



HOTEL PROPERTIES LIMITED
Co. Reg No : 198000348Z

ANNOUNCEMENT

REDUCTION OF EQUITY STAKE IN PALMCO HOTELS SDN BHD

The Directors of Hotel Properties Limited (“HPL” or “the Company”) wishes to announce that its wholly-owned subsidiary, HPL Properties (SEA) Pte Ltd (“HPLSEA”) has entered into a Shares Sale Agreement with ISY Holdings Sdn Bhd (“ISY”) to sell its 20% equity interests (consisting of 4,500,001 ordinary shares) in the capital of Palmco Hotels Sdn Bhd (hereinafter referred to “Palmco) for a consideration of RM5,507,469.00

Prior to the disposal, HPLSEA held an equity stake of 70% in Palmco. After the disposal of the shares, HPLSEA now holds 50% of the equity stake in Palmco.

The sale consideration has been agreed between the parties on a willing buyer, willing seller basis and 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 Group for the year ended 31 December 2007.

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

By Order of the Board

Chuang Sheue Ling
Company Secretary
Dated: 28 November 2008