



HOTEL PROPERTIES LIMITED

(REG. NO. 198000348Z)

Third Quarter Financial Statements

1(a)(i) Income Statement

	GROUP \$'000	
	Quarter ended Sep 30, 2013	Quarter ended Sep 30, 2012
Revenue	180,085	127,106
Cost of sales	(129,792)	(93,775)
Gross profit	50,293	33,331
Other operating income	855	2,324
Administrative expenses	(13,121)	(12,371)
Other operating expenses	(629)	(1,591)
Finance costs	(6,427)	(6,050)
Share of results of associates and jointly controlled entities	25,612	13,222
Profit before income tax	56,583	28,865
Income tax expense	(6,777)	(4,132)
Profit after income tax	49,806	24,733
Attributable to:		
Shareholders of the Company	50,426	24,797
Non-controlling interests	(620)	(64)
	49,806	24,733

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

	GROUP \$'000	
	Quarter ended Sep 30, 2013	Quarter ended Sep 30, 2012
Other income including interest income	565	587
Depreciation and amortisation	(12,700)	(12,477)
Fair value gain in held-for-trading investments*	220	1,737
Foreign exchange loss*	(15)	(217)
Adjustment for over provision of tax in respect of prior years	103	298
Gain on disposal of property, plant and equipment*	70	-

Note:

* Included in other operating income (expenses)

1(a)(iii) Statement of Comprehensive Income

	GROUP \$'000	
	Quarter ended Sep 30, 2013	Quarter ended Sep 30, 2012
Profit after income tax	49,806	24,733
Other comprehensive income (after tax):		
Exchange differences on translating foreign operations	(4,385)	(8,393)
(Decrease) Increase in other capital reserve	(324)	239
Share of other comprehensive income of associates and jointly controlled entities	8,548	(119)
	3,839	(8,273)
Total comprehensive income	53,645	16,460
Attributable to:		
Shareholders of the Company	54,587	17,395
Non-controlling interests	(942)	(935)
	53,645	16,460

1(b)(i) Statements of Financial Position

	GROUP \$'000		COMPANY \$'000	
	Sep 30, 2013	Dec 31, 2012	Sep 30, 2013	Dec 31, 2012
ASSETS				
Current assets:				
Cash and cash equivalents	81,676	83,189	17,868	9,754
Held-for-trading investments	3,290	3,342	-	-
Available-for-sale investments	-	16,207	-	-
Trade and other receivables	89,845	40,630	28,541	2,964
Amount due from associates	36,806	43,882	7,731	7,731
Amount due from subsidiaries	-	-	658,986	646,013
Inventories	7,860	8,178	579	620
Development properties	324,809	271,750	-	-
Completed properties held for sale	22,288	28,344	-	-
Total current assets	566,574	495,522	713,705	667,082
Non-current assets:				
Associates and jointly controlled entities	816,889	694,472	1,061	1,061
Subsidiaries	-	-	753,360	684,324
Available-for-sale investments	8,402	9,417	-	-
Other long-term prepayments	391	440	-	-
Property, plant and equipment	957,414	962,374	225,122	226,351
Investment properties	661,626	661,626	-	-
Deferred tax assets	2,292	2,307	-	-
Intangible assets	6,729	6,964	-	-
Total non-current assets	2,453,743	2,337,600	979,543	911,736
Total assets	3,020,317	2,833,122	1,693,248	1,578,818
LIABILITIES AND EQUITY				
Current liabilities:				
Short-term borrowings	204,667	134,212	29,997	89,970
Trade and other payables	93,019	95,464	21,333	25,515
Amount due to subsidiaries	-	-	45,384	44,456
Income tax payable	7,817	12,027	1,337	895
Total current liabilities	305,503	241,703	98,051	160,836
Non-current liabilities:				
Advances from subsidiaries	-	-	135,975	129,804
Long-term borrowings	934,328	859,063	496,940	294,078
Deferred tax liabilities	24,020	17,175	913	939
Total non-current liabilities	958,348	876,238	633,828	424,821
Share capital and reserves:				
Share capital	687,187	686,139	687,187	686,139
Reserves	861,604	789,531	125,835	158,675
Equity attributable to shareholders of the Company	1,548,791	1,475,670	813,022	844,814
Perpetual capital securities	148,347	148,347	148,347	148,347
	1,697,138	1,624,017	961,369	993,161
Non-controlling interests	59,328	91,164	-	-
Total equity	1,756,466	1,715,181	961,369	993,161
Total liabilities and equity	3,020,317	2,833,122	1,693,248	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 Sep 30, 2013		As at Dec 31, 2012	
Secured	Unsecured	Secured	Unsecured
\$174,670,000	\$29,997,000	\$44,242,000	\$89,970,000

Amount repayable after one year

As at Sep 30, 2013		As at Dec 31, 2012	
Secured	Unsecured	Secured	Unsecured
\$445,453,000	\$488,875,000	\$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 Sep 30, 2013 \$'000	Quarter ended Sep 30, 2012 \$'000
Cash flows from operating activities:		
Profit before income tax and share of results of associates and jointly controlled entities	30,971	15,643
Adjustments for:		
Amortisation of intangible assets	80	80
Depreciation expense	12,620	12,397
Share-based payment expense	404	441
Gain on disposal of property, plant and equipment	(70)	-
Finance costs	6,427	6,050
Interest income	(381)	(481)
Dividend income	-	(16)
Profit before working capital changes	50,051	34,114
Trade and other payables	7,877	7,425
Completed properties held for sale	5,596	743
Development properties and expenditure	(22,734)	8,589
Receivables and prepayments	(4,860)	(3,832)
Held-for-trading investments	(965)	3,728
Inventories	(153)	194
Cash generated from operations	34,812	50,961
Dividend received	-	16
Income tax paid	(6,325)	(5,332)
Net cash from operating activities	28,487	45,645
Cash flows used in investing activities:		
Additional property, plant and equipment	(8,264)	(10,828)
Deposits placed for investments ⁽¹⁾	(47,830)	-
Net investment in associates and jointly controlled entities	(33,597)	(14,188)
Proceeds from disposal of available-for-sale investment	15,844	-
Proceeds from disposal of property, plant and equipment	202	181
Cash used in investing activities	(73,645)	(24,835)
Cash flows from (used in) financing activities:		
Interest received	381	481
Finance costs paid	(7,868)	(7,693)
Advances from non-controlling shareholders	4,311	884
Additional borrowings	188,095	163,329
Repayment of borrowings	(146,201)	(177,710)
Decrease in deposits under pledge to bank	100	170
Proceeds from issue of shares	17	738
Cash from (used in) financing activities	38,835	(19,801)
Net (decrease) increase in cash and cash equivalents	(6,323)	1,009
Cash and cash equivalents at beginning of period	84,172	76,071
Effect of exchange rate changes on cash balances held in foreign currencies	486	(951)
Cash and cash equivalents at end of period	78,335	76,129

Cash and cash equivalents at end of period

The cash and cash equivalents as at Sep 30, 2013, for the purposes of Consolidated Statement of Cash Flows, comprise of cash and cash equivalents less deposits under pledge to banks of \$3,341,000.

Note:

(1) Included and resulting in an increase in Trade and other receivables in the Group Statement of Financial Position.

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

	Share capital \$'000	Retained profits \$'000	Other reserves* \$'000	Share-holders' equity \$'000	Perpetual capital securities \$'000	Subtotal \$'000	Non-controlling interests \$'000	Total equity \$'000
GROUP								
Balance as at Jul 1, 2012	684,530	610,549	114,065	1,409,144	148,347	1,557,491	82,701	1,640,192
Share-based payments during the period	-	-	441	441	-	441	-	441
Total comprehensive income (loss) for the period	-	24,797	(7,402)	17,395	-	17,395	(935)	16,460
Net movement during the period	-	-	-	-	-	-	313	313
Issue of shares	926	-	(188)	738	-	738	-	738
Balance as at Sep 30, 2012	685,456	635,346	106,916	1,427,718	148,347	1,576,065	82,079	1,658,144
Balance as at Jul 1, 2013	687,164	715,673	90,946	1,493,783	148,347	1,642,130	55,835	1,697,965
Share-based payments during the period	-	-	404	404	-	404	-	404
Total comprehensive income (loss) for the period	-	50,426	4,161	54,587	-	54,587	(942)	53,645
Net movement during the period	-	-	-	-	-	-	4,435	4,435
Issue of shares	23	-	(6)	17	-	17	-	17
Balance as at Sep 30, 2013	687,187	766,099	95,505	1,548,791	148,347	1,697,138	59,328	1,756,466

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

	Share capital \$'000	Retained profits \$'000	Other reserves** \$'000	Share-holders' equity \$'000	Perpetual capital securities \$'000	Total equity \$'000
COMPANY						
Balance as at Jul 1, 2012	684,530	6,321	118,062	808,913	148,347	957,260
Share-based payments during the period	-	-	441	441	-	441
Total comprehensive income (loss) for the period	-	(846)	-	(846)	-	(846)
Issue of shares	926	-	(188)	738	-	738
Balance as at Sep 30, 2012	685,456	5,475	118,315	809,246	148,347	957,593
Balance as at Jul 1, 2013	687,164	2,747	118,954	808,865	148,347	957,212
Share-based payments during the period	-	-	404	404	-	404
Total comprehensive income (loss) for the period	-	3,736	-	3,736	-	3,736
Issue of shares	23	-	(6)	17	-	17
Balance as at Sep 30, 2013	687,187	6,483	119,352	813,022	148,347	961,369

** Includes asset revaluation reserve and option reserve.

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

The Company issued 10,000 new ordinary shares for the current quarter under review 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 Sep 30, 2013, the number of outstanding share options under the Company's Share Option Schemes was 11,045,000 (as at Sep 30, 2012: 10,210,000), and the number of outstanding performance shares under the Company's Performance Share Plan was 1,759,500 (as at Sep 30, 2012: 1,996,000).

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

	Sep 30, 2013	Dec 31, 2012
Total number of issued shares excluding treasury shares	507,694,351	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 Sep 30, 2013	Quarter ended Sep 30, 2012
Based on the weighted average number of ordinary shares in issue	9.48 cents	4.90 cents
On a fully diluted basis	9.44 cents	4.88 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

	Sep 30, 2013	Dec 31, 2012
GROUP	\$3.05	\$2.91
COMPANY	\$1.60	\$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

The Group achieved a revenue of \$180.1 million for the third quarter ended September 30, 2013, an increase of 41.7% as compared to \$127.1 million recorded for the corresponding period 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 the Maldives and Bali.

The Group's share of results of associates and jointly controlled entities has also increased from \$13.2 million for Q3 2012 to \$25.6 million for the quarter under review, mainly due to gain on disposal of certain associates which hold investment properties at Kensington Square, London. The Group also continues to equity account for profits from The Interlace condominium development at Alexandra Road, Singapore, and d'Leedon condominium development at Farrer Road, Singapore.

The positive results of associates and jointly controlled entities, together with investments in new associates and joint ventures, including properties at Campden Hill and Frenchchurch Street, London, as well as another property in Midtown Manhattan, New York, resulted in an increase in Associates and jointly controlled entities balance with a corresponding increase in borrowings in the Group Statement of Financial Position.

After taking into account taxes and non-controlling interests, the Group net profit attributable to shareholders for the quarter ended September 30, 2013, was \$50.4 million, more than double of the \$24.8 million recorded for the corresponding quarter last year.

9. Variance from Previous Forecast or Prospect Statement

Not applicable.

10. Outlook

The outlook for the Group's hotels and resorts' business is positive, although uncertainties remain in the global economic and political environment.

The Singapore residential properties market sentiments have been further dampened with the introduction of the Total Debt Servicing Ratio (TDSR). The Group will continue to recognise profits from the Tomlinson Heights and d'Leedon condominium developments as well as from progressive sale of units at The Interlace which has received Temporary Occupation Permit in September 2013.

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/recommendeded 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 third quarter ended Sep 30, 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	3,027	-
- Management fee income	163	-
- Management fee expense	177	-

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

BY ORDER OF THE BOARD

Lo Swee Oi
Company Secretary
November 12, 2013