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Miscellaneous	
* Asterisks denote mandatory information	
Name of Announcer *	CITY DEVELOPMENTS LIMITED
Company Registration No.	196300316Z
Announcement submitted on behalf of	CITY DEVELOPMENTS LIMITED
Announcement is submitted with respect to *	CITY DEVELOPMENTS LIMITED
Announcement is submitted by *	Enid Ling Peek Fong
Designation *	Company Secretary
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>> Announcement Details
 The details of the announcement start here ...

Announcement Title * Announcements by Subsidiary Companies, Grand Plaza Hotel Corporation and Millennium & Copthorne Hotels plc

Description
 We attach herewith the following announcements released on 12 September 2008 by our subsidiaries, Grand Plaza Hotel Corporation ("GPHC") and Millennium & Copthorne Hotels plc in connection with GPHC's filing of a disclosure notice to the Philippine Stock Exchange on its filing of a surety bond with the Court of Tax Appeals in legal proceedings relating to GPHC's dispute with the Philippine Bureau of Internal Revenue on alleged unpaid value-added taxes and interest amounting to Philippine Peso 228.9 million.

Attachments
 MnCHotels.pdf
 GPHC.pdf
 Total size = **119K**
 (2048K size limit recommended)

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For immediate release

12 September 2008

**MILLENNIUM & COPTHORNE HOTELS PLC
(THE "COMPANY")**

The Grand Plaza Hotel Corporation ("GPHC"), which is listed on the Philippine Stock Exchange, has today filed a disclosure notice with the Philippine Stock Exchange advising of a dispute with the Philippine Bureau of Internal Revenue ("BIR"). The Company has an effective 66% interest in GPHC.

The BIR has assessed that GPHC is liable for unpaid VAT and accumulated interest in aggregate totalling Philippine Peso 228.9 million (approximately £2.8 million).

The Board of GPHC has taken legal advice which indicates that GPHC is not liable for the VAT and interest claimed.

Enquiries to:

Adrian Bushnell
Company Secretary
Millennium & Copthorne Hotels plc

020 7872 2444

GRAND PLAZA HOTEL CORPORATION

12 September 2008

Filed Through ODiSy

Philippine Stock Exchange, Inc.
4th Floor, Philippine Stock Exchange Center
Exchange Road, Ortigas Center
Pasig City

Attention: Atty. Pete M. Malabanan
Head, Disclosure Department

RE: Grand Plaza Hotel Corporation (“GPHC”) – Petition for Review pending with the Court of Tax Appeals relating to deficiency VAT assessment

Gentlemen,

Please be informed that GPHC filed today a surety bond with the Court of Tax Appeals (“CTA”) in compliance with the condition imposed by the CTA in its Resolution dated 21 August 2008, granting GPHC’s Urgent Motion to Suspend Collection of Tax and Extremely Urgent Supplemental Motion to Suspend and Enjoin Collection of Taxes with Prayer for Immediate *Ex Parte* Issuance of Temporary Restraining Order.

With the filing of the surety bond, a Temporary Restraining Order has come into effect enjoining the Bureau of Internal Revenue (“BIR”) from, among other things, implementing (a) the Warrant of Dstraint and/or Levy constructively served by the BIR on 11 August 2008 pursuant to which the BIR seeks to (i) distrain the “goods, chattels or effects, and other personal property whatever character of [GPHC]” and (ii) “levy upon the real property and interest in/or rights to real property of [GPHC]”, and “sell and/or forfeit in favour of the Republic of Philippines so much of such personal/real property as may be necessary to satisfy in full the sum/sums due ... ; and to cover such expenses as may be incurred in making this dstraint/levy;” and (b) the Warrants of Garnishment issued by the BIR against GPHC’s bank accounts in the Philippines on 14 August 2008. As a consequence of these Warrants of Garnishment, GPHC is not able to operate the garnished bank accounts until such time as these Warrants of Garnishment are lifted.

As far as GPHC is aware, the Warrant of Dstraint and/or Levy and the Warrants of Garnishment were issued by the BIR in connection with a Final Decision on Disputed Assessment made by the BIR against GPHC (the validity of the amounts claimed in which assessment GPHC has disputed and continues to dispute) for deficiency value-added tax (“VAT”) in an aggregate amount of PhP228,943,589.15 (consisting of PhP128,126,970.31 for deficiency VAT and 20% interest from 25 January 2003 to 31 December 2006 amounting to PhP100,816,618.83) in relation to payments for transactions with the Philippine Amusement and Gaming Corporation (“PAGCOR”) from 1996 to 2002. GPHC has filed with the CTA a Petition for Review of the Final Decision on Disputed

Assessment against the Commissioner of Internal Revenue, docketed as CTA Case No. 7794 (“Petition for Review”).

The Board of GPHC has taken legal advice and, based upon such advice, is of the view that in light of the Supreme Court’s decision in the case of *Commissioner of Internal Revenue v. Acesite (Philippines) Hotel Corporation (G.R. No. 147295, 16 February 2007)* which confirmed that PAGCOR's tax exemption privilege under its charter included the indirect tax of VAT and entitles persons dealing with PAGCOR in casino operations to a zero percent (0%) VAT rate, GPHC is not liable for the deficiency VAT claimed by the BIR and that GPHC has strong defenses against the BIR’s tax assessment.

GPHC will continue to pursue its Petition for Review with the CTA and will file the necessary disclosure on the outcome thereof following the issuance of the judgment of the CTA.

Sincerely yours,



Yam Kit Sung
General Manager / Compliance Officer
Grand Plaza Hotel Corporation