



HOTEL PROPERTIES LIMITED
Co. Reg No : 198000348Z

INVESTMENT IN AN ASSOCIATED COMPANY

The Board of Directors of Hotel Properties Limited (“HPL” or “the Company”) wishes to announce that its 70% owned Singapore subsidiary, HPL Properties (Indian Ocean) Pte Ltd, (“HPLIO”), has entered into a Sale and Purchase Agreement (the “Agreement”) with Areej Investment, a sole establishment registered in Dubai (the “Vendor”) to acquire Fifty Percent (50%) of the total issued share capital, comprising Five Thousand (5,000) ordinary shares (the “Sale Shares”) of Westcliff Holdings Limited (the “Target Company”) at a cash consideration of approximately United States Dollars Five Thousand (USD 5,000) and assignment of a proportionate share of shareholders’ loans, at a cash consideration of approximately United States Dollars Thirteen Million and One Hundred Thousand (USD 13,100,000) (the “Consideration”), and subject to adjustments as provided for in the Agreement. Following the acquisition, the target company will become an associated company of HPL.

The Target Company is a company incorporated in the Republic of Mauritius and is currently in the process of acquiring all the equity interest in 80 Westcliff Pty Ltd, a company incorporated in South Africa which owns all the land and buildings that constitute the Westcliff Hotel in Westcliff, Johannesburg, South Africa, including the administrative office block, residences at 65 Jan Smith Avenue and 12 Woodview Road (the “Westcliff Hotel”). The acquisition of the Westcliff Hotel is expected to complete by 31 Dec 2012

The completion of the acquisition by HPLPIO of the Sale Shares is subject to the completion of the acquisition by the Target Company of the Westcliff Hotel.

The aggregate consideration for the sale of the Sale Shares and assignment of all shareholders’ loans was arrived at on a willing buyer willing seller basis, based on joint ownership of the Westcliff Hotel as well as future joint investments in other hotels in the Greater Indian Ocean and Africa geographical area. HPL’s interest in the Target Company through HPLIO will be funded by internal resources and/or bank borrowings.

Based on the management accounts of Westcliff Holdings Limited as at 30 June 2012 and prior to the acquisition of 80 Westcliff Pty Ltd, the net tangible asset value of the Target Company is approximately United States Dollars Ten Thousand (USD 10,000) and Westcliff Hotel is valued on a replacement basis as at 1 September 2012 to be approximately South African Rand One Hundred and Ninety One Million (ZAR 191 million) or equivalent to approximately United States Dollars Twenty Two Million (USD 22 million).

The acquisition of shares in Target Company is not expected to have any significant impact on the net earnings per share and net tangible assets per share of the HPL Group based on the audited consolidated accounts of the HPL Group for the year ended 31 December 2011.

Other than Mr Ong Beng Seng, a deemed substantial shareholder of HPL, who is also deemed to be interested in the balance thirty percent (30%) interest in HPLPIO through Como Holdings Inc, no Director, controlling shareholder or substantial shareholder of HPL has an interest, direct or indirect, in the acquisition of shares in Westcliff Holdings Limited and Westcliff Hotel.

By Order of the Board

Lo Swee Oi
Company Secretary

Date: 11 December 2012