



HOTEL PROPERTIES LIMITED
Co. Reg No : 198000348Z

Acquisition of associated companies

The Board of Directors of Hotel Properties Limited (“HPL”) wishes to announce that its newly incorporated Singapore subsidiary, HPL Properties (Indian Ocean) Pte. Ltd. (“HPLPIO”) has entered into a Sale and Purchase Agreement with ASB Development Limited (the “Seller”) in relation to HPLPIO’s acquisition of 30% equity interest comprising 300 ordinary shares in Bilila Lodge Holdings Limited (“BLHL”), a company incorporated in the British Virgin Islands. BLHL’s balance 70% shareholding comprising 700 ordinary shares is held by the Seller. BLHL owns 100% of Bilila Lodge Investments Limited (“BLIL”), a company incorporated in Tanzania, which in turn owns a resort currently known as Bilila Lodge, situated at Serengeti, Tanzania. Bilila Lodge is a holiday resort consisting of 77 rooms.

The consideration for the acquisition of 30% equity interest in BLHL by HPLPIO is approximately USD 16.5 million including an assignment of shareholder loans of approximately USD 12 million. The value of the shareholders’ loan will be reviewed after the conduct of due diligence and the final amount determined on the closing date of the acquisition. The consideration was arrived at on a willing buyer, willing seller basis, based on the parties’ intention to jointly operate Bilila Lodge (the “Bilila Lodge Project”) and future collaboration to own hotels in the Greater Indian Ocean and Africa geographical area.

The above investment in BLHL by HPLPIO will be funded by internal resources of HPL.

Based on the latest available management accounts of BLHL as at 30 November 2011 the net tangible asset value of BLHL is approximately USD 40 million.

The acquisition of shares in BLHL as well as the Bilila Lodge project are not expected to have any significant impact on the net earnings per share and net tangible assets per share of the HPL Group based on the audited consolidated accounts of the HPL Group for the year ended 31 December 2010.

Other than Mr Ong Beng Seng, the Managing Director and a deemed substantial shareholder of HPL, who is deemed to be interested in the balance of 30% interest in HPLPIO through Como Holdings Inc, no Director, controlling shareholder or substantial shareholder of HPL has an interest, direct or indirect, in the acquisition of shares in BLHL and the Bilila Lodge Project.

By Order of the Board

Lo Swee Oi
Company Secretary

Date: 27 December 2011