

HL GLOBAL ENTERPRISES LIMITED
(Company Registration No. 196100131N)
(Incorporated in the Republic of Singapore)

ANNOUNCEMENT

**COMPLETION OF THE PROPOSED DISPOSAL OF
LKN INVESTMENT INTERNATIONAL PTE. LTD.**

1. INTRODUCTION

The Board of Directors (the "**Board**") of HL Global Enterprises Limited ("**HLGE**" or the "**Company**") refers to the announcements made by the Company on 31 May 2017, 14 August 2017, 31 October 2017 and 16 November 2017 (collectively, the "**Previous Announcements**") and the Company's circular to its shareholders dated 14 August 2017 ("**Circular**") in relation to the proposed disposal by the Company of all the issued shares in the capital of LKN Investment International Pte. Ltd. ("**LKNII**") to Natural Apex Limited (the "**Purchaser**") on the terms and subject to the conditions set out in the sale and purchase agreement dated 31 May 2017 between the Company and the Purchaser ("**SPA**") (the "**Proposed Disposal**").

Unless otherwise defined herein, capitalised terms used in this announcement shall bear the same meaning ascribed to them in the Circular.

2. COMPLETION OF PROPOSED DISPOSAL

The Board wishes to announce that the applicable Conditions Precedent to the Proposed Disposal have been satisfied and that completion of the Proposed Disposal ("**Completion**") has taken place today.

As stated in the Company's announcement dated 19 October 2017, LKNII has completed the disposal of its 60% equity interest in Copthorne Hotel Qingdao Co., Ltd. ("**CHQ**") by way of public tender on the SUAEE ("**LKNII's CHQ Disposal**"). Under the terms of the SPA, the aggregate sum which the Company is entitled to receive pursuant to the Proposed Disposal on the basis that the LKNII's CHQ Disposal has been undertaken by LKNII is approximately RMB604.88 million (before deducting tax and relevant expenses) comprising:

- (a) **Hutai Consideration:** RMB395.00 million, being the amount of consideration allocated to Hutai as mutually agreed between the Company and the Purchaser ("**Hutai Consideration**"). As stated in section 3.9(c)(i) of the Circular, upon completion of the LKNII's CHQ Disposal, CHQ has been excluded from the Proposed Disposal and the relevant provisions of the SPA and the Initial Consideration has been adjusted to RMB395.00 million, i.e. the Hutai Consideration¹; and

¹ With consequential adjustments to be made to the amounts of, *inter alia*, the General Retention Amount, the Tax Retention Amount and the Balance Payment.

- (b) **Net CHQ 60% Disposal Proceeds:** the Net CHQ 60% Disposal Proceeds of approximately RMB209.88 million, being the CHQ 60% Disposal Proceeds of approximately RMB230.21 million less Natural Apex's Share of Upside (capitalised terms as defined in the Company's announcement on 25 August 2017) of approximately RMB20.33 million.

In respect of the Hutai Consideration of RMB395.00 million:

- (i) the USD equivalent² of approximately RMB10 million (being the adjusted General Retention Amount) has been paid by the Purchaser into the Joint Account, as a retention sum to be utilised and released in the manner described in section 3.5 of the Circular;
- (ii) the USD equivalent² of approximately RMB30 million (being the adjusted Tax Retention Amount) has been paid by the Purchaser into the Escrow Account, and shall be utilised and released in the matter described in section 3.6 of the Circular; and
- (iii) the USD equivalent² of the balance amount of approximately RMB355 million (which is equivalent to approximately S\$70.08 million³) has been received by the Company.

The Net CHQ 60% Disposal Proceeds (after deducting tax and other relevant expenses) of approximately RMB198.72 million (which is equivalent to approximately S\$40.40 million⁴) have been distributed by LKNII to the Company by way of a combination of dividends and the redemption of 11,000,000 issued and fully-paid preference shares held by the Company in the capital of LKNII, as mutually agreed with the Purchaser.

The Hutai Consideration is subject to further adjustment (if any) in accordance with the adjustment provisions in the SPA as described within section 3.3 of the Circular (except that CHQ has been excluded from these adjustment provisions following the completion of the LKNII's CHQ Disposal). A separate announcement will be made in due course in respect of the adjustment (if any) to the Hutai Consideration.

Consequent to Completion, LKNII has ceased to be a subsidiary of the Company.

BY ORDER OF THE BOARD

Foo Yang Hym
Chief Financial Officer
HL Global Enterprises Limited

22 November 2017
Singapore

² The Company and the Purchaser have agreed under the SPA that in calculating or paying the USD equivalent of such amount, the exchange rate of USD to RMB shall be fixed at 1:6.857.

³ Based on the prevailing exchange rate on the date of Completion.

⁴ Based on the prevailing exchange rate on the date of receipt by LKNII of such proceeds.