

Acquisition of an Associated company and Shareholders' Agreement

SGX, August 7, 2007

By order of the Board

The Board of Directors of Hotel Properties Limited (the "Company" or "HPL") wishes to announce that HPL Properties (North Asia) Pte Ltd ("HPLPNA"), a wholly- owned subsidiary of HPL, has entered into:-

- (i) a sale and purchase agreement with Viewell Investments Limited ("the Vendor") for HPLPNA to acquire 2 issued shares of Unity Asian Development Ltd ("UAD"), representing 40% of the total issued share capital of UAD, and the assignment of 40% of the principal amount of shareholder loan extended by the Vendor to UAD, for a total consideration of HK\$164,885,710 (approximately S\$ 32 million) (hereinafter referred as "the Acquisition"); and
- (ii) a Shareholders' Agreement with the Vendor and UAD relating to the operation and management of the business and affairs of UAD.

UAD is a company incorporated in Hong Kong with a total authorized share capital of HK\$ 10,000 and a total issued and paid-up share capital of HK\$5, comprising 5 shares of HK\$ 1.00 each.

UAD holds a 50% interest in Paramount Shine Limited which in turn owns 100% in Bonrite Limited, the latter of which owns 100% of Lucky New Investment Limited ("LNI"). LNI owns a 50-year leasehold site with a total land area of approximately 7,770 square metres (approximately 83,636 sq ft) located at Tsuen Wan Town Lot 367, Hong Kong ("the Site"). Subject to the relevant government approvals being obtained, LNI intends to develop a residential project comprising a total of approximately 59 units of apartments with a total gross saleable area of approximately 19,580 sq m or 210, 760 sq ft on the Site. Construction of the project is scheduled to commence in 3rd quarter of 2007.

Viewell is a wholly owned subsidiary of GAML, a member of the Grosvenor Group headquartered in London.

The other 50% in Paramount Shine Limited is held by Asia Standard International Group Limited, the latter being a company listed and quoted on The Stock Exchange of Hong Kong Limited.

HPLPNA will place in escrow HK\$ 16.48 million, representing 10% of the consideration, for the Acquisition upon execution of the above agreements.

It is intended that HPLPNA's investment in the Acquisition will be funded by internal resources and /or bank borrowings.

The Acquisition is not expected to have material effect on the earnings per share and net tangible asset value per share of the HPL Group, based on the audited consolidated accounts of the HPL Group for the year ended 31 December 2006.

None of the Directors, controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect, in the above transaction.

By order of the Board
Chuang Sheue Ling / Lo Swee Oi
Joint Company Secretaries
Dated : 7 August 2007