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ARN 25 010 330 515

Appendix 4D Half Year Report Six Months Ended 31 December 2023

Name of entity

HOTEL PROPERTY INVESTMENTS (HPI)

ABN or equivalent company reference

Hotel Property Investments Trust (ARSN 166 484 377) and Hotel Property Investments Limited (ABN 25 010 330 515)

man yearry	Preliminary final	Reporting Period
1		1 July 2023 to 31 December 2023
		(previous corresponding period 1 July 2022 to 31 December 2022)

Results for announcement to the market

	Six Months Ended 31 December 2023	Six Months Ended 31 December 2022	Variance %
Rent revenue from investment properties (A\$'000)	36,456	35,264	3.38%
Fair value adjustments to investment properties (A\$'000)	(8,149)	(27,220)	70.06%
Total income from operating activities (A\$'000)	33,126	12,844	157.91%
Profit for the period from operating activities after tax attributable to stapled security holders (A\$'000)	24,061	3,931	512.08%
Profit/(loss) for the period attributable to stapled security holders (A\$'000)	9,456	(7,940)	219.09%
Interim trust distribution amount per stapled security (cents)	9.5	9.2	3.26%
Interim dividend amount per stapled security (cents)	0.0	0.0	0.00%
Total distribution payable for half year (A\$'000)	18,516	17,850	3.73%
Record date for determining entitlements to trust distribution	29 December 2023	30 December 2023	
Payment date for trust distribution	1 March 2024	3 March 2023	

Explanation of Results

- Rent revenue from investment properties increased by 3.33% due to annual rent escalations.
- Total income increased significantly because of a significant decrease in the fair value loss recognised in the current period to 31 December 2023 compared to the prior period.

Other Details

	31 December 2023	30 June 2023	Variance %
Net Tangible Assets per security	3.97	\$4.02	(1.24%)

• No special distribution has been made in the current period.

• There was a distribution reinvestment plan (DRP) in operation for the period for the June 2023 distribution. The DRP has since been suspended.

• There are no associates or joint venture entities during the period.

• The financial information provided in the Appendix 4D is based on the Half Year Report (attached).

Review

This report is based on the half-year report which has been reviewed by KPMG. A copy of the Hotel Property Investments Half-Year Report is attached.



Interim Report

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For The Period Ending 31 December 2023



Hotel Property Investments (HPI) Half Year Report for the Six Months Ended *31 December 2023*

Comprising – Hotel Property Investments Trust (ARSN 166 484 377) and Hotel Property Investments Limited (ABN 25 010 330 515) and their controlled entities.



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Directors' Report

T

Rent from investment properties up 3.4% from





Dunwoodys Tavern Cairns QLD

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Introduction

The Directors of Hotel Property Investments Limited as Responsible Entity (the 'Responsible Entity') for the Hotel Property Investments Trust ('the Trust'), present the consolidated financial report of Hotel Property Investments Trust, Hotel Property Investments Limited ('the Company') and their controlled entities (together 'the HPI Group') for the half year ended 31 December 2023.

The securities in the Company are stapled to the units in the Trust and cannot be traded or dealt with separately.

The Responsible Entity is incorporated and domiciled in Australia. The registered office of the Responsible Entity is located at:

Suite 2, Level 17 – IBM Centre 60 City Road Southbank VIC 3006 Australia

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Corporate Governance

A copy of HPI Group's Corporate Governance Statement is available on HPI Group's website at:

hpitrust.com.au/governance/



Directors & Officers

The members of the Board of Directors of the Company in office during the half year ended 31 December 2023 were:

Giselle Collins Lachlan Edwards Anne Michaels Don Smith

Principal Activities

The principal activity of the HPI Group consists of real estate investment in the pub sector in Australia. There has been no significant change in the nature of the principal activity during the half year.

Significant Changes in State of Affairs

There are no significant changes to the state of affairs of the HPI Group.

Distributions & Dividends

HPI Group has declared a distribution of 9.5 cents per stapled security for the half year ended 31 December 2023 and has made a provision for the interim distribution of \$18.5 million.

Matters Subsequent to the End of the Financial Year

There have been no items, transactions or events that have occurred subsequent to 31 December 2023 that are likely in the opinion of the Directors to significantly affect the operations of the HPI Group, the results of those operations, or the state of affairs of the HPI Group in future financial periods.

Review & Results of Operations

Background

The HPI Group is an Australian Real Estate Investment Trust ("AREIT") and listed on the ASX on 10 December 2013. Its principal activity is real estate investment in freehold pubs in Australia. The HPI Group owns a portfolio of freehold properties predominately in Queensland, comprising pubs and associated speciality stores located on the pub sites.

Half Year Performance

The HPI Group profit after tax for the six months ended 31 December 2023 was \$9.5 million. Operating revenues and expenses included rental income from investment properties of \$36.5 million, property cost recoveries of \$4.7 million, property outgoing costs of \$6.8 million, other trust and management costs of \$2.2 million, and financing costs of \$13.6 million. Additionally, there was a fair value loss on investment properties of \$8.1 million and a fair value loss on derivative instrument of \$1 million.

At 31 December 2023, independent valuations were obtained for 16 properties. The remaining properties (45 properties) were valued by the Directors in accordance with the HPI Group policy.

The Directors' valuations have been determined by reference to the current net income, including allowance for contracted rental growth for each property and the specific circumstances of each property. For properties not subject to independent valuation, market capitalisation rates were maintained constant at their previous independent valuation level. The current average capitalisation rate for the portfolio is 5.47%.

Adjusting profit after tax for fair value adjustments, non-cash finance costs and other minor items, the distributable earnings of the HPI Group were \$18.7 million. Adjusting further for maintenance capex of \$0.2 million the Adjusted Funds from Operations (AFFO) was \$18.5 million.

Financial Position

At 31 December 2023 the HPI Group's net assets were \$773.9 million representing net assets per stapled security of \$3.97 (June 2023: \$4.02). Major assets and liabilities included cash on hand of \$2.1 million, investment property of \$1,264 million, short-term receivables of \$0.7 million, other current assets of \$4.7 million, borrowings of \$467.7 million and a provision for payment of distributions of \$18.5 million.

At 31 December 2023, the HPI Group's total borrowing facilities of \$530 million were drawn to \$470.2 million including \$310 million under the USPP and \$160.2 million under the Common Terms Deed.

Risk Management

The Company's Board concluded that the material risks to which the HPI Group is exposed remain consistent with those identified for the year ended 30 June 2023. Details of the HPI Group's risk profile are outlined in the Directors' report for the year ended 30 June 2023.

Interest Rate Risk

The HPI Group's debt strategy has been to utilise the US Private Placement market which provides significant tenor and fixed rate debt in Australian Dollars. The HPI Group's weighted average debt maturity tenor is 3.8 years, with facility maturities between 2025 and 2033. Additionally, in the prior year, the HPI Group entered into a \$100 million 5-year callable interest rate swap which provides certainty for 2 years and can be recalled by the counter party between years 3 and 5. Consequently, \$310 million (66% at balance date) of debt is at fixed rates, with a weighted average fixed period of 3.1 years and a weighted average fixed rate of 4.89%.

Market Risk

External valuations have been performed for 16 of the 61 assets held at 31 December 2023. The weighted average capitalisation rate has increased from 5.42% at June 2023 to 5.47% at December 2023. The HPI Group's significant capital works programs over the past two years have improved the quality of the portfolio as well as increasing rental income.

Regulatory Risk

The HPI Group continually monitors the regulatory environment in the markets that we operate. There have been no significant changes to the regulatory environment during the period.

Business Strategies & Prospects

The HPI Group's key financial goal is to improve cash distributions to stapled security holders whilst maintaining the key attributes of the HPI Group business. Distribution growth may be achieved organically from contracted annual rent increases across the portfolio and by prudent management of financing charges, management fees and other costs of the Trust. Further distribution growth may arise from development opportunities undertaken on surplus land or through accretive acquisitions.

The HPI Group will continue to pursue acquisition opportunities which meet its investment criteria, namely that target properties be:

- in good condition
- in key regional or metropolitan locations with potential for long term growth
- leased to experienced tenants on favourable lease terms

The HPI Group will continue to review the portfolio with a view to increasing distributions, whether by divesting properties and recycling the proceeds into higher returning properties, developing properties, or by acquiring new properties at appropriate prices.

Distributions

At 31 December 2023 the HPI Group made a provision of \$18.5 million for its interim distribution of 9.5 cents per stapled security. For the full year the HPI Group intends to distribute 100% of its full year Adjusted Funds From Operations ("AFFO") which is calculated as profit for the year adjusted for fair value movements, losses or gains on hedging, other non-cash items, tax, and maintenance capital expenditure.

The following statement reconciles the profit after income tax to the AFFO and the distribution.

	31 December 2023
	\$'000
Profit after income tax for the year	9,456
Plus/(Less): Adjustments for non-cash items	
Fair value decrements to investment properties	8,149
Straight line lease adjustment	(618)
Fair value loss on derivative instrument	968
Share based payments expense	57
Finance costs - non-cash	734
Income tax expense	25
Total adjustments for non-cash items	9,315
Distributable earnings	18,771
Less maintenance capital expenditure	(255)
Adjusted funds from operations	18,516
Interim Distribution from trading operations provided for	18,516

Earnings & distribution per stapled security	Cents		
Basic earnings	4.86		
Diluted earnings	4.85		
Earnings available for distribution per security	9.5		
Interim distribution per security	9.5		

Likely Developments

The HPI Group will continue to be managed in accordance with its existing investment objectives and guidelines.

The results of the HPI Group's operations will be affected by a number of factors, including the performance of markets in which the HPI Group invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 10 and forms part of the Directors' report for the half year ended 31 December 2023.

Environment, Sustainability & Governance (ESG)

Whilst the HPI Group is not subject to significant environmental regulation in respect of its property activities, the Company Directors are satisfied that adequate systems are in place for the management of its environmental responsibility and compliance with the various licence requirements and regulations. Further, the Company Directors are not aware of any material breaches of these requirements.

In November 2023, the HPI Group released an update to our Sustainability Report.

Rounding of Amounts

The HPI Group is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the rounding of amounts in the Directors' report and financial report.

Amounts in the Directors' report and financial report have been rounded off to the nearest one thousand dollars, in accordance with that Instrument, except where otherwise indicated.

Signed in accordance with a resolution of the Directors of Hotel Property Investments Limited.

andu on

Giselle Collins Chairman - Melbourne Dated this 14th day of February 2024



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Hotel Property Investments Limited.

I declare that, to the best of my knowledge and belief, in relation to the review of Hotel Property Investments Limited for the Half-year ended 31 December 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG



KPMG



Partner

Melbourne

14 February 2024

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Net assets of \$773.9m as at 31 December 2023

Kings Beach Tavern Caloundra QLD

INTERIM REPORT 2023 HPI Hotel Property Investments

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Consolidated Statement		31 December 2023	31 December 2022
of Profit or Loss & Other	Note	\$'000	\$'000
Comprehensive Income	Note	\$ 000	\$ 000
Revenue			
Rent from investment properties		36,456	35,264
Revenue from outgoings recovered		4,739	4,746
Total revenue		41,195	40,010
Other Income			
Fair value adjustment to investment properties		(8,149)	(27,220)
Finance revenue		80	54
Total other income		(8,069)	(27,166)
Total income from operating activities		33,126	12,844
Operating Expenses			
Investment property outgoings and expenses		(6,849)	(6,591)
Other expenses	6	(2,191)	(2,281)
Total expenses from operating activities		(9,040)	(8,872)
Profit from operating activities		24,086	3,972
Non-Operating Expenses			
Fair value loss on derivative instrument		(968)	-
Finance costs	7	(13,637)	(11,871)
Total non-operating expenses		(14,605)	(11,871)
Profit / (Loss) before tax		9,481	(7,899)
Tax expense		(25)	(41)
Profit / (Loss) for the year		9,456	(7,940)
Total comprehensive income / (loss)		9,456	(7,940)
Profit / (Loss) for the year attributable to:			
Shareholders of the Company		324	132
Unitholders of the Trust		9,132	(8,072)
Total comprehensive income / (loss) attributable to the stapled Securityholders of HPI		9,456	(7,940)
Basic earnings per security (cents)	20	4.86	(4.10)
Diluted earnings per security (cents)	20	4.85	(4.09)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement		31 December 2023	30 June 2023
of Financial Position	Note	\$'000	\$'000
	Note	\$ 000	\$ 000
Current Assets			
Cash and cash equivalents	8	2,125	972
Trade and other receivables	9	730	1,585
Other current assets	10	4,651	3,975
Assets held for sale		-	15,185
Total current assets		7,506	21,717
Non-Current Assets			
Investment property	11	1,263,920	1,238,330
Plant and equipment		56	66
Right-of-use assets		312	366
Other non-current assets	10	5,000	5,000
Deferred tax assets		208	215
Total non-current assets		1,269,496	1,243,977
Total assets		1,277,002	1,265,694
Current Liabilities			
Trade and other payables	12	16,070	10,674
Employee benefit liabilities	13	372	971
Lease liabilities		111	107
Provisions	15	18,516	18,238
Total current liabilities		35,069	29,990
Non-Current Liabilities			
Loans and borrowings	14	467,695	455,002
Employee benefit liabilities	13	72	147
Lease liabilities		232	288
Deferred tax liability		78	91
Total non-current liabilities		468,077	455,528
Total liabilities		503,146	485,518
Net assets		773,856	780,176
Equity			
Contributed equity	16	417,257	414,587
Retained earnings	17	357,260	365,957
Reserves	18	(661)	(368)
Total equity		773,856	780,176
Total Equity attributable to:			
Unitholders of the Trust		772,758	779,472
Securityholders of the Company		1,098	704
Total equity		773,856	780,176

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity		Attributable to Unitholders of the Trust (Parent Entity)			Attributable to Securityholders of the Company (Other Stapled Entity)				
of ontanges in Equity		Contributed Equity	Retained Earnings	Total	Contributed Equity	Retained Earnings	Reserves	Total	Contributed Equity
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023		414,587	364,885	779,472	*	1,072	(368)	704	780,176
Comprehensive income for the year									
Profit for the year		-	9,132	9,132	-	324	-	324	9,456
Total comprehensive income for the year		-	9,132	9,132	-	324	-	324	9,456
Transactions with owners in their capacity as owners recognised directly in equity									
Transfer to retained earnings	18	-	-	-	-	363	(363)	-	-
Provision for distribution to stapled Securityholders	17	-	(18,516)	(18,516)	-	-	-	-	(18,516)
Distribution reinvestment plan	16	2,670	-	2,670	-	-	-	-	2,670
Share-based payment transactions	18	-	-	-	-	-	57	57	57
Purchase of Treasury securities	18	-	-	-	-	-	(287)	(287)	(287)
Treasury shares granted as remuneration	18	-	-	-	-	-	300	300	300
Total transactions with owners		2,670	(18,516)	(15,846)	-	363	(293)	70	(15,776)
Balance at 31 December 2023		417,257	355,501	772,758	-	1,759	(661)	1,098	773,856
Beleves et 4 July 2022		442.027	207.004	000.004	*	700	(540)	202	000.070
Balance at 1 July 2022		412,027	397,664	809,691	· · · · · · · · · · · · · · · · · · ·	792	(510)	282	809,973
Total comprehensive income for the year			(0.072)	(2,072)		422		122	(7040)
(Loss) / Profit for the year		-	(8,072)	(8,072)	-	132	-	132	(7,940)
Total comprehensive income for the year		-	(8,072)	(8,072)	-	132	-	132	(7,940)
Transactions with owners in their capacity as owners recognised directly in equity									
Provision for distribution to stapled Securityholders	17	-	(17,850)	(17,850)	-	-	-	-	(17,850)
Distribution reinvestment plan	16	2,560	-	2,560	-	-	-	-	2,560
Share-based payment transactions	18	-	-	-	-	-	58	58	58
Purchase of Treasury securities	18	-	-	-	-	-	(112)	(112)	(112)
Treasury shares granted as remuneration	18	-	-	-	-	-	120	120	120
Total transactions with owners		2,560	(17,850)	(15,290)	-	-	66	66	(15,224)
Balance at 31 December 2022		414,587	371,742	786,329	*	924	(444)	480	786,809

The above Consolidated Statement Of Changes In Equity should be read in conjunction with the accompanying notes. * Less than \$1,000

Consolidated Statement of Cash Flows

of Cash Flows			
of Cash Flows	Note	\$'000	\$'000
Cash flows from operating activities			
Rent and outgoings from investment properties		44,664	43,861
Payments to suppliers		(11,678)	(14,119)
Interest receipts bank deposits		80	54
Income tax paid		(133)	(10)
Net cash from operating activities		32,933	29,786
Cash flows from investing activities			
Payment for acquisition of investment properties		(10,087)	-
Proceeds from disposal of investment properties & assets held for sale		-	25,459
Payments for plant and equipment		(2)	-
Payment for additions to investment properties		(4,996)	(9,814)
Net cash (used in) / from investing activities		(15,085)	15,645
Cash flows from financing activities			
Proceeds from borrowings		34,348	33,698
Repayments of borrowings		(21,350)	(51,650)
Payment for treasury securities		(287)	-
Payment of borrowing costs		(13,786)	(9,994)
Payment of leasing liabilities		(52)	(50)
Payment of distributions		(15,568)	(17,342)
Net cash used in financing activities		(16,695)	(45,338)
Net increase in cash held		1,153	93
Cash and cash equivalents at the beginning of the period		972	837
Cash and cash equivalents at the end of the period	8	2,125	930

31 December 2023

31 December 2022

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements



Not

Not

Not

Not

No

No

No

No

No

No

Not

Not

Not

Not

Not

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NOTE 1

Reporting Entity

The consolidated financial report of Hotel Property Investments as at and for the half year ended 31 December 2023 comprises Hotel Property Investments Trust (the "Trust"), Hotel Property Investments Limited (the "Company") and their controlled entities (together "the HPI Group"). The Trust is a registered managed investment scheme under the Corporations Act 2001. The Company is a company limited by shares under the Corporations Act 2001. The responsible entity of the Trust is Hotel Property Investments Limited (the "Responsible Entity").

The units of the Trust and the shares of the Company are stapled such that the units and shares cannot be traded separately.

The Trust is a limited life trust which terminates on 31 December 2061 unless it has been terminated prior to that date by the Responsible Entity under the provisions contained in the constitution.

As a result of the stapling of the Trust and the Company and the public quoting of the HPI Group on the Australian Securities Exchange (ASX) with new stapled security holders on 10 December 2013, the HPI Group has been determined to be a disclosing and reporting entity.

The principal activity of the HPI Group consists of real estate investment in the freehold pub sector in Australia. There has been no significant change in the nature of the principal activity during the half year.

In accordance with clause 5.1 of the Stapling Deed, the Trust and the Company each agree to provide financial accommodation to all members of the HPI Group.

The HPI Group is a for profit entity.

Coomera Lodge Hotel Oxenford QLD

NOTE 2 Basis of Preparation

a) Compliance Statement

The consolidated interim financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated interim financial report also complies with the International Financial Reporting Standards (IFRS) and the interpretations adopted by the International Accounting Standards Board (IASB).

b) Basis of Measurement

The financial statements have been prepared on the historical cost basis, except for the following that are measured at fair value:

- investment property, including investment
 property held for sale at reporting date
- share-based payment arrangements
- interest rate swap hedging instrument

The methods used to measure fair values are discussed further within the relevant notes.

The consolidated financial report as at and for the half year ended 31 December 2023 was approved by the Directors on 14 February 2024.

c) Functional & Presentation Currency

These financial statements are presented in Australian dollars, which is the HPI Group's functional currency.

The HPI Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

d) Use of Estimates

In preparing these consolidated financial statements, management has made estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Estimation Uncertainties

Information about estimation uncertainties and assumptions that have a significant risk of resulting in a material adjustment in the period ended 31 December 2023 are described in the following notes:

Note 4(a) & Note 11 - Investment Property Note 22 - Financial Instruments

e) Working Capital

As at 31 December 2023, the HPI Group had an excess of current liabilities over current assets of \$27.6 million. Notwithstanding this the financial report has been prepared on a going concern basis as the Directors believe the HPI Group will continue to generate operating cash flows and has sufficient undrawn committed debt facilities to meet current liability obligations, and that the net current deficit does not impact the underlying going concern assumption applied in preparing these financial statements.

NOTE 3

Material Accounting Policies

The accounting policies applied in this consolidated financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2023.

In addition, the Group adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. These amendments did not result in any changes to the accounting policies themselves and did not impact the accounting policy information as disclosed in these consolidated financial statements.

NOTE 4

Determination of Fair Values

A number of the HPI Group's accounting policies and disclosures require the determination of fair value, for both financial and non- financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a) Investment Property

Investment property is property held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost. Subsequent to initial recognition, investment properties are stated at fair value, which is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction and reflects market conditions at the reporting date. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

The HPI Group policy is to independently value at least one third of all properties each financial year. A greater number of valuations may be sought if the Board determines that circumstances have arisen that warrant it. The remainder of properties will be valued by the Directors. Where external valuation capitalisation rates have deteriorated, the Directors will apply the average market capitalisation expansion to the market capitalisation rates of the remaining investment properties in determining the Directors' valuations. Where external valuation market capitalisation rates have improved, the Directors will maintain the existing capitalisation rate and use the present net rent in determining the Directors' valuations. The Directors will also take into consideration any property nuances, specific market factors, property location, rent abatements and change in weighted average lease expiry before deciding on the final Directors' valuation.

b) Share-Based Payment Transactions

The fair value of the share-based payments as at the grant date is determined independently using a Monte Carlo simulation. A Monte Carlo simulation model simulates the path of the security price according to a probability distribution assumption. After a large number of simulations, the arithmetic average of the outcomes, discounted to the valuation date, is calculated to represent the option value. Service and non-market performance conditions attached to the arrangements are not taken into account in measuring fair value.



NOTE 5

Stapling

The stapling of the units of the Trust and the shares of the Company occurred on 10 December 2013 for the purpose of the public quotation of the HPI Group on the ASX. Australian Accounting Standards require an acquirer to be identified in a business combination. In relation to the stapling of the Company and the Trust, the Trust has been identified as the acquirer due to its large relative size to the Company.

In a business combination achieved as a consequence of stapling, the acquirer receives no equity interests in the acquiree. Therefore 100% of the acquiree's equity is attributable to the Securityholders of the Company and is accounted for as non-controlling interests. Also, as a result no goodwill is recognised.

As the Trust has not acquired an equity interest in the Company, no consideration was transferred in connection with the stapling. The Company had no assets at the time of stapling.

NOTE 6

Other	31 December 2023	31 December 2022
Expenses	\$'000	\$'000
Advisory & legal fees	249	310
Auditor's remuneration	116	123
Directors' fees	241	178
Employment expenses	863	835
Insurance	255	347
All other expenses	467	488
	2,191	2,281

NOTE 7

Finance Expenses	31 December 2023	31 December 2022
	\$'000	\$'000
Interest expense	12,829	11,410
Amortised borrowing costs	734	386
Other finance costs	74	75
	13,637	11,871

NOTE 8

Cash & Cash Equivalents	31 December 2023	30 June 2023
	\$'000	\$'000
Cash at bank	2,125	972

NOTE 9

Trade & Other Receivables

Trade receivables

Less: Allowance for impairment

Net trade receivables

Other receivables

NOTE 10

Other Current / Non-Current Assets

Other current assets
Interest rate swap derivative instrument
Other non-current assets

Non-current assets held are investments in the Harvest Hotels Pub Fund 2 and the ACRE Commercial Income Fund No. 2.

31 December 2023	30 June 2023
\$'000	\$'000
730	405
-	-
730	405
-	1,180
730	1,585

31 December 2023	30 June 2023
\$'000	\$'000
3,229	1,584
1,422	2,391
4,651	3,975
5,000	5,000
5,000	5,000

NOTE 11 Investment Property

All investment properties are freehold and 100% owned by the Company as appointed sub-custodian of the HPI Trust, except for the Crown Hotel, Quest Griffith, Jubilee Tavern, Mango Hill Tavern, Surfair Beach Hotel, Capella Hotel, Commonwealth Hotel, White Bulla Tavern, Commercial Hotel and the Grand Hotel which are owned by wholly owned subsidiaries of the HPI Trust. Investment properties are comprised of land, buildings, fixed improvements and liquor and gaming licenses. Plant and equipment are held by the tenant.

	31 December 2023	30 June 2023	
	\$'000	\$'000	
Investment property	1,263,920	1,238,330	
Carrying amount at the beginning of the period	1,238,330	1,261,420	
Acquisition of investment properties	10,087	4,258	
Disposition of investment properties	-	(6,047)	
Transfer from held for sale*	15,185	-	
Capital additions on investment properties	7,849	13,370	
Straight line lease adjustments	618	1,349	
Fair value adjustments	(8,149)	(36,020)	
Carrying amount at the end of the period	1,263,920	1,238,330	

* The Hotel Allen which was previously classified as Held for Sale was transferred to investment properties during the period.

Leasing Arrangements

The investment properties are predominantly leased to their respective tenants inclusive of any liquor and gaming licences attached to these properties under long-term operating leases with rentals payable monthly.

Fair value adjustments at 31 December 2023

Independent valuations were obtained for 16 investment properties as at 31 December 2023. These valuations were completed by Savills and Cushman & Wakefield Valuations.

The remaining 45 investment properties were valued by the Directors in accordance with the HPI Group policy.

	December 2023	June 2023
Market capitalisation rate range at last independent valuation	4.75% - 8.25%	4.75% - 8.25%

Fair Value Hierarchy

The fair value measurement for investment property of \$1,263.9 million has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

Reconciliation of Fair Value Gains	31 December 2023	30 June 2023	
	\$'000	\$'000	
Fair value as at beginning of the period	1,238,330	1,261,420	
Capital additions on investment properties	7,849	13,370	
Disposals	-	(6,047)	
Transfer from held for sale	15,185	-	
Straight line lease adjustment	618	1,349	
Acquisitions	10,087	4,258	
Carrying amount before revaluations	1,272,069	1,274,350	
Fair value as at end of period	1,263,920	1,238,330	
Fair value loss for the period	(8,149)	(36,020)	

Valuation Technique & Significant Unobservable Inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation Technique	Significant Unobservable Inputs	Inter-relationship Between Key Observable Inputs & Fair Value Measurement
Capitalisation of rent allowing for the following adjustments:		The estimated fair value would increase / (decrease) if:
	Net rent	Net rent was higher / (lower)
	Capitalisation rates	Capitalisation rates were lower / (higher)
Additional land	Additional land	Additional land was higher / (lower) in value
Capital allowance	Capital allowances	Capital allowance was smaller / (larger)
Other property specific factors	Other property specific factors	Other property specific factors resulted in higher / (lower) value

Assets Owned as at 31 December 2023		23	31 December 2023		30 June 2023	
PROPERTY	LOCATION	Foot- note	Cap'n Rate ¹	Fair Value \$'000	Cap'n Rate ¹	Fair value \$'000
Avenues Café and Bar	Adelaide SA	4	5.50%	15,160	5.50%	16,550
Ball Court Hotel	Sunbury VIC	3	5.25%	8,790	5.25%	8,550
Beenleigh Tavern	Eagleby QLD	2	5.25%	18,950	5.31%	18,200
Berserker Tavern	Rockhampton QLD	4	5.50%	15,200	5.50%	15,200
Bonny View Tavern	Bald Hills QLD	3	5.00%	12,100	5.00%	11,600
Boomerang Motor Hotel	West Mackay QLD	2	5.75%	9,500	5.50%	9,950
Bribie Island Hotel	Bellara QLD	2	5.75%	31,200	5.50%	33,200
Brighton Hotel	Brighton QLD	2	5.25%	19,950	4.98%	23,300
Brighton Metro Hotel	Brighton SA	4	5.25%	23,770	5.25%	23,770
Caboolture Sundowner Hotel Motel	Caboolture QLD	2	5.25%	20,450	5.25%	20,450
Capella Hotel	Capella QLD	3	8.25%	3,650	8.25%	3,650
Chancellors Tavern	Sippy Downs QLD	3	5.50%	25,200	5.50%	25,200
Cleveland Sands Hotel	Cleveland QLD	4	5.10%	47,280	5.10%	45,400
Cleveland Tavern	Cleveland QLD	4	5.25%	23,980	5.25%	24,000
Club Hotel	Gladstone QLD	4	5.50%	10,100	5.50%	10,100
Commercial Hotel	Clermont QLD	3	8.25%	3,550	8.25%	3,550
Commonwealth Hotel	Roma QLD	3	7.50%	10,500	7.50%	10,500
Coomera Lodge Hotel	Oxenford QLD	3	4.75%	14,120	4.75%	13,600
Cornerstone Ale House	Butler WA	4	7.00%	4,100	7.00%	4,000
Crown Hotel	Lutwyche QLD	2	5.25%	58,600	5.58%	54,610
Diamonds Inala Hotel	Inala QLD	3	5.25%	21,430	5.25%	21,450
Diamonds Tavern	Kallangur QLD	4	5.04%	15,700	5.04%	15,500
Dunwoodys Tavern	Cairns QLD	4	5.25%	39,200	5.25%	39,200
Edwardes Lake Hotel	Sunbury VIC	3	5.00%	30,140	5.00%	29,400
Empire Alternacade & Events	Cairns QLD	4	5.25%	13,800	5.25%	13,800
Everton Park Hotel	Everton Park QLD	4	5.25%	38,440	5.25%	34,550
Ferry Road Tavern	Southport QLD	2	5.50%	44,900	5.25%	46,420
Fitzys Loganholme	Loganholme QLD	2	5.25%	36,700	5.25%	36,700
Fitzys Waterford	Waterford QLD	4	5.25%	27,300	5.25%	27,300
Grafton Hotel	Edmonton QLD	4	5.50%	10,500	5.50%	10,500
Grand Hotel	Clermont QLD	3	8.25%	3,200	8.25%	3,200
Grand Junction Hotel	Pennington SA	4	5.50%	16,900	5.50%	16,900
Gregory Hills Hotel	Gregory Hills NSW	4	4.75%	48,400	4.75%	48,400
Hotel HQ	Underwood QLD	4	5.18%	35,200	5.18%	36,700

			31 December 2023		30 June 2023	
PROPERTY	LOCATION	Foot- note	Cap'n Rate ¹	Fair Value \$'000	Cap'n Rate ¹	Fair value \$'000
Jubilee Tavern	Airlie Beach QLD	4	5.50%	13,600	5.50%	13,200
Kings Beach Tavern	Caloundra QLD	2	5.25%	31,850	5.25%	31,800
Kooyong Motor Hotel	North Mackay QLD	4	5.50%	13,180	5.50%	13,180
Leichhardt Hotel	Rockhampton QLD	2&6	n/a	2,400	0.00%	1,200
Magnums Tavern	Airlie Beach QLD	3	6.25%	30,000	6.25%	29,000
Mango Hill Tavern	Mango Hill QLD	4	5.25%	45,290	5.25%	45,380
Mi Hi Tavern	Brassal QLD	3	5.20%	28,600	5.20%	27,500
Mick O'Shea's Hotel	Hackham SA	4	5.50%	9,840	5.50%	9,600
Mile End Hotel	Mile End SA	4	5.25%	13,740	5.25%	13,400
Palm Cove Tavern	Palm Cove QLD	3	5.50%	11,770	5.50%	11,800
Quest Griffith	Griffith NSW	4	7.00%	17,700	7.00%	16,800
Royal Mail Hotel	Tewantin QLD	2	5.50%	17,150	5.50%	17,450
Summerhill Hotel	Reservoir VIC	4	5.50%	34,100	5.50%	33,100
Surfair Beach Hotel	Marcoola QLD	2	6.00%	12,950	5.75%	13,500
The Duck Inn	Coromandel Valley SA	4	5.25%	13,230	5.25%	12,900
The Hotel Allen	Northward QLD	2	7.50%	15,200	7.00%	15,185
The Regatta Hotel	Toowong QLD	2	5.25%	57,700	4.75%	63,800
The Strand Hotel	Yeppoon QLD	5	6.20%	8,930	n/a	n/a
The Unley	Parkside SA	4	5.25%	6,100	5.25%	5,950
The Victoria Hotel	Strathalbyn SA	4	5.50%	6,670	5.50%	6,500
The Wallaby Hotel	Mudgeeraba QLD	2	5.75%	21,900	5.50%	22,430
Tom's Tavern	Aitkenvale QLD	2	6.25%	26,500	6.00%	26,930
Trinity Beach Tavern	Trinity Beach QLD	3	6.50%	22,000	6.50%	22,000
Waterloo Tavern	Paralowie SA	3	5.75%	31,100	5.75%	31,100
West End Hotel	Adelaide SA	4	5.25%	3,540	5.25%	3,450
White Bull Tavern	Roma QLD	3	7.50%	3,500	7.50%	3,500
Woodpecker Tavern	Burpengary QLD	4	5.03%	7,420	5.03%	7,460
Total Investment Properties inc	. Held for Sale Assets		5.47%	1,263,920	5.42%	1,253,515
Less: Assets classified as held	for sale		-	-	-	(15,185)
Total Investment Properties at	Total Investment Properties at 30 June 2023		5.47%	1,263,920	5.39%	1,238,330
 Capitalisation rate at last indepen Independent valuations obtained Independent valuations obtained Independent valuations obtained Acquired in November 2023 Valued as a development site 	as at 31 December 2023 as at 30 June 2023					



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NOTE 12

Trade & Other Payables	31 December 2023	30 June 2023
	\$'000	\$'000
Trade payables	244	453
Accrued interest	4,551	4,757
Other payables	11,275	5,464
	16,070	10,674

NOTE 13

Employee Benefit Liabilities	31 December 2023	30 June 2023	
Denent Liaonities	\$'000	\$'000	
Annual leave provision	210	208	
Long service leave provision	132	112	
Bonus provision	102	798	
Represented as follows:			
Current liabilities	372	971	
Non-current liabilities	72	147	
	444	1,118	

Loans & **Borrowings**

NOTE 14

Donowings	
Non-current	
USPP Notes	
Bank loans	
U.S. Private Placement (USPP) Notes	
USPP Notes - drawn	
Borrowing costs capitalised	

Accumulated amortisation of borrowing costs

In total the USPP issue comprises five tranches of unsecured, Australian Dollar denominated notes.

- A\$100 million fixed interest loan with an 8-year tenor, maturing in August 2025;
- A\$30 million fixed interest loan with a 10-year tenor, maturing in August 2027;
- A\$100 million floating interest loan with a 10-year tenor, maturing in August 2027;
- A\$40 million fixed interest loan with a 7-year tenor, maturing in August 2028; and
- A\$40 million fixed interest loan with a 12-year tenor, maturing in August 2033.

Bank Loans	31 December 2023	30 June 2023
	\$'000	\$'000
Common Terms Deed ("CTD")		
CTD - drawn	160,200	147,200
Borrowing costs capitalised	(3,648)	(2,608)
Amortisation of borrowing costs	1,932	1,368
Borrowing costs written off	345	314
Total CTD Loans	158,829	146,274

There are three facilities, each bilaterally provided under the Common Terms Deed ("CTD") and totalling \$205 million as at 31 December 2023. Of these facilities, \$100 million expires in December 2028 and \$105 million expires in May 2026.

31 December 2023	30 June 2023	
\$'000	\$'000	
308,866	308,728	
158,829	146,274	
467,695	455,002	

31 December 2023	30 June 2023	
\$'000	\$'000	
310,000	310,000	
(2,481)	(2,481)	
1,347	1,209	
308,866	308,728	

NOTE 15 Provisions

Provision For Distribution	31 December 2023	30 June 2023
	\$'000	\$'000
Balance at the beginning of the period	18,238	19,902
Provisions made during the period	18,516	36,089
Provisions used during the period	(18,238)	(37,753)
Balance at the end of the period	18,516	18,238

Distribution

The provision for distribution related to distributions to be paid to stapled security holders on 1 March 2024. This distribution will be funded via drawdown on the existing Common Terms Deed loan facility.



NOTE 16 **Contributed Equity**

On issue at 30 June 2023 – fully paid	
Units issued under the DRP on 1 September 20	023
On issue at 31 December 2023 – fully paid	
On issue at 30 June 2022 – fully paid	
Units issued under the DRP on 2 September 2	022
On issue at 31 December 2022 – fully paid	

Stapled Securities

The units in the Trust are stapled to the securities in the Company and are referred to as 'stapled securities'. The stapled securities entitle the holder to participate in distributions and dividends and the proceeds on winding up of the HPI Group in proportion to the number of stapled securities held. On a show of hands every stapled Securityholder present at a meeting in person or by proxy, is entitled to one vote.

A unit confers on its holder an undivided absolute, vested and indefeasible beneficial interest in the Trust as a whole, subject to Trust liabilities, not in parts or single assets. All units confer identical interests and rights. Each member registered at the record date has a vested and indefeasible interest in a security of the distribution in proportion to the number of units held by them. All issued units are fully paid.

Treasury Securities

Contributed equity reflects the number of stapled securities on market at balance date, inclusive of the effect of treasury securities held. (Refer to note 18).

Distribution Reinvestment Plan (DRP)

The HPI Group has suspended the Distribution Reinvestment Plan (DRP) for the December 2023 distribution. The HPI Group will reassess whether the DRP will be operable for future distribution periods when the details of

those distributions are announced.

No. of Units	Issue Price \$	\$'000
194,297,188	-	414,587
879,645	3.0357	2,670
195,176,833	-	417,257
193,502,929	-	412,027
794,259	3.2230	2,560
194,297,188	-	414,587



NOTE 17

Retained Earnings

Balance at the beginning of the period
Profit for the year
Transfer from reserves
Distribution to stapled Securityholders
Provision for distribution to stapled Securityholders
Balance at the end of the period

NOTE 18

Reserves

Balance at 1 July 2023Purchase of treasury securitiesTreasury shares granted as remunerationTransfer to retained earningsRecognition of share-based payment expenseBalance at 31 December 2023Balance at 1 July 2022Purchase of treasury securitiesTreasury shares granted as remunerationRecognition of share-based payment expense

Closing balance at 30 June 2022

Treasury Security Reserve

The Treasury security reserve comprises the cost of the HPI Group's securities which were purchased on-market and are held by the HPI Rights Plan Trust. At 31 December 2023, the HPI Group held 275,661 securities (31 December 2022: 272,992).

Share Based Payment Reserve

The share-based payments reserve comprises amounts recognised under the long-term incentive plan for executive employees and is the portion of the fair value of the total cost recognised in profit and loss of the unissued securities, which remain conditional on employment with the HPI Group at the relevant vesting date and certain market-based performance hurdles being obtained.

31 December 2023	30 June 2023	
\$'000	\$'000	
365,957	398,456	
9,456	3,590	
363	-	
-	(17,851)	
(18,516)	(18,238)	
357,260	365,957	

Treasury Security Reserve	Share Based Payment Reserve	Total
\$'000	\$'000	\$'000
(848)	480	(368)
(287)	-	(287)
300	-	300
-	(363)	(363)
-	57	57
(835)	174	(661)
(856)	346	(510)
(112)	-	(112)
120	-	120
-	58	58
(848)	404	(444)

NOTE 19 Net Assets Per Stapled Security

	2023	2023
Number of stapled securities on issue as at the end of the period	195,176,833	194,297,188
Less: Treasury securities	(275,661)	(272,992)
Adjusted number of stapled securities on issue as at the end of the period	194,901,172	194,024,196
Net assets at balance date	773,856,393	780,175,391
Per stapled security on issue	3.97	4.02

NOTE 20

Earnings Per Security & Stapled Security

	2023	2022
Profit / (Loss) Profit for the year attributable to stapled Securityholders	9,456,000	(7,940,000)
Weighted average number of stapled securities		
On issue at the beginning of the period	194,297,188	193,502,929
Add: Distribution reinvestment securities	579,986	523,687
Less: Effect of treasury securities held	(224,225)	(256,862)
Weighted average number of stapled securities	194,652,949	193,769,754
Basic earnings per stapled security – cents	4.86	(4.10)
Diluted earnings per stapled security - cents	4.85	(4.09)

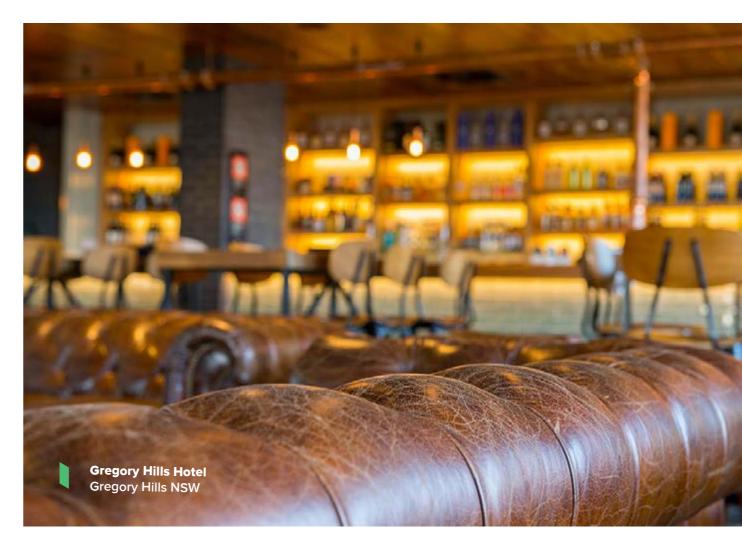
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Earnings Per Security	31 December 2023	31 December 2022
Profit / (Loss) for the year attributable to the Unitholders of the Trust	9,132,000	(8,072,000)
Basic earnings per security of the Trust – cents	4.69	(4.17)
Diluted earnings per security of the Trust - cents	4.69	(4.16)

NOTE 21

Distributions





Total Distribution \$'000	No. of Stapled Securities	Distribution Per Stapled Securities (Cents)		
18,516	194,901,172	9.5		

Total Distribution \$'000	No. of Stapled Securities	Distribution Per Stapled Securities (Cents)		
17,850	194,024,196	9.2		

NOTE 22 **Financial Instruments**

Accounting Classifications & Fair Values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

		Carrying Amount				
		Financial Assets at Amortised Cost	Financial Assets at Fair Value Through P&L	Financial Assets at Fair Value Through OCl	Other Financial Liabilities	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2023						
Financial assets						
Trade and other receivables	9	730	-	-	-	730
Other non-current assets	10	-	-	5,000	-	5,000
Interest rate swap derivative instrument	10	-	1,422	-	-	1,422
Cash and cash equivalents	8	2,125	-	-	-	2,125
		2,855	1,422	5,000	-	9,277
Financial liabilities						
Loans and borrowings	14	-	-	-	(467,695)	(467,695)
Trade and other payables	12	-	-	-	(16,070)	(16,070)
		-	-	-	(483,765)	(483,765)

30 June 2023

Financial assets						
Trade and other receivables	9	1,585	-	-	-	1,585
Cash and cash equivalents	8	972	-	-	-	972
Interest rate swap derivative instrument	10	-	2,391	-	-	2,391
Other non-current assets	10	-	-	5,000	-	5,000
		2,557	2,391	5,000	-	9,948
Financial liabilities						
Loans and borrowings	14	-	-	-	(455,002)	(455,002)
Trade and other payables	12	-	-	-	(10,674)	(10,674)
		-	-	-	(465,676)	(465,676)

NOTE 23

Contingent Assets

The HPI Group is not aware of any contingent assets as at 31 December 2023 which may materially affect the operation of the business (30 June 2023: nil).

NOTE 24

Contingent Liabilities

The HPI Group has issued a bank guarantee as security over the office premises for \$78,304 (30 June 2023: \$78,304).

The Trust has issued a bank guarantee of \$5.6 million to the Company in its capacity of Responsible Entity (30 June 2023: \$5.6 million).

The HPI Group is not aware of any contingent liabilities as at 31 December 2023 which may materially affect the operation of the business (30 June 2023: nil).

NOTE 25

Commitments

The HPI Group has committed to a \$30 million capital expenditure program across the portfolio which commenced on February 2022. As at 31 December 2023, \$4.5 million of the commitment remains (30 June 2023: \$4.9 million).

Other than the commitments noted above, the HPI Group is not aware of any other commitments as at 31 December 2023 which may materially affect the operation of the business (30 June 2023: nil).

NOTE 26

Segment Information

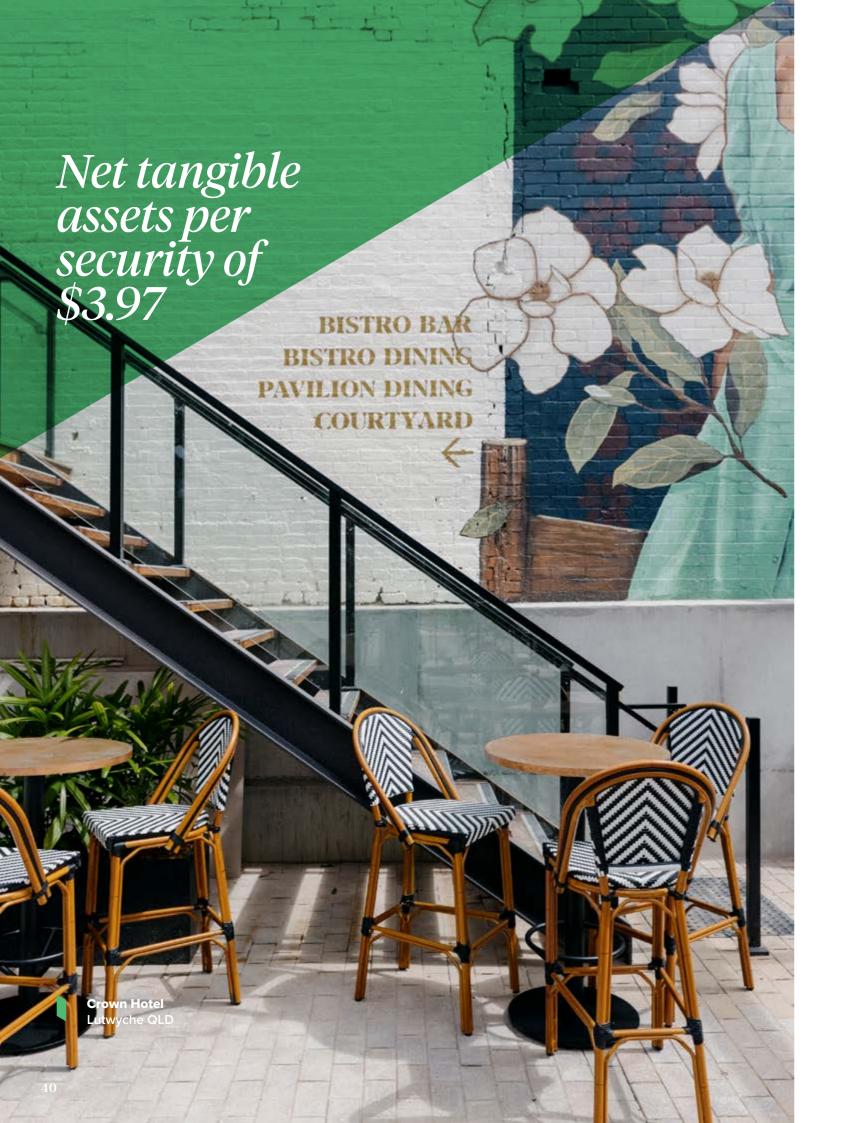
The HPI Group operates wholly within Australia and derives rental income, as a freehold pub owner and lessor.

Revenues from Australian Venue Company ("AVC") and Queensland Venue Company ("QVC") represented approximately \$28.9 million (31 December 2022: \$27 million) of the HPI Group's total revenues.

NOTE 27

Subsequent Events

There have been no items, transactions or events that have occurred subsequent to 31 December 2023 that are likely in the opinion of the Directors to significantly affect the operations of the HPI Group, the results of those operations, or the state of affairs of the HPI Group in future financial periods.



Directors' Declaration

In the opinion of the Directors of Hotel Property Investments Limited, as Responsible Entity for the Hotel Property Investments Trust:

1

The Consolidated Financial Statements and Notes, set out on pages 12 to 39, are in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the Hotel Property Investments Group financial position as at 31 December 2023 and of its performance for the six months ended on that date; and
- complying with Australian Accounting Standards AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

2

There are reasonable grounds to believe that the Hotel Property Investments Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of Hotel Property Investments Limited.

and to

Giselle Collins Chairman - Melbourne Dated this 14th day of February 2024

Independent Auditor's Review Report

To the stapled security holders of Hotel Property Investments

Report on the Half-year Financial Report

Conclusion

year Financial Report of Hotel Property Investments (Stapled Group).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Stapled Group Half-year Financial Report does not comply with the Corporations Act 2001, including:

- giving a true and fair view of the Stapled Group's financial position as • The Directors' Declaration. at 31 December 2023 and of its performance for the Half-year ended on that date; and
- Regulations 2001.

- We have reviewed the accompanying Half- The Half-year Financial Report comprises:
 - Consolidated statement of financial position as at 31 December 2023;
 - Consolidated statement of profit or loss and other • comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date;
 - Notes 1 to 27 comprising material accounting policies and other explanatory information; and

The Stapled Group comprises Hotel Property Investment Trust (the Trust) and the entities it controlled at the Half-year's end or from time to time during the • complying with Australian Accounting Half-year and Hotel Property Investments Limited (the Standard AASB 134 Interim Financial Company) and the entities it controlled at the Half-year's Reporting and the Corporations end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

We are independent of the Stapled Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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KPMG

Responsibilities of the Directors for the Half-year Financial Report

The Directors of Hotel Property Investments Limited, being the Responsible Entity of the Trust, are responsible for:

- Australian Accounting Standards and the Corporations Act 2001; and
- due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the Corporations Act 2001 including giving a true and fair view of the Stapled Group's financial position as at 31 December 2023 and its performance for the Half-Year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG

Partner

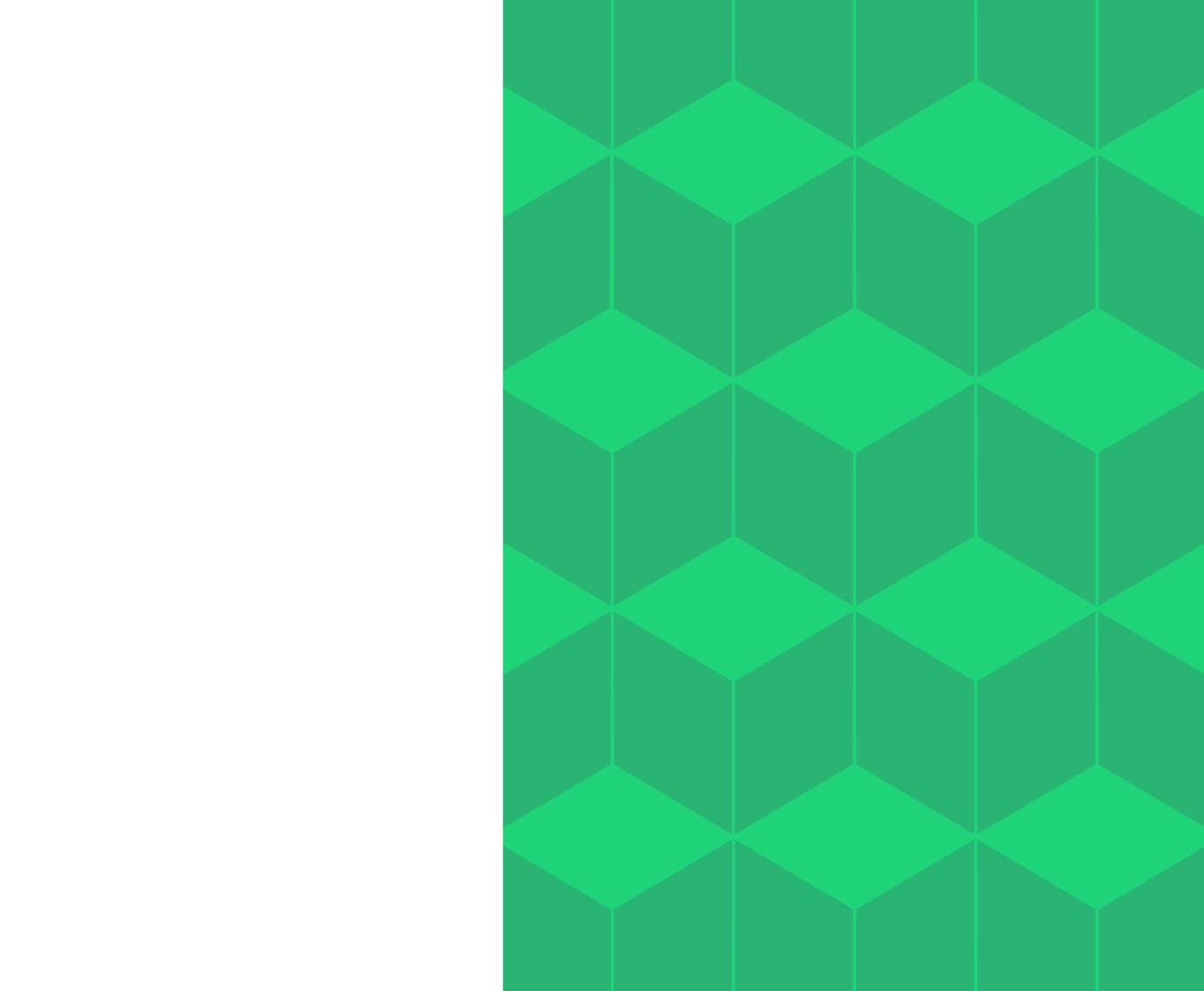
• the preparation of the Half-year Financial Report that gives a true and fair view in accordance with

• such internal control as the Directors determine is necessary to enable the preparation of the Halfyear Financial Report that gives a true and fair view and is free from material misstatement, whether

Joshua Pearse

Melbourne

14 February 2024





Corporate Directory

Hotel Property Investments (HPI) Suite 2, Level 17 – IBM Centre 60 City Road Southbank VIC 3006

T (03) 9038 1774 | hpitrust.com.au

Share Registry

Link Market Services Tower 4, Collins Square 727 Collins Street Docklands VIC 3008

Custodian

The Trust Company Limited Level 12, Angel Place 123 Pitt Street Sydney NSW 2001

Auditor

KPMG Tower 2, Collins Square 727 Collins Street Melbourne VIC 3008

Responsible Entity

Hotel Property Investments (HPI) Suite 2, Level 17 – IBM Centre 60 City Road Southbank VIC 3006

Chief Financial Officer & Company Secretary

Blair Strik

Hotel Property Investments (HPI) Suite 2, Level 17 – IBM Centre <u>60 City R</u>oad Southbank VIC 3006