



HOTEL ROYAL LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No. 196800298G)

THE PROPOSED ACQUISITION OF ROYALE CHULAN BUKIT BINTANG HOTEL AND ITS BUSINESS IN KUALA LUMPUR, MALAYSIA

Where capitalised terms are used in this announcement and not otherwise defined, such capitalised terms shall bear the same meanings as ascribed to them in the Company's announcements dated 19 February 2019, 23 February 2019, 15 March 2019, 3 July 2019, 5 July 2019, 30 August 2019, 5 December 2019, 12 March 2020, 20 May 2020, 5 October 2020 and 9 December 2020 ("**Announcements**") relating to the proposed acquisition of Royale Chulan Bukit Bintang Hotel in Kuala Lumpur, Malaysia ("**Proposed Acquisition**").

The Board of Directors (the "**Board**") of Hotel Royal Limited (the "**Company**", and together with its subsidiaries, collectively the "**Group**") refers to the Announcements on the conditional sale and purchase agreement (the "**Original SPA**") in relation to the Proposed Acquisition and wishes to announce that the Proposed Acquisition is now unconditional.

The Group's wholly-owned subsidiary, Every Room A Home Sdn. Bhd. (the "**Purchaser**") and the Vendor have entered into a Supplementary SPA and agreed to the following revised terms:

(I) Change in the Purchase Consideration and Payment Terms

Under the Original SPA, the consideration for the Proposed acquisition was RM197,000,000.

Pursuant to the revised terms, the revised purchase price is reduced by 10% from RM197,000,000 to RM177,300,000 (the "**New Consideration**"). The New Consideration was arrived at on a willing buyer and willing seller basis after arm's length negotiations, after taking into account the prevailing market conditions and the market value of the Hotel.

The Purchaser is obliged to make payment towards the balance of the New Consideration in the following manner:

- (i) RM141,800,000 (after deduction for the initial RM19,700,000 payment on signing the Original SPA) to be paid within 1 month from the unconditional Date of 29 December 2020 or the Completion Date of 29 January 2021 whichever is the later; and
- (ii) RM15,760,000 to be paid within 1 month from date of the payment referred in paragraph (i) above.

The Completion Date is dependent on the timeliness of the relevant authority in assessing the stamp duty payment on the land transfer and the filing of the Memorandum of Title.

(II) Mechanical and electrical issues and cost

The Vendor further agreed to rectify all M&E defects up to a maximum cost of RM3 million by 29 January 2020, failing which the Vendor will reimburse the Purchaser for all uncompleted works and the balance amount will be deducted from the final payment of RM15,760,000.

Save for the principal amendments as disclosed above, all other terms of the Original SPA shall remain in full force and effect.

A copy of the Supplementary SPA will be made available for inspection by the Shareholders at the registered office of the Company at 36 Newton Road, Singapore 307964 during normal business hours for three months from the date of this announcement.

The Company will make further announcement(s) as and when there are material developments in relation to the Proposed Acquisition.

BY ORDER OF THE BOARD

Dr Pang Eng Fong
Chairman

30 December 2020