



HOTEL PROPERTIES LIMITED

(REG. NO. 198000348Z)

Third Quarter Financial Statements

1(a)(i) Income Statement

	GROUP \$'000	
	Quarter ended Sep 30, 2015	Quarter ended Sep 30, 2014
Revenue	133,278	146,048
Cost of sales	(101,751)	(106,832)
Gross profit	31,527	39,216
Other operating income	3,482	2,224
Administrative expenses	(13,978)	(13,822)
Other operating expenses	(446)	(232)
Finance costs	(9,114)	(8,393)
Share of results of associates and jointly controlled entities	9,899	337
Profit before income tax	21,370	19,330
Income tax expense	(3,970)	(3,949)
Profit after income tax	17,400	15,381
Attributable to:		
Shareholders of the Company	16,897	15,091
Non-controlling interests	503	290
	17,400	15,381

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

	GROUP \$'000	
	Quarter ended Sep 30, 2015	Quarter ended Sep 30, 2014
Other income including interest income*	450	350
Depreciation and amortisation	(12,917)	(12,348)
Foreign exchange gain*	2,841	232
Adjustment for over (under) provision of tax in respect of prior years	82	(344)
Impairment of available-for-sale investments*	(76)	-
Gain on disposal of a subsidiary*	-	1,642
Gain on disposal of property, plant and equipment*	189	-

Note:

* Included in other operating income (expenses)

1(a)(iii) Statement of Comprehensive Income

	GROUP \$'000	
	Quarter ended Sep 30, 2015	Quarter ended Sep 30, 2014
Profit after income tax	17,400	15,381
Other comprehensive income (loss) (net of tax):		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translating foreign operations	1,260	12,005
Decrease in other capital reserve	(430)	-
Share of other comprehensive income of associates and jointly controlled entities	346	(3,370)
	1,176	8,635
Other comprehensive income for the period, net of tax	1,176	8,635
Total comprehensive income	18,576	24,016
Attributable to:		
Shareholders of the Company	16,945	23,417
Non-controlling interests	1,631	599
	18,576	24,016

1(b)(i) Statements of Financial Position

	GROUP		COMPANY	
	\$'000		\$'000	
	Sep 30, 2015	Dec 31, 2014	Sep 30, 2015	Dec 31, 2014
ASSETS				
Current assets:				
Cash and bank balances	173,486	136,602	10,966	37,515
Held-for-trading investments	-	9,495	-	-
Trade and other receivables	48,992	61,217	4,051	3,170
Amount due from associates	24,841	37,307	6,231	6,231
Amount due from subsidiaries	-	-	881,096	828,453
Inventories	9,257	10,058	267	249
Completed properties held for sale	209,805	261,591	-	-
Total current assets	466,381	516,270	902,611	875,618
Non-current assets:				
Associates and jointly controlled entities	822,323	842,386	-	-
Subsidiaries	-	-	580,746	625,873
Available-for-sale investments	60,676	8,096	-	-
Property, plant and equipment	1,197,371	1,165,168	229,990	229,133
Investment properties	688,698	688,698	-	-
Deferred tax assets	4,232	4,298	-	-
Intangible assets	6,271	6,329	-	-
Total non-current assets	2,779,571	2,714,975	810,736	855,006
Total assets	3,245,952	3,231,245	1,713,347	1,730,624
LIABILITIES AND EQUITY				
Current liabilities:				
Short-term borrowings	265,452	261,464	149,963	89,958
Trade and other payables	115,687	130,560	22,852	29,974
Amount due to subsidiaries	-	-	57,415	44,456
Income tax payable	9,712	28,089	1,071	6
Total current liabilities	390,851	420,113	231,301	164,394
Non-current liabilities:				
Advances from subsidiaries	-	-	25,350	20,454
Derivative financial instruments ⁽¹⁾	7,390	-	7,390	-
Long-term borrowings	920,103	875,685	463,034	496,863
Deferred tax liabilities	14,701	13,947	1,009	1,054
Total non-current liabilities	942,194	889,632	496,783	518,371
Share capital and reserves:				
Share capital	717,895	715,415	717,895	715,415
Reserves	972,016	986,674	119,021	184,097
Equity attributable to shareholders of the Company	1,689,911	1,702,089	836,916	899,512
Perpetual capital securities	148,347	148,347	148,347	148,347
	1,838,258	1,850,436	985,263	1,047,859
Non-controlling interests	74,649	71,064	-	-
Total equity	1,912,907	1,921,500	985,263	1,047,859
Total liabilities and equity	3,245,952	3,231,245	1,713,347	1,730,624

Note:

- (1) The Group entered into cross currency swaps during the last quarter to manage its exposure to exchange rate movements on its investments. This represents the estimated fair value of the swaps as at Sep 30, 2015.

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, 2015		As at Dec 31, 2014	
Secured	Unsecured	Secured	Unsecured
\$115,489,000	\$149,963,000	\$171,506,000	89,958,000

Amount repayable after one year

As at Sep 30, 2015		As at Dec 31, 2014	
Secured	Unsecured	Secured	Unsecured
\$505,961,000	\$414,142,000	\$476,484,000	\$399,201,000

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, 2015 \$'000	Quarter ended Sep 30, 2014 \$'000
Cash flows from operating activities:		
Profit before income tax and share of results of associates and jointly controlled entities	11,471	18,993
Adjustments for:		
Amortisation of intangible assets	84	79
Depreciation expense	12,833	12,269
Share-based payment expense	1,509	329
Impairment of available-for-sale investments	76	-
Gain on disposal of a subsidiary	-	(1,642)
Gain on disposal of property, plant and equipment	(189)	-
Finance costs	9,114	8,393
Interest income	(307)	(214)
Profit before working capital changes	34,591	38,207
Trade and other payables	9,873	8,931
Completed properties held for sale	7,943	16,182
Receivables and prepayments	39,849	38,648
Inventories	275	(286)
Cash generated from operations	92,531	101,682
Income tax paid	(15,149)	(6,909)
Net cash from operating activities	77,382	94,773
Cash flows from (used in) investing activities:		
Additional property, plant and equipment	(16,938)	(17,841)
Additional available-for-sale investment	(741)	-
Additional intangible asset	(207)	-
Net repayment from associates and jointly controlled entities	59,811	1,162
Proceeds from disposal of a subsidiary	-	1,817
Proceeds from disposal of property, plant and equipment	406	300
Cash from (used in) investing activities	42,331	(14,562)
Cash flows used in financing activities:		
Interest received	307	214
Finance costs paid	(8,845)	(8,183)
Non-controlling shareholders	(7,582)	1,643
Additional borrowings	19,392	50,012
Repayment of borrowings	(37,491)	(101,773)
Cash used in financing activities	(34,219)	(58,087)
Net increase in cash and cash equivalents	85,494	22,124
Cash and cash equivalents at beginning of period	84,580	102,868
Effect of exchange rate changes on cash balances held in foreign currencies	(333)	902
Cash and cash equivalents at end of period	169,741	125,894

Cash and cash equivalents at end of period

The cash and cash equivalents as at Sep 30, 2015, for the purposes of Consolidated Statement of Cash Flows, comprise of cash and bank balances less deposits under pledge to banks of \$3,745,000.

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, 2014	715,415	819,247	77,241	1,611,903	148,347	1,760,250	61,837	1,822,087
Total comprehensive income for the period								
Profit for the period	-	15,091	-	15,091	-	15,091	290	15,381
Other comprehensive income for the period	-	-	8,326	8,326	-	8,326	309	8,635
Total	-	15,091	8,326	23,417	-	23,417	599	24,016
Transactions with owners, recognised directly in equity								
Recognition of share-based payments	-	-	329	329	-	329	-	329
Net movement during the period	-	-	-	-	-	-	1,530	1,530
Total	-	-	329	329	-	329	1,530	1,859
Balance as at Sep 30, 2014	715,415	834,338	85,896	1,635,649	148,347	1,783,996	63,966	1,847,962
Balance as at Jul 1, 2015	717,895	857,132	96,430	1,671,457	148,347	1,819,804	79,012	1,898,816
Total comprehensive income for the period								
Profit for the period	-	16,897	-	16,897	-	16,897	503	17,400
Other comprehensive income for the period	-	-	48	48	-	48	1,128	1,176
Total	-	16,897	48	16,945	-	16,945	1,631	18,576
Transactions with owners, recognised directly in equity								
Recognition of share-based payments	-	-	1,509	1,509	-	1,509	-	1,509
Net movement during the period	-	-	-	-	-	-	(5,994)	(5,994)
Total	-	-	1,509	1,509	-	1,509	(5,994)	(4,485)
Balance as at Sep 30, 2015	717,895	874,029	97,987	1,689,911	148,347	1,838,258	74,649	1,912,907

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

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

	Share capital \$'000	Retained profits \$'000	Other reserves** \$'000	Shareholders' equity \$'000	Perpetual capital securities \$'000	Total equity \$'000
COMPANY						
Balance as at Jul 1, 2014	715,415	13,783	112,418	841,616	148,347	989,963
Total comprehensive income for the period						
Profit for the period	-	106	-	106	-	106
Total	-	106	-	106	-	106
Transactions with owners, recognised directly in equity						
Recognition of share-based payments	-	-	329	329	-	329
Total	-	-	329	329	-	329
Balance as at Sep 30, 2014	715,415	13,889	112,747	842,051	148,347	990,398
Balance as at Jul 1, 2015	717,895	6,425	114,905	839,225	148,347	987,572
Total comprehensive loss for the period						
Loss for the period	-	(2,730)	-	(2,730)	-	(2,730)
Other comprehensive loss for the period	-	-	(1,088)	(1,088)	-	(1,088)
Total	-	(2,730)	(1,088)	(3,818)	-	(3,818)
Transactions with owners, recognised directly in equity						
Recognition of share-based payments	-	-	1,509	1,509	-	1,509
Total	-	-	1,509	1,509	-	1,509
Balance as at Sep 30, 2015	717,895	3,695	115,326	836,916	148,347	985,263

** 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 for the current quarter under review.

As at Sep 30, 2015, the number of outstanding share options under the Company's Share Option Schemes was 10,645,000 (as at Sep 30, 2014: 4,820,000), and the number of outstanding performance shares under the Company's Performance Share Plan was 1,759,500 (as at Sep 30, 2014: Nil).

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

	Sep 30, 2015	Dec 31, 2014
Total number of issued shares excluding treasury shares	519,630,751	519,078,851

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 revised Singapore Financial Reporting Standards ("FRS") and amendments that are mandatory for financial years beginning on or after January 1, 2015. The adoption of these revised FRSs and amendments has no significant impact to the Group.

6. Earnings Per Ordinary Share

	Quarter ended Sep 30, 2015	Quarter ended Sep 30, 2014
Based on the weighted average number of ordinary shares in issue	2.81 cents	2.46 cents
On a fully diluted basis	2.81 cents	2.46 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, 2015	Dec 31, 2014
GROUP	\$3.25	\$3.28
COMPANY	\$1.61	\$1.73

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 recorded a revenue of \$133.3 million for the third quarter ended September 30, 2015, compared to \$146 million for the corresponding quarter last year. The decrease was mainly attributable to lower contribution from the Property Division.

The Group's share of results of associates and jointly controlled entities increased from \$0.3 million to \$9.9 million due mainly to higher profits from The Interlace condominium development at Alexandra Road, Singapore, Four Seasons Resort Seychelles as well as gain from disposal of certain properties in Shanghai, People's Republic of China. During the quarter under review, the Group also received repayments from various associates contributing to the higher cash and bank balances and a reduction in Associates and jointly controlled entities balances in the Group's Statement of Financial Position.

After accounting for taxes and non-controlling interests, the net profit attributable to shareholders for the quarter ended September 30, 2015 was \$16.9 million, an increase of 12% from \$15.1 million reported for the corresponding quarter last year.

9. Variance from Previous Forecast or Prospect Statement

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The outlook for the Group's hotels and resorts business is generally positive. The operating environment may however remain challenging with increased competition and uncertain global economic climate. Political and environmental conditions of the countries the Group operates in may also affect the hospitality business.

On the Property front, the Group, through jointly controlled entities, continues to book sales for our two residential developments, Burlington Gate and Campden Hill, in London. In Singapore, the property market is likely to remain subdued due to the government's continuing property market cooling measures.

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, 2015 (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	2,488	-
- Management fee income	222	-
- Management fee expense	205	-
- Equity contribution	3,703	-

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 2015 unaudited financial statements to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lo Swee Oi
Company Secretary
Nov 12, 2015