



# HOTEL PROPERTIES LIMITED

(REG. NO. 198000348Z)

## Full Year Financial Statements and Dividend Announcement

### 1(a)(i) Income Statement

|  | GROUP<br>\$'000            |  |
|--|----------------------------|--|
|  | Year ended<br>Dec 31, 2013 | Year ended<br>Dec 31, 2012<br>Restated |
| Revenue  | 691,964                    | 542,838                                |
| Cost of sales  | (475,132)                  | (378,230)                              |
| Gross profit   | 216,832                    | 164,608                                |
| Other operating income   | 4,537                      | 6,586                                  |
| Administrative expenses  | (64,527)                   | (57,720)                               |
| Other operating expenses   | (3,858)                    | (8,865)                                |
| Finance costs  | (25,095)                   | (25,209)                               |
| Share of results of associates and jointly controlled entities           | 61,568                     | 52,561                                 |
| Profit before income tax and fair value changes in investment properties | 189,457                    | 131,961                                |
| Gain (Loss) on fair value changes:                                       |                            |  |
| Share of fair value gain (loss) on investment properties of associates   | 1,920                      | (486)                                  |
| Fair value gain on investment properties                                 | 21,386                     | 28,065                                 |
|  | 23,306                     | 27,579                                 |
| Profit before income tax   | 212,763                    | 159,540                                |
| Income tax expense   | (25,958)                   | (20,340)                               |
| Profit after income tax  | 186,805                    | 139,200                                |
| Attributable to:   |                            |  |
| Shareholders of the Company  | 177,645                    | 129,796                                |
| Non-controlling interests  | 9,160                      | 9,404                                  |
|  | 186,805                    | 139,200                                |

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

|   | GROUP<br>\$'000            |                            |
|---|----------------------------|----------------------------|
|   | Year ended<br>Dec 31, 2013 | Year ended<br>Dec 31, 2012 |
| Investment income   | 86                         | 185                        |
| Other income including interest income                                | 3,669                      | 2,370                      |
| Depreciation and amortisation   | (46,778)                   | (50,435)                   |
| Allowance for doubtful trade receivables*                             | (50)                       | (139)                      |
| Fair value gain in held-for-trading investments*                      | 169                        | 4,031                      |
| Foreign exchange gain (loss)*   | 613                        | (303)                      |
| Adjustment for (under)over provision of tax in respect of prior years | (30)                       | 965                        |
| Impairment of intangible assets*                                      | -                          | (3,088)                    |
| Impairment of available-for-sale investments*                         | (1,931)                    | (1,483)                    |
| Loss on liquidation of jointly controlled entity*                     | -                          | (60)                       |
| (Loss) Gain on disposal of property, plant and equipment*             | (59)                       | 192                        |

**Note:**

\* Included in other operating income (expenses)

1(a)(iii) Statement of Comprehensive Income

|  | GROUP<br>\$'000            |  |
|--|----------------------------|--|
|  | Year ended<br>Dec 31, 2013 | Year ended<br>Dec 31, 2012<br>Restated |
| Profit after income tax  | 186,805                    | 139,200                                |
| Other comprehensive income (after tax):  |                            |  |
| <i>Items that will not be reclassified subsequently to profit or loss</i>            |                            |  |
| Remeasurement of defined benefit obligation  | 490                        | (593)                                  |
| <i>Items that may be reclassified subsequently to profit or loss</i>                 |                            |  |
| Exchange differences on translating foreign operations                               | (1,765)                    | (21,004)                               |
| Decrease in other capital reserve  | (297)                      | (610)                                  |
| Share of other comprehensive income of associates<br>and jointly controlled entities | 7,661                      | (1,769)                                |
|  | 5,599                      | (23,383)                               |
| Other comprehensive income for the year, net of tax                                  | 6,089                      | (23,976)                               |
| Total comprehensive income   | 192,894                    | 115,224                                |
| Attributable to:   |                            |  |
| Shareholders of the Company  | 183,745                    | 107,260                                |
| Non-controlling interests  | 9,149                      | 7,964                                  |
|  | 192,894                    | 115,224                                |

## 1(b)(i) Statements of Financial Position

|  | GROUP<br>\$'000  |                  | COMPANY<br>\$'000 |                  |
|--|------------------|------------------|-------------------|------------------|
|  | Dec 31, 2013     | Dec 31, 2012     | Dec 31, 2013      | Dec 31, 2012     |
|  |                  | Restated         |                   |                  |
| <b>ASSETS</b>                                      |                  |                  |                   |                  |
| <b>Current assets:</b>                             |                  |                  |                   |                  |
| Cash and cash equivalents                          | 115,331          | 83,189           | 27,193            | 9,754            |
| Held-for-trading investments                       | 3,140            | 3,342            | -                 | -                |
| Available-for-sale investments                     | -                | 16,207           | -                 | -                |
| Trade and other receivables                        | 60,301           | 40,630           | 2,973             | 2,964            |
| Amount due from associates                         | 62,790           | 43,882           | 7,041             | 7,731            |
| Amount due from subsidiaries                       | -                | -                | 720,333           | 646,013          |
| Inventories  | 8,850            | 8,178            | 297               | 620              |
| Development properties                             | 358,398          | 271,750          | -                 | -                |
| Completed properties held for sale                 | 18,491           | 28,344           | -                 | -                |
| <b>Total current assets</b>                        | <b>627,301</b>   | <b>495,522</b>   | <b>757,837</b>    | <b>667,082</b>   |
| <b>Non-current assets:</b>                         |                  |                  |                   |                  |
| Associates and jointly controlled entities         | 725,842          | 694,472          | 1,061             | 1,061            |
| Subsidiaries                                       | -                | -                | 659,743           | 684,324          |
| Available-for-sale investments                     | 7,552            | 9,417            | -                 | -                |
| Other long-term prepayments                        | 373              | 440              | -                 | -                |
| Property, plant and equipment                      | 958,972          | 962,374          | 227,618           | 226,351          |
| Investment properties                              | 683,012          | 661,626          | -                 | -                |
| Deferred tax assets                                | 4,509            | 2,307            | -                 | -                |
| Intangible assets                                  | 6,593            | 6,964            | -                 | -                |
| <b>Total non-current assets</b>                    | <b>2,386,853</b> | <b>2,337,600</b> | <b>888,422</b>    | <b>911,736</b>   |
| <b>Total assets</b>                                | <b>3,014,154</b> | <b>2,833,122</b> | <b>1,646,259</b>  | <b>1,578,818</b> |
|  |                  |                  |                   |                  |
| <b>LIABILITIES AND EQUITY</b>                      |                  |                  |                   |                  |
| <b>Current liabilities:</b>                        |                  |                  |                   |                  |
| Short-term borrowings                              | 314,784          | 134,212          | -                 | 89,970           |
| Trade and other payables                           | 116,494          | 96,142           | 30,035            | 25,515           |
| Amount due to subsidiaries                         | -                | -                | 44,456            | 44,456           |
| Income tax payable                                 | 9,633            | 12,027           | -                 | 895              |
| <b>Total current liabilities</b>                   | <b>440,911</b>   | <b>242,381</b>   | <b>74,491</b>     | <b>160,836</b>   |
| <b>Non-current liabilities:</b>                    |                  |                  |                   |                  |
| Advances from subsidiaries                         | -                | -                | 60,368            | 129,804          |
| Long-term borrowings                               | 742,763          | 859,063          | 500,679           | 294,078          |
| Deferred tax liabilities                           | 28,229           | 17,175           | 1,012             | 939              |
| <b>Total non-current liabilities</b>               | <b>770,992</b>   | <b>876,238</b>   | <b>562,059</b>    | <b>424,821</b>   |
| <b>Share capital and reserves:</b>                 |                  |                  |                   |                  |
| Share capital                                      | 687,832          | 686,139          | 687,832           | 686,139          |
| Reserves   | 902,079          | 788,874          | 173,530           | 158,675          |
| Equity attributable to shareholders of the Company | 1,589,911        | 1,475,013        | 861,362           | 844,814          |
| Perpetual capital securities                       | 148,347          | 148,347          | 148,347           | 148,347          |
|  | 1,738,258        | 1,623,360        | 1,009,709         | 993,161          |
| Non-controlling interests                          | 63,993           | 91,143           | -                 | -                |
| <b>Total equity</b>                                | <b>1,802,251</b> | <b>1,714,503</b> | <b>1,009,709</b>  | <b>993,161</b>   |
| <b>Total liabilities and equity</b>                | <b>3,014,154</b> | <b>2,833,122</b> | <b>1,646,259</b>  | <b>1,578,818</b> |

**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, 2013 |           | As at Dec 31, 2012 |              |
|--------------------|-----------|--------------------|--------------|
| Secured            | Unsecured | Secured            | Unsecured    |
| \$314,784,000      | -         | \$44,242,000       | \$89,970,000 |

**Amount repayable after one year**

| As at Dec 31, 2013 |               | As at Dec 31, 2012 |               |
|--------------------|---------------|--------------------|---------------|
| Secured            | Unsecured     | Secured            | Unsecured     |
| \$253,812,000      | \$488,951,000 | \$564,985,000      | \$294,078,000 |

**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<br>Dec 31, 2013<br>\$'000 | Year ended<br>Dec 31, 2012<br>\$'000<br>Restated |
|---|--------------------------------------|--|
| <b>Cash flows from operating activities:</b>  |                                      |  |
| Profit before income tax and share of results of associates and jointly controlled entities | 149,275                              | 107,465  |
| Adjustments for:  |                                      |  |
| Amortisation of intangible assets   | 324                                  | 322  |
| Depreciation expense  | 46,454                               | 50,113   |
| Share-based payment expense   | 1,742                                | 1,968  |
| Impairment of intangible assets   | -                                    | 3,088  |
| Impairment of available-for-sale investments  | 1,931                                | 1,483  |
| Fair value gain in investment properties  | (21,386)                             | (28,065)   |
| Loss on liquidation of associates/jointly controlled entity                                 | -                                    | 60   |
| Loss (Gain) on disposal of property, plant and equipment                                    | 59                                   | (192)  |
| Finance costs   | 25,095                               | 25,209   |
| Interest income   | (1,578)                              | (1,974)  |
| Dividend income   | (86)                                 | (185)  |
| Profit before working capital changes   | 201,830                              | 159,292  |
| Trade and other payables  | 20,082                               | (2,435)  |
| Completed properties held for sale  | 9,354                                | 8,729  |
| Development properties and expenditure  | (79,322)                             | 30,708   |
| Receivables and prepayments   | 6,480                                | (5,010)  |
| Held-for-trading investments  | 202                                  | 10,032   |
| Inventories   | (524)                                | (134)  |
| Cash generated from operations  | 158,102                              | 201,182  |
| Dividend received   | 86                                   | 185  |
| Income tax paid   | (19,629)                             | (17,032)   |
| Net cash from operating activities  | 138,559                              | 184,335  |
| <b>Cash flows used in investing activities:</b>   |                                      |  |
| Acquisition of additional interest in a subsidiary  | (65,626)                             | -  |
| Additional property, plant and equipment  | (41,228)                             | (40,070)   |
| Deposits placed for investments <sup>(1)</sup>  | (25,290)                             | -  |
| Net cash from (investment in) associates and jointly controlled entities                    | 30,842                               | (138,361)  |
| Proceeds from disposal of available-for-sale investment                                     | 15,844                               | -  |
| Proceeds from disposal of property, plant and equipment                                     | 784                                  | 1,029  |
| Cash used in investing activities   | (84,674)                             | (177,402)  |
| <b>Cash flows (used in) from financing activities:</b>                                      |                                      |  |
| Interest received   | 1,578                                | 1,974  |
| Finance costs paid  | (31,226)                             | (31,520)   |
| Dividend paid   | (38,066)                             | (25,303)   |
| Distribution to perpetual capital securities holders  | (9,188)                              | (4,632)  |
| Advances from non-controlling shareholders  | 4,209                                | 6,664  |
| Additional borrowings   | 306,669                              | 251,465  |
| Repayment of borrowings   | (256,710)                            | (345,532)  |
| Decrease in deposits under pledge to bank   | 107                                  | 195  |
| Net proceeds from issue of perpetual capital securities                                     | -                                    | 148,347  |
| Proceeds from issue of shares   | 829                                  | 864  |
| Cash (used in) from financing activities  | (21,798)                             | 2,522  |
| Net increase in cash and cash equivalents   | 32,087                               | 9,455  |
| Cash and cash equivalents at beginning of year  | 79,827                               | 72,477   |
| Effect of exchange rate changes on cash balances held in foreign currencies                 | 64                                   | (2,105)  |
| Cash and cash equivalents at end of year  | 111,978                              | 79,827   |

**Cash and cash equivalents at end of year**

The cash and cash equivalents as at Dec 31, 2013, for the purposes of Consolidated Statement of Cash Flows, comprise of cash and cash equivalents less deposits under pledge to banks of \$3,353,000.

Note:

(1) Included and resulting in an increase in Trade and other receivables in the Group Statement of Financial Position.

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

|   | Share capital<br>\$'000 | Retained profits<br>\$'000 | Other reserves*<br>\$'000 | Share-holders' equity<br>\$'000 | Perpetual capital securities<br>\$'000 | Subtotal<br>\$'000 | Non-controlling interests<br>\$'000 | Total equity<br>\$'000 |
|---|-------------------------|----------------------------|---------------------------|---------------------------------|--|--------------------|-------------------------------------|------------------------|
| <b>GROUP</b>  |                         |                            |                           |                                 |  |                    |                                     |                        |
| Balance as at Jan 1, 2012 as previously reported                                  | 684,530                 | 583,569                    | 126,914                   | 1,395,013                       | -                                      | 1,395,013          | 77,400                              | 1,472,413              |
| Effect of adopting Revised FRS 19   | -                       | (157)                      | -                         | (157)                           | -                                      | (157)              | -                                   | (157)                  |
| Balance as at Jan 1, 2012, as restated  | 684,530                 | 583,412                    | 126,914                   | 1,394,856                       | -                                      | 1,394,856          | 77,400                              | 1,472,256              |
| Total comprehensive income (loss) for the year                                    |                         |                            |                           |                                 |  |                    |                                     |                        |
| Profit for the year   | -                       | 129,796                    | -                         | 129,796                         | -                                      | 129,796            | 9,404                               | 139,200                |
| Other comprehensive loss for the year   | -                       | (571)                      | (21,965)                  | (22,536)                        | -                                      | (22,536)           | (1,440)                             | (23,976)               |
| Total   | -                       | 129,225                    | (21,965)                  | 107,260                         | -                                      | 107,260            | 7,964                               | 115,224                |
| Transaction with owners, recognised directly in equity                            |                         |                            |                           |                                 |  |                    |                                     |                        |
| Recognition of share-based payments   | -                       | -                          | 1,968                     | 1,968                           | -                                      | 1,968              | -                                   | 1,968                  |
| Dividends   | -                       | (25,303)                   | -                         | (25,303)                        | -                                      | (25,303)           | -                                   | (25,303)               |
| Net movement during the year  | -                       | -                          | -                         | -                               | -                                      | -                  | 5,779                               | 5,779                  |
| Issue of shares   | 1,609                   | -                          | (745)                     | 864                             | -                                      | 864                | -                                   | 864                    |
| Total   | 1,609                   | (25,303)                   | 1,223                     | (22,471)                        | -                                      | (22,471)           | 5,779                               | (16,692)               |
| Issue of perpetual capital securities   | -                       | -                          | -                         | -                               | 148,347                                | 148,347            | -                                   | 148,347                |
| Distribution to perpetual capital securities holders                              | -                       | (4,632)                    | -                         | (4,632)                         | -                                      | (4,632)            | -                                   | (4,632)                |
| <b>Balance as at Dec 31, 2012</b>   | <b>686,139</b>          | <b>682,702</b>             | <b>106,172</b>            | <b>1,475,013</b>                | <b>148,347</b>                         | <b>1,623,360</b>   | <b>91,143</b>                       | <b>1,714,503</b>       |
| 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                |
| Transaction 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)                |
| <b>Balance as at Dec 31, 2013</b>   | <b>687,832</b>          | <b>813,572</b>             | <b>88,507</b>             | <b>1,589,911</b>                | <b>148,347</b>                         | <b>1,738,258</b>   | <b>63,993</b>                       | <b>1,802,251</b>       |

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

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

|  | Share capital<br>\$'000 | Retained profits<br>\$'000 | Other reserves**<br>\$'000 | Share-holders' equity<br>\$'000 | Perpetual capital securities<br>\$'000 | Total equity<br>\$'000 |
|--|-------------------------|----------------------------|----------------------------|---------------------------------|--|------------------------|
| <b>COMPANY</b>   |                         |                            |                            |                                 |  |                        |
| Balance as at Jan 1, 2012                              | 684,530                 | 32,862                     | 117,033                    | 834,425                         | -                                      | 834,425                |
| Total comprehensive income for the year                |                         |                            |                            |                                 |  |                        |
| Profit for the year                                    | -                       | 37,492                     | -                          | 37,492                          | -                                      | 37,492                 |
| Total  | -                       | 37,492                     | -                          | 37,492                          | -                                      | 37,492                 |
| Transaction with owners, recognised directly in equity |                         |                            |                            |                                 |  |                        |
| Recognition of share-based payments                    | -                       | -                          | 1,968                      | 1,968                           | -                                      | 1,968                  |
| Dividends  | -                       | (25,303)                   | -                          | (25,303)                        | -                                      | (25,303)               |
| Issue of shares  | 1,609                   | -                          | (745)                      | 864                             | -                                      | 864                    |
| Total  | 1,609                   | (25,303)                   | 1,223                      | (22,471)                        | -                                      | (22,471)               |
| Issue of perpetual capital securities                  | -                       | -                          | -                          | -                               | 148,347                                | 148,347                |
| Distribution to perpetual capital securities holders   | -                       | (4,632)                    | -                          | (4,632)                         | -                                      | (4,632)                |
| <b>Balance as at Dec 31, 2012</b>                      | <b>686,139</b>          | <b>40,419</b>              | <b>118,256</b>             | <b>844,814</b>                  | <b>148,347</b>                         | <b>993,161</b>         |
| Total comprehensive income for the year                |                         |                            |                            |                                 |  |                        |
| Profit for the year                                    | -                       | 61,231                     | -                          | 61,231                          | -                                      | 61,231                 |
| Total  | -                       | 61,231                     | -                          | 61,231                          | -                                      | 61,231                 |
| Transaction 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)                |
| <b>Balance as at Dec 31, 2013</b>                      | <b>687,832</b>          | <b>54,396</b>              | <b>119,134</b>             | <b>861,362</b>                  | <b>148,347</b>                         | <b>1,009,709</b>       |

\*\* Includes asset revaluation reserve and option reserve.

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

The Company issued 361,900 new ordinary shares since the end of the previous period reported on upon vesting of performance shares and exercise of subscription rights by senior executives of the Company granted in conjunction with the Hotel Properties Limited Performance Share Plan and Share Option Scheme 2000.

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

As at Dec 31, 2013, the number of outstanding share options under the Company's Share Option Schemes was 11,035,000 (as at Dec 31, 2012: 10,100,000), and the number of outstanding performance shares under the Company's Performance Share Plan was 1,407,600 (as at Dec 31, 2012: 1,759,500).

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

|   | Dec 31, 2013 | Dec 31, 2012 |
|---|--------------|--------------|
| Total number of issued shares excluding treasury shares | 508,056,251  | 507,059,351  |

#### 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 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, 2013. The adoption of these new/revised FRSs and amendments has no significant impact to the Group.

#### 6. Earnings Per Ordinary Share

|  | Year ended Dec 31, 2013 | Year ended Dec 31, 2012 (restated) |
|--|-------------------------|------------------------------------|
| Based on the weighted average number of ordinary shares in issue | 33.19 cents             | 25.64 cents                        |
| On a fully diluted basis   | 33.05 cents             | 25.51 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, 2013 | Dec 31, 2012 |
|---------|--------------|--------------|
| GROUP   | \$3.13       | \$2.91       |
| COMPANY | \$1.70       | \$1.67       |

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, 2013, the Group achieved a revenue of \$692 million, which is 27.5% higher than the \$542.8 million recorded in the previous year. The increase was mainly attributable to income recognition from the Tomlinson Heights condominium development on a percentage of completion basis as well as better performances by the Group's hotels and resorts, especially those in the Maldives.

During the year under review, the Group continues to equity account for profits from d'Leedon condominium development at Farrer Road, Singapore, and The Interlace condominium development at Alexandra Road, Singapore. There was also a gain on disposal of investment properties at Kensington Square, London. These contributed to the Group's share of results of associates and jointly controlled entities, which has increased from \$52.6 million last year to \$61.6 million for the year ended December 31, 2013.

During the year, the Group acquired the remaining 15% equity interest in Concorde Hotel Singapore and 61 shop units at Concorde Shopping Mall as well as made investments in new associates and joint ventures, including properties at Campden Hill and Fenchurch Street, London, and another property in Midtown Manhattan, New York. The Group's net borrowings has nevertheless not increased significantly due to cash inflow from The Interlace condominium development which had obtained temporary occupation permit in September 2013 and proceeds from sale of associates which hold investment properties in London.

For the year ended December 31, 2013, the Group achieved record profit before tax and fair value changes in investment properties of \$189.5 million compared to \$132 million last year.

After adjusting for fair value gain on investment properties of \$23.3 million (2012: \$27.6 million), income tax and non-controlling interests, Group net profit attributable to shareholders for the year ended December 31, 2013, was \$177.6 million compared to \$129.8 million last year.

## 9. Variance from Previous Forecast or Prospect Statement

Not applicable.

## 10. Outlook

The hotel and resort division is expected to continue to contribute strongly to the Group's operating results amidst an improving global economic outlook, although challenges remain from rising wage costs and increased competition.

On the property front, with the Total Debt Servicing Ratio in place, coupled with the concerns over the potential interest rate hikes arising from the ongoing withdrawal of monetary stimulus in the United States, the Singapore residential property market sentiment is expected to remain subdued.

## 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 4 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 3.5 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, 2013 (excluding transactions below \$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920)<br>\$'000 | Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions below \$100,000)<br>\$'000 |
|--|--|--|
| Associates* of Mr Ong Beng Seng / Mr David Fu Kuo Chen |  |  |
| - Rental income  | 12,453   | -  |
| - Management fee income                                | 837  | -  |
| - Management fee expense                               | 760  | -  |
| - Equity contribution                                  | 1,889  | -  |

**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, 2013

|   | Hotels<br>\$'000 | Properties<br>\$'000 | Others<br>\$'000 | Elimination<br>\$'000 | Consolidated<br>\$'000 |
|---|------------------|----------------------|------------------|-----------------------|------------------------|
| <b>REVENUE</b>  |                  |                      |                  |                       |                        |
| External sales  | 464,185          | 227,774              | 5                |                       | 691,964                |
| Inter-segment sales   |                  | 403                  |                  | (403)                 | -                      |
| Total revenue   | 464,185          | 228,177              | 5                | (403)                 | 691,964                |
| <b>RESULTS</b>  |                  |                      |                  |                       |                        |
| 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 before fair value changes in investment properties | (8,591)          | 69,072               | 1,087            |                       | 61,568                 |
| Profit before fair value changes  |                  |                      |                  |                       | 189,457                |
| Fair value changes in investment properties   |                  | 23,306               |                  |                       | 23,306                 |
| 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                |

**14. Segmental Revenue and Results (cont'd)**

Year ended December 31, 2012

|   | Hotels<br>\$'000 | Properties<br>\$'000 | Others<br>\$'000 | Elimination<br>\$'000 | Consolidated<br>\$'000<br>Restated |
|---|------------------|----------------------|------------------|-----------------------|------------------------------------|
| <b>REVENUE</b>  |                  |                      |                  |                       |                                    |
| External sales  | 442,502          | 100,223              | 113              |                       | 542,838                            |
| Inter-segment sales   |                  | 402                  |                  | (402)                 | -                                  |
| Total revenue   | 442,502          | 100,625              | 113              | (402)                 | 542,838                            |
| <b>RESULTS</b>  |                  |                      |                  |                       |                                    |
| Earnings before interest, tax and fair value changes in investment properties                                     | 77,151           | 23,587               | 1,897            |                       | 102,635                            |
| Finance costs   |                  |                      |                  |                       | (25,209)                           |
| Interest income   |                  |                      |                  |                       | 1,974                              |
| Share of results of associates and jointly controlled entities before fair value changes in investment properties | (2,824)          | 54,652               | 733              |                       | 52,561                             |
| Profit before fair value changes  |                  |                      |                  |                       | 131,961                            |
| Fair value changes in investment properties   |                  | 27,579               |                  |                       | 27,579                             |
| Profit before income tax  |                  |                      |                  |                       | 159,540                            |
| Income tax expense  |                  |                      |                  |                       | (20,340)                           |
| Non-controlling interests   |                  |                      |                  |                       | (9,404)                            |
| Profit attributable to shareholders of the Company  |                  |                      |                  |                       | 129,796                            |

**15. Review of Performance by Business Segments**

Please refer to item 8 above.

**16. Breakdown of Sales and Operating Profit**

|   | Latest Financial Year<br>\$'000<br>Group | Previous Financial Year<br>\$'000<br>Group<br>Restated | % increase/(decrease)<br>Group |
|---|--|--|--------------------------------|
| (a) Sales reported for first half year  | 320,177                                  | 261,154  | 22.60                          |
| (b) Operating profit after tax before deducting non-controlling interests reported for first half year**  | 80,141                                   | 57,369   | 39.69                          |
| (c) Sales reported for second half year   | 371,787                                  | 281,684  | 31.99                          |
| (d) Operating profit after tax before deducting non-controlling interests reported for second half year** | 83,358                                   | 54,252   | 53.65                          |

\*\* excludes fair value gain (loss) on investment properties.

**17. Breakdown of Total Annual Dividend**

|            | Latest Full Year (\$'000) | Previous Full Year (\$'000) |
|------------|---------------------------|-----------------------------|
| Ordinary   | 40,645                    | 38,029                      |
| Preference | -                         | -                           |
| Total:     | 40,645                    | 38,029                      |

**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 26, 2014