

ENVISIONING
TOMORROW'S
WORLD



CITY DEVELOPMENTS LIMITED
ANNUAL REPORT 2003

LOOKING AHEAD INTO 2004

Property

- Launch of new developments
 - Marina Boulevard White Site – about 1,100 residential units
 - City Square, Kitchener Road – about 850 residential units
-

Hotel

- M&C is well-positioned to benefit from upturn in the market
 - Maintain efficient cost control
 - Increase market share with aggressive tactical marketing
-

Diversification of Earnings

- Identify real estate opportunities in the region
 - Expect to be more active in Bangkok, Seoul and Tokyo
-

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ENVISIONING TOMORROW'S WORLD

Poised at the forefront of redefining the urbanscape in the world's major capitals, CDL sets its sights on bigger opportunities, moving confidently into a new phase.

CDL's latest landmark of excellence – the flagship residential development at the Marina Boulevard White Site ushers in a new era of distinctive homes with the highest standards of innovation, quality, service and leadership.

**Embrace the future.
CDL. Your Best Investment in A Home.**

COVER RATIONALE

The architectural grid line framework lays out a futuristic, three-dimensional blueprint of the urban landscape, symbolising the far-reaching scope and dynamic thrust of CDL.

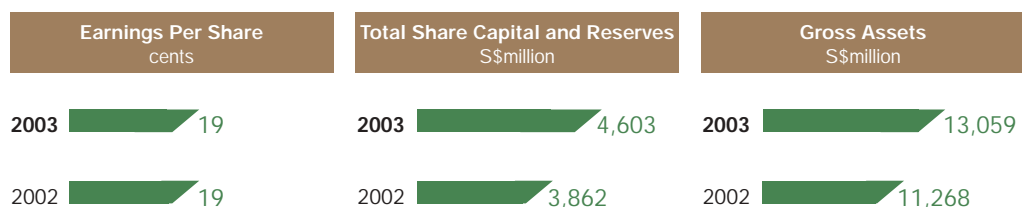
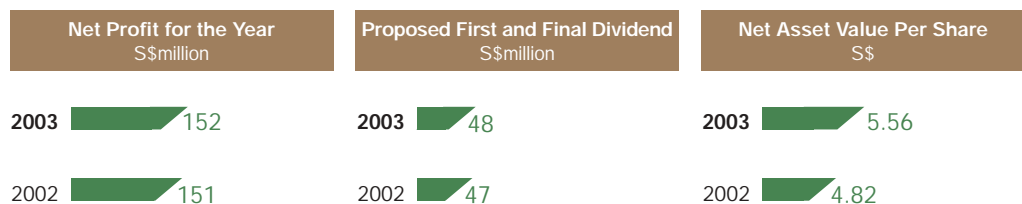
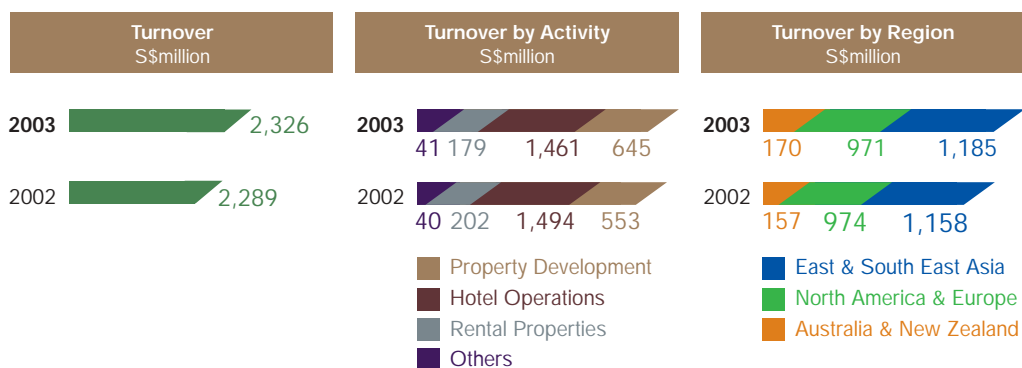
FIVE-YEAR FINANCIAL SUMMARY

S\$million	2003	2002	2001	2000	1999
Share capital	414	401	401	401	401
Reserves	4,189	3,461	3,371	3,509	3,057
Share capital and reserves	4,603	3,862	3,772	3,910	3,458
Minority interests	2,069	1,383	1,539	1,594	2,137
Total liabilities	6,387	6,023	6,630	6,127	5,522
	13,059	11,268	11,941	11,631	11,117
Property, plant and equipment	9,146	7,397	7,701	7,492	7,345
Development properties	2,238	2,178	2,337	2,058	1,547
Current & other assets	1,675	1,693	1,903	2,081	2,225
	13,059	11,268	11,941	11,631	11,117
Revenue	2,326	2,289	2,227	2,626	2,015
Profit before taxation (after associated companies and jointly controlled entities)	214	243	139	546	513
Profit after taxation and minority interests before extraordinary items	152	151	54	287	261
Net profit for the year	152	151	54	287	383
Proposed dividend (net)					
- first and final	48 ¹	47	47	45	45
- special	323 ¹	-	-	-	-
Rate of dividend					
- first and final	15%	15%	15%	15%	15%
- special	100%	-	-	-	-
Net asset value per S\$0.50 share	\$5.56	\$4.82	\$4.71	\$4.86	\$4.28
Earnings per share before extraordinary items	19 cents	19 cents	7 cents	36 cents	33 cents
Earnings per share	19 cents	19 cents	7 cents	36 cents	48 cents

Note:

1. By applying the corporate income tax rate of 20% which was announced on 27/2/04, the proposed first and final and special dividend would be S\$50 million and S\$331 million respectively.

FINANCIAL HIGHLIGHTS





ECO-HOME PAR EXCELLENCE
Savannah CondoPark, Simei Rise

This safari-themed condo is the first of CDL's new generation eco-home. It comes with eco-friendly amenities such as a solar-powered clubhouse, a green corner and a pneumatic waste disposal system. Each apartment is fitted with energy-saving air-conditioning systems, and offer eco-friendly building materials like laminated floor and veneer-wrapped doors.



SETTING NEW PRECEDENTS Led by visionaries and spurred by strong financials, 2003 marks yet another year of firsts on both the international and local fronts. As one of Singapore's largest property developers, we lead by the best example. CDL is the first private property developer to attain ISO 14001 certification for environmental management.

LEADERSHIP





HOME TO TRUE INNOVATION AND STYLE
Goldenhill Villas, Ang Mo Kio Avenue 1

This enclave of terrace and semi-detached houses is Singapore's first development with an eco-friendly, energy-saving ventilation system as well as state-of-the-art wireless alarm feature. Goldenhill Villas is also the first landed property to adopt precast construction on a large scale – a proven method that achieves more consistent quality, higher buildability and superior finishing.



ATTAINING NEW HEIGHTS

CDL has garnered a solid reputation for pioneering innovations – way ahead of its time. What sets us apart is the relentless pursuit of building perfection, incorporating only the best of tomorrow's technology and design into each feature. Our next generation of i-homes proudly bears the signature touch of CDL, realising the aspirations and lifestyle demands of the New Age homemaker – intelligence, interactivity and internet-readiness.

INNOVATION





**ACCOMMODATING THE BEST OF
HOSPITALITY AND SERVICE**
Grand Hyatt Taipei

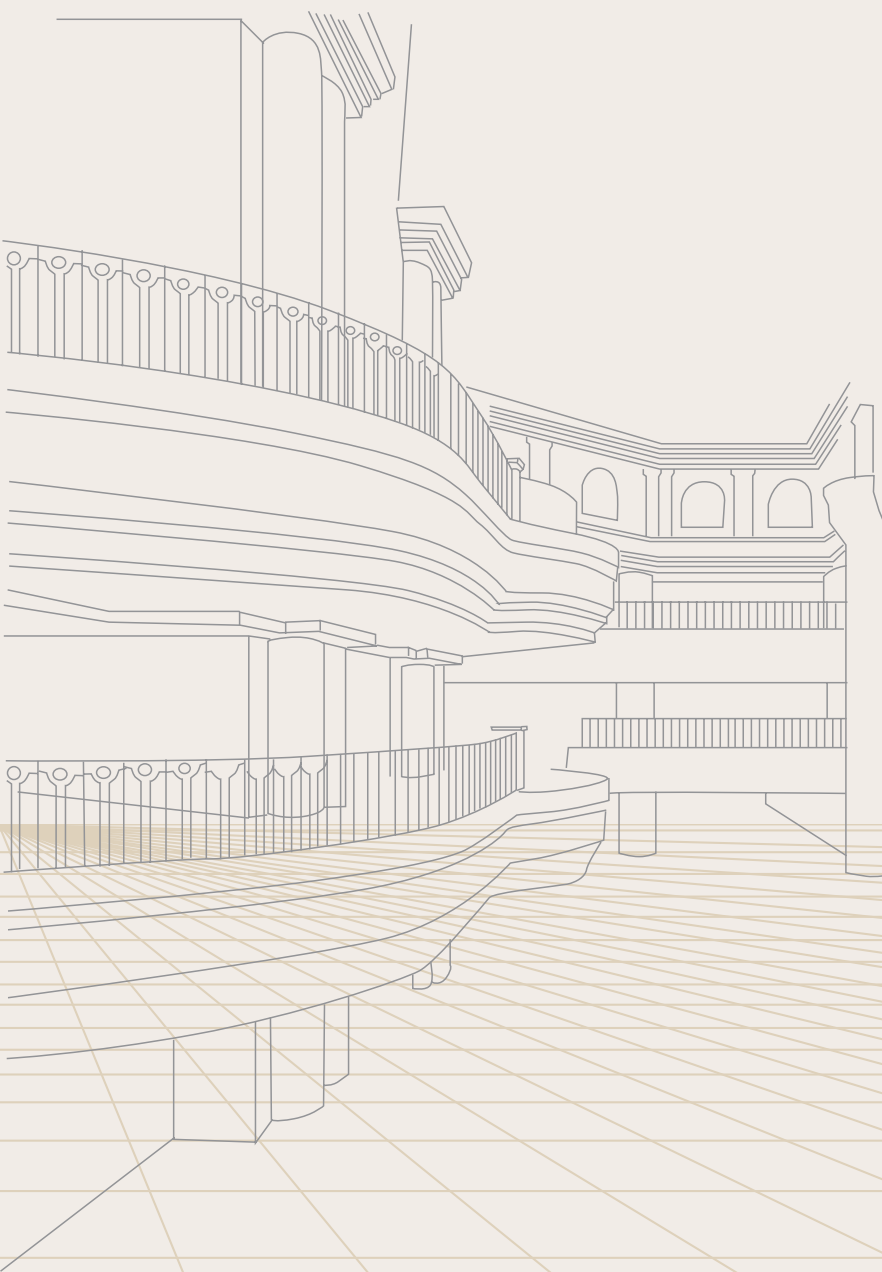
Hailed by industry as the Best Business Hotel in Taipei and one of the Best Hotels in Asia, Grand Hyatt Taipei's reputation for impeccable service and luxurious amenities has earned the people's choice. The hotel is the only honorary from Taiwan in Travel + Leisure magazine's annual pickings of 500 Greatest Hotels and Resorts in the World. It's no wonder why many business and leisure travellers have made the Grand Hyatt Taipei their second home.



EXTENDING BEYOND BASICS

The impetus to deliver first-rate customer satisfaction has propelled CDL into a new frontier. Within two years of establishing the industry's first integrated Customer Relationship Management (CRM) system, CDL took home the Singapore Building and Construction Authority's (BCA) Best Practice Award in 2003 for effectively harnessing human resources and Information Technology to enhance service excellence. At CDL, we do not believe in just going the extra mile, we believe in going the distance – to reach out and make a difference, always.

SERVICE





**DESIGNER LIVING WITH QUALITY
AND CONVENIENCE**
The Pier, Robertson Quay

Just a stone's throw from the trendy Mohamed Sultan stretch, the waterfront apartments at The Pier is the only property in Singapore where in time to come, residents will enjoy the privilege of having river taxi stops at doorstep convenience. Life at The Pier is where Downtown chic meets pure sophistication. Perfectly situated on the fringe of the Central Business District, this prime development also lies in the heart of a burgeoning arts and cultural scene.



MAKING THE DIFFERENCE Rewarded with the distinction as one of Asia's Leading Companies by the Far Eastern Economic Review and the recognition of various other industry experts continually inspires us to go beyond our business obligations. CDL prides itself in being an environmentally-conscious, community-minded organisation, with the ability to supersede quality standards and exceed expectations. We make it our business to deliver a total CDL experience from start to finish – this is our hallmark of exceptional living.

QUALITY



HIGHLIGHTS OF THE YEAR 2003

January

New Management contract was awarded for Millennium Hotels and Resorts to manage Millennium Airport Hotel Dubai in the United Arab Emirates.

February

Millennium Hotels and Resorts officially opened the Millennium Hotel Agadir in Morocco.



March

In line with the Group's strategy to capitalise on lifestyle and hospitality trends, The M Hotel Singapore launched "The Waterfloor", an exclusive urban spa oasis in the heart of the business district.



April

CDL is conferred the Construction 21 Best Practice Award by the Building and Construction Authority (BCA) for its Customer Relationship Management (CRM) initiative, the first such initiative for the local real estate industry.

The Equatorial i-Home clinched the BCA Construction Excellence as well as Best Buildable Design Awards 2003. Faber Crest received the Certificate of Merit for Construction Excellence.

The Pier at Robertson, CDL's freehold 201-unit riverfront development, was launched. About 87% of the 120 units released for sale have been sold.

Millennium Hotels and Resorts launched its Gulf Air and JAL frequent flyer programmes.

Brian Turner Restaurant opened in Millennium Hotel London Mayfair.

The Orchard Hotel Singapore Hua Ting Chinese Restaurant received the "World Gourmet Summit Best Ethnic Chinese Restaurant Award 2003".



May

The Millennium Hilton Hotel in New York (closed since September 11, 2001) was reopened as a "brand new" hotel after restoration. Nearly half of 561 rooms opened in May.



June

Inaugural CDL-Singapore Sculpture Award launched. The winning work "Reed Sculpture" was picked from some 200 entries, and will be commissioned and placed at The Pier at Robertson.

Savannah CondoPark Phase 2 launched. More than 70% of the 150 units launched were sold within a month.

CDL acquired a 30,153 sq. feet land parcel at 40 Stevens Road, next to an adjoining plot owned by the Group at a price of \$17.4 million. The land parcel is zoned for a residential development.

July

In a 50:50 joint venture, CDL and CapitaLand Limited jointly purchased en-bloc Parkview Condominium for \$165 million. The total cost of the project is estimated at \$320 million.

CDL is the first private developer to receive the Ministry of Manpower Occupational Safety and Health (OSH) Commendation in recognition of its efforts to ensure good safety performance of development projects in Singapore.

CDL made a mandatory unconditional offer to acquire all the issued ordinary shares in the capital of Target Realty Limited other than those already held by CDL, its related corporations or the respective nominees of CDL or its related corporations. CDL acquired a controlling interest in Target Realty Limited, owning more than 55% of its issued share capital.

Together with WestBrook, a US Real Estate Fund, CDL took a 50% stake in a partially completed hotel property in a well-located part of Bangkok, along the Chao Phraya River. This property will be refurbished.

In support of National Service and commitment to Singapore's defence, CDL organised the Singapore Armed Forces (SAF) Day Combined Rededication Ceremony for the Central Business District at the Grand Copthorne Waterfront Hotel Singapore.





August

City Serviced Offices, a wholly-owned subsidiary of CDL, commenced its operations as a one-stop serviced office and real estate solutions provider at Republic Plaza, CDL's flagship building.

In response to the liberalisation of the energy market, CDL appointed Tuas Power as the main electricity supplier for nine CDL commercial buildings, a move which helped to reduce energy cost for its tenants.

Official opening of Waterfront Conference Centre, an 18,000 sq. feet space with 28 meeting rooms and four ballrooms. The \$4 million investment next to the Group's flagship hotel, Grand Copthorne Waterfront Hotel Singapore, is Singapore's third largest convention centre.

CDL sold its 50% stake in Seoul City Tower. The building was sold for Korean Won 152 billion.

September

For the 7th year running, CDL received the Friend of the Arts Award from the National Arts Council for its contributions and staunch support of the Arts.

CDL bought 36 units of The Imperial off River Valley Road for \$52 million. This is about 20% of the 187-unit freehold development.

CDL sold its 50% interest in Lot 1 Shoppers' Mall. The property was sold for \$243.8 million.

New Management contract was awarded for Millennium Hotels and Resorts to manage Millennium Resort Hotel in Marsa Alam, Egypt.

October

CDL received the Singapore HEALTH (Helping Employees Achieve Life-Time Health) Award 2003 (Silver), for its workplace health promotion programmes.

CDL is the first private property developer to receive the BCA ISO 14001 (Environmental Management) and OHSAS 18001 (Occupational Health and Safety) certification for setting standards in property development and project management services.

CDL is also the first private developer from Singapore to be conferred UK's Royal Society For the Prevention of Accidents (RosPA) Silver Award for excellence in managing health and safety issues for 11 projects in 2003.

CDL launched a "TOP Online" web page for homebuyers of CDL's properties to track its construction progress and status.

Launch of Emery Point, a freehold condominium with a soaring 19-storey tower comprising 51 luxurious apartments at Ipoh Lane.

November

Monterey Park Condominium in the West Coast was launched with 40% of its 93 units sold in just two weeks. The 999-year leasehold, 280-unit development was priced at \$580 per sq. feet.

Savannah CondoPark's Phase 3 launch of 100 units saw 30% sold within three weeks.

The legendary St. Regis Singapore will open in 2007 at a 180,000 sq. feet site along Tanglin Road. The third in Asia, the prestigious St. Regis Singapore will be managed by Starwood Hotels & Resorts Worldwide, Inc. and Richmond Hotel Private Limited, an associated company of CDL.

Project Eco Office, a pioneering community project launched by CDL and the Singapore Environment Council, returned for the second year. The two-week long campaign included the launch of the Eco-Office label, a two-day road show and a two week-long CBD recycling drive.



December

The Equatorial bagged the top award in the Singapore Institute of Landscape Architects (SILA) Competition in the High Density Residential Category. Sunshine Plaza also bagged a Merit Award under the Commercial Category.

Trevose Crescent Development Pte Ltd, a 50:50 joint venture company between CDL and TID Pte Ltd, acquired two plots of land with a site area of 128,900 sq. feet at Mount Emily for \$87.8 million.

Millennium Hotels and Resorts won the Best UK Conference Group of the Year Award from the BTI UK.

CDL put up a request for Provisional Permission to build about 1,100 apartment units at the Marina Boulevard white site. Permission was granted by the Urban Redevelopment Authority in February 2004.



CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to report a profitable year for the City Developments Limited Group.

Industry Review

A mood of caution, brought on by the announcement of further CPF rate cut in Q3 flowed through to Q4. Discussion of an impending wage restructuring review continued to keep homebuyers at bay, despite the economy showing some signs of improvement. Buying sentiment was still heavily laden by issues of unemployment, the proposed GST hike and other consumer-related concerns. Purchasers preferred to adopt a wait-and-see attitude. These factors contributed to the low number of transactions nationwide – of only 1,148 units in Q4. The full year volume of 5,216 units compared to 9,507 units in 2002, was a sharp drop of over 45%.

Prices of private residential properties declined by 2% in 2003 with Q4 registering a marginal decline of a mere 0.1%. Meanwhile, prices of HDB resale flats were on an upward trend. These indicators were collectively seen as signs that the residential property market was likely to be stabilising.

Group Performance

Whilst 2003 had been a challenging year, the Group nonetheless achieved growth in its revenue by 1.6% to \$2,326 million (2002: \$2,288.7 million). After making impairment provisions for investment and development properties of \$77.5 million (2002: \$42 million), the after-tax profit attributable to shareholders amounted to \$152.3 million (2002: \$151.2 million). This amount includes profit contributions from joint venture investments.

The Group continued to be the only listed Singapore property company which adopted a conservative accounting policy of depreciating its investment properties.

Net Asset Value per ordinary share as at 31 December 2003 was \$5.56 compared to \$4.82 in 2002.

Property

Though nationwide sales volume was down, the Group maintained its market share of approximately 12%. The Group continued to book in profits from pre-sold projects such as Nuovo Executive Condominium ("EC"), Changi Rise Condominium, Goldenhill Park Condominium and The Esparis EC.

The continuing suspension of the Confirmed List in the Government Land Sales programme extended to June 2004, helped to moderate the oversupply of residential units in the market. However, it had little impact on market sentiments as the extension was for only six months.

The office market continued to be challenging with rental declining by 10.5% in 2003. As such, according to a recent survey by CB Richard Ellis on the world's most expensive office locations, Singapore, which used to be in the top 10 position some years back, has now dropped to the 62nd position. This could in fact turn out to be positive as it makes Singapore a more affordable and attractive destination for businesses. More importantly, economic conditions must be conducive for businesses to operate profitably and contribute to Singapore's status as a growth hub. Occupancy for Q4 continued to decline to 82.1% compared to 84.3% a year ago. Notwithstanding the challenging conditions, the Group maintained its office occupancy at 83%, slightly above the national average.

Hotel

Millennium & Copthorne Hotels plc ("M&C") operated under the most difficult trading periods in its history. Faced with circumstances beyond the Group's control such as the Iraq war, the outbreak of SARS and terrorist threats, M&C reported a pre-tax loss of £6.3 million for the first six months of 2003. However, despite the half year losses, M&C was able to make a quick rebound and returned to profitability for the whole year, the majority of the earnings coming from the recovery in the fourth quarter. For the full year ended 31 December 2003, M&C generated pre-tax profit of £18.7 million, of which the Group's 52% share is £9.8 million (approx. \$28 million).

In the US, the Millenium Hilton in New York, which was closed as a result of the September 11 incident, eventually re-opened in phases from May 2003 after restoration and refurbishment. Despite incurring pre-opening costs and ongoing legal fees with respect to the legal claims, the hotel's performance has improved significantly and is now operating profitably. Whilst the insurance company has paid another US\$6.5 million in the year, the Board of M&C has decided, as a matter of prudence, not to recognise any further business interruption income until the legal dispute has been resolved.

The impact of SARS on our hotel operations was unprecedented, particularly in Asia. Our major assets in Taipei, Hong Kong and Singapore were severely hit.

CHAIRMAN'S STATEMENT

Fortunately, as soon as the crisis was over, we saw the rapid recovery of our hotels. The operating profit for Asia in the second half was in line with 2002 despite the RevPAR being down by 7%. In the final quarter of the year, the RevPAR had recovered to be only 1% down on the prior year.

M&C's hotels in Australasia, particularly in New Zealand continued to perform very well.

CURRENT YEAR PROSPECTS

Property

Sentiments have improved after the Lunar New Year with the economy showing credible gains. GDP growth is expected to be between 3.5% and 5% for 2004 barring any major surprises. Reports have indicated that the unemployment situation is improving and companies are starting to recruit workers again in anticipation of better business prospects.

Many property consultants and analysts have also forecasted a recovery for the residential property market towards the middle of the year, with prices increasing by 5% to 10% for the year. We also note the strong recovery of the property market in other Asian cities particularly in Hong Kong, Bangkok, Jakarta and Kuala Lumpur. We are optimistic that Singapore will follow this trend.

The Group will launch Phase 2 of its Monterey Park Condominium and the remaining phases of Savannah CondoPark in the first half of the year. We also expect to launch the exciting White Site project at Marina Boulevard, of approximately 1,100 apartment units, in the middle of the year. Towards the end of Q4, it plans to launch the 850-unit residential project at City Square in Kitchener Road. The City Square project also comprises a separate parcel of land with about 721,000 sq. feet of retail space. The property has a low book cost and should yield good profits when it is sold.

Provisional Planning approvals for both the Marina Project and the City Square Project have been obtained.

The Group continued with its selective replenishment of its landbank by acquiring two adjoining land parcels at Mount Emily totalling 128,931 sq. feet for a consideration of about \$88 million. The acquisition was done through Trevoese Crescent Development Pte Ltd, in which the Group has a 50% interest.

Though there are some signs of a bottoming out in the Office sector, the Government's impending release of the Business Financial Centre ("BFC") in May remains a major cause of concern. Whilst the stated intent is to get major financial institutions and MNCs to locate here to boost Singapore's status as a financial hub, there is a prevailing fear that the BFC will compete with and

cannibalise existing offices. It needs to be emphasized that introducing the BFC project according to the timeline proposed, without securing any new demand for office space, is likely to dash any hope of an early recovery for this sector.

With much effort and hard work, the Group is pleased to have signed on a prestigious anchor tenant to take over the space to be vacated by IBM Singapore at IBM Towers. The new tenant will get naming rights for the building.

Hotel

M&C is undergoing a renewal of leadership with the retirement of its Chief Executive in March 2004. The interim team that has been put together will provide the necessary continuity, and their priority would be to bring the earnings back to a healthy position as soon as possible. The experience gained during the most testing trading period will help the team to respond swiftly and effectively to any change in market conditions.

The outlook for the hospitality industry for 2004 is positive. With its well-maintained quality assets in key locations, M&C is well-positioned to benefit from the upturn in the market.

Diversification of Earnings

Over the last few years, as a result of slower market conditions here in Singapore, the Group decided to diversify its earnings streams by identifying real estate opportunities in the region. Together with US Funds, we have selectively invested in Bangkok, Seoul and Tokyo. Going forward, we expect to be more active in this area.

Group Prospects

The Board is confident that the Group will continue to remain profitable in the next 12 months.

On behalf of the Board, I would like to express my heartfelt thanks to the Management and staff for their commitment and hard work during this very difficult year. For special mention is the management team from M&C as well as all the hotel staff for braving out one of the most challenging operating circumstances. We would also like to extend our sincere appreciation to all our shareholders, customers, homebuyers, tenants, hotel guests and business associates for their patience and invaluable support.

Kwek Leng Beng
Executive Chairman
26 February 2004

董事主席报告

本人谨代表董事部欣然呈报城市发展集团取得盈利的一年业绩报告。

行业回顾

因进一步削减公积金缴交率的宣布而引发的谨慎心态，从第三季延伸至第四季。同时，即将进行检讨工资重组的议论继续促使买家裹足不前，尽管一些迹象显示经济有所增长。购屋情绪还处在失业现象，拟议中的消费税提升以及其他与消费者有关事项的沉重负荷中。购屋者宁愿采取“等着瞧”的态度。这些因素导致全国低糜的交易数量——第四季只有1,148单位。与全年的5,216单位以及2002年的9,507单位相比，剧降超过45%。

私人住宅产业的价格于2003年下降2%，而在第四季只略降0.1%。同时，建屋局组屋的转售价格却呈上调的趋势。此种迹象皆显示住宅产业市场可能正处在巩固的过程中。

集团表现

尽管2003年为充满挑战的一年，本集团的收益取得1.6%的增长达至23亿2,600万元（2002年为22亿8,870万元）。对抵因租赁与销售产业的折损而拨存7,750万元后（2002年为4,200万元），可发予股东的税后盈利为1亿5,230万元（2002年为1亿5,120万元）。此数目包括来自联营投资的贡献。

本集团继续成为唯一采取保守的会计政策，而将其租赁产业加以折旧的新加坡挂牌产业公司。

截至2003年12月31日，每股净值为5.56元，2002年则为4.82元。

产业

虽然全国性的销售量下降，本集团却能维持其约12%的市场份量。本集团继续将来自例如：绿雅园、樟宜苑、金岭园，以及怡景园的预售工程盈利纳入帐目。政府继续将其既定项目的土地出售计划延缓至2004年6月，协助缓和市场上住宅单位的超供现象。但由于其延缓期限只有6个月，对市场的情况只产生微小的影响。

办公楼市场继续有挑战性，以致其租金于2003年降低10.5%。因此，根据世邦魏理仕对世界最昂贵的办公地点的调查所得，数年来处在前十位的新加坡，现在已下降至62位。此实可转成正面的意义，以促进新加坡成为更可负担得起与有吸引力的经商地点。更重要的是经济条件必须促使商业活动有利可图并对新加坡成为一发展枢纽的地位作出贡献。第四季的租用率下降至82.1%，同比一年前的84.3%。尽管面对此挑战性的局面，本集团的办公楼租用率达至83%，稍微高过全国性的平均数额。

旅店

Millennium & Copthorne Hotels plc (M&C)在其有史以来最艰难的营业期间运作。面对本集团难以控制的情况，例如：伊拉克战争、沙斯肆虐以及恐怖威胁，M&C的营业在2003年的首六个月遭受630万英镑的税前亏损。可是，尽管其上半年蒙受亏损，M&C的营业额却能急速回弹而取得全年的盈余，此盈余多数来自第四季的复苏。至于截至2003年12月31日的全年业绩，M&C共取得1,870万英镑的税前盈利，其中本集团的52%份额为980万英镑（约2,800万元）。

在美国，因九一一事件而休业的纽约Millenium Hilton，终于在重整与装修后，从2003年5月起分期重新开放。尽管耗费开张费用以及不断进行中的法律索偿费用，此旅店的表现已有显著的进展，而现今已取得营业利润。尽管保险公司已在是年另偿付650万美元，M&C的董事部为了慎重起见，经已议决不将任何进一步的营业中断期进款纳入帐项，直至法律诉讼已经定案。

沙斯疫情对我们旅店营运的冲击是史无前例的，尤其是在亚洲。我们在台北、香港与新加坡的主要资产受到沉重的打击。侥幸的是紧接着危机的消失，我们的旅店营业急速复苏。在亚洲的下半年营业利润与2002年同等，虽然其平均房租所得下降7%。在是年的最后一季，平均房租所得已复苏至只比前一年下降1%。

在大洋洲尤其是在纽西兰的M&C旅店，继续保持非常良好的表现。

本年展望

产业

农历新年过后，由于经济情况显现可靠的进展，市场气氛经有所改善。除开任何重大的惊奇，2004年国内生产总值增长率预期将介于3.5%与5%之间。甚多产业顾问与分析员已预测住宅产业市场将在本年中有复苏，以致其价格将在本年增加5%至10%。我们亦觉察到其他亚洲城市产业市场的强劲复苏现象，尤其是香港、曼谷、雅加达与吉隆坡。我们乐观地认为新加坡将跟随此趋势发展。

本集团将在本上半年发售愉林园第二期单位以及百馨园的其余数期单位。我们亦预期于本年中发售位于滨海林荫道引人关注的白区项目，拥有约1,100公寓单位。接近本年第四季尾，我们将计划发售位于吉真纳路城市广场的850单位住宅项目。城市广场亦包含另一幅拥有约72.1万平方英尺零售单位的地皮。此低帐面值的产业，当其出售时将可获可观的盈利。

此两项位于滨海林荫道与城市广场工程的临时规划准字均已获得。

本集团继续有选择性填补土地储存库，以约8,800万元购置两幅毗连而位于爱美丽山总面积128,931平方英尺的地皮。此收购是通过本集团拥有50%权益的Trevoise Crescent Development Pte Ltd进行。

虽有些迹象显示办公楼产业行情已见底，但政府即将于5月间发布的商业金融中心发展项目，仍是备受关注的焦点。虽其已公布的意旨在于引进主要的金融机构与跨国集团进驻于此营业，以便增强新加坡作为一金融枢纽的地位，但却普遍地顾虑此商业金融中心将与现有的办公楼互相竞争并将其吞蚀。必须加以强调的是：如在办公楼空间的任何需求还未加以确定之前，就根据其原定计划开展此商业金融中心项目，可能反而将此类产业尽早复苏的任何希望化为乌有。

通过多方努力与苦干，本集团欣然与一家显赫的主要租户签下租约，以便填满由前IBM Singapore所腾出的IBM大厦办公楼空间。新租户将获授此大厦的命名权。

旅店

在其总裁于2004年3月退隐后，M&C正进行更替领导层。经已建立的过渡团队，将提供应有的连续运作，而其首要任务为尽速将其盈利恢复到健全的地步。从最受考验的营运期间所获得的经验，将助此团队于面对任何市场情况的改变时，作出迅速和有效的反应。

多元化的收益

在过去数年里，由于新加坡本地市场的萎靡不振情况，本集团决定从本区域寻求房地产投资机会，以扩充我们的盈利资源。联合美国资金，我们有选择性地投资于曼谷、汉城与东京。展望前景，我们预期将更加活跃于此领域。

集团前景

董事部深信本集团将继续于接下来的12个月里获取利润。

我谨代表董事部对管理层与职员于此非常艰难的年度所作出的奉献与苦干，致以衷心的感谢。特别欲提出的是其M&C管理团队，以及所有的旅店职员的勇于面对最具挑战性之一的营业环境。我亦藉此向所有的股东、客户、购屋者、租户、旅店客户，以及商业伙伴的容忍与宝贵支持，致以诚挚的谢意。

郭令明

执行董事主席

2004年2月26日

BOARD OF DIRECTORS



A. Kwek Leng Beng, aged 63

Appointed as Director and Executive Chairman of CDL since 1 October 1969 and 1 January 1995 respectively, Mr Kwek was re-elected on 2 June 2000. He also sits on the Nominations and Remuneration Committees of CDL.

Mr Kwek is the Chairman of London-listed Millennium & Copthorne Hotels plc (M&C) and Hong Leong Asia Ltd (HLA). He is also the Chairman and Managing Director of Hong Leong Finance Limited (HLF) and Hong Kong-listed City e-Solutions Limited (CES).

Mr Kwek holds a law degree, LL.B (London) and is also a fellow of The Institute of Chartered Secretaries and Administrators. He was conferred an Honorary Doctorate of Business Administration in Hospitality Management by Johnson & Wales University of Rhode Island in 1998 and an Honorary Degree from Oxford Brookes University, UK in 2000.

A member of the Singapore-US Business Council since 1995, Mr Kwek is also a committee member of the Action Community for Entrepreneurship (ACE). He is also a Patron of the Real Estate Development Association of Singapore.

B. Kwek Leng Joo, aged 50

Appointed as Director and Managing Director of CDL since 8 February 1980 and 1 January 1995 respectively, Mr Kwek also sits on the boards of HLF, M&C and CES.

Mr Kwek holds a Diploma in Financial Management and has extensive experience in property development and investment.

President of the Singapore Chinese Chamber of Commerce & Industry, Mr Kwek is also Vice Chairman of the Singapore Business Federation and Vice President of the ASEAN Chamber of Commerce & Industry. His other appointments include Chairmanship of Sun Yat Sen Nanyang Memorial Hall Company Limited and the Board of Trustees of the National Youth Achievement Award Council.

C. Tan I Tong, aged 83

Appointed a Director of CDL since 28 April 1973, Mr Tan was last re-appointed a Director on 29 May 2003 pursuant to Section 153(6) of the Companies Act, Chapter 50.

Mr Tan has more than 20 years of experience in the finance business and is the Group Executive Director of HLF. He was previously a Director of NatSteel Ltd (until January 2003) and HLA (until May 2003).

D. Chee Keng Soon, aged 72

Appointed a Director of CDL since 29 March 1995, Mr Chee was last re-appointed a Director on 29 May 2003 pursuant to Section 153(6) of the Companies Act, Chapter 50. He is also the Chairman of the Audit, Nominations and Remuneration Committees of CDL.

Mr Chee also sits on the board of Inland Revenue Authority of Singapore. He previously served as Chairman of the board of Jurong Engineering Ltd (until June 2002) and as a Director of SembCorp Marine Ltd (until April 2003). Mr Chee holds a Bachelor of Arts (Honours) degree in Geography from University of Malaya.

E. Sim Miah Kian, aged 83

Appointed a Director of CDL since 1 October 1969, Mr Sim was last re-appointed a Director on 29 May 2003 pursuant to Section 153(6) of the Companies Act, Chapter 50.

Mr Sim has more than 20 years of experience in the finance business and is an Executive Director of HLF. He also sits on the boards of various property development companies within the Hong Leong Group.

F. Chow Chiok Hock, aged 65

Appointed a Director of CDL since 1 October 1969, Mr Chow was last re-elected on 29 May 2003.

He also sits on the boards of Hong Leong Holdings Limited and other companies in the Hong Leong Group. Mr Chow has extensive experience in real estate and has been actively involved in the management and development of the Grand Hyatt Taipei.

G. Ong Pang Boon, aged 74

Appointed a Director of CDL since 12 April 1985, Mr Ong was last re-appointed a Director on 29 May 2003 pursuant to Section 153(6) of the Companies Act, Chapter 50.

He also sits on the boards of Hong Leong Holdings Limited and Singapura Finance Limited (formerly known as Singapura Building Society) and several companies within the Hong Leong Group.

Mr Ong holds a Bachelor of Arts (Honours) degree from University of Malaya and has extensive experience in the real estate and hotel businesses.

H. Foo See Juan, aged 63

Appointed a Director of CDL since 2 June 1986, Mr Foo was last re-elected on 29 May 2002. He also sits on the Audit and Nominations Committees of CDL.

Mr Foo holds a Bachelor of Law degree from the National University of Singapore and is a partner of a law firm. He previously served on the board of CES (until May 2001) and presently sits on the boards of various companies in the CDL Group.

I. Kwek Leng Peck, aged 47

Appointed a Director of CDL since 1 August 1987, Mr Kwek was last re-elected on 30 May 2001.

He also sits on the boards of HLA, HLF, CES, M&C and New York-listed China Yuchai International Limited.

Mr Kwek holds a Diploma in Accountancy and has over 23 years of experience in trading, manufacturing, property investment and development, hotel operations, corporate finance and management.

J. Han Vo-Ta, aged 55

Appointed a Director of CDL since 20 September 1988, Mr Vo-Ta was last re-elected on 29 May 2003. He also sits on the Audit Committee of CDL.

Mr Vo-Ta holds Bachelor of Science and Master of Science degrees in Management from Massachusetts Institute of Technology and is presently a Senior Advisor of UBS AG. He also sits on the boards of various companies in the Hong Leong Group.

K. Tang See Chim, aged 71

Appointed a Director of CDL since 28 August 1995, Mr Tang was last re-appointed a Director on 29 May 2003 pursuant to Section 153(6) of the Companies Act, Chapter 50. He also sits on the Audit and Remuneration Committees of CDL.

Mr Tang, an Advocate & Solicitor of the Supreme Court of Singapore and a Barrister-at-law, Middle Temple, is presently the Consultant with the law firm of David Lim & Partners, Singapore. He also holds a Bachelor of Science (Honours) degree in Economics.

Mr Tang also sits on the boards of G K Goh Holdings Limited, Hup Seng Huat Co. Ltd. and New Toyo International Holdings Ltd.

He also serves as Chairman of Disciplinary Committee established under the legal Profession Act Singapore. His other appointments include honorary legal adviser to Ren Ci Community Hospital, Singapore Hospice Council and Nanyang Girls' High School.



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ENVISIONING THE FUTURE

CDL continued to be profitable in 2003 and kept its lead in the Singapore property market in spite of the difficult challenges posed by terrorism around the world, the SARS outbreak in Singapore and the Iraq war.

Drawing on 40 years of solid experience and track record, CDL remained committed to its pro-investor, pro-customer strategy, creating the best investment for all stakeholders. During the year, we forged ahead to redefine future living – introducing a choice selection of innovative new developments in the residential as well as hospitality sectors. In striving to provide top quality and service, CDL once again reached new heights in setting industry benchmarks.



Redefining "Homes of the Future"

As a lifestyle innovator, CDL envisions to develop trendsetting "Homes of the Future". The year saw CDL maintaining a high level of activity in the residential market.

CDL kicked off the year with the successful launch of The Pier at Robertson early in the first quarter of 2003. Its success blazed a trail of launches by other industry players, giving the market a strong headstart.

New Generation Smart Homes

With its prime downtown location, freehold tenure and coupled with state-of-the-art Smart Home features, The Pier at Robertson was a good investment for investor and homeowner alike. Comprising 201 designer apartments and 12 food and beverage outlets, the prime riverfront site along the Singapore River has sold about 87% of the 120 units launched.



Living Green in Eco-Condos

Following the success of The Pier, CDL released additional 250 units of Savannah CondoPark, another innovative CDL concept home. Packed with environmentally-friendly features, as well as an elaborate Savannah theme park concept, this is also Singapore's pioneering Eco-Condo. The development has sold about 60% of units launched. Located on Simei Rise with doorstep convenience to the Pan Island Expressway, it is a 99-year leasehold property, targetted at the upgraders' market.

Exclusive Living on the Coast

Emery Point, a freehold development in the colourful and heritage-rich neighbourhood of Katong in the coveted East Coast area was launched in the third quarter. Emery Point offers a choice of 51 luxurious apartments for immediate occupation.



CDL ended the year with the successful launch of Monterey Park. The well-located development, in the attractive West Coast residential suburb, has easy access to Singapore's top tertiary institutions, international schools as well as established science and technology research facilities and business parks. This 999-year leasehold development has 280 luxurious apartments and penthouses in six towers. 93 units have been released in the first phase.

SEEKING NEW OPPORTUNITIES

Whilst managing the difficult business environment in 2003, the Group kept a close watch on new opportunities to broaden its earnings base. Through timely collaborations, acquisitions and divestments, the Group has created greater value for its shareholders.

In 2003, CDL acquired three parcels of land. In June, a 30,153 sq. feet land parcel at 40 Stevens Road, next to an adjoining plot owned by the Group was contracted at an attractive price of \$17.4 million. The new parcel of land will be amalgamated with the adjoining 5 Balmoral Park for a larger residential development. In December, Trevoise Crescent Development Pte Ltd, an existing 50:50 joint venture company between CDL and TID Pte Ltd, purchased two adjoining plots of land at Mount Emily, with a total site area of 128,900 sq. feet for \$87.8 million.

CDL saw the opportunity for a win-win collaboration with another leading property developer and in a 50:50 joint venture with CapitaLand Ltd, purchased en-bloc, Parkview Condominium near West Coast Park for \$165 million. The total cost of the project is estimated at \$320 million. Occupying 407,387 sq. feet, the site is the largest land area sold by way of a collective sale, and will be developed into a good quality medium-density residential development. In the second project, CDL bought 36 choice units of CapitaLand's 187-unit freehold development, The Imperial, off River Valley Road for \$52 million. The bulk purchase is expected to generate good profits for CDL.

CDL through its associated companies, divested the ownership of Lot 1 Shoppers' Mall for \$121.9 million, and Seoul City Tower in Seoul, Korea for Korean Won 152 billion, a decision which will be positive for shareholder's value.

Together with Westbrook, a US Real Estate Fund, CDL took a 50% stake in a partially completed hotel property in a well-located part of Bangkok, along the Chao Phraya River. This property will be refurbished.

CDL made a mandatory unconditional offer to acquire all the issued ordinary shares in the capital of Target Realty Limited (TRL) other than those already held by CDL, its related corporations, or the respective nominees of CDL or its related corporations. As at 31 December 2003, CDL Group owns 98.72% of the issued share capital of TRL.

HOTELS - BEST IN CLASS PROPERTIES, BEST IN CLASS STANDARDS

One of the most exciting developments during the year was the announcement of the blueprint for the luxurious St. Regis Singapore. The third in Asia, the prestigious St. Regis Singapore will be managed by Starwood Hotels & Resorts Worldwide, Inc. and Richmond Hotel Pte Ltd, an associated company of CDL. Following in the tradition of the legendary St. Regis New York, the St. Regis Singapore will feature the famed hallmarks of St. Regis hotels – butler service and luxury accommodation for world travellers. Located on a 180,000 sq. feet site along Tanglin Road, the hotel is slated for a 2007 opening.



Underlining a vote of confidence for the future of Singapore's Meetings and Conference sectors, Millennium and Copthorne Hotels launched the Waterfront Conference Centre, an 18,000 sq. feet space with 28 meeting rooms and four ballrooms. The third largest convention venue in Singapore, the \$4 million investment is located next to its flagship hotel, Grand Copthorne Waterfront Hotel.

In a move to carve out a piece of the Middle Eastern market, Millennium Hotels and Resorts clinched a new management agreement to take over the Dubai Airport Hotel in the United Arab Emirates (UAE), and re-branded it Millennium Airport Hotel Dubai.

In the US, May 2003 saw the re-opening of the Millenium Hilton which was closed after the September 11 incident. The hotel has been operating successfully since its re-opening.

NEW BENCHMARKS IN QUALITY AND SERVICE

Our unwavering commitment in delivering quality and excellence in service won CDL trust from homebuyers and numerous recognition from the industry in 2003.

Setting Standards for a Safe and Green Environment

In recognition of CDL's efforts in ensuring good safety performance of its developments, CDL received the Ministry of Manpower Occupational Safety and Health (OSH) Letter of Commendation.

CDL was the first developer in Singapore to receive the Building and Construction Authority (BCA) ISO 14001 (Environmental Management) and OHSAS 18001 (Occupational Health and Safety) certification for setting standards in property development and project management services. The achievement reflects CDL's commitment to providing a better quality of life to the community – a safe and healthy working environment, and eco-friendly buildings for home buyers.

On the international front, CDL scored another distinction by being the first private developer from Singapore to be conferred the UK's Royal Society For the Prevention of Accidents (RosPA) Silver Award, for excellence in managing health and safety issues for 11 projects in 2003. Each year, a select group of companies from UK and around the world receive occupational awards from RosPA.

Service Excellence

As the first real estate developer to introduce Customer Relationship Management (CRM), CDL was conferred BCA's Construction 21 Best Practice Award for its leadership, management foresight and initiative in championing service excellence through technology in the property industry.



Construction Excellence

The Equatorial i-Home condominium project won the prestigious BCA Construction Excellence as well as the Best Buildable Design Awards 2003, while Faber Crest was awarded the Certificate of Merit for Construction Excellence.

CORPORATE PHILANTHROPY

Although the business climate was tough, CDL was mindful of the greater impact of the economic downturn on the less privileged. Through cash, kind and more importantly, the time and effort of staff, we contributed to the welfare of the

needy, and lent our support through various creative initiatives to promote the arts, environmental awareness, sports, education and youth development.

Promoting the Arts

The first-ever nationwide sculpture competition, CDL-Singapore Sculpture Award, was launched to encourage and recognise creativity in local aspiring sculptors. It received some 200 entries from all walks of life. The winning work "Reed Sculpture", created by a 35-year old Singaporean lecturer, will be commissioned by CDL to adorn the banks of the Singapore River fronting CDL's premium property – The Pier at Robertson.

For its support of the Singapore Arts Festival, CDL received the National Arts Council's Friend of the Arts Award. This is the 7th consecutive year CDL has received the award.



Preserving the Environment



For the second year running, CDL partnered with the Singapore Environment Council to organise Project Eco-Office, a public campaign to encourage offices to create and cultivate an “eco-culture” in the workplace. The activities held this year included a two-day roadshow in Raffles Place Park, a two-week long recycling drive, as well as the launch of the inaugural Eco-Office Label. With strong support from fellow developers, the recycling drive was held in 37 commercial buildings and reached out to over 1,400 tenants, a four-fold increase from 2002. A record 13.8 tonnes of recycled waste was churned out from the drive. A dedicated website, www.ecooffice.com.sg was also set up to assist offices wishing to participate in the Eco-Office Label.



Engaging the Community

CDL partnered with the South West Community Development Council (SW CDC) and other corporate partners to organise a major fund-raising event, “Harmony in Charity Community Carnival” at Lot 1 Shoppers’ Mall. CDL’s staff volunteer club, City Sunshine Club (CSC) as well as City Building Management and the hotel subsidiaries set up stalls at the carnival. The one-day event raised \$144,000 in aid of the needy and less fortunate. Staff volunteers from the CSC also lent their time and effort to raise funds at the Assisi Home and Hospice Carnival held at Central Mall, as well as the Singapore Duck Race 2003.

CSC collaborated with We-sharecare Children Society to conduct a “Character Building Programme” for children who are at risk of delinquency. Our volunteers will commence work at DayBreak Family Service Centre (Yishun) in April 2004. The CSC continued to reach out to the aged community in Chinatown by organising monthly befriending visits, concerts, outings and other special treats.

Developing the next generation

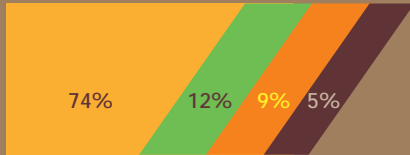
CDL was a founding partner of SW CDC’s pioneering effort to encourage the young to be socially responsible. The Youth Excellence Award in the Heartlands (YEAH!) scheme synergises well with CDL’s corporate mission to nurture Singapore youth as well-rounded and caring citizens.



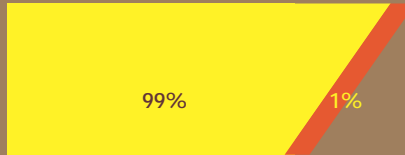
PROPERTY PORTFOLIO ANALYSIS

Landbank

Analysis by Sector
Total: 3.95 million sq. feet

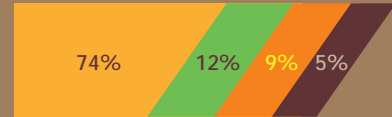


Analysis by Tenure
Total: 3.95 million sq. feet



(FH/999-year Leasehold)

(99-year Leasehold & Below)

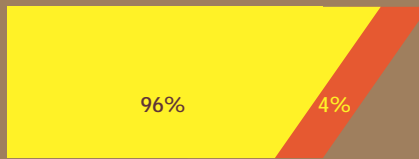


Freehold/999-year Leasehold Breakdown by Sector
Total: 3.90 million sq. feet

Analysis by Development Stage
Total: 3.95 million sq. feet

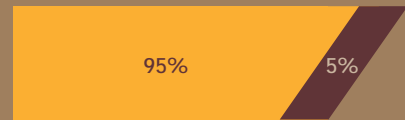


Planning Stage Breakdown by Sector
Total: 3.78 million sq. feet



(Planning Stage)

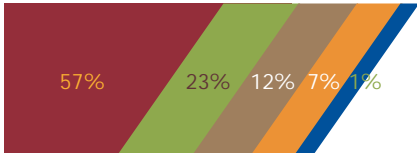
(Under Construction)



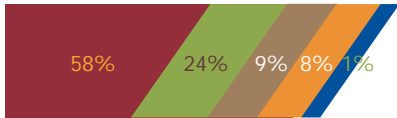
Under Construction Breakdown by Sector
Total: 0.17 million sq. feet

- Residential
- Industrial
- Residential-Overseas
- Commercial & Hotel Projects

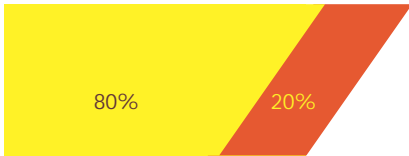
Analysis by Sector
Total Lettable Area: 4.69 million sq. feet



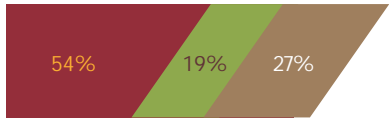
Analysis by Tenure
Total Lettable Area: 4.69 million sq. feet



FH/999-year Leasehold
Breakdown by Sector
Total Lettable Area: 3.77 million sq. feet



(FH/999-year Leasehold)
(99-year Leasehold & Below)



99-year Leasehold & Below
Breakdown by Sector
Total Lettable Area: 0.92 million sq. feet

- Office
- Industrial
- Retail
- Residential
- Others

MAJOR PROPERTIES

COMMERCIAL PROPERTIES	Tenure	Site Area (sq. metres)	Approximate Lettable/ Strata Area (sq. metres)	Effective Group Interest (%)
Republic Plaza the flagship of CDL, is a 66-storey state-of-the-art intelligent office tower at Raffles Place, in the heart of Singapore's financial district.	999-year lease	6,765	73,094	100
Central Mall comprises a cluster of conservation shophouses at Havelock Road/Magazine Road.	99-year lease wef 15.05.1993	4,806	5,078	100
Central Mall (Office Tower) is a 7-storey office-cum-retail building located at Havelock Road/Magazine Road.	Freehold	2,828	12,226	100
New Tech Park is a high-technology industrial park at Lorong Chuan, off Braddell Road.	999-year lease	39,798	55,759	42.8
City House is a 23-storey office building situated at Robinson Road/Cross Street within the Central Business District.	999-year lease	1,272	14,765	100
80 Anson Road is a part 15-storey/part 38-storey commercial office building situated at the intersection of Anson Road, Keppel Road, Tanjong Pagar Road and Bernam Street, near the western fringe of the Central Business District.	Freehold	5,394	33,029	100
Plaza-By-The-Park is an 11-storey commercial building located at 51 Bras Basah Road.	999-year lease	4,972	22,433	100
No. 1 Shenton Way (formerly Robina House) is a 24-storey office building located at Shenton Way, within the Central Business District.	99-year lease wef 02.06.1969	3,389	19,436	100
Chinatown Point is a 25-storey commercial complex comprising two 5-storey shopping podium blocks, a 20-storey office tower and two basement levels. It is located at New Bridge Road in Chinatown.	99-year lease wef 12.11.1980	9,206	16,889	100

MAJOR PROPERTIES

COMMERCIAL PROPERTIES	Tenure	Site Area (sq. metres)	Approximate Lettable/ Strata Area (sq. metres)	Effective Group Interest (%)
Palais Renaissance is a 16-storey retail-cum-office complex with 3 basements located at Orchard Road.	Freehold	3,175	9,810	100
GB Building is a 28-storey office building located at 143 Cecil Street.	99-year lease wef 12.10.1982	2,583	7,650	100
Delfi Orchard is an 11-storey commercial-cum-residential complex located at Orchard Road.	Freehold	1,882	6,253	100
Citilink Warehouse Complex is an 8-storey warehouse located at Pasir Panjang Road.	Freehold	14,152	9,597	100
Cideco Industrial Complex is an 8-storey industrial building located at Genting Lane.	Freehold	5,478	12,489	100
Pantech 21 is a computer centre located at Pandan Loop.	99-year lease wef 27.01.1984	6,900	12,916	100
City Industrial Building is an 11-storey flatted factory building at Tannery Lane.	Freehold	3,150	11,826	100
Tanglin Shopping Centre is a shopping-cum-office complex situated at Tanglin Road within the Orchard Road tourist district. The Group also owns 325 carpark lots.	Freehold	6,365	6,866	52
The Arcade is a 20-storey office-cum-shopping complex situated at Collyer Quay within the Central Business District.	999-year lease	2,035	4,011	100
Commerce Point is a 19-storey office building located at Phillip Street, close to Raffles Place.	999-year lease	776	7,743	100

MAJOR PROPERTIES

	Tenure	Site Area (sq. metres)	Approximate Lettable/ Strata Area (sq. metres)	Effective Group Interest (%)
COMMERCIAL PROPERTIES				
Katong Shopping Centre is a 7-storey shopping-cum-office complex situated along Mountbatten Road. The Group also owns 323 carpark lots.	Freehold	8,167	8,388	100
Tagore 23 Warehouse is a 4-storey warehouse located at Tagore Lane.	Freehold	7,418	12,066	100
King's Centre is an 8-storey office-cum-retail waterfront development located at Havelock Road, next to the Singapore River.	99-year lease wef 09.02.1984	5,186	8,347	100
Grand Copthorne Waterfront is a 30-storey, 539-room hotel-cum-retail waterfront development located at Havelock/Kim Seng Road, along the Singapore River.	Freehold	11,509	2,771 (Retail) 46,169 (Hotel)	100
The Corporate Office is a 21-storey office building situated at the junction of Robinson Road and McCallum Street, within the Central Business District.	Freehold	1,490	10,297	99
Serviced Apartments				
Le Grove is the Group's first serviced apartments project located at Orange Grove Road, off Orchard Road.	Freehold	8,012	8,921	100
Overseas Properties				
Umeda Pacific Building is an 11-storey commercial building located in the prime business district of Osaka, Japan.	Freehold	887	6,396	100
Birkenhead Point Shopping Centre & Marina is a large shopping centre, office building and marina complex located in the waterside suburb of Drummoyne in Sydney, Australia. In addition to office and retail space, the property also comprises carpark lots and marina berths.	Freehold	32,700	31,066	19
MyeongDong Central is a 16-storey office building located in the prime district of MyeongDong, Chung-gu, Seoul, Korea.	Freehold	1,441	19,177	50
A 32-storey 542-room hotel cum retail waterfront development located at Charoen Nakorn Road, Bangkok, along the Chao Phraya River. It is scheduled for completion in mid 2005.	Freehold	10,104	83,000	50

MAJOR PROPERTIES

Hotels*	Tenure	Site Area (sq. metres)	Number of Rooms	Effective Group Interest (%)
Asia				
Hotel Nikko Hong Kong Mody Road, Tsimshatsui East, Kowloon, Hong Kong	75-year term from 28.11.1984 and may be renewable for a further term of 75 years	2,850	462	25
JW Marriott Hotel, Hong Kong Pacific Place, 88 Queensway, Hong Kong	75-year term from 18.04.1985 and option to renew for a further term of 75 years	10,690	602	13
Millennium Hotel Sirih Jakarta Jalan Fachrudin 3, Jakarta 10250, Indonesia	The title is held under a Hak Guna Bangunan (i.e. Right to Build) and a 40-year lease wef 14.04.1984 and 22.01.1986 for approximate site area of 7,137 sq. metres and 212 sq. metres respectively	7,349	390	42
The Heritage Hotel Manila Roxas Boulevard at cnr of EDSA Pasay City, Metropolitan Manila, Philippines	Fee Simple	9,888	454	34
Copthorne Orchid Penang Tanjong Bungah, Penang, Malaysia	Freehold	10,329	318	52
The Regent Kuala Lumpur 160 Jalan Bukit Bintang, Kuala Lumpur, Malaysia	Freehold	7,899	468	52
Grand Copthorne Waterfront Hotel Singapore 392 Havelock Road, Singapore	Freehold	11,509	539	100
M Hotel Singapore 81 Anson Road, Singapore	Freehold	2,134	413	52
Copthorne King's Hotel Singapore 403 Havelock Road, Singapore	99-year lease commencing 01.02.1968	5,637	308	52
Copthorne Orchid Hotel Singapore 214 Dunearn Road, Singapore	Freehold	16,188	440	52
Orchard Hotel & Shopping Arcade, Singapore At the junction of Orchard Road and Orange Grove Road, with approximately 5,253 sq. metres of net lettable retail area	Freehold	8,588	674	52

* Hotel information as at 1 March 2004

MAJOR PROPERTIES

Hotels*	Tenure	Site Area (sq. metres)	Number of Rooms	Effective Group Interest (%)
Millennium Seoul Hilton 395 Namdaemunno 5-Ga, Chung-gu, Seoul, Korea	Freehold	18,760	683	52
Grand Hyatt Taipei Taipei World Trade Centre, Sung Shou Road, Taipei, Taiwan	50-year term extendable to 80-year term wef 07.03.1990	14,317	856	42
Europe				
Millennium Bailey's Hotel London Kensington 140 Gloucester Road, London SW7 4QH, England	Freehold	14,200	212	52
Millennium Hotel London Mayfair Grosvenor Square, Mayfair London W1A 3AN, England	Leasehold to year 2096	29,976	348	52
Millennium Hotel London Knightsbridge 17 Sloane Street, Knightsbridge, London SW1X 9NU, England	Leasehold to year 2041	11,250	222	52
Millennium Gloucester Hotel London Kensington Harrington Gardens, London SW7 4LH, England	Freehold	48,900	610	52
Millennium Hotel Glasgow George Square, Glasgow G2 1DS, Scotland	Leasehold to year 2109	9,828	117	52
Millennium Hotel Paris Opéra 12 Boulevard Haussmann, 75009 Paris, France	Freehold	9,201	163	52
Copthorne Hotel Paris Charles de Gaulle Zone Hoteliere, Allee du Verger, 95700 Roissy-en-France, France	Finance Lease	13,350	239	52
Copthorne Hotel Hannover Wurburger Strasse 21, 30800 Laatzen, Hannover, Germany	Short Lease	17,165	222	52

* Hotel information as at 1 March 2004

MAJOR PROPERTIES

Hotels*	Tenure	Site Area (sq. metres)	Number of Rooms	Effective Group Interest (%)
Millennium Hotel & Resort Stuttgart Plieninger Strasse 100, 70561 Stuttgart, Germany	Short Lease	39,094	454	52
Copthorne Hotel Aberdeen 122 Huntly Street, Aberdeen AB1 1SU, Scotland	Freehold	6,135	89	44
Copthorne Hotel Birmingham Paradise Circus, Birmingham B3 3HJ, England	Freehold	1,500	212	52
Copthorne Hotel Cardiff Caerdydd Copthorne Way, Culverhouse Cross, Cardiff CF5 6DH, Wales	Freehold	10,000	135	52
Copthorne Hotel Effingham Park Gatwick Copthorne, West Sussex RH10 3EU, England	Freehold	167,950	122	52
Copthorne Hotel London Gatwick Copthorne, West Sussex RH10 3PG, England	Freehold	17,325	227	52
Copthorne Hotel Manchester Clippers Quay, Salford Quays, Manchester M5 2XP, England	Leasehold to year 2135	23,725	166	52
Copthorne Hotel Merry Hill-Dudley Level Street, Brierley Hill, Dudley, West Midlands DY5 1UR, England	Finance Lease	15,960	138	52
Copthorne Hotel Newcastle The Close, Quayside, Newcastle upon Tyne NE1 3RT, England	Freehold	27,200	156	49
Copthorne Hotel Slough Windsor Cippenham Lane, Slough, Berkshire SL1 2YE, England	Freehold	29,000	219	52
Copthorne Tara Hotel London Kensington Scarsdale Place, Kensington, London W8 5SR, England	Freehold	37,615	834	52

* Hotel information as at 1 March 2004

MAJOR PROPERTIES

Hotels*	Tenure	Site Area (sq. metres)	Number of Rooms	Effective Group Interest (%)
Copthorne Hotel Plymouth Armada Way, Plymouth PL1 1AR, England	Long Leasehold	8,850	135	52
North America				
Millennium Broadway Hotel, New York 145 West 44th Street, New York, NY 10036-4012, USA	Freehold	3,236	750	52
Millennium Hilton Hotel, New York 55 Church Street, New York, NY 10007, USA	Freehold	1,680	565	52
The Plaza, New York 768 Fifth Avenue, New York, NY 10019, USA	Freehold	77,666	805	26
Millennium Alaskan Hotel, Anchorage 4800 Spenard Road, Anchorage, AK 99517-3236	Freehold/Leased to year 2040	20,355	248	52
Millennium Biltmore Hotel, Los Angeles 506 South Grand Avenue, Los Angeles, CA 90071	Freehold	11,331	683	52
Millennium Bostonian Hotel, Boston At Faneull Hall Marketplace, Boston, MA 02109	Freehold	2,455	201	52
Millennium Hotel, Cincinnati 150 West Fifth Street, Cincinnati, OH 45202	Freehold/Leased to year 2074	6,839	872	51
Millennium Harvest House, Boulder 1345 28th Street, Boulder, CO 80302-6899	Freehold	64,019	269	45
Millennium Knickerbocker Hotel, Chicago 163 East Walton Place, Chicago, IL 60611	Freehold	2,023	305	52

* Hotel information as at 1 March 2004

MAJOR PROPERTIES

Hotels*	Tenure	Site Area (sq. metres)	Number of Rooms	Effective Group Interest (%)
Millennium Maxwell House, Nashville 2025 MetroCentre Boulevard, Nashville, TN 3722-1505	Leased to year 2049	36,421	289	52
Millennium Resort, Scottsdale, McCormick Ranch 7401 North Scottsdale Road, Scottsdale, AZ 85253-3548	Leased to year 2053	32,819	176	52
Millennium Hotel, Minneapolis 1313 Nicolett Mall, Minneapolis, MN 55403	Leased to year 2045	Not available	321	52
Millennium Hotel, St. Louis 200 South 4th Street, St. Louis, MO 63102-1804	Freehold	17,033	780	52
Millennium UN Plaza Hotel, New York 1 UN Plaza, 44th Street at 1st Avenue New York, NY 10017-3575	Freehold/Leased to year 2079	4,554	427	52
Millennium Hotel, Durham 2800 CampusWalk Avenue, Durham, NC 27705-4479	Freehold	42,814	313	52
Comfort Inn Vail/Beaver Creek, Colorado 161 West Beaver Creek Boulevard, Avon, CO 81620-5510	Freehold	11,209	146	52
Eldorado Hotel, Santa Fe 309 West San Francisco Street, Santa Fe, NM 87501-2115	Indirect Interest	Not available	219	5
Pine Lake Trout Club, Chagrin Falls 17021 Chillicothe Road, Chagrin Falls, OH 44023-0282	Freehold	331,062	6	52
Sheraton Four Points Hotel, Buffalo 2040 Walden Avenue, Buffalo, NY 14225-5186	Leased to year 2041	31,726	292	52
Sunnyvale Four Points, California 1250 Lakeside Drive, Sunnyvale, CA 94086-4010	Freehold	34,802	378	52

* Hotel information as at 1 March 2004

MAJOR PROPERTIES

Hotels*	Tenure	Right of Renewal	Site Area (sq. metres)	Number of Rooms	Effective Group Interest (%)
Australasia					
Millennium Hotel Christchurch 14 Cathedral Square, Christchurch, New Zealand	Leasehold to Nov 2010	1 x 5 years	1,417	179	37
Millennium Hotel Queenstown Cnr Frankton Road & Stanley St., Queenstown, New Zealand	Freehold		7,420	220	26
Millennium Hotel Rotorua Cnr Eruera & Hinemaru Streets, Rotorua, New Zealand	Freehold/ Leasehold land	Perpetual	14,418	227	37
Copthorne Hotel Auckland Anzac Avenue 150 Anzac Avenue, Auckland, New Zealand	Leasehold land	Perpetual	2,495	110	26
Copthorne Hotel Auckland HarbourCity Quay Street, Auckland, New Zealand	Leasehold to 13.01.2020		2,407	187	37
Copthorne Hotel & Resort Bay of Islands Tau Henare Drive, Waitangi Bay of Islands, New Zealand	Leasehold to year 2021	1 x 30 years	70,670	145	18
Copthorne Hotel Christchurch Central 776 Colombo Street, Christchurch, New Zealand	Freehold		2,154	142	37
Copthorne Hotel Christchurch Durham Street Cnr Durham & Kilmore Streets, Christchurch, New Zealand	Leasehold to year 2015		1,734	161	26
Copthorne Hotel & Resort Queenstown Lakefront Cnr Adelaide Street & Frankston Road, Queenstown, New Zealand	Freehold		18,336	241	37
Copthorne Hotel Wellington Plimmer Towers Cnr Boulcott & Glimmer Streets, Wellington, New Zealand	Leasehold to year 2008	2 x 3 years	3,982	94	26

* Hotel information as at 1 March 2004

MAJOR PROPERTIES

Hotels*	Tenure	Right of Renewal	Site Area (sq. metres)	Number of Rooms	Effective Group Interest (%)
Kingsgate Hotel Greenlane, Auckland 187 Campbell Road, Greenlane, Auckland, New Zealand	Freehold (converted to freehold wef Aug 2002)	Perpetual	17,199	216	37
Kingsgate Hotel Parnell, Auckland 92-102 Gladstone Road, Parnell Auckland, New Zealand	Leasehold to year 2006	2 x 5 years	7,584	117	26
Kingsgate Hotel Dunedin Upper Moray Place, Dunedin, New Zealand	Freehold		2,193	55	26
Kingsgate Hotel Kings, Greymouth 32 Mawhera Quay, Greymouth, New Zealand	Freehold/ Leasehold land	Perpetual	3,970	102	37
Kingsgate Hotel Rotorua Fenton Street Rotorua, New Zealand	Freehold		30,685	136	26
Kingsgate Hotel Palmerston North 110 Fitzherbert Avenue, Palmerston North, New Zealand	Freehold		16,207	151	26
Kingsgate Resort Terraces, Queenstown 88 Frankston Road, Queenstown, New Zealand	Freehold		4,713	85	26
Kingsgate Hotel Te Anau 20 Lakefront Drive, Te Anau, New Zealand	Freehold		8,819	94	37
Kingsgate Hotel Oriental Bay, Wellington 73 Roxburgh Street, Wellington, New Zealand	Freehold		3,891	116	26
Millennium Hotel Sydney At the Top of William Street, Sydney, Australia (ceased operations on 31 March 2003 for conversion of hotel to apartments)	Freehold		3,622	-	19

* Hotel information as at 1 March 2004

MAJOR PROPERTIES IN THE COURSE OF DEVELOPMENT

Description/Location	Site Area (sq. metres)	Gross Floor Area (sq. metres)	Tenure	Effective Group Interest (%)	Approximate Percentage Completion (%)	Expected Completion Date
Residential						
Boulevard Hotel Site Cuscaden Road/Orchard Boulevard	12,127	37,352	Freehold	40	*	2007
Changi Rise Condominium Upper Changi Road East	48,472	77,556	99 yrs	60	94	2004
Edelweiss Park Tampines Road/Upper Changi Road North	47,788	66,900	Freehold	33	*	2006
Evelyn Road Project Evelyn Road	10,824	32,445	Freehold	50	*	2006
Goldenhill Park Condominium Mei Hwan Drive	24,340	51,113	Freehold	100	91	2004
Goldenhill Villas Ang Mo Kio Ave 1	22,560	19,899	Freehold	100	91	2004
King's Centre - Plot 3 Havelock Road/Kim Seng Road	5,485	20,887	Freehold	100	*	2008
Monterey Park West Coast Rise	24,172	39,730	999 yrs	100	32	2005
Mount Emily Road Project Mount Emily Road/Niven Road	11,978	25,154	Freehold	50	*	2007
Nuovo Executive Condominium Ang Mo Kio Ave 6/9	14,489	40,569	99 yrs	100	81	2004
Oseania Resort Ancol, Jakarta	22,698	70,435	Leasehold	30	*	-
Savannah CondoPark Upper Changi Road East	54,872	87,795	99 yrs	60	32	2006
The Esparis Pasir Ris Drive 4	13,982	34,955	99 yrs	100	38	2005
Marina Boulevard Project Marina Boulevard	9,091	118,182	99 yrs	50	*	2008
Parkview Condominium Project West Coast Park	37,847	60,555	956 yrs	50	*	2008
Mixed Development						
City Square Kitchener Road/Serangoon Road/Jalan Besar	42,252	167,521	Freehold	100	*	2007/2008
The Pier at Robertson Mohamed Sultan Road/Robertson Quay	6,656	20,160	Freehold	80	*	2007
North Canal Road Project North Canal Road	777	2,031	999 yrs	100	58	2004
Tomlinson Road Project Tanglin/Tomlinson/Cuscaden Roads	16,693	77,119	999 yrs	33	*	2007

* work less than 10% completed

MAJOR PROPERTIES FOR DEVELOPMENT AND/OR RESALE

Description/Location	Site Area (sq. metres)	Tenure	Effective Group Interest (%)
Residential			
5 Balmoral Park	3,517	Freehold	100
Buckley Mansion	4,097	Freehold	100
9 Buckley Road	2,250	Freehold	100
Butterworth Lane	984	Freehold	100
Garden Hotel	9,493	Freehold	100
Jalan Kolam Ayer, JB, Malaysia	24,739	Freehold	100
Jalan Waspada, JB, Malaysia	6,368	Freehold	100
Kim Lin Mansion	12,858	Freehold	100
Pasir Ris	195,025	999 years	51
Shelford Road	4,137	Freehold	100
40 Stevens Road	2,801	Freehold	100
15 & 19 Swiss Club Road	15,915	Freehold	100
Tampines Road/Upper Changi Road North	122,071	Freehold	33
Wilkie/Upper Wilkie Road	2,888	Freehold	100
Industrial			
Jalan Lam Huat	15,564	Freehold	100
100F Pasir Panjang Road	2,900	Freehold	100
100G Pasir Panjang Road	11,219	Freehold	99
Tagore Avenue	13,314	Freehold	100

CORPORATE STRUCTURE

as at 1 March 2004



Notes:

1. Held through a wholly-owned subsidiary company of Millennium & Copthorne Hotels plc ("M&C")

2. Held through a 60% subsidiary company of M&C and a wholly-owned subsidiary company of Republic Hotels & Resort Limited

* Listed Companies

Board of Directors

Executive

Kwek Leng Beng (Executive Chairman)
Kwek Leng Joo (Managing Director)

Non-Executive

Tan I Tong
Chee Keng Soon (Independent)
Sim Miah Kian
Chow Chiok Hock
Ong Pang Boon
Foo See Juan (Independent)
Kwek Leng Peck
Han Vo-Ta (Independent)
Tang See Chim (Independent)

Audit Committee

Chee Keng Soon (Chairman)
Foo See Juan
Han Vo-Ta
Tang See Chim

Nominations Committee

Chee Keng Soon (Chairman)
Kwek Leng Beng
Foo See Juan

Remuneration Committee

Chee Keng Soon (Chairman)
Kwek Leng Beng
Tang See Chim

Secretaries

Shufen Loh @ Catherine Shufen Loh
Enid Ling Peek Fong

Registrars and Transfer Office

M & C Services Private Limited
138 Robinson Road
#17-00 The Corporate Office
Singapore 068906
Tel: 6227 6660

Registered Office

36 Robinson Road
#04-01 City House
Singapore 068877
Tel: 6877 8228
Fax: 6225 4959

Auditors

KPMG
Certified Public Accountants, Singapore
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
(Partner-in-charge: Chay Fook Yuen, appointment commenced from the audit of the financial statements for the year ended 31 December 2000)

Principal Bankers

ABSA Bank Limited
Australia and New Zealand Banking Group Limited
BNP Paribas
Bank of America
Bank of China
Bayerische Landesbank
Citibank, N.A.
Commerzbank Aktiengesellschaft
Credit Agricole Indosuez
Credit Lyonnais
DBS Bank Ltd
Industrial and Commercial Bank of China
Mizuho Corporate Bank Ltd
Norddeutsche Landesbank Girozentrale
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
The Bank of Nova Scotia Asia Limited
The Bank of Tokyo-Mitsubishi, Ltd
The Hongkong and Shanghai Banking Corporation Limited
The Royal Bank of Scotland plc
Sumitomo Mitsui Banking Corporation
UFJ Bank Limited
United Overseas Bank Limited

CORPORATE GOVERNANCE

The Directors and management are committed to maintaining high standards of corporate governance, in line with the principles set out in the Code of Corporate Governance issued by the Committee on Corporate Governance on 21 March 2001 (the "Code") and the Best Practices Guide issued by the Singapore Exchange Securities Trading Limited ("SGX-ST") with regard to dealings in securities. The Board has adopted a set of corporate governance practices and internal compliance code ("Internal CG Guidelines") aligned with and focusing on the substance and spirit of the Code and the Best Practices Guide.

THE BOARD OF DIRECTORS ("BOARD")

Board Composition and Balance

The Board currently comprises 11 members. The Chairman and the Managing Director are executive Directors, while the other members of the Board are non-executive Directors. Of the 9 non-executive Directors, the Board considers 4 of them, being not less than one third of the Board, to be independent, thus providing for a strong and independent element on the Board capable of exercising objective judgment on corporate affairs of the Group. The independent Directors are Messrs Chee Keng Soon, Foo See Juan, Han Vo-Ta and Tang See Chim. Key information on the Directors are set out on pages 20 to 21 of the Annual Report 2003.

Mr Foo See Juan is a partner of a legal firm which renders professional legal services to the CDL Group and Mr Han Vo-Ta was previously employed in an executive position in a subsidiary within the CDL Group until 2001. Nevertheless, the Board (excluding Mr Foo See Juan and Mr Han Vo-Ta in respect of the deliberation of their own independence) is of the opinion that both Directors may be regarded as independent as these two Directors are capable of maintaining their objectivity and independence at all times in the carrying out of their duties and responsibilities as independent Directors.

The Board has reviewed its composition, taking into account the scope and nature of the operations of the Group, and is satisfied that the current size of the Board is appropriate and allows for effective decision making. The standing of the members of the Board in the business and professional community, and their combined business, management and professional experience, knowledge and expertise provide the necessary core competencies to meet the Group's needs and further allow for diverse and objective perspectives on the Group's strategic direction and growth.

Roles of Chairman and Managing Director

Mr Kwek Leng Beng is the Executive Chairman of the Company. He bears primary responsibility for the workings of the Board, by ensuring its effective function, encouraging active participation in boardroom discussions and overseeing the Group's corporate governance structure and conduct. The Chairman also provides overall leadership and strategic vision for the Company. He is assisted by his brother, Mr Kwek Leng Joo, the Managing Director of the Company, in charting broad direction, strategies and policies of the Group.

The Managing Director also supervises the management team in the effective implementation of business strategies and policies and is supported by Mr Chia Ngiang Hong, the Group General Manager of the Company in the management of the day to day operations of the Group. A key management staff, Mr Chia is not related to the Chairman or the Managing Director. Mr Chia, who joined the Group in 1981, holds a Bachelor of Science (Hons) degree in Estate Management from University of Singapore and a Distinction in Masters in Business Administration from University of Hull, United Kingdom, and is also a Fellow of the Singapore Institute of Surveyors & Valuers and a Certified Property Manager with the Institute of Real Estate Management, USA.

The Board has also established various committees with power and authority to perform key functions beyond the authority of, or without undue influence from, the Chairman and/or the Managing Director. The Board is accordingly of the view that there are adequate accountability safeguards and internal controls in place to enable the Board to exercise independent decision-making and to ensure an appropriate balance of power and authority within the spirit of good corporate governance.

Board Functions

The Board's primary functions are to set corporate policy and overall strategy for the Group and to provide effective oversight of the management of the Group's business and affairs. Apart from its statutory responsibilities, the Board also approves the strategic plans, key operational issues, investments and loans, reviews the financial performance of the Group and evaluates the performance and compensation of senior management. These functions are either carried out directly by the Board or through committees ("Committees") established by the Board, principally the Board Committee, Audit Committee, Nominations Committee, Remuneration Committee and Share Option Scheme Committee.

The delegation of authority by the Board to the Committees enables the Board to achieve operational efficiency by empowering these Committees to decide on matters within certain limits of authority and yet maintain control over major policies and decisions.

The Company conducts regular scheduled Board meetings on a quarterly basis. Additional meetings are convened as and when circumstances warrant. The attendance of the Directors at Board and Committee meetings in 2003, as well as the frequency of such meetings, is disclosed below.

Name	Board	Audit Committee	Nominations Committee	Remuneration Committee	Share Option Scheme Committee
	Number of Meetings held: 5	Number of Meetings held: 7	Number of Meetings held: 1	Number of Meetings held: 2	Number of Meetings held: Nil
	Number of Meetings attended	Number of Meetings attended	Number of Meetings attended	Number of Meetings attended	Number of Meetings attended
Kwek Leng Beng	5	N.A.	1	1	N.A.
Kwek Leng Joo	5	N.A.	N.A.	N.A.	N.A.
Tan I Tong*	0	N.A.	N.A.	N.A.	N.A.
Chee Keng Soon	5	7	1	2	N.A.
Sim Miah Kian	5	N.A.	N.A.	N.A.	N.A.
Chow Chiok Hock	5	N.A.	N.A.	N.A.	N.A.
Ong Pang Boon	5	N.A.	N.A.	N.A.	N.A.
Foo See Juan	4	6	1	N.A.	N.A.
Kwek Leng Peck	4	N.A.	N.A.	N.A.	N.A.
Han Vo-Ta	4	5	N.A.	N.A.	N.A.
Tang See Chim	4	5	N.A.	2	N.A.

* Mr Tan I Tong was not able to participate fully at board meetings due to illness.

Prior to each meeting, the respective members of the Board and the Committees are provided with the meeting agenda and the relevant papers submitted by the management, containing complete, adequate and timely information to enable full deliberation on the issues to be considered at the respective meetings. Management staff and the Company's auditors who can provide additional insight into the matters for discussion, are also invited from time to time to attend such meetings. The company secretaries attend all Board meetings and ensures that all Board procedures are followed. The company secretaries, together with other management staff of the Company, also ensure that the Company complies with all applicable and regulatory rules.

On an on-going basis, the Directors have separate and independent access to the Company's senior management and the company secretaries. The Directors, whether as a group or individually, are entitled to take independent professional advice at the expense of the Company, in furtherance of their duties and in the event that circumstances warrant the same.

CORPORATE GOVERNANCE

Each new Director is provided with a manual containing information on Directors' duties and responsibilities, corporate information of the Group, and Board and Company policies including the Internal CG Guidelines which also cover the Internal Code of Business and Ethical Conduct, Internal Code on Securities Trading and a schedule of matters which require Board approval. Directors are also provided regular updates and briefings from time to time by professional advisers, auditors, management and the company secretary of new laws, rules, regulations, listing requirements, governance practices, changes in accounting standards and business and risk management issues applicable or relevant to the performance of their duties and obligations as directors.

THE AUDIT COMMITTEE ("AC")

The AC comprises 4 non-executive Directors, all of whom are independent. The members of the AC at the date of this report are as follows:

Mr Chee Keng Soon	Chairman (Non-executive, Independent)
Mr Foo See Juan	Member (Non-executive, Independent)
Mr Han Vo-Ta	Member (Non-executive, Independent)
Mr Tang See Chim	Member (Non-executive, Independent)

The Board is of the view that the AC has sufficient financial management expertise and experience amongst its members to discharge the functions of the AC.

The principal responsibility of the AC is to assist the Board in maintaining a high standard of corporate governance, particularly by providing an independent review of the effectiveness of the Group's material internal controls, including financial, operational, compliance and risk management controls at least once annually. Other duties within its written terms of reference include:

- the review with management and, where appropriate, with the external auditors of quarterly and full year financial statements issued by the Group before their submission to the Board to ensure their completeness, accuracy and fairness;
- the review, on an annual basis, of the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors; and
- the review of interested person transactions.

The AC is authorised by the Board to investigate any matters it deems appropriate within its written terms of reference and has full access to and co-operation of management. The AC may invite any Director, executive officer or employee of the Company to attend its meetings and is also authorised to seek external professional advice to enable it to discharge its functions.

The AC met with the internal and external auditors without the presence of management once during the year. Having reviewed the nature and extent of the non-audit services provided to the Group by the external auditors for the financial year ended 31 December 2003 ("FY2003"), the AC is of the opinion that the provision of such non-audit services would not affect the independence and objectivity of the external auditors.

Internal Audit

The Company has a well-established internal audit function with formal procedures for internal auditors to report their audit findings to the AC and to management. The internal auditors report to the Chairman of the AC on audit matters and administratively to the Group General Manager of the Company. The internal auditors are expected to meet or exceed the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The AC reviews the adequacy of the internal audit function through a review of the internal auditors' activities on a quarterly basis and is satisfied that the internal audit function has adequate resources and appropriate standing within the Group to perform its functions properly.

Risk Management

An organisational risk management framework has been established by management to formalise and document the internal processes, many of which are currently in place, to enable significant business risks within the Group to be identified, assessed, monitored, managed and evaluated. As part of the on-going risk management process, management conducts a risk assessment and evaluation annually and as and when circumstances warrant the same, and provide for significant risks to be managed through regular reviews by management and the Board or Committees, and adoption of adequate and cost-effective system of internal controls. The AC has reviewed the Group's risk management process and is satisfied that there are adequate internal controls in place to manage the significant risks identified.

Interested Person Transactions

Particulars of interested person transactions disclosed as required under Rule 907 of the Listing Manual of the SGX-ST are as follows:

Interested Persons	Aggregate value of all interested person transactions conducted in FY2003 (excluding transactions less than \$100,000 and transactions conducted under the IPT Mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted in FY2003 under the IPT Mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Hong Leong Investment Holdings Pte. Ltd. group of companies	\$147,350,053.00*	\$7,394,775.00
Directors and their immediate family members	\$4,012,700.00	Nil

* Includes \$29,910,186.00 being the aggregate value of shareholders' loans extended to joint ventures involving interested persons, and where applicable, interest accrued, in FY2003, which were announced pursuant to Rule 916(3) but not required to be aggregated for purposes of Rule 906.

On 29 May 2003, the Company obtained shareholders' approval for the Company, its subsidiaries and its associated companies not listed on the SGX-ST or an approved exchange, over which the Company, its subsidiaries and/or interested persons have control, to enter into transactions within the categories of Interested Person Transactions set out in the Company's circular to shareholders dated 28 April 2003, with such persons within the class or classes of Interested Persons as described in the said circular, provided that such transactions are entered into in accordance with the review procedures set out in the said circular (the "IPT Mandate"). Given that such Interested Person Transactions are expected to occur with some degree of frequency and may arise at any time, and to allow the Group to undertake such transactions in an expeditious manner, shareholders' approval will be sought at the coming Annual General Meeting of the Company for the renewal of the IPT Mandate.

The AC has confirmed that an independent financial adviser's opinion is not required for the renewal of the IPT Mandate as the methods and procedures for determining the transaction prices of the Interested Person Transactions conducted under the IPT Mandate have not changed since the IPT Mandate was obtained on 29 May 2003, and such methods and procedures continue to be sufficient to ensure that these Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

THE NOMINATIONS COMMITTEE ("NC")

The NC comprises 2 non-executive and independent Directors, including the chairman of the NC, and 1 executive Director. The members of the NC as at the date of this Report are as follows:

Mr Chee Keng Soon	Chairman (Non-executive, Independent)
Mr Kwek Leng Beng	Member (Executive)
Mr Foo See Juan	Member (Non-executive, Independent)

CORPORATE GOVERNANCE

The NC ensures a formal and transparent procedure for the appointment and re-appointment of Directors to the Board. Its responsibilities as set out in its written terms of reference include:

- considering and determining the independence of the individual Directors;
- reviewing the re-nomination or re-appointment of the Directors having regard to the Directors' contribution to the effectiveness of the Board and the competing time commitments faced by Directors with multiple board representations;
- nominating candidates for appointment as Directors or to fill the most senior executive positions including that of chief executive officer; and
- proposing to the Board the responsibilities of the non-executive Directors as well as the membership and chairmanship of Board Committees.

Other functions of the NC include carrying out an assessment of each Director's performance and evaluating the Board's performance as a whole using objective and appropriate quantitative and qualitative criteria. Assessment parameters for Directors' performance include the attendance record of the Directors at Board and Committee meetings, their level of participation at such meetings and the quality of contribution to Board processes and the business strategies and performance of the Group. The NC's evaluation of the individual Directors was facilitated this year with a self-assessment process conducted by each Director focusing, *inter alia*, on his respective core competencies and ability to add to the Board's strengths. The NC also evaluated the effectiveness of the Board in its overall oversight of the management's and the Group's performance during the year. The results of the evaluation process would be used by the NC, in its consultation with the Chairman of the Board, to effect continuing improvements on Board processes.

The Directors submit themselves for re-nomination or re-election at regular intervals and the Articles of Association of the Company provide that at least one-third of the Directors for the time being shall retire as Directors at each Annual General Meeting of the Company, save for the Managing Director appointed by the Board who shall not be subject to retirement by rotation while he continues to hold that office. The Articles also provide that the appointment of the Managing Director by the Board shall be for such period (except that where an appointment is for a fixed term such term shall not exceed five years) and upon such terms as they think fit.

THE REMUNERATION COMMITTEE ("RC")

The RC comprises 2 non-executive and independent Directors, including the chairman of the RC, and 1 executive Director. The members of the RC as at the date of this Report are as follows:

Mr Chee Keng Soon	Chairman (Non-executive, Independent)
Mr Kwek Leng Beng	Member (Executive)
Mr Tang See Chim	Member (Non-executive, Independent)

The RC obtains advice in respect of executive remuneration matters, as and when required, from human resource advisers or consultants within and outside of the Group. The RC's principal responsibilities as set out in its written terms of reference are to review and recommend to the Board an appropriate framework of remuneration for the Board and senior key executives of the Company, and to review the remuneration packages, including but not limited to Directors' fees, salaries, allowances, bonuses, share options, and benefits in kind of the executive Directors, currently comprising the Executive Chairman and the Managing Director. The Group's remuneration policy comprises primarily a fixed component (in the form of a base salary) and a variable component (which includes bonuses), taking into account amongst other factors, the individual's performance, the performance of the Group and industry practices. No Director is involved in deciding his own remuneration.

The breakdown (in percentage terms) of the Directors' remuneration for FY2003 paid or payable by the Company and its subsidiaries is set out below:

	Base Salary*	Variable Bonuses/ Allowances*	Board/ Committee Fees**	Other Benefits
	%	%	%	%
Above \$2,000,000 up to \$2,250,000				
Kwek Leng Beng ^	26	57	16	1
Kwek Leng Joo ^	30	61	8	1
\$250,000 and below				
Tan I Tong ^	-	82	18	-
Chee Keng Soon	-	-	100	-
Sim Miah Kian ^	-	26	74	-
Chow Chiok Hock ^	-	72	28	-
Ong Pang Boon ^	-	-	100	-
Foo See Juan ^	-	-	100	-
Kwek Leng Peck ^	-	-	100	-
Han Vo-Ta	-	-	87	13
Tang See Chim	-	-	100	-

* The salary and variable bonuses/allowances are inclusive of employer's central provident fund contributions.

** These fees comprise Directors' fees for FY2003, which are subject to approval by shareholders as a lump sum at the 2004 Annual General Meeting, and Audit Committee fees for FY2003 that have already been approved by shareholders at previous Annual General Meetings.

^ Remuneration of these Directors include remuneration paid or payable by subsidiaries of the Company.

No options were granted by the Company to subscribe for unissued shares in the Company during the financial year under review.

During FY2003, none of the Directors had immediate family members not disclosed above who were employees of the Company and whose personal annual remuneration exceeded \$150,000.

The remuneration of the top 5 key executives (who are not Directors) is not disclosed in this Report as such disclosure does not appear to be standard industry practice currently, given the highly competitive industry conditions. The RC will continue to review the practice of the industry in this regard, weighing the advantages and disadvantages of such disclosure.

THE BOARD COMMITTEE

The Board Committee comprises 6 Directors with authority to approve routine and other operational matters of the Company.

THE CITY DEVELOPMENTS SHARE OPTION SCHEME COMMITTEE (THE "SHARE OPTION SCHEME COMMITTEE")

The Share Option Scheme Committee comprises the following 3 members of the Board:

Mr Kwek Leng Joo (Chairman)
Mr Tan I Tong
Mr Foo See Juan

It was set up to administer the City Developments Share Option Scheme 2001 (the "Scheme"), with such powers and duties as are conferred on it by the Board. Any matters pertaining to the Scheme and any disputes as to the interpretation of the Scheme or any rule, regulation, procedure thereunder or as to any rights thereunder are determined by the Share Option Scheme Committee.

CORPORATE GOVERNANCE

FINANCIAL REPORTING AND INTERNAL CONTROLS

The management provides all Directors on a quarterly basis, with accounts and reports on the Group's financial performance and commentary on the competitive conditions within the industry in which the Company operates, which are reviewed by the Board at each Board meeting prior to release of the announcements on quarterly and full-year results of the Group. Monthly reports covering the Group's financial performance are also provided by the management to the Chairman and Managing Director. Apart from the periodic updates provided by the management, the Directors may at any time seek further information from, and discussion with, the management on the Group's operations and performance.

The Directors recognise that they have overall responsibility to ensure accurate financial reporting for the Group and for the Group's system of internal controls. The Board confirms that, with the assistance of the AC, it reviews the effectiveness of the Group's material internal controls system, which are monitored through a programme of external and internal audits, and is satisfied with the adequacy of such internal controls system.

While no system can provide absolute assurance against material loss or financial misstatement, the Group's internal financial controls are designed to provide reasonable assurance that assets are safeguarded, that proper accounting records are maintained, and that financial information used within the business and for publication is reliable. In designing these controls, the Directors have had regard to the risks to which the business is exposed, the likelihood of such risks occurring and the costs of protecting against them.

COMMUNICATIONS WITH SHAREHOLDERS

The Company announces its quarterly and full-year results within the mandatory period. Material and price-sensitive information is publicly released via the MASNET. All shareholders of the Company receive the summary report and/or annual report of the Company and the notice of the Annual General Meeting, which notice is also advertised in newspapers and released via the MASNET. At general meetings of the Company, shareholders are given the opportunity to ask the Directors and the management questions regarding the Company. The chairman of the AC, NC and RC and the external auditors were present at the last Annual General Meeting to address and assist the Directors in addressing queries raised by the shareholders.

In accordance with the Articles of Association of the Company, shareholders may appoint one or two proxies to attend and vote in their absence.

BUSINESS AND ETHICAL CONDUCT

The Company has an Internal Code of Business and Ethical Conduct crystallising the Company's business principles and practices with respect to matters which may have ethical implications. The Code provides a communicable and understandable framework for staff to observe the Company's principles in their conduct of the Company's business.

DEALINGS IN SECURITIES

The Company has adopted an internal code on securities trading which provides guidance and internal regulation with regard to dealings in the Company's securities by its officers, that is modeled on the Best Practices Guide issued by the SGX-ST on securities dealing.

DIRECTORS' REPORT

Year ended 31 December 2003

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2003.

Directors

The directors in office at the date of this report are as follows:

Kwek Leng Beng	(Executive Chairman)
Kwek Leng Joo	(Managing Director)
Tan I Tong	
Chee Keng Soon	
Sim Miah Kian	
Chow Chiok Hock	
Ong Pang Boon	
Foo See Juan	
Kwek Leng Peck	
Han Vo-Ta	
Tang See Chim	

Principal Activities

The principal activities of the Company are those of a property developer and owner, investment holding and a hotel owner.

The principal activities of the subsidiaries are those of property developers and owners, hotel owners and operators, club operator and owner, investment in properties and in shares, property management, project management and consultancy services and providers of information technology and procurement services.

Arrangements to Enable Directors to Acquire Shares or Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangements whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Interests in Shares or Debentures

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options and/or debentures of the Company or of related corporations either at the beginning or at the end of the financial year. The directors of the Company consider Hong Leong Investment Holdings Pte. Ltd. to be the immediate and ultimate holding company of the Company.

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50, particulars of interests of directors who held office at the end of the financial year and their spouses and infant children in shares and/or share options in the Company and in related corporations are as follows:

DIRECTORS' REPORT

Year ended 31 December 2003

Directors' Interests in Shares or Debentures (cont'd)

	Holdings in which the director, his spouse and infant children have a direct interest	
	At beginning of the year	At end of the year
The Company		
<u>Shares of \$0.50 each</u>		
Kwek Leng Beng	–	361,115
Kwek Leng Joo	–	59,510
Tan I Tong	10,467	37,865
Sim Miah Kian	–	189,120
Kwek Leng Peck	–	43,758
Tang See Chim	–	10,000
 Immediate and Ultimate Holding Company		
Hong Leong Investment Holdings Pte. Ltd.		
<u>Shares of \$100 each</u>		
Kwek Leng Beng	2,320	2,320
Kwek Leng Joo	1,290	1,290
Kwek Leng Peck	304	304
 Subsidiaries		
City e-Solutions Limited		
<u>Shares of HK\$1 each</u>		
Kwek Leng Beng	3,286,980	3,286,980
Kwek Leng Joo	1,436,000	1,436,000
Tan I Tong	287,200	287,200
Kwek Leng Peck	2,082,200	2,082,200
Foo See Juan	8,363	8,363
 CDL Hotels New Zealand Limited		
<u>Shares with no par value</u>		
Kwek Leng Beng	3,000,000	3,000,000
 Related Corporations		
Hong Leong Finance Limited		
<u>Shares of \$1 each</u>		
Kwek Leng Beng	4,603,567	4,603,567
Kwek Leng Joo	703,610	703,610
Tan I Tong	329,410	329,410
Sim Miah Kian	2,086,019	2,086,019
Kwek Leng Peck	517,359	517,359
Foo See Juan	44,981	44,981

DIRECTORS' REPORT

Year ended 31 December 2003

Directors' Interests in Shares or Debentures (cont'd)

	Holdings in which the director, his spouse and infant children have a direct interest	
	At beginning of the year	At end of the year
Related Corporations (cont'd)		
Hong Leong Finance Limited (cont'd)		
Options to subscribe for the following number of shares of \$1 each under the Hong Leong Finance Share Option Scheme 2001		
Kwek Leng Beng	600,000	1,000,000
Tan I Tong	225,000	375,000
Sim Miah Kian	80,000	160,000
Target Realty Limited		
Shares of \$0.05 each		
Kwek Leng Beng	2,777,820	-
Kwek Leng Joo	457,776	-
Tan I Tong	210,756	-
Sim Miah Kian	1,454,776	-
Kwek Leng Peck	336,600	-
Foo See Juan	13,000	-
Hong Leong Holdings Limited		
Shares of \$1 each		
Kwek Leng Beng	259,000	259,000
Kwek Leng Joo	210,000	210,000
Tan I Tong	1,000	1,000
Chow Chiok Hock	1,000	1,000
Kwek Leng Peck	381,428	381,428
Hong Leong Asia Ltd.		
Shares of \$0.20 each		
Tan I Tong	1,000	1,000
Options to subscribe for the following number of shares of \$0.20 each under the Hong Leong Asia Share Option Scheme 2000		
Kwek Leng Beng	600,000	600,000
Kwek Leng Peck	1,000,000	1,000,000

DIRECTORS' REPORT

Year ended 31 December 2003

Directors' Interests in Shares or Debentures (cont'd)

	Holdings in which the director, his spouse and infant children have a direct interest	
	At beginning of the year	At end of the year
<u>Related Corporations (cont'd)</u>		
Hong Realty (Private) Limited		
<u>Shares of \$1,000 each</u>		
Kwek Leng Beng	1,110	1,110
Kwek Leng Joo	510	510
Kwek Leng Peck	150	150
Euroform (S) Pte. Limited		
<u>Shares of \$1 each</u>		
Kwek Leng Joo	50,000	50,000
Sun Yuan Holdings Pte Ltd		
<u>Shares of \$0.20 each</u>		
Kwek Leng Beng	15,000,000	15,000,000
<u>Other holdings in which the director is deemed to have an interest</u>		
	At beginning of the year	At end of the year
<u>Immediate and Ultimate Holding Company</u>		
Hong Leong Investment Holdings Pte. Ltd.		
<u>Shares of \$100 each</u>		
Kwek Leng Beng	68,596	68,596
<u>Related Corporation</u>		
Sun Yuan Holdings Pte Ltd		
<u>Shares of \$0.20 each</u>		
Tan I Tong	10,875,000	10,875,000

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2004.

DIRECTORS' REPORT

Year ended 31 December 2003

Directors' Interests in Contracts

During the financial year, the Company and/or its related corporations have in the normal course of business entered into transactions with directors and/or their affiliated parties, being related parties and parties in which some of the directors are deemed to have an interest, with the directors having disclosed their interests in such transactions pursuant to Section 156 of the Companies Act, Chapter 50. Such transactions may comprise loans, deposits, provision of nominee and corporate financial advisory services, property-related transactions, construction-related transactions, industrial-related transactions, consumer-related transactions, purchase and sale of investments or investment products, property, products and goods including vehicles, parts and accessories and provision and receipt of after-sales services, insurance and other insurance-related transactions, shares/securities broking services, hotel-related transactions, procurement services, information technology services, e-commerce and e-commerce-related transactions, management and consultancy services and/or other transactions carried out on normal commercial terms and in the normal course of the business of the Company and/or its related corporations.

However, the directors have neither received nor will they become entitled to receive any benefit arising out of these transactions other than those which they may be entitled as customers, suppliers, directors and members of these corporations.

Except as disclosed above, and in the accompanying financial statements, and except for remuneration and professional fees received from the related corporations, since the end of the last financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company and/or its related corporations with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Share Options

By the Company

The City Developments Share Option Scheme 2001 (the "CDL Scheme") is administered by a committee comprising the following members:

Kwek Leng Joo (Chairman)
Tan I Tong
Foo See Juan

Details of the CDL Scheme were set out in the Directors' Report for the year ended 31 December 2000. No options have so far been granted under the CDL Scheme.

DIRECTORS' REPORT

Year ended 31 December 2003

Share Options (cont'd)

By Subsidiaries

Target Realty Limited

Target Realty Limited became a subsidiary of the Company on 28 July 2003 and was delisted from the Official List of the Singapore Exchange Securities Trading Limited on 28 November 2003. Target Realty Limited has an existing share option scheme which was approved by its shareholders on 31 January 2001 (the "TRL Scheme"). Under the terms of the TRL Scheme, the committee (the "TRL Scheme Committee") administering the TRL Scheme may make offers of the grant of options to:-

- (i) employees of the group including executive directors of the company and/or its subsidiaries ("Group Employees") and non-executive directors of the company and/or its subsidiaries who have served on the relevant board for at least 12 months ("Non-Executive Directors");
- (ii) executive directors and employees of the company's parent company, Hong Leong Investment Holdings Pte. Ltd. ("HLIH") and its subsidiaries ("Parent Group Employees") and non-executive directors of HLIH and its subsidiaries who have served on the relevant board for at least 12 months ("Parent Group Non-Executive Directors"); and
- (iii) executive directors and employees of any associated company of the company of which the company/group has control over its financial and operating policies ("Associated Company Employees")

to subscribe for shares in the capital of the company, subject, inter alia, to the following:-

- (i) the maximum number of shares in respect of which options may be granted when added to the number of shares issued and issuable in respect of all options granted under the TRL Scheme shall not exceed 15% of the issued share capital of the company on the date preceding the grant;
- (ii) the aggregate number of shares which may be offered by way of grant of options to Parent Group Employees and Parent Group Non-Executive Directors collectively under the TRL Scheme shall not exceed 20% of the total number of shares available under the TRL Scheme; and
- (iii) any options to be granted to any Parent Group Employee or Parent Group Non-Executive Director which, together with options already granted to that Parent Group Employee or Parent Group Non-Executive Director under the TRL Scheme, represents 5% or more of the aggregate number of shares available to Parent Group Employees and Parent Group Non-Executive Directors collectively, shall be approved by independent shareholders of the company in a separate resolution for each Parent Group Employee or (as the case may be) Parent Group Non-Executive Director.

Options granted under the TRL Scheme may have subscription prices that are, at the TRL Scheme Committee's discretion:-

- (i) fixed at the average of the market prices for a share during a three-day price fixing period immediately preceding the grant of the relevant option, in which event (subject to any vesting schedule), such options may be exercised from the first anniversary of the date of grant of that option ("Market Price Options"), or

DIRECTORS' REPORT

Year ended 31 December 2003

Share Options (cont'd)

By Subsidiaries (cont'd)

Target Realty Limited (cont'd)

- (ii) set at a discount of not more than 20% to the price applicable to a Market Price Option, in which event, shares under such options may only vest on or after the second anniversary of the date of the grant of the option ("Discount Price Options"); or
- (iii) fixed at the price applicable to a Market Price Option, but subject to adjustment of the price by such discount of not more than 20% as may be determined at the end of an incentive period ("Incentive Price Options"), in which event, shares under such options may only vest on or after the second anniversary of the date of grant of that option and provided the option has not been cancelled.

An option granted under the TRL Scheme will be exercisable during an option exercise period commencing from the date the option vests and expiring on, in the case of an option granted to a Group Employee or a Parent Group Employee, the day preceding the tenth anniversary of its date of grant and, in the case of a Non-Executive Director, Parent Group Non-Executive Director or Associated Company Employee, the day preceding the fifth anniversary of its date of grant.

The TRL Scheme Committee will also have discretion to impose conditions on the exercise of the options, such as imposing a vesting schedule to limit the number of shares in respect of which the option may be exercised during various points in time in the option exercise period applicable to that option.

There is no restriction on the participation by persons selected to participate in the TRL Scheme also participating in any other share option or incentive scheme implemented by any other company, whether within or outside the group.

The TRL Scheme shall continue to be in force at the discretion of the TRL Scheme Committee for a maximum period of ten years commencing from its adoption on 31 January 2001.

The members of the TRL Scheme Committee at the date of this report are:-

Robin Ian Rawlings (Chairman)
Kwek Leng Peck
Woo Tchi Chu

No options have so far been granted under the TRL Scheme.

Millennium & Copthorne Hotels plc

The Millennium & Copthorne Hotels Executive Share Option Scheme and the Millennium & Copthorne Hotels Sharesave Scheme, details of which were set out in the Directors' Report for the year ended 31 December 1996, and the Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme, details of which were set out in the Directors' Report for the year ended 2002, continue to be in operation.

DIRECTORS' REPORT

Year ended 31 December 2003

Share Options Granted

During the financial year, there were no options granted by the Company and its subsidiary, Target Realty Limited ("TRL") to any person to take up unissued shares in the Company and TRL respectively and there were no unissued shares of the Company and TRL under option at the end of the financial year.

Options granted by another subsidiary, Millennium & Copthorne Hotels plc, during the financial year were as follows:

Millennium & Copthorne Hotels plc - Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme, Millennium & Copthorne Hotels Executive Share Option Scheme and Millennium & Copthorne Hotels Sharesave Scheme

(i) Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme

Particulars of the options granted to subscribe for ordinary shares of £0.30 each in Millennium & Copthorne Hotels plc are as follows:

Date Granted	Granted during the Year	Exercise Price per Share	Exercise Period
		£	
Part I			
10.03.2003	118,083	1.935	10.03.2006 – 09.03.2013
Part II			
10.03.2003	2,259,454	1.935	10.03.2006 – 09.03.2013

(ii) Millennium & Copthorne Hotels Executive Share Option Scheme

No options were granted to subscribe for ordinary shares of £0.30 each in Millennium & Copthorne Hotels plc under the Millennium & Copthorne Hotels Executive Share Option Scheme.

(iii) Millennium & Copthorne Hotels Sharesave Scheme

Particulars of the options granted to subscribe for ordinary shares of £0.30 each in Millennium & Copthorne Hotels plc are as follows:

Date Granted	Granted during the Year	Exercise Price per Share	Exercise Period
		£	
28.04.2003	201,894	1.504	01.07.2006 – 01.01.2007
28.04.2003	171,441	1.504	01.07.2008 – 01.01.2009

DIRECTORS' REPORT

Year ended 31 December 2003

Share Options Exercised

During the financial year, there were no shares issued by virtue of any exercise of option to take up unissued shares of the Company or TRL.

The following options in a subsidiary were exercised during the financial year:

Millennium & Copthorne Hotels plc - Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme, Millennium & Copthorne Hotels Executive Share Option Scheme and Millennium & Copthorne Hotels Sharesave Scheme

(i) Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme

31,937 ordinary shares of £0.30 each in Millennium & Copthorne Hotels plc were issued at the following exercise price following the exercise of the subscription rights as set out in the Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme:

Exercised during the Year	Exercise Price per Share
	£
Part II 31,937	1.935

(ii) Millennium & Copthorne Hotels Executive Share Option Scheme

12,081 ordinary shares of £0.30 each in Millennium & Copthorne Hotels plc were issued at the following exercise price following the exercise of the subscription rights as set out in the Millennium & Copthorne Hotels Executive Share Option Scheme:

Exercised during the Year	Exercise Price per Share
	£
Part A 12,081	2.483

(iii) Millennium & Copthorne Hotels Sharesave Scheme

625 ordinary shares of £0.30 each in Millennium & Copthorne Hotels plc were issued at the following exercise price following the exercise of the subscription rights as set out in the Millennium & Copthorne Hotels Sharesave Scheme:

Exercised during the Year	Exercise Price per Share
	£
625	3.10

DIRECTORS' REPORT

Year ended 31 December 2003

Unissued Shares Under Option

At the end of the financial year, there were no unissued shares of the Company or TRL under option.

Unissued shares of a subsidiary under options at the end of the financial year were as follows:

Millennium & Copthorne Hotels plc - Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme, Millennium & Copthorne Hotels Executive Share Option Scheme and Millennium & Copthorne Hotels Sharesave Scheme

(i) Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme

Particulars of the options to subscribe for the following number of ordinary shares of £0.30 each in Millennium & Copthorne Hotels plc at the respective exercise price per share are as follows:

Date Granted	Balance at beginning of year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of year	Exercise Price per Share	Exercise Period
						£	
Part I							
10.03.2003	-	118,083	-	15,503	102,580	1.935	10.03.2006 – 09.03.2013
Part II							
10.03.2003	-	2,259,454	31,937	121,380	2,106,137	1.935	10.03.2006 – 09.03.2013
		<u>2,377,537</u>	<u>31,937</u>	<u>136,883</u>	<u>2,208,717</u>		

DIRECTORS' REPORT

Year ended 31 December 2003

Unissued Shares Under Option (cont'd)

Millennium & Copthorne Hotels plc - Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme, Millennium & Copthorne Hotels Executive Share Option Scheme and Millennium & Copthorne Hotels Sharesave Scheme (cont'd)

(ii) Millennium & Copthorne Hotels Executive Share Option Scheme

Particulars of the options to subscribe for the following number of ordinary shares of £0.30 each in Millennium & Copthorne Hotels plc at the respective exercise price per share are as follows:

Date Granted	Balance at beginning of year	Exercised during the year	Forfeited during the year	Balance at end of year	Exercise Price per Share	Exercise Period
					£	
Part A						
24.04.1996	13,224	12,081	-	1,143	2.4830	24.04.1999 – 23.04.2006
05.03.1998	13,018	-	-	13,018	4.6087	05.03.2001 – 04.03.2008
05.03.1999	4,139	-	-	4,139	4.8321	05.03.2002 – 04.03.2009
19.11.1999	7,526	-	-	7,526	3.9856	19.11.2002 – 18.11.2009
17.03.2000	36,767	-	8,955	27,812	3.3500	17.03.2003 – 16.03.2010
23.10.2000	7,594	-	-	7,594	3.9500	23.10.2003 – 22.10.2010
20.03.2001	88,080	-	12,224	75,856	4.3500	20.03.2004 – 19.03.2011
26.09.2001	13,200	-	13,200	-	2.2650	26.09.2004 – 25.09.2011
15.03.2002	103,349	-	2,115	101,234	3.2250	15.03.2005 – 14.03.2012
	286,897	12,081	36,494	238,322		

DIRECTORS' REPORT

Year ended 31 December 2003

Unissued Shares Under Option (cont'd)

Millennium & Copthorne Hotels plc - Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme, Millennium & Copthorne Hotels Executive Share Option Scheme and Millennium & Copthorne Hotels Sharesave Scheme (cont'd)

(ii) Millennium & Copthorne Hotels Executive Share Option Scheme (cont'd)

Date Granted	Balance at beginning of year	Exercised during the year	Forfeited during the year	Balance at end of year	Exercise Price per Share	Exercise Period
					£	
Part B						
24.04.1996	88,484	–	88,484	–	2.4830	24.04.1999 – 23.04.2003
07.03.1997	135,866	–	27,710	108,156	3.6084	08.03.2000 – 07.03.2004
05.03.1998	117,158	–	–	117,158	4.60875	05.03.2001 – 04.03.2005
02.04.1998	53,738	–	–	53,738	4.9527	02.04.2001 – 01.04.2005
05.03.1999	145,624	–	–	145,624	4.8321	05.03.2002 – 04.03.2006
19.11.1999	47,670	–	–	47,670	3.9856	19.11.2002 – 18.11.2006
17.03.2000	341,342	–	2,985	338,357	3.3500	17.03.2003 – 16.03.2007
23.10.2000	5,570	–	–	5,570	3.9500	23.10.2003 – 22.10.2007
14.03.2001	248,235	–	–	248,235	4.3250	14.03.2004 – 13.03.2008
20.03.2001	236,138	–	2,299	233,839	4.3500	20.03.2004 – 19.03.2008
26.09.2001	107,550	–	107,550	–	2.2650	26.09.2004 – 25.09.2008
04.12.2001	153,787	–	–	153,787	2.7350	04.12.2004 – 03.12.2008
15.03.2002	569,838	–	28,149	541,689	3.2250	15.03.2005 – 14.03.2009
	<u>2,251,000</u>	–	<u>257,177</u>	<u>1,993,823</u>		

DIRECTORS' REPORT

Year ended 31 December 2003

Unissued Shares Under Option (cont'd)

Millennium & Copthorne Hotels plc - Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme, Millennium & Copthorne Hotels Executive Share Option Scheme and Millennium & Copthorne Hotels Sharesave Scheme (cont'd)

(iii) Millennium & Copthorne Hotels Sharesave Scheme

Particulars of the options to subscribe for the following number of ordinary shares of £0.30 each in Millennium & Copthorne Hotels plc at the respective exercise price per share are as follows:

Date Granted	Balance at beginning of year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of year	Exercise Price per Share	Exercise Period
						£	
09.05.1997	40,523	–	–	40,523	–	2.83138	01.07.2002 – 01.01.2003
05.05.1998	15,090	–	–	–	15,090	3.97466	01.07.2003 – 01.01.2004
05.05.1999	18,911	–	–	18,911	–	3.86748	01.07.2002 – 01.01.2003
05.05.1999	22,945	–	–	7,753	15,192	3.86748	01.07.2004 – 01.01.2005
09.05.2000	50,431	–	625	6,874	42,932	3.10000	01.07.2003 – 01.01.2004
09.05.2000	25,551	–	–	6,530	19,021	3.10000	01.07.2005 – 01.01.2006
08.05.2001	78,612	–	–	21,058	57,554	3.13600	01.07.2004 – 01.01.2005
08.05.2001	45,080	–	–	15,818	29,262	3.13600	01.07.2006 – 01.01.2007
21.05.2002	82,920	–	–	27,968	54,952	2.92000	01.07.2005 – 01.01.2006
21.05.2002	52,351	–	–	18,811	33,540	2.92000	01.07.2007 – 01.01.2008
28.04.2003	–	201,894	–	12,313	189,581	1.50400	01.07.2006 – 01.01.2007
28.04.2003	–	171,441	–	5,678	165,763	1.50400	01.07.2008 – 01.01.2009
	432,414	373,335	625	182,237	622,887		

The options granted by the subsidiary do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

DIRECTORS' REPORT

Year ended 31 December 2003

Ability to Meet Obligations

No contingent liability or other liability of the Group or of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

Other Circumstances Affecting the Financial Statements

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group or of the Company misleading.

Unusual Items

In the opinion of the directors, no item, transaction or event of a material and unusual nature has substantially affected the results of the operations of the Group or of the Company during the financial year.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Audit Committee

The Audit Committee comprises four non-executive members of the Board, all of whom are independent. The members of the Audit Committee at the date of this report are:

Chee Keng Soon (Chairman)
Foo See Juan
Han Vo-Ta
Tang See Chim

The Audit Committee met 7 times during the financial year ended 31 December 2003 and performs the functions set out in Section 201B(5) of the Companies Act, Chapter 50. In performing its functions, the Audit Committee reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Group's system of internal controls. The Audit Committee also reviewed the consolidated financial statements and the financial statements of the Company for the financial year ended 31 December 2003 as well as the auditors' reports thereon.

The Audit Committee has recommended to the Board of Directors that the auditors, KPMG, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

Auditors

The auditors, KPMG, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

KWEK LENG BENG
Executive Chairman

KWEK LENG JOO
Managing Director

Singapore
26 February 2004

STATEMENT BY DIRECTORS

Year ended 31 December 2003

In our opinion:

- (a) the financial statements set out on pages 66 to 166 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2003 and of the results, changes in equity and cash flows of the Group and of the changes in equity of the Company for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

KWEK LENG BENG

Executive Chairman

KWEK LENG JOO

Managing Director

Singapore

26 February 2004

REPORT OF THE AUDITORS

to the Members of City Developments Limited

We have audited the accompanying financial statements of City Developments Limited for the year ended 31 December 2003 as set out on pages 66 to 166. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2003 and of the results, changes in equity and cash flows of the Group and of the changes in equity of the Company for the year ended on that date;
- (b) the accounting and other records (excluding registers) required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' reports of all the subsidiaries of which we have not acted as auditors, and also considered the financial statements of the subsidiaries which are not required by the laws of their countries of incorporation to be audited, being financial statements that have been included in the consolidated financial statements of the Group. The names of these subsidiaries are disclosed in note 44 to the financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements of the Group, and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification, and in respect of subsidiaries incorporated in Singapore, did not include any comment made under Section 207(3) of the Act.

KPMG

Certified Public Accountants

Singapore

26 February 2004

BALANCE SHEETS

as at 31 December 2003

	Note	The Group		The Company	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Non-current assets					
Property, plant and equipment	3	9,145,659	7,397,005	664,638	670,453
Investments in subsidiaries	4	–	–	2,204,934	2,125,806
Investments in associated companies	5	1,383	27,651	–	–
Investments in jointly controlled entities	6	246,029	159,246	68,495	63,385
Financial assets	7	25,432	22,101	15,546	16,825
Deferred financial charges	8	13,368	19,284	397	390
Intangible assets	9	298	253	–	–
Other non-current assets	10	111,010	115,238	60,714	36,807
Current assets					
Development properties	11	2,237,893	2,178,284	1,861,622	1,777,621
Consumable stocks		13,159	12,491	1,159	1,219
Financial assets	7	30,158	20,528	–	–
Trade and other receivables	12	663,264	701,596	687,134	687,451
Cash and cash equivalents	17	571,400	614,787	255,477	191,316
		3,515,874	3,527,686	2,805,392	2,657,607
Less:					
Current liabilities					
Bank overdrafts	17	4,511	4,980	–	–
Trade and other payables	18	686,434	695,585	848,628	639,341
Bank loans	19	44,865	108,631	44,082	102,681
Current portion of long-term liabilities	20	367,906	475,581	125,000	200,000
Bonds and notes - repayable within 12 months	24	321,075	190,351	120,000	147,000
Employee benefits	26	11,861	15,045	1,112	1,519
Provision for taxation		76,308	123,302	15,081	51,138
Provisions	27	6,383	–	–	–
		1,519,343	1,613,475	1,153,903	1,141,679
Net current assets		1,996,531	1,914,211	1,651,489	1,515,928
Balance carried forward		11,539,710	9,654,989	4,666,213	4,429,594

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS

as at 31 December 2003

	Note	The Group		The Company	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Balance brought forward		11,539,710	9,654,989	4,666,213	4,429,594
Less:					
Non-current liabilities					
Interest-bearing loans and other liabilities	25	4,142,603	4,071,027	1,069,975	938,199
Employee benefits	26	16,125	11,784	-	-
Provisions	27	10,839	10,335	-	-
Deferred tax liabilities	33	698,120	317,126	24,177	21,841
		4,867,687	4,410,272	1,094,152	960,040
Less:					
Minority interests		2,069,015	1,382,546	-	-
NET ASSETS		4,603,008	3,862,171	3,572,061	3,469,554
CAPITAL AND RESERVES					
Share capital	28	413,593	400,511	413,593	400,511
Reserves	29	4,189,415	3,461,660	3,158,468	3,069,043
		4,603,008	3,862,171	3,572,061	3,469,554

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED PROFIT AND LOSS ACCOUNTS

Year ended 31 December 2003

	Note	2003 \$'000	2002 \$'000
Revenue	30	2,325,976	2,288,696
Cost of sales		(1,327,036)	(1,139,293)
Gross profit		998,940	1,149,403
Other operating income	31	64,896	66,945
Administrative expenses		(405,246)	(421,862)
Other operating expenses		(389,696)	(370,200)
Profit from operations	31	268,894	424,286
Finance costs	32	(162,375)	(191,026)
Profit before share of results of associated companies and jointly controlled entities		106,519	233,260
Share of loss of associated companies		(78)	(1,049)
Share of profit of jointly controlled entities		107,376	10,872
Profit from ordinary activities before taxation		213,817	243,083
Taxation	33	(30,404)	(43,424)
Profit from ordinary activities after taxation		183,413	199,659
Minority interests		(31,131)	(48,456)
Net profit for the year		152,282	151,203
Earnings per share (basic and fully diluted)	34	18.78 cents	18.88 cents

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2003

	Note	Share capital \$'000	Share premium \$'000	Capital reserve \$'000	Asset revaluation reserve \$'000	Exchange fluctuation reserve \$'000	Retained profits \$'000	Total \$'000
The Group								
At 1 January 2002		400,511	945,032	148,721	-	122,852	2,154,932	3,772,048
Exchange differences arising on consolidation of foreign subsidiaries		-	-	-	-	(2,699)	-	(2,699)
Exchange differences arising on foreign currency liabilities (net of repayment) accounted for as a hedge of net investments in foreign entities		-	-	-	-	(5,733)	-	(5,733)
Change of interests in subsidiaries		-	-	(578)	-	515	(5,725)	(5,788)
Profit for the year		-	-	-	-	-	151,203	151,203
Dividends	38	-	-	-	-	-	(46,860)	(46,860)
At 31 December 2002		400,511	945,032	148,143	-	114,935	2,253,550	3,862,171
Surplus on revaluation of hotel properties arising from change in accounting policy	42	-	-	-	436,467	-	-	436,467
Exchange differences		-	-	-	24,959	-	-	24,959
Issue of ordinary shares		13,082	110,387	-	-	-	-	123,469
Exchange differences arising on consolidation of foreign subsidiaries		-	-	-	-	50,956	-	50,956
Exchange differences arising on foreign currency liabilities (net of repayment) accounted for as a hedge of net investments in foreign entities		-	-	-	-	(436)	-	(436)
Profit for the year		-	-	-	-	-	152,282	152,282
Dividends	38	-	-	-	-	-	(46,860)	(46,860)
At 31 December 2003		413,593	1,055,419	148,143	461,426	165,455	2,358,972	4,603,008

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2003

	Note	Share capital \$'000	Share premium \$'000	Capital reserve \$'000	Asset revaluation reserve \$'000	Exchange fluctuation reserve \$'000	Retained profits \$'000	Total \$'000
The Company								
At 1 January 2002		400,511	931,910	63,743	-	(255)	2,031,267	3,427,176
Exchange differences arising on foreign currency liabilities (net of repayment) accounted for as a hedge of net investments in foreign entities		-	-	-	-	(424)	-	(424)
Profit for the year		-	-	-	-	-	89,662	89,662
Dividends	38	-	-	-	-	-	(46,860)	(46,860)
At 31 December 2002		400,511	931,910	63,743	-	(679)	2,074,069	3,469,554
Surplus on revaluation of a hotel property arising from change in accounting policy	42	-	-	-	855	-	-	855
Issue of ordinary shares		13,082	110,387	-	-	-	-	123,469
Exchange differences arising on foreign currency liabilities (net of repayment) accounted for as a hedge of net investments in foreign entities		-	-	-	-	(144)	-	(144)
Profit for the year		-	-	-	-	-	25,187	25,187
Dividends	38	-	-	-	-	-	(46,860)	(46,860)
At 31 December 2003		413,593	1,042,297	63,743	855	(823)	2,052,396	3,572,061

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2003

	2003 \$'000	2002 \$'000
Operating activities		
Profit from ordinary activities before taxation	213,817	243,083
Adjustments for:		
Amortisation of deferred financial charges	6,774	7,359
Amortisation of intangible assets	14	14
Depreciation	166,355	209,267
Deferred financial charges written off	32	-
Property, plant and equipment written off	466	64,412
Profit on sale of property, plant and equipment	(9,755)	(412)
Share of loss of associated companies	78	1,049
Share of profit of jointly controlled entities	(107,376)	(10,872)
Interest income	(26,985)	(39,686)
Finance costs	162,375	191,026
Dividend income	(8,704)	(3,105)
Allowance for diminution in value of investments (written back)/made (net)	(1,772)	28
Allowance for foreseeable losses on development properties made/(written back) (net)	47,574	(11,044)
Allowance for doubtful debts made (net)	16,137	2,206
Impairment losses for intangible assets	-	100
Impairment losses for property, plant and equipment	13,522	31,726
Operating profit before working capital changes	472,552	685,151
Changes in working capital:		
Development properties	(85,153)	182,240
Stocks, trade and other receivables	27,034	55,940
Related corporations	67,773	(1,847)
Trade and other payables	(10,966)	(92,859)
Employee benefits	1,128	(7,056)
(Decrease) / Increase in working capital	(184)	136,418
Income tax paid	(69,150)	(67,496)
Cash flows from operating activities carried forward	403,218	754,073

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2003

	Note	2003 \$'000	2002 \$'000
Cash flows from operating activities brought forward		403,218	754,073
Investing activities			
Purchase of property, plant and equipment		(109,544)	(110,303)
Proceeds from sale of property, plant and equipment		20,303	18,004
Increase in deferred financial charges		(812)	(9,381)
Increase in intangible assets		(61)	(104)
Decrease in investments in jointly controlled entities		2,198	17,800
Cash flow on acquisition of subsidiaries (net of cash)	37	(51,621)	-
Payment of deferred consideration ⁽¹⁾		(71,707)	-
(Increase)/Decrease in financial assets		(8,386)	10,298
Interest received (including amounts capitalised as property, plant and equipment and development properties)		27,149	39,686
Dividends received			
- investments		8,704	3,105
- jointly controlled entities		45,460	49,275
Cash flows from investing activities		(138,317)	18,380
Financing activities			
Capital contribution to minority shareholders		(60,076)	(138,154)
Proceeds from term loans		210,186	405,188
Repayment of term loans		(319,286)	(618,450)
Repayment to finance lease creditors		(31,932)	(1,967)
Proceeds from issuance of bonds and notes		379,304	720,319
Repayment of bonds and notes		(190,533)	(786,400)
Decrease in other long-term liabilities		(5,006)	(18,793)
Proceeds from bank loans		-	7,585
Repayment of bank loans		(63,978)	(173,177)
Payment of interest on deferred consideration ⁽¹⁾		(13,551)	-
Dividends paid		(46,860)	(46,860)
Interest paid (including amounts capitalised as property, plant and equipment and development properties)		(177,619)	(209,838)
Cash flows from financing activities		(319,351)	(860,547)
Net decrease in cash and cash equivalents		(54,450)	(88,094)
Exchange differences arising on translation of foreign subsidiaries' cash and cash equivalents		11,532	(273)
Cash and cash equivalents at the beginning of the year		609,807	698,174
Cash and cash equivalents at the end of the year	17	566,889	609,807

Note:

⁽¹⁾ Deferred Consideration

In December 1999, a subsidiary of the Group acquired a number of hotels in USA and, under the terms of the acquisitions, US\$45.0 million (plus interest) of the consideration for these hotels was deferred for a period of two years. This consideration was not paid when it originally fell due in December 2001 pending adequate financial assurances that the vendor could honour its indemnity obligations under the terms of the agreement. The parties have now reached agreement and a total of US\$48.8 million (\$85.3 million) was paid during the year. The full amount had already been fully provided for by the subsidiary of the Group.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

These notes form an integral part of the financial statements.

1. Domicile and Principal Activities

City Developments Limited (the "Company") is incorporated in the Republic of Singapore with its registered office at 36 Robinson Road, #04-01, City House, Singapore 068877.

The principal activities of the Company are those of a property developer and owner, investment holding and a hotel owner.

The principal activities of the subsidiaries are those of property developers and owners, hotel owners and operators, club operator and owner, investment in properties and in shares, property management, project management and consultancy services and providers of information technology and procurement services.

The consolidated financial statements for the year ended 31 December 2003 relate to the Company and its subsidiaries (referred to as the "Group") and the Group's interests in associated companies and jointly controlled entities.

The directors consider the immediate and ultimate holding company to be Hong Leong Investment Holdings Pte. Ltd., a company incorporated in the Republic of Singapore.

2. Summary of Significant Accounting Policies

2.1 Basis of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards including related Interpretations promulgated by the Council on Corporate Disclosure and Governance. The financial statements were previously prepared in accordance with Singapore Statements of Accounting Standard.

The financial statements, expressed in Singapore dollars, are prepared on the historical cost basis, except for the hotel properties which are stated at valuation.

2.2 Consolidation

(a) *Subsidiaries*

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Assets and liabilities of foreign subsidiaries are translated into Singapore dollars at the rates of exchange ruling at the balance sheet date whilst the results are translated into Singapore dollars at the average exchange rates for the year. Goodwill and fair value adjustments arising from the acquisition of foreign subsidiaries are translated into Singapore dollars at the rates of exchange prevailing at the date of transaction. Translation differences arising therefrom are taken directly to the exchange fluctuation reserve.

Fair values are assigned to the net identifiable assets, principally properties, owned by subsidiaries at the date of acquisition as determined by the directors based on independent professional valuers where appropriate. As the fair values assigned to the assets are represented by the costs incurred by the Group in acquiring these subsidiaries, which owned these properties, these fair values are accordingly reported as costs in the consolidated financial statements.

Exchange differences arising from the translation of inter-company balances which represent an extension of interests of the holding company in the subsidiaries are taken to the exchange fluctuation reserve.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

2. Summary of Significant Accounting Policies (cont'd)

2.2 Consolidation (cont'd)

(b) *Associated Companies and Jointly Controlled Entities*

Associated companies are companies in which the Group has significant influence, but not control, over the financial and operating policies.

Jointly controlled entities are those enterprises over whose activities the Group has joint control, established by contractual agreement.

In the consolidated financial statements, investments in associated companies and jointly controlled entities are accounted for using the equity method of accounting, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds the carrying amount of the associated company or jointly controlled entity, the carrying amount is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associated company or jointly controlled entity.

The Group equity accounts for the results of the associated companies or jointly controlled entities using either the most recent available audited financial statements or the unaudited financial statements of the associated companies or jointly controlled entities. Any difference between the unaudited financial statements and the audited financial statements obtained subsequently are adjusted for in the following financial year.

(c) *Transactions Eliminated on Consolidation*

All significant intra-group transactions, balances and unrealised gains are eliminated on consolidation. Unrealised gains resulting from transactions with associated companies and jointly controlled entities are eliminated to the extent of the Group's interest in the enterprise. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(d) *Disposals*

On disposal of a subsidiary, an associated company or a jointly controlled entity, any attributable amount of purchased goodwill not previously amortised through the profit and loss account or which has previously been dealt with as a movement in the Group's reserves is included in the calculation of the profit or loss on disposal.

2.3 Property, Plant and Equipment

(a) *Owned Assets*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for hotel properties which are stated at cost or subsequent revaluation less accumulated depreciation and impairment losses. The revalued amount is the fair value determined on existing use basis. Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the balance sheet date.

Any increase in revaluation is credited to the asset revaluation reserve unless it offsets a previous decrease in value recognised in the profit and loss account. A decrease in value is recognised in the profit and loss account where it exceeds the increase previously recognised in the asset revaluation reserve. Upon disposal, any related revaluation surplus is transferred from the asset revaluation reserve to retained profits and is not taken into account in arriving at the gain or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

2. Summary of Significant Accounting Policies (cont'd)

2.3 Property, Plant and Equipment (cont'd)

(b) *Subsequent Expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

For chinaware, glassware, linen, kitchen and bar utensils, subsequent replacements are charged to the profit and loss account.

(c) *Disposals*

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the profit and loss account on the date of retirement or disposal.

(d) *Leased Assets*

Leases in terms of which the Group assumes substantially all risks and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at an amount equal to the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Finance charges are taken to the profit and loss account when incurred. Capitalised leased assets are depreciated over the shorter of the economic useful life of the asset and the lease term.

(e) *Depreciation*

No depreciation is provided on freehold and 999-year leasehold land and chinaware, glassware, linen and utensils. For freehold properties under development or, construction and renovations-in-progress, no depreciation is provided until these items are completed.

Depreciation is provided on a straight-line basis so as to write off their costs or valuation over their estimated useful lives as follows:

Building core	– 50 years, or lease term subject to a maximum of 50 years
Building surface finishes and services	– 30 years, or lease term subject to a maximum of 30 years
Freehold and leasehold properties	– 50 years, or lease term subject to a maximum of 50 years
Furniture, fittings, plant and equipment and improvements	– 3 to 20 years
Motor vehicles	– 4 to 5 years

No residual values are ascribed to building surface finishes and services of hotel properties. Residual values ascribed to building core depend on the nature, location and tenure of each hotel property.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

2. Summary of Significant Accounting Policies (cont'd)

2.4 Intangible Assets

(a) *Goodwill*

Goodwill arising on acquisition represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired. Goodwill is stated at cost less accumulated amortisation and impairment losses. In respect of associated companies and jointly controlled entities, the carrying amount of goodwill is included in the carrying amount of the investments in the associated companies or jointly controlled entities. Goodwill is amortised and recognised in the profit and loss account using the straight-line method over its estimated useful life of not more than 20 years.

Goodwill on the acquisition of subsidiaries, associated companies and jointly controlled entities that occurred prior to 1 January 2001 were written off against reserves and has not been retrospectively capitalised and amortised.

In arriving at the gain or loss on disposal of an entity, the unamortised balance of goodwill relating to the entity disposed of, or for acquisitions prior to 1 January 2001, the goodwill previously written off against reserves, is included as part of cost of the investment.

(b) *Negative Goodwill*

Negative goodwill arising on acquisition represents the excess of the fair value of the identifiable net assets acquired over the cost of acquisition.

To the extent that negative goodwill relates to an expectation of future losses and expenses that are identified in the plan of acquisition and can be measured reliably, but which have not yet been recognised, it is recognised in the profit and loss account when the future losses and expenses are recognised. Any remaining negative goodwill, but not exceeding the fair values of the non-monetary assets acquired, is recognised in the profit and loss account over the weighted average useful life of those assets that are depreciable or amortisable. Negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised immediately in the profit and loss account.

(c) *Other Intangible Assets*

Other intangible assets are stated at cost less accumulated amortisation and impairment losses.

(d) *Subsequent Expenditure*

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed when incurred.

(e) *Amortisation*

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets. Goodwill is amortised from the date of initial recognition over a period of not more than 20 years.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

2. Summary of Significant Accounting Policies (cont'd)

2.5 Subsidiaries

Investments in subsidiaries in the Company's balance sheet are stated at cost less impairment losses.

2.6 Associated Companies and Jointly Controlled Entities

Investments in associated companies and jointly controlled entities are stated at cost less impairment losses.

The results of the jointly controlled entities are included in the Company's profit and loss account to the extent of dividends received and receivable, provided the Company's right to receive the dividends has been established before the balance sheet date.

2.7 Financial Assets

Debt and equity securities held for the long-term are stated at cost less allowance for diminution in value which, in the opinion of the directors, are other than temporary.

Debt and equity securities held for the short-term are stated at lower of cost and market value, on an item-by-item basis. Any increases or decreases in carrying amount are included in the profit and loss account.

Profits or losses on the disposal of financial assets are determined as the difference between the net disposal proceeds and the carrying amount of the financial assets and are accounted for in the profit and loss account when they arise.

2.8 Deferred Financial Charges

Deferred financial charges comprise:

- discount and related expenses associated with the issue of notes and bonds, which are amortised over the repayment period.
- expenses incurred in obtaining bank facilities, which are amortised over the period for which the facility is granted.

2.9 Development Properties

Development properties are stated at the lower of cost plus, where appropriate, a portion of attributable profit, and estimated net realisable value, net of progress billings. The cost of development properties includes interest and other related expenditure which are capitalised as and when activities that are necessary to get the assets ready for their intended use are in progress.

Joint development properties are properties which are jointly developed by the Company together with related corporations and/or other parties. These developments are either managed by the Company or the other participants. Where the developments are managed by the Company, the interests of the other participants in the joint development properties are stated net of contributions from the other participants. Joint development properties managed by other parties are stated at the Company's share of attributable profit less surplus funds received or receivable from the developments.

Borrowing costs that are directly attributable to the acquisition or construction are capitalised as part of cost of development property, commencing from the time these costs are being incurred until the completion of development.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

2. Summary of Significant Accounting Policies (cont'd)

2.10 Consumable Stocks

Consumable stocks comprise principally food and beverage and other hotel related consumable stocks. Stocks are valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis.

2.11 Trade and Other Receivables

Trade and other receivables are stated at cost less allowance for doubtful receivables.

2.12 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at banks and in hand and fixed deposits. For the purpose of the consolidated statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

2.13 Related Parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

2.14 Impairment

The carrying amounts of the Group's assets, other than consumable stocks, development properties and financial assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

(a) *Calculation of Recoverable Amount*

The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(b) *Reversal of Impairment Loss*

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment are recognised in the profit and loss account.

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates clearly to the reversal of the effect of that specific event.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

2. Summary of Significant Accounting Policies (cont'd)

2.15 Trade and Other Payables

Trade and other payables are stated at cost.

2.16 Interest-Bearing Loans and Other Liabilities

Interest-bearing loans and other liabilities are stated at cost.

2.17 Employee Benefits

(a) *Defined Contribution Plans*

Contributions to defined contribution plans are recognised as an expense in the profit and loss account when incurred.

(b) *Defined Benefit Plans*

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of any planned assets is deducted. The calculation is performed by a qualified actuary every three years using the projected unit credit method; in the intervening years, the calculation is updated based on information received from the actuary.

When the benefits of a plan change, the portion of the increased benefit relating to past service by employees is recognised as an expense in the profit and loss account on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the profit and loss account.

In calculating the Group's obligation in respect of a plan, any actuarial gain or loss is recognised in the profit and loss account over the expected average remaining working lives of the employees participating in the plan.

Where the calculation results in a benefit to the Group, the recognised asset is limited to the net total of past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

(c) *Short-term Accumulating Compensated Absences*

Short-term accumulating compensated absences are recognised when the employees render services that increase their entitlement to future compensated absences.

2.18 Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

2. Summary of Significant Accounting Policies (cont'd)

2.19 Deferred Taxation

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill not deductible for tax purposes and the initial recognition of assets and liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries, associated companies and jointly controlled entities, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not be reversed in the foreseeable future.

2.20 Revenue Recognition

(a) *Sale of Properties*

The Group recognises profits on property development projects using the percentage of completion method. The percentage of completion is measured by reference to the percentage of costs incurred to date to the estimated total costs for each contract. Profits are recognised only in respect of finalised sales agreements and to the extent that such profits relate to the progress of the construction work.

(b) *Rental and Interest Income*

Rental and interest income are recognised on an accrual basis.

(c) *Hotel Income*

Revenue from hotel operations is recognised on an accrual basis, upon rendering of the relevant services.

(d) *Dividends*

Dividend income is recognised in the profit and loss account when the shareholder's right to receive payment is established.

2.21 Finance Costs

Interest expense are expensed in the profit and loss account in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to prepare for its intended use or sale.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

2. Summary of Significant Accounting Policies (cont'd)

2.22 Foreign Currencies

Monetary assets and liabilities in foreign currencies, except for foreign currency assets and liabilities hedged by forward exchange contracts, are translated into Singapore dollars at rates of exchange approximate those ruling at the balance sheet date. Foreign currency assets and liabilities hedged by forward exchange contracts are translated at the contracted foreign exchange rates. Transactions in foreign currencies are translated at rates ruling on transaction dates. Translation differences are included in the profit and loss account, except:

- where foreign currency loans provide an effective hedge against the net investment in foreign subsidiaries, associated companies and jointly controlled entities, exchange differences arising on the loans are recognised directly in equity until disposal of the investments.
- where monetary items in substance form part of the Group's net investment in the foreign subsidiaries, associated companies and jointly controlled entities, exchange differences arising on such monetary items are recognised directly in equity until disposal of the investments.

2.23 Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The Group comprises three principal business segments, namely hotel operations, property development and rental of properties. These segments operate in three principal geographical areas, namely, East and South East Asia, North America and Europe, and Australia and New Zealand.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location where the services are rendered and the products are sold. Segment assets are based on the geographical location of the assets.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

3. Property, Plant and Equipment

	Freehold land and buildings \$'000	Leasehold land and buildings \$'000	Freehold properties \$'000
The Group			
Cost or valuation			
Balance at beginning of the year	4,272,716	1,803,138	469,186
Additions	5,071	2,962	732
Assets acquired under business combinations	185,127	11,629	–
Disposals	(5,569)	–	(643)
Written off during the year	–	(83)	–
Reclassifications	224,341	1,149	18,857
Surplus on revaluation	525,210	708,813	–
Reversal of depreciation on revaluation	(325,365)	(126,420)	–
Transfer to current assets	–	–	–
Exchange differences on translation	74,919	79,408	51,285
Balance at end of the year	4,956,450	2,480,596	539,417
Accumulated depreciation and impairment losses			
Balance at beginning of the year	388,441	238,063	96,791
Charge for the year	25,051	22,741	7,497
Disposals	(886)	–	–
Impairment losses	3,799	3,775	–
Written off during the year	–	(20)	–
Reclassifications	(2,830)	223	1,947
Reversal of depreciation on revaluation	(325,365)	(126,420)	–
Exchange differences on translation	3,716	(2,092)	14,241
Balance at end of the year	91,926	136,270	120,476
Depreciation charge for 2002	51,044	26,984	6,824
Carrying amount			
At 31 December 2003	4,864,524	2,344,326	418,941
At 31 December 2002	3,884,275	1,565,075	372,395

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

Leasehold properties \$'000	Freehold properties under development \$'000	Furniture, fittings, plant and equipment and improvements \$'000	Motor vehicles \$'000	Chinaware, glassware, linen and utensils \$'000	Construction and renovation-in-progress \$'000	Total \$'000
1,036,491	134,666	1,198,743	7,587	44,831	26,439	8,993,797
-	16,803	70,323	926	157	13,442	110,416
-	-	2,833	127	214	-	199,930
-	-	(35,321)	(1,178)	(314)	(1,624)	(44,649)
-	-	(32,689)	(29)	-	-	(32,801)
-	57,786	(282,584)	-	1,006	(20,555)	-
-	-	205,406	-	-	-	1,439,429
-	-	(535,004)	-	-	-	(986,789)
-	(6,888)	-	-	-	-	(6,888)
(1,637)	7,889	(4,454)	116	806	1,135	209,467
1,034,854	210,256	587,253	7,549	46,700	18,837	9,881,912
217,624	-	650,906	4,967	-	-	1,596,792
17,213	-	92,981	872	-	-	166,355
-	-	(32,541)	(674)	-	-	(34,101)
5,948	-	-	-	-	-	13,522
-	-	(32,286)	(29)	-	-	(32,335)
-	-	660	-	-	-	-
-	-	(535,004)	-	-	-	(986,789)
197	-	(3,409)	156	-	-	12,809
240,982	-	141,307	5,292	-	-	736,253
18,591	-	104,990	834	-	-	209,267
793,872	210,256	445,946	2,257	46,700	18,837	9,145,659
818,867	134,666	547,837	2,620	44,831	26,439	7,397,005

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

3. Property, Plant and Equipment (cont'd)

	Freehold land and buildings \$'000	Leasehold land and building \$'000
<u>The Company</u>		
Cost or valuation		
Balance at beginning of the year	469,372	96,163
Additions	-	-
Disposals	-	-
Reclassifications	(1,356)	-
Surplus on revaluation	855	-
Reversal of depreciation on revaluation	(15,222)	-
Transfer to current assets	-	-
Balance at end of the year	453,649	96,163
Accumulated depreciation		
Balance at beginning of the year	29,724	8,458
Charge for the year	3,745	1,702
Disposals	-	-
Reversal of depreciation on revaluation	(15,222)	-
Balance at end of the year	18,247	10,160
Depreciation charge for 2002	6,037	1,702
Carrying amount		
At 31 December 2003	435,402	86,003
At 31 December 2002	439,648	87,705

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

Freehold properties \$'000	Leasehold properties \$'000	Freehold properties under development \$'000	Furniture, fittings, plant and equipment and improvements \$'000	Motor vehicles \$'000	Total \$'000
11,221	8,359	110,104	39,060	2,769	737,048
17	-	8,933	6,085	275	15,310
-	-	-	(2,153)	(326)	(2,479)
-	-	1,356	-	-	-
-	-	-	-	-	855
-	-	-	(6,753)	-	(21,975)
-	-	(6,888)	-	-	(6,888)
11,238	8,359	113,505	36,239	2,718	721,871
2,600	2,084	-	21,571	2,158	66,595
242	167	-	7,843	250	13,949
-	-	-	(1,010)	(326)	(1,336)
-	-	-	(6,753)	-	(21,975)
2,842	2,251	-	21,651	2,082	57,233
180	167	-	5,379	228	13,693
8,396	6,108	113,505	14,588	636	664,638
8,621	6,275	110,104	17,489	611	670,453

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

3. Property, Plant and Equipment (cont'd)

Included in property, plant and equipment are the following hotel properties stated at revalued amounts:

	Freehold land and buildings \$'000	Leasehold land and buildings \$'000	Furniture, fittings, plant and equipment and improvements \$'000	Total \$'000
The Group				
Valuation				
Balance at beginning of the year	3,762,858	796,921	1,113,510	5,673,289
Additions	4,971	2,962	64,886	72,819
Assets acquired under business combination	68,031	–	2,713	70,744
Disposals	(5,569)	–	(35,177)	(40,746)
Written off during the year	–	(83)	(32,490)	(32,573)
Reclassifications	225,697	1,149	(282,584)	(55,738)
Surplus on revaluation	525,210	708,813	205,406	1,439,429
Reversal of depreciation on revaluation	(325,365)	(126,420)	(535,004)	(986,789)
Exchange differences on translation	65,207	79,408	(4,440)	140,175
Balance at end of the year	4,321,040	1,462,750	496,820	6,280,610
Accumulated depreciation				
Balance at beginning of the year	316,507	127,226	601,267	1,045,000
Charge for the year	19,137	11,118	86,017	116,272
Disposals	(886)	–	(32,449)	(33,335)
Written off during the year	–	(20)	(32,150)	(32,170)
Reclassifications	(2,830)	223	660	(1,947)
Reversal of depreciation on revaluation	(325,365)	(126,420)	(535,004)	(986,789)
Exchange differences on translation	1,675	(2,092)	(3,393)	(3,810)
Balance at end of the year	8,238	10,035	84,948	103,221
Depreciation charge for 2002	46,149	15,704	97,564	159,417
Carrying amount				
At 31 December 2003	4,312,802	1,452,715	411,872	6,177,389
At 31 December 2002	3,446,351	669,695	512,243	4,628,289

The carrying amounts of the hotel properties had they been carried at cost less accumulated depreciation and impairment losses would be as follows:

Carrying amount as at 31 December 2003	3,754,838	738,378	211,187	4,704,403
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NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

3. Property, Plant and Equipment (cont'd)

Included in property, plant and equipment are the following hotel properties stated at revalued amounts: (cont'd)

	Freehold land and buildings \$'000	Furniture, fittings, plant and equipment and improvements \$'000	Total \$'000
The Company			
Valuation			
Balance at beginning of the year	263,618	17,502	281,120
Additions	–	4,685	4,685
Disposals	–	(22)	(22)
Surplus on revaluation	855	–	855
Reversal of depreciation on revaluation	(15,222)	(6,753)	(21,975)
Balance at end of the year	249,251	15,412	264,663
Accumulated depreciation			
Balance at beginning of the year	15,222	6,753	21,975
Charge for the year	1,218	5,425	6,643
Disposals	–	(2)	(2)
Reversal of depreciation on revaluation	(15,222)	(6,753)	(21,975)
Balance at end of the year	1,218	5,423	6,641
Depreciation charge for 2002	4,275	2,487	6,762
Carrying amount			
At 31 December 2003	248,033	9,989	258,022
At 31 December 2002	248,396	10,749	259,145
The carrying amounts of the hotel properties had they been carried at cost less accumulated depreciation and impairment losses would be as follows:			
Carrying amount as at 31 December 2003	247,178	9,989	257,167

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

3. Property, Plant and Equipment (cont'd)

With effect from 1 January 2003, the Group changed its accounting policy and now states its hotel properties at cost or subsequent revaluation less accumulated depreciation and impairment losses (please refer to note 42). The directors believe that this change in accounting policy better reflects the value of the hotel properties and also brings in line the values with those presented in the financial statements of its subsidiary, Millennium & Copthorne Hotels plc.

During 2003, 25 of the Group's hotels were subject to an external professional valuation on an open market existing use basis, performed by the following valuers:

Region	Valuer
USA	PKF Consulting
Europe	Insignia Richard Ellis
Asia	CB Richard Ellis, Henry Butcher and Cuervo Appraisers
Australia and New Zealand	DTZ Debenham Tie Leung

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
During the year, interest capitalised as cost of property, plant and equipment amounted to	872	1,368	872	975

Property, plant and equipment with the following net book values were acquired under finance lease arrangements:

	The Group	
	2003 \$'000	2002 \$'000
Freehold buildings	37,232	40,720
Furniture, fittings, plant and equipment and improvements	3,935	229
	41,167	40,949

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

4. Subsidiaries

	Note	The Company	
		2003 \$'000	2002 \$'000
(a) Investments in subsidiaries			
Unquoted shares, at cost		2,261,934	2,155,306
Less:			
Impairment losses		(57,000)	(29,500)
		2,204,934	2,125,806
(b) Balances with subsidiaries			
(i) Amounts owing by subsidiaries			
- trade, interest free		1,118	895
- non-trade, interest free		231,439	121,129
- non-trade, interest bearing		240,950	292,359
		473,507	414,383
Less:			
Allowance for doubtful receivables		(20,700)	(20,700)
		452,807	393,683
Receivable within 12 months	12	392,093	356,876
Receivable after 12 months	10	60,714	36,807
		452,807	393,683
(ii) Amounts owing to subsidiaries			
- trade, interest free		2,768	2,919
- non-trade, interest free		280,275	126,656
- non-trade, interest bearing		312,778	311,272
- prepayment account		2,136	2,136
		597,957	442,983
Repayable within 12 months	18	597,957	442,983

The amounts owing by and to subsidiaries are unsecured. In respect of interest-bearing accounts, interest at 0.38% to 3.99% (2002: 0.49% to 3.99%) per annum was charged.

The prepayment received from a subsidiary represents money paid in advance for the construction costs of the hotel extension of a subsidiary.

Further details regarding subsidiaries are set out in note 44.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

5. Associated Companies

	Note	The Group	
		2003 \$'000	2002 \$'000
(a) Investments in associated companies		1,383	27,651
(b) Balances with associated companies			
Amounts owing by associated companies			
- trade, interest free		-	1,925
- trade, interest bearing		-	1,871
- non-trade, interest free		2,707	1,924
- non-trade, interest bearing		-	6,691
		2,707	12,411
Receivable within 12 months	12	2,707	9,911
Receivable after 12 months	10	-	2,500
		2,707	12,411

The amounts owing by associated companies are unsecured. In respect of interest-bearing accounts, interest at 3.1% to 10.0% per annum was charged in 2002.

Further details regarding associated companies are set out in note 45.

6. Jointly Controlled Entities

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
(a) Investments in jointly controlled entities	246,029	159,246	69,495	64,885
Less:				
Impairment losses	-	-	(1,000)	(1,500)
	246,029	159,246	68,495	63,385

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

6. Jointly Controlled Entities (cont'd)

	Note	The Group		The Company	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
(b) Balances with jointly controlled entities					
(i) Amounts owing by jointly controlled entities					
- trade, interest free		5,985	2,357	809	983
- non-trade, interest bearing		397,134	428,775	253,554	287,586
- non-trade, interest free		128,932	92,352	-	-
		532,051	523,484	254,363	288,569
Receivable within 12 months	12	421,041	410,746	254,363	288,569
Receivable after 12 months	10	111,010	112,738	-	-
		532,051	523,484	254,363	288,569
(ii) Amounts owing to jointly controlled entities					
- trade, interest free		-	16	-	-
- non-trade, interest bearing		31,165	63,338	31,165	63,338
- non-trade, interest free		118,765	13,791	87,476	10,333
		149,930	77,145	118,641	73,671
Repayable within 12 months	18	149,930	77,145	118,641	73,671

The amounts owing by and to jointly controlled entities are unsecured. In respect of interest-bearing accounts, interest at 0.6% to 7.9% (2002: 0.6% to 7.4%) per annum was charged.

Further details regarding jointly controlled entities are set out in note 46.

NOTES TO THE FINANCIAL STATEMENTS

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6. Jointly Controlled Entities (cont'd)

(c) The Group's share of the jointly controlled entities' results, assets and liabilities is as follows:

	2003 \$'000	2002 \$'000
Results		
Revenue and other operating income	408,534	314,817
Cost of sales and other expenses	(301,158)	(303,945)
Profit before taxation	107,376	10,872
Taxation	(28,573)	(10,092)
Profit after taxation	78,803	780
Assets and liabilities		
Non-current assets	1,137,059	1,056,036
Current assets	692,412	640,813
Current liabilities	(644,391)	(368,428)
Non-current liabilities	(939,051)	(1,169,175)
Net assets	246,029	159,246

The Group's share of the capital commitments of the jointly controlled entities is \$81,980,000 (2002: \$6,405,000).

7. Financial Assets

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
(a) Non-Current Financial Assets				
Unquoted investments, at cost				
Equity				
- Fellow subsidiaries	3,363	3,363	3,290	3,290
- Non-related companies	15,501	9,743	1,340	1,340
	18,864	13,106	4,630	4,630
Others				
- Non-related companies	-	1,995	-	-
Balance carried forward	18,864	15,101	4,630	4,630

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

7. Financial Assets (cont'd)

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
(a) Non-Current Financial Assets (cont'd)				
Balance brought forward	18,864	15,101	4,630	4,630
Less:				
Allowance for diminution in value of investments	(7,436)	(9,283)	-	-
	11,428	5,818	4,630	4,630
Quoted investments, at cost				
Equity				
- Fellow subsidiaries	14,004	15,329	10,916	12,195
- Non-related companies	-	954	-	-
	14,004	16,283	10,916	12,195
	25,432	22,101	15,546	16,825
Market value of quoted investments				
Equity				
- Fellow subsidiaries	28,835	21,505	24,247	18,312
- Non-related companies	-	1,346	-	-
	28,835	22,851	24,247	18,312

	The Group	
	2003 \$'000	2002 \$'000
(b) Current Financial Assets		
Quoted investments, at cost		
Equity		
- Non-related companies	21,106	31,146
Others		
- Non-related companies	36	-
Unquoted investments, at cost		
Equity		
- Non-related companies	50	-
Others		
- Non-related companies	16,680	12,383
Balance carried forward	37,872	43,529

NOTES TO THE FINANCIAL STATEMENTS

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7. Financial Assets (cont'd)

	The Group	
	2003 \$'000	2002 \$'000
(b) Current Financial Assets (cont'd)		
Balance brought forward	37,872	43,529
Less:		
Allowance for diminution in value of investments	(7,714)	(23,001)
	<u>30,158</u>	<u>20,528</u>
Market value of quoted investments		
Equity		
- Non-related companies	25,731	14,056
Others		
- Non-related companies	36	-
	<u>25,767</u>	<u>14,056</u>

8. Deferred Financial Charges

	The Group \$'000	The Company \$'000
Cost		
Balance at beginning of the year	30,259	679
Additions	812	241
Written off during the year	(3,227)	(146)
Exchange differences on translation	299	-
Balance at end of the year	<u>28,143</u>	<u>774</u>
Less:		
Accumulated amortisation		
Balance at beginning of the year	10,975	289
Charge for the year	6,774	234
Written off during the year	(3,195)	(146)
Exchange differences on translation	221	-
Balance at end of the year	<u>14,775</u>	<u>377</u>
Amortisation charge for 2002	<u>7,359</u>	<u>386</u>
Carrying amount		
At 31 December 2003	<u>13,368</u>	<u>397</u>
At 31 December 2002	<u>19,284</u>	<u>390</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

9. Intangible Assets

	The Group \$'000
Cost	
Balance at beginning of the year	462
Additions	61
Exchange differences on translation	(8)
Balance at end of the year	515
Less:	
Accumulated amortisation and impairment losses	
Balance at beginning of the year	209
Charge for the year	14
Exchange differences on translation	(6)
Balance at end of the year	217
Amortisation charge for 2002	14
Carrying amount	
At 31 December 2003	298
At 31 December 2002	253

Intangible assets of the Group comprise mainly trademarks.

10. Other Non-Current Assets

	Note	The Group		The Company	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Amounts owing by:					
- subsidiaries	4	-	-	60,714	36,807
- associated companies	5	-	2,500	-	-
- jointly controlled entities	6	111,010	112,738	-	-
		111,010	115,238	60,714	36,807

NOTES TO THE FINANCIAL STATEMENTS

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11. Development Properties

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
(a) Properties in the course of development, at cost	1,298,498	1,171,175	1,099,077	1,027,271
Add: Attributable profit	53,931	16,472	23,686	10,756
	1,352,429	1,187,647	1,122,763	1,038,027
Less: Progress billings	(313,265)	(185,027)	(178,859)	(114,431)
	1,039,164	1,002,620	943,904	923,596
(b) Joint development properties, at cost	874,722	740,121	876,406	741,772
Add: Attributable profit	95,024	53,310	95,024	53,310
	969,746	793,431	971,430	795,082
Less: Progress billings	(201,965)	(130,784)	(201,965)	(130,784)
	767,781	662,647	769,465	664,298
Less: Contributions from other participants	(126,728)	(107,913)	(126,728)	(107,913)
	641,053	554,734	642,737	556,385
(c) Joint development properties, which the Group participates through contributions				
Share of attributable profit	215,168	215,168	215,168	215,168
Return of surplus funds	(204,334)	(208,627)	(204,334)	(208,627)
	10,834	6,541	10,834	6,541
(d) Properties for development and resale representing mainly land	374,131	368,486	216,126	214,154
(e) Completed units	332,419	367,333	121,856	117,245
	2,397,601	2,299,714	1,935,457	1,817,921
Less:				
Allowance for foreseeable losses	(159,708)	(121,430)	(73,835)	(40,300)
Total development properties	2,237,893	2,178,284	1,861,622	1,777,621

NOTES TO THE FINANCIAL STATEMENTS

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11. Development Properties (cont'd)

	The Group		The Company	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
(f) During the year, interest capitalised (net of interest income) as cost of development properties amounted to	14,208	17,315	13,232	15,961

12. Trade and Other Receivables

	Note	The Group		The Company	
		2003	2002	2003	2002
		\$'000	\$'000	\$'000	\$'000
Trade debtors	13	111,082	111,344	7,943	5,875
Accrued receivables	14	21,991	32,814	6,890	19,204
Other debtors, deposits and prepayments	15	98,499	128,638	18,519	9,480
Amounts owing by:					
- subsidiaries	4	-	-	392,093	356,876
- associated companies	5	2,707	9,911	-	-
- jointly controlled entities	6	421,041	410,746	254,363	288,569
- fellow subsidiaries	16	7,944	8,143	7,326	7,447
		663,264	701,596	687,134	687,451

13. Trade Debtors

	The Group		The Company	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Trade debtors	118,224	119,158	8,485	5,969
Less:				
Allowance for doubtful debts	(7,142)	(7,814)	(542)	(94)
	111,082	111,344	7,943	5,875

NOTES TO THE FINANCIAL STATEMENTS

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14. Accrued Receivables

Accrued receivables represent mainly the remaining balances of sales consideration to be billed. In accordance with the Group's accounting policy, income is recognised on the progress of the construction work. Upon receipt of the Temporary Occupation Permit, the balance of sales consideration to be billed is included as accrued receivables.

15. Other Debtors, Deposits and Prepayments

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Deposits for purchase of properties	3,680	3,050	3,680	-
Other debtors	108,754	125,588	14,839	9,480
	112,434	128,638	18,519	9,480
Less:				
Allowance for doubtful debts	(13,935)	-	-	-
	98,499	128,638	18,519	9,480

16. Amounts Owing by and to Fellow Subsidiaries

	Note	The Group		The Company	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Amounts owing by fellow subsidiaries					
- trade		846	1,667	228	978
- non-trade		7,098	6,476	7,098	6,469
	12	7,944	8,143	7,326	7,447

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16. Amounts Owing by and to Fellow Subsidiaries (cont'd)

	Note	The Group		The Company	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Amounts owing to fellow subsidiaries					
- trade		515	542	299	299
- non-trade		94	253	-	-
	18	609	795	299	299

Fellow subsidiaries are subsidiaries of the immediate holding company which are subject to common control. The amounts owing by and to fellow subsidiaries are interest free, unsecured and are receivable within 12 months.

17. Cash and Cash Equivalents

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Amounts held under the "Project Account (Amendment) Rules - 1997" withdrawals from which are restricted to payments for expenditure incurred on projects	32,635	39,581	28,607	33,169
Fixed deposits placed with financial institutions which are:				
- fellow subsidiaries	3,522	9,675	-	-
- others	415,625	373,193	220,146	149,242
	419,147	382,868	220,146	149,242
Cash at banks and in hand	119,618	192,338	6,724	8,905
Balance carried forward	571,400	614,787	255,477	191,316

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17. Cash and Cash Equivalents (cont'd)

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Balance brought forward	571,400	614,787	255,477	191,316
Bank overdrafts				
- secured	(4,092)	(3,356)	-	-
- unsecured	(419)	(1,624)	-	-
	(4,511)	(4,980)	-	-
Cash and cash equivalents in the consolidated statement of cash flows	566,889	609,807	255,477	191,316

The secured bank overdrafts are secured principally against the hotel properties of the subsidiaries.

18. Trade and Other Payables

	Note	The Group		The Company	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Trade creditors		123,714	105,201	8,151	7,241
Retention sums payable		29,881	22,421	22,022	16,123
Accruals		276,029	313,572	94,828	91,685
Other creditors		47,047	109,584	483	748
Rental and other deposits		59,224	66,867	6,247	6,591
Amounts owing to:					
- subsidiaries	4	-	-	597,957	442,983
- jointly controlled entities	6	149,930	77,145	118,641	73,671
- fellow subsidiaries	16	609	795	299	299
		686,434	695,585	848,628	639,341

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

19. Bank Loans

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Bank loans				
- secured	783	1,749	-	-
- unsecured	44,082	106,882	44,082	102,681
	44,865	108,631	44,082	102,681

Interest is charged at 0.35% to 7.90% (2002: 0.42% to 6.75%) per annum. The secured bank loans are secured by a charge over the hotel properties of a subsidiary.

20. Long-Term Liabilities

	Note	The Group		The Company	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Term loans	21	3,108,102	3,163,699	731,975	715,199
Finance lease creditors	22	23,232	50,725	-	-
Other long-term liabilities	23	23,770	29,216	-	-
		3,155,104	3,243,640	731,975	715,199
Repayable within 12 months		367,906	475,581	125,000	200,000
Repayable after 12 months	25	2,787,198	2,768,059	606,975	515,199
		3,155,104	3,243,640	731,975	715,199

NOTES TO THE FINANCIAL STATEMENTS

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21. Term Loans

	Note	The Group		The Company	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Secured		2,312,447	2,302,263	-	-
Unsecured		795,655	861,436	731,975	715,199
		3,108,102	3,163,699	731,975	715,199
Repayable within 12 months		360,452	437,771	125,000	200,000
Repayable after 12 months	25	2,747,650	2,725,928	606,975	515,199
		3,108,102	3,163,699	731,975	715,199
(a) Secured term loans					
Repayable within 12 months		235,452	149,640	-	-
Repayable after 12 months		2,076,995	2,152,623	-	-
		2,312,447	2,302,263	-	-

The above term loans are generally secured by:

- mortgages on the borrowing subsidiaries' land and buildings, properties under development, development properties for sale and/or hotel properties; and/or
- assignment of all rights and benefits to sale, lease and/or insurance proceeds and any alienation of properties.

The secured term loans bear interest at rates ranging from 1.37% to 6.38% (2002: 1.47% to 8.13%) per annum.

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
(b) Unsecured term loans				
Repayable within 12 months	125,000	288,131	125,000	200,000
Repayable after 12 months	670,655	573,305	606,975	515,199
	795,655	861,436	731,975	715,199

The unsecured term loans bear interest at rates ranging from 0.69% to 2.15% (2002: 1.00% to 3.31%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

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22. Finance Lease Creditors

At balance sheet date, the Group had obligations under finance leases that are repayable as follows:

	Payments \$'000	2003 Interest \$'000	Principal \$'000	Payments \$'000	2002 Interest \$'000	Principal \$'000
The Group						
Within 1 year	5,015	–	5,015	33,027	–	33,027
After 1 year but within 5 years	18,217	–	18,217	17,698	–	17,698
	23,232	–	23,232	50,725	–	50,725

Under the terms of the lease agreements, no contingent rents are payable.

The finance lease creditors are repayable by monthly instalments of varying amounts. The finance charge is taken to the profit and loss account when incurred.

23. Other Long-Term Liabilities

	Note	The Group 2003 \$'000	2002 \$'000
Advances from minority shareholders of certain subsidiaries. These are unsecured and interest of 1.5% to 5.0% (2002: 1.5% to 5.0%) per annum was charged		119	2,420
Deferred real estate tax payable in 10 equal annual instalments commencing in July 1999		13,269	16,672
Miscellaneous (principally deposits received and payables, not expected to be refunded or paid within the next 12 months)		10,382	10,124
		23,770	29,216
Repayable within 12 months		2,439	4,783
Repayable after 12 months	25	21,331	24,433
		23,770	29,216

NOTES TO THE FINANCIAL STATEMENTS

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24. Bonds and Notes

	Note	The Group		The Company	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Secured		607,280	609,968	-	-
Unsecured		1,069,200	883,351	583,000	570,000
		1,676,480	1,493,319	583,000	570,000
Repayable within 12 months		321,075	190,351	120,000	147,000
Repayable after 12 months	25	1,355,405	1,302,968	463,000	423,000
		1,676,480	1,493,319	583,000	570,000
(a) Secured Bonds and Notes					
Repayable within 12 months		70,000	-	-	-
Repayable after 12 months		537,280	609,968	-	-
		607,280	609,968	-	-

These comprise:

- (i) KRW96 billion (approximately S\$137 million) non-guaranteed secured notes ("Notes") issued by a subsidiary bearing interest at rates ranging from 4.85% to 5.90% (2002: 5.90%) per annum during the year are redeemable at their principal amounts in November 2005. These Notes are secured by a mortgage on the land and hotel building of a subsidiary and an assignment of insurance proceeds in respect of insurance over the said property; and
- (ii) \$470 million medium term notes ("MTNs") which comprise 4 series of notes issued by a subsidiary at various interest rates as part of a \$550 million secured MTN programme established in 2001. The MTNs bear interest at rates ranging from 3.38% to 4.815% (2002: 3.38% to 4.815%) per annum and are secured by a mortgage over the commercial building and the land jointly owned by two subsidiaries, as well as rental and insurance proceeds to be derived from the said properties. Unless previously redeemed or purchased and cancelled, the MTNs are redeemable at their principal amounts on their respective maturity dates from May 2004 to June 2006.

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24. Bonds and Notes (cont'd)

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
(b) Unsecured Bonds and Notes				
Repayable within 12 months	251,075	190,351	120,000	147,000
Repayable after 12 months	818,125	693,000	463,000	423,000
	1,069,200	883,351	583,000	570,000

These comprise:

- (i) \$583 million MTNs which comprise 29 series of notes issued by the Company at various interest rates as part of a \$700 million MTN programme established in 1999. The MTNs bear interest at rates ranging from 1.47% to 5.50% (2002: 1.9% to 5.5%) per annum. Unless previously redeemed or purchased and cancelled, the MTNs are redeemable at their principal amounts on their respective dates from March 2004 to June 2010;
- (ii) \$60 million fixed rated bonds issued by a subsidiary bearing interest at 5.275% per annum. Unless previously purchased and cancelled, the bonds will be redeemed at 100% of their principal amounts on 13 July 2005; and
- (iii) \$426 million MTNs which comprise 5 series of notes issued by a subsidiary as part of a \$1 billion unsecured MTN programme established in 2002 bearing interest at rates ranging from 1.44% to 2.88% (2002: 2.18% to 2.88%) per annum. Unless previously redeemed or purchased and cancelled, the MTNs are redeemable at their principal amounts on their respective dates from April 2004 to December 2008.

25. Interest-Bearing Loans and Other Liabilities

	Note	The Group		The Company	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Term loans					
- repayable after 12 months	21	2,747,650	2,725,928	606,975	515,199
Finance lease creditors					
- repayable after 12 months	22	18,217	17,698	-	-
Other long-term liabilities	23	21,331	24,433	-	-
	20	2,787,198	2,768,059	606,975	515,199
Bonds and notes					
- repayable after 12 months	24	1,355,405	1,302,968	463,000	423,000
		4,142,603	4,071,027	1,069,975	938,199

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26. Employee Benefits

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Present value of unfunded obligations	864	403	-	-
Unrecognised past service cost	(334)	-	-	-
Present value of funded obligations	104,139	92,124	-	-
Fair value of plan assets	(74,894)	(59,747)	-	-
Present value of net obligations	29,775	32,780	-	-
Unrecognised transitional liability	(1,288)	(1,710)	-	-
Unrecognised actuarial losses	(12,362)	(16,773)	-	-
Liability for defined benefit obligations	16,125	14,297	-	-
Liability for short-term accumulating compensated absences	11,791	12,318	1,112	1,519
Liability for long service leave	70	214	-	-
	27,986	26,829	1,112	1,519
Current	11,861	15,045	1,112	1,519
Non-current	16,125	11,784	-	-
	27,986	26,829	1,112	1,519

	The Group	
	2003 \$'000	2002 \$'000
Movements in liability for defined benefit obligations		
Balance at beginning of the year	14,297	20,363
Expense recognised during the year	10,340	12,146
Payments during the year	(8,799)	(17,940)
Exchange differences on translation	287	(272)
Balance at end of the year	16,125	14,297

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26. Employee Benefits (cont'd)

	The Group	
	2003 \$'000	2002 \$'000
Expense recognised in the profit and loss account		
Current service costs	6,639	7,321
Interest on obligation	4,549	7,115
Expected return on plan assets	(3,146)	(6,052)
Actuarial losses	60	3,547
Amortisation of past service costs	2,238	215
	10,340	12,146

The expense is recognised in the following line items in the profit and loss account:

	The Group	
	2003 \$'000	2002 \$'000
Cost of sales	5,902	4,822
Administrative expenses	1,258	6,740
Other operating expenses	3,180	584
	10,340	12,146

Principal actuarial assumptions

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2003 %	2002 %
Discount rate at 31 December	3.50 – 8.00	3.75 – 7.06
Expected return on plan assets at 31 December	3.50 – 6.59	3.75 – 6.00
Future salary increases	3.00 – 7.00	3.75 – 7.06
Future pension increases	2.50	2.50

Past service cost and net actuarial results are amortised over the estimated service life of the employees under plan benefits.

NOTES TO THE FINANCIAL STATEMENTS

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27. Provisions

	The Group \$'000
Balance at beginning of the year	10,335
Additions during the year	6,916
Provisions utilised during the year	(1,226)
Exchange differences on translation	1,197
Balance at end of the year	17,222
Current	6,383
Non-current	10,839
	17,222

Provisions of the Group as at 31 December 2003 relate mainly to onerous contracts.

28. Share Capital

	The Company			
	2003		2002	
	Number of Shares	\$'000	Number of Shares	\$'000
Authorised:				
Ordinary shares of \$0.50 each	4,000,000,000	2,000,000	4,000,000,000	2,000,000
Issued and fully paid:				
Balance at beginning of the year	801,021,724	400,511	801,021,724	400,511
Issue of shares during the year	26,163,919	13,082	-	-
Balance at end of the year	827,185,643	413,593	801,021,724	400,511

During the year, 15,536,746 and 10,627,173 new shares of \$0.50 each were issued in exchange for shares in Target Realty Limited at a premium of \$4.15 and \$4.32 per share respectively by the Company.

NOTES TO THE FINANCIAL STATEMENTS

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29. Reserves

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Share premium	1,055,419	945,032	1,042,297	931,910
Capital reserve	148,143	148,143	63,743	63,743
Asset revaluation reserve	461,426	–	855	–
Exchange fluctuation reserve	165,455	114,935	(823)	(679)
Retained profits	2,358,972	2,253,550	2,052,396	2,074,069
	4,189,415	3,461,660	3,158,468	3,069,043

The Group and The Company

The application of the share premium account is governed by Sections 69-69F of the Companies Act, Chapter 50.

The capital reserve comprises mainly negative goodwill on consolidation of subsidiaries.

The exchange fluctuation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the operation of the Group and translation of liabilities that hedge the Group's net investment in foreign entities.

The asset revaluation reserve comprises surplus arising from the revaluations of hotel properties.

The unappropriated profits of the Group include profits of \$62,158,000 (2002: losses of \$28,586,000) attributable to associated companies and jointly controlled entities.

30. Revenue

- (a) Revenue of the Company includes property development income, gross rental income, dividend income (including gross dividends from subsidiaries) and hotel income.
- (b) Revenue of the Group includes property development income, income from owning and operating hotels, gross rental income, income from provision of information technology and procurement services, dividend income, project management and consultancy fees, property management fees, club income and net results from sale of investment but excludes intra-group transactions.
- (c) Property development income consists of sale proceeds of commercial and residential properties and in respect of projects under development, an appropriate portion of the contracted sales value on which profits have been recognised under the percentage of completion method.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

30. Revenue (cont'd)

	The Group	
	2003 \$'000	2002 \$'000
Property development	644,679	552,482
Hotel operations	1,461,129	1,491,722
Rental and car park income	179,368	201,764
Gross dividends from investments		
- Fellow subsidiaries		
- Quoted	1,850	631
- Unquoted	1,688	1,688
- Others		
- Quoted equity investments	4,570	422
- Unquoted equity investments	596	364
Others	32,096	39,623
	2,325,976	2,288,696

31. Profit from Operations

The following items have been included in arriving at profit from operations:

	The Group	
	2003 \$'000	2002 \$'000
(a) Other operating income		
Interest income		
- fixed deposits with financial institutions	13,651	12,784
- associated companies	236	1,737
- jointly controlled entities	10,992	15,232
- fellow subsidiaries	34	263
- others	2,072	9,670
Profit on sale of property, plant and equipment	9,755	412
Management fees and miscellaneous income	16,399	15,079
Profit on sale of long-term investments	6,096	-
Exchange gain (net)	5,661	11,768
	64,896	66,945

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

31. Profit from Operations (cont'd)

	The Group	
	2003	2002
	\$'000	\$'000
(b) Staff cost		
Wages and salaries	615,144	541,174
Contributions to defined contribution plans	22,584	55,885
Increase in liability for defined benefit plans	10,340	12,146
(Decrease) / Increase in liability for long service leave	(144)	182
Decrease in liability for short-term accumulating compensated absences	(527)	(989)
Other pension costs	-	14,195
	647,397	622,593
Average number of employees	13,703	13,940
(c) Other expenses		
Non-audit fees		
- auditors of the Company	514	407
- other auditors of the subsidiaries	162	426
Amortisation of deferred financial charges	6,774	7,359
Amortisation of intangible assets	14	14
Allowance for doubtful debts		
- trade	2,202	2,206
- non-trade	13,935	-
Directors' remuneration		
- directors of the Company	5,529	5,396
- other directors	6,861	6,489
Property, plant and equipment written off	466	64,412
Allowance for diminution in value of investments (written back)/made (net)	(1,772)	28
Allowance for foreseeable losses on development properties made/(written back) (net)	47,574	(11,044)
Impairment losses for intangible assets	-	100
Impairment losses for property, plant and equipment	13,522	31,726
Depreciation of property, plant and equipment	166,355	209,267

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

32. Finance Costs

	The Group	
	2003 \$'000	2002 \$'000
Interest expense		
- associated companies	29	-
- jointly controlled entities	587	867
- bonds	53,449	54,322
- banks	122,952	142,398
- others	602	12,251
Total borrowing costs	177,619	209,838
Less:		
Borrowing costs capitalised in development properties and property, plant and equipment	(15,244)	(18,812)
	162,375	191,026

The finance costs have been capitalised at a rate of 0.61% to 1.97% (2002: 0.73% to 6.43%) for development properties and property, plant and equipment.

33. Taxation

	The Group	
	2003 \$'000	2002 \$'000
(a) Tax charge		
Current tax expense		
Current year	27,639	66,556
Overprovision in respect of prior years	(17,793)	(19,815)
Balance carried forward	9,846	46,741

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

33. Taxation (cont'd)

(a) Tax charge (cont'd)

	The Group	
	2003 \$'000	2002 \$'000
Balance brought forward	9,846	46,741
Deferred tax expense		
Movements in temporary differences	(3,303)	(947)
Reduction in tax rates	-	(3,257)
Benefit of tax losses recognised	-	(14,463)
(Over)/Under provision in respect of prior years	(4,712)	5,258
	(8,015)	(13,409)
Share of jointly controlled entities' taxation		
Current year	17,747	10,092
Underprovision in respect of prior years	10,826	-
	28,573	10,092
	30,404	43,424

Reconciliation of effective tax rate

	2003		2002	
	%	\$'000	%	\$'000
The Group				
Profit from ordinary activities before taxation		213,817		243,083
Income tax using Singapore tax rates	22.0	47,040	22.0	53,478
Effect of reduction in tax rates	-	-	(1.3)	(3,257)
Effect of different tax rates in other countries	(0.4)	(961)	4.0	9,675
Tax exempt revenues	(0.2)	(346)	(0.1)	(346)
Income not subject to tax	(4.4)	(9,463)	(5.7)	(13,744)
Expenses not deductible for tax purposes	13.7	29,478	9.3	22,520
Unrecognised deferred tax assets	5.0	10,657	5.8	14,123
Tax effect of losses not allowed to be set off against future taxable profits	0.1	148	-	15
Tax incentives that qualify for double deduction	(4.7)	(10,066)	(5.9)	(14,261)
Utilisation of previously unrecognised deferred tax assets	(11.4)	(24,404)	(4.2)	(10,222)
Overprovision in respect of prior years	(5.5)	(11,679)	(6.0)	(14,557)
	14.2	30,404	17.9	43,424

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

33. Taxation (cont'd)

(b) Deferred taxation

Movements in deferred tax liabilities and assets (prior to offsetting of balances) during the year are as follows:

	Balance at beginning of the year \$'000	Charged/ (Credited) to profit and loss account \$'000	Charged/ (Credited) to reserves \$'000	Transfer from provision for taxation \$'000	Exchange differences on translation \$'000	Balance at end of the year \$'000
The Group						
Deferred tax liabilities						
Property, plant and equipment	444,311	31,540	373,028	11	14,197	863,087
Others	3,089	4,731	-	79	-	7,899
	447,400	36,271	373,028	90	14,197	870,986
Deferred tax assets						
Tax losses	(123,977)	(30,518)	-	-	1,210	(153,285)
Others	(6,297)	(13,768)	-	-	484	(19,581)
	(130,274)	(44,286)	-	-	1,694	(172,866)
The Company						
Property, plant and equipment			19,267	2,977		22,244
Others			2,574	(641)		1,933
			21,841	2,336		24,177

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

33. Taxation (cont'd)

(b) Deferred taxation (cont'd)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The following amounts, determined after appropriate offsetting, are as follows:

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Deferred tax liabilities	698,120	317,126	24,177	21,841

Deferred tax assets have not been recognised in respect of the following items:

	The Group	
	2003 \$'000	2002 \$'000
Deductible temporary differences	129,652	155,241
Tax losses	175,126	176,483
	<u>304,778</u>	<u>331,724</u>

The deductible temporary differences do not expire under current tax legislation. The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. The tax losses with expiry dates are as follows:

	The Group	
	2003 \$'000	2002 \$'000
Expiry dates		
- within 1 to 5 years	5,089	8,490
- after 5 years	4,474	-
	<u>9,563</u>	<u>8,490</u>

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

34. Earnings Per Share

The basic earnings per share is calculated using the following information:

- the net profit for the year of \$152,282,000 (2002: \$151,203,000).
- weighted average number of ordinary shares in issue of 810,987,566 (2002: 801,021,724) shares.

35. Professional Fees

	The Group		The Company	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Professional fees paid to firms of which directors of the Company are members:				
- charged to profit and loss account	156	182	156	180
- included as cost of property, plant and equipment and cost of development properties	81	586	81	586
	<u>237</u>	<u>768</u>	<u>237</u>	<u>766</u>

NOTES TO THE FINANCIAL STATEMENTS

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36. Significant Related Party Transactions

In addition to the transactions set out in note 30, 31 and 35, other significant related party transactions which were entered in the normal course of business were as follows:

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
(a) Rental, management and maintenance services received and receivable from:				
- immediate and ultimate holding company	-	11	-	-
- subsidiaries	-	-	4,270	4,957
- fellow subsidiaries	2,544	2,618	1,403	1,635
- jointly controlled entities	2,728	2,930	1,222	1,271
	5,272	5,559	6,895	7,863
(b) Rental, management and maintenance services paid and payable to:				
- subsidiaries	-	-	7,162	7,915
- fellow subsidiaries	852	1,336	-	-
- jointly controlled entities	735	730	-	-
	1,587	2,066	7,162	7,915
(c) Sale of property to:				
- a fellow subsidiary	1,281	800	1,281	-
- a director and his immediate family	3,833	-	3,833	-
	5,114	800	5,114	-
(d) Sale of property, plant and equipment to a subsidiary	-	-	1,083	-

The pricing for management services was based on agreed terms.

NOTES TO THE FINANCIAL STATEMENTS

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37. Acquisitions of Subsidiaries

- (a) On 31 March 2003, a subsidiary acquired the remaining 60% interest in its associated company, Sunnyvale Partners, Ltd, for a consideration of £2.6 million (approximately S\$7.4 million). The company is engaged in the operation of the Sunnyvale Hotel Four Points, California. In the nine months to 31 December 2003, the company contributed a net loss of £330,000 (approximately S\$943,000) to the consolidated net profit for the year.
- (b) On 25 June 2003, the Company announced that it had entered into a share transfer agreement with its ultimate holding company, Hong Leong Investment Holdings Pte. Ltd. and certain of its subsidiaries (collectively the "Transferors") pursuant to which 120,409,779 shares in Target Realty Limited ("Target") were transferred from the Transferors to certain subsidiaries of the Company (the "Transfer") for an aggregate consideration of \$72,245,867.40 which is equivalent to \$0.60 for each share in Target. As per the Transfer agreement, the purchase consideration was satisfied by the allotment and issuance of 15,536,746 new shares of the Company credited as fully paid-up and ranking *pari passu* in all respects with the existing issued shares of the Company at an issue price of \$4.65, based on the volume-weighted average closing price of shares of the Company on the Singapore Exchange Securities Trading Limited for the 10 market days up to and including the date of the Transfer agreement.

On 17 July 2003, the Company announced that all the conditions precedent to the Transfer had been satisfied and upon completion of the Transfer, the Group's total equity interest in Target increased from 2.419% to 55.493%. Therefore, in compliance with the rules of the Singapore Code on Takeovers and Mergers (the "Code"), the Company made a mandatory unconditional general offer ("Offer") for all the remaining Target shares in issue other than the Target shares already held at the date of the Offer by the Company, its related corporations or the respective nominees of the Company or its related corporations. The consideration under the Offer was a share alternative of 0.13 new shares ("New CDL Shares") in the Company for each Target share ("Share Alternative") or a cash alternative of \$0.62 for each Target share ("Cash Alternative"), thus entitling Target shareholders to accept either the Share Alternative or the Cash Alternative but not a combination of the Share Alternative and the Cash Alternative. The Share Alternative was determined based on the ratio of 15,536,746 new shares in the Company issued in exchange for the 120,409,779 Target shares under the Transfer, arriving at 0.12903226 (the "exchange swap ratio") and rounded to two decimal places. Pursuant to a clarification sought with the Securities Industry Council of Singapore, the offer price under the Cash Alternative was determined by reference to the simple average market price (i.e. the arithmetic average of the highest and lowest traded prices) of the shares of the Company (the "Average CDL Share Price") on 17 July 2003, being the date on which all conditions precedent for the Transfer were satisfied. Accordingly, the price for each Target share under the Cash Alternative was computed by multiplying the Average CDL Share Price on 17 July 2003, which is \$4.82, by a factor of 0.12903226 (being the exchange swap ratio) and rounded to two decimal places.

The directors consider the market price of the Company's shares at each date of the acquisition of the Target shares in exchange for the New CDL Shares under the Offer to be an unreliable indicator of the fair value of the New CDL Shares issued under the Share Alternative as volatility in the traded share prices of the Company at the various dates of the allotment and issue of the New CDL Shares essentially mean that the Target shares bought pursuant to the Offer and hence the underlying assets held by Target are acquired at varying prices which does not reflect the economic substance of the Offer. 17 July 2003 is the date on which the Transfer agreement became unconditional and hence, the date on which the obligation on the part of the Company to make the Offer was triggered under the Code. On that same day, the Company determined the basis for computing the consideration for the Offer under the Share Alternative and the Cash Alternative by reference to the Average CDL Share Price on that date. Accordingly, the Average CDL Share Price on 17 July 2003 is the fair value of the New CDL Shares issued pursuant to the Offer, and also pursuant to the subsequent exercise by dissenting shareholders of Target of their rights under Section 215(3) of the Companies Act to require the Company to acquire their Target shares on the same terms and conditions as the Offer.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

37. Acquisitions of Subsidiaries (cont'd)

The aggregate fair values of the New CDL Shares at each date of allotment or exchange if based on the market price of the Company's shares on such dates is \$4.2 million higher than the aggregate fair value of the New CDL Shares if based on the Average CDL Share Price on 17 July 2003 of \$4.82.

At 31 December 2003, the Group owned 98.72% of Target (2002: 2.42%). The purchase of Target was for \$135.4 million which includes the cash payments made to Target's shareholders, cost of New CDL Shares issued and transaction costs. The acquisition was accounted for using the purchase method. In the five months to 31 December 2003, Target and its subsidiaries contributed a net profit of \$491,000 to the consolidated net profit for the year.

- (c) On 28 July 2003, the Group acquired the remaining 50% interest in its jointly controlled entity, Guilin Park Properties Pte Ltd, for a consideration of \$1. The acquisition was accounted for using the purchase method. In the five months to 31 December 2003, the company contributed a net profit of \$5,665,000 to the consolidated net profit for the year.

The effects of the acquisition of subsidiaries are set out below:

	\$'000
Property, plant and equipment	199,930
Development properties	1,000
Consumable stocks	69
Trade and other receivables	993
Cash and cash equivalents	8,535
Trade and other payables	(26,772)
Provision for taxation	(12,412)
Minority interests	(1,257)
Net identifiable assets and liabilities	170,086
Amounts previously accounted for as financial assets, investments in associated companies and jointly controlled entities	13,539
Purchase consideration	183,625
Consideration by transfer of shares	(123,469)
Cash and cash equivalents acquired	(8,535)
Cash flow on acquisition of subsidiaries	51,621

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

38. Dividends

	The Group and The Company	
	2003 \$'000	2002 \$'000
Final dividend paid of 7.5 cents (2002: 7.5 cents) per share less tax at 22% (2002: 22%)	46,860	46,860

After the balance sheet date, the directors proposed the following dividends, which have not been provided for:

	The Group and The Company	
	2003 \$'000	2002 \$'000
Final dividend proposed of 7.5 cents (2002: 7.5 cents) per share less tax at 22% (2002: 22%)	48,390	46,860
Special dividend proposed of 50 cents (2002: Nil) per share less tax at 22%	322,602	-
	370,992	46,860

39. Commitments

(a) The Group and the Company had the following commitments as at the balance sheet date:

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
(i) Development expenditure contracted but not provided for in the financial statements	235,906	379,011	192,422	285,696
(ii) Capital expenditure contracted but not provided for in the financial statements	26,182	50,258	2,307	-
(iii) Commitment in respect of purchase of properties for which deposits have been paid	151,165	9,402	124,408	-
(iv) Non-cancellable operating lease commitments:				
- Within 1 year	49,279	43,166	-	-
- After 1 year but within 5 years	179,479	159,855	-	-
- After 5 years	545,823	520,144	-	-
	774,581	723,165	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

39. Commitments (cont'd)

(b) In addition, the Group has the following commitments:

- (i) A subsidiary, Republic Hotels & Resorts Limited ("RHR") has an obligation with the relevant authorities in Malaysia to divest its present 100% interest in its subsidiary, Copthorne Orchid Penang Sdn. Bhd., by 49% to Malaysians within a period of 5 years from November 1989. RHR had, in February 2003, obtained an extension for this divestment to 30 June 2006.
- (ii) Under the terms of a management agreement with a third party which expired on 31 December 2003, a subsidiary, CDL Hotels (Korea) Ltd, had an obligation to pay an annual management fee, computed based on a certain percentage of the gross operating profit of the subsidiary. A management fee of KRW2.7 billion (S\$4.1 million) [2002: KRW4.4 billion (S\$6.1 million)] was paid in respect of the current financial year.

The subsidiary has entered into a franchise agreement with a third party, which is effective from 1 January 2004 to 31 December 2008. Under the terms of the franchise agreement, the subsidiary shall pay an annual fee, computed based on a certain percentage of the revenue of the subsidiary.

40. Contingent Liabilities (unsecured)

(a) As at the balance sheet date, the Company has the following indemnities and guarantees:

	The Company	
	2003 \$'000	2002 \$'000
Guarantees issued on behalf of subsidiaries	63,680	58,110
Indemnities given to financial institutions for performance guarantees issued on behalf of subsidiaries	23,830	17,110
	87,510	75,220

(b) The Millennium Hilton, New York closed on 11 September 2001 and reopened on 5 May 2003. Proceeds of US\$56.5 million (approximately S\$98 million) from the insurance claim have been received in respect of the property and business interruption claims.

The business interruption claim is not settled. In January 2003, the insurance company providing the insurance coverage above a US\$10.0 million (approximately S\$17 million) underlying limit took legal action to seek clarification of the period of business interruption cover. The insurer of Millennium & Copthorne Hotels plc ("M&C") group's hotel properties in the United States contends that the hotel is covered for 12 months from the date of the damage and then for six months post reopening; alternatively, the insurer claims that information was withheld from it by M&C's broker which could permit it to rescind its coverage entirely, including in relation to the capital claim. M&C has been advised, by its broker, that the coverage applies to the period until the re-opening plus a 12 month period thereafter.

The board of M&C has taken legal advice and based on this, and its own information, considers that its interpretation of the policy is correct and that the insurer's claims are without merit. Based on the current known facts, legal counsel's view is that the board of M&C may reasonably conclude that the likelihood of the insurance company rescinding the coverage is remote. Consequently, the directors of M&C consider it unlikely that M&C will be required to repay any amounts already received from the insurer and they do not expect the outcome of these proceedings to have any material adverse effect on M&C's financial position. The board of M&C will vigorously defend the action and assert M&C's own claims against the insurers and possibly third parties, and is hopeful that this legal dispute will be resolved during 2004.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

41. Financial Instruments

(a) Financial risk management objectives and policies

Exposure to credit, interest rate and currency risks arise in the normal course of the Group's business activities. The Group's overall objectives and policies focus on managing financial risks by using financial instruments, where appropriate. Use of derivatives are for hedging purposes only against specific exposures and are entered into in a manner consistent with the overall policies of the Group. The Group does not enter into derivative transactions for speculative purposes.

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of these financial assets.

Transactions involving financial instruments are entered into only with counterparties that are of acceptable credit quality.

At the balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to its interest-bearing financial assets and debt obligations. The Group adopts a policy of managing its interest rate exposure by maintaining a mix of debt portfolio with both fixed and floating rates of interest. Where appropriate, the Group uses interest rate swaps and other derivative financial instruments to hedge its interest rate exposure for specific underlying debt obligations.

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at balance sheet date and the periods in which they reprice.

	Note	Effective Interest Rates Per Annum %	Total \$'000	Within 1 year \$'000	1 to 5 years \$'000	After 5 years \$'000
The Group						
2003						
Financial Assets						
Cash and cash equivalents		0.01 to 6.20	447,799	447,799	-	-
Amounts owing by jointly controlled entities	6	0.60 to 7.39	397,134	397,134	-	-
Unquoted investments (current)		0.70	13,267	13,267	-	-
Balance carried forward			858,200	858,200	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

41. Financial Instruments (cont'd)

(a) Financial risk management objectives and policies (cont'd)

Effective interest rates and repricing analysis (cont'd)

	Note	Effective Interest Rates Per Annum %	Total \$'000	Within 1 year \$'000	1 to 5 years \$'000	After 5 years \$'000
The Group						
2003						
Balance brought forward			858,200	858,200	-	-
Financial Liabilities						
Term loans	21					
- secured		1.41 to 6.20	(2,312,447)	(821,452)	(1,490,995)	-
- unsecured		1.00 to 2.15	(795,655)	(795,655)	-	-
Bank loans	19					
- secured		5.80 to 6.00	(783)	(783)	-	-
- unsecured		0.35 to 1.53	(44,082)	(44,082)	-	-
Bank overdrafts	17					
- secured		5.80 to 6.70	(4,092)	(4,092)	-	-
- unsecured		7.20 to 7.50	(419)	(419)	-	-
Finance lease creditors (secured)	22	2.70	(23,232)	(5,015)	(18,217)	-
Bonds and notes	24					
- secured		3.38 to 5.30	(607,280)	(70,000)	(537,280)	-
- unsecured		1.47 to 5.50	(1,069,200)	(251,075)	(708,125)	(110,000)
Amounts owing to jointly controlled entities	6	0.75 to 1.56	(31,165)	(31,165)	-	-
Amounts owing to minority shareholders of certain subsidiaries	23	1.50	(119)	(119)	-	-
			(4,888,474)	(2,023,857)	(2,754,617)	(110,000)
Total			(4,030,274)	(1,165,657)	(2,754,617)	(110,000)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

41. Financial Instruments (cont'd)

(a) Financial risk management objectives and policies (cont'd)

Effective interest rates and repricing analysis (cont'd)

	Note	Effective Interest Rates Per Annum %	Total \$'000	Within 1 year \$'000	1 to 5 years \$'000	After 5 years \$'000
The Group						
2002						
Financial Assets						
Cash and cash equivalents		0.32 to 4.95	419,223	419,223	-	-
Amounts owing by associated companies	5	3.13 to 10.00	8,562	8,562	-	-
Amounts owing by jointly controlled entities	6	0.60 to 7.39	428,775	428,775	-	-
			856,560	856,560	-	-
Financial Liabilities						
Term loans	21					
- secured		1.47 to 7.72	(2,302,263)	(1,825,413)	(476,850)	-
- unsecured		1.00 to 2.15	(861,436)	(783,330)	(78,106)	-
Bank loans	19					
- secured		6.46 to 6.52	(1,749)	(1,749)	-	-
- unsecured		0.54 to 2.27	(106,882)	(106,882)	-	-
Bank overdrafts	17					
- secured		6.28 to 6.92	(3,356)	(3,356)	-	-
- unsecured		7.65 to 7.90	(1,624)	(1,624)	-	-
Finance lease creditors (secured)	22	4.94 to 8.30	(50,725)	(33,027)	(17,698)	-
Bonds and notes	24					
- secured		3.38 to 5.90	(609,968)	(139,968)	(470,000)	-
- unsecured		1.90 to 5.50	(883,351)	(190,351)	(643,000)	(50,000)
Amounts owing to jointly controlled entities	6	1.01 to 1.51	(63,338)	(63,338)	-	-
Amounts owing to minority shareholders of certain subsidiaries	23	1.50 to 5.00	(2,420)	(2,420)	-	-
			(4,887,112)	(3,151,458)	(1,685,654)	(50,000)
Total			(4,030,552)	(2,294,898)	(1,685,654)	(50,000)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

41. Financial Instruments (cont'd)

(a) Financial risk management objectives and policies (cont'd)

Effective interest rates and repricing analysis (cont'd)

	Note	Effective Interest Rates Per Annum %	Total \$'000	Within 1 year \$'000	1 to 5 years \$'000	After 5 years \$'000
<u>The Company</u>						
2003						
Financial Assets						
Cash and cash equivalents		0.01 to 5.15	245,449	245,449	-	-
Amounts owing by subsidiaries	4	0.38 to 1.75	240,950	240,950	-	-
Amounts owing by jointly controlled entities	6	1.50 to 2.50	253,554	253,554	-	-
			<u>739,953</u>	<u>739,953</u>	<u>-</u>	<u>-</u>
Financial Liabilities						
Term loans (unsecured)	21	1.19 to 2.15	(731,975)	(731,975)	-	-
Bank loans (unsecured)	19	0.35 to 1.53	(44,082)	(44,082)	-	-
Bonds and notes (unsecured)	24	1.47 to 5.50	(583,000)	(120,000)	(353,000)	(110,000)
Amounts owing to subsidiaries	4	1.64 to 3.99	(312,778)	(312,778)	-	-
Amounts owing to jointly controlled entities	6	0.75 to 1.56	(31,165)	(31,165)	-	-
			<u>(1,703,000)</u>	<u>(1,240,000)</u>	<u>(353,000)</u>	<u>(110,000)</u>
Total			<u>(963,047)</u>	<u>(500,047)</u>	<u>(353,000)</u>	<u>(110,000)</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

41. Financial Instruments (cont'd)

(a) Financial risk management objectives and policies (cont'd)

Effective interest rates and repricing analysis (cont'd)

	Note	Effective Interest Rates Per Annum %	Total \$'000	Within 1 year \$'000	1 to 5 years \$'000	After 5 years \$'000
The Company						
2002						
Financial Assets						
Cash and cash equivalents		0.63 to 4.60	179,692	179,692	-	-
Amounts owing by subsidiaries	4	0.55 to 5.00	292,359	292,359	-	-
Amounts owing by jointly controlled entities	6	1.50 to 2.50	287,586	287,586	-	-
			<u>759,637</u>	<u>759,637</u>	<u>-</u>	<u>-</u>
Financial Liabilities						
Term loans (unsecured)	21	1.56 to 2.15	(715,199)	(695,199)	(20,000)	-
Bank loans (unsecured)	19	0.54 to 1.90	(102,681)	(102,681)	-	-
Bonds and notes (unsecured)	24	1.90 to 5.50	(570,000)	(147,000)	(373,000)	(50,000)
Amounts owing to subsidiaries	4	1.44 to 3.99	(311,272)	(311,272)	-	-
Amounts owing to jointly controlled entities	6	1.01 to 1.51	(63,338)	(63,338)	-	-
			<u>(1,762,490)</u>	<u>(1,319,490)</u>	<u>(393,000)</u>	<u>(50,000)</u>
Total			<u>(1,002,853)</u>	<u>(559,853)</u>	<u>(393,000)</u>	<u>(50,000)</u>

Foreign currency risk

The Group manages its foreign exchange exposure by a policy of matching receipts and payments, asset purchases and borrowings in each individual currency. Forward foreign exchange contracts are used purely as a hedging tool where an active market for the relevant currencies exists to minimise the Group's exposure to movements in exchange rates on firm commitments and specific transactions.

Wherever necessary, the Group finances its property, plant and equipment purchases by using the relevant local currency cash resources and arranging for bank facilities denominated in the same currency. This enables the Group to limit translation exposure to its balance sheet arising from consolidation of the Group's overseas net assets.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

41. Financial Instruments (cont'd)

(b) Fair values

Recognised financial instruments

The aggregate net fair values of financial assets and liabilities which are not carried at fair values in the balance sheet as at 31 December 2003 are represented in the following table:

	2003		2002	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
The Group				
Financial Assets				
Quoted investments				
- non-current	14,005	28,835	16,283	22,851
- current	13,128	21,468	11,603	14,056
Amounts owing by jointly controlled entities	6,828	6,474	7,083	6,671
	33,961	56,777	34,969	43,578
Financial Liabilities				
Term loans				
- secured	(1,490,995)	(1,383,372)	-	-
- unsecured	(83,680)	(83,780)	(108,106)	(108,264)
Bonds and notes				
- secured	(537,280)	(549,105)	(470,000)	(502,434)
- unsecured	(798,125)	(791,640)	(693,000)	(707,512)
Finance lease creditors (secured)	(18,217)	(18,707)	(50,725)	(54,195)
	(2,928,297)	(2,826,604)	(1,321,831)	(1,372,405)
Total	(2,894,336)	(2,769,827)	(1,286,862)	(1,328,827)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

41. Financial Instruments (cont'd)

(b) Fair values (cont'd)

Recognised financial instruments (cont'd)

The aggregate net fair values of financial assets and liabilities which are not carried at fair values in the balance sheet as at 31 December 2003 are represented in the following table: (cont'd)

	2003		2002	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
The Company				
Financial Assets				
Quoted investments (non-current)	10,917	24,247	12,195	18,312
Amount owing by a subsidiary	11,597	11,701	-	-
	22,514	35,948	12,195	18,312
Financial Liabilities				
Term loans (unsecured)	(20,000)	(20,039)	(50,000)	(50,095)
Bonds and notes (unsecured)	(443,000)	(450,485)	(423,000)	(451,442)
	(463,000)	(470,524)	(473,000)	(501,537)
Total	(440,486)	(434,576)	(460,805)	(483,225)

The fair value of non-current quoted securities is their quoted bid price at the balance sheet date. The fair value of non-current unquoted securities has not been determined as there is a lack of information to estimate such fair value and excessive costs may be incurred. For other financial instruments, fair value has been determined by discounting the relevant cash flows using current interest rates for similar instruments at the balance sheet date.

The amounts owing by jointly controlled entities are carried in excess of their net fair values as these relate to non-interest bearing long term loans. The amounts have not been written down because management does not intend to demand for repayment in the near future.

Except as disclosed above, the fair values of other financial assets and liabilities approximate their carrying amounts.

At the end of the financial year, the Group has no significant exposure to unrecognised financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

42. Changes in Accounting Policies and Estimates

In prior years, the Group stated all of its property, plant and equipment at cost less accumulated depreciation and impairment losses. With effect from 1 January 2003, the Group changed its accounting policy to state its hotel properties at cost or subsequent revaluation less accumulated depreciation and impairment losses.

The valuations of the hotel properties were based on the carrying amounts of the hotel properties of its hotel subsidiary, Millennium & Copthorne Hotels plc ("M&C") which are reflective of the fair values of the hotel properties. The accounting policy for M&C is to state the hotel properties at cost or subsequent valuation less accumulated depreciation and impairment losses. The revaluation of the hotel properties by M&C is performed with sufficient regularity as one-third of the entire portfolio of hotel properties are revalued annually by external professional valuers. All hotel properties are subject to annual impairment reviews by M&C. Accordingly, the directors concluded the carrying values of the hotel properties at M&C Group as at 1 January 2003 to be the basis of valuation for the hotel properties held by the Group.

For hotel properties that were subject to external professional valuation on an existing use basis, the valuers for 2002 are as follows:

Region	Valuer
USA	PKF Consulting
Europe	Insignia Richard Ellis
Asia	CB Richard Ellis and DTZ Debenham Tie Leung
Australia and New Zealand	CB Richard Ellis

Resulting from the change in accounting policy, an asset revaluation reserve was recognised:

	The Group \$'000	The Company \$'000
Asset revaluation reserve	461,426	855

Consequential to the change in accounting policy for hotel properties, the Group also re-evaluated the residual value of the core component of the hotel buildings. With this re-evaluation, the directors have concluded that the estimates of the residual values used by M&C are appropriate for use by the Group as this will better reflect the value of the core and non-core components of the hotel properties. M&C had ascribed residual values to the hotel properties, depending on the nature, location and tenure of each hotel property. No residual values are ascribed to building surfaces finishes and services.

These changes have the following impact on the net profit for the year:

	The Group \$'000
Net profit before changes in accounting policy and estimates on hotel properties	131,355
Effect of changes	20,927
Net profit for the year	152,282

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

43. Segment Reporting

(a) Business Segments

	Property Development \$'000	Hotel Operations \$'000	Rental Properties \$'000	Others \$'000	Total \$'000
2003					
Revenue	644,679	1,461,129	179,368	40,800	2,325,976
Segment results	37,100	23,595	31,879	13,945	106,519
Share of loss of associated companies	-	(78)	-	-	(78)
Share of profit of jointly controlled entities	5,746	3,228	98,066	336	107,376
	42,846	26,745	129,945	14,281	213,817
Taxation					(30,404)
Minority interests					(31,131)
Net profit for the year					152,282
<i>Significant Non-Cash Transactions</i>					
Depreciation	1,954	114,663	47,014	2,724	166,355
Amortisation	171	5,126	1,456	35	6,788
Impairment losses	-	-	13,522	-	13,522
2002					
Revenue	552,482	1,493,982	201,764	40,468	2,288,696
Segment results	130,316	68,755	31,481	2,708	233,260
Share of loss of associated companies	-	(1,049)	-	-	(1,049)
Share of profit/(loss) of jointly controlled entities	20,474	4,511	(12,907)	(1,206)	10,872
	150,790	72,217	18,574	1,502	243,083
Taxation					(43,424)
Minority interests					(48,456)
Net profit for the year					151,203
<i>Significant Non-Cash Transactions</i>					
Depreciation	2,515	159,063	44,522	3,167	209,267
Amortisation	302	4,448	1,291	1,332	7,373
Impairment losses	-	4,000	27,726	100	31,826

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

43. Segment Reporting (cont'd)

(a) Business Segments (cont'd)

	Property Development \$'000	Hotel Operations \$'000	Rental Properties \$'000	Others \$'000	Total \$'000
2003					
<i>Assets and Liabilities</i>					
Segment assets	2,925,818	6,778,054	3,070,277	284,904	13,059,053
Segment liabilities	1,145,245	2,755,658	1,560,475	151,224	5,612,602
Capital expenditure	14,521	85,827	8,134	1,934	110,416
2002					
<i>Assets and Liabilities</i>					
Segment assets	2,693,675	5,154,713	2,958,513	461,563	11,268,464
Segment liabilities	1,195,094	2,419,982	1,848,613	119,630	5,583,319
Capital expenditure	9,872	88,206	11,478	2,115	111,671

(b) Geographical Segments

	East and South East Asia \$'000	North America and Europe \$'000	Australia and New Zealand \$'000	Total \$'000
2003				
Revenue	1,185,486	970,562	169,928	2,325,976
Segment assets	8,288,546	4,244,036	526,471	13,059,053
Capital expenditure	34,294	61,413	14,709	110,416
2002				
Revenue	1,158,010	973,661	157,025	2,288,696
Segment assets	7,189,627	3,665,771	413,066	11,268,464
Capital expenditure	37,641	59,723	14,307	111,671

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

44. Subsidiaries

The following are the Company's subsidiaries:

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(i) Direct subsidiaries				
* Allinvest Holding Pte Ltd/Property owner	Singapore	Ordinary	100	100
* Aston Properties Pte Ltd/Property owner and developer and investment holding	Singapore	Ordinary	100	100
* Baynes Investments Pte Ltd/Investment holding	Singapore	Ordinary	100	100
^ CDL Bangkok Limited/Investment holding	Malaysia	Ordinary	100	–
* CDL Land Pte Ltd/Property owner	Singapore	Ordinary	100	100
* CDL Properties Ltd/Property owner and investment holding	Singapore	Ordinary	100	100
* Cairns Garden Development Pte Ltd/Property owner and developer	Singapore	Ordinary	90	60
* Central Mall Pte Ltd/Property owner	Singapore	Ordinary	100	100
* Chester Properties Pte Ltd/ Property owner and developer	Singapore	Ordinary	100	100
* Cideco Pte. Ltd./Property owner	Singapore	Ordinary	100	100
* City Capital Corporation Pte Ltd/Property owner	Singapore	Ordinary	100	100
* City Centrepoint Pte Ltd/Property owner	Singapore	Ordinary	100	100
* City Condominiums Pte Ltd/ Property owner and developer	Singapore	Ordinary	100	100
^ Citydev (Labuan) Holdings Limited/Investment holding	Malaysia	Ordinary	100	100

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31 December 2003

44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(i) Direct subsidiaries (cont'd)				
* Citydev Properties Pte Ltd/Investment holding	Singapore	Ordinary	100	100
* City Developments Realty Limited/ Investment in shares	Singapore	Ordinary	100	100
^ City (Labuan) Holdings Limited/ Investment holding	Malaysia	Ordinary	100	100
* City Port Development Pte Ltd/ Investment holding	Singapore	Ordinary	100	100
* City Project Management Pte Ltd/ Provision of project management and consultancy services	Singapore	Ordinary	100	100
* Cliffmont Pte Ltd/Property owner and developer	Singapore	Ordinary	100	100
* Darfera Pte Ltd/Property owner and developer	Singapore	Ordinary	100	100
* Eccott Pte Ltd/Investment holding and property owner	Singapore	Ordinary	100	100
*** Educado Company Limited/Investment in shares	Hong Kong	Ordinary	100	100
* Elishan Investments Pte Ltd/Property owner	Singapore	Ordinary	100	100
* Elite Holdings Private Limited/ Property owner and developer	Singapore	Ordinary	100	100
^ eMpire Investments Limited/Investment holding	Bermuda	Ordinary	100	100
* Eton Properties Pte Ltd/Investment holding	Singapore	Ordinary	100	100
* Faber-Rhine Properties Pte Ltd/ Property owner and developer and long-term investment holding	Singapore	Ordinary	100	100

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44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(i) Direct subsidiaries (cont'd)				
* Grand Waterfront Pte Ltd/Management company	Singapore	Ordinary	100	100
* Guan Realty (Private) Limited/ Property owner and investment holding	Singapore	Ordinary	100	100
* Guilin Park Properties Pte Ltd/ Long-term investment holding	Singapore	Ordinary	100	50
* Highgrove Investments Pte Ltd/Property owner	Singapore	Ordinary	100	100
* Hong Leong Properties Pte. Limited/ Property owner	Singapore	Ordinary	100	100
* Island City Garden Development Pte. Ltd./ Property owner and developer and investment holding	Singapore	Ordinary	100	100
* Le Grove Management Pte Ltd/ Property management	Singapore	Ordinary	100	100
** Lingo Enterprises Limited/Property owner	Hong Kong/ Singapore	Ordinary	100	100
* Montville Investments Pte Ltd/ Property sales and ownership	Singapore	Ordinary	80	60
** Palmerston Holdings Sdn. Bhd./ Property owner and developer	Malaysia	Ordinary Preference	51 100	51 100
* Richview Holdings Pte Ltd/Investment holding	Singapore	Ordinary	100	100
* Singapura Developments (Private) Limited/ Property owner and developer and investment holding	Singapore	Ordinary	100	100

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(i) Direct subsidiaries (cont'd)				
* Target Realty Limited/Property owner and developer and investment holding	Singapore	Ordinary	99	2
* Sunshine Plaza Pte Ltd/ Property owner and developer	Singapore	Ordinary	100	100
** Union Chain Investment Limited/ Investment holding	Hong Kong	Ordinary	100	100
(ii) Indirect subsidiaries				
[^] WREP Urban Pool Investors, L.L.C./Investment holding	United States of America	LLC Interest	99	–
Subsidiary of eMpire Investments Limited				
* City e-Solutions Limited/Investment holding and provision of consultancy services	Cayman Islands/ Hong Kong	Ordinary	52	52
Subsidiary of Baynes Investments Pte Ltd				
^{^^} Tagore Warehouse Holdings Pte. Ltd./Property investment holding	Singapore	Ordinary	100	–
Subsidiaries of City e-Solutions Limited				
** CDL Nominees Limited/Nominee holding	Hong Kong	Ordinary	52	52
** Chancery Limited/Investment holding	Hong Kong	Ordinary	52	52

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31 December 2003

44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(ii) Indirect subsidiaries (cont'd)				
Subsidiaries of City e-Solutions Limited (cont'd)				
* CDL Hotels (Singapore) Pte Ltd/Hotel and resort management	Singapore	Ordinary	52	52
^ SWAN Holdings Limited/ Investment holding	Bermuda	Ordinary	52	52
Subsidiaries of SWAN Holdings Limited				
** SWAN Inc./Investment holding and provision of hospitality related services	United States of America	Common Stock	52	52
** Swan Risk Services Ltd./ Provision of risk management services	Bermuda	Ordinary	52	52
Subsidiary of SWAN Inc.				
** Sceptre Hospitality Resources, Inc./ Provision of reservation system services	United States of America	Common Stock	52	52
Subsidiaries of Singapura Developments (Private) Limited				
* Bloomsville Investments Pte Ltd/Property owner and developer and investment holding	Singapore	Ordinary	100	100
* City Building Management Pte Ltd/ Building maintenance, security guard services and related services	Singapore	Ordinary	100	100
^^ City Sunshine Holdings Pte. Ltd./ Property investment holding	Singapore	Ordinary	100	-
* Citydev Investments Pte. Ltd. (formerly known as Golden Rajah Restaurant (Private) Limited)/ Investment holding	Singapore	Ordinary	100	100

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(ii) Indirect subsidiaries (cont'd)				
Subsidiaries of Singapura Developments (Private) Limited (cont'd)				
** Millennium & Copthorne Hotels plc/ Investment holding	United Kingdom	Ordinary	52	52
* Trans Oil Pte Ltd/Investment holding	Singapore	Ordinary	100	@
Subsidiaries of Target Realty Limited				
* The Corporate Office Pte Ltd/Property holding	Singapore	Ordinary	99	-
* The Office Chamber Pte Ltd/Property holding	Singapore	Ordinary	99	-
* 100G Pasir Panjang Road Pte Ltd/Property holding	Singapore	Ordinary	99	-
* North Bridge Commercial Complex Pte Ltd/Property holding	Singapore	Ordinary	99	-
* The Corporate Building Pte Ltd/Property holding	Singapore	Ordinary	99	-
* 496 North Bridge Road Pte Ltd/Property holding	Singapore	Ordinary	99	-
Subsidiary of City Building Management Pte Ltd				
* Empire City Consultant Pte Ltd/Estate management	Singapore	Ordinary	100	100
Subsidiaries of Millennium & Copthorne Hotels plc				
^ M&C Hotels Holdings USA Limited/Investment holding	Cayman Islands/ United States of America	Ordinary	52	52
** Copthorne Hotel Holdings Limited/Investment holding	United Kingdom	Ordinary	52	52
** Millennium & Copthorne Share Trustees Limited/ Share trustee company	United Kingdom	Ordinary	52	52

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(ii) Indirect subsidiaries (cont'd)				
Subsidiaries of Millennium & Copthorne Hotels plc (cont'd)				
** Millennium Hotel Holdings EMEA Limited/Investment holding	United Kingdom	Ordinary	52	–
** Millennium Hotels London Limited/Investment holding	United Kingdom	Ordinary	52	52
** Millennium & Copthorne (Austrian Holdings) Limited/ Investment holding	United Kingdom	Ordinary	52	52
Subsidiary of Millennium & Copthorne Hotels plc, also held as an associated company of ATOS Holding AG, a wholly-owned subsidiary of Millennium & Copthorne (Austrian Holdings) Limited				
** M&C Hotels Holdings Limited/Investment holding	United Kingdom	Ordinary	52	52
Subsidiaries of Millennium Hotel Holdings EMEA Limited				
** Millennium Hotels & Resorts Services Limited/ Investment holding	United Kingdom	Ordinary	52	–
** Millennium Partnercard Services Limited/ Investment holding	United Kingdom	Ordinary	52	–
Indirect subsidiary of Millennium & Copthorne Hotels plc, which is held as an associated company of Copthorne Hotel Holdings Limited and Copthorne Hotels Limited				
** M&C Hotels Partnership France SNC (formerly known as M&C Hotels Partnership)/Investment holding	France	N.A.	52	52
Subsidiaries of M&C Hotels Partnership France SNC				
** Millennium CDG Paris SAS (formerly known as Copthorne Hotel (Roissy) SA)/Hotel operator	France	Ordinary	52	52

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31 December 2003

44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(ii) Indirect subsidiaries (cont'd)				
Subsidiaries of M&C Hotels Partnership France SNC (cont'd)				
** M&C Hotels France SAS (formerly known as M&C Hotels France SA)/Hotel owner	France	Ordinary	52	52
** Millennium Opéra Paris SAS (formerly known as Millennium Opéra Paris SA)/Hotel operator	France	Ordinary	52	52
Subsidiaries of M&C Hotels Holdings USA Limited				
** M & C (CB) Limited/Investment company	United Kingdom	Ordinary	52	52
** M & C (CD) Limited/Investment company	United Kingdom	Ordinary	52	52
** M & C Management Services (USA) Inc./ Management services company	United States of America	Common Stock	52	52
Subsidiary of M & C (CB) Limited, M & C (CD) Limited and M & C Management Services (USA) Inc.				
** M & C Holdings Delaware Partnership/Property investment holding and investment company	United States of America	N.A.	52	52
Subsidiary of M & C Holdings Delaware Partnership				
** CDL Hotels USA, Inc./Hotel investment holding company	United States of America	Common Stock & Preferred Stock	52	52
Subsidiaries of CDL Hotels USA, Inc.				
** CDL Management L.L.C./Hotel management	United States of America	LLC Interest	52	52
** CDL (New York) L.L.C./Hotel owner	United States of America	LLC Interest	52	52

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31 December 2003

44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(ii) Indirect subsidiaries (cont'd)				
Subsidiaries of CDL Hotels USA, Inc. (cont'd)				
** CDL (NYL) Limited/Investment holding	United States of America	Common Stock	52	52
** CDL West 45th Street L.L.C./ Hotel owner and operator	United States of America	LLC Interest	52	52
** M&C Colorado Hotel Corporation/ Holding company	United States of America	Common Stock	52	52
** Richfield Holdings Corporation I/ Holding company	United States of America	Common Stock & Preferred Stock	52	52
** Regal Grand Holdings Corporation I/ Holding company	United States of America	Common Stock	52	52
** Gateway Holdings Corporation I/ Holding company	United States of America	Common Stock	52	52
** RHM Holdings Corporation I/ Holding company	United States of America	Common Stock & Preferred Stock	52	52
** RHI Boston Holdings Corporation I/ Holding company	United States of America	Common Stock	52	52
Subsidiary of Richfield Holdings Corporation I				
** Richfield Holdings Corporation II/ Holding company	United States of America	Common Stock	52	52
Subsidiary of Richfield Holdings Corporation II				
** Richfield Holdings, Inc./Holding company	United States of America	Common Stock & Preferred Stock	52	52

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(ii) Indirect subsidiaries (cont'd)				
Subsidiaries of Richfield Holdings, Inc.				
** Regal Hotels International (USA), Inc./ Holding company	United States of America	Common Stock	52	52
** Richfield SPE, Inc./Single purpose entity	United States of America	Common Stock	52	52
** M&C Hotel Interests, Inc./Hotel management	United States of America	Common Stock	52	52
** AIRCOA Equity Interests, Inc./Holding company	United States of America	Common Stock	52	52
Subsidiaries of M&C Hotel Interests, Inc.				
** MHM, Inc./Hotel management	United States of America	Common Stock	52	52
** Richfield Hawaiian Management, Inc./ Holding company	United States of America	Common Stock	52	52
** AIRCOA Hospitality Services, Inc./Holding company	United States of America	Common Stock	52	52
** Park Plaza Hotel Corporation/ Holding company	United States of America	Common Stock & Preferred Stock	52	52
Subsidiaries of AIRCOA Hospitality Services, Inc.				
** St. Louis Operating, Inc./Liquor licence holder	United States of America	Common Stock	52	52
** AIRCOA GP Corporation/Hotel ownership	United States of America	Common Stock	52	52
** Anchorage Lakefront Limited Partnership/ Hotel ownership	United States of America	N.A.	52	52
Subsidiary of AIRCOA GP Corporation				
** Lakeside GP Corporation/Holding company	United States of America	Common Stock	52	52

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44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(ii) Indirect subsidiaries (cont'd)				
Subsidiary of Park Plaza Hotel Corporation				
** Trimark Hotel Corporation/Hotel owner and operator	United States of America	Common Stock & Preferred Stock	52	52
Subsidiary of Trimark Hotel Corporation				
** Trimark Management, Inc./Hotel management	United States of America	Common Stock	52	52
Subsidiaries of AIRCOA Equity Interests, Inc.				
** Wynfield GP Corporation/Hotel ownership	United States of America	Common Stock	52	52
** Harvest Associates, Inc./Holding company	United States of America	Common Stock	52	52
** Newpart, L.P./Holding company	United States of America	N.A.	39	39
** Sunnyvale Partners, Ltd/Hotel ownership	United States of America	N.A.	52	21
Subsidiary of Wynfield GP Corporation				
** Wynfield One, Ltd./Holding company	United States of America	N.A.	52	52
Subsidiary of Wynfield One, Ltd.				
** RHM Wynfield LLC/Hotel ownership	United States of America	LLC Interest	52	52
Subsidiary of Harvest Associates, Inc.				
** Boulder Hotel Associates, Ltd./Holding company	United States of America	N.A.	52	51
Subsidiary of Newpart, L.P.				
** CAMBFS Co./Holding company	United States of America	N.A.	40	40

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44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(ii) Indirect subsidiaries (cont'd)				
Indirect subsidiary of AIRCOA Equity Interests, Inc., which is held as associated company of Newport, L.P. and Boulder Hotel Associates, Ltd.				
** BHA-Stonehouse Associates/Holding company	United States of America	N.A.	45	45
Subsidiaries of BHA-Stonehouse Associates				
** Regal Harvest House GP Corporation/ Holding company	United States of America	Common Stock	45	45
** Regal Harvest House LP/Hotel ownership	United States of America	N.A.	45	45
Subsidiary of Regal Harvest House LP				
** RHH Operating LLC/Hotel owner	United States of America	LLC Interest	45	45
Subsidiary of Regal Grand Holdings Corporation I				
** Regal Grand Holdings Corporation II/ Holding company	United States of America	Common Stock	52	52
Subsidiary of Regal Grand Holdings Corporation II				
** Regal Grand Avenue, Inc./Holding company	United States of America	Common Stock	52	52
Subsidiaries of Regal Grand Avenue, Inc.				
** Regal Grand SPE, Inc./Single purpose entity	United States of America	Common Stock	52	52
** WHB Corporation/Holding company	United States of America	Common Stock	52	52
Subsidiaries of WHB Corporation				
** Biltmore Place Operations Corp./ Liquor licence holder	United States of America	Common Stock	52	52
** S.S. Restaurant Corporation/ Liquor licence holder	United States of America	Common Stock	52	52

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31 December 2003

44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(ii) Indirect subsidiaries (cont'd)				
Subsidiaries of WHB Corporation (cont'd)				
** WHB Biltmore LLC/Hotel owner	United States of America	LLC Interest	52	52
Subsidiary of Gateway Holdings Corporation I				
** Gateway Holdings Corporation II/Holding company	United States of America	Common Stock	52	52
Subsidiary of Gateway Holdings Corporation II				
** Gateway Hotel Holdings, Inc./Hotel ownership	United States of America	Common Stock	52	52
Subsidiaries of Gateway Hotel Holdings, Inc.				
** Gateway Regal Holdings LLC/Hotel owner	United States of America	LLC Interest	52	52
** Gateway SPE, Inc./Single purpose entity	United States of America	Common Stock	52	52
Subsidiary of RHM Holdings Corporation I				
** RHM Holdings Corporation II/Holding company	United States of America	Common Stock	52	52
Subsidiary of RHM Holdings Corporation II				
** Regal Hotel Management, Inc./ Holding company	United States of America	Common Stock & Preferred Stock	52	52
Subsidiaries of Regal Hotel Management, Inc.				
** AIRCOA Hotel Partners, L.P./ Holding company	United States of America	N.A.	52	52
** Chicago Hotel Holdings, Inc./ Hotel ownership	United States of America	Common Stock	52	52
** Cincinnati Regal S.I. LLC/ Holding company	United States of America	LLC Interest	52	52
** Five Star Assurance, Inc./ Captive insurance company	United States of America	Common Stock	52	52

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44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(ii) Indirect subsidiaries (cont'd)				
Subsidiaries of Regal Hotel Management, Inc. (cont'd)				
** RHM SPE, Inc./Single purpose entity	United States of America	Common Stock	52	52
** RHM Management, LLC/Hotel ownership	United States of America	LLC Interest	52	52
** RHM-88, LLC/Hotel ownership	United States of America	LLC Interest	52	52
** Richfield Plaza, Inc./Owner of office building	United States of America	Common Stock	52	52
Subsidiary of Cincinnati Regal S.I. LLC				
** Cincinnati S.I. Co./Hotel owner	United States of America	N.A.	51	51
Subsidiaries of AIRCOA Hotel Partners, L.P.				
** Durham Operating Partnership, L.P./ Hotel ownership	United States of America	N.A.	52	52
** Fourwinds Operating Partnership, L.P./ Hotel ownership	United States of America	N.A.	52	52
** Lakeside Operating Partnership, L.P./ Hotel ownership	United States of America	N.A.	52	52
** McCormick Ranch Operating Partnership, L.P./ Hotel ownership	United States of America	N.A.	52	52
Subsidiaries of Five Star Assurance, Inc.				
** Aurora Inn Operating Partnership, L.P./ Hotel ownership	United States of America	N.A.	52	52
** Buffalo Operating Partnership, L.P./ Hotel ownership	United States of America	N.A.	52	52
** Avon Wynfield Inn, Ltd./Hotel ownership	United States of America	N.A.	52	52

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44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(ii) Indirect subsidiaries (cont'd)				
Subsidiary of Aurora Inn Operating Partnership, L.P.				
** RHM Aurora LLC/Hotel ownership	United States of America	LLC Interest	52	52
Subsidiary of Buffalo Operating Partnership, L.P.				
** Buffalo RHM Operating LLC/Hotel owner	United States of America	LLC Interest	52	52
Subsidiary of Avon Wynfield Inn, Ltd.				
** Avon Wynfield LLC/Hotel owner	United States of America	LLC Interest	52	52
Subsidiary of Fourwinds Operating Partnership, L.P.				
** Fourwinds Operating LLC/Hotel owner	United States of America	LLC Interest	52	52
Subsidiaries of McCormick Ranch Operating Partnership, L.P.				
** RHM Ranch LLC/Hotel owner	United States of America	LLC Interest	52	52
** Four Peaks Management Company/Arizona condominium management	United States of America	Common Stock	52	52
Subsidiary of RHI Boston Holdings Corporation I				
** RHI Boston Holdings Corporation II/ Holding company	United States of America	Common Stock	52	52
Subsidiary of RHI Boston Holdings Corporation II				
** Millenium Bostonian, Inc./Holding company	United States of America	Common Stock	52	52
Subsidiary of Millenium Bostonian, Inc.				
** Bostonian Hotel Limited Partnership/ Hotel owner	United States of America	N.A.	52	52

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44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(ii) Indirect subsidiaries (cont'd)				
Subsidiaries of Copthorne Hotel Holdings Limited				
** Copthorne Aberdeen Limited/Hotel operator	United Kingdom	Ordinary	44	43
** Copthorne Hotel (Aberdeen) Limited/ Hotel management	United Kingdom	Ordinary	52	52
** Copthorne Hotel (Birmingham) Limited/ Hotel operator	United Kingdom	Ordinary	52	52
** Copthorne Hotel (Cardiff) Limited/Hotel operator	United Kingdom	Ordinary	52	52
** Copthorne Hotel (Effingham Park) Limited/ Hotel operator	United Kingdom	Ordinary	52	52
** Copthorne Hotel (Gatwick) Limited/Hotel operator	United Kingdom	Ordinary & Deferred	52	52
** Copthorne Hotels Limited/Hotel management	United Kingdom	Ordinary	52	52
** Copthorne Hotel (Merry Hill) Limited/Hotel operator	United Kingdom	Ordinary	52	52
** Copthorne Hotel (Plymouth) Limited/Hotel operator	United Kingdom	Ordinary	52	52
** Diplomat Hotel Holding Limited/ Investment holding	United Kingdom	Ordinary	52	52
** London Tara Hotel Limited/Hotel operator	United Kingdom	Ordinary	52	52
** M&C Hotels France Management SARL/ Management company	France	Ordinary	52	52
** Copthorne Hotel (Manchester) Limited (formerly known as Wharfside Hotels plc)/ Hotel operator	United Kingdom	Ordinary	52	52

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44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(ii) Indirect subsidiaries (cont'd)				
Subsidiaries of Copthorne Hotel Holdings Limited (cont'd)				
** Copthorne Hotel (Newcastle) Limited/Hotel operator	United Kingdom	Ordinary	49	49
** Copthorne Hotel (Slough) Limited/Hotel operator	United Kingdom	Ordinary	52	52
** Tara Hotels Deutschland GmbH/ Hotel investment holding company	Germany	Ordinary	52	52
Subsidiary of Copthorne Hotels Limited				
** Copthorne (Nominees) Limited/ Investment holding	United Kingdom	Ordinary	52	52
Subsidiaries of Copthorne (Nominees) Limited				
** Copthorne Hotel (Ireland) Limited/ Investment holding (dissolved during the year)	Ireland	Ordinary	-	52
** Copthorne Hotels (Development) Limited/ Provision of technical services for hotel development (dissolved during the year)	Ireland	Ordinary	-	52
Subsidiary of Copthorne Hotel (Merry Hill) Limited				
** Copthorne Hotel (Merry Hill) Construction Limited/Hotel developer	United Kingdom	Ordinary	52	52
Subsidiary of Diplomat Hotel Holding Limited				
** Archyfield Limited/Hotel operator	United Kingdom	Ordinary	52	52
Subsidiary of London Tara Hotel Limited				
** Copthorne Properties Limited/Property holding	United Kingdom	Ordinary	52	52

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44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(ii) Indirect subsidiaries (cont'd)				
Subsidiaries of Tara Hotels Deutschland GmbH				
** Millennium Hotel Stuttgart GmbH/ Hotel and food and beverage operator	Germany	Ordinary	52	52
** Stuttgart International Hotel Betriebsgesellschaft mbH/Hotel developer and operator (in liquidation)	Germany	Ordinary	39	39
** Tara Hotel Hannover GmbH/Hotel operator	Germany	Ordinary	52	52
Subsidiary of Millennium Hotel Stuttgart GmbH				
** SI-Erlebris-Centrum Stuttgart GmbH/Marketing company	Germany	Ordinary	52	-
Subsidiary of Stuttgart International Hotel Betriebsgesellschaft mbH				
** SI Komplex II Gastronomiebetriebsgesellschaft mbH/Restaurant operator (in liquidation)	Germany	Ordinary	39	39
Subsidiaries of Millennium Hotels London Limited				
** Millennium Hotels Limited/Investment holding	United Kingdom	Ordinary	52	52
** CDL Hotels (Baileys) Limited/Hotel owner and operator	United Kingdom	Ordinary	52	52
** CDL Hotels (Chelsea) Limited/Hotel operator	United Kingdom	Ordinary	52	52
** CDL Hotels (U.K.) Limited/Hotel operator	United Kingdom	Ordinary	52	52
Subsidiary of Millennium Hotels Limited				
** London Britannia Hotel Limited/Hotel operator	United Kingdom	Ordinary	52	52

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44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(ii) Indirect subsidiaries (cont'd)				
Subsidiary of CDL Hotels (Chelsea) Limited				
** Millennium Chelsea Hotel Limited/Restaurant operator	United Kingdom	Ordinary	52	52
Subsidiaries of Millennium & Copthorne (Austrian Holdings) Limited				
** ATOS Holding AG/Investment holding	Austria	Ordinary	52	52
** M & C (BB) Limited/Investment company	United Kingdom	Ordinary	52	52
** M & C (BC) Limited/Investment company	United Kingdom	Ordinary	52	52
Subsidiaries of ATOS Holding AG				
* CDL Entertainment & Leisure Pte Ltd/Provision of management services and investment holding	Singapore	Ordinary	52	52
** CDL Hotels (Malaysia) Sdn. Bhd./Hotel owner and operator	Malaysia	Ordinary & Preference	52	52
* Hong Leong International Hotel (Singapore) Pte. Ltd./Investment holding	Singapore	Ordinary	51	51
* Hong Leong Hotels Pte Ltd./Investment holding	Cayman Islands/ Hong Kong	Ordinary & Preference	52	52
* Millennium & Copthorne International Limited/Hotels and resorts management	Singapore	Ordinary	52	52
* TOSCAP Limited/Investment holding	Singapore	Ordinary	52	52
Subsidiary of CDL Entertainment & Leisure Pte Ltd				
**** CDL Hotels (Phils.) Corporation/Management and consultancy services	Philippines	Ordinary	52	52

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44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(ii) Indirect subsidiaries (cont'd)				
Subsidiary of Hong Leong International Hotel (Singapore) Pte. Ltd.				
** Hong Leong Hotel Development Limited/ Hotel owner and operator	Taiwan	Ordinary	42	42
Subsidiaries of Hong Leong Hotels Pte Ltd.				
**** The Philippine Fund Limited/Investment holding	Bermuda/ Philippines	Ordinary	31	31
** First 2000 Limited/ Investment holding	Hong Kong	Ordinary	52	52
Subsidiary of The Philippine Fund Limited, also held as an associated company of Zatrio Pte Ltd, a wholly-owned subsidiary of Republic Hotels & Resorts Limited				
**** Grand Plaza Hotel Corporation/Hotel owner and operator and investment holding	Philippines	Ordinary	34	34
Subsidiary of First 2000 Limited				
** CDL Hotels Holdings New Zealand Limited/ Investment holding	New Zealand	Ordinary & Preference	52	52
Subsidiary of CDL Hotels Holdings New Zealand Limited				
** CDL Hotels New Zealand Limited/Investment holding, property development, hotel and marina operations	New Zealand	Ordinary	37	37
Subsidiaries of CDL Hotels New Zealand Limited				
** All Seasons Hotels & Resorts Limited/Name-holding	New Zealand	Ordinary	37	37
** CDL Investments New Zealand Limited/ Property investment and development	New Zealand	Ordinary	23	22
** Context Securities Limited/Joint venture entity	New Zealand	Ordinary & Preference	37	37

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44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(ii) Indirect subsidiaries (cont'd)				
Subsidiaries of CDL Hotels New Zealand Limited (cont'd)				
** Kingsgate International Corporation Limited/ Investment holding	New Zealand	Ordinary	19	19
** Millennium & Copthorne Hotels Limited/Name-holding	New Zealand	Ordinary	37	37
** Quantum Limited/Holding company	New Zealand	Ordinary	26	26
Subsidiaries of CDL Investments New Zealand Limited				
** CDL Land New Zealand Limited/Property investment and development	New Zealand	Ordinary & Preference	23	22
** LPL Group Limited/Holding company	New Zealand	Ordinary	23	22
Subsidiaries of LPL Group Limited				
** Knight Frank (NZ) Limited/Property services (dissolved during the year)	New Zealand	Ordinary	-	22
** Landcorp Property Limited/Lessee company	New Zealand	Ordinary	23	22
Subsidiaries of Kingsgate International Corporation Limited				
** Kingsgate Holdings Pty. Ltd./Holding company	Australia	Ordinary	19	19
** Kingsgate Hotels Limited/Hotel owner and operator	New Zealand	Ordinary	19	19
Subsidiaries of Kingsgate Holdings Pty. Ltd.				
** Kingsgate Investments Pty. Ltd./Hotel and shopping centre operator company	Australia	Ordinary	19	19
** Millennium & Copthorne Hotels Pty Ltd (formerly known as Millennium Hotels & Resorts Pty. Ltd.)/ Name-holding	Australia	Ordinary	19	19

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44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(ii) Indirect subsidiaries (cont'd)				
Subsidiaries of Kingsgate Investments Pty. Ltd.				
** Hotelcorp New Zealand Pty. Ltd./Holding company	Australia	Ordinary	19	19
** Kingsgate Hotel Pty. Ltd./Service company	Australia	Ordinary	19	19
Subsidiary of Hotelcorp New Zealand Pty. Ltd.				
** Birkenhead Holdings Pty. Ltd./Holding company	Australia	Ordinary	19	19
Subsidiary of Birkenhead Holdings Pty. Ltd.				
** Birkenhead Investments Pty. Ltd./Shopping centre and marina operator company	Australia	Ordinary	19	19
Subsidiary of Birkenhead Investments Pty. Ltd.				
** Birkenhead Services Pty. Ltd./Service company	Australia	Ordinary	19	19
Subsidiaries of Quantum Limited				
** QINZ Holdings (New Zealand) Limited/Holding company	New Zealand	Ordinary	26	26
** Hospitality Group Limited/Holding company	New Zealand	Ordinary & Preference	26	26
Subsidiary of QINZ Holdings (New Zealand) Limited				
** Quality Hotels Limited/Franchise holder (Quality)	New Zealand	Ordinary	26	26
Subsidiaries of Hospitality Group Limited				
** Hospitality Services Limited/Hotel operations and management	New Zealand	Ordinary	26	26
** Hospitality Leases Limited/Lessee company	New Zealand	Ordinary & Preference	26	26
** QINZ (Anzac Avenue) Limited/Hotel owner	New Zealand	Ordinary & Preference	26	26

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44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(ii) Indirect subsidiaries (cont'd)				
Subsidiary of M&C Hotels Holdings Limited				
* Republic Hotels & Resorts Limited/Hotel owner and operator and investment holding	Singapore	Ordinary	52	52
Subsidiaries of Republic Hotels & Resorts Limited				
** Copthorne Orchid Penang Sdn. Bhd./Hotel owner	Malaysia	Ordinary	52	52
* Copthorne Orchid Hotel Singapore Pte Ltd/ Hotel owner	Singapore	Ordinary	52	52
* City Hotels Pte. Ltd./Hotel owner	Singapore	Ordinary	52	52
^ CDL Hotels (Labuan) Limited/Investment holding	Malaysia	Ordinary	52	52
* Harbour View Hotel Pte. Ltd./Hotel owner	Singapore	Ordinary	52	52
* Harrow Entertainment Pte Ltd/Investment holding	Singapore	Ordinary	52	52
* International Design Link Pte Ltd/Property project design consultancy services	Singapore	Ordinary	52	52
* King's Tanglin Shopping Pte. Ltd./Property owner	Singapore	Ordinary	52	52
* Newbury Investments Pte Ltd/Investment holding	Singapore	Ordinary	52	52
** PT Millennium Hotels & Resorts/ Management services	Indonesia	Ordinary	52	52
* Republic Hotels Holdings Pte Ltd/ Investment holding	Singapore	Ordinary	52	52

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44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
(ii) Indirect subsidiaries (cont'd)				
Subsidiaries of Republic Hotels & Resorts Limited (cont'd)				
* Republic Hotels Investments Pte Ltd/ Investment holding	Singapore	Ordinary	52	52
* Republic Hotels Suzhou Pte Ltd/Investment holding	Singapore	Ordinary	52	52
* Trans Oil Pte Ltd/Investment holding	Singapore	Ordinary	@	52
* Zatrio Pte Ltd/Investment holding	Singapore	Ordinary	52	52
Subsidiary of CDL Hotels (Labuan) Limited				
** CDL Hotels (Korea) Ltd./Hotel owner	Republic of Korea	Ordinary	52	52
Subsidiary of Harrow Entertainment Pte Ltd				
* City Elite Pte Ltd/Restaurateur	Singapore	Ordinary	52	52
Subsidiary of Newbury Investments Pte Ltd				
** PT. Millennium Sirih Jakarta Hotel/Hotel owner	Indonesia	Ordinary	42	42
Subsidiary of CDL Properties Ltd				
* Land Equity Development Pte Ltd/Property owner	Singapore	Ordinary	100	100
Subsidiary of Citydev Properties Pte Ltd				
* Citydev Real Estate (Singapore) Pte Ltd/ Property owner	Singapore	Ordinary	100	100
Subsidiary of City Condominiums Pte Ltd				
^ Reach Across International Limited/Investment holding	British Virgin Islands	Ordinary	100	100

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31 December 2003

44. Subsidiaries (cont'd)

Company Name/ Principal Activities	Place of Incorporation/ Principal Place of Business	Class of Shares	Percentage Held by the Group	
			2003 %	2002 %
Subsidiary of Eccott Pte Ltd				
* CDL-Suzhou Investment Pte Ltd/Investment holding	Singapore	Ordinary	100	100
Subsidiary of Eton Properties Pte Ltd				
* Republic Plaza City Club (Singapore) Pte Ltd/ Owner and operator of clubs	Singapore	Ordinary	100	51
Subsidiaries of Island City Garden Development Pte. Ltd.				
* Spring Grove Development Pte Ltd/Property owner and developer	Singapore	Ordinary	60	60
* City Serviced Offices Pte. Ltd. (formerly known as Brivannia Pte Ltd)/Operator of serviced offices	Singapore	Ordinary	100	100
Subsidiary of Union Chain Investment Limited				
** Pacific Height Enterprises Company Limited/ Property owner	Hong Kong/ Japan	Ordinary	100	100
Subsidiary of City Centrepoint Pte Ltd				
* City Sovereign Pte. Ltd. (formerly known as Chinatown Point Theatres Singapore Pte Ltd)/ Investment holding	Singapore	Ordinary	100	100

* Audited by KPMG Singapore

** Audited by other member firms of KPMG International

*** Audited by S.Y. Yang & Company, Hong Kong

**** Audited by Fernandez Santos & Lopez, Philippines

^ Not subject to audit by law of country of incorporation

^^ Exempted from audit requirements pursuant to Section 205B of the Companies Act, Chapter 50

@ Interest in Trans Oil Pte Ltd was transferred from Republic Hotels & Resorts Limited to Singapura Developments (Private) Limited during the year

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45. Associated Companies

The following are the Group's associated companies:

Company Name	Principal Activities	Place of Incorporation	Percentage Held by the Group	
			2003 %	2002 %
Associated company of The Philippine Fund Limited				
** Rogo Realty Corporation	Real estate owner	Philippines	13	13
Associated company of Grand Plaza Hotel Corporation and subsidiary of Rogo Realty Corporation				
** Harbour Land Corporation	Land owner	Philippines	21	21
Associated company of Republic Hotels Suzhou Pte Ltd				
+ Suzhou International Commercial Center Co., Ltd (disposed during the year)	Property owner and developer	People's Republic of China	–	11
Associated company of AIRCOA Hospitality Services, Inc.				
* The El Dorado Partnership, Ltd.	Hotel owner and operator	United States of America	21	21
Associated company of The El Dorado Partnership, Ltd.				
* Guardian Santa Fe Partnership	Hotel owner and operator	United States of America	5	5

* Audited by other member firms of KPMG International

** Audited by Fernandez Santos & Lopez, Philippines

+ Audited by Suzhou Tianping C.P.A. Co., Ltd, People's Republic of China

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46. Jointly Controlled Entities

The following are the Group's jointly controlled entities:

Company Name	Principal Activities	Place of Incorporation	Percentage Held by the Group	
			2003 %	2002 %
<u>By the Company</u>				
* Aster Land Development Pte Ltd	Property owner and developer	Singapore	30	30
* Branbury Investments Ltd	Property owner	Singapore	42.8	42.8
* Brighton Development (S) Pte Ltd	Property owner and developer	Singapore	50	33
* Camborne Developments Pte Ltd	Property owner and developer	Singapore	50	50
* Claymore Properties Pte Ltd	Property sales and ownership	Singapore	25	25
* Cuscaden Investment Pte Ltd	Real estate developer and investment holding company	Singapore	25	25
* Granmil Holdings Pte Ltd	Property owner and developer	Singapore	40	40
* Isrich Properties Pte Ltd	Property owner	Singapore	50	50
* Trevoise Crescent Development Pte Ltd	Property owner and developer	Singapore	50	50
* Tripartite Developers Pte. Limited	Property owner and developer	Singapore	33	33

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46. Jointly Controlled Entities (cont'd)

Company Name	Principal Activities	Place of Incorporation	Percentage Held by the Group	
			2003 %	2002 %
By Subsidiaries				
Jointly controlled entity of ATOS Holding AG				
^ New Unity Holdings Ltd.	Investment holding	British Virgin Islands	26	26
Subsidiary of New Unity Holdings Ltd.				
*** Ferguson Investment Corp.	Investment holding	British Virgin Islands	26	26
Subsidiary of Ferguson Investment Corp.				
*** Ferguson Hotel Holdings Limited	Investment holding	Hong Kong	25	25
Subsidiaries of Ferguson Hotel Holdings Limited				
*** Lyle Profits Limited	Investment holding	British Virgin Islands	25	25
*** Hotel Nikko Hong Kong Limited	Hotel owner and operator	Hong Kong	25	25
*** Ferguson Limited	Investment	Malaysia	25	25
*** Kent Charter Investment Limited (liquidated during the year)	Fund financing for the Group	Hong Kong	–	25
^ Lucky Trio Ltd	Investment holding	British Virgin Islands	25	25
Subsidiary of Lyle Profits Limited				
*** Chishore Enterprise Inc.	Investment holding	British Virgin Islands	16	16
Subsidiary of Chishore Enterprise Inc.				
*** Queensway Hotel Holdings Limited	Investment holding	Hong Kong	13	13
Subsidiary of Queensway Hotel Holdings Limited				
*** Queensway Hotel Limited	Hotel investment	Hong Kong	13	13

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46. Jointly Controlled Entities (cont'd)

Company Name	Principal Activities	Place of Incorporation	Percentage Held by the Group	
			2003 %	2002 %
By Subsidiaries (cont'd)				
Jointly controlled entity of City Port Development Pte Ltd				
** P.T. City Island Utama	Property owner and developer	Indonesia	30	30
Jointly controlled entity of Citydev Investments Pte. Ltd. (formerly known as Golden Rajah Restaurant (Private) Limited)				
* Edenspring Properties Pte Ltd	Property owner and developer and investment holding	Singapore	50	50
Jointly controlled entities of Educado Company Limited				
+++ Caswell Development Limited (in voluntary liquidation)	Investment holding	Hong Kong	30	30
**** Park Tone Limited (liquidated during the year)	Dormant	Hong Kong	-	30
Subsidiary of Caswell Development Limited				
**** Rising Faith Limited (liquidated during the year)	Dormant	Hong Kong	-	30
Jointly controlled entity of Richview Holdings Pte Ltd				
* Richmond Hotel Pte Ltd	Property owner and developer	Singapore	33	33
Jointly controlled entity of CDL Hotels USA, Inc.				
** New Plaza Associates, L.L.C.	Hotel investment holding company	United States of America	26	26
Jointly controlled entity of Faber-Rhine Properties Pte Ltd				
* Glengary Pte. Ltd.	Property owner and developer	Singapore	50	50

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46. Jointly Controlled Entities (cont'd)

Company Name	Principal Activities	Place of Incorporation	Percentage Held by the Group	
			2003 %	2002 %
By Subsidiaries (cont'd)				
Subsidiaries of New Plaza Associates, L.L.C.				
** Plaza Operating Partners Ltd	Hotel ownership	United States of America	26	26
** NPA Plaza Corp.	Holding company	United States of America	26	26
Jointly controlled entity of Aston Properties Pte Ltd				
* Burlington Square Properties Pte Ltd	Property sales and ownership	Singapore	25	25
Jointly controlled entity of Singapura Developments (Private) Limited				
* Burlington Square Investment Pte Ltd	Property owner	Singapore	25	25
Jointly controlled entity of Baynes Investments Pte Ltd				
+++ Cardoville Properties Pte Ltd	Investment holding	Singapore	35	35
Jointly controlled entities of eMpire Investments Limited				
+++ Tenantworld Pte Ltd	Property e-Commerce Hub	Singapore	25	25
UniG Pte Ltd (dissolved during the year)	Investing holding	Singapore	–	45
Subsidiary of UniG Pte Ltd				
8apples Pte Ltd	e-commerce applications	Singapore	–	45

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46. Jointly Controlled Entities (cont'd)

Company Name	Principal Activities	Place of Incorporation	Percentage Held by the Group	
			2003 %	2002 %
By Subsidiaries (cont'd)				
Jointly controlled entity of City Condominiums Pte Ltd				
** Wrep Thailand Holdings	Investment holding	Mauritius	50	50
Jointly controlled entity of City (Labuan) Holdings Limited				
^ Yuhwa Investors, LLC	Real estate investment	United States of America	50	50
Subsidiary of Yuhwa Investors, LLC				
++ Taravaca SGPS LDA	Investment holding	Madeira	50	-
Subsidiaries of Taravaca SGPS LDA				
^ Yuhwa Holdco I, LLC	Real estate investment	United States of America	50	50
^ Yuhwa Holdco II, LLC	Real estate investment	United States of America	50	50
Subsidiary of Yuhwa Holdco I, LLC				
^ Yuhwa (Labuan) Holdco I Private Limited	Real estate investment	Malaysia	50	50
Subsidiary of Yuhwa Holdco II, LLC				
^ Yuhwa (Labuan) Holdco II Private Limited	Real estate investment	Malaysia	50	50
Subsidiary of Yuhwa Holdco I, LLC and Yuhwa Holdco II, LLC				
+ Seoul City Tower Co., Ltd (disposed during the year)	Real estate sale and lease	Republic of Korea	-	50

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

46. Jointly Controlled Entities (cont'd)

Company Name	Principal Activities	Place of Incorporation	Percentage Held by the Group	
			2003 %	2002 %
<u>By Subsidiaries</u> (cont'd)				
Jointly controlled entity of Citydev (Labuan) Holdings Limited				
[^] Myungdong Investors, LLC	Real estate investment	United States of America	50	50
Subsidiaries of Myungdong Investors, LLC				
[^] Myungdong Holdco I, LLC	Real estate investment	United States of America	50	50
[^] Myungdong Holdco II, LLC	Real estate investment	United States of America	50	50
++ Iquitos - SGPS LDA	Investment holding	Madeira	50	–
++ Paferban - SGPS LDA	Investment holding	Madeira	50	–
Subsidiary of Myungdong Holdco I, LLC				
[^] Myungdong (Labuan) Holdco I Private Limited	Real estate investment	Malaysia	50	50
Subsidiary of Myungdong Holdco II, LLC				
[^] Myungdong (Labuan) Holdco II Private Limited	Real estate investment	Malaysia	50	50
Subsidiary of Iquitos - SGPS LDA and Paferban - SGPS LDA				
+ Myungdong Development Co., Ltd	Real estate sale and lease	Republic of Korea	50	50 [#]

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

46. Jointly Controlled Entities (cont'd)

Company Name	Principal Activities	Place of Incorporation	Percentage Held by the Group	
			2003 %	2002 %
By Subsidiaries (cont'd)				
Jointly controlled entity of CDL Bangkok Limited				
[^] Riverside Hotel Investors, LLC	Investment holding	United States of America	50	–
Subsidiary of Riverside Hotel Investors, LLC				
** Thai Real Estate Restructuring Fund I	Investment in hotel	Thailand	50	–
Jointly controlled entities of Riverside Hotel Investors, LLC				
** Napapornthip Co., Ltd	Investment holding	Thailand	25	–
** Perfect Profit Enterprise Co., Ltd	Investment holding	Thailand	25	–
Subsidiary of Napapornthip Co., Ltd.				
** Krungthep Rimnam Ltd.	Hotel business	Thailand	25	–
Jointly controlled entities of WREP Urban Pool Investors, L.L.C.				
[^] Avalon Strategic Managers, LLC	Business managers	United States of America	47	–
[^] Avalon Strategic Investors, L.P.	Investment holding	United States of America	47	–
[^] Casa Investors, L.P.	Investment holding	United States of America	47	–
[^] Casa Portfolio Managers, LLC	Business managers	United States of America	47	–
[^] Sennan Partners, LLC	Business managers	United States of America	47	–
[^] Sennan Strategic Investors, L.P.	Investment holding	United States of America	47	–
Subsidiaries of Avalon Strategic Investors, L.P.				
[^] Avalon Resort Investors, LLC	Investment holding	United States of America	47	–
[^] Advance Funding Investors, LLC	Investment holding	United States of America	47	–

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

46. Jointly Controlled Entities (cont'd)

Company Name	Principal Activities	Place of Incorporation	Percentage Held by the Group	
			2003 %	2002 %
By Subsidiaries (cont'd)				
Subsidiary of Avalon Resort Investors, LLC				
[^] Resort Villa Futtsu KK	Management, leasing and sale of real estate	Japan	47	-
Subsidiaries of Casa Investors, L.P.				
[^] Casa Preferred Investors	Investment holding	Cayman Islands/ Japan	47	-
[^] Casa Investment Corporation, Y.K.	Investment holding	Japan	47	-
[^] Casa Investment Leasing Corporation, Y.K.	Leasing of residential buildings	Japan	47	-
Jointly controlled entity of Casa Investors, L.P. and Casa Preferred Investors				
[^] Casa Property Special Purpose Company	Investment holding	Japan	47	-
Subsidiaries of Sennan Strategic Investors, L.P.				
[^] Sennan Strategic Managers, LLC	Investment holding	United States of America	47	-

* Audited by KPMG Singapore

** Audited by other member firms of KPMG International

*** Audited by PricewaterhouseCoopers, Hong Kong

**** Audited by Deloitte Touche Tohmatsu, Hong Kong

+ Audited by Samil Accounting Corporation, Republic of Korea

++ Audited by A. Goncalves Monteiro e Associados

+++ In liquidation after year end

[^] Not subject to audit by law of country of incorporation

Different holding company in 2003

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

47. Subsequent Event

On 26 February 2004, the Company announced that the directors propose to seek approval from the shareholders of the Company ("Shareholders") at an extraordinary general meeting ("EGM") of the Company to be convened, for the following matters:

- (a) declaration of a one-off special cash dividend of \$0.50 (gross) or \$0.39¹(net) (after deduction of tax at the prevailing rate of 22%) per ordinary share of \$0.50 each held in the capital of the Company ("Share"), amounting to an aggregate of approximately \$322.6 million¹ (net) (after deduction of tax at the prevailing rate of 22%);
- (b) a bonus issue of up to 82,718,564 bonus warrants ("Bonus Warrants"), on the basis of one (1) Bonus Warrant for every ten (10) Shares held, fractional entitlements to be disregarded; and
- (c) a renounceable rights issue of up to 330,874,257 non-redeemable convertible non-cumulative preference shares of \$0.05 each in the capital of the Company ("Preference Shares") at an issue price of \$1.00 for each Preference Share, on the basis of two (2) Preference Shares for every five (5) Shares held, fractional entitlements to be disregarded, collectively, the "Proposed Transactions".

An application will be made by the Company to the Singapore Exchange Securities Trading Limited ("SGX-ST") for its approval in-principle for the listing of and quotation for the Bonus Warrants, the Preference Shares, the new Shares to be issued upon the exercise of the Bonus Warrants and the Shares into which the Preference Shares may be converted on the Official List of the SGX-ST. The Proposed Transactions are inter-conditional, and none of the Proposed Transactions will be undertaken by the Company unless, inter alia, approval for each of them is obtained from Shareholders.

Salient details of the Proposed Transactions are set out in the Company's announcement of 26 February 2004, and further details of the same will be set out in a circular (enclosing the Notice of EGM) to be despatched by the Company to Shareholders in due course.

Note :

1. Depending on the prevailing tax rate at time of payment of the Special Cash Dividend, the net amount after deduction of tax may vary.

48. Comparative Figures

Comparatives in the financial statements have been changed from the previous year to conform with current year's presentation.

ANALYSIS OF SHAREHOLDINGS

As at 1 March 2004

Authorised Share Capital	:	\$2,000,000,000.00
Issued and Fully Paid up Capital	:	\$413,592,821.50
No. of Ordinary Shareholders	:	12,597
Class of Shares	:	Ordinary shares of \$0.50 each
Voting Rights	:	1 vote for 1 ordinary share

Range of Shareholdings	No. of Shareholders	%	No. of shares	%
1 – 999	1,408	11.18	465,284	0.05
1,000 – 10,000	10,216	81.10	26,452,031	3.20
10,001 – 1,000,000	939	7.45	39,019,254	4.72
1,000,001 and above	34	0.27	761,249,074	92.03
	12,597	100.00	827,185,643	100.00

Based on information available to the Company as at 1 March 2004, approximately 51.22% of the issued ordinary share capital of the Company is held by the public, and accordingly, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

MAJOR SHAREHOLDERS LIST - TOP 20 AS AT 1 MARCH 2004

No.	Name	No. of Shares Held	%
1	DBS Nominees (Pte) Ltd	115,494,022	13.96
2	Raffles Nominees (Pte) Ltd	109,666,308	13.26
3	Citibank Nominees Singapore Pte Ltd	86,497,799	10.46
4	Hong Leong Investment Holdings Pte. Ltd.	59,926,669	7.24
5	The HSBC Limited	57,000,000	6.89
6	UOB Nominees (Pte) Ltd	55,639,984	6.72
7	HSBC (Singapore) Nominees Pte Ltd	51,337,722	6.20
8	Keppel Bank Nominees Pte Ltd	48,808,373	5.90
9	Hong Leong Holdings Limited	20,661,343	2.50
10	OUB Nominees Pte Ltd	20,424,053	2.47
11	BankAmerica Nominees (1993) Pte Ltd	15,017,160	1.82
12	Hong Leong Corporation Holdings Pte Ltd	14,481,667	1.75
13	SGI Investment Holdings Pte Ltd	14,320,377	1.73
14	Singapore Nominees Pte Ltd	13,108,910	1.58
15	Hong Realty (Private) Limited	12,780,931	1.55
16	OCBC Nominees Pte Ltd	8,895,580	1.08
17	Kay Hian James Capel Pte Ltd	5,927,229	0.72
18	Garden Estates (Pte.) Limited	5,604,173	0.68
19	DB Nominees (S) Pte Ltd	4,955,664	0.60
20	NIN Investment Holdings Pte Ltd	4,783,173	0.58
		725,331,137	87.69

ANALYSIS OF SHAREHOLDINGS

As at 1 March 2004

Substantial Shareholders as shown in the Register of Substantial Shareholders

	No. of shares in which they have interest			%
	Direct Interest	Deemed Interest	Total	
Hong Realty (Private) Limited	29,170,931	27,081,598 ⁽¹⁾	56,252,529	6.80
Hong Leong Holdings Limited	135,261,343	17,764,202 ⁽²⁾	153,025,545	18.50
Hong Leong Investment Holdings Pte. Ltd.	127,426,669	274,288,713 ⁽³⁾	401,715,382	48.56
Kwek Holdings Pte Ltd	–	401,715,382 ⁽⁴⁾	401,715,382	48.56
Davos Investment Holdings Private Limited	–	401,715,382 ⁽⁴⁾	401,715,382	48.56

Notes

- (1) Hong Realty (Private) Limited (“HR”) is deemed under Section 7 of the Companies Act to have an interest in the 27,081,598 ordinary shares held directly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.
- (2) Hong Leong Holdings Limited (“HLH”) is deemed under Section 7 of the Companies Act to have an interest in the 17,764,202 ordinary shares held directly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.
- (3) Hong Leong Investment Holdings Pte. Ltd. (“HLIH”) is deemed under Section 7 of the Companies Act to have an interest in the 274,288,713 ordinary shares held directly and/or indirectly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof which includes (i) the 56,252,529 ordinary shares held directly and indirectly by HR; and (ii) the 153,025,545 ordinary shares held directly and indirectly by HLH, out of which 8,459,447 ordinary shares have been identified as ordinary shares in which HR is also deemed to have an interest in under sub-section (i) above.
- (4) Kwek Holdings Pte Ltd and Davos Investment Holdings Private Limited are deemed under Section 7 of the Companies Act to have an interest in the 401,715,382 ordinary shares held directly and/or indirectly by HLIH in which they are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.



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