



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

Condensed Consolidated Interim Financial Statements  
for the First Half Year Ended 30 June 2023

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**A. Condensed interim consolidated income statement  
For the first half year ended 30 June 2023**

	Note	The Group		%
		6 months ended		
		30-Jun-23 \$'000	30-Jun-22 \$'000	
Revenue	4	65,061	48,689	33.6
<b>Other items of income</b>				
Dividend income		4,373	4,216	3.7
Interest income		2,221	1,368	62.4
Other income	7A	16,390	15,932	2.9
Impairment loss on trade receivables written back		36	53	(32.1)
Foreign exchange (loss)/gain		(5,540)	239	NM
		17,480	21,808	(19.8)
Employee benefits expense		(15,993)	(13,545)	18.1
Depreciation expense	7B	(17,279)	(17,532)	(1.4)
Other expenses	7C	(30,814)	(23,752)	29.7
Finance cost		(17,882)	(6,606)	170.7
Fair value changes in financial instruments	7D	1,179	(12,619)	NM
Impairment loss on trade receivables		(15)	(23)	(34.8)
<b>Profit/(loss) before tax</b>		1,737	(3,580)	NM
Income tax (expense)/credit	9	(1,224)	1,258	NM
<b>Profit/(loss) for the period</b>		513	(2,322)	NM
<b>Attributable to :</b>				
Owners of the Company		507	(2,244)	NM
Non-controlling interests		6	(78)	NM
Total		513	(2,322)	NM
<b>Earnings per share (cents)</b>				
Basic		0.11	(0.48)	
Diluted		0.11	(0.48)	

Earnings per share are calculated based on the net profit/(loss) attributable to owners of the Company divided by the weighted average number of shares.

**B. Condensed interim consolidated statement of comprehensive income  
For the first half year ended 30 June 2023**

	The Group	
	6 months ended	
	30-Jun-23	30-Jun-22
	\$'000	\$'000
<b>Profit/(loss) for the period</b>	513	(2,322)
<b>Other comprehensive loss items that may be reclassified subsequently to income statement</b>		
Foreign currency translation	(1,999)	(2,947)
Other comprehensive loss for the period, net of tax of nil	(1,999)	(2,947)
<b>Total comprehensive loss for the period</b>	<u>(1,486)</u>	<u>(5,269)</u>
<b>Attributable to :</b>		
Owners of the Company	(1,492)	(5,191)
Non-controlling interests	6	(78)
<b>Total comprehensive loss for the period</b>	<u>(1,486)</u>	<u>(5,269)</u>

## C. Condensed interim statements of financial position As at 30 June 2023

	Note	The Group		The Company	
		30-Jun-23 \$'000	31-Dec-22 \$'000	30-Jun-23 \$'000	31-Dec-22 \$'000
<b>Non-Current Assets</b>					
Property, plant and equipment	12	601,525	607,691	-	-
Investment properties	13	558,544	571,784	-	-
Subsidiaries		-	-	595,691	595,691
Joint venture		-	-	25,070	25,486
Other receivables		2,989	2,964	-	-
Lease incentives		10,697	11,525	-	-
Deferred tax assets		12,901	14,159	-	-
		<u>1,186,656</u>	<u>1,208,123</u>	<u>620,761</u>	<u>621,177</u>
<b>Current Assets</b>					
Cash and short-term deposits		44,475	50,001	330	584
Other investments <sup>(B)</sup>	5	308,106	297,168	-	-
Trade and other receivables		6,222	6,430	-	-
Lease incentives		1,351	1,369	-	-
Other assets		311	280	-	-
Derivatives - assets	5	-	200	-	-
Prepaid operating expenses		1,542	1,739	6	5
Due from subsidiaries, trade		-	-	685	585
Due from subsidiaries, non-trade		-	-	20,325	18,291
Completed properties for sale		1,820	1,844	-	-
Inventories		755	2,790	-	-
		<u>364,582</u>	<u>361,821</u>	<u>21,346</u>	<u>19,465</u>
<b>Current Liabilities</b>					
Trade and other payables		8,456	8,927	103	98
Other liabilities		9,997	12,488	533	961
Derivatives - liabilities	5	270	66	-	-
Due to subsidiaries, non-trade		-	-	135,403	133,243
Due to related companies, trade		7	-	-	-
Due to related companies, non-trade		5	8	-	-
Interest-bearing loans and borrowings	14	438,052	387,015	-	-
Tax payable		2,819	3,499	175	133
		<u>459,606</u>	<u>412,003</u>	<u>136,214</u>	<u>134,435</u>
<b>Net Current Liabilities<sup>(A)</sup></b>		<b>(95,024)</b>	<b>(50,182)</b>	<b>(114,868)</b>	<b>(114,970)</b>
<b>Non-Current Liabilities</b>					
Other liabilities		3,497	3,251	-	-
Interest-bearing loans and borrowings	14	295,088	356,745	-	-
Deferred tax liabilities		75,255	76,314	-	-
		<u>373,840</u>	<u>436,310</u>	<u>-</u>	<u>-</u>
<b>Net Assets</b>		<b>717,792</b>	<b>721,631</b>	<b>505,893</b>	<b>506,207</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	15	84,445	84,445	84,445	84,445
Treasury shares	16	(1,101)	(1,101)	(1,101)	(1,101)
Reserves		631,257	635,102	422,549	422,863
		<u>714,601</u>	<u>718,446</u>	<u>505,893</u>	<u>506,207</u>
Non-controlling interests		3,191	3,185	-	-
<b>Total Equity</b>		<b>717,792</b>	<b>721,631</b>	<b>505,893</b>	<b>506,207</b>

<sup>(A)</sup> The Group and the Company are in a net current liabilities position mainly due to maturity of borrowings within the next 12 months. The Group and the Company have unutilised credit facilities available to refinance the portion of borrowings which are maturing within the next 12 months. The Group's financing strategy is further explained in Note 14.

<sup>(B)</sup> Comprise quoted and unquoted investments in equities, fixed income instruments, and mutual and private equity funds.

**D. Condensed interim statements of changes in equity**  
**For the period from 1 January 2023 to 30 June 2023 and 1 January 2022 to 30 June 2022**

	Attributable to equity holders of the Company						Total	Non-controlling interests	Total equity	
	Share capital	Treasury shares	Accumulated profits	Capital reserve	Foreign currency reserve	Gain on reissuance of treasury shares				Total reserves
<b>The Group</b> (All figures in \$'000)										
At 1 January 2023	84,445	(1,101)	671,867	(7,672)	(29,145)	52	635,102	718,446	3,185	721,631
Profit for the period	-	-	507	-	-	-	507	507	6	513
Foreign currency translation	-	-	-	-	(1,999)	-	(1,999)	(1,999)	-	(1,999)
Other comprehensive loss net of tax of nil	-	-	-	-	(1,999)	-	(1,999)	(1,999)	-	(1,999)
<b>Total comprehensive income/(loss) for the period</b>	-	-	507	-	(1,999)	-	(1,492)	(1,492)	6	(1,486)
<u>Contributions by and distributions to owners</u>										
Dividends on ordinary shares	-	-	(2,353)	-	-	-	(2,353)	(2,353)	-	(2,353)
<b>Total contributions by and distributions to owners</b>	-	-	(2,353)	-	-	-	(2,353)	(2,353)	-	(2,353)
<b>At 30 June 2023</b>	<b>84,445</b>	<b>(1,101)</b>	<b>670,021</b>	<b>(7,672)</b>	<b>(31,144)</b>	<b>52</b>	<b>631,257</b>	<b>714,601</b>	<b>3,191</b>	<b>717,792</b>
At 1 January 2022	84,445	(1,101)	697,397	(7,672)	(20,609)	52	669,168	752,512	3,352	755,864
Loss for the period	-	-	(2,244)	-	-	-	(2,244)	(2,244)	(78)	(2,322)
Foreign currency translation	-	-	-	-	(2,947)	-	(2,947)	(2,947)	-	(2,947)
Other comprehensive loss net of tax of nil	-	-	-	-	(2,947)	-	(2,947)	(2,947)	-	(2,947)
<b>Total comprehensive loss for the period</b>	-	-	(2,244)	-	(2,947)	-	(5,191)	(5,191)	(78)	(5,269)
<u>Contributions by and distributions to owners</u>										
Dividends on ordinary shares	-	-	(2,353)	-	-	-	(2,353)	(2,353)	-	(2,353)
<b>Total contributions by and distributions to owners</b>	-	-	(2,353)	-	-	-	(2,353)	(2,353)	-	(2,353)
<b>At 30 June 2022</b>	<b>84,445</b>	<b>(1,101)</b>	<b>692,800</b>	<b>(7,672)</b>	<b>(23,556)</b>	<b>52</b>	<b>661,624</b>	<b>744,968</b>	<b>3,274</b>	<b>748,242</b>

**D. Condensed interim statements of changes in equity (cont'd)**

**For the period from 1 January 2023 to 30 June 2023 and 1 January 2022 to 30 June 2022**

<b><u>The Company</u></b> (All figures in \$'000)	<b>Share capital</b>	<b>Treasury shares</b>	<b>Accumulated profits</b>	<b>Gain on reissuance of treasury shares</b>	<b>Total reserves</b>	<b>Total equity</b>
At 1 January 2023	84,445	(1,101)	422,811	52	422,863	506,207
Profit for the period	-	-	2,039	-	2,039	2,039
<b>Total comprehensive income for the period</b>	-	-	2,039	-	2,039	2,039
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares	-	-	(2,353)	-	(2,353)	(2,353)
<b>Total contributions by and distribution to owners</b>	-	-	(2,353)	-	(2,353)	(2,353)
<b>At 30 June 2023</b>	<b>84,445</b>	<b>(1,101)</b>	<b>422,497</b>	<b>52</b>	<b>422,549</b>	<b>505,893</b>
At 1 January 2022	84,445	(1,101)	424,564	52	424,616	507,960
Profit for the period	-	-	416	-	416	416
<b>Total comprehensive income for the period</b>	-	-	416	-	416	416
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares	-	-	(2,353)	-	(2,353)	(2,353)
<b>Total contributions by and distribution to owners</b>	-	-	(2,353)	-	(2,353)	(2,353)
<b>At 30 June 2022</b>	<b>84,445</b>	<b>(1,101)</b>	<b>422,627</b>	<b>52</b>	<b>422,679</b>	<b>506,023</b>

**E. Condensed interim consolidated statement of cash flows  
For the first half year ended 30 June 2023**

	The Group	
	6 months ended	
	30-Jun-23	30-Jun-22
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Profit/(loss) before taxation	1,737	(3,580)
Adjustments for:		
Amortisation of deferred income	(38)	(41)
Amortisation of deferred government grant income	-	(365)
Amortisation of lease incentives	661	737
Depreciation of property, plant and equipment	12,558	12,640
Depreciation of investment properties	4,721	4,892
Dividend income from investments	(4,373)	(4,216)
Fair value changes in other investments	(1,376)	12,601
Fair value changes in derivative instruments	197	18
Gain on disposal of investment properties/assets held-for-sale	(13,245)	(12,910)
Gain on disposal of property, plant and equipment	-	(41)
Impairment loss on trade receivables	15	23
Impairment loss on trade receivables written back	(36)	(53)
Finance cost	17,882	6,606
Interest income	(2,221)	(1,368)
Loss on disposal of other investments	63	7
Property, plant and equipment written off	10	5
Inventory written off	2,001	-
Exchange difference	5,372	(789)
<b>Operating cash flows before changes in working capital</b>	<b>23,928</b>	<b>14,166</b>
<u>Changes in working capital</u>		
(Increase)/decrease in:		
Inventories	25	9
Trade and other receivables	237	2,216
Other assets	(27)	3
Prepaid operating expenses	176	238
Increase/(decrease) in:		
Trade and other payables	(415)	767
Other liabilities	(2,080)	(490)
Due to related companies, trade	7	17
Due to related companies, non-trade	(3)	(1)
	<b>21,848</b>	<b>16,925</b>
Income tax paid	(1,816)	(2,110)
<b>Net cash flows generated from operating activities carried forward</b>	<b>20,032</b>	<b>14,815</b>



**E. Condensed interim consolidated statement of cash flows (cont'd)**  
**For the first half year ended 30 June 2023**

	The Group	
	6 months ended	
	30-Jun-23	30-Jun-22
	\$'000	\$'000
<b>Net cash flows generated from operating activities brought forward</b>	<b>20,032</b>	<b>14,815</b>
<b>Cash flows from investing activities</b>		
Interest income received and settlement of derivatives	2,372	1,478
Dividend income received and return of capital	4,581	4,682
Purchase of property, plant and equipment <sup>(1)</sup>	(5,658)	(1,647)
Purchase of other investments	(25,485)	(18,190)
Proceeds from disposal of other investments	15,654	14,371
Proceeds from disposal of property, plant and equipment	-	291
Proceeds from disposal of investment properties/assets held-for-sale	20,058	19,678
<b>Net cash flows generated from investing activities</b>	<b>11,522</b>	<b>20,663</b>
<b>Cash flow from financing activities</b>		
Interest paid	(15,189)	(6,184)
Changes in cash and bank balances pledged	1,819	2,436
Changes in fixed deposits pledged	9,167	(7,973)
Repayment of loans and borrowings	(251,805)	(50,511)
Repayment of principal portion of lease liabilities	(1,746)	(1,741)
Proceeds from loans and borrowings	234,379	29,865
Dividends paid on ordinary shares by the Company	(2,353)	(2,353)
<b>Net cash flows used in financing activities</b>	<b>(25,728)</b>	<b>(36,461)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>5,826</b>	<b>(983)</b>
Effect of exchange rate changes on cash and cash equivalents	(182)	(164)
<b>Cash and cash equivalents at beginning of period</b>	<b>18,886</b>	<b>11,325</b>
<b>Cash and cash equivalents at end of period</b>	<b>24,530</b>	<b>10,178</b>
<u>Cash and cash equivalents comprise:</u>		
Cash and bank balances	28,880	20,392
Fixed deposits	15,595	13,510
	44,475	33,902
Cash and bank balances pledged	(4,350)	(12,615)
Fixed deposits pledged	(15,595)	(11,109)
	24,530	10,178

**<sup>(1)</sup> Purchase of property, plant and equipment**

During the period, the Group acquired property, plant and equipment of \$5,763,000 (30 June 2022: \$2,683,000) which included non-cash additions to right-of-use assets of \$105,000 (30 June 2022: \$1,036,000 and the balance of \$5,658,000 (30 June 2022: \$1,647,000) was made in cash.

## **F. Notes to the condensed interim consolidated financial statements For the first half year ended 30 June 2023**

### **1. Corporate Information**

Hiap Hoe Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST) Mainboard. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2023 comprise the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the subsidiaries are:

- (a) Property investment and owner;
- (b) Hotel owner;
- (c) Investment holding; and
- (d) Owners and operators of bowling centres and recreation centres.

There has been no significant change in the nature of these activities during the financial period.

Its immediate and ultimate holding company is Hiap Hoe Holdings Pte Ltd, a company incorporated in Singapore. Related companies refer to members of the immediate and ultimate holding company’s group of companies.

### **2. Basis of Preparation**

The condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency and all values are rounded to the nearest thousand (\$’000), except when otherwise indicated.

#### **2.1. New and amended standards adopted by the Group**

In the current financial period, the Group and the Company adopted the Amendments to SFRS(I) that are mandatory for annual periods beginning on or after 1 January 2023.

The adoption of the Amendments to SFRS(I) did not result in any substantial change to the Group and the Company’s accounting policies or any material impact on the financial statements of the Group.

#### **2.2. Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

## **F. Notes to the condensed interim consolidated financial statements (cont'd)**

### **For the first half year ended 30 June 2023**

#### **2.2. Use of judgements and estimates (cont'd)**

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements, estimates and assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

##### Impairment of non-financial assets

- Note 12 Property, plant and equipment
- Note 13 Investment properties

The Group carries its investment properties and property, plant and equipment at cost less accumulated depreciation and accumulated impairment. In the case of investment properties, impairment loss is recognised when carrying value exceeds fair value, and for property, plant and equipment, such loss is recognised when the carrying value exceeds recoverable amount.

The assets are accounted using the cost model. For assessing whether there is any indication that the asset is impaired, and recoverable amount where necessary, the Group considers both external and internal sources of information, including the fair value appraised by external valuers. The fair value assessment is complex and highly dependent on a range of assumptions such as discount rate, capitalisation rate, terminal yield and growth rate made by the valuers.

It is the Group's practice to carry out an external independent valuation exercise on its property assets on an annual basis at the end of each financial year by engaging real estate valuation experts to assess the fair value of the properties. These independent valuers have recognised and relevant professional qualification with relevant experience in the location and category of the properties being valued. For the first half year reporting, management's valuations were carried out, taking into consideration the latest valuation methodologies and assumptions used in the latest external valuation reports.

- Note 5 Valuation of unquoted investments

The Group has unquoted investments which include fixed income instruments, mutual and private equity funds.

The fair values of unquoted investments are determined based on various valuation techniques which involve the use of assumptions and estimates determined by financial institutions managing these investments and application of management judgement. Estimation uncertainty exists for the valuation as these investments are not traded in an active market and the valuation techniques involve the use of significant unobservable inputs such as revalued net asset values.

#### **3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

## **F. Notes to the condensed interim consolidated financial statements (cont'd)**

### **For the first half year ended 30 June 2023**

#### **4. Segment and revenue information**

For management purposes, the Group is organised into business units based on their products and services, and has five reportable operating segments as follows:

- i. The development properties segment is in the business of acquiring land/property and developing them into residential/industrial/commercial properties for sales.
- ii. The rental segment is in the business of renting of space under the investment properties and property, plant and equipment.
- iii. The leisure segment is in the business of providing leisure and recreational facilities, including bowling centres, billiards centres and amusement centres under the brand 'SuperBowl'.
- iv. The hotel operations segment is operated under the brand names of "Ramada Singapore", "Days Hotel Singapore", "Holiday Inn Express Trafford City", "Four Points by Sheraton Melbourne" and "Aloft Perth". The hotel management contracts for Ramada Singapore and Days Hotel Singapore had expired as at the date of this reporting and the two hotels will be re-branded as "Aloft Singapore Novena".
- v. The other investments portfolio with a mix of quoted and unquoted investments.
- vi. The others segment is involved in Group-level corporate services and treasury functions.

These operating segments are reported in a manner consistent with internal reporting provided to the Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

## F. Notes to the condensed interim consolidated financial statements (cont'd) For the first half year ended 30 June 2023

### 4.1. Reportable segments

1 January 2023 to 30 June 2023

	Development Properties	Rental Income	Leisure Business	Hotel Income	Trading Investments	Others	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>								
Segment revenue								
- External sales	-	14,796	5,462	44,803	-	-	-	65,061
- Inter-segment sales (Note A)	-	146	-	-	-	1,740	(1,886)	-
	-	14,942	5,462	44,803	-	1,740	(1,886)	65,061
<b>Results</b>								
Segment (loss)/profit (Note B)	(8)	14,125 <sup>(1)</sup>	1,161	(1,167) <sup>(2)</sup>	(794)	(3,688)	(7,892)	1,737
Income tax expense								(1,224)
Profit after tax								513
<b>Other information:</b>								
Other income	19	15,998 <sup>(1)</sup>	45	314	-	14	-	16,390
Interest income	-	107	-	5	2,092	17	-	2,221
Finance cost	-	(5,871)	(252)	(6,107)	(3,544)	(2,108)	-	(17,882)
Fair value changes in other investments	-	-	-	-	1,376	-	-	1,376
Fair value changes in derivative instruments	-	-	-	-	(197)	-	-	(197)
Depreciation expense	-	(4,589)	(1,180)	(5,453)	-	(51)	(6,006)	(17,279)
Other expenses	(27)	(6,000)	(1,053)	(22,949) <sup>(2)</sup>	(326)	(459)	-	(30,814)

<sup>(1)</sup> This includes \$13.2 million gain on disposal of two units of investment properties at Skyline 360° at St Thomas Walk.

<sup>(2)</sup> This includes \$2.0 million inventory written off pursuant to the re-branding of the two Singapore hotels at 16 Ah Hood Road and 1 Jalan Rajah to Aloft Singapore Novena.

#### Timing of transfer of goods or services (excluding lease rental income\*) from contracts with customers

At a point in time	-	459	5,426	9,968	-	-	-	15,853
Over time	-	673	36	34,835	-	-	-	35,544
	-	1,132	5,462	44,803	-	-	-	51,397
Additional to non-current assets (Note C)	-	52	429	5,277	-	5	-	5,763
Segment assets (Note D)	1,820	503,254	16,579	239,457	340,881	14,181	-	1,116,172
Segment liabilities (Note E)	3	320,232	11,813	165,473	177,327	91,057	-	765,905

\* Excluding rental income from lease of properties which is out of scope of SFRS(I) 15 *Revenue from Contracts with Customers*.

**F. Notes to the condensed interim consolidated financial statements (cont'd)**  
**For the first half year ended 30 June 2023**

**4.1. Reportable segments (cont'd)**

1 January 2022 to 30 June 2022

	Development Properties	Rental Income	Leisure Business	Hotel Income	Trading Investments	Others	Elimination	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>								
Segment revenue								
- External sales	-	12,295	4,286	32,108	-	-	-	48,689
- Inter-segment sales (Note A)	-	146	-	-	-	680	(826)	-
	-	12,441	4,286	32,108	-	680	(826)	48,689
<b>Results</b>								
Segment profit/(loss) (Note B)	2	14,086 <sup>(1)</sup>	508	302	(5,183)	(6,463)	(6,832)	(3,580)
Income tax credit								1,258
Loss after tax								(2,322)
<b>Other information:</b>								
Other income	10	15,058 <sup>(1)</sup>	235	611	-	18	-	15,932
Interest income	-	38	-	-	1,328	2	-	1,368
Finance cost	-	(1,869)	(224)	(1,909)	(809)	(1,795)	-	(6,606)
Fair value changes in other investments	-	-	-	-	(12,601)	-	-	(12,601)
Fair value changes in derivative instruments	-	-	-	-	(18)	-	-	(18)
Depreciation expense	-	(4,823)	(1,279)	(5,343)	-	(81)	(6,006)	(17,532)
Other expenses	(8)	(6,335)	(963)	(15,589)	(406)	(451)	-	(23,752)

<sup>(1)</sup> This includes \$12.9 million gain on disposal of two units of investment properties at Skyline 360° at St Thomas Walk.

**Timing of transfer of goods or services (excluding lease rental income\*) from contracts with customers**

At a point in time	-	361	4,255	6,646	-	-	-	11,262
Over time	-	713	31	25,462	-	-	-	26,206
	-	1,074	4,286	32,108	-	-	-	37,468
Additional to non-current assets (Note C)	-	735	1,542	363	-	43	-	2,683
Segment assets (Note D)	2,265	528,611	15,267	252,213	329,458	15,419	-	1,143,233
Segment liabilities (Note E)	42	385,228	11,123	150,986	163,551	61,898	-	772,828

\* Excluding rental income from lease of properties which is out of scope of SFRS(I) 15 *Revenue from Contracts with Customers*.

**F. Notes to the condensed interim consolidated financial statements (cont'd)**  
**For the first half year ended 30 June 2023**

**4.1. Reportable segments (cont'd)**

**Notes**

A Inter-segment revenues are eliminated on consolidation.

B The following items are deducted from segment profit/(loss) to arrive at "profit/(loss) before tax" presented in the consolidated income statement:

	30-Jun-23 \$'000	30-Jun-22 \$'000
Profit from inter-segment sales	1,886	826
Depreciation	6,006	6,006
	<u>7,892</u>	<u>6,832</u>

C Additions to non-current assets consist of additions to property, plant and equipment.

D The following items are added to segment assets to arrive at total assets reported in the consolidated balance sheet:

	30-Jun-23 \$'000	30-Jun-22 \$'000
Segment assets	1,116,172	1,143,233
<u>Unallocated assets</u>		
Property, plant and equipment	313,522	322,034
Investment properties	121,544	125,044
Consolidated total assets	<u>1,551,238</u>	<u>1,590,311</u>

E The following item is added to segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	30-Jun-23 \$'000	30-Jun-22 \$'000
Segment liabilities	765,905	772,828
<u>Unallocated liability</u>		
Deferred tax liabilities	67,541	69,241
Consolidated total liabilities	<u>833,446</u>	<u>842,069</u>

**F Geographical information**

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	<u>Revenue</u>		<u>Non-current assets</u>	
	30-Jun-23 \$'000	30-Jun-22 \$'000	30-Jun-23 \$'000	30-Jun-22 \$'000
<u>Revenue</u>				
Australia	20,050	16,488	222,249	247,189
Singapore	41,125	28,980	916,488	940,657
United Kingdom	3,886	3,221	35,012	34,831
	<u>65,061</u>	<u>48,689</u>	<u>1,173,749</u>	<u>1,222,677</u>

## F. Notes to the condensed interim consolidated financial statements (cont'd) For the first half year ended 30 June 2023

### 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2023 and 31 December 2022:

The Group	Carrying amount		Fair value			Total
	Fair value through profit or loss	At amortised cost	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
<b>At 30 June 2023</b>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Financial assets</u>						
Trade and other receivables <sup>(1)</sup>	-	5,764				
Other investments <sup>(2)</sup>	308,106	-	146,227	-	161,879	308,106
Other assets	-	311				
Cash and bank balances	-	44,475				
	<u>308,106</u>	<u>50,550</u>				
<u>Financial liabilities</u>						
Trade and other payables <sup>(3)</sup>	-	(5,805)				
Other liabilities <sup>(4)</sup>	-	(11,190)				
Derivatives	(270)	-	-	-	(270)	(270)
Amounts due to related companies (trade and non-trade)	-	(12)				
Interest-bearing loan and borrowings	-	(733,140)				
	<u>(270)</u>	<u>(750,147)</u>				

  

The Group	Carrying amount		Fair value			Total
	Fair value through profit or loss	At amortised cost	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
<b>At 31 December 2022</b>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Financial assets</u>						
Trade and other receivables <sup>(1)</sup>	-	5,980				
Other investments <sup>(2)</sup>	297,168	-	144,147	-	153,021	297,168
Derivatives	200	-	-	-	200	200
Other assets	-	280				
Cash and bank balances	-	50,001				
	<u>297,368</u>	<u>56,261</u>				
<u>Financial liabilities</u>						
Trade and other payables <sup>(3)</sup>	-	(5,684)				
Other liabilities <sup>(4)</sup>	-	(13,349)				
Derivatives	(66)	-	-	-	(66)	(66)
Amounts due to related companies (non-trade)	-	(8)				
Interest-bearing loan and borrowings	-	(743,760)				
	<u>(66)</u>	<u>(762,801)</u>				

(1) excludes GST receivables and lease receivables.

(2) comprise quoted and unquoted investments in equities, fixed income instruments, and mutual and private equity funds.

(3) excludes GST payables, advance receipts and billings, and lease payables.

(4) excludes deposits that are not financial liabilities and deferred income.



## F. Notes to the condensed interim consolidated financial statements (cont'd) For the first half year ended 30 June 2023

### 6. Fair value measurement

#### Information about significant unobservable inputs used in Level 3 fair value measurements

Financial instruments measured with valuation techniques using significant unobservable inputs (Level 3) include unquoted other investments and derivatives such as options and currency swaps.

For unquoted investments managed by financial institution and derivatives, the Group relies on the valuations as provided by the respective financial institutions managing these investments. These financial institutions in turn use their own valuation techniques, such as revalued net asset values. For unquoted investments managed directly by the Group, management used valuation techniques such as comparable market approach in determining the fair value. Therefore, the unquoted investments and derivatives are reported in Level 3 of the fair value hierarchy as the fair values are determined based on models with unobservable market inputs to derive the closing price.

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

30 June 2023	Valuation techniques	Unobservable inputs	Ratio	Sensitivity of the input to fair value
Unquoted investments managed directly by the Group	Comparable market approach	Price-to-book multiples of peer companies	1.33x (31 December 2022: 1.29x)	A 5% increase (decrease) in the price-to-book ratio would result in an increase (decrease) in fair value by \$3,004,000. (31 December 2022: \$2,875,000)

#### Movements in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable input (Level 3):

Group 2023	Fair value measurements using significant unobservable inputs (Level 3)		
	Unquoted investments	Derivatives assets/ (liabilities)	Total
	\$'000	\$'000	\$'000
<b>At 1 January</b>	153,021	134	153,155
Gain on disposal of other investments	7	-	7
Fair value changes included in profit or loss	208	(197)	11
Purchase of other investments	13,281	-	13,281
Proceeds from disposal of other investments	(4,638)	-	(4,638)
Settlement of derivatives	-	(207)	(207)
<b>At 30 June</b>	<b>161,879</b>	<b>(270)</b>	<b>161,609</b>

Group 2022	Fair value measurements using significant unobservable inputs (Level 3)		
	Unquoted investments	Derivatives assets/ (liabilities)	Total
	\$'000	\$'000	\$'000
<b>At 1 January</b>	154,640	(228)	154,412
Loss on disposal of other investments	(117)	-	(117)
Fair value changes included in profit or loss	(1,562)	286	(1,276)
Return of capital	(754)	-	(754)
Purchase of other investments	13,581	-	13,581
Proceeds from disposal of other investments	(12,767)	-	(12,767)
Settlement of derivatives	-	76	76
<b>At 31 December</b>	<b>153,021</b>	<b>134</b>	<b>153,155</b>

**F. Notes to the condensed interim consolidated financial statements (cont'd)**  
**For the first half year ended 30 June 2023**

**7. Profit/(loss) before tax**

Profit/(loss) before tax is after crediting/(debiting) the following:

	The Group	
	6 months ended	
	30-Jun-23	30-Jun-22
	\$'000	\$'000
(A) <u>Other income comprises mainly:</u>		
Amortisation of deferred income	38	41
Amortisation of deferred government grant income	-	365
Gain on disposal of property, plant and equipment	-	41
Gain on disposal of investment properties/assets held-for-sale <sup>(1)</sup>	13,245	12,910
Government grant income <sup>(2)</sup>	331	426
Property recovery income	2,723	2,138
Others	53	11
	<u>16,390</u>	<u>15,932</u>
(B) Depreciation of property, plant and equipment	(12,558)	(12,640)
Depreciation of investment properties	(4,721)	(4,892)
	<u>(17,279)</u>	<u>(17,532)</u>
(C) <u>Other expenses comprise mainly:</u>		
Audit and professional fees	(448)	(487)
Bad debt - trade	(16)	-
Hotel consumables	(2,802)	(2,062)
Hotel management fees	(2,114)	(1,233)
Inventory written off <sup>(3)</sup>	(2,001)	-
Marketing and distribution expenses	(4,834)	(3,394)
Loss on disposal of other investments	(63)	(7)
Property, plant and equipment written off	(10)	(5)
Property related taxes	(1,783)	(1,455)
Upkeep and maintenance expenses of properties	(15,189)	(13,734)
Others	(1,554)	(1,375)
	<u>(30,814)</u>	<u>(23,752)</u>
(D) Fair value changes in other investments	1,376	(12,601)
Fair value changes in derivative instruments	(197)	(18)
	<u>1,179</u>	<u>(12,619)</u>

(1) This relates to the gain on disposal of two units (30 June 2022: two units) of investment properties at Skyline 360° at St Thomas Walk.

(2) Government grant income mainly relates to Progressive Wage Credit Scheme payout.

(3) Pursuant to the re-branding of the two Singapore hotels at 16 Ah Hood Road and 1 Jalan Rajah to Aloft Singapore Novena.

**8. Related party transactions**

There are no material related party transactions apart from those disclosed elsewhere in the financial statements. Please also refer to Other Information Required by Listing Rule Appendix 7.2 in Note 6.

## F. Notes to the condensed interim consolidated financial statements (cont'd)

For the first half year ended 30 June 2023

### 9. Taxation

The Group calculates the period income tax (expense)/credit using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax (expense)/credit in the condensed interim consolidated statement of profit or loss are:

	The Group	
	6 months ended	
	30-Jun-23	30-Jun-22
	\$'000	\$'000
Current income tax expense	(1,136)	(1,780)
Deferred income tax (expense)/credit relating to origination and reversal of temporary differences	(88)	3,038

### 10. Dividends

The condensed financial statements for the first half year ended 30 June 2023 have not recognised any interim dividends. Refer to Note 5 of the Other Information Required by Listing Rule Appendix 7.2 section for more details.

### 11. Net Asset Value

	The Group		The Company	
	30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
Net asset value per share (cents)	151.86	152.68	107.51	107.58
Based on number of shares	470,557,541	470,557,541	470,557,541	470,557,541

### 12. Property, plant and equipment

The addition of assets including right-of-use assets for the six months ended 30 June 2023 was \$5,763,000 (30 June 2022: \$2,683,000) and assets disposal was \$10,000 (30 June 2022: \$255,000).

Capital expenditures for property, plant and equipment contracted as at the end of the reporting periods but not recognised in the condensed financial statements amount to \$15,700,000 (30 June 2022: \$Nil). These are refurbishment costs related to the re-branding of the two Singapore hotels.

For the first half year reporting, management valuations were carried out, taking into consideration the latest valuation methodologies and assumptions used in the latest external valuation reports.

Please also refer to note 2.2 for more information on the carrying values of the property, plant and equipment.

### 13. Investment properties

No improvement cost was incurred for the reporting periods.

For the first half year reporting, management valuations were carried out, taking into consideration the latest valuation methodologies and assumptions used in the latest external valuation reports.

Please refer to note 2.2 for more information on the carrying values of the investment properties.

**F. Notes to the condensed interim consolidated financial statements (cont'd)**  
**For the first half year ended 30 June 2023**

**14. Borrowings**

Group (\$'000)

Amount repayable in one year or less, or on demand <sup>(1)</sup>

As at 30 June 2023		As at 31 December 2022	
Secured	Unsecured	Secured	Unsecured
434,592	-	383,555	-

Amount repayable after one year <sup>(2)</sup>

As at 30 June 2023		As at 31 December 2022	
Secured	Unsecured	Secured	Unsecured
268,016	-	328,031	-

<sup>(1)</sup> Exclude lease liabilities of \$3,460,000 (31 December 2022: \$3,460,000).

<sup>(2)</sup> Exclude lease liabilities of \$27,072,000 (31 December 2022: \$28,714,000).

**Details of any collateral**

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

1. Legal mortgages on the Group's property, plant and equipment and investment properties (collectively, the "Properties");
2. Legal assignment of all rights and benefits under the sale and purchase agreements, hotel management contracts and/or tenancy agreements;
3. Assignment of all insurance policies and interest service reserve account for certain Properties;
4. Deed of subordination to subordinate all loans and advances from the Company to the facilities;
5. Corporate guarantees given by the Company and certain subsidiaries; and
6. A charge over certain other investments, cash and short-term deposits and shares of a subsidiary.

The Group's interest-bearing loans and borrowings recorded under current liabilities as at 30 June 2023 are mainly loans drawn from Money Market Line and Revolving Credit facilities ("RCFs") and are secured by the Group's assets. As these facilities are revolving in nature, they are classified under current liabilities. The amount drawn under these facilities are below the quantum granted by the banks and the valuation of the relevant assets under which the facilities are secured are above the Loan-to-Value provisions of the facilities.

The Group's financing strategy includes reviewing the terms and flexibility of short-term loan facilities and long-term loan facilities to decide which loan tenures are suitable for the Group. The Group is compliant with its debt covenants and has obtained waivers of covenants where necessary. The RCFs of the Group have all been rolled forward and there are no repayments made for any outstanding amounts from these RCFs. The Group's financing strategy relies on the Group's ability to continuously renew their drawn down loan facilities with the respective bankers to avoid the need to make immediate repayment to the respective banks.

**F. Notes to the condensed interim consolidated financial statements (cont'd)**  
**For the first half year ended 30 June 2023**

**15. Share capital**

	The Group and the Company			
	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
Issued and fully paid ordinary shares	Number of shares		\$	
Balance at beginning and at end of interim period	474,557,391	474,557,391	84,445,256	84,445,256

During the period ended 30 June 2023, there was no change to the issued share capital of the Company.

There were no outstanding convertibles and subsidiary holdings as at the end of the financial period ended 30 June 2023 and 30 June 2022.

The number of issued shares excluding treasury shares as at 30 June 2023 is 470,557,541 (30 June 2022: 470,557,541).

**16. Treasury shares**

	The Group and the Company			
	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
	Number of shares		\$	
Balance at beginning and at end of interim period	(3,999,850)	(3,999,850)	(1,101,125)	(1,101,125)

Treasury shares relate to ordinary shares of the Company that are held by the Company.

## **G. Other Information Required by Listing Rule Appendix 7.2**

### **1. Review**

The condensed consolidated statement of financial position of Hiap Hoe Limited and its subsidiaries as at 30 June 2023 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

### **2. Review of performance of the Group**

#### **Condensed interim consolidated income statement for the first half year ended 30 June 2023 (“1H 2023”) performance**

The Group recorded revenue of \$65.1 million for 1H 2023, an increase of \$16.4 million from \$48.7 million recorded in the previous corresponding period ended 30 June 2022 (“1H 2022”).

Rental revenue was higher by 20.3% at \$14.8 million, compared to \$12.3 million in 1H 2022. Revenue from hotel operations was also higher by 39.5% at \$44.8 million, compared to \$32.1 million in 1H 2022. The increases were mainly due to improved occupancies for the Group’s properties.

Revenue from leisure business increased by \$1.2 million from \$4.3 million in 1H 2022 to \$5.5 million in 1H 2023 arising from higher sales activities across all bowling centres.

Included in other income of the reporting periods were the gains on disposal of two units (1H 2022: two units) of investment properties at Skyline 360° at St Thomas Walk. See Note 7(A) at Condensed Interim Consolidated Financial Statements for more details on the Group’s other income.

Interest income increased by \$0.8 million in 1H 2023 as compared to 1H 2022 due to higher interest rates earned from the fixed income instruments and the AUD fixed deposit placements.

The Group recorded a foreign exchange loss of \$5.5 million in 1H 2023 as compared to a gain of \$0.2 million in 1H 2022. The differences were mainly due to the fluctuation in Australian dollar and Euro exchange rates against the Singapore dollar.

The Group recorded higher operating costs and expenses in 1H 2023 due to the increase in hotel operation activities. These costs include upkeep and maintenance of the properties, marketing related expenses, hotel management fees, manpower and other costs. Included in 1H 2023 was the inventory written off of \$2.0 million pursuant to the re-branding of the two Singapore hotels to Aloft Singapore Novena. See Note 7(C) at Condensed Interim Consolidated Financial Statements for more details on the Group’s costs and expenses.

Finance cost increased by \$11.3 million in 1H 2023 as compared to 1H 2022 due to higher borrowing rates.

The Group recorded in 1H 2023 a fair value gain of \$1.2 million in financial instruments arising from mark-to-market gains from other investments as compared to a fair value loss of \$12.6 million recorded in 1H 2022.

The Group generated a profit before tax of \$1.7 million in 1H 2023 as compared to a loss before tax of \$3.6 million in 1H 2022. Correspondingly, the profit after tax was recorded at \$0.5 million in 1H 2023 versus a loss after tax of \$2.3 million in 1H 2022.

## **G. Other Information Required by Listing Rule Appendix 7.2 (cont'd)**

### **2. Review of performance of the Group (cont'd)**

#### **Condensed consolidated statement of financial position as at 30 June 2023**

##### Non-current assets

Non-current assets decreased by \$21.4 million from \$1,208.1 million as at 31 December 2022 mainly due to depreciation movements of the period. Included in the period was the sale completion of the two units of investment properties at Skyline 360° at St Thomas Walk. The sale proceeds were used to repay the Group's borrowings.

##### Current assets

Current assets increased by \$2.8 million from \$361.8 million as at 31 December 2022 mainly due to the increase in other investments mitigated by lower cash and short-term deposits of the Group. Included in this period was the inventory written off of \$2.0 million pursuant to the re-branding of the two Singapore hotels to Aloft Singapore Novena.

##### Current liabilities

Current liabilities increased by \$47.6 million from \$412.0 million as at 31 December 2022 mainly due to the reclassification of \$60.0 million bank borrowings from non-current liabilities as the maturity is within the next 12 months. The Group is currently negotiating with the bank for re-financing.

##### Non-current liabilities

Non-current liabilities decreased by \$62.5 million from \$436.3 million as at 31 December 2022 mainly due to the reclassification of bank borrowings as mentioned above.

#### **Condensed interim consolidated statement of cash flows position as at 30 June 2023**

The Group recorded a net cash generated from operating activities of \$20.0 million and \$14.8 million for 1H 2023 and 1H 2022 respectively.

Net cash generated from investing activities were mainly from the sale proceeds of Skyline 360° at St Thomas Walk.

Net cash used in financing activities amounted to \$25.7 million in 1H 2023. Included in the repayment of bank borrowings in 1H 2023 is the drawdown of \$184.3 million from a re-financed term loan facility of which the proceeds were used to repay the Group's borrowings in the same reporting period.

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

There are no forecast or prospect statement that have been disclosed to shareholders.

### **4. 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 operating period and the next 12 months**

The Group saw a strong recovery of its hospitality segment in the first six months of 2023 but expects hotel income for the financial year to be affected by the closure of its two Singapore hotels from July for the refurbishment works in relation to the hotels' rebranding. The Group is expecting Aloft Singapore Novena to fully open in the fourth quarter of 2023.

## G. Other Information Required by Listing Rule Appendix 7.2 (cont'd)

### 4. 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 operating period and the next 12 months (cont'd)

For the rental business, the Group will strive to improve the rental yields and occupancy rates of the Group's properties to strengthen the recurring income base.

The Group expects the financial performance for the next 12 months to be affected by the higher finance cost due to the rising interest rate environment and the additional bank borrowings to finance the refurbishment works in relation to the rebranding of the two Singapore hotels.

The Group has sufficient banking facilities and liquidity to meet its near-term debt obligations and operational needs and will continue to exercise prudence with respect to non-essential capital and operating expenditure.

The Group also expects that its investment portfolios will continue to be affected by market volatility and will continue to implement strategies to mitigate risks.

### 5. Dividend information

#### (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 2023 as follows:

Name of dividend	: Interim
Type of dividend	: Cash
Dividend	: 0.10 Singapore cent 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

31 August 2023

#### (d) Books closure date

**NOTICE IS HEREBY GIVEN** that the Share Transfer Books and the Register of Members of the Company will be closed from 5 p.m. on **22 August 2023**, for the purpose of determining the shareholders' entitlements to the interim one-tier tax exempt dividend of 0.10 Singapore cent per ordinary share for the financial period ended 30 June 2023.

Duly completed registrable transfers in respect of shares in the Company received by the close of business at 5 p.m. on 22 August 2023 by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., will be registered to determine shareholders' entitlements to such dividend.

Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares in the Company as at 5 p.m. on 22 August 2023 will be entitled to such dividend.



## G. Other Information Required by Listing Rule Appendix 7.2 (cont'd)

### 6. Interested person 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)
	6 months ended 30 June 2023	6 months ended 30 June 2023
Nil	Nil	Nil

Above table excludes transactions with certain interested person during the financial period under review as pursuant to Rule 905(3) of the SGX-ST Listing Rules, no announcement is required by the Company with regard to these transactions as the value of these transactions were below \$100,000.

No general mandate for IPTs has been obtained from shareholders.

### 7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

#### By Order of the Board

Lee Yuan  
Joint Company Secretary  
14 August 2023

#### Confirmation by the Board Pursuant to Rule 705(5) of the Listing Manual

We, on behalf of the directors of Hiap Hoe Limited, hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of Hiap Hoe Limited which may render the unaudited financial results of Hiap Hoe Limited for the first half year ended 30 June 2023 to be false or misleading in any material respect.

On behalf of the Board of Directors

Teo Ho Beng  
Executive Director / Chief Executive Officer

Teo Keng Joo, Marc  
Executive Director