



HOTEL PROPERTIES LIMITED

(REG. NO. 198000348Z)

Third Quarter Financial Statements

1(a)(i) Income Statement

| | GROUP \$'000 | |
|--|-------------------------------|---|
| | Quarter ended Sep 30, 2009 | Quarter ended Sep 30, 2008 (restated) |
| Revenue | 103,730 | 157,032 |
| Cost of sales | (73,614) | (115,380) |
| Gross profit | 30,116 | 41,652 |
| Other operating income | 501 | 407 |
| Administrative expenses | (11,705) | (13,640) |
| Other operating expenses | (119) | (6,996) |
| Finance costs | (7,669) | (8,049) |
| Other non-operating income | 41 | 1,001 |
| Share of results of associates and jointly controlled entities | (2,918) | 1,853 |
| Profit before income tax | 8,247 | 16,228 |
| Income tax | (5,500) | (3,911) |
| Profit for the period | 2,747 | 12,317 |
| Attributable to: | | |
| Shareholders of the Company | 3,838 | 13,367 |
| Minority interests | (1,091) | (1,050) |
| | 2,747 | 12,317 |

1(a)(ii) Notes to the income statement:

| | GROUP \$'000 | |
|---|-------------------------------|---|
| | Quarter ended Sep 30, 2009 | Quarter ended Sep 30, 2008 (restated) |
| Other income including interest income | 501 | 407 |
| Depreciation and amortisation | (12,507) | (12,971) |
| Fair value loss in held-for-trading investments | - | (6,428)* |
| Foreign exchange (loss) gain | (99)^ | 712^ |
| Adjustment for overprovision of tax in respect of prior years | 22 | 1,726 |

Note:

* Included in other operating expenses

^ Included in other non-operating income

1(a)(iii) Statement of Comprehensive Income

With effect from January 1, 2009, FRS 1 *Presentation of Financial Statements* requires an entity to present all non-owner changes in equity in a Statement of Comprehensive Income. Non-owner changes will include income and expenses recognised directly in equity. This is a change in presentation and does not affect the recognition or measurement of the entity's transactions. Previously, such non-owner changes are shown in the Statement of Changes in Equity.

| | GROUP \$'000 | |
|---|---------------------------------------|--|
| | Quarter ended Sep 30, 2009 | Quarter ended Sep 30, 2008 (restated) |
| Profit for the period | 2,747 | 12,317 |
| Other comprehensive income (after tax): | | |
| Exchange differences on translating foreign operations | (5,648) | 8,900 |
| Decrease in hedge reserve | (297) | (1,049) |
| Increase (decrease) in other capital reserve | 1,091 | (1,034) |
| Increase in other capital reserve arising from disposal of available-for-sale investments | 116 | - |
| Share of other comprehensive income of associates and jointly controlled entities | (1,643) | 180 |
| | (6,381) | 6,997 |
| Total comprehensive (loss) income | (3,634) | 19,314 |
| Attributable to: | | |
| Shareholders of the Company | (1,802) | 19,742 |
| Minority interests | (1,832) | (428) |
| | (3,634) | 19,314 |

1(b)(i) Balance Sheet

| | GROUP \$'000 | | COMPANY \$'000 | |
|--|------------------|------------------|-------------------|------------------|
| | Sep 30, 2009 | Dec 31, 2008 | Sep 30, 2009 | Dec 31, 2008 |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and bank balances | 42,019 | 41,328 | 9,025 | 10,724 |
| Trade and other receivables | 181,242 | 185,424 | 4,964 | 4,352 |
| Derivative financial instruments | - | 3,765 | - | 3,765 |
| Amount due from associates and jointly controlled entities | 105,538 | 156,655 | 9,891 | 9,891 |
| Amount due from subsidiaries | - | - | 748,814 | 709,713 |
| Inventories | 7,248 | 8,271 | 560 | 501 |
| Development properties | 365,743 | 369,915 | - | - |
| Completed properties held for sale | 6,214 | 6,214 | - | - |
| Total current assets | 708,004 | 771,572 | 773,254 | 738,946 |
| Non-current assets: | | | | |
| Associates and jointly controlled entities | 414,909 | 295,875 | 2,361 | 2,361 |
| Subsidiaries | - | - | 550,748 | 579,890 |
| Available-for-sale investments | 9,168 | 7,831 | - | - |
| Other long-term receivables and prepayments | 807 | 892 | - | - |
| Property, plant and equipment | 1,040,882 | 1,071,270 | 230,786 | 233,436 |
| Investment properties | 616,581 | 616,581 | - | - |
| Deferred tax assets | 130 | 128 | - | - |
| Intangible assets | 15,156 | 15,473 | - | - |
| Total non-current assets | 2,097,633 | 2,008,050 | 783,895 | 815,687 |
| Total assets | 2,805,637 | 2,779,622 | 1,557,149 | 1,554,633 |
| | | | | |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities: | | | | |
| Bank overdraft | 1,028 | - | - | - |
| Bank loans | 289,564 | 379,551 | 114,933 | 189,947 |
| Trade and other payables | 79,419 | 121,491 | 14,964 | 18,747 |
| Amount due to associates | 457 | 457 | - | - |
| Amount due to subsidiaries | - | - | 45,495 | 44,537 |
| Derivative financial instruments | 868 | - | - | - |
| Income tax payable | 7,006 | 7,887 | 2,128 | 1,841 |
| Total current liabilities | 378,342 | 509,386 | 177,520 | 255,072 |
| Non-current liabilities: | | | | |
| Advances from subsidiaries | - | - | 123,840 | 95,386 |
| Derivative financial instruments | 1,320 | 1,541 | 708 | - |
| Long-term bank loans | 1,094,732 | 959,754 | 429,523 | 383,586 |
| Other long-term liabilities | 13,910 | 14,734 | - | - |
| Deferred tax liabilities | 30,399 | 28,897 | 934 | 918 |
| Total non-current liabilities | 1,140,361 | 1,004,926 | 555,005 | 479,890 |
| Share capital and reserves: | | | | |
| Share capital | 681,322 | 681,322 | 681,322 | 681,322 |
| Reserves | 524,691 | 502,922 | 143,302 | 138,349 |
| Equity attributable to shareholders of the Company | 1,206,013 | 1,184,244 | 824,624 | 819,671 |
| Minority interests | 80,921 | 81,066 | - | - |
| Total equity | 1,286,934 | 1,265,310 | 824,624 | 819,671 |
| Total liabilities and equity | 2,805,637 | 2,779,622 | 1,557,149 | 1,554,633 |

1(b)(ii) Aggregate Amount of Group's Borrowings and Debt Securities**Amount repayable in one year or less, or on demand**

| As at 30/9/2009 | | As at 31/12/2008 | |
|-----------------|---------------|------------------|---------------|
| Secured | Unsecured | Secured | Unsecured |
| \$178,593,000 | \$114,933,000 | \$193,490,000 | \$189,947,000 |

Amount repayable after one year

| As at 30/9/2009 | | As at 31/12/2008 | |
|-----------------|---------------|------------------|---------------|
| Secured | Unsecured | Secured | Unsecured |
| \$828,031,000 | \$278,204,000 | \$731,159,000 | \$239,620,000 |

Details of any collateral

The above are secured by legal mortgages on properties of the Company and some subsidiaries, fixed and floating charges on assets of the Company and some subsidiaries and pledge of shares of certain subsidiaries.

1(c) Consolidated Cash Flow Statement

| | Quarter ended Sep 30, 2009 \$'000 | Quarter ended Sep 30, 2008 \$'000 (restated) |
|---|---|---|
| Cash flows from operating activities: | | |
| Profit before income tax and share of results of associates and jointly controlled entities | 11,165 | 14,375 |
| Adjustments for: | | |
| Amortisation of intangible assets | 82 | 82 |
| Depreciation expense | 12,425 | 12,890 |
| Share option expense | 365 | 403 |
| Net gain on disposal of available-for-sale investments | (152) | - |
| Finance costs | 7,669 | 8,049 |
| Interest income | (75) | (237) |
| Profit before working capital changes | 31,479 | 35,562 |
| Payables and accrued expenses | (5,240) | 10,467 |
| Development properties and expenditure | 6,865 | (473) |
| Receivables and prepayments | 22,633 | (47,627) |
| Held-for-trading investments | - | 13,295 |
| Inventories | (19) | (420) |
| Cash generated from operations | 55,718 | 10,804 |
| Income tax paid | (5,287) | (1,350) |
| Net cash from operating activities | 50,431 | 9,454 |
| Cash flows used in investing activities: | | |
| Additional property, plant and equipment | (2,921) | (14,795) |
| Additions in investment properties | - | (42) |
| Proceeds from disposal of available-for-sale investments | 1,385 | - |
| Proceeds from disposal of property, plant and equipment | 182 | 226 |
| Net investment in associates and jointly controlled entities | (60,446) | (46,739) |
| Cash used in investing activities | (61,800) | (61,350) |
| Cash flows (used in) from financing activities: | | |
| Interest received | 75 | 237 |
| Finance costs paid | (10,098) | (10,394) |
| (Repayment to) Advances from minority shareholders | (184) | 1,207 |
| Additional borrowings | 3,064 | 64,223 |
| Cash (used in) from financing activities | (7,143) | 55,273 |
| Net effect of exchange rate changes in consolidation | 5,445 | 1,840 |
| Net (decrease) increase in cash and cash equivalents | (13,067) | 5,217 |
| Cash and cash equivalents at beginning of period | 53,369 | 45,173 |
| Cash and cash equivalents at end of period | 40,302 | 50,390 |

Cash and cash equivalents at end of period

The cash and cash equivalents as at September 30, 2009, comprise of cash and bank balances less bank overdraft and deposits under pledge to banks of \$689,000.

1(d)(i) Statement of Changes in Equity

| | Share capital \$'000 | Retained profits \$'000 | Other reserves* \$'000 | Shareholders' equity \$'000 | Minority interests \$'000 | Total equity \$'000 |
|---|-------------------------|----------------------------|---------------------------|--------------------------------|------------------------------|------------------------|
| GROUP | | | | | | |
| Balance as at Jul 1, 2009 | 681,322 | 378,838 | 147,290 | 1,207,450 | 83,131 | 1,290,581 |
| Share-based payments during the period | - | - | 365 | 365 | - | 365 |
| Total comprehensive income for the period | - | 3,838 | (5,640) | (1,802) | (1,832) | (3,634) |
| Net movement during the period | - | - | - | - | (378) | (378) |
| Balance as at Sep 30, 2009 | 681,322 | 382,676 | 142,015 | 1,206,013 | 80,921 | 1,286,934 |
| | | | | | | |
| Balance as at Jul 1, 2008 | 681,119 | 371,939 | 154,513 | 1,207,571 | 84,183 | 1,291,754 |
| Share-based payments during the period | - | - | 403 | 403 | - | 403 |
| Total comprehensive income for the period | - | 13,367 | 6,375 | 19,742 | (428) | 19,314 |
| Net movement during the period | - | - | - | - | 802 | 802 |
| Balance as at Sep 30, 2008 | 681,119 | 385,306 | 161,291 | 1,227,716 | 84,557 | 1,312,273 |

* Includes asset revaluation reserve, exchange fluctuation reserve, hedge reserve, option reserve and other capital reserve.

| | Share capital \$'000 | Retained profits \$'000 | Other reserves** \$'000 | Total \$'000 |
|---|-------------------------|----------------------------|----------------------------|-----------------|
| COMPANY | | | | |
| Balance as at Jul 1, 2009 | 681,322 | 28,725 | 113,023 | 823,070 |
| Share-based payments during the period | - | - | 365 | 365 |
| Total comprehensive income for the period | - | 1,316 | (127) | 1,189 |
| Balance as at Sep 30, 2009 | 681,322 | 30,041 | 113,261 | 824,624 |
| | | | | |
| Balance as at Jul 1, 2008 | 681,119 | 13,684 | 111,786 | 806,589 |
| Share-based payments during the period | - | - | 403 | 403 |
| Total comprehensive income for the period | - | 8,270 | 408 | 8,678 |
| Balance as at Sep 30, 2008 | 681,119 | 21,954 | 112,597 | 815,670 |

** Includes asset revaluation reserve, hedge reserve and option reserve.

1(d)(ii) Details of Any Changes in Company's Issued Share Capital

The Company did not issue any new share since the end of the previous financial period reported on to the date of this announcement.

As at September 30, 2009, the number of outstanding share options under the Company's Share Option Scheme 2000 was 4,650,000 (as at September 30, 2008: 4,650,000), and the number of outstanding performance shares under the Company's Performance Share Plan was 946,000 (as at September 30, 2008: 1,182,500).

1(d)(iii) Total Number of Issued Shares

| | Sep 30, 2009 | Dec 31, 2008 |
|---|--------------|--------------|
| Total number of issued shares excluding treasury shares | 504,503,351 | 504,503,351 |

1(d)(iv) Statement Showing All Sales, Transfers, Disposal, Cancellation and/or Use of Treasury Shares

Not applicable. There is no treasury share as at the end of the current financial period reported on.

2. Audit Statement

The figures have not been audited or reviewed.

3. Auditors' Report

Not applicable.

4. Changes in Accounting Policies

The Group and Company have followed the same accounting policies and methods of computation as in the most recently audited annual financial statements.

5. Reasons for and Effect of Changes in Accounting Policies

Not applicable.

6. Earnings Per Share

| | Quarter ended Sep 30, 2009 | Quarter ended Sep 30, 2008 |
|--|----------------------------|----------------------------|
| Based on the weighted average number of ordinary shares in issue | 0.76 cents | 2.65 cents |
| On a fully diluted basis | 0.76 cents | 2.65 cents |

7. Net Asset Value

| | Sep 30, 2009 | Dec 31, 2008 |
|---------|--------------|--------------|
| GROUP | \$2.39 | \$2.35 |
| COMPANY | \$1.63 | \$1.62 |

8. Review of Performance

The Group's revenue for the third quarter ended September 30, 2009, was \$103.7 million compared to \$157 million for the corresponding quarter last year.

During the quarter under review, the Group's hotel division continued to suffer from the effects of the global financial crisis, although those in Singapore and Bali are beginning to show signs of recovery recording higher occupancy and room rates as compared to the previous quarter. The completion of The Met condominium development earlier this year also attributed to the lower revenue for Q3 2009 as compared to Q3 2008. Nevertheless, collection from purchasers resulted in higher cash generated from operations of \$55.7 million for the quarter under review compared to \$10.8 million for the corresponding quarter last year.

Losses from associates and jointly controlled entities comprised mainly of start up losses from two new resorts, Four Seasons Resort Seychelles and Hard Rock Hotel Penang which commenced business in February and September respectively as well as interest expenses recorded by Morganite Pte Ltd, developer of the Farrer Court site in Singapore.

Income tax expense was higher for Q3 2009 compared to Q3 2008 as there was a tax refund received in Q3 2008.

After taking into account minority share of results, the net profit attributable to shareholders for the quarter ended September 30, 2009, was \$3.8 million compared to \$13.4 million for the corresponding quarter last year.

9. Variance from Previous Forecast or Prospect Statement

Not applicable.

10. Outlook

As the global economy continues to stabilize, hotel occupancy is expected to increase, and the property sector is beginning to look more encouraging. Thus, barring unforeseen circumstances, the Board expects improvement in the operations of the Group in the last quarter of the year.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared/recommended by the Company for the current financial period reported on.

13. Interested Person Transactions ("IPT")

| Name of Interested Person | Aggregate value of all IPT during the third quarter ended Sep 30, 2009 (excluding transactions below \$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920) \$'000 | Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions below \$100,000) \$'000 |
|--|---|--|
| Associates* of Mr Ong Beng Seng / Mr David Fu Kuo Chen | | |
| - Rental income | 3,451 | - |

Note:

* "Associate" in relation to a director, chief executive officer or controlling shareholder means

- his immediately family;
- the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
- any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.

14. Negative Assurance Confirmation pursuant to Rule 705(4) of the Listing Manual

The Board confirms that, to the best of its knowledge, nothing has come to the attention of the Board which may render the third quarter 2009 unaudited financial statements to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lo Swee Oi
Company Secretary
November 12, 2009