



Hiap Hoe Limited
(Registration No.: 199400676Z)

UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016

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			9 months ended		
	30-Sep-16 \$'000	30-Sep-15 \$'000 (restated)	%	30-Sep-16 \$'000	30-Sep-15 \$'000 (restated)	%
Revenue	19,865	38,354	(48.2)	63,562	83,037	(23.5)
Other items of income/(loss)						
Dividend income	448	331	35.3	1,300	963	35.0
Financial income	511	142	259.9	1,106	400	176.5
Fair value changes in financial instruments	866	(2,267)	(138.2)	1,242	(3,563)	(134.9)
Other income	19,039	960	1,883.2	34,510	4,432	678.7
	20,864	(834)	(2,601.7)	38,158	2,232	1,609.6
Other items of expenses						
Changes in development properties	-	(10,109)	NM	(1,944)	(10,109)	(80.8)
Employee benefits expense	(6,225)	(5,661)	10.0	(18,345)	(16,155)	13.6
Depreciation expense	(5,142)	(5,665)	(9.2)	(15,553)	(17,069)	(8.9)
Other expenses	(13,363)	(12,456)	7.3	(30,657)	(32,588)	(5.9)
Foreign exchange gain/(loss)	4,394	(2,401)	(283.0)	821	(7,055)	(111.6)
Finance cost	(2,600)	(3,758)	(30.8)	(9,181)	(12,053)	(23.8)
	(22,936)	(40,050)	(42.7)	(74,859)	(95,029)	(21.2)
Profit/(loss) before tax	17,793	(2,530)	(803.3)	26,861	(9,760)	(375.2)
Income tax expense	(4,090)	(432)	846.8	(9,619)	(2,782)	245.8
Profit/(loss) for the period	13,703	(2,962)	(562.6)	17,242	(12,542)	(237.5)
Attributable to :						
Owners of the Company	13,736	(2,978)	(561.2)	17,272	(12,712)	(235.9)
Non-controlling interests	(33)	16	(306.3)	(30)	170	(117.6)
Total	13,703	(2,962)	(562.6)	17,242	(12,542)	(237.5)

Note: The comparative figures in the income statement have been reclassified to conform to the current year's presentation by nature of expense method.

Statement of Comprehensive Income for the Group for the Third Quarter and Nine Months Ended 30 September 2016

	The Group			
	3 months ended		9 months ended	
	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15
	\$'000	\$'000	\$'000	\$'000
		(restated)		(restated)
Profit/(loss) for the period	13,703	(2,962)	17,242	(12,542)
Other comprehensive income Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	5,463	(4,501)	1,768	(7,406)
Fair value gain/(loss) on net investment hedge	-	1,395	(45)	2,632
Other comprehensive income/(loss) for the period, net of tax of nil	5,463	(3,106)	1,723	(4,774)
Total comprehensive income/(loss) for the period	19,166	(6,068)	18,965	(17,316)
Attributable to :				
Owners of the Company	19,199	(6,084)	18,995	(17,486)
Non-controlling interests	(33)	16	(30)	170
Total comprehensive income/(loss) for the period	19,166	(6,068)	18,965	(17,316)

Additional Information

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

	The Group					
	3 months ended			9 months ended		
	30-Sep-16	30-Sep-15	%	30-Sep-16	30-Sep-15	%
	\$'000	\$'000		\$'000	\$'000	
				(restated)		
Depreciation of property, plant and equipment	4,179	4,188	(0.2)	12,528	12,561	(0.3)
Depreciation of investment properties	963	1,477	(34.8)	3,025	4,508	(32.9)
Gain on disposal of property, plant and equipment	-	-	NM	(6)	(71)	(91.5)
Loss/(gain) on disposal of investment properties held for sale	2,037	-	NM	(11,166) ⁽¹⁾	(1,157)	865.1
Property, plant and equipment written off	2	1	100.0	14	8	75.0
Fair value changes in financial assets	(1,109)	2,967	(137.4)	(342)	5,760	(105.9)
Fair value changes in derivative instruments	243	(700)	(134.7)	(900)	(2,197)	(59.0)
(Write back)/allowance for doubtful debts - trade	(51)	(4)	1,175.0	496	3	NM
Bad debts (recovered)/written off - trade	(2)	-	NM	9	-	NM
Impairment loss on investment property	5,024	-	NM	5,024	-	NM
(Gain)/loss on disposal of investments	(135)	53	(354.7)	(69)	(60)	15.0
(Gain)/loss on disposal of subsidiaries	(19,966) ⁽²⁾	-	NM	(19,966) ⁽²⁾	447	NM

Note: NM – Not meaningful

⁽¹⁾ This relates to the gain on disposal of 206 Bourke Street, Melbourne, Australia.

⁽²⁾ This relates to the gain on disposal of shares in Meteorite Property (Lonsdale Street) Pty Ltd and all its units in the Meteorite Property (Lonsdale Street) Unit Trust.

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	
	30-Sep-16 \$'000	31-Dec-15 \$'000	30-Sep-16 \$'000	31-Dec-15 \$'000
Non-Current Assets				
Property, plant and equipment	719,000	712,679	357	421
Investment properties	172,667	223,511	-	-
Investment in subsidiaries	-	-	174,017	188,352
Investment in joint venture	-	-	7,931	5,402
Other assets	28,569	26,882	-	-
Other receivables	62	35	-	-
Due from subsidiary (non-trade)	-	-	102,960	38,200
Deferred tax assets	3,251	12,478	-	-
	923,549	975,585	285,265	232,375
Current Assets				
Cash and short-term deposits	23,225	37,645	719	791
Other investments ⁽¹⁾	85,805	36,998	-	-
Trade and other receivables	7,230	6,856	49	-
Other assets	673	413	-	-
Derivatives assets	-	2,947	-	-
Prepaid operating expenses	1,810	903	13	3
Due from subsidiaries (trade)	-	-	147	1,743
Due from subsidiaries (non-trade)	-	-	285,864	342,854
Due from related companies (trade)	3	11	-	-
Due from related companies (non-trade)	-	4	-	-
Development properties	128,502	60,947	-	-
Properties held for sale	122,362	124,276	-	-
Inventories	2,044	2,049	-	-
Tax recoverable	105	145	-	-
	371,759	273,194	286,792	345,391
Assets held for sale	-	105,218	-	-
	371,759	378,412	286,792	345,391
Current Liabilities				
Trade and other payables	24,240	20,502	34	42
Other liabilities	10,393	15,240	481	2,225
Derivatives liabilities	411	2,936	-	-
Due to subsidiaries (trade)	-	-	29	163
Due to subsidiaries (non-trade)	-	-	144,302	77,185
Due to related companies (trade)	13	244	-	-
Due to related companies (non-trade)	30	24	-	-
Due to joint venture (trade)	-	-	-	60
Due to joint venture (non-trade)	-	-	-	2,095
Interest-bearing loans and borrowings	244,934	158,259	27	27
Medium Term Notes	-	114,917	-	114,917
Tax payable	2,665	10,432	55	411
	282,686	322,554	144,928	197,125
Net Current Assets	89,073	55,858	141,864	148,266
Non-Current Liabilities				
Other liabilities	29,419	27,527	-	-
Interest-bearing loans and borrowings	207,974	241,390	31	51
Deferred tax liabilities	84,303	85,794	-	-
	321,696	354,711	31	51
Net Assets	690,926	676,732	427,098	380,590
Equity attributable to owners of the Company				
Share capital	84,445	84,445	84,445	84,445
Treasury shares	(1,101)	(1,101)	(1,101)	(1,101)
Reserves	604,012	589,723	343,754	297,246
	687,356	673,067	427,098	380,590
Non-controlling Interests	3,570	3,665	-	-
Total Equity	690,926	676,732	427,098	380,590

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. (Cont'd)

Notes to the statement of financial position of the Group:

⁽¹⁾ This included short-term commercial papers and trading investments.

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 30 Sep 16		As at 31 Dec 15	
Secured	Unsecured	Secured	Unsecured ⁽¹⁾
244,934	-	158,259	116,683

Amount repayable after one year

(\$'000)

As at 30 Sep 16		As at 31 Dec 15	
Secured	Unsecured	Secured	Unsecured
207,974	-	241,390	-

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

Notes:

⁽¹⁾ Unsecured borrowings refers to the drawdown of \$115 million from \$500 million Multicurrency Medium Term Notes Programme due on 5 September 2016, net of issuance costs.

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		9 months ended	
	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15
	\$'000	\$'000	\$'000	\$'000
		(restated)		(restated)
Cash flows from operating activities				
Profit/(loss) before taxation	17,793	(2,530)	26,861	(9,760)
Adjustments for:				
Exchange difference	32	1,297	(171)	6,146
Depreciation of property, plant and equipment	4,179	4,188	12,528	12,561
Depreciation of investment properties	963	1,477	3,025	4,508
Gain on disposal of property, plant and equipment	-	-	(6)	(71)
Loss/(gain) on disposal of investment properties held for sale	2,037	-	(11,166)	(1,157)
Property, plant and equipment written off	2	1	14	8
(Gain)/loss on disposal of investments	(135)	53	(69)	(60)
Amortisation of transaction cost	35	33	83	83
Interest expenses	2,600	3,758	9,181	12,053
Interest income	(511)	(142)	(1,106)	(400)
Dividend income from investments	(448)	(331)	(1,300)	(963)
Impairment loss on investment property	5,024	-	5,024	-
Fair value changes in financial assets	(1,109)	2,967	(342)	5,760
Fair value changes in derivative instruments	243	(700)	(900)	(2,197)
(Write back)/allowance for doubtful debts - trade	(51)	(4)	496	3
Bad debts (recovered)/written off - trade	(2)	-	9	-
(Gain)/loss on disposal of subsidiaries	(19,966)	-	(19,966)	447
Operating cash flows before changes in working capital	10,686	10,067	22,195	26,961
<u>Changes in working capital</u>				
(Increase)/decrease in :				
Properties held for sale	-	-	1,944	-
Development properties	(30,423)	(14,709)	(66,061)	(27,109)
Inventories	(2)	2	6	19
Trade and other receivables	(310)	7,552	(609)	7,642
Other assets	(676)	(234)	(799)	123
Prepaid operating expenses	(1,801)	(121)	(1,470)	(187)
Due from related company, trade	6	16	8	2
Due from related company, non-trade	(2)	-	4	1
Increase/(decrease) in :				
Trade and other payables	2,501	808	4,685	(3,053)
Other liabilities	(1,267)	1,593	(1,218)	(3,914)
Due to related company, trade	(3)	(94)	(231)	(383)
Due to related company, non-trade	18	(1)	7	(16)
	(21,273)	4,879	(41,539)	86
Income tax paid	(3,982)	(10,948)	(9,591)	(23,686)
Net cash flows used in operating activities carried forward	(25,255)	(6,069)	(51,130)	(23,600)

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)**

	The Group			
	3 months ended		9 months ended	
	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15
	\$'000	\$'000	\$'000	\$'000
		(restated)		(restated)
Net cash flows used in operating activities brought forward	(25,255)	(6,069)	(51,130)	(23,600)
Cash flows from investing activities				
Interest income received	173	149	807	293
Dividend income received	448	331	1,300	963
Purchase of property, plant and equipment	(9,392)	(3,671)	(18,501)	(7,577)
Purchase of financial investments	(37,333)	(5,033)	(68,784)	(11,864)
Proceeds from disposal of investments	10,613	993	20,155	3,229
Proceeds from disposal of property, plant and equipment	-	-	138	175
Proceeds from disposal of investment properties	-	-	118,421	14,280
Net cash inflow on disposal of subsidiaries	62,764	-	62,764 ^(a)	72,307 ^(b)
Net cash flows generated from/(used in) investing activities	27,273	(7,231)	116,300	71,806
Cash flow from financing activities				
Acquisition of non-controlling interest	(29)	(1)	(33)	(44)
Interest paid	(4,761)	(5,167)	(12,376)	(12,339)
Withdrawal/(placement) of fixed deposit - pledged	-	-	10,000	(10,000)
Repayment of bank borrowings	(93,846)	(18,302)	(257,173)	(93,007)
Repayment of Medium Term Notes	(115,000)	-	(115,000)	-
Repayment of lease obligations	(7)	(8)	(29)	(24)
Proceeds from loans and borrowings	213,067	28,850	309,718	50,352
Dividend paid to non-controlling interest	(32)	-	(32)	-
Dividend paid	-	-	(4,706)	(4,706)
Net cash flows (used in)/generated from financing activities	(608)	5,372	(69,631)	(69,768)
Net increase/(decrease) in cash and cash equivalents	1,410	(7,928)	(4,461)	(21,562)
Effect of exchange rate changes on cash and cash equivalents	167	(14)	41	(231)
Cash and cash equivalents at beginning of period	21,648	19,730	27,645	33,581
Cash and cash equivalents at end of period	23,225	11,788	23,225	11,788
<u>Cash and cash equivalents comprise of:</u>				
Cash and bank balances	18,569	8,688	18,569	8,688
Fixed deposits	4,656	13,100	4,656	13,100
	23,225	21,788	23,225	21,788
Fixed deposits (pledged)	-	(10,000)	-	(10,000)
Cash and cash equivalents	23,225	11,788	23,225	11,788

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)**

- (a) The cash flow effects of the disposal by the Group's indirect wholly owned subsidiary, Meteorite Land Pty Ltd, of all its shares in Meteorite Property (Lonsdale Street) Pty Ltd and all its units in the Meteorite Property (Lonsdale Street) Unit Trust, which holds the property located at 380 Lonsdale Street, Melbourne, Australia on 15 August 2016 were:

	\$'000
<u>Carrying amounts of assets and liabilities disposed of:</u>	
Cash and cash equivalents	344
Prepaid operating expenses	565
Other current assets	157
Properties held for sale	45,786
Total assets	46,852
Other liabilities	3,710
Total liabilities	3,710
Net assets disposed of	43,142
Net assets disposed of (as above)	43,142
Gain on disposal of subsidiary	19,966
Cash proceeds from disposal	63,108
Cash and cash equivalents in subsidiary disposed of	(344)
Net cash inflow on disposal	<u>62,764</u>

- (b) This relates to the disposal of a subsidiary, Hiap Hoe SuperBowl JV Pte Ltd to its immediate and ultimate holding company on 26 March 2015.

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 July 2016 to 30 September 2016 and 1 July 2015 to 30 September 2015

	Attributable to equity holders of the Company										Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Accumulated profits	Dividend reserve	Capital reserve	Foreign currency reserve	Hedging reserve	Gain on reissuance of treasury shares	Other reserve	Total reserves			
The Group (All figures in \$'000)													
At 1 July 2016	84,445	(1,101)	606,603	-	(7,672)	(14,170)	-	52	-	584,813	668,157	3,632	671,789
Profit/(loss) for the period	-	-	13,736	-	-	-	-	-	-	13,736	13,736	(33)	13,703
Foreign currency translation	-	-	-	-	-	5,463	-	-	-	5,463	5,463	-	5,463
Other comprehensive income net of tax of nil	-	-	-	-	-	5,463	-	-	-	5,463	5,463	-	5,463
Total comprehensive income/(loss) for the period	-	-	13,736	-	-	5,463	-	-	-	19,199	19,199	(33)	19,166
<u>Contributions by and distributions to owners</u>													
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(29)	(29)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	-	-	-	(29)	(29)
At 30 September 2016	84,445	(1,101)	620,339	-	(7,672)	(8,707)	-	52	-	604,012	687,356	3,570	690,926
At 1 July 2015	84,445	(1,101)	604,913	-	(7,672)	(10,149)	303	52	13	587,460	670,804	4,166	674,970
(Loss)/profit for the period	-	-	(2,978)	-	-	-	-	-	-	(2,978)	(2,978)	16	(2,962)
Fair value gain on net investment hedge	-	-	-	-	-	-	1,395	-	-	1,395	1,395	-	1,395
Foreign currency translation	-	-	-	-	-	(4,501)	-	-	-	(4,501)	(4,501)	-	(4,501)
Other comprehensive (loss)/income net of tax of nil	-	-	-	-	-	(4,501)	1,395	-	-	(3,106)	(3,106)	-	(3,106)
Total comprehensive (loss)/income for the period	-	-	(2,978)	-	-	(4,501)	1,395	-	-	(6,084)	(6,084)	16	(6,068)
<u>Contributions by and distributions to owners</u>													
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	-	-	-	-	-
At 30 September 2015	84,445	(1,101)	601,935	-	(7,672)	(14,650)	1,698	52	13	581,376	664,720	4,182	668,902

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 2016 to 30 September 2016 and 1 January 2015 to 30 September 2015

	Attributable to equity holders of the Company										Total	Non-controlling interests	Total equity	
	Share capital	Treasury shares	Accumulated profits	Dividend reserve	Capital reserve	Foreign currency reserve	Hedging reserve	Gain on reissuance of treasury shares	Other reserve	Total reserves				
The Group (All figures in \$'000)														
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/(loss) for the period	-	-	17,272	-	-	-	-	-	-	17,272	17,272	(30)	17,242	
Fair value loss on net investment hedge	-	-	-	-	-	-	(45)	-	-	(45)	(45)	-	(45)	
Foreign currency translation	-	-	-	-	-	1,768	-	-	-	1,768	1,768	-	1,768	
Other comprehensive income/(loss) net of tax of nil	-	-	-	-	-	1,768	(45)	-	-	1,723	1,723	-	1,723	
Total comprehensive income/(loss) for the period	-	-	17,272	-	-	1,768	(45)	-	-	18,995	18,995	(30)	18,965	
Contributions by and distributions to owners														
Dividends on ordinary shares	-	-	(4,706)	-	-	-	-	-	-	(4,706)	(4,706)	-	(4,706)	
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(32)	(32)	
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(33)	(33)	
Total contributions by and distributions to owners	-	-	(4,706)	-	-	-	-	-	-	(4,706)	(4,706)	(65)	(4,771)	
At 30 September 2016	84,445	(1,101)	620,339	-	(7,672)	(8,707)	-	52	-	604,012	687,356	3,570	690,926	
At 1 January 2015	84,445	(1,101)	614,647	4,706	(7,672)	(7,244)	(934)	52	(1,823)	601,732	685,076	4,088	689,164	
(Loss)/profit for the period	-	-	(12,712)	-	-	-	-	-	-	(12,712)	(12,712)	170	(12,542)	
Fair value gain on net investment hedge	-	-	-	-	-	-	2,632	-	-	2,632	2,632	-	2,632	
Foreign currency translation	-	-	-	-	-	(7,406)	-	-	-	(7,406)	(7,406)	-	(7,406)	
Other comprehensive (loss)/income net of tax of nil	-	-	-	-	-	(7,406)	2,632	-	-	(4,774)	(4,774)	-	(4,774)	
Total comprehensive (loss)/income for the period	-	-	(12,712)	-	-	(7,406)	2,632	-	-	(17,486)	(17,486)	170	(17,316)	
Contributions by and distributions to owners														
Dividends on ordinary shares	-	-	-	(4,706)	-	-	-	-	-	(4,706)	(4,706)	-	(4,706)	
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(32)	(32)	
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(44)	(44)	
Disposal of subsidiary	-	-	-	-	-	-	-	-	1,836	1,836	1,836	-	1,836	
Total contributions by and distributions to owners	-	-	-	(4,706)	-	-	-	-	1,836	(2,870)	(2,870)	(76)	(2,946)	
At 30 September 2015	84,445	(1,101)	601,935	-	(7,672)	(14,650)	1,698	52	13	581,376	664,720	4,182	668,902	

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 July 2016 to 30 September 2016 and 1 July 2015 to 30 September 2015

The Company (All figures in \$'000)	Share capital	Treasury shares	Accumulated profits	Dividend reserve	Gain on reissuance of treasury shares	Total reserves	Total equity
At 1 July 2016	84,445	(1,101)	292,721	-	52	292,773	376,117
Profit for the period	-	-	50,981	-	-	50,981	50,981
Total comprehensive profit for the period	-	-	50,981	-	-	50,981	50,981
<u>Contributions by and distributions to owners</u>							
Dividends on ordinary shares	-	-	-	-	-	-	-
Total contributions by and distribution to owners	-	-	-	-	-	-	-
At 30 September 2016	84,445	(1,101)	343,702	-	52	343,754	427,098
At 1 July 2015	84,445	(1,101)	176,777	-	52	176,829	260,173
Profit for the period	-	-	39,967	-	-	39,967	39,967
Total comprehensive income for the period	-	-	39,967	-	-	39,967	39,967
<u>Contributions by and distributions to owners</u>							
Dividends on ordinary shares	-	-	-	-	-	-	-
Total contributions by and distribution to owners	-	-	-	-	-	-	-
At 30 September 2015	84,445	(1,101)	216,744	-	52	216,796	300,140

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 2016 to 30 September 2016 and 1 January 2015 to 30 September 2015

The Company (All figures in \$'000)	Share capital	Treasury shares	Accumulated profits	Dividend reserve	Gain on reissuance of treasury shares	Total reserves	Total equity
At 1 January 2016	84,445	(1,101)	297,194	-	52	297,246	380,590
Profit for the period	-	-	51,214	-	-	51,214	51,214
Total comprehensive income for the period	-	-	51,214	-	-	51,214	51,214
<u>Contributions by and distributions to owners</u>							
Dividends on ordinary shares	-	-	(4,706)	-	-	(4,706)	(4,706)
Total contributions by and distribution to owners	-	-	(4,706)	-	-	(4,706)	(4,706)
At 30 September 2016	84,445	(1,101)	343,702	-	52	343,754	427,098
At 1 January 2015	84,445	(1,101)	173,141	4,706	52	177,899	261,243
Profit for the period	-	-	43,603	-	-	43,603	43,603
Total comprehensive income for the period	-	-	43,603	-	-	43,603	43,603
<u>Contributions by and distributions to owners</u>							
Dividends on ordinary shares	-	-	-	(4,706)	-	(4,706)	(4,706)
Total contributions by and distribution to owners	-	-	-	(4,706)	-	(4,706)	(4,706)
At 30 September 2015	84,445	(1,101)	216,744	-	52	216,796	300,140

- 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>	
	30-Sep-16	30-Sep-15
Balance as at 1 July and 30 September	470,557,541	470,557,541
Balance as at 1 January and 30 September	470,557,541	470,557,541

Treasury Shares

	<u>Number of Treasury Shares</u>	
	30-Sep-16	30-Sep-15
Balance as at 1 July and 30 September	3,999,850	3,999,850
Balance as at 1 January and 30 September	3,999,850	3,999,850

During the period ended 30 September 2016, 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 30 September 2016 is 470,557,541 (31 December 2015: 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 2015.

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 2016.

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		9 months ended	
	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15
Earning per share (cents)				
Basic	2.92	(0.63)	3.67	(2.70)
Diluted	2.92	(0.63)	3.67	(2.70)
Weighted average number of shares				
Basic	470,557,541	470,557,541	470,557,541	470,557,541
Diluted	470,557,541	470,557,541	470,557,541	470,557,541

Earnings per share are calculated based on the net profit/(loss) 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	
	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
Net assets value per share (cents)	146.07	143.04	90.76	80.88
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 – third quarter ended 30 September 2016 (“3Q2016”) performance

Revenue

	3 months ended 30-Sep-16		3 months ended 30-Sep-15		
	\$'000	%	\$'000	%	
Development properties	-	-	15,221	39.7	NM
Rental	6,793	34.2	9,328	24.3	(27.2)
Hotel operations	11,287	56.8	11,873	31.0	(4.9)
Leisure business	1,785	9.0	1,932	5.0	(7.6)
	<u>19,865</u>	100	<u>38,354</u>	100	(48.2)

The Group recorded revenue of \$19.9 million in the 3 months ended 30 September 2016 (“3Q2016”), a decrease of \$18.5 million from \$38.4 million recorded in the previous corresponding period ended 30 September 2015 (“3Q2015”). The decrease in revenue is partly due to the absence of sales recognition for HH@Kallang of \$15.2 million in 3Q2015.

Rental revenue decreased by \$2.5 million from \$9.3 million in 3Q2015 to \$6.8 million in 3Q2016 mainly due to the absence of rental revenue from 206 Bourke Street, Melbourne, Australia following the sale of the property on 22 January 2016. The sale of 380 Lonsdale Street, Melbourne, Australia on 15 August 2016 also further reduced the rental revenue in 3Q2016.

Hotel operations decreased by \$0.6 million from \$11.9 million in 3Q2015 to \$11.3 million in 3Q2016 due to both lower occupancy and average room rate.

Profit before tax

The Group registered a profit before tax of \$17.8 million in 3Q2016 as compared to a loss before tax of \$2.5 million in 3Q2015.

Finance income increased by 259.9% or \$0.4 million in 3Q2016 as compared to 3Q2015 due to higher interest income from fixed deposits and commercial papers.

Fair value changes in financial instruments include mark-to-market gain on the Group's 14.9% investment in Ley Choon Group Holdings Limited of \$0.7 million in 3Q2016 as compared to a loss of \$0.5 million in 3Q2015.

Other income in 3Q2016 includes the gain on disposal of 380 Lonsdale Street, Melbourne, Australia of \$20.0 million. This has taken into consideration a \$2.0 million provision for tenancy and contract matters relating to the disposal of 206 Bourke Street, Melbourne, Australia.

Changes in development properties of \$10.1 million recorded in 3Q2015 relates to the sale of 8 units of HH@Kallang.

Other expenses increased by \$0.9 million from \$12.5 million in 3Q2015 to \$13.4 million in 3Q2016 mainly due to an impairment loss of \$5.0 million on the investment property at Stirling Street, Perth, Australia. This increase was mitigated by the absence of an early lease termination fee of \$3.6 million previously recorded in 3Q2015 for a tenancy in Australia.

The Group recorded lower finance cost by \$1.2 million in 3Q2016 which is attributed to lower bank interest rates as compared to 3Q2015.

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

Tax expense increased by \$3.7 million from \$0.4 million in 3Q2015 to \$4.1 million in 3Q2016 mainly due to the gain on disposal of 380 Lonsdale Street, Melbourne, Australia.

Net Profit

Taking into consideration the above factors, the Group registered a net profit after tax of \$13.7 million in 3Q2016 as compared to a net loss after tax of \$2.9 million in 3Q2015.

Consolidated Income Statement – nine months ended 30 September 2016 (“9M2016”) performance

Revenue

	9 months ended 30-Sep-16		9 months ended 30-Sep-15		
	\$'000	%	\$'000	%	
Development properties	4,005	6.3	15,264	18.4	(73.8)
Rental	21,657	34.1	28,076	33.8	(22.9)
Hotel operations	32,534	51.2	34,152	41.1	(4.7)
Leisure business	5,366	8.4	5,545	6.7	(3.2)
	<u>63,562</u>	<u>100</u>	<u>83,037</u>	<u>100</u>	<u>(23.5)</u>

The Group recorded revenue of \$63.6 million for the nine months ended 30 September 2016 (“9M2016”), a 23.5% decrease from \$83.0 million recorded in the previous corresponding period ended 30 September 2015 (“9M2015”).

Revenue from Development properties in 9M2016 relates mainly to the sale of 1 unit of Waterscape At Cavenagh while in 9M2015, the sales revenue recognition was for the sale of 8 units of HH@Kallang.

Rental revenue decreased by \$6.4 million from \$28.1 million in 9M2015 to \$21.7 million in 9M2016 mainly due to the absence of rental revenue from 206 Bourke Street, Melbourne, Australia following the sale of the property on 22 January 2016. The sale of 380 Lonsdale Street, Melbourne, Australia on 15 August 2016 also further reduced the rental revenue in 9M2016.

Hotel operations decreased by \$1.7 million from \$34.2 million in 9M2015 to \$32.5 million in 9M2016 mainly due to the absence of hotel revenue from hosting of SEA Games in June 2015.

Profit before tax

The Group registered a profit before tax of \$26.9 million in 9M2016 as compared to a loss before tax of \$9.7 million in 9M2015.

Finance income increased by 176.5% or \$0.7 million in 9M2016 as compared to 9M2015 due to higher interest income from fixed deposits and commercial papers.

Fair value changes in financial instruments include mark-to-market losses on the Group's 14.9% investment in Ley Choon Group Holdings Limited of \$0.5 million in 9M2016 and \$3.5 million in 9M2015.

Other income in 9M2016 includes mainly the gains on disposal of both 206 Bourke Street of \$11.2 million and for 380 Lonsdale Street of \$20.0 million in Melbourne, Australia. In 9M2015, a gain on disposal of two Singapore investment properties of \$1.2 million was recorded.

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)**

Profit before tax (Cont'd)

Changes in development properties of \$1.9 million in 9M2016 relates mainly to the sale of 1 unit of Waterscape At Cavenagh while in 9M2015 it relates to the sale of 8 units of HH@Kallang.

Depreciation expense decreased by \$1.5 million from \$17.1 million in 9M2015 to \$15.6 million in 9M2016 due to the disposal of both 206 Bourke Street and 380 Lonsdale Street, Melbourne, Australia.

Other expenses decreased by \$1.9 million from \$32.6 million in 9M2015 to \$30.7 million in 9M2016. The decreases include lower property taxes and utilities of \$1.3 million partly due to the disposal of both 206 Bourke Street and 380 Lonsdale Street, Melbourne, Australia. An impairment loss of \$5.0 million on the investment property at Stirling Street, Perth, Australia was also recorded in 9M2016. The absence of an early lease termination fee of \$3.6 million which was previously recorded in 9M2015 for a tenancy in Australia further contributed to the lower expenses in 9M2016.

The Group recorded a decrease in finance cost by \$2.9 million which is attributed to lower bank borrowings and interest rates as compared to 9M2015.

Tax Expense

Tax expense increased by \$6.8 million from \$2.8 million in 9M2015 to \$9.6 million in 9M2016 mainly due to the gains on disposal of both 206 Bourke Street and 380 Lonsdale Street, Melbourne, Australia.

Net Profit

Overall, the Group registered a net profit after tax of \$17.2 million in 9M2016 as compared to a net loss after tax of \$12.5 million in 9M2015.

Consolidation Statement of Financial Position as at 30 September 2016

Non-current assets

Non-current assets comprised the increases in deposits held in trust by our lawyers arising from the sale of Marina Tower and additional development cost for the hotel under the Four Points® by Sheraton in Australia. This increase was offset by the sale of 380 Lonsdale Street, Melbourne, Australia which reduced the overall non-current assets by \$52.0 million as compared to 31 December 2015.

Current assets

The decrease in current assets of \$6.6 million or 1.8% from \$378.4 million as at 31 December 2015 to \$371.8 million as at 30 September 2016 was mainly due to:

- Disposal of assets held for sale of \$105.2 million in 1Q2016 in relation to the sale of investment property at 206 Bourke Street, Melbourne, Australia.
- Sale of 1 unit in Waterscape At Cavenagh.

The decrease above was offset by the following increases:

- Other investments by \$48.8 million to \$85.8 million due to higher investments held for trading.
- Development properties by \$67.6 million to \$128.5 million due to additional development cost for Marina Tower in Australia.

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)**

Current liabilities

The decrease in current liabilities of \$39.9 million or 12.4% from \$322.6 million as at 31 December 2015 to \$282.7 million as at 30 September 2016 was mainly due to net repayment of Medium Term Notes and interest-bearing loans of \$28.2 million and payment of income taxes.

Non-current liabilities

The decrease in non-current liabilities of \$33.0 million from \$354.7 million as at 31 December 2015 to \$321.7 million as at 30 September 2016 was mainly due to the decrease in interest-bearing loans and borrowings of \$33.4 million.

Consolidated Statement of Cash Flows Position as at 30 September 2016

The Group recorded net cash used in operating activities of \$51.0 million in 9M2016 as compared to \$23.7 million in 9M2015 mainly due to the increased cash outflow of development properties for Marina Tower in Australia.

Net cash generated from investing activities amounted to \$116.3 million in 9M2016 as compared to \$71.8 million in 9M2015. The higher cash inflow in 9M2016 was mainly attributable to the proceeds of \$118.4 million from the disposal of 206 Bourke Street, Melbourne, Australia. The Group has in 3Q2016 recorded a cash inflow of \$62.8 million from the disposal of 380 Lonsdale Street, Melbourne, Australia. The above mentioned cash inflow was partially offset by the increase in financial investments and the development cost incurred for the hotel development under the Four Points® by Sheraton in Australia.

The Group recorded net cash used in financing activities of \$69.6 million in 9M2016 mainly due to the full repayment of Medium Term Notes of \$115.0 million from 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 expects continued weakness in the performance of Singapore hotels given the oversupply of hotel rooms amid an uncertain economic environment.

On 27 October 2016, the Company entered into a conditional sale and purchase agreement with the controlling shareholder of the Company, Hiap Hoe Holdings Pte Ltd, for the sale and disposal of all the issued and paid up ordinary shares of a wholly-owned subsidiary, Cavenagh Properties Pte Ltd, for a purchase consideration of \$31.08 million.

For Australia, the construction of Marina Tower and the hotel under the Four Points® by Sheraton is well in progress. Barring any unforeseen circumstances, the Group estimates the completion of the hotel to take place on or before 31 March 2017.

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 30 September 2016	9 months ended 30 September 2016	3 months ended 30 September 2016	9 months ended 30 September 2016
Hiap Hoe & Co. Pte. Ltd. (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd)	Provision of Project and Construction Management Service to the Company's wholly-owned subsidiary: - WestBuild Construction Pte. Ltd. (value of transactions amounting to \$35,000)	Provision of Project and Construction Management Service to the Company's wholly-owned subsidiary: - WestBuild Construction Pte. Ltd. (value of transactions amounting to \$161,000)	Nil	Nil

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. (Cont'd)

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 30 September 2016	9 months ended 30 September 2016	3 months ended 30 September 2016	9 months ended 30 September 2016
Hiap Hoe Realty Pte Ltd (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd)	Provision of Rental of Premises to the Company's wholly-owned subsidiary: - Meteorite Group Pte Ltd (value of transactions amounting to \$48,000)	Provision of Rental of Premises to the Company's wholly-owned subsidiary: - Meteorite Group Pte Ltd (value of transactions amounting to \$144,000) ⁽¹⁾	Nil	Nil

Note:

⁽¹⁾ The value of IPT transaction with Meteorite Group Pte Ltd was \$96,000 for the 6 months ended 30 June 2016. Pursuant to Rule 905(3) of the SGX-ST Listing Rules, no announcement was made previously by the Company with regard to this transaction as its value was below \$100,000.

No general mandate for IPTs has been obtained from shareholders.

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 November 2016

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 third quarter and nine months ended 30 September 2016 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