



HOTEL PROPERTIES LIMITED
Co. Reg No : 198000348Z

INCORPORATION OF INDIRECT ASSOCIATED COMPANIES

On 2 December 2005, the Board of Directors of Hotel Properties Limited (“HPL” or “the Company”) announced that HPL’s wholly-owned subsidiary, HPL Properties (West) Pte Ltd, has set up a joint venture company by the name of 808 Holdings Pte. Ltd. (“808 Holdings”), with CapitaLand (U.K.) Pte Ltd (a subsidiary of CapitaLand Ltd) and Medo Investment Pte. Ltd (a subsidiary of Genting International PLC). The issued shares of 808 Holdings are owned equally by the 3 joint venture partners.

808 Holdings has been set up for the purpose of acquiring the long leasehold interests in 99-121 Kensington High Street and 1 Derry Street and a freehold residential interest in 25 Kensington Square, London W8 (“Properties”) for a total consideration of £109,400,000. The purchase consideration has been financed by a combination of shareholders’ equity contribution by the joint venture partners and bank borrowings by the 808 Holdings group of companies.

99-121 Kensington High Street is a mixed-use retail, office and leisure building with a total net leaseable area of over 372,000 square feet.

1 Derry Street is an office building with a total leaseable area of 32,200 square feet situated to the rear of 99-121 Kensington High Street, and the leasehold land to the east of Kensington High Street Station.

25 Kensington Square, London W8 is a residential building with a total net leaseable area of 3,351 square feet.

For the purpose of holding and management of the Properties, 808 Holdings has set up seven wholly-owned subsidiaries namely; Gemstones Investments Pte Ltd (“Gemstones”), Kensington Hotel Pte Ltd (“Kensington Hotel”), Kensington Residential Pte Ltd (“Kensington Residential”), 818 Pte Ltd (“818”), 828 Pte Ltd (“828”), 838 Pte Ltd (“838”) and KHS Management Limited. Each of the first six companies has a nominal issued share capital of S\$1. KHS Management Limited has an authorized capital of £1,000 and an initial issued and paid up capital of £1. The principal activity of the aforesaid companies is investment holding.

Gemstones, Kensington Hotel, Kensington Residential, 818, 828, 838 and KHS Management Limited are accordingly deemed associated companies of the HPL Group.

Following the recent divestment of the HPL Group’s interest in Four Seasons Hotel at Canary Wharf, London, the acquisition of the Properties through the 808 Holdings joint venture would enable the HPL Group to re-deploy its resources for new investment in a mixed portfolio of properties located in the prime Kensington business and retail centre in London.

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
Company Secretary
10 February 2006