



Hiap Hoe Limited
(Registration No. : 199400676Z)

NEWS RELEASE

HIAP HOE SIGNS MANAGEMENT CONTRACT WITH STARWOOD HOTELS FOR ITS DOCKLANDS HOTEL IN MELBOURNE

- *Received regulatory approval for hotel component at 6-22 Pearl River Road in Docklands*
- *On track to expand its hospitality business and pursue its strategy of growing its recurring income stream*

SINGAPORE, 2 June 2014 – Following its acquisition of 6-22 Pearl River Road, in Docklands, Melbourne last year, Singapore Mainboard-listed Hiap Hoe Limited (“Hiap Hoe” or the “Group”), a regional premium real estate group with a diversified portfolio of hospitality, retail, commercial and residential assets, has received regulatory approval from the Minister of Planning, Melbourne, for a planning permit to include a hotel component in the mixed development at the site. At the same time, Hiap Hoe has also signed a long term management contract with Starwood Hotels & Resorts Worldwide, Inc. for Four Points by Sheraton Melbourne Docklands.

The proposed development will be its second integrated development comprising a 7-storey hotel with 269 room keys and two residential towers - one 43-storey block and one 36-storey block – totalling 471 residential units. Offering panoramic views of the Victoria Harbour, the iconic waterfront residential development, designed by award-winning architectural firm dKO, is named “Marina Tower, Melbourne”.

This follows the success of Hiap Hoe's first integrated hotel-cum-commercial development – Zhongshan Park Integrated Development. Completed in 2013 and built on the grounds of Singapore's only Zhongshan Park, this development comprises two internationally branded hotels, a 13-storey office tower, and a 50,000 sq ft retail mall.

Mr Teo Ho Beng, Hiap Hoe's Executive Chairman and Chief Executive Officer, said: "With Melbourne's healthy economy and status as a key tourist destination, we identified strong investment opportunities underpinned by the scarcity of and demand for quality hotel accommodation. This hotel in Docklands is a key component of our maiden flagship mixed-use development in Australia and we strongly believe that Four Points by Sheraton was the brand most closely aligned with our commercial objectives and vision for this development."

The upscale Four Points by Sheraton Melbourne Docklands is expected to benefit from the scarcity of hotel rooms in the area with the nearest hotel – the four-star Atlantis Hotel on 300 Spencer St - located approximately 1.7 km from the site. It is also likely to appeal to tourists with its panoramic sea view and close proximity to the Etihad Stadium and the upcoming Western Park (Stage 1), an A\$18 million sporting and community facility, which is part of the Australian government's multi-million dollar plan to rejuvenate the western end of Docklands precinct and transform the area into a new sporting and community hub¹. The Group expects strong support from major Melbourne sporting events such as the Australian Open Tennis Championship, Formula-1 Australian Grand Prix, Australian Football League (AFL) and Melbourne Cup, which will draw visitors, increasing demand for hotels in the city.

Conveniently located approximately 20-30 minutes' drive from the airport, the Four Points by Sheraton Melbourne Docklands also offers easy access to Melbourne's CBD (walking distance or a short tram ride). Docklands boasts several kilometres of Yarra River and Victoria Harbour water frontage lined with apartment buildings, restaurants, retail outlets and open space.

¹<http://www.places.vic.gov.au/cs/Satellite?c=VPage&cid=1365646166141&pagename=VicUrban%2FLayout&site=Places>

Ms Tracy Wun, Hiap Hoe's Executive Director, said, "This new hotel in Docklands is part of our strategy to expand our hospitality business and to further build recurring incomes. Docklands continues to evolve as Australia's most exciting urban renewal project and with its close proximity to the CBD and Melbourne's tourist highlights, is an attractive location for our first overseas hotel.

"With its waterfront location and close proximity to a spectrum of facilities that include the Etihad Stadium and the Australia government's multi-million dollar plans for Western Park as a sports and community hub in Docklands; and together with offices of major corporations and financial institutions just directly across the river, our hotel is strategically positioned in a vibrant catchment area that will see strong demand from business and leisure travellers."

With an estimated 30-month construction period, this maiden overseas project for Hiap Hoe is slated for completion by the end of FY2017.

Tourism Australia's General Manager of Destination Development, Katherine Droga, said increasing hotel capacity within capital cities was critical if Australian tourism was to achieve its Tourism 2020 growth targets.

"Alongside Austrade and our state and tourism partners, we've worked hard in recent years to present a strong case overseas for greater investment in Australian tourism infrastructure, particularly new hotels in our CBDs.

With room occupancies within Australia currently amongst the highest in the OECD, attractive opportunities are undoubtedly on offer. We are pleased to have attracted a quality long-term property developer – Hiap Hoe – who has recognised that the value and growth potential of new hotel investments here align with their strategy to build strong and recurring income as they expand their hospitality portfolio in Australia.

"With close to 300 rooms, this new hotel development represents a significant boost to Melbourne's hotel room inventory, and, importantly, is of the quality which will appeal to the international visitor we are targeting."

About Hiap Hoe Limited

Hiap Hoe Limited is a premium integrated property developer, engaged in the development of luxury and mid-tier residential and hotel-cum-commercial properties that are distinct in design and preferred for their excellent location and investment prospects. The Group's residential portfolio includes distinctive projects such as Treasure on Balmoral, Skyline 360°, Waterscape at Cavenagh, The Beverly, Signature At Lewis, Oxford Suites and Cuscaden Royale.

Hiap Hoe also owns an integrated hotel-cum-commercial development along Balestier Road that sits just opposite the historic Sun Yat-Sen Nanyang Memorial Hall, a national monument that pays tribute to the father of the 1911 Chinese Revolution. Comprising Days Hotel Singapore at Zhongshan Park (新加坡中山公园戴斯酒店), and Ramada Singapore at Zhongshan Park (新加坡中山公园华美达酒店), Zhongshan Mall (中山广场) and an office tower, the two hotels flank Zhongshan Park (中山公园), creating a unique integrated development with a strong heritage connection and old world charm.

In 2013, Hiap Hoe embarked on its strategic overseas expansion plans, acquiring assets in three prime locations in Melbourne, Australia: 6-22 Pearl River Road, 380 Lonsdale Street and 206 Bourke Street. The properties at 6-22 Pearl River Road and 380 Lonsdale Street were purchased with approved planning permits for residential developments. Hiap Hoe is in the process of seeking approval for a proposed mixed-use residential cum hotel development at 6-22 Pearl River Road. 206 Bourke Street was purchased with the strategy of building recurring income as it expands the Group's portfolio of investment assets. The purchase also came with an approved planning permit for a 142-room hotel above the existing property. Further, Hiap Hoe has entered into an MOU with Probuild, Australia's leading construction company to explore joint-venture opportunities in Australia. In February 2014, Hiap Hoe further expanded its presence into Western Australia with the acquisition of 130 Stirling Street, an A-grade commercial building located along the northern fringe of Perth's CBD.

In addition to the Group's core business of property investment and property development, Hiap Hoe is also engaged in the construction business. More information on Hiap Hoe can be found at <http://www.hiaphoe.com>

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