



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

**UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER AND FIRST HALF YEAR ENDED 30 JUNE 2016**

**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-16	30-Jun-15	%	30-Jun-16	30-Jun-15	%
	\$'000	\$'000		\$'000	\$'000	
	(restated)			(restated)		
Revenue	23,957	23,497	2.0	43,697	44,683	(2.2)
<b><u>Other items of income/(loss)</u></b>						
Dividend income	514	413	24.5	852	632	34.8
Financial income	386	153	152.3	595	258	130.6
Fair value changes in financial instruments	195	437	(55.4)	376	(1,296)	(129.0)
Other income	1,268	1,158	9.5	15,471	3,472	345.6
	2,363	2,161	9.3	17,294	3,066	464.1
<b><u>Other items of expenses</u></b>						
Changes in development properties	(1,944)	-	NM	(1,944)	-	NM
Employee benefits expense	(6,208)	(5,513)	12.6	(12,120)	(10,494)	15.5
Depreciation expense	(5,156)	(5,695)	(9.5)	(10,411)	(11,404)	(8.7)
Other expenses	(8,977)	(10,519)	(14.7)	(17,294)	(20,132)	(14.1)
Foreign exchange loss	(2,510)	(2,298)	9.2	(3,573)	(4,654)	(23.2)
Finance cost	(3,016)	(3,784)	(20.3)	(6,581)	(8,295)	(20.7)
	(27,811)	(27,809)	0.0	(51,923)	(54,979)	(5.6)
<b>(Loss)/profit before tax</b>	<b>(1,491)</b>	<b>(2,151)</b>	<b>(30.7)</b>	<b>9,068</b>	<b>(7,230)</b>	<b>(225.4)</b>
Income tax expense	(1,621)	(1,466)	10.6	(5,529)	(2,350)	135.3
<b>(Loss)/profit for the period</b>	<b>(3,112)</b>	<b>(3,617)</b>	<b>(14.0)</b>	<b>3,539</b>	<b>(9,580)</b>	<b>(136.9)</b>
<b>Attributable to :</b>						
Owners of the Company	(3,097)	(3,640)	(14.9)	3,536	(9,734)	(136.3)
Non-controlling interests	(15)	23	(165.2)	3	154	(98.1)
Total	(3,112)	(3,617)	(14.0)	3,539	(9,580)	(136.9)

Note: The comparative figures in the income statement have been reclassified to conform to the current year's presentation by nature of expense method.

**Statement of Comprehensive Income for the Group for the Second Quarter and First Half Year Ended 30 June 2016**

	The Group			
	3 months ended		6 months ended	
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
	\$'000	\$'000	\$'000	\$'000
		(restated)		(restated)
<b>(Loss)/profit for the period</b>	(3,112)	(3,617)	3,539	(9,580)
<b>Other comprehensive income items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translation	(4,486)	(1,443)	(3,695)	(2,905)
Fair value gain/(loss) on net investment hedge	-	433	(45)	1,237
Other comprehensive loss for the period, net of tax of nil	(4,486)	(1,010)	(3,740)	(1,668)
<b>Total comprehensive loss for the period</b>	<b>(7,598)</b>	<b>(4,627)</b>	<b>(201)</b>	<b>(11,248)</b>
<b>Attributable to :</b>				
Owners of the Company	(7,583)	(4,650)	(204)	(11,402)
Non-controlling interests	(15)	23	3	154
<b>Total comprehensive loss for the period</b>	<b>(7,598)</b>	<b>(4,627)</b>	<b>(201)</b>	<b>(11,248)</b>

Additional Information

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

	The Group					
	3 months ended			6 months ended		
	30-Jun-16	30-Jun-15	%	30-Jun-16	30-Jun-15	%
	\$'000	\$'000		\$'000	\$'000	
		(restated)			(restated)	
Depreciation of property, plant and equipment	4,176	4,188	(0.3)	8,349	8,373	(0.3)
Depreciation of investment properties	980	1,507	(35.0)	2,062	3,031	(32.0)
Gain on disposal of property, plant and equipment	(3)	(11)	(72.7)	(6)	(71)	(91.5)
Gain on disposal of investment properties held for sale	-	-	NM	(13,203) <sup>(1)</sup>	(1,157)	NM
Property, plant and equipment written off	12	-	NM	12	7	71.4
Fair value changes in financial assets	237	1,401	(83.1)	767	2,793	(72.5)
Fair value changes in derivative instruments	(432)	(1,838)	(76.5)	(1,143)	(1,497)	(23.6)
Write back of allowance for doubtful debts - trade	-	-	NM	-	(6)	NM
Allowance for doubtful debts - trade	547	13	NM	547	13	NM
Bad debts - trade	11	-	NM	11	-	NM
Loss/(gain) on disposal of investments	6	(107)	(105.6)	66	(113)	(158.4)
Loss on disposal of subsidiary	-	-	NM	-	447	NM

NM – Not meaningful

Note:

<sup>(1)</sup> This relates to the gain on disposal of 206 Bourke Street, Melbourne, Australia.

**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-16 \$'000	31-Dec-15 \$'000	30-Jun-16 \$'000	31-Dec-15 \$'000
<b>Non-Current Assets</b>				
Property, plant and equipment	712,510	712,679	379	421
Investment properties	175,068	223,511	-	-
Investment in subsidiaries	-	-	188,352	188,352
Investment in joint venture	-	-	6,836	5,402
Other assets	27,037	26,882	-	-
Other receivables	25	35	-	-
Due from subsidiary (non-trade)	-	-	72,810	38,200
Deferred tax assets	6,362	12,478	-	-
	<b>921,002</b>	<b>975,585</b>	<b>268,377</b>	<b>232,375</b>
<b>Current Assets</b>				
Cash and short-term deposits	21,648	37,645	151	791
Other investments <sup>(1)</sup>	57,352	36,998	-	-
Trade and other receivables	6,560	6,856	8	-
Other assets	6,446	413	-	-
Derivatives assets	-	2,947	-	-
Prepaid operating expenses	567	903	1	3
Due from subsidiaries (trade)	-	-	1,802	1,743
Due from subsidiaries (non-trade)	-	-	302,157	342,854
Due from related companies (trade)	9	11	-	-
Due from related companies (non-trade)	-	4	-	-
Due from joint ventures (trade)	-	-	29	-
Development properties	94,968	60,947	-	-
Properties held for sale	122,362	124,276	-	-
Inventories	2,041	2,049	-	-
Tax recoverable	105	145	-	-
	<b>312,058</b>	<b>273,194</b>	<b>304,148</b>	<b>345,391</b>
<b>Assets held for sale</b>	<b>41,299</b>	<b>105,218</b>	<b>-</b>	<b>-</b>
	<b>353,357</b>	<b>378,412</b>	<b>304,148</b>	<b>345,391</b>
<b>Current Liabilities</b>				
Trade and other payables	25,644	20,502	41	42
Other liabilities	11,655	15,240	2,089	2,225
Dividend payable	32	-	-	-
Derivatives liabilities	173	2,936	-	-
Due to subsidiaries (trade)	-	-	71	163
Due to subsidiaries (non-trade)	-	-	74,031	77,185
Due to related companies (trade)	16	244	-	-
Due to related companies (non-trade)	15	24	-	-
Due to joint venture (trade)	-	-	-	60
Due to joint venture (non-trade)	-	-	4,925	2,095
Interest-bearing loans and borrowings	142,070	158,259	27	27
Medium Term Notes	114,965	114,917	114,965	114,917
Tax payable	5,932	10,432	221	411
	<b>300,502</b>	<b>322,554</b>	<b>196,370</b>	<b>197,125</b>
<b>Net Current Assets</b>	<b>52,855</b>	<b>55,858</b>	<b>107,778</b>	<b>148,266</b>
<b>Non-Current Liabilities</b>				
Other liabilities	28,366	27,527	-	-
Interest-bearing loans and borrowings	189,348	241,390	38	51
Deferred tax liabilities	84,354	85,794	-	-
	<b>302,068</b>	<b>354,711</b>	<b>38</b>	<b>51</b>
<b>Net Assets</b>	<b>671,789</b>	<b>676,732</b>	<b>376,117</b>	<b>380,590</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	84,445	84,445	84,445	84,445
Treasury shares	(1,101)	(1,101)	(1,101)	(1,101)
Reserves	584,813	589,723	292,773	297,246
	<b>668,157</b>	<b>673,067</b>	<b>376,117</b>	<b>380,590</b>
Non-controlling Interests	3,632	3,665	-	-
<b>Total Equity</b>	<b>671,789</b>	<b>676,732</b>	<b>376,117</b>	<b>380,590</b>

**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:

<sup>(1)</sup> 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 16		As at 31 Dec 15	
Secured	Unsecured <sup>(1)</sup>	Secured	Unsecured <sup>(1)</sup>
142,070	116,731	158,259	116,683

**Amount repayable after one year**

(\$'000)

As at 30 Jun 16		As at 31 Dec 15	
Secured	Unsecured	Secured	Unsecured
189,348	-	241,390	-

**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 and 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 and purchase agreements and/or tenancy agreements;
- 4) A charge over the Project Accounts;
- 5) The building contracts of certain development properties;
- 6) Assignment of all insurance policies for certain development properties;
- 7) Deed of subordination to subordinate all loans and advances from the Company to the facilities;
- 8) Corporate guarantees given by the Company; and
- 9) A charge over certain trading investments, cash and short-term deposits.

Note:

<sup>(1)</sup> Unsecured borrowings refers to the drawdown of \$115 million from \$500 million Multicurrency Medium Term Notes Programme due on 5 September 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-16	30-Jun-15	30-Jun-16	30-Jun-15
	\$'000	\$'000	\$'000	\$'000
	(restated)		(restated)	
<b>Cash flows from operating activities</b>				
(Loss)/profit before taxation	(1,491)	(2,151)	9,068	(7,230)
Adjustments for:				
Exchange difference	(1,786)	2,406	(329)	4,632
Depreciation of property, plant and equipment	4,176	4,188	8,349	8,373
Depreciation of investment properties	980	1,507	2,062	3,031
Gain on disposal of property, plant and equipment	(3)	(11)	(6)	(71)
Gain on disposal of investment properties held for sale	-	-	(13,203)	(1,157)
Property, plant and equipment written off	12	-	12	7
Loss/(gain) on disposal of investments	6	(107)	66	(113)
Amortisation of transaction cost	33	21	48	50
Interest expenses	3,016	3,784	6,581	8,295
Interest income	(386)	(153)	(595)	(258)
Dividend income from investments	(514)	(413)	(852)	(632)
Fair value loss on held-for-trading investments	237	1,401	767	2,793
Fair value changes in derivative instruments	(432)	(1,838)	(1,143)	(1,497)
Write back of allowance for doubtful debts - trade	-	-	-	(6)
Allowance for doubtful debts - trade	547	13	547	13
Bad debts - trade	11	-	11	-
Loss on disposal of subsidiary	-	-	-	447
<b>Operating cash flows before changes in working capital</b>	<b>4,406</b>	<b>8,647</b>	<b>11,383</b>	<b>16,677</b>
<u>Changes in working capital</u>				
(Increase)/decrease in :				
Properties held for sale	1,944	-	1,944	-
Development properties	(18,884)	(9,046)	(35,638)	(12,400)
Inventories	5	4	8	17
Trade and other receivables	(1,711)	(3,178)	(299)	90
Other assets	(130)	(77)	(123)	357
Prepaid operating expenses	104	471	331	(66)
Due from related company, trade	37	(21)	2	(14)
Due from related company, non-trade	8	20	6	1
Increase/(decrease) in :				
Trade and other payables	2,766	(374)	2,184	(3,861)
Other liabilities	3,156	(2,374)	49	(5,507)
Due to related company, trade	(63)	(209)	(228)	(289)
Due to related company, non-trade	(48)	1	(11)	(15)
	<b>(8,410)</b>	<b>(6,136)</b>	<b>(20,392)</b>	<b>(5,010)</b>
Income tax paid	(5,227)	(12,524)	(5,609)	(12,738)
<b>Net cash flows used in operating activities carried forward</b>	<b>(13,637)</b>	<b>(18,660)</b>	<b>(26,001)</b>	<b>(17,748)</b>

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-16	30-Jun-15	30-Jun-16	30-Jun-15
	\$'000	\$'000	\$'000	\$'000
		(restated)		(restated)
<b>Net cash flows used in operating activities brought forward</b>	<b>(13,637)</b>	<b>(18,660)</b>	<b>(26,001)</b>	<b>(17,748)</b>
<b>Cash flows from investing activities</b>				
Interest income received	286	39	634	144
Dividend income received	514	413	852	632
Purchase of property, plant and equipment	(3,626)	(3,470)	(9,109)	(3,906)
Purchase of financial assets	(21,094)	(2,722)	(31,451)	(6,831)
Proceeds from disposal of investments	8,049	1,775	9,542	2,236
Proceeds from disposal of property, plant and equipment	6	103	138	175
Proceeds from disposal of investment properties	-	-	118,421	14,280
Net cash effect on disposal of subsidiary <sup>(1)</sup>	-	-	-	72,307
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(15,865)</b>	<b>(3,862)</b>	<b>89,027</b>	<b>79,037</b>
<b>Cash flow from financing activities</b>				
Acquisition of non-controlling interest	-	(41)	(4)	(43)
Interest paid	(1,550)	(2,107)	(7,615)	(7,172)
Withdrawal/(placement) of fixed deposit - pledged	10,000	(10,000)	10,000	(10,000)
Repayment of bank borrowings	(25,434)	(62,205)	(163,327)	(74,705)
Repayment of lease obligations	(7)	(8)	(22)	(16)
Proceeds from loans and borrowings	53,763	21,502	96,651	21,502
Dividend paid	(4,706)	(4,706)	(4,706)	(4,706)
<b>Net cash flows generated from/(used in) financing activities</b>	<b>32,066</b>	<b>(57,565)</b>	<b>(69,023)</b>	<b>(75,140)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,564</b>	<b>(80,087)</b>	<b>(5,997)</b>	<b>(13,851)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>19,084</b>	<b>99,817</b>	<b>27,645</b>	<b>33,581</b>
<b>Cash and cash equivalents at end of period</b>	<b>21,648</b>	<b>19,730</b>	<b>21,648</b>	<b>19,730</b>
<u>Cash and cash equivalents comprise:</u>				
Cash and bank balances	9,098	16,833	9,098	16,833
Fixed deposits	12,550	12,897	12,550	12,897
	21,648	29,730	21,648	29,730
Fixed deposits - pledged	-	(10,000)	-	(10,000)
Cash and cash equivalents	21,648	19,730	21,648	19,730

Note:

<sup>(1)</sup> This relates to the disposal of a subsidiary, Hiap Hoe SuperBowl JV Pte Ltd to its immediate and ultimate holding company on 26 March 2015.

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 2016 to 30 June 2016 and 1 April 2015 to 30 June 2015**

	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				
<b>The Group</b> (All figures in \$'000)														
At 1 April 2016	84,445	(1,101)	614,406	-	(7,672)	(9,684)	-	52	-	597,102	680,446	3,679	684,125	
Loss for the period	-	-	(3,097)	-	-	-	-	-	-	(3,097)	(3,097)	(15)	(3,112)	
Fair value loss on net investment hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	
Foreign currency translation	-	-	-	-	-	(4,486)	-	-	-	(4,486)	(4,486)	-	(4,486)	
Other comprehensive loss net of tax of nil	-	-	-	-	-	(4,486)	-	-	-	(4,486)	(4,486)	-	(4,486)	
<b>Total comprehensive loss for the period</b>	-	-	(3,097)	-	-	(4,486)	-	-	-	(7,583)	(7,583)	(15)	(7,598)	
<b>Contributions by and distributions to owners</b>														
Dividends on ordinary shares	-	-	(4,706)	-	-	-	-	-	-	(4,706)	(4,706)	-	(4,706)	
Transfer from unappropriated profit for dividend payable to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(32)	(32)	
<b>Total contributions by and distributions to owners</b>	-	-	(4,706)	-	-	-	-	-	-	(4,706)	(4,706)	(32)	(4,738)	
<b>At 30 June 2016</b>	<b>84,445</b>	<b>(1,101)</b>	<b>606,603</b>	<b>-</b>	<b>(7,672)</b>	<b>(14,170)</b>	<b>-</b>	<b>52</b>	<b>-</b>	<b>584,813</b>	<b>668,157</b>	<b>3,632</b>	<b>671,789</b>	
At 1 April 2015	84,445	(1,101)	608,553	4,706	(7,672)	(8,706)	(130)	52	13	596,816	680,160	4,217	684,377	
(Loss)/profit 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 (loss)/income net of tax of nil	-	-	-	-	-	(1,443)	433	-	-	(1,010)	(1,010)	-	(1,010)	
<b>Total comprehensive (loss)/income for the period</b>	-	-	(3,640)	-	-	(1,443)	433	-	-	(4,650)	(4,650)	23	(4,627)	
<b>Contributions by and distributions to owners</b>														
Dividends on ordinary shares	-	-	-	(4,706)	-	-	-	-	-	(4,706)	(4,706)	-	(4,706)	
Transfer from unappropriated profit for dividend payable to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(32)	(32)	
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(41)	(41)	
<b>Total contributions by and distributions to owners</b>	-	-	-	(4,706)	-	-	-	-	-	(4,706)	(4,706)	(73)	(4,779)	
<b>At 30 June 2015</b>	<b>84,445</b>	<b>(1,101)</b>	<b>604,913</b>	<b>-</b>	<b>(7,672)</b>	<b>(10,149)</b>	<b>303</b>	<b>52</b>	<b>13</b>	<b>587,460</b>	<b>670,804</b>	<b>4,167</b>	<b>674,971</b>	

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. (Cont'd)

**Statement of changes in equity for the period from 1 January 2016 to 30 June 2016 and 1 January 2015 to 30 June 2015**

	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			
<b>The Group</b> (All figures in \$'000)													
At 1 January 2016	84,445	(1,101)	607,773	-	(7,672)	(10,475)	45	52	-	589,723	673,067	3,665	676,732
Profit for the period	-	-	3,536	-	-	-	-	-	-	3,536	3,536	3	3,539
Fair value loss on net investment hedge	-	-	-	-	-	-	(45)	-	-	(45)	(45)	-	(45)
Foreign currency translation	-	-	-	-	-	(3,695)	-	-	-	(3,695)	(3,695)	-	(3,695)
Other comprehensive loss net of tax of nil	-	-	-	-	-	(3,695)	(45)	-	-	(3,740)	(3,740)	-	(3,740)
<b>Total comprehensive income/(loss) for the period</b>	-	-	3,536	-	-	(3,695)	(45)	-	-	(204)	(204)	3	(201)
<b>Contributions by and distributions to owners</b>													
Dividends on ordinary shares	-	-	(4,706)	-	-	-	-	-	-	(4,706)	(4,706)	-	(4,706)
Transfer from unappropriated profit for dividend payable to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(32)	(32)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(4)	(4)
<b>Total contributions by and distributions to owners</b>	-	-	(4,706)	-	-	-	-	-	-	(4,706)	(4,706)	(36)	(4,742)
<b>At 30 June 2016</b>	84,445	(1,101)	606,603	-	(7,672)	(14,170)	-	52	-	584,813	668,157	3,632	671,789
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)/profit 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 (loss)/income net of tax of nil	-	-	-	-	-	(2,905)	1,237	-	-	(1,668)	(1,668)	-	(1,668)
<b>Total comprehensive (loss)/income for the period</b>	-	-	(9,734)	-	-	(2,905)	1,237	-	-	(11,402)	(11,402)	154	(11,248)
<b>Contributions by and distributions to owners</b>													
Dividends on ordinary shares	-	-	-	(4,706)	-	-	-	-	-	(4,706)	(4,706)	-	(4,706)
Transfer from unappropriated profit for dividend payable to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(32)	(32)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(43)	(43)
Disposal of subsidiary	-	-	-	-	-	-	-	-	1,836	1,836	1,836	-	1,836
<b>Total contributions by and distributions to owners</b>	-	-	-	(4,706)	-	-	-	-	1,836	(2,870)	(2,870)	(75)	(2,945)
<b>At 30 June 2015</b>	84,445	(1,101)	604,913	-	(7,672)	(10,149)	303	52	13	587,460	670,804	4,167	674,971



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. (Cont'd)

**Statement of changes in equity for the period from 1 April 2016 to 30 June 2016 and 1 April 2015 to 30 June 2015**

<u>The Company</u> (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 2016	84,445	(1,101)	297,559	-	52	297,611	380,955
Loss for the period	-	-	(132)	-	-	(132)	(132)
<b>Total comprehensive loss for the period</b>	-	-	(132)	-	-	(132)	(132)
<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 2016</b>	<b>84,445</b>	<b>(1,101)</b>	<b>292,721</b>	<b>-</b>	<b>52</b>	<b>292,773</b>	<b>376,117</b>
At 1 April 2015	84,445	(1,101)	173,993	4,706	52	178,751	262,095
Profit for the period	-	-	2,784	-	-	2,784	2,784
<b>Total comprehensive income for the period</b>	-	-	2,784	-	-	2,784	2,784
<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 2015</b>	<b>84,445</b>	<b>(1,101)</b>	<b>176,777</b>	<b>-</b>	<b>52</b>	<b>176,829</b>	<b>260,173</b>

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. (Cont'd)

**Statement of changes in equity for the period from 1 January 2016 to 30 June 2016 and 1 January 2015 to 30 June 2015**

<b>The Company</b> (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 2016	84,445	(1,101)	297,194	-	52	297,246	380,590
Profit for the period	-	-	233	-	-	233	233
<b>Total comprehensive income for the period</b>	-	-	233	-	-	233	233
<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 2016</b>	<b>84,445</b>	<b>(1,101)</b>	<b>292,721</b>	<b>-</b>	<b>52</b>	<b>292,773</b>	<b>376,117</b>
At 1 January 2015	84,445	(1,101)	173,141	4,706	52	177,899	261,243
Profit for the period	-	-	3,636	-	-	3,636	3,636
<b>Total comprehensive income for the period</b>	-	-	3,636	-	-	3,636	3,636
<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 2015</b>	<b>84,445</b>	<b>(1,101)</b>	<b>176,777</b>	<b>-</b>	<b>52</b>	<b>176,829</b>	<b>260,173</b>

- 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>	
	30-Jun-16	30-Jun-15
Balance as at 1 April and 30 June	<u>470,557,541</u>	<u>470,557,541</u>
Balance as at 1 January and 30 June	<u>470,557,541</u>	<u>470,557,541</u>

**Treasury Shares**

	<u>Number of Treasury Shares</u>	
	30-Jun-16	30-Jun-15
Balance as at 1 April and 30 June	<u>3,999,850</u>	<u>3,999,850</u>
Balance as at 1 January and 30 June	<u>3,999,850</u>	<u>3,999,850</u>

During the period ended 30 June 2016, 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 2016 is 470,557,541 (31 December 2015: 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 2015.

**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 2016.

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-16	30-Jun-15	30-Jun-16	30-Jun-15
Earning per share (cents)				
Basic	(0.66)	(0.77)	0.75	(2.07)
Diluted	(0.66)	(0.77)	0.75	(2.07)
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/(loss) 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-16	31-Dec-15	30-Jun-16	31-Dec-15
Net assets value per share (cents)	141.99	143.04	79.93	80.88
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 2016 (“2Q2016”) performance**

**Revenue**

	3 months ended 30-Jun-16		3 months ended 30-Jun-15		
	\$'000	%	\$'000	%	
Development properties	4,005	16.7	21	0.1	NM
Rental	7,262	30.3	9,456	40.2	(23.2)
Hotel operations	10,853	45.3	12,080	51.4	(10.2)
Leisure business	1,837	7.7	1,940	8.3	(5.3)
	<u>23,957</u>	100	<u>23,497</u>	100	2.0

The Group recorded revenue of \$24.0 million in the 3 months ended 30 June 2016 (“2Q2016”), an increase of 2.0% or \$0.5 million from \$23.5 million recorded in the previous corresponding 3 months ended 30 June 2015 (“2Q2015”).

Revenue from Development properties in 2Q2016 relates mainly to the sale of 1 unit of Waterscape At Cavenagh.

Rental revenue decreased by \$2.2 million from \$9.5 million in 2Q2015 to \$7.3 million in 2Q2016 mainly due to the absence of rental revenue from 206 Bourke Street, Melbourne, Australia following the sale of the property which was completed on 22 January 2016.

Hotel operations decreased by \$1.2 million from \$12.1 million in 2Q2015 to \$10.9 million in 2Q2016 mainly due to the absence of hotel revenue from hosting of SEA Games in June 2015.

**Loss before tax**

The Group registered a loss before tax of \$1.5 million in 2Q2016, an improved result of 30.7% or \$0.7 million from a loss before tax of \$2.2 million recorded in 2Q2015.

Finance income increased by 152.3% or \$0.2 million in 2Q2016 as compared to 2Q2015 due to higher interest income from fixed deposits and commercial papers.

Changes in development properties of \$1.9 million in 2Q2016 relates mainly to the sale of 1 unit of Waterscape At Cavenagh.

Other expenses decreased by \$1.5 million to \$9.0 million in 2Q2016 compared to \$10.5 million in 2Q2015 mainly due to lower property taxes and utilities of the Group's properties. Included in 2Q2016 is an allowance for doubtful debts of \$0.5 million which relates to the outstanding service charges due from tenancies at 206 Bourke Street.

The Group recorded lower finance cost by \$0.8 million in 2Q2016 which is attributed to lower bank interest rates as compared to 2Q2015.

**Tax Expense**

Tax expense was higher by \$0.2 million in 2Q2016 as compared to 2Q2015.

**Net Loss**

The Group registered a net loss after tax of \$3.1 million in 2Q2016, an improved result of 14.0% or \$0.5 million from a net loss after tax of \$3.6 million recorded in 2Q2015.

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)

**Consolidated Income Statement – first half year ended 30 June 2016 (“1H2016”) performance**

**Revenue**

	6 months ended 30-Jun-16		6 months ended 30-Jun-15		
	\$'000	%	\$'000	%	
Development properties	4,005	9.2	43	0.1	NM
Rental	14,864	34.0	18,749	42.0	(20.7)
Hotel operations	21,247	48.6	22,277	49.9	(4.6)
Leisure business	3,581	8.2	3,614	8.0	(0.9)
	<u>43,697</u>	100	<u>44,683</u>	100	(2.2)

The Group recorded revenue of \$43.7 million for the first half year ended 30 June 2016 (“1H2016”), a 2.2% decrease from \$44.7 million recorded in the previous corresponding period ended 30 June 2015 (“1H2015”).

Revenue from Development properties in 1H2016 relates mainly to the sale of 1 unit of Waterscape At Cavenagh.

Rental revenue decreased by \$3.8 million from \$18.7 million in 1H2015 to \$14.9 million in 1H2016 mainly due to the absence of rental revenue from 206 Bourke Street, Melbourne, Australia following the sale of the property which was completed on 22 January 2016.

Hotel operations decreased by \$1.1 million from \$22.3 million in 1H2015 to \$21.2 million in 1H2016 mainly due to the absence of hotel revenue from hosting of SEA Games in June 2015.

**Profit before tax**

The Group registered a profit before tax of \$9.1 million in 1H2016 as compared to a loss before tax of \$7.2 million in 1H2015.

Finance income increased by 130.6% or \$0.3 million in 1H2016 as compared to 1H2015 due to higher interest income from fixed deposits and commercial papers.

Fair value changes in financial instruments include mark-to-market loss on the Group's 14.9% investment in Ley Choon Group Holdings Limited of \$1.2 million in 1H2016 and \$3.0 million in 1H2015, mitigated by the fair value gain from other trading investments.

Other income in 1H2016 includes the gain on the disposal of 206 Bourke Street, Melbourne, Australia of \$13.2 million. In 1H2015, a gain on the disposal of two Singapore investment properties of \$1.2 million was recorded.

Changes in development properties of \$1.9 million in 1H2016 relates mainly to the sale of 1 unit of Waterscape At Cavenagh.

Depreciation expense decreased by \$1.0 million from \$11.4 million in 1H2015 to \$10.4 million in 1H2016 due to the sale of 206 Bourke Street, Melbourne, Australia which was completed on 22 January 2016.

Other expenses decreased by \$2.8 million to \$17.3 million in 1H2016 compared to \$20.1 million in 1H2015 mainly due to lower property taxes and utilities totaling \$1.4 million. The sale of 206 Bourke Street also further reduced these expenses. The Group recorded in 1H2016 a lower agent sales commission of \$0.6 million as compared to 1H2015 for the sale of residential units in Marina Tower in Australia. In 1H2015, a loss on disposal of subsidiary of \$0.4 million was recorded. This relates

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 before tax (Cont'd)**

to the disposal of 100% of the issued and paid-up share capital of Hiap Hoe SuperBowl JV Pte Ltd to Hiap Hoe Holdings Pte Ltd, its immediate and ultimate holding company.

The Group recorded lower finance cost by \$1.7 million which is attributed to lower bank borrowings and interest rates as compared to 1H2015.

#### **Tax Expense**

Tax expense increased by \$3.1 million from \$2.4 million in 1H2015 to \$5.5 million in 1H2016 mainly due to the gain on disposal of 206 Bourke Street, Melbourne, Australia.

#### **Net Profit**

The Group registered a net profit after tax of \$3.5 million in 1H2016 as compared to a net loss after tax of \$9.6 million in 1H2015.

### **Consolidation Statement of Financial Position as at 30 June 2016**

#### Non-current assets

Non-current assets comprised the increases in deposits held in trust by our lawyers arising from the sale of Marina Tower and additional development cost for the hotel under the Four Points® by Sheraton in Australia. This increase was offset by the transfer of investment property to assets held for sale following a formal contract of sale entered with A. & J. Brady Pty Ltd for the sale of 380 Lonsdale Street, Melbourne, Australia which reduced the overall non-current assets by \$54.6 million as compared to 31 December 2015.

#### Current assets

The decrease in current assets of \$25.0 million or 6.6% from \$378.4 million as at 31 December 2015 to \$353.4 million as at 30 June 2016 was mainly due to:

- Disposal of assets held for sale of \$105.2 million in 1Q2016 in relation to the sale of investment property at 206 Bourke Street, Melbourne, Australia.
- Sale of 1 unit of Waterscape At Cavenagh.

The above decrease was offset by the following increases:

- Other investments by \$20.4 million to \$57.4 million due to higher investments held for trading.
- Development properties by \$34.1 million to \$95.0 million due to additional development cost for Marina Tower in Australia.
- Transfer of investment property to assets held for sale following a formal contract of sale entered with A. & J. Brady Pty Ltd for the sale of 380 Lonsdale Street, Melbourne, Australia.

#### Current liabilities

The decrease in current liabilities of \$22.1 million or 6.8% from \$322.6 million as at 31 December 2015 to \$300.5 million as at 30 June 2016 was mainly due to net repayment of interest-bearing loans and borrowings by \$16.2 million and payment of income tax.

#### Non-current liabilities

The decrease in non-current liabilities of \$52.6 million from \$354.7 million as at 31 December 2015 to \$302.1 million as at 30 June 2016 was mainly due to the decrease in interest-bearing loans and borrowings by \$52.0 million.

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)**

**Consolidated Statement of Cash Flows Position as at 30 June 2016**

The Group recorded net cash used in operating activities of \$26.0 million in 1H2016 as compared to \$17.7 million in 1H2015 mainly on increased cash outflow of development properties for Marina Tower in Australia.

Net cash generated from investing activities amounted to \$89.0 million in 1H2016 as compared to \$79.0 million in 1H2015. The higher cash inflow in 1H2016 was mainly attributed to the proceeds of \$118.4 million from the disposal of 206 Bourke Street, Melbourne, Australia. The cash inflow is reduced by the increase payment for the purchase of financial assets in 1H2016.

The Group recorded net cash used in financing activities of \$69.0 million in 1H2016, 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.**

Given the weak market sentiment which continues to weigh down on Singapore's property market, the Group expects the Singapore residential property market for the rest of 2016 to remain challenging.

The Group also expects the hotel sector to remain competitive with increased supply of hotel rooms in Singapore. The decline in tourist receipts, amid an uncertain economic outlook further affects this sector.

For Australia, the construction of Marina Tower and the hotel under the Four Points<sup>®</sup> by Sheraton is well in progress. Barring any unforeseen circumstances, the Group estimates the completion of the hotel to take place on or before 31 March 2017.

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.



**11. Dividend (Cont'd)**

**(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 2016	6 months ended 30 June 2016	3 months ended 30 June 2016	6 months ended 30 June 2016
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 \$53,000)	Provision of Project and Construction Management Service to the Company's wholly-owned subsidiary:  - WestBuild Construction Pte. Ltd.  (value of transactions amounting to \$126,000) <sup>(1)</sup>	Nil	Nil

**Note:**

<sup>(1)</sup> The value of IPT transaction with WestBuild Construction Pte Ltd was \$73,000 for the 3 months ended 31 March 2016. Pursuant to Rule 905(3) of the SGX-ST Listing Rules, no announcement was made previously by the Company with regard to this transaction as its value was below \$100,000.

**14. Confirmation Pursuant to Rule 720(1) of the Listing Manual**

The Company hereby confirms that it has procured undertakings from all directors and executive officers under Rule 720(1).

**By Order of the Board**

Ong Beng Hong  
Joint Company Secretary  
11 August 2016

**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 second quarter and first half year ended 30 June 2016 to be false or misleading in any material respect.

On behalf of the Board of Directors

Teo Ho Beng  
Executive Chairman / Chief Executive Officer

Roland Teo Ho Kang  
Managing Director