



Hiap Hoe Limited
(Registration No.: 199400676Z)

UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER AND FIRST HALF YEAR ENDED 30 JUNE 2015

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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

| | The Group | | | | | |
|---|----------------|------------|---------|----------------|-----------|---------|
| | 3 months ended | | | 6 months ended | | |
| | 30-Jun-15 | 30-Jun-14 | % | 30-Jun-15 | 30-Jun-14 | % |
| \$'000 | \$'000 | | \$'000 | \$'000 | | |
| | | (restated) | | (restated) | | |
| Revenue | 23,497 | 27,817 | (15.5) | 44,683 | 59,012 | (24.3) |
| Cost of sales | (5,219) | (7,952) | (34.4) | (9,579) | (22,019) | (56.5) |
| Gross profit | 18,278 | 19,865 | (8.0) | 35,104 | 36,993 | (5.1) |
| Other items of income/(loss) | | | | | | |
| Other income | 1,571 | 2,946 | (46.7) | 4,116 | 5,814 | (29.2) |
| Financial income | 153 | 271 | (43.5) | 258 | 491 | (47.4) |
| Fair value changes in financial assets | 437 | (44) | NM | (1,296) | (1,167) | 11.0 |
| Negative goodwill arising from acquisitions | - | (1,200) | NM | - | 147,544 | NM |
| Gain on remeasurement of investment in joint venture company to fair value upon business combination achieved in stages | - | 420 | NM | - | 200,353 | NM |
| Other items of expenses | | | | | | |
| Distribution and selling expenses | (1,012) | (343) | 195.0 | (1,901) | (495) | 284.0 |
| Administrative expenses | (17,794) | (20,063) | (11.3) | (34,750) | (28,466) | 22.1 |
| Other expenses | - | (74) | NM | (19) | (74) | (74.3) |
| Loss on disposal of subsidiary | - | - | NM | (447) | - | NM |
| Financial expenses | (3,784) | (4,561) | (17.0) | (8,295) | (7,557) | 9.8 |
| Share of results of joint venture | - | - | NM | - | (2) | NM |
| (Loss)/profit before tax | (2,151) | (2,783) | (22.7) | (7,230) | 353,434 | (102.0) |
| Income tax expense | (1,466) | (2,922) | (49.8) | (2,350) | (4,914) | (52.2) |
| (Loss)/profit for the period | (3,617) | (5,705) | (36.6) | (9,580) | 348,520 | (102.7) |
| Attributable to : | | | | | | |
| Owners of the Company | (3,640) | (5,564) | (34.6) | (9,734) | 348,673 | (102.8) |
| Non-controlling interests | 23 | (141) | (116.3) | 154 | (153) | (200.7) |
| Total | (3,617) | (5,705) | (36.6) | (9,580) | 348,520 | (102.7) |

Statement of Comprehensive Income for the Group for the Second Quarter and First Half Year Ended 30 June 2015

| | The Group | | | |
|---|----------------|----------------|-----------------|----------------|
| | 3 months ended | | 6 months ended | |
| | 30-Jun-15 | 30-Jun-14 | 30-Jun-15 | 30-Jun-14 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| | (restated) | | (restated) | |
| (Loss)/profit for the period | (3,617) | (5,705) | (9,580) | 348,520 |
| Other comprehensive income items that may be reclassified subsequently to profit or loss | | | | |
| Foreign currency translation | (1,443) | 822 | (2,905) | 3,777 |
| Fair value gain on net investment hedge | 433 | (40) | 1,237 | 2,276 |
| Other comprehensive income for the period, net of tax | (1,010) | 782 | (1,668) | 6,053 |
| Total comprehensive (loss)/income for the period | (4,627) | (4,923) | (11,248) | 354,573 |
| Attributable to : | | | | |
| Owners of the Company | (4,650) | (4,782) | (11,402) | 354,726 |
| Non-controlling interests | 23 | (141) | 154 | (153) |
| Total comprehensive (loss)/income for the period | (4,627) | (4,923) | (11,248) | 354,573 |

Additional Information

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

| | The Group | | | | | |
|---|----------------|-----------|---------|----------------|-----------|-----------|
| | 3 months ended | | | 6 months ended | | |
| | 30-Jun-15 | 30-Jun-14 | % | 30-Jun-15 | 30-Jun-14 | % |
| | \$'000 | \$'000 | | \$'000 | \$'000 | |
| | (restated) | | | (restated) | | |
| Depreciation of property, plant and equipment | 4,188 | 3,129 | 33.8 | 8,373 | 5,816 | 44.0 |
| Depreciation of investment properties | 1,507 | 1,407 | 7.1 | 3,031 | 1,791 | 69.2 |
| (Gain)/loss on disposal of property, plant and equipment | (11) | 70 | (115.7) | (71) | 70 | (201.4) |
| Gain on disposal of investment property held for sale | - | - | NM | (1,157) | - | NM |
| Dividend income, gross | (413) | (416) | (0.7) | (632) | (464) | 36.2 |
| Property, plant and equipment written off | - | 4 | NM | 7 | 4 | 75.0 |
| Fair value gain on financial instruments - unquoted investments held for trading | (55) | (106) | (48.1) | (88) | (143) | (38.5) |
| Fair value loss/(gain) on financial instruments - quoted investments held for trading | 1,456 | (1,190) | (222.4) | 2,881 | (254) | (1,234.3) |
| Fair value change in derivatives instruments | (1,838) | 1,340 | (237.2) | (1,497) | 1,564 | (195.7) |
| Write back of allowance for doubtful debts | - | - | NM | (6) | - | NM |
| Allowance for doubtful debts (trade) | 13 | - | NM | 13 | - | NM |
| Gain on disposal of investment | (107) | (88) | 21.6 | (113) | (88) | 28.4 |
| Loss on disposal of subsidiary | - | - | NM | 447 | - | NM |

NM – Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

| | The Group | | The Company | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 30-Jun-15 \$'000 | 31-Dec-14 \$'000 | 30-Jun-15 \$'000 | 31-Dec-14 \$'000 |
| Non-Current Assets | | | | |
| Property, plant and equipment | 700,428 | 708,368 | - | 107 |
| Investment properties | 334,539 | 348,132 | - | - |
| Investment in subsidiaries | - | - | 160,352 | 163,102 |
| Investments in joint ventures | - | - | 3,210 | 755 |
| Other assets | 22,544 | 19,126 | - | - |
| Other receivables | 38 | 42 | - | - |
| Due from a subsidiary (non-trade) | - | - | 120,772 | - |
| Deferred tax assets | 6,876 | 7,178 | - | - |
| | <u>1,064,425</u> | <u>1,082,846</u> | <u>284,334</u> | <u>163,964</u> |
| Current Assets | | | | |
| Cash and short-term deposits | 29,730 | 33,330 | 782 | 2,513 |
| Other investments ⁽¹⁾ | 35,938 | 34,300 | - | - |
| Trade and other receivables | 53,877 | 54,036 | 13 | - |
| Other assets | 1,206 | 1,161 | 29 | - |
| Derivatives assets | 2,662 | 1,383 | - | - |
| Prepaid operating expenses | 1,125 | 1,059 | 1 | 1 |
| Due from subsidiaries (trade) | - | - | 1,532 | 1,333 |
| Due from subsidiaries (non-trade) | - | - | 192,065 | 297,997 |
| Due from related companies (trade) | 31 | 16 | - | - |
| Development properties | 100,984 | 88,537 | - | - |
| Properties held for sale | 71,473 | 70,022 | - | - |
| Inventories | 2,045 | 2,062 | - | - |
| | <u>299,071</u> | <u>285,906</u> | <u>194,422</u> | <u>301,844</u> |
| Assets of disposal group classified as held for sale | - | <u>198,375</u> | - | - |
| | <u>299,071</u> | <u>484,281</u> | <u>194,422</u> | <u>301,844</u> |
| Current Liabilities | | | | |
| Trade and other payables | 10,442 | 14,347 | 14 | 81 |
| Other liabilities | 23,119 | 28,306 | 1,916 | 2,379 |
| Derivatives liabilities | 2,732 | 4,228 | - | - |
| Due to subsidiaries (non-trade) | - | - | 101,353 | 86,893 |
| Due to related companies (trade) | 245 | 534 | - | - |
| Due to related companies (non-trade) | 1 | 16 | - | - |
| Interest-bearing loans and borrowings | 134,954 | 190,496 | - | - |
| Tax payable | 14,188 | 24,785 | 450 | 411 |
| | <u>185,681</u> | <u>262,712</u> | <u>103,733</u> | <u>89,764</u> |
| Liabilities directly associated with disposal group classified as held for sale | - | <u>114,232</u> | - | - |
| | <u>185,681</u> | <u>376,944</u> | <u>103,733</u> | <u>89,764</u> |
| Net Current Assets | 113,390 | 107,337 | 90,689 | 212,080 |
| Non-Current Liabilities | | | | |
| Trade payables | 607 | 323 | - | - |
| Other liabilities | 24,365 | 20,842 | - | - |
| Interest-bearing loans and borrowings | 269,684 | 271,721 | - | - |
| Deferred tax liabilities | 93,296 | 93,332 | - | - |
| Medium Term Notes | 114,850 | 114,801 | 114,850 | 114,801 |
| | <u>502,802</u> | <u>501,019</u> | <u>114,850</u> | <u>114,801</u> |
| Net Assets | 675,013 | 689,164 | 260,173 | 261,243 |
| Equity attributable to owners of the Company | | | | |
| Share capital | 84,445 | 84,445 | 84,445 | 84,445 |
| Treasury shares | (1,101) | (1,101) | (1,101) | (1,101) |
| Reserves | 587,438 | 601,732 | 176,829 | 177,899 |
| | <u>670,782</u> | <u>685,076</u> | <u>260,173</u> | <u>261,243</u> |
| Non-controlling Interests | 4,231 | 4,088 | - | - |
| Total Equity | 675,013 | 689,164 | 260,173 | 261,243 |

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year. (Cont'd)

Notes to the statement of financial position of the Group:

⁽¹⁾ This included short-term commercial papers and trading investments.

1(b)(ii) Aggregate amount of Group's borrowings and debts securities.

Amount repayable in one year or less, or on demand

(\$'000)

| As at 30 Jun 15 | | As at 31 Dec 14 | |
|-----------------|-----------|-----------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| 134,954 | 1,766 | 190,496 | 1,766 |

Amount repayable after one year

(\$'000)

| As at 30 Jun 15 | | As at 31 Dec 14 | |
|-----------------|--------------------------|-----------------|--------------------------|
| Secured | Unsecured ⁽¹⁾ | Secured | Unsecured ⁽¹⁾ |
| 269,684 | 114,850 | 271,721 | 114,801 |

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, investment properties and investment properties held for sale;
- 2) First legal mortgage over development properties and properties held for sale;
- 3) First legal assignment of all rights and benefits under the sales & purchase agreements and / or tenancy agreements;
- 4) Assignment of proceeds of the Project Accounts and the rental account maintained with the bank;
- 5) The building contracts of the certain development properties;
- 6) Assignment of all insurance policies for certain development properties;
- 7) Deed of subordination to subordinate all loans and advances from the holding company to the facilities; and
- 8) Corporate guarantees given by the Company.

Notes:

⁽¹⁾ Unsecured borrowings repayable after one year refers to the drawdown of \$115m from \$500m Multicurrency Medium Term Notes Programme due in second half of 2016, net of issuance costs.

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

| | The Group | | | |
|---|-----------------|---------------|-----------------|---------------|
| | 3 months ended | | 6 months ended | |
| | 30-Jun-15 | 30-Jun-14 | 30-Jun-15 | 30-Jun-14 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| | | (restated) | | (restated) |
| Cash flows from operating activities | | | | |
| (Loss)/profit before taxation | (2,151) | (2,783) | (7,230) | 353,434 |
| Adjustments for: | | | | |
| Translation difference | 2,407 | (1,015) | 4,632 | (3,254) |
| Depreciation of property, plant and equipment | 4,188 | 3,129 | 8,373 | 5,816 |
| Depreciation of investment properties | 1,507 | 1,407 | 3,031 | 1,791 |
| (Gain)/loss on disposal of property, plant and equipment | (11) | 70 | (71) | 70 |
| Gain on disposal of investment properties held for sale | - | - | (1,157) | - |
| Property, plant and equipment written off | - | 4 | 7 | 4 |
| Gain on disposal of investment | (107) | (88) | (113) | (88) |
| Amortisation expenses | 21 | 27 | 50 | 54 |
| Interest expense | 3,784 | 4,561 | 8,295 | 7,557 |
| Interest income | (153) | (271) | (258) | (491) |
| Dividend income from quoted investments | (413) | (416) | (632) | (464) |
| Fair value loss/(gain) on financial instruments - quoted investments held for trading | 1,456 | (1,190) | 2,881 | (254) |
| Fair value gain on financial instruments - unquoted investments held for trading | (55) | (106) | (88) | (143) |
| Write back of allowance for doubtful debts | - | - | (6) | - |
| Allowance for doubtful debts (Trade) | 13 | - | 13 | - |
| Share of joint ventures' results | - | - | - | 2 |
| Negative goodwill arising from acquisitions | - | 1,200 | - | (147,544) |
| Gain on remeasurement of investment in joint venture company to fair value upon business combination achieved in stages | - | (420) | - | (200,353) |
| Fair value change in derivatives instruments | (1,838) | 1,340 | (1,497) | 1,564 |
| Loss on disposal of subsidiary | - | - | 447 | - |
| Operating cash flows before changes in working capital | 8,648 | 5,449 | 16,677 | 17,701 |
| Changes in working capital | | | | |
| (Increase) / decrease in : | | | | |
| Properties held for sale | - | 1,280 | - | 1,812 |
| Development properties | (12,149) | (906) | (15,760) | (17,089) |
| Inventories | 4 | (8) | 17 | - |
| Trade and other receivables | (3,178) | 578 | 90 | 6,487 |
| Other assets | (77) | 10,933 | 357 | 10,130 |
| Prepaid operating expenses | 471 | (2) | (66) | 99 |
| Due from associate (non-trade) | - | - | - | 43,145 |
| Due from related company (trade) | (21) | - | (14) | 593 |
| Due from related company (non-trade) | 20 | (3) | 1 | 1 |
| Due from a joint venture (trade) | - | 1 | - | 15,967 |
| Due from a joint venture (non-trade) | - | - | - | 9,068 |
| Due from a hotel operators (other) | - | 213 | - | 194 |
| Increase / (decrease) in : | | | | |
| Trade and other payables | (123) | (2,605) | (3,620) | (8,703) |
| Other liabilities | (2,374) | 299 | (5,507) | (4,948) |
| Due to a joint venture (non-trade) | - | - | - | (48,305) |
| Due to related company (trade) | (209) | (131) | (289) | (16,344) |
| Due to related company (non-trade) | 1 | 8 | (15) | (138) |
| | (8,987) | 15,106 | (8,129) | 9,670 |
| Income tax paid | (12,524) | (6,986) | (12,738) | (7,198) |
| Net cash flows (used in)/generated from operating activities carried forward | (21,511) | 8,120 | (20,867) | 2,472 |

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)**

| | The Group | | | |
|---|---------------------|-----------------------------------|---------------------|-----------------------------------|
| | 3 months ended | | 6 months ended | |
| | 30-Jun-15 \$'000 | 30-Jun-14 \$'000 (restated) | 30-Jun-15 \$'000 | 30-Jun-14 \$'000 (restated) |
| Net cash flows (used in)/generated from operating activities brought forward | (21,511) | 8,120 | (20,867) | 2,472 |
| Cash flows from investing activities | | | | |
| Interest income received | 39 | 271 | 144 | 491 |
| Dividend income received | 413 | 416 | 632 | 464 |
| Proceeds from disposal of investments | 1,775 | 276 | 2,236 | 276 |
| Purchase of property, plant and equipment | (368) | (1,160) | (546) | (1,442) |
| Purchase of investment properties | - | (105,721) | - | (105,721) |
| Proceeds from disposal of property, plant and equipment | 103 | - | 175 | - |
| Proceeds from disposal of investment properties held for sale | - | - | 14,280 | - |
| Purchase of unquoted investments | (1,464) | - | (1,464) | - |
| Purchase of quoted investments | (1,258) | (354) | (5,367) | (360) |
| Net cash effect on disposal/(acquisition) of subsidiaries ⁽¹⁾ | - | - | 72,307 | (197,216) |
| Net cash flows (used in)/generated from investing activities | (760) | (106,272) | 82,397 | (303,508) |
| Cash flow from financing activities | | | | |
| Acquisition of non-controlling interest | (41) | - | (43) | - |
| Interest paid | (2,107) | (1,708) | (7,172) | (6,412) |
| Repayment of bank borrowings | (62,205) | (11,668) | (74,705) | (23,237) |
| Repayment of lease obligations | (8) | (35) | (16) | (42) |
| Proceeds from loans and borrowings | 21,502 | 82,467 | 21,502 | 290,567 |
| Dividend paid | (4,706) | (3,764) | (4,706) | (3,764) |
| Dividend (uncashed distribution) | - | - | 10 | - |
| Net cash flows (used in)/generated from financing activities | (47,565) | 65,292 | (65,130) | 257,112 |
| Net decrease in cash and cash equivalents | (69,836) | (32,860) | (3,600) | (43,924) |
| Cash and cash equivalents at beginning of period | 99,566 | 104,868 | 33,330 | 115,932 |
| Cash and cash equivalents at end of period | 29,730 | 72,008 | 29,730 | 72,008 |
| <u>Cash and cash equivalents comprise of:</u> | | | | |
| Cash and bank balances | 16,833 | 36,448 | 16,833 | 36,448 |
| Fixed deposits | 12,897 | 35,560 | 12,897 | 35,560 |
| | 29,730 | 72,008 | 29,730 | 72,008 |

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)**

⁽¹⁾ Disposal of subsidiary:

The effects of the disposal of Hiap Hoe SuperBowl JV Pte Ltd. on the cash flow of the Group on 26 March 2015 were:

| | <u>\$'000</u> |
|---|-----------------------------|
| <u>Carrying amounts of assets and liabilities disposed of:</u> | |
| Cash and cash equivalents | 539 |
| Other current assets | 96 |
| Properties held for sale | 185,000 |
| Total assets | <u>185,635</u> |
| | |
| Trade and other payables | 2 |
| Other liabilities | 1,106 |
| Due to joint venture (non-trade) | 68,261 |
| Interest-bearing loans and borrowings | 113,072 |
| Total liabilities | <u>182,441</u> |
| | |
| Net assets disposed off | 3,194 |
| | |
| Net assets disposed off (as above) | 3,194 |
| - Reclassification of premium for acquisition of non-controlling interest | 1,836 |
| - Assignment of Intercompany loan | 68,250 |
| | <u>73,280</u> |
| Loss on disposal of subsidiary | <u>(447)</u> |
| Cash proceeds from disposal | 72,833 |
| Cash & cash equivalents in subsidiary disposed off | <u>(526)</u> |
| Net cash inflow on disposal | <u><u>72,307</u></u> |

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of changes in equity for the period from 1 April 2015 to 30 June 2015 and 1 April 2014 to 30 June 2014

| | Attributable to equity holders of the Company | | | | | | | | | | Total | Non-controlling interests | Total equity |
|--|---|-----------------|---------------------|------------------|-----------------|--------------------------|-----------------|---------------------------------------|----------------|----------------|----------------|---------------------------|----------------|
| | Share capital | Treasury shares | Accumulated profits | Dividend reserve | Capital reserve | Foreign currency reserve | Hedging reserve | Gain on reissuance of treasury shares | Other reserve | Total reserves | | | |
| The Group (All figures in \$'000) | | | | | | | | | | | | | |
| At 1 April 2015 | 84,445 | (1,101) | 608,563 | 4,706 | (7,672) | (8,706) | (130) | 52 | 13 | 596,826 | 680,170 | 4,217 | 684,387 |
| Loss for the period | - | - | (3,640) | - | - | - | - | - | - | (3,640) | (3,640) | 23 | (3,617) |
| Fair Value gain on net investment hedge | - | - | - | - | - | - | 433 | - | - | 433 | 433 | - | 433 |
| Foreign currency translation | - | - | - | - | - | (1,443) | - | - | - | (1,443) | (1,443) | - | (1,443) |
| Other Comprehensive Income net of tax | - | - | - | - | - | (1,443) | 433 | - | - | (1,010) | (1,010) | - | (1,010) |
| Total comprehensive income for the period | - | - | (3,640) | - | - | (1,443) | 433 | - | - | (4,650) | (4,650) | 23 | (4,627) |
| Contributions by and distributions to owners | | | | | | | | | | | | | |
| Dividends on ordinary shares | - | - | - | (4,706) | - | - | - | - | - | (4,706) | (4,706) | - | (4,706) |
| Premium for acquisition of non-controlling interest | - | - | - | - | - | - | - | - | - | - | - | (41) | (41) |
| Transfer from unappropriated profit for dividend payable to non-controlling interest | - | - | (32) | - | - | - | - | - | - | (32) | (32) | 32 | - |
| Total contributions by and distributions to owners | - | - | (32) | (4,706) | - | - | - | - | - | (4,738) | (4,738) | (9) | (4,747) |
| At 30 June 2015 | 84,445 | (1,101) | 604,891 | - | (7,672) | (10,149) | 303 | 52 | 13 | 587,438 | 670,782 | 4,231 | 675,013 |
| At 1 April 2014 | 84,445 | (1,101) | 652,306 | 3,764 | (7,672) | (1,000) | 3,250 | 52 | (1,654) | 649,046 | 732,390 | (12) | 732,378 |
| Loss for the period | - | - | (5,564) | - | - | - | - | - | - | (5,564) | (5,564) | (141) | (5,705) |
| Fair value gain on net investment hedge | - | - | - | - | - | - | (40) | - | - | (40) | (40) | - | (40) |
| Foreign currency translation | - | - | - | - | - | 822 | - | - | - | 822 | 822 | - | 822 |
| Other Comprehensive Income net of tax | - | - | - | - | - | 822 | (40) | - | - | 782 | 782 | - | 782 |
| Total comprehensive income for the period | - | - | (5,564) | - | - | 822 | (40) | - | - | (4,782) | (4,782) | (141) | (4,923) |
| Contributions by and distributions to owners | | | | | | | | | | | | | |
| Dividends on ordinary shares | - | - | - | (3,764) | - | - | - | - | - | (3,764) | (3,764) | - | (3,764) |
| Premium for acquisition of non-controlling interest | - | - | - | - | - | - | - | - | (169) | (169) | (169) | 169 | - |
| Non-controlling interest's share of acquiree's net tangible assets | - | - | - | - | - | - | - | - | - | - | - | 4,269 | 4,269 |
| Total contributions by and distributions to owners | - | - | - | (3,764) | - | - | - | - | (169) | (3,933) | (3,933) | 4,438 | 505 |
| At 30 June 2014 | 84,445 | (1,101) | 646,742 | - | (7,672) | (178) | 3,210 | 52 | (1,823) | 640,331 | 723,675 | 4,285 | 727,960 |

Statement of changes in equity for the period from 1 January 2015 to 30 June 2015 and 1 January 2014 to 30 June 2014

| | Attributable to equity holders of the Company | | | | | | | | | | Total | Non-controlling interests | Total equity | |
|---|---|-----------------|---------------------|------------------|-----------------|--------------------------|-----------------|---------------------------------------|----------------|----------------|----------------|---------------------------|----------------|--|
| | Share capital | Treasury shares | Accumulated profits | Dividend reserve | Capital reserve | Foreign currency reserve | Hedging reserve | Gain on reissuance of treasury shares | Other reserve | Total reserves | | | | |
| The Group (All figures in \$'000) | | | | | | | | | | | | | | |
| At 1 January 2015 | 84,445 | (1,101) | 614,647 | 4,706 | (7,672) | (7,244) | (934) | 52 | (1,823) | 601,732 | 685,076 | 4,088 | 689,164 | |
| Loss for the period | - | - | (9,734) | - | - | - | - | - | - | (9,734) | (9,734) | 154 | (9,580) | |
| Fair Value gain on net investment hedge | - | - | - | - | - | - | 1,237 | - | - | 1,237 | 1,237 | - | 1,237 | |
| Foreign currency translation | - | - | - | - | - | (2,905) | - | - | - | (2,905) | (2,905) | - | (2,905) | |
| Other Comprehensive Income net of tax | - | - | - | - | - | (2,905) | 1,237 | - | - | (1,668) | (1,668) | - | (1,668) | |
| Total comprehensive income for the period | - | - | (9,734) | - | - | (2,905) | 1,237 | - | - | (11,402) | (11,402) | 154 | (11,248) | |
| Contributions by and distributions to owners | | | | | | | | | | | | | | |
| Dividends on ordinary shares (uncashed distribution) | - | - | 10 | - | - | - | - | - | - | 10 | 10 | - | 10 | |
| Dividends on ordinary shares | - | - | - | (4,706) | - | - | - | - | - | (4,706) | (4,706) | - | (4,706) | |
| Premium for acquisition of non-controlling interest | - | - | - | - | - | - | - | - | - | - | - | (43) | (43) | |
| Transfer from unappropriated profit for dividend payable to non-controlling interest | - | - | (32) | - | - | - | - | - | - | (32) | (32) | 32 | - | |
| Reclassification of premium for acquisition of non-controlling interest upon disposal of a subsidiary | - | - | - | - | - | - | - | - | 1,836 | 1,836 | 1,836 | - | 1,836 | |
| Total contributions by and distributions to owners | - | - | (22) | (4,706) | - | - | - | - | 1,836 | (2,892) | (2,892) | (11) | (2,903) | |
| At 30 June 2015 | 84,445 | (1,101) | 604,891 | - | (7,672) | (10,149) | 303 | 52 | 13 | 587,438 | 670,782 | 4,231 | 675,013 | |
| At 1 January 2014 | 84,445 | (1,101) | 298,069 | 3,764 | (7,672) | (3,955) | 934 | 52 | - | 291,192 | 374,536 | (1,666) | 372,870 | |
| Profit for the period | - | - | 348,673 | - | - | - | - | - | - | 348,673 | 348,673 | (153) | 348,520 | |
| Fair value gain on net investment hedge | - | - | - | - | - | - | 2,276 | - | - | 2,276 | 2,276 | - | 2,276 | |
| Foreign currency translation | - | - | - | - | - | 3,777 | - | - | - | 3,777 | 3,777 | - | 3,777 | |
| Other Comprehensive Income net of tax | - | - | - | - | - | 3,777 | 2,276 | - | - | 6,053 | 6,053 | - | 6,053 | |
| Total comprehensive income for the period | - | - | 348,673 | - | - | 3,777 | 2,276 | - | - | 354,726 | 354,726 | (153) | 354,573 | |
| Contributions by and distributions to owners | | | | | | | | | | | | | | |
| Dividends on ordinary shares | - | - | - | (3,764) | - | - | - | - | - | (3,764) | (3,764) | - | (3,764) | |
| Premium for acquisition of non-controlling interest | - | - | - | - | - | - | - | - | (1,823) | (1,823) | (1,823) | 1,835 | 12 | |
| Non-controlling interest's share of acquiree's net tangible assets | - | - | - | - | - | - | - | - | - | - | - | 4,269 | 4,269 | |
| Total contributions by and distributions to owners | - | - | - | (3,764) | - | - | - | - | (1,823) | (5,587) | (5,587) | 6,104 | 517 | |
| At 30 June 2014 | 84,445 | (1,101) | 646,742 | - | (7,672) | (178) | 3,210 | 52 | (1,823) | 640,331 | 723,675 | 4,285 | 727,960 | |

Statement of changes in equity for the period from 1 April 2015 to 30 June 2015 and 1 April 2014 to 30 June 2014

| The Company (All figures in \$'000) | Share capital | Treasury shares | Accumulated profits | Dividend reserve | Gain on reissuance of treasury shares | Total reserves | Total equity |
|--|----------------------|------------------------|----------------------------|-------------------------|--|-----------------------|---------------------|
| At 1 April 2015 | 84,445 | (1,101) | 173,994 | 4,705 | 52 | 178,751 | 262,095 |
| Profit for the period | - | - | 2,783 | - | - | 2,783 | 2,783 |
| Total comprehensive income for the period | - | - | 2,783 | - | - | 2,783 | 2,783 |
| <u>Contributions by and distributions to owners</u> | | | | | | | |
| Dividends on ordinary shares | - | - | - | (4,705) | - | (4,705) | (4,705) |
| Total contributions by and distribution to owners | - | - | - | (4,705) | - | (4,705) | (4,705) |
| At 30 June 2015 | 84,445 | (1,101) | 176,777 | - | 52 | 176,829 | 260,173 |
| At 1 April 2014 | 84,445 | (1,101) | 193,591 | 3,765 | 52 | 197,408 | 280,752 |
| Loss for the period | - | - | (760) | - | - | (760) | (760) |
| Total comprehensive income for the period | - | - | (760) | - | - | (760) | (760) |
| <u>Contributions by and distributions to owners</u> | | | | | | | |
| Transfer from unappropriated profits to dividend reserve | - | - | - | - | - | - | - |
| Dividends on ordinary shares | - | - | - | (3,765) | - | (3,765) | (3,765) |
| Total contributions by and distribution to owners | - | - | - | (3,765) | - | (3,765) | (3,765) |
| At 30 June 2014 | 84,445 | (1,101) | 192,831 | - | 52 | 192,883 | 276,227 |

Statement of changes in equity for the period from 1 January 2015 to 30 June 2015 and 1 January 2014 to 30 June 2014

| The Company (All figures in \$'000) | Share capital | Treasury shares | Accumulated profits | Dividend reserve | Gain on reissuance of treasury shares | Total reserves | Total equity |
|--|----------------------|------------------------|----------------------------|-------------------------|--|-----------------------|---------------------|
| At 1 January 2015 | 84,445 | (1,101) | 173,142 | 4,705 | 52 | 177,899 | 261,243 |
| Profit for the period | - | - | 3,635 | - | - | 3,635 | 3,635 |
| Total comprehensive income for the period | - | - | 3,635 | - | - | 3,635 | 3,635 |
| <u>Contributions by and distributions to owners</u> | | | | | | | |
| Dividends on ordinary shares | - | - | - | (4,705) | - | (4,705) | (4,705) |
| Total contributions by and distribution to owners | - | - | - | (4,705) | - | (4,705) | (4,705) |
| At 30 June 2015 | 84,445 | (1,101) | 176,777 | - | 52 | 176,829 | 260,173 |
| At 1 January 2014 | 84,445 | (1,101) | 195,271 | 3,765 | 52 | 199,088 | 282,432 |
| Loss for the period | - | - | (2,440) | - | - | (2,440) | (2,440) |
| Total comprehensive income for the period | - | - | (2,440) | - | - | (2,440) | (2,440) |
| <u>Contributions by and distributions to owners</u> | | | | | | | |
| Dividends on ordinary shares | - | - | - | (3,765) | - | (3,765) | (3,765) |
| Total contributions by and distribution to owners | - | - | - | (3,765) | - | (3,765) | (3,765) |
| At 30 June 2014 | 84,445 | (1,101) | 192,831 | - | 52 | 192,883 | 276,227 |

- 1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Ordinary Shares (excluding Treasury Shares)

| | <u>Number of Ordinary Shares</u> |
|-----------------------------------|--------------------------------------|
| Balance as at 1 April and 30 June | <u><u>470,557,541</u></u> |

Treasury Shares

| | <u>Number of Treasury Shares</u> |
|-----------------------------------|--------------------------------------|
| Balance as at 1 April and 30 June | <u><u>3,999,850</u></u> |

During the period ended 30 June 2015, there was no change to the issued share capital of the Company.

- 1(d)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The number of issued shares as at 30 June 2015 is 470,557,541 (31 December 2014: 470,557,541).

- 1(d)(iv) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

2. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

These figures have not been audited or reviewed by the Company's auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in Note 5, the Group and the Company have adopted the same accounting policies and methods of computation for the current financial period as those for the financial year ended 31 December 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In the current financial period, the Group and the Company adopted the new Financial Reporting Standards ("FRS") and Amendments to FRS that are effective for annual periods beginning on or after 1 January 2015.

The adoption of the new FRSs and Amendments to FRSs 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.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

| | The Group | | | |
|-----------------------------------|----------------|-------------|----------------|-------------|
| | 3 months ended | | 6 months ended | |
| | 30-Jun-15 | 30-Jun-14 | 30-Jun-15 | 30-Jun-14 |
| Earning per share (cents) | | | | |
| Basic | (0.77) | (1.18) | (2.07) | 74.10 |
| Diluted | (0.77) | (1.18) | (2.07) | 74.10 |
| Weighted average number of shares | | | | |
| Basic | 470,557,541 | 470,557,541 | 470,557,541 | 470,557,541 |
| Diluted | 470,557,541 | 470,557,541 | 470,557,541 | 470,557,541 |

Earnings per share are calculated based on the net profit attributable to ordinary shareholders divided by the weighted average number of shares.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

| | The Group | | The Company | |
|------------------------------------|-------------|-------------|-------------|-------------|
| | 30-Jun-15 | 31-Dec-14 | 30-Jun-15 | 31-Dec-14 |
| Net assets value per share (cents) | 142.55 | 145.59 | 55.29 | 55.52 |
| Based on number of shares | 470,557,541 | 470,557,541 | 470,557,541 | 470,557,541 |

Net assets value per share is calculated based on the equity attributable to the equity holders of the parent excluding the non-controlling interests divided by the number of shares excluding treasury shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Consolidated Income Statement – second quarter ended 30 June 2015 (“2Q2015”) performance

Revenue

| | 3 months ended 30-Jun-15 | | 3 months ended 30-Jun-14 | | |
|------------------------|-----------------------------|------|-----------------------------|------|--------|
| | \$'000 | % | \$'000 | % | |
| Development properties | 21 | 0.1 | 5,506 | 19.8 | (99.6) |
| Rental | 9,449 | 40.2 | 9,966 | 35.8 | (5.2) |
| Hotel operations | 12,094 | 51.5 | 9,889 | 35.6 | 22.3 |
| Leisure business | 1,933 | 8.2 | 2,456 | 8.8 | (21.3) |
| | <u>23,497</u> | 100 | <u>27,817</u> | 100 | (15.5) |

The Group recorded revenue of \$23.5m in the 3 months ended 30 June 2015 (“2Q2015”), down by 15.5% or \$4.3m from \$27.8m recorded in the previous corresponding 3 months ended 30 June 2014 (“2Q2014”).

Revenue from Development properties decreased by \$5.5m. This was mainly due to the absence of progressive revenue recognition in 2Q2015 from Waterscape at Cavenagh as compared to 2Q2014.

Rental revenue decreased by \$0.6m from \$10.0m in 2Q2014 to \$9.4m in 2Q2015. Despite the inclusion in 2Q2015 of the rental income from Skyline 360° At St Thomas Walk, this was offset by the weakened Australian Dollar which affected the rental income from the investment properties in Australia.

Hotel operations recorded an increase of \$2.2m in 2Q2015 as compared to 2Q2014 due to higher occupancy rates in our two hotels at Zhongshan Park with the hosting of the South-east Asian Games.

Leisure business decreased by \$0.5m in 2Q2015 as compared to 2Q2014 as certain leases were not renewed upon their expiry in 2014.

Profit

Gross profit for 2Q2015 decreased by 8.0% from \$19.9m in 2Q2014 to \$18.3m due to lower revenue.

Other income decreased by \$1.4m in 2Q2015 due to the absence of the foreign exchange gain of \$1.1m recorded in 2Q2014 on the Singapore/Australian Dollar foreign exchange.

Finance income decreased by \$0.1m due to lower fixed deposit interests earned.

The increase in distribution and selling expenses of \$0.7m was mainly due to the agent sales commission for sale of the residential units in Marina Tower in Australia.

Administrative expenses decreased by \$2.3m to \$17.8m in 2Q2015 as compared to \$20.1m in 2Q2014. Despite being driven by higher depreciation expenses on property, plant and equipment, and investment properties of \$1.2m as compared to 2Q2014, as well as the foreign exchange loss of \$2.3m in 2Q2015, these higher expenses were offset by the absence of stamp duties of approximately \$5.5m incurred in connection with the acquisition of a new investment property in Australia, Stirling Street in 2Q2014.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (Cont'd)

Profit (Cont'd)

Other expenses in 2Q2014 were made up of loss on disposal of property, plant and equipment, and property, plant and equipment written off.

Finance expenses decreased by \$0.8m from \$4.6m in 2Q2014 to \$3.8m in 2Q2015 due to repayment of bank borrowings.

Tax Expense

Tax expense was lower at \$1.5m in 2Q2015 compared to \$2.9m in 2Q2014. Included in 2Q2014 was a prior year tax expense under provision of \$2.6m on the sale of properties in the Group.

Net Loss

Taking into consideration the above factors, the Group registered a lower net loss after tax of \$3.6m in 2Q2015 compared to a net loss after tax of \$5.7m in 2Q2014.

Consolidated Income Statement – first half year ended 30 June 2015 (“1H2015”) performance

Revenue

| | 6 months ended 30-Jun-15 | | 6 months ended 30-Jun-14 | | |
|------------------------|-----------------------------|------|-----------------------------|------|--------|
| | \$'000 | % | \$'000 | % | |
| Development properties | 43 | 0.1 | 27,551 | 46.7 | (99.8) |
| Rental | 18,736 | 41.9 | 14,860 | 25.2 | 26.1 |
| Hotel operations | 22,291 | 49.9 | 13,151 | 22.3 | 69.5 |
| Leisure business | 3,613 | 8.1 | 3,450 | 5.8 | 4.7 |
| | <u>44,683</u> | 100 | <u>59,012</u> | 100 | (24.3) |

The Group recorded revenue of \$44.7m for the first half year ended 30 June 2015 (“1H2015”), a 24.3% decrease from \$59.0m recorded in the previous corresponding period ended 30 June 2014 (“1H2014”) mainly from the absence of progressive revenue recognition from Waterscape at Cavenagh.

Rental revenue recorded an increase of \$3.8m from \$14.9m in 1H2014 to \$18.7m in 1H2015. This is due largely to higher rental revenue from Zhongshan Mall and office tower by \$1.7m and the inclusion of rental income from Skyline 360° At St Thomas Walk of \$0.6m. The impact on consolidating six months results of SuperBowl Holdings Limited versus four months (as the acquisition was completed on 28 February 2014) also further contributed to the increase in revenue in 1H2015.

Hotel operations recorded increased revenue of \$9.1m mainly due to improved occupancy while the Leisure business saw a slight increase in revenue of \$0.2m in 1H2015.

Profit

Gross profit for 1H2015 decreased by 5.1% from \$37.0m in 1H2014 to \$35.1m due to lower revenue.

Other income decreased by \$1.7m in 1H2015 due to the absence of foreign exchange gain of \$3.3m recorded in 1H2014, arising from changes in the Singapore/Australian Dollar foreign exchange rate. However, this was partly mitigated by the profit of \$1.2m on the disposal of investment properties in 1H2015.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (Cont'd)**

Profit (Cont'd)

Finance income decreased by \$0.2m due to lower fixed deposit interest earned.

Higher distribution and selling expenses of \$1.9m in 1H2015 as compared to \$0.5m in 1H2014 were mainly due to the agent sales commission for sale of the residential units in Marina Tower in Australia.

Administrative expenses increased by \$6.3m to \$34.8m in 1H2015 compared to \$28.5m in 1H2014, due mainly to higher depreciation expenses of \$3.8m and a foreign exchange loss of \$4.7m.

Other expenses include loss on disposal of property, plant and equipment, as well as property, plant and equipment written off.

The Group recorded a loss on disposal of subsidiary of \$0.5m upon disposal of 100% of the issued and paid up share capital of Hiap Hoe SuperBowl JV Pte Ltd to Hiap Hoe Holdings Pte Ltd on 26 March 2015.

Finance expenses increased by \$0.7m from \$7.6m in 1H2014 to \$8.3m in 1H2015 due to increases in bank borrowings.

Tax Expense

Tax expense decreased by \$2.5m from \$4.9m in 1H2014 to \$2.4m 1H2015 mainly due to the higher tax provision recorded in 1H2014 in relation to the sale of properties in the Group.

Net Loss

Taking into consideration the above factors, the Group registered a net loss after tax of \$9.6m in 1H2015 as compared to \$348.5m net profit after tax in 1H2014.

Consolidation Statement of Financial Position as at 30 June 2015

Non-current assets

Non-current assets comprised of increases in pre-sale deposits from the purchasers of the Australia properties held in trust by the legal advisors. This increase was offset by the depreciation of property, plant and equipment, and investment properties which brought overall non-current assets to a slight decrease of 1.7%.

Current assets

The decrease in current assets of \$185.2m or 38.2% from \$484.3m as at 31 December 2014 to \$299.1m as at 30 June 2015 was mainly due to:

- Disposal of assets classified as held for sale \$198.4m in 1Q2015 in relation to Hiap Hoe SuperBowl JV Pte Ltd.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (Cont'd)**

Current assets (Cont'd)

The above decreases were offset by the increase in 1H2015:

- Other investments by \$1.6m to \$35.9m due to higher investments held for trading.
- Development properties by \$12.4m to \$101.0m due to additional development work done for HH@Kallang and for Marina Tower in Australia.

Current liabilities

The decrease in current liabilities of \$191.2m or 50.7% from \$376.9m as at 31 December 2014 to \$185.7m as at 30 June 2015 were mainly due to:

- Disposal of liabilities directly associated with disposal group classified as held for sale \$114.2m in relation to Hiap Hoe SuperBowl JV Pte Ltd.
- Overall decrease in interest-bearing loans and borrowings by \$55.5m with the repayment of loans.
- Decrease in trade and other payables of \$3.9m due to release of retention sum for the completed projects and payment made to suppliers.
- Decrease in other liabilities of \$5.2m due to payment of accrued expenses.
- Decrease in tax payable mainly due to payment made in that period.

Non-current liabilities

The increase in non-current liabilities of \$1.8m from \$501.0m as at 31 December 2014 to \$502.8m as at 30 June 2015 was mainly due to the increase in deposits received in relation to the sale of the residential units in Marina Tower in Australia.

Consolidated Statement of Cash Flows Position as at 30 June 2015

The Group recorded net cash used in operating activities of \$20.9m in 1H2015 as compared to net cash generated of \$2.5m from operating activities in 1H2014. Included in 1H2015 was a higher income tax payment when compared to 1H2014.

Net cash generated from investing activities amounted to \$82.4m in 1H2015. This was mainly attributed to cash inflow from the disposal of subsidiary of \$72.3m and proceeds from the disposal of investment properties held for sale of \$14.3m.

The Group recorded net cash used in financing activities of \$65.1m in 1H2015, mainly attributed to repayment of bank borrowings and interest paid.

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

There is no forecast, or prospect statement previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group expects the residential property market to remain challenging for the rest of 2015 with the current property cooling measures including the Total Debt Servicing Ratio to continue to dampen sentiment in certain segments of the Singapore residential market.

The Group will maintain a prudent approach in its land banking in Singapore. Despite a challenging market environment, the Group's well diversified sources of revenue, with a greater proportion from hotel, property investment and leisure activities presently, will continue to generate recurring revenue.

The Group's investment properties in Australia continue to generate a steady rental income. The sale of the residential units at Marina Tower, Melbourne, continues to progress with a total sales value of A\$240m, or approximately 93%, sold.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable.

(d) Book closure date

Not applicable.

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

No dividend has been declared / recommended during the financial period.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

| Name of interested person | Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | | Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) | |
|---|---|--|---|--|
| | 3 months ended 30 June 2015 | 6 months ended 30 June 2015 | 3 months ended 30 June 2015 | 6 months ended 30 June 2015 |
| Hiap Hoe Holdings Pte Ltd | Nil | Nil | Nil | Disposal of 100% of the issued and paid up share capital of: - Hiap Hoe SuperBowl JV Pte Ltd (value of transactions amounting to \$72,833,151) |
| Hiap Hoe & Co. Pte. Ltd. (A subsidiary of the ultimate holding company, Hiap Hoe Holdings Pte Ltd) | Provision of Project and Construction Management Service to the Company's wholly-owned subsidiary: - WestBuild Construction Pte. Ltd. (value of transactions amounting to \$397,000) | Provision of Project and Construction Management Service to the Company's wholly-owned subsidiary: - WestBuild Construction Pte. Ltd. (value of transactions amounting to \$879,000) | Nil | Nil |

14 **CONFIRMATION 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 second quarter ended 30 June 2015 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Teo Ho Beng
Executive Chairman / Chief Executive Officer
11 August 2015