

ASX Announcement



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5 March 2020

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Sydney NSW 2000

Hotel Property Investments (ASX Code: HPI)

Launch of Share Purchase Plan

Hotel Property Investments is pleased to launch its recently announced Security Purchase Plan (SPP).

Please refer to the attached SPP Booklet.

This ASX announcement was authorized by the Hotel Property Investments Limited Board

Signed for and on behalf of the Company

A handwritten signature in black ink, appearing to read 'Blair Strik', is written over a horizontal line.

Blair Strik
Company Secretary

Contact:
Blair Strik
Hotel Property Investments Limited
03 9038 1774
Website: www.hpitrust.com.au

IMPORTANT INFORMATION

This release may not be released or distributed in the United States. This release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. None of the new shares have been, or will be, registered under the U.S. Securities Act of 1933 (Securities Act) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States, except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable US state securities laws. Nothing contained in this announcement constitutes investment, legal, tax or other advice.

You should make your own assessment and take independent professional advice in relation to the information and any action taken on the basis of the information.

SECURITY PURCHASE PLAN

OFFER BOOKLET

HOTEL PROPERTY INVESTMENTS ABN 25 010 330 515
(ASX TICKER: HPI)

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Offer Booklet requires your immediate attention. It is an important document which is accompanied by a personalised Application Form and both should be read in their entirety. This Offer Booklet is not a prospectus, product disclosure statement or other form of disclosure document under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission.

Defined words and expressions used in this SPP Offer Booklet and the letter from the Chairman are capitalised. See the Definitions section at the end of this SPP Offer Booklet for their definition.

These materials do not constitute an offer to sell, or a solicitation of an offer to buy, any Securities in the United States. The Securities to be offered and sold under the SPP have not been, and will not be, registered under the United States Securities Act of 1933 (U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States, and therefore will only be offered and sold to Eligible Securityholders in Australia or New Zealand in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

LETTER FROM THE CHAIRMAN

26 February 2020

Dear Securityholder

SECURITY PURCHASE PLAN OFFER

On behalf of the Board, we are pleased to offer you the opportunity to participate in HPI's recently announced Security Purchase Plan (**SPP**).

The offer

The SPP is being offered exclusively to all Eligible Securityholders, being registered holders as at 7.00 pm (Sydney time) on 25 February 2020 (**Record Date**) with a registered address in Australia or New Zealand.

The SPP provides Eligible Securityholders with an opportunity to apply for up to \$30,000 in new Securities irrespective of the number of Securities they currently own. The SPP will be capped at \$5 million and will not be underwritten. If total demand for the SPP exceeds \$5 million, HPI reserves the right to scale back the maximum number of new Securities issued to each Eligible Securityholder at its absolute discretion.

HPI is committed to ensuring that all Eligible Securityholders have the opportunity to participate in the SPP.

The launch of the SPP follows the recent announcement by HPI regarding a \$30 million equity placement to institutional and other wholesale investors who have subscribed for 9,287,926 Securities at \$3.23 per Security (the **Placement**).

In addition to the Placement, the SPP is expected to raise up to an additional \$5 million from Eligible Securityholders, with potential total raising proceeds of up to \$35 million (before costs and expenses).

Use of funds

Funds raised from the Placement and the SPP (together, the **Equity Raising**) will be used to fund HPI's acquisition of the Gregory Hills Hotel and the Acacia Ridge Hotel (the **Acquisitions**), along with associated transaction costs. Further details of the proposed use of proceeds are set out below and in the announcement and investor presentation (**Investor Presentation**) lodged with the Australian Securities Exchange (**ASX**) on 26 February 2020, and are available on HPI's website (www.hpitrust.com.au).

Securityholders are encouraged to read these documents carefully (in particular, the summary of key risks detailed on pages 16-20 in the Investor Presentation), together with the information in this Offer Booklet.

Issue price

The Issue Price of Securities issued under the SPP will be \$3.23 per new Security, being the issue price under the Placement (**Issue Price**), which represents:

- a 4.7% discount to HPI's closing price of \$3.39 per Security on Tuesday, 25 February 2020 (being the last trading day prior to the announcement of the Placement and SPP); and

- a 5.8% discount to the 5 day VWAP of \$3.43 on 25 February 2020, the day prior to announcement of the Placement.

Other key terms and conditions

HPI reserves the right to scale back or refuse applications under the SPP at its absolute discretion. Any determination will be final. If HPI scales back applications, you may be allocated fewer Securities than the Parcel of Securities for which you applied, and you will be refunded the difference in the Application amount (without interest payable on funds prior to your refund). When determining any Scale Back or rejection of applications, HPI may take into account a number of factors, including the size of an applicant's holding in HPI, the extent to which Eligible Securityholders have sold or purchased additional Securities after the Record Date, whether the applicant has multiple registered holdings and the date an application was made. Eligible Securityholders are, therefore, encouraged to submit their applications early.

If total subscriptions under the SPP are less than the targeted \$5 million, HPI may seek to place the shortfall to investors identified by it at a price not less than the Issue Price, subject to being permitted to do so under Listing Rule 7.1.

Participation in the SPP is entirely voluntary. All Securities issued under the SPP will rank equally with existing Securities and will carry the same voting rights and entitlement to receive distributions.

No brokerage, commissions or other transaction costs apply to purchases under the SPP.

How to accept this offer

To apply for Securities under the SPP, please follow the instructions on the enclosed personalised Application Form.

This letter and its attachments set out the details and Terms and Conditions of the SPP. We encourage you to read the enclosed material and seek your own financial and tax advice in relation to the SPP before you decide whether to participate.

The SPP opens at **10.00 am (Sydney time) on 05 March 2020** and will close at **5.00 pm (Sydney time) on 26 March 2020**. Late applications will not be accepted. However, HPI reserves the right to vary the Closing Date without prior notice subject to the Corporations Act and the Listing Rules.

On behalf of the Board, we invite you to consider participation in the SPP.

Yours sincerely

John Russell

Chairman

KEY DATES

Date (and time if relevant)	Event	Description
7.00 pm (Sydney time) 25 February 2020	Record Date	The date and time on which HPI determined the eligibility of Eligible Securityholders.
10.00 am (Sydney time) 05 March 2020	Opening Date	SPP opens for acceptances.
26 March 2020	Closing Date	SPP closes for acceptances. Applications must be received by 5.00 pm (Sydney time).
30 March 2020	Scale Back Date	The date on which any Scale Back is announced.
2 April 2020	Issue Date and Allotment Date	Securities will be issued and allotted on this date.
2 April 2020	Trading Date	Trading of Securities allotted under the SPP is expected to commence on ASX.
3 April 2020	Despatch Date	Transaction confirmations will be despatched to Securityholders.

This timetable is indicative only and HPI may, at its discretion, vary any of the above dates by sending a revised timetable to the ASX. All times are Sydney time.

PROPOSED USE OF FUNDS

HPI intends to use proceeds from the Equity Raising to fund the acquisition of the Gregory Hills Hotel and the Acacia Ridge Hotel, along with associated transaction costs.

KEY RISKS

There are a number of general and specific risks which may affect the future operating and financial performance and financial position of HPI along with the trading price of the Securities and distributions (if any) paid on them in the future. These risks are identified on pages 16-20 of the Investor Presentation that was released on ASX on 26 February 2020 and are available on HPI's website (www.hpitrust.com.au). Eligible Securityholders are encouraged to read these risks carefully before deciding to apply for Securities under the SPP.

These risks are associated with an investment in Securities but are not an exhaustive list. As a Securityholder, you will continue to be exposed to such risks. There may also be additional risks and uncertainties not currently known which may have an adverse effect on HPI's business and the value of the Securities. Where possible, HPI will seek to minimise its exposure to, and mitigate the effects of, these risks. However, certain risks relate to matters that are outside the control of HPI, and there can be no assurance that any steps that HPI takes will successfully protect it from any particular risk.

The risks identified in the Investor Presentation (and the disclosures in this document more generally) do not take into account the investment objectives, financial situation, tax position or other circumstances of any particular Securityholder. Securityholders should have regard to their own investment objectives and financial circumstances and seek professional advice from their legal, financial or other independent adviser before determining whether or not to participate in the SPP.

QUESTIONS AND ANSWERS

1. What is the SPP? The SPP is an opportunity for Eligible Securityholder to purchase additional Securities irrespective of the number of Securities they currently own.
- No brokerage, commissions or other transaction costs will apply.
- All Securities issued to you under the SPP will rank equally with your existing fully paid Securities and will carry the same voting rights and entitlements to receive distributions.
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2. Who may participate in the SPP? You may participate in the SPP if you are an Eligible Securityholder. You are an Eligible Securityholder if you are a registered holder of Securities on the Record Date with a registered address in:
- Australia; or
 - New Zealand,
- unless you are an Excluded Securityholder. Certain Eligible Securityholders who are custodians holding Securities on behalf of certain beneficiaries are also able to participate in the SPP in accordance with the Terms and Conditions.
- An Excluded Securityholder is any:
- person who holds Securities (either for their own account or the account of another person) who resides outside Australia or New Zealand; or
 - holder of Securities who is, or is acting for the account or benefit of, a person in the United States.
- Each custodian, trustee or nominee must not distribute any documents relating to the SPP to any person in the United States and must not submit an Application or make payment by BPAY® or otherwise for Securities for any person for whose account or benefit it acts that is an Excluded Securityholder.
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3. Do I have to participate in the SPP? No. Participation in the SPP is entirely voluntary.
- If you do not wish to participate in the SPP, no action is required on your part.
- Before you apply for Securities, HPI recommends you seek independent financial and tax advice from your stockbroker, accountant or other professional advisor, and you monitor the price of Securities (which is quoted in the financial pages of the major metropolitan newspapers and on the ASX website). This Offer Booklet does not purport to contain all of the information that you may need to make an investment decision.
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4.	Are there any risks in participating in the SPP?	<p>There are risks associated with holding Securities and participating in the SPP.</p> <p>These risks are summarised on pages 16-20 of the Investor Presentation that was released on ASX on 26 February 2020 and are available on HPI's website (www.hpitrust.com.au). Eligible Securityholders are encouraged to read these risks carefully before deciding to apply for Securities under the SPP.</p> <p>In addition, there is a risk that the Issue Price may differ from the market price of Securities on the day Securities are issued or allotted to you under the SPP. The market price or value of Securities is subject to market volatility. It may be higher or lower, at any time, than the Issue Price of the Securities you receive.</p>
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5.	What is the Issue Price of the Securities under the SPP?	<p>The Issue Price of Securities issued under the SPP will be \$3.23 per new Security, being the issue price under the Placement (Issue Price), which represents:</p> <ul style="list-style-type: none"> • a 4.7% discount to HPI's closing price of \$3.39 per Security on Tuesday, 25 February 2020 (being the last trading day prior to the announcement of the Placement and SPP); and • a 5.8% discount to the 5 day VWAP of \$3.43 on 25 February 2020, the day prior to announcement of the Placement.
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6.	How many Securities can I apply for under the SPP?	<p>If you are an Eligible Securityholder, you are entitled to apply for up to \$30,000 in new Securities, regardless of the number of Securities you currently hold. You may nominate one of the following values should you wish to apply for new Securities: \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000, or \$30,000 (Nominated Subscription).</p> <p>If you receive more than one copy of this Offer Booklet, or if you hold Securities in more than one capacity (e.g. because you are both a sole and joint holder of Securities), the maximum amount you may apply to invest under the SPP in all capacities, and in aggregate, is \$30,000. By applying to purchase Securities under the SPP, you certify you have not exceeded this \$30,000 limit.</p> <p>If the Issue Price cannot be divided into your Nominated Subscription, to give a whole number of Securities, there will be a rounding down of the number of Securities. By applying to purchase Securities under the SPP, you acknowledge that any remaining balance of your payment arising from any rounding down will be donated to a registered charity of HPI's choosing. You will not receive a refund for this amount, which will always be less than the Issue Price of one Security.</p>
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7.	Can I transfer my offer to a third party?	<p>No. Your rights under this offer are personal to you and non-renounceable, so you may not transfer them.</p>

8. What will happen if the SPP is oversubscribed? The SPP is capped at \$5 million.

HPI may decide to accept applications (in whole or in part) that result in the SPP raising less than this amount in its absolute discretion.

HPI may, at its absolute discretion, scale back the number of Securities that will be allotted to individual Securityholders under this SPP. If this happens you may be allocated Securities to a value which is less than the value of Securities that you applied for and the difference will be refunded to you.

9. How do I apply for Securities under the SPP?

If you wish to participate in the SPP, you can apply for Securities in the following ways:

- apply for Securities by making a payment of \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000, using the BPAY® facility provided by your bank as per the instructions in the Application Form. If you make a payment by BPAY®, you will be deemed to have completed an Application Form accepting Securities to the value of \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000. You do not need to return the Application Form if paying by BPAY®; or
- follow the instructions set out in the enclosed Application Form. Send your completed Application Form with your cheque, bank draft or money order drawn on an Australian branch of a financial institution in Australian currency, made payable to “**HPI SPP Offer**” and crossed “**Not Negotiable**” to Link Market Services, (the **Registry**)

Mailing Address

Hotel Property Investments
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001;

or

Hand Delivery

Hotel Property Investments
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

(Please do not use this address for mailing purposes),

in the enclosed reply paid envelope. Securityholders in New Zealand will need to affix the appropriate postage to the reply paid envelope.

You will not be able to withdraw or revoke your Application once you have made a payment by BPAY® or sent us the completed Application Form.

10. Can I apply for Securities under the SPP if my Securities are held by a custodian, trustee or nominee?	If you are expressly noted on HPI's securities register as the named beneficiary of Securities held by a custodian, trustee or nominee, and you reside in Australia or New Zealand, you will be eligible to participate in the SPP.
11. How long is the SPP offer open for?	The SPP opens at 10.00 am (Sydney time) on 05 March 2020 and closes at 5.00 pm (Sydney time) on 26 March 2020. If you want to participate you should ensure that the Registry receives payment in cleared funds by no later than 5.00 pm (Sydney time) on 26 March 2020 (the Closing Date for the SPP).
12. Do I have a guaranteed allocation of Securities under the SPP?	No. HPI reserves the right (at its absolute discretion) to scale back applications under the SPP. If this happens, you may be allocated fewer Securities than the Parcel of Securities for which you applied, and you will be refunded the difference in the application amount (without interest payable on funds prior to your refund).
13. What is the market price of Securities?	The market price of Securities can be obtained from the ASX website by searching for "Hotel Property Investments" or by entering the ASX code "HPI" in the prices search screen.
14. Taxation	You should consult your own taxation advisor about the tax status and implications of your investment in Securities.
15. Further questions?	If you have any questions in relation to the SPP please call your stockbroker, accountant or other professional advisor. If you require information on how to complete the Application Form please contact the Registry on 1800 881 526 from within Australia or (+61) 1800 881 526 from outside Australia between 8.30 am and 5:30 pm (Sydney time), Monday to Friday while the Offer remains open for acceptance.

TERMS AND CONDITIONS

Defined words and expressions used in this Offer Booklet are capitalised. See the Definitions section at the end of this Offer Booklet for their definition.

IMPORTANT NOTICE: The market price of Securities may rise or fall from now to when the Securities are issued or allotted to you under the SPP. If you apply to participate in the SPP by completing and returning the Application Form (or otherwise making a valid application in accordance with these Terms and Conditions), you are accepting the risk that the market price of Securities may change between the time you make your application and the Allotment Date. This means it is possible that, up to or after the Allotment Date, you may be able to buy Securities at a lower price than the Issue Price. HPI encourages you to seek your own financial and tax advice regarding your participation in the SPP.

1. Offer timetable

This offer is dated, and taken to be made on, 05 March 2020.

The offer opens at 10.00 am (Sydney time) on 05 March 2020 (**Opening Date**) and closes at 5.00 pm (Sydney time) on 26 March 2020 (**Closing Date**). Application Forms and cheques, bank drafts, money orders or BPAY® payments may not be processed and may not be valid if they have not been received by the Closing Date. You must allow adequate time for Application Forms and cheques, bank drafts or money orders forwarded by post to be received by the Registry.

Any reduction in allotments of Securities under the SPP (**Scale Back**) is proposed to be announced on the Scale Back Date.

The Securities will be issued on the Issue Date.

It is expected that the Securities will be allotted on the Issue Date (**Allotment Date**).

A transaction confirmation is expected to be despatched to you on or around the Despatch Date.

2. Eligible Securityholders

You may participate in the SPP if you are an Eligible Securityholder.

If you are the only registered holder of a holding of Securities, but you receive more than one offer under the SPP (due to multiple registered holdings), you may only contribute a maximum of \$30,000 in applying for Securities.

If 2 or more persons are recorded in HPI's securities register as jointly holding Securities, they are taken to be a single registered holder of Securities for the purposes of the SPP. If as joint holders you receive more than one offer under the SPP due to multiple identical holdings, you may still only contribute a maximum of \$30,000 in applying for Securities. An agreement, representation, acknowledgement or certification given by any joint holder of Securities is taken to be an agreement, representation, acknowledgement or certification given by all joint holders.

An Eligible Securityholder who is a custodian, trustee or nominee within the definition of "custodian" in *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* (**Custodian**) may participate in the SPP on behalf of each Eligible Beneficiary on whose behalf the Custodian is holding Securities.

If you are a Custodian, you may contribute a maximum of \$30,000 in applying for Securities for each Eligible Beneficiary on whose behalf you or a downstream Custodian holds Securities (but joint holders are taken to be a single holder). This is subject to you providing HPI with a certificate in accordance with clause 3.6(e) by emailing it promptly to registrars@linkmarketservices.com.au. If you are not a Custodian, the rules for multiple single holdings apply and you may only contribute a maximum of \$30,000 in applying for Securities. You are not eligible to participate on behalf of a person who resides outside Australia or New Zealand.

If you are an Eligible Securityholder, your rights under this offer are personal to you and non-renounceable, so you may not transfer them.

The offer under the SPP is made on the same Terms and Conditions to each Eligible

Securityholder (whether you are a custodian or hold Securities on your own account).

Participation in the SPP is entirely optional. If you are an Eligible Securityholder, you can choose whether or not to participate. If you are a Custodian, you can choose whether to extend the offer to your Eligible Beneficiaries.

3. Applications for Securities

3.1 Limitations on Applications

If you are an Eligible Securityholder, you may apply to purchase a Parcel of Securities valued at \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000 (**Nominated Subscription**).

This Parcel may be subject to a Scale Back and rounding.

Unless you are applying as a Custodian, the maximum amount of \$30,000 applies even if you receive more than one Application Form or if you hold Securities in more than one capacity (for example, if you are both a sole and joint holder of Securities – see clause 2 above) and irrespective of the number of Securities you hold on the Record Date. HPI can reject any application for Securities if HPI believes you have not complied with this condition.

3.2 Completing the Application Form and paying for Securities

If you wish to participate in the SPP, you must either:

- (a) make a payment by BPAY® if you have an Australian bank account enabled for this purpose. BPAY® customers must use the unique customer reference number shown on the instructions to the Application Form which is required to identify your holding. **If paying by BPAY®, you do not need to return your Application Form.**

Note: By using the BPAY® facility to apply for Securities, you represent to HPI that the total of the application price for the following does not exceed \$30,000:

- (i) the Securities you are applying for;

- (ii) any other Securities you are applying for under the SPP, or securities or interests in the class issued under a similar arrangement in the 12 months before your application under the SPP;

- (iii) any other Securities or interests in the class which you have instructed a Custodian to acquire on your behalf under the SPP; and

- (iv) any other Securities or interests in the class issued to a Custodian under an arrangement similar to the SPP in the 12 months before your application under the SPP as a result of you instructing the Custodian or another Custodian, which resulted in you holding a beneficial interest in the Securities or interests.

- (b) complete the enclosed Application Form and return it with a cheque, bank draft or money order for \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000, in accordance with the instructions on the Application Form. Cheques, bank drafts and money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “**HPI SPP Offer**” and crossed “**Not Negotiable**”. HPI will not accept payment by cash.

Payment in cleared funds must be received by 5.00 pm (Sydney time) on the Closing Date.

3.3 HPI’s discretions regarding Applications

HPI has a broad discretion to accept or reject your Application to purchase Securities under the SPP in whole or in part, including if:

- (a) your Application Form, cheque, bank draft, money order or BPAY® payment is late, incorrectly completed, incomplete or otherwise determined by HPI to be invalid;

- (b) your cheque or bank draft or money order is late, dishonoured or has not been completed correctly;
- (c) the cheque, bank draft or money order that you enclose with your Application Form is not made out for the exact amount as indicated on the Application Form;
- (d) your BPAY® payment is not received or is incomplete or invalid;
- (e) unless you are applying as a Custodian, it appears that you are applying to buy more than \$30,000 (in aggregate) of Securities under the SPP;
- (f) you are a Custodian, HPI is not satisfied with your certification for any reason, or if you have not provided certification;
- (g) cleared funds are not received until after the Closing Date. While HPI has the discretion to accept late Application Forms, cheques, bank drafts, money orders or BPAY® payments, there is no assurance that it will do so. Late Application Forms and cheques, bank drafts or money orders, if not processed, will be returned to you at your registered address. Late BPAY® payments may be returned to you by cheque (or any other method as HPI determines) to your registered address;
- (h) the amount of your cheque, bank draft, money order or BPAY® payment is not equal to the amount indicated on the Application Form, in which event HPI will:
 - (i) refund in full your application monies and not allot any Securities to you; or
 - (ii) allot to you the number of Securities that would have been allotted had you applied for the highest Parcel that is less than the amount of your payment and refund to you the excess of your application monies by direct credit deposit to your nominated bank account or by cheque; or

- (i) HPI has reason to believe that you are not an Eligible Securityholder (subject to compliance with any applicable ASIC or ASX requirements).

HPI must reject applications if required to do so under *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*.

3.4 Amount to be raised and Scale Back

HPI (in its absolute discretion) reserves the right to scale back applications under the SPP.

If there is a Scale Back you may not receive all the Securities for which you have applied. HPI may, at its absolute discretion, scale back the number of Securities that will be allotted to individual Securityholders under this SPP. If a Scale Back produces a fractional number when applied to your Parcel, the number of Securities you will be allotted will be rounded down.

If there is a Scale Back, HPI will refund to you by direct credit deposit to your nominated bank account or by cheque, the difference between your application money and the total Issue Price for the Securities allotted to you (provided that you will not receive a refund for an amount which is less than the Issue Price of one Security).

3.5 Interest

No interest will be paid on any application money returned to you, or held pending the issue of Securities under the SPP.

3.6 Significance of applying for Securities

If you apply to participate in the SPP:

- (a) your Application, on these Terms and Conditions, will be irrevocable and unconditional (it cannot be withdrawn or cancelled);
- (b) you represent that all details and statements in your Application are true and complete, and not misleading (including by omission);
- (c) you represent that you are and each person for whom you are acting is an Eligible Securityholder, and agree to provide (and, if applicable, direct your

- Custodian to provide) any requested substantiation of your eligibility to participate in the SPP;
- (d) if you are applying on your own behalf (and not as a Custodian), you acknowledge and agree that:
- (i) you are not applying for Securities with an application price of more than \$30,000 under the SPP (including by instructing a Custodian to acquire Securities on your behalf under the SPP);
 - (ii) the total of the application price for the following does not exceed \$30,000: (A) the Securities you are applying for; (B) any other Securities you are applying for under the SPP, or Securities or interests in the class issued under a similar arrangement in the 12 months before your application under the SPP; (C) any other Securities or interests in the class which you have instructed a Custodian to acquire on your behalf under the SPP; and (D) any other Securities or interests in the class issued to a Custodian under an arrangement similar to the SPP in the 12 months before your application under the SPP as a result of you instructing the Custodian or another Custodian, which resulted in you holding a beneficial interest in the Securities or interests; and
 - (iii) HPI will take no responsibility for Applications in excess of \$30,000;
- (e) if you are a Custodian and are applying for Securities on behalf of an Eligible Beneficiary on whose behalf you hold Securities, you acknowledge and agree:
- (i) that you are a Custodian (as that term is defined in paragraph 4 of ASIC Corporations (*Share and Interest Purchase Plans*) Instrument 2019/547);
 - (ii) that you held Securities on behalf of the Eligible Beneficiary as at the Record Date who has instructed you to apply for Securities on their behalf under the SPP and that the Eligible Beneficiary was provided with a copy of this Offer Booklet before giving such instruction;
 - (iii) that you are not applying for Securities on behalf of any Eligible Beneficiary with an application price of more than \$30,000 under the SPP; and
 - (iv) to certify to us in writing the matters required by paragraph 8(3) of ASIC Corporations (*Share and Interest Purchase Plans*) Instrument 2019/547, and that the information given in that certification is true, correct and not misleading;
- (f) you agree to these Terms and Conditions and you agree not to do anything which would be contrary to the spirit, intention or purpose of the SPP;
 - (g) you agree to be bound by the constitution of HPI (as it may be amended from time to time);
 - (h) you represent that you are in compliance with all relevant laws and regulations;
 - (i) you authorise HPI (and its officers or agents) to correct any error in, or omission from, your Application Form and to complete the Application Form by the insertion of any missing details;
 - (j) you agree that HPI may determine that your Application Form is valid and in accordance with these Terms and Conditions, even if it is incomplete, contains errors or is otherwise defective;
 - (k) you agree that your Application is only effective when received by the Registry and not when posted;
 - (l) you acknowledge that HPI may vary the timetable set out in this Offer Booklet at

- its discretion by lodging a revised timetable with the ASX;
- (m) you accept the risk associated with any return of application monies (for example, in the event of a rejected Application) or other refunds that may be despatched to you by to your address shown on HPI's securities register;
- (n) you agree to indemnify HPI for, and to pay to HPI within 5 business days of demand, any dishonour fees or other costs HPI may incur in presenting a cheque or bank draft for payment which is dishonoured;
- (o) you acknowledge that none of HPI, its advisors or agents, or the Registry has provided you with investment advice, financial product advice or taxation advice, and that none of them has any obligation to provide this advice, concerning your decision to apply for and purchase Securities;
- (p) you acknowledge that the Offer Booklet that incorporates these Terms and Conditions does not purport to contain all of the information that an investor may require to make an investment decision;
- (q) you acknowledge that there are risks associated with acquiring and holding Securities, including those described in the immediately preceding section;
- (r) you acknowledge that none of HPI, its officers or agents are liable for any exercise of any discretions by any person referred to in these Terms and Conditions;
- (s) you acknowledge that any remaining balance of your payment, due to a rounding down of the number of Securities, will be donated to a registered charity of HPI's choosing (provided that the remaining balance is less than the Issue Price of one Security);
- (t) if you make payment of application money by BPAY®, you acknowledge that you will be taken to have made all representations, warranties and undertakings set out in the Application Form as if you had validly signed and submitted an Application Form;
- (u) you declare that you are at least 18 years of age and have full legal capacity and power to perform all your rights and obligations in respect of the SPP;
- (v) you acknowledge and agree that you are not in the United States and are not acting for the account or benefit of a person in the United States;
- (w) you acknowledge that the Securities have not been, and will not be, registered under the Securities Act of 1933, as amended (**U.S. Securities Act**), or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand and accordingly, the Securities to be offered and sold under the SPP offer will only be offered and sold to Eligible Securityholders in Australia or New Zealand in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act;
- (x) you acknowledge and agree that if you are acting as a trustee, nominee or Custodian, each beneficial holder on whose behalf you are participating in the SPP is resident in Australia or New Zealand; and
- (y) you agree not to send any materials relating to the SPP to any person outside Australia and New Zealand.
- 4. Parcel price and number of Securities**
- You agree to pay the total application price of:
- (a) \$2,500; or
- (b) \$5,000; or
- (c) \$10,000; or
- (d) \$15,000; or
- (e) \$20,000; or
- (f) \$25,000; or

(g) \$30,000.

HPI shall determine the number of Securities to be issued to each Eligible Securityholder who applies for a Parcel, by dividing the value of that Parcel by the Issue Price. If the Issue Price cannot be divided into your Nominated Subscription to give a whole number of Securities, there will be a rounding down of the number of Securities. In accordance with clause 3.6(s), any remaining balance of your payment will be donated to a registered charity of HPI's choosing. You will not receive a refund for this amount, which will always be less than the Issue Price of one Security.

5. Issue of Securities

On the Issue Date, HPI will issue the number of Securities to each Eligible Securityholders on the basis set out in clause 4.

Securities issued under the SPP will, at the time of issue, rank equally with, and have the same voting rights, distribution rights and other entitlements as existing Securities.

HPI will apply for Securities issued under the SPP to be quoted on ASX.

6. Variation and termination

HPI reserves the right at any time to:

- (a) amend or vary these Terms and Conditions;
- (b) waive compliance with any provision of these Terms and Conditions;
- (c) withdraw the SPP or suspend or terminate the SPP;
- (d) vary the timetable for the SPP, including the Closing Date;
- (e) not accept an Application, not issue Securities, or issue Securities to a value less than that applied for under the SPP by an Eligible Securityholders (including a Custodian applying on behalf of one or more Eligible Beneficiaries).

Any such amendment, variation, waiver, suspension, withdrawal, non-acceptance or termination will be binding on all Eligible

Securityholders even where HPI did not notify you of that event.

In the event the SPP is withdrawn or terminated, all application monies will be refunded. No interest will be paid on any money returned to you.

7. Underwriting

The SPP is not underwritten.

8. Settling disputes

HPI may settle in any manner it sees fit, any difficulties, anomalies or disputes which may arise in connection with the operation of the SPP whether generally or in relation to any participant or any Application of Securities. The decision of HPI is conclusive and binding on all participants and other persons to whom the determination relates. These rights may be exercised by HPI, its Board of Directors or any of their delegates.

9. Privacy

Chapter 2C of the Corporations Act requires information about Securityholders (including their name, address and details of the securities they hold) to be included in the public register of the entity in which they hold securities. This information must continue to be included in the public register even if they cease to be a Securityholder.

HPI and the Registry may collect personal information to process the application and implement the SPP, and to administer holdings of Securities.

The personal information contained in HPI's securities register is also used to facilitate payments and corporate communications (including financial results, annual reports and other information to be communicated to Securityholders) and to ensure compliance with legal and regulatory requirements, including taxation laws and the Corporations Act.

The personal information HPI collects in relation to Securityholders may include the name, address, other contact details, bank account details and details of their holdings of Securities.

Securityholders who are individuals and the other individuals in respect of whom personal

information is collected, as outlined above, have certain rights to access, correct or update the personal information held about them, subject to some exceptions allowed by law. Such individuals should contact the Registry on 1800 881 526 from within Australia or (+61) 1800 881 526 from outside Australia between 8.30 am and 5.30 pm, (Sydney time), Monday to Friday while the offer remains open.

Personal information regarding Securityholders may be disclosed to joint investors, the Registry, securities brokers, third party service providers (including print and mail service providers, technology providers, and professional advisors), related entities of HPI and each of their agents and contractors, and ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom HPI will disclose personal information may be located overseas.

The main consequence of not providing the personal information outlined in this clause 9 would be that HPI may be hindered in, or prevented from, processing applications, and from conducting and implementing the SPP.

The Registry's privacy policy is available on their website:
https://www.linkgroup.com/docs/Link_Group_Privacy_Policy.pdf

10. Shortfall

The SPP is not underwritten.

HPI reserves its right to place any shortfall under the SPP at a price not less than the Issue Price in accordance with its security issue capacity under the Listing Rules.

11. Governing law

These Terms and Conditions are governed by the laws in force in Victoria, Australia and are to be interpreted in accordance with their spirit, intention and purpose.

12. Inconsistency

These Terms and Conditions prevail to the extent of any inconsistency with the Application Form.

DEFINITIONS

Allotment Date	The date on which Securities are allotted under the SPP.
Application	A correctly completed and submitted Application Form and attached application monies or a payment via BPAY®.
Application Form	The Application Form relating to the SPP that you received with this Offer Booklet, including the instructions. This may include a deemed Application Form in the same terms, where a valid BPAY® payment is made.
ASIC	Australian Securities and Investments Commission.
ASX	The Australian Securities Exchange, or the equivalent market operated by ASX Limited ABN 98 008 624 691 as the context requires.
Beneficiary	A person on whose behalf a Custodian is holding Securities as at the Record Date.
Board	The board of directors of HPI.
Closing Date	5.00 pm (Sydney time) on 26 March 2020.
Control	has the meaning given in section 50AA of the Corporations Act.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Despatch Date	The date on which the transaction confirmation statements are despatched to participating Eligible Securityholders.
Dollars or \$	Australian dollars.
Eligible Beneficiary	A Beneficiary with a registered address in either Australia or New Zealand, provided that such Beneficiary is not in the United States.
Eligible Securityholder	<p>A person who, at the Record Date, was recorded in HP's securities register as being a registered holder of Securities with a registered address in:</p> <ul style="list-style-type: none">• Australia; or• New Zealand, <p>and who is not an Excluded Securityholder.</p>

Excluded Securityholder	Any of the following registered holders of Securities: <ul style="list-style-type: none"> • a holder who holds Securities (either on their own account or the account of another person) who resides outside Australia or New Zealand; or • a holder who is, or is acting for the account or benefit of, a person in the United States.
HPI	Hotel Property Investments which comprises Hotel Property Investments Limited (ABN 25 010 330 515) and Hotel Property Investments Trust (ARSN 166 484 377) the responsible entity of which is The Trust Company (RE Services) Limited (ACN 003 278 831).
Issue Date	The date on which Securities are issued under the SPP which is expected to occur on 2 April 2020.
Issue Price	\$3.23 per new Security.
Listing Rules	The listing rules of the ASX.
Nominated Subscription	The total dollar amount subscribed for, being the Parcel multiplied by the Issue Price.
Offer Booklet	this offer booklet in respect of the SPP.
Opening Date	10.00 am (Sydney time) on 05 March 2020.
Parcel	A number of Securities in respect of an amount of \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000, at the Issue Price.
Placement	The placement of Securities pursuant to the Institutional Placement.
Record Date	7.00 pm (Sydney time) on 25 February 2020.
Registry	Link Market Services Limited.
Related Entity	in respect of an entity, a second entity that: <ul style="list-style-type: none"> • Controls the first entity; • is under the Control of the first entity; or • is under the Control of a third entity that also Controls the first entity.
Scale Back	Any reduction in allotments of Securities under the SPP.

Scale Back Date	30 March 2020.
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Security or Securities	A fully paid ordinary stapled security in HPI (comprising a share in Hotel Property Investments Limited and a unit in Hotel Property Investments Trust).
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Securityholder(s)	Holder(s) of Securities.
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SPP	This Security Purchase Plan.
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Terms and Conditions	The terms and conditions of the SPP set out in this Offer Booklet, including these Definitions and the Application Form.
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U.S. Securities Act	The Securities Act of 1933, as amended.
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VWAP	Volume weighted average price.
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ACN 010 330 515
AFSL 479719

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1800 881 526
From outside Australia: +61 1800 881 526
ASX Code: HPI
Website: www.linkmarketservices.com.au



001 / 000001

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN 2999

SRN/HIN: X99999999999
Entitlement Number: 12345
Record Date: 25 February 2020
Offer Opens: 5 March 2020

Offer Closes
5:00pm (Sydney time): 26 March 2020

SECURITY PURCHASE PLAN ("SPP") APPLICATION FORM

How do I apply for Securities under this offer?

- Carefully read the SPP Terms and Conditions accompanying this form.
- Decide on the amount you wish to apply for.
- Pay for the Securities in accordance with the instructions outlined in the Terms and Conditions Booklet and further important instructions on the reverse of this form.
 - Option 1: Paying by BPAY®.
 - Option 2: Paying by Cheque, Bank Draft or Money Order.
- Payments must be in Australian dollars.

PAYMENT OPTIONS

Option 1: Paying by BPAY®

If paying by BPAY®, you do **NOT** need to complete or return the Acceptance Slip attached to this Application Form below. Payment must be received by the Registry by BPAY® by 5:00pm (Sydney time) on 26 March 2020. By paying by BPAY®, you will be deemed to have completed an Application Form for the number of Securities the subject of your Application Payment.

If you make a payment by BPAY® and Hotel Property Investments Limited receives an amount which is not equal to either A\$2,500, A\$5,000, A\$10,000, A\$15,000, A\$20,000, A\$25,000 or A\$30,000, Hotel Property Investments Limited may round down the dollar amount of Securities that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$2,500.

	Billers Code: 310169
	Ref: 1234500000123456

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au
© Registered to BPAY Pty Ltd ABN 69 079 137 518

Option 2: Paying by Cheque, Bank Draft or Money Order

If paying by cheque, bank draft or money order, complete and return the Acceptance Slip attached to this Application Form with your Application Payment.

- Tick the box beside the amount you wish to apply for, either A\$2,500, A\$5,000, A\$10,000, A\$15,000, A\$20,000, A\$25,000 or A\$30,000.
- Enter your cheque, bank draft or money order details. The amount of your Application Payment should be equal to the amount applied for in section A of the Acceptance Slip. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "HPI SPP Offer" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque, bank draft or money order for an amount that is not equal to either A\$2,500, A\$5,000, A\$10,000, A\$15,000, A\$20,000, A\$25,000 or A\$30,000, Hotel Property Investments Limited may round down the dollar amount of Securities that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$2,500.
- Enter your contact telephone number at which we may contact you regarding your application for Securities, if necessary.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SECURITYHOLDER AND HOLDING RECORDED ABOVE.



Please detach and enclose with payment

SRN/HIN: X99999999999
Entitlement Number: 12345



A I/we wish to purchase a parcel of Securities to the dollar amount of (tick one box only):

A\$2,500 OR
 A\$5,000 OR
 A\$10,000 OR
 A\$15,000 OR
 A\$20,000 OR
 A\$25,000 OR
 A\$30,000

B Make your cheque, bank draft or money order payable to "HPI SPP Offer" and crossed "Not Negotiable"

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/> .00

C Telephone Number – Business Hours Telephone Number – After Hours Contact Name

<input type="text"/>	<input type="text"/>	<input type="text"/>
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00088+0000000000056383+0000000000+2065+14



IMPORTANT INFORMATION

1. This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Application Form, please consult a professional adviser.
2. If you do not wish to purchase additional Securities under this SPP, there is no need to take action.
3. Please ensure you have read and understood the SPP Terms and Conditions and this Important Information, before you make the Application Payment by BPAY® or you submit your Acceptance Slip with your Application Payment.
4. This SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.
5. If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Corporations (Security and Interest Purchase Plans) Instrument 2019/547 you must complete and submit an additional Schedule that contains additional certifications and details that must be provided ("the Schedule") before your Application will be received. The Schedule can be obtained by contacting the Hotel Property Investments Limited SPP Offer Information Line. Applications received by custodians that are not accompanied by the Schedule will be rejected.
6. For applicants that are not required to complete the Schedule, by submitting the Acceptance Slip (with a cheque, bank draft or money order) or making payment by BPAY®, you certify that the aggregate of the Application Payment paid by you for:
 - the parcel of New Securities indicated on this Application Form or BPAY® payment; and
 - any other Securities applied for by you, or which you have instructed a Custodian to acquire on your behalf under the SPP or any other similar arrangement in the 12 months prior to the date of submission of the Acceptance Slip or payment by BPAY® does not exceed A\$30,000.
7. Hotel Property Investments Limited reserves the right to make amendments to this Application Form where appropriate.
8. Applicants are not assured of receiving the Securities for which they have applied as Hotel Property Investments Limited may scaleback applications in its discretion.

How to Lodge your Acceptance Slip and Application Payment

A reply paid envelope is enclosed for you to return your Acceptance Slip and Application Payment. No postage stamp is required if it is posted in Australia.

Acceptance Slip and the payment for New Securities must be received by the Registry no later than the closing date shown overleaf. If paying by BPAY® you do not need to complete or return the Application Form. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

Hotel Property Investments Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

or

Hand Delivery

Hotel Property Investments Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and Application Payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (Sydney time) on 26 March 2020. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Hotel Property Investments Limited reserves the right not to process any Acceptance Slips and Application Payments received after the Closing Date.

If you require information on how to complete this Acceptance Slip please contact the Hotel Property Investments Limited SPP Offer Information Line on 1800 881 526 if calling within Australia or +61 1800 881 526 if calling from outside of Australia.