



Hiap Hoe Limited
(Registration No. : 199400676Z)

**UPDATE ON AND VARIATION OF 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 Company's announcements dated 16 March 2016 and 14 April 2016 ("**Announcements**") in relation to, inter alia, the disposal of the property located at 380 Lonsdale Street, Melbourne, Australia (the "**Property**").*

1. Introduction and summary

The Board of Directors of Hiap Hoe Limited (the "**Company**") refers to the Announcements and wishes to update shareholders of the Company that the Group and Brady Lonsdale Venture Pty Ltd ("**Brady Lonsdale**") have, on 29 July 2016, mutually agreed on the heads of agreement (the "**Variation HOA**") to vary the Contract of Sale in relation to the disposal of the Property to the Purchaser (the "**Variation**"). Brady Lonsdale is an affiliate company of the Purchaser in the Contract of Sale.

Pursuant to the Variation, the Group's indirect wholly owned subsidiary, Meteorite Land Pty Ltd ("**MLPL**"), has agreed to sell:

- (i) all its shares in its wholly owned subsidiary Meteorite Property (Lonsdale Street) Pty Ltd ("**MPLS**"); and
- (ii) all its units in its wholly owned unit trust holding the Property, Meteorite Property (Lonsdale Street) Unit Trust ("**MPLS Unit Trust**"),

(collectively, the "**Target Assets**") to Brady Lonsdale and/or its nominee ("**Brady Lonsdale**").

Pending the execution by MLPL and Brady Lonsdale into a definitive agreement for the purpose of effecting the Variation (the "**Share & Unit Sale Agreement**"), the existing Contract of Sale for the disposal of the Property by MPLS to the Purchaser remains valid and effective, and MPLS and the Purchaser have mutually agreed to postpone the date of settlement of the Contract of Sale to 15 August 2016, which shall not be a default of the Contract of Sale by either party. If MLPL and Brady Lonsdale do not enter into the Share & Unit Sale Agreement and complete the sale of the Target Assets on or before 15 August 2016, MPLS and the Purchaser shall proceed with the settlement of the Contract of Sale.

2. Information on the Target Assets

MPLS is incorporated in Australia and is an indirect wholly owned subsidiary of our Group. MPLS is an investment holding company principally engaged in the property development business.

The MPLS Unit Trust was created over the Property and is administered by MPLS as trustee of the MPLS Unit Trust. All the units in the MPLS Unit Trust are held by MLPL. Save for the Property, MPLS does not hold any other tangible or material assets.

3. Further Announcements

As the terms of the Variation have not been finalised, the Company will release further announcements to inform shareholders of the Company when there are material developments in respect of the Proposed Disposal and the Variation.

4. Cautionary Statement

As (i) there is no certainty or assurance that the Share & Unit Sale Agreement will be entered into; and (ii) the terms of Variation as set out in the Variation HOA is subject to changes in accordance with the terms and conditions of the Share & Unit Sale Agreement, if executed, shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

By Order of the Board

Tracy Wun
Executive Director

29 July 2016