

**CITY DEVELOPMENTS LIMITED**  
ANNUAL REPORT 2004

# Looking Ahead into 2005

## Property

### Proposed Launches

- Parc Emily – 295 freehold residential units at Mount Emily Road
- City Square Mall – 721,000 sq. ft. retail complex with direct links to Farrer Park MRT station
- City Square Residences – 910 freehold residential units at Serangoon Road
- St. Regis Residences – 187 luxurious apartments at Tomlinson/Tanglin Roads

## Hotels

- Committed to being both an owner and operator of hotel assets
- Continue to acquire hotel assets selectively in key gateway cities
- Explore management contracts

## Diversification

- Establishment of a private real estate fund, Real Estate Capital Asia Partners, L.P. ("RECAP")
- RECAP is expected to make selective investments in real estate-related assets, portfolios and companies in Asia

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# Hallmarks of Distinction

## New Heights of Excellence

Since 1963, CDL has distinguished itself as a developer and owner of hotels, premier residential and commercial buildings in Singapore and across the world. Several of our properties stand proudly as iconic landmarks. Our latest project of distinction is The Sail @ Marina Bay. Rising 70 storeys, it will be one of the world's tallest residences. It will set a new standard of urban waterfront living and affirm CDL's position at the pinnacle of excellence.

# Five-Year Financial Summary

S\$million	2004	2003	2002	2001	2000
Share capital	453	414	401	401	401
Reserves	4,498	4,189	3,461	3,371	3,509
Shareholders' equity	4,951	4,603	3,862	3,772	3,910
Minority interests	2,252	2,069	1,383	1,539	1,594
Total liabilities	5,570	6,387	6,023	6,630	6,127
	<b>12,773</b>	<b>13,059</b>	<b>11,268</b>	<b>11,941</b>	<b>11,631</b>
Property, plant and equipment	8,891	9,146	7,397	7,701	7,492
Development properties	1,944	2,238	2,178	2,337	2,058
Current and other assets	1,938	1,675	1,693	1,903	2,081
	<b>12,773</b>	<b>13,059</b>	<b>11,268</b>	<b>11,941</b>	<b>11,631</b>
Revenue	2,380	2,326	2,289	2,227	2,626
Profit before taxation (after associated companies and jointly controlled entities)	417	214	243	139	546
Net profit for the year	203	152	151	54	287
Proposed ordinary dividend (net)					
– first and final	52	50	47	47	45
– special	–	331	–	–	–
Rate of ordinary dividend					
– first and final	15%	15%	15%	15%	15%
– special	–	100%	–	–	–
Net asset value per S\$0.50 share	\$5.68	\$5.56	\$4.82	\$4.71	\$4.86
Basic earnings per share	24 cents	19 cents	19 cents	7 cents	36 cents
Fully diluted earnings per share	23 cents	19 cents	19 cents	7 cents	36 cents

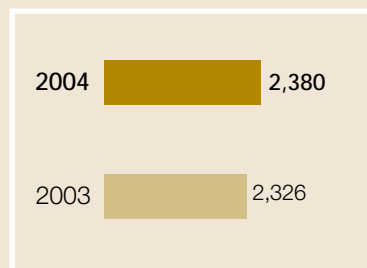
# Financial Highlights

- Property Development
- Hotel Operations
- Rental Properties
- Others

- East & South East Asia
- North America & Europe
- Australia & New Zealand

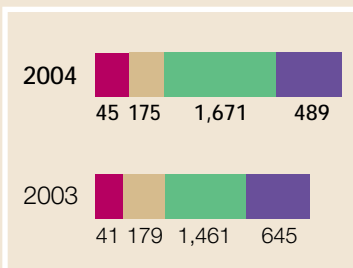
## Revenue

S\$million



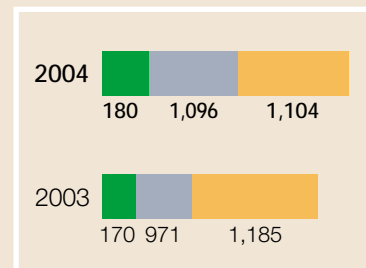
## Revenue by Activity

S\$million



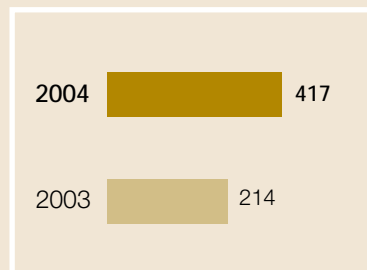
## Revenue by Region

S\$million



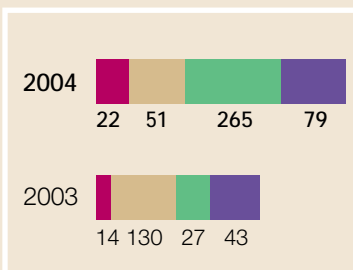
## Profit Before Taxation

S\$million



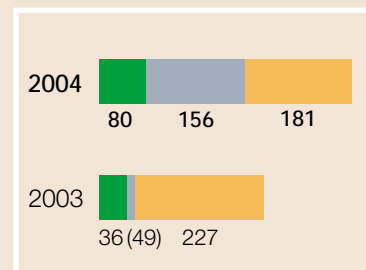
## Profit Before Taxation by Activity

S\$million



## Profit Before Taxation by Region

S\$million

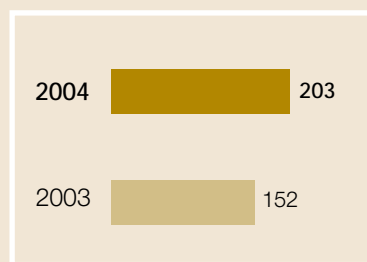


- Property Development
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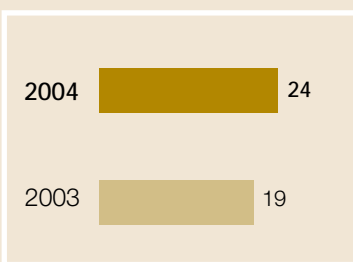
## Net Profit for the Year

S\$million



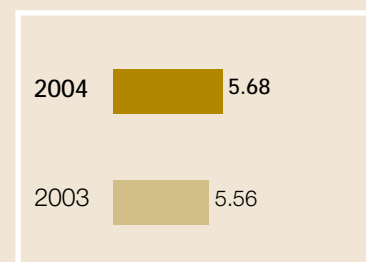
## Basic Earnings Per Share

cents



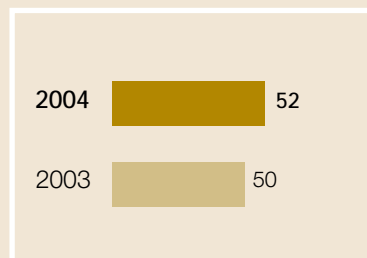
## Net Asset Value Per Share

S\$



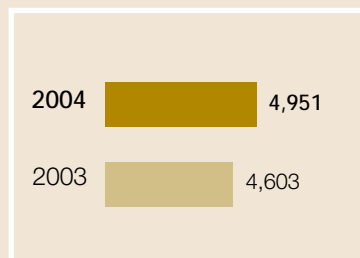
## Proposed First and Final Ordinary Dividend

S\$million



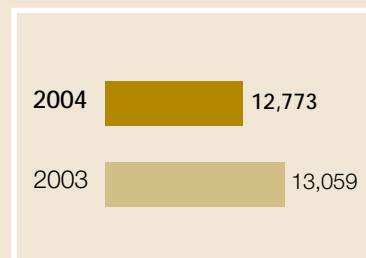
## Shareholders' Equity

S\$million



## Gross Assets

S\$million





# Leadership

## Transforming Visions into Reality

A team of visionary managers, backed by strong financials and over four decades of operational experience, leads in defining the urban landscape and raising the quality of life. Our latest project, The Sail @ Marina Bay sets new benchmarks for design innovation and luxury waterfront living. Anchored at the heart of the new downtown, this global icon will dramatically transform Singapore's skyline.

The Sail @ Marina Bay, Singapore's first exquisite residential icon development in the new downtown.



# Innovation

## The Pursuit of Perfection

We continually adopt the latest technology for comfort, convenience and functionalism. Our home buyers are constantly presented with new and different living concepts: Eco-Homes that re-create the feeling of being at one with nature; i-homes that fully meet the demands for intelligence, interactivity and Internet-readiness; Home Offices that anticipate new emerging lifestyles.

The Pier at Robertson, a CDL i-home, comes equipped with IT infrastructure and flexible layout configurations for use as a Home Office.





# Service

## Going the Distance

CDL's success over the past 40 years has been due to one single compelling motivation: customer satisfaction. Our Millennium & Copthorne Hotels are renowned for service excellence. CDL's Customer Relationship Management system was a first in the Real Estate industry that won us the Best Practice Award. We go the distance to fully meet our customers' aspirations and lifestyle demands.

At the Millennium Gloucester Hotel (London), our sole aim is your total satisfaction. Pamper yourself and let our experienced personnel take care of all your needs.





# Quality

## Surpassing Standards

We constantly strive to attain the highest standards of quality, and have been duly recognised for our efforts and achievements. Diverse industry and business groups have showered us with awards and accolades – for our building projects, business achievements and practices, and community care. Yet our aim is to always surpass expectations and quality standards.

Come home to Savannah CondoPark, CDL's first Eco-Home. Relax amidst the lush Safari-themed landscapes and superior home furnishings.



# Highlights of the Year 2004



## January

- CDL co-sponsored the painting of Singapore's first "Bridge of Art", The Alkaff Bridge at Robertson Quay.
- Balestier 288, a freehold development along Balestier Road comprising 11 units and 3 shops, was launched.

## February

- Proposed one-off special cash dividend, bonus issue of warrants and renounceable rights issue of preference shares were announced by CDL.



## March

- First TOP (Temporary Occupation Permit) Fair held for Changi Rise Condominium residents was attended by more than 2,000 people.
- The 390-unit Goldenhill Park Condominium located at Mei Hwan Drive, off Ang Mo Kio Avenue 1, received its Certificate of Statutory Completion (CSC).

## April

- Millennium & Copthorne Hotels plc (M&C) announced intention for KIN Holdings Limited, a 61.3% subsidiary of M&C's majority owned CDL Hotels New Zealand Limited (CDLNZ), to make a takeover offer for the entire share capital of Kingsgate International Corporation Limited, in which CDLNZ held a 50.74% stake.
- CDL's City Sunshine Club launched the "Character Building Programme" for children who are at risk of delinquency.
- IBM Towers was renamed Fuji Xerox Towers with Fuji Xerox occupying 93,000 sq. ft. over 7 levels.
- CDL was awarded the Royal Society for the Prevention of Accidents (RoSPA) 2004 Bronze Award.

## May

- Pantech 21 clinched Building Construction Authority (BCA)'s Energy Efficiency Building Merit Award 2004.
- Summerhill Condominium was awarded BCA's Construction Excellence Award 2004 (Merit) for its high standards of management, technical expertise and workmanship.
- Seven conservation shophouses at North Canal and Lorong Telok were launched for sale.

## June

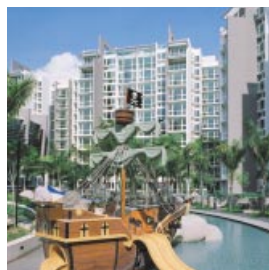
- CDL announced the appointment of Hilton International to manage its new 542-room hotel along Bangkok's Chao Phraya River to be known as The Millennium Hilton Bangkok, which is being developed through a 50:50 joint venture between CDL and Westbrook, a US Real Estate Fund.
- CDLNZ's Australian unit, Kingsgate International Corporation Limited entered into a conditional agreement for the sale of Kingsgate Shopping Centre, Kingsgate Commercial Office Complex and Bayswater Building in Sydney for an aggregate A\$59 million.
- CDL maintained its listing in FTSE4Good Social Responsibility Index.
- Changi Rise Phases 1 and 2 comprising 598 apartments obtained their CSC.

## July

- Contractors for CDL projects bagged 6 Annual Safety Performance Awards (ASPA) comprising 2 Silver Awards (Monterey Park and Goldenhill Villas) and 4 Merit Awards (The Esparis EC, Goldenhill Park Condominium, The Pier at Robertson and The Infinium).



- In recognition of CDL's pro-family culture and policies, it was awarded the 2004 Singapore Family Friendly Employer Award.
- CDL was accorded the Employer - Special Mention Award by SAF and the MHA Award for NSMen's Employers 2004 by the Ministry of Home Affairs.
- Goldenhill Villas, a freehold development consisting 81 terrace/semi-detached houses located off Ang Mo Kio Avenue 1, received its CSC.







### August

- ▶ Plaza Operating Partners Ltd in which M&C has an effective 50% interest, divested The Plaza, New York, including its hotel business for US\$675 million.
- ▶ Kingsgate International Corporation Limited, a 61% subsidiary of M&C, was privatised and delisted from the New Zealand Stock Exchange.
- ▶ CDL was awarded Superbrand status.
- ▶ The 297-unit Nuovo Executive Condominium in Ang Mo Kio, which was fully sold within a week of its launch in 2001, received its CSC.

### September

- ▶ WREP Thailand Holdings, in which CDL has a 50% stake, divested its entire equity interest in Amarin Plaza Public Company Limited for US\$51 million.
- ▶ CDL received the Friend of the Arts Award for the 8th consecutive year from the National Arts Council.
- ▶ CDL organised the Marina Magic Photo Competition as part of the launch celebrations of The Sail @ Marina Bay.

### October

- ▶ CDL launched The Sail @ Marina Bay, one of the tallest residential developments in the world. This is a joint venture between CDL and AIG.
- ▶ In support of the arts in Singapore, CDL was the first property developer to incorporate a free art gallery space in The Sail @ Marina Bay Show Suites.
- ▶ CDLNZ divested Birkenhead Point Shopping Centre and Birkenhead Marina facility in Sydney for A\$111 million.



- ▶ M Hotel Singapore won The Award for Excellence - Corporate/Business Hotel at Singapore Series organised by World Asia Publishing.
- ▶ CDL was awarded the National Youth Achievement Award Singapore 2004 - Distinguished Partner in Youth Development.
- ▶ For successfully implementing health promotion programmes in the workplace, CDL was awarded The Singapore HEALTH Award 2004 (Silver).



### November

- ▶ The St. Regis Singapore Ground Breaking Ceremony marked the beginning of a brand new super luxury class of hotel and residences in Singapore. This is a joint venture between CDL, Hong Leong Holdings Limited and TID Pte Ltd.



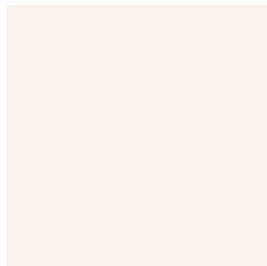
- ▶ Copthorne King's Hotel was refurbished at a cost of \$15 million to meet the needs and demands of today's globetrotting business travellers.
- ▶ CDL raised \$250,000 for the Hong Kong-based charity China Exploration and Research Society in a fundraising dinner and exhibition to fund their extensive conservation efforts in China.
- ▶ The 2nd CDL Singapore Sculpture Award, based on the theme "Live, Work and Play" was organised in conjunction with the launch of The Sail @ Marina Bay.

### December

- ▶ CDL was the only property developer awarded the 2004 Singapore Environmental Achievement Award (SEAA) under the Local Services Category, the most prestigious environmental award in Singapore.
- ▶ In aid of the elderly, CDL staff raised over \$62,000 for Youth Challenge's "Touched By Angel" Fundraising Project.



# Chairman's Statement



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

## Local Industry Review

The economy rebounded strongly with a GDP growth of 8.4% for the year under review. Employment prospects have improved significantly and unemployment rate fell to 3.7% from its peak of 4.6%. Concern over job insecurity has eased off.

In line with the improving economy, residential property prices made modest increases from Q2. On the full year basis, it increased by 0.9% compared to a decline of 2% in 2003.

Transaction volumes have improved by about 12% from 5,156 to 5,785 units for the year. Resale activity in the secondary market was also better, registering a 14.5% increase over 2003.

## Group Performance

Despite the very challenging and difficult property market conditions during the last 8 years, the Group continued to remain profitable throughout this period.

The Group's pre-tax profit for the year increased by 95% to \$417.5 million (2003: \$213.8 million). This is the highest since 2001. After-tax profit amounted to \$202.8 million (2003: \$152.3 million). The continued recovery in the hotel sector contributed substantially to the Group's performance for the year under review.

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

Net borrowings of the Group was reduced by 26% to \$3.2 billion (2003: \$4.3 billion) mainly as a result of proceeds from the completion of various development projects and sale of joint venture assets.

During the year under review, the Company paid a one-off special cash dividend of approximately \$330.9 million (net) to reward its ordinary shareholders for their loyalty and continued support for the Company. This payment also allowed the Company to pass on approximately \$82.7 million of Section 44A tax credits to its ordinary shareholders.

The Company also issued approximately 330.9 million of non-redeemable convertible non-cumulative preference shares in the form of a 2-for-5 renounceable rights issue and approximately 82.7 million warrants by way

of a 1-for-10 bonus issue. The net proceeds from the preference shares issue were principally used to fund the payment of the special cash dividend. The proceeds from the exercise of the warrants will further strengthen the Company's capital base and working capital position.

## Property

In view of the relatively slow market in 2004, the Group did not rush to launch new projects in the first 3 quarters as we expected prices to improve in the last quarter. We were reluctant to dispose of units in new launches at low prices as replenishment of land at reasonable cost is becoming increasingly difficult.

However in end October of Q4, the Group launched its high profile project, The Sail @ Marina Bay. This waterfront development, comprising a 70-storey tower and a 63-storey tower, with a total of 1,111 units, is set to be a global landmark. Only the 70-storey Marina Bay Tower with 681 units was released for sale while the Central Park Tower was retained for institutional enbloc sale, investment, REITS or other purposes to be decided in due course. We are currently evaluating various enbloc offers and will only sell it if the price is right.

The project received overwhelming response from local and international buyers. To date, foreign buyers have snapped up about 40% of the 618 units sold. With the strong response, the Group's 2004 market share of the residential property in Singapore surged from 12% to more than 17%.

The Group continued to book in profits, based on the completion of construction stages from pre-sold projects like The Esparis and Nuovo Executive Condominiums, The Pier at Robertson, Changi Rise, Savannah CondoPark, Monterey Park and Goldenhill Villas among others. However, profits from The Sail @ Marina Bay have not yet been accounted for as its construction has just commenced.

2004 was a year of recovery for the Singapore office market with strengthening demand and increasing rents. After more than two years of continuing decline, occupancy rate increased by 1.9% to close the year's average occupancy at 84%. Rental improved by 3.5% nationwide. Some property consultants suggest that well-located prime Grade A offices led the recovery with an increase by a larger margin of up to 10%.

Demand was dominated by renewals and relocation of tenants in a bid to lock in better deals. A clear example is the relocation of Fuji Xerox to our former IBM Towers, taking up 93,000 sq ft.

## Hotel

2004 was a pivotal year for Millennium & Copthorne Hotels plc ("M&C"). Although we started the year facing trading uncertainties caused by numerous external events, we have finished with a significantly higher hotel operating performance and a substantial profit from the strategic disposal of 2 assets. M&C continued to recover with strong occupancies and RevPAR growth across all regions.

M&C successfully disposed of The Plaza, New York in October at a 46% premium to the net book value which includes a revaluation surplus of US\$61 million. Therefore, from a historical cost perspective, its share of the profit on disposal was US\$123.3 million or £68.9 million. It also disposed of The Birkenhead Point Shopping Centre and Marina Facility in Australia.

These disposals have significantly reduced M&C's gearing from 53% to 37% and enhanced its financial strength.

## Diversification of Earnings

The Group's strategy of diversification embarked in the early 1990s has helped ensure that we continue to remain profitable even through the cyclical nature of the property development business. Our strategy to be both a hotel owner and operator has proven to be successful as the hotel sector has been a major contributor to our earnings.

We can leverage on our expertise in the property business to extract real estate potentials from some of our hotel assets and these could generate substantial gains. An example of such a strategic move is the recent sale of The Plaza in New York.

The Group's performance for the year under review is in line with its expectations as disclosed in the announcement of results for third quarter and nine months ended 30 September 2004.

## CURRENT YEAR PROSPECTS

### Property

The growth in the economy is expected to slow down to between 3% and 5% in 2005. Even though the pace will be moderated, the trend is still improving and such gradual and steady growth is healthy for Singapore's economy in the medium to the longer term.

Potential buyers have to a large extent familiarise themselves with the revised CPF rulings and changes to traditional wage structure. They now also have the option to tailor their housing loan installments based on their income.

Property consultants are forecasting the residential prices to improve by 5% to 15%. We are optimistic that the Singapore property market has the potential to grow and move in tandem with our regional neighbours like Malaysia, Hong Kong, Thailand and Indonesia, whose property markets continue to boom. The upside is that Singapore's real estate can offer better prospects and growth for buyers than other regions where prices have already increased.

The successful launch of The Sail @ Marina Bay created much buzz and was the catalyst that re-ignited buying interest in the residential market with many other developers following suit with new launches.

The Group will launch this year in stages the 910-unit City Square Residences, which is located at Serangoon Road, a 2 minutes' walk to Farrer Park MRT station along the North East Line. City Square, an important mega project of the Group, also comprises 721,000 sq. ft. retail complex with direct links to the MRT station, which may be sold as retail units or to a Real Estate Investment Trust ("REIT"). City Square will gentrify and inject a new lifestyle and vibrancy to the area. Phase 1, comprising about 200 units is expected to be launched shortly.

The Group has just soft launched the freehold 295-unit Parc Emily in which it has a 50% interest. Another high profile development in the pipeline is the upmarket project at Tomlinson/Tanglin Roads to be known as St. Regis Residences. This is part of the prestigious hotel cum residences development featuring the world-renowned 6-star St. Regis Hotel with 299 rooms. This integrated development will offer residents of the St. Regis Residences a first-of-its-kind concierge services and with hotel-styled facilities available. The project comprises 187 good sized units. The Group owns a one-third share in this joint-venture development with the remaining two-thirds owned by other Hong Leong members.

The office market has bottomed out and occupancy rate is improving steadily. Rental rates have turned around last year but are expected to improve more significantly this year on the back of an improving economy with strengthening demand.

Recent Government initiatives to promote the downtown area as an exciting work, live and play metropolis have drawn renewed interests to city living as evidenced by the overwhelming response to The Sail @ Marina Bay. The Government has invited proposals for an Integrated

Resort, incorporating a casino. One of the two designated locations is the Marina Bay. If this Integrated Resort is approved by the Government, it will certainly bring more life into the downtown area and further enhance the value of the properties in the vicinity. With our many years of expertise in real estate development and our experience in hotel management, we have been approached by various casino operators/owners. However, to give us more flexibility, we will not tie up exclusively with any particular party at this point of time.

In the recently announced 2005 budget, the Government introduced more measures to further Singapore's competitiveness as a hub for listed REITS by proposing a 5-year exemption of stamp duty on the transfer of properties into REITS vehicles listed on the Singapore Exchange and a 10% reduced rate of withholding tax on distributions to non-resident institutional investors for 5 years. Taking these recent incentives into account, the Group will continue to review its office properties portfolio and evaluate the financial merits and options to the Group.

### Diversification

The Group's push for diversification beyond its borders has taken an exciting turn with its establishment of a private real estate fund, Real Estate Capital Asia Partners, L.P. ("RECAP"). The Group will partner The Baupost Group L.L.C., on a 50:50 basis. The Baupost Group, which was established in 1982 and based in Boston, Massachusetts, USA, is an investment advisor that manages in excess of US\$5 billion of discretionary equity capital. RECAP is expected to invest its fund of US\$221 million (including interest of a minority partner) within a period of 3 years to tap selected markets and niches overseas with growth potentials. This will provide the Group with another platform for internationalization of its real estate portfolio and diversification of earnings from overseas projects, providing added depth and dimension to its blue chip status. With appropriate leverage, RECAP is expected to provide funds of up to US\$750 million.

### Hotel

Although it is popular for hotels to be asset light and push towards management contracts, the Group's strategy remains committed to being an owner and operator of hotel assets. We believe that particularly in a rising market, this continues to be right for a Group of our scale and size and with our specific property and asset management skills.

Our core focus is to drive improved returns through operational excellence and continue actively to manage our property portfolio.

We will continue to acquire hotel assets selectively in key gateway cities. Where opportunities present itself, we will explore management contracts with or without equity participation.

### Group Prospects

The Group expects to continue to remain profitable over the next 12 months.

### Appreciation

On behalf of the Board, I wish to express our sincere appreciation to Messrs Tan I Tong and Sim Miah Kian, who will be retiring from the Board at the forthcoming Annual General Meeting, for their valuable contributions to the Group for more than 30 years. I would also like to thank the Management and staff for their unwavering dedication and hard work in the past year. They are indeed our invaluable assets. We are also deeply appreciative of the continued support of our stakeholders including our investors, customers, business associates and the community.

### Kwek Leng Beng

Executive Chairman  
28 February 2005

# 董事主席报告

本人谨代表董事部同人，欣然呈报城市发展有限公司集团取得盈利的一年业绩报告。

## 本地行业回顾

在受检讨的年度，因经济强烈回弹以致国内生产总值增长8.4%。就业前景经已显著地得到改善而失业率从4.6%的高峰降至3.7%。对工作岗位无所保障的挂虑经已缓和下来。

随着经济的改善，住宅产业价格第二季起稍涨。以全年为准，住宅产业价格上涨0.9%，同比2003年下降的2%。

成交量则从2003年的5,156单位以至是年的5,785单位而增长12%。二手市场的重售活动亦较活跃，与2003年同比增长14.5%。

## 集团业绩

尽管过去八年的非常有挑战性跟艰难的产业市场情况，本集团持续在此整段期间保持有利可图。

本集团是年的税前盈利增长95%达至4亿1,750万元(2003年为2亿1,380万元。这是自2001年以来的最高盈利。税后盈利高达2亿280万元(2003年为1亿5,230万元)。在受检讨的年度，因旅店方面的持续复苏，为本集团的营业表现作出重大的贡献。

本集团继续成为唯一采取一项保守会计政策，将其租赁产业加以折旧的新加坡上市产业公司。

本集团的净借贷减少26%至32亿元(2003年为43亿元)，此大体上乃由于多项销售产业完成后的收益以及联营资产的销售所得有以致之。

在受检讨的年度，本公司派发一次过特别现金股息大约3亿3,090万元(净)以奖赏其普通股东对公司的忠诚与不间断的支持。此股息亦让本公司得以将来自44A节的税务进款大约8,270万元发予普通股东。

本公司同时以二对五的可予放弃附加股出售大约3亿3,090万非续回可转换非累积的优先股以及以一对十的红利派发8,270万凭单于各股东。优先股出售的净收入主要被用来资助特别现金股息的付款。而从股东行使凭单所得的收入将进一步巩固本公司的资本基础以及营运资金地位。

## 产业

由于2004年相当缓慢的市场情况，本集团因预期价格即将于最后一季获得改善而在首三季不急于发售新项目。我们不愿轻易以低价出售新项目单位，因为以合理的价格来填补地皮已日益更加艰难。

然而在第四季的10月底，本集团却发售其高形象的发展工程——滨海舫。此拥有一座70楼高的大厦与另一座63楼高的大厦总共拥有1,111单位的滨海工程，将蔚为一环球性的地标。只有拥有681单位的70楼高的滨海湾大厦开始发售而其中中央公园大厦却被保留作为机构性整体出售、投资用途、房地产投资信托或其他有待日后作出决定的用途。我们正在评估许多整座购买的见议而将在只有合适的出价时才出售。

此项目受到本地以及国外买家的热烈响应。至今，外国买家已抢购其618已售出单位的大约40%。由此强劲的反应，本集团2004年在新加坡的住宅产业市场份量从12%骤升至17%。

本集团继续根据其建筑工程的各完工阶段，将已售出的项目例如：怡景园与绿雅园执行共管公寓、乐滨轩、漳宜苑、百馨园、榆林园与金岭别墅等其他工程的盈利纳入账目。然而，来自滨海舫的盈利却因其刚开始动工而尚未入账。

2004年乃新加坡办公楼市场复苏之年，办公楼市场的需求增长而租金有所改善。租金在经过超过两年的连续下降后提高1.9%而平均租用率以84%收场。全国性的租金增长3.5%。一些产业顾问表示地点适中的A级办公楼主导复苏而以较大的幅度增高达10%。

需求量受到那些企图锁定较佳租赁条件的更新与迁址租户的牵制。一个显明的例子就是富士雅乐的迁移到我们的前IBM大厦租用93,000方英尺。

## 旅店

2004年是Millennium & Copthorne Hotels plc (M & C) 的转捩年。虽然我们开始于面对无数外界事故所引发的不确定商业情况之年，我们以显著的旅店营业表现以及一项策略性地出售两项资产而得到大量盈余而结束之。M & C继续在其所有的区域以强劲的租用率以及客房平均租金率复苏过来。

M & C于10月间以其账面值46%的溢价成功售出其在纽约的The Plaza，其中包括一项估价盈余的6,100万美元。因此以历史价值而言，其由此出售所得的份量是1亿2,330万美元或6,890万英镑。它亦出售位于澳洲的The Birkenhead Point Shopping Centre and Marine Facility。

这些脱售已经显著地减低M & C的资本负债率从53%降至37%而增强它的财政能力。

## 盈利多元化

本集团於1990年代初期所开展的多元化策略已赖以保证我们继续保持有利可图，即使经历过产业发展生意的周期性自然法则。我们既是旅店业主又是经营者的策略经已证明成功，因为旅店方面已经是我们盈利的主要贡献者。

我们可善用我们在房地产生意的专业知识从我们一些旅店资产中发掘其房地产潜能，由此可能产生重大的收益。此策略性变化的一例子就是我们最近出售纽约的The Plaza。

本集团在受检讨的年度，业绩表现是与其於发布会上就截至2004年9月30日的第三季与九个月间的业绩作出报告时所披露的业绩预测相符的。



## 今年展望 产业

2005年的经济成长预期将趋缓至介於3%与5%之间。尽管其步伐是和缓的，其趋势是仍然有进展，而此逐步与稳健的成长对新加坡的中期与长期的经济发展是健全的现象。

潜在的购屋者本身皆已经在某些程度上熟习公积金的修订条例以及传统工资结构的改变。他们现在亦有选择权根据他们的收入来裁制他们的房屋贷款分期付款。

产业雇问预测住宅价格将增长5%至15%之间。我们乐观地认为新加坡的产业市场是有潜能与我们的区域邻居像马来西亚、香港、泰国以及印度尼西亚的持续蓬勃发展的产业市场并驾齐驱地成长与推进。我们的长处是新加坡的房地产可对买客提供较其他价格经已提高的区域更好的前景以及成长的机会。

滨海航的成功发售触发许多高潮而成为对住宅产业市场重燃购买兴趣的催化剂，以致许多其他发展商一跟蜂地推出新项目。

本集团将于今年分阶段发售其位於实龙岗路，距离东北线的花拉公园地铁站只有两分钟车程而拥有910单位的城市雅居。此作为本公司巨型工程的城市雅居，亦拥有72万1,000方英尺的零售商场附有通道直达地铁站。此商场可出售为零售单位或于房地产投资信托。城市雅居将优化并注入新生活方式与活力于此区域。首期拥有大约200单位的公寓即将发售。

本集团亦刚预售其拥有50%权益的295单位永久地契公寓的Parc Emily。另一在策划中的高层次项目是位于汤林生路与东陵路交介处而名为St. Regis Residences的高档项目。此为显赫的旅店兼住宅的部份发展工程，以拥有299间客房的世界闻名的6星级旅店St. Regis Hotel为特色。此综合发展项目将提供St. Regis Residences的住户一项首屈一指的柜台服务以及旅店式的设施。此项目拥有187适中大小的公寓单位。本集团对此联营项目拥有1/3股权，其余的2/3属于其他丰隆集团成员所有。

办公楼租赁市场已见底，而租用率正稳健地在改进中。租金率已在去年扭转过来，但预期将在今年的经济情况改善中以及增进的需求背景下更加显著地增长。

近日政府推展城市地区成为引人入胜的工作、生活与娱乐的大都会已经从对我们的滨海航的热烈反应见证重新挑起对市区生活的兴趣。政府对其设立一项包括一家赌场的综合性渡假胜地已经发出提供建议的邀请。两处被圈定的其中之一地点就是滨海湾。如果此综合渡假胜地被政府批准而执行，它肯定将能带进更多生活气息于此市中心并进一步加强其近邻的房地产价值。秉承我们多年来对房地产发展的专业知识加上我们在旅店管理上的经验，许多赌场的经营者/业主曾与我们接触，然而，为了保有较多的伸缩性，我们将不会在此与任何特定的个体特殊地挂沟。

在最近宣布的新加坡财政预算案，政府提出更多措施以进一步提升新加坡作为上市的房地产投资信托中心的竞争力，它提议对那些转让予新加坡交易所上市的房地产投资信托架

构的产业豁免五年印花税以及对非本地的机构投资者予以五年的10%预扣税优待。以此最新的税率优待为考虑，本集团将继续检讨其办公楼地产业务以便评估其财政利益以及本集团可行的选择。

## 多元化策略

本集团推动超越其疆界的多元化策略，经已由於成立一项名为：Real Estate Capital Asia Partners, L.P. (RECAP) 的私营房地产基金，而取得令人兴奋的突破。本集团将以50对50的比例与The Baupost Group L.L.C. 结为伙伴。成立于1982年而以美国麻省波士顿为基地的The Baupost Group，为一投资顾问集团管理超过50亿美元的可自由支配资金。RECAP预期于三年内由投资其2亿2,100万美元的基金（包括一少数股东的利益）以发掘海外有发展潜能的特选市场与机遇。此将为本集团提供另一平台作为国际化其房地产业务以及多元化其来自海外项目的盈利，为其蓝筹股地位增加深度。通过适当地运筹帷幄，RECAP预期将提供高达7亿5,000万美元的基金。

## 旅店

虽然旅店热衷於少拥有资产而多管理合约，本集团的策略继续承担作为旅店资产的业主以及营业者。我们相信尤其在一上升中的市场里，此决策对于我们这般有规模与份量又有自己特有的房地产与资产管理技巧的本集团来说是继续正确的。

我们的核心焦点是通过优越的营运质量以获取增长的回报并且持续地积极管理我们的房地产业务。

我们将继续有选择性地於主要的城市口岸收购旅店资产。当时机来临时，我们将寻求有或无需资金参予的管理合约。

## 集团前景展望

本集团预期在近12个月内将继续会有盈利。

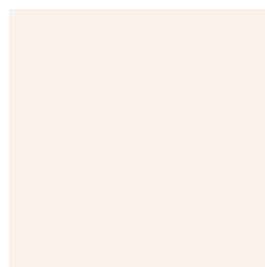
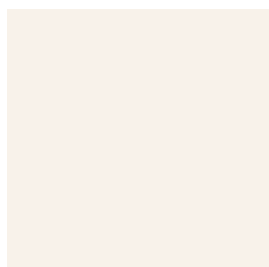
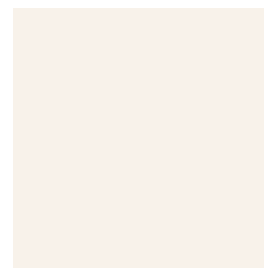
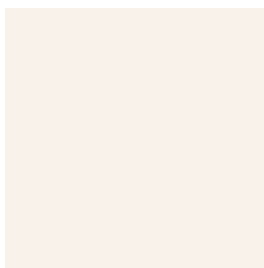
## 致谢

我谨代表董事部，对于即将於本常年大会卸下董事职务的陈似桐先生和沈名坚先生过去30年来对本集团的宝贵贡献致以谢意。我亦感谢管理层以及职员过去一年的坚决苦干与奉献。他们确是我们宝贵的资产。我们亦深深地感谢我们的股东包括我们的投资者、客户、商业伙伴以及社区不懈的支持。

## 郭令明

执行主席  
2005年2月28日

# Board of Directors



**1**  
**Kwek Leng Beng, 64**

Appointed as Director and Executive Chairman of CDL since 1 October 1969 and 1 January 1995 respectively, Mr Kwek was re-elected on 29 April 2004. He also sits on the Nominations and Remuneration Committees of CDL.

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

Mr Kwek holds a law degree, LL.B (London) and is also a fellow of The Institute of Chartered Secretaries and Administrators. He has extensive experience in the finance business, having grown from day one with the original Hong Leong Finance Limited which has since merged its finance business with Singapore Finance Limited (now known as HLF). He also has vast experience in the real estate business, the hotel industry as well as the trading and manufacturing business.

**2**  
**Kwek Leng Joo, 51**

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

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

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

**3**  
**Tan I Tong, 84**

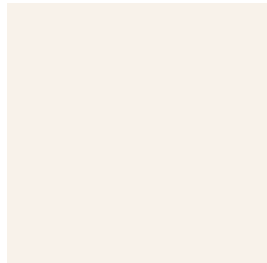
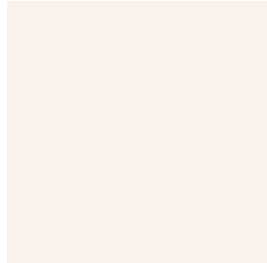
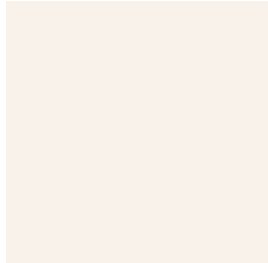
Appointed a Director of CDL since 28 April 1973, Mr Tan was last re-appointed a Director on 29 April 2004 pursuant to Section 153(6) of the Companies Act, Chapter 50. Mr Tan will not be seeking re-appointment at the forthcoming Annual General Meeting of CDL.

Mr Tan has more than 20 years of experience in the finance business. In the last 3 years, he had served as the Group Executive Director of HLF and was also a Director of NatSteel Ltd and HLA.

**4**  
**Chee Keng Soon, 72**

Appointed a Director of CDL since 29 March 1995, Mr Chee was last re-appointed a Director on 29 April 2004 pursuant to Section 153(6) of the Companies Act, Chapter 50. He is also the Chairman of the Audit, Nominations and Remuneration Committees of CDL.

In the last 3 years, Mr Chee had served on the boards of Inland Revenue Authority of Singapore and SembCorp Marine Ltd and was the Chairman of the board of Jurong Engineering Ltd. Mr Chee holds a Bachelor of Arts (Honours) degree in Geography from University of Malaya.



**5**  
**Sim Miah Kian, 84**  
 Appointed a Director of CDL since 1 October 1969, Mr Sim was last re-appointed a Director on 29 April 2004 pursuant to Section 153(6) of the Companies Act, Chapter 50. Mr Sim will not be seeking re-appointment at the forthcoming Annual General Meeting of CDL.

Mr Sim has more than 20 years of experience in the finance business. In the last 3 years, he had served as an Executive Director of HLF. He also sits on the boards of various property development companies within the Hong Leong Group.

**6**  
**Chow Chiok Hock, 66**  
 Appointed a Director of CDL since 1 October 1969, Mr Chow was last re-elected a Director on 29 April 2004. He also sits on the boards of Hong Leong Holdings Limited and other companies in the Hong Leong Group.

Mr Chow has extensive experience in real estate and was actively involved in the management and development of the Grand Hyatt Taipei.

**7**  
**Ong Pang Boon, 76**  
 Appointed a Director of CDL since 12 April 1985, Mr Ong was last re-appointed a Director on 29 April 2004 pursuant to Section 153(6) of the Companies Act, Chapter 50.

He also sits on the boards of Hong Leong Holdings Limited and Singapore Finance Limited and several companies within the Hong Leong Group.

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

**8**  
**Foo See Juan, 64**  
 Appointed a Director of CDL since 2 June 1986, Mr Foo was last re-elected a Director on 29 May 2002. He also sits on the Audit and Nominations Committees of CDL.

Mr Foo holds a Bachelor of Law degree from the National University of Singapore and is a partner of a law firm. He presently sits on the boards of various companies in the CDL Group.

**9**  
**Kwek Leng Peck, 48**  
 Appointed a Director of CDL since 1 August 1987, Mr Kwek was last re-elected a Director on 29 April 2004.

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

Mr Kwek holds a Diploma in Accountancy and has over 24 years of experience in trading, manufacturing, property investment and development, hotel operations, corporate finance and management.

**10**  
**Han Vo-Ta, 56**  
 Appointed a Director of CDL since 20 September 1988, Mr Vo-Ta was last re-elected a Director on 29 May 2003. He also sits on the Audit Committee of CDL.

Mr Vo-Ta holds Bachelor of Science and Master of Science degrees in Management from Massachusetts Institute of Technology. He is presently a Senior Advisor of UBS AG and a member of the Governing Council of the Singapore Institute of Management.

Mr Vo-Ta also sits on the boards of various companies in the Hong Leong Group.

**11**  
**Tang See Chim, 72**  
 Appointed a Director of CDL since 28 August 1995, Mr Tang was last re-appointed a Director on 29 April 2004 pursuant to Section 153(6) of the Companies Act, Chapter 50. He also sits on the Audit and Remuneration Committees of CDL.

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

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

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



# Operations Review

## HALLMARKS OF DISTINCTION

In 2004, CDL continued to set new benchmarks for the industry envisioning developments that are ahead of its time while safeguarding the environment and community through socially responsible business practices.

## REDEFINING LUXURY LIVING

CDL launched the most anticipated residential development of 2004 – The Sail @ Marina Bay. Poised to be a global city waterfront landmark, it set benchmarks for a new era of inner city, luxury waterfront living in Singapore.



To mark this milestone, CDL created a one-of-a kind Launch Extravaganza that was held at Merlion Park in October. More than 200 invited guests and thousands of bystanders around the Marina Bay and Esplanade witnessed a spectacular multi-media show, revealing a gigantic water screen measuring 35 metres, accompanied by lasers and music that thrilled audiences with a dazzling theatrical display. Pyrotechnics created an atmosphere reflective of the vibrancy and energy of the new Downtown at Marina Bay.

Soaring at 245 metres, The Sail @ Marina Bay is the tallest residential development in Singapore and one of the tallest in the world. This unparalleled iconic CDL project received overwhelming response and unprecedented interest from both the local and foreign investors. Road shows held in Hong Kong and Jakarta were enthusiastically embraced with bulk and whole floor purchasers.

Carefully designed by world-renowned architect, Peter Pran, The Sail @ Marina Bay maximises the breathtaking panoramic sea views, creating a luxurious standard of city living in this exceptional development.

Only the taller 70-storey Marina Bay Tower has been launched as the second 63-storey tower has been reserved for other possible investment purposes. In less than two months, more than 80% of the 550 units released last year were snapped up.



CDL also launched new phases of its other successful developments. Phase 3 of CDL's latest generation Smart Homes, The Pier at Robertson located in the hip district of Mohammad Sultan Road was released in March. In September, the final phase of CDL's first eco-home Savannah CondoPark and new units from Monterey Park Condominium were released.

## CUSTOMER-FIRST APPROACH

CDL is the first private property developer to launch Let's Live Green!, an Eco-Home initiative aimed to encourage new condo dwellers to practise eco-friendly habits at home. This programme was launched in conjunction with the TOP Fair for the owners of Changi Rise Condominium over two weekends in March 2004. More than 2,000 homebuyers and their families took part in a host of programmes such as educational talks by experts on space planning, feng shui and how to adopt eco-friendly habits. Every household was given a 'Let's Live Green' goodie bag which contained useful information on the importance of implementing the 3Rs – Reuse, Reduce and Recycle. There was also a Home Fair offering a range of household products from appliances to furniture. Children were also entertained with quizzes, magic shows and balloon sculpting. This fair provided not only a platform for interaction between CDL and new homeowners, but also helped to foster neighbourliness.

Supported by the pioneering award-winning Customer Relationship Management System, CDL staff have maintained consistently high service standards to the residents, garnering letters and emails of praise for their attentiveness, prompt service and positive attitude which have helped to facilitate the ease of the buyers' move into their new homes.

Six CDL residential developments received their TOP or CSC in 2004. For example, in March, homeowners moved into the 390-unit freehold Goldenhill Park Condominium located at Mei Hwan Drive, off Ang Mo Kio Avenue 1. Goldenhill Villas, which is just across the road received its CSC in July. Nuovo Executive Condominium, which caused a stir when it was fully sold within a week of its launch in 2001, received its CSC in August. Homeowners of the 297-unit leasehold development quickly moved in to enjoy the facilities of their new home and the amenities found in the mature but ever-popular Ang Mo Kio estate.

## EXQUISITE STANDARDS IN HOSPITALITY

In November, St. Regis Singapore was unveiled with a ground breaking ceremony to mark this momentous occasion. This is the beginning of a brand new super luxury class of hotel and residences in Singapore. St. Regis is renowned internationally as a luxury hotel for the discerning world traveller. St. Regis Singapore will be managed by Starwood Hotels & Resorts Worldwide, Inc and Richmond Hotel Pte Ltd, an associated company of CDL.



Located at the junction of Tanglin Road, Tomlinson Road and Cuscaden Road, St. Regis Singapore will be developed at an estimated cost of \$900 million. It will comprise a 20-storey hotel tower with 299 luxurious guest rooms and two blocks of 20-storey strata apartments with 187 units of luxury up-market residences and penthouses for sale.

CDL's first hotel in Bangkok, The Millennium Hilton Bangkok is located along the Chao Phraya River. Slated to open in the second half of 2005, this 542-room hotel is a 50:50 joint venture between CDL and Westbrook, a US Real Estate Fund.



As a testament to its superior service and quality, M Hotel Singapore won The Award for Excellence - Corporate/Business Hotel at the Hospitality Asia Platinum Awards 2004-2005 organised by World Asia Publishing and publishers of Hospitality Asia.

Millennium & Copthorne Hotels plc invested \$15 million to refurbish Copthorne King's Hotel located along Havelock Road. All 314 guestrooms have been designed and refurbished to meet the needs and demands of today's globetrotting business travellers.

#### **ADOPTING BEST BUSINESS PRACTICES - SYNONYMOUS WITH QUALITY**

CDL believes that managing our business in a responsible way is integral to the success of the company. CDL is a pioneer in raising environmental and occupational health and safety standards in all its developments. It is the first and only private property developer in Singapore to be awarded both the BCA ISO 14001 and OHSAS 18000 certification for property development and project management services in 2003.

To establish a "Safe and Green" culture, CDL formulated the Environment, Health and Safety (EHS) Policy to monitor and control the impact of the property development activities on the environment, health and safety. These initiatives ensure that CDL contractors and consultants uphold the same level of commitment and standards to help protect and conserve the environment. CDL monitors the EHS performance of all contractors with a unique 5-star assessment system, which independently appraises and grades the performance of the contractors on a scale of 1 to 5 stars in the areas of EHS compliances. CDL also employs a three-pronged approach to environment management, namely: to develop quality properties, manage cost-effective and energy-efficient buildings and influence the community to work and live green.



CDL's commitment to a "Safe and Green" culture and strict adherence to its EHS policy bore fruit when it was awarded the 2004 Singapore Environmental Achievement Award (SEAA) under the Local Services Category. The only local enterprise in Singapore to be awarded this accolade, the award recognises CDL's efforts in sustaining environmental conservation as a socially responsible corporation. Established by the Singapore Environment Council, it is the only local award that addresses overall environmental awareness and eco-initiatives within an organisation. It is also the most prestigious environmental award in Singapore.

Contractors for 6 CDL projects won the Annual Safety Performance Award (ASPA) in 2004. Monterey Park and Goldenhill Villas each won a Silver Award and The Esparis Executive Condominium, Goldenhill Park Condominium, The Pier at Robertson and The Infinium each won a Merit Award. ASPA recognises contractors who have excelled in safety through the implementation of safety management systems. It is also an indicator of excellence in occupational safety and health standards, in accordance with Ministry of Manpower guidelines.

Adding on to CDL's award portfolio, industrial property Pantech 21 clinched the Energy Efficiency Building Merit Award conferred by the Building and Construction Authority (BCA) at the annual BCA Awards 2004. This is the first time CDL has won this prestigious award under the Retrofitted Building Category. BCA also accorded the Merit Award under the Construction Excellence Award Category to Summerhill Condominium. The Royal Society for the Prevention of Accidents (RosPA), one of the world's leading health and safety organisations, gave CDL a Bronze Award for its commitment to health and safety issues.

CDL has been listed in the FTSE4Good Social Responsibility Index since 2002 in recognition of its firm commitment towards Corporate Social Responsibility (CSR). CDL believes that CSR must remain a top management priority as it is the key to successful business management and development.

# Corporate Social Responsibility Report

## OUR COMMITMENT TO OUR STAKEHOLDERS

**OUR CUSTOMERS** To provide quality and innovative products, unsurpassed service and value for money.

**OUR INVESTORS** To maintain profitability and provide optimum returns for their investment.

**OUR EMPLOYEES** To maximise their potential and care for their personal well-being and career development.

**OUR CONTRACTORS AND SUPPLIERS** To select based on quality work and their ability to complement our commitment to environment, health and safety.

**THE COMMUNITY** To serve the community we operate in to make life a little better for everyone, especially the needy.

On behalf of the Board, I am pleased to present CDL's first Corporate Social Responsibility Report. This report reflects the Company's firm commitment in incorporating sustainability into our business operations. Being the only Singapore property developer listed on the FTSE4Good Global Index<sup>1</sup> and conferred the best in class status by Storebrand Investments SRI<sup>2</sup>, CDL takes pride in sharing with shareholders, investors and all stakeholders the Company's social, environmental and safety performance.

At CDL, we believe in conducting business responsibly, mindful of the impact our operations have on society. We continually seek ways to ensure a better quality of life for the community and environment where we live and work. Our vision to be an industry leader in Innovation, Product Quality, Service Standards, Profitability and Community Work underlies our commitment to our stakeholders.

## OUR COMMITMENT TO OUR CUSTOMERS

### Quality and Innovation

We pioneer innovation and develop quality projects that we are proud to lend our name to. Our properties undergo stringent quality checks under Building & Construction Authority (BCA)'s assessment systems such as Construction Quality Assessment System (CONQUAS) and Quality Mark Scheme. In 2004, four of our developments were among the ten highest quality ranking projects in the overall Private Housing Category, with Goldenhill Villas topping the Private Landed Category with a score of 86.8%.

Goldenhill Villas best exemplified the integration of design and good construction methodology. It was the first landed property to adopt pre-cast construction on a large scale, a proven method that achieves more consistent quality, higher buildability and superior finishing.

CDL was the first Singapore developer to introduce designs and living concepts that are innovative, eco-friendly and high-tech, to anticipate the demands of modern living.

### Service Excellence

Within two years of establishing the industry's first Customer Relationship Management (CRM) system, CDL was accorded the Construction 21 Best Practice Award 2003 by the BCA for setting new benchmarks in customer satisfaction through the use of technology in the real estate industry. The CRM system allows for prompt and effective follow up on customer queries and feedback through the Company's call centre. Customer care programmes organised for both homebuyers and commercial tenants helped to forge stronger and lasting relationships.



<sup>1</sup> The FTSE4Good index series is a real-time indices designed to reflect the performance of socially responsible equities. Created and managed by global index provider FTSE Group, it covers four markets: UK, Europe, US and Global. A committee of independent practitioners in socially responsible investment and CSR review the indices to ensure that they are an accurate reflection of current CSR best practice.

<sup>2</sup> Storebrand is a leading Scandinavian financial services company engaged in pensions, life and health insurance, investment management and banking activities. The company has a strong commitment to CSR, and is considered to be among the leading Socially Responsible Investment (SRI) companies. Storebrand Investments analyses the environmental and social performance of more than 1,700 companies. CDL was given the "Best in Class" qualification in recognition of its CSR programmes.



## PIONEERING NEW HOME CONCEPTS FOR MODERN LIVING

<b>i-Home (The Equatorial)</b> Interactive, Internet-ready and Intelligent	<b>Home Office (The Pier at Robertson)</b> Live, Work and Play	<b>Eco-Home (Savannah CondoPark)</b> Clean, Green and Healthy
<ul style="list-style-type: none"> <li>• Local Area Network connections</li> <li>• High-speed broadband infrastructure</li> <li>• Smart home automation system</li> </ul>	<ul style="list-style-type: none"> <li>• Functional and flexible configurations for open home office units</li> <li>• SMART Home and IT infrastructure</li> <li>• Wireless connectivity in and around the pool deck areas for online mobility</li> <li>• Hotel-style concierge</li> </ul>	<ul style="list-style-type: none"> <li>• Energy-efficient lifts</li> <li>• Hygienic pneumatic waste disposal system</li> <li>• Recycling facilities and a green corner</li> <li>• Energy-saving light fittings and air-conditioning systems</li> <li>• Eco-friendly building materials such as laminated flooring and veneer-wrapped doors</li> </ul>

### COMMUNICATING WITH OUR INVESTORS

Communication with our shareholders is a key management responsibility. We provide prompt quarterly updates on the Group's financial performance, and recently established a regular briefing programme to present our half and full year results to analysts and the media. All shareholders are encouraged to attend the Company's Annual General Meetings where the Executive Directors, the Chairman of each of the Audit Committee, Remuneration Committee and Nominations Committee, including the external auditors of the Company, are present to attend to queries raised. This provides an opportunity for investors and institutional shareholders to meet with top management, to understand and review the Group's disclosed performance and prospects.

In the area of risk management, we have established an enterprise risk management framework to enable significant business risks within the Group to be identified, assessed, monitored, managed and evaluated. For a few years now, we have put in place a Business Continuity Plan that equips us with the essential recovery procedures to handle any emergency or crisis situation immediately, minimising disruptions to our business operations.

### ENRICHING OUR WORKFORCE

#### Respecting and Supporting Human Rights

Guided by the mission of inclusiveness, we nurture a workforce that respects and maintains multi-racial, multi-cultural and multi-religious harmony. We practise the guidelines contained in the Code of Responsible Employment Practices drawn up by the Ministry of Manpower, Singapore National Employers Federation and the National Trade Union Congress.

We believe in treating our employees fairly and recruit based on skills, merit, experience and relevance to job requirements. We have a fair performance assessment and remuneration system in place. We have also implemented various training programmes for career development.

#### Working with Integrity

CDL has an internal Code of Business and Ethical Conduct, which continues to serve as a guide for our actions as an organisation and as employees. The Code enunciates principles such as honesty, integrity, responsibility and accountability at all levels of the organisation and in the relationships with customers, suppliers and employees. Each employee has the right to raise concerns about apparent breaches of any of these principles directly with senior management or with the Head of Internal Audit, who reports functionally to the Chairman of the Audit Committee (an independent non-executive director of the Company), and administratively to the Group General Manager of the Company.

# Corporate Social Responsibility Report



## Part of a Larger CDL Family

CDL embraces each employee and their family as part of the larger CDL family. By tailoring work policies to the needs of the employees, we believe it is possible for staff to enjoy both a fulfilling family life and perform their best at work. CDL has a comprehensive pro-family policy that covers staff welfare and wellness programmes, as well as family bonding and support activities such as:

- Flexible work arrangements and part time work
- Maternity, paternity, childcare and marriage leave
- Loans and salary advances
- Financial assistance schemes
- Health seminars, workshops and screenings
- Sports and social activities
- Shopping and dining privileges

In 2004, StaffConnect@CDL was formed. It is a set-up by the staff for the staff. It comprises representatives from each department to promote management-employee communication, welfare and camaraderie among employees. A major activity was the annual Staff Day, and employees can look forward to more initiatives, including that of a childcare facility which is now being implemented.

## ESTABLISHING BEST PRACTICES WITH OUR CONTRACTORS AND SUPPLIERS

### Design for a Safe and Green Environment

As part of our Environmental, Health and Safety (EHS) policy, we ensure that all EHS requirements are complied with throughout the property development process. Beyond this, we have taken extra measures to influence and educate our consultants and contractors to mitigate EHS impacts on construction projects. For example, we ensure that our consultants address potential risks such as disturbance to natural terrain, west facing, noise disturbance, energy and water usage, damage to adjacent properties, or properties with historical and cultural value.

## Setting Industry Standards

We have been taking the lead to educate our contractors on EHS consciousness and measurement. Our contractors are required to monitor and submit their monthly data on natural resources and general waste for our compilation.

Since 2001, we have been conducting quarterly audits to assess the EHS performance of our contractors. Known as the CDL 5-Star Assessment System, the audits are aimed at raising the EHS standard of our contractors. Areas of assessment cover hygiene habits, water and energy usage, waste management and noise emission. After each quarterly audit, a review seminar is held with our contractors and consultants, to share and compare audit results, highlighting the good and bad practices, to encourage improvements. Contractors excelling in the audits are conferred the CDL Annual EHS Excellence Award which gives us a platform of selecting contractors for future CDL jobs.

In recognition of our commitment to a safe and healthy environment, CDL has been awarded various accolades:

- 2004 Singapore Environmental Achievement Award (Local Services Category)
- 2004 Royal Society For the Prevention of Accidents (RoSPA) Bronze Award for excellence in managing health and safety issues
- 2003 Building and Construction Authority OHSAS18001 (Occupational Health and Safety Management System)
- 2003 Building and Construction Authority ISO14001 (Environmental Management System)
- 2003 Ministry of Manpower Letter of Commendation (good safety performance of development projects)
- 2002 PRISM Merit Award for Best Public Relations Work for the Environment
- 2000 Green Leaf Award



### INVOLVEMENT IN THE COMMUNITY

CDL has been involved in corporate philanthropy and volunteerism for many years, supporting a wide range of outreach programmes in 4 selected areas: the needy, youth development, the arts and environmental conservation.

#### Extending a Helping Hand

Through City Sunshine Club, an employee volunteer programme, staff and management are involved in activities that are aimed at improving the lives of impoverished elderly, neglected children and the sick.



In a programme for children who are at risk of delinquency, staff volunteers help to instill good behavioural traits through story telling, arts and crafts, songs and role-play, to develop in the children a sense of belonging to the community and help them stay within the education system.

In 2004, CDL employees lent their time and resources to raise over \$400,000 for Assisi Home and Hospice, Youth Challenge, the Singapore Red Cross and the China Exploration and Research Society.

#### Getting the Community Involved

CDL worked with local organisations to promote volunteerism among the youth. The Company was the main sponsor of a fundraising project for Youth Challenge Singapore's Home Alone Programme, which encourages youths to volunteer their time to serve, be active world citizens and compassionate beings. The Home Alone Programme has youth volunteers visiting 300 lonely elderly every week, organising monthly enriching activities for them and looking after their health.



CDL is a founding partner of the South West Community Development Council's Youth Excellence Award in the Heartlands (YEAH!), which recognises and motivates youths aged 13 to 25 years for their exemplary volunteering efforts towards the community. The scheme also helps groom youths to be leaders and initiators of community service projects.

#### Promoting the Arts for a Gracious Society

In late 2004, CDL launched The Sail Art Gallery, a free platform to showcase the works of local artists. The Company has since held a few photographic exhibitions.

The second CDL Singapore Sculpture Award was organised to nurture artistic talent, help enrich Singapore's sculptural landscape and promote public awareness and appreciation of sculpture in Singapore. CDL has been awarded the National Arts Council's Friend of the Arts Award for eight consecutive years, for its support to the local arts community.



### Generating Awareness for Environmental Conservation

CDL has made good use of its network and resources to influence its stakeholders with a view to increase awareness for environmental conservation. These projects include:

- "Let's Live Green" and "Let's Work Green"

In 2004, two new outreach initiatives were aimed at 2,000 households and 15,000 office workers at CDL's residential and commercial properties. "Let's Live Green" and "Let's Work Green" expanded from the 2002-2003 CDL Project Eco-Office, and promoted recycling and the conservation of natural resources in the home and at work. As part of our integrated environment management strategy, we established a complimentary and permanent recycling scheme at 15 of our commercial buildings.

- CDL Corporate Calendar

Nature conservation has been the theme for our corporate calendars since 1998. The corporate calendars serve as a daily reminder to all staff and business associates to conserve precious resources of our environment.

- Exploration, Conservation and Appreciation

CDL has been a corporate patron of the China Exploration and Research Society (CERS), whose mission is to conduct research as well as nature and culture conservation projects in remote regions of China. In November 2004, CDL hosted CERS' first fundraising dinner in Singapore, which raised over \$250,000.

### MOVING AHEAD

CDL has been a constituent of the FTSE4Good Social Responsibility Index since 2002, which requires us to provide regular updates on the Company's business practices. Our corporate website which carries comprehensive information on the spectrum of our activities is a valuable source of information to investors, the media and our customers.

As we journey in the path of progress, we are committed to finding new and better ways to improve our work on corporate social responsibility, inspire stakeholders and more importantly, build an enduring and sustainable company.

#### Kwek Leng Joo

Managing Director

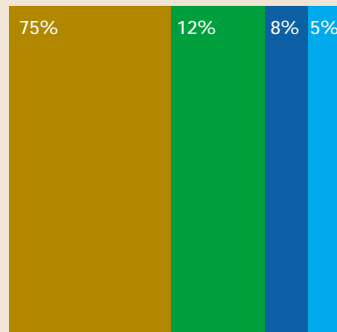


# Property Portfolio Analysis

## Landbank

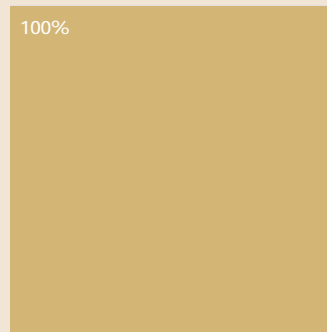
### Analysis by Sector

Total: 3.9 million sq. feet



### Analysis by Tenure

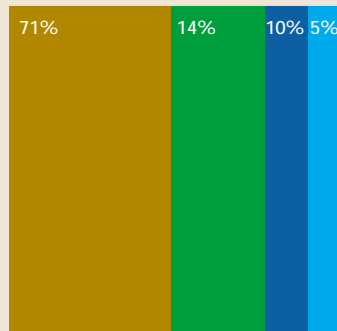
Total: 3.9 million sq. feet



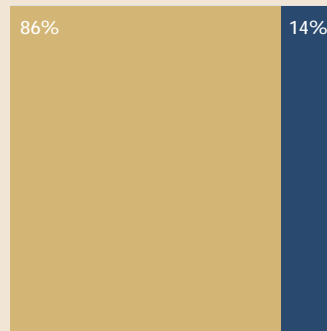
FH/999-year Leasehold

### Analysis by Development Stage

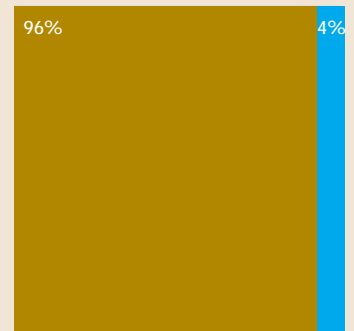
Total: 3.9 million sq. feet



Planning Stage  
Breakdown by Sector  
Total: 3.4 million sq. feet



Planning Stage      Under Construction



Under Construction  
Breakdown by Sector  
Total: 0.5 million sq. feet

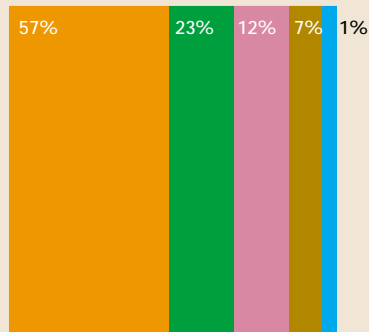
- Residential
- Industrial
- Residential-Overseas
- Commercial & Hotel Projects

# Property Portfolio Analysis

## Investment Properties

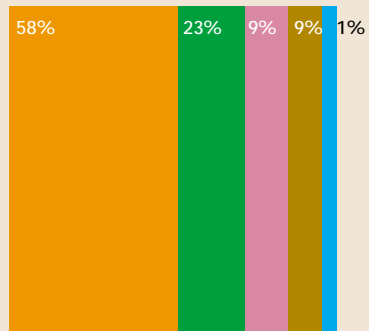
### Analysis by Sector

Total lettable area: 4.7 million sq. feet

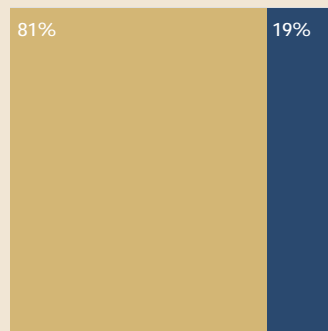


### Analysis by Tenure

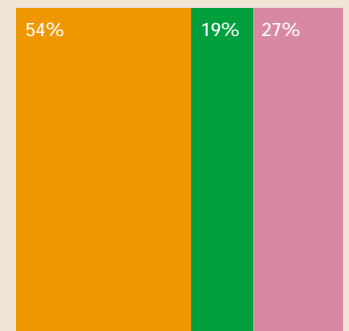
Total lettable area: 4.7 million sq. feet



FH/999-year Leasehold  
Breakdown by Sector  
Total lettable area: 3.8 million sq. feet



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



99-year Leasehold & Below  
Breakdown by Sector  
Total lettable area: 0.9 million sq. feet

- Office
- Industrial
- Retail
- Residential
- Others

# Major Properties

Commercial Properties	Tenure	Site Area (sq. metres)	Approx. Lettable/ Strata Area (sq. metres)	Effective Group Interest (%)
<b>Republic Plaza</b> 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	73,062	100
<b>Central Mall</b> comprises a cluster of conservation shophouses at Havelock Road/Magazine Road.	99-year lease wef 15.05.1993	4,806	5,078	100
<b>Central Mall (Office Tower)</b> is a 7-storey office-cum-retail building located at Havelock Road/Magazine Road.	Freehold	2,828	12,226	100
<b>New Tech Park</b> is a high-technology industrial park at Lorong Chuan, off Braddell Road.	999-year lease	39,798	55,935	42.8
<b>City House</b> is a 23-storey office building situated at Robinson Road/Cross Street within the Central Business District.	999-year lease	1,272	14,437	100
<b>Fuji Xerox Towers</b> 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	32,993	100
<b>Plaza-By-The-Park</b> is an 11-storey commercial building located at 51 Bras Basah Road.	999-year lease	4,972	22,433	100
<b>No. 1 Shenton Way</b> (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	19,218	100
<b>Chinatown Point</b> is a 25-storey commercial complex comprising two 5-storey shopping podium blocks, a 20-storey office tower and two basement levels. It is located at New Bridge Road in Chinatown.	99-year lease wef 12.11.1980	9,206	16,885	100
<b>Palais Renaissance</b> is a 16-storey retail-cum-office complex with 3 basements located at Orchard Road.	Freehold	3,175	9,797	100
<b>GB Building</b> is a 28-storey office building located at 143 Cecil Street.	99-year lease wef 12.10.1982	2,583	7,650	100
<b>Delfi Orchard</b> is an 11-storey commercial-cum-residential complex located at Orchard Road.	Freehold	1,882	6,253	100
<b>Citilink Warehouse Complex</b> is an 8-storey warehouse located at Pasir Panjang Road.	Freehold	14,152	9,597	100
<b>Cideco Industrial Complex</b> is an 8-storey industrial building located at Genting Lane.	Freehold	5,478	12,489	100
<b>Pantech 21</b> is a computer centre located at Pandan Loop.	99-year lease wef 27.01.1984	6,900	12,916	100
<b>City Industrial Building</b> is an 11-storey flatted factory building at Tannery Lane.	Freehold	3,150	11,841	100



## Commercial Properties

	Tenure	Site Area (sq. metres)	Approx. Lettable/ Strata Area (sq. metres)	Effective Group Interest (%)
<b>Tanglin Shopping Centre</b> is a shopping-cum-office complex situated at Tanglin Road within the Orchard Road tourist district. The Group also owns 325 carpark lots.	Freehold	6,365	6,462	52
<b>The Arcade</b> is a 20-storey office-cum-shopping complex situated at Collyer Quay within the Central Business District.	999-year lease	2,035	4,411	100
<b>Commerce Point</b> is a 19-storey office building located at Phillip Street, close to Raffles Place.	999-year lease	776	7,660	100
<b>Katong Shopping Centre</b> is a 7-storey shopping-cum-office complex situated along Mountbatten Road. The Group also owns 323 carpark lots.	Freehold	8,167	8,282	100
<b>Tagore 23 Warehouse</b> is a 4-storey warehouse located at Tagore Lane.	Freehold	7,418	12,066	100
<b>King's Centre</b> is an 8-storey office-cum-retail waterfront development located at Havelock Road, next to the Singapore River.	99-year lease wef 09.02.1984	5,186	8,347	100
<b>Grand Cophorne Waterfront</b> is a 30-storey, 539-room hotel-cum-retail waterfront development located at Havelock/Kim Seng Road, along the Singapore River.	Freehold	10,860	2,844 (Retail) 46,169 (Hotel)	100
<b>The Corporate Office</b> is a 21-storey office building situated at the junction of Robinson Road and McCallum Street, within the Central Business District.	Freehold	1,490	10,235	99

## Serviced Apartments

<b>Le Grove</b> is the Group's first serviced apartments project located at Orange Grove Road, off Orchard Road.	Freehold	8,012	8,921	100
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## Overseas Properties

<b>Umeda Pacific Building</b> is an 11-storey commercial building located in the prime business district of Osaka, Japan.	Freehold	887	6,396	100
<b>MyeongDong Central</b> is a 16-storey office building located in the prime district of MyeongDong, Chung-gu, Seoul, Korea. (the sale of this property was completed on 28.02.2005)	Freehold	1,441	19,134	50
<b>Millennium Hilton Bangkok</b> is a 32-storey 542-room hotel cum retail waterfront development located at Charoen Nakorn Road, Bangkok, along the Chao Phraya River. It is scheduled for completion in October 2005.	Freehold	10,104	78,345	50

# Major Properties

Hotels*	Tenure	Site Area (sq. metres)	Number of Rooms	Effective Group Interest (%)
<b>Asia</b>				
<b>Hotel Nikko Hong Kong</b> Mody Road, Tsimshatsui East, Kowloon, Hong Kong	75-year term from 28.11.1984 and may be renewable for a further term of 75 years	2,850	462	25
<b>JW Marriott Hotel, Hong Kong</b> Pacific Place, 88 Queensway, Hong Kong	75-year term from 18.04.1985 and option to renew for a further term of 75 years	10,690	602	13
<b>Millennium Hotel Sirih Jakarta</b> Jalan Fachrudin 3, Jakarta 10250, Indonesia	The title is held under a Hak Guna Bangunan (i.e. Right to Build) and a 40-year lease wef 14.04.1984 and 22.01.1986 for approximate site area of 7,137 sq. metres and 212 sq. metres respectively	7,349	390	42
<b>The Heritage Hotel Manila</b> Roxas Boulevard at cnr of EDSA Pasay City, Metropolitan Manila, Philippines	Fee Simple	9,888	454	34
<b>Copthorne Orchid Penang</b> Tanjong Bungah, 11200 Penang, Malaysia	Freehold	10,329	318	52
<b>The Regent Kuala Lumpur</b> 160 Jalan Bukit Bintang, Kuala Lumpur, Malaysia	Freehold	7,899	468	52
<b>Grand Copthorne Waterfront Hotel Singapore</b> 392 Havelock Road, Singapore	Freehold	10,860	539	100
<b>M Hotel Singapore</b> 81 Anson Road, Singapore	Freehold	2,134	413	52
<b>Copthorne King's Hotel Singapore</b> 403 Havelock Road, Singapore	99-year lease commencing 01.02.1968	5,637	308	52
<b>Copthorne Orchid Hotel Singapore</b> 214 Dunearn Road, Singapore	Freehold	16,188	440	52
<b>Orchard Hotel &amp; Shopping Arcade, Singapore</b> At the junction of Orchard Road and Orange Grove Road, with approximately 6,997 sq. metres of net lettable retail area	Freehold	8,588	674	52

\* Hotel information as at 1 March 2005

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

\* Hotel information as at 1 March 2005



# Major Properties

Hotels*	Tenure	Site Area (sq. metres)	Number of Rooms	Effective Group Interest (%)
<b>Millennium Hotel &amp; Resort Stuttgart</b> Plieninger Strasse 100, 70561 Stuttgart, Germany	Short Lease	39,094	454	52
<b>Copthorne Hotel Aberdeen</b> 122 Huntly Street, Aberdeen AB1 1SU, Scotland	Freehold	6,135	89	44
<b>Copthorne Hotel Birmingham</b> Paradise Circus, Birmingham B3 3HJ, England	Freehold	1,500	212	52
<b>Copthorne Hotel Cardiff Caerdydd</b> Copthorne Way, Culverhouse Cross, Cardiff CF5 6DH, Wales	Freehold	10,000	135	52
<b>Copthorne Hotel Effingham Park Gatwick</b> Copthorne, West Sussex RH10 3EU, England	Freehold	167,950	122	52
<b>Copthorne Hotel London Gatwick</b> Copthorne, West Sussex RH10 3PG, England	Freehold	17,325	227	52
<b>Copthorne Hotel Manchester</b> Clippers Quay, Salford Quays, Manchester M5 2XP, England	Leasehold to year 2135	23,725	166	52
<b>Copthorne Hotel Merry Hill-Dudley</b> Level Street, Brierley Hill, Dudley, West Midlands DY5 1UR, England	Finance Lease	15,960	138	52
<b>Copthorne Hotel Newcastle</b> The Close, Quayside, Newcastle upon Tyne NE1 3RT, England	Freehold	27,200	156	49
<b>Copthorne Hotel Slough Windsor</b> Cippenham Lane, Slough, Berkshire SL1 2YE, England	Freehold	29,000	219	52
<b>Copthorne Tara Hotel London Kensington</b> Scarsdale Place, Kensington, London W8 5SR, England	Freehold	37,615	834	52
<b>Copthorne Hotel Plymouth</b> Armada Way, Plymouth PL1 1AR, England	Long Leasehold	8,850	135	52

\* Hotel information as at 1 March 2005

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

\* Hotel information as at 1 March 2005

# Major Properties

Hotels*	Tenure	Site Area (sq. metres)	Number of Rooms	Effective Group Interest (%)
<b>Millennium Maxwell House, Nashville</b> 2025 MetroCentre Boulevard, Nashville, TN 3722-1505	Leased to year 2030	36,421	287	52
<b>Millennium Resort, Scottsdale, McCormick Ranch</b> 7401 North Scottsdale Road, Scottsdale, AZ 85253-3548	Leased to year 2033	32,819	176	52
<b>Millennium Hotel, Minneapolis</b> 1313 Nicolett Mall, Minneapolis, MN 55403	Leased to year 2045	5,481	321	52
<b>Millennium Hotel, St. Louis</b> 200 South 4th Street, St. Louis, MO 63102-1804	Freehold	17,033	780	52
<b>Millennium UN Plaza Hotel, New York</b> 1 UN Plaza, 44th Street at 1st Avenue New York, NY 10017-3575	Freehold/Leased to year 2079	4,554	427	52
<b>Millennium Hotel, Durham</b> 2800 CampusWalk Avenue, Durham, NC 27705-4479	Freehold	42,814	313	52
<b>Comfort Inn Vail/Beaver Creek, Colorado</b> 161 West Beaver Creek Boulevard, Avon, CO 81620-5510	Freehold	11,209	146	52
<b>Eldorado Hotel, Santa Fe</b> 309 West San Francisco Street, Santa Fe, NM 87501-2115	Indirect Interest	7,349	219	5
<b>Pine Lake Trout Club, Chagrin Falls</b> 17021 Chillicothe Road, Chagrin Falls, OH 44023-0282	Freehold	331,062	6	52
<b>Four Points by Sheraton Buffalo Airport</b> 2040 Walden Avenue, Buffalo, NY 14225-5186	Leased to year 2012	31,726	300	52
<b>Sunnyvale Four Points, California</b> 1250 Lakeside Drive, Sunnyvale, CA 94086-4010	Freehold	34,802	378	52

\* Hotel information as at 1 March 2005

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

\* Hotel information as at 1 March 2005



# Major Properties

Hotels*	Tenure	Right of Renewal	Site Area (sq. metres)	Number of Rooms	Effective Group Interest (%)
<b>Kingsgate Hotel Parnell, Auckland</b> 92-102 Gladstone Road, Parnell Auckland, New Zealand	Leasehold to year 2006	2 x 5 years	7,584	117	26
<b>Kingsgate Hotel Dunedin</b> Upper Moray Place, Dunedin, New Zealand	Freehold		2,193	55	26
<b>Kingsgate Hotel Greymouth</b> 32 Mawhera Quay, Greymouth, New Zealand	Freehold/ Leasehold land	Perpetual	3,970	102	37
<b>Kingsgate Hotel Rotorua</b> Fenton Street Rotorua, New Zealand	Freehold		30,685	136	26
<b>Kingsgate Hotel Palmerston North</b> 110 Fitzherbert Avenue, Palmerston North, New Zealand	Freehold		16,207	151	26
<b>Kingsgate Hotel Terraces, Queenstown</b> 88 Frankston Road, Queenstown, New Zealand	Freehold		4,713	85	26
<b>Kingsgate Hotel Te Anau</b> 20 Lakefront Drive, Te Anau, New Zealand	Freehold		8,819	94	37
<b>Kingsgate Hotel Oriental Bay, Wellington</b> 73 Roxburgh Street, Wellington, New Zealand	Freehold		3,891	116	26

\* Hotel information as at 1 March 2005

# Major Properties

in the course of development

Description/Location	Site Area (sq. metres)	Gross Floor Area (sq. metres)	Tenure	Effective Group Interest (%)	Approx. Percentage Completion (%)	Expected Completion Date
<b>Residential Development</b>						
<b>Boulevard Hotel Site</b> Cuscaden Road/Orchard Boulevard	12,127	37,352	Freehold	40	*	2007
<b>Butterworth Lane Project</b> Butterworth Lane	984	2,932	Freehold	100	*	2006
<b>City Square Residences</b> Kitchener Road/Serangoon Road/ Jalan Besar	27,332	100,484	Freehold	100	*	2009
<b>Edelweiss Park</b> Tampines Road/ Upper Changi Road North	47,788	66,900	Freehold	33	21	2006
<b>King's Centre - Plot 3</b> Havelock Road/Kim Seng Road	5,485	20,887	Freehold	100	*	2008
<b>Monterey Park</b> West Coast Rise	24,172	39,730	999-year	100	83	2005
<b>Oseania Resort</b> Ancol, Jakarta	22,698	70,435	Leasehold	30	*	-
<b>Parc Emily</b> Mount Emily Road/Niven Road	11,978	25,154	Freehold	50	*	2008
<b>Parkview Condominium Project</b> West Coast Park	37,847	60,555	956-year	50	*	2008
<b>Savannah Condopark</b> Upper Changi Road East	54,872	87,795	99-year	60	85	2005
<b>The Esparis</b> Pasir Ris Drive 4	13,982	34,955	99-year	100	91	2005
<b>The Infinium</b> Evelyn Road	10,824	32,445	Freehold	50	39	2006
<b>The Sail @ Marina Bay</b> Marina Boulevard	9,091	118,182	99-year	50	*	2009
<b>Zenith Residences</b> Sydney, Australia	1,410	7,530	Freehold	23	27	2006
<b>Commercial Development</b>						
<b>City Square</b> Kitchener Road/Serangoon Road/ Jalan Besar	14,920	66,542	Freehold	100	*	2010
<b>Mixed Development</b>						
<b>St. Regis Hotel/Residences</b> Tanglin/Tomlinson/Cuscaden Roads	16,693	77,119	999-year	33	*	2007
<b>The Pier at Robertson</b> Mohamed Sultan Road/Robertson Quay	6,656	20,160	Freehold	80	45	2006

\* work less than 10% completed

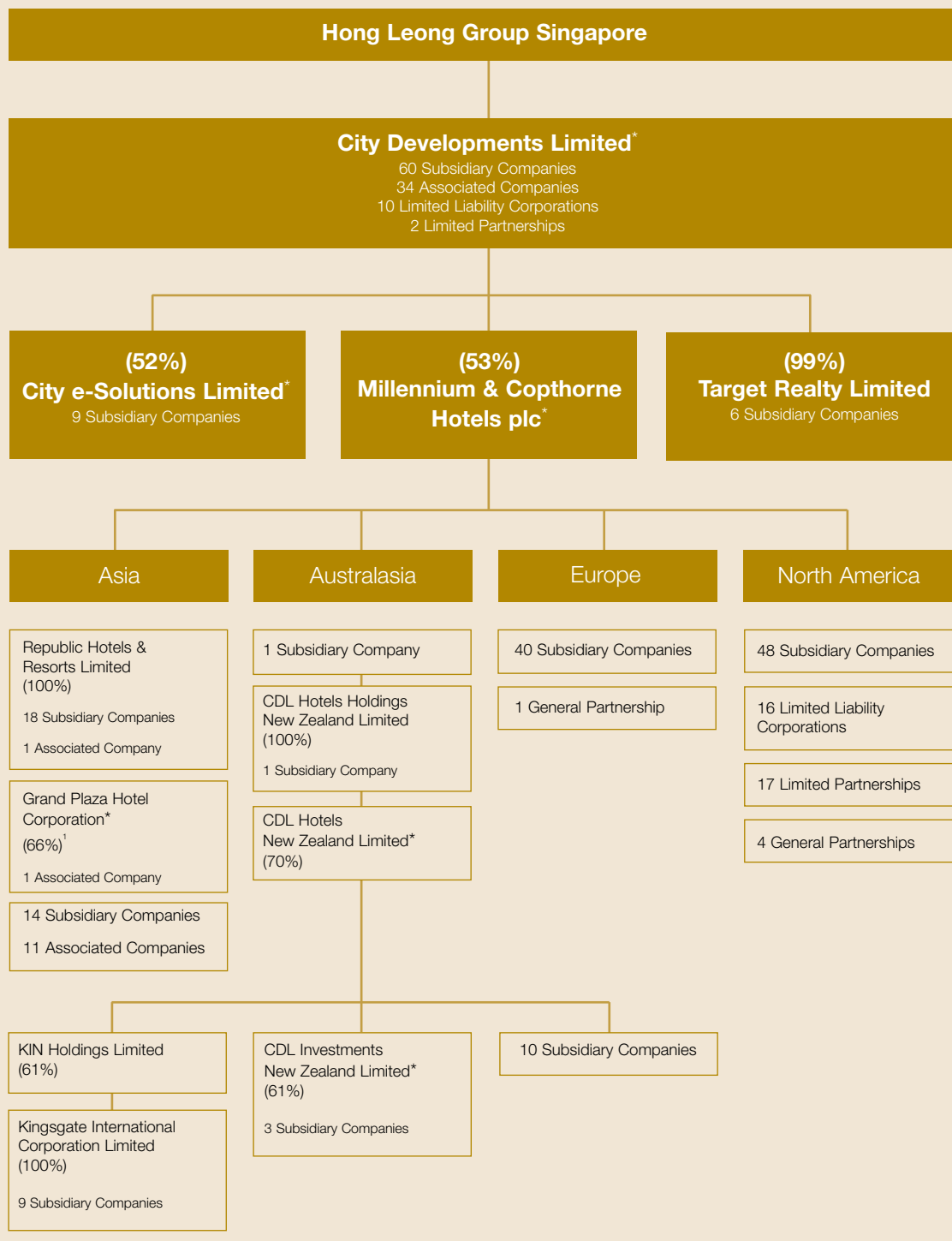
# Major Properties

for development and/or resale

Description & Location	Site Area (sq. metres)	Tenure	Effective Group Interest (%)
<b>Residential Development</b>			
5 Balmoral Park	3,517	Freehold	100
Buckley Mansion	4,097	Freehold	100
9 Buckley Road	2,250	Freehold	100
Garden Hotel	9,493	Freehold	100
Jalan Kolam Ayer, JB, Malaysia	24,739	Freehold	100
Jalan Waspada, JB, Malaysia	6,368	Freehold	100
Kim Lin Mansion	12,858	Freehold	100
Pasir Ris	195,025	999-year	51
Shelford Road	4,137	Freehold	100
40 Stevens Road	2,801	Freehold	100
15 & 19 Swiss Club Road	15,915	Freehold	100
Tampines Road/Upper Changi Road North	122,211	Freehold	33
Wilkie/Upper Wilkie Road	2,888	Freehold	100
<b>Industrial Development</b>			
Jalan Lam Huat	15,564	Freehold	100
100F Pasir Panjang Road	2,900	Freehold	100
100G Pasir Panjang Road	11,219	Freehold	99
421 Tagore Avenue	13,314	Freehold	100

# Corporate Structure

as at 1 March 2005



Notes:

<sup>1</sup> Held through a 60% subsidiary company of Millennium & Copthorne Hotels plc ("M&C") and a wholly-owned subsidiary company of Republic Hotels & Resorts Limited

\* Listed Companies



# Corporate Information

## BOARD OF DIRECTORS

### Executive

Kwek Leng Beng *Executive Chairman*

Kwek Leng Joo *Managing Director*

### Non-Executive

Tan I Tong

Chee Keng Soon *Independent*

Sim Miah Kian

Chow Chiok Hock

Ong Pang Boon

Foo See Juan *Independent*

Kwek Leng Peck

Han Vo-Ta *Independent*

Tang See Chim *Independent*

## AUDIT COMMITTEE

Chee Keng Soon *Chairman*

Foo See Juan

Han Vo-Ta

Tang See Chim

## NOMINATIONS COMMITTEE

Chee Keng Soon *Chairman*

Kwek Leng Beng

Foo See Juan

## REMUNERATION COMMITTEE

Chee Keng Soon *Chairman*

Kwek Leng Beng

Tang See Chim

## SECRETARIES

Shufen Loh @ Catherine Shufen Loh

Enid Ling Peek Fong

## REGISTRARS AND TRANSFER OFFICE

M & C Services Private Limited

138 Robinson Road

#17-00 The Corporate Office

Singapore 068906

Tel: 6227 6660

## REGISTERED OFFICE

36 Robinson Road

#04-01 City House

Singapore 068877

Tel: 6877 8228

Fax: 6225 4959

Email: enquiries@cdl.com.sg

## AUDITORS

KPMG

Certified Public Accountants, Singapore

16 Raffles Quay

#22-00 Hong Leong Building

Singapore 048581

(Partner-in-charge: Chay Fook Yuen, appointment commenced from the audit of the financial statements for the year ended 31 December 2000)

## PRINCIPAL BANKERS

Australia and New Zealand Banking Group Limited

BNP Paribas

Bank of America

Bank of China

Calyon

Citibank, N.A.

Commerzbank Aktiengesellschaft

DBS Bank Ltd

Industrial and Commercial Bank of China

Mizuho Corporate Bank Ltd

Norddeutsche Landesbank Girozentrale

Oversea-Chinese Banking Corporation Limited

Standard Chartered Bank

Sumitomo Mitsui Banking Corporation

The Bank of Nova Scotia Asia Limited

The Bank of Tokyo-Mitsubishi, Ltd

The Hongkong and Shanghai Banking Corporation Limited

The Royal Bank of Scotland plc

United Overseas Bank Limited

# Corporate Governance

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

## THE BOARD OF DIRECTORS ("BOARD")

**Code Principle 1:** Every company should be headed by an effective Board to lead and control the company.

**Code Principle 2:** There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

**Code Principle 3:** There should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

### Board Composition and Balance

The Board currently comprises 11 members. All members of the Board except for the Chairman and the Managing Director are non-executive Directors. Of the 9 non-executive Directors, the Board considers 4 of them, being not less than one third of the Board, to be independent, thus providing for a strong and independent element on the Board capable of exercising objective judgment on corporate affairs of the Group. The independent Directors are Messrs Chee Keng Soon, Foo See Juan, Han Vo-Ta and Tang See Chim. The Board comprises business leaders and professionals with property, financial, legal and business management backgrounds. Key information on the Directors are set out on pages 14 to 15 of the Annual Report 2004.

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

Having diligently served on, and contributed to, the Board for more than 30 years, Messrs Tan I Tong and Sim Miah Kian, both non-independent and non-executive Directors, have indicated to the Board their intention not to seek re-appointment as Directors at the coming Annual General Meeting of the Company to be held on 27 April 2005. The Nominations Committee will review and identify at the appropriate time suitable candidate(s) with the right qualifications, expertise and experience to fill the vacated Board positions.

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

### Roles of Chairman and Managing Director

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

The Managing Director also supervises the management team in the effective implementation of business strategies and policies and is supported by the Group General Manager of the Company in the management of the day to day

# Corporate Governance

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

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

## Board Functions

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

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

The Company conducts regular scheduled Board meetings on a quarterly basis. Additional meetings are convened as and when circumstances warrant. The attendance of the Directors at Board and Committee meetings in 2004, as well as the frequency of such meetings, is disclosed in Table 1 of this Report. Notwithstanding such disclosure, the Board is of the view that the contribution of each Director should not be focused only on his attendance at Board and/or Committee meetings. A Director's contribution may also extend beyond the confines of the formal environment of Board meetings, through the sharing of views, advice, experience and strategic networking relationships which would further the interests of the Company.

**Table 1: Directors' Attendance at Board and Committee Meetings in 2004**

Name of Directors	Board	Audit Committee	Nominations Committee	Remuneration Committee	Share Option Scheme Committee
	Number of Meetings held: 4	Number of Meetings held: 8	Number of Meetings held: 2	Number of Meetings held: 3	Number of Meetings held: NIL
	Number of Meetings attended	Number of Meetings attended	Number of Meetings attended	Number of Meetings attended	Number of Meetings attended
Kwek Leng Beng	4	N.A.	2	3	N.A.
Kwek Leng Joo	4	N.A.	N.A.	N.A.	N.A.
Tan I Tong	2	N.A.	N.A.	N.A.	N.A.
Chee Keng Soon	4	8	2	3	N.A.
Sim Miah Kian	4	N.A.	N.A.	N.A.	N.A.
Chow Chiok Hock	4	N.A.	N.A.	N.A.	N.A.
Ong Pang Boon	4	N.A.	N.A.	N.A.	N.A.
Foo See Juan	4	8	2	N.A.	N.A.
Kwek Leng Peck	4	N.A.	N.A.	N.A.	N.A.
Han Vo-Ta	4	8	N.A.	N.A.	N.A.
Tang See Chim	4	8	N.A.	3	N.A.

**Code Principle 6:** In order to fulfil their responsibilities, board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.

Prior to each meeting, the respective members of the Board and the Committees are provided with the meeting agenda and the relevant papers submitted by the management, containing complete, adequate and timely information to enable

full deliberation on the issues to be considered at the respective meetings. Management staff and the Company's auditors, who can provide additional insight into the matters for discussion, are also invited from time to time to attend such meetings. The company secretaries attend all Board meetings and ensure that all Board procedures are followed. The company secretaries, together with other management staff of the Company, also ensure that the Company complies with all applicable statutory and regulatory rules.

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

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

#### **THE NOMINATIONS COMMITTEE ("NC")**

**Code Principle 4:** There should be a formal and transparent process for the appointment of new directors to the Board. As a principle of good corporate governance, all directors should be required to submit themselves for re-nomination and re-election at regular intervals.

**Code Principle 5:** There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

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

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

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

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

Other functions of the NC include carrying out an assessment of each Director's performance and evaluating the Board's performance as a whole using objective and appropriate quantitative and qualitative criteria. Assessment parameters for Directors' performance include their level of participation at Board and Committee meetings and the quality of their contribution to Board processes and the business strategies and performance of the Group. The NC's evaluation of the individual Directors for the year ended 31 December 2004 ("FY2004") was further facilitated this year with feedback from individual Directors on areas relating to the Board's competencies and effectiveness. The results of the evaluation process would be used by the NC, in its consultation with the Chairman of the Board, to effect continuing improvements on Board processes.

The Directors submit themselves for re-nomination or re-election at regular intervals and the Articles of Association of the Company provide that at least one-third of the Directors for the time being shall retire as Directors at each Annual



# Corporate Governance

General Meeting of the Company, save for the Managing Director appointed by the Board who shall not be subject to retirement by rotation while he continues to hold that office. The Articles also provide that the appointment of the Managing Director by the Board shall be for such period (except that where an appointment is for a fixed term such term shall not exceed five years) and upon such terms as they think fit.

## THE REMUNERATION COMMITTEE ("RC")

**Code Principle 7:** There should be a formal and transparent procedure for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

**Code Principle 8:** The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more for this purpose. A proportion of the remuneration, especially that of executive directors, should be linked to performance.

**Code Principle 9:** Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report.

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

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

The RC obtains advice in respect of executive remuneration matters, as and when required, from human resource advisers or consultants within and outside of the Group.

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

The breakdown (in percentage terms) of the Directors' remuneration for FY2004 paid or payable to the Directors by the Company and its subsidiaries is set out in Table 2 of this Report:

**Table 2: Directors' Remuneration**

	Base Salary*	Variable Bonuses/ Allowances*	Board/Committee Fees**	Other Benefits
	%	%	%	%
<b>Above \$2,500,000 up to \$2,750,000</b>				
Kwek Leng Beng ^	25	58	15	2
<b>Above \$2,250,000 up to \$2,500,000</b>				
Kwek Leng Joo ^	28	63	8	1
<b>\$250,000 and below</b>				
Tan I Tong ^	-	86	14	-
Chee Keng Soon	-	-	100	-
Sim Miah Kian ^	-	39	61	-
Chow Chiok Hock ^	-	73	27	-
Ong Pang Boon ^	-	-	100	-
Foo See Juan ^	-	-	100	-
Kwek Leng Peck ^	-	-	100	-
Han Vo-Ta	-	-	87	13
Tang See Chim	-	-	100	-

Notes:

- \* *The salary and variable bonuses/allowances are inclusive of employer's central provident fund contributions.*
- \*\* *These fees include Directors' fees for FY2004, which are subject to approval by shareholders as a lump sum at the 2005 Annual General Meeting, and Audit Committee fees for FY2004 that have already been approved by shareholders at previous Annual General Meetings.*
- ^ *Remuneration of these Directors includes remuneration paid or payable by subsidiaries of the Company.*

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

During FY2004, none of the Directors had immediate family members not disclosed above who were employees of the Company and whose personal annual remuneration exceeded \$150,000.

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

#### **THE AUDIT COMMITTEE ("AC")**

**Code Principle 11:** The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

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

Mr Chee Keng Soon	<i>Chairman</i>
Mr Foo See Juan	<i>Member</i>
Mr Han Vo-Ta	<i>Member</i>
Mr Tang See Chim	<i>Member</i>

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

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

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

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

The AC met with the internal and external auditors, each separately without the presence of management, once during the year. Having reviewed the nature and extent of the non-audit services provided to the Group by the external auditors for FY2004, the AC is of the opinion that the provision of such non-audit services would not affect the independence and objectivity of the external auditors.

# Corporate Governance

## INTERNAL AUDIT

**Code Principle 13:** The company should establish an internal audit function that is independent of the activities it audits.

Internal Audit plays an important role in monitoring an effective system of internal controls. To enable the effectiveness of the internal audit function, the internal auditors of the Company report to the Chairman of the AC and administratively to the Group General Manager of the Company. The internal auditors have been directed to meet or exceed the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The AC reviews the activities of the internal auditors on a quarterly basis and is satisfied that the internal audit function is independent of the activities which it audits; is adequately resourced; and has appropriate standing within the Group to perform its role effectively.

## Enterprise Risk Management

An enterprise risk management framework has been established by management since 2002 to enable significant business risks within the Group's current business environment to be identified, assessed, monitored, managed and evaluated. As part of the on-going risk management process, management conducts a risk assessment and evaluation; considers the adoption of adequate and cost-effective system of internal controls to mitigate significant business risks; and provides for significant risks to be managed through regular reviews by management and the Board or Committees. The AC has reviewed the Group's risk management processes and procedures and is satisfied that there are adequate internal controls in place to manage the significant risks identified.

## Interested Person Transactions

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

Interested Persons	Aggregate value of all interested person transactions conducted in FY2004 (excluding transactions less than \$100,000 and transactions conducted under the IPT Mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted in FY2004 under the IPT Mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Hong Leong Investment Holdings Pte. Ltd. group of companies	\$19,784,045.00*	Property-related: \$2,465,880.00 (leases, property maintenance and carpark management services)  Financial and Treasury-related: \$296,224.00 (inter-company loans)  <b>Total: \$2,762,104.00</b>
Directors and their immediate family members	\$120,000.00	Nil

\* Being the aggregate value of shareholders' loans extended to joint ventures involving interested persons, and where applicable, interest accrued, in FY2004, which were announced pursuant to Rule 916(3) but not required to be aggregated for purposes of Rule 906.

The above transactions were carried out on normal commercial terms and were not prejudicial to the interests of the Company and its minority shareholders.

On 29 May 2003, the Company obtained shareholders' approval for the Company, its subsidiaries and its associated companies not listed on the SGX-ST or an approved exchange, over which the Company, its subsidiaries and/or interested persons have control, to enter into transactions within the categories of Interested Person Transactions set out in the Company's circular to shareholders dated 28 April 2003, with such persons within the class or classes of Interested Persons as described in the said circular, provided that such transactions are entered into in accordance with the review procedures set out in the said circular (the "IPT Mandate"). The IPT Mandate was renewed by shareholders on 29 April 2004 and given that such Interested Person Transactions are expected to occur with some degree of frequency and may arise at any time, and to allow the Group to undertake such transactions in an expeditious manner, shareholders' approval will be sought at the coming Annual General Meeting of the Company for the renewal of the IPT Mandate.

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

#### **THE BOARD COMMITTEE**

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

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

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

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

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

#### **FINANCIAL REPORTING AND INTERNAL CONTROLS**

**Code Principle 10:** The Board is accountable to the shareholders while the Management is accountable to the Board.

**Code Principle 12:** The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

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

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



# Corporate Governance

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

## COMMUNICATION WITH SHAREHOLDERS

**Code Principle 14:** Companies should engage in regular, effective and fair communication with shareholders.

**Code Principle 15:** Companies should encourage greater shareholder participation at AGMs and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company announces its quarterly and full-year results within the mandatory period. Material and price-sensitive information is publicly released via SGXNET on timely basis. All shareholders of the Company receive the summary report and/or annual report of the Company and the notice of the Annual General Meeting, which notice is also advertised in the press and released via SGXNET. Shareholders and investors can access information on the Company at its website at [www.cdl.com.sg](http://www.cdl.com.sg) which provides, *inter alia*, corporate announcements, press releases and the latest financial results as disclosed by the Company on SGXNET. From time to time, the Company's senior management may consider holding briefings with analysts and the media to coincide with the release of the Group's half-year and full-year results.

At general meetings of the Company, shareholders are given the opportunity to communicate their views and ask the Directors and the management questions regarding matters affecting the Company. The chairman of the AC, NC and RC and the external auditors were present at the last Annual General Meeting, and will endeavour as far as reasonably practicable to be present at the coming Annual General Meeting to address, and assist the Directors in addressing, queries raised by the shareholders.

In accordance with the Articles of Association of the Company, shareholders may appoint one or two proxies to attend and vote at the general meetings in their absence. CPF investors of the Company's securities may attend shareholders' meetings as observers provided they have submitted their requests to do so with their agent banks within a specified timeframe.

## BUSINESS AND ETHICAL CONDUCT

The Company has an Internal Code of Business and Ethical Conduct crystallising the Company's business principles and practices with respect to matters which may have ethical implications. The Code provides a communicable and understandable framework for staff to observe the Company's principles such as honesty, integrity, responsibility and accountability at all levels of the organisation and in the conduct of the Company's business in their relationships with customers, suppliers and amongst employees. Employees have a right to raise concerns about any real or apparent breaches of any of these principles directly with senior management or with the Head of Internal Audit.

## DEALINGS IN SECURITIES

The Company has adopted an internal code on securities trading which provides guidance and internal regulation with regard to dealings in the Company's securities by its Directors and officers that is modeled on the Best Practices Guide issued by the SGX-ST on securities dealing. These guidelines prohibit dealing in the Company's securities while in possession of unpublished material price-sensitive information in relation to such securities and during the "closed period", which is defined as two weeks before the date of announcement of results for each of the first three quarters of the Company's financial year and one month before the date of announcement of the full-year financial results.



**financial contents**

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# Directors' Report

We are pleased to submit this report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2004.

## Directors

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

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

## Principal Activities

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

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

## Arrangements to Enable Directors to Acquire Shares or Debentures

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

## Directors' Interests in Shares or Debentures

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

# Directors' Report

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

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, share options and/or warrants in the Company and in related corporations are as follows:

	Holdings in which the director, his spouse and infant children have a direct interest	
	At beginning of the year	At end of the year
<b>The Company</b>		
<b>Shares of \$0.50 each</b>		
Kwek Leng Beng	361,115	361,115
Kwek Leng Joo	59,510	59,510
Tan I Tong	37,865	37,865
Sim Miah Kian	189,120	189,120
Kwek Leng Peck	43,758	43,758
Tang See Chim	10,000	10,000
<b>Warrants 2006</b>		
Kwek Leng Beng	–	36,110
Kwek Leng Joo	–	5,951
Tan I Tong	–	3,786
Sim Miah Kian	–	18,911
Tang See Chim	–	1,000
<b>Preference Shares of \$0.05 each</b>		
Kwek Leng Beng	–	144,445
Kwek Leng Joo	–	100,000
Tan I Tong	–	15,146
Sim Miah Kian	–	75,648
Tang See Chim	–	4,000
<b>Immediate and Ultimate Holding Company</b>		
<b>Hong Leong Investment Holdings Pte. Ltd.</b>		
<b>Shares of \$100 each</b>		
Kwek Leng Beng	2,320	2,320
Kwek Leng Joo	1,290	1,290
Kwek Leng Peck	304	304

# Directors' Report

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

	Holdings in which the director, his spouse and infant children have a direct interest	
	At beginning of the year	At end of the year
<b>Subsidiaries</b>		
<b>City e-Solutions Limited</b>		
<b>Shares of HK\$1 each</b>		
Kwek Leng Beng	3,286,980	3,286,980
Kwek Leng Joo	1,436,000	1,436,000
Tan I Tong	287,200	287,200
Kwek Leng Peck	2,082,200	2,082,200
Foo See Juan	8,363	8,363
<b>CDL Hotels New Zealand Limited</b>		
<b>Shares with no par value</b>		
Kwek Leng Beng	3,000,000	3,000,000
<b>Related Corporations</b>		
<b>Hong Leong Finance Limited</b>		
<b>Shares of \$1 each</b>		
Kwek Leng Beng	4,603,567	4,603,567
Kwek Leng Joo	703,610	703,610
Tan I Tong	329,410	704,410
Sim Miah Kian	2,086,019	2,026,019
Kwek Leng Peck	517,359	517,359
Foo See Juan	44,981	22,981
<b>Options to subscribe for the following number of shares of \$1 each under the Hong Leong Finance Share Option Scheme 2001</b>		
Kwek Leng Beng	1,000,000	1,360,000
Tan I Tong	375,000	–
Sim Miah Kian	160,000	–



# Directors' Report

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

	Holdings in which the director, his spouse and infant children have a direct interest	
	At beginning of the year	At end of the year
<b>Related Corporations (cont'd)</b>		
<b>Hong Leong Holdings Limited</b>		
<b>Shares of \$1 each</b>		
Kwek Leng Beng	259,000	259,000
Kwek Leng Joo	210,000	210,000
Tan I Tong	1,000	1,000
Chow Chiok Hock	1,000	1,000
Kwek Leng Peck	381,428	381,428
<b>Hong Leong Asia Ltd.</b>		
<b>Shares of \$0.20 each</b>		
Tan I Tong	1,000	1,000
Kwek Leng Peck	–	660,000
<b>Options to subscribe for the following number of shares of \$0.20 each under the Hong Leong Asia Share Option Scheme 2000</b>		
Kwek Leng Beng	600,000	660,000
Kwek Leng Peck	1,000,000	440,000
<b>Hong Realty (Private) Limited</b>		
<b>Shares of \$1,000 each</b>		
Kwek Leng Beng	1,110	1,110
Kwek Leng Joo	510	510
Kwek Leng Peck	150	150
<b>Euroform (S) Pte. Limited</b>		
<b>Shares of \$1 each</b>		
Kwek Leng Joo	50,000	50,000
<b>Sun Yuan Holdings Pte Ltd</b>		
<b>Shares of \$0.20 each</b>		
Kwek Leng Beng	15,000,000	15,000,000
<b>Hong Leong-Summit Pte Ltd</b>		
<b>Shares of \$1 each</b>		
Han Vo-Ta	920,000	920,000

# Directors' Report

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

	Other holdings in which the director is deemed to have an interest	
	At beginning of the year	At end of the year
<b>Immediate and Ultimate Holding Company</b>		
<b>Hong Leong Investment Holdings Pte. Ltd.</b> Shares of \$100 each		
Kwek Leng Beng	68,596	68,596
<b>Related Corporation</b>		
<b>Sun Yuan Holdings Pte Ltd</b> Shares of \$0.20 each		
Tan I Tong	10,875,000	10,875,000

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2005.

## Directors' Interests in Contracts

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

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

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

# Directors' Report

## Share Options

### **By the Company**

The City Developments Share Option Scheme 2001 (the CDL Scheme) which was approved by members of the Company on 30 January 2001 is administered by a committee comprising the following members:

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

Details of the CDL Scheme were set out in the Directors' Report for the year ended 31 December 2000.

### **By Subsidiaries**

#### **Target Realty Limited (TRL)**

The Target Realty Share Option Scheme 2001 was terminated at the Annual General Meeting of TRL held on 27 April 2004.

#### **Millennium & Copthorne Hotels plc**

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

## Share Options Granted

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

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

### **Millennium & Copthorne Hotels plc – Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme, Millennium & Copthorne Hotels Executive Share Option Scheme and Millennium & Copthorne Hotels Sharesave Scheme**

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

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

<b>Date granted</b>	<b>Granted during the year</b>	<b>Exercise price per share £</b>	<b>Exercise period</b>
<b>Part I</b> 16.03.2004	82,617	2.9167	16.03.2007 – 15.03.2014

# Directors' Report

## Share Options Granted (cont'd)

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

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

Date granted	Granted during the year	Exercise price per share £	Exercise period
<b>Part II</b>			
16.03.2004	729,710	2.9167	16.03.2007 – 15.03.2014

(ii) Millennium & Copthorne Hotels Executive Share Option Scheme

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

(iii) Millennium & Copthorne Hotels Sharesave Scheme

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

Date granted	Granted during the year	Exercise price per share £	Exercise period
20.04.2004	67,241	2.3400	01.07.2007 – 01.01.2008
20.04.2004	31,152	2.3400	01.07.2009 – 01.01.2010

## Share Options Exercised

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

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

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

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

7,752 ordinary shares of £0.30 each in Millennium & Copthorne Hotels plc were issued at the following exercise price following the exercise of the subscription rights as set out in the Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme:

# Directors' Report

## Share Options Exercised (cont'd)

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

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

Exercised during the year	Exercise price per share £
<b>Part I</b> 7,752	1.9350

687,440 ordinary shares of £0.30 each in Millennium & Copthorne Hotels plc were issued at the following exercise prices following the exercise of the subscription rights as set out in the Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme:

Exercised during the year	Exercise price per share £
<b>Part II</b> 660,012	1.9350
27,428	2.9167

(ii) Millennium & Copthorne Hotels plc Executive Share Option Scheme

18,509 ordinary shares of £0.30 each in Millennium & Copthorne Hotels plc were issued at the following exercise prices following the exercise of the subscription rights as set out in the Millennium & Copthorne Hotels Executive Share Option Scheme:

Exercised during the year	Exercise price per share £
<b>Part A</b> 1,143	2.4830
<b>Part B</b> 17,366	3.2250

(iii) Millennium & Copthorne Hotels Sharesave Scheme

19,492 ordinary shares of £0.30 each in Millennium & Copthorne Hotels plc were issued at the following exercise prices following the exercise of the subscription rights as set out in the Millennium & Copthorne Hotels Sharesave Scheme:

Exercised during the year	Exercise price per share £
14,821	3.1360
1,002	2.9200
3,669	1.5040



# Directors' Report

## Unissued Shares Under Option

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

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

### **Millennium & Copthorne Hotels plc – Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme, Millennium & Copthorne Hotels Executive Share Option Scheme and Millennium & Copthorne Hotels Sharesave Scheme**

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

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

Date granted	Balance at beginning of year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of year	Exercise price per share £	Exercise period
<b>Part I</b>							
10.03.2003	102,580	–	7,752	15,503	79,325	1.9350	10.03.2006 - 09.03.2013
16.03.2004	–	82,617	–	20,568	62,049	2.9167	16.03.2007 - 15.03.2014
<b>Part II</b>							
10.03.2003	2,106,137	–	660,012	247,660	1,198,465	1.9350	10.03.2006 - 09.03.2013
16.03.2004	–	729,710	27,428	33,173	669,109	2.9167	16.03.2007 - 15.03.2014
	<b>2,208,717</b>	<b>812,327</b>	<b>695,192</b>	<b>316,904</b>	<b>2,008,948</b>		

# Directors' Report

## Unissued Shares Under Option (cont'd)

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

#### (ii) Millennium & Copthorne Hotels Executive Share Option Scheme

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

Date granted	Balance at beginning of year	Exercised during the year	Forfeited during the year	Balance at end of year	Exercise price per share £	Exercise period
<b>Part A</b>						
24.04.1996	1,143	1,143	–	–	2.4830	24.04.1999 - 23.04.2006
05.03.1998	13,018	–	6,509	6,509	4.6087	05.03.2001 - 04.03.2008
05.03.1999	4,139	–	4,139	–	4.8321	05.03.2002 - 04.03.2009
19.11.1999	7,526	–	–	7,526	3.9856	19.11.2002 - 18.11.2009
17.03.2000	27,812	–	18,857	8,955	3.3500	17.03.2003 - 16.03.2010
23.10.2000	7,594	–	–	7,594	3.9500	23.10.2003 - 22.10.2010
20.03.2001	75,856	–	20,688	55,168	4.3500	20.03.2004 - 19.03.2011
15.03.2002	101,234	–	4,651	96,583	3.2250	15.03.2005 - 14.03.2012
	238,322	1,143	54,844	182,335		
<b>Part B</b>						
07.03.1997	108,156	–	108,156	–	3.6084	07.03.2000 - 06.03.2004
05.03.1998	117,158	–	101,972	15,186	4.60875	05.03.2001 - 04.03.2005
02.04.1998	53,738	–	25,908	27,830	4.9527	02.04.2001 - 01.04.2005
05.03.1999	145,624	–	105,188	40,436	4.8321	05.03.2002 - 04.03.2006
19.11.1999	47,670	–	–	47,670	3.9856	19.11.2002 - 18.11.2006
17.03.2000	338,357	–	215,732	122,625	3.3500	17.03.2003 - 16.03.2007
23.10.2000	5,570	–	–	5,570	3.9500	23.10.2003 - 22.10.2007
14.03.2001	248,235	–	128,004	120,231	4.3250	14.03.2004 - 13.03.2008
20.03.2001	233,839	–	100,688	133,151	4.3500	20.03.2004 - 19.03.2008
04.12.2001	153,787	–	–	153,787	2.7350	04.12.2004 - 03.12.2008
15.03.2002	541,689	17,366	128,684	395,639	3.2250	15.03.2005 - 14.03.2009
	1,993,823	17,366	914,332	1,062,125		

# Directors' Report

## Unissued Shares Under Option (cont'd)

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

(iii) Millennium & Copthorne Hotels Sharesave Scheme

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

Date granted	Balance at beginning of year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of year	Exercise price per share £	Exercise period
05.05.1998	15,090	–	–	15,090	–	3.97466	01.07.2003 - 01.01.2004
05.05.1999	15,192	–	–	1,566	13,626	3.86748	01.07.2004 - 01.01.2005
09.05.2000	42,932	–	–	42,932	–	3.10000	01.07.2003 - 01.01.2004
09.05.2000	19,021	–	–	2,176	16,845	3.10000	01.07.2005 - 01.01.2006
08.05.2001	57,554	–	14,821	13,836	28,897	3.13600	01.07.2004 - 01.01.2005
08.05.2001	29,262	–	–	6,456	22,806	3.13600	01.07.2006 - 01.01.2007
21.05.2002	54,952	–	1,002	12,913	41,037	2.92000	01.07.2005 - 01.01.2006
21.05.2002	33,540	–	–	9,293	24,247	2.92000	01.07.2007 - 01.01.2008
28.04.2003	189,581	–	3,669	59,275	126,637	1.50400	01.07.2006 - 01.01.2007
28.04.2003	165,763	–	–	22,713	143,050	1.50400	01.07.2008 - 01.01.2009
20.04.2004	–	67,241	–	3,222	64,019	2.34000	01.07.2007 - 01.01.2008
20.04.2004	–	31,152	–	–	31,152	2.34000	01.07.2009 - 01.01.2010
	622,887	98,393	19,492	189,472	512,316		

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

## Ability to Meet Obligations

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

## Other Circumstances Affecting the Financial Statements

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

# Directors' Report

## Unusual Items

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

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

## Audit Committee

The Audit Committee comprises 4 non-executive members of the Board, all of whom are independent. The members of the Audit Committee at the date of this report are:

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

The Audit Committee met 8 times during the financial year ended 31 December 2004 and performs the functions set out in Section 201B(5) of the Companies Act, Chapter 50. In performing its functions, the Audit Committee reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Group's system of internal controls. The Audit Committee also reviewed the consolidated financial statements and the financial statements of the Company for the financial year ended 31 December 2004 as well as the auditors' reports thereon.

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

## Auditors

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

On behalf of the Board of Directors

**KWEK LENG BENG**  
Executive Chairman

**KWEK LENG JOO**  
Managing Director

**Singapore**  
28 February 2005

# Statement by Directors

In our opinion:

- (a) the financial statements set out on pages 60 to 160 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 2004 and of the results, changes in equity and cash flows of the Group and of the changes in equity of the Company for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

On behalf of the Board of Directors

**KWEK LENG BENG**

Executive Chairman

**KWEK LENG JOO**

Managing Director

**Singapore**

28 February 2005



# Report of the Auditors

## To the Members of City Developments Limited

We have audited the accompanying financial statements of City Developments Limited for the year ended 31 December 2004 as set out on pages 60 to 160. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion:

- (a) the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2004 and of the results, changes in equity and cash flows of the Group and of the changes in equity of the Company for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

### **KPMG**

Certified Public Accountants

### **Singapore**

28 February 2005

# Balance Sheets

## as at 31 December 2004

	Note	Group		Company	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	3	8,891,410	9,145,659	580,938	664,638
Investments in subsidiaries	4	–	–	2,201,407	2,204,934
Investments in associated companies	5	1,241	1,383	–	–
Investments in jointly controlled entities	6	235,631	246,029	67,880	68,495
Financial assets	7	31,301	25,432	15,546	15,546
Deferred financial charges	8	8,549	13,368	535	397
Intangible assets	9	295	298	–	–
Other non-current assets	10	81,839	111,010	57,535	60,714
		<b>9,250,266</b>	9,543,179	<b>2,923,841</b>	3,014,724
<b>Current assets</b>					
Development properties	11	1,944,358	2,237,893	1,599,119	1,861,622
Consumable stocks		13,508	13,159	1,061	1,159
Financial assets	7	35,642	30,158	–	–
Trade and other receivables	12	700,959	663,264	969,549	687,134
Cash and cash equivalents	15	827,834	571,400	385,282	255,477
		<b>3,522,301</b>	3,515,874	<b>2,955,011</b>	2,805,392
<b>Current liabilities</b>					
Bank overdrafts	15	(2,171)	(4,511)	–	–
Trade and other payables	16	(688,222)	(668,332)	(983,698)	(834,779)
Bank loans	17	(18,306)	(44,865)	(18,306)	(44,082)
Current portion of long-term liabilities	18	(817,126)	(367,906)	(48,876)	(125,000)
Bonds and notes - repayable within 12 months	22	(584,440)	(321,075)	(170,000)	(120,000)
Employee benefits	24	(14,566)	(11,861)	(1,153)	(1,112)
Provision for taxation		(115,173)	(76,308)	(35,065)	(15,081)
Provisions	25	(497)	(6,383)	–	–
		<b>(2,240,501)</b>	(1,501,241)	<b>(1,257,098)</b>	(1,140,054)
<b>Net current assets</b>		<b>1,281,800</b>	2,014,633	<b>1,697,913</b>	1,665,338
<b>Balance carried forward</b>		<b>10,532,066</b>	11,557,812	<b>4,621,754</b>	4,680,062

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

# Balance Sheets

## as at 31 December 2004

	Note	Group		Company	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Balance brought forward</b>		<b>10,532,066</b>	11,557,812	<b>4,621,754</b>	4,680,062
<b>Non-current liabilities</b>					
Interest-bearing loans and other liabilities	23	<b>(2,631,581)</b>	(4,160,705)	<b>(944,067)</b>	(1,083,824)
Employee benefits	24	<b>(17,291)</b>	(16,125)	–	–
Provisions	25	<b>(9,830)</b>	(10,839)	–	–
Deferred tax liabilities	32	<b>(670,222)</b>	(698,120)	<b>(10,906)</b>	(24,177)
		<b>(3,328,924)</b>	(4,885,789)	<b>(954,973)</b>	(1,108,001)
<b>Minority interests</b>		<b>(2,252,438)</b>	(2,069,015)	–	–
<b>Net assets</b>		<b>4,950,704</b>	4,603,008	<b>3,666,781</b>	3,572,061
Share capital	26	<b>452,541</b>	413,593	<b>452,541</b>	413,593
Reserves	28	<b>4,498,163</b>	4,189,415	<b>3,214,240</b>	3,158,468
<b>Shareholders' equity</b>		<b>4,950,704</b>	4,603,008	<b>3,666,781</b>	3,572,061

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

# Consolidated Profit and Loss Account

Year ended 31 December 2004

	Note	2004 \$'000	2003 \$'000
Revenue	29	2,380,097	2,325,976
Cost of sales		(1,189,466)	(1,327,036)
Gross profit		1,190,631	998,940
Other operating income	30	52,243	64,896
Administrative expenses		(415,381)	(405,246)
Other operating expenses		(434,058)	(389,696)
<b>Profit from operations</b>	30	<b>393,435</b>	268,894
Finance costs	31	(170,882)	(162,375)
<b>Profit before share of results of associated companies and jointly controlled entities</b>		<b>222,553</b>	106,519
Share of loss of associated companies		(72)	(78)
Share of profit of jointly controlled entities		194,973	107,376
<b>Profit from ordinary activities before taxation</b>		<b>417,454</b>	213,817
Income tax expense	32	(67,524)	(30,404)
<b>Profit from ordinary activities after taxation</b>		<b>349,930</b>	183,413
Minority interests		(147,087)	(31,131)
<b>Net profit for the year</b>		<b>202,843</b>	152,282
<b>Earnings per share</b>	33		
- Basic		24.10 cents	18.78 cents
- Fully diluted		22.79 cents	18.78 cents

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

# Consolidated Statement of Changes in Equity

## Year ended 31 December 2004

	Note	Share capital \$'000	Share premium \$'000	Capital reserve \$'000	Asset revaluation reserve \$'000	Exchange fluctuation reserve \$'000	Accumulated profits \$'000	Total \$'000
<b>Group</b>								
At 1 January 2003		400,511	945,032	148,143	–	114,935	2,253,550	3,862,171
Surplus on revaluation of hotel properties arising from change in accounting policy		–	–	–	436,467	–	–	436,467
Exchange differences arising on consolidation of foreign subsidiaries		–	–	–	24,959	50,956	–	75,915
Issue of ordinary shares	26	13,082	110,387	–	–	–	–	123,469
Exchange differences arising on foreign currency liabilities (net of repayment) accounted for as a hedge of net investments in foreign entities		–	–	–	–	(436)	–	(436)
Net profit for the year		–	–	–	–	–	152,282	152,282
Dividends	37	–	–	–	–	–	(46,860)	(46,860)
At 31 December 2003		413,593	1,055,419	148,143	461,426	165,455	2,358,972	4,603,008
Surplus on revaluation of hotel properties		–	–	–	85,577	–	–	85,577
Realised revaluation reserve transferred to accumulated profits		–	–	–	(23,878)	–	23,878	–
Transfer of depreciation on revaluation surplus		–	–	–	(1,647)	–	1,647	–
Exchange differences arising on consolidation of foreign subsidiaries		–	–	–	(6,151)	9,601	–	3,450
Issue of ordinary shares	26	22,404	89,618	–	–	–	–	112,022
Issue of preference shares (net of expenses)	26	16,544	313,674	–	–	–	–	330,218
Exchange differences arising on foreign currency liabilities (net of repayment) accounted for as a hedge of net investments in foreign entities		–	–	–	–	1,339	–	1,339
Net profit for the year		–	–	–	–	–	202,843	202,843
Dividends	37	–	–	–	–	–	(387,753)	(387,753)
At 31 December 2004		452,541	1,458,711	148,143	515,327	176,395	2,199,587	4,950,704

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



# Statement of Changes in Equity

Year ended 31 December 2004

	Note	Share capital \$'000	Share premium \$'000	Capital reserve \$'000	Asset revaluation reserve \$'000	Exchange fluctuation reserve \$'000	Accumulated profits \$'000	Total \$'000
<b>Company</b>								
At 1 January 2003		400,511	931,910	63,743	–	(679)	2,074,069	3,469,554
Surplus on revaluation of a hotel property arising from change in accounting policy		–	–	–	855	–	–	855
Issue of ordinary shares	26	13,082	110,387	–	–	–	–	123,469
Exchange differences arising on foreign currency liabilities (net of repayment) accounted for as a hedge of net investments in foreign entities		–	–	–	–	(144)	–	(144)
Net profit for the year		–	–	–	–	–	25,187	25,187
Dividends	37	–	–	–	–	–	(46,860)	(46,860)
At 31 December 2003		413,593	1,042,297	63,743	855	(823)	2,052,396	3,572,061
Issue of ordinary shares	26	22,404	89,618	–	–	–	–	112,022
Issue of preference shares (net of expenses)	26	16,544	313,674	–	–	–	–	330,218
Exchange differences arising on foreign currency liabilities (net of repayment) accounted for as a hedge of net investments in foreign entities		–	–	–	–	688	–	688
Net profit for the year		–	–	–	–	–	39,545	39,545
Dividends	37	–	–	–	–	–	(387,753)	(387,753)
At 31 December 2004		452,541	1,445,589	63,743	855	(135)	1,704,188	3,666,781

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

# Consolidated Statement of Cash Flows

Year ended 31 December 2004

	Note	2004 \$'000	2003 \$'000
<b>Operating activities</b>			
Profit from ordinary activities before taxation		417,454	213,817
Adjustments for:			
Amortisation		7,125	6,788
Depreciation		166,702	166,355
Deferred financial charges and intangible assets written off		136	32
Property, plant and equipment written off		411	466
Profit on sale of property, plant and equipment		(10,746)	(9,755)
Share of loss of associated companies		72	78
Share of profit of jointly controlled entities		(194,973)	(107,376)
Interest income		(33,281)	(26,985)
Finance costs		170,882	162,375
Dividend income		(4,973)	(8,704)
Allowance for diminution in value of investments written back (net)		(975)	(1,772)
Allowance for foreseeable losses on development properties made (net)		12,616	47,574
Allowance for doubtful debts made (net)		397	16,137
Impairment losses for property, plant and equipment		49,317	13,522
		<b>580,164</b>	<b>472,552</b>
Operating profit before working capital changes			
Changes in working capital:			
Development properties		388,003	(85,153)
Stocks, trade and other receivables		(48,196)	27,034
Related corporations		12,886	67,773
Trade and other payables		4,487	(10,966)
Employee benefits		3,502	1,128
		<b>940,846</b>	<b>472,368</b>
Cash generated from operations			
Income tax paid		(47,180)	(69,150)
		<b>893,666</b>	<b>403,218</b>
<b>Cash flows from operating activities</b>			
<b>Investing activities</b>			
Purchase of property, plant and equipment		(112,264)	(109,544)
Proceeds from sale of property, plant and equipment		122,177	20,303
Increase in deferred financial charges and intangible assets		(2,614)	(873)
Decrease in investments in jointly controlled entities		26,634	2,198
Payment of deferred consideration <sup>(1)</sup>		-	(71,707)
Cash flow on acquisition of subsidiaries (net of cash)	36	-	(51,621)
Increase in financial assets		(10,139)	(8,386)
Interest received (including amounts capitalised as property, plant and equipment and development properties)		33,413	27,149
Dividends received			
- investments		4,973	8,704
- jointly controlled entities		292,816	45,460
		<b>354,996</b>	<b>(138,317)</b>
<b>Cash flows from investing activities</b>			
		<b>1,248,662</b>	<b>264,901</b>
<b>Balance carried forward</b>			

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

# Consolidated Statement of Cash Flows

Year ended 31 December 2004

	Note	2004 \$'000	2003 \$'000
<b>Balance brought forward</b>		<b>1,248,662</b>	264,901
<b>Financing activities</b>			
Proceeds from issue of shares (net of expenses)		<b>442,240</b>	–
Capital contribution to minority shareholders		<b>(28,271)</b>	(60,076)
Proceeds from term loans		<b>647,351</b>	210,186
Repayment of term loans		<b>(1,520,974)</b>	(319,286)
Repayment to finance lease creditors		<b>(4,913)</b>	(31,932)
Increase in finance lease		<b>5</b>	–
Proceeds from issuance of bonds and notes		<b>486,711</b>	379,304
Repayment of bonds and notes		<b>(411,096)</b>	(190,533)
Decrease in other long-term liabilities		<b>(2,531)</b>	(5,006)
Repayment of bank loans		<b>(26,450)</b>	(63,978)
Payment of interest on deferred consideration <sup>(1)</sup>		<b>–</b>	(13,551)
Dividends paid		<b>(387,753)</b>	(46,860)
Interest paid (including amounts capitalised as property, plant and equipment and development properties)		<b>(184,187)</b>	(177,619)
<b>Cash flows from financing activities</b>		<b>(989,868)</b>	(319,351)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>258,794</b>	(54,450)
Exchange differences arising on translation of foreign subsidiaries' cash and cash equivalents		<b>(20)</b>	11,532
Cash and cash equivalents at the beginning of the year		<b>566,889</b>	609,807
<b>Cash and cash equivalents at the end of the year</b>	15	<b>825,663</b>	566,889

Note:

<sup>(1)</sup> Deferred Consideration

In December 1999, a subsidiary of the Group acquired a number of hotels in USA and, under the terms of the acquisitions, US\$45.0 million (plus interest) of the consideration for these hotels was deferred for a period of two years. This consideration was not paid when it originally fell due in December 2001 pending adequate financial assurances that the vendor could honour its indemnity obligations under the terms of the agreement. The parties have now reached agreement and a total of US\$48.8 million (S\$85.3 million) was paid during 2003. The full amount had already been fully provided for by the subsidiary of the Group.

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

# Notes to the Financial Statements

31 December 2004

*These notes form an integral part of the financial statements.*

The financial statements were authorised for issue by the directors on 28 February 2005.

## 1. Domicile and Activities

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

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

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

The consolidated financial statements for the year ended 31 December 2004 relate to the Company and its subsidiaries (referred to as the Group) and the Group's interests in associated companies and jointly controlled entities.

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

## 2. Summary of Significant Accounting Policies

### 2.1 Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (FRS) including related Interpretations promulgated by the Council on Corporate Disclosure and Governance.

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

### 2.2 Consolidation

#### Subsidiaries

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

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

Assets and liabilities of foreign subsidiaries are translated into Singapore dollars at the rates of exchange ruling at the balance sheet date whilst the results are translated into Singapore dollars at the average exchange rates for the year. Goodwill and fair value adjustments arising from the acquisition of foreign subsidiaries are translated into Singapore dollars at the rates of exchange prevailing at the date of transaction. Translation differences arising therefrom are taken directly to the exchange fluctuation reserve. On disposal, the accumulated translation differences are recognised in the consolidated profit and loss account as part of the gain or loss on disposal.

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

# Notes to the Financial Statements

31 December 2004

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

### 2.2 Consolidation (cont'd)

#### Subsidiaries (cont'd)

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

#### Associated companies and jointly controlled entities

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

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

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

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

#### Transactions eliminated on consolidation

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

#### Disposals

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

### 2.3 Property, plant and equipment

#### Owned assets

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

# Notes to the Financial Statements

31 December 2004

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

### 2.3 Property, plant and equipment (cont'd)

#### Owned assets (cont'd)

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

#### Subsequent expenditure

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

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

#### Disposals

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

#### Leased assets

Leases in terms of which the Group assumes substantially all risks and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at an amount equal to the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against the profit and loss account. Capitalised leased assets are depreciated over the shorter of the economic useful life of the asset and the lease term.

#### Depreciation

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

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

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

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



# Notes to the Financial Statements

31 December 2004

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

### 2.4 Intangible assets

#### Goodwill

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

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

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

#### Negative goodwill

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

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

#### Other intangible assets

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

#### Subsequent expenditure

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

#### Amortisation

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

# Notes to the Financial Statements

31 December 2004

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

### 2.5 Subsidiaries

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

### 2.6 Associated companies and jointly controlled entities

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

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

### 2.7 Financial assets

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

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

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

### 2.8 Deferred financial charges

Deferred financial charges comprise:

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

### 2.9 Development properties

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

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

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

### 2.10 Consumable stocks

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

# Notes to the Financial Statements

31 December 2004

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

### 2.11 Trade and other receivables

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

### 2.12 Related parties

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

### 2.13 Impairment

The carrying amounts of the Group's assets, other than consumable stocks, development properties and financial assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss is charged to the profit and loss account unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss in respect of hotel properties carried at revalued amount is recognised in the same way as a revaluation increase.

### 2.14 Employee benefits

#### Defined contribution plans

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

#### Defined benefit plans

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

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

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

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

# Notes to the Financial Statements

31 December 2004

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

### 2.14 Employee benefits (cont'd)

#### *Short-term accumulating compensated absences*

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

#### *Employee share options*

No compensation cost or obligation is recognised when share options are issued under employee incentive programmes. When the options are exercised, equity is increased by the amount of the proceeds received.

### 2.15 Provisions

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

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

### 2.16 Deferred taxation

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

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

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

# Notes to the Financial Statements

31 December 2004

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

### 2.17 Revenue recognition

#### *Sale of properties*

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

#### *Rental, car park and interest income*

Rental, car park and interest income are recognised on an accrual basis.

#### *Hotel income*

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

#### *Dividends*

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

### 2.18 Finance costs

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

### 2.19 Foreign currencies

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

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

# Notes to the Financial Statements

31 December 2004

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

### **2.20 Segment reporting**

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

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

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

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

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

### **2.21 Operating leases**

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the profit and loss account on a straight line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease payments made. Contingent rents are charged to the profit and loss account in the accounting period in which they are incurred.



# Notes to the Financial Statements

31 December 2004

## 3. Property, Plant and Equipment

	Freehold land and buildings \$'000	Leasehold land and buildings \$'000	Freehold properties \$'000	Leasehold properties \$'000
<b>Group</b>				
<b>Cost or valuation</b>				
At 1 January 2004	4,975,622	2,480,596	527,971	1,034,854
Additions	3,705	1,081	653	–
Disposals	(5,852)	(68)	(101,309)	(129)
Written off during the year	–	(233)	–	–
Reclassifications	–	–	8,989	–
Surplus on revaluation	27,193	2,320	–	–
Transfer from/(to) current assets	20,586	362	4,609	–
Reversal of depreciation on revaluation	(4,915)	(186)	–	–
Exchange differences on translation	12,933	25,513	(6,650)	(60)
At 31 December 2004	5,029,272	2,509,385	434,263	1,034,665
<b>Accumulated depreciation and impairment losses</b>				
At 1 January 2004	97,233	139,767	108,402	238,289
Charge for the year	30,122	23,509	6,593	17,408
Disposals	(323)	(6)	(2,194)	–
Impairment losses	33,132	9,859	–	6,326
Written off during the year	–	(86)	–	–
Reversal of depreciation on revaluation	(4,915)	(186)	–	–
Exchange differences on translation	(2,689)	133	(19)	(60)
At 31 December 2004	152,560	172,990	112,782	261,963
Depreciation charge for 2003	29,061	22,741	7,497	17,213
<b>Carrying amount</b>				
At 31 December 2004	4,876,712	2,336,395	321,481	772,702
At 31 December 2003	4,878,389	2,340,829	419,569	796,565

During the year, interest capitalised as cost of property, plant and equipment amounted to \$298,000 (2003: \$872,000).

# Notes to the Financial Statements

31 December 2004

Freehold properties under development \$'000	Furniture, fittings, plant and equipment and improvements \$'000	Motor vehicles \$'000	Chinaware, glassware, linen and utensils \$'000	Construction and renovation-in-progress \$'000	Total \$'000
210,256	579,527	7,549	46,700	18,837	9,881,912
25,560	55,044	1,795	210	24,514	112,562
–	(16,104)	(1,472)	(31)	(1,169)	(126,134)
–	(15,982)	–	(3)	–	(16,218)
(8,989)	16,240	–	–	(16,240)	–
–	–	–	–	–	29,513
(116,453)	254	–	297	–	(90,345)
–	–	–	–	–	(5,101)
(3,954)	(16,186)	(34)	(59)	(56)	11,447
106,420	602,793	7,838	47,114	25,886	9,797,636
–	147,292	5,270	–	–	736,253
–	88,025	1,045	–	–	166,702
–	(10,893)	(1,287)	–	–	(14,703)
–	–	–	–	–	49,317
–	(15,721)	–	–	–	(15,807)
–	–	–	–	–	(5,101)
–	(7,764)	(36)	–	–	(10,435)
–	200,939	4,992	–	–	906,226
–	88,971	872	–	–	166,355
106,420	401,854	2,846	47,114	25,886	8,891,410
210,256	432,235	2,279	46,700	18,837	9,145,659

# Notes to the Financial Statements

31 December 2004

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

	Freehold land and buildings \$'000	Leasehold land and building \$'000	Freehold properties \$'000	Leasehold properties \$'000	Freehold properties under development \$'000	Furniture, fittings, plant and equipment and improvements \$'000	Motor vehicles \$'000	Total \$'000
<b>Company</b>								
<b>Cost or valuation</b>								
At 1 January 2004	453,649	96,163	11,238	8,359	113,505	36,239	2,718	721,871
Additions	–	–	–	–	1,470	2,068	1,340	4,878
Disposals	(5,657)	–	–	–	–	(267)	(890)	(6,814)
Transfer to current assets	–	–	–	–	(68,976)	–	–	(68,976)
At 31 December 2004	447,992	96,163	11,238	8,359	45,999	38,040	3,168	650,959
<b>Accumulated depreciation</b>								
At 1 January 2004	22,257	10,160	2,842	2,251	–	17,641	2,082	57,233
Charge for the year	7,698	1,702	242	168	–	3,858	437	14,105
Disposals	(323)	–	–	–	–	(104)	(890)	(1,317)
At 31 December 2004	29,632	11,862	3,084	2,419	–	21,395	1,629	70,021
Depreciation charge for 2003	7,755	1,702	242	167	–	3,833	250	13,949
<b>Carrying amount</b>								
At 31 December 2004	418,360	84,301	8,154	5,940	45,999	16,645	1,539	580,938
At 31 December 2003	431,392	86,003	8,396	6,108	113,505	18,598	636	664,638

During the year, interest capitalised as cost of property, plant and equipment amounted to \$298,000 (2003: \$872,000).

# Notes to the Financial Statements

31 December 2004

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

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

	Freehold land and buildings \$'000	Leasehold land and buildings \$'000	Furniture, fittings, plant and equipment and improvements \$'000	Total \$'000
<b>Group</b>				
<b>Valuation</b>				
At 1 January 2004	4,321,040	1,462,750	496,820	6,280,610
Additions	2,734	987	48,355	52,076
Disposals	–	(68)	(14,719)	(14,787)
Written off during the year	–	(233)	(15,794)	(16,027)
Reclassification	–	–	16,240	16,240
Surplus on revaluation	27,193	2,320	–	29,513
Transfer from current assets	20,586	362	254	21,202
Reversal of depreciation on revaluation	(4,915)	(186)	–	(5,101)
Exchange differences on translation	13,485	25,513	(16,070)	22,928
At 31 December 2004	4,380,123	1,491,445	515,086	6,386,654
<b>Accumulated depreciation and impairment losses</b>				
At 1 January 2004	12,706	10,035	80,480	103,221
Charge for the year	23,395	11,299	82,748	117,442
Disposals	–	(6)	(10,420)	(10,426)
Impairment losses	33,312	5,741	–	39,053
Written off during the year	–	(86)	(15,546)	(15,632)
Reversal of depreciation on revaluation	(4,915)	(186)	–	(5,101)
Exchange differences on translation	(2,611)	133	(7,654)	(10,132)
At 31 December 2004	61,887	26,930	129,608	218,425
Depreciation charge for 2003	23,147	11,118	82,007	116,272
<b>Carrying amount</b>				
At 31 December 2004	4,318,236	1,464,515	385,478	6,168,229
At 31 December 2003	4,308,334	1,452,715	416,340	6,177,389
The carrying amounts of the hotel properties had they been carried at cost less accumulated depreciation and impairment losses would be as follows:				
<b>Carrying amount</b>				
At 31 December 2004	3,709,772	739,051	187,184	4,636,007
At 31 December 2003	3,750,828	738,378	215,197	4,704,403

# Notes to the Financial Statements

31 December 2004

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

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

<u>Company</u>	Freehold land and buildings \$'000	Furniture, fittings, plant and equipment and improvements \$'000	Total \$'000
<b>Valuation</b>			
At 1 January 2004	249,251	15,412	264,663
Additions	–	1,136	1,136
Disposals	–	(215)	(215)
At 31 December 2004	249,251	16,333	265,584
<b>Accumulated depreciation</b>			
At 1 January 2004	5,228	1,413	6,641
Charge for the year	5,237	1,861	7,098
Disposals	–	(82)	(82)
At 31 December 2004	10,465	3,192	13,657
Depreciation charge for 2003	5,228	1,415	6,643
<b>Carrying amount</b>			
At 31 December 2004	238,786	13,141	251,927
At 31 December 2003	244,023	13,999	258,022
The carrying amounts of the hotel properties had they been carried at cost less accumulated depreciation and impairment losses would be as follows:			
<b>Carrying amount</b>			
At 31 December 2004	237,931	13,141	251,072
At 31 December 2003	243,168	13,999	257,167

# Notes to the Financial Statements

31 December 2004

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

The revaluation of the Group's hotel properties is performed with sufficient regularity as one-third of the entire portfolio of hotel properties are revalued annually by external professional valuers on an open market existing use basis. During 2004, 21 of the Group's hotels were subject to valuation performed by the following valuers:

Region	Valuer
USA	HVS International and Sequoia Hotel Advisors LLC
Europe	CB Richard Ellis
Asia	DTZ Debenham Tie Leung
Australia and New Zealand	DTZ New Zealand

The revaluation surpluses of \$29,513,000 (2003: \$1,439,429,000) and \$Nil (2003: \$855,000) have been transferred to the asset revaluation reserve, deferred tax liabilities and minority interests of the Group and the Company respectively.

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

	Group	
	2004 \$'000	2003 \$'000
Freehold buildings	38,121	36,929
Furniture, fittings, plant and equipment and improvements	3	–
	<b>38,124</b>	36,929

In 2004, the Group assessed the carrying value of the property, plant and equipment. Based on this assessment, the carrying amount of the freehold land and buildings, leasehold land and buildings and leasehold properties was written down by \$49,317,000 (2003: \$13,522,000). The net amount written down is included in "Other operating expenses".

In respect of impairment losses charged, the estimates of recoverable amount were based on the value of the freehold land and buildings, leasehold land and buildings and leasehold properties and determined using the discount rates of 2.5% to 12.5% (2003: 2.5% to 5.0%).

Included in property, plant and equipment are certain hotel properties and land and buildings of the subsidiaries with carrying value totalling \$4,542,119,000 (2003: \$5,268,509,000) which are mortgaged to certain financial institutions to secure credit facilities (refer notes 15, 17, 19 and 22 for more details of the facilities).

Property, plant and equipment comprise a number of commercial properties that are leased to external customers. Generally, each of the leases contains an initial non-cancellable period of 2 to 7 years. Contingent rents, representing income based on certain sales achieved by the tenants, recognised in the profit and loss account amounted to \$182,000 (2003: \$201,000) and \$8,000 (2003: \$Nil) for the Group and the Company respectively.



# Notes to the Financial Statements

31 December 2004

## 4. Subsidiaries

	Note	Company	
		2004 \$'000	2003 \$'000
<b>Investments in subsidiaries</b>			
Unquoted shares, at cost		<b>2,262,253</b>	2,261,934
Impairment losses		<b>(60,846)</b>	(57,000)
		<b>2,201,407</b>	2,204,934
<b>Balances with subsidiaries</b>			
Amounts owing by subsidiaries			
- trade, interest free		<b>849</b>	1,118
- non-trade, interest free		<b>626,978</b>	231,439
- non-trade, interest bearing		<b>87,643</b>	240,950
		<b>715,470</b>	473,507
Allowance for doubtful receivables		<b>(22,936)</b>	(20,700)
		<b>692,534</b>	452,807
Receivable within 12 months	12	<b>634,999</b>	392,093
Receivable after 12 months	10	<b>57,535</b>	60,714
		<b>692,534</b>	452,807
Amounts owing to subsidiaries			
- trade, interest free		<b>3,294</b>	2,768
- non-trade, interest free		<b>593,980</b>	280,275
- non-trade, interest bearing		<b>161,008</b>	312,778
- prepayment account		<b>-</b>	2,136
		<b>758,282</b>	597,957
Repayable within 12 months	16	<b>758,282</b>	597,957

The amounts owing by and to subsidiaries are unsecured. In respect of interest-bearing accounts, interest at 0.37% to 3.99% (2003: 0.38% to 3.99%) per annum was charged. The balances with subsidiaries that are receivable/payable within 12 months are repayable on demand.

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 42.

# Notes to the Financial Statements

31 December 2004

## 5. Associated Companies

	Note	Group 2004 \$'000	2003 \$'000
Investments in associated companies		1,241	1,383
Amounts owing by associated companies			
- non-trade, interest free	12	250	2,707

The amounts owing by associated companies are unsecured and are repayable within 12 months.

Further details regarding associated companies are set out in note 43.

## 6. Jointly Controlled Entities

	Note	Group		Company	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Investments in jointly controlled entities</b>		<b>235,631</b>	246,029	<b>69,495</b>	69,495
Impairment losses		-	-	(1,615)	(1,000)
		<b>235,631</b>	246,029	<b>67,880</b>	68,495
<b>Balances with jointly controlled entities</b>					
Amounts owing by jointly controlled entities					
- trade, interest free		2,297	5,985	813	809
- non-trade, interest bearing		411,323	397,134	287,672	253,554
- non-trade, interest free		103,460	128,932	-	-
		<b>517,080</b>	532,051	<b>288,485</b>	254,363
Allowance for doubtful receivables		-	-	(26,000)	-
		<b>517,080</b>	532,051	<b>262,485</b>	254,363
Receivable within 12 months	12	435,241	421,041	262,485	254,363
Receivable after 12 months	10	81,839	111,010	-	-
		<b>517,080</b>	532,051	<b>262,485</b>	254,363

# Notes to the Financial Statements

31 December 2004

## 6. Jointly Controlled Entities (cont'd)

	Note	Group		Company	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Balances with jointly controlled entities (cont'd)</b>					
Amounts owing to jointly controlled entities					
- non-trade, interest bearing		–	31,165	–	31,165
- non-trade, interest free		<b>146,055</b>	118,765	<b>86,609</b>	87,476
		<b>146,055</b>	149,930	<b>86,609</b>	118,641
Repayable within 12 months	16	<b>146,055</b>	149,930	<b>86,609</b>	118,641

The amounts owing by and to jointly controlled entities are unsecured. In respect of interest-bearing accounts, interest at 0.6% to 5.0% (2003: 0.6% to 7.9%) per annum was charged.

Further details regarding jointly controlled entities are set out in note 44.

### The Group's share of the jointly controlled entities' results, assets, liabilities and commitments is as follows:

	2004 \$'000	2003 \$'000
<b>Results</b>		
Revenue and other operating income	<b>498,368</b>	408,534
Cost of sales and other expenses	<b>(303,395)</b>	(301,158)
Profit before taxation	<b>194,973</b>	107,376
Income tax expense	<b>40,845</b>	(28,573)
Profit after taxation	<b>235,818</b>	78,803
<b>Assets and liabilities</b>		
Non-current assets	<b>760,452</b>	1,137,109
Current assets	<b>696,688</b>	692,412
Current liabilities	<b>(576,979)</b>	(842,948)
Non-current liabilities	<b>(644,530)</b>	(740,544)
Net assets	<b>235,631</b>	246,029
<b>Commitments</b>		
Development expenditure contracted but not provided for in the financial statements	<b>281,368</b>	81,964
Capital expenditure contracted but not provided for in the financial statements	<b>7,402</b>	–
Non-cancellable operating lease payables	<b>9</b>	16
Non-cancellable operating lease receivables	<b>7,268</b>	6,796

# Notes to the Financial Statements

31 December 2004

## 7. Financial Assets

	Group		Company	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Non-current financial assets</b>				
Unquoted equity investments, at cost				
- Fellow subsidiaries	<b>3,363</b>	3,363	<b>3,290</b>	3,290
- Non-related companies	<b>13,956</b>	15,501	<b>1,340</b>	1,340
	<b>17,319</b>	18,864	<b>4,630</b>	4,630
Allowance for diminution in value of investments	<b>(6,114)</b>	(7,436)	-	-
	<b>11,205</b>	11,428	<b>4,630</b>	4,630
Quoted equity investments, at cost				
- Fellow subsidiaries	<b>14,004</b>	14,004	<b>10,916</b>	10,916
- Non-related companies	<b>6,092</b>	-	-	-
	<b>20,096</b>	14,004	<b>10,916</b>	10,916
	<b>31,301</b>	25,432	<b>15,546</b>	15,546
Market value of quoted equity investments				
- Fellow subsidiaries	<b>32,642</b>	28,835	<b>27,449</b>	24,247
- Non-related companies	<b>6,244</b>	-	-	-
	<b>38,886</b>	28,835	<b>27,449</b>	24,247

	Group	
	2004 \$'000	2003 \$'000
<b>Current financial assets</b>		
Quoted investments, at cost		
- Equity	<b>16,010</b>	21,106
- Others	<b>39</b>	36
Unquoted investments, at cost		
- Equity	<b>14,523</b>	50
- Others	<b>12,892</b>	16,680
	<b>43,464</b>	37,872
Allowance for diminution in value of investments	<b>(7,822)</b>	(7,714)
	<b>35,642</b>	30,158
Market value of quoted investments		
- Equity	<b>20,803</b>	25,731
- Others	<b>39</b>	36
	<b>20,842</b>	25,767

# Notes to the Financial Statements

31 December 2004

## 8. Deferred Financial Charges

	Group \$'000	Company \$'000
<b>Cost</b>		
At 1 January 2004	28,143	774
Additions	2,460	382
Written off during the year	(145)	(142)
Exchange differences on translation	(183)	–
At 31 December 2004	30,275	1,014
<b>Accumulated amortisation</b>		
At 1 January 2004	14,775	377
Charge for the year	7,111	244
Written off during the year	(142)	(142)
Exchange differences on translation	(18)	–
At 31 December 2004	21,726	479
Amortisation charge for 2003	6,774	234
<b>Carrying amount</b>		
At 31 December 2004	8,549	535
At 31 December 2003	13,368	397

# Notes to the Financial Statements

31 December 2004

## 9. Intangible Assets

	Group \$'000
<b>Cost</b>	
At 1 January 2004	515
Additions	154
Written off during the year	(133)
Exchange differences on translation	(18)
At 31 December 2004	518
<b>Accumulated amortisation and impairment losses</b>	
At 1 January 2004	217
Charge for the year	14
Exchange differences on translation	(8)
At 31 December 2004	223
Amortisation charge for 2003	14
<b>Carrying amount</b>	
At 31 December 2004	295
At 31 December 2003	298
Intangible assets of the Group comprise mainly trademarks.	

## 10. Other Non-Current Assets

	Note	Group		Company	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Amounts owing by:					
- subsidiaries	4	-	-	57,535	60,714
- jointly controlled entities	6	81,839	111,010	-	-
		<b>81,839</b>	<b>111,010</b>	<b>57,535</b>	<b>60,714</b>



# Notes to the Financial Statements

31 December 2004

## 11. Development Properties

	Group		Company	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Properties in the course of development, at cost	<b>874,161</b>	1,298,498	<b>768,152</b>	1,099,077
Attributable profit/(loss)	<b>17,436</b>	53,931	<b>(469)</b>	23,686
	<b>891,597</b>	1,352,429	<b>767,683</b>	1,122,763
Progress billings	<b>(98,589)</b>	(313,265)	<b>(29,341)</b>	(178,859)
	<b>793,008</b>	1,039,164	<b>738,342</b>	943,904
Joint development properties, at cost	<b>811,291</b>	874,722	<b>813,065</b>	876,406
Attributable profit	<b>32,476</b>	95,024	<b>32,476</b>	95,024
	<b>843,767</b>	969,746	<b>845,541</b>	971,430
Progress billings	<b>(116,349)</b>	(201,965)	<b>(116,349)</b>	(201,965)
	<b>727,418</b>	767,781	<b>729,192</b>	769,465
Contributions from other participants	<b>(136,416)</b>	(126,728)	<b>(136,416)</b>	(126,728)
	<b>591,002</b>	641,053	<b>592,776</b>	642,737
Joint development properties, which the Group participates through contributions				
Share of attributable profit	<b>215,168</b>	215,168	<b>215,168</b>	215,168
Return of surplus funds	<b>(204,073)</b>	(204,334)	<b>(204,073)</b>	(204,334)
	<b>11,095</b>	10,834	<b>11,095</b>	10,834
Properties for development and resale representing mainly land	<b>428,276</b>	374,131	<b>216,981</b>	216,126
Completed units	<b>283,783</b>	332,419	<b>124,104</b>	121,856
	<b>2,107,164</b>	2,397,601	<b>1,683,298</b>	1,935,457
Allowance for foreseeable losses	<b>(162,806)</b>	(159,708)	<b>(84,179)</b>	(73,835)
Total development properties	<b>1,944,358</b>	2,237,893	<b>1,599,119</b>	1,861,622

# Notes to the Financial Statements

31 December 2004

## 11. Development Properties (cont'd)

	Group		Company	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
During the year, interest capitalised (net of interest income) as cost of development properties amounted to	<b>12,875</b>	14,208	<b>12,524</b>	13,232

## 12. Trade and Other Receivables

	Note	Group		Company	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Trade debtors		<b>153,776</b>	118,224	<b>50,661</b>	8,485
Allowance for doubtful debts		<b>(5,517)</b>	(7,142)	<b>(136)</b>	(542)
		<b>148,259</b>	111,082	<b>50,525</b>	7,943
Other debtors, deposits and prepayments		<b>103,541</b>	108,754	<b>13,133</b>	14,839
Allowance for doubtful debts		<b>(6,695)</b>	(13,935)	<b>(405)</b>	–
		<b>96,846</b>	94,819	<b>12,728</b>	14,839
Accrued receivables	13	<b>12,818</b>	21,991	<b>1,853</b>	6,890
Deposits for purchase of properties		–	3,680	–	3,680
Amounts owing by:					
- subsidiaries	4	–	–	<b>634,999</b>	392,093
- associated companies	5	<b>250</b>	2,707	–	–
- jointly controlled entities	6	<b>435,241</b>	421,041	<b>262,485</b>	254,363
- fellow subsidiaries	14	<b>7,545</b>	7,944	<b>6,959</b>	7,326
		<b>700,959</b>	663,264	<b>969,549</b>	687,134

Included in other debtors, deposits and prepayments is a deposit of \$1,010,000 (2003: \$1,003,000) placed by a subsidiary with a financial institution which is a fellow subsidiary. This deposit is pledged to the financial institution as collateral for facilities granted to a third party.

## 13. Accrued Receivables

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

# Notes to the Financial Statements

31 December 2004

## 14. Amounts Owing by and to Fellow Subsidiaries

	Note	Group		Company	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Amounts owing by fellow subsidiaries					
- trade		730	846	213	228
- non-trade		6,815	7,098	6,746	7,098
	12	<b>7,545</b>	7,944	<b>6,959</b>	7,326
Amounts owing to fellow subsidiaries					
- trade		351	515	299	299
- non-trade		3,306	94	-	-
	16	<b>3,657</b>	609	<b>299</b>	299

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

## 15. Cash and Cash Equivalents

	Group		Company	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Amounts held under the "Project Account Rules - 1997 Ed." withdrawals from which are restricted to payments for expenditure incurred on projects	35,935	32,635	34,148	28,607
Fixed deposits placed with financial institutions which are:				
- fellow subsidiaries	2,939	3,522	-	-
- others	661,113	415,625	345,044	220,146
	<b>664,052</b>	419,147	<b>345,044</b>	220,146
Cash at banks and in hand	127,847	119,618	6,090	6,724
	<b>827,834</b>	571,400	<b>385,282</b>	255,477
Bank overdrafts				
- secured	(2,071)	(4,092)	-	-
- unsecured	(100)	(419)	-	-
	<b>(2,171)</b>	(4,511)	-	-
Cash and cash equivalents in the consolidated statement of cash flows	<b>825,663</b>	566,889	<b>385,282</b>	255,477

The secured bank overdrafts as at 31 December 2004 are secured by a letter of credit issued by a financial institution. The secured bank overdrafts as at 31 December 2003 were secured by a letter of credit issued by a financial institution and a charge over the hotel properties of a subsidiary.

# Notes to the Financial Statements

31 December 2004

## 16. Trade and Other Payables

	Note	Group		Company	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Trade creditors		<b>115,419</b>	123,714	<b>7,378</b>	8,151
Accruals		<b>297,461</b>	276,029	<b>113,015</b>	94,828
Other creditors		<b>59,555</b>	47,047	<b>729</b>	483
Rental and other deposits		<b>50,913</b>	59,224	<b>5,882</b>	6,247
Retention sums payable		<b>15,162</b>	11,779	<b>11,504</b>	8,173
Amounts owing to:					
- subsidiaries	4	–	–	<b>758,282</b>	597,957
- jointly controlled entities	6	<b>146,055</b>	149,930	<b>86,609</b>	118,641
- fellow subsidiaries	14	<b>3,657</b>	609	<b>299</b>	299
		<b>688,222</b>	668,332	<b>983,698</b>	834,779

## 17. Bank Loans

	Group		Company	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Bank loans				
- secured	–	783	–	–
- unsecured	<b>18,306</b>	44,082	<b>18,306</b>	44,082
	<b>18,306</b>	44,865	<b>18,306</b>	44,082

Interest is charged at 0.35% to 2.26% (2003: 0.35% to 7.90%) per annum. The secured bank loans as at 31 December 2003 were secured by a charge over the hotel properties of a subsidiary.

# Notes to the Financial Statements

31 December 2004

## 18. Long-Term Liabilities

	Note	Group		Company	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Term loans	19	<b>2,223,563</b>	3,108,102	<b>542,442</b>	731,975
Finance lease creditors	20	<b>18,960</b>	23,232	–	–
Other long-term liabilities	21	<b>21,715</b>	23,770	–	–
		<b>2,264,238</b>	3,155,104	<b>542,442</b>	731,975
Repayable within 12 months		<b>817,126</b>	367,906	<b>48,876</b>	125,000
Repayable after 12 months	23	<b>1,447,112</b>	2,787,198	<b>493,566</b>	606,975
		<b>2,264,238</b>	3,155,104	<b>542,442</b>	731,975

## 19. Term Loans

	Note	Group		Company	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Secured		<b>1,624,097</b>	2,312,447	–	–
Unsecured		<b>599,466</b>	795,655	<b>542,442</b>	731,975
		<b>2,223,563</b>	3,108,102	<b>542,442</b>	731,975
Repayable within 12 months		<b>809,220</b>	360,452	<b>48,876</b>	125,000
Repayable after 12 months	23	<b>1,414,343</b>	2,747,650	<b>493,566</b>	606,975
		<b>2,223,563</b>	3,108,102	<b>542,442</b>	731,975
<b>Secured term loans</b>					
Repayable within 12 months		<b>703,320</b>	235,452	–	–
Repayable after 12 months		<b>920,777</b>	2,076,995	–	–
		<b>1,624,097</b>	2,312,447	–	–

# Notes to the Financial Statements

31 December 2004

## 19. Term Loans (cont'd)

The secured term loans are generally secured by:

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

The secured term loans bear interest at rates ranging from 1.35% to 7.20% (2003: 1.37% to 6.38%) per annum.

	Group		Company	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Unsecured term loans</b>				
Repayable within 12 months	<b>105,900</b>	125,000	<b>48,876</b>	125,000
Repayable after 12 months	<b>493,566</b>	670,655	<b>493,566</b>	606,975
	<b>599,466</b>	795,655	<b>542,442</b>	731,975

The unsecured term loans bear interest at rates ranging from 0.56% to 2.96% (2003: 0.69% to 2.15%) per annum.

## 20. Finance Lease Creditors

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

	2004			2003		
	Principal \$'000	Interest \$'000	Payments \$'000	Principal \$'000	Interest \$'000	Payments \$'000
<b>Group</b>						
Within 1 year	<b>5,465</b>	<b>441</b>	<b>5,906</b>	5,015	533	5,548
After 1 year but within 5 years	<b>13,495</b>	<b>504</b>	<b>13,999</b>	18,217	908	19,125
	<b>18,960</b>	<b>945</b>	<b>19,905</b>	23,232	1,441	24,673

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

# Notes to the Financial Statements

31 December 2004

## 21. Other Long-Term Liabilities

	Note	Group 2004 \$'000	2003 \$'000
Advances from minority shareholders of certain subsidiaries. These are unsecured and interest of 1.5% (2003: 1.5%) per annum was charged		121	119
Deferred real estate tax payable in 10 equal annual instalments commencing in July 1999		10,611	13,269
Miscellaneous (principally deposits received and payables, not expected to be refunded or paid within the next 12 months)		10,983	10,382
		<b>21,715</b>	23,770
Repayable within 12 months		2,441	2,439
Repayable after 12 months	23	19,274	21,331
		<b>21,715</b>	23,770

## 22. Bonds and Notes

	Note	Group		Company	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Secured		544,440	607,280	–	–
Unsecured		1,213,773	1,069,200	611,000	583,000
		<b>1,758,213</b>	1,676,480	<b>611,000</b>	583,000
Repayable within 12 months		584,440	321,075	170,000	120,000
Repayable after 12 months	23	1,173,773	1,355,405	441,000	463,000
		<b>1,758,213</b>	1,676,480	<b>611,000</b>	583,000



# Notes to the Financial Statements

31 December 2004

## 22. Bonds and Notes (cont'd)

Note	Group		Company	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Secured Bonds and Notes</b>				
Repayable within 12 months	144,440	70,000	–	–
Repayable after 12 months	400,000	537,280	–	–
	<b>544,440</b>	607,280	–	–

These comprise:

- (i) KRW92 billion (approximately S\$144 million) non-guaranteed secured notes (Notes) issued by a subsidiary bearing interest at rates ranging from 4.36% to 5.28% (2003: 4.85% to 5.90%) per annum during the year are redeemable at their principal amounts in November 2005. These Notes are secured by a mortgage on the land and hotel building of a subsidiary and an assignment of insurance proceeds in respect of insurance over the said property; and
- (ii) \$400 million medium term notes (MTNs) which comprise 2 series of notes issued by a subsidiary at various interest rates as part of a \$550 million secured MTN programme established in 2001. The MTNs bear interest at rates ranging from 3.92% to 4.815% (2003: 3.38% to 4.815%) per annum and are secured by a mortgage over the commercial building and the land jointly owned by two subsidiaries, as well as rental and insurance proceeds to be derived from the said properties. Unless previously redeemed or purchased and cancelled, the MTNs are redeemable at their principal amounts on their respective maturity dates from January 2006 to June 2006.

	Group		Company	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
<b>Unsecured Bonds and Notes</b>				
Repayable within 12 months	440,000	251,075	170,000	120,000
Repayable after 12 months	773,773	818,125	441,000	463,000
	<b>1,213,773</b>	1,069,200	<b>611,000</b>	583,000

These comprise:

- (i) \$611 million MTNs which comprise 15 series of notes issued by the Company at various interest rates as part of a \$700 million MTN programme established in 1999. The MTNs bear interest at rates ranging from 1.36% to 5.50% (2003: 1.47% to 5.50%) per annum. Unless previously redeemed or purchased and cancelled, the MTNs are redeemable at their principal amounts on their respective dates from January 2005 to June 2010;
- (ii) \$60 million fixed rated bonds issued by a subsidiary bearing interest at 5.275% per annum. Unless previously purchased and cancelled, the bonds will be redeemed at 100% of their principal amounts in July 2005; and
- (iii) \$543 million MTNs which comprise 7 series of notes issued by a subsidiary as part of a \$1 billion unsecured MTN programme established in 2002 bearing interest at rates ranging from 1.97% to 5.72% (2003: 1.44% to 2.88%) per annum. Unless previously redeemed or purchased and cancelled, the MTNs are redeemable at their principal amounts on their respective dates from July 2005 to July 2009.

# Notes to the Financial Statements

31 December 2004

## 23. Interest-Bearing Loans and Other Liabilities

	Note	Group		Company	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Term loans - repayable after 12 months	19	<b>1,414,343</b>	2,747,650	<b>493,566</b>	606,975
Finance lease creditors - repayable after 12 months	20	<b>13,495</b>	18,217	-	-
Other long-term liabilities	21	<b>19,274</b>	21,331	-	-
	18	<b>1,447,112</b>	2,787,198	<b>493,566</b>	606,975
Retention sums payable		<b>10,696</b>	18,102	<b>9,501</b>	13,849
Bonds and notes - repayable after 12 months	22	<b>1,173,773</b>	1,355,405	<b>441,000</b>	463,000
		<b>2,631,581</b>	4,160,705	<b>944,067</b>	1,083,824

## 24. Employee Benefits

	Group		Company	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Present value of unfunded obligations	<b>749</b>	864	-	-
Unrecognised past service cost	<b>(3,427)</b>	(334)	-	-
Present value of funded obligations	<b>128,661</b>	104,139	-	-
Fair value of plan assets	<b>(87,672)</b>	(74,894)	-	-
Present value of net obligations	<b>38,311</b>	29,775	-	-
Contribution for statutory pension fund	<b>(649)</b>	-	-	-
Unrecognised transitional liability	-	(1,288)	-	-
Unrecognised actuarial losses	<b>(20,371)</b>	(12,362)	-	-
Liability for defined benefit obligations	<b>17,291</b>	16,125	-	-
Liability for short-term accumulating compensated absences	<b>14,446</b>	11,791	<b>1,153</b>	1,112
Liability for long service leave	<b>120</b>	70	-	-
	<b>31,857</b>	27,986	<b>1,153</b>	1,112
Current	<b>14,566</b>	11,861	<b>1,153</b>	1,112
Non-current	<b>17,291</b>	16,125	-	-
	<b>31,857</b>	27,986	<b>1,153</b>	1,112

# Notes to the Financial Statements

31 December 2004

## 24. Employee Benefits (cont'd)

	Group	
	2004 \$'000	2003 \$'000
<b>Movements in liability for defined benefit obligations</b>		
At 1 January	16,125	14,297
Expense recognised during the year	11,290	10,340
Payments during the year	(11,884)	(8,799)
Exchange differences on translation	1,760	287
At 31 December	<b>17,291</b>	16,125

### Expense recognised in the profit and loss account

Current service costs	9,206	6,639
Interest on obligation	4,362	4,549
Expected return on plan assets	(3,818)	(3,146)
Actuarial losses	–	60
Amortisation of past service costs	1,540	2,238
	<b>11,290</b>	10,340

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

Cost of sales	8,410	5,902
Administrative expenses	2,435	1,258
Other operating expenses	445	3,180
	<b>11,290</b>	10,340

### Principal actuarial assumptions

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

	2004 %	2003 %
Discount rate at 31 December	4.00 – 10.00	3.50 – 8.00
Expected return on plan assets at 31 December	4.00 – 9.00	3.50 – 6.59
Future salary increases	3.00 – 8.00	3.00 – 7.00
Future pension increases	–	2.50

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

# Notes to the Financial Statements

31 December 2004

## 25. Provisions

	Group \$'000
At 1 January 2004	17,222
Additions during the year	433
Provisions utilised during the year	(1,216)
Transfer to accruals	(6,540)
Exchange differences on translation	428
At 31 December 2004	10,327
Current	497
Non-current	9,830
	10,327

Provisions of the Group as at 31 December 2004 relate mainly to onerous contracts.

## 26. Share Capital

	Company			
	2004		2003	
	Number of shares	\$'000	Number of shares	\$'000
<b>Authorised:</b>				
Ordinary shares of \$0.50 each	4,000,000,000	2,000,000	4,000,000,000	2,000,000
Non-redeemable convertible non-cumulative preference shares of \$0.05 each	1,000,000,000	50,000	-	-
	5,000,000,000	2,050,000	4,000,000,000	2,000,000
<b>Issued and fully-paid ordinary share capital:</b>				
At 1 January	827,185,643	413,593	801,021,724	400,511
Issue of shares during the year	44,808,865	22,404	26,163,919	13,082
At 31 December	871,994,508	435,997	827,185,643	413,593
<b>Issued and fully-paid preference share capital:</b>				
At 1 January	-	-	-	-
Issue of shares during the year	330,874,257	16,544	-	-
At 31 December	330,874,257	16,544	-	-
Total share capital		452,541		413,593

# Notes to the Financial Statements

31 December 2004

## 26. Share Capital (cont'd)

By an ordinary resolution passed at the Extraordinary General Meeting held on 29 April 2004, the Company's authorised share capital was increased to \$2,050,000,000 by the creation of 1,000,000,000 non-redeemable convertible non-cumulative preference shares of \$0.05 each.

### Ordinary share capital

On 11 May 2004, the Company issued 82,718,564 bonus warrants, which were subsequently listed on the Official List of the Singapore Exchange Securities Trading Limited on 13 May 2004. Each bonus warrant carries the right to subscribe in cash for one (1) ordinary share of \$0.50 each in the capital of the Company at the exercise price of \$2.50, subject to adjustments under certain circumstances in accordance with the terms and conditions of the bonus warrants as set out in a Deed Poll dated 6 May 2004.

Arising from the exercise of subscription rights by bonus warrant holders during the year ended 31 December 2004, the Company issued 44,808,865 new ordinary shares of \$0.50 each, thus bringing the total issued and paid up ordinary share capital as at 31 December 2004 to \$435,997,254 comprising 871,994,508 ordinary shares of \$0.50 each. As at 31 December 2004, the number of ordinary shares that may be issued on conversion of all the outstanding bonus warrants is 37,909,699 ordinary shares (2003: Nil).

### Preference share capital

On 9 June 2004, the Company issued 330,874,257 non-redeemable convertible non-cumulative preference shares (Preference Shares) of \$0.05 each at an issue price of \$1.00 each, which were subsequently listed on the Official List of the Singapore Exchange Securities Trading Limited on 14 June 2004. The Preference Shares are convertible at the sole option of the Company at any time on or after the second anniversary of the date of issue of the Preference Shares, into fully-paid ordinary shares of \$0.50 each in the capital of the Company at the conversion ratio of 0.136 ordinary shares for each Preference Share.

As at 31 December 2004, the maximum number of ordinary shares that may be issued upon full conversion at the sole option of the Company of all the Preference Shares is 44,998,898 ordinary shares (2003: Nil).

## 27. Equity Compensation Benefits

### **By the Company**

The City Developments Share Option Scheme 2001 (the CDL Scheme) which was approved by members of the Company on 30 January 2001 is administered by a committee comprising the following members:

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

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

# Notes to the Financial Statements

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## 27. Equity Compensation Benefits (cont'd)

### By Subsidiaries

#### *Target Realty Limited (TRL)*

The Target Realty Share Option Scheme 2001 was terminated at the Annual General Meeting of TRL held on 27 April 2004.

No options have been granted during the year under the TRL Scheme.

#### *Millennium & Copthorne Hotels plc*

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

Details of the options granted under the Scheme on the unissued ordinary shares of £0.30 each in a subsidiary, Millennium & Copthorne Hotels plc as at the end of the financial year are as follows:

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

Date of grant of options	Exercise price per share £	Options outstanding as at 1 January 2004	Options granted during the year	Options exercised during the year	Options forfeited during the year	Options outstanding as at 31 December 2004	Proceeds on exercise of options during the year		Exercise Period
							Credited to share capital £'000	Credited to share premium £'000	
<b>Part I</b>									
10.03.2003	1.9350	102,580	–	7,752	15,503	79,325	2	13	10.03.2006 – 09.03.2013
16.03.2004	2.9167	–	82,617	–	20,568	62,049	–	–	16.03.2007 – 15.03.2014
<b>Part II</b>									
10.03.2003	1.9350	2,106,137	–	660,012	247,660	1,198,465	198	1,079	10.03.2006 – 09.03.2013
16.03.2004	2.9167	–	729,710	27,428	33,173	669,109	8	72	16.03.2007 – 15.03.2014
		2,208,717	812,327	695,192	316,904	2,008,948	208	1,164	

# Notes to the Financial Statements

31 December 2004

## 27. Equity Compensation Benefits (cont'd)

(ii) *Millennium & Copthorne Hotels Executive Share Option Scheme*

Date of grant of options	Exercise price per share £	Options outstanding as at 1 January 2004	Options exercised during the year	Options forfeited during the year	Options outstanding as at 31 December 2004	Proceeds on exercise of options during the year		Exercise Period
						Credited to share capital £'000	Credited to share premium £'000	
<b>Part A</b>								
24.04.1996	2.4830	1,143	1,143	–	–	–	2	24.04.1999 – 23.04.2006
05.03.1998	4.6087	13,018	–	6,509	6,509	–	–	05.03.2001 – 04.03.2008
05.03.1999	4.8321	4,139	–	4,139	–	–	–	05.03.2002 – 04.03.2009
19.11.1999	3.9856	7,526	–	–	7,526	–	–	19.11.2002 – 18.11.2009
17.03.2000	3.3500	27,812	–	18,857	8,955	–	–	17.03.2003 – 16.03.2010
23.10.2000	3.9500	7,594	–	–	7,594	–	–	23.10.2003 – 22.10.2010
20.03.2001	4.3500	75,856	–	20,688	55,168	–	–	20.03.2004 – 19.03.2011
15.03.2002	3.2250	101,234	–	4,651	96,583	–	–	15.03.2005 – 14.03.2012
		238,322	1,143	54,844	182,335	–	2	
<b>Part B</b>								
07.03.1997	3.6084	108,156	–	108,156	–	–	–	07.03.2000 – 06.03.2004
05.03.1998	4.60875	117,158	–	101,972	15,186	–	–	05.03.2001 – 04.03.2005
02.04.1998	4.9527	53,738	–	25,908	27,830	–	–	02.04.2001 – 01.04.2005
05.03.1999	4.8321	145,624	–	105,188	40,436	–	–	05.03.2002 – 04.03.2006
19.11.1999	3.9856	47,670	–	–	47,670	–	–	19.11.2002 – 18.11.2006
17.03.2000	3.3500	338,357	–	215,732	122,625	–	–	17.03.2003 – 16.03.2007
23.10.2000	3.9500	5,570	–	–	5,570	–	–	23.10.2003 – 22.10.2007
14.03.2001	4.3250	248,235	–	128,004	120,231	–	–	14.03.2004 – 13.03.2008
20.03.2001	4.3500	233,839	–	100,688	133,151	–	–	20.03.2004 – 19.03.2008
04.12.2001	2.7350	153,787	–	–	153,787	–	–	04.12.2004 – 03.12.2008
15.03.2002	3.2250	541,689	17,366	128,684	395,639	5	51	15.03.2005 – 14.03.2009
		1,993,823	17,366	914,332	1,062,125	5	51	



# Notes to the Financial Statements

31 December 2004

## 27. Equity Compensation Benefits (cont'd)

(iii) *Millennium & Copthorne Hotels Sharesave Scheme*

Date of grant of options	Exercise price per share £	Options outstanding as at 1 January 2004	Options granted during the year	Options exercised during the year	Options forfeited during the year	Options outstanding as at 31 December 2004	Proceeds on exercise of options during the year		Exercise Period
							Credited to share capital £'000	Credited to share premium £'000	
05.05.1998	3.97466	15,090	–	–	15,090	–	–	–	01.07.2003 – 01.01.2004
05.05.1999	3.86748	15,192	–	–	1,566	13,626	–	–	01.07.2004 – 01.01.2005
09.05.2000	3.10000	42,932	–	–	42,932	–	–	–	01.07.2003 – 01.01.2004
09.05.2000	3.10000	19,021	–	–	2,176	16,845	–	–	01.07.2005 – 01.01.2006
08.05.2001	3.13600	57,554	–	14,821	13,836	28,897	4	42	01.07.2004 – 01.01.2005
08.05.2001	3.13600	29,262	–	–	6,456	22,806	–	–	01.07.2006 – 01.01.2007
21.05.2002	2.92000	54,952	–	1,002	12,913	41,037	–	3	01.07.2005 – 01.01.2006
21.05.2002	2.92000	33,540	–	–	9,293	24,247	–	–	01.07.2007 – 01.01.2008
28.04.2003	1.50400	189,581	–	3,669	59,275	126,637	1	4	01.07.2006 – 01.01.2007
28.04.2003	1.50400	165,763	–	–	22,713	143,050	–	–	01.07.2008 – 01.01.2009
20.04.2004	2.34000	–	67,241	–	3,222	64,019	–	–	01.07.2007 – 01.01.2008
20.04.2004	2.34000	–	31,152	–	–	31,152	–	–	01.07.2009 – 01.01.2010
		622,887	98,393	19,492	189,472	512,316	5	49	

## 28. Reserves

	Group		Company	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Share premium	1,458,711	1,055,419	1,445,589	1,042,297
Capital reserve	148,143	148,143	63,743	63,743
Asset revaluation reserve	515,327	461,426	855	855
Exchange fluctuation reserve	176,395	165,455	(135)	(823)
Accumulated profits	2,199,587	2,358,972	1,704,188	2,052,396
	<b>4,498,163</b>	4,189,415	<b>3,214,240</b>	3,158,468

# Notes to the Financial Statements

31 December 2004

## 28. Reserves (cont'd)

### Group and Company

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

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

The exchange fluctuation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign entities whose measurement currency is different from that of the Company and translation of liabilities that hedge the Group's net investment in foreign entities.

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

The accumulated profits of the Group include profits of \$70,071,000 (2003: \$22,945,000) attributable to associated companies and jointly controlled entities.

## 29. Revenue

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

	2004 \$'000	Group	2003 \$'000
Property development	489,242		644,679
Hotel operations	1,670,612		1,461,129
Rental and car park income	175,058		179,368
Gross dividends from investments			
- Fellow subsidiaries			
- Quoted	1,414		1,850
- Unquoted	1,688		1,688
- Others			
- Quoted equity investments	1,279		4,570
- Unquoted equity investments	592		596
Others	40,212		32,096
	<b>2,380,097</b>		<b>2,325,976</b>

# Notes to the Financial Statements

31 December 2004

## 30. Profit from Operations

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

	2004 \$'000	Group	2003 \$'000
<b>Other operating income</b>			
Interest income			
- fixed deposits with financial institutions	23,409		13,651
- associated companies	175		236
- jointly controlled entities	7,537		10,992
- fellow subsidiaries	47		34
- others	2,113		2,072
Profit on sale of property, plant and equipment	10,746		9,755
Management fees and miscellaneous income	7,878		16,399
Profit on sale of long-term investments	338		6,096
Exchange gain (net)	-		5,661
	<b>52,243</b>		<b>64,896</b>
<b>Staff cost</b>			
Wages and salaries	665,454		615,144
Contributions to defined contribution plans	24,709		22,584
Increase in liability for defined benefit plans	11,290		10,340
Increase/(Decrease) in liability for long service leave	50		(144)
Increase/(Decrease) in liability for short-term accumulating compensated absences	2,655		(527)
	<b>704,158</b>		<b>647,397</b>
Average number of employees	<b>14,017</b>		<b>13,703</b>

# Notes to the Financial Statements

31 December 2004

## 30. Profit from Operations (cont'd)

	2004 \$'000	Group	2003 \$'000
<b>Other expenses</b>			
Non-audit fees			
- auditors of the Company	625		514
- other auditors of the subsidiaries	642		679
Directors' remuneration			
- directors of the Company	5,678		5,529
- other directors	7,652		6,861
Amortisation	7,125		6,788
Allowance for doubtful debts			
- trade	(8)		2,202
- non-trade	405		13,935
Property, plant and equipment written off	411		466
Deferred financial charges and intangible assets written off	136		32
Allowance for diminution in value of investments written back (net)	(975)		(1,772)
Allowance for foreseeable losses on development properties made (net)	12,616		47,574
Impairment losses for property, plant and equipment	49,317		13,522
Depreciation of property, plant and equipment	166,702		166,355
Exchange loss (net)	2,449		-

## 31. Finance Costs

	2004 \$'000	Group	2003 \$'000
Interest expense			
- associated companies	-		29
- jointly controlled entities	172		587
- bonds and notes	62,213		53,449
- banks	106,697		122,952
- others	15,105		602
Total borrowing costs	184,187		177,619
Borrowing costs capitalised in development properties and property, plant and equipment	(13,305)		(15,244)
	170,882		162,375

The finance costs have been capitalised at a rate of 0.57% to 6.29% (2003: 0.61% to 1.97%) for development properties and property, plant and equipment.

# Notes to the Financial Statements

31 December 2004

## 32. Taxation

	2004 \$'000	Group	2003 \$'000
<b>Income tax expense</b>			
<b>Current tax</b>			
On current year's profit	85,951		27,639
On profits recognised in prior years now brought to tax	20,978		–
Overprovision in respect of prior years	(8,110)		(17,793)
	<b>98,819</b>		9,846
<b>Deferred tax</b>			
Movements in temporary differences	85,944		(3,303)
Reversal of temporary differences arising from profits recognised in prior years now brought to tax	(20,978)		–
Reduction in tax rates	(11,093)		–
Overprovision in respect of prior years	(44,347)		(4,712)
	<b>9,526</b>		(8,015)
<b>Share of jointly controlled entities' and associated companies' income tax</b>			
On current year's profits	(28,870)		17,747
(Over)/Under provision in respect of prior years	(11,951)		10,826
	<b>(40,821)</b>		28,573
	<b>67,524</b>		30,404

# Notes to the Financial Statements

31 December 2004

## 32. Taxation (cont'd)

### Reconciliation of effective tax rate

	2004		2003	
	%	\$'000	%	\$'000
Profit from ordinary activities before taxation		417,454		213,817
Income tax using Singapore tax rates	20.0	83,491	22.0	47,040
Effect of reduction in tax rates	(2.7)	(11,093)	–	–
Effect of different tax rates in other countries	16.2	67,523	(0.4)	(961)
Tax exempt revenues	(0.2)	(843)	(0.2)	(346)
Income not subject to tax	(3.6)	(15,269)	(4.4)	(9,463)
Expenses not deductible for tax purposes	3.6	14,958	13.7	29,478
Unrecognised deferred tax assets	1.9	7,983	5.0	10,657
Tax effect of losses not allowed to be set off against future taxable profits	0.1	410	0.1	148
Tax incentives that qualify for double deduction	(2.6)	(10,774)	(4.7)	(10,066)
Utilisation of previously unrecognised deferred tax assets	(1.1)	(4,454)	(11.4)	(24,404)
Overprovision in respect of prior years	(15.4)	(64,408)	(5.5)	(11,679)
	16.2	67,524	14.2	30,404

### Deferred taxation

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

	At 1 January 2004 \$'000	Charged/ (Credited) to profit and loss account \$'000	Credited to reserves \$'000	Transfer from provision for taxation \$'000	Exchange differences on translation \$'000	At 31 December 2004 \$'000
<b>Group</b>						
<b>Deferred tax liabilities</b>						
Property, plant and equipment	863,087	(80,120)	(35,694)	381	(3,454)	744,200
Others	7,899	(13,754)	–	–	(406)	(6,261)
	870,986	(93,874)	(35,694)	381	(3,860)	737,939
<b>Deferred tax assets</b>						
Tax losses	(153,285)	93,724	–	–	930	(58,631)
Others	(19,581)	9,676	–	–	819	(9,086)
	(172,866)	103,400	–	–	1,749	(67,717)

# Notes to the Financial Statements

31 December 2004

## 32. Taxation (cont'd)

### Deferred taxation (cont'd)

	At 1 January 2004 \$'000	Credited to profit and loss account \$'000	At 31 December 2004 \$'000
<b>Company</b>			
<b>Deferred tax liabilities</b>			
Property, plant and equipment	22,244	(2,082)	20,162
Others	1,933	(11,189)	(9,256)
	24,177	(13,271)	10,906

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

	Group		Company	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Deferred tax liabilities	<b>670,222</b>	698,120	<b>10,906</b>	24,177

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

	Group	
	2004 \$'000	2003 \$'000
Deductible temporary differences	<b>135,481</b>	129,652
Tax losses	<b>180,031</b>	175,126
	<b>315,512</b>	304,778
Adjustments due to:		
- deductible temporary differences in respect of prior year	<b>25,884</b>	-
- tax losses in respect of prior year	<b>24,064</b>	-
	<b>365,460</b>	304,778



# Notes to the Financial Statements

31 December 2004

## 32. Taxation (cont'd)

### Deferred taxation (cont'd)

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

The tax losses with expiry dates are as follows:

	2004 \$'000	Group	2003 \$'000
Expiry dates			
- within 1 to 5 years	4,448		5,089
- after 5 years	19,645		4,474
	<b>24,093</b>		9,563

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

## 33. Earnings Per Share

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

- the net profit for the year of \$202,843,000 (2003: \$152,282,000).
- weighted average number of ordinary shares in issue of 841,635,380 (2003: 810,987,566) shares.

In calculating diluted earnings per share, the weighted average number of ordinary shares is adjusted for the effect of all dilutive potential ordinary shares:

	2004 Number of shares	2003 Number of shares
Weighted average number of shares issued used in the calculation of basic earnings per share	841,635,380	810,987,566
Dilutive effect of bonus warrants and preference shares	48,268,314	-
Weighted average number of ordinary shares (diluted)	<b>889,903,694</b>	810,987,566

# Notes to the Financial Statements

31 December 2004

## 34. Professional Fees

	Group		Company	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Professional fees paid to firms of which directors of the Company are members:				
- charged to profit and loss account	136	156	128	156
- included as cost of property, plant and equipment and cost of development properties	651	81	645	81
	<b>787</b>	<b>237</b>	<b>773</b>	<b>237</b>

## 35. Significant Related Party Transactions

In addition to the transactions set out in note 29, 30 and 34, other significant related party transactions which were entered in the normal course of business were as follows:

	Group		Company	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Rental, management and maintenance services received and receivable from:				
- subsidiaries	-	-	3,749	4,270
- fellow subsidiaries	1,561	2,544	1,048	1,403
- jointly controlled entities	1,866	2,728	1,246	1,222
	<b>3,427</b>	<b>5,272</b>	<b>6,043</b>	<b>6,895</b>
Rental, management and maintenance services paid and payable to:				
- subsidiaries	-	-	6,971	7,162
- fellow subsidiaries	30	852	-	-
- jointly controlled entities	466	735	-	-
	<b>496</b>	<b>1,587</b>	<b>6,971</b>	<b>7,162</b>

The pricing for management services was based on agreed terms.

# Notes to the Financial Statements

31 December 2004

## 35. Significant Related Party Transactions (cont'd)

In addition to the transactions set out in note 29, 30 and 34, other significant related party transactions which were entered in the normal course of business were as follows: (cont'd)

	Group		Company	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Sale of properties to:				
- a fellow subsidiary	-	1,281	-	1,281
- a director and his immediate family	-	3,833	-	3,833
- directors and their immediate families by a jointly controlled entry	<b>16,530</b>	-	-	-
	<b>16,530</b>	5,114	-	5,114
Sale of property, plant and equipment to a subsidiary	-	-	<b>36</b>	1,083

## 36. Acquisitions of Subsidiaries

The effects of the acquisition of subsidiaries in 2003 are set out below:

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

# Notes to the Financial Statements

31 December 2004

## 37. Dividends

	Group and Company	
	2004 \$'000	2003 \$'000
Final ordinary dividend paid of 7.5 cents (2003: 7.5 cents) per share less tax at 20% (2003: 22%)	49,631	46,860
Special ordinary dividend paid of 50 cents (2003: Nil) per share less tax at 20%	330,874	–
Non-cumulative preference dividend paid of 2.74 cents (2003: Nil) per share less tax at 20%	7,248	–
	<b>387,753</b>	46,860

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

	Group and Company	
	2004 \$'000	2003 \$'000
Final dividend proposed of 7.5 cents (2003: 7.5 cents) per share less tax at 20%	52,320	49,631
Special dividend proposed of Nil cents (2003: 50 cents) per share less tax at 20%	–	330,874
	<b>52,320</b>	380,505

## 38. Commitments

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

	Group		Company	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Development expenditure contracted but not provided for in the financial statements	125,270	235,906	86,012	192,422
Capital expenditure contracted but not provided for in the financial statements	36,792	43,632	–	2,307
Commitment in respect of purchase of properties for which deposits have been paid	34,756	133,715	34,756	124,408

# Notes to the Financial Statements

31 December 2004

## 38. Commitments (cont'd)

(ii) In addition, the Group and the Company had the following commitments:

- (a) The Group leases a number of office facilities and hotel properties under operating leases. The leases typically run for an initial period of 1 to 30 years. The Group's and the Company's commitments for future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Within 1 year	<b>41,757</b>	38,039	<b>2,905</b>	3,665
After 1 year but within 5 years	<b>139,538</b>	134,520	<b>3,270</b>	1,647
After 5 years	<b>157,246</b>	197,393	–	–
	<b>338,541</b>	369,952	<b>6,175</b>	5,312

Contingent rents of \$1,151,000 (2003: \$944,000) for the Group have been recognised as an expense in the profit and loss account during the year.

- (b) The Group and the Company lease out some of the property, plant and equipment. Non-cancellable operating lease rentals are receivable as follows:

	Group		Company	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Within 1 year	<b>106,455</b>	111,026	<b>12,630</b>	13,496
After 1 year but within 5 years	<b>115,190</b>	101,345	<b>7,709</b>	10,735
After 5 years	<b>1,724</b>	841	–	–
	<b>223,369</b>	213,212	<b>20,339</b>	24,231

- (c) A subsidiary, Republic Hotels & Resorts Limited (RHR) has an obligation with the relevant authorities in Malaysia to divest its present 100% interest in its subsidiary, Copthorne Orchid Penang Sdn. Bhd., by 49% to Malaysians within a period of 5 years from November 1989. RHR had, in February 2003, obtained an extension for this divestment to 30 June 2006.

# Notes to the Financial Statements

31 December 2004

## 38. Commitments (cont'd)

(ii) In addition, the Group and the Company had the following commitments: (cont'd)

- (d) A subsidiary leases the land on which its hotel building stands from the Ministry of Economic Affairs (MOEA) in Taiwan, for 50 years starting 7 March 1990 and extendible up to 80 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.

The lease rental for the year amounted to \$1.6 million (2003: \$1.3 million).

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 the hotel assistance and management agreement with an international hotel, Hyatt International (Asia) Limited, 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 million (approximately S\$9.8 million) [2003: NT\$195 million (approximately S\$9.7 million)]. 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\$257.4 million (approximately S\$12.9 million) [2003: NT\$257.4 million (approximately S\$12.8 million)].

## 39. Contingent Liabilities (unsecured)

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

	2004 \$'000	Company	2003 \$'000
Guarantees issued on behalf of subsidiaries	57,024		63,680
Indemnities given to financial institutions for performance guarantees issued on behalf of:			
- subsidiaries	37,209		23,830
- jointly controlled entities	13,650		-
	<b>107,883</b>		<b>87,510</b>

The Millennium Hilton Hotel New York, held by Millennium & Copthorne Hotels plc (M&C) group, closed on 11 September 2001 and reopened on 5 May 2003. The M&C group is involved in insurance litigation with respect to the damage and loss incurred as a result of the terrorist attacks on 11 September 2001. The primary focus of the parties' dispute has been the extent of the business interruption insurance coverage applicable to the closure of the Hotel. As at 31 December 2004, no final agreement had been reached between the litigation parties. Proceeds of US\$60 million (approximately S\$98.2 million) from the insurance claim have been received to date in respect of the property and business interruption claims.

# Notes to the Financial Statements

31 December 2004

## 40. Financial Instruments

### Financial risk management objectives and policies

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

#### *Credit risk*

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

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

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

#### *Liquidity risk*

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

#### *Interest rate risk*

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

The notional amount of financial instruments relating to interest rate derivative, which have not been recognised in the balance sheet of the Group as at 31 December 2004 amount to US\$510 million (approximately S\$834.4 million) [2003: US\$510 million (approximately S\$868.3 million)]. The negative fair value of these derivatives is US\$10.5 million (approximately S\$17.2 million) [2003: US\$31.8 million (approximately S\$54.2 million)].

The notional amounts indicate the volume of the open derivatives at the balance sheet date and therefore do not reflect the Group's exposures or risks from such transactions. The notional amounts do not represent amounts exchanged by the parties, but rather represent the contracts on which payments are calculated. The potential risk relates to fluctuations in market prices as well as the credit risk of contract partners. The fair values indicate the accrued gains or losses to be recognised when the hedged item affects the profit and loss account. The computation of fair values does not consider the offsetting change in the value of the item being hedged.



# Notes to the Financial Statements

31 December 2004

## 40. Financial Instruments (cont'd)

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

#### *Effective interest rates and repricing analysis*

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

	Note	Effective interest rates per annum %	Within 1 year \$'000	1 to 5 years \$'000	After 5 years \$'000	Total \$'000
<b>Group</b>						
<b>2004</b>						
<b>Financial assets</b>						
Cash and cash equivalents		0.04 to 6.20	698,944	–	–	698,944
Amounts owing by jointly controlled entities	6	0.60 to 5.00	411,323	–	–	411,323
Unquoted investments (current)		0.70	12,892	–	–	12,892
Other deposits		1.13	1,010	–	–	1,010
			1,124,169	–	–	1,124,169
<b>Financial liabilities</b>						
Term loans	19					
- secured		1.96 to 7.19	(1,184,970)	(439,127)	–	(1,624,097)
- unsecured		0.68 to 2.96	(599,466)	–	–	(599,466)
Bank loans	17					
- unsecured		0.39 to 0.40	(18,306)	–	–	(18,306)
Bank overdrafts	15					
- secured		7.14	(2,071)	–	–	(2,071)
- unsecured		7.50	(100)	–	–	(100)
Finance lease creditors	20	2.00 to 7.96	(26)	(18,934)	–	(18,960)
Bonds and notes	22					
- secured		3.92 to 4.82	(144,440)	(400,000)	–	(544,440)
- unsecured		2.01 to 5.72	(830,773)	(273,000)	(110,000)	(1,213,773)
Amounts owing to minority shareholders of certain subsidiaries	21	1.50	(121)	–	–	(121)
			(2,780,273)	(1,131,061)	(110,000)	(4,021,334)
Total			(1,656,104)	(1,131,061)	(110,000)	(2,897,165)

# Notes to the Financial Statements

31 December 2004

## 40. Financial Instruments (cont'd)

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

*Effective interest rates and repricing analysis (cont'd)*

	Note	Effective interest rates per annum %	Within 1 year \$'000	1 to 5 years \$'000	After 5 years \$'000	Total \$'000
<b>Group</b>						
<b>2003</b>						
<b>Financial assets</b>						
Cash and cash equivalents		0.01 to 6.20	447,799	–	–	447,799
Amounts owing by jointly controlled entities	6	0.60 to 7.39	397,134	–	–	397,134
Unquoted investments (current)		0.70	13,267	–	–	13,267
			858,200	–	–	858,200
<b>Financial liabilities</b>						
Term loans	19					
- secured		1.41 to 6.20	(821,452)	(1,490,995)	–	(2,312,447)
- unsecured		1.00 to 2.15	(795,655)	–	–	(795,655)
Bank loans	17					
- secured		5.80 to 6.00	(783)	–	–	(783)
- unsecured		0.35 to 1.53	(44,082)	–	–	(44,082)
Bank overdrafts	15					
- secured		5.80 to 6.70	(4,092)	–	–	(4,092)
- unsecured		7.20 to 7.50	(419)	–	–	(419)
Finance lease creditors	20	2.70	(5,015)	(18,217)	–	(23,232)
Bonds and notes	22					
- secured		3.38 to 5.30	(70,000)	(537,280)	–	(607,280)
- unsecured		1.47 to 5.50	(251,075)	(708,125)	(110,000)	(1,069,200)
Amounts owing to jointly controlled entities	6	0.75 to 1.56	(31,165)	–	–	(31,165)
Amounts owing to minority shareholders of certain subsidiaries	21	1.50	(119)	–	–	(119)
			(2,023,857)	(2,754,617)	(110,000)	(4,888,474)
Total			(1,165,657)	(2,754,617)	(110,000)	(4,030,274)

# Notes to the Financial Statements

31 December 2004

## 40. Financial Instruments (cont'd)

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

*Effective interest rates and repricing analysis (cont'd)*

	Note	Effective interest rates per annum %	Within 1 year \$'000	1 to 5 years \$'000	After 5 years \$'000	Total \$'000
<b>Company</b>						
<b>2004</b>						
<b>Financial assets</b>						
Cash and cash equivalents		0.34 to 2.41	378,374	–	–	378,374
Amounts owing by subsidiaries	4	0.51 to 2.59	87,643	–	–	87,643
Amounts owing by jointly controlled entities	6	1.50 to 2.50	287,672	–	–	287,672
			753,689	–	–	753,689
<b>Financial liabilities</b>						
Term loans (unsecured)	19	0.68 to 2.96	(542,442)	–	–	(542,442)
Bank loans (unsecured)	17	0.39 to 0.40	(18,306)	–	–	(18,306)
Bonds and notes (unsecured)	22	2.01 to 5.50	(258,000)	(243,000)	(110,000)	(611,000)
Amounts owing to subsidiaries	4	3.99	(161,008)	–	–	(161,008)
			(979,756)	(243,000)	(110,000)	(1,332,756)
Total			(226,067)	(243,000)	(110,000)	(579,067)

# Notes to the Financial Statements

31 December 2004

## 40. Financial Instruments (cont'd)

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

*Effective interest rates and repricing analysis (cont'd)*

	Note	Effective interest rates per annum %	Within 1 year \$'000	1 to 5 years \$'000	After 5 years \$'000	Total \$'000
<b>Company</b>						
<b>2003</b>						
<b>Financial assets</b>						
Cash and cash equivalents		0.01 to 5.15	245,449	–	–	245,449
Amounts owing by subsidiaries	4	0.38 to 1.75	240,950	–	–	240,950
Amounts owing by jointly controlled entities	6	1.50 to 2.50	253,554	–	–	253,554
			739,953	–	–	739,953
<b>Financial liabilities</b>						
Term loans (unsecured)	19	1.19 to 2.15	(731,975)	–	–	(731,975)
Bank loans (unsecured)	17	0.35 to 1.53	(44,082)	–	–	(44,082)
Bonds and loans (unsecured)	22	1.47 to 5.50	(120,000)	(353,000)	(110,000)	(583,000)
Amounts owing to subsidiaries	4	1.64 to 3.99	(312,778)	–	–	(312,778)
Amounts owing to jointly controlled entities	6	0.75 to 1.56	(31,165)	–	–	(31,165)
			(1,240,000)	(353,000)	(110,000)	(1,703,000)
Total			(500,047)	(353,000)	(110,000)	(963,047)

### *Foreign currency risk*

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

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

# Notes to the Financial Statements

31 December 2004

## 40. Financial Instruments (cont'd)

### Fair values

#### *Recognised financial instruments*

The aggregate net fair values of financial assets and liabilities which are not carried at fair values in the balance sheet as at 31 December 2004 are represented in the following table:

	Carrying amount 2004 \$'000	Fair value 2004 \$'000	Carrying amount 2003 \$'000	Fair value 2003 \$'000
<b>Group</b>				
<b>Financial assets</b>				
Quoted investments				
- non-current	20,096	38,886	14,004	28,835
- current	11,383	20,803	13,128	21,468
Amounts owing by jointly controlled entities	6,204	5,646	6,828	6,474
	<b>37,683</b>	<b>65,335</b>	33,960	56,777
<b>Financial liabilities</b>				
Term loans				
- secured	(439,127)	(399,619)	(1,490,995)	(1,383,372)
- unsecured	-	-	(83,680)	(83,780)
Bonds and notes				
- secured	(400,000)	(413,807)	(537,280)	(549,105)
- unsecured	(635,773)	(608,271)	(798,125)	(791,640)
Finance lease creditors	(18,928)	(19,650)	(18,217)	(18,707)
	<b>(1,493,828)</b>	<b>(1,441,347)</b>	(2,928,297)	(2,826,604)
Total	<b>(1,456,145)</b>	<b>(1,376,012)</b>	(2,894,337)	(2,769,827)
<b>Company</b>				
<b>Financial assets</b>				
Quoted investments (non-current)	10,916	27,449	10,916	24,247
Amount owing by a subsidiary	11,597	11,469	11,597	11,701
	<b>22,513</b>	<b>38,918</b>	22,513	35,948
<b>Financial liabilities</b>				
Term loans (unsecured)	-	-	(20,000)	(20,039)
Bonds and notes (unsecured)	(303,000)	(314,893)	(443,000)	(450,485)
	<b>(303,000)</b>	<b>(314,893)</b>	(463,000)	(470,524)
Total	<b>(280,487)</b>	<b>(275,975)</b>	(440,487)	(434,576)

# Notes to the Financial Statements

31 December 2004

## 40. Financial Instruments (cont'd)

### Fair values (cont'd)

#### *Recognised financial instruments (cont'd)*

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

The amounts owing by jointly controlled entities and the amount owing by a subsidiary are carried in excess of their net fair values. The amounts have not been written down because management does not intend to demand for repayment in the near future.

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

## 41. Segment Reporting

### Business Segments

	Property Development \$'000	Hotel Operations \$'000	Rental Properties \$'000	Others \$'000	Total \$'000
<b>2004</b>					
Revenue	489,242	1,670,612	175,058	45,185	2,380,097
Segment results	74,800	87,966	54,620	5,167	222,553
Share of loss of associated companies	–	(72)	–	–	(72)
Share of profit/(loss) of jointly controlled entities	4,788	176,760	(3,801)	17,226	194,973
	79,588	264,654	50,819	22,393	417,454
Income tax expense					(67,524)
Minority interests					(147,087)
Net profit for the year					202,843
<i>Significant Non-Cash Transactions</i>					
Depreciation	1,954	116,876	46,273	1,599	166,702
Amortisation	183	5,490	1,413	39	7,125
Impairment losses	–	39,012	10,305	–	49,317

# Notes to the Financial Statements

31 December 2004

## 41. Segment Reporting (cont'd)

### Business Segments (cont'd)

	Property Development \$'000	Hotel Operations \$'000	Rental Properties \$'000	Others \$'000	Total \$'000
<b>2003</b>					
Revenue	644,679	1,461,129	179,368	40,800	2,325,976
Segment results	37,100	23,595	31,879	13,945	106,519
Share of loss of associated companies	–	(78)	–	–	(78)
Share of profit of jointly controlled entities	5,746	3,228	98,066	336	107,376
	42,846	26,745	129,945	14,281	213,817
Income tax expense					(30,404)
Minority interests					(31,131)
Net profit for the year					152,282
<i>Significant Non-Cash Transactions</i>					
Depreciation	1,954	114,663	47,014	2,724	166,355
Amortisation	171	5,126	1,456	35	6,788
Impairment losses	–	–	13,522	–	13,522
<b>2004</b>					
<i>Assets and Liabilities</i>					
Segment assets	2,750,555	6,808,859	2,919,305	293,848	12,772,567
Segment liabilities	894,291	2,420,569	1,347,186	121,984	4,784,030
Capital expenditure	1,507	88,788	21,437	830	112,562
<b>2003</b>					
<i>Assets and Liabilities</i>					
Segment assets	2,925,818	6,778,054	3,070,277	284,904	13,059,053
Segment liabilities	1,145,245	2,755,658	1,560,475	151,224	5,612,602
Capital expenditure	4,266	92,231	12,896	1,023	110,416



# Notes to the Financial Statements

31 December 2004

## 41. Segment Reporting (cont'd)

### Geographical Segments

	East and South East Asia \$'000	North America and Europe \$'000	Australia and New Zealand \$'000	Total \$'000
<b>2004</b>				
Revenue	1,104,348	1,096,076	179,673	2,380,097
Segment assets	8,056,700	4,157,042	558,825	12,772,567
Capital expenditure	50,616	40,777	21,169	112,562
<b>2003</b>				
Revenue	1,185,486	970,562	169,928	2,325,976
Segment assets	8,288,546	4,244,036	526,471	13,059,053
Capital expenditure	34,294	61,413	14,709	110,416

# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries

The following are the Company's subsidiaries:

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(i) Direct subsidiaries</b>				
* Allinvest Holding Pte Ltd/ Property owner	Singapore	Ordinary	100	100
* Aston Properties Pte Ltd/ Property owner, developer and investment holding	Singapore	Ordinary	100	100
* Baynes Investments Pte Ltd/ Investment holding	Singapore	Ordinary	100	100
^ CDL Bangkok Limited/Investment holding	Malaysia	Ordinary	100	100
* CDL Land Pte Ltd/Property owner	Singapore	Ordinary	100	100
* CDL Properties Ltd/ Property owner and investment holding	Singapore	Ordinary	100	100
* Cairns Garden Development Pte Ltd/ Property owner and developer	Singapore	Ordinary	90	90
* Central Mall Pte Ltd/Property owner	Singapore	Ordinary	100	100
* Chester Properties Pte Ltd/ Property owner and developer	Singapore	Ordinary	100	100
* Cideco Pte. Ltd./Property owner	Singapore	Ordinary	100	100
* City Capital Corporation Pte Ltd/Property owner	Singapore	Ordinary	100	100
* City Centrepoint Pte Ltd/ Property owner and investment holding	Singapore	Ordinary	100	100
* City Condominiums Pte Ltd/ Property owner, developer and investment holding	Singapore	Ordinary	100	100

# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(i) Direct subsidiaries (cont'd)</b>				
^ Citydev (Labuan) Holdings Limited/ Investment holding	Malaysia	Ordinary	100	100
* Citydev Properties Pte Ltd/ Investment holding	Singapore	Ordinary	100	100
* City Developments Realty Limited/ Investment in shares and investment holding	Singapore	Ordinary	100	100
^ City (Labuan) Holdings Limited/ Investment holding	Malaysia	Ordinary	100	100
* City Port Development Pte Ltd/ Investment holding	Singapore	Ordinary	100	100
* City Project Management Pte Ltd/ Provision of project management and consultancy services	Singapore	Ordinary	100	100
* Cliffmont Pte Ltd/ Property owner and developer	Singapore	Ordinary	100	100
* Darfera Pte Ltd/ Property owner and developer	Singapore	Ordinary	100	100
* Eccott Pte Ltd/ Investment holding and property owner	Singapore	Ordinary	100	100
*** Educado Company Limited/ Investment in shares	Hong Kong	Ordinary	100	100
* Elishan Investments Pte Ltd/Property owner	Singapore	Ordinary	100	100
* Elite Holdings Private Limited/ Property owner and developer	Singapore	Ordinary	100	100

# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(i) Direct subsidiaries (cont'd)</b>				
^ eMpire Investments Limited/Investment holding	Bermuda	Ordinary	100	100
* Eton Properties Pte Ltd/Investment holding	Singapore	Ordinary	100	100
* Faber-Rhine Properties Pte Ltd/Property owner, developer and investment holding	Singapore	Ordinary	100	100
* Grand Waterfront Pte Ltd/Management company	Singapore	Ordinary	100	100
* Guan Realty (Private) Limited/ Property owner and developer	Singapore	Ordinary	100	100
* Guilin Park Properties Pte Ltd/ Property owner, developer and investment holding	Singapore	Ordinary	100	100
* Highgrove Investments Pte Ltd/Property owner	Singapore	Ordinary	100	100
* Hong Leong Properties Pte. Limited/ Property owner	Singapore	Ordinary	100	100
* Island City Garden Development Pte. Ltd./ Property owner, developer and investment holding	Singapore	Ordinary	100	100
* Le Grove Management Pte Ltd/ Property management and related services	Singapore	Ordinary	100	100
** Lingo Enterprises Limited/ Property holding and property investment	Hong Kong/ Singapore	Ordinary	100	100
Montville Investments Pte Ltd/ Property sales and ownership (in liquidation)	Singapore	Ordinary	80	80
** Palmerston Holdings Sdn. Bhd./ Property owner and developer	Malaysia	Ordinary Preference	51 100	51 100

# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(i) Direct subsidiaries (cont'd)</b>				
* Richview Holdings Pte Ltd/Investment holding	Singapore	Ordinary	100	100
* Singapura Developments (Private) Limited/ Property owner, developer and investment holding	Singapore	Ordinary	100	100
* Target Realty Limited/ Property owner, developer and investment holding	Singapore	Ordinary	99	99
* Sunshine Plaza Pte Ltd/ Property owner, developer and investment holding	Singapore	Ordinary	100	100
** Union Chain Investment Limited/Investment holding	Hong Kong	Ordinary	100	100
<b>(ii) Indirect subsidiaries</b>				
^ WREP Urban Pool Investors, L.L.C./ Investment holding	United States of America	LLC Interest	@	99
* City e-Solutions Limited/ Investment holding and provision of consultancy services	Cayman Islands/ Hong Kong	Ordinary	52	52
<b>Subsidiary of Baynes Investments Pte Ltd</b>				
^^ Tagore Warehouse Holdings Pte. Ltd./ Property owner	Singapore	Ordinary	100	100
<b>Subsidiaries of City e-Solutions Limited</b>				
** CDL Nominees Limited/Nominee holding	Hong Kong	Ordinary	52	52
** Chancery Limited/Investment holding	Hong Kong	Ordinary	52	52
* CDL Hotels (Singapore) Pte Ltd/ Hotel and resort management	Singapore	Ordinary	52	52

# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(ii) Indirect subsidiaries (cont'd)</b>				
<b>Subsidiaries of City e-Solutions Limited (cont'd)</b>				
<sup>^</sup> SWAN Holdings Limited/Investment holding	Bermuda	Ordinary	52	52
<b>Subsidiaries of SWAN Holdings Limited</b>				
<sup>**</sup> SWAN USA, Inc/Holding company	United States of America	Ordinary	52	–
<sup>**</sup> Swan Risk Services Ltd./ Provision of risk management services	Bermuda	Ordinary	52	52
<b>Subsidiary of SWAN USA, Inc.</b>				
<sup>**</sup> Richfield Hospitality, Inc (formerly known as SWAN Inc.)/Investment holding and provision of hospitality related services	United States of America	Common Stock	52	52
<b>Subsidiaries of Richfield Hospitality, Inc (formerly known as SWAN Inc.)</b>				
<sup>**</sup> Sceptre Hospitality Resources, Inc./ Provision of reservation system services	United States of America	Common Stock	52	52
<sup>**</sup> Cygnet Waco AB Corp./ Liquor licence holder	United States of America	Common Stock	52	–
<b>Subsidiaries of Singapura Developments (Private) Limited</b>				
<sup>*</sup> Bloomsville Investments Pte Ltd/ Property owner, developer and investment holding	Singapore	Ordinary	100	100
<sup>*</sup> City Building Management Pte Ltd/ Building maintenance, security, cleaning, car park and related services to commercial and residential buildings	Singapore	Ordinary	100	100

# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(ii) Indirect subsidiaries (cont'd)</b>				
<b>Subsidiaries of Singapura Developments (Private) Limited (cont'd)</b>				
^^ City Sunshine Holdings Pte. Ltd./Property owner	Singapore	Ordinary	100	100
* Citydev Investments Pte. Ltd./ Investment in shares and investment holding	Singapore	Ordinary	100	100
** Millennium & Copthorne Hotels plc/ Investment holding	United Kingdom	Ordinary	52	52
* Trans Oil Pte Ltd/Investment holding	Singapore	Ordinary	100	100
^ Wideachieve Holdings Limited/Investment holding	British Virgin Islands	Ordinary	100	–
<b>Subsidiaries of Target Realty Limited</b>				
* The Corporate Office Pte Ltd/Property holding	Singapore	Ordinary	99	99
* The Office Chamber Pte Ltd/Property holding	Singapore	Ordinary	99	99
* 100G Pasir Panjang Road Pte Ltd/Property holding	Singapore	Ordinary	99	99
* North Bridge Commercial Complex Pte Ltd/ Property holding	Singapore	Ordinary	99	99
* The Corporate Building Pte Ltd/Property holding	Singapore	Ordinary	99	99
496 North Bridge Road Pte Ltd/ Property holding (in liquidation)	Singapore	Ordinary	99	99

# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(ii) Indirect subsidiaries (cont'd)</b>				
<b>Subsidiaries of City Building Management Pte Ltd</b>				
* Empire City Consultant Pte Ltd/Management of properties	Singapore	Ordinary	100	100
∅ CBM-GCA Limited/Investment holding	Hong Kong	Ordinary	70	–
<b>Subsidiary of Wideachieve Holdings Limited</b>				
^ Rich Pioneer Investments Limited/ Investment holding	British Virgin Islands	Ordinary	100	–
<b>Subsidiaries of Millennium &amp; Copthorne Hotels plc</b>				
^ M&C Hotels Holdings USA Limited/ Investment holding	Cayman Islands/ United States of America	Ordinary	52	52
** Copthorne Hotel Holdings Limited/Investment holding	United Kingdom	Ordinary	52	52
** Millennium & Copthorne Share Trustees Limited/ Share trustee company	United Kingdom	Ordinary	52	52
** Millennium Hotel Holdings EMEA Limited/ Investment holding	United Kingdom	Ordinary	52	52
** Millennium Hotels London Limited/Investment holding	United Kingdom	Ordinary	52	52
** Millennium & Copthorne (Austrian Holdings) Limited/ Investment holding	United Kingdom	Ordinary	52	52



# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(ii) Indirect subsidiaries (cont'd)</b>				
<b>Subsidiary of Millennium &amp; Copthorne Hotels plc, also held as an associated company of ATOS Holding AG, a wholly-owned subsidiary of Millennium &amp; Copthorne (Austrian Holdings) Limited</b>				
** M&C Hotels Holdings Limited/Investment holding	United Kingdom	Ordinary	52	52
<b>Subsidiaries of Millennium Hotel Holdings EMEA Limited</b>				
** Millennium Hotels & Resorts Services Limited/ Management contract holding company	United Kingdom	Ordinary	52	52
** Millennium Partnercard Services Limited/ Loyalty card scheme operator	United Kingdom	Ordinary	52	52
<b>Indirect subsidiary of Millennium &amp; Copthorne Hotels plc, which is held as an associated company of Copthorne Hotel Holdings Limited and Copthorne Hotels Limited</b>				
** M&C Hotels Partnership France SNC/Investment holding	France	N.A.	52	52
<b>Subsidiaries of M&amp;C Hotels Partnership France SNC</b>				
** Millennium CDG Paris SAS/Hotel operator	France	Ordinary	52	52
** M&C Hotels France SAS/Hotel owner	France	Ordinary	52	52
** Millennium Opéra Paris SAS/Hotel operator	France	Ordinary	52	52
<b>Subsidiaries of M&amp;C Hotels Holdings USA Limited</b>				
** M & C (CB) Limited/Investment company	United Kingdom	Ordinary	52	52
** M & C (CD) Limited/Investment company	United Kingdom	Ordinary	52	52
** M & C Management Services (USA) Inc./ Management services company	United States of America	Common Stock	52	52

# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(ii) Indirect subsidiaries (cont'd)</b>				
<b>Subsidiary of M &amp; C (CB) Limited, M &amp; C (CD) Limited and M &amp; C Management Services (USA) Inc.</b>				
** M & C Holdings Delaware Partnership/Property investment holding and investment company	United States of America	N.A.	52	52
<b>Subsidiary of M &amp; C Holdings Delaware Partnership</b>				
** CDL Hotels USA, Inc./Hotel investment holding company	United States of America	Common Stock & Preferred Stock	52	52
<b>Subsidiaries of CDL Hotels USA, Inc.</b>				
** Anchorage Lakefront Limited Partnership/ Hotel ownership	United States of America	N.A.	52	52#
** CDL Management L.L.C./ Hotel management	United States of America	LLC Interest	52	52
** CDL (New York) L.L.C./ Hotel owner	United States of America	LLC Interest	52	52
** CDL (NYL) Limited/ Investment holding	United States of America	Common Stock	52	52
** CDL West 45th Street L.L.C./Hotel owner and operator	United States of America	LLC Interest	52	52
** M&C Colorado Hotel Corporation/ Holding company	United States of America	Common Stock	52	52
** Richfield Holdings Corporation I/ Holding company	United States of America	Common Stock & Preferred Stock	52	52

# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(ii) Indirect subsidiaries (cont'd)</b>				
<b>Subsidiaries of CDL Hotels USA, Inc. (cont'd)</b>				
** Regal Grand Holdings Corporation I/ Holding company	United States of America	Common Stock	52	52
** Gateway Holdings Corporation I/ Holding company	United States of America	Common Stock	52	52
** McCormick Ranch Operating Partnership, L.P./ Hotel ownership	United States of America	N.A.	52	52#
** RHM Holdings Corporation I/ Holding company	United States of America	Common Stock & Preferred Stock	52	52
** RHI Boston Holdings Corporation I/ Holding company	United States of America	Common Stock	52	52
<b>Subsidiary of Richfield Holdings Corporation I</b>				
** Richfield Holdings Corporation II/ Holding company	United States of America	Common Stock	52	52
<b>Subsidiary of Richfield Holdings Corporation II</b>				
** Richfield Holdings, Inc./ Holding company	United States of America	Common Stock & Preferred Stock	52	52
<b>Subsidiaries of Richfield Holdings, Inc.</b>				
** Regal Hotels International (USA), Inc./ Holding company	United States of America	Common Stock	52	52
** Richfield SPE, Inc./ Single purpose entity	United States of America	Common Stock	52	52

# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(ii) Indirect subsidiaries (cont'd)</b>				
<b>Subsidiaries of Richfield Holdings, Inc. (cont'd)</b>				
** M&C Hotel Interests, Inc./ Hotel management	United States of America	Common Stock	52	52
** AIRCOA Equity Interests, Inc./ Holding company	United States of America	Common Stock	52	52
<b>Subsidiaries of M&amp;C Hotel Interests, Inc.</b>				
** MHM, Inc./Hotel management	United States of America	Common Stock	52	52
** Richfield Hawaiian Management, Inc./ Holding company	United States of America	Common Stock	52	52
** AIRCOA Hospitality Services, Inc./ Holding company	United States of America	Common Stock	52	52
** Park Plaza Hotel Corporation/ Holding company	United States of America	Common Stock & Preferred Stock	52	52
<b>Subsidiaries of AIRCOA Hospitality Services, Inc.</b>				
** St. Louis Operating, Inc./ Liquor licence holder	United States of America	Common Stock	52	52
** AIRCOA GP Corporation/ Hotel ownership	United States of America	Common Stock	52	52
<b>Subsidiary of AIRCOA GP Corporation</b>				
** Lakeside GP Corporation/ Holding company	United States of America	Common Stock	52	52

# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(ii) Indirect subsidiaries (cont'd)</b>				
<b>Subsidiary of Park Plaza Hotel Corporation</b>				
** Trimark Hotel Corporation/ Hotel owner and operator	United States of America	Common Stock & Preferred Stock	52	52
<b>Subsidiary of Trimark Hotel Corporation</b>				
** Trimark Management, Inc./ Hotel management	United States of America	Common Stock	52	52
<b>Subsidiaries of AIRCOA Equity Interests, Inc.</b>				
** Wynfield GP Corporation/ Hotel ownership	United States of America	Common Stock	52	52
** Harvest Associates, Inc./ Holding company	United States of America	Common Stock	52	52
** Newpart, L.P./ Holding company	United States of America	N.A.	39	39
** Sunnyvale Partners, Ltd/ Hotel ownership	United States of America	N.A.	52	52
<b>Subsidiary of Wynfield GP Corporation</b>				
** Wynfield One, Ltd./ Holding company	United States of America	N.A.	52	52
<b>Subsidiary of Wynfield One, Ltd.</b>				
** RHM Wynfield LLC/ Hotel ownership	United States of America	LLC Interest	52	52

# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(ii) Indirect subsidiaries (cont'd)</b>				
<b>Subsidiary of Harvest Associates, Inc.</b>				
** Boulder Hotel Associates, Ltd./ Holding company	United States of America	N.A.	52	52
<b>Subsidiary of Newport, L.P.</b>				
** CAMBFS Co./ Holding company	United States of America	N.A.	39	39
<b>Indirect subsidiary of AIRCOA Equity Interests, Inc., which is held as associated company of Newport, L.P. and Boulder Hotel Associates, Ltd.</b>				
** BHA-Stonehouse Associates/ Holding company	United States of America	N.A.	45	45
<b>Subsidiaries of BHA-Stonehouse Associates</b>				
** Regal Harvest House GP Corporation/ Holding company	United States of America	Common Stock	45	45
** Regal Harvest House LP/ Hotel ownership	United States of America	N.A.	45	45
<b>Subsidiary of Regal Harvest House LP</b>				
** RHH Operating LLC/ Hotel owner	United States of America	LLC Interest	45	45
<b>Subsidiary of Regal Grand Holdings Corporation I</b>				
** Regal Grand Holdings Corporation II/ Holding company	United States of America	Common Stock	52	52
<b>Subsidiary of Regal Grand Holdings Corporation II</b>				
** Regal Grand Avenue, Inc./ Holding company	United States of America	Common Stock	52	52

# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(ii) Indirect subsidiaries (cont'd)</b>				
<b>Subsidiaries of Regal Grand Avenue, Inc.</b>				
** Regal Grand SPE, Inc./ Single purpose entity	United States of America	Common Stock	52	52
** WHB Corporation/ Holding company	United States of America	Common Stock	52	52
<b>Subsidiaries of WHB Corporation</b>				
** Biltmore Place Operations Corp./ Liquor licence holder	United States of America	Common Stock	52	52
** S.S. Restaurant Corporation/ Liquor licence holder	United States of America	Common Stock	52	52
** WHB Biltmore LLC/ Hotel owner	United States of America	LLC Interest	52	52
<b>Subsidiary of Gateway Holdings Corporation I</b>				
** Gateway Holdings Corporation II/ Holding company	United States of America	Common Stock	52	52
<b>Subsidiary of Gateway Holdings Corporation II</b>				
** Gateway Hotel Holdings, Inc./ Hotel ownership	United States of America	Common Stock	52	52
<b>Subsidiaries of Gateway Hotel Holdings, Inc.</b>				
** Gateway Regal Holdings LLC/ Hotel owner	United States of America	LLC Interest	52	52
** Gateway SPE, Inc./ Single purpose entity	United States of America	Common Stock	52	52

# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(ii) Indirect subsidiaries (cont'd)</b>				
<b>Subsidiary of RHM Holdings Corporation I</b>				
** RHM Holdings Corporation II/ Holding company	United States of America	Common Stock	52	52
<b>Subsidiary of RHM Holdings Corporation II</b>				
** Regal Hotel Management, Inc./ Holding company	United States of America	Common Stock & Preferred Stock	52	52
<b>Subsidiaries of Regal Hotel Management, Inc.</b>				
** AIRCOA Hotel Partners, L.P./ Holding company	United States of America	N.A.	52	52
** Bostonian Hotel Limited Partnership/ Hotel owner	United States of America	N.A.	52	52#
** Chicago Hotel Holdings, Inc./ Hotel ownership	United States of America	Common Stock	52	52
** Cincinnati Regal S.I. LLC/ Holding company	United States of America	LLC Interest	52	52
** Five Star Assurance, Inc./ Captive insurance company	United States of America	Common Stock	52	52
** RHM SPE, Inc./ Single purpose entity	United States of America	Common Stock	52	52
** RHM Management, LLC/ Hotel ownership	United States of America	LLC Interest	52	52
** RHM-88, LLC/ Hotel ownership	United States of America	LLC Interest	52	52
** Richfield Plaza, Inc./ Owner of office building	United States of America	Common Stock	52	52



# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(ii) Indirect subsidiaries (cont'd)</b>				
<b>Subsidiary of Cincinnati Regal S.I. LLC</b>				
** Cincinnati S.I. Co./ Hotel owner	United States of America	N.A.	51	51
<b>Subsidiaries of AIRCOA Hotel Partners, L.P.</b>				
** Durham Operating Partnership, L.P./ Hotel ownership	United States of America	N.A.	52	52
** Fourwinds Operating Partnership, L.P./ Hotel ownership	United States of America	N.A.	52	52
** Lakeside Operating Partnership, L.P./ Hotel ownership	United States of America	N.A.	52	52
<b>Subsidiaries of Five Star Assurance, Inc.</b>				
** Aurora Inn Operating Partnership, L.P./ Hotel ownership	United States of America	N.A.	52	52
** Buffalo Operating Partnership, L.P./ Hotel ownership	United States of America	N.A.	52	52
** Avon Wynfield Inn, Ltd./ Hotel ownership	United States of America	N.A.	52	52
<b>Subsidiary of Aurora Inn Operating Partnership, L.P.</b>				
** RHM Aurora LLC/ Hotel ownership	United States of America	LLC Interest	52	52
<b>Subsidiary of Buffalo Operating Partnership, L.P.</b>				
** Buffalo RHM Operating LLC/ Hotel owner	United States of America	LLC Interest	52	52

# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(ii) Indirect subsidiaries (cont'd)</b>				
<b>Subsidiary of Avon Wynfield Inn, Ltd.</b>				
** Avon Wynfield LLC/ Hotel owner	United States of America	LLC Interest	52	52
<b>Subsidiary of Fourwinds Operating Partnership, L.P.</b>				
** Fourwinds Operating LLC/ Hotel owner	United States of America	LLC Interest	52	52
<b>Subsidiaries of McCormick Ranch Operating Partnership, L.P.</b>				
** RHM Ranch LLC/ Hotel owner	United States of America	LLC Interest	52	52
** Four Peaks Management Company/ Arizona condominium management	United States of America	Common Stock	52	52
<b>Subsidiary of RHI Boston Holdings Corporation I</b>				
** RHI Boston Holdings Corporation II/ Holding company	United States of America	Common Stock	52	52
<b>Subsidiary of RHI Boston Holdings Corporation II</b>				
** Millenium Bostonian, Inc./ Holding company	United States of America	Common Stock	52	52
<b>Subsidiaries of Copthorne Hotel Holdings Limited</b>				
** Copthorne Aberdeen Limited/ Hotel operator	United Kingdom	Ordinary	44	44
** Copthorne Hotel (Aberdeen) Limited/ Hotel management	United Kingdom	Ordinary	52	52
** Copthorne Hotel (Birmingham) Limited/ Hotel operator	United Kingdom	Ordinary	52	52

# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(ii) Indirect subsidiaries (cont'd)</b>				
<b>Subsidiaries of Copthorne Hotel Holdings Limited (cont'd)</b>				
** Copthorne Hotel (Cardiff) Limited/Hotel operator	United Kingdom	Ordinary	52	52
** Copthorne Hotel (Effingham Park) Limited/ Hotel operator	United Kingdom	Ordinary	52	52
** Copthorne Hotel (Gatwick) Limited/ Hotel operator	United Kingdom	Ordinary & Deferred	52	52
** Copthorne Hotels Limited/Hotel management	United Kingdom	Ordinary	52	52
** Copthorne Hotel (Merry Hill) Limited/Hotel operator	United Kingdom	Ordinary	52	52
** Copthorne Hotel (Plymouth) Limited/Hotel operator	United Kingdom	Ordinary	52	52
** Diplomat Hotel Holding Limited/Investment holding	United Kingdom	Ordinary	52	52
** London Tara Hotel Limited/Hotel operator	United Kingdom	Ordinary	52	52
** M&C Hotels France Management SARL/ Management company	France	Ordinary	52	52
** Copthorne Hotel (Manchester) Limited/Hotel operator	United Kingdom	Ordinary	52	52
** Copthorne Hotel (Newcastle) Limited/Hotel operator	United Kingdom	Ordinary	49	49
** Copthorne Hotel (Slough) Limited/Hotel operator	United Kingdom	Ordinary	52	52
** Tara Hotels Deutschland GmbH/ Hotel investment holding company	Germany	Ordinary	52	52
<b>Subsidiary of Copthorne Hotels Limited</b>				
** Copthorne (Nominees) Limited/Investment holding	United Kingdom	Ordinary	52	52

# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(ii) Indirect subsidiaries (cont'd)</b>				
<b>Subsidiary of Copthorne Hotel (Merry Hill) Limited</b>				
** Copthorne Hotel (Merry Hill) Construction Limited/ Hotel developer	United Kingdom	Ordinary	52	52
<b>Subsidiary of Diplomat Hotel Holding Limited</b>				
** Archyield Limited/Hotel operator	United Kingdom	Ordinary	52	52
<b>Subsidiary of London Tara Hotel Limited</b>				
** Copthorne Properties Limited/Property holding	United Kingdom	Ordinary	52	52
<b>Subsidiaries of Tara Hotels Deutschland GmbH</b>				
** Millennium Hotel Stuttgart GmbH/ Hotel and food and beverage operator	Germany	Ordinary	52	52
Stuttgart International Hotel Betriebsgesellschaft mbH/ Hotel developer and operator (in liquidation)	Germany	Ordinary	39	39
** Tara Hotel Hannover GmbH/Hotel operator	Germany	Ordinary	52	52
<b>Subsidiary of Millennium Hotel Stuttgart GmbH</b>				
** SI-Erlebnis-Centrum Stuttgart GmbH/ Marketing company	Germany	Ordinary	52	52
<b>Subsidiary of Stuttgart International Hotel Betriebsgesellschaft mbH (in liquidation)</b>				
SI Komplex II Gastronomiebetriebsgesellschaft mbH/ Restaurant operator (in liquidation)	Germany	Ordinary	39	39

# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(ii) Indirect subsidiaries (cont'd)</b>				
<b>Subsidiaries of Millennium Hotels London Limited</b>				
** Millennium Hotels Limited/Investment holding	United Kingdom	Ordinary	52	52
** CDL Hotels (Baileys) Limited/Hotel owner and operator	United Kingdom	Ordinary	52	52
** CDL Hotels (Chelsea) Limited/Hotel operator	United Kingdom	Ordinary	52	52
** CDL Hotels (U.K.) Limited/Hotel operator	United Kingdom	Ordinary	52	52
<b>Subsidiary of Millennium Hotels Limited</b>				
** London Britannia Hotel Limited/Hotel operator	United Kingdom	Ordinary	52	52
<b>Subsidiary of CDL Hotels (Chelsea) Limited</b>				
** Millennium Chelsea Hotel Limited/Restaurant operator	United Kingdom	Ordinary	52	52
<b>Subsidiaries of Millennium &amp; Copthorne (Austrian Holdings) Limited</b>				
** ATOS Holding AG/Investment holding	Austria	Ordinary	52	52
** M & C (BB) Limited/Investment company	United Kingdom	Ordinary	52	52
** M & C (BC) Limited/Investment company	United Kingdom	Ordinary	52	52
<b>Subsidiaries of ATOS Holding AG</b>				
* CDL Entertainment & Leisure Pte Ltd/Provision of management services and investment holding	Singapore	Ordinary	52	52
** CDL Hotels (Malaysia) Sdn. Bhd./Hotel owner and operator	Malaysia	Ordinary & Preference	52	52
* Hong Leong International Hotel (Singapore) Pte. Ltd./Investment holding	Singapore	Ordinary	51	51

# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(ii) Indirect subsidiaries (cont'd)</b>				
<b>Subsidiaries of ATOS Holding AG (cont'd)</b>				
* Hong Leong Hotels Pte Ltd./ Investment holding	Cayman Islands/ Hong Kong	Ordinary & Preference	52	52
* Millennium & Copthorne International Limited/ Hotels and resorts management	Singapore	Ordinary	52	52
* TOSCAP Limited/Investment holding	Singapore/ United Kingdom	Ordinary	52	52
<b>Subsidiary of CDL Entertainment &amp; Leisure Pte Ltd</b>				
**** CDL Hotels (Phils.) Corporation/ Management and consultancy services	Philippines	Ordinary	52	52
<b>Subsidiary of Hong Leong International Hotel (Singapore) Pte. Ltd.</b>				
** Hong Leong Hotel Development Limited/ Hotel owner and operator	Taiwan	Ordinary	42	42
<b>Subsidiaries of Hong Leong Hotels Pte Ltd.</b>				
**** The Philippine Fund Limited/ Investment holding	Bermuda/ Philippines	Ordinary	31	31
** First 2000 Limited/Investment holding	Hong Kong	Ordinary	52	52
<b>Subsidiary of The Philippine Fund Limited, also held as an associated company of Zatrio Pte Ltd, a wholly-owned subsidiary of Republic Hotels &amp; Resorts Limited</b>				
**** Grand Plaza Hotel Corporation/Hotel owner and operator and investment holding	Philippines	Ordinary	34	34
<b>Subsidiary of First 2000 Limited</b>				
** CDL Hotels Holdings New Zealand Limited/ Investment holding	New Zealand	Ordinary & Preference	52	52

# Notes to the Financial Statements

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## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(ii) Indirect subsidiaries (cont'd)</b>				
<b>Subsidiaries of CDL Hotels Holdings New Zealand Limited</b>				
** CDL Hotels New Zealand Limited/Investment holding, property development, hotel and marina operations	New Zealand	Ordinary	37	37
** M & C NZ Limited/Holding company	United Kingdom	Ordinary	52	–
<b>Subsidiaries of CDL Hotels New Zealand Limited</b>				
** All Seasons Hotels & Resorts Limited/Name-holding	New Zealand	Ordinary	37	37
** CDL Investments New Zealand Limited/ Property investment and development	New Zealand	Ordinary	23	23
** Context Securities Limited/ Joint venture entity	New Zealand	Ordinary & Preference	37	37
** Millennium & Copthorne Hotels Limited/ Name-holding	New Zealand	Ordinary	37	37
** Quantum Limited/Holding company	New Zealand	Ordinary	26	26
** KIN Holdings Limited/Holding company	New Zealand	Ordinary	23	–
<b>Subsidiary of KIN Holdings Limited</b>				
** Kingsgate International Corporation Limited/ Investment holding	New Zealand	Ordinary	23	19#
<b>Subsidiaries of CDL Investments New Zealand Limited</b>				
** CDL Land New Zealand Limited/ Property investment and development	New Zealand	Ordinary & Preference	23	23
LPL Group Limited/Holding company (in liquidation)	New Zealand	Ordinary	23	23

# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(ii) Indirect subsidiaries (cont'd)</b>				
<b>Subsidiary of LPL Group Limited (in liquidation)</b>				
Landcorp Property Limited/Lessee company (in liquidation)	New Zealand	Ordinary	23	23
<b>Subsidiaries of Kingsgate International Corporation Limited</b>				
** Kingsgate Holdings Pty. Ltd./Holding company	Australia	Ordinary	23	19
** Kingsgate Hotels Limited/Hotel owner and operator	New Zealand	Ordinary	23	19
<b>Subsidiaries of Kingsgate Holdings Pty. Ltd.</b>				
** Kingsgate Investments Pty. Ltd./ Hotel and shopping centre operator company	Australia	Ordinary	23	19
** Millennium & Copthorne Hotels Pty. Ltd./Name-holding	Australia	Ordinary	23	19
<b>Subsidiaries of Kingsgate Investments Pty. Ltd.</b>				
** Hotelcorp New Zealand Pty. Ltd./Holding company	Australia	Ordinary	23	19
** Kingsgate Hotel Pty. Ltd./Service company	Australia	Ordinary	23	19
<b>Subsidiary of Hotelcorp New Zealand Pty. Ltd.</b>				
** Birkenhead Holdings Pty. Ltd./Holding company	Australia	Ordinary	23	19
<b>Subsidiary of Birkenhead Holdings Pty. Ltd.</b>				
** Birkenhead Investments Pty. Ltd./ Shopping centre and marina operator company	Australia	Ordinary	23	19
<b>Subsidiary of Birkenhead Investments Pty. Ltd.</b>				
** Birkenhead Services Pty. Ltd./Service company	Australia	Ordinary	23	19



# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(ii) Indirect subsidiaries (cont'd)</b>				
<b>Subsidiaries of Quantum Limited</b>				
** QINZ Holdings (New Zealand) Limited/Holding company	New Zealand	Ordinary	26	26
** Hospitality Group Limited/Holding company	New Zealand	Ordinary & Preference	26	26
<b>Subsidiary of QINZ Holdings (New Zealand) Limited</b>				
** Kingsgate Hotels and Resorts Limited (formerly known as Quality Hotels Limited)/Franchise holder (Quality)	New Zealand	Ordinary	26	26
<b>Subsidiaries of Hospitality Group Limited</b>				
** Hospitality Services Limited/ Hotel operations and management	New Zealand	Ordinary	26	26
** Hospitality Leases Limited/Lessee company	New Zealand	Ordinary & Preference	26	26
** QINZ (Anzac Avenue) Limited/Hotel owner	New Zealand	Ordinary & Preference	26	26
<b>Subsidiary of M&amp;C Hotels Holdings Limited</b>				
* Republic Hotels & Resorts Limited/ Hotel owner and operator and investment holding	Singapore	Ordinary	52	52
<b>Subsidiaries of Republic Hotels &amp; Resorts Limited</b>				
** Copthorne Orchid Penang Sdn. Bhd./Hotel owner	Malaysia	Ordinary	52	52
* Copthorne Orchid Hotel Singapore Pte Ltd/Hotel owner	Singapore	Ordinary	52	52
* City Hotels Pte. Ltd./Hotel owner	Singapore	Ordinary	52	52
^ CDL Hotels (Labuan) Limited/Investment holding	Malaysia	Ordinary	52	52

# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(ii) Indirect subsidiaries (cont'd)</b>				
<b>Subsidiaries of Republic Hotels &amp; Resorts Limited (cont'd)</b>				
* Harbour View Hotel Pte. Ltd./Hotel owner	Singapore	Ordinary	52	52
* Harrow Entertainment Pte Ltd/Investment holding	Singapore	Ordinary	52	52
* International Design Link Pte Ltd/ Property project design consultancy services	Singapore	Ordinary	52	52
* King's Tanglin Shopping Pte. Ltd./Property owner	Singapore	Ordinary	52	52
* Newbury Investments Pte Ltd/Investment holding	Singapore	Ordinary	52	52
** PT Millennium Hotels & Resorts/Management services	Indonesia	Ordinary	52	52
* Republic Hotels Holdings Pte Ltd/Investment holding	Singapore	Ordinary	52	52
* Republic Hotels Investments Pte Ltd/Investment holding	Singapore	Ordinary	52	52
* Republic Hotels Suzhou Pte Ltd/Investment holding	Singapore	Ordinary	52	52
* Zatrio Pte Ltd/Investment holding	Singapore	Ordinary	52	52
<b>Subsidiary of City Hotels Pte. Ltd.</b>				
** M&C Holdings (Thailand) Ltd./ Investment holding and hotel management	Thailand	Ordinary	52	–
<b>Subsidiary of CDL Hotels (Labuan) Limited</b>				
** CDL Hotels (Korea) Ltd./Hotel owner	Republic of Korea	Ordinary	52	52
<b>Subsidiary of Harrow Entertainment Pte Ltd</b>				
* City Elite Pte Ltd/Restaurateur	Singapore	Ordinary	52	52

# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %
<b>(ii) Indirect subsidiaries (cont'd)</b>				
<b>Subsidiary of Newbury Investments Pte Ltd</b>				
** PT. Millennium Sirih Jakarta Hotel/Hotel owner	Indonesia	Ordinary	42	42
<b>Subsidiary of CDL Properties Ltd</b>				
* Land Equity Development Pte Ltd/Property owner	Singapore	Ordinary	100	100
<b>Subsidiary of Citydev Properties Pte Ltd</b>				
* Citydev Real Estate (Singapore) Pte Ltd/Property owner	Singapore	Ordinary	100	100
<b>Subsidiary of City Condominiums Pte Ltd</b>				
^ Reach Across International Limited/ Investment holding	British Virgin Islands	Ordinary	100	100
<b>Subsidiary of Eccott Pte Ltd</b>				
* CDL-Suzhou Investment Pte Ltd/Investment holding	Singapore	Ordinary	100	100
<b>Subsidiary of Eton Properties Pte Ltd</b>				
* Republic Plaza City Club (Singapore) Pte Ltd/ Owner and operator of clubs	Singapore	Ordinary	100	100
<b>Subsidiaries of Island City Garden Development Pte. Ltd.</b>				
* Spring Grove Development Pte Ltd/ Property owner and developer	Singapore	Ordinary	60	60
* City Serviced Offices Pte. Ltd./Operating serviced offices	Singapore	Ordinary	100	100
<b>Subsidiary of Union Chain Investment Limited</b>				
** Pacific Height Enterprises Company Limited/ Property investment	Hong Kong/ Japan	Ordinary	100	100

# Notes to the Financial Statements

31 December 2004

## 42. Subsidiaries (cont'd)

Company name/ Principal activities	Place of incorporation/ Principal place of business	Class of shares	Effective percentage held by the Group	
			2004 %	2003 %

### (ii) Indirect subsidiaries (cont'd)

#### Subsidiary of City Centrepoint Pte Ltd

* City Sovereign Pte. Ltd./Investment holding	Singapore	Ordinary	100	100
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\* Audited by KPMG Singapore

\*\* Audited by other member firms of KPMG International

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

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

^ Not subject to audit by law of country of incorporation

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

@ Became jointly controlled entity during the year

# Different holding company in year 2003

Ø Auditors have not been appointed as at 31 December 2004

# Notes to the Financial Statements

31 December 2004

## 43. Associated Companies

The following are the Group's associated companies:

Company name	Principal activities	Place of incorporation	Effective percentage held by the Group	
			2004 %	2003 %
<b>Associated company of The Philippine Fund Limited</b>				
** Rogo Realty Corporation	Real estate owner	Philippines	13	13
<b>Associated company of Grand Plaza Hotel Corporation and subsidiary of Rogo Realty Corporation</b>				
** Harbour Land Corporation	Land owner	Philippines	21	21
<b>Associated company of AIRCOA Hospitality Services, Inc.</b>				
* The El Dorado Partnership, Ltd.	Hotel owner and operator	United States of America	21	21
<b>Associated company of The El Dorado Partnership, Ltd.</b>				
* Guardian Santa Fe Partnership	Hotel owner and operator	United States of America	5	5

\* Audited by other member firms of KPMG International

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

# Notes to the Financial Statements

31 December 2004

## 44. Jointly Controlled Entities

The following are the Group's jointly controlled entities:

Company name	Principal activities	Place of incorporation	Effective percentage held by the Group	
			2004 %	2003 %
<b><u>By the Company</u></b>				
* Aster Land Development Pte Ltd	Property owner and developer	Singapore	30	30
* Branbury Investments Ltd	Property owner	Singapore	43	43
* Brighton Development (S) Pte Ltd	Property owner and developer	Singapore	50	50
* Camborne Developments Pte Ltd	Property owner and developer	Singapore	50	50
* Claymore Properties Pte Ltd	Property sales and ownership	Singapore	25	25
* Cuscaden Investment Pte Ltd	Real estate developer and investment holding company	Singapore	25	25
* Granmil Holdings Pte Ltd	Property owner and developer	Singapore	40	40
Isrich Properties Pte Ltd (in liquidation)	Property owner	Singapore	50	50
* TC Development Pte. Ltd. (formerly known as Trevoise Crescent Development Pte Ltd)	Property owner and developer	Singapore	50	50
* Tripartite Developers Pte. Limited	Property owner and developer	Singapore	33	33
<b><u>By Subsidiaries</u></b>				
<b>Jointly controlled entity of ATOS Holding AG</b>				
^ New Unity Holdings Ltd.	Investment holding	British Virgin Islands	26	26
<b>Subsidiary of New Unity Holdings Ltd.</b>				
*** Ferguson Investment Corp.	Investment holding	British Virgin Islands	26	26

# Notes to the Financial Statements

31 December 2004

## 44. Jointly Controlled Entities (cont'd)

Company name	Principal activities	Place of incorporation	Effective percentage held by the Group	
			2004 %	2003 %
<b>By Subsidiaries (cont'd)</b>				
<b>Subsidiary of Ferguson Investment Corp.</b>				
*** Ferguson Hotel Holdings Limited	Investment holding	Hong Kong	25	25
<b>Subsidiaries of Ferguson Hotel Holdings Limited</b>				
*** 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
^ Lucky Trio Ltd	Investment holding	British Virgin Islands	25	25
<b>Subsidiary of Lyle Profits Limited</b>				
*** Chishore Enterprise Inc.	Investment holding	British Virgin Islands	16	16
<b>Subsidiary of Chishore Enterprise Inc.</b>				
*** Queensway Hotel Holdings Limited	Investment holding	Hong Kong	13	13
<b>Subsidiary of Queensway Hotel Holdings Limited</b>				
*** Queensway Hotel Limited	Hotel investment	Hong Kong	13	13
<b>Jointly controlled entity of City Port Development Pte Ltd</b>				
** P.T. City Island Utama	Property owner and developer	Indonesia	30	30
<b>Jointly controlled entity of Citydev Investments Pte. Ltd.</b>				
* Edenspring Properties Pte Ltd	Property sales and ownership	Singapore	50	50

# Notes to the Financial Statements

31 December 2004

## 44. Jointly Controlled Entities (cont'd)

Company name	Principal activities	Place of incorporation	Effective percentage held by the Group	
			2004 %	2003 %
<b>By Subsidiaries (cont'd)</b>				
<b>Jointly controlled entity of Educado Company Limited</b>				
Caswell Development Limited (liquidated during the year)	Investment holding	Hong Kong	–	30
<b>Jointly controlled entity of Richview Holdings Pte Ltd</b>				
* Richmond Hotel Pte Ltd	Property owner and developer	Singapore	33	33
<b>Subsidiary of Richmond Hotel Pte Ltd</b>				
Ø Tomlinson Hotel Pte. Ltd.	Hotel owner	Singapore	33	–
<b>Jointly controlled entities of CDL Hotels USA, Inc.</b>				
New Plaza Associates, L.L.C. (liquidated during the year)	Hotel investment holding company	United States of America	–	26
^ New Plaza Associates Liquidating Trust Trustee LLC	Trustee services	United States of America	26	–
<b>Jointly controlled entity of Faber-Rhine Properties Pte Ltd</b>				
* Glengary Pte. Ltd.	Property owner and developer	Singapore	50	50
<b>Subsidiaries of New Plaza Associates, L.L.C.</b>				
Plaza Operating Partners Ltd (merged into New Plaza Associates, L.L.C.)	Hotel ownership	United States of America	–	26
NPA Plaza Corp. (merged into New Plaza Associates, L.L.C.)	Holding company	United States of America	–	26
<b>Jointly controlled entity of Aston Properties Pte Ltd</b>				
* Burlington Square Properties Pte Ltd	Property sales and ownership	Singapore	25	25



# Notes to the Financial Statements

31 December 2004

## 44. Jointly Controlled Entities (cont'd)

Company name	Principal activities	Place of incorporation	Effective percentage held by the Group	
			2004 %	2003 %
<b>By Subsidiaries (cont'd)</b>				
<b>Jointly controlled entities of Singapura Developments (Private) Limited</b>				
* Burlington Square Investment Pte Ltd	Property owner	Singapore	25	25
^ WREP Urban Pool Investors, L.L.C.	Investment holding	United States of America	50	@
<b>Jointly controlled entity of Baynes Investments Pte Ltd</b>				
Cardoville Properties Pte Ltd (liquidated during the year)	Investment holding	Singapore	–	35
<b>Jointly controlled entity of eMpire Investments Limited</b>				
Tenantworld Pte Ltd (liquidated during the year)	Property e-Commerce Hub	Singapore	–	25
<b>Jointly controlled entity of City Condominiums Pte Ltd</b>				
WREP Thailand Holdings (in liquidation)	Investment holding	Mauritius	50	50
<b>Jointly controlled entity of City Hotels Pte. Ltd.</b>				
** Fena Estate Company Limited	Property development	Thailand	50	–
<b>Jointly controlled entity of City (Labuan) Holdings Limited</b>				
^ Yuhwa Investors, LLC	Real estate investment	United States of America	50	50
<b>Subsidiary of Yuhwa Investors, LLC</b>				
++ Taravaca SGPS LDA	Investment holding	Madeira	50	50
<b>Subsidiaries of Taravaca SGPS LDA</b>				
^ Yuhwa Holdco I, LLC	Real estate investment	United States of America	50	50
^ Yuhwa Holdco II, LLC	Real estate investment	United States of America	50	50

# Notes to the Financial Statements

31 December 2004

## 44. Jointly Controlled Entities (cont'd)

Company name	Principal activities	Place of incorporation	Effective percentage held by the Group	
			2004 %	2003 %
<b>By Subsidiaries (cont'd)</b>				
<b>Subsidiary of Yuhwa Holdco I, LLC</b>				
Yuhwa (Labuan) Holdco I Private Limited (in liquidation)	Real estate investment	Malaysia	50	50
<b>Subsidiary of Yuhwa Holdco II, LLC</b>				
Yuhwa (Labuan) Holdco II Private Limited (in liquidation)	Real estate investment	Malaysia	50	50
<b>Jointly controlled entity of Citydev (Labuan) Holdings Limited</b>				
^ Myungdong Investors, LLC	Real estate investment	United States of America	50	50
<b>Subsidiaries of Myungdong Investors, LLC</b>				
^ Myungdong Holdco I, LLC	Real estate investment	United States of America	50	50
^ Myungdong Holdco II, LLC	Real estate investment	United States of America	50	50
++ Iquitos – SGPS LDA	Investment holding	Madeira	50	50
++ Paferban – SGPS LDA	Investment holding	Madeira	50	50
<b>Subsidiary of Myungdong Holdco I, LLC</b>				
^ Myungdong (Labuan) Holdco I Private Limited	Real estate investment	Malaysia	50	50
<b>Subsidiary of Myungdong Holdco II, LLC</b>				
^ Myungdong (Labuan) Holdco II Private Limited	Real estate investment	Malaysia	50	50

# Notes to the Financial Statements

31 December 2004

## 44. Jointly Controlled Entities (cont'd)

Company name	Principal activities	Place of incorporation	Effective percentage held by the Group	
			2004 %	2003 %
<b>By Subsidiaries (cont'd)</b>				
<b>Subsidiary of Iquitos – SGPS LDA and Paferban – SGPS LDA</b>				
+ Myungdong Development Co., Ltd	Real estate sale and lease	Republic of Korea	50	50
<b>Jointly controlled entity of CDL Bangkok Limited</b>				
^ Riverside Hotel Investors, LLC	Investment holding	United States of America	50	50
<b>Subsidiary of Riverside Hotel Investors, LLC</b>				
** Thai Real Estate Restructuring Fund I	Investment in hotel	Thailand	50	50
<b>Jointly controlled entities of Riverside Hotel Investors, LLC</b>				
** Napapornthip Co., Ltd.	Investment holding	Thailand	25	25
** Perfect Profit Enterprise Co., Ltd	Investment holding	Thailand	25	25
<b>Subsidiary of Napapornthip Co., Ltd.</b>				
** Krungthep Rimnam Ltd.	Hotel business	Thailand	25	25
<b>Subsidiary of Perfect Profit Enterprise Co., Ltd</b>				
** TWY Property Company Ltd	Property holding and development	Thailand	25	–
<b>Jointly controlled entities of WREP Urban Pool Investors, L.L.C.</b>				
^ Avalon Strategic Managers, L.L.C.	Business managers	United States of America	24	47
^ Avalon Strategic Investors, L.P.	Investment holding	United States of America	24	47
^ Casa Investors, L.P.	Investment holding	United States of America	24	47

# Notes to the Financial Statements

31 December 2004

## 44. Jointly Controlled Entities (cont'd)

Company name	Principal activities	Place of incorporation	Effective percentage held by the Group	
			2004 %	2003 %
<b>By Subsidiaries (cont'd)</b>				
<b>Jointly controlled entities of WREP Urban Pool Investors, L.L.C. (cont'd)</b>				
<sup>^</sup> Casa Portfolio Managers, LLC	Business managers	United States of America	24	47
Sennan Partners, LLC (liquidated during the year)	Business managers	United States of America	–	47
Sennan Strategic Investors, L.P. (liquidated during the year)	Investment holding	United States of America	–	47
<b>Subsidiaries of Avalon Strategic Investors, L.P.</b>				
Avalon Resort Investors, LLC (disposed during the year)	Investment holding	United States of America	–	47
Advance Funding Investors, LLC (disposed during the year)	Investment holding	United States of America	–	47
<b>Subsidiary of Avalon Resort Investors, LLC</b>				
Resort Villa Futtsu KK (disposed during the year)	Management, leasing and sale of real estate	Japan	–	47
<b>Subsidiaries of Casa Investors, L.P.</b>				
<sup>^</sup> Casa Preferred Investors	Investment holding	Cayman Islands	24	47
Casa Investment Corporation, Y.K. (in liquidation)	Investment holding	Japan	24	47
Casa Investment Leasing Corporation, Y.K. (liquidated during the year)	Leasing of residential buildings	Japan	–	47

# Notes to the Financial Statements

31 December 2004

## 44. Jointly Controlled Entities (cont'd)

Company name	Principal activities	Place of incorporation	Effective percentage held by the Group	
			2004 %	2003 %
<b>By Subsidiaries (cont'd)</b>				
<b>Jointly controlled entity of Casa Investors, L.P. and Casa Preferred Investors</b>				
Casa Property Special Purpose Company (liquidated during the year)	Investment holding	Japan	–	47
<b>Subsidiary of Sennan Strategic Investors, L.P.</b>				
Sennan Strategic Managers, LLC (liquidated during the year)	Investment holding	United States of America	–	47

\* Audited by KPMG Singapore

\*\* Audited by other member firms of KPMG International

\*\*\* Audited by PricewaterhouseCoopers, Hong Kong

+ Audited by Samil Accounting Corporation, Republic of Korea

++ Audited by A. Goncalves Monteiro e Associados

^ Not subject to audit by law of country of incorporation

@ Became jointly controlled entity during the year

Ø Auditors have not been appointed as at 31 December 2004 as Tomlinson Hotel Pte. Ltd was incorporated on 30 December 2004.

# Notes to the Financial Statements

31 December 2004

## 45. Subsequent Events

- (i) On 17 January 2005, Myungdong Development Co. Ltd (MDC), a jointly controlled entity of the Group incorporated in the Republic of Korea, entered into a Sale and Purchase Agreement (S&P) with Deka Immobilien Investment GmbH for the sale of certain properties owned by MDC at a consideration of KRW62 billion (approximately S\$91.8 million). The said properties comprised, *inter alia*, MyeongDong Central Building, a 16-storey freehold office building located in the prime district of MyeongDong in Seoul, Korea. The sale has been completed on 28 February 2005.
- (ii) As of 14 February 2005, Wideachieve Holdings Limited, a wholly-owned subsidiary of the Group, entered into an agreement with The Baupost Group L.L.C., SCG Capital Partners Ltd (the General Partner) and certain other limited partners to establish a private real estate fund, known as Real Estate Capital Asia Partners, L.P. (RECAP). RECAP is an exempted limited partnership organised under the laws of Cayman Islands and was formed for the purpose of making investments in real estate-related assets, portfolios and companies in selected markets in Asia. The Group has made a capital commitment of approximately US\$110 million in RECAP, which amounts to 49.78% of the total capital commitment in RECAP. The Baupost Group has also a 49.78% interest in RECAP with the General Partner and the other limited partners having a minority interest in RECAP. RECAP expects to invest its funds of US\$221 million within a period of 3 years.

## 46. Comparative Figures

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

# Analysis of Ordinary Shareholdings

## as at 1 March 2005

Class of Shares	:	Ordinary shares of \$0.50 each
Authorised Ordinary Share Capital	:	\$2,000,000,000.00
Issued and Fully Paid up Ordinary Capital	:	\$438,578,384.50
No. of Ordinary Shareholders	:	12,239
Voting Rights	:	1 vote for 1 ordinary share

Range of ordinary shareholdings	No. of ordinary shareholders	%	No. of ordinary shares	%
1 - 999	1,339	10.94	433,083	0.05
1,000 - 10,000	9,933	81.16	25,858,253	2.95
10,001 - 1,000,000	935	7.64	42,606,264	4.86
1,000,001 and above	32	0.26	808,259,169	92.14
	12,239	100.00	877,156,769	100.00

Based on information available to the Company as at 1 March 2005, approximately 51.16% of the issued ordinary share capital of the Company is held by the public, and accordingly, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

### MAJOR ORDINARY SHAREHOLDERS LIST – Top 20 as at 1 March 2005

No.	Name	No. of ordinary shares held	%
1	DBS Nominees (Pte) Ltd	127,496,547	14.54
2	Raffles Nominees (Pte) Ltd	115,003,468	13.11
3	Citibank Nominees (Singapore) Pte Ltd	82,565,643	9.41
4	Hong Leong Investment Holdings Pte. Ltd.	72,669,335	8.28
5	HSBC (Singapore) Nominees Pte Ltd	61,771,234	7.04
6	The HSBC Limited	57,000,000	6.50
7	Hong Leong Holdings Limited	55,261,343	6.30
8	UOB Nominees (Pte) Ltd	43,797,966	4.99
9	OUB Nominees Pte Ltd	20,422,512	2.33
10	Smith New Court (Singapore) Pte Ltd	16,478,726	1.88
11	Hong Leong Corporation Holdings Pte Ltd	15,929,833	1.82
12	Euroform (S) Pte. Limited	15,103,045	1.72
13	BankAmerica Nominees (1993) Pte Ltd	15,017,160	1.71
14	Hong Realty (Private) Limited	14,380,931	1.64
15	SGL Investment Holdings Pte Ltd	14,320,377	1.63
16	Singapore Nominees Pte Ltd	13,100,000	1.50
17	NIN Investment Holdings Pte Ltd	10,661,490	1.22
18	DB Nominees (S) Pte Ltd	10,238,956	1.17
19	Mayban Nominees (Singapore) Pte Ltd	7,046,375	0.80
20	Garden Estates (Pte) Limited	5,990,151	0.68
		774,255,092	88.27

# Analysis of Ordinary Shareholdings

## as at 1 March 2005

### Substantial Shareholders as shown in the Register of Substantial Shareholders

	No. of ordinary shares in which they have interest			
	Direct Interest	Deemed Interest	Total	%
Hong Realty (Private) Limited	30,170,931	27,791,598 <sup>(1)</sup>	57,962,529	6.61
Hong Leong Holdings Limited	140,261,343	17,770,202 <sup>(2)</sup>	158,031,545	18.02
Hong Leong Investment Holdings Pte. Ltd.	140,169,335	286,308,647 <sup>(3)</sup>	426,477,982	48.62
Kwek Holdings Pte Ltd	-	426,477,982 <sup>(4)</sup>	426,477,982	48.62
Davos Investment Holdings Private Limited	-	426,477,982 <sup>(4)</sup>	426,477,982	48.62

#### Notes:

- (1) Hong Realty (Private) Limited ("HR") is deemed under Section 7 of the Companies Act to have an interest in the 27,791,598 ordinary shares held directly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.
- (2) Hong Leong Holdings Limited ("HLH") is deemed under Section 7 of the Companies Act to have an interest in the 17,770,202 ordinary shares held directly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.
- (3) Hong Leong Investment Holdings Pte. Ltd. ("HLIH") is deemed under Section 7 of the Companies Act to have an interest in the 286,308,647 ordinary shares held directly and/or indirectly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof which includes (i) the 57,962,529 ordinary shares held directly and indirectly by HR; and (ii) the 158,031,545 ordinary shares held directly and indirectly by HLH, out of which 8,459,447 ordinary shares have been identified as ordinary shares in which HR is also deemed to have an interest in under note (1) above.
- (4) Kwek Holdings Pte Ltd and Davos Investment Holdings Private Limited are deemed under Section 7 of the Companies Act to have an interest in the 426,477,982 ordinary shares held directly and/or indirectly by HLIH in which they are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.



# Analysis of Preference Shareholdings

## as at 1 March 2005

Class of Shares	:	Non-Redeemable Convertible Non-Cumulative Preference Shares of \$0.05 each ("Preference Shares")
Authorised Preference Share Capital	:	\$50,000,000.00
Issued and Fully Paid up Preference Capital	:	\$16,543,712.85
No. of Preference Shareholders	:	3,994
Voting Rights	:	Entitled to attend, speak and vote at any class meeting of the Holders of Preference Shares. 1 vote for each Preference Share. Not entitled to attend and vote at any General Meeting of the Company except as provided below : (a) If the Preference Dividend (or any part thereof) due and payable and accrued is in arrears and has remain unpaid for at least 6 months, such right to attend and vote shall continue until such Preference Dividend (or any part thereof) in arrears and unpaid has been paid in full; (b) If the resolution in question varies the rights attached to the Preference Shares; or (c) If the resolution in question is for the winding up of the Company.

Range of Preference Shareholdings	No. of Preference Shareholders	%	No. of Preference Shares	%
1 - 999	576	14.42	268,981	0.08
1,000 - 10,000	3,032	75.91	8,198,195	2.48
10,001 - 1,000,000	365	9.14	25,638,476	7.75
1,000,001 and above	21	0.53	296,768,605	89.69
	3,994	100.00	330,874,257	100.00

### MAJOR PREFERENCE SHAREHOLDERS LIST – Top 20 as at 1 March 2005

No.	Name	No. of Preference Shares held	%
1	Mandai Properties Pte Ltd	65,994,000	19.95
2	Merrill Lynch (Singapore) Pte Ltd	64,753,777	19.57
3	SingAsia Investments Pte Ltd	40,348,000	12.19
4	Citibank Nominees (Singapore) Pte Ltd	33,368,783	10.09
5	Aster Land Development Pte Ltd	26,913,086	8.13
6	DBS Nominees (Pte) Ltd	9,012,789	2.72
7	Fairmount Development Pte Ltd	7,000,000	2.12
8	Lim & Tan Securities Pte Ltd	6,331,064	1.91
9	Infocomm Investments Pte Ltd	5,700,000	1.72
10	Liew Chee Kong	5,397,000	1.63
11	Guan Hong Plantation Private Limited	5,000,000	1.51
12	Raffles Nominees (Pte) Ltd	4,493,642	1.36
13	Hong Leong Foundation	3,564,038	1.08
14	HSBC (Singapore) Nominees Pte Ltd	3,422,580	1.03
15	Sun Yuan Overseas Pte Ltd	3,000,000	0.91
16	Upnorth Development Pte Ltd	3,000,000	0.91
17	HL Karimun Granite Pte Ltd	2,600,000	0.79
18	United Overseas Bank Nominees Pte Ltd	2,061,320	0.62
19	Interfab Pte Ltd	2,054,102	0.62
20	Ng Kin In	1,400,000	0.42
		295,414,181	89.28

# Analysis of Warrantholdings

## as at 1 March 2005

Range of warrant holdings	No. of warrant holders	%	No. of warrants	%
1 - 999	7,155	84.92	1,453,041	4.43
1,000 - 10,000	1,154	13.70	3,031,414	9.26
10,001 - 1,000,000	109	1.29	7,593,591	23.19
1,000,001 and above	8	0.09	20,669,392	63.12
	8,426	100.00	32,747,438	100.00

### MAJOR WARRANTHOLDERS LIST – Top 20 as at 1 March 2005

No.	Name	No. of warrants held	%
1	Hong Leong Holdings Limited	8,526,134	26.04
2	DBS Nominees (Pte) Ltd	2,312,387	7.06
3	Raffles Nominees (Pte) Ltd	2,222,016	6.79
4	Hong Realty (Private) Limited	1,917,093	5.85
5	Garden Estates (Pte.) Limited	1,862,214	5.69
6	SGI Investment Holdings Pte Ltd	1,432,037	4.37
7	HSBC (Singapore) Nominees Pte Ltd	1,277,399	3.90
8	United Overseas Bank Nominees Pte Ltd	1,120,112	3.42
9	Gordon Properties Pte Ltd	845,804	2.58
10	Citibank Nominees (Singapore) Pte Ltd	766,985	2.34
11	G K Goh Stockbrokers Pte Ltd	701,243	2.14
12	Hong Leong Enterprises Pte. Ltd.	602,453	1.84
13	Interfab Pte Ltd	513,525	1.57
14	DB Nominees (Singapore) Pte Ltd	478,203	1.46
15	Abbottin Properties Pte Ltd	339,017	1.04
16	Phillip Securities Pte Ltd	176,178	0.54
17	OCBC Nominees Singapore Pte Ltd	158,680	0.48
18	OCBC Securities Private Ltd	157,353	0.48
19	Singapore Cement Industrial Company Private Limited	136,523	0.42
20	Merrill Lynch (Singapore) Pte Ltd	135,086	0.41
		25,680,442	78.42

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Second Annual General Meeting of City Developments Limited (the "Company") will be held at Grand Ballroom 1, Level 4, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663 on Wednesday, 27 April 2005 at 3.00 p.m. for the following purposes:

## **(A) ORDINARY BUSINESS**

1. To receive the audited financial statements and the reports of the Directors and Auditors for the year ended 31 December 2004.
2. To declare a first and final dividend of 15% less 20% income tax per ordinary share of \$0.50 each for the year ended 31 December 2004 as recommended by the Directors.
3. To approve Directors' Fees of \$220,000 for the year ended 31 December 2004 and Audit Committee Fees of \$42,500 per quarter for the period from 1 July 2005 to 30 June 2006, with payment of the Audit Committee Fees to be made in arrears at the end of each calendar quarter.
4. To re-elect the following Directors retiring in accordance with the Articles of Association of the Company:
  - a) Mr Foo See Juan
  - b) Mr Han Vo-Ta
5. To consider and, if thought fit, pass the following resolutions in accordance with Section 153(6) of the Companies Act, Chapter 50:
  - a) That Mr Ong Pang Boon be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting.
  - b) That Mr Chee Keng Soon be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting.
  - c) That Mr Tang See Chim be and 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.

## **(B) SPECIAL BUSINESS**

To consider and, if thought fit, to pass, with or without any modifications, the following resolutions as Ordinary Resolutions:

7. That authority be and is hereby given to the Directors to:
  - (a) (i) issue ordinary shares whether by way of rights, bonus or otherwise; and/or
  - (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require ordinary shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into ordinary shares,

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; and

# Notice of Annual General Meeting

- (b) (notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force) issue ordinary shares in pursuance of any Instrument made or granted by the Directors while this Ordinary Resolution was in force;

provided that:

- (c) the aggregate number of ordinary shares to be issued pursuant to this Ordinary Resolution (including ordinary shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution but excluding ordinary shares which may be issued pursuant to any adjustments effected under any relevant Instrument), does not exceed 50% of the issued ordinary share capital of the Company (as calculated in accordance with paragraph (d) of this Ordinary Resolution), of which the aggregate number of ordinary shares to be issued other than on a *pro-rata* basis to shareholders of the Company (including ordinary shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution but excluding ordinary shares which may be issued pursuant to any adjustments effected under any relevant instrument) does not exceed 20% of the issued ordinary share capital of the Company (as calculated in accordance with paragraph (d) of this Ordinary Resolution);
- (d) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“SGX-ST”) for the purpose of determining the aggregate number of ordinary shares that may be issued under paragraph (c) of this Ordinary Resolution, the percentage of issued ordinary share capital shall be based on the issued ordinary share capital of the Company at the time this Ordinary Resolution is passed, after adjusting for:
  - (i) new ordinary shares arising from the conversion or exercise of any convertible securities;
  - (ii) new ordinary shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time this Ordinary Resolution is passed, provided the options or awards were granted in compliance with the Listing Manual of the SGX-ST; and
  - (iii) any subsequent consolidation or subdivision of ordinary shares;

and in relation to an Instrument, the number of ordinary shares shall be taken to be that number as would have been issued had the rights therein been fully exercised or effected on the date of the making or granting of the Instrument;

- (e) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and
- (f) (unless revoked or varied by the Company in general meeting) the authority conferred by this Ordinary Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

8. That,

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (“Companies Act”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares and/or Preference Shares not exceeding in aggregate the Prescribed Limit (as defined in this Ordinary Resolution), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as defined in this Ordinary Resolution), whether by way of:
  - (i) market purchases (each a “Market Purchase”) on the SGX-ST; and/or

# Notice of Annual General Meeting

- (ii) off-market purchases (each an “Off-Market Purchase”) effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they may, in their absolute discretion, deem fit, which schemes shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (“Share Purchase Mandate”);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate in paragraph (a) of this Ordinary Resolution may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on the earlier of:

- (i) the date on which the next annual general meeting of the Company is held; or
- (ii) the date by which the next annual general meeting of the Company is required by law to be held;

- (c) in this Ordinary Resolution:

“Prescribed Limit” means in relation to any purchase or acquisition of ordinary shares, 10% of the issued ordinary share capital, and in relation to any purchase or acquisition of Preference Shares, 10% of the non-redeemable convertible non-cumulative preference share capital, of the Company as at the date of the passing of this Ordinary Resolution; and

“Maximum Price” in relation to an ordinary share or Preference Share to be purchased (as the case may be) means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined in this Ordinary Resolution); and
- (ii) in the case of an Off-Market Purchase, 120% of the Highest Last Dealt Price (as defined in this Ordinary Resolution),

where:

“Average Closing Price” means the average of the Closing Market Prices of the ordinary shares or Preference Shares (as the case may be) over the last five (5) Market Days on the SGX-ST, on which transactions in the ordinary shares or Preference Shares were recorded, immediately preceding the day of the Market Purchase by the Company, and deemed to be adjusted for any corporate action that occurs after such 5-Market Day period;

“Closing Market Price” means the last dealt price for an ordinary share or Preference Share (as the case may be) transacted through the SGX-ST’s Central Limit Order Book (CLOB) trading system as shown in any publication of the SGX-ST or other sources;

“Highest Last Dealt Price” means the highest price transacted for an ordinary share or Preference Share (as the case may be) as recorded on the SGX-ST on the Market Day on which there were trades in the ordinary shares or Preference Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase;

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the Off-Market Purchase of ordinary shares or Preference Shares, as the case may be, from ordinary shareholders or holders of Preference Shares, stating the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase, calculated on the foregoing basis) for each ordinary share or Preference Share, and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

# Notice of Annual General Meeting

“Market Day” means a day on which the SGX-ST is open for trading in securities; and

- (d) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Ordinary Resolution.
9. 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 ordinary 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 ordinary shares to be issued pursuant to the Scheme shall not exceed 8% of the issued ordinary share capital of the Company from time to time.
10. (a) That approval be and is hereby given for the purpose of Chapter 9 of the Listing Manual of the SGX-ST, for the Company, its subsidiaries and its associated companies that are not listed on the SGX-ST, or an approved exchange, over which the Company, its subsidiaries and/or its interested person(s), have control, or any of them, to enter into any of the transactions falling within the category of Interested Person Transactions, particulars of which are set out in the Company’s Circular to Shareholders dated 28 April 2003 (the “Circular”) with any party who is of the class or classes of Interested Persons described in the Circular, provided that such transactions are entered into in accordance with the review procedures for Interested Person Transactions as set out in the Circular, and that such approval (the “IPT 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 and each of them 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 or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.

## **(C) TO TRANSACT ANY OTHER BUSINESS AS MAY BE PROPERLY TRANSACTED AT AN ANNUAL GENERAL MEETING**

By Order of the Board

**Shufen Loh @ Catherine Shufen Loh**

**Enid Ling Peek Fong**

Company Secretaries

Singapore

28 March 2005

The Company had on 28 February 2005 advised that the Ordinary Shares Transfer Books and Register of Holders of ordinary shares of the Company will be closed on 6 May 2005. Duly completed registrable transfers received by the Company’s Registrar, M & C Services Private Limited of 138 Robinson Road #17-00, The Corporate Office, Singapore 068906, up to 5.00 p.m. on 5 May 2005 will be registered to determine ordinary shareholders’ entitlement to the dividend for the year ended 31 December 2004.

Directors have recommended a first and final ordinary dividend of 15% less 20% Singapore income tax in respect of the financial year ended 31 December 2004 for approval by ordinary shareholders at the Annual General Meeting to be held on 27 April 2005. The final dividend, if approved, will be payable on 19 May 2005.

# Notice of Annual General Meeting

## 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. 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 holding the Meeting.
3. With reference to Ordinary Resolution 4(a) above, Mr Foo See Juan will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and Nominations Committee, and is considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.
4. With reference to Ordinary Resolution 4(b) above, Mr Han Vo-Ta will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and is considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.
5. Messrs Sim Miah Kian and Tan I Tong, Directors retiring at the Meeting pursuant to Section 153 of the Companies Act, Chapter 50, have notified the Company that they will not be seeking re-appointment as Directors of the Company at the Meeting.
6. With reference to Ordinary Resolution 5(b) above, Mr Chee Keng Soon will, upon re-appointment as a Director of the Company, remain as Chairman of the Audit Committee, Nominations Committee and Remuneration Committee, and is considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.
7. With reference to the Ordinary Resolution 5(c) above, Mr Tang See Chim will, upon re-appointment as a Director of the Company, remain as a member of the Audit Committee and Remuneration Committee, and is considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.
8. The Ordinary Resolution proposed in 7 above, if passed, will empower the Directors of the Company from the date of the Meeting until the next Annual General Meeting to issue ordinary shares whether by way of rights, bonus or otherwise and/or make or grant Instruments that might require ordinary shares to be issued up to and not exceeding 50% of the Company's issued ordinary share capital, with an aggregate sub-limit of 20% of the Company's issued ordinary share capital for any issue of ordinary shares not made on a *pro-rata* basis to shareholders. This authority will expire at the conclusion of the next Annual General Meeting of the Company, unless previously revoked or varied at a general meeting.
9. The Ordinary Resolution proposed in 8 above, if passed, will empower Directors of the Company to make purchases or otherwise acquire the Company's issued ordinary shares and/or Preference Shares from time to time subject to and in accordance with the guidelines set out in Annexure I of the Appendix Accompanying this Notice. This authority will expire at the conclusion of the next Annual General Meeting of the Company, unless previously revoked or varied at a general meeting.
10. The Ordinary Resolution proposed in 9 above, if passed, will empower the Directors of the Company to offer and grant options under the Scheme and to issue from time to time such number of ordinary shares in the capital of the Company pursuant to the exercise of share options under the Scheme subject to such limits or sub-limits as prescribed in the Scheme.
11. The Ordinary Resolution proposed in 10 above, if passed, will renew the IPT Mandate first approved by Shareholders on 29 May 2003 to facilitate the Company, its subsidiaries and its associated companies to enter into Interested Person Transactions, the details of which are set out in Annexure II and Appendix A of the Appendix Accompanying this Notice. The IPT Mandate will continue in force until the conclusion of the next Annual General Meeting of the Company, unless previously revoked or varied at a general meeting.

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**CITY DEVELOPMENTS LIMITED**

(Co. Reg. No. 196300316Z)

(Incorporated in the Republic of Singapore)

**Proxy Form****IMPORTANT:**

- For investors who have used their CPF monies to buy the Company's ordinary shares, this Summary Report/Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
- This Proxy Form is not valid for use by CPF Investors and holders of the Company's Preference Shares and shall be ineffective for all intents and purposes if used or purported to be used by them.
- CPF Investors who wish to attend the 42nd Annual General Meeting as OBSERVERS have to submit their requests through their respective Agent banks so that their Agent Banks may register with the Company Secretary of City Developments Limited.

\* I/We, \_\_\_\_\_ with \*NRIC/Passport Number: \_\_\_\_\_

of \_\_\_\_\_

being a \*member/members of City Developments Limited (the "Company"), hereby appoint

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

\*and/or

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or failing \*him/her, the Chairman of the Forty-Second 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 Grand Ballroom 1, Level 4, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663 on Wednesday, 27 April 2005 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
<b>ORDINARY BUSINESS</b>			
1.	Adoption of Reports and Financial Statements		
2.	Declaration of Ordinary Dividend		
3.	Approval of Directors' Fees and Audit Committee Fees		
4.	Re-election of Directors:	(a) Mr Foo See Juan	
		(b) Mr Han Vo-Ta	
5.	Re-appointment of Directors under Section 153(6) of the Companies Act, Chapter 50:	(a) Mr Ong Pang Boon	
		(b) Mr Chee Keng Soon	
		(c) Mr Tang See Chim	
6.	Re-appointment of KPMG as Auditors		
<b>SPECIAL BUSINESS</b>			
7.	Authority for Directors to issue ordinary shares and/or make or grant offers, agreements or options pursuant to the Companies Act, Chapter 50 and the listing rules of the Singapore Exchange Securities Trading Limited		
8.	Renewal of Share Purchase Mandate		
9.	Authority for Directors to offer and grant options and issue ordinary shares in accordance with the provisions of the City Developments Share Option Scheme 2001		
10.	Renewal of IPT Mandate for Interested Person Transactions		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2005

No. of Ordinary Shares Held

\*Delete accordingly

**IMPORTANT: PLEASE READ NOTES ON THE REVERSE**
 \_\_\_\_\_  
 Signature(s) of  
 Member(s)/Common Seal

**Notes:**

1. Please insert the total number of ordinary shares held by you. If you have ordinary 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 ordinary shares. If you have ordinary shares registered in your name in the Register of Members, you should insert that number of ordinary shares. If you have ordinary shares entered against your name in the Depository Register and ordinary shares registered in your name in the Register of Members, you should insert the aggregate number of ordinary 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 ordinary 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 ordinary 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 ordinary 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.

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**AGM**

**Proxy Form**

Affix  
Stamp  
Here

The Secretary  
**CITY DEVELOPMENTS LIMITED**  
36 Robinson Road  
#04-01 City House  
Singapore 068877

Fold Here

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**CITY DEVELOPMENTS LIMITED**

Co. Reg. No. 196300316Z

[www.cdl.com.sg](http://www.cdl.com.sg)