



HOTEL PROPERTIES LIMITED
Co. Reg No : 198000348Z

JOINT VENTURE AGREEMENT

The Board of Directors of Hotel Properties Limited (the "Company" or "HPL") wishes to announce that HPL Properties (S.E.A) Pte Ltd ("HPLPSEA"), a wholly owned subsidiary of HPL, has entered into a Joint Venture Agreement ("JVA") with Lehman Brothers Pan Asian Investments Limited ("LB") to form a 50: 50 joint venture company in Thailand for the purpose of developing and constructing a luxury hotel on a freehold land located in Rawai District, Amphur Mung Phuket, Province of Phuket, Thailand ("the Land") .

Subject to receipt of the necessary approvals from the relevant authorities in Thailand, the joint venture company (upon its formation) intends to enter into a sale and purchase agreement with the owner of the Land for the joint venture company to acquire the Land from the owner of the Land for a total consideration of Baht 2,250,000,000 (approximately S\$ 101.25 million).

It is intended that HPLPSEA's share of the initial investment in the joint venture will be funded by internal resources and /or bank borrowings.

The transaction 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 : 9 July 2007