



HOTEL PROPERTIES LIMITED

Co. Reg No : 198000348Z

(Incorporated in the Republic of Singapore)

ACQUISITION OF A HOTEL IN LONDON

The Board of Directors of Hotel Properties Limited (“HPL” or “the Company”) wishes to announce that its wholly-owned subsidiary, HPL Properties (West) Pte Ltd and Olympia Partners Pte. Ltd. (“OPPL”) have formed a joint venture (the “Joint Venture”) to acquire a freehold property known as Hilton London Olympia located at 380 Kensington High Street, London (the “Hotel”).

The joint venture company, HPL Olympia Pte Ltd (the “JVCo”) is a newly incorporated company in Singapore. The issued and paid-up capital of the JVCo is S\$10.00 comprising 10 ordinary shares, 80% owned by HPL Properties (West) Pte Ltd and 20% by OPPL, a company which is beneficially owned Mr Ong Beng Seng, the Managing Director and deemed controlling shareholder of the Company. The JVCo has incorporated a wholly-owned subsidiary in the United Kingdom, HPL (Olympia) Limited (the “Hotel OpCo”). The issued and paid-up capital of the HPL OpCo is £1 comprising 1 ordinary share.

The JVCo and Hotel OpCo have entered into a sale and purchase agreement with Maple Midco S.A R.L. and Maple Hotels 1 Limited to purchase the entire issued share capital of Maple Olympia Propco 4 S.à r.l. (the “Hotel PropCo”), a private limited liability company incorporated under the laws of the Grand Duchy of Luxembourg, as well as a related acquisition of the trade and certain assets and liabilities of the Hotel (the “Transaction”).

Hotel PropCo owns the Hilton London Olympia which has 405 keys plus 3 food and beverage outlets and 10 flexible meeting rooms. The Hotel is situated near to the Olympia Exhibition Centre at the western end of Kensington High Street.

The total consideration for the Transaction is £114.85 million with a net working capital adjustment, such consideration to be finalised following completion of the transaction (the “Purchase Price”).

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.

The transaction shall be funded by way of a combination of third party loan financing and internal resources and 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 2016.

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

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

Save as disclosed above, none of the directors, controlling shareholder or substantial shareholders of the Company has any indirect or direct interest in the Transaction, other than through their shareholding interests in the Company.

By Order of the Board

Lo Swee Oi
Company Secretary
Date: 1 August 2017