



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 associated company, VN NH Holdings Pte. Ltd. (“VN NH”), has entered into a sale and purchase agreement to acquire 100% of the equity interest comprising 9,717,926 issued ordinary shares of USD 1 each in American Indochina Resorts Limited (“AIRL”), an investment holding company incorporated in the British Virgin Islands, for a purchase consideration of approximately USD 65 million (“Purchase Consideration”), including assignment of shareholders’ loans amounting to approximately USD 8.5 million (the “Share Acquisition”). The Purchase Consideration will be adjusted for working capital adjustments to arrive at a total consideration (“Total Consideration”).

AIRL directly and indirectly owns 100% equity interests in (i) AIR Residences Limited (AIRR), a company incorporated in the British Virgin Islands, (ii) Indochina Resorts (Hoi An) Ltd (IRL) and (iii) Indochina Resorts Residences (Hoi An) Ltd (IRR), companies incorporated in Vietnam (collectively referred to as “AIRL Group”). The AIRL Group owns an existing 5 star beachfront resort in Vietnam (the “Resort”).

Following the Share Acquisition, AIRL, AIRR, IRL, IRR will become indirect associated companies of HPL.

The Total Consideration for the acquisition was negotiated at arm’s length on a willing buyer willing seller basis, taking into consideration the existing operations of the Resort. Based on a valuation of the Resort commissioned by the purchaser, the Resort has a market value of USD 66.5 million as at 2 November 2015.

The above investment in AIRL by VN NH will be funded by internal resources of HPL and its joint venture partner and is not expected to have any material effect on the consolidated net tangible assets per share and consolidated earnings per share of HPL Group based on the unaudited consolidated accounts of the HPL Group for the year ended 31 December 2015.

No Director, controlling shareholder or substantial shareholder of the Company has an interest, direct or indirect, in the Share Acquisition, other than through their shareholding interests in HPL.

By Order of the Board

Lo Swee Oi
Company Secretary

Date: 23 March 2016