



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

## **ACQUISITION THE Whole of Lot No. 559X of Town Subdivision 21 at 70 St. Thomas Walk, Singapore**

### **1. Introduction**

The Board of Directors of Hiap Hoe Limited (the "**Company**") wishes to announce that the Company has, by the Company's wholly owned subsidiary Bukit Panjang Plaza Pte Ltd (the "**Purchaser**"), entered into a Sale and Purchase Agreement ("Agreement") on 27 October 2006 to acquire all the 47 strata units together with the whole of Lot No. 559X of Town Subdivision 21, comprising the development known as 'Phoenix Court' located at 70 St. Thomas Walk, Singapore 238139 (the "**Development**") from all the registered subsidiary proprietors of the aforesaid 47 strata units (the "**Vendors**").

### **2. The Consideration**

The total purchase consideration for the Development is S\$88.1 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 sale set out in the Agreement.

### **3. Material Terms and Conditions of the Transaction**

The material conditions of the Purchaser's purchase of the Development (the "**Transaction**") 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 6 months after the date of the Agreement (or, if an appeal against the STB Order is filed, within 9 months after the date of the Agreement), the sale and purchase shall be terminated and all moneys paid by the Purchaser shall be returned without interest or deduction. In the event that all the registered subsidiary proprietors of the 47 units holding 100% share value consent to the Transaction, STB Order is not required.

- (ii) the Purchaser is not an approved purchaser within the meaning of the Residential Property Act (Cap. 274) and will need to obtain a qualifying certificate (the “QC”) under section 31(2) of the Residential Property Act (Cap. 274) to acquire the Development. If the QC is not obtained within 12 weeks from the date of the Agreement (or such later date as the parties hereto may agree upon in writing), the Purchaser must nominate an “approved purchaser” within the meaning of the Residential Property Act (Cap. 274) to purchase the Development in place of the Purchaser.
  
- (iii) The sale and purchase of the Development shall be completed :
  - a. within twelve (12) weeks from the date of the Agreement; or
  - b. where a STB Order has to be obtained, within twelve (12) weeks from the date of the Purchaser’s receipt of the Vendors’ Solicitors’ written notice that the STB Order has been obtained; or
  - c. within twelve (12) weeks from the date of the Purchaser’s receipt of the written confirmation of the Vendors’ Solicitors that all registered subsidiary proprietors of the 47 units in the Development holding 100% share value have consented to the sale in accordance with the terms of the Agreement; or
  - d. within three (3) weeks after the Purchaser’s nomination (if any) referred to in paragraph 3(ii) above,whichever is latest.
  
- (iv) The Consideration is to be paid in the following manner
  - a. 5% of the Consideration is to be paid on signing of the Agreement;
  - b. a further 5% of the Consideration is to be paid within two weeks from the date of the Purchaser’s receipt of a written notice from the Vendors’ Solicitors that the STB Order, if applicable, or within 12 weeks from the date of the Purchaser’s receipt of the written confirmation of the Vendors’ Solicitors that all registered subsidiary proprietors of the 47 units in the Development holding 100% share value have consented to the sale in accordance with the terms of this Agreement; and
  - c. the balance of the Consideration shall be paid on completion of the sale and purchase of the Development.

#### **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\$88.1 million constitutes 85.8% of the market capitalization of the Company of S\$102.7 million based on the weighted average price of the Company's shares transacted on 26 October 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 27 October 2006 to the [SGX](#)