

**HOTEL
PROPERTIES
LIMITED**

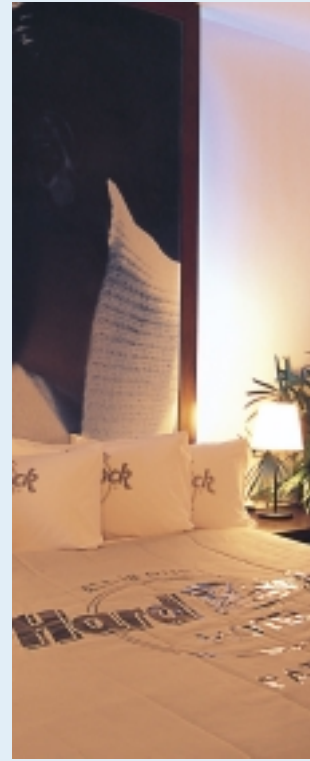
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Summary
Report 2003

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Experience that counts...





Luxury Redefined



Hotel Properties Limited

Chairman's Statement

Barring unforeseen circumstances, the general business environment is anticipated to recover steadily, and the Group's operating results in 2004 are expected to improve over those of 2003.

Financial Review

In 2003, the world economy continued to be mired in weak market conditions that ensued from unremitting global security concerns, the US–Iraq war, and the Severe Acute Respiratory Syndrome (“SARS”) virus outbreak. In the face of these developments, particularly during the SARS outbreak, consumer sentiments languished and spending plummeted. The various business sectors in which the Group operate experienced challenging conditions.

Nevertheless, the Group remained profitable, recording a profit before income tax of \$14.3 million for the year ended December 31, 2003, 48.1% lower than the \$27.6 million recorded for the year ended December 31, 2002. Group turnover also decreased by 19.6% from \$348.2 million last year to \$279.9 million for year 2003.

As a result of the global socio-political and economic situation, the Hotel Division suffered during the first half of 2003. By third quarter 2003 however, the Division experienced recovery following the abatement of SARS. The Group benefited from its strategy of geographical diversification during this trying period, with Four Seasons Resort Maldives at Kuda Huraa unaffected by world events. This property continued to contribute significantly to Group bottomline. Hard Rock Hotel Pattaya in Thailand also achieved better results in 2003 compared to 2002.

The Retail Division recovered as a result of its disposal of the loss-making HPL-21 Holdings Pte Ltd Group, which operates Donna Karan and DKNY stores in Hong Kong and Taiwan.

Recent Developments

On the property front, work on the Robertson Blue condominium development is about to commence. This 36-unit riverside development is anticipated to attract interest with its contemporary-style design with all units having good facing of the Singapore River.

During the year, the Group acquired a 4.16-acre piece of land on South Sathorn Road in Bangkok's Central Business District. The land will be developed for an exclusive residential project and an upscale hotel.

The Group soft-opened The Metropolitan, Bangkok in October 2003. A chic boutique hotel with luxurious rooms located on South Sathorn Road in the Central Business District, The Metropolitan is set to redefine the standards of luxury hospitality in Thailand.

The beachfront, rock 'n' roll-themed Hard Rock Hotel Pattaya, steadily establishing itself as the choice accommodation for vacationers to southern Thailand, also turned in a heartening performance for 2003.



Hotel Properties Limited

Chairman's Statement

The Group maintains equity interest in Shanghai Ning Xin Real Estate Development Co., Ltd ("Ning Xin") in the People's Republic of China. Ning Xin is currently developing Oasis Riviera, a 2,000-unit waterfront residential project in the choice district of Changning in Shanghai.

Prospects

The Group's performance is susceptible to the occurrence and threats of regional terrorist acts, outbreaks of communicable diseases, and adverse conditions in the world's major economies. However, barring unforeseen circumstances, the general business environment is anticipated to recover steadily, and the Group's operating results in 2004 are expected to improve over those of 2003.

The Group will continue to keenly seek out high-potential opportunities with caution in the local and global markets.

Dividend

The Board recommends a first and final dividend of 2.5 cents per ordinary share less income tax at 20% for the year ended December 31, 2003.

On behalf of the Board, I would like to thank our shareholders, customers, bankers, business associates, and staff for their support.



PETER Y. S. FU
Chairman
March 8, 2004





Hotel Properties Limited

Hotel



A significant development was the soft-opening of The Metropolitan, Bangkok in October 2003.

The Group's global presence spans nine countries, namely Singapore, Malaysia, Thailand, Indonesia, the United Kingdom, the Maldives, Vanuatu, USA and Australia. It has interests in 17 hotels under prestigious hospitality brands such as Four Seasons Hotels and Resorts, Hilton, Le Meridien Hotels, Hard Rock Hotels, and Concorde Hotels.

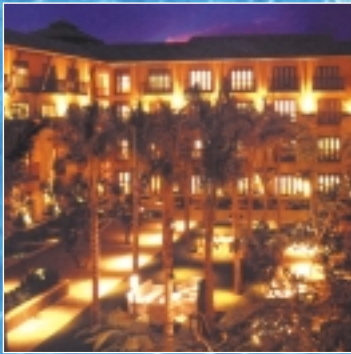
The global travel and tourism industry continued to experience difficulties in 2003 amid concerns for the Iraq war, persistent global security threats, and the outbreak of Severe Acute Respiratory Syndrome ("SARS"). Given these challenging conditions, the Hotel Division strived to maintain or better the performance of its properties.

The SARS outbreak in the first half of 2003 severely affected the Singapore hospitality business, with occupancy returning to pre-SARS level only by third quarter 2003. In spite of the trying environment, Four Seasons Hotel Singapore and Hilton Singapore remained as the accommodations of choice for many higher-end corporate and leisure travellers and both recorded satisfactory performance.

A significant development was the soft-opening of The Metropolitan, Bangkok in October 2003. The boutique retreat, situated in Bangkok's Central Business District on South Sathorn Road, promises a balanced mix of style and comfort. Crisp, minimalist design is paired with contemporary Thai accents in its 174 guestrooms and suites. The chic Met Bar, award-winning New Age cuisine, and a Shambala spa with Asian-inspired treatments complete the ultimate escape for guests.

Hard Rock HOTEL

PATAYA





Hotel Properties Limited

Hotel



The Group's recent entrant into the tourism scene in southern Thailand, Hard Rock Hotel Pattaya, turned in a good performance for 2003.

The Group's recent entrant into the tourism scene in southern Thailand, Hard Rock Hotel Pattaya, turned in a good performance for 2003. The hotel, which overlooks the Gulf of Thailand, has positioned itself as a destination hotel in southern Thailand with its unique combination of a relaxed beach resort atmosphere and vibrant rock 'n' roll theme.

Four Seasons Resort Maldives at Kuda Huraa, located on a private isle in Malé Atoll, is adored for the unparalleled luxury in its accommodation options. In its exquisitely appointed thatched bungalows, guests can luxuriate in the plushiest comforts. Its water bungalows indulge guests with enchanting ocean views, while the beachfronting bungalows offer serenity in the arms of nature.

The Four Seasons Explorer, a floating hotel concept under the Four Seasons brand, continued to charm premium vacationers who seek luxurious getaways with a difference. The catamaran takes its guests on cruises through the scenic seascapes and untouched beauty of the Maldives while offering countless leisure diversions on board.

Confident of discerning and tapping new business opportunities as they arise, the Hotel Division will seek to expand its portfolio prudently.





Hotel Properties Limited

Property



With its current development Robertson Blue, the Group has reaffirmed its position as Singapore's premier property developer.

With its current development Robertson Blue, the Group has reaffirmed its position as Singapore's premier property developer. Like the other residential properties of HPL, such as Cuscaden Residences, Nassim Jade, Scotts 28, and Four Seasons Park, Robertson Blue interprets signature HPL qualities of luxury, comfort, and exclusivity with finesse. Its 36 two and three-bedroom apartments feature chic, contemporary design that appeals to today's modern, sophisticated set, and offer panoramic views of Singapore River.

Forum The Shopping Mall, which the Property Division owns through a joint venture company, continued to deliver strong performance. Well known as a family-friendly retail destination for premium children's lifestyle brands such as DKNY Kids, Kids 21, Ralph Lauren, Guess Kids and Toys 'R' Us, the mall has also established a niche following in adult consumers with discerning preference for style and quality. Designer brands in the likes of Max Mara, Dolce & Gabbana, and Emporio Armani are featured in the tenant mix, as are a host of upmarket food and beverage outlets, medical clinics, and education centres.

The Group also has equity interest in Shanghai Ning Xin Real Estate Development Co., Ltd ("Ning Xin"), a company incorporated in the People's Republic of China which is the owner and developer of Oasis Riviera, a residential development in Changning, Shanghai.

During the year, the Group acquired a 4.16-acre land in Bangkok's Central Business District area on South Sathorn Road. The land, formerly used by an embassy, will be developed for a luxury-class condominium and an upscale hotel, featuring two, three, and four-bedroom units and penthouses in single, two and three levels, complete with private swimming pools and gardens.





Hotel Properties Limited

Lifestyle



The Group holds franchises to some of the most distinctive and valued brands in the Asia-Pacific.

The Group holds franchises to some of the most distinctive and valued brands in the Asia-Pacific.

The Group has been the exclusive distributor of Häagen-Dazs ice cream in Singapore and Malaysia since 1983 and 1993 respectively. The latest Häagen-Dazs café in Singapore is located in Anchorpoint shopping mall. The Holland Village and Springvale (Siglap) outlets were also refurbished in 2003. These three outlets unveil the new in-store 'cake corner' concept in 2004. Through a wide network of dine-in cafés and some 500 retail points in Singapore, which include supermarkets, petrol kiosks, convenience stores, and hotels, the Group has firmly positioned Häagen-Dazs as the leader of the super premium ice cream market.

The Group operates 10 Hard Rock Café outlets in Singapore, Kuala Lumpur, Bangkok, Bali, Jakarta, Beijing, Shanghai, Kowloon, Makati, and Seoul. Celebrated in the entertainment scenes in these cities, the Hard Rock Café outlets serve up hearty cuisine, live music, and music memorabilia for locals and expatriates seeking a slice of American life.

In 2003, the Group also made a strategic divestment of its interests in DKNY and Donna Karan fashion boutiques in Hong Kong and Taiwan.



Hotel Properties Limited

Corporate Information

Board of Directors

Chairman

Peter Y. S. Fu

Managing Director

Ong Beng Seng

Members

Christopher Lim Tien Lock

Joseph Grimberg

Gordon Seow Li Ming

Michael S. Dobbs-Higginson

Arthur Tan Keng Hock

Leslie Mah Kim Loong

David Fu Kuo Chen

(Alternate director to Peter Y. S. Fu)

Nominating Committee

Chairman

Gordon Seow Li Ming

Members

Joseph Grimberg

Peter Y. S. Fu

(Alternate: David Fu Kuo Chen)

Remuneration Committee

Chairman

Joseph Grimberg

Members

Michael S. Dobbs-Higginson

Ong Beng Seng

Audit Committee

Chairman

Arthur Tan Keng Hock

Members

Leslie Mah Kim Loong

Gordon Seow Li Ming

Secretaries

Boon Suan Lee

Chuang Sheue Ling

Principal Bankers

OCBC Bank

DBS Bank

United Overseas Bank

Auditors

Deloitte & Touche

Certified Public Accountants,

Singapore

Partner-in-charge

Cheung Pui Yuen

(appointed on May 28, 2002)

Registrar

Lim Associates (Pte) Ltd

10 Collyer Quay

#19-08 Ocean Building

Singapore 049315

Tel: 6536 5355

Registered Office

50 Cuscaden Road

#08-01 HPL House

Singapore 249724

Tel: 6734 5250



Hotel Properties Limited

Summary Financials 2003



Hotel Properties Limited
(Incorporated in the Republic of Singapore)

Summary Financial Report

IMPORTANT NOTE

The summary financial report set out on pages 14 to 25 contains only a summary of the information in the directors' report and financial statements of the Company's Annual Report. It does not contain sufficient information to allow for a full understanding of the financial results and state of affairs of the Company and the Group.

For further information, the full financial statements, the Auditors' Report on those financial statements and the Directors' Report in the Annual Report should be consulted. Shareholders may request for a copy of the Annual Report at no cost. Please use the Request Slip at the end of this Summary Report.

All amounts are stated in Singapore Dollars unless otherwise stated.

Summary Directors' Report

1 DIRECTORS

The directors of the Company in office at the date of this report are:

Peter Y. S. Fu
Ong Beng Seng
Christopher Lim Tien Lock
Joseph Grimberg
Gordon Seow Li Ming
Michael S. Dobbs-Higginson
Arthur Tan Keng Hock
Leslie Mah Kim Loong
David Fu Kuo Chen (Alternate director to Peter Y. S. Fu)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at anytime during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate except as disclosed in paragraph 5(d) below.



3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

Name of director and company in which interests are held	At beginning of year	At end of year
The Company		
- Shares of \$1 each		
Peter Y. S. Fu	96,508,800*	99,308,800*
Ong Beng Seng	100,858,800**	103,658,800**
The Subsidiary		
- HPL Resorts (Maldives) Pvt Ltd		
Shares of Maldivian Rufiyaa 1,000 each		
Ong Beng Seng	10,000*	10,000*

* Held by other persons or bodies corporate in which the director has interest by virtue of Section 7 of the Singapore Companies Act.

** As at December 31, 2003, 100,658,800 (as at January 1, 2003, 97,858,800) shares are held by other persons or bodies corporate in which the director has interest by virtue of Section 7 of the Singapore Companies Act.

By virtue of Section 7 of the Singapore Companies Act, Messrs Peter Y. S. Fu and Ong Beng Seng are deemed to have an interest in the other related corporations of the Company.

There have been no changes in the above directors' interests as at January 21, 2004.

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the Annual Report and that:

- a) Messrs Peter Y. S. Fu, Ong Beng Seng and David Fu Kuo Chen are regarded to be interested in rental contracts at commercial rates in respect of certain shop and office units of the Group.
- b) Messrs Peter Y. S. Fu and/or Ong Beng Seng are deemed to be interested in transactions and arrangements entered into between certain subsidiaries and certain companies in which they have substantial financial interest for the provision of management services to operate certain hotels.



4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS (cont'd)

- c) Messrs Peter Y. S. Fu and Ong Beng Seng are deemed to be interested in transactions and arrangements entered into between certain subsidiaries and certain companies in which they have substantial financial interest in relation to the operation of certain retail shops.
- d) Mr Ong Beng Seng is deemed to be interested in transactions and arrangements entered into between a subsidiary and a company in which he has substantial financial interest in relation to the operation of a restaurant.
- e) Mr Ong Beng Seng is deemed to be interested in transactions and arrangements entered into between a subsidiary and a company in which he has substantial financial interest in relation to the disposal of shares in a subsidiary.

5 SHARE OPTIONS

At the end of the financial year, the Company has two share option schemes – the Hotel Properties Limited Executives' Share Option Scheme ("Scheme 1990") which was approved by the shareholders on November 19, 1990 and another known as Hotel Properties Limited Share Option Scheme 2000 ("Scheme 2000") which was approved by the shareholders on June 23, 2000.

Both the above Schemes are administered by the Remuneration Committee whose members are:

Joseph Grimberg (Chairman)
Michael S. Dobbs-Higginson
Ong Beng Seng

a) Share Options Granted

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group was granted.

b) Share Options Exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.



5 SHARE OPTIONS (cont'd)

c) Unissued Shares Under Option

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option except as follows:

Date of grant	Number of Share Options				Exercise Price	Exercise Period
	Balance at 1/1/03	Exercised	Expired/ Cancelled	Balance at 31/12/03		
Pursuant to Scheme 1990						
29/04/1998	800,000	-	800,000	-	\$1.00	29/04/1999 - 28/04/2003
23/04/1999	1,010,000	-	250,000	760,000	\$1.10	23/04/2000 - 22/04/2004
Sub-total	1,810,000	-	1,050,000	760,000		
Pursuant to Scheme 2000						
13/11/2000	1,855,000	-	250,000	1,605,000	\$1.30	13/11/2002 - 12/11/2010
13/11/2000	250,000	-	-	250,000	\$1.21	13/11/2002 - 12/11/2010
27/09/2001	2,105,000	-	250,000	1,855,000	\$1.00	27/09/2002 - 26/09/2011
Sub-total	4,210,000	-	500,000	3,710,000		
Total	6,020,000	-	1,550,000	4,470,000		

Holders of the above share options granted have no right to participate by virtue of the options in any share issue of any other company.



Hotel Properties Limited
(Incorporated in the Republic of Singapore)

5 SHARE OPTIONS (cont'd)

d) The information on directors participating in Schemes 1990 and 2000 and employees who received 5 per cent or more of the total number of options available under the Schemes 1990 and 2000 are as follows:

Name of director / employee	Options granted during the financial year	Aggregate options granted since commencement of Schemes 1990 and 2000 to the end of the financial year	Aggregate options exercised since commencement of Schemes 1990 and 2000 to the end of the financial year	Aggregate options outstanding at the end of the financial year
<u>Pursuant to Scheme 1990</u>				
Director				
Christopher Lim Tien Lock	Nil	2,056,331	1,022,000	20,000 (excludes 1,014,331 options which have expired)
Participants				
Stephen Lau Buong Lik	Nil	1,797,331	722,331	200,000 (excludes 875,000 options which have expired)
Wilson Cheah	Nil	1,301,798	453,399	125,000 (excludes 723,399 options which have expired)
<u>Pursuant to Scheme 2000</u>				
Director				
Christopher Lim Tien Lock	Nil	1,000,000	Nil	1,000,000

No options under the Schemes were granted to controlling shareholders or their associates.



Hotel Properties Limited
(Incorporated in the Republic of Singapore)

6 AUDIT COMMITTEE

At the date of this report, the Audit Committee comprised the following non-executive directors:

Arthur Tan Keng Hock (Chairman)
Gordon Seow Li Ming
Leslie Mah Kim Loong

The summary financial statements set out on pages 22 to 25 were approved by the Board of Directors and were signed on its behalf by:

Peter Y. S. Fu
Chairman

Ong Beng Seng
Managing Director

Singapore
March 8, 2004



Hotel Properties Limited
(Incorporated in the Republic of Singapore)

Auditors' Statement

To the Members of Hotel Properties Limited

We have examined the summary financial report which has been prepared by the directors of the Company set out on pages 14 to 25.

In our opinion, the summary financial report is consistent, in all material respects, with the full financial statements and Directors' Report of Hotel Properties Limited and of the Group for the financial year ended December 31, 2003 and complies with the requirements of Section 203A of the Singapore Companies Act and regulations made thereunder.

For a better understanding of the Company's and Group's financial position and results of operations for the year and of the scope of our audit, the summary financial statements should be read in conjunction with the full financial statements and our audit report thereon.

We have issued an unqualified audit report dated March 8, 2004 on the full financial statements of Hotel Properties Limited and of the Group for the financial year ended December 31, 2003 which reads as follows:

"Auditors' Report to the Members of Hotel Properties Limited

We have audited the accompanying financial statements of Hotel Properties Limited set out on pages # to # for the year ended December 31, 2003. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at December 31, 2003 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



Hotel Properties Limited
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We have considered the financial statements and auditors' reports of all subsidiaries and of the hotel operations of Hilton Singapore, Four Seasons Hotel Singapore and Le Meridien Singapour, of which we have not acted as auditors, being financial statements included in the consolidated financial statements. The names of subsidiaries of which we have not acted as auditors are indicated in Note ##.

We are satisfied that the financial statements of the subsidiaries and the hotel operations of Hilton Singapore, Four Seasons Hotel Singapore and Le Meridien Singapour that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries and the hotel operations of Hilton Singapore, Four Seasons Hotel Singapore and Le Meridien Singapour were not subject to any qualification, and in respect of subsidiaries incorporated in Singapore did not include any comment made under Section 207(3) of the Act."

Deloitte & Touche

Certified Public Accountants

Cheung Pui Yuen

Partner

Singapore

March 8, 2004

Note:

The page numbers are as stated in the Auditors' Report dated March 8, 2004 included in Hotel Properties Limited's Annual Report for the financial year ended December 31, 2003.

The note number is as stated in the Annual Report for the financial year ended December 31, 2003.



Hotel Properties Limited
(Incorporated in the Republic of Singapore)

Summary Balance Sheets
December 31, 2003

	Group		Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
ASSETS				
Current assets:				
Cash	84,347	112,685	17,527	14,531
Short-term investments	6,428	22,623	-	-
Trade receivables	20,469	60,545	1,382	1,100
Other receivables and prepayments	19,503	19,042	802	867
Inventories	7,899	10,706	219	246
Development properties	27,367	18,589	-	-
Completed properties held for sale	10,349	14,941	-	-
Total current assets	176,362	259,131	19,930	16,744
Non-current assets:				
Associates	87,651	98,602	12,997	13,674
Subsidiaries	-	-	722,723	797,119
Other long-term investments	29,476	37,784	-	-
Property, plant and equipment	1,051,058	984,533	230,506	233,985
Investment properties	281,104	277,020	-	-
Expenditure carried forward	11,431	12,490	292	422
Negative goodwill	(16,833)	-	-	-
Total non-current assets	1,443,887	1,410,429	966,518	1,045,200
Total assets	1,620,249	1,669,560	986,448	1,061,944
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	28,389	101,460	-	-
Trade payables	30,330	40,331	8,390	9,394
Other payables	33,347	28,707	-	-
Income tax payable	5,766	31,272	400	1,008
Total current liabilities	97,832	201,770	8,790	10,402
Non-current liabilities:				
Long-term bank loans	543,393	479,800	223,426	238,884
Advances from subsidiaries	-	-	62,637	118,943
Other long-term payables	-	1,086	-	-
Deferred tax liabilities	4,147	5,544	1,213	1,686
Total non-current liabilities	547,540	486,430	287,276	359,513
Minority interests	49,649	68,308	-	-
Share capital and reserves:				
Issued capital	453,024	453,024	453,024	453,024
Reserves	472,204	460,028	237,358	239,005
Total equity	925,228	913,052	690,382	692,029
Total liabilities and equity	1,620,249	1,669,560	986,448	1,061,944
Net current assets	78,530	57,361	11,140	6,342



Hotel Properties Limited
(Incorporated in the Republic of Singapore)

*Summary Consolidated Profit and Loss Statement
Year ended December 31, 2003*

	Group	
	2003	2002
	\$'000	\$'000
Revenue	279,860	348,233
Cost of sales	(214,558)	(256,548)
Gross profit	65,302	91,685
Other operating income	8,041	5,810
Distribution costs	(2,729)	(3,111)
Administrative expenses	(37,879)	(43,171)
Other operating expenses	(5,574)	(4,013)
Profit from operations	27,161	47,200
Finance costs	(14,735)	(18,250)
Other non-operating income	6,006	3,098
Profit before income tax and share of results of associates	18,432	32,048
Share of results of associates	(4,091)	(4,416)
Profit before income tax	14,341	27,632
Income tax expense	(5,773)	(7,797)
Profit after income tax	8,568	19,835
Minority interests	(3,861)	(3,828)
Net profit attributable to shareholders	4,707	16,007
Final dividends paid, net of tax of 22% (2002: 22%)	8,834	8,834
Directors' fees and remuneration:		
- Company's directors	991	1,011
- Subsidiaries' directors	1,084	981
Earnings per share (Cents):		
- basic	1.04	3.53
- fully diluted	1.04	3.53
Gross dividend paid per share (Cents)	2.50	2.50

For the financial year ended December 31, 2003, the directors have proposed a first and final gross dividend of 2.5 cents per ordinary share less Singapore tax of 20% totalling \$9.06 million for Shareholders' approval at the Annual General Meeting on April 29, 2004.

The financial statements as at December 31, 2003 do not reflect this dividend payable, which will be accounted for in the shareholders' equity as a deduction from retained earnings in the financial year ending December 31, 2004.



Additional Information

(1) Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Significant transactions with such related parties during the year are detailed below:

	Group	
	2003	2002
	\$'000	\$'000
Transactions with companies in which certain directors are deemed to have interests:		
Management fee expense	590	899
Management fee income	(981)	(1,217)
Rental income	(6,453)	(4,933)
Disposal of certain subsidiaries	(3,750)	-
Transactions with associates:		
Management fee income	(1,173)	(1,163)
Interest income	(964)	(952)

(2) Changes in Group Structure, Accounting Policies, Asset Values and Share Capital

Group Structure

There was no material change in the group structure during the financial year.

Accounting Policies

The Company and the Group have adopted all the applicable new/revised Singapore Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") which became effective during the year. The adoption of the new/revised FRS and INT FRS does not affect the results of the Company and the Group except as follows:

The Company and the Group adopted FRS 16 – Property, Plant and Equipment which no longer defines "same assets" as "a class of assets". Before the adoption of FRS 16, any net revaluation surplus from revaluation of fixed assets of the Group is credited to the asset revaluation reserve, except to the extent that it reverses a net revaluation deficit for fixed assets of the Group previously recognised as an expense, in which case the surplus is credited to the profit and



(2) Changes in Group Structure, Accounting Policies, Asset Values and Share Capital (cont'd)

Accounting Policies (cont'd)

loss statement to the extent of the deficit previously charged. A net deficit in carrying amount arising on the revaluation of fixed assets of the Group is charged as an expense to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of the Group's fixed assets. The same treatment was applied to revaluation of investment properties.

With the adoption of FRS 16, the revaluation surplus or deficit of an asset is accounted for individually. Revaluation surplus from the revaluation of an asset is credited to the asset revaluation reserve unless it relates to a previous deficit for that same asset that was charged as an expense, in which case the surplus not exceeding the amount of deficit previously charged as an expense is credited to profit and loss statement. A revaluation deficit of an asset is charged as an expense unless it offsets a previous surplus of that same asset.

Following the adoption of FRS 16, an amount of \$11.4 million, relating to deficit prior to January 1, 2002, has been adjusted against the consolidated retained profits and asset revaluation reserve retrospectively with no impact to the shareholders' funds.

Asset Values

The total assets of the Group decreased from \$1,670 million as at December 31, 2002 to \$1,620 million as at December 31, 2003.

Share Capital

There was no material change in the issued and paid up capital of the Company during the financial year.



Hotel Properties Limited
(Incorporated in the Republic of Singapore)

*Statistics of Shareholdings
As at March 4, 2004*

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	116	1.85	48,873	0.01
1,000 - 10,000	5,443	86.71	18,237,904	4.03
10,001 - 1,000,000	703	11.20	28,216,882	6.23
1,000,001 and above	15	0.24	406,520,751	89.73
Total :	6,277	100.00	453,024,410	100.00

Twenty Largest Shareholders

No.	Name	No. of Shares	%
1	Oversea-Chinese Bank Nominees Pte Ltd	142,821,650	31.53
2	United Overseas Bank Nominees Pte Ltd	107,102,797	23.64
3	Citibank Nominees Singapore Pte Ltd	49,578,421	10.94
4	HSBC (Singapore) Nominees Pte Ltd	35,310,754	7.79
5	DBS Nominees Pte Ltd	17,983,769	3.97
6	DBS Vickers Securities (S) Pte Ltd	15,160,000	3.35
7	UOB Kay Hian Pte Ltd	9,853,000	2.17
8	Morgan Stanley Asia (Singapore) Securities Pte Ltd	8,591,000	1.90
9	Raffles Nominees Pte Ltd	6,341,860	1.40
10	Kim Eng Securities Pte. Ltd.	4,069,000	0.90
11	Phillip Securities Pte Ltd	3,000,500	0.66
12	OCBC Securities Private Ltd	2,435,000	0.54
13	The Asia Life Assurance Society Ltd - S'pore Life Fund	2,043,000	0.45
14	Ow Chio Kiat	1,124,000	0.25
15	Chan U Seek	1,106,000	0.24
16	Golden Rajah Restaurant (Pte) Ltd	981,000	0.22
17	Ong Teik Bee	560,000	0.12
18	G K Goh Stockbrokers Pte Ltd	541,589	0.12
19	Singapore Reinsurance Corporation Ltd - SIF General	500,000	0.11
20	Soo Eng Hiong	420,000	0.09
Total :		409,523,340	90.39



Hotel Properties Limited
(Incorporated in the Republic of Singapore)

*Substantial Shareholders
As at March 4, 2004 as shown in the
Company's Register of Substantial Shareholders*

Substantial Shareholder	Direct/Beneficial Interest No. of Shares	%	Deemed Interest No. of Shares	%
Coldharbour Limited	66,289,800	14.63	-	-
Como Holdings Inc	67,139,800	14.82	-	-
Born Free Investments Limited	33,144,900	7.32	-	-
Holmshaw Services Limited	31,019,000	6.85	-	-
Peter Fu Yun Siak	-	-	99,308,800 (1)	21.92
Ong Beng Seng	3,000,000	0.66	100,658,800 (2)	22.22
Peter Fu Chong Cheng	-	-	64,163,900 (3)	14.16
Kuo Investments Limited	-	-	31,019,000 (4)	6.85
FCC Holdings Pte Ltd	95,230,000	21.02	-	-
First Capital Corporation Limited	-	-	■ 95,230,000	21.02
Guoco Investment Pte Ltd	-	-	■ 95,230,000	21.02
Guoco Group Limited	-	-	■ 95,230,000	21.02
Guoline Overseas Limited	-	-	■ 95,230,000	21.02
Guoline Capital Assets Limited	-	-	■ 95,230,000	21.02
Hong Leong Company (Malaysia) Bhd	-	-	■ 95,230,000	21.02
HL Holdings Sdn Bhd	-	-	■ 95,230,000	21.02
Mr Quek Leng Chan	-	-	■ 95,230,000	21.02
Hong Leong Investment Holdings Pte Ltd	-	-	• 96,211,000	21.24

Notes:

- (1)** Mr Peter Fu Yun Siak is deemed to have an interest in the shares of Coldharbour Limited, Jermaine Limited, Holmshaw Services Limited by virtue of the provisions under Section 7 of the Companies' Act, Cap 50.
 - (2)** Mr Ong Beng Seng is deemed to have an interest in the shares of Como Holdings Inc, Reef Holdings Pte Ltd, Holmshaw Services Limited by virtue of the provisions under Section 7 of the Companies' Act, Cap 50 and in the shares held by his spouse.
 - (3)** Mr Peter Fu Chong Cheng is deemed to have an interest in the shares of Born Free Investments Limited, Holmshaw Services Limited, by virtue of the provisions under Section 7 of the Companies' Act, Cap 50.
 - (4)** Kuo Investments Limited is deemed to have an interest in the 31,019,000 shares held by Holmshaw Services Limited by virtue of the provisions under Section 7 of the Companies' Act, Cap 50.
- First Capital Corporation Ltd ("FCC"), Guoco Investment Pte Ltd, Guoco Group Limited, Guoline Overseas Limited, Guoline Capital Assets Limited, Hong Leong Company (Malaysia) Berhad ("HLCMB"), HL Holdings Sdn Bhd and Mr Quek Leng Chan are deemed to have an interest in the 95,230,000 shares held by FCC Holdings Pte Ltd by virtue of the provisions under Section 7 of the Companies' Act, Cap 50.
 - Hong Leong Investment Holdings Pte Ltd ("HLIH") is deemed to have an interest in the following shares (i) 95,230,000 shares held by FCC Holdings Pte Ltd and (ii) 981,000 shares held by Golden Rajah Restaurant (Private) Limited ("GRR") by virtue of the provisions under Section 7 of the Companies' Act, Cap 50 through (i) HLIH's deemed interest in FCC held through HLCMB's intermediate companies; and (ii) HLIH's deemed interest in GRR held through HLIH's intermediate companies, respectively.

Approximately 33.48% of the issued ordinary shares are held in the hands of the public. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has accordingly been complied with.



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Fourth Annual General Meeting of the Company will be held at the Crescent Ballroom, Level 2, Four Seasons Hotel Singapore, 190 Orchard Boulevard, Singapore 248646 on Thursday, April 29, 2004 at 4.00 p.m. to transact the following businesses:-

ORDINARY BUSINESS

- | | |
|--|---------------------|
| 1. To receive and consider the directors' report and accounts for the year ended December 31, 2003 and the auditor's report thereon. | Resolution 1 |
| 2. To declare a first and final dividend of 2.5 cents per ordinary share less tax of 20% for the year ended December 31, 2003. | Resolution 2 |
| 3. To approve the proposed Directors' fees of \$240,000 for the year ended December 31, 2003. (2002: \$240,000) | Resolution 3 |
| 4. To re-appoint Auditors for the ensuing year and to authorise the Directors to fix their remuneration. | Resolution 4 |
| 5. To transact any other business which may properly be transacted at an Annual General Meeting. | |

SPECIAL BUSINESS

- | | |
|--|---------------------|
| 6. That pursuant to Section 153(6) of the Companies Act, Cap 50., Mr Peter Fu Yun Siak be and is hereby re-appointed as a Director of the Company to hold such office until the next Annual General Meeting. | Resolution 5 |
| 7. That pursuant to Section 153(6) of the Companies Act, Cap 50., Mr Gordon Seow Li Ming be and is hereby re-appointed as a Director of the Company to hold such office until the next Annual General Meeting. | Resolution 6 |
| 8. That pursuant to Section 153(6) of the Companies Act, Cap 50., Mr Joseph Grimberg be and is hereby re-appointed as a Director of the Company to hold such office until the next Annual General Meeting. | Resolution 7 |
| 9. To re-elect Mr Leslie Mah Kim Loong pursuant to Article 80 of the Articles of Association. | Resolution 8 |



Hotel Properties Limited
(Incorporated in the Republic of Singapore)

SPECIAL BUSINESS (cont'd)

10. To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:-

- (a) That pursuant to Section 161 of the Companies Act, Cap 50. and the listing rules of the Singapore Exchange Securities Trading Limited, the Directors be and are hereby authorised to issue shares in the Company (whether by way of bonus issue, rights issue or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit provided that:
- (i) the aggregate number of shares to be issued pursuant to this Resolution does not exceed 50% of the issued share capital of the Company, of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders of the Company does not exceed 20% of the Company's issued share capital;
 - (ii) for the purpose of determining the aggregate number of shares that may be issued under (i) above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time this Resolution is passed, after adjusting for
 - (a) new shares arising from the conversion or exercise of any convertible securities or employee share options or the vesting of share awards that are outstanding when this Resolution is passed, and
 - (b) any subsequent consolidation or subdivision of shares; and
 - (iii) unless revoked or varied by the Company in general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

Resolution 9



Hotel Properties Limited
(Incorporated in the Republic of Singapore)

SPECIAL BUSINESS (cont'd)

10. To consider and, if thought fit, to pass the following resolutions as ordinary resolutions (cont'd) :-

- (b) That the directors of the Company be and are hereby authorised to offer and grant options over ordinary shares in the Company in accordance with the regulations of the Hotel Properties Limited Share Option Scheme 2000 ("the Scheme 2000") and pursuant to Section 161 of the Companies Act, Cap 50., the directors be and are hereby authorised to issue and allot ordinary shares upon the exercise of any such options and to do all such acts and things as may be necessary or expedient to carry the same into effect provided that the total number of shares allotted and issued under the Scheme 2000 is limited to fifteen (15) per cent of the total issued share capital of the Company or such other limit as may be specified in the Listing Manual of the Singapore Exchange Securities Trading Limited from time to time.

Resolution 10

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed from May 7, 2004 to May 10, 2004 (both dates inclusive), for the preparation of dividend warrants.

Duly completed transfers received by the Company's Registrar, Lim Associates (Pte) Ltd of 10 Collyer Quay #19-08 Ocean Building Singapore 049315, up to the close of business at 5 p.m. on May 6, 2004 will be registered to determine shareholders' entitlement to the proposed dividend. The dividend, if approved, will be paid on May 18, 2004 to shareholders registered in the books of the Company on May 6, 2004.

In respect of shares in securities accounts with the Central Depository (Pte) Limited ("CDP"), the said first and final dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlements to holders of shares in accordance with its practice.

By Order of the Board

Boon Suan Lee / Chuang Sheue Ling

Company Secretaries

March 26, 2004

Singapore



Explanatory Notes on Special Business to be transacted:-

- (a) Ordinary Resolutions 5, 6 and 7 are to re-appoint directors who are over 70 years of age in accordance to Section 153(6) of the Companies Act, Cap 50.
- (b) Mr Peter Y. S. Fu, a non-independent Director who is over seventy years of age, if re-appointed, will remain as a Nominating Committee member.
- (c) Mr Gordon Seow Li Ming who is over seventy years of age, if re-appointed, will remain as Audit Committee member and Chairman of the Nominating Committee. He is considered an independent director pursuant to Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.
- (d) Mr Joseph Grimberg, an independent Director who is over seventy years of age, if re-appointed, will remain as the Chairman of the Remuneration Committee and a member of the Nominating Committee.
- (e) Mr Leslie Mah Kim Loong, if re-elected, will remain as a member of the Audit Committee and will be considered an independent director pursuant to Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.
- (f) Ordinary Resolution 9 will empower the Directors from the date of the Annual General Meeting until the date of the next Annual General Meeting to issue further shares in the Company. The maximum number of shares which the Directors may issue under this resolution shall not exceed the quantum set out in the resolution.
- (g) Ordinary Resolution 10 is to allow the Directors to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme 2000 provided that the aggregate number of shares to be issued does not exceed 15% of the issued share capital of the Company from time to time.

Notes:

- (1) A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
- (2) If a proxy is to be appointed, the form must be deposited at the registered office of the Company, at 50 Cuscaden Road #08-01 HPL House Singapore 249724, not less than 48 hours before the meeting.
- (3) The form of proxy must be signed by the appointor or his attorney duly authorised in writing.
- (4) In the case of joint shareholders, all holders must sign the form of proxy.

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Hotel Properties Limited
(Incorporated in the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT

1. For investors who have used their CPF monies to buy Hotel Properties Limited shares, this Annual Report is sent to them at the request of their CPF Approved Nominees solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We _____ (Name)

of _____ (Address)

being a member/members of HOTEL PROPERTIES LIMITED hereby appoint:-

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

or failing whom, the Chairman of the Meeting, as my/our proxy/proxies to vote for me/us on my/our behalf, at the Twenty-Fourth Annual General Meeting of the Company to be held on Thursday, April 29, 2004 at 4.00 p.m. and at any adjournment thereof.

I/We have indicated with an "x" in the appropriate box below how I/we wish my/our proxy/proxies to vote. If no specific direction as to voting is given, my/our proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Resolutions relating to:	For	Against
1.	Directors' Reports and Accounts		
2.	First and Final Dividend of 2.5 cents per ordinary share less tax at 20%		
3.	Directors' Fees		
4.	Re-appointment of Auditors		
5.	Re-election of Director (Mr Peter Y.S. Fu)		
6.	Re-election of Director (Mr Gordon Seow Li Ming)		
7.	Re-election of Director (Mr Joseph Grimberg)		
8.	Re-election of Director (Mr Leslie Mah Kim Loong)		
9.	Authority to issue shares pursuant to Section 161 of Companies Act, Cap. 50.		
10.	Authority to issue shares pursuant to Hotel Properties Limited Share Option Scheme 2000		

Dated this _____ day of _____ 2004.

Signature(s) of individual Member(s) / Common Seal of Corporate Member

Total No. of Shares Held	
---------------------------------	--

IMPORTANT: PLEASE READ NOTES OVERLEAF



Hotel Properties Limited
(Incorporated in the Republic of Singapore)

NOTES

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his stead.
2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
3. A proxy need not be a member of the Company.
4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap 50. of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all shares held by the member.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 50 Cuscaden Road #08-01 HPL House Singapore 249724 not less than 48 hours before the time set for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

GENERAL

The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.



Hotel Properties Limited
(Incorporated in the Republic of Singapore)

March 26, 2004

Dear Shareholder

This notice accompanies a copy of our Summary Report ("SR") of Hotel Properties Limited for the financial year ended December 31, 2003 ("FY2003"). The SR contains a review of the Hotel Properties Limited Group for FY2003. It also contains a summary of the audited financial statements of the Company and the Group for FY2003.

The full financial statements of the Company and of the Group for FY2003 are set out in a separate report called the Annual Report ("AR"). This report is available to all registered shareholders of Hotel Properties Limited at no cost upon request.

We will continue to send you a copy of the SR for as long as you are a shareholder, unless you indicate otherwise.

If you wish to receive a copy of the AR for FY2003 and future years, please complete the request slip below accordingly, and return it to Hotel Properties Limited c/o The Central Depository (Pte) Limited not later than April 6, 2004.

For shareholders who are receiving this SR for the first time or who did not respond previously or whose request slip were not received by us, you may indicate your wishes by ticking the appropriate box in the request slip below and returning it to us by April 6, 2004. If we do not receive your request slip, it would indicate that you do not wish to receive the AR for FY2003 and for future financial years.

For shareholders who indicated to us previously that you wish to receive the ARs for so long as you are a shareholder, you may change your wishes by ticking the relevant box in the request slip below and returning it to us by April 6, 2004. If we do not receive your request slip, it would indicate that there is no change to your wishes.

Your latest request will supercede earlier requests received by us.

Yours faithfully
 For and on behalf of Hotel Properties Limited
CHUANG SHEUE LING
 Company Secretary

REQUEST SLIP

To: Hotel Properties Limited

Note: Please tick only one box. Incomplete or incorrectly completed forms will not be processed.

- Please send me/us the Annual Report in addition to the Summary Report for FY2003.
- Please send me/us the Annual Report in addition to the Summary Report for as long as I am/we are shareholder(s) of Hotel Properties Limited.
- Please do not send me/us the Summary Report and the Annual Report for as long as I am/we are shareholder(s) of Hotel Properties Limited.

Name(s) of Shareholder(s): _____ NRIC/Passport Number(s): _____

The shares are held by me under or through:

- CDP Securities Account Number

1	6	8	1	-															
---	---	---	---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
- CPFIS Account*
- Physical scrips

Address _____ Singapore _____

Signature(s) _____ Date _____

* Please note that if your shares are held under CPFIS, you can be included under the first option only.

Fold Flip

Fold along this line (3)



**BUSINESS REPLY SERVICE
PERMIT NO. 06334**



HOTEL PROPERTIES LIMITED
c/o The Central Depository (Pte) Ltd
4 Shenton Way
#02-01 SGX Centre 2
Singapore 068807

Postage will be
paid by addressee.
For posting in
Singapore only



Fold along this line (2)

Fold along this line (1)



Hotel Properties Limited

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HPL House, Singapore 249724
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www.hotelprop.com