



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

## ACQUISITION OF PROPERTY LOCATED AT 130 STIRLING STREET, PERTH, AUSTRALIA (THE “ACQUISITION”)

### 1. Introduction

The Board of Directors of Hiap Hoe Limited (the “**Company**”, and with its subsidiaries, the “**Group**”) is pleased to announce that the Group has, in its ordinary course of business, entered into a contract of sale (the “**Contract**”) with, among others, The Trust Company Limited (acting as custodian of the 130 Stirling Street Trust) (the “**Seller**”) to acquire a property and the building thereon located at 130 Stirling Street, Perth, Western Australia (WA), Australia (the “**Property**”) on 14 February 2014 (the “**Contract Date**”) (the “**Acquisition**”).

### 2. Purchase Consideration And Funding

The total purchase consideration for the Property is A\$90,000,000 (the “**Consideration**”). The Consideration was arrived at on a willing buyer willing seller basis after taking into account the independent valuation of the property and various commercial factors including, *inter alia*, the location of the Property and its potential as a source of rental income. For further details, please see paragraphs 4 and 5 below.

The Consideration shall be fulfilled in the following manner:

- a. 10% of the Consideration, amounting to A\$9,000,000, has been paid in escrow; and
- b. the balance of the Consideration, amounting to A\$81,000,000, shall be paid within 30 days (or any other date agreed in writing by the Group and the Seller) of the Company receiving advice in writing that the Foreign Investment Review Board of Australia has no objection to the Acquisition. For further details, please see paragraph 6 below.

The Consideration will be fully funded through a combination of internal resources and debt.

### 3. The Property

The Property is a 7-level commercial building located on the north-eastern corner of Perth's Stirling and Aberdeen Streets, with a third frontage to Pier Street. Its location is in a fringe commercial precinct that is proximately located to Perth's Central Business District ("**CBD**") and within the Perth commercial area. The Property is a freehold property with a total site area of approximately 5,033 square metres, with a net lettable area of approximately 12,349 square metres. The Property consists of five levels of office accommodation, four retail tenancies to ground level, and a total of 239 parking bays allocated for the use of the Property.

### 4. Rationale for the Acquisition

The Directors believe that the Property presents an ideal investment opportunity, with its relatively high office tenant occupancy levels including substantial lease covenants to five prime tenants and its city fringe locality in a gentrifying precinct. In light of this and the Property's proximity to CBD, it has the potential to be a stable source of rental income for the Company and would also provide an opportunity for the Company to further increase its presence in Australia.

The Consideration, amounting to approximately S\$102,989,700 (based on an exchange rate of AUD 1:S\$1.14433 on 13 February 2014), constitutes 24.2% of the market capitalisation of the Company of approximately S\$371,740,457 based on the market closing price of the Company's shares, excluding Treasury Shares, as at 13 February 2014, being the date immediately preceding the date of the Contract.

Pursuant to Rule 3.2 of Practice Note 10.1 of the Listing Manual, shareholders' approval of the Company is not required as the Acquisition is in the Company's ordinary course of business and is thus not subject to Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited. However, the Board has decided to disclose the Acquisition to enhance the corporate disclosure standards of the Company.

### 5. Valuation

The valuation of the Property was arrived at based on an independent valuation of the Property (the "**Valuation**").

The Company had received the valuation report by m3property (WA) Pty Ltd (the "**Valuer**"), an independent valuer commissioned by, *inter alia*, the Company to conduct the Valuation for the purpose the acquisition of the Property. Based on the valuation report by the Valuer, which is supported by, *inter alia*, legal due diligence investigations on the leases of the Property, the appraised value of the Property is A\$90,000,000 as at 16 December 2013 (the "**Appraised Value**").

The Appraised Value was arrived at using the discounted cash flow approach, the capitalisation approach and the direct comparison approach.

**6. Material Terms and Conditions of the Acquisition**

The completion of the Contract is subject to certain conditions, including the Company's ability to, among others, obtain the relevant notification of no objection to the Acquisition from the Foreign Investment Review Board of Australia, within 90 days of the Contract Date.

**7. Directors' and Controlling Shareholders' Interests**

To the best of the Company's knowledge, save for their respective shareholdings in the Company, none of the directors or the controlling shareholders of the Company has any interest, direct or indirect in the Acquisition.

**8. Documents Available for Inspection**

The Contract is available for inspection by the Company's shareholders during normal business hours from 9.00am to 5.45pm at the Company's registered office located at 18 Ah Hood Road #13-51, Hiap Hoe Building At Zhongshan Park, Singapore 329983 for a period of three (3) months from 17 February 2014.

By Order of the Board

Submitted by Lai Foon Kuen, Company Secretary on 17 February 2014 to the SGX-ST