



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

## NEWS RELEASE

### HIAP HOE ACHIEVES RECORD NET PROFIT OF S\$80.0 MILLION IN FY2013

- *Revenue surged 65.3% to S\$240.8 million;*
- *Well-positioned to capture regional growth opportunities with a strong capital structure underpinned by cash and short-term deposits of S\$115.9 million and undrawn credit facilities of more than \$125 million;*
- *On-going Voluntary General Offer for SuperBowl intended to create an enlarged corporate entity that will position the Group as a sizeable player in the real estate industry and enhance its profile with global investors;*
- *Declares final dividend of 0.8 Singapore cents per share bringing total dividend for FY2013 to 2.0 Singapore cents per share.*

<b>S\$' million</b>	<b>FY2013</b>	<b>FY2012</b>	<b>% Change</b>
Revenue	<b>240.8</b>	145.7	65.3
Gross Profit	<b>116.2</b>	57.7	101.4
Net Profit <sup>1</sup>	<b>80.0</b>	57.9	38.2
Earnings per Share (cents)	<b>17.0</b>	12.3	38.2

**SINGAPORE, 21 February 2014** – Singapore Mainboard-listed Hiap Hoe Limited (“Hiap Hoe” or the “Group”), a regional premium real estate group with a diversified portfolio of hospitality, retail, commercial and residential assets, announced today a record year with a significant 65.3% jump in revenues to S\$240.8 million and a 38.2% increase in net profit<sup>1</sup> to S\$80.0 million for the financial year ended 31 December 2013 (“FY2013”).

<sup>1</sup> Net profit attributable to Owners of the Company (“net profit”)

Mr Teo Ho Beng (张和明), Hiap Hoe's Executive Chairman and Chief Executive Officer said, "We are extremely delighted that 2013 has emerged as a milestone year for Hiap Hoe and a rewarding period for our shareholders. Supported by the foresight and commitment of the Board, the strategies that were laid over the past year have allowed us to make solid progress at home and abroad. We were able to overcome a tepid Singapore property market during the year, recording S\$225 million in revenues from residential property development. Our widely followed regional expansion into Australia has provided us with the platform to grow our investment property portfolio with high yielding assets, providing the Group with certainty of recurring income.

"As part of our commitment to create further value for shareholders, we launched a Voluntary General Offer for SuperBowl Holdings Limited in October 2013 as it will allow us to create an enlarged corporate entity that will position the Group as a sizeable player in the real estate industry and enhance our profile within the global investment community."

### **Performance Review**

The Group recorded full year revenue of S\$240.8 million in FY2013 compared to S\$145.7 million in FY2012. The increase was achieved on the back of higher progressive revenue recognition of Waterscape at Cavenagh and sale of units from completed projects, Skyline 360° and Signature at Lewis.

FY2013 gross profit more than doubled to S\$116.2 million from S\$57.7 million year ago, primarily due to higher revenue and better margins. Net profit<sup>1</sup> for the year was S\$80.0 million, an increase of 38.2% from S\$57.9 million in FY2012. Earnings per share was 17.0 Singapore cents for FY2013, compared with 12.3 Singapore cents for FY2012, while net asset value per share was 79.59 Singapore cents as at 31 December 2013, an increase of 22.6% from 64.94 Singapore cents as at 31 December 2012.

Commenting on the Group's dividend payout for FY2013, Mr Teo said, "To mark our record year of healthy cashflows and profitability, and to thank our Shareholders for their continued trust and support, the Board is pleased to propose a dividend of 0.8 cents per share for 2H2013. Combined with the 1H2013 dividend of 1.2 cents per share declared in August 2013, the Board is proposing a total dividend of 2.0 cents per share for FY2013. At this level, our FY2013 dividend is one of the highest annual distributions in the Group's history."

As at 31 December 2013, the Group remained in a strong position with shareholders' equity of S\$374.5 million, and cash and short-term deposits valued at S\$115.9 million.

### **Outlook & Recent Developments**

Going into 2014, the Group expects Singapore's real estate market to remain soft and the business environment to be challenging. The latest statistics released by the Urban Redevelopment Authority reflected weak buyer demand, exacerbated by slower economic growth and property cooling measures implemented by regulators. Private residential prices in Singapore fell by 0.9% in 4Q2013, recording the first quarterly decline in more than seven quarters. Growth in home prices continued to slow as the industry recorded a 1.1% growth for FY2013, compared with a 2.8% growth for FY2012. On this front, the Group will continue to step-up its marketing efforts to drive sales for its remaining unsold residential units.

Zhongshan Park Integrated Development, the Group's hotel-cum-commercial development in Balestier, continues to perform well. The office building is fully leased, while the retail mall boasts a high occupancy rate of more than 90%. The two hotels: Days Hotel and Ramada Singapore At Zhongshan Park, with an aggregate 784 rooms, continue to record steady occupancies. In addition, the Group intends to launch HH@Kallang, a 9-storey light industrial freehold development at Kallang Pudding by 1H2014, and is optimistic of its saleability in view of its city-fringe location and freehold tenure.

In FY2013, Hiap Hoe made good progress with its regional expansion plans, acquiring three quality assets in Melbourne, Australia: 6-22 Pearl River Road, 380 Lonsdale Street and 206 Bourke Street. 380 Lonsdale Street and 206 Bourke Street have added scale to the Group's investment property portfolio and rental revenue generated from these two properties contributed to the Group's performance in 4Q2013. 6-22 Pearl River Road is earmarked for development into a mixed use hotel-cum-residential development whereby Hiap Hoe has entered into a Letter of Intent with Starwood Asia Pacific Hotels & Resort Pte Ltd under its "Four Points by Sheraton" brand for the proposed hotel development. Sales launch of the residential units is expected to commence by 1H2014.

Testament to the Group's commitment to its regional expansion strategy, Hiap Hoe further expanded its presence into Western Australia in February 2014, with the acquisition 130 Stirling Street, an A-grade commercial building with 12,349 sq m of NLA, located along the northern fringe of Perth's CBD.

Ms Tracy Wun, Executive Director of Hiap Hoe, said, "As a seasoned property developer, we remain committed to our strategy of selectively acquiring quality, well-located land sites in Singapore and abroad. In line with our strategy of growing our recurring income stream, we will continue to prudently select high yielding assets even as we expand our hospitality portfolio with more hotels in the pipeline in Melbourne, Australia."

"Underpinned by a strong balance sheet and supported by a capable management team, the Board of Directors are confident of further growth and will take concerted efforts to generate greater returns for our shareholders," added Ms Wun.

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## **About Hiap Hoe Limited**

Singapore Mainboard-listed Hiap Hoe Limited is a regional premium real estate group with a diversified portfolio of hospitality, retail, commercial and residential assets. The Group is known for the development of luxury and mid-tier residential and hotel-cum-commercial properties that are distinct in design and preferred for their excellent location and investment prospects. The Group's residential portfolio includes distinctive projects such as Treasure on Balmoral, Skyline 360° at St Thomas Walk, Waterscape at Cavenagh, The Beverly, Signature At Lewis, Oxford Suites and Cuscaden Royale.

Hiap Hoe also owns an integrated hotel-cum-commercial development along Balestier Road that sits just opposite the historic Sun Yat-Sen Nanyang Memorial Hall, a national monument that pays tribute to the father of the 1911 Chinese Revolution. Comprising Days Hotel Singapore at Zhongshan Park (新加坡中山公园戴斯酒店), and Ramada Singapore at Zhongshan Park (新加坡中山公园华美达酒店), Zhongshan Mall (中山广场) and an office tower, the two hotels flank Zhongshan Park (中山公园), creating a unique integrated development with a strong heritage connection and old world charm.

In 2013, Hiap Hoe embarked on its strategic overseas expansion plans, acquiring assets in three prime locations in Melbourne, Australia: 6-22 Pearl River Road, 380 Lonsdale Street and 206 Bourke Street. The properties at 6-22 Pearl River Road and 380 Lonsdale Street were purchased with approved planning permits for residential developments. Hiap Hoe is in the process of seeking approval for a proposed mixed-use residential cum hotel development at 6-22 Pearl River Road. 206 Bourke Street was purchased with the strategy of building recurring income as it expands the Group's portfolio of investment assets. The purchase also came with an approved planning permit for a 142-room hotel above the existing property. Further, Hiap Hoe has entered into an MOU with Probuild, Australia's leading construction company to explore joint-venture opportunities in Australia; and also signed a letter of intent with Starwood Asia Pacific Hotels & Resort Pte. Ltd. for 6-22 Pearl River Road and 380 Lonsdale Street. In February 2014, Hiap Hoe further expanded its presence into

Western Australia with the acquisition 130 Stirling Street, an A-grade commercial building located along the northern fringe of Perth's CBD.

In addition to the Group's core business of property investment and property development, Hiap Hoe is also engaged in the construction business. More information on Hiap Hoe can be found at <http://www.hiaphoe.com>

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