



HOTEL PROPERTIES LIMITED
Co. Reg No : 198000348Z

INCORPORATION OF NEW SUBSIDIARY COMPANY IN THE REPUBLIC OF MALDIVES AND ACQUISITION OF PROPERTY IN THE ORDINARY COURSE OF BUSINESS

The Board of Directors of Hotel Properties Limited (“HPL” or “the Company”) wishes to announce that its 70% owned subsidiary company, HPL Resorts Maldives Pvt Ltd (“HPLRM”), has subscribed for 100% of the equity interest in the capital of Leisure Frontiers Pvt Ltd (“Leisure Frontiers”), a company limited by shares under the laws of the Republic of Maldives. The authorized and issued share capital of Leisure Frontiers is US\$10,000 comprising 10,000 ordinary shares of US\$1 each. The principal activity of Leisure Frontiers is that of a hotelier.

Leisure Frontiers has entered into a Sales and Purchase Agreement with Olhuveli Laamu Holdings Pvt Ltd (the “Vendor”) for the purpose of acquiring the lease of the island of Olhuveli in Laamu Atoll, Maldives which includes the resort and the assets on the island (the “Property”) for a total consideration of USD70 million (the “Purchase Price”). The resort currently and will continue after the acquisition to operate as Six Senses Laamu.

The Purchase Price was negotiated at arm’s length on a willing buyer, willing seller basis, taking into consideration the market value of the assets and business.

The above acquisition will allow the HPL Group to expand its presence in the Maldives with an additional established luxury island resort in an increasingly popular tourist destination. The Maldives is renowned for its pristine white sand, clear blue water and world-class dive sites with an abundance of marine life.

The establishment of Leisure Frontiers and the acquisition of the Property shall be funded by way of a combination of third party loan financing and equity capital.

The establishment of Leisure Frontiers and acquisition of the Property 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 2012.

Other than Mr Ong Beng Seng, the Managing Director and a deemed substantial shareholder of HPL, who is also deemed to be interested in the balance of 30% interest in HPLRM through Como Holdings Inc, no Director, controlling shareholder or substantial shareholder of HPL has an interest, direct or indirect, in the establishment of Leisure Frontiers and the acquisition of the Property.

By Order of the Board

Lo Swee Oi
Company Secretary

Dated: 30 August 2013