



HOTEL PROPERTIES LIMITED (Reg No: 198000348Z)

Proposed acquisition of shares in an entity in Sri Lanka

The Directors of Hotel Properties Limited (the “Company”) wish to announce that its wholly-owned subsidiary, HPL Properties (West Asia) Pte Ltd (“HPLPWA”), has entered into Share Purchase Agreements with East West Properties Plc, Asia 2000 Investment Inc and The Monetary Board of The Central Bank of Sri Lanka (collectively referred to as the “Sellers”) for the proposed acquisition of the entire equity interest comprising 405,200,000 ordinary shares collectively owned by the Sellers in the capital of Weligama Hotel Properties Limited (“WHPL”) to HPLPWA and/or its nominee (the “Proposed Share Purchase”). The consideration for the Proposed Share Purchase is approximately USD22,625,000/-, which is subject to net working capital adjustments to arrive at a final consideration.

WHPL owns a 198-key 5-Star Resort known as the Marriott Weligama Bay Resort & Spa, situated at Weligama, Sri Lanka. The issued and paid up capital of WHPL is LKR 1,931,801,000 comprising 405,200,000 ordinary shares.

Following the Proposed Share Purchase, the HPL Group through HPLPWA and its nominee will collectively own 100% of the equity of WHPL.

The Proposed Share Purchase will be funded through the Group’s internal resources and/or bank financing, and is not expected to have any significant effect on the consolidated net tangible assets per share and net earnings per share of HPL Group based on the audited consolidated financial statements of the HPL Group for the year ended 31 December 2018.

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

By Order of the Board

Lo Swee Oi
Company Secretary

Date: 11 April 2019