



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

**UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

**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, 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-17 \$'000	31-Mar-16 \$'000	%
Revenue	25,318	19,740	28.3
<b><u>Other items of income</u></b>			
Dividend income	562	338	66.3
Financial income	818	209	291.4
Other income	2,502	14,203	(82.4)
	3,882	14,750	(73.7)
Changes in development properties	(5,092)	-	NM
Employee benefits expense	(6,674)	(5,909)	12.9
Depreciation expense	(5,159)	(5,255)	(1.8)
Other expenses	(7,901)	(8,320)	(5.0)
Finance cost	(1,571)	(3,565)	(55.9)
Fair value changes in financial instruments	3,354	(443)	(857.1)
Foreign exchange gain/(loss)	2,353	(439)	(636.0)
<b>Profit before tax</b>	8,510	10,559	(19.4)
Income tax expense	(1,411)	(3,908)	(63.9)
<b>Profit for the period</b>	7,099	6,651	6.7
<b>Attributable to :</b>			
Owners of the Company	7,082	6,633	6.8
Non-controlling interests	17	18	(5.6)
Total	7,099	6,651	6.7

## Statement of Comprehensive Income for the Group for the First Quarter Ended 31 March 2017

	The Group	
	3 months ended	
	31-Mar-17	31-Mar-16
	\$'000	\$'000
<b>Profit for the period</b>	7,099	6,651
<b>Other comprehensive income items that may be reclassified subsequently to profit or loss</b>		
Foreign currency translation	3,347	791
Fair value loss on net investment hedge	-	(45)
Other comprehensive income for the period, net of tax of nil	3,347	746
<b>Total comprehensive income for the period</b>	<b>10,446</b>	<b>7,397</b>
<b>Attributable to :</b>		
Owners of the Company	10,429	7,379
Non-controlling interests	17	18
<b>Total comprehensive income for the period</b>	<b>10,446</b>	<b>7,397</b>

### Additional Information

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

	The Group		
	3 months ended		
	31-Mar-17	31-Mar-16	%
	\$'000	\$'000	
Depreciation of property, plant and equipment	4,229	4,173	1.3
Depreciation of investment properties	930	1,082	(14.0)
Gain on disposal of property, plant and equipment	(56)	(3)	1,766.7
Gain on disposal of investment property held for sale	-	(13,203) <sup>(1)</sup>	NM
Fair value changes in held-for-trading investments	(3,348)	1,154	(390.1)
Fair value changes in derivative instruments	(6)	(711)	(99.2)
Impairment of trade receivables	19	-	NM
Impairment of trade receivables written back	(448)	-	NM
Bad debts written off - trade	33	-	NM
Loss on disposal of investments	14	60	(76.7)
Write back of other provision	(999) <sup>(2)</sup>	-	NM

NM – Not meaningful

### Notes:

<sup>(1)</sup> This relates to the gain on disposal of 206 Bourke Street in Melbourne.

<sup>(2)</sup> This relates to the write back of provision for tenancy and contract matters arising from the disposal of our Australia properties.

**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-17 \$'000	31-Dec-16 \$'000	31-Mar-17 \$'000	31-Dec-16 \$'000
<b>Non-Current Assets</b>				
Property, plant and equipment	763,273	727,107	315	336
Investment properties	172,467	171,494	-	-
Investment in subsidiaries	-	-	168,417	168,417
Investment in joint venture	-	-	10,173	9,279
Other assets	29,922	28,605	-	-
Other receivables	46	52	-	-
Due from subsidiary, non-trade	-	-	104,960	103,870
Deferred tax assets	2,235	2,963	-	-
	<b>967,943</b>	<b>930,221</b>	<b>283,865</b>	<b>281,902</b>
<b>Current Assets</b>				
Cash and short-term deposits	18,284	28,939	204	5,511
Other investments <sup>(1)</sup>	102,480	91,017	-	-
Trade and other receivables	6,779	8,533	-	-
Other assets	675	683	-	-
Prepaid operating expenses	668	651	22	7
Due from subsidiaries, trade	-	-	56	4
Due from subsidiaries, non-trade	-	-	330,114	245,902
Due from related companies, trade	2	6	-	-
Development properties	143,820	150,927	-	-
Completed properties for sale	52,681	52,681	-	-
Inventories	2,055	2,044	-	-
	<b>327,444</b>	<b>335,481</b>	<b>330,396</b>	<b>251,424</b>
<b>Current Liabilities</b>				
Trade and other payables	18,882	21,019	65	65
Other liabilities	6,788	10,048	316	528
Derivatives - liabilities	197	203	-	-
Due to subsidiaries, trade	-	-	-	4
Due to subsidiaries, non-trade	-	-	140,294	60,504
Due to related companies, trade	38	54	-	8
Interest-bearing loans and borrowings	342,485	341,327	27	27
Tax payable	3,057	2,072	144	81
	<b>371,447</b>	<b>374,723</b>	<b>140,846</b>	<b>61,217</b>
<b>Net Current (Liabilities)/Assets<sup>(2)</sup></b>	<b>(44,003)</b>	<b>(39,242)</b>	<b>189,550</b>	<b>190,207</b>
<b>Non-Current Liabilities</b>				
Other liabilities	32,143	29,573	-	-
Interest-bearing loans and borrowings	78,639	58,173	18	24
Deferred tax liabilities	83,898	84,419	-	-
	<b>194,680</b>	<b>172,165</b>	<b>18</b>	<b>24</b>
<b>Net Assets</b>	<b>729,260</b>	<b>718,814</b>	<b>473,397</b>	<b>472,085</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	642,315	631,886	390,053	388,741
	<b>725,659</b>	<b>715,230</b>	<b>473,397</b>	<b>472,085</b>
Non-controlling interests	3,601	3,584	-	-
<b>Total Equity</b>	<b>729,260</b>	<b>718,814</b>	<b>473,397</b>	<b>472,085</b>

**Notes:**

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

<sup>(2)</sup> The Group is in a net current liabilities position mainly due to maturity of the long-term borrowings within the next 12 months. The Group has sufficient banking facilities available to refinance the portion of borrowings which are maturing within the next 12 months.

**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 17		As at 31 Dec 16	
Secured	Unsecured	Secured	Unsecured
342,485	-	341,327	-

**Amount repayable after one year**

(\$'000)

As at 31 Mar 17		As at 31 Dec 16	
Secured	Unsecured	Secured	Unsecured
78,639	-	58,173	-

**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, investment properties, development properties and properties for sale (collectively, the "Properties");
- 2) Legal assignment of all rights and benefits under the sales and purchase agreements and/or tenancy agreements;
- 3) The building contracts of certain Properties;
- 4) Assignment of all insurance policies for certain Properties;
- 5) Deed of subordination to subordinate all loans and advances from the Company to the facilities;
- 6) Corporate guarantees given by the Company; and
- 7) A charge over certain trading investments, cash and short-term deposits.

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-17	31-Mar-16
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Profit before taxation	8,510	10,559
Adjustments for:		
Amortisation of transaction cost	-	15
Depreciation of investment properties	930	1,082
Depreciation of property, plant and equipment	4,229	4,173
Dividend income from investments	(562)	(338)
Fair value changes in held-for-trading investments	(3,348)	1,154
Fair value changes in derivative instruments	(6)	(711)
Gain on disposal of investment properties held for sale	-	(13,203)
Gain on disposal of property, plant and equipment	(56)	(3)
Impairment of trade receivables	19	-
Impairment of trade receivables written back	(448)	-
Interest expenses	1,571	3,565
Interest income	(818)	(209)
Loss on disposal of investments	14	60
Write back of other provision	(999)	-
Exchange difference	25	823
<b>Operating cash flows before changes in working capital</b>	<b>9,061</b>	<b>6,967</b>
<u>Changes in working capital</u>		
(Increase)/decrease in :		
Development properties	(22,002)	(16,754)
Inventories	(12)	3
Trade and other receivables	2,117	1,412
Other assets	(411)	7
Prepaid operating expenses	(13)	227
Due from related company, trade	4	(35)
Due from related company, non-trade	-	(2)
Increase/(decrease) in :		
Trade and other payables	(1,429)	(582)
Other liabilities	(3,842)	(3,107)
Due to related company, trade	(16)	(165)
Due to related company, non-trade	-	37
	<b>(16,543)</b>	<b>(11,992)</b>
Income tax paid	(140)	(382)
<b>Net cash flows used in operating activities carried forward</b>	<b>(16,683)</b>	<b>(12,374)</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)**

	31-Mar-17 \$'000	31-Mar-16 \$'000
<b>Net cash flows used in operating activities brought forward</b>	<b>(16,683)</b>	<b>(12,374)</b>
<b>Cash flows from investing activities</b>		
Interest income received	801	348
Dividend income received and return of capital	1,815	338
Purchase of property, plant and equipment	(5,452)	(5,483)
Purchase of held-for-trading investments	(21,994)	(10,357)
Proceeds from disposal of held-for-trading investments	12,611	1,493
Proceeds from disposal of property, plant and equipment	118	132
Proceeds from disposal of investment property - held for sale	-	118,421
Changes in funds placed with fund managers	(154)	286
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(12,255)</b>	<b>105,178</b>
<b>Cash flow from financing activities</b>		
Acquisition of non-controlling interests	-	(4)
Interest paid	(1,636)	(6,065)
Repayment of bank borrowings	(58,212)	(137,893)
Repayment of lease obligations	(26)	(15)
Proceeds from loans and borrowings	77,736	42,888
<b>Net cash flows generated from/(used in) financing activities</b>	<b>17,862</b>	<b>(101,089)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(11,076)</b>	<b>(8,285)</b>
Effect of exchange rate changes on cash and cash equivalents	266	10
<b>Cash and cash equivalents at beginning of period</b>	<b>27,590</b>	<b>26,921</b>
<b>Cash and cash equivalents at end of period</b>	<b>16,780</b>	<b>18,646</b>
<u>Cash and cash equivalents comprise of:</u>		
Cash and bank balances	13,984	10,551
Fixed deposits	4,300	18,533
	18,284	29,084
Cash held by fund managers	(1,504)	(438)
Fixed deposits (pledged)	-	(10,000)
<b>Cash and cash equivalents</b>	<b>16,780</b>	<b>18,646</b>

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.

**Statement of changes in equity for the period from 1 January 2017 to 31 March 2017 and 1 January 2016 to 31 March 2016**

	Attributable to equity holders of the Company							Total	Non-controlling interests	Total equity	
	Share capital	Treasury shares	Accumulated profits	Capital reserve	Foreign currency reserve	Hedging reserve	Gain on reissuance of treasury shares				Total reserves
<b>The Group</b> (All figures in \$'000)											
At 1 January 2017	84,445	(1,101)	648,501	(7,672)	(8,995)	-	52	631,886	715,230	3,584	718,814
Profit for the period	-	-	7,082	-	-	-	-	7,082	7,082	17	7,099
Fair value loss on net investment hedge	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	3,347	-	-	3,347	3,347	-	3,347
Other comprehensive income net of tax of nil	-	-	-	-	3,347	-	-	3,347	3,347	-	3,347
<b>Total comprehensive income for the period</b>	-	-	7,082	-	3,347	-	-	10,429	10,429	17	10,446
<u>Contributions by and distributions to owners</u>											
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2017</b>	<b>84,445</b>	<b>(1,101)</b>	<b>655,583</b>	<b>(7,672)</b>	<b>(5,648)</b>	<b>-</b>	<b>52</b>	<b>642,315</b>	<b>725,659</b>	<b>3,601</b>	<b>729,260</b>
At 1 January 2016	84,445	(1,101)	607,773	(7,672)	(10,475)	45	52	589,723	673,067	3,665	676,732
Profit for the period	-	-	6,633	-	-	-	-	6,633	6,633	18	6,651
Fair value loss on net investment hedge	-	-	-	-	-	(45)	-	(45)	(45)	-	(45)
Foreign currency translation	-	-	-	-	791	-	-	791	791	-	791
Other comprehensive income/(loss) net of tax of nil	-	-	-	-	791	(45)	-	746	746	-	746
<b>Total comprehensive income/(loss) for the period</b>	-	-	6,633	-	791	(45)	-	7,379	7,379	18	7,397
<u>Contributions by and distributions to owners</u>											
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	(4)	(4)
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-	-	(4)	(4)
<b>At 31 March 2016</b>	<b>84,445</b>	<b>(1,101)</b>	<b>614,406</b>	<b>(7,672)</b>	<b>(9,684)</b>	<b>-</b>	<b>52</b>	<b>597,102</b>	<b>680,446</b>	<b>3,679</b>	<b>684,125</b>

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. (Cont'd)

**Statement of changes in equity for the period from 1 January 2017 to 31 March 2017 and 1 January 2016 to 31 March 2016**

<b>The Company</b> (All figures in \$'000)	Share capital	Treasury shares	Accumulated profits	Gain on reissuance of treasury shares	Total reserves	Total equity
At 1 January 2017	84,445	(1,101)	388,689	52	388,741	472,085
Profit for the period	-	-	1,312	-	1,312	1,312
<b>Total comprehensive income for the period</b>	-	-	1,312	-	1,312	1,312
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares	-	-	-	-	-	-
<b>Total contributions by and distribution to owners</b>	-	-	-	-	-	-
<b>At 31 March 2017</b>	<b>84,445</b>	<b>(1,101)</b>	<b>390,001</b>	<b>52</b>	<b>390,053</b>	<b>473,397</b>
At 1 January 2016	84,445	(1,101)	297,194	52	297,246	380,590
Profit for the period	-	-	365	-	365	365
<b>Total comprehensive income for the period</b>	-	-	365	-	365	365
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares	-	-	-	-	-	-
<b>Total contributions by and distribution to owners</b>	-	-	-	-	-	-
<b>At 31 March 2016</b>	<b>84,445</b>	<b>(1,101)</b>	<b>297,559</b>	<b>52</b>	<b>297,611</b>	<b>380,955</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)**

	<u>Number of Ordinary Shares</u>	
	<u>31-Mar-17</u>	<u>31-Mar-16</u>
Balance as at	<u>470,557,541</u>	<u>470,557,541</u>

**Treasury Shares**

	<u>Number of Treasury Shares</u>	
	<u>31-Mar-17</u>	<u>31-Mar-16</u>
Balance as at	<u>3,999,850</u>	<u>3,999,850</u>

During the period ended 31 March 2017, 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 2017 is 470,557,541 (31 December 2016: 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 by the Company's auditors.

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 2016.

**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 2017.

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-17	31-Mar-16
Earning per share (cents)		
Basic	1.51	1.41
Diluted	1.51	1.41
Weighted average number of shares		
Basic	470,557,541	470,557,541
Diluted	470,557,541	470,557,541

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-17	31-Dec-16	31-Mar-17	31-Dec-16
Net assets value per share (cents)	154.21	152.00	100.60	100.32
Based on number of shares	470,557,541	470,557,541	470,557,541	470,557,541

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.

**Consolidated Income Statement – first quarter ended 31 March 2017 (“1Q2017”) performance**

**Revenue**

	3 months ended 31-Mar-17		3 months ended 31-Mar-16		
	\$'000	%	\$'000	%	
Development properties	6,696	26.5	-	-	NM
Rental	6,608	26.1	7,602	38.5	(13.1)
Hotel operations	10,411	41.1	10,394	52.7	0.2
Leisure business	1,603	6.3	1,744	8.8	(8.1)
	<u>25,318</u>	100	<u>19,740</u>	100	28.3

The Group recorded revenue of \$25.3 million in the 3 months ended 31 March 2017 (“1Q2017”), an increase of \$5.6 million from \$19.7 million recorded in the previous corresponding period ended 31 March 2016 (“1Q2016”).

Revenue from development properties of \$6.7 million in 1Q2017 relates to the sale completion of 14 units Marina Tower, Melbourne.

Rental revenue decreased by \$1.0 million from \$7.6 million in 1Q2016 to \$6.6 million in 1Q2017 mainly due to the absence of rental revenue resulting from the sale of our Australia properties.

Revenue from hotel operations in 1Q2017 recorded \$10.4 million. Included in the 1Q2017 revenue from hotel operations is the Four Points by Sheraton, Melbourne which opened on 28 March 2017.

**Profit before tax**

The Group registered a profit before tax of \$8.5 million and \$10.6 million in 1Q2017 and 1Q2016 respectively.

Finance income increased by \$0.6 million in 1Q2017 as compared to 1Q2016 due to higher interest income from commercial papers.

Other income in 1Q2017 includes the write back of \$1.0 million provision for tenancy and contract matters relating to the disposal of our Australia properties in 2016. Other income in 1Q2016 includes a \$13.2 million gain on the disposal of 206 Bourke Street, Melbourne.

Changes in development properties of \$5.1 million in 1Q2017 relates to the sale of 14 units Marina Tower, Melbourne.

Employee benefits expense increased by \$0.8 million from \$5.9 million in 1Q2016 to \$6.7 million in 1Q2017 mainly due to pre-opening expenses incurred for Four Points by Sheraton, Melbourne.

Other expenses decreased by \$0.4 million from \$8.3 million in 1Q2016 to \$7.9 million in 1Q2017 generally due to the absence of property taxes and upkeep expenses resulted from the disposal of Australia properties.

The Group recorded lower finance cost by \$2.0 million in 1Q2017 which is attributed to lower interest rates as compared to 1Q2016.

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)**

#### **Tax Expense**

The Group recorded a lower tax expense of \$1.4 million in 1Q2017 as compared to a higher tax expense of \$3.9 million in 1Q2016 which was mainly due to the gain on disposal of 206 Bourke Street, Melbourne.

#### **Net Profit**

The Group registered a net profit after tax of \$7.1 million and \$6.7 million in 1Q2017 and 1Q2016 respectively.

#### **Consolidation Statement of Financial Position as at 31 March 2017**

##### Non-current assets

Non-current assets increased by \$37.7 million as compared to 31 December 2016 mainly due to the increase in development cost for the hotel under the Four Points by Sheraton in Melbourne.

##### Current assets

The decrease in current assets from \$335.5 million as at 31 December 2016 to \$327.4 million as at 31 March 2017 was mainly due to the sale of 14 units Marina Tower in Melbourne. The sale proceeds were consequently used for payment of hotel development costs incurred in Melbourne.

##### Current liabilities

Current liabilities decreased by \$3.3 million as compared to 31 December 2016 mainly due to payment of liabilities.

##### Non-current liabilities

The increase in non-current liabilities of \$22.5 million from \$172.2 million as at 31 December 2016 to \$194.7 million as at 31 March 2017 was mainly due to increase of interest-bearing loans and borrowings.

#### **Consolidated Statement of Cash Flows Position as at 31 March 2017**

The Group recorded net cash used in operating activities of \$16.7 million and \$12.4 million for 1Q2017 and 1Q2016 respectively, mainly due to cash outflow for the development properties at Marina Tower in Melbourne.

Net cash used in investing activities amounted to \$12.3 million in 1Q2017 was mainly arising from the increase in financial investments. In 1Q2016 the net cash generated included \$118.4 million from the disposal of 206 Bourke Street, Melbourne.

Net cash generated in 1Q2017 from financing activities amounted to \$17.9 million mainly due to increase in bank borrowings. In 1Q2016, the Group recorded net cash used of \$101.1 million mainly due to repayment of bank borrowings.

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

The results reported herein are in line with the announcements previously made.

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.**

The Group will continue to grow our recurring income base and will evaluate property development opportunities locally and overseas.

The hotel industry in both Singapore and Melbourne are expected to remain competitive with increased supply of hotel rooms.

The construction of Marina Tower in Melbourne is well in progress and is targeted to be completed by the first quarter of 2018.

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/recommended, 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 2017	3 months ended 31 March 2017
Nil	Nil	Nil

14. **Confirmation Pursuant to Rule 720(1) of the Listing Manual**

The Company hereby confirms that it has procured undertaking from all directors and executive officers under Rule 720(1).

**By Order of the Board**

Ong Beng Hong  
Joint Company Secretary  
11 May 2017

**Confirmation by the Board 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 2017 to be false or misleading in any material respect.

On behalf of the Board of Directors

Teo Ho Beng  
Executive Chairman / Chief Executive Officer

Roland Teo Ho Kang  
Managing Director