



HOTEL PROPERTIES LIMITED

RESPONSE TO SGX REGCO'S QUERIES REGARDING THE COMPANY'S ANNOUNCEMENT DATED 11 AUGUST 2023

Hotel Properties Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) sets out its response to the queries raised by Singapore Exchange Regulation (“**SGX RegCo**”) on 18 August 2023 in relation to the Company’s announcement dated 11 August 2023 regarding its half year financial results (“**1H2023**”), as follows: -

Query 1: The Company recorded other operating income of S\$20.7 million for 1H2023 which is a significant increase from S\$2.8 million in 1H2022. Please provide a breakdown and the nature of the other operating income for 1H2023 and explain the significant increase from 1H2022.

Company’s Response

The breakdown and nature of other operating income was disclosed in Note 5 of the Company’s announcement dated 11 August 2023. For your ease of reference, we have reproduced as follows:

| | \$'000 |
|---|--------|
| Dividend income | 1,885 |
| Interest income | 1,196 |
| Write back of doubtful trade receivables | 113 |
| Net foreign exchange gain | 33 |
| Net gain on disposal of property, plant and equipment | 16,129 |
| Others | 1,325 |
| Total | 20,681 |

The increase from 1H2022 was mainly attributable to a net gain on disposal of property, plant and equipment of \$16.1 million.

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Query 2a. The Company reported an increase in "Amount due from associates and jointly controlled entities" from S\$49.1 million as at 31 Dec 2022 to S\$56.5 million as at 30 June 2023 and an increase in "Associates and jointly controlled entities" from S\$912.7 million as at 30 Dec 2022 to S\$956.6 million as at 30 June 2023. The Company explained that this is "mainly attributable to investments during the period, including equity contribution and advances of S\$25 million to associates and jointly controlled entities in which certain directors are deemed to have interest".

- a. Please provide a breakdown of the transactions in 1H2023 to explain the increase in the respective amounts. In the breakdown, please disclose details of the nature of the transactions, the transaction value, the changes in shareholding (if any), the entities involved and the relationships which give rise to a related party transaction.

Company's Response

The increase in "Amount due from associates and jointly controlled entities" from S\$49.1 million as at 31 December 2022 to S\$56.5 million as at 30 June 2023 and increase in "Associates and jointly controlled entities" from S\$912.7 million as at 31 December 2022 to S\$956.6 million as at 30 June 2023 comprised the following:

| | \$'000 |
|---|----------|
| Investment in an associate in which certain directors are deemed to have interest (Leisure Ventures Pte Ltd in which Mr Ong Beng Seng has 50% beneficial interest)* | 500 |
| Investment in other associates | 520 |
| Advances to jointly controlled entities in which certain directors are deemed to have interest: | |
| Great Western Enterprises Ltd (our directors, Mr Ong Beng Seng and Mr David Fu has 15% beneficial interest each)* | 18,173 |
| HPL Dolomites (UK) Ltd (Mr Ong Beng Seng has 20% beneficial interest)* | 6,459 |
| Advances to other associates and jointly controlled entities | 18,806 |
| Exchange realignment on advances | 18,351 |
| Share of results and reserves of associates and jointly controlled entities for 1H2023 | (11,519) |
| Total | 51,290 |

*Total investment and advances to associates and jointly controlled entities in which certain directors are deemed to have interest in 1H2023 was \$25 million and all joint venture partners contributed in proportion to their equity.

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There was no change in shareholding in associates and jointly controlled entities other than the acquisition of the remaining 10% of the share capital of Alpina Dolomites SRL by a jointly controlled entity, HPL Dolomites (UK) Ltd and the disposal of 40% stake in an associate, Unity Asia Development Ltd, as disclosed in our announcement pursuant to Rule 706A of the Listing Manual dated 11 August 2023.

Query 2b. Please disclose whether each of the above transactions has been disclosed under Note 5.1 Related Party Transactions and if not, why not.

Company's Response

As per the header of Note 5.1, we have disclosed therein, Significant related party transactions during the period, **other than** those disclosed elsewhere in the financial statements. The above was duly disclosed as an explanation note under our Statements of Financial Position.

Query 2c. Please disclose whether the Company has complied with Listing Rules 706A in respect of each of the above transactions. Otherwise, please comply accordingly.

Company's Response

The Company has complied with Listing Rule 706A.

By Order of the Board
HOTEL PROPERTIES LIMITED

Joanna Lim
Company Secretary
22 August 2023

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