



HIAP HOE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199400676Z)

PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF GOLDEN BAY REALTY (PRIVATE) LIMITED

1. Introduction

The Board of Directors of Hiap Hoe Limited (the “**Company**”, and with its subsidiaries, the “**Group**”) wishes to announce that the Company has, on 3 November 2017, entered into a conditional sale and purchase agreement (the “**SPA**”) with AFP Land Limited (the “**Vendor**”) to acquire the entire issued and paid-up ordinary share capital (the “**Sale Shares**”) of Golden Bay Realty (Private) Limited (the “**Target Company**”) (the “**Proposed Acquisition**”).

The Proposed Acquisition is in the ordinary course of business of the Group. Therefore, Rules 1010 and 1014 of Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited do not apply.

2. Information on the Target Company

The Target Company is a private company limited by shares, incorporated in the Republic of Singapore in 1971. The Target Company is in the business of property investment holdings. The Target Company is the registered proprietor of properties which are registered as 59 strata lots, of which 21 are shops and 38 are offices, all of which are located at Orchard Towers, Singapore, a mixed development located on 400 Orchard Road, Singapore 238875 and 1 Claymore Drive, Singapore 229594 (the “**Properties**”). The Properties have an aggregate strata floor area of approximately 128,000 square feet and net leasable area of approximately 89,000 square feet.

3. Purchase Consideration and Funding

The purchase consideration for the Sale Shares was agreed on a willing-buyer willing-seller basis to be an amount equivalent to the net asset value of the Target Company. The agreed value of the Properties shall be the sum of S\$162,000,000 in determining the net asset value of the Target Company as at the completion date. This was after considering the income projections of the Properties and the various commercial factors including a valuation report prepared by an independent professional valuer.

As at the date of the SPA, the Company has paid a deposit in the sum of S\$9,720,000 to the Vendor. The payment of the balance of the purchase consideration will be made to the Vendor on the completion date.

The Company will fund the Proposed Acquisition in cash through a combination of internal resources and bank borrowings.

4. Rationale of the Proposed Acquisition

The Proposed Acquisition is in line with the Group's strategic plans to enlarge its existing property investment portfolio. The Directors believe that the Properties' strategic location in a prime area in Singapore will allow the Group to further strengthen its recurrent income stream.

5. Conditions Precedent

The obligations of the Company to purchase the Sale Shares from the Vendor are subject to the fulfilment of conditions precedent including, but not limited to, the following:

- (i) the Company having determined that the title to the Properties are in good order, which for the purposes of the SPA means that the Vendor is recorded as the registered proprietor of the Properties based on land title searches conducted with the Singapore Land Authority;
- (ii) the Company not having received any notice of compulsory acquisition or any notice of intended acquisition or any gazette notification from any governmental or relevant competent authority under the applicable laws for the acquisition of the Properties and/or any part(s) thereof;
- (iii) the receipt of all consents and approvals required under any and all applicable laws or from any governmental agency, regulatory or third party required for the sale and transfer of the Sale Shares as contemplated under the SPA; and
- (iv) the Purchaser having determined that the Company is not a "property-holding entity" for the purpose of the Stamp Duties Act.

In the event that any of the conditions precedent is not fulfilled or waived in accordance with the provisions of the SPA, the SPA will automatically cease and determine.

6. Financial Effects

The Proposed Acquisition is expected to contribute positively to the Company's consolidated net tangible assets and earnings per share for the financial year ending 31 December 2017.

7. Directors' and Controlling Shareholders' Interest

None of the Directors (other than in his capacity as Director or shareholder) or controlling shareholders (other than through their respective shareholdings in the Company) has any interest, direct or indirect, in the Proposed Acquisition.

8. Documents available for inspection

Copies of the following documents are available for inspection during normal business hours at the Company's registered office at 18 Ah Hood Road #13-51, Hiap Hoe Building At Zhongshan Park, Singapore 329983 for a period of three (3) months from the date of this announcement:

- (a) the SPA; and
- (b) the valuation report issued by the valuer.

BY ORDER OF THE BOARD

Ong Beng Hong
Joint Company Secretary
3 November 2017