



HIAP HOE LIMITED

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

ACQUISITION OF HOLIDAY INN EXPRESS TRAFFORD CITY, MANCHESTER, UNITED KINGDOM (THE “ACQUISITION”)

1. Introduction

The Board of Directors of Hiap Hoe Limited (the “**Company**”, and with its subsidiaries, the “**Group**”) refers to its announcement dated 16 June 2017 confirming the incorporation of its indirect wholly-owned subsidiaries, Meteorite Assets Limited and Meteorite Manchester Limited (“**MML**”).

The Board is now pleased to announce that MML has, on 16 June 2017, entered into a Sale and Purchase Agreement with Topland (No. 18) Limited, Mill Lane Estates Limited, and Marick Capital Limited (“**Agreement**”) to acquire the entire issued share capital in Trafford City Hotel Limited (“**TCHL**”), the owner of Holiday Inn Express Trafford City, Mercury Way, Manchester, United Kingdom (the “**Hotel**”).

2. Purchase Consideration and Funding

The purchase price for the shares in TCHL will be an amount equal to its Net Asset Value as at completion of £26,291,416 (the “**Consideration**”). This was after taking into account the various commercial factors including a valuation report prepared by an independent professional valuer, the trade projections for the Hotel and the recently transacted prices for other hotels in Manchester.

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

3. The Hotel

The Hotel is a limited service hotel located in the Trafford area of Manchester, close to the Trafford Shopping Centre and EventCity, a large exhibition and conference venue. In addition, the Hotel is branded as a Holiday Inn Express in accordance with a franchise agreement with IHG Hotels Limited, and is managed by Tower Hotel Management Limited, a subsidiary of The Peel Group. It is anticipated that the Manchester tram line will be extended between the city centre and the Trafford area by 2020 with a stop being close to the Hotel.

4. Rationale for the Acquisition

The Directors believe that the good location of the Hotel, being in the high growth region of Manchester, together with a world leading brand in Holiday Inn Express and the strong management team put in place by the hotel manager, represent an ideal opportunity for the Group’s maiden foray into United Kingdom’s hospitality industry. The acquisition would also allow the Group to further strengthen its recurrent income stream.

5. Material Terms and Conditions of the Acquisition

Exchange and completion of the Agreement took place simultaneously with all of the Consideration paid at completion. TCHL is now an indirect wholly-owned subsidiary of the Company.

6. Financial Effects

The Hotel is not expected to have a material impact on the consolidated net tangible assets per share and consolidated earnings per share of the Company for the financial year ending 31 December 2017.

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.

BY ORDER OF THE BOARD

Ong Beng Hong
Joint Company Secretary
16 June 2017