



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

Condensed Consolidated Interim Financial Statements  
for the First Half Year Ended 30 June 2021

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**A. Condensed interim consolidated income statement  
For the first half year ended 30 June 2021**

	Note	The Group		%
		6 months ended		
		30-Jun-21 \$'000	30-Jun-20 \$'000	
Revenue	4	45,368	42,948	5.6
<b><u>Other items of income</u></b>				
Dividend income		3,665	2,820	30.0
Interest income		1,407	1,290	9.1
Other income	7A	4,470	6,806	(34.3)
Impairment loss on trade receivables written back		86	-	NM
Foreign exchange gain/(loss)		1,161	(2,933)	NM
		10,789	7,983	35.1
Changes in completed properties for sale		(1,869)	(1,859)	0.5
Employee benefits expense		(12,830)	(13,170)	(2.6)
Depreciation expense	7B	(17,596)	(16,667)	5.6
Other expenses	7C	(22,237)	(20,487)	8.5
Finance cost		(5,481)	(7,169)	(23.5)
Fair value changes in financial instruments	7D	13,643	(13,227)	NM
Impairment loss on trade receivables		(960)	(970)	(1.0)
<b>Profit/(loss) before tax</b>		8,827	(22,618)	NM
Income tax (expense)/credit	9	(1,400)	1,411	NM
<b>Profit/(loss) for the period</b>		7,427	(21,207)	NM
<b>Attributable to :</b>				
Owners of the Company		7,400	(21,124)	NM
Non-controlling interests		27	(83)	NM
Total		7,427	(21,207)	NM
<b>Earnings per share (cents)</b>				
Basic		1.57	(4.49)	
Diluted		1.57	(4.49)	

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 2021**

	The Group	
	6 months ended	
	30-Jun-21 \$'000	30-Jun-20 \$'000
<b>Profit/(loss) for the period</b>	7,427	(21,207)
<b>Other comprehensive (loss)/income items that may be reclassified subsequently to income statement</b>		
Foreign currency translation	(319)	1,800
Exchange differences realised on de-registration of subsidiary recycled to profit or loss	185	-
Other comprehensive (loss)/income for the period, net of tax of nil	(134)	1,800
<b>Total comprehensive income/(loss) for the period</b>	<b>7,293</b>	<b>(19,407)</b>
<b>Attributable to :</b>		
Owners of the Company	7,266	(19,324)
Non-controlling interests	27	(83)
<b>Total comprehensive income/(loss) for the period</b>	<b>7,293</b>	<b>(19,407)</b>

## C. Condensed interim statements of financial position As at 30 June 2021

	Note	The Group		The Company	
		30-Jun-21 \$'000	31-Dec-20 \$'000	30-Jun-21 \$'000	31-Dec-20 \$'000
<b>Non-Current Assets</b>					
Property, plant and equipment	12	650,445	659,476	-	-
Investment properties	13	593,781	598,018	-	-
Subsidiaries		-	-	579,001	579,001
Joint venture		-	-	21,192	21,068
Other assets		-	236	-	-
Other receivables		16,266	484	-	-
Deferred tax assets		16,341	16,382	-	-
		<u>1,276,833</u>	<u>1,274,596</u>	<u>600,193</u>	<u>600,069</u>
<b>Current Assets</b>					
Cash and short-term deposits		13,127	20,313	89	89
Other investments	5	314,634	281,742	-	-
Trade and other receivables		9,794	7,331	-	2
Other assets		319	438	-	-
Derivatives - assets	5	-	152	-	-
Prepaid operating expenses		679	1,198	3	3
Due from subsidiaries, trade		-	-	579	306
Due from subsidiaries, non-trade		-	-	21,951	20,247
Due from related companies, trade		-	3	-	-
Due from related companies, non-trade		-	4	-	-
Completed properties for sale		2,779	4,536	-	-
Inventories		2,832	2,859	-	-
		<u>344,164</u>	<u>318,576</u>	<u>22,622</u>	<u>20,647</u>
<b>Current Liabilities</b>					
Trade and other payables		4,849	4,146	61	114
Other liabilities		8,047	10,086	233	377
Derivatives - liabilities	5	401	554	-	-
Due to subsidiaries, trade		-	-	9	7
Due to subsidiaries, non-trade		-	-	131,518	127,014
Due to related companies, trade		11	11	-	-
Due to related companies, non-trade		10	-	-	-
Interest-bearing loans and borrowings	14	467,822	504,301	-	-
Tax payable		3,423	3,601	184	259
		<u>484,563</u>	<u>522,699</u>	<u>132,005</u>	<u>127,771</u>
<b>Net Current Liabilities<sup>(A)</sup></b>		<b>(140,399)</b>	<b>(204,123)</b>	<b>(109,383)</b>	<b>(107,124)</b>
<b>Non-Current Liabilities</b>					
Other liabilities		2,708	3,151	-	-
Interest-bearing loans and borrowings	14	312,284	249,886	-	-
Deferred tax liabilities		75,695	76,628	-	-
		<u>390,687</u>	<u>329,665</u>	<u>-</u>	<u>-</u>
<b>Net Assets</b>		<b>745,747</b>	<b>740,808</b>	<b>490,810</b>	<b>492,945</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		659,016	654,103	407,466	409,601
		<u>742,360</u>	<u>737,447</u>	<u>490,810</u>	<u>492,945</u>
Non-controlling interests		3,387	3,361	-	-
<b>Total Equity</b>		<b>745,747</b>	<b>740,808</b>	<b>490,810</b>	<b>492,945</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.

## D. Condensed interim statements of changes in equity

### For the period from 1 January 2021 to 30 June 2021 and 1 January 2020 to 30 June 2020

<u>The Group</u> (All figures in \$'000)	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			
At 1 January 2021	84,445	(1,101)	678,553	(7,672)	(16,830)	52	654,103	737,447	3,361	740,808
Profit for the period	-	-	7,400	-	-	-	7,400	7,400	27	7,427
Foreign currency translation	-	-	-	-	(319)	-	(319)	(319)	-	(319)
Exchange differences realised on de-registration of subsidiary recycled to profit or loss	-	-	-	-	185	-	185	185	-	185
Other comprehensive income net of tax of nil	-	-	-	-	(134)	-	(134)	(134)	-	(134)
<b>Total comprehensive income/(loss) for the period</b>	-	-	7,400	-	(134)	-	7,266	7,266	27	7,293
<u>Contributions by and distributions to owners</u>										
Dividends on ordinary shares	-	-	(2,353)	-	-	-	(2,353)	(2,353)	-	(2,353)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(1)	(1)
<b>Total contributions by and distributions to owners</b>	-	-	(2,353)	-	-	-	(2,353)	(2,353)	(1)	(2,354)
<b>At 30 June 2021</b>	<b>84,445</b>	<b>(1,101)</b>	<b>683,600</b>	<b>(7,672)</b>	<b>(16,964)</b>	<b>52</b>	<b>659,016</b>	<b>742,360</b>	<b>3,387</b>	<b>745,747</b>
At 1 January 2020	84,445	(1,101)	719,968	(7,672)	(25,531)	52	686,817	770,161	3,475	773,636
Loss for the period	-	-	(21,124)	-	-	-	(21,124)	(21,124)	(83)	(21,207)
Foreign currency translation	-	-	-	-	1,800	-	1,800	1,800	-	1,800
Other comprehensive income net of tax of nil	-	-	-	-	1,800	-	1,800	1,800	-	1,800
<b>Total comprehensive (loss)/income for the period</b>	-	-	(21,124)	-	1,800	-	(19,324)	(19,324)	(83)	(19,407)
<u>Contributions by and distributions to owners</u>										
Dividends on ordinary shares	-	-	(4,706)	-	-	-	(4,706)	(4,706)	-	(4,706)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(2)	(2)
<b>Total contributions by and distributions to owners</b>	-	-	(4,706)	-	-	-	(4,706)	(4,706)	(2)	(4,708)
<b>At 30 June 2020</b>	<b>84,445</b>	<b>(1,101)</b>	<b>694,138</b>	<b>(7,672)</b>	<b>(23,731)</b>	<b>52</b>	<b>662,787</b>	<b>746,131</b>	<b>3,390</b>	<b>749,521</b>

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

**For the period from 1 January 2021 to 30 June 2021 and 1 January 2020 to 30 June 2020**

<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 2021	84,445	(1,101)	409,549	52	409,601	492,945
Profit for the period	-	-	218	-	218	218
<b>Total comprehensive income for the period</b>	-	-	218	-	218	218
<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 2021</b>	<b>84,445</b>	<b>(1,101)</b>	<b>407,414</b>	<b>52</b>	<b>407,466</b>	<b>490,810</b>
At 1 January 2020	84,445	(1,101)	441,649	52	441,701	525,045
Loss for the period	-	-	(283)	-	(283)	(283)
<b>Total comprehensive loss for the period</b>	-	-	(283)	-	(283)	(283)
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares	-	-	(4,706)	-	(4,706)	(4,706)
<b>Total contributions by and distribution to owners</b>	-	-	(4,706)	-	(4,706)	(4,706)
<b>At 30 June 2020</b>	<b>84,445</b>	<b>(1,101)</b>	<b>436,660</b>	<b>52</b>	<b>436,712</b>	<b>520,056</b>

**E. Condensed interim consolidated statement of cash flows  
For the first half year ended 30 June 2021**

	The Group	
	6 months ended	
	30-Jun-21	30-Jun-20
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Profit/(loss) before taxation	8,827	(22,618)
Adjustments for:		
Amortisation of deferred income	(43)	(38)
Amortisation of deferred government grant income	(332)	-
Depreciation of property, plant and equipment	12,845	12,258
Depreciation of investment properties	4,751	4,409
Dividend income from investments	(3,665)	(2,820)
Fair value changes in held-for-trading investments	(13,511)	13,141
Fair value changes in derivative instruments	(132)	86
Gain on disposal of asset held-for-sale	-	(930)
Gain on disposal of property, plant and equipment	(82)	(19)
Impairment loss on trade receivables	960	970
Impairment loss on trade receivables written back	(86)	-
Finance cost	5,481	7,169
Interest income	(1,407)	(1,290)
Loss on disposal of investments	73	48
Property, plant and equipment written off	7	3
Effects of COVID-19 related rent waivers received from lessors	(90)	(277)
Exchange difference	(1,223)	2,866
<b>Operating cash flows before changes in working capital</b>	<b>12,373</b>	<b>12,958</b>
<u>Changes in working capital</u>		
(Increase)/decrease in:		
Completed properties for sale	1,869	1,859
Inventories	28	24
Trade and other receivables	(3,027)	74
Other assets	123	133
Prepaid operating expenses	527	958
Due from related companies, trade	3	-
Due from related companies, non-trade	4	-
Increase/(decrease) in:		
Trade and other payables	696	(1,938)
Other liabilities	(2,117)	(3,283)
Due to related companies, trade	-	(30)
Due to related companies, non-trade	10	66
	<b>10,489</b>	<b>10,821</b>
Income tax paid	(2,477)	(685)
<b>Net cash flows generated from operating activities carried forward</b>	<b>8,012</b>	<b>10,136</b>



**E. Condensed interim consolidated statement of cash flows (cont'd)**  
**For the first half year ended 30 June 2021**

	The Group	
	6 months ended	
	30-Jun-21 \$'000	30-Jun-20 \$'000
<b>Net cash flows generated from operating activities brought forward</b>	<b>8,012</b>	<b>10,136</b>
<b>Cash flows from investing activities</b>		
Interest income received and settlement of derivatives	1,373	1,412
Dividend income received and return of capital	3,736	3,263
Purchase of property, plant and equipment <sup>(1)</sup>	(1,029)	(510)
Improvements of investment properties <sup>(2)</sup>	(422)	-
Purchase of held-for-trading investments	(27,250)	(17,413)
Proceeds from disposal of held-for-trading investments	7,725	17,960
Proceeds from disposal of property, plant and equipment	173	34
Proceeds from disposal of asset held-for-sale	-	1,970
Payment of upfront lease incentive	(15,842)	-
Deposits paid on acquisition of capital assets	-	(303)
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(31,536)</b>	<b>6,413</b>
<b>Cash flow from financing activities</b>		
Acquisition of non-controlling interests	(1)	(2)
Interest paid	(4,752)	(6,618)
Changes in cash and bank balances pledged	5,255	(1,675)
Changes in fixed deposits pledged	(10)	(9)
Repayment of loans and borrowings	(2,142)	(24,921)
Repayment of principal portion of lease liabilities	(1,678)	(1,066)
Proceeds from loans and borrowings	27,256	14,848
Dividends paid on ordinary shares by the Company	(2,353)	-
<b>Net cash flows generated from/(used in) financing activities</b>	<b>21,575</b>	<b>(19,443)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,949)</b>	<b>(2,894)</b>
Effect of exchange rate changes on cash and cash equivalents	8	54
<b>Cash and cash equivalents at beginning of period</b>	<b>7,185</b>	<b>7,842</b>
<b>Cash and cash equivalents at end of period</b>	<b>5,244</b>	<b>5,002</b>
<u>Cash and cash equivalents comprise:</u>		
Cash and bank balances	12,002	14,614
Fixed deposits	1,125	1,115
	13,127	15,729
Cash and bank balances pledged	(6,758)	(9,612)
Fixed deposits pledged	(1,125)	(1,115)
	5,244	5,002

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

During the period, the Group acquired property, plant and equipment of \$2,482,000 (30 June 2020: \$315,000) which included non-cash additions (30 June 2020: adjustments) to right-of-use assets of \$1,268,000 (30 June 2020: (\$277,000)), transfer from other assets relating to a deposit of \$185,000 (30 June 2020: \$82,000) paid in prior period and the balance of \$1,029,000 (30 June 2020: \$510,000) was made in cash.

**<sup>(2)</sup> Improvements of investment properties**

During the period, the Group incurred improvement works on investment properties of \$474,000 (30 June 2020: \$Nil) of which transfer from other assets relating to a deposit of \$52,000 (30 June 2020: \$Nil) paid in prior period and the balance of \$422,000 (30 June 2020: \$Nil) was made in cash.

## **F. Notes to the condensed interim consolidated financial statements For the first half year ended 30 June 2021**

### **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 2021 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 2021 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 2020.

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 2021.

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. Given the COVID-19 pandemic has caused and will likely cause significant disruptions to economic activities, the uncertainties associated with accounting estimates and assumptions may also be increased accordingly.

## 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 2020.

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, and heightened by the increased level of estimation uncertainty arising from changes in market and economic conditions brought on by the COVID-19 pandemic. The ongoing development of COVID-19 may cause unexpected volatility in the future fair value of the properties subsequent to 30 June 2021.

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. The Group does not undertake half-yearly external independent valuation of its property assets. 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 assets values and recent transaction prices.

## 3. Seasonal operations

Save for the impact on the current COVID-19 pandemic, the Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

#### **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".
- v. The held for trading 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.

## 4.1. Reportable segments

1 January 2021 to 30 June 2021

	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	2,353	12,315	3,548	27,152	-	-	-	45,368
- Inter-segment sales (Note A)	-	146	-	-	-	621	(767)	-
	<u>2,353</u>	<u>12,461</u>	<u>3,548</u>	<u>27,152</u>	<u>-</u>	<u>621</u>	<u>(767)</u>	<u>45,368</u>
<b>Results</b>								
Segment profit/(loss) (Note B)	366	(1,297)	261	413	18,638	(2,586)	(6,968)	8,827
Income tax expense								(1,400)
Profit after tax								<u>7,427</u>
<b>Other information:</b>								
Other income	41	1,640	380	2,237	(72)	244	-	4,470
Interest income	-	60	-	-	1,335	12	-	1,407
Finance cost	-	(1,711)	(228)	(1,653)	(788)	(1,101)	-	(5,481)
Fair value changes in held-for-trading investments	-	-	-	-	13,511	-	-	13,511
Fair value changes in derivative instruments	-	-	-	-	132	-	-	132
Depreciation expense	-	(4,488)	(1,296)	(5,464)	-	(147)	(6,201)	(17,596)
Other expenses	(159)	(7,892)	(622)	(12,763)	(375)	(426)	-	(22,237)
<b>Timing of transfer of goods or services (excluding lease rental income*) from contracts with customers</b>								
At a point in time	2,353	200	3,544	12,296	-	-	-	18,393
Over time	-	28	4	14,856	-	-	-	14,888
	<u>2,353</u>	<u>228</u>	<u>3,548</u>	<u>27,152</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,281</u>
<b>Geographical information:</b>								
Australia	2,353	3,289	-	14,891	-	-	-	20,533
Singapore	-	9,026	3,548	10,991	-	-	-	23,565
United Kingdom	-	-	-	1,270	-	-	-	1,270
	<u>2,353</u>	<u>12,315</u>	<u>3,548</u>	<u>27,152</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,368</u>
Additional to non-current assets								
( Note C)	-	1,785	6	525	-	640	-	2,956
Segment assets								
( Note D)	<u>2,825</u>	<u>542,627</u>	<u>15,786</u>	<u>365,855</u>	<u>321,690</u>	<u>989,602</u>	<u>(617,388)</u>	<u>1,620,997</u>
Segment liabilities								
( Note E)	<u>60</u>	<u>362,532</u>	<u>11,275</u>	<u>58,506</u>	<u>169,672</u>	<u>401,653</u>	<u>(128,448)</u>	<u>875,250</u>

## 4.1. Reportable segments (cont'd)

1 January 2020 to 30 June 2020

	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	2,525	13,656	2,014	24,753	-	-	-	42,948
- Inter-segment sales (Note A)	-	146	-	-	-	661	(807)	-
	<u>2,525</u>	<u>13,802</u>	<u>2,014</u>	<u>24,753</u>	<u>-</u>	<u>661</u>	<u>(807)</u>	<u>42,948</u>
<b>Results</b>								
Segment profit/(loss) (Note B)	498	1,829 <sup>(1)</sup>	(806)	(1,225)	(14,356)	(1,870)	(6,688)	(22,618)
Income tax credit								1,411
Loss after tax								<u>(21,207)</u>
<b>Other information:</b>								
Other income	39	3,301 <sup>(1)</sup>	609	2,742	(48)	163	-	6,806
Interest income	-	55	-	-	1,225	10	-	1,290
Finance cost	-	(2,377)	(205)	(2,264)	(911)	(1,412)	-	(7,169)
Fair value changes in held-for-trading investments	-	-	-	-	(13,141)	-	-	(13,141)
Fair value changes in derivative instruments	-	-	-	-	(86)	-	-	(86)
Depreciation expense	-	(4,201)	(1,172)	(5,215)	-	(198)	(5,881)	(16,667)
Other expenses	(208)	(7,034)	(472)	(11,976)	(314)	(483)	-	(20,487)

<sup>(1)</sup> Includes a gain on disposal of property unit at 56 Kallang Pudding Road, HH@Kallang of \$930,000.

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

At a point in time	2,525	262	2,011	7,504	-	-	-	12,302
Over time	-	48	3	17,249	-	-	-	17,300
	<u>2,525</u>	<u>310</u>	<u>2,014</u>	<u>24,753</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,602</u>

### Geographical information:

Australia	2,525	2,918	-	11,205	-	-	-	16,648
Singapore	-	10,738	2,014	11,913	-	-	-	24,665
United Kingdom	-	-	-	1,635	-	-	-	1,635
	<u>2,525</u>	<u>13,656</u>	<u>2,014</u>	<u>24,753</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,948</u>

### Additional to non-current assets

( Note C)	-	4	92	211	-	8	-	315
Segment assets ( Note D)	<u>5,019</u>	<u>543,485</u>	<u>18,134</u>	<u>368,394</u>	<u>299,865</u>	<u>995,534</u>	<u>(629,304)</u>	<u>1,601,127</u>
Segment liabilities ( Note E)	<u>294</u>	<u>367,367</u>	<u>12,304</u>	<u>61,200</u>	<u>142,992</u>	<u>387,032</u>	<u>(119,583)</u>	<u>851,606</u>

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

#### 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-21 \$'000	30-Jun-20 \$'000
Profit from inter-segment sales	767	807
Depreciation	6,201	5,881
	<u>6,968</u>	<u>6,688</u>

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

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

	30-Jun-21 \$'000	30-Jun-20 \$'000
Subsidiaries	579,001	610,075
Inter-segment assets	38,387	19,229
	<u>617,388</u>	<u>629,304</u>

E The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	30-Jun-21 \$'000	30-Jun-20 \$'000
Inter-segment liabilities	57,508	46,925
Deferred tax liabilities	70,940	72,658
	<u>128,448</u>	<u>119,583</u>

## 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 2021 and 31 December 2020:

The Group	Carrying amount		Fair value			Total
	Fair value through profit or loss	At amortised cost	Quoted prices in active markets for identical instruments	Significant observable inputs other than quoted prices	Significant unobservable inputs	
			(Level 1)	(Level 2)	(Level 3)	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 30 June 2021</b>						
<u>Financial assets</u>						
Trade and other receivables (current and non-current) <sup>(1)</sup>	-	7,099				
Other investments	314,634	-	163,088	-	151,546	314,634
Other assets (current and non-current)	-	319				
Cash and bank balances	-	13,127				
	<u>314,634</u>	<u>20,545</u>				
<u>Financial liabilities</u>						
Trade and other payables <sup>(2)</sup>	-	(3,212)				
Other liabilities <sup>(3)</sup>	-	(8,032)				
Derivatives	(401)	-	-	-	(401)	(401)
Amount due to related companies (trade and non-trade)	-	(21)				
Interest-bearing loan and borrowings (current and non-current)	-	(780,106)				
	<u>(401)</u>	<u>(791,371)</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	Significant observable inputs other than quoted prices	Significant unobservable inputs	
			(Level 1)	(Level 2)	(Level 3)	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 31 December 2020</b>						
<u>Financial assets</u>						
Trade and other receivables (current and non-current) <sup>(4)</sup>	-	6,214				
Other investments	281,742	-	150,594	-	131,148	281,742
Derivatives	152	-	-	-	152	152
Other assets (current and non-current) <sup>(5)</sup>	-	438				
Amount due from related companies (trade and non-trade)	-	7				
Cash and bank balances	-	20,313				
	<u>281,894</u>	<u>26,972</u>				
<u>Financial liabilities</u>						
Trade and other payables <sup>(2)</sup>	-	(2,445)				
Other liabilities <sup>(3)</sup>	-	(9,628)				
Derivatives	(554)	-	-	-	(554)	(554)
Amount due to related companies (trade)	-	(11)				
Interest-bearing loan and borrowings (current and non-current)	-	(754,187)				
	<u>(554)</u>	<u>(766,271)</u>				

<sup>(1)</sup> excludes GST receivables and lease incentives.

<sup>(2)</sup> excludes GST payables, government related grants, lease incentives, advance receipts and billings.

<sup>(3)</sup> excludes deposit that are not financial liabilities, deferred income and deferred government grant income.

<sup>(4)</sup> excludes GST receivables, lease incentives and government grant receivables.

<sup>(5)</sup> excludes deposit paid for acquisition of capital assets.



## 6. Fair value measurement

### 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	Fair value measurements using significant unobservable inputs (Level 3)		
	Unquoted investments	Derivatives assets/ (liabilities)	Total
	\$'000	\$'000	\$'000
<b>2021</b>			
<b>At 1 January</b>	131,148	(402)	130,746
Loss on disposal of investments	(20)	-	(20)
Fair value changes included in profit or loss	2,139	132	2,271
Purchase of held-for-trading investments	19,899	-	19,899
Proceeds from disposal of held-for-trading investments	(1,620)	-	(1,620)
Settlement of derivatives	-	(131)	(131)
<b>At 30 June</b>	<b>151,546</b>	<b>(401)</b>	<b>151,145</b>

Group	Fair value measurements using significant unobservable inputs (Level 3)		
	Unquoted investments	Derivatives assets/ (liabilities)	Total
	\$'000	\$'000	\$'000
<b>2020</b>			
<b>At 1 January</b>	178,071	(108)	177,963
Loss on disposal of investments	(16)	-	(16)
Fair value changes included in profit or loss	(16,629)	138	(16,491)
Return of capital	(120)	-	(120)
Purchase of held-for-trading investments	15,264	-	15,264
Proceeds from disposal of held-for-trading investments	(15,759)	-	(15,759)
Settlement of derivatives	-	(432)	(432)
Reclassification	(29,663)	-	(29,663)
<b>At 31 December</b>	<b>131,148</b>	<b>(402)</b>	<b>130,746</b>

## 7. Profit/(loss) before tax

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

	The Group	
	6 months ended	
	30-Jun-21 \$'000	30-Jun-20 \$'000
(A) <u>Other income comprises mainly:</u>		
Amortisation of deferred income	43	38
Amortisation of deferred government grant income	332	-
Gain on disposal of property, plant and equipment	82	19
Gain on disposal of asset held-for-sale <sup>(1)</sup>	-	930
Government grant income <sup>(2)</sup>	2,277	4,065
Loss on disposal of investments	(73)	(48)
Property recovery income	1,608	1,435
Others	201	367
	<u>4,470</u>	<u>6,806</u>
(B) Depreciation of property, plant and equipment <sup>(3)</sup>	(12,845)	(12,258)
Depreciation of investment properties <sup>(3)</sup>	(4,751)	(4,409)
	<u>(17,596)</u>	<u>(16,667)</u>
(C) <u>Other expenses comprises mainly:</u>		
Audit and professional fees	(539)	(457)
Government grant expense <sup>(4)</sup>	-	(1,213)
Hotel consumables	(2,325)	(1,764)
Hotel management fees	(1,075)	(930)
Marketing and distribution expenses	(2,768)	(2,524)
Property, plant and equipment written off	(7)	(3)
Property related taxes	(2,209)	(2,112)
Upkeep and maintenance expenses of properties	(11,371)	(9,678)
Others	(1,943)	(1,806)
	<u>(22,237)</u>	<u>(20,487)</u>
(D) Fair value changes in held-for-trading investments	13,511	(13,141)
Fair value changes in derivative instruments	132	(86)
	<u>13,643</u>	<u>(13,227)</u>

(1) This relates to the gain on disposal of property unit at 56 Kallang Pudding Road, HH@Kallang.

(2) Government grant income included an amount of \$1,663,000 (2020: \$2,155,000) relating to Job Support Scheme pay-out in Singapore and other similar support schemes in Australia and United Kingdom, an amount of \$Nil (2020: \$1,288,000) relating to grants received under the Rental Relief Framework and other grants of \$614,000 (2020: \$622,000).

(3) The Group had transferred the commercial properties at Zhongshan Park from Property, plant and equipment to Investment Properties for a more reflective representation of the existing use of the properties in second half year ended 31 December 2020. Hence, the numbers for first half year ended 30 June 2020 were restated for better comparison purposes.

(4) This pertains to property tax rebates received from the Singapore Government that were transferred to tenants in the form of rental rebates and waivers to eligible tenants under the rental relief framework.

## 8. Related party transactions

There are no material related party transactions for period ended 30 June 2021 (30 June 2020: \$131,000). Please also refer to Other Information Required by Listing Rule Appendix 7.2 in Note 6.

## 9. Taxation

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

	The Group	
	6 months ended	
	30-Jun-21	30-Jun-20
	\$'000	\$'000
Current income tax expense	(2,299)	(907)
Deferred income tax expense relating to origination and reversal of temporary differences	899	2,318

## 10. Dividends

The condensed financial statements for the first half year ended 30 June 2021 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-21	31-Dec-20	30-Jun-21	31-Dec-20
Net assets value per share (cents)	157.76	156.72	104.30	104.76
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 2021 was \$2,482,000 (30 June 2020: \$315,000) and assets disposal was \$667,000 (30 June 2020: \$58,000).

## 13. Investment properties

During the six months ended 30 June 2021, the Group incurred improvement cost amounting to \$474,000 (30 June 2020: \$Nil).

## 14. Borrowings

### Group (\$'000)

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

As at 30 June 2021		As at 31 December 2020	
Secured	Unsecured	Secured	Unsecured
464,400	-	501,040	-

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

As at 30 June 2021		As at 31 December 2020	
Secured	Unsecured	Secured	Unsecured
282,155	-	219,206	-

<sup>(1)</sup> Exclude lease liabilities of \$3,422,000 (31 December 2020: \$3,261,000).

<sup>(2)</sup> Exclude lease liabilities of \$30,129,000 (31 December 2020: \$30,680,000).

## 14. Borrowings (cont'd)

### 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 trading investments, cash and short-term deposits and shares of a subsidiary.

## 15. Share capital

	The Group and the Company			
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
	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 2021, 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 2021 and 30 June 2020.

## 16. Treasury shares

	The Group and the Company			
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
	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 2021 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 consolidated income statement for the first half year ended 30 June 2021**

The Group recorded revenue of \$45.4 million for the first half year ended 30 June 2021 ("1H2021"), an increase of \$2.5 million from \$42.9 million recorded in the previous corresponding period ended 30 June 2020 ("1H2020").

Revenue from development properties relates to the sale of units at Marina Tower, Melbourne. The Group recorded lower sales of development properties in 1H2021 as compared to 1H2020.

Rental revenue decreased by \$1.4 million from \$13.7 million in 1H2020 to \$12.3 million in 1H2021 mainly due to lower occupancies of the Group's properties.

Revenue from hotel operations increased by \$2.4 million from \$24.8 million in 1H2020 to \$27.2 million in 1H2021. The increase in revenue was mainly due to higher interstate travel in Australia with the gradual reopening of state borders in early 2021.

Revenue from leisure business increased by \$1.5 million from \$2.0 million in 1H2020 to \$3.5 million in 1H2021. The difference was mainly attributed to the circuit breaker last year which spanned from April to June 2020, causing the cessation of the leisure business operations.

Accordingly, the Group recorded higher operating costs and expenses in relation to the upkeep of the Group's properties as well as related expenditure on hotel operations in 1H2021 as compared to 1H2020. Included in the upkeep and maintenance expenses in 1H2021 was a higher fitting-out works and cladding works of \$1.9 million for a property in Perth as compared to \$0.7 million recorded in 1H2020. See Note 7 at Condensed Consolidated Interim Financial Statements for more details on the Group's costs and expenses.

The Group recorded Other income of \$4.5 million in 1H2021 as compared to \$6.8 million in 1H2020 mainly due to lower government grant income received. See Note 7 at Condensed Consolidated Interim Financial Statements for more details on the Group's Other income.

The fair value gain of \$13.6 million in financial instruments in 1H2021 was related to mark-to-market gains from trading investments. Correspondingly, the Group recorded a fair value loss of \$13.2 million in 1H2020. The Group also recorded a foreign exchange gain of \$1.2 million in 1H2021 and an exchange loss of \$2.9 million in 1H2020 mainly due to the fluctuation in Australian and Euro dollar exchange rates.

Finance cost decreased by \$1.7 million in 1H2021 as compared to 1H2020 mainly due to lower borrowing rates.

The Group recorded in 1H2021 an income tax expense of \$1.4 million arising from the taxable profit for the period and an income tax credit of \$1.4 million in 1H2020 mainly from unutilised tax loss due to fair value loss in financial instruments.

Overall, the Group recorded a profit after tax of \$7.4 million in 1H2021 and a loss after tax of \$21.2 million in 1H2020.

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

### **Condensed consolidated statement of financial position as at 30 June 2021**

#### Non-current assets

Non-current assets increased by \$2.2 million from \$1,274.6 million as at 31 December 2020. Included in this period was the payment of upfront lease incentive of \$15.8 million to an incoming tenant for a new lease in Perth. This lease incentive will be released to profit or loss on a systematic basis over the tenancy period. This increase of lease incentive was offset by the depreciation charged for the period.

#### Current assets

Current assets increased by \$25.6 million from \$318.6 million as at 31 December 2020 mainly due to the fair value gains and increases in other investments.

#### Current liabilities

Current liabilities decreased by \$38.1 million from \$522.7 million as at 31 December 2020 mainly due to the reclassification of the bank borrowings of \$60.0 million to non-current liabilities as the maturity is beyond the next 12 months which is offsetted by new bank borrowings for the period.

#### Non-current liabilities

Non-current liabilities increased by \$61.0 million from \$329.7 million as at 31 December 2020 due to the reclassification of bank borrowings as mentioned above.

### **Condensed interim consolidated statement of cash flows position for the first half year ended 30 June 2021**

The Group recorded a lower net cash generated from operating activities of \$8.0 million in 1H2021 as compared to \$10.1 million in 1H2020 mainly due to higher income tax paid of \$2.5 million in 1H2021.

Net cash used in investing activities was \$31.5 million and net cash generated from investing activities was \$6.4 million in 1H2021 and 1H2020 respectively. Included in 1H2021 was higher purchase of trading investments and payment of lease incentive relating to the new lease in Perth.

For financing activities, the Group recorded a net cash generated of \$21.6 million in 1H2021 mainly due to increase in bank borrowings. In 1H2020, the Group recorded a net cash used of \$19.4 million mainly due to higher repayment of bank borrowings.

## 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 expects businesses, particularly those operating in the retail and entertainment sectors in Singapore, to continue to face challenges in light of the recurring waves of the COVID-19 outbreak. This causes the temporary business cessation since last year for certain tenants under the Group which affects our rental revenue. The Group also expects the occupancy rates of its existing properties to remain subdued as companies are likely to stay cautious due to the uncertain economic outlook.

The hospitality industry continues to be adversely impacted globally due to travel restrictions in response to the COVID-19 infections and virus variants derailing the recovery of global travel. The Group expects the demand for travel and accommodation to remain low until the pandemic abates.

**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)**

The Group will continue with the sale of units in Marina Tower, Melbourne in the next 12 months.

The Group also expects that its investment portfolios will continue to be affected by market volatility.

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

**5. Dividend information**

**(a) Current Financial Period Reported On**

**Any dividend declared for the current financial period reported on? No**

No dividend has been declared for the first half year ended 30 June 2021 in view of the Group's capital requirements.

**(b) Corresponding Period of the immediately preceding financial year**

**Any dividend declared for the corresponding period of the immediately preceding financial year? No**

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**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 2021	6 months ended 30 June 2021
Nil	Nil	Nil

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 undertaking 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**

Ong Beng Hong  
Joint Company Secretary  
13 August 2021

**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 2021 to be false or misleading in any material respect.

On behalf of the Board of Directors

Teo Ho Beng  
Executive Director / Chief Executive Officer

Roland Teo Ho Kang  
Managing Director