



Hiap Hoe Limited
(Registration No. : 199400676Z)

Unaudited Financial Statements for the Second Quarter Ended 30 June 2012

- 1(a) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Income Statement for the Group for the Second Quarter Ended 30 June 2012

(All figures in \$'000)

	The Group			The Group		
	3 months ended			6 months ended		
	30-Jun-12	30-Jun-11	%	30-Jun-12	30-Jun-11	%
Revenue	42,950	31,972	34.3	80,419	57,683	39.4
Cost of sales	(26,538)	(21,003)	26.4	(50,135)	(37,811)	32.6
Gross profit	<u>16,412</u>	<u>10,969</u>	49.6	<u>30,284</u>	<u>19,872</u>	52.4
Other items of income						
Other income	471	307	53.4	893	487	83.4
Financial income	78	107	(27.1)	122	320	(61.9)
Other items of expenses						
Distribution and selling expenses	(313)	(133)	135.3	(415)	(172)	141.3
Administrative expenses	(821)	(880)	(6.7)	(1,656)	(1,762)	(6.0)
Other expenses	(114)	-	NM	(137)	-	NM
Financial expenses	(55)	-	NM	(109)	(1)	NM
Share of results of joint venture	3,697	1,642	125.2	6,667	2,687	148.1
Profit before taxation	<u>19,355</u>	<u>12,012</u>	61.1	<u>35,649</u>	<u>21,431</u>	66.3
Tax expenses	(2,694)	(1,866)	44.4	(4,939)	(3,269)	51.1
Net profit for the period	<u><u>16,661</u></u>	<u><u>10,146</u></u>	64.2	<u><u>30,710</u></u>	<u><u>18,162</u></u>	69.1
Attributable to :						
Owners of the Company	16,678	10,161	64.1	30,746	18,197	69.0
Non-controlling interests	(17)	(15)	13.3	(36)	(35)	2.9
Total	<u><u>16,661</u></u>	<u><u>10,146</u></u>		<u><u>30,710</u></u>	<u><u>18,162</u></u>	

Statement of Comprehensive Income for the Group for the Second Quarter ended 30 June 2012

(All figures in \$'000)

	The Group		The Group	
	3 months ended		6 months ended	
	30-Jun-12	30-Jun-11	30-Jun-12	30-Jun-11
Profit, net of tax	16,661	10,146	30,710	18,162
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	<u>16,661</u>	<u>10,146</u>	<u>30,710</u>	<u>18,162</u>
Total comprehensive income attributable to :				
Owners of the Company	16,678	10,161	30,746	18,197
Non-controlling interests	<u>(17)</u>	<u>(15)</u>	<u>(36)</u>	<u>(35)</u>

Additional Information

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

(All figures in S\$'000)

	The Group			The Group		
	3 months ended		%	6 months ended		%
	30-Jun-12	30-Jun-11		30-Jun-12	30-Jun-11	
Depreciation of property, plant and equipment	68	49	38.8	124	96	29.2
Dividend income, gross	(59)	(11)	436.4	(63)	(12)	425.0
Write back of allowance for doubtful receivables (trade)	(23)	-	NM	(23)	-	NM
Fair value loss/(gain) on financial instruments - unquoted investments held for trading	8	160	(95.0)	(64)	323	NM
Fair value loss/(gain) on financial instruments - quoted investments held for trading	21	(150)	NM	44	(136)	NM

Notes :

NM – Not meaningful

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.

Statement of Financial Position for the Group as at 30 June 2012

(All figures in \$'000)

	30-Jun-12	31-Dec-11	%
ASSETS LESS LIABILITIES			
Non-Current Assets			
Property, plant and equipment	6,496	6,379	1.8%
Investments in joint ventures	16,535	10,277	60.9%
Trade and other receivables	-	12	-100.0%
	23,031	16,668	38.2%
Current Assets			
Cash and short-term deposits	21,343	10,370	105.8%
Other investments ¹	2,869	4,070	-29.5%
Trade and other receivables	12,553	13,472	-6.8%
Other assets	99	82	20.7%
Prepaid operating expenses	51	35	45.7%
Due from related companies (trade)	2	-	NM
Due from joint ventures (trade)	23,612	18,817	25.5%
Due from joint ventures (non-trade)	53,410	58,461	-8.6%
Due from an associate (non-trade)	3	2	50.0%
Development properties	478,247	456,302	4.8%
Properties held for sale	10,706	10,852	-1.3%
Tax recoverable	1	1	0.0%
	602,896	572,464	5.3%
Investment properties - held for sale	3,045	3,045	0.0%
Current Liabilities			
Trade and other payables	9,613	11,997	-19.9%
Other liabilities	52,005	44,355	17.2%
Dividend payable	2,353	-	NM
Due to related companies (trade)	816	526	55.1%
Due to related companies (non-trade)	24,178	21,713	11.4%
Interest-bearing loans and borrowings	160,779	167,770	-4.2%
Tax payable	1,316	173	660.7%
	251,060	246,534	1.8%
Net Current Assets	354,881	328,975	7.9%
Non-Current Liabilities			
Trade and other payables	2,695	1,266	112.9%
Other liabilities	33	48	-31.3%
Interest-bearing loans and borrowings	82,122	81,922	0.2%
Deferred taxation	14,570	10,964	32.9%
Net Assets	278,492	251,443	10.8%
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	84,446	84,446	0.0%
Treasury shares	(1,101)	(968)	13.7%
Reserves	195,127	167,909	16.2%
	278,472	251,387	10.8%
Non-controlling Interests	20	56	-64.3%
Total Equity	278,492	251,443	10.8%

Statement of Financial Position for the Company as at 30 June 2012

(All figures in \$'000)

ASSETS LESS LIABILITIES

Non-Current Assets

Property, plant and equipment
Investments in subsidiary companies

Current Assets

Cash and short-term deposits
Other investments ¹
Trade and other receivables
Other assets
Prepaid operating expenses
Due from subsidiary companies (trade)
Due from subsidiary companies (non-trade)
Due from joint ventures (trade)
Due from joint ventures (non-trade)
Due from an associate (non-trade)

Current Liabilities

Trade and other payables
Other liabilities
Dividend payable
Due to subsidiary companies (non-trade)
Interest-bearing loans and borrowings
Tax payable

Net Current Assets

Net Assets

EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

Share capital
Treasury shares
Reserves
Total Equity

	30-Jun-12	31-Dec-11	%
	226	-	NM
	56,598	56,598	0.0%
	56,824	56,598	0.4%
	252	5,509	-95.4%
	-	2,951	-100.0%
	1	8	-87.5%
	1	1	0.0%
	20	8	150.0%
	2,838	2,524	12.4%
	116,324	100,974	15.2%
	29	49	-40.8%
	47,806	52,866	-9.6%
	3	2	50.0%
	167,274	164,892	1.4%
	86	97	-11.3%
	132	239	-44.8%
	2,353	-	NM
	108,087	109,040	-0.9%
	92	-	NM
	50	104	-51.9%
	110,800	109,480	1.2%
	56,474	55,412	1.9%
	113,298	112,010	1.1%
	84,446	84,446	0.0%
	(1,101)	(968)	13.7%
	29,953	28,532	5.0%
	113,298	112,010	1.1%

Note :

1) This included short-term commercial papers and quoted 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 Jun 12		As at 31 Dec 11	
Secured	Unsecured	Secured	Unsecured
160,779	-	167,770	-

Amount repayable after one year
(\$'000)

As at 30 Jun 12		As at 31 Dec 11	
Secured	Unsecured	Secured	Unsecured
82,122	-	81,922	-

Details of any collateral

The above borrowings are from financial institutions and are secured by the following:

- 1) legal mortgages on the Group's properties held for sale and freehold properties;
- 2) first legal mortgage over development properties;
- 3) first legal assignment of all rights and benefits under sales & purchase agreements and / or tenancy agreements;
- 4) assignment of proceeds of the Project Account and the rental account maintained with the bank;
- 5) the building contracts of the 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; and
- 8) corporate guarantees given by the Company and the joint venturers.

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.**

Statement of Cash Flows for the Group

(All figures in \$'000)

	3 months ended		6 months ended	
	30-Jun-12	30-Jun-11	30-Jun-12	30-Jun-11
Cash flows from operating activities				
Profit before taxation	19,355	12,012	35,649	21,431
Adjustments :				
Depreciation of property, plant and equipment	68	49	124	96
Interest expenses	55	-	109	1
Interest income	(78)	(267)	(122)	(643)
Dividend income from quoted investments	(59)	(11)	(63)	(12)
Gain on disposal of property, plant and equipment	(30)	-	(30)	-
Employees' shares based payments	-	-	-	79
Fair value loss / (gain) on held for trading investments - quoted	21	(150)	44	(136)
Fair value loss / (gain) on held for trading investments - unquoted	8	160	(64)	323
Share of results of joint ventures	(3,697)	(1,642)	(6,667)	(2,687)
Operating cash flows before working capital changes	15,643	10,151	28,980	18,452
Changes in working capital				
(Increase)/decrease in :				
Development properties	(3,576)	(14,451)	(20,085)	(26,146)
Properties held for sale	148	-	146	-
Trade and other receivables	877	1,486	931	12,135
Other assets	735	547	(17)	543
Prepaid operating expenses	(5)	(2)	(16)	(2)
Due from related companies, trade	(1)	-	(1)	-
Due from related companies, non-trade	-	-	-	1
Due from a joint venture, trade	6,889	(3,684)	(4,386)	(10,434)
Due from joint ventures, non-trade	-	-	-	(3)
(Decrease) / increase in :				
Trade and other payables	(443)	(237)	(955)	1,934
Other liabilities	3,963	1,217	7,635	2,012
Due to related companies, trade	338	(63)	290	98
Due to related companies, non-trade	12	(2)	32	-
Cash flows generated from / (used in) operations	24,580	(5,038)	12,554	(1,410)
Income tax paid	(124)	(3,659)	(190)	(6,096)
Net cash generated from / (used in) operating activities	24,456	(8,697)	12,364	(7,506)

Statement of Cash Flows for the Group (cont'd)

(All figures in \$'000)

	3 months ended		6 months ended	
	30-Jun-12	30-Jun-11	30-Jun-12	30-Jun-11
Cash flows from investing activities				
Dividend income received	31	11	35	11
Interest income received	25	225	32	550
(Loan to) / Repayment of loan from joint ventures	(1,210)	(2,325)	5,141	(2,748)
Proceeds from disposal of fixed assets	30	-	30	-
Proceeds from disposal of unquoted investments	3,000	18,028	3,000	25,029
Purchase of property, plant and equipment	(152)	(53)	(166)	(62)
Purchase of quoted investment	-	(876)	-	(936)
Purchase of unquoted investment (Note 1)	(752)	(9,757)	(1,751)	(29,482)
Net cash generated from / (used) in investing activities	972	5,253	6,321	(7,638)
Cash flow from financing activities				
Dividend paid on ordinary shares by the Company	(1,176)	(1,178)	(1,176)	(1,178)
Repayment of bank term loans	(14,502)	(3,382)	(23,167)	(8,507)
Proceeds from loans and borrowings	7,877	-	16,377	-
Purchase of treasury shares	-	-	(133)	(383)
Repayment of hire purchase	(38)	(2)	(68)	(5)
Interest paid	(814)	(1,089)	(1,931)	(2,068)
Loan from related companies	752	996	2,386	1,476
Net cash used in financing activities	(7,901)	(4,655)	(7,712)	(10,665)
Net increase / (decrease) in cash and cash equivalents	17,527	(8,099)	10,973	(25,809)
Cash and cash equivalents at beginning of period	3,816	18,739	10,370	36,449
Cash and cash equivalents at end of period (Note 2)	21,343	10,640	21,343	10,640

Note 1:

This included commercial paper which matures in more than 3 months' time.

Note 2 :

Cash and bank balances
Fixed deposits

13,343	5,240	13,343	5,240
8,000	5,400	8,000	5,400
21,343	10,640	21,343	10,640

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.

Statements of Changes in Equity

(All figures in \$'000)

	The Group		The Company	
	2Q2012	2Q2011	2Q2012	2Q2011
Share capital				
Balance at beginning / end of period	84,446	84,446	84,446	84,446
Treasury shares				
Balance at beginning / end of period	(1,101)	(709)	(1,101)	(709)
Capital reserve				
Balance at beginning / end of period	(7,671)	(7,671)	-	-
Other reserve				
Balance at beginning / end of period	51	51	51	51
Dividend reserve				
Balance at beginning of period	1,177	1,181	1,177	1,181
Dividend on ordinary shares	(1,177)	(1,181)	(1,177)	(1,181)
Transfer from unappropriated profit	-	-	-	-
Balance at end of period	-	-	-	-
Accumulated profits				
Balance at beginning of period	188,421	137,306	27,344	16,961
Profit for the period	16,678	10,161	4,910	4,878
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	16,678	10,161	4,910	4,878
Dividend on ordinary shares	1	3	1	3
Tax exempt interim dividend	(2,353)	(1,179)	(2,353)	(1,179)
Balance at end of period	202,747	146,291	29,902	20,663
Minority interest				
Balance at beginning of period	37	104	-	-
Profit for the period	(17)	(15)	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(17)	(15)	-	-
Balance at end of period	20	89	-	-
Equity at end of period	278,492	222,497	113,298	104,451

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)

	Number of Ordinary Shares	
	3 months ended	
	30-Jun-12	30-Jun-11
Balance at 1 April	470,557,541	471,489,541
Balance at 30 June	470,557,541	471,489,541

Treasury Shares

	Number of Treasury Shares	
	3 months ended	
	30-Jun-12	30-Jun-11
Balance at 1 April	3,749,850	3,067,850
Balance at 30 June	3,749,850	3,067,850

During the period ended 30 June 2012, 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 June 2012 is 470,557,541 (31 December 2011: 470,852,541).

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.

During the period ended 30 June 2012, there was no change to the treasury shares of the Company.

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.

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.**

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 2011.

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.**

Not applicable.

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		6 months ended	
	30-Jun-12	30-Jun-11	30-Jun-12	30-Jun-11
Earning per share (cents)				
Basic	3.54	2.15	6.53	3.86
Diluted	3.54	2.15	6.53	3.86
Weighted average number of shares				
Basic	470,642,101	471,813,853	470,642,101	471,813,853
Diluted	470,642,101	471,813,853	470,642,101	471,813,853

Earning per share is 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 financial period reported on; and
(b) immediately preceding financial year

	30-Jun-12	31-Dec-11
Net assets value per share (cents)		
The Group	59.18	53.39
The Company	24.08	23.79
Based on number of shares		
The Group	470,557,541	470,852,541
The Company	470,557,541	470,852,541

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. **Review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following :-**
(a) 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; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Revenue

Group revenue increased by 34.3% to \$43.0m.

Group revenue increased by 34.3% to \$43.0m for the second quarter ended 30 June 2012 ("2Q2012"), compared to \$32.0m achieved in the previous corresponding period ("2Q2011"). The increase was partially driven by progressive revenue recognition of \$30.8m from the sale of residential projects, *Skyline 360^o* and *Waterscape at Cavenagh*, compared to \$25.7m recognised in 2Q2011. Progressive revenue recognition from the construction projects of two joint-venture developments, *The Beverly*, and the integrated hotel/commercial development on Balestier Road/Ah Hood Road, contributed a further \$12.1m to 2Q2012 revenue compared to \$6.3m in 2Q2011.

For the six months financial period ended 30 June 2012 ("1H2012"), Group revenue rose by 39.4% to \$80.4m, compared to \$57.7m a year ago ("1H2011"), mainly driven by progressive revenue recognition from the sale of *Skyline 360^o* and *Waterscape at Cavenagh*.

Revenue contribution from the sale of residential projects was \$59.0m in 1H2012, versus \$47.0m in 1H2011 while contribution from construction activities doubled to \$21.4m, from \$10.6m in 1H2011.

As at 30 June 2012, accumulated revenue recognised from sale of *Skyline 360^o* and *Waterscape at Cavenagh* was 89.1% and 29.9% respectively.

Profit

Net profit rose by 64.2% to \$16.7m.

For 2Q2012 and 1H2012, gross profit rose by 49.6% and 52.4% to \$16.4m and \$30.3m respectively, in line with higher revenue recorded.

As a result of higher rental received mainly from leasing of the Group's industrial property at Kallang Pudding, other income increased to \$0.4m for 2Q2012 and \$0.8m for 1H2012.

Financial income registered a year-on-year decline of 27.1% to \$78,000 in 2Q2012 and 61.9% to \$0.1m in 1H2012 on the back of lower interest generated following the redemption of a commercial paper.

Distribution and selling expenses increased to \$0.3m and \$0.4m in 2Q2012 and 1H2012 respectively compared to \$0.1m and \$0.2m for the corresponding periods in 2011, in view of commission paid in relation to the sale of residential projects.

Share of results of a joint venture for 2Q2012 and 1H2012, which amounted to \$3.7m and \$6.7m respectively, was contributed by progressive revenue recognition from the sale of residential units at *The Beverly*, and is net of tax provision.

Group taxation increased for both 2Q2012 and 1H2012 by 44.4% to \$2.7m and by 51.1% to \$4.9m respectively. This sharp increase was mainly a result of the provision made for deferred taxation in relation to profit recognised progressively for the sold units.

Taking into consideration the above factors, the Group's net profit after tax increased 64.2% to \$16.7m in 2Q2012, compared to \$10.1m in 2Q2011, while that for 1H2012 rose 69.1% to \$30.7m, compared to \$18.2m in 1H2011.

Financial Position

As at 30 June 2012, cash, bank balances and fixed deposits stood at \$21.3m, compared to \$10.4m as at 31 December 2011. Excess proceeds received mainly from sold units at *Waterscape at Cavenagh* were placed with Fixed Deposit Project Accounts.

Other investments fell to \$2.9m from \$4.1m as at 31 December 2011 following the redemption of a commercial paper for the funding of joint venture projects.

As at 30 June 2012, trade and other receivables stood at \$12.6m, a marginal decrease from \$13.5m as at 31 December 2011, mainly due to lower progress billings. The sales proceeds received were subsequently used to fund residential development projects, construction costs as well as loan repayments. This accounts for the increase in the value of development properties.

Following the progress made in the construction of joint venture projects, *The Beverly* and the hotel/commercial project in Balestier Road/Ah Hood Road, amount due from joint venture (trade) increased from \$18.8m to \$23.6m.

Amount due from joint ventures (non-trade) fell from \$58.5m to \$53.4m as repayments were made to joint venture partners of the hotel/commercial project from funds drawn down from its bank facilities.

Other current liabilities increased to \$52.0m from \$44.4m, mainly due to higher accrual on construction cost and operating expenses incurred from the increase in construction activities.

Amount due to related companies (non-trade) increased from \$21.7m to \$24.2m mainly due to funds injected by SuperBowl Holdings Limited for the joint-venture residential development project, *Treasure on Balmoral*.

Non-current trade and other payables rose from \$1.3m to \$2.7m, due to retention of monies from construction activities.

Cash Flow

The Group recorded net cash generated from operating activities of \$24.5m and \$12.4m in 2Q2012 and 1H2012 respectively.

The net increase in development properties of \$3.6m in 2Q2012 and \$20.1m in 1H2012 reflects the lower progress billings generated from the sale of residential units vis-à-vis construction cost incurred for various projects.

On the other hand, progress payments were received during the period under review led to a net decrease in trade and other receivables.

The progress made in the construction of *The Beverly* and the hotel/commercial project at Balestier Road/Ah Hood Road constituted to a net increase of \$4.4m due from joint venture (trade) in 1H2012 as increased billings were made. On the other hand, there was a net decrease of \$6.9m due from joint ventures (trade) in 2Q2012, as payments were received during the quarter.

The increase in Other liabilities for the period under review was due to higher construction cost accrued from the on-going construction projects.

The Group paid significantly higher tax on completed projects in 2010, compared to current period under review.

Net cash generated from investing activities stood at \$1.0m for 2Q2012. Of the proceeds from the redemption of commercial papers upon maturity, \$0.8m was used to purchase new commercial papers while \$1.2m was extended as shareholder loan for joint venture projects.

For 1H2012, net cash of \$6.3m was generated from investing activities, mainly as a result of a \$5.1m net repayment of loans from a joint venture as well as proceed of amounting to \$3m arising from the redemption of a commercial paper upon maturity. These receipts were partially offset by the purchase of commercial papers amounting to \$1.8m.

Net cash used in financing activities stood at \$7.9m and \$7.7m in 2Q2012 and 1H2012 respectively, mainly due to payment of dividends as well as the repayment of bank borrowings and bank interest during the period under review. This repayment of bank borrowings was offset by some fresh bank borrowings drawn down and fund injected by a related company, SuperBowl Holdings Limited, for the joint-venture residential development project, *Treasure on Balmoral*.

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

There was no financial forecast made in the Group's announcement dated 10 May 2012.

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.

Based on the Urban Redevelopment Authority's statistics, prices of private residential units in Singapore remained fairly stable, edging up 0.4% in the second quarter of 2012, and hence reversing the 0.1% decline in the first quarter.

Subsequent to the peak in the number of new private homes sold in the first quarter of 2012, sales volume started to ease from April to June 2012 although the number of units sold for the first half of 2012 was close to 12,000 units or about 48% higher over the same period last year.

This increase in demand for private homes has augured well for the Group's developments. To date, about 75% of the 200-unit *Waterscape at Cavenagh* has been sold. 56% of the 61-unit *Skyline 360^O* has been sold since its soft-launch in 2010. Proceeds from the sale of these units should continue to contribute positively to the Group's top and bottom lines for the rest of the 2012 financial year as construction of these developments progresses. The Group intends to launch *Skyline 360^O* and *Treasure on Balmoral* officially upon receipt of their respective TOP in last quarter of 2012.

Construction of the Group's hotel-cum-commercial project is progressing well, and on track for commencement of operations ahead of schedule. Its two new hotels, Days Hotel Singapore at Zhongshan Park and Ramada Singapore at Zhongshan Park are expected to commence operations in December 2012 and February 2013 respectively, while the entire development, including office and retail mall, is expected to be fully operational in March 2013.

The Group is aware that the uncertain global economy may result in repercussions that could sway investor and market sentiments in Singapore and lead to possible government interventions in the property market. It is hence closely monitoring the market and adopting a cautious and prudent approach in its property sales, joint-venture initiatives as well as land acquisition programmes.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

The Directors are pleased to announce an interim dividend for the financial period ended 30 June 2012 as follows :

Name of dividend	: Interim
Type of dividend	: Cash
Dividend	: 0.50 cents per ordinary share
Tax rate	: One tier (tax exempt)

(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

21 September 2012

(d) Book closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of Hiap Hoe Limited (the "Company") will be closed on 5 September 2012 at 5.00 p.m. for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 up to 5.00 p.m. on 5 September 2012 will be registered to determine shareholders' entitlements to the said dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 5 September 2012 will be entitled to the proposed dividend.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

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 June 2012	6 months ended 30 June 2012	3 months ended 30 June 2012	6 months ended 30 June 2012
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 subsidiaries : - Cavenagh Properties Pte. Ltd. (Value of transactions amounting to \$11,000) - Bukit Panjang Plaza Pte Ltd (Value of transactions amounting to \$6,000) - Guan Hoe Development Pte Ltd (Value of transactions amounting to \$5,000) Provision of Project and Construction Management Service to the Company's 60% owned subsidiary : - Hiap Hoe SuperBowl JV Pte. Ltd. (Value of transactions amounting to \$4,000)	Provision of Project and Construction Management Service to the Company's wholly-owned subsidiaries : - Cavenagh Properties Pte. Ltd. (Value of transactions amounting to \$22,000) - Bukit Panjang Plaza Pte Ltd (Value of transactions amounting to \$25,000) - Guan Hoe Development Pte Ltd (Value of transactions amounting to \$5,000) Provision of Project and Construction Management Service to the Company's 60% owned subsidiary : - Hiap Hoe SuperBowl JV Pte. Ltd. (Value of transactions amounting to \$8,000)	NA	NA

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 June 2012	6 months ended 30 June 2012	3 months ended 30 June 2012	6 months ended 30 June 2012
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 50% share in joint venture: - HH Properties Pte. Ltd. (50% share of value of transactions amounting to \$35,000) Provision of Project and Construction Management Service to the Company's wholly-owned subsidiary's 60% share in joint venture: - Goodluck View Development (60% share of value of transactions amounting to \$9,000)	Provision of Project and Construction Management Service to the Company's 50% share in joint venture: - HH Properties Pte. Ltd. (50% share of value of transactions amounting to \$70,000) Provision of Project and Construction Management Service to the Company's wholly-owned subsidiary's 60% share in joint venture: - Goodluck View Development (60% share of value of transactions amounting to \$26,000)		
SuperBowl Holdings Limited (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd)	Contribution by the Company of its 60% proportion of the loan extended to : - Hiap Hoe SuperBowl JV Pte. Ltd. (Value of loan amounting to \$1,128,000)	Contribution by the Company of its 60% proportion of the loan extended to : - Hiap Hoe SuperBowl JV Pte. Ltd. (Value of loan as at 30 June 2012 amounting to \$35,626,000)	Construction of 2 blocks of 12-Storey residential flats for Hiap Hoe SuperBowl JV Pte. Ltd. (Value of transaction amounting to \$3,606,000)	Construction of 2 blocks of 12-Storey residential flats for Hiap Hoe SuperBowl JV Pte. Ltd. (Value of transaction amounting to \$7,578,000)

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 June 2012	6 months ended 30 June 2012	3 months ended 30 June 2012	6 months ended 30 June 2012
SuperBowl Holdings Limited (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd)	<p>Contribution by the Company of its 60% proportion of the loan extended to :</p> <p>- Hiap Hoe SuperBowl JV Pte. Ltd.</p> <p>Interest income amounting to \$36,000</p> <p>Contribution by the Company of its 50% proportion of the loan to :</p> <p>- HH Properties Pte. Ltd. (Value of loan amounting to \$1,236,000)</p> <p>Interest income amounting to \$42,000</p>	<p>Contribution by the Company of its 60% proportion of the loan extended to :</p> <p>- Hiap Hoe SuperBowl JV Pte. Ltd.</p> <p>Interest income amounting to \$58,000</p> <p>Contribution by the Company of its 50% proportion of the loan to :</p> <p>- HH Properties Pte. Ltd. (Value of loan as at 30 June 2012 amounting to \$40,798,000)</p> <p>Interest income amounting to \$72,000</p>	<p>Construction of 1 block of 14-Storey hotel, 1 block of 17-Storey hotel and 1 block of 13-Storey office building for HH Properties Pte. Ltd.</p> <p>(Value of transactions amounting to \$16,841,000)</p>	<p>Construction of 1 block of 14-Storey hotel, 1 block of 17-Storey hotel and 1 block of 13-Storey office building for HH Properties Pte. Ltd.</p> <p>(Value of transaction amounting to \$28,900,000)</p>
SuperBowl Management Pte Ltd (A subsidiary of SuperBowl Holdings Limited)	<p>Contribution by the Group of its 60% proportion of the loan :</p> <p>- Goodluck View Development (Value of loan amounting to \$nil)</p> <p>Interest income amounting to \$11,000</p>	<p>Contribution by the Group of its 60% proportion of the loan :</p> <p>- Goodluck View Development (Value of loan as at 30 June 2012 amounting to \$10,532,000)</p> <p>Interest income amounting to \$18,000</p>	<p>Construction of 2 blocks of 5-storey residential flats for Goodluck View Development</p> <p>(Value of transaction amounting to \$4,036,000)</p>	<p>Construction of 2 blocks of 5-storey residential flats for Goodluck View Development</p> <p>(Value of transaction amounting to \$12,020,000)</p>

Hiap Hoe SuperBowl JV Pte. Ltd. (“HHSB”) is a subsidiary company which is 60% owned by Hiap Hoe Limited (the “Company”) and 40% by SuperBowl Holdings Limited (“SBH”). Similarly, Goodluck View Development (“GLV”) is a joint venture business formed under Wah Hoe Development Pte Ltd (“Wah Hoe”), a subsidiary of the Company. This joint venture is 60% owned by Wah Hoe and 40% by SuperBowl Management Pte Ltd.

HH Properties Pte. Ltd. (“HHP”) is a joint venture company which is 50% owned by the Company and 50% owned by SBH.

The Audit Committee of the Company is satisfied that the Investments in HHSB, GLV and HHP are on commercial terms which are fair and reasonable and are not prejudicial to the interest of the minority shareholders of the Company. The Audit Committee is of the view that the risk and rewards are in proportion to the equity of each of the joint venture partner in HHSB and GLV.

The Investment in the joint ventures and the related loans extended to HHSB and GLV fall within the exception of Rule 916(2) and 916(3) of the Listing Manual of the Singapore Exchange Securities Trading Limited. Shareholders' approval is, therefore, not required for the Company to enter into the investment.

BY ORDER OF THE BOARD

Lai Foon Kuen
Company Secretary
8 August 2012

Confirmation pursuant to Rule 705(5) of the SGX Listing Manual

The Board has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements of the Company or the unaudited consolidated financial statements of the Group for the second quarter ended 30 June 2012 to be false or misleading in any material respect.

On behalf of the Board of Directors

Teo Ho Beng
Director

Teo Ho Kang, Roland
Director