HOTEL PROPERTIES LIMITED
Co. Reg No : 198000348Z

ACQUISITION OF ASSOCIATED COMPANY – PT. SETRA GITA NUSANTARA

The Board of Directors of Hotel Properties Limited ("HPL" or the "Company") wishes to announce that its newly incorporated indirect subsidiary company, Belitung Investments Pte. Ltd. ("Belitung Investments"), has entered into a share subscription agreement ("SSA") with PT Abdi Kevara Prima, PT Bentang Lintang Tunggal, PT Abadi Duta Teguh and Suriyanto, the existing shareholders of PT Setra Gita Nusantara ("PT SGN"), for the proposed subscription of 40% of the enlarged share capital of PT SGN comprising 55,262 new shares at a par value IDR1,000,000 per share, for a total consideration of IDR125.6 billion (the "Consideration") (the "Proposed Share Subscription").

PT SGN is the developer of 182 keys 5-star Sheraton Resort (the "Project") situated in the Tanjung Kelayang Special Economic Zone (SEZ), Tanjung Kelayang, Belitung (the "Resort"). The Resort sits on a beach front land of 84,155 square metres (the "Land"). The total Project cost including the Land is estimated at IDR549 billion, to be funded by an existing bank loan, equity and shareholders' loan. The issued and paid-up share capital of PT SGN (prior to the Proposed Share Subscription of Belitung Investments) is IDR82.893 billion comprising 82,893 shares of par value IDR1,000,000 per share while the enlarged issued and paid-up share capital of PT SGN following the Proposed Share Subscription of Belitung Investments is IDR138.155 billion comprising 138,155 shares of par value IDR1,000,000 per share.

Following the Proposed Share Subscription, PT SGN will become an indirect associated company of HPL.

The Consideration was based on the revalued net assets value of PT SGN, negotiated on a willing-buyer, willing-seller basis. Belitung Investments' Proposed Share Subscription in PT SGN will be funded by internal cash flow and/or external borrowings.

The Proposed Share Subscription 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 2018.

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

By Order of the Board

Lo Swee Oi
Company Secretary

Date: 16 August 2019