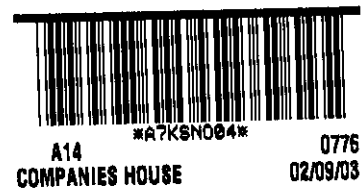


HPL (UK) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002



HPL (UK) LIMITED

COMPANY INFORMATION

Directors	Mr Robert Siang Mong Foo Mr Stephen Buong Lik Lau Mr Christopher Lim Tien Lock Mr Siew Chong Chua
Secretary	Miss A Gulvanessian
Company Number	3148309
Registered Office	2nd Floor Pemberton House 15 Wrights Lane London W8 5SL
Auditors	Deloitte & Touche St Albans (UK)
Solicitors	Eversheds Senator House 85 Queen Victoria Street London EC4V 4JL
Bankers	Oversea - Chinese Banking Corporation Limited London Stonehouse 111 Cannon Street London EC4N 5AS

HPL (UK) LIMITED

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HPL (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2002

The directors present the annual report and the audited financial statements for the year ended 31 December 2002.

Activities

The company's principal activity is that of provision of management services and to seek and evaluate suitable business opportunities for future investment by other members of the Group.

Results, Dividends and Future Prospects

The results for the year are set out in the profit and loss account on page 4.

The directors do not recommend the payment of a dividend for the year (2001: £nil).

The loss for the year of £169,372 (2001: £115,414) has been transferred from reserves.

The directors consider the prospects for the year 2003 to be satisfactory.

Directors and their Interests

The directors who served during the year were as that stated under the company information page.

None of the directors held any beneficial interests in the share capital and debentures of the company as recorded in the register of the directors' shareholdings kept by the company under section 325 of the Companies Act during the financial year.

Financial Support

The company continues to require the financial support of the parent company, and the directors are confident that adequate funds will be made available when required of the business.

Small company exemptions

This report has been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985.

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the company's affairs as at the end of the financial year and of the profit or loss for that year. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HPL (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2002

Auditors

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board on 22nd May 2003, and signed on its behalf .



Mr Siew Chong Chua,
22nd May 2003

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HPL (UK) LIMITED

We have audited the financial statements of HPL (UK) LIMITED for the year ended 31st December 2002 which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in the auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the company and the company's members as a body, for audit work, for this report, or for the opinion we have formed.

Respective Responsibilities of Directors and Auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

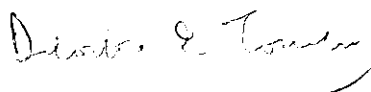
Basis of Audit Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

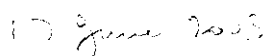
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors
St Albans.

Date: 22nd May 2003



HPL (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	2002 £	2001 £
Turnover	1	80,000	155,000
Operating Expenses		250,553	286,691
Operating Loss	3	(170,553)	(131,691)
Income from fixed asset investments		-	16,503
Amounts Written Off Investments		-	(5)
Interest Receivable		1,187	1,560
Interest Payable and Similar Charges		(6)	(1,781)
Loss on Ordinary Activities before Taxation		(169,372)	(115,414)
Tax on loss on ordinary activities	4	-	-
Loss for the Financial Year	10	(169,372)	(115,414)

All activities derive from continuing operations.

A statement of total recognised gains and losses is not included in these financial statements as there are no recognised gains or losses other than the loss for the current and preceeding financial years.

The Loss for the year represent the movement in Shareholder's Funds.

HPL (UK) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2002

	Notes	£	2002 £	£	2001 £
Fixed Assets					
Tangible assets	5		48,145		56,882
Current Assets					
Debtors	6	21,252		181,292	
Cash at bank and in hand		17,708		37,666	
		38,960		218,958	
Creditors: Amounts Falling Due Within One Year	7	15,882		39,585	
Net Current Assets			23,078		179,373
Total Assets Less Current Liabilities			71,223		236,255
Creditors: Amounts Falling Due After More Than One Year	8		1,651,769		1,647,429
			(1,580,546)		(1,411,174)
Capital and Reserves					
Share capital	9		100		100
Profit and loss account	10		(1,580,646)		(1,411,274)
Equity Shareholders' Deficit	11		(1,580,546)		(1,411,174)

These financial statements have been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985.

These financial statements were approved by the board on 22nd May 2003 and signed on its behalf.



Mr Siew Chong Chua
Director

HPL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

1 Accounting Policies

Basis of Accounting

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemptions in Financial Reporting Standard 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT, which fall within the company's ordinary activities. All turnover has been derived in the United Kingdom.

Income from Investments

Investment income comprises dividends declared during the accounting period and interest receivable on listed and unlisted investments.

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets over their expected useful lives. The estimated useful lives of the asset classes are as follows:

Plant and Equipment	- 3 to 5 Years on a straight line basis
Motor vehicles	- 5 Years on a straight line basis
Fixtures and fittings	- 10 Years on a straight line basis

Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Foreign Currency

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Gains and losses from differences are charged to the profit and loss account.

Contribution to Pension Funds

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Leases

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the lease term.

HPL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

2 Directors and Employees

Staff costs, including directors' remuneration, were as follows:

	2002	2001
	£	£
Wages and salaries	102,296	105,083
Social security costs	13,872	11,732
Other pension costs	5,656	5,172
Other costs	3,349	5,705
	<u>125,173</u>	<u>127,692</u>

	2002	2001
	Number	Number
The average monthly number of employees, including directors, during the year was:	<u>4</u>	<u>4</u>

Directors' emoluments

	2002	2001
	£	£
Emoluments	61,262	65,191
Directors' pension contributions under defined contribution schemes	4,400	4,000
	<u>65,662</u>	<u>69,191</u>

3 Operating Loss

The operating loss is arrived at after charging :

	2002	2001
	£	£
Depreciation of owned assets	12,769	16,792
Profit on disposal of tangible fixed assets	(3,797)	(1,362)
Operating lease on building	35,080	49,170
Directors' remuneration	65,662	69,191
Auditors' remuneration	5,000	6,000
	<u>114,714</u>	<u>140,801</u>

4 Taxation

No provision for taxation has been provided for the current year due to trading losses incurred.

The company has a deferred tax asset of £47,234 (2001: £29,326) in relation to tax losses and £2,692 (2001: £44,000) on capital allowance timing differences. Deferred tax assets totalling £384,815 have not been recognised in respect of operating losses as the company is not sufficiently certain that it will be able to recover those assets within a relatively short period of time.

HPL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

5 Tangible Fixed Assets

	Plant and Equipment	Motor Vehicles	Fixtures and Fittings	Total
Cost	£	£	£	£
At 1 January 2002	27,040	64,161	33,350	124,551
Additions	7,920	3,515	-	11,435
Disposals	(10,834)	(44,051)	-	(54,885)
At 31 December 2002	24,126	23,625	33,350	81,101
Depreciation				
At 1 January 2002	16,354	36,981	14,334	67,669
Charge for the year	3,859	5,574	3,336	12,769
Disposals	(10,834)	(36,648)	-	(47,482)
At 31 December 2002	9,379	5,907	17,670	32,956
Net Book Value				
At 31 December 2002	14,747	17,718	15,680	48,145
<i>At 31 December 2001</i>	<i>10,686</i>	<i>27,180</i>	<i>19,016</i>	<i>56,882</i>

6 Debtors

	2002 £	2001 £
Amounts owed by related undertakings	422	163,874
Other debtors	3,185	-
Prepayments and accrued income	17,645	17,418
	21,252	181,292

7 Creditors: Amounts Falling Due Within One Year

	2002 £	2001 £
Trade creditors	193	12,744
Other taxes and social security	3,209	2,439
Other creditors	3,693	17,182
Accruals and deferred income	8,787	7,220
	15,882	39,585

HPL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

8	Amounts Falling Due After More than One Year	2002 £	2001 £
	Amounts owed to group undertakings	<u>1,651,769</u>	<u>1,647,429</u>
		<u>1,651,769</u>	<u>1,647,429</u>

The parent company has confirmed that it has no intention to seek repayment of the amount due to them which is interest-free and unsecured in the next twelve months.

9	Share Capital	2002 £	2001 £
	Authorised Equity Shares		
	100 Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>
		<u>100</u>	<u>100</u>
	Called up, allotted, and fully paid Equity Shares		
	100 Allotted, called up and fully paid ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

10	Reserves	Profit and Loss Account £
	At 1 January 2002	(1,411,274)
	Loss for the year	<u>(169,372)</u>
	At 31 December 2002	<u>(1,580,646)</u>

11	Reconciliation of Movements in Shareholder's Funds	2002 £	2001 £
	Loss for the financial year	(169,372)	(115,414)
	Opening shareholders' deficit	<u>(1,411,174)</u>	<u>(1,295,760)</u>
	Closing shareholders' deficit	<u>(1,580,546)</u>	<u>(1,411,174)</u>

HPL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

12 Operating Lease Commitments

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as set out below:

	2002	2001
	£	£
Operating leases which expire:		
Within one year	35,080	49,170
	<u>35,080</u>	<u>49,170</u>

13 Related Parties

The company has taken advantage of the exemption available in FRS 8 relating to the disclosure of transactions with group companies.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, interest-free and without fixed repayment terms.

Significant related parties transaction:

	2002	2001
	£	£
Como Holdings (UK) Limited a company incorporated in England and Wales and a company which is ultimately controlled by Adobe Holdings Limited which is a company incorporated in Gibraltar with common shareholders to those of Hotel Properties Limited.		
Accountancy & Administrative fees	21,496	16,651
Rent	35,080	41,319
Rates	9,208	7,131
Property service charges	8,395	6,635

Belrun Limited, a company incorporated in England and Wales which is ultimately controlled by Amerland Inc which is a company incorporated in Panama with common shareholders to those of Hotel Properties Limited.

Cleaning expense	<u>2,342</u>	<u>2,547</u>
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The following were the amounts due to the related parties:

Como Holdings (UK) Limited	2,973	11,852
Belrun Limited	-	213

Other related party transaction during the year was the sale of company car to Mr. Robert Foo a member of the company's Board of directors at prevailing market value of £11,000.

HPL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

14 Ultimate Parent Company

The company's ultimate and controlling parent company is Hotel Properties Limited which is incorporated in Singapore. Copies of its group accounts, which include the company, are available from The Registrar of Companies, 10 Anson Road, #05-01/15 International Plaza, Singapore 079903.

HPL (UK) LIMITED

MANAGEMENT PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2002

	£	2002 £	£	2001 £
Turnover				
Management fees receivable		80,000		155,000
Less: Expenses				
Operating Expenses	250,553		286,691	
Income from fixed asset investments	-		(16,498)	
		<u>250,553</u>		<u>270,193</u>
Loss Before Interest		(170,553)		(115,193)
Interest Payable				
On bank loans and overdrafts repayable within five years	6		-	
Other	-		1,781	
		(6)		(1,781)
Interest Receivable				
Bank deposit interest	1,187		1,560	
		<u>1,187</u>		<u>1,560</u>
Loss for the Year		<u>(169,372)</u>		<u>(115,414)</u>

HPL (UK) LIMITED

MANAGEMENT PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2002

Analysis of Expenses

	2002 £	2001 £
Operating Expenses		
Directors' remuneration	54,847	54,956
Directors' pension costs	4,400	4,000
Directors' other costs	2,941	4,865
Wages and salaries	62,985	63,871
Rent and rates	44,288	56,301
Property service charges	8,395	16,195
Telephone	6,224	8,100
Printing, postage and stationery	2,525	1,882
Light and heat	852	(1,780)
Insurance	3,691	3,468
Legal and professional fees	(18)	13,004
Other non-audit fees payable	6,570	3,775
Auditors' remuneration	5,000	6,000
Accountancy and administration services	21,496	16,427
Repairs and cleaning	2,342	2,554
Equipment maintenance	5,134	2,842
Motor expenses	1,795	5,015
Travel and entertaining	2,954	3,111
Courier charges and postage	3,249	3,163
Bank charges	478	465
Currency Loss/(Gain)	-	138
Subscriptions and publications	809	907
Other property maintenance	233	230
Staff training	-	1,000
Staff amenities	469	538
Discounts received	(167)	-
Miscellaneous expenses	89	234
Depreciation	12,769	16,792
Profit on sale of tangible fixed assets	(3,797)	(1,362)
	<u>250,553</u>	<u>286,691</u>