



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

### **DIVESTMENT OF SHARES IN SUBSIDIARY**

The Board of Directors of Hotel Properties Limited (“HPL” or “the Company”) wishes to announce that it has entered into a Share Purchase Agreement with General Mills Asia Pte. Ltd. (“General Mills Asia”) to sell a total of 255,000 ordinary shares of S\$1.00 par each (the “Sale Shares”) in the capital of Pinedale Holdings Pte Ltd (“Pinedale Holdings”), a wholly-owned subsidiary of the Company, and part of the shareholders’ loans made by the Group to Pinedale Holdings to General Mills Asia for a total consideration of S\$5,100,000/-. General Mills Asia, a subsidiary of General Mills Inc. is an independent and unrelated party.

The Sale Shares represents 51% of the total issued and paid up capital of Pinedale Holdings.

#### **(i) Principal Activities of Pinedale Holdings**

Pinedale Holdings and its subsidiaries are the franchisees and distributors of, and the operator of standalone retail outlets for, Haagen Dazs products in Singapore and Malaysia.

#### **(ii) Rationale for the Divestment**

General Mills Inc. is a premier global distributor of food and beverage products and is the owner, through its subsidiaries of the Haagen Dazs franchise. HPL believes that the participation of General Mills Asia in the Company will broaden the development of the Haagen Dazs franchise in Singapore and Malaysia.

#### **(iii) Purchase Consideration**

The purchase consideration was negotiated at arm’s length on a “willing buyer and willing seller” basis and will be satisfied wholly in cash.

#### **(iv) Financial Effects of the Acquisition**

The sale of the Sale Shares will result in an increase in earnings per share of the HPL Group from 0.472 cents to 0.534 cents based on the audited consolidated accounts for the year ended 31 December 2004. It is not expected to have any material effect on the net tangible asset value per share of the HPL Group based on the audited consolidated accounts for the year ended 31 December 2004.

Following sale of the Sale Shares, the HPL Group’s shareholding in Pinedale Holdings has been reduced to 49%.

No Directors, or controlling shareholders or substantial shareholder of the Company has an interest, direct or indirect, in the above transaction.

By Order of the Board  
Chuang Sheue Ling/Lo Swee Oi  
Joint Company Secretaries  
Date: 31 October 2005