

City Developments Limited

ANNUAL REPORT 2000



A Lifestyle With Style

Contents

Corporate Profile	01
Financial Highlights	02
Five-Year Financial Summary	03
Highlights of the Year	04
Chairman s Statement	08
Board of Directors	16
Operations Review	18
Property Portfolio Analysis	24
Major Properties	26
Corporate Structure	39
Corporate Information	40
Corporate Governance	41
Audited Accounts	43
Analysis of Shareholdings	143
Notice of Annual General Meeting	144
Proxy Form	

Corporate Profile

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Building on Experience

City Developments Limited (CDL) has been in the forefront of Singapore's property industry with close to 40 years of experience. It is today, an established international property and hotel conglomerate.

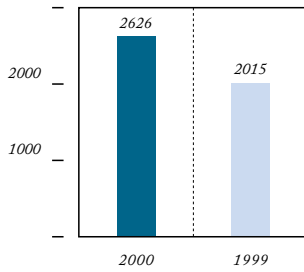
As a leading residential developer, CDL has built over 12,000 fine homes since its inception in 1963. It is also one of Singapore's biggest commercial landlords with more than 30 prime commercial buildings. With a stable of 89 hotels, the CDL Group is a leading global hotel owner and operator.

Operating in 15 countries, CDL has 8 companies listed on stock exchanges in Singapore, London, Amsterdam, Hong Kong, New Zealand and Manila. CDL is committed to creating value for its investors and shareholders.

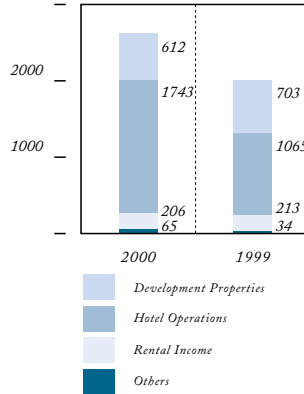
Financial Highlights

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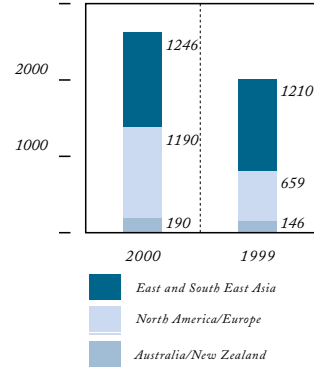
Turnover S\$million



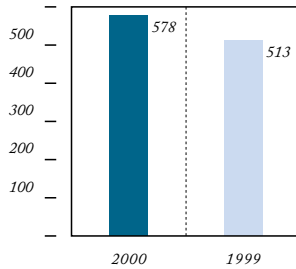
Turnover By Activity S\$million



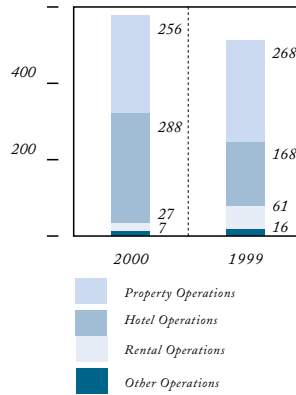
Turnover By Region S\$million



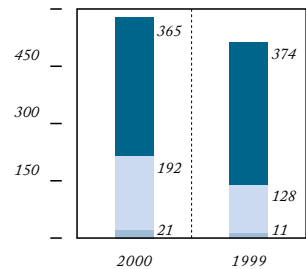
Profit Before Taxation S\$million



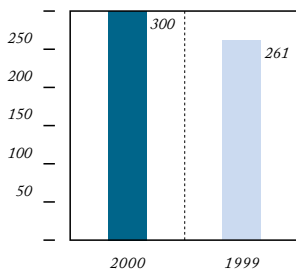
Profit Before Taxation By Activity S\$million



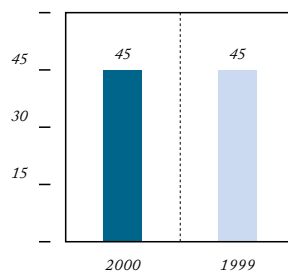
Profit Before Taxation By Region S\$million



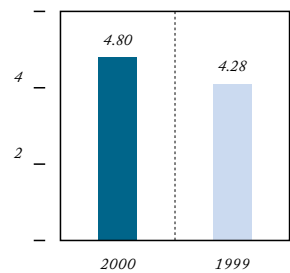
Profit After Taxation and Minority Interests Before Extraordinary Items S\$million



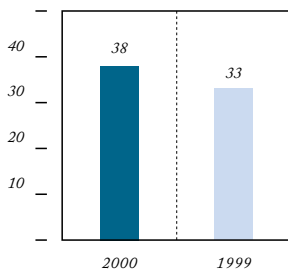
Proposed Final Dividend S\$million



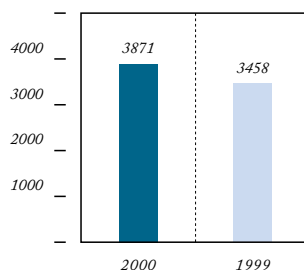
Net Tangible Assets Per Share S\$



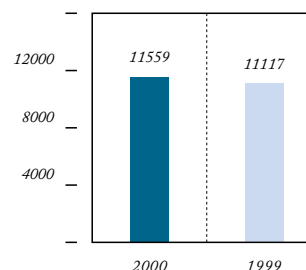
Earnings Per Share Before Extraordinary Items cents



Total Share Capital and Reserves S\$million



Gross Assets S\$million



Five-Year Financial Summary

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<i>\$million</i>	<i>2000</i>	<i>1999</i>	<i>1998</i>	<i>1997</i>	<i>1996</i>
Share Capital	401	401	401	397	396
Reserves	3,470	3,057	2,727	2,623	2,260
Share Capital and Reserves	3,871	3,458	3,128	3,020	2,656
Minority Interests	1,598	2,138	1,545	1,515	1,359
Total Liabilities	5,117	5,521	4,510	4,742	4,300
	11,559	11,117	9,183	9,277	8,315
Fixed Assets	7,492	7,345	6,047	5,931	5,597
Development Properties	2,058	1,547	1,245	1,697	1,093
Current & Other Assets	2,009	2,225	1,891	1,649	1,625
	11,559	11,117	9,183	9,277	8,315
Turnover	2,626	2,015	2,043	2,470	2,644
Profit before taxation (after associated companies)	578	513	347	717	862
Profit after taxation and minority interests before extraordinary items	300	261	124	409	535
Profit after taxation, extraordinary items and minority interests	291	383	141	411	549
Dividends	45	45	45	44	59
Retained profit for the year	246	338	96	367	490
Rate of Dividend	15%	15%	15%	15%	15%
Special Dividend	-	-	-	-	5%
Net Asset Backing Per \$0.50 share	\$4.80	\$4.28	\$3.87	\$3.76	\$3.31
Earnings Per Share before extraordinary items	38 cents	33 cents	16 cents	52 cents	68 cents
Earnings Per Share after extraordinary items	36 cents	48 cents	18 cents	52 cents	70 cents

pg

3

Highlights of the Year

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January

CDL purchased Seedeви, a freehold residential site at Evelyn Road, for \$44.6 million. The 26,285-square feet site enjoys an excellent location within prime district 11 and is close to Newton MRT station. It has an approved plot ratio of 2.8 and adjoins Ixora Court/Newton Point purchased in 1999.

CDL successfully bid for Tat Lee Court, a freehold 260,191-square feet site along West Coast Rise, for \$122 million with an approved plot ratio of 1.6. It is surrounded by low-rise landed properties and is near shopping and eating establishments like Ginza Plaza and Hong Leong Shopping Centre, and educational institutions such as the National University of Singapore and Singapore Polytechnic.

Trellis Towers, a 384-unit freehold development in Toa Payoh, obtained its Temporary Occupation Permit (TOP).

February

CDL launched the pioneering i-Home concept for the lifestyle of the 21st Century. The i-Home is a new generation home that is intelligent, interactive and Internet-ready.

The Florida, CDL's first Executive Condominium, obtained its TOP for Phase 1. This 496-unit development is located along Hougang Avenue 7. TOP for Phase 2 was obtained in May 2000.

March

Executive Chairman Mr Kwek Leng Beng received the "Asian Hotelier of the Decade" award at the 3rd Annual Asia Pacific Hotel Industry Investment Conference for making the greatest impact in the 1990s on the international hotel industry.

CDL acquired a 223,442-square feet freehold site at Ang Mo Kio Avenue 1 for \$80.1 million. It is earmarked for mixed landed housing development.

April

Guilin View Phase 2, comprising 391 apartments, received its TOP. This 99-year leasehold development in Bukit Batok offers residents a panoramic view of Little Guilin Park.



CDL introduces the pioneering i-Home concept: a new generation of homes that are intelligent, interactive and Internet-ready, offering homeowners a lifestyle of tomorrow

May

Signature Park (Phases 1 & 2), Signature Park (Phase 3) and Peirce Villas received the 2000 Building & Construction Authority (BCA) Award for Construction Excellence in the residential buildings category for their outstanding quality. Commerce Point received the BCA Certificate of Merit in the commercial buildings category.

CDL formed a joint venture company, UniG, with Far East Organization to invest in e-commerce. CDL owns a 40% stake in UniG.

Together with other leading industry partners, CDL launched CXhub, which is UniG's first e-business initiative. CXhub is Asia's first industry-led on-line construction exchange for the procurement of construction and building materials as well as professional consultancy services.

The freehold 76-unit Moonstone View located off Serangoon Road received its TOP.

June

CDL unveiled a restructuring plan to acquire a controlling stake of 52.4% in Millennium & Copthorne Hotels plc for \$1.359 billion from its subsidiary, CDL Hotels International Limited (CHIL). CHIL, renamed City e-Solutions Limited in August 2000, was transformed into an Internet investment holding company.

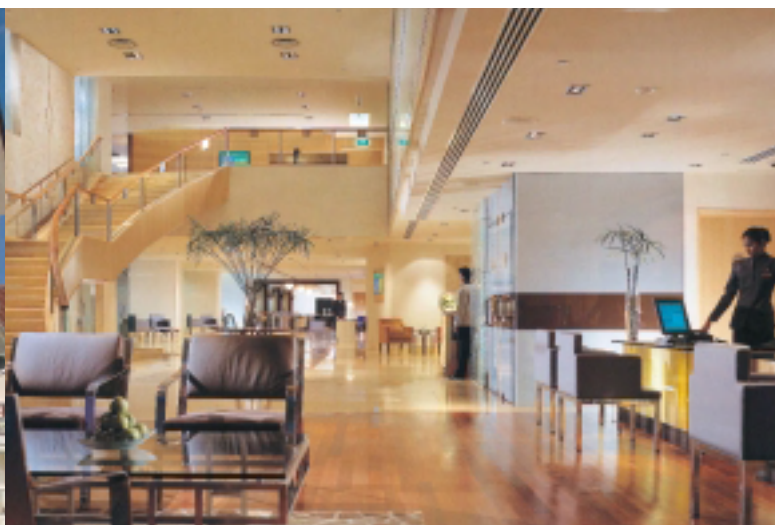
CDL launched the first Singapore i-Home, The Equatorial. This exclusive freehold condominium comprises 95 unique homes, which are designed with intelligent, interactive and Internet-ready infrastructure.

August

Executive Chairman Mr Kwek Leng Beng received an honorary doctorate degree from Oxford Brookes University, UK, for his admirable business acumen and accomplishment as a leading hotelier.



Peirce Villas: BCA Award for Construction Excellence 2000



Copthorne Harbour View will be rebranded a M Hotel with a modern and stylish look

September

CDL embarked on a 50-50 joint venture with US real estate fund Westbrook Asia LLC to acquire Seoul City Tower, a partially completed 23-storey freehold prime office building located in the central business district of Chung-gu, Seoul, Korea for US\$100 million on a completed basis. It is located next to Seoul Hilton and will be linked by an underground tunnel to the Seoul station.

CDL took a 25% stake in the enbloc purchase of one block of 75 apartment/penthouse units of Cuscaden Residence in District 10. The total strata area for the 75 freehold units is 118,016 square feet and was purchased for \$162.9 million on a completed basis.

For the fourth consecutive year, CDL was conferred the “Friend of the Arts Award” by the National Arts Council.

November

Together with other leading real estate players, CDL launched Propbuzz.com, a one-stop property resource portal with quality residential and commercial property listings, property-transacted prices, resale information and other supporting services. CDL has a 16.67% stake in this portal.

CDL, together with 3 major office landlords, signed a MOU to jointly develop an office services portal which aims to provide and link up office tenants, property managers and property owners with online services such as building management, office e-commerce procurement, ASP services, news and content on demand, and hosting services.

CDL launched Sunshine Plaza Apartments, which saw 86% of the 160 units offered for sale snapped up within one week. The 99-year leasehold mixed residential, office and retail development is located at Bencoolen Street and Middle Road.

JW Marriott Hotel Hong Kong clinched the coveted “Gold Key Award” for the fourth year running for its excellent quality and professionalism in hosting business meetings and conventions. JW Marriott was one of only two hotels in Asia to receive this award for year 2000.

CDL was the first developer to win the prestigious Green Leaf Award 2000 by the Ministry of the Environment for its contribution to environmental conservation in Singapore.

Community Chest presented the “Corporate Gold Award” to CDL for its donation to the Community Chest Charity Gala, which raised \$1.2 million for 55 charities.

CDL's exclusive Chelsea Gardens with 40 luxurious units obtained its TOP.

December

For the second consecutive year, Millennium & Copthorne Hotels plc (M&C) was ranked among the top 100 of “Britain’s Most Admired Companies” by leading business magazine, *Management Today*. M&C was placed 59th in the overall ranking of 239 top companies listed on the London bourse and 3rd in the leisure and hotels sector.

CDL acquired the remaining 40% stake in City Hyundai Development Pte Ltd, which developed Sunshine Plaza.

CDL embarked on a 50-50 joint venture with Westbrook Asia LLC to acquire MyeongDong Central, a 16-storey partially completed freehold office building in the prime district of MyeongDong, Seoul, for US\$40 million on a completed basis. It is a five minutes’ walk to the Uljiro Iga Subway Station and MyeongDong Subway Station. With this acquisition, CDL strengthened its presence in Korea.

City e-Solutions invested US\$28.3 million for an 85% stake in Service World Network Inc (SWAN), a US-based hospitality solutions provider.

City Building Management, a wholly-owned subsidiary of Singapura Developments (Private) Limited, which in turn is a wholly-owned subsidiary of CDL, was Singapore’s first company to achieve the new and more stringent ISO9001:2000 certification by SGS International.

pg

7



Chelsea Gardens



JW Marriott Hotel Hong Kong

Chairman's Statement

city developments limited
Year 2000

On behalf of the Board of Directors, I am pleased to report another profitable year from the City Developments Limited Group ("the Group").

Turnover for the Group for the year ended 31 December 2000 increased by 30% to \$2.6 billion (1999: \$2.0 billion). Operating profit before tax increased by 13% from \$513.1 million to \$578.4 million. After-tax profit attributable to shareholders before extraordinary items improved by 15% to \$300.3 million (1999: \$260.6 million). This represents earnings per share of 37.50 cents (1999: 32.53 cents). Book Net Tangible Assets were enhanced by 12% to \$4.80 per share (1999: \$4.28).

Despite the subdued property market, the property sector achieved an operating profit before tax of \$256 million compared to the previous year of \$268 million. With the slow market, management was able to pay more attention to the hotel sector which resulted in the expedient integration of the new hotel assets acquired in 1999 whilst ensuring organic growth from existing properties. These efforts, together with our strategy of diversification in the hotel sector, resulted in an increase of 71% in hotel pre-tax profit from \$168 million to \$288 million.

Unlike all the other listed Singapore property companies that do not depreciate their investment properties, the Group continues to adopt a conservative accounting policy of depreciating these properties. The total depreciation charge for the year amounted to \$190 million (1999: \$191 million).

Dividends

The Board recommends a first and final dividend of 15% less 24.5% tax. The total net dividend payable will amount to \$45,357,855, which is based on the total issued share capital of 801,021,724 shares of 50 cents each as at 31 December 2000.

Review of global diversification strategy

Year 2000 was yet another milestone for the Group in its journey towards global diversification. Back in the early 1990s, in a bid to even out the cyclical nature of property development earnings, the Group embarked upon a global diversification strategy via overseas hotel investments to broaden its earnings base.



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In this global expansion plan, the Group draws from its expertise in the astute reading of property cycles to acquire hotel assets at attractive prices in key cities worldwide. As hotels can also be a property play, the Group can exploit any real estate opportunities present in these hotels. Today, the Group is one of the biggest hotel companies in the world with over 100 hotels globally.

The Group also managed to finance these expansions in various stages and via mechanisms such that minimal funding was required of shareholders. These expansions were also carefully paced in such a way that the Group has consistently achieved satisfactory profitability in the entire growth process over the last one decade.

From this global and diversified platform, the Group is well positioned to expand whenever opportunities arise or, in the event of a slowdown in any part of the global economy, consolidate where appropriate. This diversity will allow the Group to even out earnings fluctuations caused by varying economic conditions in countries in which the Group operates. Over the long term, these hotel investments would open the Group to other investment opportunities in these countries. As is the case in Korea, after the acquisition of Seoul Hilton, the Group was able to make use of its knowledge of the local market and, together with an American property fund, acquired two office buildings under development at attractive prices.

Pursuant to a restructuring exercise carried out in the year 2000, the Group now owns 52.4% of Millennium & Copthorne Hotels (“M&C”). The Group’s total investment in M&C to date is \$1.35 billion, which constitutes approximately 25% of the Group’s total asset base of \$5.5 billion inclusive of minority interests.

The restructuring also involved a return of capital from CDL Hotels International Limited and the amount received of some \$840 million was used to fund the acquisition of M&C, resulting in a net outlay to the Group of approximately \$500 million.



The Group now owns 52.4% of Millennium & Copthorne Hotels, which has a portfolio of over 100 hotels including the Grand Copthorne Waterfront Singapore

Property Residential

Year 2000 began on a promising note but turned cautious in the second half due to news of the global oil crisis, the possible slowdown in the US economy and the prevailing overhang in supply. Though prices of residential properties remained relatively stable and made modest gains during the first half of the year, transaction volumes however were rather subdued. It was a 10-year record low of 4,762 units, as against an annual average take up rate of 7,000 units.

During the year under review, the Group launched The Equatorial, a condominium with the first i-Home concept in Singapore. Approximately half of the project has been sold to date. In November, Sunshine Plaza Apartments, in which the Group acquired the remaining 40% stake from the joint venture partner at a discounted price, were successfully launched with over 96% of all the apartments sold to date. In addition, the Group continued the sale of its remaining units in Faber Crest, Summerhill and Thomson 800.

The Group's associated companies launched two other projects, namely Dahlia Park at Changi and The Trevoze during the year.

The Group continued to recognize profits progressively from development properties, namely Summerhill, Thomson 800, The Equatorial and Carissa Park.

Commercial/Retail

The office sector in Singapore performed well with rentals edging up due to the strong economy, increased demand and limited supply. IT-related companies accounted for most of the demand, followed by financial institutions. However, demand tapered off slightly in the last quarter because of the slowdown in technology-related businesses and concern over the US economy.

The retail sector performed well in the first three quarters of the year on the back of the strong economy and record visitor arrivals. Towards the year end, however, the poor stock market, regional uncertainties and the slowing US economy caused consumer sentiment to become muted.

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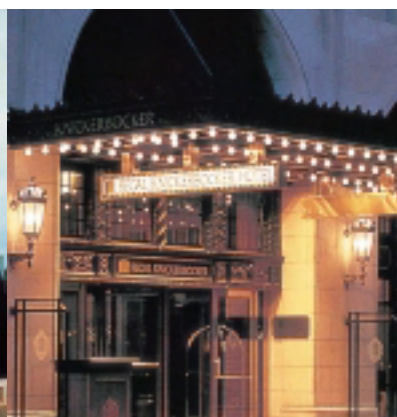
10



Launch of Sunshine Plaza Apartments saw overwhelming response



Capital and rental values of Chinatown Point are expected to improve after completion of the nearby MRT station



Regal Knickerbocker, one of 12 US hotels to be rebranded as a Millennium hotel



City e-Solutions is now a hospitality solutions provider

Overall rental income for the Group remained flat due to its impending redevelopment plan for No. 1 Shenton Way (formerly Robina House) which affected the occupancy and rental rate for this building. Chinatown Point which was affected by the ongoing MRT construction work and the divestment of 50% in 1999 of Lot One Shoppers' Mall also accounted for the flat rental income.

During the year, the Group together with its US partner invested in a strategic stake of 37.2% in Amarin Plaza Public Co Ltd. This property company owns various properties in Bangkok including offices, shopping centres and two luxurious hotels, namely Grand Hyatt Erawan and the JW Marriott Hotel.

Hotels

In the USA, the Group made good progress with the disposal of the non-core Regal hotels, acquired in December 1999. To date the Group has sold eight out of the 12 identified for sale, achieving prices in line with its expectations. Work has begun on 12 Regal hotels that the Group is retaining to bring them up to Millennium standard. The refurbishment and rebranding of these 12 hotels will be completed by end of April.

International arrivals into Singapore grew to an all-time high of 7.6 million, up nearly 11% from the previous year, thereby boosting both occupancy and average room rates in this important market for M&C. Average room rates for the Group's five Singapore hotels increased by 21%, outperforming the industry increase of 6.5%.

Earlier this year, M&C in conjunction with Bass plc took part in a bidding invitation in London to acquire the Le Meridien hotel group from Granada Compass. It was intended that each party would acquire a specific portion of the group. After due diligence, a non-binding indicative bid was submitted. However, both parties subsequently decided to withdraw from the bid as they were not prepared to revise the price upward.

eCommerce

Following the restructuring exercise mentioned above, CDL Hotels was subsequently re-launched as an e-commerce business-to-business solutions company specialising in the hospitality sector under the new name of City e-Solutions Limited ("CES"). The restructuring, which was overwhelmingly endorsed by shareholders on 9 August 2000, became effective on 7 October 2000. It involved the transfer of the entire shareholding of M&C to its parent, City Developments Limited ("CDL") held through two wholly owned subsidiaries; the allotment of bonus shares to shareholders; a capital reduction; and redistributing the cash received from this capital reduction to shareholders at HK95 cents per share.

CES has already begun implementing a workable and practical strategy to provide business solutions for the hospitality industry. It is an industry the Group understands well, and one which is facing major changes and opening up new opportunities that few other corporations in the world are as well poised to seize. As major hotel chains grow larger, small and medium-sized hotels are facing a technology gap which CES intends to fill in as an integrated solutions provider. With the financial resources made available following the restructuring, CES is gearing itself to be a global player in this field.

Commentary on current year prospects

Property

Residential

The Singapore economy is projected to grow at a healthy rate of between 5% and 6% in 2001. The residential property market in Singapore is operating within a subdued environment, albeit against conducive fundamentals such as the lowest interest rates in housing loans in history, the restoration of the CPF rate by 4 percentage points to 16% of wages and the government's continued emphases on recruiting foreign talent and developing Singapore into a IT and biotech hub in the region.

The government is implementing a broad policy framework for a stable property market in order to minimise any sudden and volatile swings in prices and values. Against this backdrop, the Group is of the opinion that although prices are not likely to escalate rapidly as they once did during the pre-crisis period, they are similarly unlikely to become severely depressed from the current levels, barring any drastic external adverse developments.

It is worthwhile to note that, following the recent volatility in the prices of financial assets world-wide particularly in the US, investors are beginning to pay attention to the merits of investing in real estate as these assets generally do not experience a sudden and sharp drop in capital values, unlike other assets like stocks and shares.

As more potential buyers take cognizance of the increasing attractiveness of property as a medium to long term investment vis-à-vis other forms of investments available, the Group is cautiously optimistic that buying sentiment will improve gradually. With a relatively average low cost landbank, the Group is able to strategise and selectively launch projects that will help to maintain its overall profit margins.

The underlying buying interest among potential purchasers of residential properties is still relatively healthy. In addition to a couple of developments by other property companies, this interest is also demonstrated in the earlier successful launches of the Group's Sunshine Plaza Apartments and the healthy take-up rate for our recent launch of Goldenhill Park, a 390-unit condominium at Lorong Chuan/Ang Mo Kio. The Group released 176 units under Phase I and sold 125 units within the first two weeks.

The Group is planning to release a 598-unit condominium at Upper Changi Road East and 51 units from Emery Point at Tanjong Katong later this year.

pg

12



*The launch of Goldenhill Park
Condominium saw 125 units snapped
up within the first two weeks*

*Most of the Group's Asian properties
including the Grand Hyatt Taipei are
expected to perform better*

Commercial/Retail

The office sector is unlikely to experience the same take up rate experienced in 2000 due to a slowing economy and the shakeout in the IT-related industries. Demand in the medium term is expected to be good, with more international companies setting up base in Singapore in response to the deregulation of the financial and telecommunications sectors. No. 1 Shenton Way (formerly Robina House) will be redeveloped into a high-tech building with more lettable area to meet market demands. This will enable the Group to maximise the under-utilised plot ratio of this building which was low at the point of purchase and has since been revised upwards from 7.4 to 11.76.

After the completion of the MRT station, which will have a direct link to Chinatown Point, the capital and rental values of this complex should show good improvement.

Hotels

Most of the Group's properties in Asia and Australasia are expected to perform better, benefiting in most cases from improvement in average room rates, occupancy and enhanced hotel products. This is particularly so in Singapore where international arrivals are expected to increase significantly over last year.

In the UK and USA, after an exceptionally strong year in 2000, the Group notes some softening in demand in a couple of its major markets. However, along with most of our competitors, the Group expects this softening to be temporary. Against this backdrop, the Group is implementing a targeted capital expenditure programme, focused marketing and cost control to assure continued profitability.

The Group believes that the acquisition of the Regal Group in December 1999 will deliver enhanced and lasting value. Although the Regal Group was acquired in what was generally regarded to be a bullish market in the US, these Regal hotels were significantly under-performing due to inadequate managerial attention and a lack of capital investment. Under the Group's direction and through its investment programme, the Regal hotels have considerable potential to deliver improved revenues and profit. Even in the event of the continued softening in the US economy, these hotels after refurbishment will perform, at the very least, on par with their previous performance before the Group's acquisition. Overall, the Group looks forward to a good performance from the refurbished and rebranded Millennium hotels, particularly in high business-related periods.

eCommerce

With the completion of the Group's reorganisation exercise, the Group will be laying the foundation this year for aggressive growth in 2002 and beyond, capturing the business opportunities that are available in the provision of solutions for the hospitality industry. Whilst costs relating to product development and sales acquisitions are unavoidable, they will be put in the context of achieving profitability as soon as possible. The Group will seek to attain the right balance between the growth in revenue and costs ensuring, at all times, a prudent management of expenses.

Barring any unforeseen circumstances, the Group is expected to continue to perform satisfactorily. On behalf of the Board, I would like to thank my fellow Directors, the management and staff for their invaluable contributions during the past year. I also thank shareholders for their continued support.

KWEK LENG BENG
Executive Chairman
29 March 2001

董事主席报告

城市发展有限公司

2000年常年报告书

本人谨代表董事部欣然呈报城市发展有限公司集团的另一获得盈利的年度。

截至2000年12月31日，本集团是年的营业额增长30%至26亿元（1999年为20亿元）。税前盈利增加13%，由5亿1,310万元增至5亿7,840万元。可拨予股东而不包括特别事项在内的税后盈利增加15%至3亿30万元（1999年为2亿6,060万元）。这显示每股盈利为37.50分（1999年为32.53分）。账面净有形资产增加12%至4.80元（1999年为4.28元）。

尽管产业市场缓和下来，产业方面取得2亿5,600万元的税前营业利润，前一年则为2亿6,800万元。在其缓慢的市场中，管理层得以较专注于旅店业方面的营运，以致1999年所收购的新旅店资产及时加以权宜性地整合，同时确保从原有的产业中取得实质的增长。此项努力加上我们在旅店业方面的多元化经营策略，导致旅店业的税前盈利增加71%，从1亿6,800万元增至2亿8,800万元。

有异于所有其他挂牌产业公司不将其租赁产业加以折旧的政策，本集团继续采取将所有此类产业加以折旧的保守会计政策。是年的总折旧达到1亿9,000万元（1999年为1亿9,100万元）。

股息

董事部推荐派发一次过扣除24.50%税务的15%股息予各股东。此根据截至2000年12月31日每股50分的总发出8亿102万1,724股本所派发的总净股息将达至4,535万7,855元。

全球多元化营业策略回顾

2000年为本集团朝向全球性多元化道路之另一里程碑。自从1999年代初，为了平衡产业发展盈利的周期性质，本集团开展一项全球性多元化策略，通过海外旅店投资以扩展其盈利基础。

在此全球性扩展计划中，本集团利用其对产业周期性敏锐看法的专才，在全球主要城市以有吸引力的价格收购旅店资产。由于旅店业亦可作为一项产业活动，本集团可开拓出现于此旅店业中的任何实业机会。如今，本集团为世界上最大的旅店公司之一，在全球各地拥有超过100间旅店。

本集团亦设法在不同阶段为这些扩展筹集资金并以通过股东只需提供最少资金的机制来进行。这些扩展，亦在本集团已过去超过十年的整体成长过程中，经常取得满意的赚益情况下，谨慎与按部就班地进行。

从此全球性与多元化的基础上，本集团处在任何发展良机的有利地位，或当任何环球经济逆转时可适时地巩固起来。此多元化措施将允许本集团在其所营业的国度里平衡其因各不同经济条件所产生的盈利波动。在长期间里，此旅店投资将为本集团于这些国家打开其他的投资机会。正如以南韩为例，在收购了Seoul Hilton后，本集团得以利用对当地市场的认识而联合一项美国产业基金以有吸引力的价格收购还在发展中的两座办公大楼。

根据2000年所采取的重组行动，本集团现在拥有Millennium & Copthorne Hotels (M&C)的52.40%股权。如今，本集团对M&C的总投资为13亿5,000万元，此构成大约本集团总资产产量包括少数利益55亿元的25%。

此重组亦包含城市国际旅店有限公司的资本退还，而由此所获得的8亿4,000万元则被用于收购M&C的投资上，以致本集团的净支出大约为5亿元。

产业

住宅

2000年以令人鼓舞的局面开始，但由于环球原油危机的讯息，美国经济可能缓慢下来的现象，以及现有的供应过剩，在下半年则转为谨慎的情况。虽然住宅产业价格在上半年维持相当稳定且获得适量的利润，成交量在上半年却相当缓慢，与全年平均吸购率的7,000单位相比，成为十年来低记录的4,762单位。

在被检讨的年度里，本集团发售在新加坡首项拥有智慧家园概念的共管式公寓—贵都园。至今，约大半的发展单位经已售出。在11月，本集团以贴现价向合股者收购其余的40%股权后，金光大厦的公寓单位成功地发售而至今已售出超过96%的所有公寓单位。此外，本集团继续出售花柏山庄、夏日山庄与彤轩的待售单位。

本集团的联营公司于去年出售另两项位于樟宜的黛丽雅花园以及特富苑。

本集团继续累进地从夏日山庄、彤轩、贵都园以及佳丽莎园的发展产业收入中纳入盈利。

商业/零售业

新加坡的办公楼方面表现良好，而租金由于强劲的经济，需求增加以及供应有限而上扬。与资讯有关的公司承担最大的需求，其次为财务机构。然而，由于与科技有关的商务趋软，以及对美国经济走势的关注，其需求于最后一季稍微缩减。

零售业方面，由于强劲的经济与记录性的旅客到访之故，在首三季里表现良好。可是在接近年底时，由于疲弱的股市、区域性的不稳定因素以及趋软的美国经济促使消费者的兴致静寂下来。

本集团的总租金收入，由于第一珊顿大道（原罗敏那大厦）即将重新发展的计划，影响此大厦的租用与租金率而保持平静。唐城坊则由于现行的地铁工程之故，与第一乐广场于1999年的50%脱股安排而取得寻常的租金收入。

于是年，本集团与美国股东于Amarin Plaza Public Co. Ltd投下37.20%的策略投资。此产业公司于曼谷拥有多项包括办公大楼、商业中心的产业以及两项名为Grand Hyatt Erawan与JW Marriott Hotel的豪华旅店。

旅店业

在美国，本集团对于1999年12月收购的Regal旅店非核心部分的出售取得好进展。至今，本集团已售出12项指定欲出售的其中八项，获得预期的同等价格。对于那些本集团拟保留而欲带上Millennium等级的12间Regal旅店的工程已经展开。此12间旅店的重新装修与定位的工程将于4月底完工。

到访新加坡的国际旅客增长至历来最高的760万人次，比前年增加近11%，因此促进了M&C在此重要市场的租用与平均客房租金率。本集团在新加坡五间旅店的平均租金率增长21%，超过此行业的6.50%增长率。

城市发展有限公司 2000年常年报告书

今年较早时，M&C联合Bass plc在伦敦参予一项Granada Compass收购Le Meridien旅店集团的投标邀请。拟议每一参予者将收购其集团的一特定部分。经过深思熟虑後，呈上一份无约束力的象征性投标书。然而，双方过後由於不欲提高标价而取消投标。

电子商务

随着上述的重组工作，城市国际旅店业后来重新开发为一电子商务商业对商业方案公司以City e-Solutions Ltd (CES)的新名称，专注於服务业的发展，此项於2000年8月9日受到股东压倒性支持的重组计划於2000年10月7日成效。它包含转让所有的M&C股权於其通过两间独资子公司操股的母公司城市发展有限公司；分派红股於股东；缩小资本以及重新分配由於缩小资本所得的现金，每股港币95分子股东。

CES经已开始执行一项可行的策略以对服务行业提供商业方案。此乃本集团甚为熟悉的行业，它是一项正面对重大变化所出现的崭新机会，且是世界上少数其他机构亦同时欲争取的新机遇。由於主要的旅店连锁店增长开来後，中小型旅店将面临一科技缺口，此即是CES所打算以一整体方案供应者来加以填补的领域。在重组後拥有财政资源的CES，正准备好作为在此领域的全球性从业者。

前景展望 产业 住宅

新加坡的经济预期将於2001年以健全的步伐於5%至6%之间增长。在新加坡的住宅产业，却在有史以来的最低购屋贷款利率、公积金缴交率从薪酬的4%上调到16%，以及政府继续注重的吸收外国人才与发展新加坡成为本区域资讯与生物科技中心的有利条件下，背道而驰地处在缓慢的营业状态中。

政府正在推行一项稳定产业市场的广泛政策架构，以便减少任何屋价与屋值的突发性激烈波动。基於此，本集团认为虽然屋价不可能有如前此於风暴前发生过的快速飙升，它亦不可能突然间从现行的价格水平尖锐地下滑，除开任何激烈的外在不利发展所使然。

值得关注的是：随着近来世界上，尤其是美国善变的财经资产价格，投资者开始着眼于地产业投资的优越性质，因为此资产的资本价值通常不会像其他有如证券与股票资产般地遭遇突然与尖锐的下滑情况。

由於更多有潜力的购屋者认识到作为中长期投资产业的与日俱增的吸引力，如与其他形式的现有投资方式相比，本集团已谨慎地对将逐渐增进的购屋兴趣抱着乐观的态度。以拥有一较低平均收购价的地产储存库，本集团可策划有选择性地出售发展工程以便维持其总体的盈利幅度。

住宅产业的潜在购置者的进场兴趣还相当健全，不止一些其他的产业公司，此兴趣也同时出现於本集团成功发售的金光大厦公寓单位以及对於罗弄泉/宏茂桥的390单位的共管式公寓-金岭园的健全购买率，本集团於首两星期内，售出第一期所开放的176单位中的125单位。

本集团拟於本年较後期，发售位於樟宜东上段的598单位共管式公寓以及位於丹戎加东拥有51单位的金玉坊。

商业/零售业

办公楼方面，由於缓慢下来的经济与资讯有关行业的波动而难以像2000年般地取得同等的租用率。中期的需求将因较多的国际性公司，响应对财经与电讯行业的解禁，而在新加坡设立基地，以致预期良好。第一珊顿大道（前为罗敏那大厦）将被重新发展为一项拥有较多应付市场需求出租面积的高科技大厦。此将允许本集团扩大其现有的低容积率。此收购时原有的低容积率已经从7.4调高至11.76。

在直接连贯唐城坊的地铁完成後，此综合大厦的资产值与租金收益应有良好的改进。

旅店业

本集团在亚洲与澳洲的大部分产业预期会得益於主要来自平均客房租金率，租用率与增强的旅店产品的改进，取得较佳的业绩。特别是到访的旅客预期将比往年显著增进的新加坡更以为然。

在英国与美国经历了特别强劲的2000年後，本集团觉察到在一些其主要的市场里，需求有些趋软。可是，与我们多数的竞争者同感的是：本集团预期此疲弱现象是暂时的。基於此，本集团已实行一指定的开销计划，集中销售与成本控制以确保继续获取利润。

本集团相信於1999年所收购的Regal集团，将带来增长与持久的价值。虽然Regal集团被普遍地认为是在美国市场兴旺时购进的，这些Regal旅店却由於不适当的管理措施以及匮乏资本而显著地无所表现。在本集团的督导下以及通过其投资计划，Regal旅店将会有很大的潜能带来改进的收入与盈利。既使在美国经济持续软化的情况下，这些旅店在重新装修後将有所表现，最低限度也将与被本集团收购前的表现不相上下。总而言之，本集团期待从这些被重新装修与定位的Millennium旅店中，尤其是在炽热的有关营业期间，取得良好的业绩。

电子商务

在改组工作完成後，本集团将在本年度为2002年及以外年度的强烈成长奠定基础，掌握现有的商机对服务行业提供解决方案。当产品的开发以及收购销售品的开销是难以避免时，它们将在能尽快地获取利润的前提下进行。本集团将随时维持谨慎的开销管理以便在收入成长与支出保障之间试求取得正确的收支平衡。

除开任何不可预测的情况下，本集团预期将继续会有满意的表现。我仅代表董事部对各董事同仁、管理层与职员们於去年的宝贵贡献致以谢意。我亦感谢股东们的继续支持。

郭令明

执行董事主席

2001年3月29日

Board of Directors

city developments limited
ar 2000

1. **Kwek Leng Beng**, *Executive Chairman*

A director since 1969, Mr Kwek was appointed Executive Chairman in 1995. He is the Chairman and Managing Director of City e-Solutions Limited (formerly known as CDL Hotels International), Hong Leong Finance and Singapore Finance, Chairman of Millennium & Copthorne Hotels ("M&C Hotels"), Hong Leong Asia and Republic Hotels & Resorts. He also sits on the board of Tasek Corporation Berhad.

2. **Kwek Leng Joo**, *Managing Director*

A director since 1980, Mr Kwek is also an Executive Director of City e-Solutions Limited (formerly known as CDL Hotels International) and sits on the boards of Hong Leong Finance, M&C Hotels, Republic Hotels & Resorts and other companies in the Hong Leong Group. He is currently the President of the Singapore Federation of Chambers of Commerce & Industry as well as Singapore Chinese Chamber of Commerce & Industry.

3. **Tan I Tong**

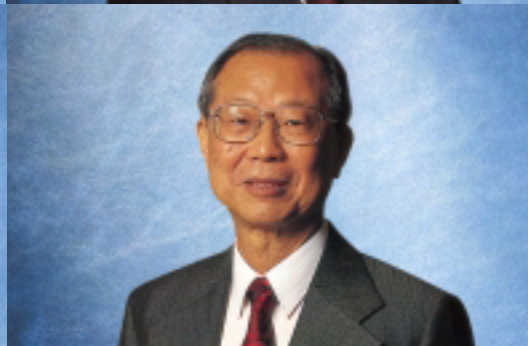
Appointed to the Board in 1973, Mr Tan also sits on the boards of several listed companies, namely, City e-Solutions Limited (formerly known as CDL Hotels International), Republic Hotels & Resorts, Hong Leong Asia, Hong Leong Finance, Singapore Finance and NatSteel.

4. **Chee Keng Soon**

The former Auditor General of Singapore, Mr Chee joined the Board in 1995 and was appointed Chairman of its Audit Committee. He is also a director of SembCorp Marine (formerly known as Jurong Shipyard), Chairman of Jurong Engineering and a board member of the Inland Revenue Authority.

5. **Sim Miah Kian**

Mr Sim joined the Board in 1969. He also sits on the boards of several listed companies, namely, Hong Leong Finance, Singapore Finance, Republic Hotels & Resorts and other companies in the Hong Leong Group.



6. Chow Chiok Hock

Mr Chow joined the Board as well as the management in 1969. He is also a director of City e-Solutions Limited (formerly known as CDL Hotels International), Hong Leong Holdings and other companies in the Hong Leong Group.

7. Ong Pang Boon

Mr Ong was appointed in 1985. He also sits on the boards of Hong Leong Holdings, Hong Leong Finance, Singapore Finance and Singapura Building Society.

8. Foo See Juan

A partner of the law firm Foo & Quek, Mr Foo was appointed to the Board in 1986 and is a member of its Audit Committee. He also sits on the boards of various companies in the CDL Group including City e-Solutions Limited (formerly known as CDL Hotels International) and Republic Hotels & Resorts.

9. Kwek Leng Peck

Mr Kwek joined the Board in 1987. He also sits on the boards of several public companies, including Hong Leong Holdings, Hong Leong Finance, Hong Leong Asia, Hong Leong Corporation, City e-Solutions Limited (formerly known as CDL Hotels International), M&C Hotels, China Yuchai International and Tasek Corporation Berhad.

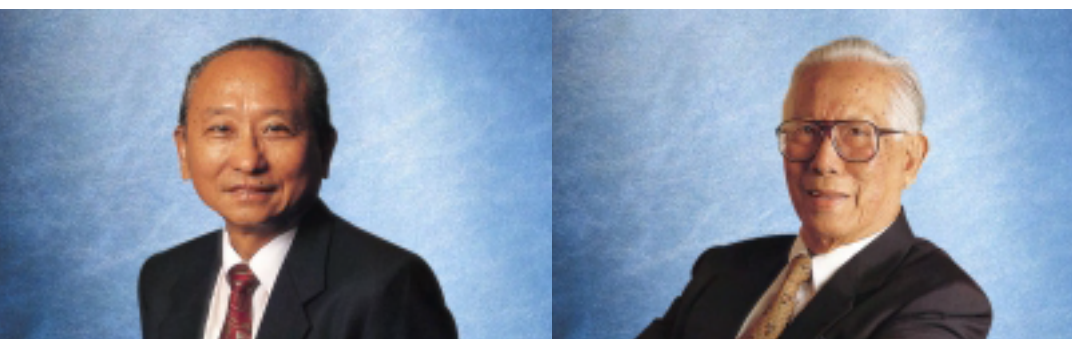
10. Han Vo-Ta

Mr Vo-Ta was appointed to the Board in 1988 and is a member of its Audit Committee. He is also a director of various companies in the Hong Leong Group.

11. Tang See Chim

Mr Tang joined the Board in 1995 and was appointed to the Audit Committee. He also sits on the boards of listed companies, namely, Alexandra Holdings, G K Goh Holdings, Hup Seng Huat, Industrial & Commercial Bank, Prima and New Toyo International Holdings Ltd.

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6. 7. 8. 9. 10. 11.



A Lifestyle With Style

city developments limited

ar 2000

CDL Homes Offer Stylish And Luxurious Lifestyle

Everyone dreams of owning a home which is uniquely designed to capture his imagination and meet his needs. Sharing this sentiment, each CDL home is a showcase of architectural excellence, superb quality and functionality. Homeowners can indulge in its luxurious finishes and fittings, beautiful landscapes and resort-style facilities.

At the dawn of a new millennium, CDL introduced its very own i-Home concept in Singapore. The Equatorial project, incorporating exclusive i-Home features, reflects CDL's vision to integrate the best that modern technology has to offer with architectural excellence.

This premium 95-unit freehold condominium, designed to be intelligent, interactive and Internet-ready, provides homebuyers with the comfort and convenience befitting the lifestyle of the future. All units are lavishly furnished with quality materials and finishes, exuding a sense of understated sophistication.

Located at the junction of Stevens and Bukit Timah Roads, with some of Singapore's prestigious schools and town clubs nearby, The Equatorial is situated amidst an elite residential neighbourhood in district 10. Since its launch in June 2000, The Equatorial is almost 50% sold.

Sunshine Plaza Apartments, catering to an exciting cosmopolitan lifestyle, was launched in November 2000. A mixed development comprising residential, retail and office space, Sunshine Plaza is strategically located at Bencoolen Street. It is within the proposed Entertainment Walk where cinemas, theatres, museums, art galleries, fine restaurants and clubs abound. The convenience of a central location with accessible public transport and major expressways coupled with a host of amenities such as supermarkets, schools and shops complete this picture of ideal city living.

Within just one week of its launch in November, 86% of Sunshine Plaza's 160 well-designed apartments was snapped up. To date, 97% of this popular development has been sold.

pg

18



Sunshine Plaza Apartments offers the best in cosmopolitan living



The ideal i-lifestyle at The Equatorial

A Space Ahead in Business

CDL is dedicated to fulfil its commercial tenants' desire for a conducive and comfortable working environment. To help the tenants stay ahead in business, a CDL commercial space is always strategically located and offers comprehensive infrastructure and facilities.

Office

CDL's flagship Republic Plaza, a 280-metre skyscraper located in the Central Business District (CBD), is a popular headquarters for financial institutions and multi-national corporations. It is equipped with the most advanced of intelligent office features and building automation systems to cater for an efficient working environment. Republic Plaza achieved almost full occupancy for year 2000. Apart from existing tenants leasing additional space, it saw new tenants such as Arab Banking Corporation, EPED B Company, Kumon Asia, Interwoven Software, OUB Bank, Suez Lyonnaise Des Eaux moving in.

Broadband infrastructure has been installed for Republic Plaza, IBM Towers and other CDL prime office buildings to provide value-added and innovative services to meet the growing demands of business tenants.

To further enhance the working environment for tenants, CDL embarked on a refurbishment exercise for two major office buildings within the CBD – IBM Towers and City House. IBM Towers is receiving a facelift with the re-cladding of its external facade, which is targeted for completion by August 2001. Enhancement of the atrium, main entrance lobby and upper floor lobbies will offer a warm and bright ambience for the tenants.

City House, CDL's headquarters, commenced renovation works in October 2000. The renovations involve enlarging and redecorating its ground floor lobby as well as enhancing the interiors of all lifts. The elegant new lobby will offer greater comfort and convenience to tenants from May 2001.

pg

19



Republic Plaza, a popular headquarters for financial institutions and multi-national corporations

Retail

CDL provides well-designed and conveniently-located retail space for both shoppers and tenants. In October, CDL launched Sunshine Plaza's 88 retail units. These choice units are strategically designed to optimise walkway frontage. Enjoying close proximity to the Dhoby Ghaut MRT station, offices, apartments, prime tourist attractions, as well as the hype and excitement that will ensue from the promotion of the Entertainment Walk under the URA plan, Sunshine Plaza promises a constant stream of savvy shoppers.

Other retail properties such as Lot 1 Shoppers' Mall, Palais Renaissance, Central Mall and Chinatown Point performed well with almost full occupancy in year 2000. Palais Renaissance, an upmarket shopping mall that houses top fashion names from Europe and America, maintained 97% to full occupancy through the year under review. The impressive performance is attributable to the strategic locations, strong tenant relations and a good variety of quality retailers.

Waterfront Plaza, located along Havelock Road, attracted major home furnishing retailer Actus, which commenced business in May 2000. As an established lifestyle-related retailer, Actus drew in many shoppers. Actus occupies an area of approximately 26,000 square feet over two floors, offering a complete range of furniture and furnishing products.

During the year, a variety of entertaining and enriching promotional events were organised at CDL's retail properties to provide the ultimate shopping experience. These included festive and other civic-minded events held at Lot 1 Shoppers' Mall and Palais Renaissance, as well as various fund-raising projects for charity at Central Mall and Chinatown Point.

pg

20



Waterfront Plaza, a prominent landmark along the Singapore River



Palais Renaissance achieved almost full occupancy for year 2000

Industrial

The Group's industrial properties performed well for the year under review. Spurred by the growing demand for space by data centre providers and the Internet and telecommunications businesses, demand for high-tech industrial space continued to increase steadily.

Pantech 21 achieved full occupancy and plans are underway to expand rentable space to meet the increasing demand. Pantech 21 offers the ultimate address for research and information technology operations. Situated strategically in Singapore's government-designated technology corridor, Pantech 21 presides over a prestigious neighbourhood that encompasses the National University of Singapore, National Science and Technology Board, National Computer Board and Singapore Polytechnic.

Serviced Apartments

The Group's major serviced apartments project, Le Grove, is a popular retreat for expatriates who appreciate the luxurious yet secluded residential location of the Orange Grove area. The 97-unit project, which is only a stone's throw from the city, is set amidst abundant foliage, swaying palms and an array of flora that make it a tropical paradise.

Le Grove continued to receive commendations from its guests on its excellent service and facilities. To strengthen tenant relations, monthly outings and regular lunches were organised for the residents. Le Grove saw a high occupancy rate of 90% for year 2000.

pg

21



Sunshine Plaza's strategic location is a draw to tenants



Pantech 21, the ultimate centre for research and information technology operations



Le Grove serviced apartments – a homely paradise

Contributing To A Caring Community

CDL continued to play an active role in shaping a gracious and caring society. The company supported worthy causes in charity, education, sports and youth development, as well as environmental protection.

CDL once again received the Corporate Gold Award from Community Chest for its donation to the Community Chest Charity Gala, which raised \$1.2 million for 55 charities. CDL also contributed \$20,000 towards the President's Charity Night 2000. For the sixth year running, CDL was the major sponsor of the annual National Kidney Foundation Charity Drive to help raise funds for kidney patients. The CDL Charity Bowl 2000 raised \$130,000 for Assisi Home & Hospice and Children's Cancer Foundation.

Together with sister companies of the Hong Leong Group, CDL contributed \$1.5 million to set up the Hong Leong Professorship in Ophthalmology at the National University of Singapore. The scheme will help finance research and engage eminent professors from overseas to share their expertise with local professionals in this field.

In addition to monetary contributions, its staff volunteer club, City Sunshine Club, befriended the needy elderly as well as underprivileged children. The Club organised visits to homes like the Gift of Love Home, Little Sisters of the Poor, Assisi Home & Hospice and Student's Care Services at Clementi. In addition, the Club organised social and recreational activities for the young and old from various charities.

pg

22



CDL Charity Bowl 2000 raised funds for cancer patients in Singapore



Spreading festive cheer to achieve City Sunshine Club's mission of lighting up the lives of the less fortunate

CDL's commitment in offering a living environment that is conducive for healthy and comfortable lifestyle for Singaporeans was recognised when it received the Green Leaf Award 2000. CDL is the first developer to receive this Award, which was conferred by the Ministry of the Environment. CDL initiated the installation of eco-friendly and energy-saving lift system at The Florida Executive Condominium. It was also the first private developer in Singapore to install the innovative and eco-friendly pneumatic refuse collection system in Sunshine Plaza, Summerhill and The Equatorial. CDL sponsored the production of the Singapore Green Map to promote Singapore as a country rich in ecological attributes. It continued to help create awareness for environmental protection through its Nature Series corporate calendar.

In recognition of its consistent contribution to shaping a gracious and cultured society, CDL was conferred the National Arts Council's "Friend of the Arts Award". The company sponsored two exhibitions: Southeast Asian paintings and Native Canadian art. In addition, CDL also sponsored a host of exotic entertainment at the Singapore Arts Festival. These performances were held at Lot 1 Shoppers' Mall.

In support of sports and youth development, the company contributed \$250,000 towards GOAL 2010, Singapore's dream to compete in the FIFA World Cup Finals in 2010. For the third year running, CDL contributed \$20,000 to the CDL-Singapore National Bowling Championships which aims at improving the standard of bowling in Singapore.

pg

23



CDL is the first Singapore developer to receive the Green Leaf Award 2000



CDL sponsored Visions & Enchantment: Southeast Asian Paintings

Property Portfolio Analysis

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CDL has a diversified land bank and investment property portfolio that comprises residential, commercial, industrial and hotel properties.

This section presents the Group's property portfolio, which mainly includes:

- * Land bank owned by the Group for the development of residential, commercial and industrial projects in Singapore and overseas;
- * Investment properties developed or acquired by the Group and are held for investment purposes.

In the analysis of the portfolio, only the Group's effective shares as at 1 March 2001 are considered.

Land Bank Analysis by Sector

The Group's land bank of 5.3 million square feet comprised 81% residential, 6% commercial and hotel, 7% industrial and 6% overseas residential projects.

Analysis by Development Stage

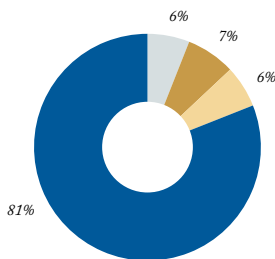
93% of the 5.3 million square feet of land held for development was at planning stage. The remaining 7% was under construction. This included sites at Goldenhill Park Condominium, Boulevard Hotel and Emery Point at Ipoh Lane.

Analysis by Tenure

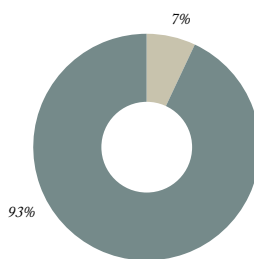
Freehold & 999-year leasehold land accounted for 85% of the Group's land bank, while land with leases of 99-year and below took up 15%.

Of the 4.5 million square feet of freehold & 999-year leasehold land, 77% was for residential projects, 7% for commercial and hotel use, 8% for industrial properties and 8% for overseas residential projects.

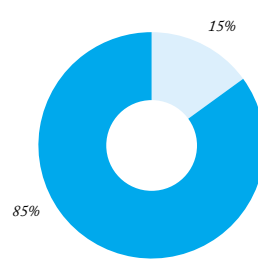
All of the 811,340 square feet of land with leases of 99-year & below was ear-marked for residential projects.



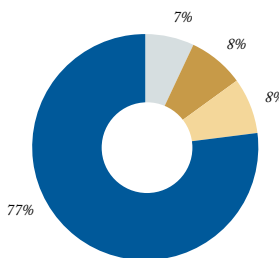
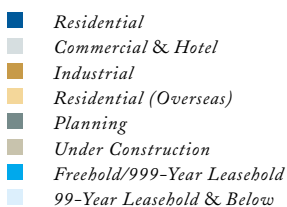
Analysis by Sector
Total – 5.3 million square feet



Analysis by Development Stage
Total – 5.3 million square feet



Analysis by Tenure
Total – 5.3 million square feet



Freehold/999-Year Leasehold
Breakdown by Sector
Total – 4.5 million square feet



99-Year & Below Leasehold
Breakdown by Sector
Total – 811,340 square feet

Investment Properties *Analysis by Sector*

The Group's total investment property portfolio comprised 6 residential projects and 35 commercial properties with a lettable/ strata area of approximately 4.4 million square feet.

The Group's 2.3 million square feet of office space accounted for 53% of the Group's investment properties. Major office buildings included CDL's flagship Republic Plaza 1 & 2, City House, Commerce Point, IBM Towers and Plaza By The Park.

Industrial properties, comprising 1 million square feet of lettable area, formed 24% of the Group's property portfolio. These included Tagore 23 Warehouse, Pantech 21 and New Tech Park.

Retail projects made up 14% of the total investment property portfolio. The total retail space of about 610,000 square feet included Central Mall, Waterfront Plaza, Chinatown Point, Lot 1 Shoppers' Mall and Palais Renaissance.

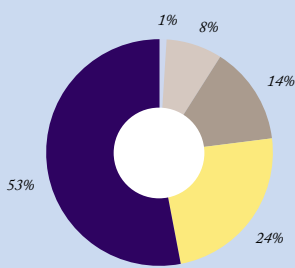
Residential Properties, which included bungalows at Nassim Road and Ridout Road as well as Le Grove Serviced Apartments, formed 8% of the Group's total investment property portfolio. The remaining 1% of the portfolio comprised cinemas, bowling alleys and private eateries at retail complexes.

Analysis by Tenure

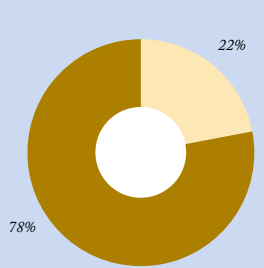
78% or 3.4 million square feet of the Group's investment property portfolio comprised freehold & 999-year leasehold properties. The remaining 22%, approximately 1 million square feet of lettable area, was made up of properties with leases of 99-year & below.

The Group's 3.4 million square feet of freehold & 999-year leasehold properties comprised 55% office space, 25% industrial properties, 9% retail projects, 10% residential properties and 1% for other purposes.

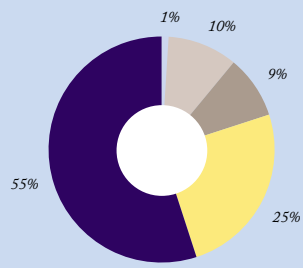
Of the 99-year & below leasehold properties comprising 1 million square feet of lettable area, 47% was for office use and 18% industrial projects. Retail and other purposes formed the remaining 32% and 3% respectively.



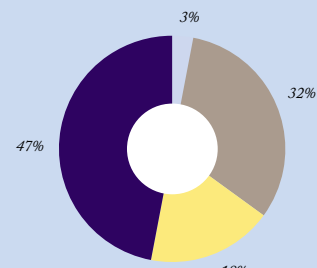
Analysis by Sector
Total – 4.4 million square feet



Analysis by Tenure
Total – 4.4 million square feet



Freehold/999-Year Leasehold
Breakdown by Sector
Total – 3.4 million square feet



99-Year & Below Leasehold
Breakdown by Sector
Total – 1 million square feet

- Office
- Industrial
- Retail
- Residential
- Others
- Freehold/999-Year Leasehold
- 99-Year Leasehold & Below

Major Properties

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<i>Commercial Properties</i>	<i>Tenure</i>	<i>Site Area</i>	<i>net lettable area</i>
		<i>(sq. metres)</i>	<i>(sq. metres)</i>
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	73,191
Central Mall comprises a cluster of conservation shophouses at Havelock Road/Magazine Road.	99-year lease wef 15.05.1993	4,806	5,248
Central Mall (Office Tower) is a 7-storey office-cum-retail building located at Havelock Road/Magazine Road.	Freehold	2,828	12,204
Lot 1 Shoppers' Mall is a 7-storey suburban retail-cum-entertainment complex located next to the Choa Chu Kang MRT Station. The Group owns 50% of the total lettable area in the building.	99-year lease wef 01.12.1993	8,400	19,272
Le Grove is the Group's first serviced apartments project located at Orange Grove Road, off Orchard Road.	Freehold	8,012	8,919
New Tech Park is a high-technology industrial park at Lorong Chuan, off Braddell Road. The Group owns 42.8% of the total lettable area in the building.	999-year lease	39,798	55,759
City House is a 23-storey office building situated at Robinson Road/Cross Street within the Central Business District.	999-year lease	1,272	14,668
IBM Towers 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	33,295
Plaza-By-The Park is an 11-storey commercial building located at 51 Bras Basah Road.	999-year lease	4,972	22,326
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	19,194
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. The Group owns approximately 52% of the total lettable area in the complex.	99-year lease wef 12.11.1980	9,206	31,995

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<i>Commercial Properties</i>	<i>Tenure</i>	<i>Site Area</i> <i>(sq. metres)</i>	<i>Approximate net lettable area</i> <i>(sq. metres)</i>
Palais Renaissance is a 16-storey retail-cum-office complex with 3 basements located at Orchard Road. It comprises 4 levels of shops, 12 storeys of offices and 87 carpark lots.	Freehold	3,175	9,691
GB Building is a 28-storey office building located at 143 Cecil Street.	99-year lease wef 12.10.1982	2,583	7,650
Delfi Orchard is an 11-storey commercial-cum-residential complex located at Orchard Road. The Group owns approximately 74% of the total lettable area in this complex.	Freehold	1,882	8,480
Citilink Warehouse Complex is an 8-storey warehouse located at Pasir Panjang Road. The Group owns approximately 30% of the total lettable area in this complex.	Freehold	14,152	30,000
Cideco Industrial Complex is an 8-storey industrial building located at Genting Lane.	Freehold	5,478	12,617
Pantech 21 is a computer centre located at Pandan Loop.	99-year lease wef 27.01.1984	6,900	12,714
City Industrial Building is an 11-storey flatted factory building at Tannery Lane.	Freehold	3,150	12,037
Tanglin Shopping Centre is a shopping-cum-office complex situated at Tanglin Road within the Orchard Road tourist district. The Group owns approximately 34% of the total lettable area and 325 carpark lots.	Freehold	6,365	20,300
The Arcade is a 20-storey office-cum-shopping complex situated at Collyer Quay within the Central Business District. The Group owns approximately 27% of the total lettable area in this complex.	999-year lease	2,035	14,500
Commerce Point is a 19-storey office building located at Philip Street and close to Raffles Place.	999-year lease	776	7,949
Katong Shopping Centre is a 7-storey shopping-cum-office complex situated along Mountbatten Road. The Group owns an area representing approximately 42% of the lettable area and 323 carpark lots in this complex.	Freehold	8,167	20,052

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<i>Commercial Properties</i>	<i>Tenure</i>	<i>Site Area</i> <i>(sq. metres)</i>	<i>Approximate net lettable area</i> <i>(sq. metres)</i>
Tagore 23 Warehouse is a 4-storey warehouse located at Tagore Lane. The Group owns approximately 70% of the total lettable area in this complex.	Freehold	7,418	12,066
King's Centre (plot 1) is an 8-storey office-cum-retail waterfront development located at Havelock Road, next to Singapore River.	99-year leasehold wef 9.2.1984	5,186	8,520
Grand Copthorne Waterfront is a 30-storey 539-room hotel-cum-retail waterfront development located at Havelock Road/Kim Seng Road, along Singapore River.	Freehold	11,509	2,850 (Retail) 46,086 (Hotel)
One Sims Lane is an 8-storey modern industrial building located at Sims Lane. The Group owns approximately 20% of the total lettable area in the building.	Freehold	5,880	13,515
<i>Overseas Properties</i>			
Umeda Pacific Building is an 11-storey commercial building located in the prime business district of Osaka, Japan. The Group owns 60% of the total lettable area in this complex.	Freehold	887	6,337
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 residential apartments, carpark lots and marina berths. The Group owns approximately 18.7% of the total lettable area in this complex.	Freehold	31,600*	30,334
Seoul City Tower is a proposed 23-storey office building situated in the business district of Namdaemoonro, Chung-gu, Seoul, Korea. The Group owns 50% of the total lettable area in the building, which is scheduled for completion in early 2002.	Freehold	3,823	43,273
MyeongDong Central is a proposed 16-storey office building located in the prime district of MyeongDong, Chung-gu, Seoul, Korea. The Group owns 50% of the total lettable area in the building, which is scheduled for completion in early 2002.	Freehold	1,441	14,586

* Excludes strata car park under stage 2 development (10,500 sq. m.).

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<i>Hotels</i>	<i>Tenure</i>	<i>Site Area (sq. metres)</i>	<i>Number of Rooms</i>
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	463
JW Marriott Hotel, Hong Kong Pacific Place, 88 Queensway, Hong Kong	75-year term from 18.4.1985 and option to renew for a further term of 75 years	10,690	602
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	405
The Heritage Hotel Manila Roxas Boulevard at cnr of EDSA Pasay City, Metropolitan Manila, Philippines	Fee Simple	9,888	454
Copthorne Orchid Penang Tanjong Bungah, Penang, Malaysia	Freehold	10,329	318
The Regent Kuala Lumpur Jalan Bukit Bintang, Kuala Lumpur, Malaysia	Freehold	7,899	468
Grand Copthorne Waterfront Hotel Singapore Havelock Road, Singapore	Freehold	11,509	539
Copthorne Harbour View Singapore Anson Road, Singapore	Freehold	2,134	416
Copthorne King's Hotel Singapore Havelock Road, Singapore	99-year lease commencing 01.02.1968	5,637	314
Copthorne Orchid Singapore Dunearn Road, Singapore	Freehold	16,188	446
Orchard Hotel & Shopping Arcade At the junction of Orchard Road and Orange Grove Road, Singapore, with approximately 5,253 square metres of net lettable retail area	Freehold	8,588	675

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<i>Hotels</i>	<i>Tenure</i>	<i>Site Area (sq. metres)</i>	<i>Number of Rooms</i>
Seoul Hilton 395 Namdaemunro 5-Ga Chung-Gu, Seoul, Korea	Freehold	18,760	683
Grand Hyatt Taipei Taipei World Trade Centre, Sung Shou Road, Taipei, Taiwan	50-year term extendable to 80-year term wef 03.07.1990	14,317	872
Europe			
Millennium Bailey's Hotel London Kensington 140 Gloucester Road, London SW7 4QH, England	Freehold	3,359	212
Millennium Hotel London Mayfair Grosvenor Square, Mayfair, London W1A 3AN, England	Leasehold to year 2096	7,096	343
Millennium Hotel London Knightsbridge 17 Sloane Street, Knightsbridge, London SW1X 9NU, England	Leasehold to year 2041	850	222
Millennium Gloucester Hotel London Kensington Harrington Gardens, London SW7 4LH, England	Freehold	5,585	610
Millennium Hotel Glasgow George Square, Glasgow G2 1DS, Scotland	Leasehold to year 2109	2,185	116
Millennium Hotel Paris Opéra 12 Boulevard Haussmann, 75009 Paris, France	Freehold	1,093	162
Copthorne Hotel Paris Charles de Gaulle Zone Hoteliere, Allee du Verger, 95700 Roissy-en-France, France	Finance Lease	12,748	238
Copthorne Hotel Hannover Wurzburger Strasse 21, 30880 Laatzen, Hannover, Germany	Short Lease/Management	14,565	222
Copthorne Hotel Stuttgart International Plieninger Strasse 100, 70561 Stuttgart, Germany	Short Lease/Management	32,058	454

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<i>Hotels</i>	<i>Tenure</i>	<i>Site Area (sq. metres)</i>	<i>Number of Rooms</i>
Copthorne Hotel Aberdeen 122 Huntly Street, Aberdeen AB1 1SU, Scotland	Freehold	1,619	89
Copthorne Hotel Birmingham Paradise Circus, Birmingham B3 3HJ, England	Freehold	3,238	212
Copthorne Hotel Cardiff Caerdydd Copthorne Way, Culverhouse Cross, Cardiff CF5 6DH, Wales	Freehold	26,306	135
Copthorne Hotel Effingham Park Gatwick Copthorne, West Sussex RH10 3EU, England	Freehold plus 6,070 at Lane End	157,833	122
Copthorne Hotel London Gatwick Copthorne, West Sussex RH10 3PG, England	Freehold	445,170	227
Copthorne Hotel Manchester Clippers Quay, Salford Quays, Manchester M5 2XP, England	Leasehold to year 2135	8,984	166
Copthorne Hotel Merry Hill-Dudley Level Street, Brierley Hill, Dudley, West Midlands DY5 1UR, England	Finance Lease	14,286	138
Copthorne Hotel Newcastle The Close, Quayside, Newcastle upon Tyne NE1 3RT, England	Freehold	7,325	156
Copthorne Hotel Slough Windsor Cippenham Lane, Slough, Berkshire SL1 2YE, England	Freehold	7,123	219
Copthorne Tara Hotel London Kensington Scarsdale Place, Kensington, London W8 5SR, England	Freehold	9,025	834
Copthorne Hotel Plymouth Armada Way, Plymouth PL1 1AR, England	Leasehold	2,270	135

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<i>Hotels</i>	<i>Tenure</i>	<i>Site Area (sq. metres)</i>	<i>Number of Rooms</i>
North America			
Millennium Hotel New York Broadway 145 West 44th Street, New York, NY 10036-4012, USA	Freehold	3,236	751
The Millenium Hilton 55 Church Street, New York, NY 10007, USA	Freehold	1,681	561
The Plaza 768 Fifth Avenue, New York, NY 10019, USA	Freehold	77,666	805
Millennium Hotel Anchorage 4800 Spenard Road, Anchorage, AK 99517-3236	Freehold Owned Leased to year 2040	14,159 6,191	248
Millennium Biltmore Hotel Los Angeles 506 South Grand Avenue, Los Angeles, CA 90071	Freehold Owned	11,334	683
Millennium Bostonian Hotel Boston At Faneull Hall Marketplace, Boston, MA 02109	Freehold	2,982	201
Millennium Hotel Cincinnati 150 West Fifth Street, Cincinnati, OH 45202	Owned/Leased	6,839	872
Millennium Hotel Boulder 1345 28th Street, Boulder, CO 80302-6899	Freehold	64,021	269
Millennium Knickerbocker Hotel Chicago 163 East Walton Place, Chicago, IL 60611	Freehold	2,007	305
Millennium Maxwell House Hotel Nashville 2025 MetroCenter Boulevard, Nashville, TN 37228-1505	Leased to year 2049	36,422	289
Millennium McCormick Ranch Resort Scottsdale 7401 North Scottsdale Road, Scottsdale, AZ 85263-3548	Leased to year 2053	32,819	125

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<i>Hotels</i>	<i>Tenure</i>	<i>Site Area (sq. metres)</i>	<i>Number of Rooms</i>
Millennium Hotel Minneapolis 1313 Nicollet Mall, Minneapolis, MN 55403	Leased to year 2045	Not available	324
Millennium Hotel St. Louis 200 South 4th Street, St. Louis, MO 63102-1804	Freehold	17,033	780
Millennium Hotel New York U.N. Plaza 1 UN Plaza, 44th Street at 1st Avenue New York, NY 10017-3575	Freehold/Leased to year 2079	1,399	427
Millennium Hotel Raleigh Durham 2800 CampusWalk Avenue, Durham, NC 27705-4479	Freehold Owned	42,816	313
Clarion Fourwinds Resort 9301 Fairfax Road, Bloomington, IN 47401-8962	Leased to year 2030	311,598	123
Comfort Inn Salt Lake City 200 North Admiral Byrd Road, Salt Lake City, UT 84116	Owned	15,135	154
Comfort Inn Avon Vail 161 West Beaver Creek Boulevard, Avon, CO 81620-5510	Freehold	11,210	146
The Eldorado 309 West San Francisco Street, Santa Fe, NM 87501-2115	Indirect interest	Not available	219
Park Inn Club Bradenton 4450 47th Street West, Bradenton, FL 34210	Leased to year 2002	10,198	130
Pine Lake Trout Club 17021 Chillicothe Road, Chagrin Falls, OH 44023-0282	Freehold Owned	331,114	7
Four Points Hotel, Buffalo Airport 2040 Walden Avenue, Buffalo, NY 14225-5186	Leased to year 2041	31,726	292
Sunnyvale Four Points 1250 Lakeside Drive, Sunnyvale, CA 94086-4010	Freehold	35,734	375

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<i>Hotels</i>	<i>Tenure</i>	<i>Right of Renewal</i>	<i>Site Area (sq. metres)</i>	<i>Number of Rooms</i>
Australasia				
Millennium Hotel Sydney At The Top of William Street, Sydney, Australia	Freehold		3,622	390
Millennium Hotel Christchurch 14 Cathedral Square, Christchurch, New Zealand	Leasehold to Nov 2010	1 x 5 years	1,470	179
Millennium Hotel Queenstown Cnr Frankton Road & Stanley St., Queenstown, New Zealand	Freehold		7,453	220
Millennium Hotel Rotorua Cnr Eruera & Hinemaru Streets, Rotorua, New Zealand	Freehold/Leasehold land with Perpetual right of renewal		14,418	227
Copthorne Hotel Auckland Anzac Avenue 150 Anzac Avenue, Auckland, New Zealand	Leasehold land with Perpetual right of renewal		2,495	110
Copthorne Hotel Auckland HarbourCity Quay Street, Auckland, New Zealand	Leasehold to 13.01.2020		2,407	188
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
Copthorne Hotel Christchurch Central 776 Colombo Street, Christchurch, New Zealand	Freehold		2,154	142
Copthorne Hotel Christchurch Durham Street Cnr Durham & Kilmore Streets, Christchurch, New Zealand	Leasehold to year 2007	2 x 5 years	1,734	161
Copthorne Hotel & Resort Queenstown Lakefront Cnr Adelaide Street & Frankton Road, Queenstown, New Zealand	Freehold		18,336	247

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<i>Hotels</i>	<i>Tenure</i>	<i>Right of Renewal</i>	<i>Site Area (sq. metres)</i>	<i>Number of Rooms</i>
Copthorne Hotel Wellington Plimmer Towers Cnr Boulcott & Gilmer Streets, Wellington, New Zealand	Leasehold to year 2008	2 x 3 years	3,982	94
Quality Hotel Logan Park Auckland 187 Campbell Road, Greenlane, Auckland, New Zealand	Leasehold land with Perpetual right of renewal		17,199	220
Quality Hotel Rose Park Auckland 92-102 Gladstone Road, Parnell, Auckland, New Zealand	Leasehold to year 2006	2 x 5 years	7,650	117
Quality Hotel Dunedin Upper Moray Place, Dunedin, New Zealand	Freehold		2,193	55
Quality Hotel Kings Greymouth 32 Mawhera Quay, Greymouth, New Zealand	Freehold & Leasehold land with Perpetual right of renewal		3,970	102
Quality Hotel Rotorua Fenton Street, Rotorua, New Zealand	Freehold		30,685	136
Quality Hotel Palmerston North 110 Fitzherbert Avenue, Palmerston North, New Zealand	Freehold		16,207	151
Quality Resort Terraces Queenstown 48 Frankton Road, Queenstown, New Zealand	Freehold		4,713	85
Quality Hotel Te Anau 20 Lakefront Drive, Te Anau, New Zealand	Freehold		8,822	94
Quality Hotel Oriental Bay Wellington 73 Roxburgh Street, Wellington, New Zealand	Freehold		3,891	116
Quality Hotel Willis Street Wellington 355 Willis Street, Wellington, New Zealand	Freehold		1,436	84

Hotel information as at 1 May 2001.

Major Properties in the Course of Development

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<i>Description</i>	<i>Location</i>	<i>Site Area (sq. metres)</i>	<i>Floor Area (sq. metres)</i>	<i>Percentage Held %</i>	<i>Approximate Percentage Completion %</i>	<i>Expected Completion Date</i>
Residential						
The Trevoze	Trevoze Crescent	15,775	22,085	50	69	2001
Carissa Park	Tampines Road/ Upper Changi Road North (Flora Road)	50,347	70,486	33	58	2001
Faber Crest	Faber Heights	37,027	51,838	100	64	2001/2002
Dahlia Park	Tampines Road/ Upper Changi Road North (Flora Drive)	28,198	39,477	33	*	2002
Summerhill	Hume Ave	30,446	58,426	100	32	2002
The Equatorial	Stevens Road/ Bukit Timah Road	7,472	15,692	100	29	2002
Emery Point	Ipoh Lane	2,565	7,180	100	*	2002/2003
Boulevard Hotel site	Cuscaden Road/ Orchard Boulevard	12,127	33,956	40	*	2003/2004
Goldenhill Park Condominium	Mei Hwan Drive	24,340	51,113	100	*	2004
Oseania Resort	Ancol, Jakarta	22,698	70,435	30	*	—
Mixed Development						
Sunshine Plaza	Bencoolen Street/ Middle Road	6,283	26,388	100	95	2001
Balestier Road project	Balestier Road	667	2,002	100	*	2003
City Square	Kitchener Road/ Jalan Besar	46,477	167,521	100	*	2004/2005
Tomlinson Road project	Tanglin/Tomlinson/ Cuscaden Roads	16,693	77,119	33	*	2005
King's Centre – Plot 3	Havelock Road/ Kim Seng Road	5,470	20,877	100	*	—

* Work less than 20% completed.

Major Properties for Development and/or Resale

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at 2000

<i>Description & Location</i>	<i>Site Area (sq. metres)</i>	<i>Approximate Percentage Held %</i>
Residential		
Ang Mo Kio Avenue 1	20,758	100
5 Balmoral Park site	37,858	100
Buckley Mansion site	4,097	100
Evelyn Road*	10,728	50
Garden Hotel site	9,493	100
Jalan Kolam Ayer, JB, Malaysia	24,758	100
Jalan Waspada, JB, Malaysia	6,355	100
Kim Lin Mansion site	11,660	100
Pasir Ris	195,025	51
Shelford Road	4,137	100
15 & 19 Swiss Club Road	15,915	100
Tampines Road/Upper Changi Road North	169,706	33
Tat Lee Court	24,172	100
Land at Upper Changi Road East	96,910	60
Wilkie/Upper Wilkie Road	2,888	100
Commercial		
North Canal Road	777	100
Industrial		
Jalan Lam Huat	15,564	100
100F Pasir Panjang Road	2,900	100
Tagore Avenue	13,314	100

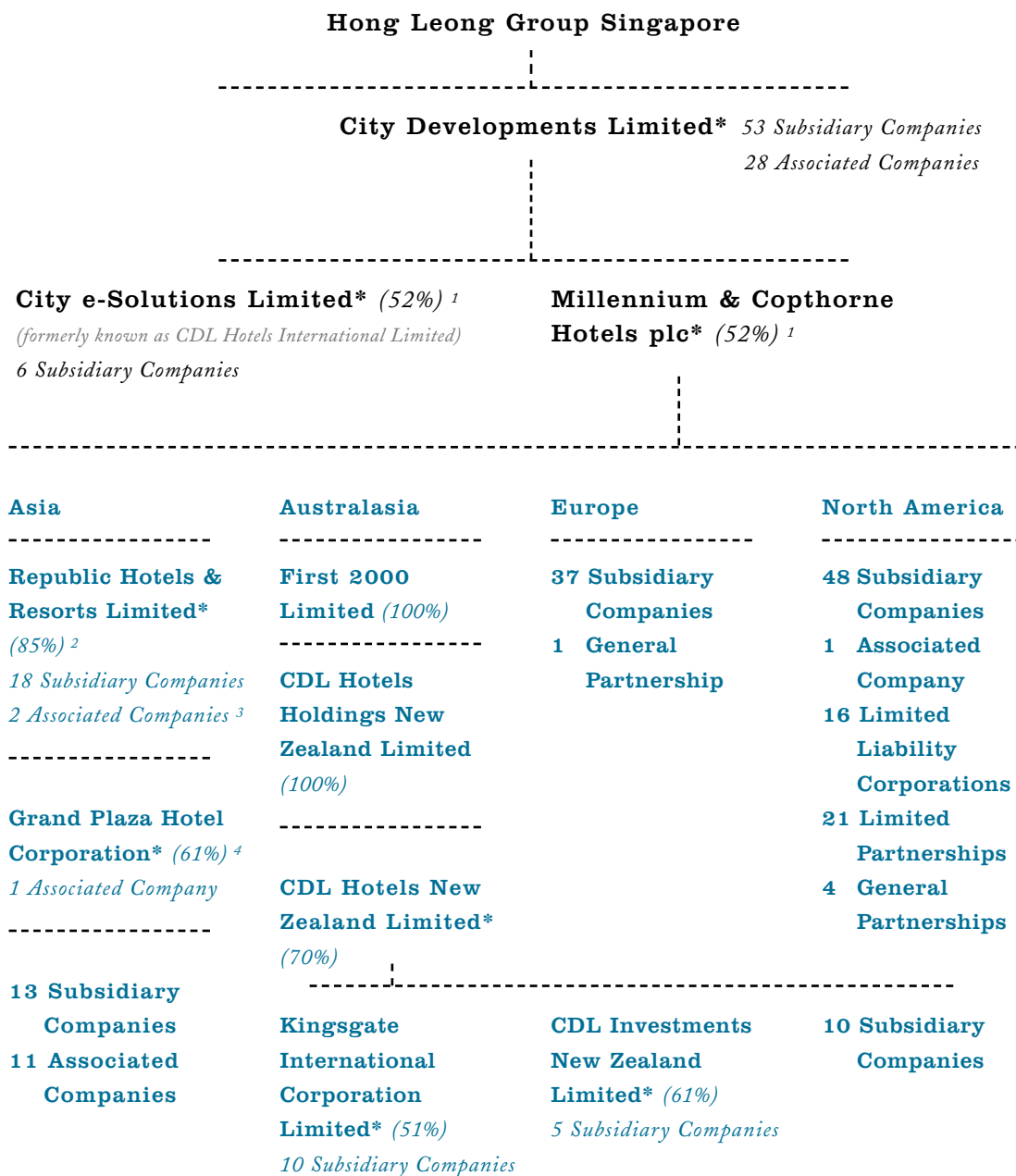
* Amalgamation of Ixora Court/Newton Point and Seedeви sites.



Corporate Structure *as at 1 April 2001*

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ar 2000



pg

39

Notes:

1. held through the Company's wholly-owned subsidiary companies.

2. held through wholly-owned subsidiary companies of Millennium & Copthorne Hotels plc ("M&C")

3. includes Grand Plaza Hotel Corporation

4. held through a 60% subsidiary company of M&C and a wholly-owned company of Republic Hotels & Resorts Limited

** Listed Companies*

Corporate Information

city developments limited

ar 2000

Board of Directors

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

Audit Committee

Chee Keng Soon (*Chairman*)

Foo See Juan

Han Vo-Ta

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 Hong Leong Centre Singapore 068906

Registered Office

36 Robinson Road #04-01 City House Singapore 068877

Tel: 221 2266

Auditors

KPMG

Certified Public Accountants, Singapore

(*Partner-in-charge: Chay Fook Yuen*)

16 Raffles Quay #22-00 Hong Leong Building Singapore 048581

Principal Bankers

ABN AMRO Bank N.V.

American Express Bank Ltd

Australia and New Zealand Banking Group Limited

BNP Paribas

Bayerische Landesbank, Girozentrale

Citibank, N.A.

Commerzbank AG

Credit Agricole Indosuez

ING Barings

Norddeutsche Landesbank Girozentrale

Oversea-Chinese Banking Corporation Limited

Overseas Union Bank Limited

Societe Generale

Standard Chartered Bank

The Bank of Nova Scotia

The Bank of Tokyo-Mitsubishi, Ltd

The Chase Manhattan Bank, N.A.

The Development Bank of Singapore Ltd

The Hongkong and Shanghai Banking Corporation Limited

The Royal Bank of Scotland plc

The Sakura Bank, Limited

The Sanwa Bank Limited

The Sumitomo Bank, Limited

United Overseas Bank Limited

Corporate Governance

city developments limited

ar 2000

The directors and management of the Company are committed to ensuring high standards of corporate governance, in line with the Best Practices Guide issued by the Singapore Exchange Securities Trading Limited ("SGX-ST"), and have put in place an internal guide on the processes and activities of corporate governance.

The Board of Directors

Presently, the Board comprises 11 members of whom 2 are executive directors and 9, non-executive directors. Of the 9 non-executive directors, the Board considers not less than one third thereof to be independent. The independent directors are Messrs Chee Keng Soon, Sim Miah Kian, Foo See Juan and Tang See Chim.

The Board meets at least 4 times a year to review and decide on issues of strategy, performance, resources, including key appointments, and standards of conduct.

Apart from its statutory responsibilities, the Board approves the strategic plans, key operational issues and loans, reviews the financial performance of the Group and evaluates the performance and compensation of senior management personnel.

To assist in the execution of its responsibilities, the Board has established Committees which operate within defined terms of reference such as the Audit Committee, the Nominations Committee, the Board Committee and the Share Option Scheme Committee. Management functions have been delegated to the executive directors.

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

(a) The Audit Committee

Four non-executive directors, the majority of whom is considered to be independent, form the Audit Committee. The Audit Committee met 7 times in 2000.

The Audit Committee's principal responsibility is to assist the Board in raising and maintaining a high standard of corporate governance and in so doing, performs the following duties:

- reviews the financial statements of the Company and the consolidated financial statements of the Group to ensure their completeness, accuracy and fairness before they are approved by the Board, and the auditors' report thereon.
- monitors management's strategy for ensuring that appropriate controls are in place and that these controls are functioning properly. This process entails the review of the scope of work of the internal and external auditors, and the receipt and consideration of their reports thereon.
- reviews the effectiveness of the financial reporting process and the internal control systems.
- recommends the appointment of the external auditors and reviews the level of audit fees.
- ensures compliance with applicable laws and regulations, particularly the Companies Act, Chapter 50 and the Listing Manual of the SGX-ST, as well as policies, procedures and practices established by management.
- reviews compliance with the guidelines adopted by the Board on corporate governance processes and activities.

pg

41

(a) The Audit Committee (cont'd)

- reviews Interested Person Transactions pursuant to the Listing Manual.
- reviews and approves sales of property to interested persons, directors, relatives and employees pursuant to the Listing Manual.

(b) The Nominations Committee

The Nominations Committee, which comprises 3 Board members, ensures a formal and transparent procedure for the appointment and re-appointment of directors to the Board. Its responsibilities also include nominating candidates to fill the most senior executive positions including that of chief executive, and proposing the responsibilities of the non-executive directors as well as the memberships and chairmanships of Committees.

(c) The Board Committee

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

(d) The City Developments Share Option Scheme Committee

(the "Share Option Committee")

The Share Option Committee which comprises 3 Board members, was set up to administer the City Developments Share Option Scheme 2001, with such powers and duties as are conferred on it by the Board.

pg

42

Business and Ethical Conduct

An Internal Code of Business and Ethical Conduct is in place crystallising the Company's business attitudes and practices with respect to matters which may have ethical implications and also to provide an agreed, communicable and understandable framework to govern the conduct of staff.

Dealings In Securities

An Internal Code on Dealings in Securities is also in place prescribing the internal regulations with regard to dealings in the Company's securities. The Code prohibits dealings by directors and employees while in possession of price-sensitive information and also during the "close period" which is defined to mean 1 month before the announcement of the annual and half-year results. It also discourages dealings on short-term considerations.

Financial Reporting and Internal Control

The directors recognise that they have the overall responsibility for ensuring accurate financial reporting for the Group and the establishment of a sound system of internal controls for the Group. The Board with the help of the Audit Committee, reviews the effectiveness of the Group's financial reporting and system of internal controls, which is monitored through a programme of internal audits.

While no system can be perfect, 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 cost of protecting against them.

Audited Accounts

city developments limited
ar 2000

Contents

Directors' Report	<i>pg 44</i>
Statement by Directors	<i>pg 66</i>
Report of the Auditors to the Members of City Developments Limited	<i>pg 67</i>
Balance Sheets	<i>pg 68</i>
Profit & Loss Accounts	<i>pg 69</i>
Statements of Changes in Equity	<i>pg 70</i>
Consolidated Statement of Cash Flows	<i>pg 72</i>
Notes to the Financial Statements	<i>pg 75</i>

pg

43

Directors' Report

for the year ended 31 December 2000
city developments limited
ar 2000

We, the undersigned directors, on behalf of all the directors of the Company, submit this annual report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2000.

Board of 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

pg

44

In accordance with Article 78(i) of the Company's Articles of Association, Messrs Chee Keng Soon and Kwek Leng Peck who shall retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Pursuant to Section 153(2) of the Companies Act, Chapter 50, Messrs Sim Miah Kian, Tan I Tong and Ong Pang Boon who shall retire at the forthcoming Annual General Meeting, offer themselves for re-appointment as directors under the provisions of Section 153(6) to hold office until the next Annual General Meeting.

Principal Activities

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

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

Other than the provision of information technology and procurement services, there have been no significant changes in such activities during the financial year.

Reorganisation

On 23 June 2000, the Company entered into a conditional Transfer Agreement (the "Transfer Agreement") with City e-Solutions Limited (formerly known as CDL Hotels International Limited) ("CES"), a subsidiary, pursuant to which CES agreed to transfer to the Company (or its wholly-owned subsidiary or subsidiaries) 147,185,025 shares of Millennium & Copthorne Hotels plc ("M&C"), representing approximately 52.4% of the issued share capital of M&C (the "Transfer") for a total consideration of HK\$6,100 million (approximately \$1,359 million). This transaction was completed on 14 August 2000.

Pursuant to the Transfer Agreement, upon completion of the Transfer of CES's entire shareholding in M&C to the Company, all the rights attached to the M&C shares as at 1 January 2000 and thereafter including all dividends and distributions declared, paid or made in respect thereof on or after 1 January 2000 would be transferred to the Company.

Reorganisation (cont'd)

Upon completion of the Transfer, CES carried out a capital restructuring exercise (the "Capital Restructuring"). The restructuring exercise was approved by the shareholders of CES at an Extraordinary General Meeting held on 9 August 2000 and was subject to approval of the relevant authorities, including the sanction of the Grand Court of the Cayman Islands which was subsequently obtained on 7 October 2000.

The Capital Restructuring of CES involved, *inter alia*, a capitalisation of all amounts standing to the credit of CES's share premium account and part of its other reserves by way of a bonus issue; a capital reduction and the resultant credit arising therefrom being paid to shareholders; and a subdivision and subsequent consolidation of shares arising from the capital reduction and share subdivision. Details of the Capital Restructuring are set out under the Issue of Shares and Debentures paragraph of this report.

Acquisitions and Disposals of Interests in Subsidiaries

- (a) As a result of the Reorganisation of the Group,
- the Company's wholly-owned subsidiaries, Singapura Developments (Private) Limited and Reach Across International Limited, respectively acquired 50.988% and 1.4% of the equity interest in M&C. The acquisition was satisfied by cash consideration amounting to HK\$5,937 million (\$1,323 million) and HK\$163 million (\$36 million) respectively; and
 - the Company disposed of its entire equity interest of 49.729% in CES to the Company's wholly-owned subsidiary, eMpire Investments Limited, a corporation incorporated in Bermuda, for a cash consideration of \$1.
- (b) In addition to the above, there were the following acquisitions of interests in subsidiaries during the financial year:

<i>Name of Subsidiary</i>	<i>Consideration</i>	<i>Net Tangible Assets Acquired</i>	<i>Percentage of Equity Acquired</i>
<i>-----</i>	<i>-----</i>	<i>-----</i>	<i>-----</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>%</i>
<i>By the Company</i>			
Sunshine Plaza Pte Ltd (formerly known as City Hyundai Development Pte Ltd)	21,714	26,976	40
<i>By Subsidiaries</i>			
CDL Investments New Zealand Limited (acquired by CDL Hotels New Zealand Limited)	2,153	716	2.14

Acquisitions and Disposals of Interests in Subsidiaries (cont'd)

(b) In addition to the above, there were the following acquisitions of interests in subsidiaries during the financial year:

<i>Name of Subsidiary</i>	<i>Consideration</i>	<i>Net Tangible Assets Acquired</i>	<i>Percentage of Equity Acquired</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>%</i>
<i>By Subsidiaries (cont'd)</i>			
City e-Solutions Limited (acquired by Golden Rajah Restaurant (Private) Limited)	785	1,005	0.079
City e-Solutions Limited (acquired by Educado Company Limited)	8,943	11,102	0.78
Copthorne Hotel (Newcastle) Limited (acquired by Copthorne Hotels Limited)	549	539	3.14
Republic Hotels & Resorts Limited (acquired by TOSCAP Limited)	234,211	183,583	45.85

Pursuant to the agreement entered into in 1999 by CDL Hotels USA, Inc., a subsidiary, to acquire the US hotel interests of Regal Hotels International Holdings Limited, the acquisition of the Regal Bostonian Hotel was completed in June 2000 and consequently, the entire equity interests in the following companies were acquired:

- (a) RHI Boston Holdings Corporation I
- (b) RHI Boston Holdings Corporation II
- (c) RHI Boston, Inc.
- (d) Bostonian Hotel Limited Partnership
- (e) AMWLHC Bostonian Promises LLC

Details of the agreement were set out in the Directors' Report for the year ended 31 December 1999.

(c) The following subsidiaries were incorporated during the financial year:

<i>Name of Subsidiary</i>	<i>Cost of Investment</i>	<i>Percentage of Equity Held</i>
	<i>\$'000</i>	<i>%</i>
<i>By the Company</i>		
City (Labuan) Holdings Limited	*	100
Citydev (Labuan) Holdings Limited	*	100
eMpire Investments Limited	21	100

city developments limited
ar 2000

Acquisitions and Disposals of Interests in Subsidiaries (cont'd)

(c) The following subsidiaries were incorporated during the financial year:

<i>Name of Subsidiary</i>	<i>Cost of Investment</i>	<i>Percentage of</i>
<i>-----</i>	<i>\$'000</i>	<i>Equity Held</i>
<i>-----</i>	<i>-----</i>	<i>-----</i>
<i>By Subsidiaries</i>		<i>%</i>
Reach Across International Limited (incorporated by City Condominiums Pte Ltd)	*	100
City Elite Pte Ltd (incorporated by Harrow Entertainment Pte Ltd)	35	70
Empire City Consultant Pte Ltd (incorporated by City Building Management Pte Ltd)	20	100
M&C Nevada Hotel Corporation (incorporated by CDL Hotels USA, Inc.)	*	100
SWAN Holdings Limited (incorporated by City e-Solutions Limited and Hong Leong Hotels Pte Ltd.)	57,737	100
SWAN Inc (incorporated by SWAN Holdings Limited)	17,315	100
TOSCAP Limited (incorporated by ATOS Holding AG)	5,740	100

* Less than \$1,000

(d) During the financial year, there were the following disposals of interests in subsidiaries:

<i>Name of Subsidiary</i>	<i>Consideration</i>	<i>Net Tangible</i>	<i>Percentage</i>
<i>-----</i>	<i>-----</i>	<i>Assets</i>	<i>of Equity</i>
<i>-----</i>	<i>-----</i>	<i>Disposed</i>	<i>Disposed</i>
<i>By Subsidiaries</i>	<i>\$'000</i>	<i>\$'000</i>	<i>%</i>
Republic Hotels & Resorts Limited (disposed by Hong Leong Hotels Pte Ltd.)	23,773	27,082	6.739
Undersea World Indonesia Limited (disposed by City e-Solutions Limited)	10	330	100

pg

47

Acquisitions and Disposals of Interests in Subsidiaries (cont'd)

(e) The following subsidiaries were amalgamated, merged, dissolved, de-registered or liquidated during the financial year:

- (i) AMWLHC Bostonian Promises LLC
- (ii) Antonio Nominees Limited
- (iii) Atlanta F.C. Co.
- (iv) CDL (Thailand) Limited
- (v) CDL Christchurch Limited
- (vi) CDL Greymouth Limited
- (vii) CDL Logan Park Limited
- (viii) CDL Operations Limited
- (ix) CDL Queenstown Limited
- (x) CDL Rotorua Limited
- (xi) CDL Securities Limited
- (xii) CDL Te Anau Limited
- (xiii) Chicago Regal Holdings LLC
- (xiv) Citydev (Cayman) Investment Limited
- (xv) Clarion Hotels & Suites Limited
- (xvi) Copthorne Hotels and Resorts Limited
- (xvii) Craigsforth Pte Ltd
- (xviii) Durham Regal Operating LLC
- (xix) Harbourcity Hotel Limited
- (xx) Kupe Cor Limited
- (xxi) Newhurst Holdings Limited
- (xxii) Paramoor Eleven Limited
- (xxiii) QINZ (Dunedin) Limited
- (xxiv) QINZ (Oriental Bay) Limited
- (xxv) QINZ (Palmerston North) Limited
- (xxvi) QINZ (Queenstown) Limited
- (xxvii) QINZ (Rotorua) Limited
- (xxviii) QINZ (Willis Street) Limited
- (xxix) Quality Inns Limited
- (xxx) Regal UN Plaza LLC
- (xxxi) RHM Anchorage LLC
- (xxxii) Sleep Inns Limited
- (xxxiii) St. James's Enterprises Pte Ltd
- (xxxiv) Venus Holdings Limited
- (xxxv) Venus Leases Limited

city developments limited
ar 2000

Financial Results

Results of the Group and of the Company for the financial year are as follows:

	<i>The Group</i>	<i>The Company</i>
	<i>\$'000</i>	<i>\$'000</i>
Profit after taxation but before minority interests and extraordinary items	428,335	111,202
Minority Interests	(127,990)	–
Profit after taxation and minority interests but before extraordinary items	300,345	111,202
Extraordinary Items	(8,764)	315,529
Profit after taxation attributable to members of City Developments Limited	291,581	426,731
Proposed Dividend		
– First and final dividend of 15% less 24.5% tax	(45,358)	(45,358)
Retained Profit transferred to revenue reserve	246,223	381,373

Transfers to and from Reserves and Provisions

Movements in reserves are set out in the accompanying statements of changes in equity.

Movements in provisions are set out in the accompanying notes to the financial statements.

Issue of Shares and Debentures

(a) During the financial year, the Company did not issue any shares. Shares issued by the subsidiaries were as follows:

Subsidiaries

ATOS Holding AG

39 ordinary shares of ATS1,000 each were issued at par and credited as fully paid pursuant to an agreement for the transfer of all assets of M & C (BC) Limited, a subsidiary of the Group, to ATOS Holding AG.

CDL Investments New Zealand Limited

14,394,022 ordinary shares were issued at a strike price of NZ\$0.20229 per share pursuant to the Dividend Reinvestment Plan.

CDL (Thailand) Limited

8,000 ordinary shares of Baht 100 each were issued at par for cash to provide for the shortfall in shareholders' funds prior to liquidation.

City Elite Pte Ltd

2 ordinary subscribers' shares of \$1 each were issued on incorporation at par for cash and 49,998 ordinary shares were issued at par for cash to provide for additional working capital.

City (Labuan) Holdings Limited

1 ordinary share of US\$1 each was issued on incorporation at par for cash.

Citydev (Labuan) Holdings Limited

1 ordinary share of US\$1 each was issued on incorporation at par for cash.

pg

49

Issue of Shares and Debentures (cont'd)

Subsidiaries (cont'd)

Empire City Consultant Pte Ltd

2 ordinary subscribers' shares of \$1 each were issued on incorporation at par for cash and 19,998 ordinary shares were issued at par for cash to provide for additional working capital.

Hong Leong International Hotel (Singapore) Pte. Ltd.

The authorised share capital was increased from \$100,000,000 to an aggregate of \$100,000,000 divided into 100,000,000 ordinary shares of \$1 each and £100,000 divided into 10,000,000 redeemable preference shares of £0.01 each by the creation of 10,000,000 redeemable preference shares of £0.01 each.

Hong Leong Hotels Pte Ltd.

The authorised share capital was increased from US\$900,000 to an aggregate of US\$26,000,000 divided into 26,000,000 ordinary shares of US\$1 each and £400,000 divided into 40,000,000 redeemable preference shares of £0.01 each by the creation of 25,100,000 ordinary shares of US\$1 each and 40,000,000 redeemable preference shares of £0.01 each.

25,652,877 ordinary shares of US\$1 each were issued at par and 35,700,000 redeemable preference shares of £0.01 each were issued at a price of £1 each and credited as fully paid by way of capitalisation of loans due and owing to related corporations.

M & C (BC) Limited

17,899,375 ordinary shares of £1 each were issued at par in consideration for loans due by certain related corporations to facilitate restructuring of inter-company loans.

M&C Nevada Hotel Corporation

100 shares of no par value were issued on incorporation at the issue price of US\$1 per share for cash.

Millennium & Copthorne (Austrian Holdings) Limited

17,899,375 ordinary shares of £1 each were issued at par in consideration for loans due by certain related corporations to facilitate restructuring of inter-company loans.

M&C Hotels Holdings USA Limited

250 ordinary shares of US\$1 each were issued at the issue price of US\$1,000,000 per share pursuant to a transfer of a loan note from Millennium & Copthorne Hotels plc to M&C Hotels Holdings USA Limited to the value of US\$250,000,000 in respect of financing provided to the US Hotel subsidiaries of the Group.

Millennium & Copthorne International Limited

The authorised share capital was increased from \$100,000 to \$3,000,000.

1,000,000 ordinary shares of \$1 each fully paid were issued at par for cash to provide for additional working capital and 1,390,000 ordinary shares of \$1 each were issued at par and credited as fully paid by way of capitalisation of loan due and owing.

Issue of Shares and Debentures (cont'd)

Subsidiaries (cont'd)

Republic Hotels & Resorts Limited

The authorised share capital was increased from \$5,000,000 to \$1,000,000,000.

214,741,018 ordinary shares of \$1 each were issued at par pursuant to the renounceable rights issue of 3 new ordinary shares for every 4 existing ordinary shares of \$1 each.

1,536 ordinary shares of \$1 each were issued for cash, following the exercise of the subscription rights comprised in Warrants 2000 at the adjusted subscription price of \$1.26 per share.

Singapura Developments (Private) Limited

The authorised share capital was increased from \$20,000,000 to \$2,000,000,000.

12,400,000 ordinary shares of \$100 each were issued at par for cash to provide for additional working capital.

SWAN Holdings Limited

The authorised share capital was increased from US\$12,000 to US\$100,000,000.

12,000 ordinary shares of US\$1 each were issued on incorporation at par for cash and 33,333,333 ordinary shares of US\$1 each were issued at par for cash to provide for additional working capital.

SWAN Inc

10,000,000 common stocks of US\$0.01 each were issued on incorporation at the issue price of US\$1 per share for cash.

TOSCAP Limited

The authorised share capital was increased from \$100,000 to \$10,000,000.

2 ordinary subscribers' shares of \$1 each were issued on incorporation at par for cash and 5,739,998 ordinary shares were issued at par for cash to provide for additional working capital.

City e-Solutions Limited

The authorised share capital was increased from HK\$4,000,000,000 to HK\$10,000,000,000.

80,000 ordinary shares of HK\$1 each were issued at HK\$2.24 per share for cash following the exercise of the subscription rights as set out in the CDL Hotels' Executive Share Option Scheme adopted on 11 June 1997 (the "1997 Scheme").

In addition, 39,383,934 ordinary shares of HK\$1 each were issued at the market price of HK\$2.04 per share pursuant to the 1999 final scrip dividend of HK\$0.06 per share with an option for cash, declared in respect of the year ended 31 December 1999.

70,220,000 ordinary shares of HK\$1 each were issued at an adjusted price of HK\$1 each pursuant to the exercise of options granted under the 1997 Scheme.

Issue of Shares and Debentures (cont'd)

Subsidiaries (cont'd)

City e-Solutions Limited (cont'd)

HK\$5,528,106,448 (approximately \$1,227,240,859) was capitalised from the share premium account and revenue reserve for a bonus issue of 5,528,106,448 ordinary shares of HK\$1 each, on the basis of 2,590 bonus shares for every 1,000 shares held. Following the exercise of options and bonus issue, the issued share capital was increased to HK\$7,662,510,482.

The issued share capital was reduced from HK\$7,662,510,482 divided into 7,662,510,482 shares of HK\$1 each to HK\$383,125,524.10 divided into 7,662,510,482 shares of HK\$0.05 each and the credit arising therefrom amounting to HK\$7,279,384,958 (approximately \$1,616,025,077) was distributed in cash to the shareholders. The shares were subsequently consolidated into 383,125,524 shares of HK\$1 each, on the basis of every 20 shares of HK\$0.05 each being consolidated into 1 consolidated share of HK\$1 each.

During the financial year, 468,000 ordinary shares of HK\$1 each were bought back by City e-Solutions Limited through The Stock Exchange of Hong Kong Limited for an aggregate consideration of HK\$1,058,050 (\$234,887). The shares purchased were subsequently cancelled and accordingly, the issued share capital was reduced by the nominal value of those shares.

Millennium & Copthorne Hotels plc

The following ordinary shares of £0.30 each were issued for cash at the respective exercise price following the exercise of the subscription rights as set out in the Millennium & Copthorne Hotels Executive Share Option Scheme and the Millennium & Copthorne Hotels Sharesave Scheme:

<i>Number of Shares of £0.30 each</i>	<i>Exercise Price per Share</i>
	£
125,928	2.4830
62,624	3.6084
5,485	2.0099
12,145	1.98286
57,852	2.83138
649	3.97466
<u>264,683</u>	

- (b) During the financial year, debentures issued by the Company and its subsidiaries were as follows:

By the Company

\$50 million 4.90% Notes Due 2005
\$100 million 5.125% Notes Due 2007
\$50 million 5.50% Notes Due 2010
\$176 million 3.75% Notes Due 2001
\$24 million 3.38% Notes Due 2001

Issue of Shares and Debentures (cont'd)

By the Company (cont'd)

The Unsecured Notes issued by the Company are constituted by a Trust Deed dated 25 May 1999 and supplemented by a Supplemental Trust Deed dated 9 May 2000. The Notes were issued in bearer form with coupons attached and in denominations of \$250,000 each.

The proceeds of the Notes were used to finance the general working capital of the Group.

Unless previously purchased and cancelled, the Notes will be redeemed by the Company at their principal amount on their respective maturity dates.

By Subsidiaries

Republic Hotels & Resorts Limited

Republic Hotels & Resorts Limited issued \$60 million principal amount of 5.275% Unsecured Fixed Rate Bonds Due 2005 (the "Bonds") constituted under a Trust Deed dated 4 July 2000 (the "Trust Deed"). The Bonds were issued at an issue price of 100% in bearer form, in denominations of \$250,000 each and were sold by way of placement to financial institutions and other investors on the terms and conditions of the subscription agreement dated 4 July 2000. The proceeds of the issue were used to refinance in part Republic Hotels & Resorts Limited's \$100 million principal amount of 2.5% Unsecured Bonds due on 13 July 2000.

The Bonds have coupons attached bearing a fixed interest rate of 5.275% per annum, payable semi-annually in arrears.

Unless previously purchased and cancelled as provided in the Trust Deed, the Bonds will be redeemed at their principal amount on 13 July 2005.

TOSCAP Limited

TOSCAP Limited issued \$165,000,000 principal amount of 5.25% Unsecured Bonds Due 2005 constituted under a Trust Deed dated 31 March 2000. The Bonds were issued at an issue price of 100% in bearer form, in denominations of \$250,000 each and were sold by way of private placement to financial institutions and/or sophisticated investors.

The proceeds of the Bonds were used to fund the Millennium & Copthorne Hotels plc Group's subscription of rights shares in respect of Republic Hotels & Resorts Limited Rights Issue of New Shares.

The Bonds have coupons attached bearing a fixed interest rate of 5.25% per annum, payable annually in arrears, based on the principal amount of the outstanding Bonds.

Unless previously purchased and cancelled or redeemed as provided in the Trust Deed, the Bonds will be redeemed at their principal amount on 11 April 2005.

Arrangements to Enable Directors to Acquire Shares or Debentures

Save as disclosed under the paragraph entitled "Directors' Interests in 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 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 corporation 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, options and warrants in the Company and related corporations are as follows:

	<i>Holdings in which the director, his spouse and infant children have a direct interest</i>		<i>Other holdings in which the director is deemed to have an interest</i>	
	<i>As at</i>	<i>As at</i>	<i>As at</i>	<i>As at</i>
	<i>1.1.2000</i>	<i>31.12.2000</i>	<i>1.1.2000</i>	<i>31.12.2000</i>
<hr style="border-top: 1px dashed black;"/>				
The Company	<i>Shares of \$0.50 each</i>			
Tan I Tong	10,467	10,467	–	–
Immediate and Ultimate Holding Corporation				
<i>Hong Leong Investment Holdings Pte. Ltd.</i>	<i>Shares of \$100 each</i>			
Kwek Leng Beng	2,320	2,320	68,596	68,596
Kwek Leng Joo	1,290	1,290	–	–
Kwek Leng Peck	304	304	–	–
Subsidiaries				
<i>City e-Solutions Limited (formerly known as CDL Hotels International Limited)</i>	<i>Shares of HK\$1 each</i>			
Kwek Leng Beng	1,274,386	3,286,980	–	–
Kwek Leng Joo	–	1,436,000	–	–
Tan I Tong	–	287,200	–	–
Kwek Leng Peck	–	2,082,200	–	–
Foo See Juan	45,262	8,363	–	–
	<i>Options to subscribe for the following number of shares of HK\$1 each under the CDL Hotels' Executive Share Option Scheme*</i>			
Kwek Leng Beng	20,000,000	–	–	–
Kwek Leng Joo	10,000,000	–	–	–
Tan I Tong	2,000,000	–	–	–
Kwek Leng Peck	14,000,000	–	–	–
	<i>CDL Hotels New Zealand Limited</i>			
	<i>Shares with no par value</i>			
Kwek Leng Beng	3,000,000	3,000,000	–	–

* The CDL Hotels' Executive Share Option Scheme was terminated on 10 August 2000.

city developments limited
ar 2000

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

	<i>Holdings in which the director, his spouse and infant children have a direct interest</i>		<i>Other holdings in which the director is deemed to have an interest</i>	
	<i>As at</i>	<i>As at</i>	<i>As at</i>	<i>As at</i>
	<i>1.1.2000</i>	<i>31.12.2000</i>	<i>1.1.2000</i>	<i>31.12.2000</i>
Subsidiaries (cont'd)				
<i>Republic Hotels & Resorts Limited</i>				
	<i>Shares of \$1 each</i>			
Kwek Leng Beng	244,800	428,800	-	-
Tan I Tong	24,480	24,480	-	-
Sim Miah Kian	80,000	80,000	-	-
Foo See Juan	50,000	50,000	-	-
	<i>Warrants 2000**</i>			
Kwek Leng Beng	49,100	-	-	-
Tan I Tong	4,896	-	-	-
Sim Miah Kian	16,000	-	-	-
Foo See Juan	10,000	-	-	-
<i>** expired on 12 July 2000.</i>				
Related Corporations				
<i>Hong Leong Finance Limited</i>				
	<i>Shares of \$1 each</i>			
Kwek Leng Beng	2,777,820	2,777,820	-	-
Kwek Leng Joo	457,776	457,776	-	-
Tan I Tong	30,756	30,756	-	-
Sim Miah Kian	1,454,776	1,454,776	-	-
Kwek Leng Peck	336,600	336,600	-	-
Foo See Juan	-	13,000	-	-
	<i>Options to subscribe for the following number of shares of \$1 each under the Hong Leong Finance Executives' Share Option Scheme</i>			
Tan I Tong	270,000	270,000	-	-
<i>Singapore Finance Limited</i>				
	<i>Shares of \$1 each</i>			
Kwek Leng Beng	334,000	334,000	-	-
Tan I Tong	5,474	5,474	-	-
Sim Miah Kian	80,000	80,000	-	-
Foo See Juan	15,000	25,000	-	-
	<i>Options to subscribe for the following number of shares of \$1 each under the Singapore Finance Executives' Share Option Scheme</i>			
Sim Miah Kian	80,000	80,000	-	-

pg

55

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

	<i>Holdings in which the director, his spouse and infant children have a direct interest</i>		<i>Other holdings in which the director is deemed to have an interest</i>	
	<i>As at</i>	<i>As at</i>	<i>As at</i>	<i>As at</i>
	<i>1.1.2000</i>	<i>31.12.2000</i>	<i>1.1.2000</i>	<i>31.12.2000</i>
Related Corporations (cont'd)				
<i>Hong Leong Holdings Limited</i>				
	<i>Shares of \$1 each</i>			
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	325,000	325,000	-	-
 <i>Hong Realty (Private) Limited</i>				
	<i>Shares of \$1,000 each</i>			
Kwek Leng Beng	1,110	1,110	-	-
Kwek Leng Joo	510	510	-	-
Kwek Leng Peck	150	150	-	-
 <i>NIN Investment Holdings Pte Ltd</i>				
	<i>Shares of \$100 each</i>			
Kwek Leng Beng	100	100	-	-
 <i>Euroform (S) Pte. Limited</i>				
	<i>Shares of \$1 each</i>			
Kwek Leng Joo	50,000	50,000	-	-
 <i>Sun Yuan Holdings Pte Ltd</i>				
	<i>Shares of \$0.20 each</i>			
Kwek Leng Beng	15,000,000	15,000,000	-	-
Tan I Tong	-	-	10,875,000	10,875,000

The directors' interests as at 31 December 2000 disclosed above remained unchanged as at 21 January 2001.

Dividends

Since the end of the last financial year, the Company paid a net dividend of \$44,757,089 representing a first and final net dividend of 15% less 25.5% tax in respect of the previous year as proposed in the directors' report of that year. The directors now recommend the payment of a first and final net dividend of \$45,357,855 representing 15% less 24.5% tax, in respect of the financial year under review.

Other Statutory Information

(a) Bad and Doubtful Debts

Before the profit and loss account and the balance sheet of the Company were made out, the directors took reasonable steps to ascertain what action had been taken in relation to writing off bad debts and providing for doubtful debts of the Company. The directors have satisfied themselves that all known bad debts have been written off and that adequate provision has been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render any amounts written off for bad debts or provided for doubtful debts in the Group inadequate to any substantial extent.

Other Statutory Information (cont'd)

(b) Current Assets

Before the profit and loss account and the balance sheet of the Company were made out, the directors took reasonable steps to ensure that current assets of the Company which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values and that adequate provision has been made for the diminution in value of such current assets.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report which would render the values attributable to current assets in the consolidated financial statements misleading.

(c) Charges and Contingent Liabilities

Since the end of the financial year:

- (i) no charge on the assets of the Company or any corporation in the Group has arisen which secures the liabilities of any other person; and
- (ii) no contingent liability of the Company or any corporation in the Group has arisen.

(d) Ability to Meet Obligations

No contingent liability or other liability of the Company or any corporation in the Group 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.

(e) 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 consolidated financial statements or the financial statements of the Company misleading.

(f) Unusual Items

In the opinion of the directors, except as disclosed in the accompanying financial statements, 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.

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 affiliated parties, being related parties and parties in which some of the directors are deemed to have an interest. Such transactions comprised loans and deposits, purchase and sale of production and construction materials, purchase and sale of investments, purchase, sale and lease of properties, property management, property maintenance services, insurance and other transactions, shares/securities broking services, hotel and hotel related transactions, procurement services, information technology services, e-commerce and e-commerce related transactions, management and consultancy services and 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.

Directors' Interests in Contracts (cont'd)

Where these transactions are required to be approved by the members of the Company at general meetings, pursuant to the requirements of the Companies Act, Chapter 50 or the Singapore Exchange Securities Trading Limited, approval from members has been obtained.

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

On 30 January 2001, the shareholders of the Company adopted the City Developments Share Option Scheme 2001 (the "Scheme").

Under the terms of the Scheme, the committee (the "Scheme Committee") administering the 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").

The option holders are entitled 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 Scheme shall not exceed 8% of the issued ordinary 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 Scheme shall not exceed 20% of the total number of shares available under the 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 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 Scheme may have subscription prices that are, at the Scheme Committee's discretion:

- (i) fixed at the average of the last dealt prices for a share during a three-day price fixing period immediately preceding the grant of the relevant option ("Market Price Options"); or

Share Options (cont'd)

- (ii) set at a discount of not more than 20% to the price applicable to a Market Price 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") and provided the option has not been cancelled.

An option granted under the 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 Scheme Committee will also have a 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 Scheme also participating in any other share option or incentive scheme implemented by any other company, whether within or outside the Group.

The Scheme shall continue to be in force at the discretion of the Scheme Committee for a maximum period of 10 years commencing from its adoption on 30 January 2001.

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

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

Share Options Granted

During the financial year, there were no options granted by the Company to any person to take up unissued shares in the Company.

Options granted by the subsidiaries during the financial year were as follows:

Millennium & Copthorne Hotels plc — Millennium & Copthorne Hotels Executive Share Option Scheme and Millennium & Copthorne Hotels Sharesave Scheme

(i) Millennium & Copthorne Hotels 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:

<i>Date Granted</i>	<i>Granted During the Year</i>	<i>Exercise Price per Share</i>	<i>Exercise Period</i>
Part A			
23.10.2000	7,594	£3.9500	23.10.2003 – 22.10.2010
17.03.2000	47,338	£3.3500	17.03.2003 – 16.03.2010

Share Options Granted (cont'd)

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

<i>Date Granted</i>	<i>Granted During the Year</i>	<i>Exercise Price per Share</i>	<i>Exercise Period</i>
<hr style="border-top: 1px dashed black;"/>			
Part B			
23.10.2000	5,570	£3.9500	23.10.2003 – 22.10.2007
27.09.2000	109,041	£4.1350	27.09.2002 – 26.09.2007
17.03.2000	378,277	£3.3500	17.03.2003 – 16.03.2007

(ii) *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:

<i>Date Granted</i>	<i>Granted During the Year</i>	<i>Exercise Price per Share</i>	<i>Exercise Period</i>
<hr style="border-top: 1px dashed black;"/>			
27.09.2000	111,177	£3.1000	01.07.2003 – 01.01.2004
17.03.2000	48,550	£3.1000	01.07.2005 – 01.01.2006

Details of these two schemes were set out in the Directors' Report for the year ended 31 December 1996.

pg

60

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.

The following options in subsidiaries were exercised during the financial year:

(a) **City e-Solutions Limited — Executive Share Option Scheme adopted on 11 June 1997 (“1997 Scheme”)**

70,300,000 ordinary shares of HK\$1 each in City e-Solutions Limited were issued for cash at the following exercise price following the exercise of the subscription rights as set out in the 1997 Scheme:

<i>Exercised During the Year</i>	<i>Exercise Price per Share</i>
<hr style="border-top: 1px dashed black;"/>	
80,000	HK\$2.24
70,220,000	HK\$1.00 (adjusted price)

Details of the 1997 Scheme were set out in the Directors' Report for the year ended 31 December 1997.

Pursuant to the Capital Restructuring of City e-Solutions Limited, the exercise price for all options under the 1997 Scheme was adjusted to HK\$1.00 each, and all unexercised options as at 10 August 2000 were waived by option holders to facilitate the Capital Restructuring.

(b) **Republic Hotels & Resorts Limited — Warrants**

In conjunction with the issue of \$100 million 2.5% Unsecured Bonds Due 2000, Republic Hotels & Resorts Limited, in 1995, issued 57,215,372 Warrants, each Warrant carrying the right to subscribe for one new ordinary share of \$1 each in Republic Hotels & Resorts Limited at the subscription price to be determined from time to time in accordance with the provisions of the Deed Poll dated 7 July 1995. Holders of the Warrants have the right to subscribe for shares in Republic Hotels & Resorts Limited by tendering the Warrants together with the remittance for the amount of the subscription price. The subscription rights represented by the Warrants expired on 12 July 2000.

Share Options Exercised (cont'd)

(b) Republic Hotels & Resorts Limited — Warrants (cont'd)

Adjustment

Pursuant to the Rights Issue of Republic Hotels & Resorts Limited during the financial year, there was an adjustment to the outstanding Warrants issued by Republic Hotels & Resorts Limited in 1995 and the exercise price of the Warrants as at 13 April 2000 as follows:

Number of Warrants prior to Adjustment	:	56,970,872
Number of Warrants pursuant to Adjustment	:	4,183,946
Exercise Price prior to Adjustment	:	\$1.35
Exercise Price pursuant to Adjustment	:	\$1.26

During the financial year, 1,536 ordinary shares at \$1 each in Republic Hotels & Resorts Limited were issued for cash following the exercise of subscription rights comprised in the Warrants at the adjusted subscription price of \$1.26 per share.

The subscription rights comprised in the 61,153,282 Warrants which were not exercised have accordingly lapsed on 12 July 2000.

(c) Millennium & Copthorne Hotels plc — Millennium & Copthorne Hotels Executive Share Option Scheme and Millennium & Copthorne Hotels Sharesave Scheme

(i) Millennium & Copthorne Hotels Executive Share Option Scheme

188,552 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:

<i>Exercised During the Year</i>	<i>Exercise Price per Share</i>
Part A	
12,081	£2.4830
9,143	£3.6084
 Part B	
113,847	£2.4830
53,481	£3.6084

(ii) Millennium & Copthorne Hotels Sharesave Scheme

76,131 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:

<i>Exercised During the Year</i>	<i>Exercise Price per Share</i>
5,485	£2.00990
12,145	£1.98286
57,852	£2.83138
649	£3.97466

Unissued Shares Under Option

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

Unissued shares of its subsidiaries under options at the end of the financial year were as follows:

Millennium & Copthorne Hotels plc — Millennium & Copthorne Hotels Executive Share Option Scheme and Millennium & Copthorne Hotels Sharesave Scheme

(i) *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	Granted during the year	Exercised during the year	Adjustment during the year	Forfeited during the year	Balance at end of year	Exercise price per share	Adjusted	Exercise Period
								exercise price per share	
							£	£	
Part A									
24.04.1996	48,803	–	12,081	663	–	37,385	2.5169	2.4830	24.04.1999 – 23.04.2006
07.03.1997	9,020	–	9,143	123	–	–	3.6577	3.6084	07.03.2000 – 06.03.2007
05.03.1998	12,843	–	–	175	–	13,018	4.6717	4.6087	05.03.2001 – 04.03.2008
05.03.1999	9,103	–	–	124	–	9,227	4.8981	4.8321	05.03.2002 – 04.03.2009
19.11.1999	7,425	–	–	101	–	7,526	4.0400	3.9856	19.11.2002 – 18.11.2009
23.10.2000	–	7,594	–	–	–	7,594	3.9500	–	23.10.2003 – 22.10.2010
17.03.2000	–	47,338	–	–	–	47,338	3.3500	–	17.03.2003 – 16.03.2010
	<u>87,194</u>	<u>54,932</u>	<u>21,224</u>	<u>1,186</u>	<u>–</u>	<u>122,088</u>			
Part B									
24.04.1996	337,050	–	113,847	4,584	–	227,787	2.5169	2.4830	24.04.1999 – 23.04.2003
07.03.1997	339,184	–	53,481	4,181	31,774	258,110	3.6577	3.6084	08.03.2000 – 07.03.2004
05.03.1998	115,586	–	–	1,572	–	117,158	4.6717	4.60875	05.03.2001 – 04.03.2005
02.04.1998	128,502	–	–	1,628	8,786	121,344	5.0203	4.9527	02.04.2001 – 01.04.2005
Balance carried forward	<u>920,322</u>	<u>–</u>	<u>167,328</u>	<u>11,965</u>	<u>40,560</u>	<u>724,399</u>			

city developments limited
ar 2000

Unissued Shares Under Option (cont'd)

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

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

	<i>Balance at</i>	<i>Granted</i>	<i>Exercised</i>	<i>Adjustment</i>	<i>Forfeited</i>	<i>Balance</i>	<i>Exercise</i>	<i>Adjusted</i>	
<i>Date</i>	<i>beginning</i>	<i>during</i>	<i>during</i>	<i>during</i>	<i>during</i>	<i>at end</i>	<i>price per</i>	<i>exercise</i>	<i>Exercise</i>
<i>Granted</i>	<i>of year</i>	<i>the year</i>	<i>the year</i>	<i>the year</i>	<i>the year</i>	<i>of year</i>	<i>share</i>	<i>share</i>	<i>Period</i>
							£	£	
Balance brought forward	920,322	–	167,328	11,965	40,560	724,399			
05.03.1999	211,218	–	–	2,872	–	214,090	4.8981	4.8321	05.03.2002 – 04.03.2006
19.11.1999	47,030	–	–	640	–	47,670	4.0400	3.9856	19.11.2002 – 18.11.2006
23.10.2000	–	5,570	–	–	–	5,570	3.9500	–	23.10.2003 – 22.10.2007
27.09.2000	–	109,041	–	–	–	109,041	4.1350	–	27.09.2002 – 26.09.2007
17.03.2001	–	378,277	–	–	–	378,277	3.3500	–	17.03.2003 – 16.03.2007
	<u>1,178,570</u>	<u>492,888</u>	<u>167,328</u>	<u>15,477</u>	<u>40,560</u>	<u>1,479,047</u>			

(ii) 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:

	<i>Balance at</i>	<i>Granted</i>	<i>Exercised</i>	<i>Adjustment</i>	<i>Forfeited</i>	<i>Balance</i>	<i>Exercise</i>	<i>Adjusted</i>	
<i>Date</i>	<i>beginning</i>	<i>during</i>	<i>during</i>	<i>during</i>	<i>during</i>	<i>at end</i>	<i>price per</i>	<i>exercise</i>	<i>Exercise</i>
<i>Granted</i>	<i>of year</i>	<i>the year</i>	<i>the year</i>	<i>the year</i>	<i>the year</i>	<i>of year</i>	<i>share</i>	<i>share</i>	<i>Period</i>
							£	£	
23.04.1996	370,755	–	17,630	6,925	21,530	338,520	2.0099	1.98286	01.06.2001 – 01.12.2001
09.05.1997	68,741	–	57,167	887	3,730	8,731	2.8700	2.83138	01.07.2000 – 01.01.2001
09.05.1997	75,671	–	685	1,011	7,230	68,767	2.8700	2.83180	01.07.2002 – 01.01.2003
05.05.1998	33,152	–	–	419	9,802	23,769	4.0289	3.97466	01.07.2001 – 01.01.2002
Balance carried forward	<u>548,319</u>	<u>–</u>	<u>75,482</u>	<u>9,242</u>	<u>42,292</u>	<u>439,787</u>			

pg

63

city developments limited
ar 2000

Unissued Shares Under Option (cont'd)

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

(ii) Millennium & Copthorne Hotels Sharesave scheme (cont'd)

	<i>Balance at</i>	<i>Granted</i>	<i>Exercised</i>	<i>Adjustment</i>	<i>Forfeited</i>	<i>Balance</i>	<i>Exercise</i>	<i>Adjusted</i>	
<i>Date</i>	<i>beginning</i>	<i>during</i>	<i>during</i>	<i>during</i>	<i>during</i>	<i>at end</i>	<i>price per</i>	<i>exercise</i>	<i>Exercise</i>
<i>Granted</i>	<i>of year</i>	<i>the year</i>	<i>the year</i>	<i>the year</i>	<i>the year</i>	<i>of year</i>	<i>share</i>	<i>share</i>	<i>Period</i>
							£	£	
Balance brought forward	548,319	–	75,482	9,242	42,292	439,787			
05.05.1998	35,850	–	649	474	14,696	20,979	4.0289	3.97466	01.07.2003 – 01.01.2004
05.05.1999	58,337	–	–	746	20,594	38,489	3.9203	3.86748	01.07.2002 – 01.01.2003
05.05.1999	39,551	–	–	516	7,194	32,873	3.9203	3.86748	01.07.2004 – 01.01.2005
27.09.2000	–	111,177	–	–	18,812	92,365	3.1000	–	01.07.2003 – 01.01.2004
17.03.2000	–	48,550	–	–	9,511	39,039	3.1000	–	01.07.2005 – 01.01.2006
	<u>682,057</u>	<u>159,727</u>	<u>76,131</u>	<u>10,978</u>	<u>113,099</u>	<u>663,532</u>			

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

Audit Committee

The Audit Committee comprises four members, three 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 2000. 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 accounting controls. The Audit Committee also reviewed the consolidated financial statements and the financial statements of the Company for the financial year ended 31 December 2000 as well as the directors' and auditors' reports thereon.

In addition, the Audit Committee reviewed interested person transactions (as defined in Chapter 9A of the Listing Manual of the Singapore Exchange Securities Trading Limited) for the financial year ended 31 December 2000 conducted pursuant to the Shareholders' Mandate (the "Shareholders' Mandate") which was renewed on 2 June 2000, to satisfy itself that the terms of the transactions are on a commercial basis. The aggregate value of these transactions which are property-related amounted to \$1,079,333.

Audit Committee (cont'd)

Pursuant to the Shareholders' Mandate, the Audit Committee also reviewed the results of the work of the internal auditors in ensuring that the established procedures for interested person transactions have been complied with. It was satisfied that the established procedures have been complied with.

The Audit Committee also reviewed and approved the sale of properties pursuant to the Listing Manual.

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
29 March 2001

Statement by Directors

for the year ended 31 December 2000
city developments limited
ar 2000

We, KWEK LENG BENG and KWEK LENG JOO, being directors of CITY DEVELOPMENTS LIMITED, do hereby state that in our opinion:

- (a) the financial statements set out on pages 68 to 142 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 2000 and of the results of the business, changes in equity of the Group and of the Company and cash flows of the Group 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.

On behalf of the Board of Directors

KWEK LENG BENG
Executive Chairman

pg

66

KWEK LENG JOO
Managing Director

Singapore
29 March 2001

Report of the Auditors to the Members of City Developments Limited

city developments limited

ar 2000

We have audited the financial statements of City Developments Limited and consolidated financial statements of the Group for the year ended 31 December 2000 as set out on pages 68 to 142. 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 financial statements and consolidated financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:
 - (i) the state of affairs of the Group and of the Company as at 31 December 2000 and of the results, changes in equity of the Group and of the Company and cash flows of the Group for the year ended on that date; and
 - (ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements and consolidated financial statements;
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by those subsidiaries incorporated in the Republic of 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 the financial statements of subsidiaries of which an audit is not required by the laws in their countries of incorporation, being financial statements that have been included in the consolidated financial statements. The names of these subsidiaries are disclosed in note 39 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, 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 the Republic of Singapore, did not include any comment made under Section 207(3) of the Act.

KPMG

Certified Public Accountants

Singapore

29 March 2001

Balance Sheets

as at 31 December 2000
city developments limited
ar 2000

	Note	The Group		The Company	
		2000	1999	2000	1999
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Fixed assets	3	7,492,363	7,345,434	686,159	682,572
Investments in subsidiaries	4	–	–	2,124,806	1,324,028
Investments in associated companies	5	317,932	179,720	63,385	64,025
Other financial assets	6	32,518	24,407	16,825	16,825
Other non-current assets	7	126,927	81,187	98,089	68,280
Deferred expenditure	8	25,661	32,884	935	4,606
Current assets					
Development properties	9	2,058,436	1,547,185	1,433,627	708,859
Consumable stocks		14,205	14,645	1,592	410
Other financial assets	6	35,941	35,093	–	–
Trade and other receivables	10	765,917	800,486	686,431	863,250
Cash and cash equivalents	15	688,957	1,056,377	116,943	328,914
		3,563,456	3,453,786	2,238,593	1,901,433
Less:					
Current liabilities					
Trade and other payables	16	707,293	746,494	172,734	257,281
Current portion of long term liabilities	17	993,724	459,850	10,000	100,000
Bank overdrafts	15	3,573	3,069	322	–
Bank loans	18	209,245	354,723	133,133	162,724
Bonds – payable within 12 months	20	480,000	100,000	200,000	–
Provision for taxation	28	278,562	278,671	182,960	199,763
Proposed dividend (net)		45,358	44,757	45,358	44,757
		2,717,755	1,987,564	744,507	764,525
Net current assets		845,701	1,466,222	1,494,086	1,136,908
Less:					
Non-current liabilities					
Interest bearing loans and borrowings	21	3,318,034	3,477,935	1,152,312	369,745
Deferred taxation	28	54,139	56,724	6,491	5,133
		3,372,173	3,534,659	1,158,803	374,878
Less:					
Minority interests		1,597,748	2,137,541	–	–
NET ASSETS		3,871,181	3,457,654	3,325,482	2,922,366
CAPITAL AND RESERVES					
Share capital	22	400,511	400,511	400,511	400,511
Reserves	23	3,470,670	3,057,143	2,924,971	2,521,855
		3,871,181	3,457,654	3,325,482	2,922,366

The notes set out on page 75 to 142 form part of these financial statements

Profit and Loss Accounts

for the year ended 31 December 2000
city developments limited
 ar 2000

	Note	<i>The Group</i>		<i>The Company</i>	
		<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
		<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Revenue	24	2,626,328	2,015,112	249,120	529,370
Cost of sales		(1,190,574)	(975,463)	(40,842)	(214,536)
Gross profit		1,435,754	1,039,649	208,278	314,834
Other income	25	112,221	47,686	43,264	42,641
Administrative expenses		(222,256)	(152,618)	(26,822)	(21,895)
Other operating expenses		(559,927)	(305,960)	(22,678)	(15,534)
Profit from Operations	26	765,792	628,757	202,042	320,046
Finance costs	27	(247,747)	(151,297)	(46,197)	(26,646)
Share of profit of associated companies		60,347	35,677	-	-
Profit from ordinary activities					
before taxation		578,392	513,137	155,845	293,400
Taxation	28	(150,057)	(154,301)	(44,643)	(68,063)
Profit from ordinary activities					
after taxation		428,335	358,836	111,202	225,337
Minority interests		(127,990)	(98,254)	-	-
Profit after taxation and minority interests					
but before extraordinary items		300,345	260,582	111,202	225,337
Extraordinary items	29	(8,764)	122,221	315,529	34,398
Net profit attributable to					
members of the Company		291,581	382,803	426,731	259,735
First and final proposed dividend of 15% less tax at 24.5% (1999: 15% less tax at 25.5%)		(45,358)	(44,757)	(45,358)	(44,757)
Retained profit for the year transferred to revenue reserves		246,223	338,046	381,373	214,978
Earnings per share (cents)	30				
Basic — before extraordinary items		37.50	32.53		
— after extraordinary items		36.40	47.79		

pg

69

Statements of Changes in Equity

for the year ended 31 December 2000
city developments limited
ar 2000

	<i>Share capital</i>	<i>Share premium</i>	<i>Capital reserve</i>	<i>Exchange fluctuation reserve</i>	<i>Retained profits</i>	<i>Total</i>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
The Group						
At 1 January 1999	400,511	944,906	65,926	(14,777)	1,731,281	3,127,847
Change of interests in subsidiaries	–	78	(1,600)	(127)	448	(1,201)
Exchange differences arising on consolidation of foreign subsidiaries	–	–	–	(6,014)	–	(6,014)
Exchange differences arising from translation of intercompany balances	–	–	–	(620)	–	(620)
Exchange differences arising on foreign currency liabilities accounted for as a hedge of net investments in foreign activities	–	–	–	(404)	–	(404)
Profit for the year	–	–	–	–	382,803	382,803
Dividends	–	–	–	–	(44,757)	(44,757)
At 31 December 1999	400,511	944,984	64,326	(21,942)	2,069,775	3,457,654
Change of interests in subsidiaries						
– arising from Reorganisation	–	–	81,620	82,098	–	163,718
– others	–	48	2,775	134	(1,491)	1,466
Exchange differences arising on foreign currency liabilities accounted for as a hedge of net investments in foreign entities realised on replacement of liability	–	–	–	21,743	–	21,743
Exchange differences arising on consolidation of foreign subsidiaries	–	–	–	(19,969)	–	(19,969)
Exchange differences arising on foreign currency liabilities accounted for as a hedge of net investments in foreign activities	–	–	–	346	–	346
Profit for the year	–	–	–	–	291,581	291,581
Dividends	–	–	–	–	(45,358)	(45,358)
At 31 December 2000	400,511	945,032	148,721	62,410	2,314,507	3,871,181

The notes set out on page 75 to 142 form part of these financial statements

Statements of Changes in Equity

for the year ended 31 December 2000

city developments limited

ar 2000

	<i>Share capital</i>	<i>Share premium</i>	<i>Capital reserve</i>	<i>Exchange fluctuation reserve</i>	<i>Retained profits</i>	<i>Total</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
The Company						
At 1 January 1999	400,511	931,910	63,743	(22,583)	1,333,672	2,707,253
Exchange differences arising on foreign currency liabilities accounted for as a hedge of net investments in foreign entities	-	-	-	135	-	135
Profit for the year	-	-	-	-	259,735	259,735
Dividends	-	-	-	-	(44,757)	(44,757)
At 31 December 1999	400,511	931,910	63,743	(22,448)	1,548,650	2,922,366
Exchange differences arising on foreign currency liabilities accounted for as a hedge of investments in foreign entities net realised on repayment of liability	-	-	-	21,743	-	21,743
Profit for the year	-	-	-	-	426,731	426,731
Dividends	-	-	-	-	(45,358)	(45,358)
At 31 December 2000	400,511	931,910	63,743	(705)	1,930,023	3,325,482

pg

71

Consolidated Statement of Cash Flows

for the year ended 31 December 2000
city developments limited
ar 2000

	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax, minority interests and extraordinary items	578,392	513,137
Adjustments for:		
Amortisation of deferred expenditure	11,816	6,955
Depreciation	189,909	191,023
Deferred expenditure written off	60	30
Fixed assets written off	31,554	234
Gain on disposal of fixed assets	(102)	(76)
Share of profits of associated companies	(60,347)	(35,677)
Interest income	(101,260)	(39,648)
Interest expense	247,747	151,297
Dividend income	(3,871)	(2,602)
Provision for diminution in value of investments	2,977	-
Operating profit before working capital changes	896,875	784,673
(Increase)/Decrease in working capital		
Quoted and unquoted investments	(3,199)	2,108
Development properties	(354,322)	(289,218)
Stocks, trade and other receivables	(29,824)	158,103
Related corporations	103,016	(57,263)
Trade and other payables	(156,019)	20,610
Changes in working capital	(440,348)	(165,660)
Income tax paid	(133,639)	(122,810)
Net cash from operating activities carried forward	322,888	496,203

pg
72

city developments limited
ar 2000

	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Net cash from operating activities brought forward	322,888	496,203
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(733,166)	(250,469)
Proceeds from sale of fixed assets	276,196	2,415
Increase in deferred expenditure	(5,358)	(15,794)
(Increase)/Decrease in investments	(3,425)	395
(Increase)/Decrease in advance to associated companies	(45,740)	61,493
(Increase)/Decrease in investments in associated companies	(102,979)	7,751
Cash flow on acquisition of subsidiaries net of cash (Note A)	–	(1,343,644)
Cash flow on disposal of subsidiaries net of cash (Note B)	(912)	58,295
Interest received	101,260	39,486
Dividends received		
– investments	3,871	2,602
– associated companies	7,720	10,430
Net cash used in investing activities	(502,533)	(1,427,040)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital repayment to minority shareholders of a subsidiary	(766,667)	–
Contribution from minority shareholders	98,350	591,009
Proceeds from 5% Unsecured Medium Term Notes Due 2002	–	50,000
Proceeds from 4.9% Unsecured Medium Term Notes Due 2005	50,000	–
Proceeds from 5.125% Unsecured Medium Term Notes Due 2007	100,000	–
Proceeds from 5.5% Unsecured Medium Term Notes Due 2010	50,000	–
Proceeds from 3.75% Unsecured Medium Term Notes Due 2001	176,000	–
Proceeds from 3.38% Unsecured Medium Term Notes Due 2001	24,000	–
Proceeds from 5.275% Unsecured Bonds Due 2005	60,000	–
Proceeds from 5.25% Unsecured Bonds Due 2005	165,000	–
Proceeds from 4.5% Unsecured Medium Term Notes Due 2002	–	50,000
Repayment of 2.5% Unsecured Bonds Due 2000	(100,000)	–
Increase in long term loans	626,000	780,203
Repayment of long term loans	(211,746)	–
Increase in short term loans	33,531	143,373
Repayment of short term loans	(174,771)	(2,656)
Dividends paid	(44,757)	(44,457)
Interest paid (including amounts capitalised as fixed assets and development properties)	(273,704)	(187,021)
Net cash from financing activities	(188,764)	1,380,451
Net (decrease)/increase in cash and cash equivalents	(368,409)	449,617
Exchange differences arising on translation of foreign subsidiaries' cash and cash equivalents	485	(1,597)
Cash and cash equivalents at the beginning of the year	1,053,308	605,291
Cash and cash equivalents at the end of the year (Note 15)	685,384	1,053,308

The notes set out on page 75 to 142 form part of these financial statements

pg

73

Notes to Consolidated Statement of Cash Flows

	<i>2000</i>	<i>1999</i>
	<i>£'000</i>	<i>£'000</i>
A. Summary of the Effect of Acquisition of Subsidiaries		
Fixed assets	–	1,383,559
Associated companies	–	24,544
Current assets	–	158,853
Current liabilities	–	(90,080)
Long term liabilities	–	(29,667)
Minority interests	–	(270)
Net assets acquired	–	1,446,939
Less:		
Cash of subsidiaries acquired	–	(103,295)
	–	<u>1,343,644</u>
B. Summary of the Effect of Disposal of Subsidiaries		
Fixed assets	2,590	120,558
Deferred expenditure	–	42
Current assets	2,030	9,682
Current liabilities	(5,321)	(4,806)
Long term liabilities	–	(82,738)
Minority interests	534	–
	(167)	42,738
Less:		
Increase in investments in associated companies	–	(21,047)
Net assets disposed	(167)	21,691
Add:		
Gain on disposal (net of tax)	177	31,317
Tax on gain on disposal	–	12,085
Gross gain on disposal	177	43,402
	10	65,093
Less:		
Cash of subsidiaries disposed	(922)	(6,798)
	(912)	<u>58,295</u>

Notes to the Financial Statements

31 December 2000
city developments limited
ar 2000

These notes form an integral part of and should be read in conjunction with the accompanying balance sheets, profit and loss accounts, statements of changes in equity and consolidated statement of cash flows.

1. Principal Activities

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

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

Other than the provision of information technology and procurement services, there have been no significant changes in such activities during the financial year.

2. Summary of Significant Accounting Policies

City Developments Limited is a company incorporated in the Republic of Singapore with its registered office at 36 Robinson Road, #04-01, City House, Singapore 068877. The consolidated financial statements for the year ended 31 December 2000 relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associated companies.

(a) Statement of Compliance

These financial statements have been prepared in accordance with the Statements of Accounting Standard issued by the Institute of Certified Public Accountants of Singapore and the disclosure requirements of the Singapore Companies Act, Chapter 50.

(b) Basis of Financial Statements Preparation

The financial statements, expressed in Singapore dollars, are prepared in accordance with the historical cost convention.

(c) Basis of Consolidation

- (i) The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the financial year. All inter-company transactions are eliminated on consolidation, other than capitalised interests on inter-company borrowings which are essentially borrowings from external parties on-lent to the companies concerned.
- (ii) Fair values are assigned to the assets, principally properties, owned by subsidiaries at the date of acquisition as determined by the directors based on independent professional valuations. Any excess or deficiency of the purchase consideration over the fair values assigned to the net assets acquired is accounted for as goodwill or reserve arising on consolidation. Goodwill arising on consolidation is written off directly to reserve. As the fair values assigned to the assets are principally represented by the costs incurred by the Group in acquiring the subsidiaries which owned these properties, these fair values are accordingly reported as costs in the consolidated financial statements.
- (iii) The results of subsidiaries acquired and disposed of during the year are included in the consolidated financial statements from the effective date of acquisition and up to the effective date of disposal respectively.
- (iv) Assets and liabilities of foreign subsidiaries are translated into Singapore dollars at the rates of exchange ruling at the balance sheet date while 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 exchange fluctuation reserve.

pg

75

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

(c) Basis of Consolidation (cont'd)

- (v) 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 exchange fluctuation reserve.

(d) Fixed Assets and Depreciation

Freehold and leasehold land are stated at cost. No depreciation is provided in respect of freehold and 999-year leasehold land. Other leasehold land is amortised over the term of their leases ranging from 88 to 99 years.

Chinaware, glassware, linen, kitchen and bar utensils are stated at cost. Major expenditure as a result of the increased capacity of hotel operations is stated at cost. Subsequent replacements are charged to the profit and loss account.

Freehold properties under development, leasehold properties under development, construction and renovation-in-progress are stated at cost. Expenditure relating to the construction of these items (including interest expenses) are capitalised when incurred and no depreciation is provided until these items are completed.

Fixed assets other than the above are stated at cost less accumulated depreciation. Depreciation is provided on the straight-line basis so as to write-off their costs over their estimated useful lives:

Buildings on freehold and leasehold land	–	50 years or lease term if shorter
Freehold and leasehold properties	–	50 years or lease term if shorter
Furniture, fittings, plant and equipment and improvements	–	3 to 20 years
Motor vehicles	–	4 to 5 years

During the year, the depreciation policy relating to the Group's hotel buildings in Europe was changed such that the depreciable amount of these buildings are based on cost less a residual value that better reflects the recoverable amount of the hotel buildings. The financial effect resulting from this change is, however, not material.

(e) Subsidiaries

Investments in subsidiaries in the Company's balance sheet are stated at cost less any provision for the diminution in value which are other than temporary as determined by the directors for each subsidiary individually. Any such provision are recognised as an expense in the profit and loss account.

(f) Associated Companies

- (i) An associated company is defined as a company, not being a subsidiary, in which the Group has a substantial interest (not less than 20 per cent of the equity) and in whose financial and operating policy decisions the Group exercises significant influence.
- (ii) Investments in associated companies are stated at cost. Provision for diminution in value is made when, in the opinion of the directors, there has been a decline, other than temporary, in the value of the investments.
- (iii) The Group's share of the post-acquisition results of associated companies is included in the consolidated profit and loss account using either the most recent available audited financial statements or the unaudited financial statements of the associated companies. Any difference between the unaudited financial statements and the audited financial statements obtained subsequently are adjusted for in the following financial year. The Group's share of the post-acquisition retained profits and reserves of associated companies is included in the consolidated balance sheet under investments in associated companies.

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

(f) Associated Companies (cont'd)

- (iv) The results of the associated companies are included in the Company's profit and loss account to the extent of dividends received and receivable and the Company's right to receive the dividend is established before the financial statements of the Company are approved by the directors.

(g) Investments

- (i) Unquoted and quoted investments in shares held on long-term basis (including subsidiaries) are stated at cost. Provision for diminution in value is made when, in the opinion of the directors, there has been a decline, other than temporary, in the value of the investments.
- (ii) Quoted investments in shares held as current assets are stated at the lower of cost and market value determined on an item-by-item basis. Declines in values below the original costs are reflected in the profit and loss account.

(h) Deferred Expenditure

Deferred expenditure comprises principally pre-operating expenses of hotel subsidiaries and deferred finance charges which are amortised over a period of 3 to 10 years commencing from the date of commercial operations and the term of the financial instruments respectively.

(i) Development Properties

- (i) 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 billing. 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.
- (ii) Joint development properties are properties which are jointly developed by the Company together with related companies 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 disclosed net of contributions from the other participants. Joint development properties managed by other parties are disclosed as the Company's share of attributable profit less surplus funds received or receivable from the developments.

(j) Borrowing Costs

Borrowing costs that are directly attributable to acquisition and construction are capitalised as part of construction and renovation-in-progress and property under development, commencing from the time these costs are being incurred till the completion of development.

(k) Consumable Stocks

Consumable stocks principally comprise 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.

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

(m) Finance Leases

A finance lease is one which is non-cancellable and the lease term is for the major part of the useful life of the leased asset or the present value of the minimum lease payments (including residual value) represent a substantial portion of the fair value of the leased asset. The amount capitalised is equal to the fair value of the leased asset at the inception of the lease.

Assets acquired under finance leases are depreciated on the straight-line basis over their estimated useful lives as set out in note 2 (d) above. Lease payments made are allocated between finance charge and as a reduction of the lease liability. The finance charge is taken to the profit and loss account.

(n) Bonds

(i) Issued With Warrants

These Bonds are stated at their principal face value. The premium from the issue of the Bonds with warrants after deducting issue expenses is capitalised as capital reserve. The annual interest expense is charged to the profit and loss account, unless it is directly attributable to acquisition and construction of fixed assets and property held for development.

(ii) Issued at a Discount

These Bonds are stated at their principal face value. The difference between the face value of the Bonds and the proceeds received is recorded as discount on Bonds.

Discount on Bonds together with related expenses of the issue of the Bonds are amortised over their repayment periods.

(o) 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.

(p) Income Recognition

Provided it is probable that the economic benefits will flow to the Group and the Company, and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the profit and loss account as follows:

- (i) 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 brought into the financial statements only in respect of sales agreements finalised and to the extent that such profits relate to the progress of the construction work.
- (ii) Revenue arising from hotel operations is recognised when the relevant services are rendered.
- (iii) Rental and interest income is recognised on an accrual basis.
- (iv) Dividend income is recorded gross on the date it is declared payable by the investee company. Dividends from subsidiaries are taken to the Company's profit and loss account when the amounts are proposed in the financial statements of the subsidiaries.

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

(q) Foreign Currency Translation

(i) Unhedged Foreign Currency Assets and Liabilities

Monetary assets and liabilities in foreign currencies are translated into local currencies at rates of exchange closely approximate to those ruling at the balance sheet date and transactions in foreign currencies during the year are translated at rates ruling on transaction dates. Translation differences are dealt with through the profit and loss account.

(ii) Hedged Foreign Currency Assets and Liabilities

Where translation differences arise on translation of a foreign currency liability accounted for as a hedge against investment in a foreign entity, this is included in exchange fluctuation reserve. On disposal of the investment in the foreign entity, translation differences are taken to the profit and loss account.

(r) 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 management and 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.

(i) Business Segments

The Group comprises three main business segments, namely hotel operations, property development and rental of properties.

(ii) Geographical Segments

The hotel operations, property development and rental of properties 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.

(s) Deferred Taxation

Deferred taxation is provided using the liability method on all material timing differences arising from the different treatment of certain items for accounting and taxation purposes. Deferred tax benefit, however, is not recognised in the financial statements unless there is a reasonable expectation of realisation.

In addition, where fair values are incurred by the Group in acquiring the subsidiaries which owned properties, a deferred tax is provided to account for the potential tax liability at the date of acquisition.

This liability is set up based on the fair value incurred by the Group and relates to the tax effect on the excess of the fair value incurred by the Group over the net book value in the subsidiaries' books at the date of acquisition.

city developments limited
ar 2000

3. Fixed Assets

	<i>Freehold land</i>	<i>Leasehold land</i>	<i>Freehold buildings</i>	<i>Leasehold buildings</i>	<i>Freehold properties</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
The Group					
Cost					
Balance at beginning of the year	1,159,233	357,116	2,883,564	1,366,357	405,190
Additions	330,689	38,690	182,312	14,466	1,831
Transfer (to)/from current assets	(21,781)	(4,495)	(12,358)	(18,012)	(3,004)
Disposals	(32,105)	–	(49,009)	–	(27,403)
Disposal of subsidiaries	–	–	(2,975)	–	–
Written off/down during the year	–	–	(18,772)	(11,553)	–
Reclassification	1,387	(31,282)	1,598	24,803	96,689
Exchange differences on translation	(55,214)	1,256	(53,687)	(3,786)	18,434
Balance at end of the year	<u>1,382,209</u>	<u>361,285</u>	<u>2,930,673</u>	<u>1,372,275</u>	<u>491,737</u>
Accumulated Depreciation					
Balance at beginning of the year	–	10,628	241,624	126,755	76,789
Charge for the year (Note 26)	–	1,419	54,478	20,028	8,051
Disposals	–	–	(7,043)	–	(2,774)
Disposal of subsidiaries	–	–	(1,223)	–	–
Written off during the year	–	–	–	–	–
Exchange differences on translation	–	7	(8,157)	(320)	401
Balance at end of the year	<u>–</u>	<u>12,054</u>	<u>279,679</u>	<u>146,463</u>	<u>82,467</u>
Depreciation charge for 1999	<u>–</u>	<u>2,365</u>	<u>52,226</u>	<u>24,872</u>	<u>7,829</u>
Net Book Value					
At 31 December 2000	<u>1,382,209</u>	<u>349,231</u>	<u>2,650,994</u>	<u>1,225,812</u>	<u>409,270</u>
At 31 December 1999	<u>1,159,233</u>	<u>346,488</u>	<u>2,641,940</u>	<u>1,239,602</u>	<u>328,401</u>

	<i>Freehold land</i>	<i>Leasehold land</i>	<i>Freehold buildings</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
The Company			
Cost			
Balance at beginning of the year	127,391	26,872	350,692
Additions	–	–	1,517
Disposals	–	–	(942)
Balance at end of the year	<u>127,391</u>	<u>26,872</u>	<u>351,267</u>
Accumulated Depreciation			
Balance at beginning of the year	–	624	9,763
Charge for the year (Note 26)	–	316	6,929
Disposals	–	–	–
Balance at end of the year	<u>–</u>	<u>940</u>	<u>16,692</u>
Depreciation charge for 1999	<u>–</u>	<u>316</u>	<u>4,889</u>
Net Book Value			
At 31 December 2000	<u>127,391</u>	<u>25,932</u>	<u>334,575</u>
At 31 December 1999	<u>127,391</u>	<u>26,248</u>	<u>340,929</u>

city developments limited
ar 2000

<i>Leasehold properties</i>	<i>Freehold properties under development</i>	<i>Furniture, fittings, plant and equipment and improvements</i>	<i>Motor vehicles</i>	<i>Chinaware, glassware, linen and utensils</i>	<i>Construction and renovation-in-progress</i>	<i>Total</i>
<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
899,320	172,209	1,009,660	10,256	38,366	48,085	8,349,356
246	5,690	96,476	1,797	1,463	60,628	734,288
55,007	14,112	-	(69)	(345)	-	9,055
(115,809)	-	(62,501)	(928)	(1,035)	-	(288,790)
-	-	(1,370)	-	-	-	(4,345)
-	-	(8,972)	(320)	(72)	(72)	(39,761)
47,322	(28,322)	(103,317)	(2,202)	1,618	(8,294)	-
2,662	(1,861)	(27,641)	(280)	(391)	5,076	(115,432)
888,748	161,828	902,335	8,254	39,604	105,423	8,644,371
105,982	-	435,631	6,513	-	-	1,003,922
14,776	-	89,856	1,301	-	-	189,909
(705)	-	(1,257)	(917)	-	-	(12,696)
-	-	(532)	-	-	-	(1,755)
-	-	(7,954)	(253)	-	-	(8,207)
(38)	-	(10,984)	(150)	-	-	(19,165)
120,091	-	504,760	6,494	-	-	1,152,008
14,789	-	87,522	1,420	-	-	191,023
768,657	161,828	397,575	1,760	39,604	105,423	7,492,363
793,338	172,209	574,029	3,743	38,366	48,085	7,345,434
<i>Leasehold buildings</i>	<i>Freehold properties</i>	<i>Leasehold properties</i>	<i>Freehold properties under development</i>	<i>Furniture, fittings & equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
69,117	14,555	8,359	88,606	24,706	2,778	713,076
174	-	-	7,548	10,125	324	19,688
-	(3,004)	-	-	(369)	(335)	(4,650)
69,291	11,551	8,359	96,154	34,462	2,767	728,114
2,731	3,017	1,582	-	10,779	2,008	30,504
1,383	292	168	-	3,794	405	13,287
-	(1,137)	-	-	(364)	(335)	(1,836)
4,114	2,172	1,750	-	14,209	2,078	41,955
1,382	216	167	-	2,605	424	9,999
65,177	9,379	6,609	96,154	20,253	689	686,159
66,386	11,538	6,777	88,606	13,927	770	682,572

city developments limited
ar 2000

3. Fixed Assets (cont'd)

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
During the year, interest capitalised as cost of fixed assets amounted to	1,122	1,639	1,122	1,400

Fixed assets with the following net book values were acquired under finance lease arrangements. Lease payments do not include contingent rent.

	<i>The Group</i>	
	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Leasehold buildings	41,950	43,589
Freehold buildings	35,959	36,792
Plant and machinery	770	14,865
	<u>78,679</u>	<u>95,246</u>

4. Subsidiaries

	<i>The Company</i>	
	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
(a) Investments in subsidiaries:		
– Quoted shares at cost (Market value: Nil; 1999: \$685,621,914)	–	410,370
– Unquoted shares at cost	2,154,306	913,658
	<u>2,154,306</u>	<u>1,324,028</u>
Less:		
Provision for diminution in value of subsidiaries		
Balance at beginning of the year	–	–
Provision made during the year (note 29)	29,500	–
	<u>29,500</u>	<u>–</u>
Balance at end of the year	<u>2,124,806</u>	<u>1,324,028</u>
(b) Balances with subsidiaries:		
(i) Amounts owing by subsidiaries:		
– trade, interest free	1,770	2,100
– non-trade, interest free	170,130	114,460
– non-trade, interest bearing	350,822	315,138
– dividends receivable (net)	93	16,323
	<u>522,815</u>	<u>448,021</u>
(ii) Amounts owing to subsidiaries:		
– trade, interest free	(1,559)	(2,083)
– non-trade, interest bearing	(106,415)	(54,368)
– prepayment account	(2,182)	(2,543)
	<u>(110,156)</u>	<u>(58,994)</u>
	<u>412,659</u>	<u>389,027</u>
Due within 12 months (note 10)	314,570	320,747
Due after 12 months (note 7)	98,089	68,280
	<u>412,659</u>	<u>389,027</u>

city developments limited
ar 2000

4. Subsidiaries (cont'd)

(b) Balances with subsidiaries (cont'd):

The amounts owing by/(to) subsidiaries are unsecured. In respect of interest-bearing accounts, interests at 0.81% to 7.23% (1999: 0.89% to 6.74%) per annum were 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 39.

5. Associated Companies

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
(a) Investments in associated companies:				
Unquoted shares at cost	258,487	155,508	64,885	64,025
Share of post-acquisition unappropriated profits	59,445	24,212	-	-
	317,932	179,720	64,885	64,025
Less:				
Provision for diminution in value of investments				
Balance at beginning of the year	-	-	-	-
Provision made during the year (note 29)	-	-	1,500	-
Balance at end of the year	-	-	1,500	-
	317,932	179,720	63,385	64,025
(b) Balances with associated companies:				
(i) Amounts owing by associated companies				
- trade, interest free	1,169	1,334	64	168
- trade, interest bearing	3,466	1,675	-	-
- non-trade, interest free	115,137	87,310	-	-
- non-trade, interest bearing	380,333	380,425	308,748	308,728
	500,105	470,744	308,812	308,896
(ii) Amounts owing to associated companies				
- trade, interest free	(54)	(51)	(1)	-
- trade, interest bearing	(3,169)	-	-	-
- non-trade, interest free	(10,387)	(10,556)	(10,387)	(10,556)
- non-trade, interest bearing	(60,986)	-	(60,986)	-
	(74,596)	(10,607)	(71,374)	(10,556)
	425,509	460,137	237,438	298,340
Due within 12 months (note 10)	298,582	378,950	237,438	298,340
Due after 12 months (note 7)	126,927	81,187	-	-
	425,509	460,137	237,438	298,340

All amounts owing by associated companies are unsecured except for an amount of \$86,317,000 (1999: \$78,590,000) which is subordinated to the term loans obtained by an associated company. In respect of interest-bearing accounts, interests at 2.75% to 7.88% (1999: 4.50% to 10.00%) per annum were charged.

Further details regarding associated companies are set out in note 40.

city developments limited
ar 2000

6. Other Financial Assets

(a) Non-Current Financial Assets

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Unquoted investments at cost				
Equity				
– Fellow subsidiaries	6,161	3,290	3,290	3,290
– Non-related companies	9,962	9,651	1,340	1,340
	16,123	12,941	4,630	4,630
Others				
– Non-related companies	7,661	7,028	–	–
	23,784	19,969	4,630	4,630
Quoted investments at cost				
Equity				
– Fellow subsidiaries	15,328	15,328	12,195	12,195
Others				
– Non-related companies	1,182	1,572	–	–
	16,510	16,900	12,195	12,195
	40,294	36,869	16,825	16,825
Less:				
Provision for diminution in value of investments				
Balance at beginning of the year	12,462	295	–	–
Provision (written back)/made during the year	(4,637)	11,444	–	–
Exchange differences on translation	(49)	723	–	–
	7,776	12,462	–	–
	32,518	24,407	16,825	16,825
Market value of quoted investments				
Equity				
– Fellow subsidiaries	17,041	21,989	12,195	18,656
Others				
– Non-related companies	1,170	1,392	–	–
	18,211	23,381	12,195	18,656

city developments limited
ar 2000

6. Other Financial Assets (cont'd)
(b) Current Financial Assets

	<i>The Group</i>	
	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
<hr/>		
Quoted investments at cost		
Equity		
– Non-related companies	31,513	35,423
– Related companies	–	540
	31,513	35,963
Others		
– Non-related companies	3,230	4,783
	34,743	40,746
Unquoted investments at cost		
Others		
– Non-related companies	22,940	13,385
	57,683	54,131
Less:		
Provision for diminution in value of investments		
Balance at beginning of the year	19,038	28,039
Provision made/(written back) during the year	2,977	(7,510)
Provision utilised during the year	(638)	(1,575)
Exchange differences on translation	365	84
	21,742	19,038
	35,941	35,093
Market value of quoted investments		
Equity		
– Non-related companies	13,050	17,001
– Related companies	–	684
	13,050	17,685
Others		
– Non-related companies	3,822	1,464

7. Non-Current Assets

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
<hr/>				
Amounts owing by:				
– subsidiaries (note 4)	–	–	98,089	68,280
– associated companies (note 5)	126,927	81,187	–	–
	126,927	81,187	98,089	68,280

pg

85

city developments limited
ar 2000

8. Deferred Expenditure

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Cost				
Bonds, notes and financing expenses	24,879	26,341	2,349	2,076
Preliminary and pre-operating expenses	25,187	30,753	4,314	3,607
Fee paid for operation of franchising activities	287	325	-	-
Others	18,958	17,287	-	-
	69,311	74,706	6,663	5,683
Less:				
Accumulated amortisation				
Balance at beginning of the year	41,822	35,472	1,077	511
Charge to profit and loss account	11,816	6,955	4,651	566
Disposal of subsidiaries	-	(480)	-	-
Deferred expenditure written off against accumulated amortisation	(10,753)	-	-	-
Exchange translation differences	765	(125)	-	-
	43,650	41,822	5,728	1,077
Balance at end of the year	25,661	32,884	935	4,606

9. Development Properties

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
(a) Properties in the course of development, at cost				
Land and other related costs	1,269,553	617,376	1,001,750	212,199
Development costs	163,905	260,342	43,668	133,285
Interest, property tax and others	107,714	120,633	31,984	34,094
	1,541,172	998,351	1,077,402	379,578
Add: Attributable profit	38,215	142,042	51,821	142,042
	1,579,387	1,140,393	1,129,223	521,620
Less: Progress payments received and receivable	(232,114)	(368,610)	(127,877)	(299,470)
	1,347,273	771,783	1,001,346	222,150
Less:				
Provision for foreseeable losses				
Balance at beginning of the year	115,152	146,003	-	-
Provision made/(written back) during the year (net)	1,851	(29,164)	-	-
Provision utilised during the year	(34,914)	(1,687)	-	-
	82,089	115,152	-	-
Balance at end of the year	82,089	115,152	-	-
Balance carried forward	1,265,184	656,631	1,001,346	222,150

city developments limited
ar 2000

9. Development Properties (cont'd)

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Balance brought forward	1,265,184	656,631	1,001,346	222,150
(b) Joint development properties, at cost				
Land and other related costs	318,907	185,040	318,907	185,040
Development costs	2,309	21,855	2,309	22,085
Interest, property tax and others	3,532	4,165	3,532	4,117
	324,748	211,060	324,748	211,242
Less: Progress payments received and receivable	-	(34,719)	-	(34,719)
	324,748	176,341	324,748	176,523
Less: Contributions from other participants	(105,931)	(99,403)	(105,931)	(99,402)
	218,817	76,938	218,817	77,121
(c) Joint development properties, which the Group participates through contributions				
Share of attributable profit	213,828	213,827	213,828	213,827
Return of surplus funds	(207,954)	(158,681)	(207,954)	(158,681)
	5,874	55,146	5,874	55,146
(d) Properties for development and resale representing mainly land	340,972	493,063	170,890	340,191
(e) Completed units	237,589	265,407	46,700	14,251
Less: provision for foreseeable losses				
Balance at beginning of the year	-	-	-	-
Provision made during the year	3,500	-	3,500	-
Share of provision for foreseeable losses by joint venture partners	6,500	-	6,500	-
Balance at end of the year	10,000	-	10,000	-
	227,589	265,407	36,700	14,251
Total development properties	2,058,436	1,547,185	1,433,627	708,859
(f) During the year, interest capitalised (net of interest income) as cost of development properties amounted to	24,448	12,521	9,257	1,497

pg

87

city developments limited
ar 2000

9. Development Properties (cont'd)

(g) Details of joint ventures, managed by other parties, for which the Group participates through contributions are as follows:

	<i>The Group and The Company</i>	
	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Joint development properties		
– Land	9,000	9,000
– Development costs	8,648	8,617
– Interest, property tax, and others	2,386	2,137
	20,034	19,754
Other assets (principally cash and receivables)	2,828	105,414
Less:		
Other liabilities	(12,059)	(15,718)
	10,803	109,450
Represented by amounts owing to:		
– The Company	5,874	55,146
– Other parties	4,929	54,304
	10,803	109,450

10. Trade and Other Receivables

		<i>The Group</i>		<i>The Company</i>	
	<i>Note</i>	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
		<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Trade debtors	11	215,583	154,820	12,715	23,465
Accrued receivables	12	41,535	162,511	45,128	156,886
Other debtors, deposits and prepayments	13	204,499	100,930	71,392	57,912
Amounts owing by:					
– subsidiaries	4	–	–	314,570	320,747
– associated companies	5	298,582	378,950	237,438	298,340
– fellow subsidiaries	14	5,718	3,275	5,188	5,900
		765,917	800,486	686,431	863,250

11. Trade Debtors

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Trade debtors	223,502	161,599	13,019	23,519
Less:				
Provision for doubtful debts				
Balance at beginning of the year	6,779	2,974	54	39
Provision in respect of subsidiaries acquired	35	3,105	–	–
Provision made during the year	2,033	1,930	285	40
Bad debts written off against provision	(475)	(1,188)	(35)	(25)
Exchange differences on translation	(453)	(42)	–	–
	7,919	6,779	304	54
Balance at end of the year	215,583	154,820	12,715	23,465

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12. Accrued Receivables

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

13. Other Debtors, Deposits and Prepayments

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Deposits for purchase of land	66,915	52,469	66,915	52,469
Other debtors (principally prepayments, interest receivable, other deposits and recoverables)	137,584	48,461	4,477	5,443
	204,499	100,930	71,392	57,912

14. Amounts Owing by/(to) Fellow Subsidiaries

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Amounts owing to fellow subsidiaries:				
- trade	(355)	(344)	(303)	(292)
- non-trade	(1,512)	(3,184)	(1,512)	-
	(1,867)	(3,528)	(1,815)	(292)
Amounts owing by fellow subsidiaries:				
- trade	788	763	209	251
- non-trade	6,797	6,040	6,794	5,941
	7,585	6,803	7,003	6,192
	5,718	3,275	5,188	5,900

The amounts owing by/(to) fellow subsidiaries are interest free and unsecured.

15. Cash and Cash Equivalents

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Amounts held under the "Project Account (Amendment) Rules – 1997" withdrawals from which are restricted to payments for expenditure incurred on projects	46,434	53,789	24,660	52,150
Balance carried forward	46,434	53,789	24,660	52,150

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15. Cash and Cash Equivalents (cont'd)

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Balance carried forward	46,434	53,789	24,660	52,150
Fixed deposits placed with financial institutions which are:				
– fellow subsidiaries	16,031	167,485	130	145,762
– others	402,307	618,712	83,386	128,137
	418,338	786,197	83,516	273,899
Cash at banks and in hand	224,185	216,391	8,767	2,865
	688,957	1,056,377	116,943	328,914
Bank overdrafts				
– secured	(1,358)	(1,640)	–	–
– unsecured	(2,215)	(1,429)	(322)	–
	(3,573)	(3,069)	(322)	–
Cash and cash equivalents in the statement of cash flows	685,384	1,053,308	116,621	328,914

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

16. Trade and Other Payables

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Trade creditors	85,095	107,068	12,189	17,769
Accruals	368,970	463,529	152,727	232,962
Other creditors (principally for construction costs, purchase of fixed assets and other taxes payable)	185,412	104,126	2,462	1,125
Rental and other deposits	67,816	71,771	5,356	5,425
	707,293	746,494	172,734	257,281

17. Long-Term Liabilities

	<i>Note</i>	<i>The Group</i>		<i>The Company</i>	
		<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
		<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Long-term loans					
– secured		2,561,585	2,644,478	–	–
– unsecured		662,481	152,445	612,312	119,745
		3,224,066	2,796,923	612,312	119,745
Finance lease creditors	19	53,620	66,513	–	–
Others		115,224	289,996	–	–
		3,392,910	3,153,432	612,312	119,745
Repayable within 12 months		993,724	459,850	10,000	100,000
Repayable after 12 months	21	2,399,186	2,693,582	602,312	19,745
		3,392,910	3,153,432	612,312	119,745

17. Long-Term Liabilities (cont'd)

Details of term loans and other long-term liabilities are as follows:

(a) Secured long-term loans

These comprise:

- (i) Term loans of:
- \$62 million (1999: \$69 million) which is repayable in varying instalments commencing 1 October 1992, with the final instalment due in September 2008; and
 - \$9 million (1999: \$12 million) which is repayable in varying instalments commencing 1 April 1994, with the final instalment due in September 2009.

These loans rank *pari passu* with each other and are collateralised on a subsidiary's hotel building and fixed assets. There is an undertaking by the subsidiary that it will not distribute any cash dividend in the event that the subsidiary cannot meet the loan repayment instalments as and when due. In addition, any amounts owing by the subsidiary to its shareholders are not to be repaid before these loans are fully repaid.

- (ii) Term loans of \$100 million (1999: \$100 million) which are repayable in full in August 2001. The term loans are secured by a mortgage over the leasehold property of a subsidiary and an assignment of rental income from this property.
- (iii) Bank loan of \$49 million (1999: \$49 million) which is repayable in full in December 2001. The bank loan is secured by a mortgage on the freehold land and building of a subsidiary.
- (iv) Term loan of \$5 million (1999: \$6 million) which was renewed and is repayable in full in December 2002. The term loan is secured by a mortgage on the property of the subsidiary.
- (v) Revolving loan of \$36 million (1999: \$35 million) which was repaid in February 2001 is secured by a fixed and floating charge over a subsidiary's hotel assets and the assignment of proceeds amounting to \$27 million.
- (vi) Bank loan of \$84 million (1999: \$85 million) which is repayable in full in December 2004. The bank loan is secured by a mortgage over the leasehold land and building of a subsidiary and an assignment of rental income from this property.
- (vii) Term loan of \$80 million (1999: \$80 million) which is repayable in full in October 2001 and secured by a mortgage over the freehold land and building of a subsidiary and an assignment of rental income from this property.
- (viii) Term loan of \$129 million (1999: \$135 million) is repayable in full in April 2003 and is secured by the hotel properties of a subsidiary.
- (ix) Term loan of \$116 million (1999: \$128 million) which is repayable by instalments commencing in April 1999 and secured by the hotel properties of a subsidiary.
- (x) Term loan of \$114 million (1999: \$127 million) which is repayable in full in December 2001 and secured by a hotel property of a subsidiary.

17. Long-Term Liabilities (cont'd)

(a) Secured long-term loans (cont'd)

- (xi) Term loan of \$420 million (1999: \$420 million) which was repaid in full in January 2001 and was secured by mortgages over the commercial building and land jointly owned by two subsidiaries and an assignment of the rental proceeds to be derived from the said properties.
- (xii) Term loan of \$20 million (1999: \$21 million) which is repayable in semi-annual instalments of varying amounts commencing in January 2000 and ending January 2002. The term loan is secured on the leasehold property of a subsidiary and supported by the subsidiary's undertaking not to pledge assets without the bank's consent.
- (xiii) Term loan of \$45 million (1999: \$51 million) which is repayable in full in August 2001 and secured by the hotel property of a subsidiary.
- (xiv) Term loan of \$18 million (1999: \$28 million) which is repayable in full in June 2001 and secured by the hotel property of a subsidiary.
- (xv) Term loan of \$60 million (1999: \$86 million) was renewed and is repayable in full in July 2001. The term loan is secured by a mortgage over the subsidiary's development property and an assignment of sales proceeds from the development property.
- (xvi) Term loan of \$7 million (1999: Nil) which is repayable in full in October 2003 and secured by the hotel property of a subsidiary.
- (xvii) Term loan of \$9 million (1999: \$10 million) was renewed and repayable in 3 annual instalments commencing on or before 7 April 2001. The loan is secured by an assignment of sale proceeds of certain units of a subsidiary's development property.
- (xviii) Term loan of \$70 million (1999: \$73 million) which is repayable in December 2004 and renewed by a fixed and floating charge over the hotel property of a subsidiary.
- (xix) Term loan of \$952 million (1999: \$874 million) which is repayable in quarterly instalments commencing March 2001 and secured by a mortgage over the hotel property of a subsidiary.
- (xx) Term loan of \$60 million (1999: \$65 million) which is repayable in full in July 2002 and secured by a mortgage over the freehold land and building of a subsidiary.
- (xxi) Bank loans of \$94 million (1999: \$76 million) which are repayable in full in April 2002. The bank loans are secured by a mortgage over a subsidiary's development property and an assignment of sale and rental proceeds from the development property.
- (xxii) Term loan of \$23 million (1999: \$32 million) which is repayable in full in April 2006 and secured by the hotel property of a subsidiary.

Interest rates ranging from 2.34% to 8.25% (1999: 2.22% to 9.05%) per annum were incurred for these secured loans.

17. Long-Term Liabilities (cont'd)

(b) Secured long-term loans repaid/transferred during the year

During the financial year, the following secured term loans were fully repaid/transferred:

- (i) A \$4 million term loan was transferred following the disposal of the Group's interest in a subsidiary. It was secured by a fixed and floating charge over the assets of the subsidiary.
- (ii) A \$74 million was repaid in 2000. It was secured by a mortgage over the leasehold land and building of a subsidiary's development property and an assignment of sale proceeds from the development property.
- (iii) A \$5 million term loan was repaid in 2000. It was secured by the hotel property of a subsidiary.

Interest rates ranging from 3.20% to 5.87% (1999: 2.45% to 5.36%) per annum were incurred for these secured loans.

(c) Unsecured term loans

These comprise:

- (i) Bank loan of \$10 million (1999: \$20 million) which is repayable in full in August 2001 and supported by the Company's undertaking not to pledge assets.
- (ii) Term loan of \$50 million (1999: \$50 million) which was renewed in July 2000 and is repayable in August 2003. The term loan is supported by the Company's undertaking not to pledge assets.
- (iii) Term loan of \$50 million (1999: \$50 million) which was renewed in September 2000 and is repayable in September 2003. The term loan is supported by the Company's undertaking not to pledge assets.
- (iv) Term loan of \$30 million (1999: \$32 million) which is repayable in full in July 2002 and supported by guarantees provided by the Company and the minority shareholder in proportion to their respective equity interests.
- (v) Term loan of \$42 million (1999: Nil) which is repayable in full in November 2004 and supported by the Company's undertaking not to pledge assets relating to a development project.
- (vi) Term loan of \$100 million (1999: Nil) which is repayable in full in June 2003 and supported by the Company's undertaking not to pledge assets relating to a development project.
- (vii) Term loan of \$200 million (1999: Nil) which is repayable in full in January 2005 and supported by the Company's undertaking not to pledge assets relating to a development project.
- (viii) Bank loans of \$160 million (1999: Nil) which is repayable in full in January 2005 and supported by the Company's undertaking not to pledge assets relating to a development project.

17. Long-Term Liabilities (cont'd)

(c) Unsecured term loans (cont'd)

- (ix) Bank loan of \$20 million (1999: Nil) which is repayable in July 2003. The revolving loan facility is supported by the subsidiary's undertaking not to sell, transfer or otherwise dispose of certain of the subsidiaries' properties without the prior consent of the bank. The subsidiary and certain of its subsidiaries shall not create any mortgage, charge, security or other encumbrances on their assets unless such charge is extended equally and rateably to the indebtedness of the subsidiary.

Interest rates ranging from 2.25% to 3.87% (1999: 0.98% to 7.06%) per annum were incurred for these unsecured loans.

- (d) The finance lease creditors are repayable by monthly instalments of varying amounts. Interest rates of 4.10% to 7.84% (1999: 4.35% to 7.84%) per annum were charged.

	<i>The Group</i>	
	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
<hr style="border-top: 1px dashed black;"/>		
(e) Others comprise:		
Advances from minority shareholders of certain subsidiaries. These are unsecured and interest of 5% (1999: 5%) per annum was charged	33,224	146,457
Advance from a minority shareholder of a subsidiary. This advance is unsecured and interest free and is expected to be repaid in the next 12 months	22,772	22,697
Deferred real estate tax repayable in 10 equal annual instalments commencing in July 1999	17,010	20,936
Accruals for severance and retirement benefit, not expected to be paid within the next 12 months	19,568	18,102
Payables in relation to acquisition of subsidiaries	-	55,510
Miscellaneous (principally deposits received and payables, not expected to be refunded or paid within the next 12 months)	22,650	26,294
	115,224	289,996

18. Bank Loans

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
<hr style="border-top: 1px dashed black;"/>				
Bank loans				
- secured	33,531	-	-	-
- unsecured	175,714	354,723	133,133	162,724
	209,245	354,723	133,133	162,724

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ar 2000

18. Bank Loans (cont'd)

The secured bank loan of \$33 million (1999: Nil) is secured by a mortgage over the assets of a subsidiary. Interest is charged at 5.41% to 6.60% (1999: Nil) per annum.

Certain of the unsecured bank loans are supported by undertakings given by the Company and certain subsidiaries not to pledge their assets without the lenders' consent.

19. Finance Lease

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

	<i>The Group</i>					
	<i>2000</i>			<i>1999</i>		
	<i>Payment</i>	<i>Interest</i>	<i>Principal</i>	<i>Payment</i>	<i>Interest</i>	<i>Principal</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Within 1 year	3,334	547	2,787	5,772	–	5,772
After 1 year but within 5 years	40,702	–	40,702	46,458	–	46,458
After 5 years	9,584	–	9,584	14,283	–	14,283
	53,620	547	53,073	66,513	–	66,513

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

20. Bonds and Notes

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
2.5% Unsecured Bonds Due 2000	–	100,000	–	–
Secured Non-Guaranteed Notes	143,848	154,353	–	–
5.5% Secured Bonds Due 2001	280,000	280,000	–	–
5% Unsecured Bonds Due 2002	250,000	250,000	250,000	250,000
5% Unsecured Medium Term Notes Due 2002	50,000	50,000	50,000	50,000
4.5% Unsecured Medium Term Notes Due 2002	50,000	50,000	50,000	50,000
3.38% Unsecured Medium Term Notes Due 2001	24,000	–	24,000	–
3.75% Unsecured Medium Term Notes Due 2001	176,000	–	176,000	–
4.9% Unsecured Medium Term Notes Due 2005	50,000	–	50,000	–
5.125% Unsecured Medium Term Notes Due 2007	100,000	–	100,000	–
5.5% Unsecured Medium Term Notes Due 2010	50,000	–	50,000	–
5.275% Unsecured Bonds Due 2005	60,000	–	–	–
5.25% Unsecured Bonds Due 2005	165,000	–	–	–
	1,398,848	884,353	750,000	350,000
Payable within 12 months	480,000	100,000	200,000	–
Payable after 12 months (note 21)	918,848	784,353	550,000	350,000
	1,398,848	884,353	750,000	350,000

(a) 2.5% Unsecured Bonds Due 2000

The 2.5% Unsecured Bonds Due 2000 issued by a subsidiary were redeemed in full during the financial year.

20. Bonds and Notes (cont'd)

(b) Secured Non-Guaranteed Notes

Unless previously redeemed or purchased and cancelled, the \$143,846,000 (KRW105 billion) [1999: \$154,353,000 (KRW105 billion)] of Non-Guaranteed Notes ("Notes") issued by a subsidiary are redeemable at the principal amount in year 2002. These Notes were issued in bearer forms with coupons attached at a discount as follows:

- Five Notes in the denomination of KRW10 billion each
- Ten Notes in the denomination of KRW5 billion each
- Four Notes in the denomination of KRW1 billion each
- Ten Notes in the denomination of KRW0.1 billion each

These Notes bear interest at a floating rate, determined in accordance with the three month certificate of deposit rate in Korea plus 1.3% per annum payable quarterly in arrears. During the financial year, interest at 8.15% to 8.46% (1999: 8.15%) per annum was charged. These Notes are collateralised on the land, hotel building and certain fixtures of a subsidiary.

(c) 5.5% Secured Bonds Due 2001

The 5.5% Secured Bonds Due 2001 issued by a subsidiary are constituted by a Trust Deed dated 19 January 1996.

The Bonds were issued in bearer form with coupons attached and in the denomination of \$250,000 each.

The Bonds constitute direct and unconditional obligations of the subsidiary ranking pari passu among themselves and are secured by mortgages over the commercial building and the land jointly owned by two subsidiaries, as well as an assignment of the rental proceeds to be derived from the said properties.

The Bonds bear interest at the fixed rate of 5.5% per annum payable annually in arrears on 31 January each year.

The Bonds were redeemed on 31 January 2001 by the subsidiary.

(d) 5% Unsecured Bonds Due 2002

The 5% Unsecured Bonds Due 2002 issued by the Company is constituted by a Trust Deed dated 9 April 1997.

The Bonds were issued in bearer form with coupons attached and in denomination of \$250,000 each.

The Bonds will constitute direct, unconditional and unsecured obligations of the Company ranking pari passu among themselves and pari passu with all other present and future unsecured obligations of the Company (other than subordinated obligations and priorities created by law or the Trust Deed).

The Bonds bear interest at the fixed rate of 5% per annum payable annually in arrears on 9 April each year.

Unless previously purchased and cancelled, the Bonds will be redeemed at 100 percent of their principal amount on 9 April 2002.

20. Bonds and Notes (cont'd)

(d) 5% Unsecured Bonds Due 2002 (cont'd)

Under the terms of the Trust Deed, so long as any of the Bonds remain outstanding, all borrowings of the Group shall not exceed an amount equal to 5 times the Adjusted Total of Capital and Reserves as calculated in accordance with the provisions of the Trust Deed.

The Company and certain of its subsidiaries shall not sell, transfer, dispose or create any mortgage, charge or other security interest over certain specific properties.

In addition, the Company and certain of its subsidiaries shall not create any mortgage, charge, pledge or other security interest over their assets to secure the Company's indebtedness in respect of any freely transferable securities which are listed or to be listed on any stock exchange unless such charge is extended equally and rateably to the indebtedness of the Company in respect of the Bonds.

(e) Unsecured Medium Term Notes

The Unsecured Notes issued by the Company are constituted by a Trust Deed dated 25 May 1999 and supplemented by a Supplemental Trust Deed dated 9 May 2000 ("Trust Deed").

The Notes were issued in bearer form with coupons attached and in denomination of \$250,000 each.

pg

The Notes will constitute direct, unconditional and unsecured obligations of the Company ranking pari passu among themselves and pari passu with all other present and future unsecured obligations of the Company (other than subordinated obligations created by law or the Trust Deed).

97

The Notes bear interest at fixed rates ranging from 3.38% to 5.5% per annum.

Unless previously purchased and cancelled, the Notes will be redeemed at 100 percent of their principal amount on their respective year of maturity.

Under the terms of the Trust Deed, so long as any of the Notes remain outstanding, all borrowings of the Group shall not exceed an amount equal to 5 times the Adjusted Total of Capital and Reserves as calculated in accordance with the provisions of the Trust Deed.

The Company and certain of its subsidiaries shall not sell, transfer, dispose or create any mortgage, charge or other security interest over certain specific properties.

In addition, the Company and certain of its subsidiaries shall not create any mortgage, charge, pledge or other security interest over their assets to secure the Company's indebtedness in respect of any freely transferable security which are listed or to be listed on any stock exchange unless such charge is extended equally and rateably to the indebtedness of the Company in respect of the Notes.

20. Bonds and Notes (cont'd)

(f) 5.275% Unsecured Bonds Due 2005

The 5.275% Unsecured Bonds Due 2005 issued by a subsidiary are constituted by a Trust Deed dated 4 July 2000.

The Bonds were issued in bearer form with coupons attached and in the denomination of \$250,000 each.

The Bonds bear interest at a fixed rate of 5.275% per annum payable semi-annually in arrears.

The Bonds constitute direct, unconditional and unsecured obligations of the Subsidiary ranking *pari passu* among themselves and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law or the Trust Deed).

Unless previously purchased and cancelled, the Bonds will be redeemed at 100 percent of their principal amount on 13 July 2005.

Under the term of the Trust Deed, so long as any of the Bonds remain outstanding, all borrowings of some of the subsidiaries and certain of its subsidiaries shall not exceed an amount equal to 2 times the Adjusted Consolidated Tangible Net Worth as calculated in accordance with the provisions of the Trust Deed.

The subsidiary and certain of its subsidiaries shall not sell, transfer or otherwise dispose of certain properties, unless the provisions under the Trust Deed are complied with.

In addition, the subsidiary and certain of its subsidiaries shall not create any mortgage, charge, security or other encumbrances on their assets unless such charge is extended equally and rateably to the indebtedness of the subsidiary in respect of the Bonds.

(g) 5.25% Unsecured Bonds Due 2005

The 5.25% Unsecured Bonds Due 2005 issued by an indirect subsidiary ("Issuer") are constituted by a Trust Deed dated 31 March 2000.

The Bonds were issued in bearer form with coupons attached and in the denomination of \$250,000 each, at par.

The Bonds bear interest at a fixed rate of 5.25% per annum payable annually in arrears on 11 April each year.

The Bonds constitute direct, unconditional and unsecured obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law or the Trust Deed).

Unless previously purchased and cancelled or redeemed as provided under the Trust Deed, the Bonds will be redeemed at 100 percent of their principal amount on 11 April 2005.

20. Bonds and Notes (cont'd)

(g) 5.25% Unsecured Bonds Due 2005 (cont'd)

Under the terms of the Trust Deed, so long as any of the Bonds remain outstanding, all borrowings of the intermediate holding corporation of the Issuer and the subsidiaries of the intermediate holding corporation shall not exceed an amount equal to 2 times the Consolidated Net Worth as calculated in accordance with the provisions of the Trust Deed and the Consolidated Shareholders' Funds shall at all times be not less than £1,000,000,000 (\$2,582,500,000 equivalent).

The intermediate holding corporation of the Issuer and certain of the subsidiaries of the intermediate holding corporation shall not sell, transfer or otherwise dispose of certain properties and shall not create any mortgage, charge, security or other encumbrances on their assets, unless the provisions under the Trust Deed are complied with.

(h) IAS 32

The Group's accounting policy for bonds issued with detachable warrants is stated in Note 2(n)(i). Under International Accounting Standard No. 32, Financial Instruments: Disclosure and Presentation ("IAS 32"), issued by the International Accounting Standards Committee in June 1995, the accounting treatment for an issue of bonds with warrants is to allocate the proceeds of the issue separately between the value of the bonds and the value of the warrants. The difference between the principal amount of the bonds and its allocated value is to be amortised and charged to the profit and loss accounts of the Group over the life of the bonds. The value of the warrants is to be capitalised as capital reserve.

For information purposes, had IAS 32 been applied for the bonds issued with warrants in preparing these financial statements, profit before taxation of the Group would have been reduced by approximately \$1.6 million (1999: \$3.1 million). The net tangible assets of the Group would have been increased by approximately \$Nil (1999: \$1.6 million) representing the difference between the principal amount of the bonds and the net present value of the bonds at the time of issue less the bond discount that would have been amortised to-date.

21. Interest Bearing Loans and Borrowings

	Note	<i>The Group</i>		<i>The Company</i>	
		2000	1999	2000	1999
		\$'000	\$'000	\$'000	\$'000
Long-term liabilities					
– payable after 12 months	17	2,399,186	2,693,582	602,312	19,745
Bonds and Notes					
– payable after 12 months	20	918,848	784,353	550,000	350,000
		3,318,034	3,477,935	1,152,312	369,745

22. Share Capital

	<i>The Company</i>		
	2000	1999	
		\$'000	\$'000
Authorised: 4,000,000,000 ordinary shares of \$0.50 each	2,000,000	2,000,000	
Issued and fully paid:			
At beginning and at the end of the year			
801,021,724 ordinary shares of \$0.50 each	400,511	400,511	

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23. Reserves

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Share premium	945,032	944,984	931,910	931,910
Capital reserve	148,721	64,326	63,743	63,743
Exchange fluctuation reserve	62,410	(21,942)	(705)	(22,448)
Retained profits	2,314,507	2,069,775	1,930,023	1,548,650
	3,470,670	3,057,143	2,924,971	2,521,855

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 reserve 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 Company; translation of liabilities that hedge the Company's net investment in subsidiaries and translation of long-term foreign currency intercompany loans.

In accordance with SAS No. 1 (Revised 1999), movements in reserves for the Group and the Company are set out in the Consolidated Statement of Changes in Equity and the Statement of Changes in Equity respectively.

Unappropriated profits are retained in:

	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
The Company	1,930,023	1,548,650
Subsidiaries	325,039	496,913
Associated Companies	59,445	24,212
	2,314,507	2,069,775

24. Turnover

- (a) Turnover of the Company includes gross rental income, dividends (including gross dividends from subsidiaries), property development and hotel income.
- (b) Turnover of the Group includes gross rental income, club income, net results from sale of investment, dividend income, project management and consultancy fees, income from owning and operating hotels and property development income but excludes intra-group transactions.
- (c) Property development income consists of sale proceeds of commercial/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.

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Property development	611,825	702,543	174,024	420,603
Hotel operations	1,743,521	1,064,804	31,260	3,104
Rental	206,194	213,577	22,490	21,423
Others	64,788	34,188	21,346	84,240
	2,626,328	2,015,112	249,120	529,370

city developments limited
ar 2000

25. Other Income

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Interest income	101,260	39,648	36,178	34,765
Profit on sale of fixed assets	102	76	72	105
Management fees	8,113	6,120	5,838	7,608
Miscellaneous income	2,746	1,842	1,176	163
	112,221	47,686	43,264	42,641

26. Profit from Operations

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
This is determined:				
<i>After Charging:</i>				
Auditors' remuneration:				
- auditors of the Company				
- current	1,288	1,081	285	284
- under/(over) provision in respect of prior year	10	(98)	5	(29)
- other auditors of the subsidiaries				
- current	2,469	1,541	2	2
- under/(over) provision in respect of prior year	3	(72)	-	-
Other professional fees				
- auditors of the Company	2,662	459	41	199
- other auditors of the subsidiaries	1,693	1,126	2	1
Amortisation of deferred expenditure	11,816	6,955	4,651	566
Deferred expenditure written off	63	30	-	-
Provision for doubtful debts - trade	2,033	1,930	285	40
Depreciation of fixed assets	189,909	191,023	13,287	9,999
Directors' remuneration*				
- directors of the Company	8,108	7,893	4,743	4,564
- other directors	8,723	7,392	-	-
Exchange loss (net)	-	-	145	405
Fixed assets written off	31,554	234	170	77
Staff costs**	614,540	304,645	20,962	16,090
Provision for diminution in value of investments	2,977	-	-	-
Provision for foreseeable losses on development properties (net)	5,351	-	3,500	-

city developments limited
ar 2000

26. Profit from Operations (cont'd)

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
<i>And Crediting:</i>				
Gross dividends from investments:				
– Subsidiaries:				
Quoted equity investments	–	–	–	65,979
Unquoted equity investments	–	–	10,619	5,978
– Associated companies:				
Unquoted equity investments	–	–	7,720	10,430
– Fellow subsidiaries:				
Quoted equity investments	689	634	557	503
Unquoted equity investments	1,688	1,350	1,688	1,350
– Others:				
Quoted equity investments	732	483	–	–
Quoted other investments	762	130	762	–
Unquoted equity investments	–	5	–	–
Exchange gain (net)	5,281	3,877	–	–
Bad debts recovered – trade	14	21	–	–
Provision for foreseeable losses on development properties written back (net)	–	29,164	–	–
Provision for diminution in value of investments no longer required	–	7,510	–	–
Profit on sale of investments	144	455	–	–

*** Directors' Remuneration**

Directors' remuneration disclosure in compliance with the requirements of the Singapore Exchange Securities Trading Limited:

<i>Remuneration Bands</i>	<i>Number of Directors</i>	
	<i>2000</i>	<i>1999</i>
\$500,000 and above	3	2
\$250,000 to \$499,999	1	2
Below \$250,000	7	7
	<u>11</u>	<u>11</u>

**** Number of Employees**

The number of employees in the Group and the Company at 31 December 2000 were 15,241 (1999: 12,166) and 742 (1999: 706) respectively.

city developments limited
ar 2000

27. Finance Costs

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Interest expense:				
- associated companies	-	-	985	-
- bonds	64,775	32,528	-	-
- banks	196,184	123,830	29,053	15,046
- others	12,745	17,793	26,822	14,628
Total borrowing costs	273,704	174,151	56,860	29,674
Less:				
Borrowing costs capitalised into development properties and fixed assets	(25,957)	(22,854)	(10,663)	(3,028)
	247,747	151,297	46,197	26,646

28. Taxation

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
(a) Tax Charge				
Based on current year's results:				
The Group/Company				
- Current	134,718	142,915	43,285	63,303
- Deferred	4,858	3,520	1,358	5,133
	139,576	146,435	44,643	68,436
- Associated companies	16,429	10,674	-	-
	156,005	157,109	44,643	68,436
(Over)/Underprovision in respect of prior years				
The Group/Company				
- Current	(5,898)	(2,421)	-	(373)
- Deferred	(75)	(244)	-	-
	(5,973)	(2,665)	-	(373)
- Associated companies	25	(143)	-	-
	(5,948)	(2,808)	-	(373)
	150,057	154,301	44,643	68,063
Taxation charge for the years:				
- The Group/Company	133,603	143,770	44,643	68,063
- Associated companies	16,454	10,531	-	-
	150,057	154,301	44,643	68,063

28. Taxation (cont'd)

(a) Tax Charge (cont'd)

The Company

The tax charge for the year is higher than that arrived at by applying the standard rate of tax of 25.5% to the profit for the year due principally to certain expenses being disallowed for tax purposes.

In 1999, the tax charge was lower than that arrived at by applying the standard rate of tax of 26% to the profit for the year principally due to the utilisation of deferred tax benefits previously not accounted for.

The Group

The tax charge for the Group differs from that arrived at by applying the standard rate of tax of 25.5% to the profit for the current financial year (1999: 26%). This is mainly due to:

- (i) certain expenses principally, depreciation on buildings, being disallowed for tax purposes;
- (ii) timing differences in the treatment of certain items for accounting and tax purposes and for which the related deferred tax benefits have not been recognised;
- (iii) losses incurred by some subsidiaries which cannot be offset against profits earned by other companies in the Group. However, these losses are available for set-off against future profits of the subsidiaries subject to the agreement of the relevant tax authorities; and
- (iv) varying statutory tax rates of different countries in which the Group operates.

(b) Provision for Taxation

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Balance at beginning of the year	278,671	247,631	199,763	141,650
Provision in respect of subsidiaries acquired during the year	-	2,855	-	-
Payment during the year	(133,639)	(122,810)	(60,088)	(16,902)
Provision made during the year based on				
- current year's results	128,820	140,494	43,285	62,930
- extraordinary item	-	12,085	-	12,085
Transfer from deferred taxation	6,905	-	-	-
Exchange differences on translation	(2,222)	(1,584)	-	-
Others	27	-	-	-
Balance at end of the year	278,562	278,671	182,960	199,763

(c) Deferred Taxation

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Balance at beginning of the year	56,724	53,233	5,133	-
Provision made during the year	4,783	3,276	1,358	5,133
Transfer to provision for taxation	(6,905)	-	-	-
Exchange differences on translation	(842)	224	-	-
Others	379	(9)	-	-
Balance at end of the year	54,139	56,724	6,491	5,133

city developments limited
ar 2000

28. Taxation (cont'd)

(c) Deferred Taxation (cont'd)

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
This is represented by:				
Deferred tax liability in respect of timing differences relating to fixed assets and other items	46,120	45,755	6,491	5,133
Potential income tax liability arising from the assignment of fair market values to properties held by subsidiaries recognised at the time of acquisition by the Group	8,019	10,969	-	-
	54,139	56,724	6,491	5,133

29. Extraordinary Items

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
These comprise:				
(i) Gain on				
- disposal of equity interest in a subsidiary	177	31,317	-	34,398
- dilution of interest in subsidiaries	-	103,856	-	-
(ii) Write-back of/(provision for) diminution in value of				
- long term investment	4,637	(11,444)	-	-
- investment in associated companies	-	(1,508)	(1,500)	-
- investment in subsidiaries	-	-	(29,500)	-
(iii) Write-down in value of long term assets by subsidiaries	(13,578)	-	-	-
(iv) Excess of cash distribution arising from a capital reduction exercise of a subsidiary	-	-	346,541	-
(v) Others	-	-	(12)	-
	(8,764)	122,221	315,529	34,398

30. Earnings Per Share

The basic earnings per share before and after extraordinary items are calculated using the following information:

- net profit for the year attributable to ordinary shareholders before extraordinary items of \$300,345,000 (1999: \$260,582,000).
- net profit for the year attributable to ordinary shareholders after extraordinary items of \$291,581,000 (1999: \$382,803,000).
- number of ordinary shares in issue of 801,021,724 (1999: 801,021,724) shares.

31. Holding Corporation

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

32. Professional Fees

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Professional fees paid to firms of which directors of the Company are members:				
- charged to profit and loss account	152	832	-	182
- included as cost of fixed assets and cost of development properties	2,983	1,411	2,408	1,411
- others	95	-	-	-
	3,230	2,243	2,408	1,593

33. Significant Related Party Transactions

In addition to the transactions set out in notes 26 and 32, there were the following significant related party transactions:

- (a) The Group purchased and sold shares through a stock broking company, which is a related corporation. The transactions set out below were carried out in the normal course of business of the stock broking company:

	<i>The Group</i>	
	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>
Purchases of shares	35,553	8,508
Sales of shares	3,720	2,843

city developments limited
ar 2000

33. Significant Related Party Transactions (cont'd)

(b) Rental, management and maintenance services entered into with related parties are as follows:

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Rental, management and maintenance services received/receivable from:				
- immediate and ultimate holding corporation	17	16	-	-
- subsidiaries	-	-	2,390	2,479
- fellow subsidiaries	1,536	1,316	842	544
- associated companies	3,638	2,694	1,369	3,202
	5,191	4,026	4,601	6,225
Rental, management and maintenance services paid/payable to:				
- subsidiaries	-	-	4,173	5,515

Rental and maintenance services were charged at rates applicable in the normal course of business of the Group and the Company, while the pricing for management services was based on a cost recovery basis.

34. Commitments

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

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
(i) Development expenditure contracted but not provided for in the financial statements	155,828	283,707	96,689	111,188
(ii) Capital expenditure contracted but not provided for in the financial statements	68,308	49,905	1,328	-
(iii) Capital commitment in respect of land purchases for which deposits have been paid	8,407	580,270	8,162	580,270
(iv) Non-cancellable operating lease commitments:				
- Within 1 year	28,218	23,438	-	-
- After 1 year but within 5 years	101,324	92,410	-	-
- After 5 years	441,860	410,435	-	-
	571,402	526,283	-	-

pg

107

34. Commitments (cont'd)

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

- (i) One of the subsidiaries leases the land on which its hotel building stands from the Ministry of Economic Affairs ("MOEA") in Taiwan, for fifty years starting on 19 September 1990 and extendable up to eighty years. The lease rental to be paid is based on a percentage of the published land value in Taiwan and will be adjusted when land value tax and related levies are changed. Upon expiration of the lease, the subsidiary shall unconditionally transfer the building and its contents to the Government of Taiwan.

The subsidiary has also signed a development and operating agreement with the MOEA which contains, amongst others, the following terms:

To maintain high quality service, the subsidiary shall spend in each year not less than 4% to 5% of the annual gross revenue of the hotel to maintain and improve the hotel's furniture and fixtures, equipment and building, and its environment.

Starting from 1 February 1993 under a hotel assistance and management agreement, the subsidiary shall pay an annual royalty to the MOEA at 6.25% of the annual gross revenue of the hotel, with a minimum sum of NT\$195,000,000 (\$10,111,000). In the event that the subsidiary terminates the hotel assistance and management agreement, the royalty shall be increased to 8.25% of the annual gross revenue of the hotel, subject to a minimum sum of NT\$257,400,000 (\$13,346,000).

- (ii) Certain subsidiaries of the Group have the following obligations with the relevant authorities in Malaysia:

Millennium & Copthorne Hotels plc

To divest its present 100% interest in its subsidiary, CDL Hotels (Malaysia) Sdn. Bhd., by 49% to Malaysians by 31 December 2001.

Republic Hotels & Resorts Limited

To divest its present 100% interest in its subsidiary, Copthorne Orchid Penang Sdn. Bhd., by 49% to Malaysians by 1 March 2002.

- (iii) **CDL Hotels (Korea) Ltd**

Under the terms of a management agreement with a third party which will expire on 31 December 2003, a subsidiary, CDL Hotels (Korea) Ltd, has 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 KRW4.0 billion (\$6.1 million) was paid [1999: KRW283 million (\$0.4 million)] in respect of the current financial year.

34. Commitments (cont'd)

(b) In addition, the Group had the following commitments (cont'd):

(iv) Harrow Entertainment Pte Ltd

Under the terms of the shareholders' agreement entered into between a subsidiary, Harrow Entertainment Pte Ltd ("Harrow"), and the minority shareholder of another subsidiary, City Elite Pte Ltd ("City Elite"), in the event that Harrow's loan to City Elite is repaid in full out of the cash proceeds generated from the operations within 30 months from October 2000, Harrow has an obligation to divest 10% equity interest in City Elite to the minority shareholder, either:

- (a) by selling 10% shareholding at par; or
- (b) through the issue of such number of new ordinary shares of \$1 each at par such that the shareholdings of Harrow and the minority shareholder will be in the proportion of 60:40.

(v) City Elite Pte Ltd

Under the terms of an agreement with a third party, City Elite has an obligation to pay a royalty fee, in semi-annual instalments, computed based on 0.5% of the gross revenue of City Elite, upon commencement of the restaurant operation.

35. Retirement Benefit Plans

The following retirement benefit plans are being operated within the Group:

(a) Defined benefit and defined contribution plans

Certain subsidiaries of the Group, principally in United Kingdom and United States, operate retirement benefit plans for their employees. Both the defined benefit and defined contribution plans are in operation. The Directors consider the obligation of the Group under these plans to be insignificant. Contributions to these plans are charged to the profit and loss account as incurred.

(b) Employees' severance and retirement benefits plan

Employees' severance and retirement benefits plan is also established by a foreign subsidiary. The plan provides for lump-sum payments to employees who have been employed for more than one year. This lump-sum payment is calculated based on the length of service and rate of pay of the employees at the time of termination. The amount charged to the profit and loss account is the estimated cost of providing the benefits accrued in the financial year.

city developments limited
ar 2000

36. Contingent Liabilities (unsecured)

As at the balance sheet date, the Group and the Company had the following indemnities and guarantees:

	<i>The Group</i>		<i>The Company</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Guarantees issued on behalf of				
– subsidiaries	–	–	18,102	19,560
– associated companies	1,626	130,702	1,626	3,076
Indemnities given to financial institutions for performance guarantees issued on behalf of subsidiaries	–	–	2,387	13,388
	1,626	130,702	22,115	36,024

A claim has been made against a subsidiary, Regal US, arising from its consulting advice to a hotel operator in connection with the construction of a hotel in the USA. The claim is in the sum of US\$16 million (approximately \$28 million) for loss of profits and further US\$9 million (approximately \$16 million) in damages. The trial in the matter, formerly set for trial in November 2000, has been indefinitely postponed, but external legal counsel believes a trial in 2001 is probable.

The directors have taken external legal advice which indicates that no assessment can be made as to the probable outcome of the case. The directors intend to continue their vigorous defence of this litigation and, based on counsel's advice, believe that the claims are defensible and damages claimed is excessive. This matter is covered by warranties within the sale and purchase agreement under which the Group acquired Regal. On this basis, no provision has been made.

37. Statutory Information Required by Paragraph 7 of the Ninth Schedule, Companies Act, Chapter 50

The Group's and the Company's liabilities payable and debts receivable at the balance sheet date are estimated to be due as follows:

	<i>2000</i>		<i>1999</i>	
	<i>Liabilities</i>	<i>Debts</i>	<i>Liabilities</i>	<i>Debts</i>
	<i>Payable</i>	<i>Receivable</i>	<i>Payable</i>	<i>Receivable</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
The Group				
Within 2 years	3,572,640	842,380	3,877,671	829,266
From 2 to 5 years	2,232,276	126,927	1,436,328	78,040
After 5 years	307,336	–	165,636	3,147
	6,112,252	969,307	5,479,635	910,453
The Company				
Within 2 years	1,277,852	869,776	854,112	933,502
From 2 to 5 years	652,312	98,089	350,000	68,280
After 5 years	150,000	–	–	–
	2,080,164	967,865	1,204,112	1,001,782

For the preparation of this information:

- (a) Debts receivable of the Group and the Company comprises trade debtors, accrued receivables, other debtors, deposits, prepayments, amounts owing by associated companies, fellow subsidiaries and subsidiaries.
- (b) Deferred taxation which mainly relates to freehold properties is excluded.

city developments limited
ar 2000

38. Segment Reporting

(a) Business Segments

	<i>Property Development</i>	<i>Hotel Operations</i>	<i>Rental</i>	<i>Others</i>	<i>Total</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
2000					
<i>Revenue and Expenses</i>					
Revenue	611,825	1,743,521	206,194	64,788	2,626,328
Segment Results	255,679	288,405	26,692	7,616	578,392
Taxation					(150,057)
Minority interests					(127,990)
Extraordinary items					(8,764)
Net profit for the year					291,581
<i>Significant Non-Cash Transactions</i>					
Depreciation	2,569	136,906	47,137	3,297	189,909
Amortisation	426	9,766	1,554	70	11,816
1999					
<i>Revenue and Expenses</i>					
Revenue	702,543	1,064,804	213,577	34,188	2,015,112
Segment Results	267,833	168,058	60,930	16,316	513,137
Taxation					(154,301)
Minority interests					(98,254)
Extraordinary items					122,221
Net profit for the year					382,803
<i>Significant Non-Cash Transactions</i>					
Depreciation	2,197	136,730	48,605	3,491	191,023
Amortisation	269	4,864	1,707	115	6,955
2000					
<i>Assets and Liabilities</i>					
Segment assets	2,621,471	5,322,445	3,050,439	564,502	11,558,857
Segment liabilities	1,646,450	2,430,272	1,349,213	331,292	5,757,227
Capital expenditure	8,577	714,107	8,553	3,051	734,288
1999					
<i>Assets and Liabilities</i>					
Segment assets	2,532,613	4,737,534	3,280,905	566,366	11,117,418
Segment liabilities	1,197,382	2,574,583	1,303,363	111,500	5,186,828
Capital expenditure	91,502	113,011	28,680	18,915	252,108

pg

111

city developments limited
ar 2000

38. Segment Reporting (cont'd)

(b) Geographical Segments

	<i>East and South East Asia</i>	<i>North America and Europe</i>	<i>Australia and New Zealand</i>	<i>Total</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
2000				
Total revenue from external customers	1,245,823	1,190,181	190,324	2,626,328
Segment assets	7,541,989	3,581,375	435,493	11,558,857
Capital expenditure	186,916	542,841	4,531	734,288
1999				
Total revenue from external customers	1,209,780	658,952	146,380	2,015,112
Segment assets	7,555,095	3,105,445	456,878	11,117,418
Capital expenditure	130,446	84,017	37,645	252,108

pg

112

39. Subsidiaries

The following are the Company's subsidiaries:

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by</i>		<i>Cost of Investments</i>	
			<i>the Group</i>		<i>2000</i>	<i>1999</i>
			<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
			<i>%</i>	<i>%</i>	<i>\$'000</i>	<i>\$'000</i>
(i) Direct subsidiaries						
Allinvest Holding Pte Ltd/ Property owner	Singapore	Ordinary	100	100	20,003	20,003
Aston Properties Pte Ltd/ Property owner and developer	Singapore	Ordinary	100	100	28,600	28,600
Baynes Investments Pte Ltd/ Investment holding	Singapore	Ordinary	100	100	2	2
CDL Land Pte Ltd/ Property owner	Singapore	Ordinary	100	100	47,005	47,005
CDL Properties Ltd/Property owner and investment holding	Singapore	Ordinary	100	100	305,147	305,147
Cairns Garden Development Pte Ltd/ Property owner and developer	Singapore	Ordinary	60	60	600	600
Central Mall Pte Ltd/ Property owner	Singapore	Ordinary	100	100	10,210	10,210
Balance carried forward					411,567	411,567

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by</i>		<i>Cost of Investments</i>	
			<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
			<i>%</i>	<i>%</i>	<i>\$'000</i>	<i>\$'000</i>
Balance brought forward					411,567	411,567
Chester Properties Pte Ltd/ Property owner and developer	Singapore	Ordinary	100	100	4,500	4,500
Cideco Pte. Ltd./Property owner	Singapore	Ordinary	100	100	6,800	6,800
City Capital Corporation Pte Ltd/ Property owner	Singapore	Ordinary	100	100	42,500	42,500
City Centrepoint Pte Ltd/ Property owner	Singapore	Ordinary	100	100	76,297	76,297
City Condominiums Pte Ltd/ Property owner and developer	Singapore	Ordinary	100	100	10,000	10,000
*** Citydev (Cayman) Investment Limited/ Dormant (struck-off during the year)	Cayman Islands	Ordinary	-	100	-	2
*** Citydev (Labuan) Holdings Limited/Investment holding	Malaysia	Ordinary	100	-	@	-
Citydev Properties Pte Ltd/ Investment holding	Singapore	Ordinary	100	100	10,000	10,000
City Developments Realty Limited/ Investment in shares	Singapore	Ordinary	100	100	2,000	2,000
*** City (Labuan) Holdings Limited/ Investment holding	Malaysia	Ordinary	100	-	@	-
City Port Development Pte Ltd/ Investment holding	Singapore	Ordinary	100	100	3	3
City Project Management Pte Ltd/ Provision of project management and consultancy services	Singapore	Ordinary	100	100	2,000	2,000
Cliffmont Pte Ltd/Dormant	Singapore	Ordinary	100	100	@	@
Balance carried forward					565,667	565,669

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by</i>		<i>Cost of Investments</i>	
			<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
			<i>%</i>	<i>%</i>	<i>\$'000</i>	<i>\$'000</i>
Balance brought forward					565,667	565,669
Darfera Pte Ltd/Property owner and developer	Singapore	Ordinary	100	100	18,870	18,870
Eccott Pte Ltd/ Investment holding and property owner	Singapore	Ordinary	100	100	10,003	10,003
** Educado Company Limited/ Investment in shares	Hong Kong	Ordinary	100	100	2,571	2,571
Elishan Investments Pte Ltd/ Property owner	Singapore	Ordinary	100	100	74,292	74,292
Elite Holdings Private Limited/ Property owner and developer	Singapore	Ordinary	100	100	13,501	13,501
*** eMpire Investments Limited/ Investment holding	Bermuda	Ordinary	100	-	21	-
Eton Properties Pte Ltd/ Investment holding	Singapore	Ordinary	100	100	@	@
Faber-Rhine Properties Pte Ltd/ Property owner and developer	Singapore	Ordinary	100	100	1,002	1,002
Grand Waterfront Pte Ltd/ Management company	Singapore	Ordinary	100	100	500	500
Guan Realty (Private) Limited/ Property owner and investment holding	Singapore	Ordinary	100	100	2,450	2,450
Highgrove Investments Pte Ltd/ Property owner	Singapore	Ordinary	100	100	19,000	19,000
Hong Leong Properties Pte. Limited/ Property owner	Singapore	Ordinary	100	100	61,556	61,556
Balance carried forward					769,433	769,414

pg

114

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by</i>		<i>Cost of Investments</i>	
			<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
			<i>%</i>	<i>%</i>	<i>\$'000</i>	<i>\$'000</i>
Balance brought forward					769,433	769,414
Island City Garden Development Pte. Ltd./Property owner and developer and investment holding	Singapore	Ordinary	100	100	30,670	30,670
Le Grove Management Pte Ltd/ Property management	Singapore	Ordinary	100	100	4	4
* Lingo Enterprises Limited/ Property owner	Hong Kong/ Singapore	Ordinary	100	100	21,818	21,818
Malaysia Nails Manufacturer Private Limited/Dormant (in voluntary liquidation)	Singapore	Ordinary	100	100	+++	212
Montville Investments Pte Ltd/ Property sales and ownership	Singapore	Ordinary	60	60	600	600
* Palmerston Holdings Sdn. Bhd./ Property owner and developer	Malaysia	Ordinary Preference	51 100	51 100	302 6,244	302 6,244
Richview Holdings Pte Ltd/ Investment holding	Singapore	Ordinary	100	100	20,003	20,003
Singapura Developments (Private) Limited/Property owner and developer and investment holding	Singapore	Ordinary	100	100	1,303,187	63,186
St. James's Enterprises Pte Ltd/Dormant (struck-off during the year)	Singapore	Ordinary	-	100	-	3
Sunshine Plaza Pte Ltd (formerly known as City Hyundai Development Pte Ltd)/ Property owner and developer	Singapore	Ordinary	100	60	2,043	1,200
* Union Chain Investment Limited/ Investment holding	Hong Kong	Ordinary	100	100	2	2
Balance carried forward					2,154,306	913,658

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>		<i>Cost of Investments</i>	
			<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
			%	%	\$'000	\$'000
Balance brought forward					2,154,306	913,658
* City e-Solutions Limited (formerly known as CDL Hotels International Limited)/Investment holding and provision of consultancy services	Cayman Islands/ Hong Kong	Ordinary	52	53	++	410,370
Total					2,154,306	1,324,028

@ Cost of investment is less than \$1,000.

++ The Company's interest in City e-Solutions Limited was transferred to eMpire Investments Limited as a result of the Reorganisation.

+++ Malaysia Nails Manufacturer Private Limited was liquidated on 3 January 2001.

pg
116

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>	
			<i>2000</i>	<i>1999</i>
			%	%
(ii) Indirect subsidiaries				
<i>Subsidiary of eMpire Investments Limited</i>				
* City e-Solutions Limited (formerly known as CDL Hotels International Limited)/Investment holding and provision of consultancy services	Cayman Islands/ Hong Kong	Ordinary	52	53
<i>Subsidiaries of City e-Solutions Limited (formerly known as CDL Hotels International Limited)</i>				
* CDL Nominees Limited/Nominee holding	Hong Kong	Ordinary	52	53
* Chancery Limited/Investment holding	Hong Kong	Ordinary	52	53
CDL Hotels (Singapore) Pte Ltd/Hotel and resort management (currently dormant)	Singapore	Ordinary	52	53
* Undersea World Indonesia Limited/Investment holding	Hong Kong/ Indonesia	Ordinary	-	53
*** SWAN Holdings Limited/Investment holding	Bermuda	Ordinary	52	-

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>	
			<i>2000</i>	<i>1999</i>
			<i>%</i>	<i>%</i>
<i>Subsidiary of Undersea World Indonesia Limited</i>				
* Asia Pacific Leisure Ltd./ Investment holding	Cook Islands/ Indonesia	Ordinary	-	31
<i>Subsidiary of Asia Pacific Leisure Ltd.</i>				
** P.T. Sea World Indonesia/Provision of recreation and entertainment services	Indonesia	Ordinary	-	26
<i>Subsidiary of SWAN Holdings Limited</i>				
* SWAN Inc/Investment holding and provision of hospitality related services	United States of America	Common Stock	52	-
<i>Subsidiary of SWAN Inc</i>				
* Sceptre Hospitality Resources, Inc./ Provision of reservation system services	United States of America	Common Stock	52	28
<i>Subsidiaries of Singapura Developments (Private) Limited</i>				
Bloomsville Investments Pte Ltd/ Property owner and developer	Singapore	Ordinary	70	70
City Building Management Pte Ltd/ Building maintenance and related services	Singapore	Ordinary	100	100
** CDL (Thailand) Limited/ Dormant (liquidated during the year)	Thailand	Ordinary	-	100
Golden Rajah Restaurant (Private) Limited/ Investment in shares	Singapore	Ordinary	100	100
* Millennium & Copthorne Hotels plc/ Investment holding	United Kingdom	Ordinary	52	28
Tenpin (Private) Limited/ Dormant (in liquidation)	Singapore	Ordinary	100	100

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>	
			<i>2000</i>	<i>1999</i>
			%	%
<i>Subsidiaries of City Building Management Pte Ltd</i>				
Craigsforth Pte Ltd/Dormant (struck-off during the year)	Singapore	Ordinary	–	100
Empire City Consultant Pte Ltd/Estate management	Singapore	Ordinary	100	–
<i>Subsidiaries of Millennium & Copthorne Hotels plc</i>				
* M&C Hotels Holdings USA Limited/ Investment holding	Cayman Islands/ United States of America	Ordinary	52	28
* Copthorne Hotel Holdings Limited/ Investment holding	United Kingdom	Ordinary	52	28
* Millennium & Copthorne Share Trustees Limited/Share trustee company	United Kingdom	Ordinary	52	28
* Millennium Hotels London Limited/ Investment holding	United Kingdom	Ordinary	52	28
* Millennium & Copthorne (Austrian Holdings) Limited/Investment holding	United Kingdom	Ordinary	52	28
<i>Indirect subsidiary of Millennium & Copthorne Hotels plc, which is held as an associated company of Copthorne Hotel Holdings Limited and Copthorne Hotels Limited</i>				
* M&C Hotels Partnership/ Investment holding	France	N.A.	52	28
<i>Subsidiaries of M&C Hotels Partnership</i>				
* Copthorne Hotel (Roissy) SA/ Hotel owner and operator	France	Ordinary	52	28
* M&C Hotels France SA/Hotel owner	France	Ordinary	52	28
* Hotel Commodore SA/ Hotel owner and operator	France	Ordinary	52	28

pg

118

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>	
			<i>2000 %</i>	<i>1999 %</i>
<i>Subsidiaries of M&C Hotels Holdings USA Limited</i>				
* M & C (CB) Limited/ Investment company	United Kingdom	Ordinary	52	28
* M & C (CD) Limited/Investment company	United Kingdom	Ordinary	52	28
* M & C Management Services (USA) Inc./ General trading and investment company	United States of America	Common Stock	52	28
<i>Subsidiary of M & C (CB) Limited, M & C (CD) Limited and M & C Management Services (USA) Inc.</i>				
* M & C Holdings Delaware Partnership/ Property investment holding and investment company	United States of America	N.A.	52	28
<i>Subsidiary of M & C Holdings Delaware Partnership</i>				
* CDL Hotels USA, Inc./ Investment holding	United States of America	Common Stock & Preferred Stock	52	28
<i>Subsidiaries of CDL Hotels USA, Inc.</i>				
* CDL Management L.L.C./ Holding company	United States of America	LLC Interest	52	28
* CDL (New York) L.L.C./ Hotel owner and operator	United States of America	LLC Interest	52	28
* CDL (NYL) Limited/ Investment holding	United States of America	Common Stock	52	28
* CDL West 45th Street L.L.C./ Hotel owner and operator	United States of America	LLC Interest	52	28
* M&C Nevada Hotel Corporation/ Holding company	United States of America	Common Stock	52	–

pg

119

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>	
			<i>2000</i>	<i>1999</i>
			%	%
<i>Subsidiaries of CDL Hotels USA, Inc. (cont'd)</i>				
* Richfield Holdings Corporation I/ Holding company	United States of America	Common Stock & Preferred Stock	52	28
* Regal Grand Holdings Corporation I/ Holding company	United States of America	Common Stock	52	28
* Gateway Holdings Corporation I/ Holding company	United States of America	Common Stock	52	28
* RHM Holdings Corporation I/ Holding company	United States of America	Common Stock & Preferred Stock	52	28
* RHI Boston Holdings Corporation I/ Holding company	United States of America	Common Stock	52	–
<i>Subsidiary of Richfield Holdings Corporation I</i>				
* Richfield Holdings Corporation II/ Holding company	United States of America	Common Stock	52	28
<i>Subsidiary of Richfield Holdings Corporation II</i>				
* Richfield Holdings, Inc./ Holding company	United States of America	Common Stock & Preferred Stock	52	28
<i>Subsidiaries of Richfield Holdings, Inc.</i>				
* AMEGA Employees, Inc./ Payroll Corporation	United States of America	Common Stock	52	28
* Regal Hotels International (USA), Inc./Holding company	United States of America	Common Stock	52	28

pg

120

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>	
			<i>2000 %</i>	<i>1999 %</i>
<i>Subsidiaries of Richfield Holdings, Inc. (cont'd)</i>				
* Richfield SPE, Inc./ Single purpose entity	United States of America	Common Stock	52	28
* Richfield Hospitality Services, Inc./ Hotel management	United States of America	Common Stock	52	28
* AIRCOA Equity Interests, Inc./ Holding company	United States of America	Common Stock	52	28
<i>Subsidiaries of Richfield Hospitality Services, Inc.</i>				
* MHM, Inc./ Hotel management	United States of America	Common Stock	52	28
* Richfield Hawaiian Management, Inc./ Holding company	United States of America	Common Stock	52	28
* AIRCOA Hospitality Services, Inc./ Holding company	United States of America	Common Stock	52	28
* Park Plaza Hotel Corporation/ Holding company	United States of America	Common Stock & Preferred Stock	52	28
<i>Subsidiaries of AIRCOA Hospitality Services, Inc.</i>				
* St. Louis Operating, Inc./ Liquor licence holder	United States of America	Common Stock	52	28
* AIRCOA GP Corporation/ Hotel ownership	United States of America	Common Stock	52	28
* Anchorage Lakefront Limited Partnership/ Hotel ownership	United States of America	N.A.	52	28

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>	
			<i>2000 %</i>	<i>1999 %</i>
<i>Subsidiary of AIRCOA GP Corporation</i>				
* Lakeside GP Corporation/ Holding company	United States of America	Common Stock	52	28
<i>Subsidiary of Anchorage Lakefront Limited Partnership</i>				
* RHM Anchorage LLC/Hotel ownership (merged into Anchorage Lakefront Limited Partnership)	United States of America	LLC Interest	–	28
<i>Subsidiary of Park Plaza Hotel Corporation</i>				
* Trimark Hotel Corporation/Hotel ownership and management	United States of America	Common Stock & Preferred Stock	52	28
<i>Subsidiaries of Trimark Hotel Corporation</i>				
* Bradenton Hotel Limited Partnership/ Hotel ownership	United States of America	N.A.	48	25
* Minneapolis Hotel Limited Partnership/ Hotel investment	United States of America	N.A.	50	27
* Trimark Management, Inc./ Hotel management	United States of America	Common Stock	52	28
<i>Subsidiaries of AIRCOA Equity Interests, Inc.</i>				
* Atlanta F.C. Co./Holding company (dissolved during the year)	United States of America	N.A.	–	15
* Wynfield GP Corporation/ Hotel ownership	United States of America	Common Stock	52	28
* Harvest Associates, Inc./ Holding company	United States of America	Common Stock	52	28
* Newpart, L.P./ Holding company	United States of America	N.A.	39	21

pg

122

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>	
			<i>2000</i>	<i>1999</i>
			%	%
<i>Subsidiary of Wynfield GP Corporation</i>				
* Wynfield One, Ltd./ Holding company	United States of America	N.A.	52	28
<i>Subsidiary of Wynfield One, Ltd.</i>				
* RHM Wynfield LLC/ Hotel ownership	United States of America	LLC Interest	52	28
<i>Subsidiary of Harvest Associates, Inc.</i>				
* Boulder Hotel Associates, Ltd./ Holding company	United States of America	N.A.	51	27
<i>Subsidiary of Newport, L.P.</i>				
* CAMBFS Co./ Holding company	United States of America	N.A.	40	21
<i>Indirect subsidiary of AIRCOA Equity Interests, Inc., which is held as associated company of Newport, L.P. and Boulder Hotel Associates, Ltd.</i>				
* BHA-Stonehouse Associates/ Holding company	United States of America	N.A.	45	24
<i>Subsidiaries of BHA-Stonehouse Associates</i>				
* Regal Harvest House GP Corporation/Holding company	United States of America	Common Stock	45	24
* Regal Harvest House LP/ Hotel ownership	United States of America	N.A.	45	24
<i>Subsidiary of Regal Harvest House LP</i>				
* RHH Operating LLC/ Hotel ownership	United States of America	LLC Interest	45	24
<i>Subsidiary of Regal Grand Holdings Corporation I</i>				
* Regal Grand Holdings Corporation II/ Holding company	United States of America	Common Stock	52	28
<i>Subsidiary of Regal Grand Holdings Corporation II</i>				
* Regal Grand Avenue, Inc./ Holding company	United States of America	Common Stock	52	28

pg

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>	
			<i>2000 %</i>	<i>1999 %</i>
<i>Subsidiaries of Regal Grand Avenue, Inc.</i>				
* Regal Grand SPE, Inc./ Single purpose entity	United States of America	Common Stock	52	28
* WHB Corporation/ Holding company	United States of America	Common Stock	52	28
<i>Subsidiaries of WHB Corporation</i>				
* Biltmore Place Operations Corp./Liquor licence holder	United States of America	Common Stock	52	28
* S.S. Restaurant Corporation/ Liquor licence holder	United States of America	Common Stock	52	28
* WHB Biltmore LLC/ Hotel ownership	United States of America	LLC Interest	52	28
<i>Subsidiary of Gateway Holdings Corporation I</i>				
* Gateway Holdings Corporation II/ Holding company	United States of America	Common Stock	52	28
<i>Subsidiary of Gateway Holdings Corporation II</i>				
* Gateway Hotel Holdings, Inc./ Hotel ownership	United States of America	Common Stock	52	28
<i>Subsidiaries of Gateway Hotel Holdings, Inc.</i>				
* Gateway Regal Holdings LLC/ Hotel ownership	United States of America	LLC Interest	52	28
* Gateway SPE, Inc./ Single purpose entity	United States of America	Common Stock	52	28
<i>Subsidiary of RHM Holdings Corporation I</i>				
* RHM Holdings Corporation II/ Holding company	United States of America	Common Stock	52	28
<i>Subsidiary of RHM Holdings Corporation II</i>				
* Regal Hotel Management, Inc./ Holding company	United States of America	Common Stock & Preferred Stock	52	28

pg

124

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>	
			<i>2000</i>	<i>1999</i>
			<i>%</i>	<i>%</i>
<i>Subsidiaries of Regal Hotel Management, Inc.</i>				
* AIRCOA Hotel Partners, L.P./ Holding company	United States of America	N.A.	52	28
* Chicago Hotel Holdings, Inc./ Hotel ownership	United States of America	Common Stock	52	28
* Cincinnati Regal S.I. LLC/ Holding company	United States of America	LLC Interest	52	28
* Five Star Assurance, Inc./ Captive insurance company	United States of America	Common Stock	52	28
* RHM SPE, Inc./ Single purpose entity	United States of America	Common Stock	52	28
* RHM Management, LLC/ Hotel ownership	United States of America	LLC Interest	52	28
* RHM-88, LLC/ Hotel ownership	United States of America	LLC Interest	52	28
* Richfield Plaza, Inc./ Owner of office building	United States of America	Common Stock	52	28
* Regal UN Plaza LLC/Holding company (merged into Regal Hotel Management, Inc.)	United States of America	LLC Interest	–	28
<i>Subsidiary of Chicago Hotel Holdings, Inc.</i>				
* Chicago Regal Holdings LLC/Hotel ownership (merged into Chicago Hotel Holdings, Inc.)	United States of America	LLC Interest	–	28
<i>Subsidiary of Cincinnati Regal S.I. LLC</i>				
* Cincinnati S.I. Co./ Hotel ownership	United States of America	N.A.	51	27

pg

125

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>	
			<i>2000</i>	<i>1999</i>
			<i>%</i>	<i>%</i>
<i>Subsidiaries of AIRCOA Hotel Partners, L.P.</i>				
* Durham Operating Partnership, L.P./ Hotel ownership	United States of America	N.A.	52	28
* Fourwinds Operating Partnership, L.P./ Hotel ownership	United States of America	N.A.	52	28
* Lakeside Operating Partnership, L.P./ Hotel ownership	United States of America	N.A.	52	28
* McCormick Ranch Operating Partnership, L.P./ Hotel ownership	United States of America	N.A.	52	28
<i>Subsidiaries of Five Star Assurance, Inc.</i>				
* Aurora Inn Operating Partnership, L.P./ Hotel ownership	United States of America	N.A.	52	28
* Buffalo Operating Partnership, L.P./ Hotel ownership	United States of America	N.A.	52	28
* Avon Wynfield Inn, Ltd./ Hotel ownership	United States of America	N.A.	52	28
<i>Subsidiary of Aurora Inn Operating Partnership, L.P.</i>				
* RHM Aurora LLC/ Hotel ownership	United States of America	LLC Interest	52	28
<i>Subsidiary of Buffalo Operating Partnership, L.P.</i>				
* Buffalo RHM Operating LLC/ Hotel ownership	United States of America	LLC Interest	52	28
<i>Subsidiary of Avon Wynfield Inn, Ltd.</i>				
* Avon Wynfield LLC/ Hotel ownership	United States of America	LLC Interest	52	28
<i>Subsidiary of Durham Operating Partnership, L.P.</i>				
* Durham Regal Operating LLC/Hotel ownership (merged into Durham Operating Partnership, L.P.)	United States of America	LLC Interest	–	28
<i>Subsidiary of Fourwinds Operating Partnership, L.P.</i>				
* Fourwinds Operating LLC/ Hotel ownership	United States of America	LLC Interest	52	28

pg

126

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>	
			<i>2000 %</i>	<i>1999 %</i>
<i>Subsidiaries of McCormick Ranch Operating Partnership, L.P.</i>				
* RHM Ranch LLC/ Hotel ownership	United States of America	LLC Interest	52	28
* Four Peak Management Company/Arizona condominium management	United States of America	Common Stock	52	28
<i>Subsidiary of RHI Boston Holdings Corporation I</i>				
* RHI Boston Holdings Corporation II/ Holding company	United States of America	Common Stock	52	–
<i>Subsidiary of RHI Boston Holdings Corporation II</i>				
* RHI Boston, Inc./ Holding company	United States of America	Common Stock	52	–
<i>Subsidiary of RHI Boston, Inc.</i>				
* Bostonian Hotel Limited Partnership/ Hotel ownership	United States of America	N.A.	52	–
<i>Subsidiaries of Copthorne Hotel Holdings Limited</i>				
* Copthorne Aberdeen Limited/ Hotel owner and operator	United Kingdom	Ordinary	43	23
* Copthorne Hotel (Aberdeen) Limited/Dormant	United Kingdom	Ordinary	52	28
* Copthorne Hotel (Birmingham) Limited/ Hotel owner and operator	United Kingdom	Ordinary	52	28
* Copthorne Hotel (Cardiff) Limited/ Hotel owner and operator	United Kingdom	Ordinary	52	28
* Copthorne Hotel (Effingham Park) Limited/ Hotel owner and operator	United Kingdom	Ordinary	52	28
* Copthorne Hotel (Gatwick) Limited/ Hotel owner and operator	United Kingdom	Ordinary & Deferred	52	28

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>	
			<i>2000</i>	<i>1999</i>
			<i>%</i>	<i>%</i>
<i>Subsidiaries of Copthorne Hotel Holdings Limited (cont'd)</i>				
* Copthorne Hotels Limited/Hotel management	United Kingdom	Ordinary	52	28
* Copthorne Hotel (Merry Hill) Limited/ Hotel owner and operator	United Kingdom	Ordinary	39	21
* Copthorne Hotel (Plymouth) Limited/ Hotel owner and operator	United Kingdom	Ordinary	52	28
* Diplomat Hotel Holding Limited/ Investment holding	United Kingdom	Ordinary	52	28
* London Tara Hotel Limited/ Hotel owner and operator	United Kingdom	Ordinary	52	28
* M&C Hotels France Management SARL/ Management company	France	Ordinary	52	28
* Tara Hotels Deutschland GmbH/ Investment holding	Germany	Ordinary	52	28
* Wharfside Hotels plc/ Hotel owner and operator	United Kingdom	Ordinary	52	28
<i>Subsidiaries of Copthorne Hotels Limited</i>				
* Copthorne Hotel (Newcastle) Limited/ Hotel owner and operator	United Kingdom	Ordinary	49	25
* Copthorne Hotel (Slough) Limited/ Hotel owner and operator	United Kingdom	Ordinary	52	28
* Copthorne (Nominees) Limited/ Investment holding	United Kingdom	Ordinary	52	28

pg

128

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>	
			<i>2000</i>	<i>1999</i>
			<i>%</i>	<i>%</i>
<i>Subsidiaries of Copthorne (Nominees) Limited</i>				
* Copthorne Hotel (Ireland) Limited/ Investment holding	Ireland	Ordinary	52	28
* Copthorne Hotels (Development) Limited/ Provision of technical services for hotel development	Ireland	Ordinary	52	28
<i>Subsidiary of Copthorne Hotel (Merry Hill) Limited</i>				
* Copthorne Hotel (Merry Hill) Construction Limited/Hotel developer	United Kingdom	Ordinary	52	21
<i>Subsidiary of Diplomat Hotel Holding Limited</i>				
* Archyfield Limited/ Hotel owner and operator	United Kingdom	Ordinary	52	28
<i>Subsidiary of London Tara Hotel Limited</i>				
* Copthorne Properties Limited/ Property holding	United Kingdom	Ordinary	52	28
<i>Subsidiaries of Tara Hotels Deutschland GmbH</i>				
* Stuttgart International Hotel Betriebsgesellschaft mbH/Hotel owner and operator	Germany	Ordinary	39	21
* Tara Hotel Hannover GmbH/ Hotel owner and operator	Germany	Ordinary	52	28
<i>Subsidiary of Stuttgart International Hotel Betriebsgesellschaft mbH</i>				
* SI Komplex II Gastronomiebetriebsgesellschaft mbH/Food and beverage operator	Germany	Ordinary	39	21
<i>Subsidiaries of Millennium Hotels London Limited</i>				
* Millennium Hotels Limited/ Investment holding	United Kingdom	Ordinary	52	28
* CDL Hotels (Baileys) Limited/ Hotel owner and operator	United Kingdom	Ordinary	52	28
* CDL Hotels (Chelsea) Limited/ Hotel owner and operator	United Kingdom	Ordinary	52	28
* CDL Hotels (U.K.) Limited/ Hotel owner and operator	United Kingdom	Ordinary	52	28

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>	
			<i>2000</i>	<i>1999</i>
			<i>%</i>	<i>%</i>
<i>Subsidiary of Millennium Hotels Limited</i>				
* London Britannia Hotel Limited/Hotel owner and operator	United Kingdom	Ordinary	52	28
<i>Subsidiary of CDL Hotels (Chelsea) Limited</i>				
* Millennium Chelsea Hotel Limited/Restaurant operator	United Kingdom	Ordinary	52	28
<i>Subsidiaries of Millennium & Copthorne (Austrian Holdings) Limited</i>				
* M & C (BB) Limited/Investment company	United Kingdom	Ordinary	52	28
* M & C (BC) Limited/Investment company	United Kingdom	Ordinary	52	28
<i>Subsidiary of M & C (BB) Limited</i>				
* ATOS Holding AG/Investment holding	Austria	Ordinary	52	28
<i>Subsidiaries of ATOS Holding AG</i>				
CDL Entertainment & Leisure Pte Ltd/Provision of management services and investment holding	Singapore	Ordinary	52	28
* CDL Hotels (Malaysia) Sdn. Bhd./Hotel owner and operator	Malaysia	Ordinary & Preference	52	28
Hong Leong International Hotel (Singapore) Pte. Ltd./Investment holding	Singapore	Ordinary	51	27
* Hong Leong Hotels Pte Ltd./Investment holding	Cayman Islands/ Hong Kong	Ordinary/ Preference	52	28
Millennium & Copthorne International Limited/Hotels and resorts management	Singapore	Ordinary	52	28
Republic Hotels & Resorts Limited/Hotel owner and operator and investment holding	Singapore	Ordinary	44	21
TOSCAP Limited/Investment holding	Singapore	Ordinary	52	–

pg

130

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>	
			<i>2000 %</i>	<i>1999 %</i>
<i>Subsidiary of CDL Entertainment & Leisure Pte Ltd</i>				
* CDL Hotels (Phils.) Corporation/ Management and consultancy services	Philippines	Ordinary	52	28
<i>Subsidiary of Hong Leong International Hotel (Singapore) Pte. Ltd.</i>				
* Hong Leong Hotel Development Limited/ Hotel owner and operator	Taiwan	Ordinary	42	22
<i>Subsidiaries of Hong Leong Hotels Pte Ltd.</i>				
* The Philippine Fund Limited/ Investment holding	Bermuda/ Philippines	Ordinary	31	17
* First 2000 Limited/Investment holding	Hong Kong	Ordinary	52	28
<i>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</i>				
* Grand Plaza Hotel Corporation/Hotel owner and operator and investment holding	Philippines	Ordinary	32	16
<i>Subsidiary of First 2000 Limited</i>				
* CDL Hotels Holdings New Zealand Limited/ Investment holding and property management	New Zealand	Ordinary & Preference	52	28
<i>Subsidiary of CDL Hotels Holdings New Zealand Limited</i>				
* CDL Hotels New Zealand Limited/ Investment holding and property management	New Zealand	Ordinary	37	19
<i>Subsidiaries of CDL Hotels New Zealand Limited</i>				
* All Seasons Hotels & Resorts Limited/ Name-holding	New Zealand	Ordinary	37	19
* CDL Christchurch Limited/ Property owner (amalgamated)	New Zealand	Ordinary	–	19

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>	
			<i>2000</i>	<i>1999</i>
			<i>%</i>	<i>%</i>
<i>Subsidiaries of CDL Hotels New Zealand Limited (cont'd)</i>				
* CDL Greymouth Limited/ Property owner (amalgamated)	New Zealand	Ordinary	–	19
* CDL Investments New Zealand Limited/ Investment holding and property management	New Zealand	Ordinary	22	11
* CDL Logan Park Limited/ Property owner (amalgamated)	New Zealand	Ordinary	–	19
* CDL Operations Limited/ Dormant (amalgamated)	New Zealand	Ordinary	–	19
* CDL Queenstown Limited/ Property owner (amalgamated)	New Zealand	Ordinary	–	19
* CDL Rotorua Limited/ Property owner (amalgamated)	New Zealand	Ordinary	–	19
* CDL Securities Limited/ Investment holding (deregistered)	New Zealand	Ordinary	–	19
* CDL Te Anau Limited/ Property owner (amalgamated)	New Zealand	Ordinary	–	19
* Context Securities Limited/ Joint venture partner	New Zealand	Ordinary & Preference	37	19
* Copthorne Hotels and Resorts Limited/ Name-holding (amalgamated)	New Zealand	Ordinary	–	19
* Harbourcity Hotel Limited/ Name-holding (amalgamated)	New Zealand	Ordinary	–	19
* Kingsgate International Corporation Limited/ Investment holding	New Zealand	Ordinary Preference	19 21	10 11

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>	
			<i>2000 %</i>	<i>1999 %</i>
<i>Subsidiaries of CDL Hotels New Zealand Limited (cont'd)</i>				
* Millennium & Copthorne Hotels Limited (formerly known as Millennium Hotels & Resorts Limited)/Name-holding	New Zealand	Ordinary	37	19
* Paramoor Eleven Limited/Property holding and management (deregistered)	New Zealand	Ordinary	–	19
* Quantum Limited/Investment holding	New Zealand	Ordinary	26	14
<i>Subsidiaries of CDL Investments New Zealand Limited</i>				
* Antonio Nominees Limited/ Dormant (liquidated)	New Zealand	Ordinary	–	11
* CDL Land New Zealand Limited/ Property owner and developer	New Zealand	Ordinary & Preference	22	11
* Kupe Cor Limited/Dormant (liquidated)	New Zealand	Ordinary	–	11
* LPL Group Limited/Investment holding	New Zealand	Ordinary	22	11
<i>Subsidiaries of LPL Group Limited</i>				
* Knight Frank (NZ) Limited/Real estate licence holder	New Zealand	Ordinary	22	11
* Landcorp Property Limited/Property management and consultancy	New Zealand	Ordinary	22	11
<i>Subsidiary of Knight Frank (NZ) Limited</i>				
* Landcorp Realty Limited/Real estate licence holder	New Zealand	Ordinary	22	11
<i>Subsidiaries of Kingsgate International Corporation Limited</i>				
* Kingsgate Holdings Pty. Ltd./Investment holding	Australia	Ordinary	19	10
* Kingsgate Hotels Limited/ Dormant	New Zealand	Ordinary	19	10

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>	
			<i>2000 %</i>	<i>1999 %</i>
<i>Subsidiaries of Kingsgate Holdings Pty. Ltd.</i>				
* Cophorne Hotels & Resorts Pty. Ltd. (formerly known as Cophorne Hotels Pty Ltd)/ Name-holding	Australia	Ordinary	19	10
* Kingsgate Investments Pty. Ltd./ Property investment and management	Australia	Ordinary	19	10
* Millennium Hotels & Resorts Pty. Ltd. (formerly known as Millennium Hotel Pty Ltd)/ Name-holding	Australia	Ordinary	19	10
<i>Subsidiaries of Kingsgate Investments Pty. Ltd.</i>				
* Hotelcorp New Zealand Pty. Ltd./Investment holding	Australia	Ordinary	19	10
* Kingsgate Hotel Pty. Ltd./Hotel service company	Australia	Ordinary	19	10
<i>Subsidiary of Hotelcorp New Zealand Pty. Ltd.</i>				
* Birkenhead Holdings Pty. Ltd./Investment holding	Australia	Ordinary	19	10
<i>Subsidiary of Birkenhead Holdings Pty. Ltd.</i>				
* Birkenhead Investments Pty. Ltd./ Property investment and management	Australia	Ordinary	19	10
<i>Subsidiary of Birkenhead Investments Pty. Ltd.</i>				
* Birkenhead Services Pty. Ltd./ Service company	Australia	Ordinary	19	10
<i>Subsidiaries of Quantum Limited</i>				
* QINZ Holdings (New Zealand) Limited/ Investment holding	New Zealand	Ordinary	26	14
* Hospitality Group Limited/ Investment holding	New Zealand	Ordinary & Preference	26	14
<i>Subsidiaries of QINZ Holdings (New Zealand) Limited</i>				
* Clarion Hotels & Suites Limited/ Name-holding (amalgamated)	New Zealand	Ordinary	-	14

pg

134

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>	
			<i>2000</i>	<i>1999</i>
			<i>%</i>	<i>%</i>
<i>Subsidiaries of QINZ Holdings (New Zealand) Limited (cont'd)</i>				
* Quality Hotels Limited/ Franchisee (Quality)	New Zealand	Ordinary	26	14
* Quality Inns Limited/ Name-holding (amalgamated)	New Zealand	Ordinary	–	14
* Sleep Inns Limited/ Name-holding (amalgamated)	New Zealand	Ordinary	–	14
<i>Subsidiaries of Hospitality Group Limited</i>				
* Hospitality Services Limited (formerly known as CDL Hospitality Management Services Limited)/Management company	New Zealand	Ordinary	26	14
* Hospitality Leases Limited/ Leasing company	New Zealand	Ordinary & Preference	26	14
* Newhurst Holdings Limited/ Property owner (amalgamated)	New Zealand	Ordinary & Preference	–	14
* QINZ (Anzac Avenue) Limited/ Property owner	New Zealand	Ordinary & Preference	26	14
* QINZ (Dunedin) Limited/ Property owner (amalgamated)	New Zealand	Ordinary & Preference	–	14
* QINZ (Oriental Bay) Limited/ Property owner (amalgamated)	New Zealand	Ordinary & Preference	–	14
* QINZ (Palmerston North) Limited/ Property owner (amalgamated)	New Zealand	Ordinary & Preference	–	14
* QINZ (Queenstown) Limited/ Property owner (amalgamated)	New Zealand	Ordinary & Preference	–	14
* QINZ (Rotorua) Limited/ Property owner (amalgamated)	New Zealand	Ordinary & Preference	–	14

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>	
			<i>2000</i>	<i>1999</i>
			<i>%</i>	<i>%</i>
<i>Subsidiaries of Hospitality Group Limited (cont'd)</i>				
* QINZ (Willis Street) Limited/ Property owner (amalgamated)	New Zealand	Ordinary & Preference	-	14
* Venus Holdings Limited/ Property owner (amalgamated)	New Zealand	Ordinary & Preference	-	14
* Venus Leases Limited/ Leasing company (amalgamated)	New Zealand	Ordinary	-	14
<i>Subsidiaries of Republic Hotels & Resorts Limited</i>				
* Copthorne Orchid Penang Sdn. Bhd./ Hotel owner	Malaysia	Ordinary	44	21
Copthorne Orchid Hotel Singapore Pte Ltd (formerly known as Copthorne Orchid Singapore Pte Ltd)/Hotel owner	Singapore	Ordinary	44	21
City Hotels Pte. Ltd./Hotel owner	Singapore	Ordinary	44	21
*** CDL Hotels (Labuan) Limited/ Investment holding	Malaysia	Ordinary	44	21
Harbour View Hotel Pte. Ltd./Hotel owner	Singapore	Ordinary	44	21
Harrow Entertainment Pte Ltd/Investment holding	Singapore	Ordinary	44	21
International Design Link Pte Ltd/Property project design consultancy services (currently dormant)	Singapore	Ordinary	44	21
King's Tanglin Shopping Pte. Ltd./ Property owner	Singapore	Ordinary	44	21
Newbury Investments Pte Ltd/ Investment holding	Singapore	Ordinary	44	21
* PT Millennium Hotels & Resorts/ Management services	Indonesia	Ordinary	44	21
Republic Hotels Holdings Pte Ltd/ Investment holding (currently dormant)	Singapore	Ordinary	44	21

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>	
			<i>2000 %</i>	<i>1999 %</i>
<i>Subsidiaries of Republic Hotels & Resorts Limited (cont'd)</i>				
Republic Hotels Investments Pte Ltd/ Investment holding (currently dormant)	Singapore	Ordinary	44	21
Republic Hotels Suzhou Pte Ltd/Investment holding	Singapore	Ordinary	44	21
Trans Oil Pte Ltd/Securities investment and trading	Singapore	Ordinary	44	21
Zatrio Pte Ltd/Investment holding	Singapore	Ordinary	44	21
<i>Subsidiary of CDL Hotels (Labuan) Limited</i>				
* CDL Hotels (Korea) Ltd./ Hotel owner	Republic of Korea	Ordinary	44	21
<i>Subsidiary of Harrow Entertainment Pte Ltd</i>				
City Elite Pte Ltd/Restaurateur	Singapore	Ordinary	31	–
<i>Subsidiary of Newbury Investments Pte Ltd</i>				
* PT. Millennium Sirih Jakarta Hotel/Hotel owner	Indonesia	Ordinary	36	17
<i>Subsidiary of CDL Properties Ltd</i>				
Land Equity Development Pte Ltd/Property owner	Singapore	Ordinary	100	100
<i>Subsidiary of Citydev Properties Pte Ltd</i>				
Citydev Real Estate (Singapore)Pte Ltd/Property owner	Singapore	Ordinary	100	100
<i>Subsidiary of City Condominiums Pte Ltd</i>				
*** Reach Across International Limited/Investment holding	British Virgin Islands	Ordinary	100	–
<i>Subsidiary of Eccott Pte Ltd</i>				
CDL-Suzhou Investment Pte Ltd/Investment holding	Singapore	Ordinary	100	100
<i>Subsidiary of Eton Properties Pte Ltd</i>				
Republic Plaza City Club (Singapore) Pte Ltd/ Owner and operator of clubs	Singapore	Ordinary	51	51

pg

137

city developments limited
ar 2000

39. Subsidiaries (cont'd)

<i>Company Name/ Principal Activities</i>	<i>Place of Incorporation/ Principal Place of Business</i>	<i>Class of Shares</i>	<i>Percentage Held by the Group</i>	
			<i>2000</i>	<i>1999</i>
			<i>%</i>	<i>%</i>
<i>Subsidiaries of Island City Garden Development Pte. Ltd.</i>				
Spring Grove Development Pte Ltd/ Property owner and developer	Singapore	Ordinary	60	60
Brivannia Pte Ltd/Dormant	Singapore	Ordinary	100	100
<i>Subsidiary of Union Chain Investment Limited</i>				
* Pacific Height Enterprises Company Limited/ Property owner	Hong Kong/ Japan	Ordinary	60	60
<i>Subsidiary of City Centrepoint Pte Ltd</i>				
Chinatown Point Theatres Pte Ltd/Cinema operator	Singapore	Ordinary	100	100
* Audited by associated firms of KPMG				
** Audited by other auditors				
*** Not subject to audit by law in the country of incorporation				

pg
138

40. Associated Companies

The following are the Group's associated companies:

<i>Company Name</i>	<i>Principal Activities</i>	<i>Place of Incorporation</i>	<i>Percentage Held by the Group</i>	
			<i>2000</i>	<i>1999</i>
			<i>%</i>	<i>%</i>
(i) Direct associated companies				
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	33	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	–

city developments limited
ar 2000

40. Associated Companies (cont'd)

<i>Company Name</i>	<i>Principal Activities</i>	<i>Place of Incorporation</i>	<i>Percentage Held by the Group</i>	
			<i>2000</i>	<i>1999</i>
			%	%
(i) Direct associated companies (cont'd)				
Granmil Holdings Pte Ltd	Property owner and developer	Singapore	40	40
Guilin Park Properties Pte Ltd	Property owner and developer	Singapore	50	50
Isrich Properties Pte Ltd	Property owner	Singapore	50	50
Trevose Crescent Development Pte Ltd	Property owner and developer	Singapore	50	50
Tripartite Developers Pte. Limited	Property owner and developer	Singapore	33	33
(ii) Associated company of ATOS Holdings AG				
*** New Unity Holdings Ltd.	Investment holding	British Virgin Islands	26	26
(iii) Subsidiary of New Unity Holdings Ltd.				
*** Ferguson Investment Corp.	Investment holding	British Virgin Islands	26	26
(iv) Subsidiary of Ferguson Investment Corp.				
** Ferguson Hotel Holdings Limited	Investment holding	Hong Kong	25	25
(v) 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	Fund financing for the Group	Hong Kong	25	25
(vi) Subsidiary of Lyle Profits Limited				
** Chishore Enterprise Inc.	Investment holding	British Virgin Islands	16	16

city developments limited
ar 2000

40. Associated Companies (cont'd)

<i>Company Name</i>	<i>Principal Activities</i>	<i>Place of Incorporation</i>	<i>Percentage Held by the Group</i>	
			<i>2000</i>	<i>1999</i>
			<i>%</i>	<i>%</i>
(vii) Subsidiary of Chishore Enterprise Inc.				
** Queensway Hotel Holdings Limited	Investment holding	Hong Kong	13	13
(viii) Subsidiary of Queensway Hotel Holdings Limited				
** Queensway Hotel Limited	Hotel investment	Hong Kong	13	13
(ix) Associated company of City Port Development Pte Ltd				
* P.T. City Island Utama	Property owner and developer	Indonesia	30	30
(x) Associated companies of Educado Company Limited				
** Caswell Development Limited	Investment holding	Hong Kong	30	30
** Park Tone Limited (in voluntary liquidation)	Dormant	Hong Kong	30	30
(xi) Subsidiary of Caswell Development Limited				
** Rising Faith Limited (in voluntary liquidation)	Dormant	Hong Kong	30	30
(xii) Associated company of Richview Holdings Pte Ltd				
Richmond Hotel Pte Ltd	Property owner and developer	Singapore	33	33
(xiii) Associated company of The Philippine Fund Limited				
** Rogo Realty Corporation	Real estate owner	Philippines	13	7
(xiv) Associated company of Grand Plaza Hotel Corporation and subsidiary of Rogo Realty Corporation				
** Harbour Land Corporation	Land owner	Philippines	20	10
(xv) Associated company of Republic Hotels Suzhou Pte Ltd				
** Suzhou International Commercial Center Co., Ltd	Property owner and developer	People's Republic of China	9	4
(xvi) Associated company of AIRCOA Equity Interests, Inc.				
* Sunnyside Partners, Ltd	Hotel ownership	United States of America	21	11

pg

140

city developments limited
ar 2000

40. Associated Companies (cont'd)

<i>Company Name</i>	<i>Principal Activities</i>	<i>Place of Incorporation</i>	<i>Percentage Held by the Group</i>	
			<i>2000</i>	<i>1999</i>
			%	%
(xvii) Associated company of AIRCOA Hospitality Services, Inc.				
* The El Dorado Partnership, Ltd.	Holding company	United States of America	21	11
(xviii) Associated company of The El Dorado Partnership, Ltd.				
* Guardian Santa Fe Partnership	Hotel ownership	United States of America	5	3
(xix) Associated company of Richfield Hospitality Services, Inc.				
* RHS Beverage, Inc.	Liquor licence holder	United States of America	–	14
(xx) Associated company of CDL Hotels USA, Inc.				
** New Plaza Associates, L.L.C.	Investment holding	United States of America	26	14
(xxi) Subsidiaries of New Plaza Associates, L.L.C.				
** Plaza Operating Partners Ltd	Hotel owner	United States of America	26	12
* NPA Plaza Corp.	Holding company	United States of America	26	–
(xxii) Associated company of Aston Properties Pte Ltd				
Burlington Square Properties Pte Ltd	Property sales and ownership	Singapore	25	25
(xxiii) Associated company of Singapura Developments (Private) Limited				
Burlington Square Investment Pte Ltd	Property owner	Singapore	25	25
(xxiv) Associated company of Baynes Investments Pte Ltd				
Cardville Properties Pte Ltd	Investment holding	Singapore	35	35
(xxv) Associated company of eMpire Investments Limited				
UniG Pte Ltd (formerly known as Bonanza Investments Pte Ltd)	Investment holding	Singapore	45	–
(xxvi) Subsidiary of UniG Pte Ltd				
8apples Pte Ltd	e-Commerce applications	Singapore	45	–

pg

141

city developments limited
ar 2000

40. Associated Companies (cont'd)

<i>Company Name</i>	<i>Principal Activities</i>	<i>Place of Incorporation</i>	<i>Percentage Held by the Group</i>	
			<i>2000</i>	<i>1999</i>
			%	%
(xxvii) Associated company of City Condominiums Pte Ltd				
* Wrep Thailand Holdings	Investment holding company	Thailand	50	–
(xxviii) Associated company of City (Labuan) Holdings Limited				
*** Yuhwa Investors, LLC	Real estate investment	United States of America	50	–
(xxix) Subsidiaries of Yuhwa Investors, LLC				
*** Yuhwa Holdco I, LLC	Real estate investment	United States of America	50	–
*** Yuhwa Holdco II, LLC	Real estate investment	United States of America	50	–
(xxx) Subsidiary of Yuhwa Holdco I, LLC and Yuhwa Holdco II, LLC				
** Yuhwa Development Co., Ltd.	Real estate sale and lease	Republic of Korea	50	–

* Audited by associated firms of KPMG

** Audited by other auditors

*** Not subject to audit by law in the country of incorporation

41. Comparative Figures

The presentation and classification of items in the financial statements have been changed due to the adoption of the requirements of SAS No. 1 (Revised 1999) "Presentation of Financial Statements", SAS No. 15 (Revised 1999) "Leases" and SAS No. 23 "Segment Reporting". As a result, additional line items have been included on the face of the balance sheets and profit and loss accounts, and statements of changes in equity have been presented as required by SAS No. 1 (Revised 1999). Certain items in the comparative figures have been reclassified to conform with the current year's presentation.

Analysis of Shareholdings

as at 10 April 2001
city developments limited
ar 2000

Authorised Share Capital	–	\$2,000,000,000
Issued and Fully Paid Up Capital	–	\$400,510,862
Class of Shares	–	Ordinary shares of \$0.50 each
Number of Ordinary Shareholders	–	10,737
Voting Rights	–	1 vote for 1 ordinary share

<i>Range of Shareholdings</i>	<i>Number of</i>		<i>Number of</i>	
	<i>Shareholders</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
1 – 1,000	4,958	46.18	4,238,508	0.53
1,001 – 10,000	5,061	47.13	17,857,074	2.23
10,001 – 1,000,000	685	6.38	32,766,018	4.09
1,000,001 and above	33	0.31	746,160,124	93.15
	10,737	100.00	801,021,724	100.00

<i>No.</i>	<i>Major Shareholders List</i>	<i>Number of Shares Held</i>	<i>%</i>
1	Raffles Nominees (Pte) Ltd	120,087,560	14.99
2	DBS Nominees (Pte) Ltd	103,130,007	12.87
3	Citibank Nominees Singapore Pte Ltd	77,509,550	9.68
4	The HSBC Limited	74,100,000	9.25
5	Hong Leong Investment Holdings Pte. Ltd.	66,614,606	8.32
6	Keppel Bank Nominees Pte Ltd	59,903,731	7.48
7	HSBC (Singapore) Nominees Pte Ltd	44,872,801	5.60
8	UOB Nominees (Pte) Ltd	34,054,673	4.25
9	OUB Nominees Pte Ltd	20,454,248	2.55
10	DB Nominees (S) Pte Ltd	19,155,861	2.39
11	ABN AMRO Nominees Singapore Pte Ltd	17,192,771	2.15
12	BankAmerica Nominees (1993) Pte Ltd	15,000,000	1.87
13	Hong Leong Corporation Limited	12,353,300	1.54
14	Singapore Nominees Pte Ltd	11,056,000	1.38
15	OCBC Nominees Pte Ltd	9,466,450	1.18
16	Euroform (S) Pte. Limited	8,320,950	1.04
17	Hong Realty (Private) Limited	5,968,848	0.75
18	NIN Investment Holdings Pte Ltd	5,383,173	0.67
19	Hong Leong Holdings Limited	5,136,187	0.64
20	J M Sassoon & Co (Pte) Ltd	5,067,000	0.63
		714,827,716	89.23

<i>Substantial Shareholders</i> <i>(as shown in the Register of Substantial Shareholders)</i>	<i>Number of Shares in which</i> <i>they have interest</i>	
	<i>Direct Interest</i>	<i>Deemed Interest</i>
Hong Leong Investment Holdings Pte. Ltd.	119,064,606	267,114,030
Hong Leong Holdings Limited	134,836,187	17,756,003
Hong Realty (Private) Limited	27,358,848	25,772,208
Kwek Holdings Pte Ltd	–	386,178,636

Notice of Annual General Meeting

city developments limited

ar 2000

NOTICE IS HEREBY GIVEN that the Thirty-Eighth Annual General Meeting of City Developments Limited (the "Company") will be held at the 61st Floor Board Room, 9 Raffles Place, Republic Plaza, Singapore 048619 on Wednesday, 30 May 2001 at 3.00 p.m. for the following purposes:

Ordinary Business

1. To receive the audited financial statements of the Company and the reports of the Directors and Auditors for the year ended 31 December 2000.
2. To declare a first and final dividend of 15% less 24.5% income tax for the year ended 31 December 2000 as recommended by the Directors.
3. To approve Directors' Fees of \$220,000 for the year ended 31 December 2000.
4. To re-elect the following Directors retiring in accordance with the Articles of Association of the Company:
 - (i) Mr Chee Keng Soon
 - (ii) Mr Kwek Leng Peck
5. To consider and, if thought fit, pass the following resolutions in accordance with Section 153(6) of the Companies Act, Chapter 50:
 - (i) That Mr Sim Miah Kian be and he is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting.
 - (ii) That Mr Tan I Tong be and he is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting.
 - (iii) That Mr Ong Pang Boon be and he is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting.
6. To re-appoint Messrs KPMG as Auditors and to authorise the Directors to fix their remuneration.
7. To transact any other business as may properly be transacted at an Annual General Meeting.

Special Business

8. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That pursuant to Section 161 of the Companies Act, Chapter 50 and the listing rules of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the Directors of the Company to issue shares in the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 50% of the issued share capital of the Company for the time being, of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company does not exceed 20% of the issued share capital of the Company for the time being, and, unless, revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

Special Business (cont'd):

9. To consider and, if thought fit, pass the following resolution as an ordinary resolution:
That approval be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the City Developments Share Option Scheme 2001 (the "Scheme") and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options granted under the Scheme provided that the aggregate number of Shares to be issued pursuant to the Scheme shall not exceed 8% of the issued share capital of the Company from time to time, and provided further that the aggregate number of Shares to be offered during the entire operation of the Scheme shall not exceed such limits or (as the case may be) sub-limits as may be prescribed in the Scheme.
10. To consider and, if thought fit, pass the following resolution as an ordinary resolution:
- (a) That approval be and is hereby given for the purposes of Chapter 9A of the Listing Manual of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries and target associated companies or any of them to enter into any of the transactions falling within the types of Interested Person Transactions, particulars of which are set out in the Company's Circular to Shareholders dated 4 September 1997 (the "Circular") with any party who is of the class of Interested Persons described in the Circular, provided that such transactions are made in accordance with the guidelines and procedures set out in the Circular, and that such approvals (the "Shareholders' Mandate") shall, unless revoked or varied by the Company in General Meeting, continue in force until the next Annual General Meeting of the Company; and
- (b) That the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Shareholders' Mandate and/or this Resolution.

By Order of the Board

Shufen Loh @ Catherine Shufen Loh
Enid Ling Peek Fong
Company Secretaries
Singapore
8 May 2001

Notes:

- 1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.*
- 2. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.*
- 3. The instrument appointing a proxy must be deposited at the registered office of the Company at 36 Robinson Road #04-01 City House, Singapore 068877 not less than 48 hours before the time appointed for the Meeting.*
- 4. The ordinary resolution proposed in item 10 above, if passed, will renew the Shareholders' Mandate to facilitate the Company, its subsidiaries and target associated companies, in the normal course of business, to enter into Interested Person Transactions on commercial terms and which are not prejudicial to the members. The Shareholders' Mandate will continue in force until the next Annual General Meeting of the Company, unless previously revoked or varied at a general meeting.*

city developments limited
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City Developments Limited

(Incorporated in the Republic of Singapore)

IMPORTANT

- 1 For investors who have used their CPF monies to buy the Company's shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
- 2 This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Proxy Form

* I/We, _____

of _____

being a *member/members of CITY DEVELOPMENTS LIMITED (the "Company"), hereby appoint

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (%)

*and/or

--	--	--	--

or failing *him/her, the Chairman of the Thirty-Eighth Annual General Meeting of the Company ("AGM"), as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the AGM to be held at the 61st Floor Board Room, 9 Raffles Place, Republic Plaza, Singapore 048619 on Wednesday, 30 May 2001 at 3.00 p.m., and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/their discretion, as *he/they will on any other matter arising at the AGM.

No.	Resolutions	For	Against
Ordinary Business:			
1.	Adoption of Reports and Financial Statements		
2.	Declaration of Dividend		
3.	Approval of Directors' Fees		
4.	Re-election of Directors:	(i) Mr Chee Keng Soon	
		(ii) Mr Kwek Leng Peck	
5.	Re-appointment of Directors under Section 153(6) of the Companies Act, Chapter 50:	(i) Mr Sim Miah Kian	
		(ii) Mr Tan I Tong	
		(iii) Mr Ong Pang Boon	
6.	Re-appointment of KPMG as Auditors		
7.	Other Ordinary Business		
Special Business:			
8.	Approval to Directors to allot and issue shares pursuant to Section 161 of the Companies Act, Chapter 50 and the listing rules of the Singapore Exchange Securities Trading Limited		
9.	Approval to the Directors to offer and grant options in accordance with the provisions of the City Developments Share Option Scheme 2001		
10.	Renewal of Shareholders' Mandate for Interested Person Transactions		

Dated this _____ day of _____ 2001

No. of Shares Held

*Delete accordingly

Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES ON THE REVERSE



Notes:

- 1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.*
- 2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.*
- 3. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.*
- 4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 36 Robinson Road, #04-01 City House, Singapore 068877 not less than 48 hours before the time appointed for the AGM.*
- 5. The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a body corporate, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.*
- 6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50.*
- 7. The Company shall be entitled to reject the instrument of proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument of proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.*

Fold Here

AGM

Proxy Form

*Affix
Stamp
Here*

The Secretary
City Developments Limited
36 Robinson Road
#04-01 City House
Singapore 068877

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