



HOTEL PROPERTIES LIMITED

(REG. NO. 198000348Z)

First Quarter Financial Statement

1(a) Income Statement

	GROUP \$'000	
	Quarter ended Mar 31, 2008	Quarter ended Mar 31, 2007
Revenue	146,137	103,916
Cost of sales	(91,019)	(67,990)
Gross profit	55,118	35,926
Other operating income	568	1,158
Administrative expenses	(13,374)	(12,729)
Other operating expenses	(4,922)	(975)
Finance costs	(9,311)	(9,375)
Other non-operating income	282	1,535
Profit before income tax and share of results of associates	28,361	15,540
Share of results of associates	270	351
Profit before income tax	28,631	15,891
Income tax	(3,092)	(1,273)
Profit after income tax	25,539	14,618
Attributable to:		
Shareholders of the Company	20,546	11,658
Minority interests	4,993	2,960
	25,539	14,618

Notes to the above income statement:

	GROUP \$'000	
	Quarter ended Mar 31, 2008	Quarter ended Mar 31, 2007
Other income including interest income	568	933
Interest on borrowings	(9,150)	(9,236)
Depreciation and amortisation	(10,915)	(11,131)
Fair value changes in held-for-trading investments	(4,008)*	(625)
Foreign exchange (loss) gain	(851)	180
Adjustment for overprovision of tax in respect of prior years	491	-
Gain on disposal of investment properties	-	500
Gain on disposal of property, plant and equipment	31	90

Note:

* Recorded as Other Operating Expenses

1(b)(i) Balance Sheet

	GROUP \$'000		COMPANY \$'000	
	Mar 31, 2008	Dec 31, 2007	Mar 31, 2008	Dec 31, 2007
ASSETS				
Current assets:				
Cash and bank balances	95,298	123,485	6,981	6,027
Held-for-trading investments	31,347	25,316	-	-
Trade receivables	37,255	29,755	2,674	2,567
Other receivables and prepayments	47,330	42,609	4,035	1,912
Amount due from associates	59,060	93,001	10,263	10,263
Amount due from subsidiaries	-	-	786,588	765,249
Inventories	6,124	7,091	219	315
Development properties	430,779	416,041	-	-
Completed properties held for sale	6,214	6,214	-	-
Total current assets	713,407	743,512	810,760	786,333
Non-current assets:				
Associates	210,206	91,477	2,361	2,361
Subsidiaries	-	-	409,146	302,430
Available-for-sale investments	10,809	11,798	-	-
Other long-term receivables and prepayments	3,704	3,843	-	-
Property, plant and equipment	1,181,186	1,183,060	230,744	231,560
Investment properties	646,717	646,717	-	-
Deferred tax assets	-	253	-	-
Derivative financial instruments	5,953	4,256	5,619	3,798
Intangible assets	15,605	15,872	-	-
Total non-current assets	2,074,180	1,957,276	647,870	540,149
Total assets	2,787,587	2,700,788	1,458,630	1,326,482
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	230,208	227,499	164,950	124,946
Trade payables	74,762	84,974	13,801	18,288
Other payables	41,980	43,702	-	-
Amount due to associates	457	457	-	-
Amount due to subsidiaries	-	-	44,552	44,509
Income tax payable	8,636	7,876	1,508	1,124
Total current liabilities	356,043	364,508	224,811	188,867
Non-current liabilities:				
Amount due to subsidiaries	-	-	5,105	-
Long-term bank loans	1,009,831	932,527	397,289	313,341
Other long-term liabilities	16,081	17,941	-	-
Deferred tax liabilities	26,017	25,137	660	681
Derivative financial instruments	1,266	-	-	-
Total non-current liabilities	1,053,195	975,605	403,054	314,022
Share capital and reserves:				
Share capital	681,040	681,040	681,040	681,040
Reserves	543,977	526,647	149,725	142,553
Equity attributable to shareholders of the Company	1,225,017	1,207,687	830,765	823,593
Minority interests	153,332	152,988	-	-
Total equity	1,378,349	1,360,675	830,765	823,593
Total liabilities and equity	2,787,587	2,700,788	1,458,630	1,326,482

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

As at 31/3/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
\$68,986,000	\$164,950,000	\$106,435,000	\$124,946,000

Amount repayable after one year

As at 31/3/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
\$683,789,000	\$339,414,000	\$732,645,000	\$214,775,000

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, 2008 \$'000	Quarter ended Mar 31, 2007 \$'000
Cash flows from operating activities:		
Profit before income tax and share of results of associates	28,361	15,540
Adjustments for:		
Amortisation of intangible assets	84	86
Depreciation expense	10,831	11,045
Share option expense	328	112
Fair value changes in held-for-trading investments	-	(625)
Gain on disposal of property, plant and equipment	(31)	(90)
Loss on disposal of available-for-sale investment	19	-
Gain on disposal of investment properties	-	(500)
Interest expense	9,150	9,236
Interest income	(270)	(740)
Dividend income	(68)	-
Profit before working capital changes	48,404	34,064
Payables and accrued expenses	(13,205)	(1,989)
Receivables and prepayments	(12,207)	(35,972)
Held-for-trading investments	(6,031)	(1,282)
Inventories	967	2
Completed properties held for sale	-	7,191
Cash generated from operations	17,928	2,014
Dividend received	68	-
Interest received	270	740
Interest paid	(9,150)	(9,236)
Income tax paid	(1,128)	(2,786)
Net cash from (used in) operating activities	7,988	(9,268)
Cash flows from investing activities:		
Acquisition of additional interest in a joint venture company, (see Note A below)	-	(83,264)
Additional available-for-sale investments	(195)	-
Additional property, plant and equipment	(19,140)	(12,928)
Additional investment properties	-	(15,871)
Advances (to) from a minority shareholder	(2,974)	1,585
Development properties and expenditure	(13,004)	(10,656)
Proceeds from disposal of property, plant and equipment	39	90
Net investment in associates	(88,583)	(3,970)
Cash used in investing activities	(123,857)	(125,014)
Cash flows from financing activities:		
Proceeds from issue of shares	-	2,414
Additional bank loans	88,320	107,694
Cash from financing activities	88,320	110,108
Net effect of exchange rate changes in consolidation	(638)	932
Net decrease in cash and bank balances	(28,187)	(23,242)
Cash and bank balances at beginning of period	123,485	128,504
Cash and bank balances at end of period	95,298	105,262

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

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

	Share capital \$'000	Asset revaluation reserve \$'000	Exchange fluctuation reserve \$'000	Hedge reserve \$'000	Option reserve \$'000	Other capital reserve \$'000	Retained profits \$'000	Attributable to Shareholders of the Company \$'000	Minority interests \$'000	Total equity \$'000
GROUP										
Balance as at Jan 1, 2008	681,040	222,498	(63,636)	1,040	915	4,695	361,135	1,207,687	152,988	1,360,675
Exchange fluctuation differences	-	-	(942)	-	-	-	-	(942)	(1,246)	(2,188)
Loss on cash flow hedge	-	-	-	(1,435)	-	-	-	(1,435)	-	(1,435)
Loss on available- for-sale investments	-	-	-	-	-	(1,167)	-	(1,167)	-	(1,167)
Share-based payments during the period	-	-	-	-	328	-	-	328	-	328
Net profit for the period	-	-	-	-	-	-	20,546	20,546	4,993	25,539
Net movement during the period	-	-	-	-	-	-	-	-	(3,403)	(3,403)
Balance as at Mar 31, 2008	681,040	222,498	(64,578)	(395)	1,243	3,528	381,681	1,225,017	153,332	1,378,349

	Share capital \$'000	Asset revaluation reserve \$'000	Exchange fluctuation reserve \$'000	Hedge reserve \$'000	Option reserve \$'000	Other capital reserve \$'000	Retained profits \$'000	Attributable to Shareholders of the Company \$'000	Minority interests \$'000	Total equity \$'000
GROUP										
Balance as at Jan 1, 2007	576,486	223,093	(58,138)	2,032	686	7,821	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)	2,266	798	8,972	342,261	1,107,494	142,965	1,250,459

	Share capital \$'000	Asset revaluation reserve \$'000	Hedge reserve \$'000	Option reserve \$'000	Retained profits \$'000	Total equity \$'000
COMPANY						
Balance as at Jan 1, 2008	681,040	110,785	(622)	915	31,475	823,593
Gain on cash flow hedge	-	-	17	-	-	17
Share-based payments during the period	-	-	-	328	-	328
Net profit for the period	-	-	-	-	6,827	6,827
Balance as at Mar 31, 2008	681,040	110,785	(605)	1,243	38,302	830,765
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

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, 55,000 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.

As at March 31, 2008, the number of outstanding share options under the Company's Share Option Scheme 2000 was 3,755,000 (as at December 31, 2007: 3,755,000), and the number of outstanding performance shares under the Company's Performance Share Plan was 473,000 (as at December 31, 2007: 473,000).

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

	Mar 31, 2008	Dec 31, 2007
Total number of issued shares excluding treasury shares	504,211,851	504,211,851

1(d)(iv) Statement Showing All Sales, Transfers, Disposal, Cancellation and/or Use of Treasury Shares

N.A. 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

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, 2008	Quarter ended Mar 31, 2007 (restated)
Based on the weighted average number of ordinary shares in issue	4.07 cents	2.43 cents
On a fully diluted basis	4.06 cents	2.42 cents

7. Net Asset Value

	Mar 31, 2008	Dec 31, 2007
GROUP	\$2.43	\$2.40
COMPANY	\$1.65	\$1.63

8. Review of Performance

For the first quarter ended 31 March 2008, the Group achieved a turnover of \$146.1 million, 41% higher than the \$103.9 million recorded for the same quarter last year. Correspondingly, the Group's Profit before Income Tax increased by 80%, from \$15.9 million for Q1 2007 to \$28.6 million for the quarter under review.

The Group's hotels and resorts in Singapore, Maldives and Bali have generally made significant improvements in both room rates and occupancy. Contributions from the property division also increased due to higher profits recognised for the Group's condominium development in Bangkok, the Met, as well as higher rental income from the Group's investment properties, in tandem with the higher prevailing rental rates.

During the quarter under review, the Group made further contribution for its 22.5% share of the remaining acquisition cost for the Farrer Court site, resulting in an increase in the Group's investment in associates and a corresponding increase in borrowings. Interest expense, however, remained constant due to lower prevailing interest rates.

Group Profit after income tax and minority interest improved from \$11.7 million for Q1 2007 to \$20.5 million for the quarter under review.

9. Variance from Previous Forecast or Prospect Statement

The Group's results for Q1 2008 are in line with the commentary made in paragraph 10 of the Group's Full Year Financial Statement and Dividend Announcement released on February 29, 2008.

10. Outlook and Prospects

The contraction of the US economy, inflation pressure as well as the global credit crunch have resulted in uncertainties in the overall business environment. Nevertheless, barring unforeseen circumstances, the Group is confident that its operating performance in 2008 will continue to 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, 2008 (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	3,173	-
- Management fee expense	180	-

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, 2008 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Chuang Sheue Ling & Lo Swee Oi
Joint Company Secretaries
May 13, 2008