

MANDATORY CONDITIONAL CASH OFFER

by



Standard Chartered Bank

For and on behalf of

68 HOLDINGS PTE. LTD.

(Incorporated in the Republic of Singapore)
Company Registration No. 201404238W

for

HOTEL PROPERTIES LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 198000348Z

OFFER ANNOUNCEMENT

1. INTRODUCTION

1.1 Standard Chartered Bank ("**SCB**") wishes to announce, for and on behalf of 68 Holdings Pte. Ltd. ("**68 Holdings**" or 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 from the following persons:
 - (a) 94,166,780 HPL Shares, representing approximately 18.44 per cent. of the HPL Shares in issue, from Mr Ong Beng Seng ("**OBS**"), Reef Holdings Pte. Ltd. ("**Reef Holdings**") and Como Holdings Inc. ("**Como Holdings**"), which are companies controlled by OBS;
 - (b) 1,650,000 HPL Shares, representing approximately 0.32 per cent. of the HPL Shares in issue, from Ms Fu Christina (Mrs Christina Ong), the spouse of OBS;

¹

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.

- (c) 102,948,000 HPL Shares, representing approximately 20.16 per cent. of the HPL Shares in issue, from Nassim Developments Pte. Ltd. ("**Nassim Developments**");
 - (d) 14,809,800 HPL Shares, representing approximately 2.90 per cent. of the HPL Shares in issue, from Mr David Ban Song Long ("**DB**"); and
 - (e) 405,550 HPL Shares, representing approximately 0.08 per cent. of the HPL Shares in issue, from Ms Tan Quee Heong (Mrs Pat Ban), the spouse of DB; 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**").

1.2 The Offeror is a private limited company incorporated in Singapore on 14 February 2014, in which Cuscaden Partners Pte. Ltd. ("**Cuscaden**") has a 60 per cent. interest, and Nassim Developments has a 40 per cent. interest. Cuscaden is an investment holding company in which OBS has a 90 per cent. interest and DB has a 10 per cent. interest. OBS is the Managing Director and a substantial shareholder of HPL. DB is a director of various entities, including, but not limited to, the Offeror, 98 Holdings Pte. Ltd. and NSL Ltd. Nassim Developments is an indirect wholly-owned subsidiary of Wheelock Properties (Singapore) Limited ("**Wheelock Singapore**"). Cuscaden and Nassim Developments 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. Further information on the Consortium is set out in **paragraph 3** of this Announcement.

2. THE OFFER

2.1 In accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and Rule 14.1(a) of the Code, subject to the terms and conditions set out in the offer document to be issued by SCB on behalf of the Offeror (the "**Offer Document**"), the Offer will be made by the Offeror on the following basis:

For each Offer Share : S\$3.50 in cash (the "Offer Price")

2.2 The Offer will be extended to:

- (i) any HPL Shares owned, controlled or agreed to be acquired by any party acting or deemed to be acting in concert with the Offeror in connection with the Offer;
- (ii) all new HPL Shares unconditionally issued or to be issued pursuant to the valid exercise or conversion, prior to the closing date of the Offer, of any share options to subscribe for new HPL Shares ("**HPL Options**") granted under the Hotel Properties Limited Share Option Scheme 2000 and the Hotel Properties Limited Share Option Scheme 2010 (collectively, the "**HPL Option Schemes**"); and

- (iii) all new HPL Shares unconditionally issued or delivered or to be issued or delivered pursuant to the vesting and delivery of, prior to the closing date of the Offer, any share awards ("**HPL Awards**") granted under the Hotel Properties Limited Performance Share Plan ("**HPL PSP**").

For the purposes of the Offer and for the avoidance of doubt, the expression "**Offer Shares**" shall include all such HPL Shares.

- 2.3 The Offer Shares will be acquired (i) fully paid, (ii) free from all liens, equities, charges, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever, and (iii) together with all rights, benefits, entitlements attached thereto as at the date of this Announcement and hereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) ("**Distribution**") declared, paid or made by HPL on or after the date of this Announcement, including the first and final one-tier tax exempt dividend of S\$0.04 per HPL Share and the special dividend of S\$0.04 per HPL Share (together, the "**FY2013 Dividends**") declared for the financial year ended 31 December 2013 ("**FY2013**") to be tabled to the shareholders of HPL ("**Shareholders**") for approval at HPL's annual general meeting to be held on 25 April 2014 (the "**HPL AGM**"). Accordingly, Shareholders who accept the Offer will not be entitled to retain the FY2013 Dividends if payment of the FY2013 Dividends is approved at the HPL AGM.

If any Distribution is declared, paid or made by HPL on or after the date of this Announcement (including the FY2013 Dividends) and the Offeror is not entitled to receive and retain such Distribution in full in respect of any Offer Share tendered in acceptance of the Offer, the Offeror reserves the right to reduce the Offer Price payable in respect of such Offer Share by the amount of such Distribution.

- 2.4 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 ("**Acceptance Condition**").

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the closing date of the Offer, unless at any time prior to the closing date of the Offer, the Offeror has received valid acceptances in respect of such number of Offer Shares which 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 maximum potential issued share capital of HPL. For this purpose, the "**maximum potential issued share capital of HPL**" means the total number of HPL Shares which would be in issue if all HPL Shares under the HPL Options and the HPL Awards had been issued and/or delivered as at the date of such declaration.

3. INFORMATION ON THE OFFEROR AND THE CONSORTIUM

- 3.1 As at the date of this Announcement, the Offeror has an issued and paid-up share capital of S\$100.00 divided into 100 ordinary shares ("**68 Holdings Shares**"), of which 60 per cent. is held by Cuscaden and 40 per cent. is held by Nassim Developments.

3.2 In connection with the Offer, the Offeror has entered into the Investors' Agreement with Cuscaden and Nassim Developments (the "**Consortium Parties**"), 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 (the "**Shareholder Loans**");
- (ii) the Offeror will utilise the Shareholder Loans to pay for the Sale Shares;
- (iii) the Consortium Parties shall be entitled to appoint a specified number of representatives to the board of the Offeror. As at the date of this Announcement, the board of directors of the Offeror comprises OBS, DB, 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 Wheelock Singapore respectively;
- (iv) subject to certain conditions, the proposed transfer(s) of 68 Holdings Shares 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 68 Holdings Shares, such option only being exercisable in the event that Cuscaden, the Offeror and/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 68 Holdings Shares, such option only being exercisable in the event that Nassim Developments and/or parties acting in concert with it (other than the Offeror, 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 Matter within the requisite timeframe, a deadlock would 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.

4. **INFORMATION ON HPL**

4.1 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 (the “**HPL Group**”) are those of hotel ownership, management and operation, property development and investment holding. Based on the latest available information available to the Offeror, HPL has:

- (i) 510,596,251 HPL Shares in issue and no HPL Shares held in treasury;
- (ii) options to subscribe for an aggregate 11,035,000 new HPL Shares under the HPL Option Schemes²; and
- (iii) HPL Awards in respect of an aggregate 1,407,600 HPL Shares under the HPL PSP².

4.2 The directors of HPL as at the date of this Announcement are Mr Arthur Tan Keng Hock, OBS, Mr Christopher Lim Tien Lock, Mr Michael S. Dobbs-Higginson, Mr Leslie Mah Kim Loong, Mr David Fu Kuo Chen, Mr Stephen Lau Buong Lik and Mr William Fu Wei Cheng.

5. RATIONALE FOR THE OFFER

The Offeror is a consortium between Cuscaden, which holds a 60 per cent. stake, and Wheelock Singapore, which holds a 40 per cent. beneficial stake. Cuscaden is owned by OBS and DB.

OBS, as the co-founder of HPL, DB and Wheelock Singapore have been long term shareholders of HPL and they share a common vision and strategy for HPL. They have therefore decided to consolidate their shareholdings in HPL so as to be in a position to cooperate and implement their shared objectives for HPL and to enhance value over time.

6. LISTING STATUS

6.1 Pursuant to Rule 723 of the Listing Manual of the SGX-ST (the “**Listing Manual**”), HPL must ensure that at least 10 per cent. of the total number of HPL Shares (excluding treasury shares) is at all times held by the public (the “**Free Float Requirement**”). Pursuant to Rule 1105 of the Listing Manual, in the event that the Offeror and parties acting in concert with the Offeror should, as a result of the Offer or otherwise, own or control more than 90 per cent. of the total number of HPL Shares (excluding treasury shares), the SGX-ST may suspend the trading of the HPL Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the total number of HPL Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public.

In addition, under Rule 724(1) of the Listing Manual, if the Free Float Requirement is not complied with, the Company must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the HPL Shares on the SGX-ST. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, for the percentage of the HPL Shares held by members of the public to be raised to at least 10 per cent., failing which the Company may be delisted from the SGX-ST.

6.2 **It is the current intention of the Offeror to retain the listing of HPL on the Mainboard of the SGX-ST.** However, in the event that HPL does not meet the Free Float Requirement at

² As set out in HPL’s Annual Report 2013.

the close of the Offer and the SGX-ST suspends trading in the HPL Shares, the Offeror will assess the options available at that time. Accordingly, it may be that the Offeror will decide not to take steps to preserve the listing status of HPL on the SGX-ST if the Free Float Requirement is not satisfied.

7. COMPULSORY ACQUISITION

7.1 Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), if the Offeror receives valid acceptances pursuant to the Offer or acquires HPL Shares from the date of the despatch of the Offer Document otherwise than through valid acceptances of the Offer, in respect of not less than 90 per cent. of the total number of HPL Shares in issue as at the close of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of despatch of the Offer Document), the Offeror will be entitled to exercise its right to compulsorily acquire, at the Offer Price, all HPL Shares held by Shareholders who have not accepted the Offer (“**Dissenting Shareholders**”).

In the event that the Offeror becomes entitled to exercise its right under Section 215(1) of the Companies Act, the Offeror will assess its options at that time and will consider whether or not to exercise its right to compulsorily acquire all the HPL Shares not acquired under the Offer.

7.2 In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of HPL Shares which, together with the HPL Shares held by it, its related corporations and their respective nominees, comprise 90 per cent. or more of the total number of issued HPL Shares, the Dissenting Shareholders have the right to require the Offeror to acquire their HPL Shares at the Offer Price. Dissenting Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

8. FINANCIAL EVALUATION OF THE OFFER

The Offer Price of S\$3.50 represents:

	Benchmark Price (S\$)	Premium (%)
Last traded price per HPL Share as quoted on the SGX-ST on 11 April 2014 (being the last market day prior to the date of this Announcement (“ Last Trading Date ”))	3.13	11.82
Volume-weighted average price (“ VWAP ”) of the HPL Shares for the one-month period up to and including the Last Trading Date	3.03	15.62
VWAP of the HPL Shares for the three-month period up to and including the Last Trading Date	3.00	16.70
VWAP of the HPL Shares for the six-month period up to and including the Last Trading Date	3.06	14.28

Source : Bloomberg LP

9. DISCLOSURE OF HOLDINGS AND DEALINGS

9.1 **Part 1** of the **Schedule** to this Announcement sets out the number of Relevant HPL Securities (as defined below) owned, controlled or agreed to be acquired by (i) the Offeror and its directors, (ii) Cuscaden and its directors, (iii) Nassim Developments and Wheelock Singapore and their respective directors and (iv) SCB (excluding its subsidiaries and any other members of the SCB Group (as defined below)) (each a “**Relevant Person**”) as at the date of this Announcement. Save as disclosed in this Announcement, none of the Relevant Persons owns, controls or has agreed to acquire any HPL Shares, securities which carry voting rights in HPL, convertible securities, warrants, options or derivatives in respect of the HPL Shares or securities which carry voting rights in HPL (collectively, the “**Relevant HPL Securities**”).

For the purposes of this Announcement, “**SCB Group**” refers to SCB, its related corporations (as defined in the Companies Act) and associated companies controlled by the SCB.

9.2 Save as disclosed in **Part 2** of the **Schedule** to this Announcement, none of the Relevant Persons has dealt for value in any Relevant HPL Securities during the period commencing 14 October 2013, being the date falling six months prior to the date of this Announcement, and ending on 14 April 2014, being the date of this Announcement (the “**Relevant Period**”).

9.3 As at the date of this Announcement, none of the Relevant Persons has received any irrevocable undertaking from any party to accept the Offer, and saved as disclosed in this Announcement (including **Part 3** of the **Schedule** to this Announcement), none of the Relevant Persons has entered into any arrangements (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or HPL which might be material to the Offer.

9.4 Save as disclosed in **Part 3** of the **Schedule** to this Announcement, none of the Relevant Persons has, in respect of any Relevant HPL Securities:

- (i) granted a security interest to another person, whether through a charge, pledge or otherwise;
- (ii) borrowed from another person (excluding borrowed securities which have been on-lent or sold); or
- (iii) lent to another person.

9.5 In the interests of confidentiality, the Offeror has not made enquiries prior to this Announcement in respect of certain other parties who are or may be deemed to be acting in concert with the Offeror in connection with the Offer pursuant to the Code. Further enquiries will be made of such persons subsequent to this Announcement and the relevant disclosures will be made in due course and in the Offer Document.

10. CONFIRMATION OF FINANCIAL RESOURCES

SCB, as the sole financial adviser to the Offeror, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer.

11. OFFER DOCUMENT

The Offer Document setting out the terms and conditions of the Offer and enclosing the appropriate form(s) of acceptance will be despatched to holders of Offer Shares not earlier than 14 days and not later than 21 days from the date of this Announcement.

12. OVERSEAS SHAREHOLDERS

The making of the Offer to Shareholders whose addresses are outside Singapore as shown in the Register of Members of HPL or, as the case may be, in the records of The Central Depository (Pte) Limited (“**Overseas Shareholders**”) may be affected by laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves about and observe any applicable legal requirements. Further details in relation to Overseas Shareholders will be set out in the Offer Document.

13. RESPONSIBILITY STATEMENT

- 13.1 The directors of the Offeror (who may each have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed 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.
- 13.2 Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, in relation to HPL or its subsidiaries), the sole responsibility of the directors of the Offeror have been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

Issued by
Standard Chartered Bank

For and on behalf of
68 Holdings Pte. Ltd.

14 April 2014
Singapore

Any inquiries relating to this Announcement or the Offer should be directed during office hours to the following:

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SCHEDULE

PART 1 – HOLDINGS OF RELEVANT HPL SECURITIES

The table below sets out the number of HPL Shares owned, controlled or agreed to be acquired by, *inter alia*, the Relevant Persons.

Name	No. of HPL Shares	%
Offeror	213,980,130 ⁽¹⁾	41.91
OBS	94,166,780 ⁽²⁾	18.44
DB	14,809,800 ⁽³⁾	2.90
Nassim Developments	102,948,000 ⁽⁴⁾	20.16
Fu Christina (Mrs Christina Ong) ⁽⁵⁾	1,650,000 ⁽⁶⁾	0.32
Tan Quee Heong (Mrs Pat Ban) ⁽⁷⁾	405,550 ⁽⁸⁾	0.08
Tan Zing Yan	10,000 ⁽⁹⁾	0.002

Notes:

- (1) Being the Sale Shares which the Offeror has agreed to acquire from OBS, Reef Holdings, Como Holdings, Mrs Christina Ong, Nassim Developments, DB and Mrs Pat Ban.
- (2) Being an aggregate of 3,300,000 HPL Shares held directly by OBS, 11,901,000 HPL Shares held by Reef Holdings and 78,965,780 HPL Shares held by Como Holdings. Reef Holdings and Como Holdings are entities wholly-owned by OBS. As disclosed in this Announcement, OBS has agreed to sell all 94,166,780 HPL Shares to the Offeror.
- (3) As disclosed in this Announcement, DB has agreed to sell all 14,809,800 HPL Shares directly held by him to the Offeror.
- (4) As disclosed in this Announcement, Nassim Developments has agreed to sell all 102,948,000 HPL Shares held directly by it to the Offeror. Nassim Developments is an indirect wholly-owned subsidiary of Wheelock Singapore.
- (5) Mrs Christina Ong is the spouse of OBS.
- (6) As disclosed in this Announcement, Mrs Christina Ong has agreed to sell all 1,650,000 HPL Shares held directly by her to the Offeror.
- (7) Mrs Pat Ban is the spouse of DB.
- (8) As disclosed in this Announcement, Mrs Pat Ban has agreed to sell all 405,550 HPL Shares held directly by her to the Offeror.
- (9) 10,000 HPL Shares are held by Mr Tan Zing Yan's spouse, Ms Quek Young Hui, Jacqueline. Mr Tan Zing Yan is a director of Wheelock Singapore.

PART 2 – DEALINGS IN RELEVANT HPL SECURITIES

The table below sets out the dealings in HPL Shares by, *inter alia*, the Relevant Persons during the Relevant Period:

Name	No. of HPL Shares Bought / (Sold)	Price per HPL Share (S\$)	Dealing Date
Offeror	213,980,130 ⁽¹⁾	3.50	14 April 2014
OBS	(3,300,000) ⁽²⁾	3.50	14 April 2014
Reef Holdings	(11,901,000) ⁽²⁾	3.50	14 April 2014
Como Holdings	(78,965,780) ⁽²⁾	3.50	14 April 2014
Fu Christina (Mrs Christina Ong)	(1,650,000) ⁽²⁾	3.50	14 April 2014
DB	(14,809,800) ⁽²⁾	3.50	14 April 2014
Tan Quee Heong (Mrs Pat Ban)	(405,550) ⁽²⁾	3.50	14 April 2014
Nassim Developments	(102,948,000) ⁽²⁾	3.50	14 April 2014
Tan Quee Heong (Mrs Pat Ban)	5,000	2.92	6 February 2014
Tan Quee Heong (Mrs Pat Ban)	10,000	3.05	21 January 2014
Reef Holdings	188,000	3.11	19 December 2013
Reef Holdings	162,000	3.10	25 October 2013
Reef Holdings	1,800,000	3.07795	4 October 2013

Notes:

- (1) Being the Sale Shares which the Offeror has agreed to acquire from OBS, Reef Holdings, Como Holdings, Mrs Christina Ong, Nassim Developments, DB and Mrs Pat Ban.
- (2) Being part of the Sale Shares which, as disclosed in this Announcement, the Relevant Person has agreed to sell to the Offeror.

PART 3 – OTHER ARRANGEMENTS

The Sale Shares which were acquired by the Offeror and the Offer Shares which will be acquired by the Offeror pursuant to the Offer or otherwise during the Offer period will be charged in favour of SCB (the “**Lender**”) as part of the security arrangements for the financing of up to S\$1,025,000,000 being provided by the Lender in connection with the Offer (“**Offer Financing**”). Cuscaden and Nassim Developments have also charged their respective shares in the Offeror in favour of the Lender as part of the security arrangements for the Offer Financing.