



**HOTEL PROPERTIES LIMITED**  
**Co. Reg No : 198000348Z**

**NEW ASSOCIATED COMPANY IN MALAYSIA**

The Board of Directors of Hotel Properties Limited (“HPL” or “the Company”) wishes to announce that its associated company, Leisure Ventures Pte Ltd (“Leisure Ventures”), has subscribed for forty nine thousand (49,000) ordinary shares comprising 49% in the equity of Nusantara Jutamas Sdn Bhd (“NJSB”), a company newly incorporated in Malaysia for a consideration of RM49,000 (the “Share Acquisition”). Following the Share Acquisition, NJSB is now an indirect associated company of HPL. The issued and paid-up share capital of NJSB is RM100,000 and its principal activity is in hotel and tourism related business. The balance 51% equity in NJSB is owned by ISY Holdings Sdn Bhd.

NJSB has entered into a sales and purchase agreement to acquire a leasehold land in Padang Matsirat Sub-district, Langkawi, Kedah State, Malaysia, with a total approximate area of 52956 sqm and a partially constructed hotel building located thereon (the “Hotel Land”) for development as a hotel project (“Hotel Project”). The total consideration for the acquisition of the Hotel Land is RM50,866,000.

Leisure Ventures’ investment in the above mentioned Share Acquisition and Hotel Project will be funded by internal resources of Leisure Ventures.

The above Share Acquisition and investment in Hotel Project by Leisure Ventures is not expected to have any material 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<sup>st</sup> December 2010.

Other than Mr Ong Beng Seng, the Managing Director and a deemed substantial shareholder of HPL, who is deemed to have a 50% interest in Leisure Ventures through Rizona (Hong Kong) Limited, no Director, controlling shareholder or substantial shareholder of the Company has an interest, direct or indirect, in the above Share Acquisition and investment in Hotel Project.

By Order of the Board

Lo Swee Oi  
Company Secretary

2 June 2011