



Hiap Hoe Limited
(Registration No. : 199400676Z)
(Incorporated in Singapore)

PROPOSED JOINT ACQUISITION OF THE DEVELOPMENT KNOWN AS THE ASPINE

1. Introduction

The Board of Directors of Hiap Hoe Limited (“the Company”) wishes to announce that Hiap Hoe SuperBowl JV Pte. Ltd. (the “JV Company”), a joint venture company jointly owned by the Company and SuperBowl Holdings Limited, has tendered for:

- (a) All the strata units and the common property in Strata Title Plan No. 1845.
- (b) the land known as Lot 713K of Town Subdivision 26,

(collectively the "**Development**") which is also known as 'The Aspine' located at 5 Balmoral Road, Singapore 259786.

2. The Consideration

The total purchase consideration for the Development is S\$138 million to be paid by the JV Company (the “Total Consideration”). The Total Consideration was arrived at on a willing buyer willing seller basis after taking into account various commercial factors including the development potential, location of the Development, the recent transacted prices for properties in the vicinity and the 'Terms and Conditions of the Tender.

The Company’s purchase consideration (the “Consideration”) for the Development is S\$82.8 million, which is 60% of the Total Consideration in accordance with the terms of the joint venture.

3. Material Terms and Conditions of the Transaction

The material conditions of the acquisition (the "**Transaction**") of the Development are as follows: -

- (i) the Transaction is subject, to the Owners of the Development obtaining an order (the "**STB Order**") from the Strata Titles Board under the Land Titles (Strata) Act (Cap. 158), if necessary; and

- (ii) The Transaction is subject, to the JV Company obtaining in-principle approval, 8 weeks from the date of Sales and Purchase Agreement, for the Qualifying Certificate from Controller of Residential Property under the Residential Property Act.

4. Financial Effects of the Transaction

The Consideration will be fully funded through internal funds and/or bank borrowings. For illustrative purposes, (a) assuming the Transaction had been effected at the end of 2006, there would have been no material impact on the net tangible assets per share of the Company for the financial year ended 31 December 2006 (being the latest audited accounts) (“FY2006”) and similarly, (b) assuming the Transaction had been effected at the beginning of 2006, there would have been no material impact on the earnings per share for FY2006. The Transaction is also not expected to have any material effect on the net tangible assets per share or earnings per share of the Company for the current financial year.

5. Rationale for the Transaction

The Transaction is in line with the Company’s existing core business of property development. As the Development is located in the city area, the Directors believe the Development would have substantial development potential.

The Consideration constitutes 28.4% of the Company’s market capitalization of S\$291.1 million as at 19 October 2007.

Pursuant to Rule 3.2 of Practice Note 10.1 of the Listing Manual, shareholders’ approval of the Company is not required as the Transaction will result in an expansion of the Company’s existing core business. The Transaction is in the Company’s ordinary course of business and is not to be regarded as a “major transaction” for the purpose of Chapter 10 of the Listing Manual.

6. Directors' and Controlling Shareholders' Interests

To the best of the Company’s knowledge, none of the directors or the controlling shareholders of the Company has any interest, direct or indirect in the Transaction.

By Order of the Board

Submitted by Sophia Lim Siew Fay, Company Secretary on 22 October 2007 to the SGX

