



Hiap Hoe Limited
(Registration No. : 199400676Z)

NEWS RELEASE

HIAP HOE 3Q2013 REPORTS 150% INCREASE IN NET PROFIT¹ TO S\$33.3 MILLION

- *Revenue surges 98.6% to S\$81.1 million on the back of higher progressive revenue recognised;*
- *Remains well-positioned in a potentially challenging environment and focused on strengthening regional property portfolio.*

S\$' million	3Q2013	3Q2012	% Change
Revenue	81.1	40.8	98.6
Gross Profit	38.1	13.6	181.0
Net Profit ¹	33.3	13.3	149.8
Earnings per Share (cents)	7.07	2.83	149.8

SINGAPORE, 4 November 2013 – 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 sterling 149.8% jump in net profit attributable to shareholders (“net profit”) to S\$33.3 million for the three months ended 30 September 2013 (“3Q2013”).

The significant surge in the Group’s bottomline was achieved on the back of a 98.6% increase in revenue to S\$81.1 million for 3Q2013, driven primarily by higher progressive revenue receipts from the Group’s residential projects, *Signature at Lewis*, *Skyline 360^o* and *Waterscape at Cavenagh*, in the review period.

Commenting on the Group’s strong performance, Mr Teo Ho Beng (张和明), Hiap Hoe’s Executive Chairman and Chief Executive Officer said, “We are delighted to report that the quarter has turned out to be an exciting period in which we were able

to deliver another quarter of steady results despite the prevailing weakness in the current Singapore market. The strategies that we have put in place to grow our business in new markets and other investment asset classes have begun to take shape and we expect these initiatives to continue to generate sustained value for our shareholders over the mid to long-term.”

“On the corporate front, we have also issued our first tranche of fixed rate notes under our S\$500 million multicurrency medium term note programme. This will serve as an additional support to augment our strategic growth initiatives, and as we grow our portfolio of high yielding investment assets as a source of recurring income,” added Mr Teo.

Performance Review

For 3Q2013, gross profit increased 181.0% to S\$38.1 million, from S\$13.6 million in the corresponding financial period in 2012 which was underpinned by higher revenues.

Earnings per share more than doubled to 7.07 Singapore cents for 3Q2013, from 2.83 Singapore cents for the corresponding period in 2012, while net asset value per share as at 30 September 2013 was 78.71 Singapore cents, an increase of 21.2% from 64.94 Singapore cents as at 31 December 2012.

For the nine months ended 30 September 2013 (“9M2013”), Hiap Hoe recorded a 65.2% jump in net profit to S\$72.8 million, on the back of a 58.1% surge in revenue to S\$191.7 million.

As at 30 September 2013, the Group remained in a strong position with shareholders’ equity of S\$370.4 million, and cash and short-term deposits valued at S\$28.2 million.

¹ Attributable to shareholders

Outlook & Recent Developments

As the Singapore's property sector is expected to remain challenging in the near-term, the Group will continue to step-up its marketing efforts to drive sales for its remaining unsold residential units. Notwithstanding, the Group remains well positioned on the residential front as The Beverly recently attained 100% sales and the remaining units at The Cavenagh are expected to see good take-up as the development nears its TOP in 1Q2014, allowing the Group to showcase its finished product of distinguished quality to end-buyers.

On the commercial front, construction work for HH@Kallang, Hiap Hoe's 9-storey light industrial freehold development at Kallang Pudding has commenced, with a targeted launch in 2014. Additionally, the Group's landmark integrated hotels-cum-commercial development – *Zhongshan Park Integrated Development* – is now fully operational, rejuvenating the Balestier area as the state-of-the-art integrated development adds a touch of class to the heritage charm. The asset is expected to contribute to the Group's recurring income stream from 4Q2013 with the office block now 100% leased, retail mall over 90% leased and steady occupancies from the two hotels of over 700 keys.

During the quarter, the Group 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. The Group has received Foreign Investment Review Board ("FIRB") approval for the 6-22 Pearl River Road and 380 Lonsdale Street developments and completion of the 380 Lonsdale Street acquisition has taken place, which was funded via internal resources. Completion of the 6-22 Pearl River Road and 206 Bourke Street acquisitions are expected to be in November 2013. Following the success of the Group's Zhongshan Park Integrated Development, the Group will focus on developing and/or enhancing these overseas assets into quality mixed-used integrated developments, which will also expand the Group's hospitality portfolio with two additional hotels with over 600 keys in aggregate.

“We are scheduled to roll out a tender and selection process for hotel operators in November 2013 to shortlist and finalise the two hotel operators for our planned hotels in Melbourne by Q1 2014. We are heartened with the overwhelming response from the hospitality industry, having received more than 12 bids from various international hotel operators with most of them expressing keen interests to operate at both sites for better scalability as they recognise the different appeal and target segment at Pearl River Road, Docklands and Lonsdale Street. We are encouraged by their enthusiasm which further gives us confidence of the attractiveness of the two sites and the viability of a hotel business there,” said Mr. Teo

To further augment the Group’s plans for the Australian market, Hiap Hoe had recently entered into a memorandum of understanding with Australia’s leading construction company, Probuild Construction (Aust) Pty Ltd, to explore joint-venture opportunities for 6 – 22 Pearl River Road and 380 Lonsdale Street. This partnership is expected to be formalised with binding agreements in the next 12 months. The Group will implement a rigorous tender process in the selection of construction firm and/or builder to ensure that its construction costs remain competitive.

“While market and industry challenges may continue to appear, we remain steadfast in our commitment to bring to market quality real estate developments that consistently exceed the expectations of our discerning customers and will enhance the long term earnings of Hiap Hoe. Moving forward, we will continue to evaluate opportunities in Singapore and the region, so as to identify well-located land sites with strong redevelopment potential and quality assets to grow our portfolio of investment assets and generate attractive returns for our stakeholders,” concluded Mr. Teo.

About Hiap Hoe Limited

Hiap Hoe Limited is a premium integrated property developer, engaged in 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°, 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, the Hiap Hoe embarked on its strategic overseas expansion plans, acquiring three quality assets in Melbourne, Australia: 6-22 Pearl River Road, 380 Lonsdale Street and 206 Bourke Street. The Group will redevelop these assets into quality mixed-used integrated developments, expanding its hospitality portfolio with two additional hotels with over 600 keys in aggregate. Hiap Hoe has also entered into an MOU with Probuild, Australia's leading construction company to explore joint-venture opportunities in Australia.

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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