



**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 associated company, Leisure Ventures Pte Ltd (“LVPL”) is entering into a sale and purchase agreement (the “Agreement”) to acquire a 100% equity interest, comprising 18,000 ordinary shares of EUR 1 each (“Shares”) in Kingdom Langkawi B.V. (“KLBV”), an investment holding company incorporated in the Netherlands for an aggregate consideration of approximately USD 55 million comprising the sum of approximately USD 1 million for the Shares, the sum of approximately USD 54 million for the assignment of shareholder loans, which is subject to net working capital adjustments (the “Share Acquisition”). A deposit of USD 9 million will be paid on the date of the Agreement.

KLBV owns 100% of the shares of Mamlaka Langkawi Sdn. Bhd. (“Mamlaka”), a company incorporated in Malaysia. Mamlaka in turn owns the Four Seasons Resort Langkawi, Malaysia, a luxury resort located on the island of Langkawi, Malaysia (the “Resort”). An independent market valuation of the Resort commissioned by LVPL was conducted in February 2017 and valued the Resort at MYR 400 million.

The authorised and paid up share capital of KLBV are EUR 90,000 and EUR 18,000 respectively. Following the Share Acquisition, KLBV and Mamlaka will become indirect associated companies of HPL.

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 and trading conditions of the Resort. Based on the latest available management accounts of KLBV as at 31 December 2016, the net tangible asset value of KLBV is approximately USD 36 million. LVPL’s investment in KLBV will be funded by internal resources 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 50% interest in LVPL through Rizona (Hong Kong) Ltd, 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: 13 July 2017