



HOTEL PROPERTIES LIMITED

(REG. NO. 198000348Z)

First Quarter Financial Statement

1(a) Income Statement

	GROUP \$'000	
	Quarter ended Mar 31, 2007	Quarter ended Mar 31, 2006
Revenue	103,916	71,789
Cost of sales	(67,990)	(52,961)
Gross profit	35,926	18,828
Other operating income	1,158	1,605
Administrative expenses	(12,729)	(9,750)
Other operating expenses	(975)	(1,120)
Finance costs	(9,375)	(5,667)
Other non-operating income	1,535	4,705
Profit before income tax and share of results of associates	15,540	8,601
Share of results of associates	351	(277)
Profit before income tax	15,891	8,324
Income tax	(1,273)	(3,360)
Profit after income tax	14,618	4,964
Attributable to:		
Shareholders of the Company	11,658	4,350
Minority interests	2,960	614
	14,618	4,964

Notes to the above income statement:

	GROUP \$'000	
	Quarter ended Mar 31, 2007	Quarter ended Mar 31, 2006
Other income including interest income	933	848
Interest on borrowings	(9,236)	(5,532)
Depreciation and amortisation	(11,131)	(8,263)
Fair value changes in held-for-trading investments	(625)	(147)
Foreign exchange gain (loss)	180	(337)
Adjustment for under provision of tax in respect of prior years	-	(42)
Gain on disposal of held-for-trading investments	225	757
Gain on disposal of investment properties	500	-
Gain on disposal of property, plant and equipment	90	-

1(b)(i) Balance Sheet

	GROUP \$'000		COMPANY \$'000	
	Mar 31, 2007	Dec 31, 2006	Mar 31, 2007	Dec 31, 2006
ASSETS				
Current assets:				
Cash and bank balances	105,262	128,504	2,941	8,108
Held-for-trading investments	21,040	19,133	-	-
Trade receivables	31,202	29,928	2,235	2,211
Other receivables and prepayments	49,782	14,937	834	986
Amount due from associates	25,626	26,207	10,911	10,911
Amount due from subsidiaries	-	-	630,519	556,159
Inventories	6,861	6,863	179	212
Development properties	366,879	352,533	-	-
Completed properties held for sale	9,830	17,021	-	-
Total current assets	616,482	595,126	647,619	578,587
Non-current assets:				
Associates	69,013	63,478	3,223	3,223
Subsidiaries	-	-	225,606	226,087
Available-for-sale investments	14,001	13,982	-	-
Prepayments	1,112	1,149	-	-
Property, plant and equipment	1,133,279	1,124,890	231,396	228,481
Investment properties	545,979	374,628	-	-
Deferred tax assets	1,732	1,714	-	-
Derivative financial instruments	-	76	-	76
Intangible assets	16,740	15,931	-	-
Total non-current assets	1,781,856	1,595,848	460,225	457,867
Total assets	2,398,338	2,190,974	1,107,844	1,036,454
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	142,213	129,780	74,981	74,963
Trade payables	66,431	65,154	10,859	15,165
Other payables	32,171	31,825	-	-
Amount due to associates	457	457	-	-
Amount due to subsidiaries	-	-	45,330	44,467
Income tax payable	14,972	15,489	1,638	1,647
Total current liabilities	256,244	242,705	132,808	136,242
Non-current liabilities				
Derivative financial instruments	3	-	3	-
Long-term bank loans	854,860	687,723	263,576	189,882
Other long-term liabilities	22,853	24,417	-	-
Deferred tax liabilities	13,919	14,760	498	570
Total non-current liabilities	891,635	726,900	264,077	190,452
Share capital and reserves:				
Share capital	578,900	576,486	578,900	576,486
Reserves	528,594	506,097	132,059	133,274
Shareholders' equity	1,107,494	1,082,583	710,959	709,760
Minority interests	142,965	138,786	-	-
Total equity	1,250,459	1,221,369	710,959	709,760
Total liabilities and equity	2,398,338	2,190,974	1,107,844	1,036,454

1(b)(ii) Aggregate Amount of Group's Borrowings and Debt Securities**Amount repayable in one year or less, or on demand**

As at 31/3/2007		As at 31/12/2006	
Secured	Unsecured	Secured	Unsecured
\$69,432,000	74,981,000	\$56,082,000	74,963,000

Amount repayable after one year

As at 31/3/2007		As at 31/12/2006	
Secured	Unsecured	Secured	Unsecured
\$700,788,000	\$172,862,000	\$554,358,000	\$153,380,000

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, 2007 \$'000	Quarter ended Mar 31, 2006 \$'000
Cash flows from operating activities:		
Profit before income tax and share of results of associates	15,540	8,601
Adjustments for:		
Amortisation of intangible assets	86	82
Depreciation expense	11,045	8,181
Share option expense	112	63
Fair value changes in held-for-trading investments	(625)	(147)
Gain on disposal of property, plant and equipment	(90)	-
Gain on disposal of investment properties	(500)	-
Interest expense	9,236	5,532
Interest income	(740)	(658)
Dividend income	-	(96)
Profit before working capital changes	34,064	21,558
Payables and accrued expenses	(1,989)	(10,484)
Receivables and prepayments	(35,972)	3,987
Held-for-trading investments	(1,282)	6,509
Inventories	2	26
Completed properties held for sale	7,191	-
Cash generated from operations	2,014	21,596
Dividend received	-	96
Interest received	740	658
Interest paid	(9,236)	(5,532)
Income tax paid	(2,786)	(1,222)
Net cash (used in) from operating activities	(9,268)	15,596
Cash flows from investing activities:		
Acquisition of additional interest in a joint venture company, (see Note A below)	(83,264)	-
Acquisition of a joint venture company (see Note B below)	-	(34,627)
Additional available-for-sale investments	-	(454)
Additional property, plant and equipment	(12,928)	(22,445)
Additional investment properties	(15,871)	(68)
Advances from a minority shareholder	1,585	4,063
Development properties and expenditure	(10,656)	5,792
Proceeds from disposal of property, plant and equipment	90	-
Net investment in associates	(3,970)	(26,203)
Cash used in investing activities	(125,014)	(73,942)
Cash flows from financing activities:		
Proceeds from issue of shares	2,414	18
Additional bank loans	107,694	50,205
Cash from financing activities	110,108	50,223
Net effect of exchange rate changes in consolidation	932	(1,323)
Net decrease in cash and bank balances	(23,242)	(9,446)
Cash and bank balances at beginning of period	128,504	90,926
Cash and bank balances at end of period	105,262	81,480

Note A: Summary of cash outflow arising from acquisition of additional interest in a joint venture company		
Current assets	183	-
Current liabilities	(4,158)	-
Net current liabilities	(3,975)	-
Property, plant and equipment	125	-
Other non-current assets	154,980	-
Other non-current liabilities	(68,492)	-
Net assets acquired	82,638	-
Goodwill on consolidation	687	-
Cash consideration	83,325	-
Cash of joint venture company acquired	(61)	-
Cash outflow arising from acquisition	83,264	-
Note B: Summary of cash outflow arising from acquisition of a joint venture company		
Current assets	-	64,961
Current liabilities	-	(125)
Net current assets	-	64,836
Property, plant and equipment	-	21,994
Other non-current liabilities	-	(47,551)
Net assets acquired/Cash consideration	-	39,279
Cash of joint venture company acquired	-	(4,652)
Cash outflow arising from acquisition	-	34,627

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

	Share capital \$'000	Asset revaluation reserve \$'000	Exchange fluctuation reserve \$'000	Reserve on consolidation \$'000	Hedge reserve \$'000	Option reserve \$'000	Other capital reserve \$'000	Retained profits \$'000	Shareholders' equity \$'000	Minority interests \$'000	Total equity \$'000
GROUP											
Balance as at January 1, 2007	576,486	223,093	(58,138)	1,990	2,032	686	5,831	330,603	1,082,583	138,786	1,221,369
Exchange fluctuation differences	-	-	9,342	-	-	-	-	-	9,342	(277)	9,065
Gain on cash flow hedge	-	-	-	-	234	-	-	-	234	-	234
Gain on available- for-sale investments	-	-	-	-	-	-	1,151	-	1,151	-	1,151
Share-based payments during the period	-	-	-	-	-	112	-	-	112	-	112
Net profit for the period	-	-	-	-	-	-	-	11,658	11,658	2,960	14,618
Net movement during the period	-	-	-	-	-	-	-	-	-	1,496	1,496
Issue of shares	2,414	-	-	-	-	-	-	-	2,414	-	2,414
Balance as at Mar 31, 2007	578,900	223,093	(48,796)	1,990	2,266	798	6,982	342,261	1,107,494	142,965	1,250,459

	Share capital \$'000	Share premium \$'000	Asset revaluation reserve \$'000	Exchange fluctuation reserve \$'000	Reserve on consolidation \$'000	Hedge reserve \$'000	Option reserve \$'000	Other capital reserve \$'000	Retained profits \$'000	Shareholders' equity \$'000	Minority interests \$'000	Total equity \$'000
GROUP												
Balance as at Jan 1, 2006 - as previously reported	454,039	121,092	267,889	(11,189)	1,990	508	211	1,927	182,712	1,019,179	52,225	1,071,404
Retrospective effect of changes in accounting policy: - FRS 21	-	-	-	(39,817)	-	-	-	-	39,817	-	-	-
Balance as restated	454,039	121,092	267,889	(51,006)	1,990	508	211	1,927	222,529	1,019,179	52,225	1,071,404
Exchange fluctuation differences	-	-	-	(1,252)	-	-	-	-	-	(1,252)	(540)	(1,792)
Transfer to profit and loss statement during the period	-	-	(808)	-	-	-	-	-	-	(808)	-	(808)
Gain on cash flow hedge	-	-	-	-	-	157	-	-	-	157	-	157
Gain on available- for-sale investments	-	-	-	-	-	-	-	43	-	43	-	43
Share-based payments during the period	-	-	-	-	-	-	63	-	-	63	-	63
Net profit for the period	-	-	-	-	-	-	-	-	4,350	4,350	614	4,964
Net movement during the period	-	-	-	-	-	-	-	-	-	-	51,475	51,475
Adjustment during the period	-	(207)	80	-	-	-	-	127	-	-	-	-
Adjustment arising from abolition of par value of shares ⁽¹⁾	120,885	(120,885)	-	-	-	-	-	-	-	-	-	-
Issue of shares	18	-	-	-	-	-	-	-	-	18	-	18
Balance as at Mar 31, 2006	574,942	-	267,161	(52,258)	1,990	665	274	2,097	226,879	1,021,750	103,774	1,125,524

Note (1) As a result of the Companies (Amendment) Act 2005, the concept of authorised share capital and par value has been abolished. Any amount standing to the credit of share premium account has been transferred to the company's share capital account in the current year.

	Share capital \$'000	Share premium \$'000	Asset revaluation reserve \$'000	Hedge reserve \$'000	Option reserve \$'000	Retained profits \$'000	Total equity \$'000
COMPANY							
Balance as at Jan 1, 2007	576,486	-	110,785	76	686	21,727	709,760
Loss on cash flow hedge	-	-	-	(79)	-	-	(79)
Share-based payments during the period	-	-	-	-	112	-	112
Net loss for the period	-	-	-	-	-	(1,248)	(1,248)
Issue of shares	2,414	-	-	-	-	-	2,414
Balance as at Mar 31, 2007	578,900	-	110,785	(3)	798	20,479	710,959
Balance as at Jan 1, 2006	454,039	120,885	110,785	138	211	20,180	706,238
Gain on cash flow hedge	-	-	-	154	-	-	154
Share-based payments during the period	-	-	-	-	63	-	63
Net profit for the period	-	-	-	-	-	461	461
Adjustment arising from abolition of par value of shares ⁽¹⁾	120,885	(120,885)	-	-	-	-	-
Issue of shares	18	-	-	-	-	-	18
Balance as at Mar 31, 2006	574,942	-	110,785	292	274	20,641	706,934

Note (1) As a result of the Companies (Amendment) Act 2005, the concept of authorised share capital and par value has been abolished. Any amount standing to the credit of share premium account has been transferred to the company's share capital account in the current year.

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

Since the end of the previous financial year reported on to the date of this announcement, 2,535,000 new ordinary shares were issued by the Company upon exercise of subscription rights by senior executives of the Company granted in conjunction with Hotel Properties Limited Share Option Scheme 2000.

The newly issued shares rank pari passu in all respects with the existing shares of the Company.

The number of shares that may be issued on conversion of all share options outstanding as at March 31, 2007 was 995,000 (as at March 31, 2006 was 2,452,000).

2. Audit Statement

The figures have not been audited or reviewed.

3. Auditors' Report

N.A.

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

N.A.

6. Earnings Per Share

	Quarter ended Mar 31, 2007	Quarter ended Mar 31, 2006
Based on the weighted average number of ordinary shares in issue	2.56 cents	0.96 cents
On a fully diluted basis	2.54 cents	0.95 cents

7. Net Asset Value

	Mar 31, 2007	Dec 31, 2006
GROUP	\$2.42	\$2.38
COMPANY	\$1.55	\$1.56

8. Review of Performance

For the first quarter ended 31 March 2007, the Group achieved a turnover of \$103.9 million, 45% higher than the \$71.8 million recorded for the same quarter last year. Correspondingly, the Group's Profit before income tax increased from \$8.3 million for Q1 2006 to \$15.9 million for the quarter under review.

Higher revenue and earnings were mainly attributable to contributions from the Group's two Four Seasons Resorts in Maldives which commenced operations in the last quarter of 2006. The other hotels in the Group, particularly those in Singapore and Bali, also continue their growth trend, recording higher room rates and/or occupancy.

Interest expense increased as a result of higher borrowings to finance various recent investments, including Beverly Mai and Horizon Towers enbloc purchases and acquisition of the remaining 41% equity interest in Hermill Investments Pte Ltd, which owns Forum The Shopping Mall.

Effective tax rate for the Group was low due to profits generated from non taxable jurisdictions such as Maldives. There was also an adjustment to the Group's Deferred Tax Liabilities as a result of reduction of Singapore's corporate tax rate from 20% to 18%.

Group Profit after income tax and minority interests improved significantly from \$4.35 million for Q1 2006 to \$11.66 million for the quarter under review.

9. Variance from Previous Forecast or Prospect Statement

The Group's results for Q1 2007 are in line with the commentary made in paragraph 10 of the Group's Full Year Financial Statement and Dividend Announcement released on February 27, 2007.

10. Outlook and Prospects

The outlook of the second quarter continues to be promising and the Hotel division is expected to continue to contribute strongly to the Group's operating results. Barring unforeseen circumstances, the Board is confident that the Group's operating performance in 2007 will be profitable.

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

N.A.

(d) Books closure date

N.A.

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")

Name of Interested Person	Aggregate value of all IPT during the first quarter ended Mar 31, 2007 (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	2,601	-
- Management fee expense	185	-

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 unaudited financial results for the period ended March 31, 2007 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Chuang Sheue Ling & Lo Swee Oi
Joint Company Secretaries
May 9, 2007