



Hiap Hoe Limited
(Registration No. : 199400676Z)

Unaudited Financial Statements for the Second Quarter Ended 30 June 2013

- 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 2013

(All figures in \$'000)

	The Group			The Group		
	3 months ended			6 months ended		
	30-Jun-13	30-Jun-12	%	30-Jun-13	30-Jun-12	%
Revenue	80,301	42,950	87.0	110,648	80,419	37.6
Cost of sales	(42,034)	(26,538)	58.4	(58,404)	(50,135)	16.5
Gross profit	<u>38,267</u>	<u>16,412</u>	133.2	<u>52,244</u>	<u>30,284</u>	72.5
Other items of income						
Other income	305	471	(35.2)	586	893	(34.4)
Financial income	144	78	84.6	260	122	113.1
Other items of expenses						
Distribution and selling expenses	(1,667)	(313)	432.6	(2,059)	(415)	396.1
Administrative expenses	(1,824)	(821)	122.2	(3,469)	(1,656)	109.5
Other expenses	(340)	(114)	198.2	(396)	(137)	189.1
Financial expenses	(514)	(55)	834.5	(1,046)	(109)	859.6
Share of results of joint venture	957	3,697	(74.1)	936	6,667	(86.0)
Profit before taxation	<u>35,328</u>	<u>19,355</u>	82.5	<u>47,056</u>	<u>35,649</u>	32.0
Tax expenses	(6,321)	(2,694)	134.6	(8,266)	(4,939)	67.4
Net profit for the period	<u>29,007</u>	<u>16,661</u>	74.1	<u>38,790</u>	<u>30,710</u>	26.3
Attributable to :						
Owners of the Company	29,344	16,678	75.9	39,516	30,746	28.5
Non-controlling interests	(337)	(17)	NM	(726)	(36)	NM
Total	<u>29,007</u>	<u>16,661</u>		<u>38,790</u>	<u>30,710</u>	

Statement of Comprehensive Income for the Group for the Second Quarter ended 30 June 2013

(All figures in \$'000)

	The Group		The Group	
	3 months ended		6 months ended	
	30-Jun-13	30-Jun-12	30-Jun-13	30-Jun-12
Profit, net of tax	29,007	16,661	38,790	30,710
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	<u>29,007</u>	<u>16,661</u>	<u>38,790</u>	<u>30,710</u>
Total comprehensive income attributable to :				
Owners of the Company	29,344	16,678	39,516	30,746
Non-controlling interests	<u>(337)</u>	<u>(17)</u>	<u>(726)</u>	<u>(36)</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-13	30-Jun-12		30-Jun-13	30-Jun-12	
Depreciation of property, plant and equipment	57	68	(16.2)	130	124	4.8
Dividend income, gross	(12)	(59)	(79.7)	(18)	(63)	(71.4)
Write back of allowance for doubtful receivables (trade)	-	(23)	NM	-	(23)	NM
Fair value loss/(gain) on financial instruments - unquoted investments held for trading	257	8	NM	233	(64)	(463.6)
Fair value loss/(gain) on financial instruments - quoted investments held for trading	107	21	410.4	158	44	259.5

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 2013

(All figures in \$'000)

	30-Jun-13	31-Dec-12	%
ASSETS LESS LIABILITIES			
Non-Current Assets			
Property, plant and equipment	1,155	6,497	(82.2)
Investments in joint ventures	23,421	22,554	3.8
Trade and other receivables	1	7	(85.7)
	24,577	29,058	(15.4)
Current Assets			
Cash and short-term deposits	21,263	20,600	3.2
Other investments ¹	7,288	4,620	57.7
Trade and other receivables	45,378	29,535	53.6
Other assets	102	187	(45.5)
Prepaid operating expenses	51	25	104.0
Due from related companies (trade)	49	18	172.2
Due from related companies (non-trade)	-	2	(100.0)
Due from joint ventures (trade)	45,688	31,632	44.4
Due from joint ventures (non-trade)	47,916	46,741	2.5
Due from an associate (non-trade)	3	3	-
Development properties	185,279	163,912	13.0
Properties held for sale	237,817	260,441	(8.7)
Tax recoverable	-	1	(100.0)
	590,834	557,717	5.9
Investment properties - held for sale	-	3,520	(100.0)
Current Liabilities			
Trade and other payables	15,532	12,225	27.1
Other liabilities	38,609	28,588	35.1
Due to related companies (trade)	564	891	(36.7)
Due to related companies (non-trade)	41,403	32,717	26.5
Due to joint venture (trade)	-	5,320	(100.0)
Due to joint venture (non-trade)	7,138	9,553	(25.3)
Interest-bearing loans and borrowings	77,447	101,969	(24.0)
Tax payable	12,097	8,955	35.1
	192,790	200,218	(3.7)
Net Current Assets	398,044	361,019	10.3
Non-Current Liabilities			
Trade and other payables	1,400	3,429	(59.2)
Interest-bearing loans and borrowings	67,357	69,919	(3.7)
Deferred taxation	12,099	11,408	6.1
	341,765	305,321	11.9
Net Assets			
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	84,445	84,445	-
Treasury shares	(1,101)	(1,101)	-
Reserves	259,421	222,251	16.7
	342,765	305,595	12.2
Non-controlling Interests	(1,000)	(274)	265.0
Total Equity	341,765	305,321	11.9

Statement of Financial Position for the Company as at 30 June 2013

(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 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
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-13	31-Dec-12	%
	178	201	(11.4)
	60,700	60,700	-
	60,878	60,901	(0.0)
	119	1,107	(89.3)
	-	4	(100.0)
	19	5	280.0
	2,088	1,829	14.2
	161,766	130,454	24.0
	128	90	42.2
	46,584	43,619	6.8
	3	3	-
	210,707	177,111	19.0
	230	46	400.0
	134	510	(73.7)
	105,107	68,767	52.8
	-	33	NM
	87	156	(44.2)
	105,558	69,512	51.9
	105,149	107,599	(2.3)
	166,027	168,500	(1.5)
	84,445	84,445	-
	(1,101)	(1,101)	-
	82,683	85,156	(2.9)
	166,027	168,500	(1.5)

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 13		As at 31 Dec 12	
Secured	Unsecured	Secured	Unsecured
77,447	-	101,969	-

Amount repayable after one year

(\$'000)

As at 30 Jun 13		As at 31 Dec 12	
Secured	Unsecured	Secured	Unsecured
67,357	-	69,919	-

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-13	30-Jun-12	30-Jun-13	30-Jun-12
Cash flows from operating activities				
Profit before taxation	35,328	19,355	47,056	35,649
Adjustments :				
Depreciation of property, plant and equipment	57	68	130	124
Interest expenses	514	55	1,046	109
Interest income	(144)	(78)	(260)	(122)
Dividend income from quoted investments	(12)	(59)	(18)	(63)
Gain on disposal of property, plant and equipment	-	(30)	5	(30)
Fair value loss / (gain) on held for trading investments - quoted	107	21	158	44
Fair value loss / (gain) on held for trading investments - unquoted	257	8	233	(64)
Share of results of joint ventures	(957)	(3,697)	(936)	(6,667)
Operating cash flows before working capital changes	35,150	15,643	47,414	28,980
Changes in working capital				
<u>(Increase)/decrease in :</u>				
Development properties	(6,631)	(3,576)	(15,473)	(20,085)
Properties held for sale	17,988	148	22,624	146
Trade and other receivables	(8,982)	877	(15,837)	931
Other assets	68	735	85	(17)
Prepaid operating expenses	(13)	(5)	(25)	(16)
Due from related companies, trade	(22)	(1)	(31)	(1)
Due from related companies, non-trade	-	-	2	-
Due from joint venture, trade	(18,800)	6,889	(19,364)	(4,386)
Due from joint ventures, non-trade	69	-	69	-
<u>(Decrease) / increase in :</u>				
Trade and other payables	3,386	(443)	1,282	(955)
Other liabilities	11,323	3,963	10,017	7,635
Due to related companies, trade	29	338	(327)	290
Due to related companies, non-trade	-	12	-	32
Due to joint venture, non-trade	(2,460)	-	(2,457)	-
Cash flows generated from / (used in) operations	31,105	24,580	27,979	12,554
Income tax paid	(4,362)	(124)	(4,434)	(190)
Net cash generated from / (used in) operating activities	26,743	24,456	23,545	12,364

Statement of Cash Flows for the Group (cont'd)
 (All figures in \$'000)

	3 months ended		6 months ended	
	30-Jun-13	30-Jun-12	30-Jun-13	30-Jun-12
Cash flows from investing activities				
Dividend income received	11	31	16	35
Interest income received	144	25	190	32
Repayment of loan from / (Loan to) joint ventures	275	(1,210)	(1,117)	5,141
Proceeds from disposal of fixed assets	-	30	-	30
Proceeds from disposal of unquoted investments	-	3,000	-	3,000
Proceeds from disposal of investment property	-	-	3,520	-
Purchase of property, plant and equipment	(301)	(152)	(314)	(166)
Purchase of quoted investment	(1,052)	-	(1,052)	-
Purchase of unquoted investment (Note 1)	(2,005)	(752)	(2,005)	(1,751)
Net cash generated from / (used) in investing activities	(2,928)	972	(762)	6,321
Cash flow from financing activities				
Dividend paid on ordinary shares by the Company	(2,345)	(1,176)	(2,345)	(1,176)
Repayment of bank term loans	(21,760)	(14,502)	(60,123)	(23,167)
Proceeds from loans and borrowings	-	7,877	33,000	16,377
Purchase of treasury shares	-	-	-	(133)
Repayment of hire purchase	80	(38)	38	(68)
Interest paid	(562)	(814)	(1,250)	(1,931)
Loan from related companies	188	752	8,560	2,386
Net cash used in financing activities	(24,399)	(7,901)	(22,120)	(7,712)
Net increase / (decrease) in cash and cash equivalents	(584)	17,527	663	10,973
Cash and cash equivalents at beginning of period	21,847	3,816	20,600	10,370
Cash and cash equivalents at end of period (Note 2)	21,263	21,343	21,263	21,343

Note 1:

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

Note 2 :

Cash and bank balances
 Fixed deposits

3,463	13,343
17,800	8,000
21,263	21,343

3,463	13,343
17,800	8,000
21,263	21,343

- 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	
	2Q2013	2Q2012	2Q2013	2Q2012
Share capital				
Balance at beginning / end of period	84,445	84,446	84,445	84,446
Treasury shares				
Balance at beginning / end of period	(1,101)	(1,101)	(1,101)	(1,101)
Capital reserve				
Balance at beginning / end of period	(7,671)	(7,671)	-	-
Other reserve				
Balance at beginning / end of period	52	51	52	51
Dividend reserve				
Balance at beginning of period	2,353	1,177	2,353	1,177
Dividend on ordinary shares	(2,353)	(1,177)	(2,353)	(1,177)
Transfer from unappropriated profit	5,647	-	5,647	-
Balance at end of period	5,647	-	5,647	-
Accumulated profits				
Balance at beginning of period	237,689	188,421	82,818	27,344
Profit for the period	29,344	16,678	(194)	4,910
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	29,344	16,678	(194)	4,910
Dividend on ordinary shares	7	1	7	1
Tax exempt interim dividend	(5,647)	(2,353)	(5,647)	(2,353)
Balance at end of period	261,393	202,747	76,984	29,902
Minority interest				
Balance at beginning of period	(663)	37	-	-
Profit for the period	(337)	(17)	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	(337)	(17)	-	-
Balance at end of period	(1,000)	20	-	-
Equity at end of period	341,765	278,492	166,027	113,298

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-13	30-Jun-12
Balance at 1 April	470,557,541	470,557,541
Balance at 30 June	470,557,541	470,557,541

Treasury Shares

	Number of Treasury Shares	
	3 months ended	
	30-Jun-13	30-Jun-12
Balance at 1 April	3,999,850	3,749,850
Balance at 30 June	3,999,850	3,749,850

During the period ended 30 June 2013, 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 2013 is 470,557,541 (31 December 2012: 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.

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 2012.

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-13	30-Jun-12	30-Jun-13	30-Jun-12
Earning per share (cents)				
Basic	6.24	3.54	8.40	6.53
Diluted	6.24	3.54	8.40	6.53
Weighted average number of shares				
Basic	470,557,541	470,642,101	470,557,541	470,642,101
Diluted	470,557,541	470,642,101	470,557,541	470,642,101

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-13	31-Dec-12
Net assets value per share (cents)		
The Group	72.84	64.94
The Company	35.28	35.81
Based on number of shares		
The Group	470,557,541	470,557,541
The Company	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. **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 87% to \$80.3m for the second quarter ended 30 June 2013 ("2Q2013"), compared to \$43.0m achieved in the previous corresponding period ("2Q2012"). The increase was partially driven by progressive revenue recognition from *Waterscape at Cavenagh* and sale of units from *Signature at Lewis* and *Skyline 360^o* totaled to \$73.2m compared to \$30.8m recognised in 2Q2012. Revenue received by the Group's subsidiary from progress made in the construction of a joint-venture project, namely the Ramada Singapore and Zhongshan Mall, contributed the remaining \$6.3m to total revenue.

For the six months financial period ended 30 June 2013 ("1H2013"), Group revenue rose by 37.6% to \$110.6m, compared to \$80.4m a year ago ("1H2012"), mainly driven by factors mentioned-above.

Revenue contribution from the sale of residential projects surged to \$99.3m in 1H2013, versus \$59m in 1H2012 while contribution from construction activities decreased to \$10.0m, from \$21.4m in 1H2012 after Temporary Occupation Permit ("TOP") for Ramada Singapore and Zhongshan Mall were obtained in 2Q2013.

As at 30 June 2013, accumulated revenue recognised from the sale of *Waterscape at Cavenagh* was 52.7%. The remaining projects have obtained their TOP last year.

Gross Profit And Expenses

2Q2013 gross profit rose more than doubled to \$38.3m and gross profit in 1H2013 increased by 72.5% to \$52.2m from \$30.3m a year ago, primarily due to higher revenue and improved margins.

Other income for 2Q2013 and 1H2013 fell 35.2% and 34.4% respectively mainly due to the cessation of rental income as the properties at Kallang Pudding were demolished for re-development.

Financial income registered a year-on-year increase of 84.6% to \$144,000 in 2Q2013 and doubled to \$260,000 in 1H2013 as the Group earned higher interests with the purchase of more commercial papers and additional fixed deposits placements.

Marketing expenses increased to \$1.7m in 2Q2013 from \$0.3m a year ago, primarily due to higher expenses incurred from the construction of show suites for the Group's projects *Signature at Lewis*, *Treasure on Balmoral* and *Skyline 360^o*, commissions paid out in relation to the sale of units at *Skyline 360^o* and higher advertisement costs. The above costs also contributed to the increase in distribution and selling expenses which rose from \$0.4m in 1H2012 to \$2.1m in 1H2013.

Administrative expenses doubled from \$0.8m in 2Q2012 to \$1.8m in 2Q2013 and from \$1.7m in 1H2012 to \$3.5m in 1H2013, mainly due to an increase in property tax and maintenance fee following the receipt of Temporary Occupation Permit ("TOP") for *Skyline 360^o* and *Treasure on Balmoral*. The Group also incurred additional costs from renting a warehouse to store construction equipment and tools, as well as higher staff costs.

The Group recorded a substantial increase in finance expenses in 2Q2013 and 1H2013, in view of interest expensed off following the receipt of TOP for *Skyline 360^o* and *Treasure on Balmoral* in 2012. Prior to the projects' receipt of TOP, the finance expenses were capitalised under Development Properties in the Group's statement of financial position.

Share of Results of Joint Venture

Share of results of a joint venture for 2Q2013 and 1H2013, which amounted to \$1.0m was contributed by revenue recognition from the sale of residential units at *The Beverly*, and was net of tax provision.

Net profit rose by 74.1% to \$29.0m

Group taxation increased for both periods 2Q2013 and 1H2013 stood at \$6.3m and \$8.3m respectively. The increase was mainly due to provision made for deferred taxation in relation to profit recognised progressively for the sold units in *Waterscape at Cavenagh* as well as tax provided for new units sold for completed projects.

Taking into consideration the above factors, the Group's net profit after tax increased 74.1% to \$29.0m in 2Q2013, compared to \$16.7m in 2Q2012, while that for 1H2013 rose 26.3% to \$38.8m, compared to \$30.7m in 1H2012.

Financial Position

The decrease in Property, Plant and Equipment was mainly due to amalgamation of land parcels in Kallang Pudding for redevelopment into a high-rise industrial property project. With the commencement of construction in 2Q2013, land cost is now presented under development properties.

Other investments increased to \$7.3m from \$4.6m as at 31 December 2012 following some purchases made to both commercial papers and quoted shares.

Trade and other receivables increased to \$45.4m from \$29.5m mainly due to progress billings due from units sold at *Waterscape at Cavenagh* and *Skyline 360^o*.

Following the TOP of the Group's projects - Ramada Singapore and Zhongshan Mall together with the office tower in April 2013, amount due from joint venture (trade) increased by 44.4% to \$45.7m from \$31.6m as at 31 December 2012.

Both Industrial property development at Kallang Pudding and the construction progress in *Waterscape at Cavenagh* contributed to the increase in development properties by 13% from \$163.9m to \$185.3m as at 30 June 2013.

With the sales of residential units in *Skyline 360^o* in the period under review, properties held for sale decreased from \$260.4m in 31 December 2012 to \$237.8m in 30 June 2013.

Trade and other payable (current) increased to \$15.5m in 30 June 2013 from \$12.2m was mainly due to re-classification of retention money (trade) from non-current trade payables to current trade payables after completion of Ramada Singapore and Zhongshan Mall with office tower in April 2013. This re-classification explains the decrease in non-current trade and other payables.

Other liabilities (current) increased to \$38.6m from \$28.6m being provision made for construction and operating expenses incurred for the Group's projects during the period under review.

Amounts due to related companies (non-trade) increased to \$41.4m from \$32.7m was mainly due to funds injected by SuperBowl Holdings Limited to repay part of the bank borrowings in relation to the Group's joint-venture residential development project, *Treasure on Balmoral*. This explains the decrease in interest-bearing loans and borrowings under current liabilities.

The increase in tax payables was mainly due to provision of tax on profit from new units sold for *Skyline 360^o* in the period under review.

Cash Flow

The Group recorded net cash generated from operating activities of \$31.1m and \$28.0m in 2Q2013 and 1H2013 respectively.

In 2Q2013, the higher net increase in development properties of \$6.6m was mainly due to higher construction cost incurred in the period under review.

In 1H2013, there was a lower net increase in development properties of \$15.5m compared to 1H2012 whereby construction cost incurred only for *Waterscape at Cavenagh* after *Skyline 360^o* and *Treasure on Balmoral's* receipt of their respective TOPs in 2012.

The net decrease in properties held for sale in 2Q2013 and 1H2013 was due to sale of completed units at *Skyline 360^o*.

Trade and other receivables recorded higher net increase in 2Q2013 and 1H2013 compared to the previous corresponding period, in view of progress billings receivable from newly sold units.

Compared to previous corresponding period, the net increase in amount due from joint venture (trade) in 2Q2013 and 1H2013 were higher mainly due to higher construction cost billed out for the period under review.

The net increase of \$11.3m and \$10.0m in other liabilities for 2Q2013 and 1H2013 respectively were higher compared to the previous corresponding period due to higher construction cost accrued for various projects.

Net cash used in investing activities amounted to \$2.9m in 2Q2013. The Group had invested \$2.0m and \$1.1m to purchase commercial papers and quoted shares respectively.

For 1H2013, net cash used in investing activities amounted to \$0.8m. In-addition to the investments mentioned-above, cash out-flow also recorded some loans of \$1.1m extended to joint venture for hotels-cum-commercial projects. The outflow was offset with the proceeds of \$3.5m received from the sale of an investment property.

The Group recorded a net cash used in financing activities of \$24.4m in 2Q2013. The usage comprised of dividends payment of \$2.3m and repayment of bank term loans of \$21.8m together with bank interests of \$0.6m.

For 1H2013, the Group recorded a net cash used in financing activities of \$22.1m. The usage comprised of dividends payment of \$2.3m and repayment of bank term loans of \$60.1m together with bank interests of \$1.3m. These outflows were offset with drawdown of bank borrowings of \$33.0m and funds injected by a related company, SuperBowl Holdings Limited, for the Group's joint-venture project, Treasure on Balmoral of \$8.6m, for repayment of bank borrowings.

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

The results for the current period ended 30 June 2013 are in line with the commentary in part 10 of our previous first quarter ended 31 March 2013 results announcement released on 15 May 2013.

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 edged up 1.0% in 2Q2013, an improvement from an increase of 0.6% in 1Q2013. Despite the price increase, the sale of new private homes in the second quarter eased by 16% from 5,412 units to 4,538 units.

The Group will continue to step-up its marketing efforts to sell the remaining units of its residential projects.

The Group has also commenced construction of its industrial development at Kallang Pudding.

The hotels within Hiap Hoe's integrated hotels-cum-commercial development along Balestier Road are now fully operational with the opening of Days Hotel Singapore at Zhongshan Park on 31 December 2012 and Ramada Singapore at Zhongshan Park on 18 May 2013. With the inauguration of Zhongshan Mall and office towers in May 2013 and June 2013 respectively, the occupancy rates for the mall and office towers have reached 91% and 60% respectively at the end of the period.

Subsequent to the end of second quarter 2013, the Group made an announcement on 31 July 2013 to subscribe for up to 88,268,000 new ordinary shares in the capital of Ley Choon Group Holdings Pte Ltd (“Ley Choon”), representing approximately 14.9% of Ley Choon’s enlarged share capital.

On 1 August 2013, the Group announced its foray into Melbourne Australia with the acquisition of a 3,795 square metre site located at 6 – 22 Pearl River Road at a purchase price of A\$28.8 million (S\$33.6 million). Although 6 – 22 Pearl River Road possesses all the necessary planning permits for the development of two buildings with 425 residential units in the highly sought after NewQuay precinct, the Group is reviewing the plans to maximize the development potential. 6 – 22 Pearl River Road is well located and poised to benefit from the strong population growth in the catchment area, which is dominated by young, wealthy professionals, with a high proportion of overseas-born residents. The development is also poised to benefit from the Australian government’s multi-million dollar plan to rejuvenate the western end of Docklands precinct and transform the area into a new sporting and community hub over the next six years.

The Group will adopt a prudent approach on its land acquisition programme to ensure that it remains well positioned in a potentially challenging environment.

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 2013 as follows :

Name of dividend	: Interim
Type of dividend	: Cash
Dividend	: 1.2 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? Yes

(c) Date payable

20 September 2013

(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 2013 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 2013 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 2013 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 2013	6 months ended 30 June 2013	3 months ended 30 June 2013	6 months ended 30 June 2013
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 \$4,000) 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 \$32,000)	Provision of Project and Construction Management Service to the Company's wholly-owned subsidiaries : - Cavenagh Properties Pte. Ltd. (Value of transactions amounting to \$8,000) 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 \$55,000)	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 2013	6 months ended 30 June 2013	3 months ended 30 June 2013	6 months ended 30 June 2013
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. (Value of loan amounting to \$282,000)</p> <p>Interest income amounting to \$121,000</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 \$425,000)</p> <p>Interest income amounting to \$72,000</p>	<p>Contribution by the Company of its 60% proportion of the loan extended to :</p> <p>- Hiap Hoe SuperBowl JV Pte. Ltd. (Value of loan as at 30 June 2013 amounting to \$61,228,000)</p> <p>Interest income amounting to \$216,000</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 2013 amounting to \$44,748,000)</p> <p>Interest income amounting to \$139,000</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. (Value of transactions amounting to \$12,631,000)</p> <p>Provision of Equipments and Fittings for hotel rooms for HH Properties Pte Ltd (Value of transactions amounting to \$507,000)</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. (Value of transaction amounting to \$20,023,000)</p> <p>Provision of Equipments and Fittings for hotel rooms for HH Properties Pte Ltd (Value of transactions amounting to \$507,000)</p>

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 2013	6 months ended 30 June 2013	3 months ended 30 June 2013	6 months ended 30 June 2013
SuperBowl Management Pte Ltd (A subsidiary of SuperBowl Holdings Limited)	Contribution by the Group of its 60% proportion of the loan : - Goodluck View Development (Value of loan repayment amounting to \$1,592,000) Interest income amounting to \$2,000	Contribution by the Group of its 60% proportion of the loan : - Goodluck View Development (Value of loan as at 30 June 2013 amounting to \$48,000) Interest income amounting to \$5,000		

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
 5 August 2013

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 2013 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