



HOTEL PROPERTIES LIMITED (Reg No: 198000348Z)

Setting up of an indirect associated company 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 subscribed for 25% of the equity interest comprising 25 ordinary shares at LKR2,500 in the capital of South Coast Lanka Investments (Private) Limited ("South Coast"), a newly incorporated company in Sri Lanka.

In addition, a wholly-owned subsidiary of HPLPWA, Hotel Properties Lanka Investments (Private) Limited ("HPLI"), incorporated in Sri Lanka, has subscribed for 1% of the equity interest comprising 1 ordinary share at LKR100 in the capital of South Coast. Following the share subscriptions in South Coast by HPLPWA and HPLI, South Coast became an indirect associated company of the HPL Group. The remaining 74% of the equity interest comprising 74 ordinary shares in the capital of South Coast is held by a third party which is unrelated to the HPL Group.

The issued and paid up capital of South Coast is LKR10,000 comprising 100 ordinary shares. The principal activity of South Coast is that of an investment holding company.

The above transaction 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 2017.

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

By Order of the Board

Lo Swee Oi
Company Secretary

Date: 16 July 2018