



HOTEL PROPERTIES LIMITED

Co. Reg No : 198000348Z

ANNOUNCEMENT

DISPOSAL OF SHARES IN ASSOCIATED COMPANIES

1. INTRODUCTION

The Board of Directors of Hotel Properties Limited ("HPL") wishes to announce the following:-

- (a) Its subsidiary, HPL Leisure Holdings Pte Ltd ("HPLHP") owns 20% (comprising 20 ordinary shares) in the capital of Lead Wealthy Investment Limited, a company incorporated in the Special Administrative Republic of Hong Kong ("LWIL").
- (b) The principal asset of LWIL is a mixed use property known as the Four Seasons Hotel Pudong, Shanghai and Shanghai Four Seasons Place, Shanghai, the People's Republic of China (the "Properties") which it owns and operates through its wholly owned subsidiaries. The wholly owned subsidiaries are deemed to be associated companies of HPL.
- (c) On 24 April 2015 LWIL entered into a Share Purchase Agreement with Wing Tat Development Limited (the "Purchaser") pursuant to the terms and conditions of which LWIL has agreed to sell to the Purchaser all the shares in its wholly owned subsidiaries (the "Sale Shares"). The completion of the sale and purchase of the Sale Shares is intended to take place on 26 June 2015 or such later date as the parties agree ("Closing").
- (d) The disposal constitutes a major transaction of the majority shareholder of LWIL, Bright Jade Investment Limited ("BJIL"), which has an interest in 70% of the capital of LWIL. BJIL is in turn owned by SOCAM Development Limited ("SOCAM"), a company listed on the Hong Kong Stock Exchange which is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Hong Kong Stock Exchange Listing Rules. Closing under the Share Purchase Agreement is subject to, *inter alia*, to the approval of the disposal by the shareholders of SOCAM. If the approval is not obtained, Closing will not take place.

2. PURCHASE CONSIDERATION

- (a) The aggregate consideration that LWIL will receive from the transaction, subject to working capital adjustments at Closing (the "Purchase Consideration"), comprises of (i) share transfer price before working capital adjustments of RMB 632.5 million; and (ii) the settlement of certain intercompany loans by the Purchaser amounting to approximately RMB 735.4 million at the date of this announcement. It is also a term of the Share Purchase Agreement purchase that the Purchaser will be assuming certain bank term loan facilities on Closing, amounting to approximately RMB 1,044 million as at 31 March 2015.
- (b) The Purchase Consideration will be satisfied by the Purchaser in cash where approximately RMB 160 million will be payable on signing of the Share Purchase Agreement; approximately RMB 392.5 million together with working capital adjustments and the settlement of intercompany loans will be payable at Closing; and approximately RMB 80 million will be retained and paid upon the expiration of 18 months from Closing.
- (c) The net book value of the shares being disposed in LWIL's books as at 31 Dec 2014 is approximately RMB 492.2 million.
- (e) The Purchase Consideration was determined after arm's length negotiations between LWIL and the Purchaser, taking into account the prevailing softer real estate market conditions in the People's Republic of China. No valuation was relied upon in arriving at the Purchase Consideration.

3. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their respective shareholdings in the Company (if any), none of the Directors or the controlling Shareholders and their respective associates has any interest, direct or indirect, in the transaction, other than through their shareholdings in the Company.

By Order of the Board

Lo Swee Oi
Company Secretary
Date: 24 April 2015