



HOTEL PROPERTIES LIMITED
Co. Reg No : 198000348Z

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE LISTING MANUAL

Pursuant to Rule 706A of the Listing Manual of Singapore Exchange Securities Trading Limited, the Board of Directors (the "Board") of Hotel Properties Limited ("HPL" or the "Company") wishes to announce the following changes to its group of companies that occurred during the half year ended 30 June 2022:

1. DISPOSAL OF SHARES IN INDIRECT JOINT VENTURE COMPANIES

The Company's wholly-owned subsidiary, HPL Properties (West) Pte Ltd, has through its 80%-owned joint venture company, HPL Olympia Pte Ltd (HOPL) entered into a Share Purchase Agreement with an unrelated party to sell its entire 100% ownership interest in the share capital of HPL (Olympia) Limited ("Olympia") and Maple Olympia Propco 4 S.à.r.l ("Maple") (the "Disposal"). Maple is a private limited company incorporated in Luxembourg, Company Number B206441, Maple owns the Hilton London Olympia which has 405 keys and is situated near to the Olympia Exhibition Centre at the western end of Kensington High St. Olympia is a company incorporated in the UK, Company Number 10837968, and is the Hilton Hotel Olympia operating company, which leases the property from Maple. The total consideration of this transaction is approximately £40.8 million (the "Consideration"). The Consideration was negotiated at arm's length on a "willing buyer and willing seller" basis and will be satisfied wholly in cash.

The sale of the ownership interest will result in a gain of approximately S\$29 million for the HPL Group. It is however not expected to have any material effect on the net tangible asset value per share of the HPL Group based on the audited consolidated accounts for the year ended 31 December 2021.

Following the Disposal, HPL (Olympia) Limited and Maple Olympia Propco 4 S.à.r.l. will cease to be indirect joint venture companies of HPL.

Other than Mr Ong Beng Seng, the Managing Director and a deemed substantial shareholder of HPL, who is deemed to have a 20% interest in HOPL through Como Holdings Pte Limited, no Director, controlling shareholder or substantial shareholder of the Company has an interest, direct or indirect, in the ownership interest, other than through their shareholding interests in HPL.

An announcement on the above matter was made on 9 April 2022.

2. INCORPORATION OF AN INDIRECT ASSOCIATED COMPANY IN SINGAPORE

HPL has through its associated company, Cuscaden Peak Pte. Ltd. (“CPPL”) (held through Tiga Stars Pte. Ltd.) incorporated a wholly-owned subsidiary in Singapore, Cuscaden Peak Two Pte. Ltd. (“CPTPL”).

The initial issued and paid-up share capital of CPTPL is S\$100.00 comprising 100 ordinary shares and its principal activity is that of an investment holding company.

The subscription of shares in CPTPL 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 audited consolidated accounts of the HPL Group for the year ended 31 December 2021.

Other than Mr Ong Beng Seng, the Managing Director and a deemed controlling shareholder of HPL, who is also deemed to have a 40% interest in CPPL through Tiga Stars Pte. Ltd., no Director, controlling shareholder or substantial shareholder of the Company has an interest, direct or indirect, in the subscription of shares in CPTPL.

3. INCREASED SHAREHOLDING IN COMPANY IN DUBROVNIK

a. Introduction

HPL (Croatia) Limited (“HPL Croatia”), a wholly-owned sub-subsiary of HPL held through HPL’s wholly-owned subsidiary, HPL Properties (West) Pte Ltd, has entered into an Agreement for Sale and Purchase with Avenue Investments & Asset Management Ltd (the “Seller”), for the acquisition of an additional 40% of the shareholding interest comprising three shares with a nominal value of HRK 8,888,000 (the “Shares”), in the share capital of Kupari Luxury Hotels d.o.o. (“KLH”).

The aggregate consideration for the purchase of the Shares is Euros 2.8 million (approximately S\$4.097 million) and is wholly satisfied in cash (the “Share Investment”). As a result of the above mentioned share acquisition, HPL (Croatia) has increased its holding in the registered share capital of KLH from 50% to 90%.

The consideration for the Share Investment was negotiated at arm’s length on a “willing-buyer, willing-seller” basis.

b. Kupari Luxury Investments d.o.o

As announced by HPL on 26 August 2021, KLH is a company incorporated in Croatia with a total registered/paid up capital of HRK 22,220,000. Prior to the Share Investment, HPL held 50% of KLH’s registered capital/paid up capital. KLH has entered into a project agreement with the Republic of Croatia to develop a site for the provision of tourist services in newly constructed and restored facilities. The site is located in Kupari, just south of Dubrovnik, Croatia, and consists of about 13.12 hectares of land and 8.6 hectares of maritime domain. The site will have a leasehold tenure of 99 years which is expected to commence from 2023, subject to fulfilment of certain conditions. Work is in progress for the design / approval and subsequent development of a 150- key hotel, spa facilities, plus apartments and villas on a beach front location, a short boat ride from Dubrovnik town centre. KLH has also entered into both hotel management and residence agreements with Four Seasons Hotels & Resorts.

c. Rationale for the Share Investment

Croatia has a rich historical and cultural heritage, and natural beauty, with a mix of old world European charm, easy Mediterranean lifestyle, stunning expansive coastline, fascinating history, rich culture, delectable cuisine and natural beauty.

Dubrovnik in the south is one of Croatia's most sought-after destinations. This breathtaking walled city overlooking the Adriatic Sea is home to the enchanting pedestrian-only Old Town which is a UNESCO World Heritage Site and classed by many as one of Europe's most beautiful cities. The city has much to offer its many visitors from sightseeing at aristocratic palazzi and elegant Baroque churches to dining in world-class restaurants and hotels. The magnificent Adriatic coastline stretching from Dubrovnik has many beautiful beaches, crystal-clear sea and stunning offshore islands.

The additional investment will enable the HPL Group to expand and diversify its hotel property portfolio to a new market in a fast-emerging tourist location in Europe and one of the most visited tourist destinations in the Mediterranean.

d. Funding for the Share Investment

The Share Investment by HPL Croatia has been funded by internal funds.

e. Financial Effects

The Share Investment is not expected to have a material impact on the consolidated net earnings per share and consolidated net tangible assets per share of the HPL Group based on the HPL Group's audited consolidated financial statements for the financial year ended 31 December 2021.

f. Interests of Directors and Controlling Shareholders

None of the directors, controlling shareholder or substantial shareholders of the Company has any indirect or direct interest in the Share Investment, other than through their shareholding interests in the Company.

4. ACQUISITION OF AN INDIRECT SUBSIDIARY COMPANY IN THE REPUBLIC OF MALDIVES

The Company's wholly-owned subsidiary, HPL Properties (West Asia) Pte Ltd, through its 70% owned subsidiary company, HPL Resorts Maldives Pvt Ltd ("HPLRM"), had on 8 June 2022, acquired 100% of the authorised and issued shares of Leisure Sands Pvt Ltd ("Leisure Sands") in the Republic of Maldives for a total consideration of USD 1.00 (United States Dollars One) (the "Consideration"). The Consideration was determined based on arms' length negotiation and was arrived at on a willing buyer, willing seller basis.

The authorised share capital of Leisure Sands is USD 10,000 (United States Dollars Ten Thousand) comprising 10,000 ordinary shares of par value USD1 (United States Dollar One) each. The principal activity of Leisure Sands is that of a hotelier.

The acquisition of Leisure Sands 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 audited consolidated accounts of the HPL Group for the year ended 31 December 2021.

Other than Mr Ong Beng Seng, the Managing Director and a deemed substantial shareholder of HPL, who is also deemed to be interested in the balance of 30% interest in HPLRM through Muraka Pte Ltd, no Director, controlling shareholder or substantial shareholder of HPL has an interest, direct or indirect, in the acquisition of Leisure Sands.

By Order of the Board

Heng Michelle Fiona / Lim Guek Hong
Company Secretaries
12 August 2022