



HOTEL PROPERTIES LIMITED

(REG. NO. 198000348Z)

First Quarter Financial Statements

1(a)(i) Income Statement

	GROUP \$'000	
	Quarter ended Mar 31, 2012	Quarter ended Mar 31, 2011
Revenue	141,024	121,846
Cost of sales	(91,808)	(81,699)
Gross profit	49,216	40,147
Other operating income	3,067	848
Administrative expenses	(13,094)	(12,958)
Other operating expenses	(2,154)	(813)
Finance costs	(7,153)	(6,759)
Share of results of associates and jointly controlled entities	11,533	3,908
Profit before income tax	41,415	24,373
Income tax expense	(6,405)	(2,931)
Profit after income tax	35,010	21,442
Attributable to:		
Shareholders of the Company	30,372	16,763
Non-controlling interests	4,638	4,679
	35,010	21,442

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

	GROUP \$'000	
	Quarter ended Mar 31, 2012	Quarter ended Mar 31, 2011
Other income including interest income	611	513
Depreciation and amortisation	(12,660)	(12,075)
Fair value gain in held-for-trading investments*	2,425	335
Foreign exchange loss	(158)	(232)
Gain on disposal of property, plant and equipment	92	200

Note:

* Included in other operating income

1(a)(iii) Statement of Comprehensive Income

	GROUP \$'000	
	Quarter ended Mar 31, 2012	Quarter ended Mar 31, 2011
Profit after income tax	35,010	21,442
Other comprehensive income (after tax):		
Exchange differences on translating foreign operations	(7,663)	(8,213)
Increase in hedge reserve	-	304
Increase in other capital reserve	334	189
Share of other comprehensive income of associates and jointly controlled entities	(797)	1,353
	(8,126)	(6,367)
Total comprehensive income	26,884	15,075
Attributable to:		
Shareholders of the Company	22,962	10,733
Non-controlling interests	3,922	4,342
	26,884	15,075

1(b)(i) Statements of Financial Position

	GROUP \$'000		COMPANY \$'000	
	Mar 31, 2012	Dec 31, 2011	Mar 31, 2012	Dec 31, 2011
ASSETS				
Current assets:				
Cash and cash equivalents	89,225	76,232	13,599	11,920
Trade and other receivables	43,201	36,837	3,378	2,521
Amount due from associates and jointly controlled entities	40,849	41,958	8,451	8,451
Amount due from subsidiaries	-	-	540,926	527,853
Inventories	7,595	8,416	650	669
Development properties	272,964	295,024	-	-
Completed properties held for sale	36,261	38,207	-	-
Held-for-trading investments	10,525	13,374	-	-
Total current assets	500,620	510,048	567,004	551,414
Non-current assets:				
Associates and jointly controlled entities	547,594	514,841	1,061	1,061
Subsidiaries	-	-	671,532	725,610
Available-for-sale investments	28,530	28,342	-	-
Other long-term prepayments	513	552	-	-
Property, plant and equipment	978,739	995,799	227,523	227,859
Investment properties	633,560	633,560	-	-
Deferred tax assets	1,852	1,936	-	-
Intangible assets	10,361	10,565	-	-
Total non-current assets	2,201,149	2,185,595	900,116	954,530
Total assets	2,701,769	2,695,643	1,467,120	1,505,944
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	217,091	240,547	117,935	137,938
Trade and other payables	79,892	99,812	18,280	24,730
Amount due to subsidiaries	-	-	45,312	44,456
Income tax payable	13,797	11,383	823	632
Total current liabilities	310,780	351,742	182,350	207,756
Non-current liabilities:				
Advances from subsidiaries	-	-	133,644	128,781
Long-term bank loans	866,571	852,991	316,111	333,858
Other long-term liabilities	3,644	3,963	-	-
Deferred tax liabilities	25,525	25,312	1,045	1,124
Total non-current liabilities	895,740	882,266	450,800	463,763
Share capital and reserves:				
Share capital	684,530	684,530	684,530	684,530
Reserves	724,900	701,303	149,440	149,895
Equity attributable to shareholders of the Company	1,409,430	1,385,833	833,970	834,425
Non-controlling interests	85,819	75,802	-	-
Total equity	1,495,249	1,461,635	833,970	834,425
Total liabilities and equity	2,701,769	2,695,643	1,467,120	1,505,944

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

As at Mar 31, 2012		As at Dec 31, 2011	
Secured	Unsecured	Secured	Unsecured
\$100,978,000	\$117,935,000	\$105,305,000	\$137,938,000

Amount repayable after one year

As at Mar 31, 2012		As at Dec 31, 2011	
Secured	Unsecured	Secured	Unsecured
\$595,687,000	\$274,196,000	\$522,621,000	\$333,858,000

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, 2012 \$'000	Quarter ended Mar 31, 2011 \$'000
Cash flows from operating activities:		
Profit before income tax and share of results of associates and jointly controlled entities	29,882	20,465
Adjustments for:		
Amortisation of intangible assets	81	82
Depreciation expense	12,579	11,993
Share-based payment expense	635	440
Gain on disposal of property, plant and equipment	(92)	(200)
Finance costs	7,153	6,759
Interest income	(508)	(384)
Profit before working capital changes	49,730	39,155
Trade and other payables	(18,855)	(22,418)
Completed properties held for sale	1,575	2,288
Development properties and expenditure	23,936	11,038
Receivables and prepayments	(6,956)	(6,705)
Held-for-trading investments	2,849	(6,311)
Inventories	630	404
Cash generated from operations	52,909	17,451
Income tax paid	(3,889)	(2,434)
Net cash from operating activities	49,020	15,017
Cash flows (used in) from investing activities:		
Additional property, plant and equipment	(6,695)	(9,808)
Net investment in associates and jointly controlled entities	(22,345)	(95)
Balance proceeds from disposal of a jointly controlled entity	-	52,066
Proceeds from disposal of property, plant and equipment	280	493
Cash (used in) from investing activities	(28,760)	42,656
Cash flows used in financing activities:		
Interest received	508	384
Finance costs paid	(8,711)	(8,461)
Advances from minority shareholders	6,529	-
Additional borrowings	96,157	110,022
Repayment of borrowings	(101,472)	(169,981)
Cash used in financing activities	(6,989)	(68,036)
Net increase (decrease) in cash and cash equivalents	13,271	(10,363)
Cash and cash equivalents at beginning of period	72,477	83,337
Effect of exchange rate changes on cash balances held in foreign currencies	(170)	(574)
Cash and cash equivalents at end of period	85,578	72,400

Cash and cash equivalents at end of period

The cash and cash equivalents as at Mar 31, 2012, for the purposes of Consolidated Statement of Cash Flows, comprise of cash and cash equivalents less deposits under pledge to banks of \$3,647,000.

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

	Share capital \$'000	Retained profits \$'000	Other reserves* \$'000	Shareholders' equity \$'000	Non-controlling interests \$'000	Total equity \$'000
GROUP						
Balance as at Jan 1, 2011	683,926	529,234	129,940	1,343,100	81,686	1,424,786
Share-based payments during the period	-	-	440	440	-	440
Total comprehensive income (loss) for the period	-	16,763	(6,030)	10,733	4,342	15,075
Net movement during the period	-	-	-	-	(556)	(556)
Balance as at Mar 31, 2011	683,926	545,997	124,350	1,354,273	85,472	1,439,745
Balance as at Jan 1, 2012	684,530	574,389	126,914	1,385,833	75,802	1,461,635
Share-based payments during the period	-	-	635	635	-	635
Total comprehensive income (loss) for the period	-	30,372	(7,410)	22,962	3,922	26,884
Net movement during the period	-	-	-	-	6,095	6,095
Balance as at Mar 31, 2012	684,530	604,761	120,139	1,409,430	85,819	1,495,249

* 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, 2011	683,926	35,252	115,555	834,733
Share-based payments during the period	-	-	440	440
Total comprehensive income (loss) for the period	-	(1,611)	-	(1,611)
Balance as at Mar 31, 2011	683,926	33,641	115,995	833,562
Balance as at Jan 1, 2012	684,530	32,862	117,033	834,425
Share-based payments during the period	-	-	635	635
Total comprehensive income (loss) for the period	-	(1,090)	-	(1,090)
Balance as at Mar 31, 2012	684,530	31,772	117,668	833,970

** Includes asset revaluation 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 for the current quarter under review.

As at Mar 31, 2012, the number of outstanding share options under the Company's Share Option Schemes was 9,275,000 (as at Mar 31, 2011: 7,805,000), and the number of outstanding performance shares under the Company's Performance Share Plan was 1,996,000 (as at Mar 31, 2011: 473,000).

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

	Mar 31, 2012	Dec 31, 2011
Total number of issued shares excluding treasury shares	506,067,851	506,067,851

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 except as explained in paragraph 5 below.

5. Reasons for and Effect of Changes in Accounting Policies

The Group has adopted all relevant new/revised Singapore Financial Reporting Standards ("FRS") that are mandatory for financial years beginning on or after January 1, 2012 as detailed below.

Amendments to FRS 12 Income Tax

The amendments to FRS 12 provide a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in FRS 40 *Investment Property*. The amendments introduce a presumption that an investment property is recovered entirely through sale unless rebutted.

Amendments to FRS 107 Financial Instruments: Disclosures - Transfers of Financial Assets

The amendments to FRS 107 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

6. Earnings Per Share

	Quarter ended Mar 31, 2012	Quarter ended Mar 31, 2011
Based on the weighted average number of ordinary shares in issue	6.00 cents	3.31 cents
On a fully diluted basis	5.99 cents	3.31 cents

7. Net Asset Value

	Mar 31, 2012	Dec 31, 2011
GROUP	\$2.79	\$2.74
COMPANY	\$1.65	\$1.65

8. Review of Performance

For the first quarter ended March 31, 2012, the Group achieved a revenue of \$141 million, which is 15.7% higher than the \$121.8 million recorded for the corresponding quarter last year. The increase was mainly attributable to income recognition from the Tomlinson Heights condominium development on a percentage of completion basis as well as better performances by the Group's hotels and resorts, especially those in Singapore and Maldives. The strong cashflow generated from operations has strengthened the Group's financial position, increasing cash balances and lowering bank borrowings.

The Group's share of results of associates and jointly controlled entities has also improved significantly from \$3.9 million for Q1 2011 to \$11.5 million for the quarter under review, mainly due to higher profit recognition from The Interlace condominium development at Alexandra Road, Singapore and d'Leedon condominium development at Farrer Road, Singapore.

Income tax expense is higher for the quarter under review compared to Q1 2011 due to higher profits as well as the imposition of business profit tax in Maldives since July 2011.

After taking into account taxes and non-controlling interests, the net profit attributable to shareholders for the quarter ended March 31, 2012 improved by 81% to \$30.4 million from \$16.8 million for the corresponding quarter last year.

9. Variance from Previous Forecast or Prospect Statement

Not applicable.

10. Outlook

The outlook for the hospitality industry remains positive although uncertainties remain in the Eurozone and US economies. Escalating oil prices also pose inflationary pressure and higher operating costs for the Group's businesses.

The Singapore property market is still adjusting to the latest market cooling measures introduced by the government at the end of last year. Nevertheless, quality developments in good locations are expected to hold their value better over the longer term because of their scarcity and exclusivity.

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

Not applicable.

13. Interested Person Transactions ("IPT")

The Group has not obtained a general mandate from shareholders for IPTs.

Name of Interested Person	Aggregate value of all IPT during the first quarter ended Mar 31, 2012 (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	3,345	-
- Management fee expense	248	-
- Equity contribution	2,773	-

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(5) 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 2012 unaudited financial statements to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lo Swee Oi
Company Secretary
May 11, 2012