197	48.1	3,262	10.5	212.6
Leisure business	1,680	8.0	994	3.1	69.0
	21,186	100	31,195	100	(32.1)

The Group recorded revenue of \$21.2m for the first quarter ended 31 March 2015 ("1Q2015"), down by 32.1% or \$10.0m from \$31.2m recorded in the previous corresponding period ended 31 March 2014 ("1Q2014").

Revenue from the Group's Development properties reduced by \$22.0m, this was mainly due to the absence of progressive revenue recognition from *Waterscape at Cavenagh*, which was completed in 3Q2014.

Rental revenue increased by \$4.4m from \$4.9m in 1Q2014 to \$9.3m in 1Q2015, this is attributable to the followings:

- The Group consolidated a full quarter of results of SuperBowl Holdings Limited in 1Q2015 compared to 1Q2014, when only one month result was consolidated as the acquisition was completed on 28 February 2014. As a result, rental income from the portfolio of commercial properties under SuperBowl increased by \$1.4m, and rental income from Zhongshan mall and Hiap Hoe office tower up by \$1.4m.
- Rental income from the Group's leased residential properties in Skyline 360° At St Thomas Walk and Signature At Lewis contributed \$0.3m.
- Rental income from the investment properties owned by Meteorite Group increased by \$1.3m, which was attributed by the newly acquired 130 Stirling Street in April 2014.

Hotel operation recorded an increase of \$7.0m and Leisure business up by \$0.7m, mainly due to full three-month performance in 1Q2015 compared to one-month result in 1Q2014.

### Profit

Gross profit for 1Q2015 was slightly lower by \$0.3m from \$17.1m in 1Q2014 to \$16.8m in 1Q2015 despite an overall decline of revenue reported in 1Q2015. This was contributed by higher gross profit margin achieved in 1Q2015 (79%) compared to 1Q2014 (55%), on account of higher margin from Rental Revenue.

Other income decrease by \$0.3m, due to the absence of foreign exchange gain \$2.2m recorded in 1Q2014, arising from the strengthening of the Singapore Dollar against the Australian Dollar. However, this was partly mitigated by the profit of \$1.2m on the disposal of investment properties and increase in sundry income of \$0.7m in 1Q2015.

Finance income decreased by \$0.1m due to less fixed deposit interest earned.

The increase in distribution and selling expenses of \$0.7m was mainly due to the agent sales commission for sales of the residential units in Marina Tower, coupled with higher marketing expenses from hotel operations.

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)**

#### **Profit (Cont'd)**

Administrative expenses rose by \$8.6m to \$17.0m in 1Q2015, compared to \$8.4m in 1Q2014. This was driven by higher depreciation expenses on leasehold land and building and investment properties of \$3.5m after taking control of SuperBowl Group since Feb 2014, \$2.3m foreign exchange loss recorded by Meteorite Group due to the weakening of Australian Dollar against Singapore Dollar. Higher property tax \$0.4m for Zhongshan Park based on revised annual values, higher part-timer cost of \$0.4m and staff cost of \$1.6m mainly from hotel operation. Higher utilities expenses \$0.4m from Hotel Operation due to 3-month full results recorded in 1Q2015 vs. 1-month results in 1Q2014.

Other expenses up by \$0.9m from \$0.9m in 1Q2014 to \$1.8m in 1Q2015, of which \$0.5m was due to mark-to-market losses, the Group's investment in Ley Choon Group Holdings Ltd recorded a fair value loss of \$1.2m, partly mitigated by a fair value gain from SuperBowl's investment portfolio. The other \$0.4m was due to the fair value loss on derivative instruments.

The Group recorded a loss on disposal of subsidiary of \$0.5m upon disposal of 100% of the issued and paid up share capital of Hiap Hoe SuperBowl JV Pte Ltd to Hiap Hoe Holdings Pte Ltd on 26 March 2015.

Finance expenses increased by \$1.3m from \$3.2m in 1Q2014 to \$4.5m in 1Q2015, due to increased bank borrowings.

#### **Tax Expenses**

Group taxation expenses decreased by \$1.1m from \$2.0m in 1Q2014 to \$0.9m in 1Q2015, this was mainly due to the absence of provision for income tax in relation to *Waterscape at Cavenagh*, which was completed in 3Q2014.

#### **Net Loss**

Taking into consideration the above factors, the Group registered a net loss after tax \$6.0m in 1Q2015, compared to \$354.2m net profit after tax in 1Q2014.

#### **Financial Position**

##### Non-current assets

The decrease in non-current assets of \$11.4m was mainly due to the depreciation of PPE and investment properties, coupled with foreign exchange movement for non-current assets denominated in Australian Dollar.

##### Current assets

The decrease in current assets of \$129.8m or 26.8% from \$484.3m as at 31 December 2014 to \$354.4m as at 31 March 2015 was due to:

- Disposal of assets classified as held for sale \$198.4m in 1Q2015 in relation to Hiap Hoe SuperBowl JV Pte Ltd.
- Decrease in trade and other receivables \$3.4m, due to GST refund received \$1.3m, and payment received for trade receivables.

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 assets (Cont'd)

The above decreases were offset by the increase in:

- Other investments increased to \$36.6m in 1Q2015 from \$34.3m in 1Q2014, due to more investments in quoted equities.
- Development properties increased from \$88.5m in 1Q2014 to \$91.1m in 1Q2015, due to more project work done for HH@Kallang, the stage of completion was 78% as at 31 March 2015.

Current liabilities

The decrease in current liabilities of \$132.4m or 35.1% from \$376.9m as at 31 December 2014 to \$244.6m as at 31 March 2015 was due to:

- Disposal of liabilities directly associated with disposal group classified as held for sale \$114.2m in relation to Hiap Hoe SuperBowl JV Pte Ltd.
- Decrease in interest-bearing loans and borrowings \$10.5m, due to repayment of loans.
- Decrease in trade and other payable \$3.7m, due to release of retention for the completed projects and payment made to suppliers.
- Decrease in other liabilities \$4.1m, due to payment of accrued expenses.

Non-current liabilities

The decrease in non-current liabilities of \$4.1m from \$501.0m as at 31 December 2014 to \$496.9m as at 31 March 2015 was mainly due to repayment of bank borrowings.

**Cash Flow**

The Group recorded net cash generated from operating activities of \$0.6m in 1Q2015 as compared to \$5.6m net cash used in operating activities in 1Q2014, mainly due to:

- The net increase in development properties of \$3.6m in 1Q2015 reflected higher development costs incurred in this period.
- Trade and other receivables recorded a net decrease of \$3.3m in 1Q2015, representing a cash inflow for payment received from progress billings.
- The net decrease of Trade and other payables and other liabilities of \$6.6m were due to payments made to suppliers and payment for accrued expenses.

Net cash generated from investing activities amounted to \$83.2m in 1Q2015 mainly attributed from cash inflow from disposal of subsidiary \$72.3m and proceeds from disposal of investment properties held for sale \$14.3m.

The Group recorded a net cash used in financing activities \$17.6m in 1Q2015 mainly due to repayment of bank borrowings and interest paid.

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

There is no forecast, or prospect statement previously disclosed to shareholders.

**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 the Urban Redevelopment Authority (URA)'s real estate statistics, prices of private residential properties decreased by 1.0% in 1Q 2015, compared to the 0.8% decline in 4Q 2014. For 1Q2015, prices of private residential properties declined across all market segments.

The Total Debt Servicing Ratio and concerns over interest rate hike continue to impact the market, private residential demand and pricing are expected to further moderate in 2015.

The Group will maintain a prudent approach in its land banking in Singapore. Despite a challenging market environment, The Group's well diversified sources of revenue, with a greater proportion from hotel, property investment and leisure activities, will continue to generate recurring revenue.

The overall outlook for the hotel sector in 2015 appears optimistic with Singapore celebrating its golden jubilee and hosting the South-east Asian Games ("SEA Games"). Ramada and Days Hotels Singapore at Zhongshan Park have been chosen to house athletes and officials during the SEA Games by the Singapore Southeast Asian Games Organising Committee.

The Group's leasing business, retail and commercial rentals delivered a continuing source of revenue with resilient occupancy at the various commercial properties, Zhongshan mall and Hiap Hoe Building. Rental from residential properties remains challenging given the subdued Singapore property market condition.

Singapore and Australia remain as the Group's core markets. In Australia, Marina Tower, Melbourne, after its official launch in May 2014, approximately 89% of the residential units have been sold with a total sales value of \$251m achieved. In addition, the Group's investment properties in Australia and Singapore are also generating steady rental income.

**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. 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 March 2015	3 months ended 31 March 2015
Hiap Hoe Holdings Pte Ltd	Nil	Disposal of 100% of the issued and paid up share capital of:  - Hiap Hoe SuperBowl JV Pte Ltd  (value of transactions amounting to \$72,833,151)
Hiap Hoe & Co. Pte. Ltd. (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd)	Provision of Project and Construction Management Service to the Company's wholly-owned subsidiary:  - WestBuild Construction Pte. Ltd.  (value of transactions amounting to \$482,000)	Nil

14 **CONFIRMATION 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 first quarter ended 31 March 2015 to be false or misleading in any material respect.

**BY ORDER OF THE BOARD**

Teo Ho Beng  
Executive Chairman / Chief Executive Officer  
12 May 2015