

HL GLOBAL ENTERPRISES LIMITED

(Company Registration No. 196100131N)

(Incorporated in the Republic of Singapore)

ANNOUNCEMENT

PROPOSED DISPOSAL OF 60% EQUITY INTEREST IN COPTHORNE HOTEL QINGDAO CO., LTD

1. INTRODUCTION

- 1.1 The Board of Directors of HL Global Enterprises Limited ("**HLGE**" or the "**Company**", and together with its subsidiaries, the "**Group**") refers to:
- (a) the announcements made by the Company on 22 February 2016, 25 February 2016, 22 March 2016 and 26 April 2016 (collectively, the "**Previous LKNII's CHQ Disposal Announcements**") in relation to the proposed disposal by its wholly-owned subsidiary, LKN Investment International Pte. Ltd. ("**LKNII**") of its 60% equity interest in Copthorne Hotel Qingdao Co., Ltd ("**LKNII's CHQ Equity Interest**", previously defined as the "**LKNII Equity Interest**") ("**LKNII's CHQ Disposal**", previously defined as the "**LKNII Disposal**") by way of public tender on the Shanghai United Assets and Equity Exchange ("**SUAEE**"); and
 - (b) the announcements made by the Company on 13 February 2017, 28 February 2017 and 15 March 2017 in relation to the memorandum of understanding dated 13 February 2017 ("**MOU**") entered into by the Company with Jingrui Properties (Group) Co., Ltd (the "**Purchaser**") in connection with the proposed disposal by the Company of all the issued shares in LKNII ("**Proposed Disposal**").
- 1.2 Unless otherwise defined herein, capitalised terms used in this announcement shall bear the same meaning ascribed to them in the Previous LKNII's CHQ Disposal Announcements.

2. PRE-LISTING OF THE LKNII'S CHQ EQUITY INTEREST ON THE SUAEE

- 2.1 The Board wishes to announce that LKNII and CAAC (collectively, the "**Sellers**") have today pre-listed the LKNII's CHQ Equity Interest and CAAC Equity Interest, respectively on the SUAEE pursuant to the Public Tender Process (the "**Pre-Listing**"). Under the amended listing procedures of the SUAEE, the Sellers are required to undertake the Pre-Listing for a period of 20 business days (the "**Pre-Listing Period**") to provide information on the LKNII's CHQ Equity Interest and the CAAC Equity Interest, prior to effecting the formal listing of the LKNII's CHQ Equity Interest and the CAAC Equity Interest on the SUAEE for sale pursuant to the Public Tender Process (the "**Formal Listing**"). Interested parties will not be invited to bid at the Pre-Listing stage, and no reserve or floor price has been set for the Pre-Listing.
- 2.2 The Sellers expect the Formal Listing to take place as soon as practicable after the expiry of the Pre-Listing Period. At the Formal Listing stage, interested parties will be invited to bid for the LKNII's CHQ Equity Interest and the CAAC Equity Interest in accordance with the transaction rules of the SUAEE. Upon the close of the Public Tender Process, the successful bidder of the LKNII's CHQ Equity Interest and the CAAC Equity Interest will be selected by the SUAEE and the Sellers, and the Sellers will thereafter negotiate and enter into the sale and purchase agreement relating to the Proposed Transaction with the selected bidder (if any).

- 2.3 The LKNII's CHQ Disposal, if undertaken and completed, is expected to constitute a "major transaction" under Chapter 10 of the Listing Manual of the SGX-ST and accordingly is subject to the approval of the shareholders of the Company (the "**Shareholders**") at an extraordinary general meeting to be convened, unless the requirement for such Shareholders' approval is waived by the SGX-ST.

3. MOU RELATING TO THE PROPOSED DISPOSAL OF LKNII

- 3.1 As at the date of this announcement, the Company and the Purchaser are still negotiating the terms of the Proposed Disposal and the sale and purchase agreement to be entered into in relation to the Proposed Disposal of LKNII. LKNII owns 100% equity interest in Shanghai Hutai Real Estate Development Co., Ltd and 60% equity interest in Copthorne Hotel Qingdao Co., Ltd.
- 3.2 As announced by the Company on 13 February 2017, the Company and the Purchaser contemplate that any agreement to be entered into in relation to the Proposed Disposal will be on the basis that LKNII may still proceed with the re-listing of the LKNII's CHQ Equity Interest on the SUAEE together with the CAAC Equity Interest for sale by way of public tender on the SUAEE. As such, the Company is proceeding with the Pre-Listing and the Formal Listing whilst continuing its negotiations with the Purchaser on the Proposed Disposal.

Shareholders should note that there is no certainty or assurance that the sale and purchase agreement in relation to the Proposed Disposal will be entered into, or the Proposed Disposal will be undertaken at all.

4. FURTHER ANNOUNCEMENTS

The Company will make further announcements, in compliance with requirements of the Listing Manual, in relation to the Pre-Listing of the LKNII's CHQ Equity Interest and Formal Listing of the LKNII's CHQ Equity Interest and/or when there are material updates or developments in respect of the LKNII's CHQ Disposal as well as on the Proposed Disposal.

5. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution when dealing with the shares of the Company as there is no certainty that the LKNII's CHQ Disposal and/or the Proposed Disposal will be undertaken at all.

Shareholders and potential advisers are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

BY ORDER OF THE BOARD

Foo Yang Hym
Chief Financial Officer
HL Global Enterprises Limited

31 March 2017
Singapore