

## Query - Hiap Hoe Limited FY2013 results announcement

1. Please provide a breakdown of the balance sheet item “Other Investments” between short-term commercial papers and quoted investments and quantify material items. As the Other Investments amounts to more than 5% of the Group’s NTA, please provide details required under Listing Rule 704(17)(b) if applicable.

REPLY:

The increase in other investment is mainly due to the purchase of quoted shares of \$17.5m during the year. Out of the \$17.5m, \$14.5m relates to our purchase of Ley Choon’s shares as set out in our 31 July 2013 announcement. The carrying values of the investments in the balance sheet are as follows:

Other Investment	FY2013 ('000)	FY2012 ('000)
Commercial Paper	\$ 4,620	\$ 3,308
Quoted shares at cost	\$ 18,828	\$ 1,169
Fair value adjustment	\$ 1,192	\$ 143
Total	\$ 24,640	\$ 4,620

Listing Rule 704(17)(b)

Any acquisition of:

except for an issuer which is a bank, finance company, securities dealing company or approved financial institution, quoted securities resulting in the issuer's aggregate cost of investment exceeding each multiple of 5% of the issuer's latest audited consolidated net tangible assets. The announcement must state:—

**(i) the aggregate cost of the issuer's quoted investments before and after the acquisition, and such amounts as a percentage of the latest audited consolidated net tangible assets of the issuer;**

REPLY:

Cost of Quoted Shares (‘000)	Cost as a percentage to the latest audited consolidated net tangible assets
\$ 18,828	5.03%

**(ii) the total market value of its quoted investments before and after the acquisition; and**

REPLY:

Cost of Quoted Shares (‘000)	Market Value as at 31 Dec 2013 (‘000)
\$ 18,828	\$ 20,020

**(iii) the amount of any provision for diminution in value of investments;**

REPLY:

There was no provision for diminution in the value of investments.

**2. We note a significant increase in administrative expenses from approximately S\$1.8 million in 4Q FY2012 to approximately S\$15.0 million in 4QFY2013. Please provide a breakdown, quantifying the major items and elaborate on the reasons for all material increase.**

REPLY:

The increase in administrative expenses in 4QFY2013 was due to the following significant items:

Descriptions (4QFY2013)	<u>4QFY2013</u>	<u>4QFY2012</u>
	(‘000)	(‘000)
Stamp duty fees mainly relating to stamp duties for the purchase of two properties in Australia ( <i>note 1</i> )	\$ 9,494	\$ -
Depreciation ( <i>note 2</i> )	\$ 1,517	\$ 34
Multicurrency Medium Term Notes - issue cost	\$ 197	\$ -
Property maintenance fees on unsold units	\$ 113	\$ 11
Professional fees - incurred mainly for the Voluntary Conditional Offer to acquire all the issued and paid-up ordinary shares of SuperBowl Holdings Limited	\$ 863	\$ 32
Bank charges ( <i>note 3</i> )	\$ 302	\$ 94
Rental of warehouse	\$ 203	\$ 107
Salaries, bonus and directors’ remunerations	\$ 1,286	\$ 1,187
Other administrative expenses (none of individual significant)	\$ 1,016	\$ 339
Total	\$ 14,991	\$ 1,804

Note 1 – Stamp duty incurred was 5.5% of the total purchase considerations of A\$148.8 million for the two sites in Australia and at exchange rate of A\$1 = S\$1.1595.

Note 2 – Depreciation of building and plant and equipment arose from investment properties acquired in Australia totalled A\$1,308,518 recorded at an average exchange rate of A\$1 =S\$1.1595.

Note 3 – Bank charges comprised of bank account charges, bank application fee and commercial bill facility fee totalled A\$253,981 recorded at an average exchange rate of A\$1 = S\$1.1595.