



HOTEL PROPERTIES LIMITED

(REG. NO. 198000348Z)

First Quarter Financial Statements

1(a)(i) Income Statement

	GROUP \$'000	
	Quarter ended Mar 31, 2013	Quarter ended Mar 31, 2012
Revenue	163,762	141,024
Cost of sales	(107,103)	(91,808)
Gross profit	56,659	49,216
Other operating income	1,739	3,159
Administrative expenses	(13,640)	(13,094)
Other operating expenses	(318)	(2,246)
Finance costs	(5,813)	(7,153)
Share of results of associates and jointly controlled entities	12,159	11,533
Profit before income tax	50,786	41,415
Income tax expense	(7,532)	(6,405)
Profit after income tax	43,254	35,010
Attributable to:		
Shareholders of the Company	38,089	30,372
Non-controlling interests	5,165	4,638
	43,254	35,010

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

	GROUP \$'000	
	Quarter ended Mar 31, 2013	Quarter ended Mar 31, 2012
Other income including interest income	768	611
Depreciation and amortisation	(13,194)	(12,660)
Fair value gain in held-for-trading investments*	357	2,425
Foreign exchange gain (loss)*	202	(158)
Impairment of available-for-sale investments*	(98)	-
Gain on disposal of property, plant and equipment*	412	92

Note:

* Included in other operating income (expenses)

1(a)(iii) Statement of Comprehensive Income

	GROUP \$'000	
	Quarter ended Mar 31, 2013	Quarter ended Mar 31, 2012
Profit after income tax	43,254	35,010
Other comprehensive income (after tax):		
Exchange differences on translating foreign operations	18,688	(7,663)
(Decrease) Increase in other capital reserve	(249)	334
Share of other comprehensive income of associates and jointly controlled entities	(2,210)	(797)
	16,229	(8,126)
Total comprehensive income	59,483	26,884
Attributable to:		
Shareholders of the Company	53,932	22,962
Non-controlling interests	5,551	3,922
	59,483	26,884

1(b)(i) Statements of Financial Position

	GROUP \$'000		COMPANY \$'000	
	Mar 31, 2013	Dec 31, 2012	Mar 31, 2013	Dec 31, 2012
ASSETS				
Current assets:				
Cash and cash equivalents	97,540	83,189	7,596	9,754
Held-for-trading investments	-	3,342	-	-
Available-for-sale investments	16,417	16,207	-	-
Trade and other receivables	47,456	40,630	4,534	2,964
Amount due from associates	44,578	43,882	7,731	7,731
Amount due from subsidiaries	-	-	636,252	646,013
Inventories	7,395	8,178	590	620
Development properties	278,955	271,750	-	-
Completed properties held for sale	29,279	28,344	-	-
Total current assets	521,620	495,522	656,703	667,082
Non-current assets:				
Associates and jointly controlled entities	709,826	694,472	1,061	1,061
Subsidiaries	-	-	684,205	684,324
Available-for-sale investments	9,191	9,417	-	-
Other long-term prepayments	426	440	-	-
Property, plant and equipment	967,174	962,374	225,652	226,351
Investment properties	661,626	661,626	-	-
Deferred tax assets	2,281	2,307	-	-
Intangible assets	6,981	6,964	-	-
Total non-current assets	2,357,505	2,337,600	910,918	911,736
Total assets	2,879,125	2,833,122	1,567,621	1,578,818
LIABILITIES AND EQUITY				
Current liabilities:				
Short-term borrowings	75,311	134,212	29,982	89,970
Trade and other payables	79,954	95,464	16,904	25,515
Amount due to subsidiaries	-	-	45,851	44,456
Income tax payable	14,563	12,027	1,372	895
Total current liabilities	169,828	241,703	94,109	160,836
Non-current liabilities:				
Advances from subsidiaries	-	-	133,767	129,804
Long-term borrowings	915,776	859,063	345,164	294,078
Deferred tax liabilities	18,605	17,175	904	939
Total non-current liabilities	934,381	876,238	479,835	424,821
Share capital and reserves:				
Share capital	686,139	686,139	686,139	686,139
Reserves	843,928	789,531	159,191	158,675
Equity attributable to shareholders of the Company	1,530,067	1,475,670	845,330	844,814
Perpetual capital securities	148,347	148,347	148,347	148,347
	1,678,414	1,624,017	993,677	993,161
Non-controlling interests	96,502	91,164	-	-
Total equity	1,774,916	1,715,181	993,677	993,161
Total liabilities and equity	2,879,125	2,833,122	1,567,621	1,578,818

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, 2013		As at Dec 31, 2012	
Secured	Unsecured	Secured	Unsecured
\$45,329,000	\$29,982,000	\$44,242,000	\$89,970,000

Amount repayable after one year

As at Mar 31, 2013		As at Dec 31, 2012	
Secured	Unsecured	Secured	Unsecured
\$576,736,000	\$339,040,000	\$564,985,000	\$294,078,000

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, 2013 \$'000	Quarter ended Mar 31, 2012 \$'000
Cash flows from operating activities:		
Profit before income tax and share of results of associates and jointly controlled entities	38,627	29,882
Adjustments for:		
Amortisation of intangible assets	82	81
Depreciation expense	13,112	12,579
Share-based payment expense	465	635
Impairment of available-for-sale investments	98	-
Gain on disposal of property, plant and equipment	(412)	(92)
Finance costs	5,813	7,153
Interest income	(466)	(508)
Profit before working capital changes	57,319	49,730
Trade and other payables	(16,330)	(18,855)
Completed properties held for sale	814	1,575
Development properties and expenditure	(5,366)	23,936
Receivables and prepayments	(6,225)	(6,956)
Held-for-trading investments	3,342	2,849
Inventories	923	630
Cash generated from operations	34,477	52,909
Income tax paid	(3,646)	(3,889)
Net cash from operating activities	30,831	49,020
Cash flows used in investing activities:		
Additional property, plant and equipment	(7,623)	(6,695)
Net investment in associates and jointly controlled entities	(2,602)	(22,345)
Proceeds from disposal of property, plant and equipment	557	280
Cash used in investing activities	(9,668)	(28,760)
Cash flows used in financing activities:		
Interest received	466	508
Finance costs paid	(7,410)	(8,711)
(Repayment to) Advances from non-controlling shareholders	(522)	6,529
Additional borrowings	152,919	96,157
Repayment of borrowings	(153,683)	(101,472)
Cash used in financing activities	(8,230)	(6,989)
Net increase in cash and cash equivalents	12,933	13,271
Cash and cash equivalents at beginning of period	79,827	72,477
Effect of exchange rate changes on cash balances held in foreign currencies	1,357	(170)
Cash and cash equivalents at end of period	94,117	85,578

Cash and cash equivalents at end of period

The cash and cash equivalents as at Mar 31, 2013, for the purposes of Consolidated Statement of Cash Flows, comprise of cash and cash equivalents less deposits under pledge to banks of \$3,423,000.

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

	Share capital \$'000	Retained profits \$'000	Other reserves* \$'000	Shareholders' equity \$'000	Perpetual capital securities \$'000	Subtotal \$'000	Non-controlling interests \$'000	Total equity \$'000
GROUP								
Balance as at Jan 1, 2012	684,530	583,569	126,914	1,395,013	-	1,395,013	77,400	1,472,413
Share-based payments during the period	-	-	635	635	-	635	-	635
Total comprehensive income (loss) for the period	-	30,372	(7,410)	22,962	-	22,962	3,922	26,884
Net movement during the period	-	-	-	-	-	-	6,095	6,095
Balance as at Mar 31, 2012	684,530	613,941	120,139	1,418,610	-	1,418,610	87,417	1,506,027
Balance as at Jan 1, 2013	686,139	683,332	106,199	1,475,670	148,347	1,624,017	91,164	1,715,181
Share-based payments during the period	-	-	465	465	-	465	-	465
Total comprehensive income (loss) for the period	-	38,089	15,843	53,932	-	53,932	5,551	59,483
Net movement during the period	-	-	-	-	-	-	(213)	(213)
Balance as at Mar 31, 2013	686,139	721,421	122,507	1,530,067	148,347	1,678,414	96,502	1,774,916

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

	Share capital \$'000	Retained profits \$'000	Other reserves** \$'000	Shareholders' equity \$'000	Perpetual capital securities \$'000	Total equity \$'000
COMPANY						
Balance as at Jan 1, 2012	684,530	32,862	117,033	834,425	-	834,425
Share-based payments during the period	-	-	635	635	-	635
Total comprehensive income (loss) for the period	-	(1,090)	-	(1,090)	-	(1,090)
Balance as at Mar 31, 2012	684,530	31,772	117,668	833,970	-	833,970
Balance as at Jan 1, 2013	686,139	40,419	118,256	844,814	148,347	993,161
Share-based payments during the period	-	-	465	465	-	465
Total comprehensive income (loss) for the period	-	51	-	51	-	51
Balance as at Mar 31, 2013	686,139	40,470	118,721	845,330	148,347	993,677

** 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, 2013, the number of outstanding share options under the Company's Share Option Schemes was 10,100,000 (as at Mar 31, 2012: 9,275,000), and the number of outstanding performance shares under the Company's Performance Share Plan was 1,759,500 (as at Mar 31, 2012: 1,996,000).

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

	Mar 31, 2013	Dec 31, 2012
Total number of issued shares excluding treasury shares	507,059,351	507,059,351

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 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") and amendments that are mandatory for financial years beginning on or after January 1, 2013. The adoption of these new/revised FRSs and amendments has no significant impact to the Group.

6. Earnings Per Ordinary Share

	Quarter ended Mar 31, 2013	Quarter ended Mar 31, 2012
Based on the weighted average number of ordinary shares in issue	7.06 cents	6.00 cents
On a fully diluted basis	7.02 cents	5.99 cents

Earnings per ordinary share is calculated based on net profit attributable to ordinary shareholders after deducting provision for distribution to perpetual capital securities holders.

7. Net Asset Value

	Mar 31, 2013	Dec 31, 2012
GROUP	\$3.02	\$2.91
COMPANY	\$1.67	\$1.67

Net asset value per ordinary share is calculated based on net assets excluding perpetual capital securities that is attributable to the ordinary shareholders divided by the number of issued shares of the Company.

8. Review of Performance

For the first quarter ended March 31, 2013, the Group achieved a revenue of \$163.8 million, which is 16% higher than the \$141 million recorded for the corresponding quarter last year. The increase was mainly attributable to higher income recognised from the Tomlinson Heights condominium development on a percentage of completion basis and stronger contributions from the Group's resorts in the Maldives.

The Group's share of results of associates and jointly controlled entities has also improved as the Group continues to equity account for the profits from The Interlace condominium development at Alexandra Road, Singapore, and d'Leedon condominium development at Farrer Road, Singapore.

After taking into account taxes and non-controlling interests, the Group net profit attributable to shareholders for the quarter ended March 31, 2013, was \$38.1 million, an increase of 25.4% from \$30.4 million reported for the corresponding quarter last year.

9. Variance from Previous Forecast or Prospect Statement

Not applicable.

10. Outlook

Uncertainties remain in the US and European economies. China and Singapore are also expecting lower economic growth. The H7N9 bird flu situation in China, if not contained, could also impact the hospitality business. In Singapore, the residential property market sentiments, particularly those of the high end projects, had been affected by the series of cooling measures implemented by the government.

The Group will continue with its current strategy of operating in diversified business segments as well as geographical locations.

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")

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, 2013 (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	3,259	-
- Management fee income	249	-
- Management fee expense	173	-
- Equity contribution	1,737	-

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 2013 unaudited financial statements to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lo Swee Oi
Company Secretary
May 14, 2013