



HOTEL PROPERTIES LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 198000348Z)

ACQUISITION OF ASSOCIATED COMPANIES AND PROPERTIES

1. INTRODUCTION

The board of directors of Hotel Properties Limited (the “Company” or “HPL”) wishes to announce that its indirect wholly-owned subsidiary, HPL (Southbank) Pte Ltd (“HPL (Southbank)”), has acquired a 30% interest in a newly formed company, Bankside Quarter (Jersey) Limited (BQJ”), to purchase two Jersey holding companies namely, CEREP Ludgate House Limited and CEREP Sampson House Limited which respectively own the freehold interests in two properties; Ludgate House and Sampson House; both located in Bankside, the London Borough of Southwark, London, England (the “Properties”).

2. THE ASSOCIATED COMPANIES

The authorized share capital of the BQJ is £19,500,000 divided into 19,500,000 shares of £1.00 each and its issued share capital at the date of this Announcement is £19,500,000, comprising 19,500,000 ordinary shares of £1.00 each.

CEREP Ludgate House Limited was incorporated in Jersey. The authorized share capital of the company is an unlimited number of par value shares and its issued share capital is £2, comprising 2 ordinary shares of £1.00 each.

CEREP Sampson House Limited was incorporated in Jersey. The authorized share capital of the company is an unlimited number of par value shares and its issued share capital is £2, comprising 2 ordinary shares of £1.00 each

3. ACQUISITION OF THE PROPERTIES

BQJ has entered into a sale and purchase agreement with The Carlyle Group (“the Vendor”) for BQJ to purchase the freehold interest in the Properties from the Vendor for a consideration of £ 308 million (the “Purchase Price”). The Purchase Price shall be paid in two separate tranches as follows:

- (i) £ 15.4 million (being 5% of the Purchase Price) has been paid on the date of the sale and purchase agreement in relation to the Properties; and
- (ii) £ 292.6 million (being 95% of the Purchase Price) to be paid on the date of completion of the sale and purchase of the Properties, which is expected to be in May 2015.

The Purchase Price was negotiated at arm’s length on a “*willing-buyer, willing-seller*” basis, taking into consideration, *inter alia*, the current market valuation of the Properties and its redevelopment potential.

4. FUNDING FOR THE INVESTMENT

It is intended that HPL(Southbank)'s share of the investment in BQJ for the acquisition of the Properties shall be funded by way of a combination of third-party loan financing and internal resources.

5. RATIONALE FOR THE INVESTMENT

The investment will allow the HPL Group to expand its property portfolio in Southbank, Central London by way of the acquisition of the Properties.

The Southbank has historically been recognized as one of the central London's leading cultural hubs, being home to the capital's most famous institutions including the Royal Festival Hall, Tate Modern and National Theatre. More recently, the area has undergone significant transformation, becoming one the Central London's fastest growing business and residential locations, providing a more vibrant and fashionable alternative to the traditional markets of the City and West End.

Bankside is centrally located at the heart of the SouthBank and Bankside Cultural Quarter. On the south side of the River Thames, opposite the City of London and equidistant from London Bridge; Bankside's central location makes it very accessible, served by major rail and underground connections at London Bridge, Waterloo, Southwark and Blackfriars stations. The new Blackfriars' Station southern entrance provides direct access to Bankside.

The Properties are located in Bankside. The freehold site is broadly rectangular in shape and occupies approximately 5.3 acres (including the area of a viaduct that bisects the site).

The Properties comprise Ludgate House and Sampson House, two existing office buildings, and Falcon Point, a neighbouring residential building let on long-leasehold interest to the London Borough of Southwark.

Ludgate House, a ground plus 9- storey building occupying a land area of 1.41 acres, comprises approximately 171,678 sq ft of net internal area ("NIA") of office accommodation. Ludgate House was let to United Business Media until March 2015.

Sampson House, a basement, ground plus 6 - storey building occupying a land area of 2.13 acres, comprises approximately 354,602 sq ft of NIA of office accommodation. It is currently let to IBM until December 2025, albeit with a mutual break in June 2018.

The Properties are being acquired with the benefit of an implementable existing planning permission (the "Consented Scheme") obtained by the Vendor, comprising approximately 552,000 sq ft NIA of private residential accommodation, 285,000 sq ft NIA of offices and 36,000 sq ft of retail and leisure space.

It is intended that following completion of the acquisition of the Properties, BQJ shall further review and evaluate the Consented Scheme for the Properties.

6. FINANCIAL EFFECTS

The investment is not expected to have a material impact on the consolidated net earnings per share and consolidated net tangible assets per share of the HPL Group based on the HPL Group's unaudited consolidated financial statements for the year ended 31 December 2014.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors, controlling shareholder or substantial shareholders of the Company has any direct or indirect interest in the above transaction, other than through their shareholding interests in the Company.

By Order of the Board

Chuang Sheue Ling
Company Secretary

28 March 2015