



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

- **SIGNING OF THE SALE AND PURCHASE AGREEMENT (“SPA”) IN RELATION TO THE PROPOSED ACQUISITION OF ROYALE CHULAN BUKIT BINTANG HOTEL IN KUALA LUMPUR, MALAYSIA**

The Board of Directors (the “**Board**”) of Hotel Royal Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 19 and 23 February 2019 in relation to the offer made by the Company to Boustead Hotels & Resorts Sdn Bhd (the “**Vendor**”) for the proposed acquisition of Royale Chulan Bukit Bintang Hotel in Kuala Lumpur, Malaysia (“**Property**”) and its business (“**Hotel Business**”), which was accepted by the Vendor on 19 February 2019 (the “**Announcement**”).

Unless otherwise defined, capitalised terms used herein shall bear the same meanings as ascribed to them in the Announcement.

Further to Company’s Announcements of 19 and 23 February 2019, the Board is pleased to announce that the Group’s newly incorporated and wholly-owned subsidiary, Every Room A Home Sdn Bhd (the “**Purchaser**”) has entered into a conditional Sale and Purchase Agreement (“**SPA**”) with the Vendor.

1. **Payment of Consideration**

In addition to the 2% deposit of the Consideration that was paid to the Vendor upon its acceptance of the Company’s offer to purchase the Property and the Hotel Business, a further 8% of the Consideration amounting to RM15,760,000 has been paid upon the signing of the SPA. The balance 90% is payable on the Completion day.

2. **Conditions Precedent**

The final agreed Conditions Precedent are as follows:

- (a) To be obtained and/or fulfilled by the Vendor
 - (i) the approval of the Vendor’s board of directors and shareholder (if required) for the disposal of the Property and the Hotel Business and authorising the execution of this Agreement and all other relevant documents pertaining to the sale of the Property and the affixing of the common seal where necessary.
- (b) To be obtained and/or satisfied by the Purchaser
 - (i) the approval of the Purchaser’s board of directors and shareholders (if required) for the acquisition of the Property and authorising the execution of this Agreement and all other relevant documents pertaining to the sale of the Property and the affixing of the common seal where necessary.

- (ii) the completion of an operational, structural, mechanical and electrical, financial and legal due diligence exercise on the Property (hereinafter referred to as the “DD”), the results of which shall be reasonably satisfactory to the Purchaser;
 - (iii) the approval of the Economic Planning Unit of the Prime Minister’s Department, Malaysia, for the acquisition of the Property;
 - (iv) the approval of the State Authority for the acquisition of the Property as required under Section 433B of the National Land Code 1965; and
 - (v) the completion by the Purchaser of all conditions and listing requirements imposed by the Singapore Exchange Securities Trading Limited, including but not limited to the approval of the shareholders of Hotel Royal Limited, if any.
- (c) To be satisfied by both Parties
- (i) the Parties shall execute such deed(s) of novation / assignment(s) of Business Contracts deemed material to the Purchaser relating to the Hotel.

There is a two month period from the date of the SPA signing to complete all the Conditions Precedent and an automatic extension of 1 month if any of the Conditions Precedent cannot be met.

3. Completion Date

Completion is set at one month after all the Conditions Precedents are met and the SPA becomes unconditional. As such, barring unforeseen circumstances, the latest Completion Date should be in mid-July 2019.

4. Document For Inspection

A copy of the SPA is available for inspection during normal business hours at the Company’s registered office at 36 Newton Road, Singapore 307964 for three months from the date of this announcement.

5. Cautionary Statement

Shareholders ought to exercise caution when trading or dealing in their shares of the Company. Shareholders and potential investors should seek advice from their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubts about the actions they should take.

By Order of the Board

Dr Lee Keng Thon
Chairman

15 March 2019