



HOTEL PROPERTIES LIMITED

(REG. NO. 198000348Z)

First Quarter Financial Statement

1(a) Income Statement

	GROUP \$'000	
	Quarter ended Mar 31, 2009	Quarter ended Mar 31, 2008 (restated)
Revenue	119,488	146,137
Cost of sales	(80,570)	(91,019)
Gross profit	38,918	55,118
Other operating income	305	554
Administrative expenses	(12,124)	(13,370)
Other operating expenses	(518)	(4,900)
Finance costs	(7,950)	(9,311)
Other non-operating income	884	356
Share of results of associates and jointly controlled entities	(3,563)	184
Profit before income tax	15,952	28,631
Income tax	(1,787)	(3,092)
Profit after income tax	14,165	25,539
Attributable to:		
Shareholders of the Company	10,710	20,546
Minority interests	3,455	4,993
	14,165	25,539

Notes to the above income statement:

	GROUP \$'000	
	Quarter ended Mar 31, 2009	Quarter ended Mar 31, 2008 (restated)
Other income including interest income	305	554
Depreciation and amortisation	(13,666)	(10,915)
Fair value loss in held-for-trading investments	-	(4,008)*
Foreign exchange gain (loss)	866	(777)
Adjustment for over provision of tax in respect of prior years	453	491
Gain on disposal of property, plant and equipment	100	31

Note:

* Included in other operating expenses

1(b)(i) Balance Sheet

	GROUP \$'000		COMPANY \$'000	
	Mar 31, 2009	Dec 31, 2008	Mar 31, 2009	Dec 31, 2008
ASSETS				
Current assets:				
Cash and bank balances	43,395	41,328	13,416	10,724
Trade receivables	178,611	168,544	2,320	2,703
Other receivables and prepayments	18,629	16,880	1,093	1,649
Derivative financial instruments	1,390	3,765	1,390	3,765
Amount due from associates	75,228	74,468	9,891	9,891
Amount due from jointly controlled entities	85,697	82,187	-	-
Amount due from subsidiaries	-	-	734,108	709,713
Inventories	7,641	8,271	515	501
Development properties	376,414	369,915	-	-
Completed properties held for sale	6,214	6,214	-	-
Total current assets	793,219	771,572	762,733	738,946
Non-current assets:				
Associates	244,295	246,368	2,361	2,361
Jointly controlled entities	50,265	49,507	-	-
Subsidiaries	-	-	549,991	579,890
Available-for-sale investments	7,988	7,831	-	-
Other long-term receivables and prepayments	917	892	-	-
Property, plant and equipment	1,084,076	1,071,270	232,597	233,436
Investment properties	616,581	616,581	-	-
Deferred tax assets	132	128	-	-
Intangible assets	15,837	15,473	-	-
Total non-current assets	2,020,091	2,008,050	784,949	815,687
Total assets	2,813,310	2,779,622	1,547,682	1,554,633
LIABILITIES AND EQUITY				
Current liabilities:				
Bank overdraft	1,155	-	-	-
Bank loans	361,045	379,551	169,956	189,947
Trade payables	67,520	89,983	15,222	18,747
Other payables	24,515	31,508	-	-
Amount due to associates	457	457	-	-
Amount due to subsidiaries	-	-	44,911	44,537
Income tax payable	9,068	7,887	2,191	1,841
Total current liabilities	463,760	509,386	232,280	255,072
Non-current liabilities:				
Advances from subsidiaries	-	-	116,343	95,386
Derivative financial instruments	1,347	1,541	375	-
Long-term bank loans	1,003,627	959,754	372,962	383,586
Other long-term liabilities	17,739	14,734	-	-
Deferred tax liabilities	29,192	28,897	874	918
Total non-current liabilities	1,051,905	1,004,926	490,554	479,890
Share capital and reserves:				
Share capital	681,322	681,322	681,322	681,322
Reserves	529,736	502,922	143,526	138,349
Equity attributable to shareholders of the Company	1,211,058	1,184,244	824,848	819,671
Minority interests	86,587	81,066	-	-
Total equity	1,297,645	1,265,310	824,848	819,671
Total liabilities and equity	2,813,310	2,779,622	1,547,682	1,554,633

1(b)(ii) Aggregate Amount of Group's Borrowings and Debt Securities

Amount repayable in one year or less, or on demand

As at 31/3/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
\$193,498,000	\$169,956,000	\$193,490,000	\$189,947,000

Amount repayable after one year

As at 31/3/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
\$798,372,000	\$219,676,000	\$731,159,000	\$239,620,000

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 Cash Flow Statement

	Quarter ended Mar 31, 2009 \$'000	Quarter ended Mar 31, 2008 \$'000 (restated)
Cash flows from operating activities:		
Profit before income tax and share of results of associates and jointly controlled entities	19,515	28,447
Adjustments for:		
Amortisation of intangible assets	84	84
Depreciation expense	13,582	10,831
Share option expense	364	328
Property, plant and equipment written off	69	-
Gain on disposal of property, plant and equipment	(100)	(31)
Loss on disposal of available-for-sale investment	-	19
Finance costs	7,950	9,311
Interest income	(79)	(256)
Dividend income	-	(68)
Profit before working capital changes	41,385	48,665
Payables and accrued expenses	(26,729)	(11,175)
Development properties and expenditure	(1,102)	(5,906)
Receivables and prepayments	(11,792)	(12,107)
Held-for-trading investments	-	(6,031)
Inventories	631	967
Cash generated from operations	2,393	14,413
Dividend received	-	68
Income tax paid	(786)	(1,128)
Net cash from operating activities	1,607	13,353
Cash flows used in investing activities:		
Additional available-for-sale investments	-	(195)
Additional property, plant and equipment	(3,840)	(15,815)
Proceeds from disposal of property, plant and equipment	783	39
Net investment in associates	(265)	(88,583)
Net investment in jointly controlled entities	(440)	(785)
Cash used in investing activities	(3,762)	(105,339)
Cash flows (used in) from financing activities:		
Interest received	79	256
Finance costs paid	(11,332)	(10,777)
Repayment to minority shareholders	(393)	(1,849)
Additional bank loans	8,731	88,323
Cash (used in) from financing activities	(2,915)	75,953
Net effect of exchange rate changes in consolidation	5,982	(662)
Net increase (decrease) in cash and cash equivalents*	912	(16,695)
Cash and cash equivalents* at beginning of period	41,328	68,255
Cash and cash equivalents* at end of period	42,240	51,560

* Comprise of cash and bank balances less bank overdraft.

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, 2009	681,322	368,802	134,120	1,184,244	81,066	1,265,310
Exchange fluctuation differences	-	-	15,279	15,279	1,817	17,096
Gain on cash flow hedge	-	-	303	303	-	303
Fair value changes in available-for-sale investments	-	-	158	158	-	158
Net income (expense) recognised directly in equity	-	-	15,740	15,740	1,817	17,557
Profit for the period	-	10,710	-	10,710	3,455	14,165
Total recognised income (expense) for the period	-	10,710	15,740	26,450	5,272	31,722
Net movement during the period	-	-	-	-	249	249
Share-based payments during the period	-	-	364	364	-	364
Balance as at Mar 31, 2009	681,322	379,512	150,224	1,211,058	86,587	1,297,645
Balance as at Jan 1, 2008	681,040	361,135	165,512	1,207,687	80,961	1,288,648
Exchange fluctuation differences	-	-	(942)	(942)	(1,246)	(2,188)
Loss on cash flow hedge	-	-	(1,435)	(1,435)	-	(1,435)
Fair value changes in available-for-sale investments	-	-	(1,167)	(1,167)	-	(1,167)
Net income (expense) recognised directly in equity	-	-	(3,544)	(3,544)	(1,246)	(4,790)
Profit for the period	-	20,546	-	20,546	4,993	25,539
Total recognised income (expense) for the period	-	20,546	(3,544)	17,002	3,747	20,749
Net movement during the period	-	-	-	-	(2,289)	(2,289)
Share-based payments during the period	-	-	328	328	-	328
Balance as at Mar 31, 2008	681,040	381,681	162,296	1,225,017	82,419	1,307,436

* 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, 2009	681,322	26,074	112,275	819,671
Loss on cash flow hedge representing net income (expense) recognised directly in equity	-	-	(182)	(182)
Profit for the period	-	4,995	-	4,995
Total recognised income (expense) for the period	-	4,995	(182)	4,813
Share-based payments during the period	-	-	364	364
Balance as at Mar 31, 2009	681,322	31,069	112,457	824,848
 				
Balance as at Jan 1, 2008	681,040	31,475	111,078	823,593
Gain on cash flow hedge representing net income (expense) recognised directly in equity	-	-	17	17
Profit for the period	-	6,827	-	6,827
Total recognised income (expense) for the period	-	6,827	17	6,844
Share-based payments during the period	-	-	328	328
Balance as at Mar 31, 2008	681,040	38,302	111,423	830,765

** 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 since the end of the previous financial period reported on to the date of this announcement.

As at March 31, 2009, the number of outstanding share options under the Company's Share Option Scheme 2000 was 4,650,000 (as at March 31, 2008: 3,755,000), and the number of outstanding performance shares under the Company's Performance Share Plan was 946,000 (as at March 31, 2008: 473,000).

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

	Mar 31, 2009	Dec 31, 2008
Total number of issued shares excluding treasury shares	504,503,351	504,503,351

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.

5. Reasons for and Effect of Changes in Accounting Policies

Not applicable.

6. Earnings Per Share

	Quarter ended Mar 31, 2009	Quarter ended Mar 31, 2008
Based on the weighted average number of ordinary shares in issue	2.12 cents	4.07 cents
On a fully diluted basis	2.12 cents	4.06 cents

7. Net Asset Value

	Mar 31, 2009	Dec 31, 2008
GROUP	\$2.40	\$2.35
COMPANY	\$1.63	\$1.62

8. Review of Performance

Group revenue for the first quarter ended March 31, 2009, was \$119.5 million compared to \$146.1 million for the same quarter last year. Correspondingly, the Group profit before tax decreased from \$28.6 million for Q1 2008 to \$16 million for the quarter under review.

As anticipated, the global economic crisis has taken its toll on the performance of the Group's hotels and resorts, which have generally suffered both in terms of occupancy and rates due to lower tourists arrival and a more cost conscious business community. Profit recognised for the Group's condominium development in Bangkok, The Met, was also lower for Q1 2009 compared to the corresponding quarter last year.

The Group's share of losses of associates and jointly controlled entities for Q1 2009 was mainly attributable to interest expenses recorded by Morganite Pte Ltd, developer of the Farrer Court site in Singapore.

Group net profit attributable to shareholders for the quarter ended March 31, 2009, was \$10.7 million compared to \$20.5 million for the corresponding quarter last year.

9. Variance from Previous Forecast or Prospect Statement

Not applicable.

10. Outlook

In view of the uncertainties arising from the continuing global economic crisis and the potential escalation of the Influenza A H1N1 virus attack, the business environment for the rest of 2009 is expected to be difficult.

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, 2009 (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	3,394	-
- Management fee expense	92	-

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 2009 unaudited financial statements to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Lo Swee Oi
Company Secretary
May 14, 2009