



HOTEL PROPERTIES LIMITED

(REG. NO. 198000348Z)

Full Year Financial Statements and Dividend Announcement

1(a)(i) Income Statement

	GROUP \$'000	
	Year ended Dec 31, 2014	Year ended Dec 31, 2013
Revenue	614,644	691,964
Cost of sales	(417,099)	(475,132)
Gross profit	197,545	216,832
Other operating income	26,723	4,537
Administrative expenses	(69,846)	(64,527)
Other operating expenses	(1,106)	(3,858)
Finance costs	(32,001)	(25,095)
Share of results of associates and jointly controlled entities	32,990	63,488
Profit before income tax and fair value changes in investment properties	154,305	191,377
Fair value gain on investment properties	5,686	21,386
Profit before income tax	159,991	212,763
Income tax expense	(25,180)	(25,958)
Profit after income tax	134,811	186,805
Attributable to:		
Shareholders of the Company	124,395	177,645
Non-controlling interests	10,416	9,160
	134,811	186,805

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

	GROUP \$'000	
	Year ended Dec 31, 2014	Year ended Dec 31, 2013
Investment income*	118	86
Other income including interest income*	1,490	3,669
Depreciation and amortisation	(49,235)	(46,778)
Allowance for doubtful trade receivables*	(45)	(50)
Fair value gain in held-for-trading investments*	549	169
Foreign exchange (loss) gain*	(117)	613
Adjustment for under provision of tax in respect of prior years	(2,324)	(30)
Impairment of available-for-sale investments*	-	(1,931)
Write-back of impairment of available-for-sale investments*	500	-
Write-back of impairment of advances to a jointly controlled entity*	9,057	-
Net gain on disposal of associates*	13,246	-
Gain on disposal of a subsidiary*	1,642	-
Gain (Loss) on disposal of property, plant and equipment*	121	(59)

Note:

* Included in other operating income (expenses)

1(a)(iii) Statement of Comprehensive Income

	GROUP \$'000	
	Year ended Dec 31, 2014	Year ended Dec 31, 2013
Profit after income tax	134,811	186,805
Other comprehensive income (net of tax):		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Remeasurement of defined benefit obligation	(229)	490
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translating foreign operations	18,719	(1,765)
Increase (Decrease) in other capital reserve	44	(297)
Share of other comprehensive income of associates and jointly controlled entities	(1,385)	7,661
	17,378	5,599
Other comprehensive income for the period, net of tax	17,149	6,089
Total comprehensive income	151,960	192,894
Attributable to:		
Shareholders of the Company	141,221	183,745
Non-controlling interests	10,739	9,149
	151,960	192,894

1(b)(i) Statements of Financial Position

	GROUP		COMPANY	
	\$'000		\$'000	
	Dec 31, 2014	Dec 31, 2013	Dec 31, 2014	Dec 31, 2013
ASSETS				
Current assets:				
Cash and bank balances	136,602	115,331	37,515	27,193
Held-for-trading investments	9,495	3,140	-	-
Trade and other receivables	61,217	60,301	3,170	2,973
Amount due from associates	37,307	62,790	6,231	7,041
Amount due from subsidiaries	-	-	828,453	720,333
Inventories	10,058	8,850	249	297
Development property ⁽¹⁾	-	358,398	-	-
Completed properties held for sale ⁽¹⁾	261,591	18,491	-	-
Total current assets	516,270	627,301	875,618	757,837
Non-current assets:				
Associates and jointly controlled entities	842,386	725,842	-	1,061
Subsidiaries	-	-	625,873	659,743
Available-for-sale investments	8,096	7,552	-	-
Other long-term prepayments	-	373	-	-
Property, plant and equipment	1,165,168	958,972	229,133	227,618
Investment properties	688,698	683,012	-	-
Deferred tax assets	4,298	4,509	-	-
Intangible assets	6,329	6,593	-	-
Total non-current assets	2,714,975	2,386,853	855,006	888,422
Total assets	3,231,245	3,014,154	1,730,624	1,646,259
LIABILITIES AND EQUITY				
Current liabilities:				
Short-term borrowings	261,464	314,784	89,958	-
Trade and other payables ⁽¹⁾	130,560	116,494	29,974	30,035
Amount due to subsidiaries	-	-	44,456	44,456
Income tax payable ⁽¹⁾	28,089	9,633	6	-
Total current liabilities	420,113	440,911	164,394	74,491
Non-current liabilities:				
Advances from subsidiaries	-	-	20,454	60,368
Long-term borrowings	875,685	742,763	496,863	500,679
Deferred tax liabilities ⁽¹⁾	13,947	28,229	1,054	1,012
Total non-current liabilities	889,632	770,992	518,371	562,059
Share capital and reserves:				
Share capital	715,415	687,832	715,415	687,832
Reserves	986,674	902,079	184,097	173,530
Equity attributable to shareholders of the Company	1,702,089	1,589,911	899,512	861,362
Perpetual capital securities	148,347	148,347	148,347	148,347
	1,850,436	1,738,258	1,047,859	1,009,709
Non-controlling interests	71,064	63,993	-	-
Total equity	1,921,500	1,802,251	1,047,859	1,009,709
Total liabilities and equity	3,231,245	3,014,154	1,730,624	1,646,259

Note:

- (1) The completion of Tomlinson Heights condominium development resulted in the transfer of cost of unsold units to Completed properties held for sale and accrual of costs to complete which contributed to an increase in Trade and other payables balance. Income tax payable was also reclassified from deferred to current.

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

As at Dec 31, 2014		As at Dec 31, 2013	
Secured	Unsecured	Secured	Unsecured
\$171,506,000	\$89,958,000	\$314,784,000	-

Amount repayable after one year

As at Dec 31, 2014		As at Dec 31, 2013	
Secured	Unsecured	Secured	Unsecured
\$476,484,000	\$399,201,000	\$253,812,000	\$488,951,000

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 Statement of Cash Flows

	Year ended Dec 31, 2014 \$'000	Year ended Dec 31, 2013 \$'000
Cash flows from operating activities:		
Profit before income tax and share of results of associates and jointly controlled entities	127,001	149,275
Adjustments for:		
Amortisation of intangible assets	317	324
Depreciation expense	48,918	46,454
Share-based payment expense	2,783	1,742
Impairment of available-for-sale investments	-	1,931
Write-back of impairment of available-for-sale investments	(500)	-
Write-back of impairment of advances to a jointly controlled entity	(9,057)	-
Fair value gain in investment properties	(5,686)	(21,386)
Gain on disposal of a subsidiary	(1,642)	-
Gain on disposal of property, plant and equipment	(121)	59
Net gain on disposal of associates	(13,246)	-
Finance costs	32,001	25,095
Interest income	(880)	(1,578)
Dividend income	(118)	(86)
Profit before working capital changes	179,770	201,830
Trade and other payables	11,947	20,082
Completed properties held for sale	29,179	9,354
Development properties and expenditure	(65,457)	(79,322)
Receivables and prepayments	154,291	6,480
Held-for-trading investments	(6,355)	202
Inventories	(1,084)	(524)
Cash generated from operations	302,291	158,102
Dividend received	118	86
Income tax paid	(20,818)	(19,629)
Net cash from operating activities	281,591	138,559
Cash flows used in investing activities:		
Acquisition of additional interest in a subsidiary	-	(65,626)
Acquisition of additional interest in a jointly controlled entity	(2,438)	-
Additional property, plant and equipment	(148,810)	(41,228)
Deposits placed for investments	-	(25,290)
Net (investment in) repayment from associates and jointly controlled entities	(128,375)	30,842
Proceeds from disposal of available-for-sale investment	-	15,844
Proceeds from disposal of a subsidiary	1,817	-
Proceeds from disposal of associates	15,000	-
Proceeds from disposal of property, plant and equipment	952	784
Cash used in investing activities	(261,854)	(84,674)

1(c) Consolidated Statement of Cash Flows (cont'd)

	Year ended Dec 31, 2014 \$'000	Year ended Dec 31, 2013 \$'000
Cash flows from (used in) financing activities:		
Interest received	880	1,578
Finance costs paid	(33,023)	(31,226)
Dividend paid	(41,386)	(38,066)
Distribution to perpetual capital securities holders	(9,188)	(9,188)
Advances from non-controlling shareholders	(8,632)	4,209
Additional borrowings	236,938	306,669
Repayment of borrowings	(163,207)	(256,710)
Decrease in deposits under pledge to bank	4	107
Proceeds from issue of shares	18,748	829
Cash from (used in) financing activities	1,134	(21,798)
Net increase in cash and cash equivalents	20,871	32,087
Cash and cash equivalents at beginning of year	111,978	79,827
Effect of exchange rate changes on cash balances held in foreign currencies	254	64
Cash and cash equivalents at end of year	133,103	111,978

Cash and cash equivalents at end of year

The cash and cash equivalents as at Dec 31, 2014, for the purposes of Consolidated Statement of Cash Flows, comprise of cash and bank balances less deposits under pledge to banks of \$3,499,000.

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

	Share capital \$'000	Retained profits \$'000	Other reserves* \$'000	Shareholders' equity \$'000	Perpetual capital securities \$'000	Subtotal \$'000	Non-controlling interests \$'000	Total equity \$'000
GROUP								
Balance as at Jan 1, 2013	686,139	682,702	106,172	1,475,013	148,347	1,623,360	91,143	1,714,503
Total comprehensive income (loss) for the year								
Profit for the year	-	177,645	-	177,645	-	177,645	9,160	186,805
Other comprehensive income (loss) for the year	-	479	5,621	6,100	-	6,100	(11)	6,089
Total	-	178,124	5,621	183,745	-	183,745	9,149	192,894
Transactions with owners, recognised directly in equity								
Recognition of share-based payments	-	-	1,742	1,742	-	1,742	-	1,742
Dividends	-	(38,066)	-	(38,066)	-	(38,066)	-	(38,066)
Acquisition of additional interest in a subsidiary from non-controlling interests	-	-	(24,164)	(24,164)	-	(24,164)	(41,462)	(65,626)
Net movement during the year	-	-	-	-	-	-	5,163	5,163
Issue of shares	1,693	-	(864)	829	-	829	-	829
Total	1,693	(38,066)	(23,286)	(59,659)	-	(59,659)	(36,299)	(95,958)
Distribution to perpetual capital securities holders	-	(9,188)	-	(9,188)	-	(9,188)	-	(9,188)
Balance as at Dec 31, 2013	687,832	813,572	88,507	1,589,911	148,347	1,738,258	63,993	1,802,251
Total comprehensive income (loss) for the year								
Profit for the year	-	124,395	-	124,395	-	124,395	10,416	134,811
Other comprehensive income (loss) for the year	-	(228)	17,054	16,826	-	16,826	323	17,149
Total	-	124,167	17,054	141,221	-	141,221	10,739	151,960
Transactions with owners, recognised directly in equity								
Recognition of share-based payments	-	-	2,783	2,783	-	2,783	-	2,783
Dividends	-	(41,386)	-	(41,386)	-	(41,386)	-	(41,386)
Net movement during the period	-	-	-	-	-	-	(3,668)	(3,668)
Issue of shares	27,583	-	(8,835)	18,748	-	18,748	-	18,748
Total	27,583	(41,386)	(6,052)	(19,855)	-	(19,855)	(3,668)	(23,523)
Distribution to perpetual capital securities holders	-	(9,188)	-	(9,188)	-	(9,188)	-	(9,188)
Balance as at Dec 31, 2014	715,415	887,165	99,509	1,702,089	148,347	1,850,436	71,064	1,921,500

* Includes asset revaluation reserve, exchange fluctuation reserve, option reserve and other capital reserve.

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

	Share capital \$'000	Retained profits \$'000	Other reserves** \$'000	Share-holders' equity \$'000	Perpetual capital securities \$'000	Total equity \$'000
COMPANY						
Balance as at Jan 1, 2013	686,139	40,419	118,256	844,814	148,347	993,161
Total comprehensive income for the year						
Profit for the year	-	61,231	-	61,231	-	61,231
Total	-	61,231	-	61,231	-	61,231
Transactions with owners, recognised directly in equity						
Recognition of share-based payments	-	-	1,742	1,742	-	1,742
Dividends	-	(38,066)	-	(38,066)	-	(38,066)
Issue of shares	1,693	-	(864)	829	-	829
Total	1,693	(38,066)	878	(35,495)	-	(35,495)
Distribution to perpetual capital securities holders	-	(9,188)	-	(9,188)	-	(9,188)
Balance as at Dec 31, 2013	687,832	54,396	119,134	861,362	148,347	1,009,709
Total comprehensive income for the year						
Profit for the year	-	67,193	-	67,193	-	67,193
Total	-	67,193	-	67,193	-	67,193
Transactions with owners, recognised directly in equity						
Recognition of share-based payments	-	-	2,783	2,783	-	2,783
Dividends	-	(41,386)	-	(41,386)	-	(41,386)
Issue of shares	27,583	-	(8,835)	18,748	-	18,748
Total	27,583	(41,386)	(6,052)	(19,855)	-	(19,855)
Distribution to perpetual capital securities holders	-	(9,188)	-	(9,188)	-	(9,188)
Balance as at Dec 31, 2014	715,415	71,015	113,082	899,512	148,347	1,047,859

** Includes asset revaluation 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 period reported on.

As at Dec 31, 2014, the number of outstanding share options under the Company's Share Option Schemes was 4,820,000 (as at Dec 31, 2013: 11,035,000), and the number of outstanding performance shares under the Company's Performance Share Plan was Nil (as at Dec 31, 2013: 1,407,600).

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

	Dec 31, 2014	Dec 31, 2013
Total number of issued shares excluding treasury shares	519,078,851	508,056,251

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 year 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 except as explained in paragraph 5 below.

5. Reasons for and Effect of Changes in Accounting Policies

The Group has adopted all relevant new/revised Singapore Financial Reporting Standards ("FRS") and amendments that are mandatory for financial years beginning on or after January 1, 2014. The adoption of these new/revised FRSs and amendments has no significant impact to the Group except for certain additional disclosures.

6. Earnings Per Ordinary Share

	Year ended Dec 31, 2014	Year ended Dec 31, 2013
Based on the weighted average number of ordinary shares in issue	22.34 cents	33.19 cents
On a fully diluted basis	22.29 cents	33.05 cents

Earnings per ordinary share is calculated based on net profit attributable to ordinary shareholders after deducting provision for distribution to perpetual capital securities holders.

7. Net Asset Value

	Dec 31, 2014	Dec 31, 2013
GROUP	\$3.28	\$3.13
COMPANY	\$1.73	\$1.70

Net asset value per ordinary share is calculated based on net assets excluding perpetual capital securities that is attributable to the ordinary shareholders divided by the number of issued shares of the Company.

8. Review of Performance

For the year ended December 31, 2014, the Group recorded a revenue of \$614.6 million compared to \$692 million last year. Despite higher contributions from the Group's resorts in the Maldives and Bali, the Group recorded a lower revenue due to the completion of the Tomlinson Heights condominium development in March 2014. Interest expense relating to the project previously capitalised were expensed, contributing to an increase in finance costs of the Group. Nevertheless, collection from purchasers during the year resulted in higher cash generated from operations of \$302.3 million compared to \$158.1 million last year.

The Group's share of results of associates and jointly controlled entities decreased from \$63.5 million to \$33 million mainly due to lower profits from The Interlace condominium development at Alexandra Road and d'Leedon condominium at Farrer Road, Singapore, which were completed in September 2013 and October 2014 respectively. Last year's results also included a non-recurring gain on disposal of certain investment properties at Kensington Square, London, amounting to \$13 million.

During the year, the Group acquired Six Senses Laamu in Maldives as well as making an investment in a joint venture which acquired a property in Paddington, London. These contributed to the increase in Property, plant and equipment and Associates and jointly controlled entities balances in the Group's Statement of Financial Position. The Group's net borrowings have nevertheless not increased significantly due to collections from apartment purchasers from the Tomlinson Heights and The Interlace condominium developments.

For the year ended December 31, 2014, Group net profit attributable to shareholders was \$124.4 million compared to \$177.6 million last year.

9. Variance from Previous Forecast or Prospect Statement

Not applicable.

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.

Our hotels and resorts are expected to continue to contribute steadily to the Group's operating results, although the global economic recovery remains mixed.

Singapore private residential properties sales for 2014 was halved to about 7,400 units, with prices declining by 4% as compared to the previous year. In London, the Group has commenced soft marketing of apartments at Burlington Gate and Campden Hill. Income from these projects will only be recorded upon completion.

11. Dividend

(a) Current Financial Period Reported On

The Board of Directors has recommended a first and final one-tier tax exempt cash dividend of 4 cents per ordinary share, and a one-tier tax exempt special dividend of 6 cents per ordinary share, in respect of the current financial year reported on. Payment of the said dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting.

(b) Corresponding Period of the Immediately Preceding Financial Year

The Company declared a first and final one-tier tax exempt cash dividend of 4 cents per ordinary share and a one-tier tax exempt special dividend of 4 cents per ordinary share in respect of the immediately preceding financial year.

(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

Not applicable.

13. Interested Person Transactions ("IPT")

The Group has not obtained a general mandate from shareholders for IPTs.

Name of Interested Person	Aggregate value of all IPT during the financial year ended Dec 31, 2014 (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	10,831	-
- Management fee income	1,089	-
- Management fee expense	774	-
- Equity contribution	16,985	-

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. Segmental Revenue and Results

Information by business segment

Year ended December 31, 2014

	Hotels \$'000	Properties \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
REVENUE					
External sales	498,038	116,600	6		614,644
Inter-segment sales		410		(410)	-
Total revenue	498,038	117,010	6	(410)	614,644
RESULTS					
Earnings before interest, tax and fair value changes in investment properties	102,677	35,502	14,257		152,436
Finance costs					(32,001)
Interest income					880
Share of results of associates and jointly controlled entities	(4,012)	35,819	1,183		32,990
Profit before fair value changes					154,305
Fair value changes in investment properties		5,686			5,686
Profit before income tax					159,991
Income tax expense					(25,180)
Non-controlling interests					(10,416)
Profit attributable to shareholders of the Company					124,395

Year ended December 31, 2013

	Hotels \$'000	Properties \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
REVENUE					
External sales	464,185	227,774	5		691,964
Inter-segment sales		403		(403)	-
Total revenue	464,185	228,177	5	(403)	691,964
RESULTS					
Earnings before interest, tax and fair value changes in investment properties	89,797	63,548	(1,939)		151,406
Finance costs					(25,095)
Interest income					1,578
Share of results of associates and jointly controlled entities	(8,591)	70,992	1,087		63,488
Profit before fair value changes					191,377
Fair value changes in investment properties		21,386			21,386
Profit before income tax					212,763
Income tax expense					(25,958)
Non-controlling interests					(9,160)
Profit attributable to shareholders of the Company					177,645

15. Review of Performance by Business Segments

Please refer to item 8 above.

16. Breakdown of Sales and Operating Profit

	Latest Financial Year \$'000 Group	Previous Financial Year \$'000 Group	% increase/(decrease) Group
(a) Sales reported for first half year	336,502	320,177	5.10
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	59,145	80,141	(26.20)
(c) Sales reported for second half year	278,142	371,787	(25.19)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	75,666	106,664	(29.06)

17. Breakdown of Total Annual Dividend

	Latest Full Year (\$'000)	Previous Full Year (\$'000)
Ordinary	51,908	41,386
Preference	-	-
Total:	51,908	41,386

The dividend amounts for the latest full year are estimated based on the number of issued shares as at December 31, 2014. The actual dividend payment can only be determined on books closure date.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) of the Listing Manual

There are currently no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Lo Swee Oi
Company Secretary
February 24, 2015