

WHEELOCK

PROPERTIES

(Company Registration No. 197201797H)

MANDATORY CONDITIONAL CASH OFFER FOR HOTEL PROPERTIES LIMITED, NEW ASSOCIATED COMPANY AND DISPOSAL OF SHARES HELD BY INDIRECT WHOLLY-OWNED SUBSIDIARY

A. MANDATORY CONDITIONAL CASH OFFER FOR HOTEL PROPERTIES LIMITED

A1 HOTEL PROPERTIES LIMITED

A1.1 The Directors of Wheelock Properties (Singapore) Limited (the “**Company**”) wish to announce that Standard Chartered Bank (“**SCB**”) has today announced, for and on behalf of 68 Holdings Pte. Ltd., an associated company of the Company (the “**Offeror**”), that:

- (i) the Offeror has on 14 April 2014 agreed to purchase an aggregate of 213,980,130 ordinary shares (the “**Sale Shares**”) in the capital of Hotel Properties Limited (“**HPL**”), representing approximately 41.91 per cent. of the ordinary shares in the capital of HPL (“**HPL Shares**”) in issue¹, at S\$3.50 for each Sale Share (the “**Acquisition**”); and
- (ii) in accordance with Rule 14.1(a) of the Singapore Code on Take-overs and Mergers (the “**Code**”), the Offeror intends to make a mandatory conditional cash offer (the “**Offer**”) for all the HPL Shares not already owned, controlled or agreed to be acquired by the Offeror (the “**Offer Shares**”).

A1.2 The Offeror is a private limited company incorporated in Singapore on 14 February 2014, in which Nassim Developments Pte. Ltd. (“**Nassim Developments**”) has a 40 per cent. interest and Cuscaden Partners Pte. Ltd. (“**Cuscaden**”) has a 60 per cent. interest. Nassim Developments is an indirect wholly-owned subsidiary of the Company. Cuscaden and Nassim Developments (collectively, the “**Consortium Parties**”) have formed a consortium (the “**Consortium**”) in connection with the Offer and have entered into an investors’ agreement (the “**Investors’ Agreement**”) with the Offeror to set out their respective rights and obligations in the Consortium. Please see Section A3 below for more details on shareholding structure in the Offeror.

A1.3 HPL is a public limited company incorporated in Singapore and listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The principal business activities of HPL and its subsidiaries are those of hotel ownership, management and operation, property development and investment holding.

A1.4 A copy of the announcement of the Offer released by SCB (“**Offer Announcement**”) is attached to this Announcement for your reference. Please refer to the Offer Announcement for full details of the Offer.

A2 BRIEF DETAILS OF THE OFFER

A2.1 As stated in the Offer Announcement, the Offer, when made, will be at the Offer Price of S\$3.50 in cash for each Offer Share.

A2.2 As stated in the Offer Announcement, the Offer will be subject to the Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, together with the HPL Shares owned, controlled or agreed to be acquired by the Offeror or parties acting or deemed to be acting in concert with it, before or during the Offer, will result in the Offeror and parties acting or deemed to be acting in concert with it holding such number of HPL Shares carrying more than 50 per cent. of the voting rights attributable to all HPL Shares in issue as at the close of the Offer.

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For the purposes of this Announcement, unless otherwise stated herein, the number of HPL Shares in issue shall be 510,596,251 as set out in the Notification Form for Director/Chief Executive Officer in respect of Interests in Securities released by HPL on SGXNET on 8 April 2014.

A3. NEW ASSOCIATED COMPANY AND OTHER DETAILS IN CONNECTION WITH THE OFFER

A3.1 New Associated Company

In connection with the Offer, Nassim Developments has subscribed for shares in the capital of the Offeror. The Offeror is a private limited company incorporated in Singapore for the purposes of investment holding, with a total issued and paid-up share capital of S\$100 represented by 100 shares in the capital of the Offeror ("**Offeror Shares**"), of which:

- (a) 60 Offeror Shares are held by Cuscaden representing 60.00% of the Offeror Shares in issue; and
- (b) 40 Offeror Shares are held by Nassim Developments, representing 40.00% of the Offeror Shares in issue.

A3.2 Consortium Arrangements

The Consortium Parties have also entered into the Investors' Agreement with the Offeror, setting out the terms of the Consortium, including the following:

- (i) each of Cuscaden and Nassim Developments has agreed to make a subordinated shareholder loan to the Offeror of S\$540,477,000 and S\$360,318,000 respectively (collectively, the "**Shareholder Loans**");
- (ii) the Offeror will utilise the Shareholder Loans to pay for the acquisition of the Sale Shares, which shall include the acquisition of 102,948,000 HPL Shares ("**Nassim Sale Shares**"), representing approximately 20.16 per cent. of the HPL Shares in issue, from Nassim Developments;
- (iii) the Consortium Parties shall be entitled to appoint a specified number of representatives to the board of Offeror. As at the date of this Announcement, the board of directors of the Offeror comprises Mr Ong Beng Seng, Mr David Ban Song Long, Mr Stephen Tin Hoi Ng and Ms Tan Bee Kim. Mr Stephen Tin Hoi Ng and Ms Tan Bee Kim are the Chairman and Senior Executive Director of the Company respectively;
- (iv) subject to certain conditions, the proposed transfer(s) of the shares of the Offeror by either of the Consortium Parties is / are subject to pre-emptive and tag-along rights;
- (v) on or after the fifth anniversary of the date of close of the Offer (or such other date to be agreed between the Consortium Parties), following the settlement of all liabilities of the Offeror (if any), each Consortium Party shall have the right to require the Offeror to effect a distribution in specie of all its assets to its shareholders on a pro-rata basis;
- (vi) Nassim Developments shall have an option to require Cuscaden to acquire all its Offeror Shares, such option only being exercisable in the event that Cuscaden, the Offeror or parties acting in concert with it (other than Nassim Developments and/or its affiliates, but excluding the Offeror) elects to make a subsequent offer to acquire any remaining HPL Shares;
- (vii) Cuscaden shall also have an option to require Nassim Developments to acquire all its Offeror Shares, such option only being exercisable in the event that Nassim Developments and/or parties acting in concert with it (other than the Offeror and Cuscaden and/or its affiliates) elects to make a subsequent offer to acquire any remaining HPL Shares;
- (viii) the Consortium Parties have agreed upon a list of reserved matters ("**Reserved Matters**") which shall not be undertaken except with the unanimous approval of the Consortium Parties; and
- (ix) in the event that the Consortium Parties, acting reasonably and in good faith, are not able to agree on any Reserved Matters within the requisite timeframe, a deadlock will have occurred and each of the Consortium Parties shall have the right to require the Offeror to effect, following the settlement of all liabilities of the Offeror (if any), a distribution in specie of all its assets to its shareholders on a pro-rata basis.

Pursuant to the terms of the Investors' Agreement, the Company's contribution to the Consortium shall be through the funding of, sale and transfer of the Nassim Sale Shares to the Offeror, and the Company is not required to contribute any additional capital for the Offer. All further cash required for the Offer will be funded by Cuscaden and/or bank financing. Financing, if any, will be on non-recourse basis to the Company.

A4. FINANCIAL EFFECTS

- A4.1 The Offer and the consortium arrangements described above are not expected to have a material impact on the consolidated net tangible assets or consolidated earnings per share of the Company for the financial year ending 31 December 2013. For further details in respect of the financial effects relating to the disposal of the Nassim Sale Shares, please refer to Section B5 below.

B. DISCLOSABLE TRANSACTION

B1. DISPOSAL OF SHARES IN HOTEL PROPERTIES LIMITED

B1.1 Disposal

As set out in paragraph A3.2(ii) above, Nassim Developments, an indirect wholly-owned subsidiary of the Company, will dispose (the "**Disposal**") of its entire shareholdings in HPL of 102,948,000 HPL Shares, representing approximately 20.16 per cent. of the HPL Shares in issue, to the Offeror for a total cash consideration of S\$360,318,000. In connection thereto, Nassim Developments has entered into a share transfer letter (the "**Letter**") with the Company reflecting the foregoing.

For details on the business of HPL, please refer to paragraph A1.3 above.

B1.2 Asset Value of the Nassim Sale Shares

As at 31 December 2013, based on the audited consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 December 2013 ("**FY2013 Results**"), the book value of the Nassim Sale Shares was approximately S\$98,730,000. The latest available open market value of the Nassim Sale Shares was approximately S\$322,227,000.

The excess of the Purchase Consideration over the book value of the Nassim Sale Shares as at 31 December 2013 (as set out in the preceding paragraph) is S\$261,588,000.

B1.3 Net Gain of the Nassim Sale Shares

The net gain attributable to the Nassim Sale Shares, based on retained earnings attributable to Nassim Sale Shares before income tax, minority interests and extraordinary items, based on the FY2013 Results, is approximately S\$7,721,000.

B1.4 Gain on the Disposal

The estimated gain on the Disposal is approximately S\$40,150,000 based on the Purchase Consideration and the carrying value of the Nassim Sale Shares as at 31 December 2013.

B2. RATIONALE FOR THE DISPOSAL

- B2.1 The Disposal is part of the consortium arrangement contemplated in respect of the Offer. As stated in paragraph A1.1(i), the Offeror had agreed to purchase the Sale Shares from the Consortium Parties, which represent approximately 41.91 per cent. of the ordinary shares in the capital of HPL. This would thereafter trigger the requirement of the Consortium Parties to make a mandatory conditional cash offer under the Code.

- B2.2 The reasons for the Offer are set out in the Offer Announcement.

B3. KEY TERMS OF THE DISPOSAL

B3.1 Purchase Consideration

The aggregate consideration payable in respect of the Disposal is S\$360,318,000 (the "**Aggregate Consideration**"). On the date of the completion of the Disposal, Nassim Developments shall disburse the full amount of its proportion of the Shareholder Loans to the Company, and the Company shall apply such amounts in satisfaction of its obligation to pay the Aggregate Consideration.

B3.2 Basis for the Consideration

The Aggregate Consideration was pegged to the offer price of S\$3.50 per Offer Share for the Offer.

B3.3 Other Material Terms

Please refer to paragraph A3.2 for further terms with regards to the Disposal and the arrangements in respect of the Consortium.

B3.4 Completion

The completion of the Disposal is intended to take place on 15 April 2014.

B4. REQUIREMENTS OF THE LISTING MANUAL IN RELATION TO THE DISPOSAL

B4.1 Discloseable Transaction

For the purposes of Chapter 10 of the Listing Manual, the relative figures for the Disposal computed on the bases set out in Rule 1006 of the Listing Manual based on the latest announced consolidated accounts of the Group for financial year ended 31 December 2013 are as follows:-

Rule 1006	Bases of calculation	Size of relative figures (to the nearest 2 decimal places)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	3.29%
(b)	The net profits attributable to the assets acquired or disposed of compared with the Group's net profits.	19.28%
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	17.11%
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	<i>Not applicable</i>
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	<i>Not applicable</i>

The Disposal constitutes a discloseable transaction (the "**Discloseable Transaction**") pursuant to Rule 1010 read together with Rule 1006 of the Listing Manual.

B5. FINANCIAL EFFECTS

B5.1 General

The financial effects of the Disposal on the Company set out below are **solely for illustrative purposes only** and are therefore not indicative of the actual financial performance or position of the Group immediately after the Completion. The financial effects set out below have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2013 ("FY2013") and on the following key assumptions:-

- (a) the effect of the transaction on the earnings per share ("EPS") of the Company shown below is based on the assumption that the Disposal was completed on 1 January 2013; and
- (b) the effect of the transaction on the net tangible assets ("NTA") and book value per share of the Company shown below is based on the assumption that the Disposal was completed on 31 December 2013.

B5.2 Net Tangible Assets per Share

The effects of the Disposal on the NTA per share of the Company for FY2013 are as follows:-

	Before the Disposal	After the Disposal
NTA (S\$'000) ⁽¹⁾	3,002,490	3,042,640
NTA per share (S\$) ⁽²⁾	2.51	2.54

Notes:

- (1) The increase in NTA is due to the difference in bid price at 31 December 2013 and the fair value of the Disposal.
- (2) The net tangible asset per share is calculated based on the number of shares in issue as at 31 December 2013.

B5.3 Earnings per Share

The Disposal has no effect on the EPS of the Group for FY2013 as the available-for-sale fair value reserve will be transferred to retained earnings.

B5.4 Cost of Investments

Pursuant to Rule 704(18)(b) of the Listing Manual, the Company's aggregate cost of investment in quoted securities (such as equity and debt securities) are as follows:-

		Prior to Disposal	After Disposal
(i)	Aggregate cost of the Group's quoted investments (S\$'000)	674,499	482,647
	Aggregate cost of the Group's quoted investments as a percentage of the latest audited consolidated net tangible assets of the Group as at 31 December 2013*	22.46%	16.07%
(ii)	Total market value of the Group's quoted investments (S\$'000)	841,329	519,102
(iii)	Amount of any provision for diminution in value of investments (S\$'000)	93,122	0
	* Audited consolidated net tangible assets of the Group as at 31 December 2013 (S\$'000)	3,002,490	

B6. INTENDED USE OF THE SALE PROCEEDS

The proceeds shall be reinvested by the Company in the Offeror as Shareholder's Loan.

B7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Disposal.

B8. DETAILS OF ANY SERVICE CONTRACTS OF THE DIRECTORS PROPOSED TO BE APPOINTED TO THE COMPANY IN CONNECTION WITH THE DISPOSAL

There are no directors who are proposed to be appointed to the Board of the Company in connection with the Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

B9. RESPONSIBILITY STATEMENT

The Directors of the Company (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

B10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Letter is available for inspection during normal business hours at the Company's registered address at 501 Orchard Road #11-01 Wheelock Place Singapore 238880 for 3 months from the date of this announcement.

BY ORDER OF THE BOARD

Pearly Oon
Company Secretary

14 April 2014