



HOTEL PROPERTIES LIMITED

(REG. NO. 198000348Z)

Second Quarter Financial Statements

1(a)(i) Income Statement

	GROUP \$'000	
	Quarter ended Jun 30, 2009	Quarter ended Jun 30, 2008 (restated)
Revenue	103,281	141,612
Cost of sales	(80,496)	(101,295)
Gross profit	22,785	40,317
Other operating income	770	508
Administrative expenses	(9,739)	(12,268)
Other operating expenses	(139)	(2,885)
Finance costs	(7,222)	(8,628)
Other non-operating income	3,864	5,717
Share of results of associates and jointly controlled entities	(2,967)	123
Profit before income tax	7,352	22,884
Income tax	(4,076)	(5,677)
Profit for the period	3,276	17,207
Attributable to:		
Shareholders of the Company	4,371	15,472
Minority interests	(1,095)	1,735
	3,276	17,207

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

	GROUP \$'000	
	Quarter ended Jun 30, 2009	Quarter ended Jun 30, 2008 (restated)
Other income including interest income	770	508
Depreciation and amortisation	(12,322)	(11,632)
Fair value loss in held-for-trading investments	-	(1,395)*
Foreign exchange loss	(930)	(144)
Adjustment for under provision of tax in respect of prior years	(299)	(41)
Loss on disposal of property, plant and equipment	-	(53)
Gain on disposal of an associate	3,905^	-
Gain on disposal of a property	-	4,064^

Note:

* Included in other operating expenses

^ Included in other non-operating income

1(a)(iii) Statement of Comprehensive Income

With effect from January 1, 2009, FRS 1 *Presentation of Financial Statements* requires an entity to present all non-owner changes in equity in a Statement of Comprehensive Income. Non-owner changes will include income and expenses recognised directly in equity. This is a change in presentation and does not affect the recognition or measurement of the entity's transactions. Previously, such non-owner changes are shown in the Statement of Changes in Equity.

	GROUP \$'000	
	Quarter ended Jun 30, 2009	Quarter ended Jun 30, 2008 (restated)
Profit for the period	3,276	17,207
Other comprehensive income (after tax):		
Exchange differences on translating foreign operations	(5,477)	(11,161)
Decrease in exchange fluctuation reserve arising from disposal of an associate	(746)	-
(Decrease) Increase in hedge reserve	(121)	2,059
Increase in other capital reserve	1,564	639
Share of other comprehensive income of associates and jointly controlled entities	(164)	657
	(4,944)	(7,806)
Total comprehensive (loss) income	(1,668)	9,401
Attributable to:		
Shareholders of the Company	1,073	7,381
Minority interests	(2,741)	2,020
	(1,668)	9,401

1(b)(i) Balance Sheet

	GROUP \$'000		COMPANY \$'000	
	Jun 30, 2009	Dec 31, 2008	Jun 30, 2009	Dec 31, 2008
ASSETS				
Current assets:				
Cash and bank balances	55,206	41,328	22,575	10,724
Trade and other receivables	203,509	185,424	3,548	4,352
Derivative financial instruments	3,759	3,765	3,759	3,765
Amount due from associates	124,088	74,468	9,891	9,891
Amount due from jointly controlled entities	63,764	82,187	-	-
Amount due from subsidiaries	-	-	707,351	709,713
Inventories	7,229	8,271	520	501
Development properties	370,654	369,915	-	-
Completed properties held for sale	6,214	6,214	-	-
Total current assets	834,423	771,572	747,644	738,946
Non-current assets:				
Associates	231,970	246,368	2,361	2,361
Jointly controlled entities	50,977	49,507	-	-
Subsidiaries	-	-	560,145	579,890
Available-for-sale investments	9,304	7,831	-	-
Other long-term receivables and prepayments	850	892	-	-
Property, plant and equipment	1,059,197	1,071,270	231,749	233,436
Investment properties	616,581	616,581	-	-
Deferred tax assets	131	128	-	-
Intangible assets	15,405	15,473	-	-
Total non-current assets	1,984,415	2,008,050	794,255	815,687
Total assets	2,818,838	2,779,622	1,541,899	1,554,633
LIABILITIES AND EQUITY				
Current liabilities:				
Bank overdraft	1,145	-	-	-
Bank loans	331,713	379,551	159,921	189,947
Trade and other payables	116,495	121,491	14,782	18,747
Amount due to associates	457	457	-	-
Amount due to subsidiaries	-	-	45,316	44,537
Income tax payable	7,945	7,887	2,174	1,841
Total current liabilities	457,755	509,386	222,193	255,072
Non-current liabilities:				
Advances from subsidiaries	-	-	92,513	95,386
Derivative financial instruments	1,517	1,541	218	-
Long-term bank loans	1,023,352	959,754	403,002	383,586
Other long-term liabilities	15,590	14,734	-	-
Deferred tax liabilities	30,043	28,897	903	918
Total non-current liabilities	1,070,502	1,004,926	496,636	479,890
Share capital and reserves:				
Share capital	681,322	681,322	681,322	681,322
Reserves	526,128	502,922	141,748	138,349
Equity attributable to shareholders of the Company	1,207,450	1,184,244	823,070	819,671
Minority interests	83,131	81,066	-	-
Total equity	1,290,581	1,265,310	823,070	819,671
Total liabilities and equity	2,818,838	2,779,622	1,541,899	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 30/6/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
\$175,035,000	\$159,921,000	\$193,490,000	\$189,947,000

Amount repayable after one year

As at 30/6/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
\$786,540,000	\$249,561,000	\$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 Jun 30, 2009 \$'000	Quarter ended Jun 30, 2008 \$'000 (restated)
Cash flows from (used in) operating activities:		
Profit before income tax and share of results of associates and jointly controlled entities	10,319	22,761
Adjustments for:		
Amortisation of intangible assets	83	83
Depreciation expense	12,239	11,549
Share option expense	363	324
Loss on disposal of property, plant and equipment	-	53
Gain on disposal of an associate	(3,905)	-
Gain on disposal of a property	-	(4,064)
Finance costs	7,222	8,628
Interest income	(79)	(254)
Dividend income	(50)	(39)
Profit before working capital changes	26,192	39,041
Payables and accrued expenses	(9,543)	2,464
Development properties and expenditure	7,752	(33,244)
Receivables and prepayments	(6,244)	(28,728)
Held-for-trading investments	-	3,299
Inventories	411	(404)
Cash generated from (used in) operations	18,568	(17,572)
Dividend received	50	39
Income tax paid	(4,089)	(4,260)
Net cash from (used in) operating activities	14,529	(21,793)
Cash flows used in investing activities:		
Additional property, plant and equipment	(4,804)	(20,585)
Proceeds from divestment of a jointly controlled entity	-	2,588
Proceeds from disposal of property, plant and equipment	278	367
Net investment in associates	(34,353)	(16,001)
Net investment in jointly controlled entities	17,606	(2,557)
Cash used in investing activities	(21,273)	(36,188)
Cash flows from financing activities:		
Interest received	79	254
Finance costs paid	(9,781)	(11,395)
Dividend paid	(5,045)	(25,213)
Repayment to minority shareholders	(184)	-
Additional borrowings	33,179	87,291
Proceeds from issue of shares	-	63
Cash from financing activities	18,248	51,000
Net effect of exchange rate changes in consolidation	317	1,270
Net increase (decrease) in cash and cash equivalents*	11,821	(5,711)
Cash and cash equivalents* at beginning of period	42,240	51,560
Cash and cash equivalents* at end of period	54,061	45,849

* 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 Apr 1, 2009	681,322	379,512	150,224	1,211,058	86,587	1,297,645
Final dividends for the previous year, paid	-	(5,045)	-	(5,045)	-	(5,045)
Share-based payments during the period	-	-	364	364	-	364
Total comprehensive income for the year	-	4,371	(3,298)	1,073	(2,741)	(1,668)
Net movement during the period	-	-	-	-	(715)	(715)
Balance as at Jun 30, 2009	681,322	378,838	147,290	1,207,450	83,131	1,290,581
GROUP						
Balance as at Apr 1, 2008	681,040	381,681	162,296	1,225,017	82,419	1,307,436
Issue of shares	63	-	-	63	-	63
Final dividends for the previous year, paid	-	(25,214)	-	(25,214)	-	(25,214)
Share-based payments during the period	-	-	324	324	-	324
Total comprehensive income for the year	-	15,472	(8,091)	7,381	2,020	9,401
Net movement during the period	-	-	-	-	(256)	(256)
Transfer during the period	16	-	(16)	-	-	-
Balance as at Jun 30, 2008	681,119	371,939	154,513	1,207,571	84,183	1,291,754

* 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 Apr 1, 2009	681,322	31,069	112,457	824,848
Final dividends for the previous year, paid	-	(5,045)	-	(5,045)
Share-based payments during the period	-	-	364	364
Total comprehensive income for the year	-	2,701	202	2,903
Balance as at Jun 30, 2009	681,322	28,725	113,023	823,070
COMPANY				
Balance as at Apr 1, 2008	681,040	38,302	111,423	830,765
Issue of shares	63	-	-	63
Final dividends for the previous year, paid	-	(25,214)	-	(25,214)
Share-based payments during the period	-	-	324	324
Total comprehensive income for the year	-	596	55	651
Transfer during the period	16	-	(16)	-
Balance as at Jun 30, 2008	681,119	13,684	111,786	806,589

** 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 June 30, 2009, the number of outstanding share options under the Company's Share Option Scheme 2000 was 4,650,000 (as at June 30, 2008: 4,650,000), and the number of outstanding performance shares under the Company's Performance Share Plan was 946,000 (as at June 30, 2008: 1,182,500).

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

	Jun 30, 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 Jun 30, 2009	Quarter ended Jun 30, 2008
Based on the weighted average number of ordinary shares in issue	0.87 cents	3.07 cents
On a fully diluted basis	0.87 cents	3.06 cents

7. Net Asset Value

	Jun 30, 2009	Dec 31, 2008
GROUP	\$2.39	\$2.35
COMPANY	\$1.63	\$1.62

8. Review of Performance

The Group's revenue for Q2 2009 was \$103.3 million compared to \$141.6 million for the corresponding quarter last year. The decrease was primarily due to the Group's hotels and resorts' business being adversely affected by the global economic crisis. The situation in Thailand was further aggravated by political instability and the H1N1 pandemic. Income recognised for The Met condominium development in Bangkok was also lower for Q2 2009 compared to Q2 2008.

For the quarter ended June 30, 2009, the Group continues to share losses recorded by its associate, Morganite Pte Ltd, developer of the Farrer Court site in Singapore, comprising mainly interest expense. Another associate, Four Seasons Resort Seychelles, which commenced business in February 2009, also recorded start up operating losses.

During the quarter under review, the Group made further contribution for its 25% share of the remaining acquisition cost for the Gillman Heights site, resulting in an increase in amount due from associates. On the other hand, there was a decrease in amount due from jointly controlled entities due to refund of deposit as a result of rescission of the contract to acquire the Horizon Towers site.

Effective tax rate was higher for Q2 2009 compared to Q2 2008 due to lower profits from non-taxable jurisdiction.

After taking into account minority share of results, Group net profit attributable to shareholders for the quarter ended June 30, 2009, was \$4.37 million compared to \$15.47 million for the corresponding quarter last year.

9. Variance from Previous Forecast or Prospect Statement

Not applicable.

10. Outlook

Although there have been signs of stabilization in the global economy, the pace of recovery is still uncertain. The business environment for the hospitality industry is therefore likely to remain challenging in the short term. On the property front, buying sentiments have improved in Singapore and an associate of the Group will have the proposed condominium development at the former Gillman Heights site launch-ready in the second half of 2009.

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")

Name of Interested Person	Aggregate value of all IPT during the second quarter ended Jun 30, 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	3,230	-
- Management fee expense	85	-

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

BY ORDER OF THE BOARD

Lo Swee Oi
Company Secretary
August 14, 2009