



Hiap Hoe Limited
(Registration No. : 199400676Z)

ACQUISITION OF LAND PARCEL LOCATED IN MELBOURNE, AUSTRALIA (THE "ACQUISITION")

1. Introduction

The Board of Directors of Hiap Hoe Limited (the "**Company**") is pleased to announce that the Company has through its wholly owned subsidiary Meteorite Australia Pte Ltd (the "**Purchaser**"), in its ordinary course of business, entered into a Sale And Purchase Agreement (the "**Agreement**") on 30 July 2013 to acquire a land parcel located at 6 – 22 Pearl River Road, in the broader Docklands precinct of Melbourne, Australia (the "**Development**") from Piazzanova West Pty Ltd (the "**Vendor**").

2. Purchase Consideration And Funding

The total purchase consideration for the Development is A\$28,800,000 (the "**Consideration**"). The Consideration was arrived at on a willing buyer willing seller basis after taking into account various commercial factors including, *inter alia*, the development potential and location of the Development and the recent transacted prices for other properties in the vicinity.

The Consideration is to be paid in the following manner:

- a. 1% of the Consideration, amounting to A\$288,000 that has been paid on 30 July 2013;
- b. 9% of the Consideration, amounting to A\$2,590,000 to be paid on 1 August 2013; and
- c. the balance of the Consideration, amounting to A\$25,920,000 shall be paid on completion of the sale and purchase of the Development.

The Consideration will be fully funded through a combination of internal resources and debt.

3. The Development

The Development is located at 6 – 22 Pearl River Road, in the NewQuay precinct of Docklands, and is situated on a waterfront at the edge of Victoria Harbour with views of the Melbourne Central Business District. The Development possess all the necessary planning permits for the development of two buildings with 425

residential units, with the first building consisting of a podium interface and a tower above, and the second building set to be the tallest building within the precinct.

The Development has a total land area of 3,795 square metres.

4. Valuation

The valuation of the Development was arrived at based on the following:

- (i) our internal feasibility and viability studies; and
- (ii) legal due diligence conducted by our Australian counsel.

In addition, the Company had on 31 July 2013 commissioned an independent valuer, m3 Property (Vic) Pty. Ltd. (the “**Valuer**”) to conduct an independent valuation on the value of the Development. Based on the valuation report dated 1 August 2013 (the “**Valuation Report**”) issued by the Valuer, the appraised value of the Development is A\$28,880,000 as at 1 August 2013.

The Valuer had applied the direct comparison methodology having regard to comparable sale transactions to arrive at the assessment of the value.

5. Material Terms and Conditions of the Acquisition

The completion of the Agreement is subject to certain conditions, including the Vendor’s ability to obtain the relevant approval and agreement with the authorities in Victoria, Australia.

6. Rationale for the Acquisition

The Directors believe the Development would have substantial development potential with its strategic location in Melbourne and would provide an opportunity for the Company to increase its presence in Australia.

The Consideration, amounting to approximately S\$33.6 million (based on an exchange rate of AUD 1: S\$1.1665 on 29 July 2013), constitutes 9.6% of the market capitalization of the Company of S\$349,577,000 based on the market closing price of the Company’s shares, excluding Treasury Shares, as at 29 July 2013, being the date immediately preceding the date of the Agreement.

Pursuant to Rule 3.2 of Practice Note 10.1 of the Listing Manual, shareholders’ approval of the Company is not required as the Acquisition is in the Company’s ordinary course of business and is thus not subject to Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited. However, the Board has decided to disclose the Acquisition to enhance the corporate disclosure standards of the Company.

7. Directors' and Controlling Shareholders' Interests

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

8. Documents Available for Inspection

The Agreement and the Valuation Report are available for inspection by the Company's shareholders during normal business hours from 9.00am to 5.45pm at the Company's registered office located at 564A Balestier Road Singapore 329880 for a period of three (3) months from 1 August 2013.

By Order of the Board

Submitted by Lai Foon Kuen, Company Secretary on 1 August 2013 to the SGX-ST