



HIAP HOE LIMITED
(Co. Reg. No.: 199400676Z)
(Incorporated in Singapore)

ACQUISITION OF LE CHATEAU AT 67 CAVENAGH ROAD SINGAPORE 229621

1. Introduction

The Board of Directors of Hiap Hoe Limited (the "**Company**") wishes to announce that the tender for:

- (a) all the lots and common property in Strata Title Plan No. 1138; and
- (b) the land known as Lot 784V Town Subdivision 27,

(collectively the "**Development**" which is also known as 'Le Chateau' located at 67 Cavenagh Road, Singapore 229621, by the Company's wholly owned subsidiary Yong Hock Trading (S) Pte Ltd (the "**Purchaser**"), has been successful.

2. The Consideration

The total purchase consideration for the Development is S\$46.8 million (the "**Consideration**"). The Consideration was arrived at on a willing buyer willing seller basis after taking into account various commercial factors including the development potential, location of the Development, the recent transacted prices for properties in the vicinity and the 'Terms and Conditions of Tender' referred to in the Tender.

3. Material Terms and Conditions of the Transaction

The material conditions of the Purchaser's purchase (the "**Transaction**") of the Development are, *inter alia*, as follows: -

- (i) the Transaction is subject, where and if necessary, to an order (the "**STB Order**") being obtained from the Strata Titles Board under the Land Titles (Strata) Act (Cap. 158). In the event the STB Order is not obtained within 12 months from the RPA Approval Date, the sale and purchase shall be terminated and all moneys paid by the Purchaser shall be returned without interest or compensation whatsoever; and
- (i) the Purchaser is not an approved purchaser within the meaning of the Residential Property Act (Cap. 274) and is required to obtain the requisite approval or consent (the "**RPA Approval**") from the relevant authority to purchase the Development within 6 weeks from 30 August 2006. If the

Purchaser fails to submit its application to the relevant authority for the RPA Approval within 10 days from 30 August 2006 or in the event that the RPA Approval is not obtained within 6 weeks from 30 August 2006 or the Purchaser's application for the RPA Approval is rejected for whatever reason by the relevant authority (as the case may be) the Vendors shall be entitled at the Vendors' discretion either:-

(a) to rescind the sale and purchase by notice in writing to the Purchaser in which case the Deposit paid shall be forfeited by the Vendors without prejudice to any other rights and remedies which the Vendors may have at law or in equity; or

(b) by written notice to that effect, to require the Purchaser to nominate another purchaser which does not require the aforesaid approvals or is able to and/or has already obtained the said approvals, to complete the purchase of the Development on the same terms and conditions provided in the Agreement.

The "Completion Date" is defined as:

- a. where the STB Order is necessary, and the STB Order has been, the date which is three (3) months from the date of the STB Order being made; or
- b. where the subsidiary proprietors of all the lots and common property in the Strata Title Plan No. 1138 agree to the sale, the date which is three (3) months from the date of the notice by the Vendors' solicitors to that effect,

whichever shall first occur.

The Deposit is defined as ten percent (10%) of the Consideration.

The "RPA Approval Date" is defined as the date of the Vendors' solicitors' receipt of notice from the Purchaser or its solicitors that the RPA Approval has been obtained.

The "Vendors" is defined as the subsidiary proprietors of the lots with not less than 80% of the share values in the Development, and upon the STB Order being obtained, all references to the "Vendors" shall be deemed to be references to all the subsidiary proprietors of all the lots and common property in the Strata Title Plan No. 1138.

4. Financial Effects of the Transaction

The Consideration will be fully funded through internal funds and/or bank borrowings. For illustrative purposes, (a) assuming the Transaction had been effected at the end of 2005, there would have been no material impact on the net tangible assets per share of the Company for the financial year ended 31 December 2005 (being the latest audited accounts) ("**FY2005**") and similarly, (b) assuming the Transaction had been effected at the beginning of 2005, there would have been no material impact on the earnings per share for FY2005. The Transaction is also not expected to have any material effect on the net tangible

assets per share or earnings per share of the Company for the current financial year.

5. Rationale for the Transaction

The Transaction is in line with the Company's existing core business of property development. As the Development is located in the city area, the Directors believe the Development would have substantial development potential.

The Consideration of S\$46.8 million constitutes 82.4% of the market capitalization of the Company of S\$56.8 million based on the weighted average price of the Company's shares transacted on 29 August 2006.

Pursuant to Rule 3.2 of Practice Note 10.1 of the Listing Manual, shareholders' approval of the Company is not required as the Transaction will result in an expansion of the Company's existing core business. The Transaction is in the Company's ordinary course of business and is not to be regarded as a "major transaction" for the purpose of Chapter 10 of the Listing Manual.

6. Directors' and Controlling Shareholders' Interests

To the best of the Company's knowledge, none of the directors or the controlling shareholders of the Company has any interest, direct or indirect in the Transaction.

By Order of the Board

Submitted by [Sophia Lim Siew Fay](#), Company Secretary on 31 August 2006 to the [SGX](#)