



Hiap Hoe Limited
(Registration No. : 199400676Z)

PROPOSED SALE OF 380 LONSDALE STREET, MELBOURNE, AUSTRALIA

Unless otherwise defined, all capitalised terms used herein shall have the same meaning ascribed to them in the Announcement (as defined herein).

1. Introduction

The Board of Directors of Hiap Hoe Limited (the "**Company**", and with its subsidiaries, the "**Group**") refers to the Company's announcement dated 16 March 2016 (the "**Announcement**") in relation to, *inter alia*, the proposed sale of the property located at 380 Lonsdale Street, Melbourne, Australia (the "**Property**").

The Board is pleased to announce that the Company has, through its subsidiary, Meteorite Property (Lonsdale Street) Pty Ltd, as trustee for the unit trust holding the Property, in its ordinary course of business, entered into a formal contract of sale (the "**Contract of Sale**") on 14 April 2016 in relation to the sale of the Property to A. & J. Brady Pty Ltd (also known as the Brady Property Group) (the "**Purchaser**") (the "**Proposed Disposal**").

2. Purchase consideration

The total purchase consideration for the Property is AUD 60,000,000 (excluding goods and services tax) (the "**Consideration**"). The Consideration was arrived at on a willing buyer willing seller basis and at arm's length, taking into consideration (i) the net book value of the Property of approximately AUD 43,000,000 in the audited financial statements of the Group for the financial year ended 31 December 2015; and (ii) the indicative open market value of the Property (assuming full payment of lease termination fee) of AUD 60,000,000 as at 31 December 2015, based on a certificate of valuation (the "**Certificate of Valuation**") prepared by an independent professional valuer appointed by the Company, m3property (Vic) Pty Ltd. The indicative open market value was derived based on the method of direct comparison of development site sales evidence, taking into consideration the analysis of existing leases, licences and permits, the outstanding lease termination fee, and the planning permit and the approved extension of time thereof, of the Property.

The Consideration will be satisfied in the following manner:

- (a) 10% of the Consideration, amounting to AUD 6,000,000 has been paid on the signing of the Contract of Sale; and

- (b) the balance 90% of the Consideration, amounting to AUD 54,000,000 shall be paid on the settlement of the Contract of Sale, which is scheduled to take place on or before 29 July 2016.

3. Directors' and controlling shareholders' interest

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

4. Documents available for inspection

The (i) Contract of Sale; and (ii) Certificate of Valuation are available for inspection during normal business hours at the registered office of the Company at 18 Ah Hood Road, #13-51 Hiap Hoe Building At Zhongshan Park, Singapore 329983 for a period of three (3) months from the date of this announcement.

By Order of the Board

Tracy Wun
Executive Director

14 April 2016