



Hiap Hoe Limited
(Registration No. : 199400676Z)

EXECUTION OF LETTER OF INTENT AND TERM SHEET WITH STARWOOD ASIA PACIFIC HOTELS & RESORTS PTE. LTD. IN RELATION TO THE PROPOSED DEVELOPMENT OF HOTELS ON THE PROPERTIES OF THE GROUP LOCATED AT:

- (I) 6-22 PEARL RIVER ROAD, DOCKLANDS, VICTORIA, AUSTRALIA; AND**
(II) 380 LONSDALE STREET, MELBOURNE, VICTORIA, AUSTRALIA

Unless otherwise defined in this announcement, all capitalised terms used in this announcement shall have the meanings ascribed to them in the announcements of the Company:

- (i) *dated 1 August 2013, 16 August 2013, 21 August 2013 and 28 August 2013, relating to the Group's acquisition of the property located at 6-22 Pearl River Road, Docklands, Victoria, Australia (the "**6-22 Pearl River Road Property**")*;
- (ii) *dated 4 September 2013, 5 September 2013 and 3 October 2013, relating to the Group's acquisition of the property located at 380 Lonsdale Street, Melbourne, Victoria, Australia (the "**380 Lonsdale Street Property**")*; and
- (iii) *dated 3 October 2013 in relation to the 6-22 Pearl River Road Property and the 380 Lonsdale Street Property.*

*(collectively, the "**Announcements**".)*

The Board of Directors of Hiap Hoe Limited (the "**Company**", and with its subsidiaries, the "**Group**") is pleased to announce that, further to the Announcements and in relation to the 6-22 Pearl River Road Property and 380 Lonsdale Street Property (the "**Properties**"), Meteorite Land (Pearl River) Pty Ltd and Meteorite Property (Lonsdale Street) Pty Ltd, the legal owners of the 6-22 Pearl River Property and the 380 Lonsdale Street Property respectively and wholly-owned subsidiaries of the Company (the "**Property Owners**"), had on 9 January 2014 entered into a binding letter of intent ("**Letter of Intent**") and non-binding term sheet (the "**Term Sheet**") with Starwood Asia Pacific Hotels & Resorts Pte. Ltd. ("**Starwood**"). Pursuant to the Term Sheet and the Letter of Intent, the Property Owners and Starwood have committed to negotiate and try to agree on the terms of contracts (the "**Definitive Agreements**") (based on the general terms in the Term Sheet) for the supervision, direction and control of the operation of hotels, which are proposed to be developed on the Properties (the "**Hotels**", and each, a "**Hotel**") (the "**Potential Engagement**").

Under the terms of the Letter of Intent and the Term Sheet, Starwood, either itself or through any one of its affiliates, will negotiate and try to agree on and enter into the Definitive Agreements for Starwood to supervise, direct and control the operation of the Hotels for the Property Owners under the Four Points® (for the Hotel at 6-22 Pearl River Road Property) and Aloft® (for the Hotel at the 380 Lonsdale Street Property) brands.

The Letter of Intent sets out the exclusive negotiation period and, *inter alia*, exclusivity and confidentiality obligations of the Property Owners and Starwood. The Term Sheet sets out a summary of general terms of the Definitive Agreements between the Property Owners and Starwood, and is subject to, among others, negotiation and finalisation of the Definitive Agreements and approval by Starwood's board of directors or executive committee.

Starwood is part of Starwood Hotels & Resorts Worldwide, Inc. ("**Starwood Worldwide**"), which is one of the world's largest hotel and leisure companies. Starwood Worldwide conducts its hotel and leisure business directly and through its subsidiaries with reputable brand names which include, besides Four Points® and Aloft®, Sheraton®, Westin® and St. Regis®. The Board believes that the Group will benefit from the engagement of Starwood as the hotel operator for the Hotels, which will allow the Hotels to benefit from the marketing and loyalty programme of Starwood Worldwide.

The Potential Engagement is subject to the agreement and execution of Definitive Agreements. The Company will keep shareholders updated and make further announcements upon the execution of Definitive Agreements in relation to the Potential Engagement.

The Board wishes to emphasise that while the Letter of Intent contains certain legally binding obligations relating to the exclusivity of negotiations and confidentiality obligations of the parties thereto, the Potential Engagement is subject to the execution of Definitive Agreements, and the terms of the Definitive Agreement are subject to further negotiation between Starwood and the Property Owners. As the Potential Engagement may or may not materialise, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board

Submitted by Lai Foon Kuen, Company Secretary on 9 January 2014 to the SGX-ST.