

16 September 2024

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**HPI Board Intends to recommend Securityholders**

**REJECT**

ABN 25 010 330 515

**the Proposed Off-Market Takeover Offer from Charter Hall Retail REIT and Hostplus**

**To REJECT the Offer, simply do nothing and ignore all correspondence from the Bidders**

Dear Securityholders,

You may have seen or read about the unsolicited and conditional takeover offer by Charter Hall Retail REIT and Hostplus for Hotel Property Investments Limited (ASX:HPI). You are likely to receive information from the bidders and the Board believes it is important that securityholders understand the background to, and the Board's assessment of, the offer.

On 9 September 2024, Charter Hall Wholesale Management Limited, acting on behalf of Charter Hall Retail REIT and Hostplus (collectively the "Bidders") announced that they intend to make an off-market takeover offer for all the securities in HPI for \$3.65 per security in cash.

HPI owns a unique, high-quality portfolio of pub assets, characterised by long-term leases, high quality tenants and strong investment fundamentals. HPI is in a very strong financial position, has recently appointed John White as CEO and is well positioned to grow.

These fundamentals enable us to provide reliable distributions and capital growth to you, our securityholders.

**Your Board intends to recommend securityholders REJECT the offer**

The Board has considered the offer carefully and intends to formally recommend that securityholders **REJECT** the offer. The Board has unanimously concluded that **the offer is opportunistic, not compelling and materially undervalues HPI** as it represents:

- A minimal 4.9% premium to the last closing price of HPI securities on 6 September 2024;
- A significant discount of c.10% to Net Tangible Assets (NTA) as at 30 June 2024 (adjusting for current accrued distributions); and
- A significant discount to the premium provided in comparable transactions.

HPI believes that its existing portfolio and current strategy, including its organic growth initiatives, offer significantly greater value to HPI securityholders.

The fact that the price of HPI's securities has traded above the bidders' offer price since the offer was announced indicates that the market also agrees with this view.

## Next Steps

You will shortly receive the Bidder's Statement from the bidders, who have indicated that the offer will close at 7.00pm (Sydney time) on Monday, 4 November 2024, unless extended or withdrawn.

The Board will provide a more fulsome response to the offer in its Target's Statement expected to be released in the coming weeks. This will include the Board's detailed recommendation, along with the reasons for that recommendation.

The Board remains committed to maximising value for all securityholders and will continue to evaluate all strategic options in the above context.

In the meantime, Securityholders are advised to **TAKE NO ACTION** in relation to the offer, and **ignore any correspondence received from the Bidders**.

## Further Information

All HPI announcements in relation to the Bidders' offer will be posted on HPI's website ([www.hpitrust.com.au](http://www.hpitrust.com.au)).

If you have any questions relating to the Offer, please contact the HPI Information Line on 1300 255 218 (within Australia) or +61 2 9066 4084 (outside Australia) between 9.00am and 5.00pm (Sydney time), Monday to Friday (excluding public holidays).

Yours faithfully,



Giselle Collins

Chairman

Hotel Property Investments

*This ASX announcement was authorised by the Hotel Property Investments Limited Board*