



HOTEL PROPERTIES LIMITED

(REG. NO. 198000348Z)

First Quarter Financial Statement

1(a)(i) Income Statement

	GROUP \$'000	
	Quarter ended Mar 31, 2010	Quarter ended Mar 31, 2009
Revenue	120,057	119,488
Cost of sales	(82,373)	(80,570)
Gross profit	37,684	38,918
Other operating income	185	305
Administrative expenses	(12,658)	(12,124)
Other operating expenses	(691)	(518)
Finance costs	(8,046)	(7,950)
Other non-operating (expense) income	(278)	884
Share of results of associates and jointly controlled entities	(137)	(3,563)
Profit before income tax	16,059	15,952
Income tax expense	(2,801)	(1,787)
Profit after income tax	13,258	14,165
Attributable to:		
Shareholders of the Company	9,765	10,710
Minority interests	3,493	3,455
	13,258	14,165

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

	GROUP \$'000	
	Quarter ended Mar 31, 2010	Quarter ended Mar 31, 2009
Other income including interest income	185	305
Depreciation and amortisation	(12,586)	(13,666)
Foreign exchange (loss) gain	(271)*	866*
Adjustment for (under)over provision of tax in respect of prior years	(69)	453
Gain on disposal of a property, plant and equipment	-	100

Note:

* Included in other non-operating (expense) income

1(a)(iii) Statement of Comprehensive Income

	GROUP \$'000	
	Quarter ended Mar 31, 2010	Quarter ended Mar 31, 2009
Profit after income tax	13,258	14,165
Other comprehensive income (after tax):		
Exchange differences on translating foreign operations	6,026	16,057
Increase in hedge reserve	79	388
Increase in other capital reserve	-	158
Share of other comprehensive income of associates and jointly controlled entities	2,133	954
	8,238	17,557
Total comprehensive income	21,496	31,722
Attributable to:		
Shareholders of the Company	18,028	26,450
Minority interests	3,468	5,272
	21,496	31,722

1(b)(i) Statements of Financial Position

	GROUP \$'000		COMPANY \$'000	
	Mar 31, 2010	Dec 31, 2009	Mar 31, 2010	Dec 31, 2009
ASSETS				
Current assets:				
Cash and bank balances	79,161	48,054	8,832	14,522
Trade and other receivables	58,358	152,670	3,846	4,104
Amount due from associates and jointly controlled entities	109,836	105,608	9,531	9,531
Amount due from subsidiaries	-	-	705,426	733,291
Inventories	7,007	7,434	624	573
Development properties	311,117	307,998	-	-
Completed properties held for sale	60,223	64,405	-	-
Held-for-trading investments	2,260	2,540	-	-
Total current assets	627,962	688,709	728,259	762,021
Non-current assets:				
Associates and jointly controlled entities	417,471	416,256	2,361	2,361
Subsidiaries	-	-	596,947	561,557
Available-for-sale investments	5,068	5,068	-	-
Other long-term receivables and prepayments	754	779	-	-
Property, plant and equipment	1,028,334	1,035,456	229,888	230,674
Investment properties	616,581	616,581	-	-
Deferred tax assets	697	679	-	-
Intangible assets	14,986	15,026	-	-
Total non-current assets	2,083,891	2,089,845	829,196	794,592
Total assets	2,711,853	2,778,554	1,557,455	1,556,613
LIABILITIES AND EQUITY				
Current liabilities:				
Bank overdraft	-	1,154	-	-
Bank loans	237,122	176,537	199,915	114,965
Trade and other payables	83,537	99,438	15,575	19,077
Amount due to subsidiaries	-	-	55,677	45,565
Derivative financial instruments	894	584	-	-
Income tax payable	14,804	9,336	2,555	2,261
Total current liabilities	336,357	287,049	273,722	181,868
Non-current liabilities:				
Advances from subsidiaries	-	-	109,006	102,895
Derivative financial instruments	1,102	1,491	-	-
Long-term bank loans	1,015,369	1,145,092	347,700	444,129
Other long-term liabilities	10,974	13,506	-	-
Deferred tax liabilities	23,266	29,395	1,069	1,127
Total non-current liabilities	1,050,711	1,189,484	457,775	548,151
Share capital and reserves:				
Share capital	681,640	681,561	681,640	681,561
Reserves	557,540	539,290	144,318	145,033
Equity attributable to shareholders of the Company	1,239,180	1,220,851	825,958	826,594
Minority interests	85,605	81,170	-	-
Total equity	1,324,785	1,302,021	825,958	826,594
Total liabilities and equity	2,711,853	2,778,554	1,557,455	1,556,613

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

As at 31/3/2010		As at 31/12/2009	
Secured	Unsecured	Secured	Unsecured
\$40,988,000	\$199,915,000	\$66,517,000	\$114,965,000

Amount repayable after one year

As at 31/3/2010		As at 31/12/2009	
Secured	Unsecured	Secured	Unsecured
\$751,657,000	\$273,215,000	\$797,497,000	\$358,070,000

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 Statement of Cash Flows

	Quarter ended Mar 31, 2010 \$'000	Quarter ended Mar 31, 2009 \$'000
Cash flows from operating activities:		
Profit before income tax and share of results of associates and jointly controlled entities	16,196	19,515
Adjustments for:		
Amortisation of intangible assets	83	84
Depreciation expense	12,504	13,582
Share-based payment expense	238	364
Plant and equipment written off	-	69
Gain on disposal of a property, plant and equipment	-	(100)
Finance costs	8,046	7,950
Interest income	(38)	(79)
Profit before working capital changes	37,029	41,385
Trade and other payables	(18,626)	(28,171)
Completed properties held for sale	5,838	-
Development properties and expenditure	(918)	(1,102)
Receivables and prepayments	96,288	(6,672)
Held-for-trading investments	280	-
Inventories	427	631
Cash generated from operations	120,318	6,071
Income tax paid	(3,375)	(786)
Net cash from operating activities	116,943	5,285
Cash flows used in investing activities:		
Additional property, plant and equipment	(3,272)	(3,840)
Net investment in associates and jointly controlled entities	(4,329)	814
Proceeds from disposal of property, plant and equipment	139	783
Cash used in investing activities	(7,462)	(2,243)
Cash flows used in financing activities:		
Interest received	38	79
Finance costs paid	(9,677)	(11,332)
Advances from (Repayment to) minority shareholders	1,053	(393)
Additional borrowings	81,737	57,308
Repayment of borrowings	(151,191)	(48,577)
Proceeds from issue of shares	63	-
Cash used in financing activities	(77,977)	(2,915)
Net increase in cash and cash equivalents	31,504	127
Cash and cash equivalents at beginning of period	46,212	40,647
Effect of exchange rate changes on cash balances held in foreign currencies	745	770
Cash and cash equivalents at end of period	78,461	41,544

Cash and cash equivalents at end of period

The cash and cash equivalents as at March 31, 2010, comprise of cash and bank balances less deposits under pledge to banks of \$700,000.

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 Jan 1, 2010	681,561	398,998	140,292	1,220,851	81,170	1,302,021
Share-based payments during the period	-	-	238	238	-	238
Total comprehensive income for the period	-	9,765	8,263	18,028	3,468	21,496
Net movement during the period	-	-	-	-	967	967
Transfer during the period	16	-	(16)	-	-	-
Issue of shares	63	-	-	63	-	63
Balance as at Mar 31, 2010	681,640	408,763	148,777	1,239,180	85,605	1,324,785
GROUP						
Balance as at Jan 1, 2009	681,322	368,802	134,120	1,184,244	81,066	1,265,310
Share-based payments during the period	-	-	364	364	-	364
Total comprehensive income for the period	-	10,710	15,740	26,450	5,272	31,722
Net movement during the period	-	-	-	-	249	249
Balance as at Mar 31, 2009	681,322	379,512	150,224	1,211,058	86,587	1,297,645

* 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 Jan 1, 2010	681,561	31,039	113,994	826,594
Share-based payments during the period	-	-	238	238
Total comprehensive income for the period	-	(937)	-	(937)
Transfer during the period	16	-	(16)	-
Issue of shares	63	-	-	63
Balance as at Mar 31, 2010	681,640	30,102	114,216	825,958
COMPANY				
Balance as at Jan 1, 2009	681,322	26,074	112,275	819,671
Share-based payments during the period	-	-	364	364
Total comprehensive income for the period	-	4,995	(182)	4,813
Balance as at Mar 31, 2009	681,322	31,069	112,457	824,848

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

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

Since the end of the previous financial year reported on to the date of this announcement, 55,000 new ordinary shares were issued by the Company upon exercise of subscription rights by senior executives of the Company granted in conjunction with the Hotel Properties Limited Share Option Scheme 2000.

The newly issued shares rank pari passu in all respects with the existing shares of the Company.

As at March 31, 2010, the number of outstanding share options under the Company's Share Option Scheme 2000 was 7,805,000 (as at March 31, 2009: 4,650,000), and the number of outstanding performance shares under the Company's Performance Share Plan was 709,500 (as at March 31, 2009: 946,000).

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

	Mar 31, 2010	Dec 31, 2009
Total number of issued shares excluding treasury shares	504,794,851	504,739,851

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 Mar 31, 2010	Quarter ended Mar 31, 2009
Based on the weighted average number of ordinary shares in issue	1.93 cents	2.12 cents
On a fully diluted basis	1.93 cents	2.12 cents

7. Net Asset Value

	Mar 31, 2010	Dec 31, 2009
GROUP	\$2.45	\$2.42
COMPANY	\$1.64	\$1.64

8. Review of Performance

The Group recorded a revenue of \$120 million for the first quarter ended March 31, 2010, a slight increase over Group revenue of \$119.5 million for the same quarter last year. Although the Group's hotels in Singapore achieved higher occupancies, those in Bali and Maldives had lower room rates due to strong competition. The Group also recorded lower revenue from the Properties division as The Met condominium development was completed in Q2 2009. Nevertheless, collection from purchasers contributed to higher cash generated from operations of \$120 million for Q1 2010 compared to \$6 million for the same quarter last year.

The Group's share of losses of associates and jointly controlled entities decreased significantly from \$3.6 million for Q1 2009 to \$137,000 for the quarter under review. This is mainly attributable to improvement in results of Four Seasons Resort Seychelles and Hard Rock Hotel Penang which commenced business last year as well as share of profits from sale of offices by a joint venture company in Shanghai.

Group profit before income tax improved slightly from \$15.95 million for Q1 2009 to \$16.06 million for the quarter under review. Income tax expense for Q1 2009 was lower mainly due to adjustment for overprovision of tax in prior year and reduction in deferred tax liabilities arising from a reduction of Singapore corporate tax rate from 18% to 17%.

Group profit attributable to shareholders of the Company for the quarter ended March 31, 2010, was \$9.8 million compared to \$10.7 million for the corresponding quarter last year.

9. Variance from Previous Forecast or Prospect Statement

Not applicable.

10. Outlook

While the global economy has shown signs of recovery, uncertainties still remain with the fiscal crisis in the Eurozone economies.

In Singapore, exceptional Q1 growth prompted an official 2010 GDP growth forecast upgrade from 4.5% - 6.5% to 7% - 9% year-on-year. The private residential properties market remains buoyant with overall price increased by 5.6% in Q1 2010. An associate of the Group recently launched The Interlace, a 1,040 unit condominium development for sale. Two other proposed condominium developments at the former Beverly Mai site at Tomlinson Road and former Farrer Court site by a subsidiary and an associate respectively will also be launch-ready later this 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 first quarter ended Mar 31, 2010 (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	3,671	-
- Management fee expense	138	-

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 first quarter 2010 unaudited financial statements to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lo Swee Oi
Company Secretary
May 13, 2010