



HOTEL PROPERTIES LIMITED
Co. Reg No : 198000348Z

- 1) **SETTING UP OF AN ASSOCIATED COMPANY IN UNITED KINGDOM**
 - 2) **ACQUISITION OF AN ASSOCIATED COMPANY**
 - 3) **INTERESTED PERSON TRANSACTION – RULE 905(2) OF THE LISTING MANUAL**
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The Board of Directors of Hotel Properties Limited (the “**Company**” or “HPL” and together with its subsidiaries, the “**Group**”) wishes to announce that LV Hotel Investment (West) Pte Ltd, a wholly owned subsidiary of Leisure Ventures Pte Ltd (“Leisure Ventures”), an associated company of HPL, has set up a wholly-owned subsidiary company in the United Kingdom known as Leisure Ventures Europe Limited (“LVEL”) with an issued and paid-up capital of GBP1 comprising 1 ordinary share.

LVEL has entered into a sale and purchase agreement with Rej Investments Ltd to acquire the entire corporate capital and voting rights comprising 1,103,290 shares in the capital of Castello del Nero S.p.A. (“Castello”), a company incorporated in Italy, for Euro 22,570,389 (the “Transaction”) with a net working capital adjustment, such consideration to be finalised following completion of the Transaction (the “Purchase Price”). LVEL, simultaneously, will discharge the entire indebtedness of Castello of Euro 16,935,355.

Castello owns a freehold interest in a 740 acre site consisting of Castello Del Nero, a 50 key five star hotel with spa, two restaurants and a fully consecrated chapel in Tuscany Italy. In addition to the hotel and facilities, there is a separate 12 apartment agro-tourism accommodation, vineyards and olive trees producing grapes and olive oil for sale, plus 5 additional residences with consent for refurbishment into independent villas.

The Purchase Price for the Transaction was negotiated at arm’s length on a willing-buyer, willing-seller basis, taking into consideration the trading performance of the business of Castello. The Transaction will be funded by way of a combination of bank financing and internal resources and 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 2017.

Mr Ong Beng Seng, the Managing Director and deemed controlling shareholder of the Company, is deemed to be interested in the balance 50% interest in Leisure Ventures held through Rizona (Hong Kong) Ltd and the Transaction which is an investment in a joint venture (“Transaction-Joint Venture”) would be regarded as an interested person transaction within the meaning defined in Chapter 9 of the Listing Manual.

The current total for the financial year of all transactions with Mr Ong Beng Seng and associates and the current total of all interested person transactions for the same financial year (including the Transaction-Joint Venture) is approximately S\$84 million.

The Transaction-Joint Venture will allow the HPL Group to further diversify its hotel portfolio geographically which is in line with the Group’s business strategy. It will also allow the HPL Group to leverage on the wealth of experience of Mr Ong Beng Seng and associates in hotel investment as well as to share the investment risks.

The Audit Committee is of the view that the risks and rewards of the Transaction-Joint Venture are in proportion to the equity of each joint venture partner, and the terms of the Transaction-Joint Venture are not prejudicial to the interests of the Company and its minority shareholders.

The Audit Committee also confirms that Rizona does not have an existing equity interest in the Transaction-Joint Venture prior to the participation of HPL in the Transaction-Joint Venture.

Save as disclosed herein, none of the other Directors or substantial or controlling shareholders of the Company has any interest, direct or indirect, in the above transactions.

By Order of the Board

Lo Swee Oi
Company Secretary

Date: 19 November 2018