



HOTEL ROYAL LIMITED

(Co. Reg. No. 196800298G)
(Incorporated in the Republic of Singapore)

MAJOR UPGRADING OF WHITE ORCHID HOTEL, BANGKOK

The Board of Directors (the "Board") of Hotel Royal Limited (the "Company" and together with its subsidiaries, the "Group") wishes to announce that the Group's White Orchid Hotel in Bangkok (the "Hotel") will be undergoing a major upgrading from end September 2012. The Hotel is owned by Hotel Royal Bangkok (Thailand) Co., Ltd, formerly known as Ace Hotel (Thailand) Co., Ltd. The upgrading will take about 10 to 12 months to complete. During such period, the Hotel will be closed for business.

The upgrading will cost about S\$20 million and will be financed by internal fund and bank borrowing. It is necessary to maximize the Hotel's prime commercial location in the heart of Bangkok's Chinatown.

The upgrading will involve the replacement of mechanical and electrical equipment, the building of additional facilities such as a swimming pool and gymnasium, as well as work on all public areas and guest rooms. The Hotel which has been around for about 30 years and was acquired by the Group in June 2011.

The Hotel is situated at No. 409-421, Yaowaraj Road, Samphanthawong Subdistrict, Samphanthawong District, Bangkok, about one kilometre west of Hualamphong MRT Station and Bangkok Rail Station, and 45 kilometres west of Suvarnabhumi International Airport. It is close to several major tourist attractions.

While the Hotel will be closed during the upgrading period, the two ground floor retail shops at the Hotel will remain in operation as these shops have separate entrances from that of the Hotel. This will allow the Hotel to continue to generate some rental revenue.

The closure of the Hotel during the upgrading period is not expected to have any material impact on the Group's net tangible assets per share and earnings per share for the current financial year ending 31 December 2012.

The Hotel will be re-branded as Hotel Royal Bangkok @ Chinatown when it re-opens in 2013.

Save for their respective interests in the equities of the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction.

The Company will be making appropriate announcements in due course to update shareholders on the progress of the upgrading of the Hotel.

By Order of the Board

Sharon Yeoh
Company Secretary

21 September 2012