



**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 subsidiary, HPL Properties (Indian Ocean) Pte. Ltd. (“HPLPIO”) has entered into a sale and purchase agreement to acquire a 33.33% equity interest, comprising 10,000 ordinary shares of USD1 each in Desroches Island Holdings Ltd (“DIHL”), an investment holding company incorporated in the British Virgin Islands for a purchase consideration of USD10,000 and an assignment of shareholders’ loan of approximately USD20,000, payable in cash (the “Share Acquisition”). The remaining 66.67% equity interest in DIHL will be held by third parties. The authorised and paid up share capital of DIHL are USD50,000 and USD30,000 respectively.

DIHL owns 100% of the shares of Desroches Island Development Limited (“DIDL”), a company incorporated in Seychelles. DIDL has acquired a resort located on the island of Desroches in Seychelles (the “Resort”) and is currently carrying out refurbishments on the Resort. The cost of the acquisition and refurbishments incurred till 31 January 2017 is estimated to be around USD40 million and is financed by bank borrowings. An independent market valuation of the Resort commissioned by HPLPIO was conducted in December 2016 on an as-if-completed basis, valued the Resort at EUR63 million.

The purchase consideration was arrived at as a result of arm’s length commercial negotiations on a willing-buyer, willing-seller basis taking into consideration relevant factors including the current property conditions in Seychelles and the condition of the Resort. Based on the latest available management accounts of DIHL as at 31 January 2017 the net tangible asset value of DIHL is approximately USD30,000. HPLPIO’s share of the investment in DIHL will be funded by internal resources of HPL.

Following the Share Acquisition, DIHL and DIDL will become indirect associated companies of HPL. The Share Acquisition is 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 2016.

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 above transactions, other than through their shareholding interests in HPL.

By Order of the Board

Lo Swee Oi  
Company Secretary

Date: 28 April 2017