

HOTEL PROPERTIES LIMITED (REG. NO. 198000348Z)
Full Year Financial Statement And Dividend Announcement
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS
1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	GROUP \$'000	
	Year ended Dec 31, 2004	Year ended Dec 31, 2003
Revenue	320,140	279,860
Cost of sales	(233,040)	(214,558)
Gross profit	87,100	65,302
Other operating income	3,682	8,041
Administrative expenses	(39,404)	(37,879)
Other operating expenses	(5,530)	(8,303)
Profit from operations	45,848	27,161
Finance costs	(14,817)	(14,735)
Other non-operating (expenses) income	(361)	6,006
Profit before income tax and share of results of associates	30,670	18,432
Share of results of associates	7,296	(4,091)
Profit before income tax	37,966	14,341
Income tax expense	(9,837)	(5,773)
Profit after income tax	28,129	8,568
Minority interests	(4,438)	(3,861)
Net profit from ordinary activities	23,691	4,707
Extraordinary item	(2,319)	-
Net profit attributable to shareholders	21,372	4,707

Notes to the above income statement:

	GROUP \$'000	
	Year ended Dec 31, 2004	Year ended Dec 31, 2003
Investment income	1,232	1,417
Other income including interest income	2,450	3,333
Interest on borrowings	(14,817)	(14,735)
Depreciation and amortisation	(41,490)	(40,371)
Release of negative goodwill	227	-
Allowance for doubtful trade debts	(81)	(237)
(Allowance for) Write-back of allowance for inventories	(24)	1,324
Impairment loss in associates	-	(72)
Impairment loss in property, plant and equipment	-	(742)
(Impairment loss) Write-back of impairment loss in short-term investments	(1,071)	2,072
(Impairment loss) Write back of impairment loss in long-term investments	(488)	1,077
Foreign exchange (loss) gain	(1,988)	1,082
Adjustment for (under) over provision of tax in respect of prior years	(742)	1,115
Plant and equipment written off	(1,098)	(881)
Deficit arising from revaluation of investment properties	(2,133)	-
(Loss) Gain on disposal of short-term investments	(170)	1,221
(Loss) Gain on disposal of long-term investments	(695)	832
Gain on disposal of investment properties	139	398
Gain on disposal of property, plant and equipment	395	479
Gain on disposal of subsidiaries	-	4,160
Loss on dilution of interest in an associate	-	(294)
Property damages as a result of Tsunami	(2,319)	-

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	GROUP \$'000		COMPANY \$'000	
	Dec 31, 2004	Dec 31, 2003	Dec 31, 2004	Dec 31, 2003
ASSETS				
Current assets:				
Cash	63,573	84,347	8,391	17,527
Short-term investments	3,894	6,428	-	-
Trade receivables	24,150	20,469	1,430	1,382
Other receivables and prepayments	14,089	19,503	736	802
Inventories	7,588	7,899	192	219
Development properties	31,397	27,367	-	-
Completed properties held for sale	10,349	10,349	-	-
Total current assets	155,040	176,362	10,749	19,930
Non-current assets:				
Associates	63,866	87,651	12,322	12,997
Subsidiaries	-	-	672,291	722,723
Other long-term investments	11,473	29,476	-	-
Other long-term asset	1,298	-	-	-
Property, plant and equipment	1,106,017	1,051,058	228,913	230,506
Investment properties	275,652	281,104	-	-
Expenditure carried forward	18,436	11,431	162	292
Negative goodwill	(16,606)	(16,833)	-	-
Total non-current assets	1,460,136	1,443,887	913,688	966,518
Total assets	1,615,176	1,620,249	924,437	986,448
LIABILITIES AND EQUITY				
Current liabilities:				
Bank loans	43,422	28,389	-	-
Trade payables	31,120	30,330	9,599	8,390
Other payables	23,081	33,347	-	-
Income tax payables	4,158	5,766	305	400
Total current liabilities	101,781	97,832	9,904	8,790
Non-current liabilities				
Long-term bank loans	470,023	543,393	150,000	223,426
Advances from subsidiaries	-	-	60,376	62,637
Deferred tax liabilities	3,611	4,147	651	1,213
Total non-current liabilities	473,634	547,540	211,027	287,276
Minority interests	54,114	49,649	-	-
Share capital and reserves:				
Issued capital	453,024	453,024	453,024	453,024
Reserves	532,623	472,204	250,482	237,358
Total equity	985,647	925,228	703,506	690,382
Total liabilities and equity	1,615,176	1,620,249	924,437	986,448

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/12/2004		As at 31/12/2003	
Secured	Unsecured	Secured	Unsecured
\$43,422,000	-	\$28,389,000	-

Amount repayable after one year

As at 31/12/2004		As at 31/12/2003	
Secured	Unsecured	Secured	Unsecured
\$320,023,000	\$150,000,000	\$393,393,000	\$150,000,000

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) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Year ended Dec 31, 2004 \$'000	Year ended Dec 31, 2003 \$'000
Cash flows from operating activities:		
Profit before income tax and share of results of associates	30,670	18,432
Adjustments for:		
Amortisation of expenditure carried forward	1,896	1,751
Depreciation expense	39,594	38,620
Release of negative goodwill	(227)	-
Impairment loss in property, plant and equipment	-	742
Impairment loss in associates	-	72
Impairment loss (Write back of impairment loss) in long-term investments	488	(1,077)
Plant and equipment written off	1,098	881
Expenditure carried forward written off	6	13
Gain on disposal of property, plant and equipment	(395)	(479)
Gain on disposal of investment properties	(139)	(398)
Gain on disposal of subsidiaries	-	(4,160)
Loss (Gain) on disposal of long-term investments	695	(832)
Loss on dilution of interest in an associate	-	294
Deficit arising from revaluation of investment properties	2,133	-
Interest expense	14,817	14,735
Interest income	(1,957)	(2,263)
Dividend income	(1,232)	(1,417)
Profit before working capital changes	87,447	64,914
Payables and accrued expenses	(9,843)	1,567
Completed properties held for sale	-	4,592
Receivables and prepayments	5,604	33,291
Short-term investments	2,534	16,195
Inventories	436	(4,962)
Cash generated from operations	86,178	115,597
Dividend paid	(9,060)	(8,834)
Dividend received	1,232	1,417
Interest received	1,957	2,263
Interest paid	(14,817)	(14,735)
Income tax paid	(8,603)	(31,568)
Net cash from operating activities	56,887	64,140
Cash flows from investing activities:		
Acquisition of subsidiaries (see Note A below)	(6,040)	-
Disposal of subsidiaries (see Note B below)	-	864
Acquisition of additional interest in a subsidiary	(10,229)	(4,532)
Additional expenditure carried forward	(156)	(472)
Development properties and expenditure	(3,760)	(8,778)
Additional investment properties	(37)	(72)
Net investment in associates	18,945	9,449
Additional property, plant and equipment	(45,528)	(97,681)
Additional long-term investments	-	(1,965)
Repayment to minority shareholders	(2,533)	(365)
Proceeds from disposal of investment properties	633	4,758
Proceeds from disposal of long-term investments	20,592	2,626
Proceeds from disposal of property, plant and equipment	682	2,448
Cash used in investing activities	(27,431)	(93,720)
Cash flows from financing activity:		
Repayment of bank loans	(51,578)	(2,967)
Cash used in financing activity	(51,578)	(2,967)
Net effect of exchange rate changes in consolidation	1,348	4,209
Net decrease in cash	(20,774)	(28,338)
Cash at beginning of year	84,347	112,685
Cash at end of year	63,573	84,347

	Year ended Dec 31, 2004 \$'000	Year ended Dec 31, 2003 \$'000
Note A : Summary of cash flow arising from acquisition of subsidiaries		
Current assets	2,997	-
Current liabilities	(973)	-
Net current assets	2,024	-
Property, plant and equipment	812	-
Other non-current liabilities	(713)	-
Net assets acquired	2,123	-
Goodwill on consolidation	4,694	-
Purchase consideration	6,817	-
Cash of subsidiaries acquired	(777)	-
Cash flows arising from acquisition of subsidiaries	6,040	-
Note B : Summary of cash flow arising from disposal of subsidiaries		
Current assets	-	14,938
Current liabilities	-	(14,449)
Net current assets	-	489
Property, plant and equipment	-	920
Other non-current liabilities	-	(351)
	-	1,058
Less: Minority interests	-	(265)
Net assets disposed	-	793
Realisation of exchange reserves	-	(1,203)
Gain on disposal of subsidiaries	-	4,160
Proceeds from disposal of subsidiaries	-	3,750
Cash of subsidiaries disposed	-	(2,886)
Cash flows arising from disposal of subsidiaries	-	864

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Issued capital \$'000	Share premium \$'000	Asset revaluation reserve \$'000	Exchange fluctuation reserve \$'000	Reserve on consolidation \$'000	Retained profits \$'000	Dividend reserve \$'000	Total \$'000
GROUP								
Balance as at Jan 1, 2003	453,024	121,092	216,794	(53,996)	19,899	147,405	8,834	913,052
Exchange fluctuation differences	-	-	-	17,382	-	-	-	17,382
Adjustment arising from disposal of subsidiaries	-	-	-	(1,203)	-	-	-	(1,203)
Share of revaluation reserve of associates arising during the year	-	-	124	-	-	-	-	124
Net profit not recognised in the consolidated profit and loss statement	-	-	124	16,179	-	-	-	16,303
Net profit for the year	-	-	-	-	-	4,707	-	4,707
Final dividends for the previous year, paid	-	-	-	-	-	-	(8,834)	(8,834)

	Issued capital \$'000	Share premium \$'000	Asset revaluation reserve \$'000	Exchange fluctuation reserve \$'000	Reserve on consolidation \$'000	Retained profits \$'000	Dividend reserve \$'000	Total \$'000
Final dividends for the current year, proposed	-	-	-	-	-	(9,060)	9,060	-
Balance as at Dec 31, 2003	453,024	121,092	216,918	(37,817)	19,899	143,052	9,060	925,228
Exchange fluctuation differences	-	-	-	(6,470)	-	-	-	(6,470)
Deficit arising during the year	-	-	(2,439)	-	-	-	-	(2,439)
Share of revaluation reserve of associates arising during the year	-	-	(851)	-	-	-	-	(851)
Adjustment arising from acquisition of additional interest in a subsidiary	-	-	58,137	-	-	-	-	58,137
Net gain (loss) not recognised in the consolidated profit and loss statement	-	-	54,847	(6,470)	-	-	-	48,377
Transfer to profit and loss statement during the year	-	-	(270)	-	-	-	-	(270)
Net profit for the year	-	-	-	-	-	21,372	-	21,372
Final dividends for the previous year, paid	-	-	-	-	-	-	(9,060)	(9,060)
Final dividends for the current year, proposed	-	-	-	-	-	(18,121)	18,121	-
Balance as at Dec 31, 2004	453,024	121,092	271,495	(44,287)	19,899	146,303	18,121	985,647
COMPANY								
Balance as at Jan 1, 2003	453,024	120,885	110,785	(6,042)	-	4,543	8,834	692,029
Net gain not recognised in the profit and loss statement, being exchange fluctuation differences	-	-	-	374	-	-	-	374
Net profit for the year	-	-	-	-	-	6,813	-	6,813
Final dividends for the previous year, paid	-	-	-	-	-	-	(8,834)	(8,834)
Final dividends for the current year, proposed	-	-	-	-	-	(9,060)	9,060	-
Balance as at Dec 31, 2003	453,024	120,885	110,785	(5,668)	-	2,296	9,060	690,382

	Issued capital \$'000	Share premium \$'000	Asset revaluation reserve \$'000	Exchange fluctuation reserve \$'000	Reserve on consolidation \$'000	Retained profits \$'000	Dividend reserve \$'000	Total \$'000
Net gain not recognised in the profit and loss statement, being exchange fluctuation differences	-	-	-	5,210	-	-	-	5,210
Net profit for the year	-	-	-	-	-	16,974	-	16,974
Final dividends the previous year, paid	-	-	-	-	-	-	(9,060)	(9,060)
Final dividends the current year, proposed	-	-	-	-	-	(18,121)	18,121	-
Balance as at Dec 31, 2004	453,024	120,885	110,785	(458)	-	1,149	18,121	703,506

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purposes since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

The Company did not issue any new share since the end of the previous financial year to the date of this announcement.

The number of shares that may be issued on conversion of all share options outstanding as at December 31, 2004 was 3,560,000 (as at end of previous financial year was 4,470,000).

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

N.A.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group and Company have followed the same accounting policies and methods of computation as in the most recently audited annual financial statements.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

N.A.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Year ended Dec 31, 2004	Year ended Dec 31, 2003
Based on the weighted average number of ordinary shares in issue before extraordinary item	5.23 cents	1.04 cents
Based on the weighted average number of ordinary shares in issue after extraordinary item	4.72 cents	1.04 cents
On a fully diluted basis before extraordinary item	5.23 cents	1.04 cents
On a fully diluted basis after extraordinary item	4.72 cents	1.04 cents

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Dec 31, 2004	Dec 31, 2003
GROUP	\$2.18	\$2.04
COMPANY	\$1.55	\$1.52

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

For the year ended December 31, 2004, the Group recorded a turnover of \$320.1 million, a 14.4% increase from that of \$279.9 million last year. Group profit before tax increased from \$14.3 million to \$38 million.

The Hotel division contributed significantly to the improvement in both revenue and profitability with all the hotels in the Group achieving better results than last year. In particular, the Group's resorts in Bali delivered strong improvement with occupancy levels and room rates returning to levels close to those before the 2002 terrorist bombings. The Group's hotels in Singapore also recovered in tandem with improving economic and travel trends in 2004.

On the property front, the Group's investment in Oasis Riveria, a residential development in Shanghai reported strong profits, resulting in higher share of results from associates.

The tidal waves caused by the underwater earthquake in December 2004 affected the Group's two resorts in Maldives resulting in some loss. Although both resorts are covered by comprehensive insurance policies for property damage and business interruption, the Singapore Financial Reporting Standards ("SFRS") stipulate that such compensation should be recorded as a credit to the profit and loss statement only when it becomes receivable. The resorts are currently working closely with the Loss Adjuster on the claims under the insurance policies which is expected to be a long-drawn process. Therefore, in accordance with SFRS, the Group has recorded an extraordinary item of \$2.3 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The current announced results are in line with the commentary made in paragraph 10 of the third quarter financial statement announcement released on November 8, 2004.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Travel trends to the Maldives are expected to be adversely affected in the short term. However, barring unforeseen circumstances, the Board anticipates the Group's hotels and resorts in other geographical areas to continue to benefit from the growth in the travel and tourism industry. The Board also expects the operational performance of the Group for 2005 to continue to be profitable.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	First & Final	Special
Dividend Type	Cash	Cash
Dividend Rate	2.5 cents per ordinary share (less tax)	2.5 cents per ordinary share (less tax)
Par value of shares	\$1.00	\$1.00
Tax Rate	20%	20%

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	First & Final
Dividend Type	Cash
Dividend Rate	2.5 cents per ordinary share (less tax)
Par value of shares	\$1.00
Tax Rate	20%

(c) Date payable

Will be announced at a later date.

(d) Books closure date

Notice will be given at a later date of the date of closure of the transfer books and register of members.

12. If no dividend has been declared/recommended, a statement to that effect

N.A.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Information by business segment

Year ended December 31, 2004

	Hotels \$'000	Properties \$'000	Retail and Distribution \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
REVENUE						
External sales	282,276	18,013	19,851	-		320,140
Inter-segment sales		352			(352)	-
Total revenue	282,276	18,365	19,851	-	(352)	320,140
RESULTS						
Segment results*	38,801	6,250	(1,117)	(404)		43,530
Interest expense						(14,817)
Interest income						1,957
Share of results of associates	605	7,208	1,549	(2,066)		7,296
Income tax expense						(9,837)
Minority interests						(4,438)
Extraordinary item						(2,319)
Net profit						21,372

Year ended December 31, 2003

	Hotels \$'000	Properties \$'000	Retail and Distribution \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
REVENUE						
External sales	213,791	23,917	42,152	-		279,860
Inter-segment sales		352			(352)	-
Total revenue	213,791	24,269	42,152	-	(352)	279,860
RESULTS						
Segment results*	12,628	15,866	2,326	84		30,904
Interest expense						(14,735)
Interest income						2,263
Share of results of associates	(224)	(1,118)	(2,653)	(96)		(4,091)
Income tax expense						(5,773)
Minority interests						(3,861)
Net profit						4,707

* Segment results represent profit/loss before interest and tax

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to item 8 above.

15. A breakdown of sales

	Latest Financial Year \$'000 Group	Previous Financial Year \$'000 Group	% increase/(decrease) Group
(a) Sales reported for first half year	148,423	124,941	18.79
(b) Operating profit (loss) after tax before deducting minority interests reported for first half year	10,366	(8,646)	Not meaningful
(c) Sales reported for second half year	171,717	154,919	10.84
(d) Operating profit after tax before deducting minority interests reported for second half year	17,763	17,214	3.19

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	Latest Full Year (\$'000)	Previous Full Year (\$'000)
Ordinary	18,121	9,060
Preference	-	-
Total:	18,121	9,060

17. Interested Person Transactions ("IPT")

Name of Interested Person	Aggregate value of all IPT during the financial year (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 Peter Y S Fu / Mr Ong Beng Seng / Mr David Fu Kuo Chen		
- Rental income	8,218	-
- Management fee income	640	-
- Management fee expense	724	-

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.

BY ORDER OF THE BOARD

Boon Suan Lee & Chuang Sheue Ling
 Joint Company Secretaries
 February 23, 2005