

HOTEL PROPERTIES LIMITED  
FULL FINANCIAL REPORT

2001



## contents

02	Business Review
04	Corporate Information
06	Report of the Directors
15	Auditors' Report
16	Balance Sheets
18	Profit and Loss Statements
19	Statements of Changes in Equity
22	Consolidated Cash Flow Statement
24	Notes to Financial Statements
69	Statement of Directors
70	Corporate Governance
71	Particulars of Group Properties
76	Statistics of Shareholdings

## BUSINESS REVIEW

### Financial Review

For the year ended December 31, 2001, the Group continues to be profitable.

The Group achieved a turnover of \$511.6 million, 25.5% increase over the turnover of \$407.7 million in 2000. Operating profit before share of results of associates, income tax and minority interest also increased by 42.1% from \$48.9 million to \$69.5 million. The net profit after tax was \$39.1 million, a marginal 9.2% decrease from the previous year's \$43.1 million. The previous year's profit included a non-recurring profit from the sale of land rights in the Canary Riverside development.

The Cuscaden Residences condominium development contributed significantly to the performance of our Property Division. Turnover of the Division increased significantly from \$109.8 million in 2000 to \$184.1 million in 2001. Profit before interest and tax increased from \$63 million in 2000 to \$79 million in 2001.

Our Hotel Division attained a turnover of \$235.6 million and remained profitable despite difficult operating conditions, especially during the last quarter of the year. There was, however, a dip in profit as compared to 2000, which was a record year for the Hotel Division. This was largely attributable to the September 11 incident which moderated the good performance of the first eight months of the year.

### Recent Developments

The past year saw three additional hotels: Casa del Mar, a 29-room Mediterranean-style beach resort in Langkawi, Hard Rock Hotel Pattaya, a 320-room rock 'n' roll themed hotel by the Gulf of Siam and Rihiveli Beach Resort with 48 bungalows, which is situated on a coral island in the South Malé Atoll, Maldives.

In Bangkok, the Group is renovating and rebranding the YMCA Collins International House, which was acquired last year, as a designer hotel.

We remain optimistic with respect to the prospects of the tourism industry in Thailand. The Group is actively seeking to acquire more hotel properties in key destinations in Thailand to build critical mass and widen geographical reach.

### **Prospects**

In view of the recent global developments, the year 2002 is expected to continue to be difficult. The Hotel Division is expected to generate satisfactory profits for the Group but the contributions from the Property Division are expected to fall significantly with the completion of the Cuscaden Residences development.

With its geographically diversified hotel and property portfolio, the Group is well-positioned to capitalise on business opportunities and expand its investments. This diversity will allow the Group to better manage earnings fluctuations caused by varying economic conditions in countries in which the Group operates.

## CORPORATE INFORMATION

### Board of Directors

Chairman

Peter Y. S. Fu

Managing Director

Ong Beng Seng

Members

Christopher Lim Tien Lock

Joseph Grimberg

Gordon Seow Li Ming

Michael S. Dobbs-Higginson

Arthur Tan Keng Hock

Leslie Mah Kim Loong

David Fu Kuo Chen

(Alternate director to Peter Y. S. Fu)

### Audit Committee

Chairman

Arthur Tan Keng Hock

Members

Joseph Grimberg

Gordon Seow Li Ming

Christopher Lim Tien Lock

### Secretaries

Boon Suan Lee

Chuang Sheue Ling

### Principal Bankers

OCBC Bank

DBS Bank

United Overseas Bank

### Auditors

Deloitte & Touche

Certified Public Accountants, Singapore

### Registrar

Lim Associates (Pte) Ltd

10 Collyer Quay

#19-08 Ocean Building

Singapore 049315

Tel : 6536 5355

### Registered Office

50 Cuscaden Road

#08-01 HPL House

Singapore 249724

Tel : 6734 5250

# Financials

2001

## HOTEL PROPERTIES LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

## REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the Company and of the Group for the financial year ended December 31, 2001.

## 1 DIRECTORS

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

Peter Y. S. Fu  
 Ong Beng Seng  
 Christopher Lim Tien Lock  
 Joseph Grimberg  
 Gordon Seow Li Ming  
 Michael S. Dobbs-Higginson  
 Arthur Tan Keng Hock  
 Leslie Mah Kim Loong  
 David Fu Kuo Chen (Alternate director to Peter Y. S. Fu)

## 2 PRINCIPAL ACTIVITIES

The principal activities of the Company are those of a hotelier and an investment holding company. The principal activities of the subsidiaries, associates and joint venture company are described in Notes 33, 34 and 12 respectively to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

## 3 ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

During the financial year, the following subsidiaries were disposed/placed under liquidation:

	Net tangible assets (liabilities) at date of liquidation/disposal \$	Equity interest %
<u>Liquidated</u>		
Elegant Hotel Pty Ltd	(68,565)	70
Crossgate Investments Limited	Nil	75
<u>Disposed at nominal amount</u>		
Dumpfe Holding B.V.	Nil	75
401 Hotel Management LLC	Nil	50.1

Details of subsidiaries that were incorporated during the year are set out in section 6 of this report and Note 33 to the financial statements.

## 4 RESULTS

	GROUP \$'000	COMPANY \$'000
Profit after income tax and share of results of associates but before minority interests	41,574	6,737
Minority interests	(2,484)	-
Net profit attributable to shareholders	39,090	6,737

## 5 MATERIAL TRANSFERS TO OR FROM RESERVES AND PROVISIONS

During the financial year, there were no material transfers to or from reserves and provisions other than those disclosed in the financial statements.

## 6 ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company made the following share issues:

- i) 80,000 new ordinary shares of \$1 each at a price of \$1.00 per ordinary share for cash following the exercise of options by executives of the Company granted in conjunction with the Hotel Properties Limited Executives' Share Option Scheme. The proceeds were used as working capital.
- ii) 150,000 new ordinary shares of \$1 each at a price of \$1.10 per ordinary share for cash following the exercise of options by executives of the Company granted in conjunction with the Hotel Properties Limited Executives' Share Option Scheme. The proceeds were used as working capital.

The newly issued shares rank *pari passu* in all respects with the existing shares of the Company.

Shares issued by subsidiaries in the Group during the financial year were as follows:

Subsidiary	Shares issued	Purpose
Asian Geographic Magazines Pte Ltd*	210,000 shares of \$1 each at par for cash	Subscribers' shares and for working capital
Concorde Hotels & Resorts (Malaysia) Sdn Bhd	99,998 shares of RM1 each at par for cash	For working capital
FP Asset Management Inc*	1 share of US\$1 each at par for cash	Subscriber's share
PT Amanda Citra*	50,000 shares of US\$1 each at par for cash	Subscribers' shares and for working capital
PT Amanda Surya*	187,500 shares of US\$1 each at par for cash	Subscribers' shares and for working capital
Seaside Properties (Thailand) Co. Ltd	75,000 shares of BHT100 each at par for cash	For working capital

\* Subsidiaries incorporated during the financial year.

Other than as disclosed above, there were no shares issued by the other companies in the Group during the financial year.

The Company and its subsidiaries did not issue any debentures during the financial year.



## HOTEL PROPERTIES LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

## 7 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at anytime during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate except as disclosed in section 18(d) of this report.

## 8 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

NAME OF DIRECTOR AND COMPANY IN WHICH INTERESTS ARE HELD	AS AT JANUARY 1, 2001	AS AT DECEMBER 31, 2001
<b>The Company</b>		
- <u>Shares of \$1 each</u>		
Peter Y. S. Fu	89,608,800*	96,508,800*
Ong Beng Seng	93,958,800**	100,858,800**
<b>The Subsidiaries</b>		
- HPL Resorts (Maldives) Pvt Ltd		
<u>Shares of Maldivian Rufiyaa 1,000 each</u>		
Ong Beng Seng	10,000*	10,000*
- HPL-21 Holdings Pte Ltd		
<u>Shares of \$1 each</u>		
Ong Beng Seng	20,000,000*	20,000,000*

\* Held by other persons or bodies corporate in which the director has interest by virtue of Section 7 of the Singapore Companies Act.

\*\* As at December 31, 2001, 97,858,800 (as at January 1, 2001, 90,958,800) shares are held by other persons or bodies corporate in which the director has interest by virtue of Section 7 of the Singapore Companies Act.

By virtue of Section 7 of the Singapore Companies Act, Messrs Peter Y. S. Fu and Ong Beng Seng are deemed to have an interest in the other related corporations of the Company.

There have been no changes in the above directors' interests as at January 21, 2002.

## 9 DIVIDENDS

Dividends paid or declared since the end of the Company's last financial year were as follows:

	<u>\$'000</u>
a) Dividend of 2.5% less tax of 24.5% paid during the financial year in respect of the Company's previous financial year	<u>8,546</u>
b) The directors recommend a first and final dividend of 2.5% less tax of 24.5% for the financial year ended December 31, 2001	<u>8,550</u>

## 10 DIRECTORS' ACTIONS RELATING TO BAD AND DOUBTFUL DEBTS

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

At the date of this report, the directors of the Company are not aware of any circumstances which would render the amounts written off or provided for bad and doubtful debts for the group of companies in the consolidated financial statements of the Company inadequate to any material extent.

## 11 DIRECTORS' ACTIONS RELATING TO CURRENT ASSETS

Before the profit and loss statement and the balance sheet were made out, the directors of the Company took reasonable steps to ascertain that any current assets of the Company which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values or were adequately provided for.

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

## 12 CHARGES ON ASSETS AND EXISTENCE OF CONTINGENT LIABILITIES AFTER YEAR END DATE

At the date of this report:

- a) there does not exist any charge on the assets of the Company or any corporation in the Group which has arisen since the end of the financial year which secures the liability of any other person; and
- b) there does not exist any contingent liability of the Company or any corporation in the Group which has arisen since the end of the financial year.

**13 ABILITY TO MEET OBLIGATIONS**

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

**14 OTHER CIRCUMSTANCES AFFECTING FINANCIAL STATEMENTS**

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

**15 UNUSUAL ITEMS**

In the opinion of the directors of the Company, the results of the operations of the Company and of the Group have not been substantially affected by any item, transaction or event of a material and unusual nature during the financial year.

**16 UNUSUAL ITEMS AFTER YEAR END DATE**

In the opinion of the directors of the Company, 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 would affect substantially the results of the operations of the Company and of the Group for the financial year in which this report is made.

**17 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS**

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act by reason of a contract made by the Company or a related corporation 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 except as disclosed in the financial statements and that:

- a) Messrs Peter Y. S. Fu, Ong Beng Seng and David Fu Kuo Chen are regarded to be interested in rental contracts at commercial rates in respect of certain shop and office units of the Group.
- b) Messrs Peter Y. S. Fu and Ong Beng Seng are deemed to be interested in transactions and arrangements entered into between a subsidiary and a company in which they have substantial financial interest for the provision of management services to operate a hotel.
- c) Mr Ong Beng Seng is deemed to be interested in transactions and arrangements entered into between a subsidiary and a company in which he has substantial financial interest for the provision of management services to operate certain serviced apartments.
- d) Mr Ong Beng Seng is deemed to be interested in transactions and arrangements entered into between a subsidiary and companies in which he has substantial financial interest in relation to the operation of a hotel and restaurant.

## 18 SHARE OPTIONS

At the end of the financial year, the Company has two share option schemes - the Hotel Properties Limited Executives' Share Option Scheme ("Scheme 1990") which was approved by the shareholders on November 19, 1990 and another known as Hotel Properties Limited Share Option Scheme 2000 ("Scheme 2000") which was approved by the shareholders on June 23, 2000.

Both the above Schemes are administered by the Share Option Committee whose members are:

Peter Y. S. Fu  
Ong Beng Seng  
Christopher Lim Tien Lock

### a) Share Options Granted

On September 27, 2001 ("Offering Date"), options were granted pursuant to the Scheme 2000 to 16 executives of the Company to subscribe for 2,105,000 ordinary shares of \$1 each in the Company at the subscription price of \$1.00 per ordinary share ("Offering Price") with no discount.

The options may be exercised during the period from September 27, 2002 to September 26, 2011, both dates inclusive, by notice in writing accompanied by a remittance for the full amount of the Offering Price (subject to adjustments under certain circumstances).

The Offering Price was equal to the market price of the shares based on the average last business done price for the shares of the Company as shown in the Financial News issued by the Singapore Exchange Securities Trading Limited for the three consecutive market days preceding the Offering Date or failing which, the last three market days on which there was trading in the shares of the Company before the Offering Date.

The employees to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

No other options to take up unissued shares of the Company or any corporation in the Group was granted during the financial year.

### b) Share Options Exercised

During the financial year, the Company issued 80,000 and 150,000 new ordinary shares of \$1 each at the price of \$1.00 and \$1.10 per ordinary share respectively for cash following the exercise of options by executives of the Company granted in conjunction with the Scheme 1990.

Other than the above, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

## 18 SHARE OPTIONS (cont'd)

## c) Unissued Shares Under Option

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option except as follows:

Date of grant	Balance at 1/1/2001 or date of grant if later	Number of Share Options		Subscription price	Date of expiry
		Exercised	Expired/ Cancelled		
Pursuant to Scheme 1990					
11/10/1996	1,475,000	-	1,475,000	-	\$2.257 10/10/2001
30/04/1997	1,681,000	-	125,000	1,556,000	\$2.283 29/04/2002
29/04/1998	880,000	80,000	-	800,000	\$1.00 28/04/2003
23/04/1999	1,185,000	150,000	-	1,035,000	\$1.10 22/04/2004
Sub-total	<b>5,221,000</b>	<b>230,000</b>	<b>1,600,000</b>	<b>3,391,000</b>	
Pursuant to Scheme 2000					
13/11/2000	1,855,000	-	-	1,855,000	\$1.30 12/11/2010
13/11/2000	250,000	-	-	250,000	\$1.21 12/11/2010
27/09/2001	2,105,000	-	-	2,105,000	\$1.00 26/09/2011
Sub-total	<b>4,210,000</b>	-	-	<b>4,210,000</b>	
Total	<b>9,431,000</b>	<b>230,000</b>	<b>1,600,000</b>	<b>7,601,000</b>	

## 18 SHARE OPTIONS (cont'd)

- d) The information on directors participating in Schemes 1990 and 2000 and employees who received 5 per cent or more of the total number of options available under Schemes 1990 and 2000 are as follows:

Name of director/ employee	Options granted during the financial year	Aggregate options granted since commencement of Schemes 1990 and 2000 to the end of the financial year	Aggregate options exercised since commencement of Schemes 1990 and 2000 to the end of the financial year	Aggregate options outstanding at the end of the financial year
	(a)	(b)	(c)	(a) + (b) - (c)
<b>Pursuant to Scheme 1990</b>				
<b><u>Director</u></b>				
Christopher Lim Tien Lock	Nil	<b>2,056,331</b>	<b>1,022,000</b>	<b>284,000</b> (excludes 750,331 options which have expired)
<b><u>Participant</u></b>				
Robert Foo Siang Mong	Nil	<b>2,036,662</b>	<b>944,000</b>	<b>242,000</b> (excludes 850,662 options which have expired)
Stephen Lau Buong Lik	Nil	<b>1,797,331</b>	<b>722,331</b>	<b>625,000</b> (excludes 450,000 options which have expired)
Wilson Cheah	Nil	<b>1,301,798</b>	<b>453,399</b>	<b>335,000</b> (excludes 513,399 options which have expired)
<b>Pursuant to Scheme 2000</b>				
<b><u>Director</u></b>				
Christopher Lim Tien Lock	<b>500,000</b>	<b>1,000,000</b>	Nil	<b>1,000,000</b>

No options under the Schemes were granted to controlling shareholders or their associates.

**19 AUDIT COMMITTEE**

At the date of this report, the Audit Committee ("the Committee") comprised the following:

Arthur Tan Keng Hock (Chairman)  
Joseph Grimberg  
Gordon Seow Li Ming  
Christopher Lim Tien Lock

The Committee held meetings since the last directors' report and performed the functions specified in the Singapore Companies Act. In performing its functions, the Committee reviewed the overall scope of the external audit and the assistance given by the Company's officers to the auditors. It met with the Company's external auditors to discuss the audit plan and results of their examinations and their evaluation of the Company's system of internal accounting controls. The Committee also reviewed the financial statements of the Company and the consolidated financial statements of the Group for the year ended December 31, 2001 as well as the auditors' report thereon.

The Committee has full access to and co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings.

The Committee recommended to the Board of Directors the nomination of Deloitte & Touche for re-appointment as external auditors at the forthcoming Annual General Meeting of the Company.

**20 AUDITORS**

The auditors, Deloitte & Touche, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS



PETER Y. S. FU



ONG BENG SENG

MARCH 28, 2002

## AUDITORS' REPORT

### TO THE MEMBERS OF HOTEL PROPERTIES LIMITED

We have audited the balance sheets of Hotel Properties Limited and of the Group as at December 31, 2001, the profit and loss statements and statements of changes in equity of the Company and of the Group, and the consolidated cash flow statement of the Group, for the year then ended set out on pages 16 to 68. 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- a) the financial statements and consolidated financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act ("Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:
  - i) the state of affairs of the Company and of the Group as at December 31, 2001 and of the results and equity changes of the Company and of the Group and cash flows of the Group for the year then ended; and
  - ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements and consolidated financial statements;
- b) the accounting and other records and the registers required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' reports of the subsidiaries and of the hotel operations of Hilton Singapore, Four Seasons Hotel Singapore and Le Meridien Singapour, of which we have not acted as auditors, being financial statements that have been included in the consolidated financial statements. The names of these subsidiaries are disclosed in Note 33 to the financial statements.

We are satisfied that the financial statements of the subsidiaries and the hotel operations of Hilton Singapore, Four Seasons Hotel Singapore and Le Meridien Singapour that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purpose of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for that purpose.

The auditors' reports on the financial statements of the subsidiaries and the hotel operations of Hilton Singapore, Four Seasons Hotel Singapore and Le Meridien Singapour were not subject to any qualification and in respect of subsidiaries incorporated in Singapore did not include any comment made under Section 207(3) of the Act.

*Delia & Jonathan*

CERTIFIED PUBLIC ACCOUNTANTS

PARTNER - PO'AD BIN SHAIK ABU BAKAR MATTAR  
SINGAPORE  
MARCH 28, 2002



## HOTEL PROPERTIES LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

## BALANCE SHEETS

December 31, 2001

	Notes	GROUP		COMPANY	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash	3	<b>154,679</b>	107,402	<b>44,926</b>	6,496
Short-term investments	4	<b>4,709</b>	5,392	-	-
Trade receivables	5	<b>26,667</b>	30,662	<b>1,364</b>	1,569
Other receivables and prepayments	6	<b>23,997</b>	32,092	<b>848</b>	1,489
Inventories	7	<b>11,867</b>	11,779	<b>213</b>	301
Development properties	8	<b>133,486</b>	82,407	-	-
Completed properties held for sale	9	<b>10,087</b>	12,610	-	-
Total current assets		<b>365,492</b>	282,344	<b>47,351</b>	9,855
<b>Non-current assets:</b>					
Associates	10	<b>99,709</b>	170,224	<b>14,699</b>	14,682
Subsidiaries	11	-	-	<b>663,023</b>	705,530
Other long-term investments	4	<b>40,143</b>	15,089	-	-
Property, plant and equipment	13	<b>983,892</b>	944,364	<b>236,867</b>	239,757
Investment properties	14	<b>276,790</b>	271,475	-	-
Expenditure carried forward	15	<b>8,066</b>	9,653	<b>551</b>	2,683
Total non-current assets		<b>1,408,600</b>	1,410,805	<b>915,140</b>	962,652
Total assets		<b>1,774,092</b>	1,693,149	<b>962,491</b>	972,507

See notes to financial statements set out on pages 24 to 68.

## BALANCE SHEETS

December 31, 2001

	Notes	GROUP		COMPANY	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities:</b>					
Bank loans	16	107,435	47,070	-	-
Trade payables		46,222	46,011	8,327	14,720
Other payables	17	28,087	26,501	-	-
Income tax payable		4,820	6,049	627	892
Total current liabilities		<b>186,564</b>	125,631	<b>8,954</b>	15,612
<b>Non-current liabilities:</b>					
Bonds and debentures	18	93	100,087	-	100,000
Long-term bank loans	16	579,223	508,378	206,803	119,044
Advances from subsidiaries	11	-	-	61,196	45,874
Other long-term payables	19	2,313	3,250	-	-
Deferred income tax	20	33,635	19,787	2,406	2,911
Total non-current liabilities		<b>615,264</b>	631,502	<b>270,405</b>	267,829
Minority interests	22	66,653	66,994	-	-
<b>Share capital and reserves:</b>					
Issued capital	23	452,999	452,769	452,999	452,769
Reserves		452,612	416,253	230,133	236,297
Total equity		<b>905,611</b>	869,022	<b>683,132</b>	689,066
Total liabilities and equity		<b>1,774,092</b>	1,693,149	<b>962,491</b>	972,507

See notes to financial statements set out on pages 24 to 68.

## HOTEL PROPERTIES LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

## PROFIT AND LOSS STATEMENTS

Year ended December 31, 2001

	Notes	GROUP		COMPANY	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Revenue	24	<b>511,627</b>	407,744	<b>44,725</b>	48,364
Cost of sales		<b>(352,165)</b>	(278,925)	<b>(32,456)</b>	(35,603)
Gross profit		<b>159,462</b>	128,819	<b>12,269</b>	12,761
Other operating income	24	<b>11,741</b>	7,775	<b>63,015</b>	25,872
Distribution costs		<b>(5,013)</b>	(4,592)	-	-
Administrative expenses		<b>(46,864)</b>	(41,927)	<b>(9,941)</b>	(9,468)
Other operating expenses		<b>(6,152)</b>	(2,718)	<b>(3,659)</b>	(2,690)
Profit from operations		<b>113,174</b>	87,357	<b>61,684</b>	26,475
Finance costs		<b>(28,102)</b>	(34,025)	<b>(10,057)</b>	(15,252)
Other non-operating expenses		<b>(15,612)</b>	(4,462)	<b>(29,988)</b>	(23)
Profit before income tax and share of results of associates		<b>69,460</b>	48,870	<b>21,639</b>	11,200
Share of results of associates		<b>(7,045)</b>	18,796	-	-
Profit before income tax	25	<b>62,415</b>	67,666	<b>21,639</b>	11,200
Income tax expense	28	<b>(20,841)</b>	(22,307)	<b>(14,902)</b>	(7,880)
Profit after income tax		<b>41,574</b>	45,359	<b>6,737</b>	3,320
Minority interests		<b>(2,484)</b>	(2,295)	-	-
Net profit attributable to shareholders		<b>39,090</b>	43,064	<b>6,737</b>	3,320
Earnings per ordinary share of \$1 each (Cents):	29				
- basic		<b>8.63</b>	9.51		
- fully diluted		<b>8.62</b>	9.50		

See notes to financial statements set out on pages 24 to 68.

## STATEMENTS OF CHANGES IN EQUITY

Year ended December 31, 2001

Group	Issued capital \$'000	Share premium \$'000	Asset revaluation reserve \$'000	Exchange fluctuation reserve \$'000	Reserve on consolidation \$'000	Retained profits \$'000	Dividend reserve \$'000	Total \$'000
Balance at January 1, 2000: As previously reported	452,559	121,405	205,390	(47,978)	22,867	89,700	-	843,943
Change in accounting policy (Note 35)	-	-	-	-	-	-	6,743	6,743
As restated	452,559	121,405	205,390	(47,978)	22,867	89,700	6,743	850,686
Foreign exchange realignment	-	-	(769)	-	-	-	-	(769)
Exchange fluctuation differences	-	-	-	(14,845)	-	-	-	(14,845)
Share of revaluation reserve of associates arising during the year	-	-	768	-	-	-	-	768
Adjustment arising from acquisition of additional interest in subsidiaries and associates	-	-	-	-	(3,018)	-	-	(3,018)
Net loss not recognised in the consolidated profit and loss statement	-	-	(1)	(14,845)	(3,018)	-	-	(17,864)
Net profit for the year	-	-	-	-	-	43,064	-	43,064
Final dividend for the previous year, paid	-	-	-	-	-	-	(6,743)	(6,743)
Final dividend for the year, proposed	-	-	-	-	-	(8,546)	8,546	-
Issue of share capital	210	5	-	-	-	-	-	215
Adjustment arising from disposal of a long-term investment by an associate	-	(336)	-	-	-	-	-	(336)
Balance at December 31, 2000	452,769	121,074	205,389	(62,823)	19,849	124,218	8,546	869,022
Change in accounting policy (Note 35)	-	-	-	-	-	(2,820)	-	(2,820)

See notes to financial statements set out on pages 24 to 68.

## STATEMENTS OF CHANGES IN EQUITY (cont'd)

Year ended December 31, 2001

Group	Issued capital \$'000	Share premium \$'000	Asset revaluation reserve \$'000	Exchange fluctuation reserve \$'000	Reserve on consolidation \$'000	Retained profits \$'000	Dividend reserve \$'000	Total \$'000
Exchange fluctuation differences	-	-	-	8,599	-	-	-	8,599
Share of revaluation reserve of associates arising during the year	-	-	(26)	-	-	-	-	(26)
Adjustment arising from acquisition/disposal of interest in associates	-	-	-	(3)	50	-	-	47
Net profit (loss) not recognised in the consolidated profit and loss statement	-	-	(26)	8,596	50	-	-	8,620
Net profit for the year	-	-	-	-	-	39,090	-	39,090
Final dividend for the previous year, paid	-	-	-	-	-	-	(8,546)	(8,546)
Final dividend for the year, proposed	-	-	-	-	-	(8,550)	8,550	-
Issue of share capital	230	15	-	-	-	-	-	245
Balance at December 31, 2001	452,999	121,089	205,363	(54,227)	19,899	151,938	8,550	905,611

See notes to financial statements set out on pages 24 to 68.

## STATEMENTS OF CHANGES IN EQUITY (cont'd)

Year ended December 31, 2001

Company	Issued capital \$'000	Share premium \$'000	Asset revaluation reserve \$'000	Exchange fluctuation reserve \$'000	Retained profits \$'000	Dividend reserve \$'000	Total \$'000
Balance at January 1, 2000: As previously reported	452,559	120,862	110,785	(4,751)	8,755	-	688,210
Change in accounting policy (Note 35)	-	-	-	-	-	6,743	6,743
As restated	452,559	120,862	110,785	(4,751)	8,755	6,743	694,953
Net loss not recognised in the profit and loss statement, being exchange fluctuation differences	-	-	-	(2,679)	-	-	(2,679)
Net profit for the year	-	-	-	-	3,320	-	3,320
Final dividend for the previous year, paid	-	-	-	-	-	(6,743)	(6,743)
Final dividend for the year, proposed	-	-	-	-	(8,546)	8,546	-
Issue of share capital	210	5	-	-	-	-	215
Balance at December 31, 2000	452,769	120,867	110,785	(7,430)	3,529	8,546	689,066
Net loss not recognised in the profit and loss statement, being exchange fluctuation differences	-	-	-	(4,370)	-	-	(4,370)
Net profit for the year	-	-	-	-	6,737	-	6,737
Final dividend for the previous year, paid	-	-	-	-	-	(8,546)	(8,546)
Final dividend for the year, proposed	-	-	-	-	(8,550)	8,550	-
Issue of share capital	230	15	-	-	-	-	245
Balance at December 31, 2001	452,999	120,882	110,785	(11,800)	1,716	8,550	683,132

See notes to financial statements set out on pages 24 to 68.

## HOTEL PROPERTIES LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

## CONSOLIDATED CASH FLOW STATEMENT

Year ended December 31, 2001

	2001 \$'000	2000 \$'000
<b>Cash flows from operating activities:</b>		
Profit before income tax and share of results of associates	69,460	48,870
Adjustments for:		
Amortisation of expenditure carried forward	3,523	5,319
Depreciation expense	36,300	31,607
Expenditure carried forward written off	8	-
Plant and equipment written off	1,003	1,180
Impairment loss in investment in an associate written back	-	(2,277)
Impairment loss in long-term investments	1,597	8,000
Impairment loss in property, plant and equipment	9,105	-
Interest expense	28,102	34,025
Interest income	(4,844)	(6,479)
Dividend income	(145)	(73)
Gain on revaluation of investment property	(4,786)	-
Gain on disposal of associate	(353)	-
Gain on disposal of development property	(178)	-
Gain on disposal of property, plant and equipment	(337)	(36)
Profit before working capital changes	138,455	120,136
Short-term investments	147	(4,793)
Receivables and prepayments	12,090	46,425
Inventories	(88)	887
Completed properties held for sale	2,523	673
Payables and accrued expenses	1,797	4,673
Cash generated from operations	154,924	168,001
Dividend paid	(8,546)	(6,743)
Income tax paid	(7,068)	(13,977)
Interest paid	(28,102)	(34,025)
Interest received	4,844	6,479
Dividend income received	145	73
Net cash from operating activities	116,197	119,808
<b>Cash flows used in investing activities:</b>		
Acquisition of subsidiary, net of cash acquired	-	(3,386)
Acquisition of additional interest in subsidiary	-	(29,200)
Additional expenditure carried forward	(4,598)	(4,419)
Development properties and expenditure	(59,351)	(12,286)
Additional investment properties	(529)	(76)
Associates	41,558	(6,156)
Additional property, plant and equipment	(65,157)	(62,331)
Additional long-term investments	(3,414)	(10,182)
Long-term receivable	428	-
Proceeds from disposal of associate	400	-
Proceeds from disposal of development property	4,788	-
Proceeds from disposal of property, plant and equipment	468	1,362
Cash flows used in investing activities	(85,407)	(126,674)

**CONSOLIDATED CASH FLOW STATEMENT (cont'd)**

Year ended December 31, 2001

	<b>2001</b>	<b>2000</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from (used in) financing activities:</b>		
Redemption of bonds	(100,000)	-
Additional term loans	117,624	22,057
Advance to minority shareholders	(4,022)	(26,878)
Long-term payable	(1,122)	3,250
Proceeds from issue of shares	245	215
Cash flows from (used in) financing activities	<u>12,725</u>	<u>(1,356)</u>
Net effect of exchange rate changes in consolidating subsidiaries	<u>3,762</u>	<u>(3,944)</u>
Net increase (decrease) in cash	47,277	(12,166)
Cash at beginning of year	<u>107,402</u>	<u>119,568</u>
Cash at end of year	<u>154,679</u>	<u>107,402</u>
Cash at end of year includes the following:		
Fixed deposits	118,482	70,869
Cash and bank balances	36,197	36,533
Total	<u>154,679</u>	<u>107,402</u>
<b>Summary of the effects of acquisition of subsidiaries:</b>		
Current assets	-	1,095
Current liabilities	-	(906)
Net current assets	-	189
Property, plant and equipment	-	15,530
Investment properties	-	9,701
	-	<u>25,420</u>
Long-term loans	-	(10,935)
Net assets acquired	-	14,485
Cash acquired	-	(3,770)
Reserve on consolidation	-	(7,329)
Cashflows arising from acquisition	-	<u>3,386</u>

See notes to financial statements set out on pages 24 to 68.



**HOTEL PROPERTIES LIMITED**

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2001

**1 GENERAL**

The Company is incorporated in the Republic of Singapore with its registered office at 50 Cuscaden Road, #08-01 HPL House, Singapore 249724. The financial statements are expressed in Singapore dollars.

The principal activities of the Company are those of a hotelier and an investment holding company. The principal activities of the subsidiaries, associates and joint venture company are described in Notes 33, 34 and 12 respectively to the financial statements.

The financial statements of the Company and of the Group for the year ended December 31, 2001 were authorised for issue by the Board of Directors on March 28, 2002.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF ACCOUNTING** - The financial statements are prepared in accordance with the historical cost convention, modified to include the revaluation of certain freehold and long-term leasehold land, development properties and investment properties. They are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Statements of Accounting Standard ("SAS").

The Company and the Group have adopted all the applicable new/revised SAS which become effective during the year. The effects of the adoption of certain SAS, which is a change in accounting policy, are disclosed in Note 35 to the financial statements.

**BASIS OF CONSOLIDATION** - The consolidated financial statements incorporate the financial statements of the Company and the enterprises controlled by the Company (its subsidiaries) made up to December 31 each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities. On acquisition, the assets and liabilities of the relevant subsidiaries are measured at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised. The results of subsidiaries acquired or disposed off during the year are included in the consolidated profit and loss statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group. All significant intercompany transactions and balances between Group enterprises are eliminated on consolidation.

**ASSOCIATES** - An associate is an enterprise over which the Group is in a position to exercise significant influence, through participation in the financial and operating policy decisions of the associate. The results of associates are incorporated in these financial statements using the equity method of accounting. The carrying amount of such investments is reduced to recognise any decline in the net recoverable value of individual investments. Where a group enterprise transacts with an associate of the Group, unrealised profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

**JOINT VENTURE COMPANY** - Joint venture arrangements which involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using proportionate consolidation - the Group's share of the assets, liabilities, income and expenses of jointly controlled entities are combined with the equivalent items in the consolidated financial statements on a line-by-line basis. Where the Group transacts with its jointly controlled entities, unrealised profits and losses to the extent of the Group's interest in those entities are eliminated.

**INVESTMENTS** - Quoted and unquoted investments (including shares in subsidiaries, associates and joint venture companies) held for long-term purposes are stated at cost less impairment losses recognised, where the carrying amount of these investments exceeds their estimated recoverable amount. Quoted and unquoted investments held for short-term purposes are stated at the lower of cost and market value on a portfolio basis.

**GOODWILL** - Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary, associate or joint venture company at the date of acquisition, and is amortised over a period ranging from 2 to 20 years.

Negative goodwill represents the excess of fair value of the Group's share of the net assets acquired over the cost of acquisition. Prior to January 1, 2001, negative goodwill arising from acquisition of subsidiaries, associates or joint venture companies was directly adjusted against shareholders' equity. With effect from January 1, 2001, the Group has adopted SAS 22 (2000) - Business Combination, and now presents negative goodwill in the same classification as goodwill on the balance sheet. To the extent that negative goodwill relates to expectations of future losses and expenses that can be reliably measured, but do not represent identifiable liabilities, the portion of negative goodwill is recognised in the profit and loss statement when the future losses and expenses are incurred. Any remaining negative goodwill, not exceeding the fair values of the non-monetary assets acquired, is recognised in the profit and loss statement over the remaining weighted average useful lives of those assets. Negative goodwill in excess of the fair value of those assets is recognised in the profit and loss statement immediately.

Goodwill and negative goodwill are offset where they relate to the same acquisition. Negative goodwill has not been restated retrospectively for financial statements covering periods up to December 31, 2000 as allowed under the transitional provisions of SAS 22 (2000).

**FOREIGN CURRENCY TRANSACTIONS AND FINANCIAL STATEMENTS** - Transactions in foreign currencies are recorded in Singapore dollars at the rates ruling at the dates of the transactions. At each balance sheet date, recorded monetary balances and balances carried at fair value that are denominated in foreign currencies are reported at the rates ruling at the balance sheet date. All realised and unrealised exchange adjustment gains and losses are dealt with in the profit and loss statements except that exchange differences arising on monetary items that, in substance, form part of the Group's net investment in foreign entities are taken to exchange fluctuation reserve.

For inclusion in the consolidated financial statements, the assets and liabilities of foreign entities (subsidiaries, associates and joint venture companies) are translated into Singapore dollars at rates of exchange approximating those ruling at the balance sheet date. The profit and loss statements are translated into Singapore dollars at the average exchange rate for the year and the opening net investment in the foreign entities are translated into Singapore dollars at historical rates. The resulting currency translation differences are taken to the exchange fluctuation reserve. On disposal of a foreign entity, the accumulated currency translation differences are recognised in the consolidated profit and loss statement as part of the consolidated profit or loss on disposal.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

**INVESTMENT PROPERTIES** - Investment properties are held on a long-term basis for investment potential and income. Investment properties are stated at valuation on an open market value for existing use basis. Professional valuations are obtained at least every three years. The surplus or deficit on revaluation is taken to the asset revaluation reserve except when the total of the reserve is not sufficient to cover a deficit, in which case the amount by which the deficit exceeds the amount in the asset revaluation reserve is charged to the profit and loss statement. Subsequent increase on revaluation directly related to previous decrease in carrying amount that was charged to the profit and loss statement is credited to income to the extent that it offsets the previous charge. The asset revaluation reserve is released to the profit and loss statement as and when the related revalued property is sold.

**PROPERTY, PLANT AND EQUIPMENT** - Property, plant and equipment are carried at cost or valuation, less accumulated depreciation and any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount.

No depreciation is provided on freehold and long-term leasehold land. Operating equipment is written off based on periodic physical inventory. Depreciation on the other property, plant and equipment is calculated on the straight-line method over their estimated useful lives which are taken as follows:

Leasehold property	-	Period of lease
Buildings and improvements	-	2 to 50 years
Plant and equipment, furniture, fixtures and fittings	-	3 to 20 years

Fully depreciated property, plant and equipment still in use are retained in the financial statements.

Any revaluation surplus arising on the revaluation of land is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation deficit for the same asset previously recognised as an expense, in which case the surplus is credited to the profit and loss statement to the extent of the deficit previously charged. A deficit in carrying amount arising on the revaluation of land is charged as an expense to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

**DEVELOPMENT PROPERTIES AND INCOME RECOGNITION** - Profits from the sale of the condominium development projects are recognised on the stage of completion method by reference to physical progress of the development and after making appropriate provision for uncertainties and estimates to complete. Provision for any losses from eventual sale of the properties is made in the year in which such losses can reasonably be determined.

Properties under development consist of land at cost or valuation, related acquisition expenses and construction costs which include interest on borrowings used to finance the construction of the projects, other direct expenditure and related overheads incurred during the construction period and attributable profits less progress payments received and receivable for the units covered by sale agreements from the sale of condominium development projects.

**COMPLETED PROPERTIES HELD FOR SALE** - Completed properties held for sale are stated at the lower of cost (average basis) and net realisable value.

**EXPENDITURE CARRIED FORWARD** - These comprise franchise rights and bank facility fee, and are amortised using the straight-line method over their useful lives, but not exceeding 20 years. Expenditure carried forward are stated at cost less amortisation. Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Prior to January 1, 2001, pre-operating expenses were included in expenditure carried forward and amortised over a period ranging from 2 to 20 years in equal instalments on commencement of commercial operations. With effect from January 1, 2001, SAS 34 (2000) - Intangible Assets was adopted, and pre-operating expenses are charged to profit and loss statement in the period which they are incurred. The effect of the change in accounting policy is adjusted against accumulated profits brought forward, as further disclosed in Note 35 to the financial statements.

**INVENTORIES** - These are stated at the lower of cost and net realisable value. Cost is determined as follows:

Saleable merchandise - Moving average method/First-in, first-out method.

Operating supplies - Substantially based on first-in, first-out method.

**CURRENT ASSETS AND LIABILITIES** - These are classified according to their realisation or settlement in the normal course of the company's operating cycle which may be in excess of one year.

**FINANCIAL ASSETS** - Financial assets include cash, short-term investments, trade and other receivables, and other long-term investments. Trade and other receivables are stated at their nominal value as reduced by appropriate allowances, if any, for estimated irrecoverable amounts. The accounting policy for investments is stated above.

**FINANCIAL LIABILITIES AND EQUITY** - Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial liabilities include trade and other payables, bank loans and debentures. Trade and other payables are stated at their nominal value. Bank loans, debentures and equity instruments are recorded at the proceeds received. Dividends on ordinary shares are recognised in shareholders' equity in the period in which they are declared. Share options are recorded when exercised and the exercise price is allocated between issued share capital and share premium, if any, accordingly.

**IMPAIRMENT OF ASSETS** - At each balance sheet date, the Group and Company review the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is land or building at a revalued amount, in which case the impairment loss is treated in the same manner as described under the accounting policies for investment properties and property, plant and equipment above.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated in the same manner as described under the accounting policies for investment properties and property, plant and equipment above.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### REVENUE RECOGNITION -

- (a) Sales other than revenue from development properties are recognised when significant risks and rewards of ownership are transferred to the buyer and the amount of revenue and costs of the transaction (including future costs) can be measured reliably;
- (b) Hotel room revenue is recognised based on room occupancy while other hotel revenue are recognised when the goods are delivered or the services are rendered to the customers;
- (c) Rental income is recognised on a time proportion basis;
- (d) Management fee income is recognised when services are rendered;
- (e) Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable; and
- (f) Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

**INCOME TAX** - Tax expense is determined on the basis of tax-effect accounting using the liability method and it is applied to all significant timing differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit except that a debit balance or a debit to the deferred income tax balance is not recorded unless there is a reasonable expectation of its realisation in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the assets are realised or the liability is settled. Deferred tax is charged or credited to the profit and loss statement and deferred tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority.

**RETIREMENT BENEFIT COSTS** - Payments to defined contribution retirement benefit plans are charged as an expense when incurred. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's and Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit plan.

## 3 CASH

Included in cash are amounts held under the Housing Developers (Project Account) Rules, withdrawals from which are restricted to payments for expenditure incurred on projects to which they relate. Details of such cash are as follows:

	GROUP	
	2001 \$'000	2000 \$'000
Fixed deposits	<b>43,794</b>	27,293
Cash and bank balances	<b>1,337</b>	2,992

## 4 INVESTMENTS

## Group

## a) Short-term investments

	2001		2000	
	Cost \$'000	Market Value \$'000	Cost \$'000	Market Value \$'000
Quoted equity shares	<b>7,603</b>	<b>4,709</b>	9,169	4,856
Unquoted equity shares	-	-	536	-
Impairment loss	<b>(2,894)</b>	-	(4,313)	-
Net	<b>4,709</b>	<b>4,709</b>	5,392	4,856

Movement in impairment loss:

	2001 \$'000	2000 \$'000
Balance at beginning of year	<b>4,313</b>	5,169
Write off	<b>(1,655)</b>	-
Charge to (reversal from) profit and loss (Note 25)	<b>236</b>	(856)
Balance at end of year	<b>2,894</b>	4,313

## b) Long-term investments

	2001 \$'000	2000 \$'000
Quoted equity shares, at cost (market value: \$7,276,000)	<b>21,876</b>	-
Unquoted equity shares, at cost	<b>20,382</b>	16,192
Other unquoted investments, at cost	<b>17,483</b>	29,229
Impairment loss	<b>(19,598)</b>	(30,332)
Net	<b>40,143</b>	15,089

Movement in impairment loss:

	2001 \$'000	2000 \$'000
Balance at beginning of year	<b>30,332</b>	22,332
Write off	<b>(12,331)</b>	-
Charge to profit and loss (Note 25)	<b>1,597</b>	8,000
Balance at end of year	<b>19,598</b>	30,332

## HOTEL PROPERTIES LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

## 5 TRADE RECEIVABLES

Trade receivables are stated after the following allowances for doubtful debts:

	GROUP		COMPANY	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Balance at beginning of year	756	599	101	104
Charges to profit and loss (Note 25)	197	302	3	-
Bad debts written off	(277)	(116)	(43)	(3)
Reversals to profit and loss (Note 25)	(172)	(43)	-	-
Provision arising from acquisition of subsidiary	-	14	-	-
Balance at end of year	504	756	61	101

## 6 OTHER RECEIVABLES AND PREPAYMENTS

	GROUP		COMPANY	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Amount receivable in relation to sale of a hotel development site	-	14,399	-	-
Deposits for acquisition of capital assets	4,892	1,814	-	201
Due from companies in which certain directors have interests*	403	161	-	-
Interest receivable	211	416	24	3
Other receivables	7,698	6,463	565	943
Prepayments	7,449	5,697	259	342
Rental deposits	3,288	3,115	-	-
Tax recoverable	56	27	-	-
Total	23,997	32,092	848	1,489

\* Amounts due from companies in which certain directors have interests are unsecured, interest-free and have no fixed terms of repayment.

## 7 INVENTORIES

	GROUP		COMPANY	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Saleable merchandise - moving average method, at cost	2,888	2,279	196	265
Saleable merchandise - FIFO method, at cost	1,023	1,072	-	-
Operating supplies, at cost	1,696	1,623	17	36
Inventories carried at net realisable value after the following allowances	6,260	6,805	-	-
Total	11,867	11,779	213	301

## 7 INVENTORIES (cont'd)

Movements in allowances:

	GROUP	
	2001 \$'000	2000 \$'000
Balance at beginning of year	4,248	3,036
Charge to profit and loss (Note 25)	2,299	1,159
Write off	(83)	(11)
Foreign exchange realignment	246	64
Balance at end of year	<b>6,710</b>	<b>4,248</b>

## 8 DEVELOPMENT PROPERTIES

	GROUP	
	2001 \$'000	2000 \$'000
Freehold land, at cost	36,355	41,296
Freehold land, at valuation	16,631	16,631
Leasehold land, at cost	1,318	3,792
Cost incurred and attributable profits	239,432	135,181
Total	293,736	196,900
Progress payments received and receivable	(157,537)	(111,859)
Impairment loss	(2,713)	(2,634)
Net	<b>133,486</b>	<b>82,407</b>

Movement in impairment loss:

Balance at beginning of year	2,634	2,556
Charge to profit and loss (Note 25)	79	78
Balance at end of year	<b>2,713</b>	<b>2,634</b>

As at December 31, 2001, certain development property amounting to approximately \$115 million (2000: \$58 million) were mortgaged to banks to secure certain credit facilities (Note 16).

The freehold and leasehold land included in development properties consist of the following:

Location	Title	Description
1) Lots 107-35, 107-37, 107-49 and 502 in Town Sub-division 24 located at Nos. 2, 22 to 28 and 32 Cuscaden Road, Singapore	Freehold	Being developed as condominium
2) Lots 263-12 (99275L), 263-11 (99276C), 263-10 (99277M) and 263-9 (99278W) in Town Sub-division 21 located at Robertson Quay, Singapore	Freehold	Proposed residential and commercial development
3) Siemreap Province, Siemreap Town, Division 3, Section 1, Cambodia	Leasehold (70 years commencing August 10, 1994 and March 21, 1996 respectively)	Land for redevelopment



## HOTEL PROPERTIES LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

## 8 DEVELOPMENT PROPERTIES (cont'd)

The cost of development properties includes the following cumulative amounts:

	<b>2001</b>	2000
	<b>\$'000</b>	\$'000
Auditors' remuneration	<b>78</b>	57
Depreciation expense	<b>5</b>	5
Development charges	<b>20,410</b>	20,410
Interest expense to non-related companies*	<b>24,557</b>	21,852
Interest income from non-related companies	<b>(1,614)</b>	(1,024)
Property tax	<b>4,073</b>	3,919

\* The interest rates range from 1.79% to 7.76% (2000: 3.45% to 7.76%) per annum.

## 9 COMPLETED PROPERTIES HELD FOR SALE

Location	Title	Description
Four Seasons Park 8, 10 and 12 Cuscaden Walk Singapore 249692	Freehold	6 (2000: 7) condominium units with an aggregate floor area of approximately 19,018 (2000: 22,839) square feet
Sailmakers Court Townmead Road London, England	Leasehold with a lease term of 999 years from December 25, 1989	1 (2000: 2) apartment units with an aggregate floor area of approximately 1,373 (2000: 3,649) square feet

## 10 ASSOCIATES

	GROUP		COMPANY	
	<b>2001</b>	2000	<b>2001</b>	2000
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Quoted equity shares, at cost (market value: 2000: \$8,630,000)	-	19,157	-	-
Unquoted equity shares, at cost	<b>168,343</b>	173,051	-*	-*
Total cost of investments (Note 34)	<b>168,343</b>	192,208	-	-
Impairment loss	<b>(2,276)</b>	(2,276)	-	-
Share of post-acquisition results, net of dividend received	<b>(100,084)</b>	(81,704)	-	-
Share of other reserves	<b>5,287</b>	200	-	-
Subscription monies in advance	-	266	-	-
Due from associates	<b>28,439</b>	61,530	<b>14,699</b>	14,682
Net	<b>99,709</b>	170,224	<b>14,699</b>	14,682

\* The Company's cost of investment in unquoted equity shares is \$3.

An associate has granted an option to the Company to subscribe for up to 10 million new shares of \$1 each at par in the share capital of the associate. This option expires in July 2005.

## 10 ASSOCIATES (cont'd)

Movement in impairment loss:

	GROUP	
	2001 \$'000	2000 \$'000
Balance at beginning of year	<b>2,276</b>	4,553
Reversal to profit and loss (Note 25)	-	(2,277)
Balance at end of year	<b>2,276</b>	<b>2,276</b>

The amounts due from associates are substantially non-trade in nature, unsecured and interest-free. Information relating to the associates is shown in Note 34.

## 11 SUBSIDIARIES

	COMPANY	
	2001 \$'000	2000 \$'000
Unquoted equity shares, at cost (Note 33)	<b>175,425</b>	175,475
Advances to subsidiaries	<b>517,565</b>	530,155
	<b>692,990</b>	705,630
Impairment loss	<b>(29,967)</b>	(100)
Net	<b>663,023</b>	705,530

Movement in impairment loss:

Balance at beginning of year	<b>100</b>	77,258
Charge to profit and loss (Note 25)	<b>29,867</b>	-
Write off	-	(77,158)
Balance at end of year	<b>29,967</b>	<b>100</b>

The advances to subsidiaries are substantially non-trade in nature and unsecured. About 6% of the advances to subsidiaries bears an annual interest rate ranging from 2.0% to 6.1% and the balance is non-interest bearing (2000: About 11% of the advances bore an annual interest rate ranging from 3.1% to 6.4% and the balance was non-interest bearing). During the financial year, interest income from subsidiaries amounted to approximately \$1,785,000 (2000: \$3,269,000).

The advances from subsidiaries are substantially non-trade in nature, interest-free, unsecured and not expected to be repaid within the next twelve months.

Information relating to the subsidiaries is shown in Note 33.

## 12 JOINT VENTURE COMPANY

Information relating to the joint venture company is as follows:

Name of joint venture company	Principal activity	Country of incorporation/ place of business	Group's effective equity interest	
			2001	2000
Hermill Investments Pte Ltd	Investment holding and letting out of properties	Singapore	59%	59%

The following amounts are included in the Group's consolidated financial statements as a result of proportionate consolidation of the joint venture company:

Balance sheet items

	2001 \$'000	2000 \$'000
Current assets	<b>4,306</b>	4,494
Property, plant and equipment	<b>336</b>	275
Investment property	<b>197,650</b>	192,335
Expenditure carried forward	<b>124</b>	206
Less: Current liabilities	<b>(3,488)</b>	(4,195)
Non-current liabilities	<b>(118,000)</b>	(118,000)
Net assets	<b>80,928</b>	75,115

Profit and loss statement

Revenue	<b>8,835</b>	<b>9,080</b>
Share of profit after income tax	<b>5,812</b>	<b>678</b>

The above profit includes the following charges (credits):

Allowance for doubtful trade receivables	-	<b>30</b>
Amortisation of expenditure carried forward	<b>83</b>	<b>83</b>
Auditors' remuneration to auditors of the Company	<b>7</b>	<b>10</b>
Bad debts written off - trade receivables	-	<b>2</b>
Depreciation expense	<b>112</b>	<b>83</b>
Interest expense to non-related companies	<b>4,697</b>	<b>5,697</b>
Gain arising from revaluation of investment property	<b>(4,786)</b>	-
Interest income from non-related companies	<b>(75)</b>	<b>(88)</b>
Rental income from enterprises in which certain directors are deemed to have interests	<b>(1,172)</b>	<b>(842)</b>
Rental income from investment property	<b>(8,290)</b>	<b>(8,530)</b>

## 13 PROPERTY, PLANT AND EQUIPMENT

	Freehold and leasehold land \$'000	Leasehold property \$'000	Buildings and improve- ments \$'000	Plant and equipment, furniture, fixtures and fittings \$'000	Total \$'000
<b>Group</b>					
Cost/valuation at beginning of year	377,970	116,872	475,166	210,887	1,180,895
Additions	13,363	-	25,574	26,220	65,157
Transfer from expenditure carried forward	573	-	67	-	640
Transfer from development property	2,530	-	1,000	-	3,530
Disposals	-	-	-	(5,139)	(5,139)
Foreign exchange realignment	2,554	-	14,508	3,519	20,581
Cost/valuation at end of year	<u>396,990</u>	<u>116,872</u>	<u>516,315</u>	<u>235,487</u>	<u>1,265,664</u>
Represented by:					
Valuation (Cost*: 2001: \$136,656,000 2000: \$136,759,000)	336,887	-	-	-	336,887
Cost	60,103	116,872	516,315	235,487	928,777
	<u>396,990</u>	<u>116,872</u>	<u>516,315</u>	<u>235,487</u>	<u>1,265,664</u>
Accumulated depreciation at beginning of year	4,590	15,767	69,216	146,958	236,531
Depreciation for the year (Note 25)	1,054	1,313	14,872	19,061	36,300
Impairment loss (Note 25)	1,372	-	7,028	705	9,105
Disposals	-	-	-	(4,005)	(4,005)
Foreign exchange realignment	402	-	1,754	1,685	3,841
Accumulated depreciation at end of year	<u>7,418</u>	<u>17,080</u>	<u>92,870</u>	<u>164,404</u>	<u>281,772</u>
Depreciation for last year	<u>1,040</u>	-	<u>13,425</u>	<u>17,142</u>	<u>31,607</u>
Net book value at beginning of year	<u>373,380</u>	<u>101,105</u>	<u>405,950</u>	<u>63,929</u>	<u>944,364</u>
Net book value at end of year	<u>389,572</u>	<u>99,792</u>	<u>423,445</u>	<u>71,083</u>	<u>983,892</u>

## 13 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold and leasehold land \$'000	Leasehold property \$'000	Buildings and improve- ments \$'000	Plant and equipment, furniture, fixtures and fittings \$'000	Total \$'000
<b>Company</b>					
Cost/valuation at beginning of year	208,800	-	24,679	66,294	299,773
Additions	-	-	-	2,525	2,525
Disposals	-	-	-	(593)	(593)
Cost/valuation at end of year	208,800	-	24,679	68,226	301,705
Represented by:					
Valuation (Cost*: 2001: \$98,015,000 2000: \$98,015,000)	208,800	-	-	-	208,800
Cost	-	-	24,679	68,226	92,905
	208,800	-	24,679	68,226	301,705
Accumulated depreciation					
at beginning of year	-	-	12,500	47,516	60,016
Depreciation for the year (Note 25)	-	-	428	4,758	5,186
Disposals	-	-	-	(364)	(364)
Accumulated depreciation at end of year	-	-	12,928	51,910	64,838
Depreciation for last year	-	-	428	4,567	4,995
Net book value at beginning of year	208,800	-	12,179	18,778	239,757
Net book value at end of year	208,800	-	11,751	16,316	236,867

\* This represents the carrying amount of the freehold and long-term leasehold land had they been carried at cost.

The freehold and long-term leasehold land are stated at valuation based on the open market value for existing use as at December 31, 1996 by Edmund N S Tie & Company Pte Ltd (now known as DTZ Debenham Tie Leung) and its associates. The valuation is carried out as and when the directors consider it necessary and appropriate. The revaluation surplus of the Company and of the Group has been recorded in the asset revaluation reserve in the respective financial statements.

The impairment loss comprises \$9.1 million relating to the net book value of a hotel building and equipment in a foreign country.

As at December 31, 2001, certain property, plant and equipment with a net book value of \$838 million (2000: \$784 million) were mortgaged to banks to secure credit facilities for the Company and respective subsidiaries of the Group (Note 16).

## 13 PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group's freehold and leasehold land, buildings and leasehold property comprise the following:

Location	Title	Description
581 Orchard Road Singapore 238883	Freehold and long-term leasehold (999 years from October 30, 1871)	Comprises a 24-storey hotel building with 423 rooms/suites (known as Hilton Singapore)
Ringlet Cameron Highlands Malaysia	Freehold and leasehold (99 years from September 19, 1940)	A 3-storey holiday resort (known as The Lake House)
50 Cuscaden Road Singapore 249724	Freehold	A 9-storey building (known as HPL House)
190 Orchard Boulevard Singapore 248646	Freehold	A 20-storey hotel building with 257 rooms/suites (known as Four Seasons Hotel Singapore)
Ferny Avenue Surfers Paradise Queensland, Australia	Freehold	A hotel building with 199 rooms (known as Concorde Hotel Gold Coast)
Pattaya Beach Road Cholburi, Thailand	Freehold	A 10-storey hotel building with 325 rooms (known as Hard Rock Hotel Pattaya)
South Sathorn Road Bangkok, Thailand	Freehold	2 inter-connecting buildings of 10 and 11 storeys with 262 rooms (known as YMCA Collins International House)
Westferry Circus London, United Kingdom	Long-term leasehold (999 years from February 5, 1997)	A 16-storey serviced apartment with 49 units (known as Circus Apartments)
100 Orchard Road Singapore 238840	Leasehold (99 years from August 17, 1979)	A 9-storey hotel (known as Le Meridien Singapur)
Port Vila Vanuatu	Two leasehold properties (75 years from July 13, 1980 and July 8, 1992 respectively)	A holiday resort (known as Le Meridien Port Vila Resort and Casino)
Jimbaran, Bali Indonesia	Two leasehold properties (30 years from September 14, 1991 and October 30, 1991 respectively)	A resort hotel with 147 villas (known as Four Seasons Resort Bali at Jimbaran)

## HOTEL PROPERTIES LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

## 13 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Location	Title	Description
No. 257 Insein Road Yangon Union of Myanmar	Leasehold (30 years from May 28, 1994 with option to renew for a further term of 15 years in the form of 3 periods of 5 years each)	A 3-storey hotel building with 80 rooms (known as Nawarat Concorde Hotel Yangon)
Ubud, Bali Indonesia	Leasehold with certain local restrictions (30 years commencing August 4, 1994 with an option to extend for another 30 years)	A resort with 60 villas (known as Four Seasons Resort Bali at Sayan)
Kuta, Bali Indonesia	Leasehold with certain local restrictions (30 years commencing October 31, 1994 with an option to extend for another 30 years)	A holiday resort with 418 rooms (known as Hard Rock Hotel Bali)
Jimbaran Village, Bali, Indonesia	Leasehold with certain local restrictions (30 years commencing June 27, 1996 with an option to extend for another 30 years)	A resort with 9 villas (known as Four Seasons Private Estates at Jimbaran Bay)
Badung, Bali Indonesia	Leasehold with certain local restrictions (30 years commencing May 1, 2000 with an option to extend for another 30 years)	Land for development
North Malé Atoll Republic of Maldives	Leasehold (21 years commencing May 1, 1994)	A resort (known as Four Seasons Resort Maldives at Kuda Huraa)

## 14 INVESTMENT PROPERTIES

In accordance with the accounting policy of the Group, the investment properties are stated at valuation based on the professional valuation carried out by two independent firms of valuers, DTZ Debenham Tie Leung and FPDSavills (Singapore) Pte Ltd, for the different investment properties at December 31, 2001 on the basis of open market value for existing use. The investment properties are:

Description and location	Title
i) 5 shop units at 21 Cuscaden Road, Ming Arcade, Singapore 249720	Freehold
ii) Office and shop units at 583 Orchard Road, Singapore 238884	Freehold
iii) 61 shop units at 100 Orchard Road, Meridien Shopping Centre, Singapore 238840	Leasehold (99 years commencing August 17, 1979)
iv) 2 shop units at 150 Orchard Road, Orchard Plaza, Singapore 238841	Leasehold (99 years commencing June 2, 1977)

As at December 31, 2001, certain investment properties amounting to approximately \$268 million (2000: \$262 million) were mortgaged to banks to secure credit facilities for the respective subsidiaries of the Group (Note 16).

## 15 EXPENDITURE CARRIED FORWARD

	Goodwill \$'000	Franchise Rights \$'000	Deferred Charges \$'000	Total \$'000
<b>Group</b>				
Cost at beginning of year	3,592	3,045	18,126	24,763
Change in accounting policy (Note 35)	-	-	(10,691)	(10,691)
Additions	-	3,828	770	4,598
Write off	(10)	(7)	(5,486)	(5,503)
Transfer to property, plant and equipment	-	-	(840)	(840)
Foreign exchange realignment	149	167	8	324
Cost at end of year	<u>3,731</u>	<u>7,033</u>	<u>1,887</u>	<u>12,651</u>
Accumulated amortisation at beginning of year	2,553	506	12,051	15,110
Change in accounting policy (Note 35)	-	-	(8,497)	(8,497)
Amortisation for the year (Note 25)	362	203	2,958	3,523
Write off	(8)	(1)	(5,486)	(5,495)
Transfer to property, plant and equipment	-	-	(200)	(200)
Foreign exchange realignment	114	24	6	144
Accumulated amortisation at end of year	<u>3,021</u>	<u>732</u>	<u>832</u>	<u>4,585</u>
Amortisation for last year	<u>368</u>	<u>110</u>	<u>4,841</u>	<u>5,319</u>
Net book value at beginning of year	<u>1,039</u>	<u>2,539</u>	<u>6,075</u>	<u>9,653</u>
Net book value at end of year	<u>710</u>	<u>6,301</u>	<u>1,055</u>	<u>8,066</u>
<b>Company</b>				
Cost at beginning of year	-	-	5,485	5,485
Additions	-	-	649	649
Write off	-	-	(5,485)	(5,485)
Cost at end of year	<u>-</u>	<u>-</u>	<u>649</u>	<u>649</u>
Accumulated amortisation at beginning of year	-	-	2,802	2,802
Amortisation for the year (Note 25)	-	-	2,781	2,781
Write off	-	-	(5,485)	(5,485)
Accumulated amortisation at end of year	<u>-</u>	<u>-</u>	<u>98</u>	<u>98</u>
Amortisation for last year	<u>-</u>	<u>-</u>	<u>2,062</u>	<u>2,062</u>
Net book value at beginning of year	<u>-</u>	<u>-</u>	<u>2,683</u>	<u>2,683</u>
Net book value at end of year	<u>-</u>	<u>-</u>	<u>551</u>	<u>551</u>



## 16 CREDIT FACILITIES

	GROUP		COMPANY	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Due after twelve months				
Bank loans (a)	<b>579,223</b>	508,378	<b>206,803</b>	119,044
Due within twelve months				
Bank loans (b)	<b>107,435</b>	47,070	-	-
Bankers' guarantees (c)	<b>72,573</b>	71,749	<b>3,730</b>	3,709

- (a) These credit facilities are secured by legal mortgages on the Group's freehold and leasehold land and buildings, investment and development properties; fixed and floating charges on the assets of the Company and some of its subsidiaries; pledge of shares of certain subsidiaries; charge on certain fixed deposits and are guaranteed by the Company and certain minority shareholders. These credit facilities bear annual interest rates ranging from 1/2% to 1 3/4% (2000: 1/2% to 1 3/4%) above prime rate and cost of funds of the lender banks. The facilities are repayable from 2003 to 2006.
- (b) These bank loans are secured on the Group's freehold and leasehold properties, investment properties and development properties; fixed and floating charges on assets of some subsidiaries; pledge of shares of certain subsidiaries; assignment of rights and benefits under the tenancy agreements of a property; counter indemnities; charge on certain fixed deposits and are guaranteed by the Company and certain minority shareholders. These loans bear annual interest rates ranging from 1/2% to 1 3/4% (2000: 1/2% to 1 3/4%) above prime rate, cost of funds and bill rate of the lender banks.
- (c) The Group has obtained bankers' guarantees in favour of various statutory boards, government regulatory authorities and certain lessors of shop units. These guarantees are secured by the assets and undertakings as in (a) above.

## 17 OTHER PAYABLES

	GROUP		COMPANY	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Accruals for employee-related expenses	<b>5,403</b>	4,674	-	-
Accrued operating expenses	<b>9,127</b>	7,900	-	-
Deposit received	<b>704</b>	991	-	-
Due to companies in which certain directors have interests*	<b>150</b>	389	-	-
Interest payable to non-related companies	<b>986</b>	2,924	-	-
Other payables	<b>7,801</b>	6,738	-	-
Payable arising from acquisition of an associate	<b>1,156</b>	1,083	-	-
Renovation/construction costs accruals	<b>2,760</b>	1,802	-	-
Total	<b>28,087</b>	26,501	-	-

\* Amounts due to companies in which certain directors have interests are unsecured, interest-free and have no fixed terms of repayment.

## 18 BONDS AND DEBENTURES

	GROUP		COMPANY	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Unsecured convertible debenture (a)	93	87	-	-
Unsecured bonds (b)	-	100,000	-	100,000
Total	93	100,087	-	100,000

(a) Pertains to a US\$50,000, 7.93% Unsecured Convertible Debenture due March 29, 2015 issued by a subsidiary in 1995. The debenture is convertible into capital stock of the subsidiary subject to the occurrence of certain events.

(b) Pertained to a \$100,000,000, 5.375% Unsecured Bonds due 2002 issued by the Company in 1997. These were redeemed during the financial year.

## 19 OTHER LONG-TERM PAYABLES

	GROUP	
	2001 \$'000	2000 \$'000
Payables arising from acquisition of an associate	3,469	4,333
Less: current portion (Note 17)	(1,156)	(1,083)
Non-current portion	2,313	3,250

The above is guaranteed by a bank, interest-free and is repayable in 4 equal annual instalments commencing from 2001.

## 20 DEFERRED INCOME TAX

	GROUP		COMPANY	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Balance at beginning of year	19,787	11,031	2,911	3,730
Transfer to (from) income tax (Note 28)	13,846	8,742	(505)	(819)
Foreign exchange realignment	2	14	-	-
Balance at end of year	33,635	19,787	2,406	2,911

The balance comprises the tax effects of:

Excess of capital allowances over depreciation	3,633	2,992	2,406	2,911
Foreign income not remitted	2,558	5,259	-	-
Recognition of profits on the condominium development project	27,307	11,401	-	-
Others	137	135	-	-
Total	33,635	19,787	2,406	2,911

## HOTEL PROPERTIES LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

## 21 BORROWINGS AND OTHER LIABILITIES

Group	Total \$'000	Up to 2 years \$'000	2 to 5 years \$'000	Over 5 years \$'000
<b>2001</b>				
Bank loans (Note 16)	<b>686,658</b>	<b>318,264</b>	<b>368,394</b>	-
Bonds and debentures (Note 18)	<b>93</b>	-	-	<b>93</b>
Other liabilities	<b>115,077</b>	<b>115,077</b>	-	-
Total	<b>801,828</b>	<b>433,341</b>	<b>368,394</b>	<b>93</b>
<b>2000</b>				
Bank loans (Note 16)	555,448	285,164	270,284	-
Bonds and debentures (Note 18)	100,087	100,000	-	87
Other liabilities	101,598	101,598	-	-
Total	757,133	486,762	270,284	87

## 22 MINORITY INTERESTS

	GROUP	
	2001 \$'000	2000 \$'000
Minority shareholders' share of issued share capital and reserves	<b>71,402</b>	75,234
Advances from minority shareholders	<b>17,919</b>	16,706
Advances to minority shareholders	<b>(22,668)</b>	(24,946)
Net	<b>66,653</b>	66,994

Advances from and to minority shareholders are unsecured and interest-free.

## 23 ISSUED SHARE CAPITAL, OPTIONS AND DIVIDEND

	2001 \$'000	2000 \$'000
<b>Authorised</b>		
1,000,000,000 ordinary shares of \$1 each	<b>1,000,000</b>	1,000,000
<b>Issued and fully paid</b>		
452,999,410 (2000: 452,769,410) ordinary shares of \$1 each	<b>452,999</b>	452,769

## 23 ISSUED SHARE CAPITAL, OPTIONS AND DIVIDEND (cont'd)

## i) Issue of shares

During the financial year, the Company made the following share issues:

- a) 80,000 new ordinary shares of \$1 each at a price of \$1.00 per ordinary share for cash following the exercise of options by executives of the Company granted in conjunction with the Hotel Properties Limited Executives' Share Option Scheme.
- b) 150,000 new ordinary shares of \$1 each at a price of \$1.10 per ordinary share for cash following the exercise of options by executives of the Company granted in conjunction with the Hotel Properties Limited Executives' Share Option Scheme.

The newly issued shares rank *pari passu* in all respects with the existing shares of the Company.

## ii) Options

As at the end of the financial year, there are options granted to certain executives of the Group under the two Executives' Share Option Schemes approved in 1990 and 2000 to take up unissued shares totalling 7,601,000 (2000: 7,326,000) ordinary shares of \$1 each as described in paragraph 18 of the Directors' report. Options exercised during the financial year totalled 230,000.

## iii) Dividend

The proposed dividend of 2.5% less tax of 24.5% totalling \$8,550,364 for the year (2000: 2.5% less tax of 24.5% totalling \$8,546,023) was based on 452,999,410 (2000: 452,769,410) issued and fully paid ordinary shares of \$1 each.

## 24 REVENUE AND OTHER OPERATING INCOME

	GROUP		COMPANY	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Revenue				
Sales	<b>258,508</b>	167,060	-	-
Hotel revenue	<b>232,883</b>	223,255	<b>44,440</b>	48,096
Rental income	<b>17,426</b>	12,924	-	-
Management fee	<b>2,810</b>	4,505	<b>285</b>	268
Total	<b>511,627</b>	407,744	<b>44,725</b>	48,364
Other operating income				
Interest income	<b>4,844</b>	6,479	<b>2,031</b>	3,566
Dividend income (gross)	<b>145</b>	73	<b>60,984</b>	22,306
Gain arising from revaluation of investment property	<b>4,786</b>	-	-	-
Others	<b>1,966</b>	1,223	-	-
Total	<b>11,741</b>	7,775	<b>63,015</b>	25,872

## 25 PROFIT BEFORE INCOME TAX

In addition to the charges and credits disclosed elsewhere in the notes to the profit and loss statement, this item is determined:

	GROUP		COMPANY	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
After charging:				
Allowance for inventories (Note 7)	<b>2,299</b>	1,159	-	-
Allowance for doubtful trade receivables (Note 5)	<b>197</b>	302	<b>3</b>	-
Amortisation of expenditure carried forward (Note 15)	<b>3,523</b>	5,319	<b>2,781</b>	2,062
Auditors' remuneration:				
Auditors of the Company	<b>369</b>	351	<b>140</b>	140
Other auditors	<b>506</b>	361	<b>54</b>	54
Non-audit fees to auditors of the Company	<b>112</b>	138	<b>60</b>	104
Bad trade debts written off	<b>124</b>	32	-	-
Depreciation expense (Note 13)	<b>36,300</b>	31,607	<b>5,186</b>	4,995
Directors' remuneration:				
Company's directors	<b>1,408</b>	1,297	<b>1,292</b>	1,187
Subsidiaries' directors	<b>870</b>	758	-	-
Expenditure carried forward written off	<b>8</b>	-	-	-
Foreign exchange adjustment loss	<b>1,863</b>	-	<b>96</b>	46
Impairment loss in a development property (Note 8)	<b>79</b>	78	-	-
Impairment loss in property, plant and equipment (Note 13)	<b>9,105</b>	-	-	-
Impairment loss in investment in subsidiaries (Note 11)	-	-	<b>29,867</b>	-
Impairment loss in long-term investments (Note 4)	<b>1,597</b>	8,000	-	-
Impairment loss in short-term investments (Note 4)	<b>236</b>	-	-	-
Interest expense paid/payable to non-related companies	<b>28,102</b>	34,025	<b>10,057</b>	15,252
Loss on disposal of plant and equipment	-	-	<b>5</b>	-
Management fee to enterprises in which certain directors are deemed to have interests	<b>327</b>	40	-	-
Plant and equipment written off	<b>1,003</b>	1,180	<b>207</b>	657

## 25 PROFIT BEFORE INCOME TAX (cont'd)

	GROUP		COMPANY	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
and after crediting:				
Allowance for doubtful trade receivables written back (Note 5)	172	43	-	-
Foreign exchange adjustment gain	-	1,809	-	-
Gain on disposal of an associate	353	-	-	-
Gain on disposal of a development property	178	-	-	-
Gain on disposal of plant and equipment	337	36	-	107
Gain on revaluation of investment property	4,786	-	-	-
Interest income:				
Subsidiaries	-	-	1,785	3,269
Associates	2,837	3,110	-	-
Others	2,007	3,369	245	297
Investment income:				
Dividend (gross) from other investments	145	73	-	-
Dividend (gross) from subsidiaries	-	-	60,984	22,306
Management fee from associates	1,072	900	-	267
Management fee from enterprises in which certain directors are deemed to have interests	969	490	-	-
Reversal of impairment in value of short-term investments (Note 4)	-	856	-	-
Reversal of impairment in value of investment in an associate (Note 10)	-	2,277	-	-
Rental income from enterprises in which certain directors are deemed to have interests	4,563	4,085	1,317	1,352
Rental income from investment properties	13,256	9,167	-	-

## 26 DIRECTORS' REMUNERATION

The number of directors in remuneration bands is as follows:

	2001	2000
\$0 - \$249,999	7	7
\$250,000 - \$499,999	-	-
\$500,000 and above	1	1
	<b>8</b>	<b>8</b>

## HOTEL PROPERTIES LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

## 27 STAFF COSTS

	GROUP		COMPANY	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Staff costs	<b>81,760</b>	80,226	<b>18,803</b>	19,081
Cost of defined contribution plans included in staff costs	<b>7,354</b>	6,978	<b>3,913</b>	4,466
Number of employees at end of year	<b>4,694</b>	4,132	<b>398</b>	397

## 28 INCOME TAX EXPENSE

	GROUP		COMPANY	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Current income tax	<b>6,104</b>	6,121	<b>15,212</b>	4,805
Under (over)-provision of prior years' income tax	<b>(265)</b>	5,769	<b>195</b>	3,894
Transfer to (from) deferred income tax (Note 20)	<b>13,846</b>	8,742	<b>(505)</b>	(819)
Net	<b>19,685</b>	20,632	<b>14,902</b>	7,880
Share of income tax of associates:				
- Current	<b>1,156</b>	1,361	-	-
- Under (over)-provision of prior years' income tax	-	314	-	-
Net	<b>20,841</b>	22,307	<b>14,902</b>	7,880

The income tax expense differs from the amount of income tax expense determined by applying the Singapore income tax rate of 24.5% (2000: 25.5%) to profit before income tax as a result of the following items:

- losses made by certain subsidiaries which cannot be used to offset against the profits of the other companies in the Group;
- certain expenses (mainly depreciation on non-qualifying property, plant and equipment and amortisation of expenditure carried forward) which are not deductible for tax purposes; and
- varying statutory tax rates of different countries in which the Group operates.

Subject to the agreement with the relevant tax authorities and compliance with certain conditions of the relevant tax legislations in the respective countries in which the subsidiaries operate, the Group has unabsorbed tax losses and capital allowances totalling approximately \$104,126,000 and \$1,831,000 respectively (2000: \$108,435,000 and \$5,753,000 respectively) which are available for set off against future taxable income of the respective subsidiaries.

## 29 EARNINGS PER ORDINARY SHARE

The calculation of basic earnings per ordinary share is based on the Group profit after taxation and minority interests of \$39,090,000 (2000: \$43,064,000) divided by the weighted average number of ordinary shares of 452,934,848 (2000: 452,661,342) in issue during the year.

Fully diluted earnings per ordinary share is based on 453,265,291 (2000: 453,173,976) ordinary shares assuming the full exercise of outstanding share options (Note 18 of Directors' report) during the year and adjusted group earnings of \$39,090,000 (2000: \$43,064,000) after adjusting the weighted average number of ordinary shares to reflect the effect of all potentially dilutive ordinary shares.

	GROUP			
	2001		2000	
	Basic \$'000	Diluted \$'000	Basic \$'000	Diluted \$'000
Net profit attributable to shareholders	<b>39,090</b>	<b>39,090</b>	43,064	43,064
	No. of shares ('000)		No. of shares ('000)	
Weighted average number of ordinary shares	<b>452,935</b>		452,661	
Adjustment for potential dilutive ordinary shares	<b>331</b>		513	
Weighted average number of ordinary shares used to compute earnings per share	<b>453,266</b>		453,174	
Basic earnings per ordinary share	<b>8.63 cents</b>		<b>9.51 cents</b>	
Fully diluted earnings per ordinary share	<b>8.62 cents</b>		<b>9.50 cents</b>	

## 30 CAPITAL COMMITMENTS

The Group has capital commitments in respect of the following:

	2001 \$'000	2000 \$'000
Capital expenditure not provided for in the financial statements:		
Approved and contracted for	<b>22,950</b>	28,441
Approved but not contracted for	<b>19,523</b>	19,828
Total	<b>42,473</b>	48,269

## 31 OPERATING LEASE COMMITMENTS

	GROUP	
	2001 \$'000	2000 \$'000
Minimum lease payments under operating lease commitments	<b>14,793</b>	12,758
Within 1 year	<b>13,133</b>	10,134
Within 2 to 5 years	<b>16,066</b>	12,011
After 5 years	<b>8,710</b>	8,966



## 32 BUSINESS SEGMENT INFORMATION

- a) Description of the Group's diversified business segments:

Hotels

These refer mainly to the operations of the hotels and the shopping galleries of the Group as well as the provision of hotel management services. Income is derived mainly from the rental of rooms and shop units, sale of food and beverage and management fee.

Properties

These refer to the rental and sale operations on completed residential properties and commercial units. Sales and profit from the condominium development projects are recognised on the stage of completion method.

Distribution and retail

These refer to distribution and retail operations including various food and non-food items.

Others

These refer to activities on quoted and unquoted investments and others.

- b) Segment information:

- i) Segment revenue and expenses are revenue and expenses reported in the Group's profit and loss statement that either are directly attributable to a segment or can be allocated on a reasonable basis to a segment.
- ii) Segment assets are all operating assets that are employed by a segment in its operating activities and are either directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets exclude interest-producing assets.
- iii) Segment liabilities are all operating liabilities of a segment and are either directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment liabilities exclude interest-bearing liabilities and income tax liabilities.

## 32 BUSINESS SEGMENT INFORMATION (cont'd)

c) Information by business segment:

	Hotels		Properties		Retail and Distribution		Others		Eliminations		Consolidated	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>REVENUE</b>												
External sales	<b>235,590</b>	227,628	<b>184,110</b>	109,765	<b>80,589</b>	65,684	<b>11,338</b>	4,667			<b>511,627</b>	407,744
Inter-segment sales	-	-	<b>209</b>	242	-	-	-	-	<b>(209)</b>	(242)	-	-
Total Revenue	<b>235,590</b>	227,628	<b>184,319</b>	110,007	<b>80,589</b>	65,684	<b>11,338</b>	4,667	<b>(209)</b>	(242)	<b>511,627</b>	407,744
<b>RESULTS</b>												
Segment results	<b>34,722</b>	44,118	<b>82,315</b>	40,843	<b>(11,340)</b>	(6,054)	<b>(12,979)</b>	(2,491)			<b>92,718</b>	76,416
Interest expense											<b>(28,102)</b>	(34,025)
Interest income											<b>4,844</b>	6,479
Share of results of associates	<b>(650)</b>	(1,367)	<b>(3,086)</b>	21,839	<b>(3,309)</b>	(1,669)	-	(7)			<b>(7,045)</b>	18,796
Income tax expense											<b>(20,841)</b>	(22,307)
Minority interests											<b>(2,484)</b>	(2,295)
Net profit											<b>39,090</b>	43,064
<b>OTHER INFORMATION</b>												
Segment assets	<b>951,556</b>	906,138	<b>528,376</b>	474,021	<b>45,395</b>	39,950	<b>30,573</b>	31,947			<b>1,555,900</b>	1,452,056
Investment in equity method associates	<b>11,039</b>	34,935	<b>69,160</b>	113,408	<b>19,510</b>	21,881	-	-			<b>99,709</b>	170,224
Unallocated corporate assets											<b>118,483</b>	70,869
Consolidated total assets											<b>1,774,092</b>	1,693,149
Segment liabilities	<b>44,585</b>	48,285	<b>15,239</b>	16,375	<b>16,678</b>	9,952	<b>46</b>	1,079			<b>76,548</b>	75,691
Unallocated corporate liabilities											<b>725,280</b>	681,442
Consolidated total liabilities											<b>801,828</b>	757,133
Capital expenditure	<b>62,825</b>	77,187	<b>342</b>	193	<b>6,588</b>	5,268	-	-			<b>69,755</b>	82,648
Depreciation and amortisation	<b>33,852</b>	32,597	<b>1,154</b>	887	<b>4,817</b>	3,442	-	-			<b>39,823</b>	36,926
Non-cash expenses other than depreciation and amortisation	<b>839</b>	(724)	<b>555</b>	195	<b>3,115</b>	589	<b>(487)</b>	(158)			<b>4,022</b>	(98)
Impairment losses/ reversals	<b>16,940</b>	-	<b>79</b>	(2,199)	-	-	<b>(6,002)</b>	7,144			<b>11,017</b>	4,945

## 32 BUSINESS SEGMENT INFORMATION (cont'd)

## d) Information by geographic regions

	Revenue		Identifiable assets		Total capital expenditure	
	<b>2001</b>	2000	<b>2001</b>	2000	<b>2001</b>	2000
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Singapore	<b>322,535</b>	231,657	<b>1,109,562</b>	1,070,125	<b>7,751</b>	10,372
The rest of Asia	<b>168,183</b>	155,189	<b>416,648</b>	363,807	<b>61,038</b>	29,513
Australasia	<b>14,136</b>	16,655	<b>36,132</b>	48,507	<b>837</b>	467
United Kingdom	<b>6,611</b>	1,224	<b>93,435</b>	137,396	<b>129</b>	42,296
Others	<b>162</b>	3,019	<b>(168)</b>	2,445	-	-
Total	<b>511,627</b>	407,744	<b>1,655,609</b>	1,622,280	<b>69,755</b>	82,648

## 33 SUBSIDIARIES

Information relating to the subsidiaries are as follows:

Subsidiary	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2001 %	2000 %	2001 \$	2000 \$
21 <sup>st</sup> Century Holdings Pte Ltd (Subsidiary of HPL Properties (SEA) Pte Ltd)	Investment holding company	Singapore	<b>100</b>	100	-	-
401 Hotel Management LLC (Subsidiary of Hotel Holdings USA Inc) <sup>#</sup>	Hotel management	U.S.A.	-	50.1	-	-
Admor Investments Pte Ltd (Subsidiary of HPL Orchard Place Pte Ltd)	Property development and investment holding company	Singapore	<b>100</b>	100	-	-
Alkaff Mansion Pte Ltd (Subsidiary of HPL Singapore Pte Ltd)	Restaurant operator	Singapore	<b>100</b>	100	-	-
Allegro Investments Pte Ltd (Subsidiary of HPL Orchard Place Pte Ltd)	Property developer	Singapore	<b>100</b>	100	-	-
Amberwood Investments Pte Ltd (Subsidiary of HPL Properties (SEA) Pte Ltd)	Investment holding company	Singapore	<b>100</b>	100	-	-
Apsara Holdings Cambodia Company Limited (Subsidiary of Apsara Holdings Private Limited) <sup>3</sup>	Investment holding company	Cambodia	<b>80</b>	80	-	-
Apsara Holdings Private Limited (Subsidiary of HPL Properties (SEA) Pte Ltd)	Investment holding company	Singapore	<b>80</b>	80	-	-
Asia Hotel Growth Fund (Subsidiary of 21 <sup>st</sup> Century Pte Ltd) <sup>1</sup>	Hotelier	Thailand	<b>100</b>	100	-	-
Asian Geographic Magazines Pte Ltd (Subsidiary of HPL Leisure Holdings Pte Ltd) <sup>###</sup>	Publication of journals, periodicals and magazines	Singapore	<b>85</b>	-	-	-

## HOTEL PROPERTIES LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

## 33 SUBSIDIARIES (cont'd)

Subsidiary	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2001 %	2000 %	2001 \$	2000 \$
Bayford Investments Pte Ltd (Subsidiary of HPL Properties (Australasia) Pte Ltd)	Investment holding company	Singapore	100	100	-	-
Baywood Investments Pte Ltd (Subsidiary of HPL Properties (SEA) Pte Ltd)	Investment holding company	Singapore	100	100	-	-
Berkley Investments Pte Ltd (Subsidiary of HPL Properties (West) Pte Ltd)	Investment holding company	Singapore	100	100	-	-
Central Perk Sdn Bhd (Subsidiary of Pinedale Holdings Pte Ltd) <sup>1</sup>	Cafe operator	Malaysia	100	100	-	-
Cleaton International B.V. (Subsidiary of Cleaton Investments Pte Ltd) <sup>1</sup>	Investment holding company	Netherlands	87.3	87.3	-	-
Cleaton Investments Pte Ltd	Investment holding company	Singapore	87.3	87.3	52,599,721	52,599,721
Concorde Hotels & Resorts (Malaysia) Sdn Bhd (Subsidiary of HPL Hotels & Resorts Pte Ltd) <sup>1</sup>	Hotel management	Malaysia	100	100	-	-
Coralbell Pty Ltd (Subsidiary of Bayford Investments Pte Ltd) <sup>1</sup>	Investment holding company	Australia	100	100	-	-
Coralsand Pty Ltd (Subsidiary of Bayford Investments Pte Ltd) <sup>1</sup>	Investment holding company	Australia	100	100	-	-
Crossgate Investments Limited (Subsidiary of HPL Leisure Holdings Pte Ltd) <sup>#</sup>	Investment holding company	British Virgin Islands	-	75	-	-
Dumpfe Holding B.V. (Subsidiary of Crossgate Investments Limited) <sup>#</sup>	Investment holding company	Netherlands	-	75	-	-

## 33 SUBSIDIARIES (cont'd)

Subsidiary	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2001 %	2000 %	2001 \$	2000 \$
Elegant Hotel Holdings Pty Ltd (Subsidiary of Bayford Investments Pte Ltd) <sup>1</sup>	Investment holding company	Australia	<b>100</b>	100	-	-
Elegant Hotel Pty Ltd (Subsidiary of Elegant Hotel Holdings Pty Ltd) <sup>#</sup>	Hotelier	Australia	-	70	-	-
FP Asset Management Inc <sup>@3</sup>	Investment holding company	British Virgin Islands	<b>100</b>	-	<b>2</b>	-
Hard Rock Hotels & Resorts Management Pte Ltd (Subsidiary of HPL Leisure Holdings Pte Ltd)	Hotel Management	Singapore	<b>80</b>	80	-	-
Hotel Holdings USA Inc (Subsidiary of HPL Properties (West) Pte Ltd) <sup>2</sup>	Investment holding company	U.S.A.	<b>100</b>	100	-	-
HPL (Brash) Holdings Pte Ltd (Subsidiary of HPL Properties (Australasia) Pte Ltd)	Investment holding company	Singapore	<b>100</b>	100	-	-
HPL Hotels & Resorts Pte Ltd (formerly known as Concorde Hotels & Resorts Pte Ltd)	Hotel management and investment holding company	Singapore	<b>100</b>	100	<b>100,000</b>	100,000
HPL (Eaton) Ltd (Subsidiary of Quin Properties Pte Ltd) <sup>1</sup>	Operation of serviced apartments	United Kingdom	<b>100</b>	100	-	-
HPL Hotels Pty Ltd (Subsidiary of Bayford Investments Pte Ltd) <sup>1</sup>	Provision of administrative services	Australia	<b>100</b>	100	-	-
HPL Investments (1990) Pte Ltd (Subsidiary of HPL Orchard Place Pte Ltd)	Property development and investment holding company	Singapore	<b>100</b>	100	-	-

## HOTEL PROPERTIES LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

## 33 SUBSIDIARIES (cont'd)

Subsidiary	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2001 %	2000 %	2001 \$	2000 \$
HPL Investment & Development Pte Ltd	Investment holding company	Singapore	<b>100</b>	100	<b>1,000,000</b>	1,000,000
HPL Investors Pte Ltd (Subsidiary of HPL Singapore Pte Ltd)	Trading in quoted investments and share dealing	Singapore	<b>100</b>	100	-	-
HPL Leisure Holdings Pte Ltd	Investment holding company	Singapore	<b>100</b>	100	<b>2,000,000</b>	2,000,000
HPL Marketing Sdn Bhd (Subsidiary of Pinedale Holdings Pte Ltd) <sup>1</sup>	Food distribution and retail	Malaysia	<b>100</b>	100	-	-
HPL Orchard Place Pte Ltd	Investment holding company	Singapore	<b>100</b>	100	<b>7,000,000</b>	7,000,000
HPL Properties Pte Ltd	Property development, hotelier and investment holding company	Singapore	<b>100</b>	100	<b>30,000,000</b>	30,000,000
HPL Properties (Australasia) Pte Ltd	Investment holding company	Singapore	<b>100</b>	100	<b>7,000,000</b>	7,000,000
HPL Properties (North Asia) Pte Ltd (Subsidiary of HPL Investment & Development Pte Ltd)	Investment holding company	Singapore	<b>100</b>	100	-	-
HPL Properties (SEA) Pte Ltd	Investment holding company	Singapore	<b>100</b>	100	<b>500,000</b>	500,000
HPL Properties (West) Pte Ltd	Investment holding company	Singapore	<b>100</b>	100	<b>100,000</b>	100,000

## 33 SUBSIDIARIES (cont'd)

Subsidiary	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2001 %	2000 %	2001 \$	2000 \$
HPL Properties (West Asia) Pte Ltd	Investment holding company	Singapore	<b>100</b>	100	<b>4,000,000</b>	4,000,000
HPL Resorts (Maldives) Pvt Ltd (Subsidiary of HPL Properties (West Asia) Pte Ltd) <sup>2</sup>	Hotelier and investment holding company	Maldives	<b>70</b>	70	-	-
HPL Retail Pte Ltd (Subsidiary of HPL Singapore Pte Ltd)	Investment holding company	Singapore	<b>100</b>	100	-	-
HPL Services Pte Ltd (Subsidiary of HPL Singapore Pte Ltd)	Privilege card services operations and investment holding company	Singapore	<b>100</b>	100	-	-
HPL Singapore Pte Ltd	Investment holding company	Singapore	<b>100</b>	100	<b>7,000,000</b>	7,000,000
HPL Sri Lanka Holdings Pte Ltd (Subsidiary of HPL Properties (West Asia) Pte Ltd)	Investment holding company	Singapore	<b>100</b>	100	-	-
HPL Tourism & Leisure Pte Ltd	Investment holding company	Singapore	<b>100</b>	100	<b>100,000</b>	100,000
HPL (UK) Limited (Subsidiary of HPL Properties (West) Pte Ltd) <sup>1</sup>	Provision of information and services	United Kingdom	<b>100</b>	100	-	-
HPL-21 (China) Limited (Subsidiary of HPL-21 Holdings Pte Ltd) <sup>1</sup>	Dormant	Hong Kong	<b>75</b>	75	-	-
HPL-21 (Hong Kong) Limited (Subsidiary of HPL-21 Holdings Pte Ltd) <sup>1</sup>	Fashion retail	Hong Kong	<b>75</b>	75	-	-



## HOTEL PROPERTIES LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

## 33 SUBSIDIARIES (cont'd)

Subsidiary	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2001 %	2000 %	2001 \$	2000 \$
HPL-21 Holdings Pte Ltd (Subsidiary of HPL Leisure Holdings Pte Ltd)	Investment holding company	Singapore	75	75	-	-
HPL-21 (Taiwan) Pte Ltd (Subsidiary of HPL-21 Holdings Pte Ltd)	Fashion retail	Singapore/ Taiwan	38.25	38.25	-	-
Luxury Complex Pte Ltd (Subsidiary of Luxury Holdings Pte Ltd)	Investment holding company	Singapore	65	65	-	-
Luxury Holdings Pte Ltd	Investment holding company	Singapore	65	65	47,106,116	47,155,740
Luxury Hotels (1989) Pte Ltd (Subsidiary of Luxury Holdings Pte Ltd)	Hotelier	Singapore	65	65	-	-
Luxury Properties Pte Ltd (Subsidiary of Luxury Holdings Pte Ltd)	Investment holding company	Singapore	65	65	-	-
Maxford Investments Pte Ltd	Investment holding company	Singapore	100	100	2	2
McMing Investments Pte Ltd (Subsidiary of HPL Orchard Place Pte Ltd)	Investment holding company	Singapore	100	100	-	-
McShope Investments Pte Ltd (Subsidiary of HPL Orchard Place Pte Ltd)	Investment holding company	Singapore	100	100	-	-
Minwyn Investments Pte Ltd (Subsidiary of HPL Orchard Place Pte Ltd)	Investment holding company	Singapore	100	100	-	-
Moonstone Investments Pte Ltd (Subsidiary of HPL Properties (SEA) Pte Ltd)	Investment holding company	Singapore	100	100	-	-

## 33 SUBSIDIARIES (cont'd)

Subsidiary	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2001 %	2000 %	2001 \$	2000 \$
Nawarat Land Pte Ltd (Subsidiary of HPL Properties (SEA) Pte Ltd)	Investment holding company	Singapore	<b>70</b>	70	-	-
OP Investments Pte Ltd (Subsidiary of HPL Orchard Place Pte Ltd)	Investment holding company	Singapore	<b>100</b>	100	-	-
Pinedale Holdings Pte Ltd	Investment holding company	Singapore	<b>100</b>	100	<b>500,000</b>	500,000
Pinedale Trading Pte Ltd (Subsidiary of Pinedale Holdings Pte Ltd)	Food distribution and retail and investment holding company	Singapore	<b>100</b>	100	-	-
Pinedale Trading (Macau) Limited (Subsidiary of Pinedale Holdings Pte Ltd) <sup>3</sup>	Dormant	Macau	<b>100</b>	100	-	-
Poussain Pte Ltd	Property development	Singapore	<b>50</b>	50	<b>16,000,000</b>	16,000,000
PT Amanda Arumdhani (Subsidiary of Baywood Investments Pte Ltd) <sup>2</sup>	Hotelier	Indonesia	<b>95</b>	95	-	-
PT Amanda Citra (Subsidiary of Wesclove Investments Pte Ltd) <sup>2</sup>	Retailer	Indonesia	<b>80</b>	-	-	-
PT Amanda Krya Sentosa (Subsidiary of HPL-21 Holdings Pte Ltd) <sup>2</sup>	Retailer	Indonesia	<b>100</b>	100	-	-
PT Amanda Natha (Subsidiary of HPL Leisure Holdings Pte Ltd) <sup>2</sup>	Investment holding company	Indonesia	<b>100</b>	100	-	-
PT Amanda Pramudita (Subsidiary of Wesclove Investments Pte Ltd) <sup>2</sup>	Hotelier	Indonesia	<b>76</b>	76	-	-

## HOTEL PROPERTIES LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

## 33 SUBSIDIARIES (cont'd)

Subsidiary	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2001 %	2000 %	2001 \$	2000 \$
PT Amanda Surya (Subsidiary of HPL Leisure Holdings Pte Ltd) <sup>2</sup>	Investment holding company	Indonesia	<b>100</b>	-	-	-
P.T. Bali Girikencana (Subsidiary of Cleaton International B.V.) <sup>1</sup>	Hotelier	Indonesia	<b>65</b>	<b>65</b>	-	-
Quin Properties Pte Ltd (Subsidiary of HPL Properties (West) Pte Ltd)	Investment holding company	Singapore	<b>100</b>	<b>100</b>	-	-
Scoops Cafe Pte Ltd (Subsidiary of HPL Singapore Pte Ltd)	Investment holding company	Singapore	<b>100</b>	<b>100</b>	-	-
Seaside Hotel (Thailand) Co. Ltd (Subsidiary of Xspand Investments Pte Ltd) <sup>1</sup>	Hotelier	Thailand	<b>49**</b>	<b>49**</b>	-	-
Seaside Properties (Thailand) Co. Ltd (Subsidiary of Moonstone Investments Pte Ltd) <sup>1</sup>	Hotelier	Thailand	<b>49**</b>	<b>49**</b>	-	-
South West Pacific Investments Limited (Subsidiary of HPL Properties (Australasia) Pte Ltd) <sup>2</sup>	Hotelier/ Casino operator	Vanuatu	<b>100</b>	<b>100</b>	-	-
Super Vista Sdn Bhd <sup>1</sup>	Hotelier	Malaysia	<b>100</b>	<b>100</b>	<b>419,464</b>	<b>419,464</b>
Suseem Pty Ltd (Subsidiary of Bayford Investments Pte Ltd) <sup>1</sup>	Hotelier	Australia	<b>100</b>	<b>100</b>	-	-
The Nawarat Hotel Limited (Subsidiary of Nawarat Land Pte Ltd) <sup>2*</sup>	Hotelier	Myanmar	<b>56</b>	<b>56</b>	-	-
Travel Bug Holiday Sdn Bhd (Subsidiary of HPL Tourism & Leisure Pte Ltd) <sup>1</sup>	Dormant	Malaysia	<b>100</b>	<b>100</b>	-	-

## 33 SUBSIDIARIES (cont'd)

Subsidiary	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2001 %	2000 %	2001 \$	2000 \$
Travel Bug Touring Pte Ltd (Subsidiary of HPL Tourism & Leisure Pte Ltd)	Investment holding company	Singapore	100	100	-	-
Wesclove Investments Pte Ltd (Subsidiary of HPL Properties (SEA) Pte Ltd)	Investment holding company	Singapore	80	80	-	-
Xspand Investments Pte Ltd (Subsidiary of HPL Properties (SEA) Pte Ltd)	Investment holding company	Singapore	100	100	-	-
Yarra Investments Pte Ltd (Subsidiary of HPL Tourism & Leisure Pte Ltd)	Investment holding company	Singapore	100	100	-	-
					<b>175,425,304</b>	<b>175,474,927</b>

@ Incorporated during the financial year.

All companies are audited by Deloitte & Touche, Singapore except for the following:

- 1 Audited by other member firms of Deloitte Touche Tohmatsu of which Deloitte & Touche, Singapore is a member.
  - 2 Audited by other firms.
  - 3 Not required to be audited by law in country of incorporation and subsidiary not considered material.
- \* The accounting year end of The Nawarat Hotel Limited (which is March 31) is not co-terminous with that of the Company. Adjustments have been made for the effect of any significant transactions that occur between the date of the subsidiary's financial statements and the date of the Group's financial statements.
- \*\* These companies are considered subsidiaries as the Group has the power to determine and control the financial and operating policies of the subsidiaries.
- # Disposed/liquidated during the financial year.
- ## This subsidiary was disposed subsequent to the year end.

## HOTEL PROPERTIES LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

## 34 ASSOCIATES

Information relating to the associates are as follows:

Associate	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2001 %	2000 %	2001 \$	2000 \$
<u>Held by the Company</u>						
Ampang Hotel Sdn Bhd (Subsidiary of Ampang Investments Pte Ltd) <sup>2</sup>	Hotelier	Malaysia	<b>30</b>	30	-	-
Ampang Investments Pte Ltd <sup>2</sup>	Investment holding company	Singapore	<b>30</b>	30	<b>3</b>	3
<u>Held by subsidiaries of the Company</u>						
Aquila Investments Pte Ltd (Subsidiary of Leisure Ventures Pte Ltd)	Investment holding company	Singapore	<b>50</b>	50	-	-
Avant Development Company Limited (Subsidiary of HRC Holdings Pte Ltd) <sup>2</sup>	Restaurant operator	Thailand	<b>24.5</b>	24.5	-	-
Beijing Liang Sing Restaurant & Recreation Co. Ltd (Subsidiary of HRC Holdings Pte Ltd) <sup>1</sup>	Restaurant operator	People's Republic of China	<b>47.5</b>	47.5	-	-
Canary Riverside Development Pte Ltd (Subsidiary of Canary Riverside Holdings Pte Ltd)	Real estate developer, agent and lessor	Singapore (Place of business: United Kingdom)	<b>37.5</b>	37.5	-	-
Canary Riverside Estate Pte Ltd (Subsidiary of Canary Riverside Holdings Pte Ltd)	Investment holding company	Singapore (Place of business: United Kingdom)	<b>37.5</b>	37.5	-	-
Canary Riverside Estate Management Limited (Subsidiary of Canary Riverside Estate Pte Ltd) <sup>1</sup>	Estate management	United Kingdom	<b>37.5</b>	37.5	-	-

## 34 ASSOCIATES (cont'd)

Associate	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2001 %	2000 %	2001 \$	2000 \$
Canary Riverside Holdings Pte Ltd (Associate of HPL Properties (West) Pte Ltd)	Investment holding company	Singapore (Place of business: United Kingdom)	<b>37.5</b>	37.5	<b>36,066,686</b>	36,066,686
Canary Riverside Hotel Pte Ltd (Subsidiary of Canary Riverside Holdings Pte Ltd)	Investment holding company	Singapore (Place of business: United Kingdom)	<b>37.5</b>	37.5	-	-
Canary Riverside Investments Pte Ltd (Subsidiary of Canary Riverside Holdings Pte Ltd)	Investment holding and real estate development	Singapore (Place of business: United Kingdom)	<b>37.5</b>	37.5	-	-
Canary Riverside Management (UK) Limited (Associate of HPL (UK) Limited) <sup>#</sup>	Provision of project management services	United Kingdom	-	<b>50</b>	-	<b>14</b>
Canary Riverside Properties Pte Ltd (Subsidiary of Canary Riverside Holdings Pte Ltd)	Investment holding and real estate development	Singapore (Place of business: United Kingdom)	<b>37.5</b>	37.5	-	-
CR Hotel Investment Pte Ltd (Subsidiary of Canary Riverside Holdings Pte Ltd)	Investment holding company	Singapore (Place of business: United Kingdom)	<b>37.5</b>	-	-	-
Crystal Domain Sdn Bhd (Associate of HPL Properties (SEA) Pte Ltd) <sup>1</sup>	Hotelier	Malaysia	<b>50</b>	-	<b>230,500</b>	-
Figurine Investments Inc (Subsidiary of HRC Holdings Pte Ltd)	Investment holding company	British Virgin Islands	<b>50</b>	50	-	-

## HOTEL PROPERTIES LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

## 34 ASSOCIATES (cont'd)

Associate	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2001 %	2000 %	2001 \$	2000 \$
Figurine Management Limited (Subsidiary of HRC Holdings Pte Ltd)	Investment holding company	British Virgin Islands	<b>50</b>	50	-	-
Figurine Resources Ltd (Subsidiary of HRC Holdings Pte Ltd)	Investment holding company	Isle of Man	<b>50</b>	50	-	-
Filmpoint Sdn Bhd (Subsidiary of Point Network Sdn Bhd) <sup>2</sup>	Production house for films and videos	Malaysia	<b>24.5</b>	24.5	-	-
FSCR Hotel (UK) Limited (Subsidiary of Canary Riverside Hotel Pte Ltd) <sup>1</sup>	Hotelier	United Kingdom	<b>37.5</b>	37.5	-	-
FSCR Investment Pte Ltd (Subsidiary of Canary Riverside Hotel Pte Ltd)	Investment holding company	Singapore (Place of business: United Kingdom)	<b>37.5</b>	37.5	-	-
Guangzhou Liang Sing Restaurant & Recreation Co Ltd (Subsidiary of HRC (China) Pte Ltd) <sup>1</sup>	Restaurant operator	People's Republic of China	<b>50</b>	50	-	-
Harbour (HK) Enterprises Limited (Subsidiary of North Asia Investment Holdings Limited) <sup>1</sup>	Restaurant operator	Hong Kong	<b>50</b>	50	-	-
Hard Rock Cafe Enterprise (M) Sdn Bhd (Subsidiary of HRC Holdings Pte Ltd) <sup>1</sup>	Restaurant operator	Malaysia	<b>47.5</b>	47.5	-	-
Hard Rock Cafe (Penang) Sdn Bhd (Subsidiary of Hard Rock Cafe Enterprise (M) Sdn Bhd) <sup>1</sup>	Restaurant operator	Malaysia	<b>47.5</b>	47.5	-	-
Hard Rock Cafe Seoul Co., Ltd (Subsidiary of HRC Holdings Pte Ltd) <sup>1</sup>	Restaurant operator	Republic of Korea	<b>50</b>	50	-	-

## 34 ASSOCIATES (cont'd)

Associate	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2001 %	2000 %	2001 \$	2000 \$
Hard Rock Cafe Pte Ltd (Subsidiary of HRC Holdings Pte Ltd)	Restaurant operator	Singapore	50	50	-	-
Hard Rock Cafe Taipei Co., Ltd (Subsidiary of HRC Holdings Pte Ltd) <sup>1</sup>	Restaurant operator	Republic of China	27.5	27.5	-	-
HRC (China) Pte Ltd (Subsidiary of HRC Holdings Pte Ltd)	Investment holding company	Singapore	50	50	-	-
HRC Holdings Pte Ltd (Associate of HPL Singapore Pte Ltd)	Investment holding company	Singapore	50	50	28,043,380	28,043,380
HRC (India) Pte Ltd (Subsidiary of HRC Holdings Pte Ltd) <sup>#</sup>	Investment holding company	Singapore	-	50	-	-
HRC Management Pte Ltd (Subsidiary of HRC Holdings Pte Ltd)	Provision of management services	Singapore	25.5	25.5	-	-
HRC (Vietnam) Pte Ltd (Subsidiary of HRC Holdings Pte Ltd) <sup>#</sup>	Investment holding company	Singapore	-	50	-	-
Idea Kiosk Sdn Bhd (formerly known as Edit Point Sdn Bhd) (Subsidiary of Point Network Sdn Bhd) <sup>2</sup>	Post production services and consultancy services for films and commercials	Malaysia	24.5	24.5	-	-
Inglefield Investments Pty Ltd (Subsidiary of Aquila Investments Pte Ltd) <sup>1</sup>	Investment holding company	Australia	50	50	-	-
Joint Pacific International Ltd (Jointly owned by subsidiaries of HRC Holdings Pte Ltd) <sup>1</sup>	Restaurant operator	Hong Kong	50	50	-	-



## HOTEL PROPERTIES LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

## 34 ASSOCIATES (cont'd)

Associate	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2001 %	2000 %	2001 \$	2000 \$
Koranda Investments Ltd (Subsidiary of Leisure Ventures Pte Ltd) <sup>#</sup>	Investment holding company	Isle of Man	-	50	-	-
Leisure Learning Pte Ltd (Associate of HPL Properties (SEA) Pte Ltd)	Provision of training services	Singapore	50	50	25,000	25,000
Leisure Learning Sdn Bhd (Subsidiary of Leisure Learning Pte Ltd) <sup>1</sup>	Provision of training services	Malaysia	50	50	-	-
Leisure Ventures Pte Ltd (Associate of HPL Singapore Pte Ltd)	Investment holding company	Singapore	50	50	82,317,704	82,317,704
MAT (Maldives) Private Limited (Associate of HPL Resorts (Maldives) Pvt Ltd) <sup>2</sup>	Hotelier	Maldives	35	35	5,633,875	5,633,875
North Asia Investment Holdings Limited (Subsidiary of HRC Holdings Pte Ltd) <sup>1</sup>	Investment holding company	Hong Kong	50	50	-	-
One Degree North Sdn Bhd (Subsidiary of Point Network Sdn Bhd) <sup>2</sup>	Production of animation, graphic illustrations and imaging art works	Malaysia	24.5	24.5	-	-
Point Network Sdn Bhd (Associate of Presto Television Pte Ltd) <sup>2</sup>	Investment holding company	Malaysia	24.5	24.5	-	-
PH Arden Limited (Subsidiary of Leisure Ventures Pte Ltd) <sup>#</sup>	Investment holding company	United Kingdom	-	50	-	-
PH Delaware Financial Partnership (Partnership capital held by PH Worldview Limited and PH Arden Limited) <sup>#</sup>	Investment holding company	U.S.A.	-	50	-	-

## 34 ASSOCIATES (cont'd)

Associate	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2001 %	2000 %	2001 \$	2000 \$
PH Investments Ltd (Subsidiary of Leisure Ventures Pte Ltd) <sup>#</sup>	Investment holding company	U.S.A.	-	50	-	-
PH Worldview Limited (Subsidiary of Leisure Ventures Pte Ltd) <sup>#</sup>	Investment holding company	United Kingdom	-	50	-	-
Planet Hollywood (Gold Coast) Pty Ltd (Subsidiary of Leisure Ventures Pte Ltd) <sup>1</sup>	Restaurant operator	Australia	50	50	-	-
Planet Hollywood (Guam) Inc (Subsidiary of Leisure Ventures Pte Ltd) <sup>1</sup>	Restaurant operator	Guam	50	50	-	-
Planet Hollywood (Kuala Lumpur) Sdn Bhd (Subsidiary of Leisure Ventures Pte Ltd) <sup>1</sup>	Restaurant operator	Malaysia	32.5	32.5	-	-
Presto Television Pte Ltd (formerly known as Gladsville Investments Pte Ltd) (Subsidiary of Leisure Ventures Pte Ltd)	Content creation and investment holding company	Singapore	50	50	-	-
Shah Alam Hotel Sdn Bhd (Associate of HPL Properties (SEA) Pte Ltd) <sup>2</sup>	Hotelier	Malaysia	40	40	1,464,901	1,464,901
Stevens Park Pte Ltd (Associate of HPL Orchard Place Pte Ltd) <sup>2*</sup>	Property development and investment holding company	Singapore	33.3	33.3	14,561,025	19,500,000
Trans Asia Hotels Ltd (Associate of HPL Sri Lanka Holdings Pte Ltd) <sup>2</sup>	Hotelier	Sri Lanka	##	38	##	19,156,398

## HOTEL PROPERTIES LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

## 34 ASSOCIATES (cont'd)

Associate	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2001 %	2000 %	2001 \$	2000 \$
View Hunter Sdn Bhd (Subsidiary of Point Network Sdn Bhd) <sup>2</sup>	Production house for films and videos	Malaysia	24.5	24.5	-	-
<b>Total</b>					<b>168,343,074 192,207,961</b>	

Note:

All companies are audited by Deloitte & Touche, Singapore except for the following:

- <sup>1</sup> Audited by other member firms of Deloitte Touche Tohmatsu of which Deloitte & Touche, Singapore is a member.
- <sup>2</sup> Audited by other firms.
- # Liquidated during the financial year.
- ## Trans Asia Hotels Ltd is no longer considered an associate as the Group has ceased to have significant influence due to lack of board representation.
- \* The cost of investment was reduced due to a share redemption exercise carried out by the associate during the financial year.

## 35 CHANGES IN ACCOUNTING POLICIES AND COMPARATIVE FIGURES

**Accounting Policies**

The Company and the Group have adopted all the applicable new/revised Singapore Statements of Accounting Standard ("SAS") which becomes effective during the year. The effects of the changes in accounting policies as a result of adoption of certain SAS are as follows:

- (1) Prior to January 1, 2001, expenditure carried forward consisting of pre-opening expenses that have future benefits to the Group were carried forward and amortised over a period ranging from two to twenty years in equal instalments on commencement of commercial operations. With effect from January 1, 2001, the Group adopted SAS 34 (2000) - Intangible Assets. As a result, the unamortised balance of pre-opening expenditure as of January 1, 2001 amounting to approximately \$2.8 million was adjusted against consolidated retained profits brought forward from the previous financial year. The comparative figures in the consolidated financial statements for the year ended December 31, 2000 have not been restated as the impact is immaterial.

### 35 CHANGES IN ACCOUNTING POLICIES AND COMPARATIVE FIGURES (cont'd)

- (2) Proposed dividend which was previously recognised as a liability at balance sheet date is now recognised only when approved by the Company's shareholders for issue in accordance with the adoption of SAS 10 (Revised 2000) - Events After The Balance Sheet Date. As a result, the proposed dividend of \$6.7 million and \$8.5 million for the financial years ended December 31, 1999 and December 31, 2000 respectively has been adjusted against reserves. The proposed dividend for the financial year ended December 31, 2001 have not been provided for in the financial statements until formally declared payable by the Company's shareholders.

#### Comparatives

As at December 31, 2001, development properties and retention creditors were classified as current as their expected realisation is within one operating business cycle, which could be more than twelve months. The comparative figures have been reclassified to conform with the current financial year's presentation.

### 36 FINANCIAL RISK MANAGEMENT

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, credit risk and liquidity risk. The policies for managing each of these risks are summarised below:

#### Interest rate risk

The Group's exposure to the risk of changes in interest rates relates mainly to its bank borrowings which are mainly on floating rate terms. The Group actively reviews its debt portfolio to achieve the most favourable interest rates available. Hedging instruments such as interest rate swaps were used where appropriate to minimise its exposure to interest rate volatility.

The notional principal amount of the Group's outstanding interest rate swap contract as at December 31, 2001 was \$59,000,000. The fair value of the instrument, which represents a loss should the instrument be exchanged in a current transaction between willing parties other than in a forced or liquidation sale, is approximately \$405,000.

#### Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to United States dollars, Australian dollars, Sterling pounds, Thai baht and Indonesia rupiah.

The Group maintains a natural hedge, whenever possible, by borrowing in currencies that match the future revenue stream to be generated from its investments.

#### Credit risk

The Group has a diversified portfolio of businesses and at balance sheet date, there were no significant concentration of credit risk with any entity. The Group has guidelines governing the process of granting credit as a service or product provider in its respective segments of business.

#### Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash or cash convertible investments to meet its working capital requirement. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position.

## 36 FINANCIAL RISK MANAGEMENT (cont'd)

Fair value of financial assets and financial liabilitiesFinancial assets and liabilities (Short-term)

The fair values of financial assets and liabilities approximate their carrying value because of their immediate or short-term maturity.

Financial assets and liabilities (Long-term)

The fair value of long-term investments cannot be determined without incurring excessive costs and time due to a lack of quoted market prices and related information. The directors believe that the carrying amount would not differ significantly from its fair value at balance sheet date.

It is not practical to estimate the fair value of advances to/from subsidiaries/associates/minority shareholders due to a lack of repayment terms as agreed between the contracting parties. The directors believe that the carrying amount would not differ significantly from the amount to be settled eventually.

The fair values of long-term financial liabilities comprising mainly long-term borrowings approximate their carrying values as they are based on floating interest rates.

## STATEMENT OF DIRECTORS

In the opinion of the directors, the financial statements and consolidated financial statements of Hotel Properties Limited set out on pages 16 to 68 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at December 31, 2001 and of the results of the business and changes of equity of the Company and of the Group and cash flows of the Group for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

ON BEHALF OF THE DIRECTORS



PETER Y. S. FU



ONG BENG SENG

MARCH 28, 2002

# HOTEL PROPERTIES LIMITED

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

## CORPORATE GOVERNANCE

Hotel Properties Limited is committed to raising the standard of corporate governance to protect the interest of its shareholders. For effective corporate governance, the Company has put in place various self-regulatory and monitoring mechanisms as follows:

### Board of Directors

The Board of Directors consists of members who have a diversity of experience and expertise. The Board comprises eight members, six of whom are non-executive directors. It holds meetings on a regular basis.

Apart from its statutory responsibilities, the Board sets and monitors the overall strategy and direction of the Group and approves important matters such as major acquisitions, disposals and capital expenditure. It reviews the Group's financial performance and authorises announcements to be issued. These functions are carried out either directly or through Board committees.

### Audit Committee

The directors of Hotel Properties Limited have adopted the principles of corporate governance under the Best Practices Guide as formulated by the Singapore Exchange Securities Trading Ltd ("SGX-ST") with respect to Audit Committees.

The Audit Committee comprises three independent non-executive directors and one executive director. The Committee's main functions are to:

1. review with the external auditor, their audit plan, and results of their examination and evaluation of the Group's system of internal accounting controls, impact of new, revised or proposed changes in accounting policies, legislation and regulations;
2. review the half-year and full year announcements on the results and financial position of the Company and the Group and the financial statements of the Company and consolidated financial statements of the Group prior to their submission to the Board;
3. review interested party transactions;
4. review the co-operation given by the Company's officers to the external auditors; and
5. make recommendations to the Board on the appointment of the external auditors.

The Committee received co-operation from the management and was not obstructed or impeded by management in carrying out its functions during the year. Throughout the year, there was no instance of any suspected misdeed or irregularity, which was likely to have a material impact on the Group's operating results and financial position.

### Securities Trading

The Company's Internal Code on Dealings in Securities by Directors and Employees adopts the guidelines issued by SGX-ST in the Best Practice Guide with respect to Dealings in Securities. These guidelines have been disseminated to the directors, officers and key employees of the Group.

## PARTICULARS OF GROUP PROPERTIES

The main properties as at December 31, 2001 are as follows:

### A. Classified as Group Property, Plant and Equipment (Note 13 to the financial statements)

	Land \$'000	Buildings \$'000	Leasehold Property \$'000
<b>FREEHOLD AND LONG-TERM LEASEHOLD</b>			
<b>Singapore</b>			
A 24-storey hotel building with 423 rooms/suites (known as Hilton Singapore) at 581 Orchard Road, Singapore 238883 (lease expires 999 years from October 30, 1871)	208,800	11,751	-
<b>United Kingdom</b>			
A 16-storey serviced apartment with 49 units (known as Circus Apartments) at Canary Riverside, 38 Westferry Circus, London, United Kingdom (lease expiring 999 years from February 5, 1997)	2,369	36,056	-
Total Freehold & Long-term Leasehold	<u>211,169</u>	<u>47,807</u>	-
<b>FREEHOLD</b>			
<b>Singapore</b>			
A 20-storey hotel building with 257 rooms/suites (known as Four Seasons Hotel Singapore) at 190 Orchard Boulevard, Singapore 248646	50,000	113,072	-
A 9-storey building (known as HPL House) at 50 Cuscaden Road, Singapore 249724	76,000	15,885	-
<b>Thailand</b>			
A 10-storey hotel building with 325 rooms (known as Hard Rock Hotel Pattaya) at Pattaya Beach Road, Cholburi, Thailand	7,706	20,449	-
2 inter-connecting buildings of 10 and 11 storeys with 262 rooms (known as YMCA Collins International House) at 28 South Sathorn Road, Bangkok, Thailand	13,075	2,187	-
<b>Australia</b>			
A hotel building with 199 rooms (known as Concorde Hotel Gold Coast) at Ferny Avenue, Surfers Paradise, Queensland, Australia	2,087	13,995	-
Total Freehold	<u>148,868</u>	<u>165,588</u>	-



**HOTEL PROPERTIES LIMITED**

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

## A. Classified as Group Property, Plant and Equipment (Note 13 to the financial statements) (cont'd)

	Land \$'000	Buildings \$'000	Leasehold Property \$'000
<b>LEASEHOLD</b>			
<b>Singapore</b>			
A 9-storey hotel building with 407 rooms/suites (known as Le Meridien Singapour) at 100 Orchard Road, Singapore 238840 (lease expiring 99 years from August 17, 1979)	-	-	99,792
<b>Malaysia</b>			
A 3-storey holiday resort (known as The Lake House) at Ringlet, Cameron Highlands, Malaysia (lease expiring 99 years from September 19, 1940)	480	581	-
<b>Indonesia</b>			
A resort hotel with 147 villas (known as Four Seasons Resort Bali at Jimbaran) located at Bukit Permia, Jimbaran Denpasar 80361, Bali, Indonesia (2 leases expiring 30 years from September 14, 1991 and October 30, 1991 respectively)	5,266	12,962	-
A resort hotel with 60 villas (known as Four Seasons Resort Bali at Sayan) located at Sayan Village, District of Ubud, Bali, Indonesia (lease expiring 30 years from August 4, 1994 with an option to extend for another 30 years)	2,055	56,251	-
A holiday resort with 418 rooms (known as Hard Rock Hotel Bali) located at Kuta Village, Bali, Indonesia (lease expiring 30 years from October 31, 1994 with an option to extend for another 30 years)	7,562	97,226	-
A resort with 9 villas (known as Four Seasons Private Estates at Jimbaran Bay) located at Jimbaran Village, Bali, Indonesia (lease expiring 30 years from June 27, 1996 with an option to extend for another 30 years)	2,700	6,250	-
A plot of land located at Badung, Bali, Indonesia (lease expiring 30 years from May 1, 2000 with an option to extend for another 30 years)	779	-	-
<b>Vanuatu</b>			
A holiday resort (known as Le Meridien Port Vila Resort and Casino) located at Port Vila, Vanuatu (2 leases expiring 75 years from July 13, 1980 and July 8, 1992 respectively)	1,123	7,110	-

## A. Classified as Group Property, Plant and Equipment (Note 13 to the financial statements) (cont'd)

	Land \$'000	Buildings \$'000	Leasehold Property \$'000
<b>Maldives</b>			
A resort (known as Four Seasons Resort Maldives at Kuda Huraa) located at North Malé Atoll, Republic of Maldives (lease expiring 21 years from May 1, 1994)	9,570	29,670	-
Total Leasehold	<u>29,535</u>	<u>210,050</u>	<u>99,792</u>
TOTAL (Classified as Group Property, Plant and Equipment)	<u>389,572</u>	<u>423,445</u>	<u>99,792</u>

## B. Classified as Group Investment Properties (Note 14 to the financial statements)

Property Description/Location	Net Lettable Title Area (sqm)	Effective Stake (%)
<b>Singapore</b>		
5 shop units at 21 Cuscaden Road, Ming Arcade, Singapore 249720	Freehold 697	100
1 shop unit at 100 Orchard Road, Meridien Shopping Centre, Singapore 238840	Leasehold 99 years from August 17, 1979 132	100
2 shop units at 150 Orchard Road, Orchard Plaza, Singapore 238841	Leasehold 99 years from June 2, 1977 1,182	100
60 shop units at 100 Orchard Road, Meridien Shopping Centre, Singapore 238840	Leasehold 99 years from August 17, 1979 7,575	65
Office and shop units at 583 Orchard Road, Singapore 238884	Freehold 16,557	59

**HOTEL PROPERTIES LIMITED**

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

## C. Classified as Development Properties (Note 8 to the financial statements)

Location	Title	Expected Year of Completion	Site Area (sqm)	Proposed Floor Area (sqm)	Gross Area (sqm)	Effective Stake (%)	Description and Existing use
<b>RESIDENTIAL</b>							
<b>Singapore</b>							
Lot 107-35, Lot 502, Lot 107-37 and Lot 107-49 in Town Sub-division 24 located at Nos. 2, 22 to 28 and 32 Cuscaden Road, Singapore	Freehold	2002	8,901	24,923		100	Proposed 2 blocks of 20-storey condominium development comprising 150 units
Lot 263-12 (99275L), Lot 263-11 (99276C), Lot 263-10 (99277M), and Lot 263-9 (99278W) in Town Sub-division 21 at Robertson Quay, Singapore	Freehold	2004	1,978	5,538		100	Proposed commercial/residential development comprising a 10-storey residential apartment (36 units) and a single storey commercial building
<b>HOTEL/LEISURE</b>							
<b>Cambodia</b>							
Siemreap Province Siemreap Town Division 3 Section 1 Cambodia	Leasehold (70 years from August 10, 1994 and March 21, 1996 respectively)	Not yet started	38,721	-		80	Land for redevelopment

## D. Classified as Completed Properties for Sale (Note 9 to the financial statements)

Property Description/Location	Title	Net Lettable Area (sqm)	Effective Stake (%)
<b>Singapore</b> 6 condominium units at Four Seasons Park 8, 10 and 12 Cuscaden Walk, Singapore 249692	Freehold	1,767	100
<b>United Kingdom</b> 1 apartment unit at Sailmakers Court Townmead Road, London, England	Leasehold 999 years from December 25, 1989	128	100

**HOTEL PROPERTIES LIMITED**

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

**STATISTICS OF SHAREHOLDINGS**

As at March 28, 2002

**DISTRIBUTION OF SHAREHOLDINGS**

Size of Holdings	Number of Shareholders	%	Number of Shares	%
1 - 1,000	1,618	26.85	1,553,094	0.34
1,001 - 10,000	3,819	63.36	15,679,641	3.46
10,001 - 1,000,000	571	9.47	29,731,613	6.57
1,000,001 and above	19	0.32	406,035,062	89.63
<b>Total</b>	<b>6,027</b>	<b>100.00</b>	<b>452,999,410</b>	<b>100.00</b>

**TWENTY LARGEST SHAREHOLDERS**

No.	Name	Number of Shares	%
1.	Oversea-Chinese Bank Nominees Pte Ltd	137,779,150	30.41
2.	United Overseas Bank Nominees Pte Ltd	107,146,897	23.65
3.	Citibank Nominees Singapore Pte Ltd	44,923,100	9.92
4.	DBS Nominees Pte Ltd	23,973,408	5.29
5.	Amex Nominees (S) Pte Ltd	16,880,000	3.73
6.	ABN Amro Nominees Singapore Pte Ltd	15,139,860	3.34
7.	DBS Vickers Securities (S) Pte Ltd	14,407,000	3.18
8.	Morgan Stanley Asia (Singapore) Pte Ltd	9,089,000	2.01
9.	Raffles Nominees Pte Ltd	8,173,395	1.80
10.	HSBC (Singapore) Nominees Pte Ltd	7,792,265	1.72
11.	OCBC Securities Private Ltd	3,728,000	0.82
12.	Overseas Union Bank Nominees Pte Ltd	3,554,500	0.78
13.	Kim Eng Ong Asia Securities Pte Ltd	2,706,000	0.60
14.	Hotel Malaysia Limited	2,500,000	0.55
15.	UOB Kay Hian Pte Ltd	2,073,000	0.46
16.	The Asia Life Assurance Society Ltd-S'pore Life Fund	2,043,000	0.45
17.	DB Nominees (S) Pte Ltd	1,616,674	0.36
18.	Phillip Securities Pte Ltd	1,403,813	0.31
19.	Chan U Seek	1,106,000	0.24
20.	NTUC Income Insurance Co-Operative Limited	1,000,000	0.22
	<b>Total</b>	<b>407,035,062</b>	<b>89.84</b>

## SUBSTANTIAL SHAREHOLDERS

As shown in the Company's Register of Substantial Shareholders as at March 28, 2002

Substantial Shareholder	Direct/Beneficial Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Coldharbour Limited	66,289,800	14.63	-	-
Como Holdings Inc	67,139,800	14.82	-	-
Born Free Investments Limited	33,144,900	7.32	-	-
Peter Fu Yun Siak	-	-	96,508,800 (1)	21.30
Ong Beng Seng	3,000,000	0.66	97,858,800 (2)	21.60
Peter Fu Chong Cheng	-	-	61,363,900 (3)	13.55
Kuo Investments Limited	-	-	28,219,000 (4)	6.23
FCC Holdings Pte Ltd	95,230,000	21.02	-	-
First Capital Corporation Limited	-	-	■ 95,230,000	21.02
Guoco Investment Pte Ltd	-	-	■ 95,230,000	21.02
Guoco Group Limited	-	-	■ 95,230,000	21.02
Guoline Overseas Limited	-	-	■ 95,230,000	21.02
Guoline Capital Assets Limited	-	-	■ 95,230,000	21.02
Hong Leong Company (Malaysia) Bhd	-	-	■ 95,230,000	21.02
HL Holdings Sdn Bhd	-	-	■ 95,230,000	21.02
Mr Quek Leng Chan	-	-	■ 95,230,000	21.02
Hong Leong Investment Holdings Pte Ltd	-	-	• 96,211,000	21.24

### Notes:

- 1) Mr Peter Fu Yun Siak is deemed to have an interest in the shares of Coldharbour Limited, Jermaine Limited, Holmshaw Services Limited and Oakville N. V. by virtue of the provisions under Section 7 of the Companies Act, Cap. 50.
  - 2) Mr Ong Beng Seng is deemed to have an interest in the shares of Como Holdings Inc, Reef Holdings Pte Ltd, Holmshaw Services Limited and Oakville N. V. by virtue of the provisions under Section 7 of the Companies Act, Cap. 50 and in the shares held by his spouse.
  - 3) Mr Peter Fu Chong Cheng is deemed to have an interest in the shares of Born Free Investments Limited, Holmshaw Services Limited and Oakville N. V. by virtue of the provisions under Section 7 of the Companies Act, Cap. 50.
  - 4) Kuo Investments Limited is deemed to have an interest in the 28,219,000 shares held by Holmshaw Services Limited and Oakville N. V. by virtue of the provisions under Section 7 of the Companies Act, Cap. 50.
- First Capital Corporation Ltd ("FCC"), Guoco Investment Pte Ltd, Guoco Group Limited, Guoline Overseas Limited, Guoline Capital Assets Limited, Hong Leong Company (Malaysia) Bhd ("HLCMB"), HL Holdings Sdn Bhd and Mr Quek Leng Chan are deemed to have an interest in the 95,230,000 shares held by FCC Holdings Pte Ltd by virtue of the provisions under Section 7 of the Companies Act, Cap. 50.
  - Hong Leong Investment Holdings Pte Ltd ("HLIH") is deemed to have an interest in the following shares (i) 95,230,000 shares held by FCC Holdings Pte Ltd and (ii) 981,000 shares held by Golden Rajah Restaurant (Private) Limited ("GRR") by virtue of the provisions under Section 7 of the Companies Act, Cap. 50 through (i) HLIH's deemed interest in FCC held through HLCMB's intermediate companies; and (ii) HLIH's deemed interest in GRR held through HLIH's intermediate companies, respectively.

**HOTEL PROPERTIES LIMITED**

(INCORPORATED IN THE REPUBLIC OF SINGAPORE)

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Twenty-Second Annual General Meeting of the Company will be held at the 2nd Floor Crescent Ballroom, Four Seasons Hotel Singapore, 190 Orchard Boulevard, Singapore 248646 on Tuesday, May 28, 2002 at 4.00 p.m. to transact the following businesses:-

**ORDINARY BUSINESS**

1. To receive and consider the directors' report and accounts for the year ended December 31, 2001 and the auditors' report thereon. **Resolution 1**
2. To declare a first and final dividend of 2.5% less tax of 24.5% for the year ended December 31, 2001. **Resolution 2**
3. To approve the proposed Directors' fees of \$240,000 for the year ended December 31, 2001. (2000: \$240,000) **Resolution 3**
4. To re-appoint Auditors for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 4**
5. To transact any other business which may properly be transacted at an Annual General Meeting.

**SPECIAL BUSINESS**

6. To re-appoint Mr Peter Y. S. Fu pursuant to Section 153 of the Companies Act, Cap. 50. **Resolution 5**
7. To re-elect Mr Joseph Grimberg pursuant to Article 80 of the Articles of Association. **Resolution 6**
8. To re-elect Mr Arthur Tan Keng Hock pursuant to Article 80 of the Articles of Association. **Resolution 7**
9. To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:-
  - (a) That authority be and is hereby given to the Directors of the Company pursuant to Section 161 of the Companies Act, Cap. 50, to issue shares of the Company at any time to such persons, upon such terms and conditions and for such purposes as the Directors of the Company may in their absolute discretion deem fit, within the maximum limits prescribed by the Listing Manual of the Singapore Exchange Securities Trading Limited from time to time, such authority shall continue in force until the conclusion of the Annual General Meeting commencing next after this date. **Resolution 8**
  - (b) That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors be and are hereby authorised to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the Hotel Properties Limited Executives' Share Option Scheme 1990 ("Scheme 1990") provided always that the aggregate number of shares to be issued pursuant to the Scheme 1990 shall not exceed five per centum (5%) of the issued share capital of the Company from time to time. **Resolution 9**

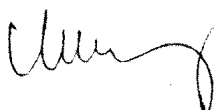
- (c) That the Directors of the Company be and are hereby authorised to offer and grant options over ordinary shares in the Company in accordance with the regulations of the Hotel Properties Limited Share Option Scheme 2000 ("Scheme 2000") and pursuant to Section 161 of the Companies Act, Cap. 50, the Directors be and are hereby authorised to issue and allot ordinary shares upon the exercise of any such options and to do all such acts and things as may be necessary or expedient to carry the same into effect provided that the total number of shares allotted and issued under the Scheme 2000 is limited to fifteen (15) per cent of the total issued share capital of the Company or such other limit as may be specified in the Listing Manual of the Singapore Exchange Securities Trading Limited from time to time. **Resolution 10**
- (d) That approval be and is hereby given, for purposes of Chapter 9A of the Listing Manual of the Singapore Exchange Securities Trading Limited, for the Company, its subsidiaries, related companies or associated companies (the "HPL Group") or any of them to enter into any of the transactions falling within the categories of Related Party Transactions as set out in the Company's circular to Shareholders dated June 5, 1998 (the "Circular") with those classes of Related Parties as defined and disclosed in the Circular provided that such transactions comply with the guidelines and review procedures set out in the Circular, such approval (the "Shareholders' General 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 the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Shareholders' General Mandate and/or this Resolution. **Resolution 11**

**NOTICE IS HEREBY GIVEN** that the Transfer Books and Register of Members of the Company will be closed from June 5, 2002 to June 6, 2002 (both dates inclusive), for the preparation of dividend warrants.

Duly completed transfers received by the Company's Registrar, Lim Associates (Pte) Ltd of 10 Collyer Quay, #19-08 Ocean Building, Singapore 049315, up to the close of business at 5.00 p.m. on June 4, 2002 will be registered to determine shareholders' entitlement to the proposed dividend. The dividend, if approved, will be paid on June 18, 2002 to shareholders registered in the books of the Company on June 4, 2002.

In respect of the shares in securities accounts with the Central Depository (Pte) Limited ("CDP"), the said first and final dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlements to holders of shares in accordance with its practice.

BY ORDER OF THE BOARD



CHUANG SHEUE LING  
COMPANY SECRETARY  
APRIL 26, 2002  
SINGAPORE



**Statement pursuant to Clause 902(4)(a) of the Listing Manual of the Singapore Exchange Securities Trading Limited**

Mr Joseph Grimberg, if re-elected, will remain as the Audit Committee member and is considered an independent director. Mr Arthur Tan Keng Hock, if re-elected, will remain as the Audit Committee Chairman and is considered an independent director.

**Explanatory Notes on Special Business to be transacted:-**

- (a) Ordinary Resolution 8 will empower the Directors from the date of the Annual General Meeting until the date of the next Annual General Meeting to issue further shares in the Company. The maximum number of shares which the Directors may issue under this resolution shall not exceed the quantum set out in the resolution.
- (b) Ordinary Resolution 9 is to allow the Directors to issue shares in the Company pursuant to the exercise of options granted under the Scheme 1990 provided that the aggregate number of shares to be issued does not exceed 5% of the issued share capital of the Company from time to time. Note that the Scheme 1990 was at the end of its 10-year duration and discontinued on December 31, 1999. However, subsisting options granted prior to that date are not affected by the discontinuation and remain exercisable in accordance with the terms of the Scheme 1990.
- (c) Ordinary Resolution 10 is to allow the Directors to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme 2000 provided that the aggregate number of shares to be issued does not exceed 15% of the issued share capital of the Company from time to time.
- (d) Ordinary Resolution 11 is to renew the Shareholders' General Mandate to allow the Company, its subsidiaries, related companies or associated companies or any of them to enter into any of the transactions falling within the categories of Related Party Transactions as set out in the Company's circular to Shareholders dated June 5, 1998 (the "Circular") with those classes of Related Parties as defined and disclosed in the Circular provided that such transactions comply with the guidelines and review procedures set out in the Circular. This authority will continue in force until the conclusion of the Company's next Annual General Meeting. A copy of the Company's circular dated June 5, 1998 may be inspected at the registered office of the Company at 50 Cuscaden Road, #08-01 HPL House, Singapore 249724 during normal business hours from the date hereof up to and including the date of the Annual General Meeting.

**Notes:**

- (1) A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
- (2) If a proxy is to be appointed, the form must be deposited at the registered office of the Company at 50 Cuscaden Road, #08-01 HPL House, Singapore 249724, not less than 48 hours before the meeting.
- (3) The form of proxy must be signed by the appointor or his attorney duly authorised in writing.
- (4) In the case of joint shareholders, all holders must sign the form of proxy.





hotel  
properties  
limited

HOTEL PROPERTIES LIMITED

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