



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

## NEWS RELEASE

### HIAP HOE REPORTS STRONG RESULTS FOR 1Q2014

- **Gross profit rose 22.5% to S\$17.1 million**
- **Net Profit surged to S\$354.2 million on recognition of negative goodwill and gain on remeasurement of investment in joint venture company to fair value arising from the acquisition of SuperBowl**

S\$' million	1Q2014	1Q2013	% Change
Revenue	<b>31.2</b>	30.3	2.8
Gross Profit	<b>17.1</b>	14.0	22.5
Net Profit	<b>354.2</b>	9.8	N.M.
Earnings per Share (cents)	<b>75.28</b>	2.16	N.M.

**SINGAPORE, May 12, 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, reported a strong financial performance for the three months ended March 31, 2014 (“1Q2014”).

Revenue rose 2.8% to S\$31.2 million in 1Q2014, compared to S\$30.3 million in the corresponding period of the previous year (“1Q2013”). The increase was mainly backed by rental income from the Group’s investment properties in Australia, as well as the consolidation of a one-month income from SuperBowl Holdings Limited (“SuperBowl”), where the Group acquired 90.8% of the issued and paid-up capital of SuperBowl as of February 28, 2014. As at March 31, 2014, the Group owned 97.8% of the issued and paid-up capital of SuperBowl.

With the acquisition of SuperBowl, Hiap Hoe recognised negative goodwill of S\$148.7 million and an S\$199.9 million gain on remeasurement of investment in joint venture company to fair value. Consequently, the Group's net profit in 1Q2014 surged to S\$354.2 million, compared to S\$9.8 million in 1Q2013.

## Performance Review

### Segmental Revenue Breakdown

<i>S\$' million</i>	<i>1Q2014</i>	<i>1Q2013</i>
Development properties	<b>22.0</b>	30.3
Rental	<b>4.9</b>	N.A.
Hotel operations	<b>3.3</b>	N.A.
Leisure business	<b>1.0</b>	N.A.
<b>Total</b>	<b>31.2</b>	<b>30.3</b>

On a segmental basis, revenue contribution from the Group's development properties were lower at S\$22.0 million, accounting for 70.7% of total revenue in 1Q2014, compared to S\$30.3 million in 1Q2013. The decrease in sales income was mainly due to the lesser progressive revenue recognised from Waterscape at Cavenagh and decrease in project income was due to the absence of revenue from construction of the hotel/commercial properties at Zhongshan Park which were completed in the third quarter of 2013.

Rental income in 1Q2014 was S\$4.9 million, accounting for 15.7% of total revenue. This comprised S\$3.6 million in maiden contributions from the Group's investment properties in Australia acquired in the fourth quarter of 2013 as well as S\$1.3 million from SuperBowl. The Group's hotel operations generated S\$3.3 million, or 10.5% of total revenue, while the leisure business contributed S\$1.0 million, accounting for 3.1% of total revenue.

Mr Teo Ho Beng (张和明), Hiap Hoe's Executive Chairman and Chief Executive Officer said, "We are encouraged by the Group's first quarter performance, notwithstanding the lacklustre property market in Singapore. Our first quarter performance also demonstrates the initial results of our strategy to reduce earnings volatility and grow a healthy recurring income stream.

"On the operational front, the first quarter continues to be an exciting period of consolidation and growth for Hiap Hoe as we target to complete the strategic acquisition of our sister company – SuperBowl – by June 2014; and successfully expanded our geographical presence with the acquisition of an A-grade commercial building, 130 Stirling Street in Perth, Australia. With the acquisition of 130 Stirling Street, we have now established a foothold in three major cities – Singapore, Melbourne and Perth – spanning two continents."

As at 31 March 2014, the Group remained in a strong position with shareholders' equity of S\$732.4 million.

## **Outlook**

While the property market in Singapore is expected to remain lacklustre in the near-term, the Group will continue to step-up its marketing efforts to sell the remaining units of its residential projects. Additionally, the Group's industrial development 'HH @ Kallang' at Kallang Pudding Road is expected to be launched in May 2014, with temporary occupation permit targeted for 2016.

On the regional front, the Group is targeting to commence sales launch for the residential component of its 3,795 sq m site at 6-22 Pearl River Road in the third quarter of 2014. This site is earmarked for a mixed-development that is set to be an iconic landmark in Melbourne's Docklands, comprising 463 units of residential apartments and a 269 keys hotel.

Ms Tracy Wun, Executive Director of Hiap Hoe, said, “We have put in place a well-structured regional expansion strategy to mitigate near-term volatility of the local property market. Our regional portfolio of quality investment assets, as well as selective acquisition of well-located land sites will provide Hiap Hoe with a reasonable recurring income stream, laying strong foundation for the Group’s long-term growth and sustainability.”

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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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