



Hiap Hoe Limited
(Registration No. : 199400676Z)

Half Year Financial Statement for the Period Ended 30 June 2008

1(a) Income Statement for the Group for the Second Quarter and Half Year Ended 30 June 2008

Unaudited results for the period ended 30 June 2008

(All figures in \$'000)

	The Group			The Group		
	2Q2008	2Q2007	%	1H2008	1H2007	%
Revenue	7,462	28,031	(73.4)	15,490	55,582	(72.1)
Cost of sales	(3,659)	(23,876)	(84.7)	(7,066)	(42,001)	(83.2)
Gross profit	<u>3,803</u>	<u>4,155</u>	(8.5)	<u>8,424</u>	<u>13,581</u>	(38.0)
Other items of income						
Other income	1,546	292	429.5	1,644	491	234.8
Financial income	32	68	(52.9)	93	82	13.4
Other items of expenses						
Distribution and selling expenses	(1,388)	(1,264)	9.8	(1,964)	(3,148)	(37.6)
Administrative expenses	(568)	(800)	(29.0)	(1,345)	(1,560)	(13.8)
Other expenses	(33)	(47)	(29.8)	(79)	(54)	46.3
Financial expenses	(8)	88	(109.1)	(27)	(252)	(89.3)
Profit before taxation	<u>3,384</u>	<u>2,492</u>	35.8	<u>6,746</u>	<u>9,140</u>	(26.2)
Tax expenses	(331)	(388)	(14.7)	500	(1,097)	(145.6)
Net profit for the period	<u><u>3,053</u></u>	<u><u>2,104</u></u>	45.1	<u><u>7,246</u></u>	<u><u>8,043</u></u>	(9.9)
Attributable to :						
Shareholders of the Company	3,064	2,104	45.6	7,299	8,043	(9.3)
Minority interests	<u>(11)</u>	-	NM	<u>(53)</u>	-	NM

Notes:

- 1) NM – Not meaningful

Additional Information

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

(All figures in S\$'000)

	The Group			The Group		
	2Q2008	2Q2007	%	1H2008	1H2007	%
Depreciation of fixed assets	51	54	(5.6)	102	110	(7.3)
Loss on disposal of fixed assets	-	47	(100.0)	-	54	(100.0)
Fair value gain on investment properties	(1,432)	-	NM	(1,432)	-	NM
Dividend income, gross	(8)	(45)	(82.2)	(8)	(45)	(82.2)
Write back of provision for doubtful receivables (trade)	(108)	(1)	NM	(110)	(15)	633.3
Fair value loss / (gain) on financial instruments - quoted investments held for trading	33	(125)	(126.4)	84	(178)	(147.2)
Write back of provision for foreseeable losses on development properties	-	(864)	(100.0)	-	(1,195)	(100.0)

1(b)(i) Balance Sheet as at 30 June 2008

The Group

(All figures in \$'000)

ASSETS LESS LIABILITIES

Non-Current Assets

	30.06.08	31.12.07	%
Fixed assets	3,827	3,923	(2.4)
Investment properties	7,182	5,750	24.9
Deferred tax assets	511	-	NM
	11,520	9,673	19.1

Current Assets

Cash, bank balances & fixed deposits	9,964	30,235	(67.0)
Other investments	205	289	(29.1)
Trade and other receivables	617	4,608	(86.6)
Other assets	35	34,371	(99.9)
Prepaid operating expenses	103	138	(25.4)
Derivatives	319	-	NM
Due from related company (non-trade)	14	-	NM
Due from joint venture partner (non-trade)	16	32	(50.0)
Development properties	497,865	136,015	266.0
Work-in-progress	1,215	282	330.9
	510,353	205,970	147.8

Current Liabilities

Trade and other payables	1,844	1,240	48.7
Other liabilities	2,837	5,047	(43.8)
Derivatives	-	99	(100.0)
Due to related companies (trade)	1,078	359	200.3
Due to related companies (non-trade)	11,687	6,998	67.0
Interest-bearing loans and borrowings	548	11,197	(95.1)
Tax payables	1,959	2,569	(23.7)
	19,953	27,509	(27.5)

Net Current Assets

490,400 **178,461** **174.8**

Non-Current Liabilities

Trade payables	301	243	23.9
Interest-bearing loans and borrowings	378,673	70,047	440.6
Deferred taxation	3,115	2,222	40.2

Net Assets

119,831 **115,622** **3.6**

EQUITY

Share capital	63,453	63,453	0.0
Reserves	56,061	51,798	8.2
	119,514	115,251	3.7
Minority interests	317	371	(14.6)
Total	119,831	115,622	3.6

The Company

The Company

(All figures in \$'000)

ASSETS LESS LIABILITIES

Non-Current Assets

Fixed assets
Investments in subsidiary companies

Current Assets

Cash, bank balances & fixed deposits
Trade and other receivables
Other assets
Prepaid operating expenses
Derivatives
Due from subsidiary companies (non-trade)
Due from subsidiary companies (trade)

Current Liabilities

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

Net Current Assets

Non-Current Liability

Interest-bearing loans and borrowings

Net Assets

EQUITY

Share Capital
Reserves

Total

	30.06.08	31.12.07	%
	36	67	(46.3)
	48,683	48,683	0.0
	48,719	48,750	(0.1)
	59	6,987	(99.2)
	72	2	NM
	127	126	0.8
	17	13	30.8
	3	-	NM
	80,285	40,840	96.6
	792	978	(19.0)
	81,355	48,946	66.2
	222	210	5.7
	163	530	(69.2)
	-	99	(100.0)
	50,023	16,427	204.5
	3	15	(80.0)
	-	4	(100.0)
	8	10	(20.0)
	37	11	236.4
	50,456	17,306	191.6
	30,899	31,640	(2.3)
	26	29	(10.3)
	79,592	80,361	(1.0)
	63,453	63,453	0.0
	16,139	16,908	(4.5)
	79,592	80,361	(1.0)

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 30.06.08		As at 31.12.07	
Secured	Unsecured	Secured	Unsecured
548	11,687	11,197	6,998

Amount repayable after one year

(\$'000)

As at 30.06.08		As at 31.12.07	
Secured	Unsecured	Secured	Unsecured
378,673	-	70,048	-

Details of any collateral

The above borrowings are secured by :

- 1) Mortgage on subsidiaries' development properties.
- 2) Mortgage on subsidiaries' investment properties and freehold properties.
- 3) Assignment of interest over property under sale & purchase agreements and tenancy agreements including sales & rental proceeds.
- 4) Assignment of all rights and benefits under
 - (i) Insurance policies taken up;
 - (ii) Performance bonds in relation to the Project.
- 5) Deed of Subordination to subordinate all loans / advances from the company to the facilities. Repayment of expenses / costs incurred on behalf by the company under the project has been allowed.
- 6) Corporate guarantees given by the company.

1(c) Consolidated Cash Flow Statement of the Group

(All figures in \$'000)

	2Q2008	2Q2007	1H2008	1H2007
Cash flows from operating activities :				
Profit before taxation	3,384	2,492	6,746	9,140
Adjustments :				
Depreciation of fixed assets	51	54	102	110
Interest expenses	8	(88)	27	252
Interest income	(32)	(68)	(93)	(82)
Dividend income	(8)	(45)	(8)	(45)
Loss on disposal of fixed assets	-	47	-	54
Fair value gain on derivatives	-	-	(6)	-
Fair value gain on investment properties	(1,432)	-	(1,432)	-
Write back of provision for doubtful receivables (trade)	(108)	(1)	(110)	(15)
Fair value loss / (gain) on financial instruments - quoted investments held for trading	33	(125)	84	(178)
Write back of provision for foreseeable losses on development properties	-	(864)	-	(1,195)
Operating profit before working capital changes	1,896	1,402	5,310	8,041
Changes in working capital				
(Increase)/decrease in :				
Development properties	(91,047)	11,457	(358,560)	(27,778)
Trade and other receivables	7	(7,998)	4,101	(14,826)
Other assets	9,309	(3,505)	34,336	(2,230)
Prepaid operating expenses	9	45	35	73
Work-in-progress	95	595	(926)	359
Due from a joint venture partner, net	(8)	-	16	-
(Decrease) / increase in :				
Trade and other payables	808	908	662	(1,006)
Other liabilities	(1,117)	(9,134)	(2,210)	(16)
Derivatives	(764)	-	(412)	-
Due to ultimate holding company	-	(104)	-	(104)
Due from related companies, net	653	(11)	513	(115)
Cash flows used in operations	(80,159)	(6,345)	(317,135)	(37,602)
Income tax (paid) / refunded	(1,119)	(1,036)	272	(1,398)
Net cash used in operating activities	(81,278)	(7,381)	(316,863)	(39,000)

1(c) Consolidated Cash Flow Statement of the Group (cont'd)

(All figures in \$'000)

	2Q2008	2Q2007	1H2008	1H2007
Cash flows from investing activities :				
Dividend income	8	45	8	45
Interest income	32	45	93	58
Proceeds from disposal of fixed assets	-	(1)	-	-
Purchase of fixed assets	(6)	(2)	(13)	(335)
Purchase of quoted investment	-	(30)	-	(29)
Purchase of unquoted investment	-	(11,500)	-	(11,500)
Net cash generated from / (used in) investing activities	34	(11,443)	88	(11,761)
Cash flow from financing activities :				
Dividend paid	(3,037)	(2,752)	(3,037)	(2,752)
Repayment of bank term loans	-	(12,531)	(4,979)	(29,814)
Borrowings from banks	87,639	20,812	302,689	70,195
Placement of shares, net of expenses	-	23,617	-	23,617
Proceeds from exercise of share options	-	-	-	151
Repayment of hire purchase	(28)	(28)	(55)	(55)
Hire purchase loan	-	-	-	200
Interest paid	(1,768)	(993)	(2,900)	(1,245)
Loan from related companies	234	-	4,786	-
Proceeds from conversion from warrants to shares	-	4,453	-	5,642
Net cash generated from financing activities	83,040	32,578	296,504	65,939
Net increase / (decrease) in cash and cash equivalents	1,796	13,754	(20,271)	15,178
Cash and cash equivalents at beginning of period	8,168	1,768	30,235	344
Cash and cash equivalents at end of period	9,964	15,522	9,964	15,522

Note :

Cash and bank balances
Fixed deposits
Less Bank overdraft

	2,864	1,406	2,864	1,406
	7,100	14,400	7,100	14,400
	-	(284)	-	(284)
	9,964	15,522	9,964	15,522

1(d)(i) Statement of Changes in Equity
(All figures in \$'000)

	The Group		The Company	
	2Q2008	2Q2007	2Q2008	2Q2007
Issued Capital				
Balance at beginning of period	63,453	101,582	63,453	101,582
Issuance of shares	-	28,070	-	28,070
Warrants exercised during the period	-	755	-	755
Balance at end of period	63,453	130,407	63,453	130,407
Warrant Reserves				
Balance at beginning of period	-	778	-	778
Exercise during the period	-	(755)	-	(755)
Balance at end of period	-	23	-	23
Capital reduction reserve				
Balance at beginning / end of period	-	5,773	-	5,773
Capital reserve				
Balance at beginning / end of period	(7,672)	(81,003)	-	-
Other reserve				
Balance at beginning of period	77	418	-	418
Net fair value changes on cash flow hedge	(77)	(126)	-	(126)
Balance at end of period	-	292	-	292
Dividend reserve				
Balance at beginning of period	3,037	2,767	3,037	2,767
Dividend in respect of FY2007/FY2006 paid	(3,037)	(2,767)	(3,037)	(2,767)
Balance at end of period	-	-	-	-
Accumulated profits / (losses)				
Balance at beginning of period	60,669	45,963	16,185	(73,177)
Dividend in respect of FY2006	-	15	-	15
Profit / (Loss) for the period	3,064	2,104	(46)	(169)
Balance at end of period	63,733	48,082	16,139	(73,331)
Minority interest				
Balance at beginning of period	328	-	-	-
Net loss for the period	(11)	-	-	-
Balance at end of period	317	-	-	-
Equity at end of period	119,831	103,574	79,592	63,164

1(d)(ii) Details of 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.

Employees' Stock Options

	Number of Employees' Stock Options (Unexercised)		Exercise Price (\$)	
	2Q2008	2Q2007	2Q2008	2Q2007
Balance at 1 April	-	560,000		
Exercised during the period	-	-	-	0.280
Balance at 30 June	-	560,000		

Warrants

	Number of Warrants (Unexercised)		Exercise Price (\$)	
	2Q2008	2Q2007	2Q2008	2Q2007
Balance at 1 April	-	36,737,969		
Exercised during the period	-	(35,621,848)	-	0.125
Balance at 30 June	-	1,116,121		

Ordinary Shares

	Number of Ordinary Shares	
	2Q2008	2Q2007
Balance at 1 April	303,717,091	240,461,694
Consolidation adjustment	-	1
Placement of shares	-	26,000,000
Conversion from warrants	-	35,621,848
Conversion from employees' stock options	-	-
Balance at 30 June	303,717,091	302,083,543

During the second quarter ended 30 June 2008, there was no change in 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 2008 is 303,717,091 (31 December 2007 : 303,717,091).

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.

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 2007.

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

	2Q2008	2Q2007	1H2008	1H2007
Earning per share (cents)				
Basic	1.01	0.82	2.40	3.14
Diluted	1.01	0.74	2.40	2.84
Weighted average number of shares				
Basic	303,717,091	256,023,001	303,717,091	256,023,001
Diluted	303,717,091	283,211,598	303,717,091	283,211,598

Earnings 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-08	31-Dec-07
Net assets value per share (cents)		
The Group	39.35	37.95
The Company	26.21	26.46
Based on number of shares		
The Group	303,717,091	303,717,091
The Company	303,717,091	303,717,091

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.**

FINANCIAL HIGHLIGHTS

2Q2008 VS 2Q2007

Revenue decreased by 73.4% for the second quarter of the financial period ended 30 June 2008 ("2Q2008"), compared with the corresponding period in FY 2007 ("2Q2007"). Net profit after tax increased by 35.3% to \$2.8m from \$2.1m in 2Q2007.

Revenue

Revenue for 2Q2008 decreased to \$7.5m from \$28.0m in 2Q2007. 2Q2008 revenue was derived primarily from the progressive recognition of the residential development projects namely Cuscaden Royale and Oxford Suites. Another 8.0% was recognized from City Edge in 2Q2008 after it obtained Certificate Statutory Completion in May 2008. In 2Q2007, Group revenue came from sales of completed residential units, including Proximo, Moonstone Residences and Papillon, as well as from recognition of progressive revenue from City Edge.

Profit / Loss

The significant increase in other income mainly arose from upward valuation of investment properties.

The Group's gross profit margin improved significantly from 14.8% to 51.0%, due to higher profit margin booked in from Cuscaden Royale. As a result gross profit only decreased by \$0.4m as compared to revenue decline of \$20.6m.

In preparation for various upcoming launches, distribution and selling expenses increased from \$1.3m to \$1.4m.

In line with a decrease in revenue, administrative expenses decreased by 29.0% to \$0.6m. Other expenses amounted to \$33,000 which was mainly due to the fair value loss in quoted instruments.

Most of the interest expense in 2Q2008 was attributable to projects under construction and has been capitalized. The interest expense in 2Q2007 showed a credit balance due to an adjustment made to capitalized interest pertaining to projects in construction.

Tax expense was lower in 2Q2008 as current tax expenses of \$0.5m were offset by net deferred tax credit of \$0.2m. Deferred tax credit pertains to losses incurred by its subsidiary companies during the current period which would be used to offset against future taxable income.

Cash Flow

The Group has recorded net cash used in operating activities of approximately \$81.3m. This was mainly used in the acquisition of Phoenix Court.

Financing activities registered a net cash inflow of \$83.0m. The bank borrowings of \$87.6m were utilized to fund the completion of the en-bloc acquisitions of Phoenix Court.

1H2008 VS 1H2007

Revenue decreased 72.1% from \$55.6m for the six months ended 30 June 2007 ("1H2007") to \$15.5m for the six months period ended 30 June 2008 ("1H2008"). Net profit after tax decreased 12.5% to \$7.0m from \$8.0m in 1H2007.

Revenue

Revenue for 1H2008 decreased to \$15.5m from \$55.6m in 1H2007. Revenue recognized from Cuscaden Royale in 2Q2008 was slower than in 1Q2008 as foundation work was more complex and thus required more effort and time. Nevertheless, the progress is expected to improve.

Profit / Loss

The increase in other income mainly arose from upward valuation of investment properties of \$1.4m.

Gross profit trimmed 38.0% from \$13.6m in 1H2007 to \$8.4m in 1H2008 but gross profit margin improved from 24.4% to 54.4%, due to higher profit margin from Cuscaden Royale.

As there were more commissions paid on units sold in 1H2007 versus 1H2008, distribution and selling expenses for 1H2008 was \$2.0m, a decrease of 37.6% from \$3.1m.

Administrative expenses decreased 13.8% from \$1.6m to \$1.3m in 1H2008. The decrease was mainly due to write-back of doubtful debt of about \$0.1m and other cost savings in 1H2008.

Other expenses increased by 46.3% to \$0.1m in 1H2008 due largely to an increase in fair value loss on quoted investments.

Most of the interest expense in 1H2008 pertained to projects under construction and it was capitalized. This resulted in lower financial expense compared to 1H2007, whereby interest cost of completed projects was expensed off.

Tax expense was a credit balance due to a tax discharge of approximately \$1.4m for a subsidiary company. This was partially offset with the net deferred tax expense of about \$0.4m and current tax of about \$0.5m. Deferred tax was incurred as profit was recognized on some projects prior to their Temporary Occupation Permit (“TOP”).

Cash Flow

The Group has recorded net cash used in operating activities of approximately \$316.9m. This was mainly used in acquisition of land and expenses incurred in construction of the residential development projects.

Financing activities registered a net cash inflow of \$296.5m. The bank borrowings of \$302.7m were mainly utilized to fund the completion of the en-bloc acquisitions of Clemenceau Court, The Aspine, Goodluck View in 1Q2008 and Phoenix Court in 2Q2008.

Balance Sheet

Cash, bank balances and fixed deposits decreased from \$30.2m to about \$10.0m mainly due to cash being utilized to fund the purchase considerations which were not financed by the banks.

Other assets reduced from \$34.4m to \$35,000 mainly due to reclassification of the deposits placed for the land acquisitions to development properties.

Development properties increased from \$136.0m to \$497.9m mainly due to the four new plots of land acquired for development and the construction cost incurred for the uncompleted projects. Thus, resulting in an increase in non-current borrowings from \$70.0m to \$378.7m.

Short term bank borrowings declined by \$10.7m due to repayment of bank loan by subsidiary company from sales proceeds received and reclassification of a short term loan to a long term loan.

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 14 May 2008.

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 Urban Redevelopment Authority of Singapore has released the real estate statistics for 2Q2008. Prices of private residential properties increased marginally by 0.2% and the number of properties sold by developers in 2Q2008 doubled that in 1Q2008 for the take-up rate on new launches increased.

Proceeds from the sale of Cuscaden Royale and Oxford Suites units in 2007 will be recognized at relevant milestones of the construction process which is anticipated to be until end of FY2009. The Group launched Signature@Lewis, a development off Bukit Timah Road in July 2008, and will monitor the market for an opportune time to launch two other projects located along Cavenagh Road and Toh Tuck Road.

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. INTERESTED PERSONS TRANSACTIONS

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)	
	2Q2008	1H2008	2Q2008	1H2008
Hiap Hoe & Co. Pte Ltd (a subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd)	<p>Provision of Project and Construction Management Service to the Company's wholly-owned subsidiaries :</p> <ul style="list-style-type: none"> - Bukit Panjang Plaza Pte Ltd (Value of transactions amounting to \$604,000) <p>Provision of Project and Construction Management Service to the Company's 60%-owned subsidiary :</p> <ul style="list-style-type: none"> - Hiap Hoe SuperBowl JV Pte. Ltd. (Value of transaction amounting to \$144,000) 	<p>Provision of Project and Construction Management Service to the Company's wholly-owned subsidiaries :</p> <ul style="list-style-type: none"> - Bukit Panjang Plaza Pte Ltd (Value of transactions amounting to \$604,000) - Cavenagh Properties Pte. Ltd. (Value of transaction amounting to \$204,000) <p>Provision of Project and Construction Management Service to the Company's 60%-owned subsidiary :</p> <ul style="list-style-type: none"> - Hiap Hoe SuperBowl JV Pte. Ltd. (Value of transaction amounting to \$144,000) 	-	-
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> <ul style="list-style-type: none"> - Hiap Hoe SuperBowl JV Pte. Ltd. (Value of loan amounting to \$17,414,000) <p>Interest income amounting to \$81,000</p>	<p>Contribution by the Company of its 60% proportion of the loan extended to :</p> <ul style="list-style-type: none"> - Hiap Hoe SuperBowl JV Pte. Ltd. (Value of loan amounting to \$17,414,000) <p>Interest income amounting to \$116,000</p>	-	-
SuperBowl Management Pte Ltd (a subsidiary of SuperBowl Holdings Limited)	<p>Contribution by the Company of its 60% proportion of the loan extended to :</p> <ul style="list-style-type: none"> - Goodluck View Development (Value of loan amounting to \$3,420,000) <p>Interest income amounting to \$16,000</p>	<p>Contribution by the Company of its 60% proportion of the loan extended to :</p> <ul style="list-style-type: none"> - Goodluck View Development (Value of loan amounting to \$3,420,000) <p>Interest income amounting to \$20,000</p>	-	-

Hiap Hoe SuperBowl JV Pte. Ltd. (“HHSB”) is a joint venture company which is 60% owned by Hiap Hoe Limited (the “Company”) and 40% by SuperBowl Holdings Limited. 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.

The Audit Committee of the Company is satisfied that the investments in HHSB and GLV 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 risks and rewards are in proportion to the equity of each of the joint venture partner in HHSB and GLV.

The investments 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 investments.

BY ORDER OF THE BOARD

Lai Foon Kuen
Company Secretary
08/08/08

Confirmation pursuant to Rule 705(4) 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 and first half year ended 30 June 2008 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