



HOTEL PROPERTIES LIMITED
Co. Reg No : 198000348Z

Reply to queries from Singapore Exchange Securities Trading Limited ("SGX-ST") re: Second Quarter Results released on 10 August 2005

The SGX-ST has on 11 August 2005 raised the following query:-

As per Appendix 7.2 paragraph 8b of the Listing Manual " ... any material factors that affected the cash flow, working capital, assets or liabilities of the Group..." must be disclosed in all results announcement. The Company is requested to provide a more detailed commentary on the fluctuations between 30 June 2004 & 30 June 2005 on the cash flow statement / factors affecting cash flow in particular the sections, cash flows from operating and investing activities.

The Board of Directors of Hotel Properties Limited ("the Company") wishes to provide the following information in response to the above query:-

The Consolidated Cash Flow Statement presented in item 1 (c) of the Second Quarter Financial Statement announcement was self-explanatory and also in line with the Group's performance for the quarter under review. As requested, we append below further explanations on the material fluctuations between 2nd quarter 05 and 2nd quarter 04:

1. Dividend paid in Q2 05 was double of that paid in Q2 04 as the Company declared a special dividend of 2.5 cents per ordinary shares (less tax) for the year ended 31 December 2004. No such special dividend was declared for the year ended 31 December 2003.
2. Cash outflow on investing activities was higher in Q2 04 due to acquisition of a subsidiary, MAT (Maldives) Private Limited which owns the Rihiveli Beach Resort in Maldives and acquisition of additional interest in another subsidiary, PT Bali Girikencana which owns the Four Seasons Resort Bali at Jimbaran Bay. The Group did not acquire any subsidiary or increase its interest in any subsidiary during the quarter under review.

By Order of the Board
Chuang Sheue Ling/Lo Swee Oi
Joint Company Secretaries
Date: 12 August 2005