



Hiap Hoe Limited
(Registration No. : 199400676Z)

NEWS RELEASE

HIAP HOE ACQUIRES 206 BOURKE STREET, MELBOURNE FOR A\$105 MILLION

- *11,922 sqm trophy-quality mixed use retail and office asset is centrally located in the Central Business District of Melbourne, Australia;*
- *High occupancy rates with a strong tenant mix to generate attractive returns;*
- *Acquisition comes with an approved planning permit for a 142-room hotel that will sit above the existing development.*

SINGAPORE, 5 September, 2013 – Singapore Mainboard-listed premium integrated property developer, Hiap Hoe Limited (“Hiap Hoe” or the “Group”) announced its third strategic overseas acquisition with the purchase of 206 Bourke Street, a trophy-quality mixed use retail and office asset centrally located in the Central Business District of Melbourne, Australia. With a total lettable area of 11,922 sqm, the development comprises 9,582 sqm of retail lettable area and 2,340 sqm of office lettable area.

Mr Teo Ho Beng, Hiap Hoe’s Executive Chairman and Chief Executive Officer, said, “We are pleased to add 206 Bourke Street to our portfolio of quality investment assets as the high profile retail, entertainment and office complex sits in the heart of Melbourne’s vibrant CBD and is well placed to benefit from the increase in retail activity and population growth in the wider Melbourne catchment area.

“To realise our strategy of growing our recurring income stream, we will continue to seek assets that possess similar strong attributes: Well-located with access to a strong a growing catchment population; high occupancy levels with a strong tenant mix; and strong income security via long term lease agreements.”

206 Bourke Street is strategically situated on the edge of Bourke Street Mall, Melbourne's fashion, dining, entertainment and lifestyle destination. The centre enjoys direct access to the northern side of Bourke Street and extends through to the Chinatown restaurant precinct on Little Bourke Street. The popular precinct, which is the longest continuous Chinese settlement in the western world, attracts high visitor traffic throughout the year.

206 Bourke Street is essentially fully leased to a diverse mix of international and national tenants which include key retailers such as Quicksilver, G Star Raw, Telechoice, Smiggle, Yuki House, Angel Sissi, China Red, JB Hi-Fi, Navitus Professional, Shanghai Dynasty Restaurant, Dragon Boat Restaurant, and Regent Club Day Spa. The centre's weighted average lease expiry by lettable area is approximately 4.8 years, highlighting the income security of the asset.

The acquisition comes with an approved planning permit to build a 142-room hotel above the fourth level of 206 Bourke Street, presenting the Group with an exciting opportunity to add significant improvements to the asset and leverage on the major undersupply of hotels in the immediate area. As the asset underwent a major enhancement in 2010, the Group intends to reserve this redevelopment option for its longer term strategy to grow its hospitality business.

The development is situated within an established trade area of more than 41,000 residents which has recorded an average growth rate of 4.5% per annum. This robust growth, in a catchment area where average income levels are exceptionally higher on a per capita basis, is expected to continue until 2026.

"This acquisition is a further testament of our foresight and commitment to Australia. Whilst the pace of GDP growth has fallen slightly below the 20-year average of 3.5%¹, the outlook for the Australian economy remains positive. Interest rates remain favourable and a recent improvement in consumer sentiment appears to be stimulating consumer spending, positioning 206 Bourke Street well to benefit from the expected population growth," concluded Mr Teo.

¹ "Victorian Retail Market Commentary", Jones Lang LaSalle Research, March 2013

According to the Australia Bureau of Statistics, Melbourne had the largest growth of any Australian city over the past five years and is today, home to approximately 4.35 million as at 1H2013. Based on the pace of its growth of 2 per cent per annum since the turn of the century, the city has added more than 900,000 people over the past 13 years and is well on track to become a city of 8 million residents by 2050.²

The Group intends to fund the acquisition with a combination of internal resources and debt.

About Hiap Hoe Limited

Hiap Hoe Limited is a premium integrated property developer, engaged in the development of luxury and mid-tier residential and hotel-cum-commercial properties that are distinct in design and preferred for their excellent location and investment prospects. The Group's residential portfolio includes distinctive projects such as Treasure on Balmoral, Skyline 360°, Waterscape at Cavenagh, The Beverly, Signature At Lewis, Oxford Suites and Cuscaden Royale.

Hiap Hoe also owns an integrated hotel-cum-commercial development along Balestier Road that sits just opposite the historic Sun Yat-Sen Nanyang Memorial Hall, a national monument that pays tribute to the father of the 1911 Chinese Revolution. Comprising Days Hotel Singapore at Zhongshan Park (新加坡中山公园戴斯酒店), and Ramada Singapore at Zhongshan Park (新加坡中山公园华美达酒店), Zhongshan Mall (中山广场) and an office tower, the two hotels flank Zhongshan Park (中山公园), creating a unique integrated development with a strong heritage connection and old world charm.

In addition to the Group's core business of property investment and property development, Hiap Hoe is also engaged in the construction business. More information on Hiap Hoe can be found at <http://www.hiaphoe.com>

² "Melbourne bursting at the seams as population booms", *The Age* (www.theage.com.au), 31 August 2013

ISSUED ON BEHALF OF : Hiap Hoe Limited
BY : Citigate Dewe Rogerson, i.MAGE Pte Ltd
55 Market Street
#02-01
SINGAPORE 048941
CONTACT : Mr Clarence Fu / Mr Ng Chung Keat
at telephone
DURING OFFICE HOURS : 6534-5122 (Office)
AFTER OFFICE HOURS : 9781-0737 / 9781-3605 (Handphone)
EMAIL : clarence.fu@citigatedrimage.com /
chungkeat.ng@citigatedrimage.com

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