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HOTEL PROPERTIES LIMITED

BUSINESS REVIEW

Financial Review

For the year ended December 31, 2000, the Group turnover increased by 31.5% from \$310.1 million to \$407.7 million. This is largely attributable to the recognition of sale of condominium units at Cuscaden Residence which was successfully launched in 1999. Improvement in the hotel business also contributed to the increase in turnover.

The Group recorded a net profit after tax of \$43.1 million for the year ended December 31, 2000. The sale of land rights in the Canary Riverside development contributed significantly to the profits for the year.

Recent Developments

During the year, the hotel division of the Group enjoyed significant growth in both occupancy as well as room rate. The Group has increased its effective equity interest in one of its most profitable resort, Four Seasons Resort Bali at Jimbaran from 45% to 65%. This has also contributed to an increase in the Group's share of its profits.

The beachfront hotel in Pattaya, Thailand which the Group recently acquired is currently undergoing a major refurbishment to be transformed into another Hard Rock Hotel. When completed, it will be the second Hard Rock Hotel in the Group following the Hard Rock Hotel in Bali.

The Group has recently entered into a conditional sale and purchase agreement to acquire a property (currently known as YMCA Collins International House) located in the central business district in Bangkok, Thailand. The property will be closed for renovation upon the completion of the acquisition. It is the Group's intention to re-brand and re-position the property as a luxury hotel.

Prospects

On the property front, Cuscaden Residence will continue to contribute significantly to the profit of the Group. The hotel sector should at least maintain the results achieved in the year under review, in which this sector's results were the most successful in the Group's history. However, the other sectors of the Group's business are likely to encounter difficult conditions, in view of the current global economic climate and political developments in the region.

Nevertheless, following the various divestments made in prior years, the Group is poised to expand its investments when opportunities arise.

HOTEL PROPERTIES LIMITED
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

Overseas Union 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

Telephone: 536 5355

Registered Office

50 Cuscaden Road

#08-01 HPL House

Singapore 249724

Telephone: 734 5250

HOTEL PROPERTIES LIMITED
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, 2000.

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 are described in Note 35 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,

- (1) the Group acquired an additional 27.3% equity interest in the capital of Cleaton Investments Pte Ltd for a cash consideration of US\$17 million (\$29 million). The net tangible assets (based on book value) acquired were \$13.3 million. The Group's effective equity interest in Cleaton Investments Pte Ltd after the acquisition is 87.3%.
- (2) the Group acquired an additional 15% equity interest in an associate, Luxury Holdings Pte Ltd for a cash consideration of \$7.1 million. The net tangible assets acquired were \$14.5 million. The Group's equity interest in Luxury Holdings Pte Ltd after the acquisition is 65%.
- (3) a plan has been drawn up for the dissolution of Hard Rock Hotel Development Ltd, a wholly-owned subsidiary of HPL Leisure Holdings Pte Ltd. The net tangible assets at the date of dissolution is nil.

Details of subsidiaries that were incorporated during the year are set out in section 6 of this report and Note 35 to the financial statements.

HOTEL PROPERTIES LIMITED

4 RESULTS

	Group \$'000	Company \$'000
Profit after income tax and share of results of associates but before minority interests	45,359	3,320
Minority interests	(2,295)	–
Net profit attributable to shareholders	43,064	3,320
Retained profits at beginning of year	89,700	8,755
Profits available for appropriation	132,764	12,075
Proposed first and final dividend of 2.5% less tax of 24.5%	(8,546)	(8,546)
Retained profits at end of year	124,218	3,529

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 above and in the notes to the financial statements.

6 ISSUE OF SHARES AND DEBENTURES

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

- i) 160,000 new ordinary shares of \$1 each at a price of \$1 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) 50,000 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.

HOTEL PROPERTIES LIMITED

6 ISSUE OF SHARES AND DEBENTURES (cont'd)

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

Subsidiary	Shares issued	Purpose
21st Century Holdings Pte Ltd *	2 shares of \$1 each at par for cash	Subscribers' shares
Asia Hotel Growth Fund *	1,000,000 units of BHT500 each at par for cash	Subscribers' units for acquisition of property
Central Perk Sdn Bhd *	2 shares of RM1 each at par for cash	Subscribers' shares
Elegant Hotel Holdings Pty Ltd *	100 shares of A\$1 each at par for cash	Subscribers' shares
Elegant Hotel Pty Ltd *	100 shares of A\$1 each at par for cash	Subscribers' shares
Hotel Holdings USA Inc *	10 shares of US\$1 each at par for cash	Subscribers' shares
HPL-21 Holdings Pte Ltd	18,000,000 shares of \$1 each at par by capitalisation of advances from shareholders	Capitalisation of advances from shareholders
HPL Properties Pte Ltd	5,000,000 preference shares of \$1 each at \$5.80 per share by capitalisation of advances from holding company	Capitalisation of advances from holding company
Moonstone Investments Pte Ltd *	2 shares of \$1 each at par for cash	Subscribers' shares
PT Amanda Krya Sentosa *	50,000 shares of US\$1 each at par for cash	Subscribers' shares and for working capital
Seaside Hotel (Thailand) Co. Ltd *	100,000 shares of BHT100 each at par for cash	Subscribers' shares and for working capital
Seaside Properties (Thailand) Co. Ltd *	25,000 shares of BHT100 each at par for cash	Subscribers' shares and for working capital
Xspand Investments Pte Ltd *	2 shares of \$1 each at par for cash	Subscribers' shares

* 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

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, 2000	As at December 31, 2000
The Company		
– Shares of \$1 each		
Peter Y. S. Fu	80,189,800 *	89,608,800 *
Ong Beng Seng	84,539,800 **	93,958,800 **
The Subsidiaries		
– Crossgate Investments Limited		
Shares of US\$1 each		
Ong Beng Seng	10,000 *	10,000 *
– Elegant Hotel Pty Ltd		
Shares of A\$1 each		
Ong Beng Seng	–	100 *
– HPL Resorts (Maldives) Pvt Ltd		
Shares of Maldivian Rufiyaa 1,000 each		
Ong Beng Seng	10,000 *	10,000 *
– HPL-21 Holdings Pte Ltd		
Shares of \$1 each		
Ong Beng Seng	2,000,000 *	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, 2000, 90,958,800 (as at January 1, 2000, 81,539,800) 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, 2001.

HOTEL PROPERTIES LIMITED

9 DIVIDEND

- | | |
|--------------------------------------------------------------------------------------------------------------------------------|--------------------|
| a) Dividend of 2% less tax of 25.5% paid during the financial year in respect of the Company's previous financial year | <u>\$6,743,135</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, 2000 | <u>\$8,546,023</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 of bad debts and the making of provision for 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 and provided for doubtful debts in the Group of companies 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 in the ordinary course of business their book values 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.

HOTEL PROPERTIES LIMITED

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 except as disclosed in the attached financial statements.

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.

HOTEL PROPERTIES LIMITED

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 November 13, 2000, options were granted pursuant to the Scheme 2000 to 16 executives of the Company to subscribe for 1,855,000 and 250,000 ordinary shares of \$1 each in the Company at the subscription price of \$1.30 and \$1.21 per ordinary share ("Offering Price") respectively. The subscription prices were set at a discount to the market price of the share.

The options may be exercised during the period from November 13, 2002 to November 12, 2010, 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 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 were granted during the financial year.

b) Share Options Exercised

During the financial year, the Company issued 160,000 and 50,000 new ordinary shares of \$1 each at the price of \$1 and \$1.10 per ordinary share respectively for cash following the exercise of options by executives of the Company granted in conjunction with 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.

HOTEL PROPERTIES LIMITED

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 1/1/2000 or date of grant if later	Number of Share Options		Balance at 31/12/2000	Sub- scription price	Date of expiry
		Exercised	Expired/ Cancelled			
Pursuant to Scheme 1990						
13/04/1995	850,000	-	850,000	-	\$2.336	12/04/2000
02/05/1995	100,000	-	100,000	-	\$2.58	01/05/2000
22/09/1995	1,000,000	-	1,000,000	-	\$2.19	21/09/2000
11/10/1996	1,475,000	-	-	1,475,000	\$2.257	10/10/2001
30/04/1997	1,681,000	-	-	1,681,000	\$2.283	29/04/2002
29/04/1998	1,040,000	160,000	-	880,000	\$1.00	28/04/2003
23/04/1999	1,235,000	50,000	-	1,185,000	\$1.10	22/04/2004
Sub-total	<u>7,381,000</u>	<u>210,000</u>	<u>1,950,000</u>	<u>5,221,000</u>		
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
Sub-total	<u>2,105,000</u>	<u>-</u>	<u>-</u>	<u>2,105,000</u>		
Total	<u>9,486,000</u>	<u>210,000</u>	<u>1,950,000</u>	<u>7,326,000</u>		

HOTEL PROPERTIES LIMITED

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)
Pursuant to Scheme 1990				
Director				
Christopher Lim Tien Lock	Nil	2,056,331	1,022,000	534,000 (excludes 500,331 options which have expired)
Participant				
Robert Foo Siang Mong	Nil	2,036,662	944,000	492,000 (excludes 600,662 options which have expired)
Stephen Lau Buong Lik	Nil	1,797,331	722,331	825,000 (excludes 250,000 options which have expired)
Wilson Cheah	Nil	1,301,798	453,399	435,000 (excludes 413,399 options which have expired)
Pursuant to Scheme 2000				
Director				
Christopher Lim Tien Lock	500,000	500,000	Nil	500,000

HOTEL PROPERTIES LIMITED

19 AUDIT COMMITTEE

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, 2000 as well as the auditors' report thereon.

The Committee recommended to the Board of Directors the nomination of Deloitte & Touche 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 21, 2001

HOTEL PROPERTIES LIMITED

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, 2000, the profit and loss statements and statements of changes in equity of the Company and of the Group and the consolidated cash flow statement for the year then ended set out on pages 15 to 63. 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 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, 2000 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 35 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 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.



Certified Public Accountants

Partner – Po'ad Bin Shaik Abu Bakar Mattar
Singapore
March 21, 2001

HOTEL PROPERTIES LIMITED

BALANCE SHEETS

December 31, 2000

	Notes	Group		Company	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
ASSETS					
Current assets:					
Cash	3	107,402	119,568	6,496	20,468
Short-term investments	4	5,392	599	-	-
Trade receivables	5	30,662	63,403	1,569	1,010
Other receivables and prepayments	6	32,092	28,212	1,489	1,028
Inventories	7	11,779	12,303	301	279
Completed properties held for sale	8	12,610	13,283	-	-
Total current assets		199,937	237,368	9,855	22,785
Non-current assets:					
Associates	9	170,224	189,929	14,682	54,672
Subsidiaries	10	-	-	705,530	594,972
Options money paid	32	-	15,898	-	-
Other long-term investments	4	15,089	27,497	-	-
Property, plant and equipment	12	944,364	807,824	239,757	242,819
Investment properties	13	271,475	215,449	-	-
Development properties	14	82,407	54,045	-	-
Expenditure carried forward	15	9,653	10,290	2,683	589
Total non-current assets		1,493,212	1,320,932	962,652	893,052
Total assets		1,693,149	1,558,300	972,507	915,837

See notes to financial statements set out on pages 22 to 63.

HOTEL PROPERTIES LIMITED

BALANCE SHEETS
(cont'd)

	Notes	Group		Company	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
LIABILITIES AND EQUITY					
Current liabilities:					
Bank loans	16	47,070	49,659	-	-
Trade payables		43,566	42,739	14,720	12,928
Other payables	17	26,501	20,432	-	-
Income tax payable		6,049	6,777	892	-
Proposed dividend		8,546	6,743	8,546	6,743
Total current liabilities		131,732	126,350	24,158	19,671
Non-current liabilities:					
Bonds and debentures	18	100,087	100,083	100,000	100,000
Long-term bank loans	16	508,378	408,308	119,044	103,625
Advances from subsidiaries	10	-	-	45,874	601
Retention creditors	19	2,445	-	-	-
Other long-term payables	20	3,250	-	-	-
Deferred income tax	21	19,787	11,031	2,911	3,730
Total non-current liabilities		633,947	519,422	267,829	207,956
Minority interests	23	66,994	68,585	-	-
Share capital and reserves:					
Issued share capital	24	452,769	452,559	452,769	452,559
Other reserves		283,489	301,684	224,222	226,896
Retained profits		124,218	89,700	3,529	8,755
Total share capital and reserves		860,476	843,943	680,520	688,210
Total liabilities and equity		1,693,149	1,558,300	972,507	915,837

See notes to financial statements set out on pages 22 to 63.

HOTEL PROPERTIES LIMITED

PROFIT AND LOSS STATEMENTS

Year ended December 31, 2000

	Notes	Group		Company	
		2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Revenue	25	407,744	310,065	48,364	44,137
Cost of sales		(278,925)	(218,306)	(35,603)	(32,466)
Gross profit		128,819	91,759	12,761	11,671
Other operating income	25	7,775	6,658	25,872	108,804
Distribution costs		(4,592)	(2,180)	-	-
Administrative expenses		(41,927)	(38,417)	(9,468)	(8,760)
Other operating expenses		(2,718)	(3,102)	(2,690)	(429)
Profit from operations		87,357	54,718	26,475	111,286
Finance costs		(34,025)	(32,172)	(15,252)	(12,814)
Other non-operating expenses		(4,462)	(1,641)	(23)	(66,588)
Share of results of associates	37	18,796	(68,018)	-	-
Profit (loss) before income tax	26	67,666	(47,113)	11,200	31,884
Income tax	30	(22,307)	(8,932)	(7,880)	(27,603)
Profit (loss) after income tax		45,359	(56,045)	3,320	4,281
Minority interests		(2,295)	(1,190)	-	-
Net profit (loss) attributable to shareholders		43,064	(57,235)	3,320	4,281
Earnings (losses) per ordinary share of \$1 each (Cents):	31				
- basic		9.51	(13.12)		
- fully diluted		9.50	(13.12)		

See notes to financial statements set out on pages 22 to 63.

HOTEL PROPERTIES LIMITED

STATEMENTS OF CHANGES IN EQUITY

Year ended December 31, 2000

Group	Issued share capital \$'000	Retained profits \$'000	Share premium \$'000	Other reserves			Total other reserves \$'000	Total \$'000
				Asset revalua- tion reserve \$'000	Exchange fluctua- tion reserve \$'000	Reserve on consoli- dation \$'000		
Balance at December 31, 1998	411,272	153,983	110,712	205,025	(47,684)	23,437	291,490	856,745
Foreign exchange realignment	-	-	-	365	-	-	365	365
Exchange fluctuation differences	-	-	-	-	(294)	-	(294)	(294)
Adjustment arising from acquisition of additional interest in a subsidiary	-	-	-	-	-	(570)	(570)	(570)
Net profit (loss) not recognised in the consolidated profit and loss statement	-	-	-	365	(294)	(570)	(499)	(499)
Net loss for the year	-	(57,235)	-	-	-	-	-	(57,235)
Dividend	-	(7,048)	-	-	-	-	-	(7,048)
Issue of share capital	41,287	-	10,693	-	-	-	10,693	51,980
Balance at December 31, 1999	452,559	89,700	121,405	205,390	(47,978)	22,867	301,684	843,943
Foreign exchange realignment	-	-	-	(769)	-	-	(769)	(769)
Exchange fluctuation differences	-	-	-	-	(14,845)	-	(14,845)	(14,845)
Share of revaluation reserve of associates arising during the year	-	-	-	768	-	-	768	768
Reserve arising from acquisition of additional interest in subsidiaries and associates	-	-	-	-	-	(3,018)	(3,018)	(3,018)
Net loss not recognised in the consolidated profit and loss statement	-	-	-	(1)	(14,845)	(3,018)	(17,864)	(17,864)
Net profit for the year	-	43,064	-	-	-	-	-	43,064
Dividend	-	(8,546)	-	-	-	-	-	(8,546)
Issue of share capital	210	-	5	-	-	-	5	215
Adjustment arising from disposal of a long-term investment by an associate	-	-	(336)	-	-	-	(336)	(336)
Balance at December 31, 2000	452,769	124,218	121,074	205,389	(62,823)	19,849	283,489	860,476

See notes to financial statements set out on pages 22 to 63.

HOTEL PROPERTIES LIMITED

Company	Issued share capital \$'000	Retained profits \$'000	Share premium \$'000	Other reserves		Total other reserves \$'000	Total \$'000
				Asset revalua- tion reserve \$'000	Exchange fluctua- tion reserve \$'000		
Balance at December 31, 1998	411,272	11,522	110,169	110,785	(2,933)	218,021	640,815
Exchange fluctuation differences	-	-	-	-	(1,818)	(1,818)	(1,818)
Net loss not recognised in the profit and loss statement	-	-	-	-	(1,818)	(1,818)	(1,818)
Net profit for the year	-	4,281	-	-	-	-	4,281
Dividend	-	(7,048)	-	-	-	-	(7,048)
Issue of share capital	41,287	-	10,693	-	-	10,693	51,980
Balance at December 31, 1999	452,559	8,755	120,862	110,785	(4,751)	226,896	688,210
Exchange fluctuation differences	-	-	-	-	(2,679)	(2,679)	(2,679)
Net loss not recognised in the profit and loss statement	-	-	-	-	(2,679)	(2,679)	(2,679)
Net profit for the year	-	3,320	-	-	-	-	3,320
Dividend	-	(8,546)	-	-	-	-	(8,546)
Issue of share capital	210	-	5	-	-	5	215
Balance at December 31, 2000	452,769	3,529	120,867	110,785	(7,430)	224,222	680,520

See notes to financial statements set out on pages 22 to 63.

HOTEL PROPERTIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT

Year ended December 31, 2000

	2000 \$'000	1999 \$'000
Cash flows from operating activities:		
Operating profit before income tax and share of results of associates	48,870	20,905
Adjustments for:		
Amortisation of expenditure carried forward	5,319	4,490
Depreciation of property, plant and equipment	31,607	32,155
Property, plant and equipment written off	1,180	1,156
Provision for impairment in value of an associate written back	(2,277)	–
Provision for impairment in value of long-term investments	8,000	–
Interest expense	34,025	32,172
Interest income	(6,479)	(5,424)
Dividend income	(73)	(45)
(Gain) Loss on disposal of property, plant and equipment	(36)	66
Operating profit before working capital changes	120,136	85,475
Short-term investments	(4,793)	326
Receivables and prepayments	46,425	120,000
Inventories	887	(227)
Completed properties held for sale	673	12,957
Payables and accrued expenses	2,228	(10,578)
Retention creditors	2,445	–
Cash generated from operations	168,001	207,953
Dividend paid	(6,743)	(3,348)
Income tax paid	(13,977)	(35,604)
Interest paid	(34,025)	(32,172)
Interest received	6,479	5,424
Dividend income received	73	45
Net cash from operating activities	119,808	142,298
Cash flows from (used in) investing activities:		
Cash flows arising from disposal of subsidiaries	–	(1,330)
Acquisition of subsidiary, net of cash acquired	(3,386)	–
Acquisition of additional interest in subsidiary	(29,200)	–
Additional deferred charges	(4,419)	(528)
Development properties and expenditure	(12,286)	36,823
Additional investment properties	(76)	(509)
Associates	(6,156)	5,054
Additional property, plant and equipment	(62,331)	(15,999)
Additional long-term investments	(10,182)	(1,029)
Long-term payable	3,250	–
Options money paid	–	(15,898)
Proceeds from disposal of associates	–	27,271
Proceeds from disposal of property, plant and equipment	1,362	324
Cash flows from (used in) investing activities	(123,424)	34,179

HOTEL PROPERTIES LIMITED

	2000 \$'000	1999 \$'000
Cash flows from (used in) financing activities:		
Additional (repayment of) term loans	22,057	(200,086)
Advance to/Repayment to minority shareholders	(26,878)	(5,802)
Proceeds from issue of shares	215	51,980
Cash flows used in financing activities	<u>(4,606)</u>	<u>(153,908)</u>
Net effect of exchange rate changes in consolidating subsidiaries	<u>(3,944)</u>	<u>(1,724)</u>
Net increase (decrease) in cash	(12,166)	20,845
Cash at beginning of year	119,568	98,723
Cash at end of year	<u>107,402</u>	<u>119,568</u>
Cash at end of year includes the following:		
Fixed deposits	70,869	97,663
Cash and bank balances	36,533	21,905
Total	<u>107,402</u>	<u>119,568</u>
Summary of the effects of acquisition/disposal of interest in subsidiaries:		
Current assets	1,095	91
Current liabilities	(906)	(84)
Net current assets	189	7
Property, plant and equipment	15,530	-
Investment properties	9,701	-
Minority interest	-	(1,253)
	<u>25,420</u>	<u>(1,246)</u>
Long-term loans	(10,935)	-
Net assets (liabilities) consolidated/deconsolidated	14,485	(1,246)
Cash acquired/disposed	(3,770)	(84)
Reserve on consolidation	(7,329)	-
Cashflows arising from acquisition/disposal	<u>3,386</u>	<u>(1,330)</u>

See notes to financial statements set out on pages 22 to 63.

HOTEL PROPERTIES LIMITED

NOTES TO FINANCIAL STATEMENTS

December 31, 2000

1 GENERAL

The Company is incorporated in the Republic of Singapore. 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 are described in Note 35 to the financial statements.

The registered office of the Company is at 50 Cuscaden Road, #08-01 HPL House, Singapore 249724.

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.

BASIS OF CONSOLIDATION – The consolidated financial statements include the financial statements of the subsidiaries.

The results of subsidiaries acquired or disposed off during the financial year are included in or excluded from the consolidated financial statements from their effective date of acquisition or disposal.

The excess of the cost of investments over net assets acquired at fair value representing goodwill on consolidation is taken to expenditure carried forward. The excess of the fair value of net assets acquired over the cost of investments is taken directly to reserves.

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.

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

ASSOCIATES – An associate is defined as a company, not being a subsidiary, in which the Group has an interest of at least 20% of equity and in whose financial and operating policy decisions the Group exercises significant influence. The Group's associates are shown in Note 36.

The Group's share of the results of associates is included in the consolidated profit and loss statement. The Group's share of post-acquisition reserves or accumulated results of the associates is included in the carrying value of the investments in the consolidated balance sheet.

The excess of the cost of investments over net assets acquired at fair value representing goodwill on acquisition is taken to expenditure carried forward. The excess of fair value of net assets acquired over the cost of investments is taken directly to reserves.

HOTEL PROPERTIES LIMITED

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

INVESTMENTS – Quoted and unquoted investments (including shares in subsidiaries and associates) held for long-term purposes are stated at cost less provision to recognise an impairment other than temporary in value of such investments. Quoted and unquoted investments held for short-term purposes are stated at the lower of cost and market value on a portfolio basis.

JOINT VENTURE COMPANY – A joint venture company is one in which the Group has joint control over the economic activity with other joint venturers.

The Group's share of the results and the assets and liabilities of the joint venture company is accounted for on the proportionate consolidation basis and is incorporated into the Group's financial statements on a line by line basis. Any difference between the cost of investments and the fair value of net assets in the joint venture company, using the purchase method of acquisition, is adjusted against shareholders' interests. The joint venture company is shown in Note 11.

PROPERTY, PLANT AND EQUIPMENT – 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 are retained in the financial statements until they are no longer in use.

INVESTMENT PROPERTIES – Investment properties consist of completed developments and shop units producing rental income.

Investment properties are stated at valuation on an open market value for existing use basis by an independent professional valuer at least every three years. The net 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.

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 and 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 for the units covered by sale agreements from the sale of condominium development projects. Any impairment in value is recognised when and to the extent determinable.

EXPENDITURE CARRIED FORWARD – These are being written off over a period ranging from two to twenty years.

HOTEL PROPERTIES LIMITED

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; and
- (d) Management fee income is recognised when services are rendered.

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 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.

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 subsidiaries are translated into Singapore dollars at rates of exchange ruling at the balance sheet date, the results are translated into Singapore dollars at the average exchange rate for the year and the opening net investment in subsidiaries is translated into Singapore dollars at historical rate. Significant exchange differences, if any, due to such currency translations are taken to exchange fluctuation reserve.

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	
	2000 \$'000	1999 \$'000
Fixed deposits	27,293	24,691
Cash and bank balances	2,992	1,334

HOTEL PROPERTIES LIMITED

4 INVESTMENTS

Group

a) Short-term investments

	2000		1999	
	Cost \$'000	Market Value \$'000	Cost \$'000	Market Value \$'000
Quoted equity shares in corporations	9,169	4,856	5,232	74
Unquoted equity shares in corporations	536	-	536	-
Provision for impairment in value	(4,313)	-	(5,169)	-
Net	<u>5,392</u>	<u>4,856</u>	<u>599</u>	<u>74</u>

Movement in provision for impairment in value:

	2000 \$'000	1999 \$'000
At beginning of year	5,169	4,843
Provision (written back) set-up (Note 26)	(856)	326
At end of year	<u>4,313</u>	<u>5,169</u>

b) Long-term investments

	2000 \$'000	1999 \$'000
Unquoted equity shares in corporations, at cost	16,192	5,726
Other unquoted investments, at cost	29,229	44,103
Provision for impairment in value	(30,332)	(22,332)
Net	<u>15,089</u>	<u>27,497</u>

Movement in provision for impairment in value:

	2000	1999
At beginning of year	22,332	22,332
Provision set up (Note 26)	8,000	-
At end of year	<u>30,332</u>	<u>22,332</u>

HOTEL PROPERTIES LIMITED

5 TRADE RECEIVABLES

Trade receivables are stated after making the following provision for doubtful debts:

	Group		Company	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
At beginning of year	599	514	104	46
Provision set up (Note 26)	302	387	-	60
Bad debts written off	(116)	(241)	(3)	(2)
Provision written back (Note 26)	(43)	(61)	-	-
Provision arising from acquisition of subsidiary	14	-	-	-
At end of year	756	599	101	104

6 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Amount receivable in relation to sale of a hotel development site	14,399	-	-	-
Deposits for acquisition of capital assets	1,814	-	201	-
Due from companies in which certain directors have interests *	161	171	-	-
Interest receivable	416	123	3	-
Other receivables	6,463	4,579	943	794
Prepayments	5,697	2,618	342	234
Rental deposits	3,115	2,669	-	-
Tax recoverable	27	18,052	-	-
Total	32,092	28,212	1,489	1,028

* Amount due from companies in which certain directors have interests is unsecured, interest-free and has no fixed terms of repayment.

7 INVENTORIES

	Group		Company	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Saleable merchandise – moving average method, at cost	2,279	3,486	265	264
Saleable merchandise – FIFO method, at cost	1,072	884	-	-
Operating supplies, at cost	1,623	1,589	36	15
Inventories carried at net realisable value after the following provision	6,805	6,344	-	-
Total	11,779	12,303	301	279

HOTEL PROPERTIES LIMITED

7 INVENTORIES (cont'd)

Movements in provision for inventories:

	Group	
	2000 \$'000	1999 \$'000
At beginning of year	3,036	2,173
Provision set up (Note 26)	1,159	878
Amount written off	(11)	(10)
Foreign exchange realignment	64	(5)
At end of year	<u>4,248</u>	<u>3,036</u>

8 COMPLETED PROPERTIES HELD FOR SALE

Location	Title	Description
Four Seasons Park 8, 10 and 12 Cuscaden Walk, Singapore 249692	Freehold	7 (1999: 8) condominium units with an aggregate floor area of approximately 22,839 (1999: 25,099) square feet
Sailmakers Court Townmead Road London, England	Leasehold with a lease term of 999 years from December 25, 1989	2 (1999: 2) apartment units with an aggregate floor area of approximately 3,649 (1999: 3,649) square feet

9 ASSOCIATES

	Group		Company	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Quoted equity shares, at cost (market value: 2000: \$8,630,000; 1999: \$13,452,000)	19,157	19,157	-	-
Unquoted equity shares, at cost	173,051	207,372	- *	40,000
Total cost of investments (Note 36)	192,208	226,529	-	40,000
Provision for impairment in value	(2,276)	(4,553)	-	-
Share of post-acquisition results, net of dividend received	(81,704)	(89,729)	-	-
Share of other reserves	200	(884)	-	-
Subscription monies in advance	266	266	-	-
Due from associates	61,530	58,300	14,682	14,672
Net	<u>170,224</u>	<u>189,929</u>	<u>14,682</u>	<u>54,672</u>

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

HOTEL PROPERTIES LIMITED

9 ASSOCIATES (cont'd)

Movements in provision for impairment in value:

	Group	
	2000	1999
	\$'000	\$'000
At beginning of year	4,553	4,553
Provision written back (Note 26)	(2,277)	-
At end of year	<u>2,276</u>	<u>4,553</u>

The amounts due from associates are substantially non-trade in nature, unsecured and interest-free. Information relating to the associates is shown in Note 36.

10 SUBSIDIARIES

	Company	
	2000	1999
	\$'000	\$'000
Unquoted equity shares, at cost (Note 35)	175,475	70,120
Advances to subsidiaries	530,155	602,110
	<u>705,630</u>	<u>672,230</u>
Provision for impairment in value	(100)	(77,258)
Net	<u>705,530</u>	<u>594,972</u>

Movements in provision for impairment in value:

At beginning of year	77,258	9,712
Provision set up (Note 26)	-	67,546
Provision written off	(77,158)	-
At end of year	<u>100</u>	<u>77,258</u>

The advances to subsidiaries are substantially non-trade in nature and unsecured. About 11% of the advances to subsidiaries bears an annual interest rate ranging from 3.1% to 6.4% and the balance is non-interest bearing (1999: About 26% of the advances bore an annual interest rate ranging from 0.6% to 4.3% and the balance was non-interest bearing). During the financial year, interest income from subsidiaries amounted to approximately \$3,269,000 (1999: \$2,916,000).

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 35.

HOTEL PROPERTIES LIMITED

11 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	
			2000 %	1999 %
Hermill Investments Pte Ltd	Property lessor	Singapore	59	59

The Group's proportionate share of the assets, liabilities and operating results of the joint venture company which has been included in the Group's consolidated financial statements is as follows:

Balance sheet items

	2000 \$'000	1999 \$'000
Current assets	4,494	3,578
Property, plant and equipment	275	254
Investment property	192,335	192,259
Expenditure carried forward	206	289
Less : Current liabilities	(4,195)	(3,943)
Non-current liabilities	(118,000)	(118,000)
Net assets	75,115	74,437

Profit and loss statement

Revenue	9,080	8,896
Share of profit (loss) after income tax	678	(1,361)

The operating profit (loss) includes the following charges (credits):

Amortisation of expenditure carried forward	83	83
Auditors' remuneration to auditors of the Company	10	5
Bad trade debts written off	2	-
Depreciation expense	83	49
Interest expense to non-related companies	5,697	7,936
Provision for doubtful trade debts	30	37
Interest income from non-related companies	(88)	(93)
Rental income from enterprises in which certain directors are deemed to have interests	(842)	(852)
Rental income from investment property	(8,530)	(8,380)

HOTEL PROPERTIES LIMITED

12 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold and leasehold land \$'000	Leasehold property \$'000	Buildings and improve- ments \$'000	Plant and equipment, furniture, fixtures and fittings \$'000	Total \$'000
Cost/valuation at beginning of year	377,780	–	425,942	171,249	974,971
Arising from acquisition of a subsidiary	–	116,872	–	32,571	149,443
Additions	10,625	–	51,184	16,420	78,229
Transfer to development property	(7,770)	–	(176)	–	(7,946)
Disposals	–	–	–	(7,438)	(7,438)
Foreign exchange realignment	(2,665)	–	(1,784)	(1,915)	(6,364)
Cost/valuation at end of year	377,970	116,872	475,166	210,887	1,180,895
Represented by:					
Valuation (Cost*: 2000: \$136,759,000 1999: \$140,686,000)	336,991	–	–	–	336,991
Cost	40,979	116,872	475,166	210,887	843,904
	377,970	116,872	475,166	210,887	1,180,895
Accumulated depreciation					
at beginning of year	3,420	–	57,622	106,105	167,147
Arising from acquisition of a subsidiary	–	15,767	–	30,143	45,910
Depreciation for the year	1,040	–	13,425	17,142	31,607
Transfer to development property	–	–	(32)	–	(32)
Disposals	–	–	–	(4,932)	(4,932)
Foreign exchange realignment	130	–	(1,799)	(1,500)	(3,169)
Accumulated depreciation at end of year	4,590	15,767	69,216	146,958	236,531
Depreciation for last year	1,019	–	13,046	18,090	32,155
Net book value at beginning of year	374,360	–	368,320	65,144	807,824
Net book value at end of year	373,380	101,105	405,950	63,929	944,364

HOTEL PROPERTIES LIMITED

12 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
Company					
Cost/valuation at beginning of year	208,800	–	24,679	65,381	298,860
Additions	–	–	–	2,622	2,622
Disposals	–	–	–	(1,709)	(1,709)
Cost/valuation at end of year	208,800	–	24,679	66,294	299,773
Represented by:					
Valuation (Cost*: 2000: \$98,015,000 1999: \$98,015,000)	208,800	–	–	–	208,800
Cost	–	–	24,679	66,294	90,973
	208,800	–	24,679	66,294	299,773
Accumulated depreciation at beginning of year	–	–	12,072	43,969	56,041
Depreciation for the year	–	–	428	4,567	4,995
Disposals	–	–	–	(1,020)	(1,020)
Accumulated depreciation at end of year	–	–	12,500	47,516	60,016
Depreciation for last year	–	–	425	4,276	4,701
Net book value at beginning of year	208,800	–	12,607	21,412	242,819
Net book value at end of year	208,800	–	12,179	18,778	239,757

* 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.

HOTEL PROPERTIES LIMITED

12 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 The Merlin Pattaya)
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 Singapour)
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)
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)

HOTEL PROPERTIES LIMITED

12 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Location	Title	Description
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 54 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)
North Male' Atoll Republic of Maldives	Leasehold (21 years commencing May 1, 1994)	A resort (known as Four Seasons Resort Maldives at Kuda Huraa)

During the financial year, the 2 warehouse units at Nos. 87 and 88 Robertson Quay, Singapore 238246/7 were reclassified as development properties (Note 14).

13 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, Edmund N S Tie & Company Pte Ltd (now known as DTZ Debenham Tie Leung) and First Pacific Davies (Singapore) Pte Ltd, for the different investment properties at December 31, 1998 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)

During the financial year, the 2 warehouse units at Nos. 85 and 86 Robertson Quay, Singapore 238244/5 were reclassified as development properties (Note 14).

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14 DEVELOPMENT PROPERTIES

	Group	
	2000 \$'000	1999 \$'000
Freehold land, at cost	41,296	41,854
Freehold land, at valuation	16,631	–
Leasehold land, at cost	3,792	3,693
Cost incurred and attributable profits	135,181	67,637
Total	196,900	113,184
Progress payments received and receivable	(111,859)	(56,583)
Provision for impairment in value	(2,634)	(2,556)
Net	82,407	54,045
Movements in provision for impairment in value:		
At beginning of year	2,556	4,687
Provision set up (Note 26)	78	66
Provision written off	–	(2,197)
At end of year	2,634	2,556

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

Location	Title	Description
1) Lot 107-35, 107-37, 107-49 and 502 in Town Sub-division 24 located at No. 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), 263-9 (99278W), in Town Sub-division 21 at Robertson Quay, Singapore	Freehold	Proposed residential and commercial development
3) Corner Northcliffe Terrace and Markwell Avenue Surfers Paradise, Australia	Freehold	Land for redevelopment
4) Siemreap Province, Siemreap Town, Division 3, Section 1, Cambodia	Leasehold (70 years commencing August 10, 1994 and March 21, 1996 respectively)	Land for redevelopment
5) Jimbaran Village Bali, Indonesia	Leasehold with certain local restrictions (30 years commencing June 27, 1996 with an option to extend for another 30 years)	Land for redevelopment

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14 DEVELOPMENT PROPERTIES (cont'd)

The cost of development properties includes the following cumulative amounts:

	2000 \$'000	1999 \$'000
Auditors' remuneration	57	39
Depreciation expense	5	5
Development charges	20,410	20,410
Interest expense to non-related companies *	21,852	18,736
Interest income from non-related companies	(1,024)	(461)
Property tax	3,919	4,233

* The interest rates range from 3.45% to 7.76% (1999: 2.71% to 7.31%) per annum.

15 EXPENDITURE CARRIED FORWARD

	Group		Company	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Goodwill – cost	3,592	3,861	–	–
Deferred charges – cost	21,171	16,315	5,485	1,329
Total	24,763	20,176	5,485	1,329
Accumulated amortisation	(15,110)	(9,886)	(2,802)	(740)
Net	9,653	10,290	2,683	589

The deferred charges comprise bond issue expenses, preliminary and pre-operations expenses of certain subsidiaries.

16 CREDIT FACILITIES

	Group		Company	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Due after twelve months				
Bank loans (a)	508,378	408,308	119,044	103,625
Due within twelve months				
Bank loans (b)	47,070	49,659	–	–
Bankers' guarantees (c)	71,749	46,239	3,709	4,575

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16 CREDIT FACILITIES (cont'd)

- (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% (1999: 1/2% to 1 3/4%) above prime rate and cost of funds of the lender banks. The facilities are repayable from 2002 to 2005.
- (b) These bank loans are secured on the Group's freehold and leasehold properties, investment 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% (1999: 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	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Accruals for employee-related expenses	4,674	2,648	-	-
Accrued operating expenses	7,900	4,420	-	-
Deposits received	991	363	-	-
Due to companies in which certain directors have interests *	389	165	-	-
Interest payable to non-related companies	2,924	2,346	-	-
Other payables	6,738	5,945	-	-
Payable arising from acquisition of an associate (Note 20)	1,083	-	-	-
Renovation/construction cost accruals	1,802	4,545	-	-
Total	<u>26,501</u>	<u>20,432</u>	-	-

* Amount due to companies in which certain directors have interests is unsecured, interest-free and has no fixed terms of repayment.

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18 BONDS AND DEBENTURES

	Group		Company	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Unsecured convertible debenture (a)	87	83	-	-
Unsecured bonds (b)	100,000	100,000	100,000	100,000
Total	100,087	100,083	100,000	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) Pertains to a \$100,000,000, 5.375% Unsecured Bonds due 2002 issued by the Company in 1997.

19 RETENTION CREDITORS

These represent retention sum due to contractors and the amount is unsecured, interest-free and is not repayable within the next twelve months.

20 OTHER LONG-TERM PAYABLES

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

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

21 DEFERRED INCOME TAX

Deferred income tax liability represents the tax effect of the excess of capital allowances over book depreciation and the timing differences between the recognition of profits on the condominium development projects for accounting and tax purposes.

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22 BORROWINGS AND OTHER LIABILITIES

Group	Total \$'000	Up to 2 years \$'000	2 to 5 years \$'000	Over 5 years \$'000
2000				
Bank loans (Note 16)	555,448	285,164	270,284	–
Bonds and debentures (Note 18)	100,087	100,000	–	87
Other liabilities	110,144	110,144	–	–
Total	<u>765,679</u>	<u>495,308</u>	<u>270,284</u>	<u>87</u>
1999				
Bank loans (Note 16)	457,967	168,313	273,124	16,530
Bonds and debentures (Note 18)	100,083	–	100,000	83
Other liabilities	87,722	87,722	–	–
Total	<u>645,772</u>	<u>256,035</u>	<u>373,124</u>	<u>16,613</u>

23 MINORITY INTERESTS

	Group	
	2000 \$'000	1999 \$'000
Minority shareholders' share of issued share capital and reserves	75,234	55,940
Advances from minority shareholders	16,706	17,702
Advances to minority shareholders	(24,946)	(5,057)
Net	<u>66,994</u>	<u>68,585</u>

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

24 ISSUED SHARE CAPITAL, OPTIONS AND DIVIDEND

	2000 \$'000	1999 \$'000
Authorised		
1,000,000,000 ordinary shares of \$1 each	<u>1,000,000</u>	<u>1,000,000</u>
Issued and fully paid		
452,769,410 (1999: 452,559,410) ordinary shares of \$1 each	<u>452,769</u>	<u>452,559</u>

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

i) **Issue of shares**

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

- a) 160,000 new ordinary shares of \$1 each at a price of \$1 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) 50,000 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 to 2000 to take up unissued shares totalling 7,326,000 ordinary shares of \$1 each as described in paragraph 18 of the Directors' report. Options exercised during the financial year totalled 210,000.

iii) **Dividend**

The proposed dividend of 2.5% less tax of 24.5% totalling \$8,546,023 for the year (1999: 2% less tax of 25.5% totalling \$6,743,135) was based on 452,769,410 (1999: 452,559,410) issued and fully paid ordinary shares of \$1 each.

25 REVENUE AND OTHER OPERATING INCOME

	Group		Company	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Revenue				
Sales	167,060	104,679	-	-
Hotel revenue	223,255	188,228	48,096	38,677
Rental income	12,924	13,106	-	5,205
Management fee	4,505	4,052	268	255
Total	407,744	310,065	48,364	44,137
Other operating income				
Interest income	6,479	5,424	3,566	3,084
Dividend income (gross)	73	45	22,306	105,720
Others	1,223	1,189	-	-
Total	7,775	6,658	25,872	108,804

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26 PROFIT (LOSS) BEFORE INCOME TAX

This is determined:

	Group		Company	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
After charging:				
Amortisation of expenditure carried forward	5,319	4,490	2,062	265
Auditors' remuneration:				
Auditors of the Company	351	295	140	100
Other auditors	361	362	54	50
Non-audit fees to auditors of the Company	138	146	104	107
Bad trade debts written off	32	94	-	-
Depreciation expense (Note 12)	31,607	32,155	4,995	4,701
Directors' remuneration:				
Subsidiaries' directors	758	980	-	-
Company's directors	1,297	1,583	1,187	1,250
Foreign exchange adjustment loss	-	2,532	46	-
Interest expense paid/payable to non-related companies	34,025	32,172	15,252	12,814
Loss on disposal of plant and equipment	-	66	-	-
Management fee to enterprise in which certain directors are deemed to have interests	40	-	-	-
Plant and equipment written off	1,180	1,156	657	575
Provision for impairment in value of a development property (Note 14)	78	66	-	-
Provision for impairment in value of investment in a subsidiary (Note 10)	-	-	-	67,546
Provision for impairment in value of long-term investments (Note 4)	8,000	-	-	-
Provision for impairment in value of short-term investments (Note 4)	-	326	-	-
Provision for inventories (Note 7)	1,159	878	-	-
Provision for doubtful trade receivables (Note 5)	302	387	-	60

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26 PROFIT (LOSS) BEFORE INCOME TAX (cont'd)

	Group		Company	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
and after crediting:				
Foreign exchange adjustment gain	1,809	-	-	954
Gain on disposal of plant and equipment	36	-	107	-
Gain on sale of shares in an associate	-	3,095	-	-
Interest income:				
Subsidiaries	-	-	3,269	2,916
Associates	3,110	2,327	-	-
Others	3,369	3,097	297	168
Investment income:				
Dividend (gross) from other investments	73	45	-	-
Dividend (gross) from subsidiaries	-	-	22,306	105,720
Management fee from associates	900	127	267	254
Management fee from enterprises in which certain directors are deemed to have interests	490	349	-	-
Provision for impairment in value of short- term investments written back (Note 4)	856	-	-	-
Provision for impairment in value of investment in an associate written back (Note 9)	2,277	-	-	-
Provision for doubtful trade receivables written back (Note 5)	43	61	-	-
Rental income from enterprises in which certain directors are deemed to have interests	4,085	4,567	1,352	2,322
Rental income from investment properties	9,167	9,391	-	-

27 DIRECTORS' REMUNERATION

The number of directors in remuneration bands is as follows:

	2000	1999
\$0 - \$249,999	7	7
\$250,000 - \$499,999	-	-
\$500,000 and above	1	1
	8	8

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28 NUMBER OF EMPLOYEES

The number of employees in the Group and the Company as at December 31, 2000 was 4,132 (1999: 3,982) and 397 (1999: 375) respectively.

29 STAFF COSTS

Total staff costs for the Group and Company for 2000 amounted to \$77.7 million (1999: \$71.5 million) and \$19.1 million (1999: \$18.4 million) respectively.

30 INCOME TAX

	Group		Company	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
Current income tax	6,121	7,878	4,805	27,944
Under (over)-provision of prior years' income tax	5,769	307	3,894	(33)
Transfer to (from) deferred income tax	8,742	(952)	(819)	(308)
Net	20,632	7,233	7,880	27,603
Share of income tax of associates:				
– Current	1,361	1,708	–	–
– Under (over)-provision of prior years' income tax	314	(9)	–	–
Net	<u>22,307</u>	<u>8,932</u>	<u>7,880</u>	<u>27,603</u>

The income tax expense differs from the amount of income tax expense determined by applying the Singapore income tax rate of 25.5% (1999: 26%) to profit before income tax as a result of the following items:

- a) losses made by certain subsidiaries which cannot be used to offset against the profits of the other companies in the Group;
- b) 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
- c) 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, certain subsidiaries have unabsorbed tax losses and capital allowances totalling approximately \$16,768,000 and \$4,360,000 respectively (1999: \$18,512,000 and \$844,000 respectively) which are available for set off against future taxable income of the respective subsidiaries. Tax saving arising from the utilisation of unabsorbed capital allowances and unabsorbed losses amounted to approximately \$1,246,000 and \$453,000 respectively during the financial year.

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31 EARNINGS (LOSSES) PER ORDINARY SHARE

The computation of the basic earnings (losses) per ordinary share of \$1 each is based on the following:

	2000	1999
Net profit (loss)	\$43,064,000	(\$57,235,000)
Weighted average number of ordinary shares (basic)	452,661,342	436,141,561
Weighted average number of ordinary shares (diluted)	453,173,976	436,141,561

The diluted losses per ordinary share of \$1 each for 1999 was shown as the same amount as the basic losses per ordinary share because the share options were considered anti-dilutive and ignored in the computation of diluted losses per ordinary share.

32 CAPITAL COMMITMENTS

- (a) In 1999, the Group signed a sale and purchase agreement with an associate to acquire a property in London costing £14.4 million (\$38.6 million). A deposit of £5.9 million (\$15.9 million) had been paid on the proposed acquisition. The transaction was completed during the financial year.
- (b) The Group and the Company have capital commitments in respect of the following:

	Group \$' millions	Company \$' millions
2000		
Capital expenditure not provided for in the financial statements:		
Approved and contracted for	28	-
Approved but not contracted for	20	-
Total	48	-
1999		
Capital expenditure not provided for in the financial statements:		
Approved and contracted for	118	-
Approved but not contracted for	1	-
Total	119	-

33 SHARE SUBSCRIPTION OPTION

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.

34 BUSINESS SEGMENT INFORMATION

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

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.

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34 BUSINESS SEGMENT INFORMATION (cont'd)

c) Information by business segment:

	Hotels		Properties		Retail and Distribution		Others		Eliminations		Consolidated	
	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000	2000 \$'000	1999 \$'000
REVENUE												
External Sales	227,628	192,065	109,765	63,144	65,684	54,729	4,667	127			407,744	310,065
Inter-segment sales	-	-	242	471	-	-	-	-	(242)	(471)	-	-
Total Revenue	227,628	192,065	110,007	63,615	65,684	54,729	4,667	127	(242)	(471)	407,744	310,065
RESULT												
Segment result	44,118	23,367	40,843	30,421	(6,054)	(4,596)	(2,491)	(1,539)			76,416	47,653
Interest expense											(34,025)	(32,172)
Interest income											6,479	5,424
Share of results of associates	(1,367)	795	21,839	18	(1,669)	(68,831)	(7)	-			18,796	(68,018)
Income tax											(22,307)	(8,932)
Minority interests											(2,295)	(1,190)
Net profit (loss)											43,064	(57,235)
OTHER INFORMATION												
Segment assets	906,138	762,923	474,021	445,831	39,950	27,119	31,947	34,835			1,452,056	1,270,708
Investment in equity method associates	34,935	81,263	113,408	93,571	21,881	15,095					170,224	189,929
Unallocated corporate assets											70,869	97,663
Consolidated total assets											1,693,149	1,558,300
Segment liabilities	48,285	36,847	16,375	12,890	9,952	12,375	1,079	1,059			75,691	63,171
Unallocated corporate liabilities											689,988	582,601
Consolidated total liabilities											765,679	645,772
Capital expenditure	77,187	15,138	193	279	5,268	1,109	-	-			82,648	16,526
Depreciation and amortisation	32,597	32,471	887	1,009	3,442	3,162	-	3			36,926	36,645
Non-cash expenses other than depreciation	(742)	3,439	195	172	589	846	(158)	(600)			(98)	3,857

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34 BUSINESS SEGMENT INFORMATION (cont'd)

d) Information by geographic regions

	Revenue		Identifiable assets		Total capital expenditure	
	2000	1999	2000	1999	2000	1999
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	231,657	166,950	1,070,125	1,035,630	10,372	4,336
The rest of Asia	155,189	124,926	363,807	305,730	29,513	10,388
Australasia	16,655	14,544	48,507	57,460	467	530
United Kingdom	1,224	959	137,396	59,085	42,296	1,272
Others	3,019	2,686	2,445	2,732	-	-
	407,744	310,065	1,622,280	1,460,637	82,648	16,526

35 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	
			2000	1999	2000	1999
			%	%	\$	\$
21st Century Holdings Pte Ltd (Subsidiary of HPL Properties (SEA) Pte Ltd) @	Investment holding company	Singapore	100	-	-	-
401 Hotel Management LLC (Subsidiary of Hotel Holdings USA Inc) ②	Hotel management	U.S.A.	50.1	50.1	-	-
Admor Investments Pte Ltd (Subsidiary of HPL Orchard Place Pte Ltd)	Investment holding company	Singapore	100	100	-	-
Alkaff Mansion Pte Ltd (Subsidiary of HPL Singapore Pte Ltd)	Restaurant operator	Singapore	100	100	-	-
Allegro Investments Pte Ltd (Subsidiary of HPL Orchard Place Pte Ltd)	Property developer	Singapore	100	100	-	-

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35 SUBSIDIARIES (cont'd)

Subsidiary	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2000 %	1999 %	2000 \$	1999 \$
Amberwood Investments Pte Ltd (Subsidiary of HPL Properties (West) Pte Ltd)	Investment holding company	Singapore	100	100	-	-
Apsara Holdings Cambodia Company Limited (Subsidiary of Apsara Holdings Private Limited) ②	Investment holding company	Cambodia	80	80	-	-
Apsara Holdings Private Limited (Subsidiary of HPL Properties (SEA) Pte Ltd)	Investment holding company	Singapore	80	80	-	-
Asia Hotel Growth Fund (Subsidiary of 21st Century Pte Ltd) @ ①	Hotelier	Thailand	100	-	-	-
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) @ ①	Café operator	Malaysia	100	-	-	-
Cleaton International B.V. (Subsidiary of Cleaton Investments Pte Ltd) ①	Investment holding company	Netherlands	87.3	60	-	-
Cleaton Investments Pte Ltd	Investment holding company	Singapore	87.3	60	52,599,721	23,400,000
Concorde Hotels & Resorts Pte Ltd	Hotel management and investment holding company	Singapore	100	100	100,000	100,000

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35 SUBSIDIARIES (cont'd)

Subsidiary	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2000 %	1999 %	2000 \$	1999 \$
Concorde Hotels & Resorts (Malaysia) Sdn Bhd (Subsidiary of Concorde Hotels & Resorts Pte Ltd) ①	Hotel management	Malaysia	100	100	-	-
Coralbell Pty Ltd (Subsidiary of Bayford Investments Pte Ltd) ①	Investment holding company	Australia	100	100	-	-
Coralsand Pty Ltd (Subsidiary of Bayford Investments Pte Ltd) ①	Investment holding company	Australia	100	100	-	-
Crossgate Investments Limited (Subsidiary of HPL Leisure Holdings Pte Ltd) ③	Investment holding company	British Virgin Islands	75	75	-	-
Dumpfe Holding B.V. (Subsidiary of Crossgate Investments Limited) ③	Investment holding company	Netherlands	75	75	-	-
Elegant Hotel Holdings Pty Ltd (Subsidiary of Bayford Investments Pte Ltd) @ ③	Investment holding company	Australia	70	-	-	-
Elegant Hotel Pty Ltd (Subsidiary of Elegant Hotel Holdings Pty Ltd) @ ③	Hotelier	Australia	70	-	-	-
Hard Rock Hotel Development Ltd (Subsidiary of HPL Leisure Holdings Pte Ltd) #	Development of hotels and resorts	British Virgin Islands	-	100	-	-
Hard Rock Hotels & Resorts Management Pte Ltd (Subsidiary of HPL Leisure Holdings Pte Ltd)	Hotel management	Singapore	80	80	-	-
Hotel Holdings USA Inc (Subsidiary of HPL Properties (West) Pte Ltd) @ ②	Investment holding company	U.S.A.	100	-	-	-

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35 SUBSIDIARIES (cont'd)

Subsidiary	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2000 %	1999 %	2000 \$	1999 \$
HPL (Brash) Holdings Pte Ltd (Subsidiary of HPL Properties (Australasia) Pte Ltd)	Investment holding company	Singapore	100	100	–	–
HPL (Eaton) Ltd (Subsidiary of Quin Properties Pte Ltd) ①	Operation of service apartments	United Kingdom	100	100	–	–
HPL Hotels Pty Ltd (Subsidiary of Bayford Investments Pte Ltd)	Dormant	Australia	100	100	–	–
HPL Investments (1990) Pte Ltd (Subsidiary of HPL Orchard Place Pte Ltd)	Investment holding company	Singapore	100	100	–	–
HPL Investment & Development Pte Ltd	Investment holding company	Singapore	100	100	1,000,000	1,000,000
HPL Investors Pte Ltd (Subsidiary of HPL Singapore Pte Ltd)	Trading in quoted investments and share dealing	Singapore	100	100	–	–
HPL Leisure Holdings Pte Ltd	Investment holding company	Singapore	100	100	2,000,000	2,000,000
HPL Marketing Sdn Bhd (Subsidiary of Pinedale Holdings Pte Ltd) ①	Food distribution and retailing	Malaysia	100	100	–	–
HPL Orchard Place Pte Ltd	Investment holding company	Singapore	100	100	7,000,000	7,000,000
HPL Properties Pte Ltd	Property development and investment holding company	Singapore	100	100	30,000,000	1,000,000

HOTEL PROPERTIES LIMITED

35 SUBSIDIARIES (cont'd)

Subsidiary	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2000 %	1999 %	2000 \$	1999 \$
HPL Properties (Australasia) Pte Ltd	Investment holding company	Singapore	100	100	7,000,000	7,000,000
HPL Properties (North Asia) Pte Ltd (Subsidiary of HPL Investment & Development Pte Ltd)	Investment holding company	Singapore	100	100	-	-
HPL Properties (SEA) Pte Ltd	Investment holding company	Singapore	100	100	500,000	500,000
HPL Properties (West) Pte Ltd	Investment holding company	Singapore	100	100	100,000	100,000
HPL Properties (West Asia) Pte Ltd	Investment holding company	Singapore	100	100	4,000,000	4,000,000
HPL Resorts (Maldives) Pvt Ltd (Subsidiary of HPL Properties (West Asia) Pte Ltd) ^②	Investment holding company	Maldives	70	70	-	-
HPL Retail Pte Ltd (Subsidiary of HPL Singapore Pte Ltd)	Investment holding company	Singapore	100	100	-	-
HPL Services Pte Ltd (Subsidiary of HPL Singapore Pte Ltd)	Privilege card services operations and investment holding company	Singapore	100	100	-	-
HPL Singapore Pte Ltd	Investment holding company	Singapore	100	100	7,000,000	7,000,000
HPL Sri Lanka Holdings Pte Ltd (Subsidiary of HPL Properties (West Asia) Pte Ltd)	Investment holding company	Singapore	100	100	-	-

HOTEL PROPERTIES LIMITED

35 SUBSIDIARIES (cont'd)

Subsidiary	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2000 %	1999 %	2000 \$	1999 \$
HPL Tourism & Leisure Pte Ltd	Investment holding company	Singapore	100	100	100,000	100,000
HPL (UK) Limited (Subsidiary of HPL Properties (West) Pte Ltd) ①	Provision of information and services	United Kingdom	100	100	-	-
HPL-21 (China) Limited (Subsidiary of HPL-21 Holdings Pte Ltd) ①	Fashion retail	Hong Kong	75	75	-	-
HPL-21 (Hong Kong) Limited (Subsidiary of HPL-21 Holdings Pte Ltd) ①	Fashion retail	Hong Kong	75	75	-	-
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	##	-	-
Luxury Holdings Pte Ltd	Investment holding company	Singapore	65	##	47,155,740	##
Luxury Hotels (1989) Pte Ltd (Subsidiary of Luxury Holdings Pte Ltd)	Hotelier	Singapore	65	##	-	-
Luxury Properties Pte Ltd (Subsidiary of Luxury Holdings Pte Ltd)	Investment holding company	Singapore	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	-	-

HOTEL PROPERTIES LIMITED

35 SUBSIDIARIES (cont'd)

Subsidiary	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2000	1999	2000	1999
			%	%	\$	\$
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	–	–	–
Nawarat Land Pte Ltd (Subsidiary of HPL Properties (SEA) Pte Ltd)	Investment holding company	Singapore	70	70	–	–
OP Investments Pte Ltd (Subsidiary of HPL Orchard Place Pte Ltd)	Investment holding company	Singapore	100	100	–	–
Pinedale Holdings Pte Ltd	Investment holding company	Singapore	100	100	500,000	500,000
Pinedale Trading Pte Ltd (Subsidiary of Pinedale Holdings Pte Ltd)	Food distribution and retail and investment holding	Singapore	100	100	–	–
Pinedale Trading (Macau) Limited (Subsidiary of Pinedale Holdings Pte Ltd) ③	Dormant	Macau	100	100	–	–
Poussain Pte Ltd	Property development	Singapore	50	50	16,000,000	16,000,000
PT Amanda Arumdhani (Subsidiary of Baywood Investments Pte Ltd) ②	Hotelier	Indonesia	95	95	–	–
PT Amanda Krya Sentosa (Subsidiary of HPL-21 Holdings Pte Ltd) @ ②	Retailer	Indonesia	100	–	–	–

HOTEL PROPERTIES LIMITED

35 SUBSIDIARIES (cont'd)

Subsidiary	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2000	1999	2000	1999
			%	%	\$	\$
PT Amanda Natha (Subsidiary of HPL Leisure Holdings Pte Ltd) ②	Property development	Indonesia	100	100	-	-
PT Amanda Pramudita (Subsidiary of Wesclove Investments Pte Ltd) ②	Hotelier	Indonesia	76	76	-	-
P.T. Bali Girikencana (Subsidiary of Cleaton International B.V.) ①	Hotelier	Indonesia	65	45	-	-
Quin Properties Pte Ltd (Subsidiary of HPL Properties (West) Pte Ltd)	Investment holding company	Singapore	100	100	-	-
Scoops Cafe Pte Ltd (Subsidiary of HPL Singapore Pte Ltd)	Investment holding company	Singapore	100	100	-	-
Seaside Hotel (Thailand) Co. Ltd (Subsidiary of Xspand Investments Pte Ltd) @ ①	Hotelier	Thailand	49**	-	-	-
Seaside Properties (Thailand) Co. Ltd (Subsidiary of Moonstone Investments Pte Ltd) @ ①	Hotelier	Thailand	49**	-	-	-
South West Pacific Investments Limited (Subsidiary of HPL Properties (Australasia) Pte Ltd) ②	Hotelier/Casino operator	Vanuatu	100	100	-	-
Super Vista Sdn Bhd	Hotelier	Malaysia	100	100	419,464	419,464
Suseem Pty Ltd (Subsidiary of Bayford Investments Pte Ltd) ①	Hotelier	Australia	100	100	-	-

HOTEL PROPERTIES LIMITED

35 SUBSIDIARIES (cont'd)

Subsidiary	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2000 %	1999 %	2000 \$	1999 \$
The Nawarat Hotel Limited (Subsidiary of Nawarat Land Pte Ltd) ② *	Hotelier	Myanmar	56	56	-	-
Travel Bug Holiday Sdn Bhd (Subsidiary of HPL Tourism & Leisure Pte Ltd) ①	Dormant	Malaysia	100	100	-	-
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	-	-	-
Yarra Investments Pte Ltd (Subsidiary of HPL Tourism & Leisure Pte Ltd)	Investment holding company	Singapore	100	100	-	-
					<u>175,474,927</u>	<u>70,119,466</u>

@ 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 occurred 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.

Dissolved during the financial year.

During the year, the Group acquired an additional 15% equity interest in these companies increasing the effective equity interest from 50% to 65%. These companies were classified as associates in the previous financial year as the Group's effective equity interest was then 50%.

HOTEL PROPERTIES LIMITED

36 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	
			2000 %	1999 %	2000 \$	1999 \$
Held by the Company						
Ampang Hotel Sdn Bhd (Subsidiary of Ampang Investments Pte Ltd) ^②	Hotelier	Malaysia	30	30	–	–
Ampang Investments Pte Ltd ^②	Investment holding company	Singapore	30	30	3	3
Luxury Complex Pte Ltd (Subsidiary of Luxury Holdings Pte Ltd)	Investment holding company	Singapore	##	50	–	–
Luxury Holdings Pte Ltd	Investment holding company	Singapore	##	50	##	40,000,000
Luxury Hotels (1989) Pte Ltd (Subsidiary of Luxury Holdings Pte Ltd)	Hotelier	Singapore	##	50	–	–
Luxury Properties Pte Ltd (Subsidiary of Luxury Holdings Pte Ltd)	Investment holding company	Singapore	##	50	–	–
Held by subsidiaries of the Company						
Aquila Investments Pte Ltd (Subsidiary of Leisure Ventures Pte Ltd)	Investment holding company	Singapore	50	50	–	–
Avant Development Company Limited (Subsidiary of HRC Holdings Pte Ltd) ^②	Restaurant operator	Thailand	24.5	24.5	–	–
Beijing Liang Sing Restaurant & Recreation Co. Ltd (Subsidiary of HRC Holdings Pte Ltd) ^①	Restaurant operator	People's Republic of China	47.5	47.5	–	–

HOTEL PROPERTIES LIMITED

36 ASSOCIATES (cont'd)

Associate	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2000 %	1999 %	2000 \$	1999 \$
Canary Riverside Development Pte Ltd (Subsidiary of Canary Riverside Holdings Pte Ltd)	Real estate developer, agent and lessor	Singapore (Place of business: United Kingdom)	37.5	30	–	–
Canary Riverside Estate Pte Ltd (Subsidiary of Canary Riverside Holdings Pte Ltd)	Investment holding company	Singapore (Place of business: United Kingdom)	37.5	30	–	–
Canary Riverside Estate Management Limited (Subsidiary of Canary Riverside Estate Pte Ltd) ①	Estate management	United Kingdom	37.5	30	–	–
Canary Riverside Holdings Pte Ltd (Associate of HPL Properties (West) Pte Ltd)	Investment holding company	Singapore (Place of business: United Kingdom)	37.5	30	36,066,686	36,046,440
Canary Riverside Hotel Pte Ltd (Subsidiary of Canary Riverside Holdings Pte Ltd)	Investment holding company	Singapore (Place of business: United Kingdom)	37.5	30	–	–
Canary Riverside Investments Pte Ltd (Subsidiary of Canary Riverside Holdings Pte Ltd)	Investment holding and real estate development	Singapore (Place of business: United Kingdom)	37.5	30	–	–
Canary Riverside Management (UK) Limited (Associate of HPL (UK) Limited) ①	Provision of project management services	United Kingdom	50	50	14	14

HOTEL PROPERTIES LIMITED

36 ASSOCIATES (cont'd)

Associate	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2000 %	1999 %	2000 \$	1999 \$
Canary Riverside Properties Pte Ltd (Subsidiary of Canary Riverside Holdings Pte Ltd)	Investment holding and real estate development	Singapore (Place of business: United Kingdom)	37.5	30	-	-
Edit Point Sdn Bhd (Subsidiary of Point Network Sdn Bhd) ②	Post production services and consultancy services for films and commercials	Malaysia	24.5	-	-	-
Figurine Investments Inc (Subsidiary of HRC Holdings Pte Ltd)	Investment holding company	British Virgin Islands	50	50	-	-
Figurine Management Limited (Subsidiary of HRC Holdings Pte Ltd)	Investment holding company	British Virgin Islands	50	50	-	-
Figurine Resources Ltd (Subsidiary of HRC Holdings Pte Ltd)	Investment holding company	Isle of Man	50	50	-	-
Filmpoint Sdn Bhd (Subsidiary of Point Network Sdn Bhd) ②	Production house for films and videos	Malaysia	24.5	-	-	-
FSCR Hotel (UK) Limited (Subsidiary of Canary Riverside Hotel Pte Ltd) ①	General commercial activities	United Kingdom	37.5	30	-	-
FSCR Investment Pte Ltd (Subsidiary of Canary Riverside Hotel Pte Ltd)	Investment holding company	Singapore (Place of business: United Kingdom)	37.5	30	-	-
Gladsville Investments Pte Ltd (Subsidiary of Leisure Ventures Pte Ltd)	Investment holding company	Singapore	50	-	-	-

HOTEL PROPERTIES LIMITED

36 ASSOCIATES (cont'd)

Associate	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2000 %	1999 %	2000 \$	1999 \$
Guangzhou Liang Sing Restaurant & Recreation Co Ltd (Subsidiary of HRC (China) Pte Ltd) ①	Restaurant operator	People's Republic of China	50	50	-	-
Hard Rock Cafe Enterprise (M) Sdn Bhd (Subsidiary of HRC Holdings Pte Ltd) ①	Restaurant operator	Malaysia	47.5	47.5	-	-
Harbour (HK) Enterprises Limited (Subsidiary of North Asia Investment Holdings Limited) ①	Restaurant operator	Hong Kong	50	50	-	-
Hard Rock Cafe (Penang) Sdn Bhd (Subsidiary of Hard Rock Cafe Enterprise (M) Sdn Bhd) ①	Restaurant operator	Malaysia	47.5	47.5	-	-
Hard Rock Cafe Seoul Co., Ltd (Subsidiary of HRC Holdings Pte Ltd) ①	Restaurant operator	Republic of Korea	50	50	-	-
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) ①	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	-	-
North Asia Investment Holdings Limited (Subsidiary of HRC Holdings Pte Ltd) ①	Investment holding company	Hong Kong	50	50	-	-
HRC Holdings Pte Ltd (Associate of HPL Singapore Pte Ltd)	Investment holding company	Singapore	50	50	28,043,380	28,043,380

HOTEL PROPERTIES LIMITED

36 ASSOCIATES (cont'd)

Associate	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2000 %	1999 %	2000 \$	1999 \$
HRC (India) Pte Ltd (Subsidiary of HRC Holdings Pte Ltd)	Investment holding company	Singapore	50	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)	Investment holding company	Singapore	50	50	–	–
Inglefield Investments Pty Ltd (Subsidiary of Aquila Investments Pte Ltd) ①	Investment holding company	Australia	50	50	–	–
Joint Pacific International Ltd (Jointly owned by subsidiaries of HRC Holdings Pte Ltd) ①	Restaurant operator	Hong Kong	50	50	–	–
Koranda Investments Ltd (Subsidiary of Leisure Ventures Pte Ltd)	Investment holding company	Isle of Man	50	50	–	–
Leisure Learning Pte Ltd (Associate of HPL Properties (SEA) Pte Ltd)	Provision of training services	Singapore	50	–	25,000	–
Leisure Learning Sdn Bhd (Subsidiary of Leisure Learning Pte Ltd) ①	Provision of training services	Malaysia	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) ②	Hotelier	Maldives	50	–	5,633,875	–

HOTEL PROPERTIES LIMITED

36 ASSOCIATES (cont'd)

Associate	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2000 %	1999 %	2000 \$	1999 \$
One Degree North Sdn Bhd (Subsidiary of Point Network Sdn Bhd) ②	Production of animation, graphic illustrations and imaging art works	Malaysia	24.5	–	–	–
Point Network Sdn Bhd (Associate of Gladsville Investments Pte Ltd) ②	Investment holding company	Singapore	24.5	–	–	–
PH Arden Limited (Subsidiary of Leisure Ventures Pte Ltd) ①	Investment holding company	United Kingdom	50	50	–	–
PH Delaware Financial Partnership (Partnership capital held by PH Worldview Limited and PH Arden Limited)	Investment holding company	U.S.A.	50	50	–	–
PH Investments Ltd (Subsidiary of Leisure Ventures Pte Ltd) ①	Investment holding company	U.S.A.	50	50	–	–
PH (Melbourne) Pty Ltd (Subsidiary of Planet Hollywood Australia Pty Ltd) #	Restaurant operator	Australia	–	25	–	–
PH (Sydney) Pty Ltd (Subsidiary of Planet Hollywood Australia Pty Ltd) #	Restaurant operator	Australia	–	25	–	–
PH Worldview Limited (Subsidiary of Leisure Ventures Pte Ltd) ①	Investment holding company	United Kingdom	50	50	–	–
Planet Hollywood Asia Pte Ltd (Associate of Leisure Ventures Pte Ltd) #	Investment holding company and franchiser of rights to operate restaurants	Singapore	–	25	–	–
Planet Hollywood Australia Pty Ltd (Subsidiary of Planet Hollywood Asia Pte Ltd) #	Investment holding company	Australia	–	25	–	–

HOTEL PROPERTIES LIMITED

36 ASSOCIATES (cont'd)

Associate	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2000 %	1999 %	2000 \$	1999 \$
Planet Hollywood (Auckland) Limited (Subsidiary of Planet Hollywood (NZ) Holdings Limited) #	Restaurant operator	New Zealand	–	25	–	–
Planet Hollywood (Gold Coast) Pty Ltd (Subsidiary of Leisure Ventures Pte Ltd) ①	Restaurant operator	Australia	50	50	–	–
Planet Hollywood (Guam) Inc (Subsidiary of Leisure Ventures Pte Ltd) ①	Restaurant operator	Guam	50	50	–	–
Planet Hollywood Hong Kong Ltd (Subsidiary of Planet Hollywood Asia Pte Ltd) #	Restaurant operator	Hong Kong	–	16	–	–
Planet Hollywood (Kuala Lumpur) Sdn Bhd (Subsidiary of Leisure Ventures Pte Ltd) ①	Restaurant operator	Malaysia	32.5	32.5	–	–
Planet Hollywood (NZ) Holdings Limited (Subsidiary of Planet Hollywood Asia Pte Ltd) #	Investment holding company	New Zealand	–	25	–	–
Planet Hollywood Singapore Pte Ltd (Subsidiary of Planet Hollywood Asia Pte Ltd) #	Restaurant operator	Singapore	–	25	–	–
Planet Hollywood (Taipei) Co Ltd (Associate of Planet Hollywood Asia Pte Ltd) #	Restaurant operator	Republic of China	–	12.5	–	–
Shah Alam Hotel Sdn Bhd (Associate of HPL Properties (SEA) Pte Ltd) ②	Hotelier	Malaysia	40	40	1,464,901	1,464,901
Stevens Park Pte Ltd (Associate of HPL Orchard Place Pte Ltd) ②	Property developer	Singapore	33.3	33.3	19,500,000	19,500,000

HOTEL PROPERTIES LIMITED

36 ASSOCIATES (cont'd)

Associate	Principal Activity	Country of Incorporation/ Place of Business	Group's Effective Equity Interest		Cost of Investment	
			2000 %	1999 %	2000 \$	1999 \$
Trans Asia Hotels Ltd (Associate of HPL Sri Lanka Holdings Pte Ltd) ②	Hotelier	Sri Lanka	38	38	19,156,398	19,156,398
View Hunter Sdn Bhd (Subsidiary of Point Network Sdn Bhd) ②	Production house for films and videos	Malaysia	24.5	-	-	-
Total					<u>192,207,961</u>	<u>226,528,840</u>

Note:

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.

Disposed during the financial year.

During the year, the Group acquired an additional 15% effective equity interest in these companies thereby increasing the effective equity interest from 50% to 65%. These companies were recorded as Associates last year as the Group's effective equity interest was then 50%.

37 SHARE OF RESULTS OF ASSOCIATES

The Group's share of the results of associates for the financial year ended December 31, 2000 included the gain on disposal of land rights in the Canary Riverside development amounting to \$32.3 million and for the previous financial year ended December 31, 1999, it included the items set out in Note 38(b) below.

HOTEL PROPERTIES LIMITED

38 MATERIAL CHANGES IN ACCOUNTING POLICIES

During the financial year, the Company and the Group have opted for early adoption of the revised Singapore Statement of Accounting Standard 8 - "Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies". This standard, which will only come into effect for financial statements covering periods beginning on or after July 1, 2000, has, among other things, made the definition of extraordinary items more restrictive. As a result, the items considered and reported as extraordinary by the Company and the Group in the previous financial year ended December 31, 1999 have been reclassified as part of the ordinary activities of the Company and the Group for that year.

The 1999 extraordinary items that were reclassified are as follows:

	Group \$' 000	Company \$' 000
Gain on sale of shares in an associate (a)	3,095	-
Share of provision for impairment in value of under-performing long-term investments (b)	(68,204)	-
Share of provision written back (net) (b)	243	-
Others (a)	(1,541)	3
Provision for impairment in value of interest in a subsidiary (a)	-	(67,546)
Net	(66,407)	(67,543)

(a) These have been reclassified to other non-operating expenses in the comparative figures of the current financial year's profit and loss statements.

(b) These have been reclassified to share of results of associates in the comparative figures of the current financial year's profit and loss statements.

Other than the above-mentioned, there were no material changes in accounting policies of the Company and the Group.

39 COMPARATIVES

Certain comparative figures have been reclassified to conform with the current financial year's presentation.

HOTEL PROPERTIES LIMITED
STATEMENT OF DIRECTORS

In the opinion of the directors, the financial statements and consolidated financial statements of Hotel Properties Limited set out on pages 15 to 63 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, 2000 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 21, 2001

HOTEL PROPERTIES LIMITED

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 reviews 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 directors and one executive director. The Committee's main functions are to:

- 1 review with the external auditor, their audit plan, evaluate the internal accounting controls, audit report and any matters which the external auditors wish to discuss;
- 2 review the half-yearly and annual financial statements, including announcements to the shareholders and SGX-ST prior to 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.

HOTEL PROPERTIES LIMITED

PARTICULARS OF GROUP PROPERTIES

The main properties as at December 31, 2000 are as follows:

A Classified as Group Property, Plant and Equipment (Note 12 to the financial statements)

	Land \$'000	Buildings \$'000	Leasehold Property \$'000
FREEHOLD AND LONG-TERM LEASEHOLD			
Singapore			
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	12,179	-
United Kingdom			
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	36,798	-
Total Freehold & Long-term Leasehold	211,169	48,977	-
FREEHOLD			
Singapore			
A 20-storey hotel building with 257 rooms/suites (known as Four Seasons Hotel Singapore) at 190 Orchard Boulevard, Singapore 248646	50,000	115,732	-
A 9-storey building (known as HPL House) at 50 Cuscaden Road, Singapore 249724	76,000	16,301	-
Thailand			
A 10-storey hotel building with 325 rooms (known as The Merlin Pattaya) at Pattaya Beach Road, Chonburi, Thailand	7,398	8,864	-
Australia			
A hotel building with 199 rooms (known as Concorde Hotel Gold Coast) at Ferny Avenue, Surfers Paradise, Queensland, Australia	2,191	15,099	-
Total Freehold	135,589	155,996	-

HOTEL PROPERTIES LIMITED

A Classified as Group Property, Plant and Equipment (Note 12 to the financial statements) (cont'd)

	Land \$'000	Buildings \$'000	Leasehold Property \$'000
LEASEHOLD			
Singapore			
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)	–	–	101,105
Malaysia			
A 3-storey holiday resort (known as The Lake House) at Ringlet, Cameron Highlands, Malaysia (lease expiring 99 years from September 19, 1940)	454	566	–
Indonesia			
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)	5,324	13,181	–
A resort hotel with 54 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)	1,808	52,543	–
A holiday resort with 418 rooms (known as Hard Rock Hotel Bali located at Kuta Village, Bali, Indonesia (lease expiring 30 years from 31 October 1994 with an option to extend for another 30 years)	7,004	94,492	–
Myanmar			
A 3-storey hotel building with 80 rooms (known as Nawarat Concorde Hotel Yangon) located at No. 257 Insein Road, Yangon, Union of Myanmar (lease expiring 30 years from May 28, 1994 with an option to renew for a further term of 15 years in the form of 3 periods of 5 years each)	1,344	6,817	–
Vanuatu			
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)	1,098	7,153	–
Maldives			
A resort (known as Four Seasons Maldives at Kuda Huraa) located at North Male' Atoll, Republic of Maldives (lease expiring 21 years from May 1, 1994)	9,591	26,224	–
Total Leasehold	26,623	200,976	101,105
TOTAL (Classified as Group Property, Plant and Equipment)	373,380	405,950	101,105

HOTEL PROPERTIES LIMITED

B Classified as Group Investment Properties (Note 13 to the financial statements)

Property Description/Location	Title \$'000	Net Lettable Area (sqm)	Effective Stake (%)
Singapore			
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

C Classified as Development Properties (Note 14 to the financial statements)

Location	Title	Expected Year of Completion	Site Area (Sqm)	Proposed Gross Floor Area (Sqm)	Effective Stake (%)	Description and Existing Use
RESIDENTIAL						
Singapore						
Lot 107-35, Lot 502, Lot 107-37 and Lot 107-49 in Town Sub-division 24 located at No. 2, 22 to 28 and 32 Cuscaden Road, Singapore	Freehold	2003	8,901	24,923	100	Proposed 2 blocks of 20-storey condominium development comprising 150 units
Lots 263-12 (99275L), 263-11 (99276C), 263-10 (99277M), 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 (45 units) and a single storey commercial building
HOTEL/LEISURE						
Cambodia						
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
Indonesia						
Land at Jimbaran Village, Bali Indonesia	Leasehold (30 years from June 27, 1996 with an option to extend for another 30 years)	2002	20,533	4,651	100	Proposed development of villas
Australia						
Corner Northcliffe Terrace and Markwell Avenue Surfers Paradise Australia	Freehold	Not yet started	2,353	–	100	Land for redevelopment

HOTEL PROPERTIES LIMITED

D Classified as Completed Properties for Sale (Note 8 to the financial statements)

Property Description/Location	Title	Net Lettable Area (sqm)	Effective Stake (%)
Singapore			
7 condominium units at Four Seasons Park 8, 10 and 12 Cuscaden Walk, Singapore 249692	Freehold	2,122	100
United Kingdom			
2 apartment units at Sailmakers Court Townmead Road, London, England	Leasehold 999 years from December 25, 1989	339	100

HOTEL PROPERTIES LIMITED

STATISTICS OF SHAREHOLDINGS

as at 21 March, 2001

DISTRIBUTION OF SHAREHOLDINGS

Size of holdings	No. of Shareholders	%	No. of Shares	%
1 – 1,000	1,669	27.84	1,606,048	0.35
1,001 – 10,000	3,752	62.57	15,238,391	3.37
10,001 – 1,000,000	551	9.19	27,573,289	6.09
1,000,001 and above	24	0.40	408,406,682	90.19
Total	5,996	100.00	452,824,410	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Oversea-Chinese Bank Nominees Pte Ltd	130,447,150	28.81
2	United Overseas Bank Nominees Pte Ltd	100,714,297	22.24
3	Citibank Nominees Singapore Pte Ltd	43,002,100	9.50
4	DBS Nominees Pte Ltd	33,850,399	7.48
5	Amex Nominees (S) Pte Ltd	16,880,000	3.73
6	ABN Amro Nominees Singapore Pte Ltd	15,175,110	3.35
7	Vickers Ballas & Co Pte Ltd	11,612,000	2.56
8	Raffles Nominees Pte Ltd	10,013,708	2.21
9	HSBC (Singapore) Nominees Pte Ltd	9,797,994	2.16
10	Kim Eng Securities Pte Ltd	9,021,000	1.99
11	Overseas Union Bank Nominees Pte Ltd	3,840,500	0.85
12	OCBC Securities Private Ltd	3,164,000	0.70
13	DBS Securities Singapore Pte Ltd	3,111,000	0.69
14	Hotel Malaysia Limited	2,500,000	0.55
15	Indosuez Singapore Nominees Pte Ltd	2,179,000	0.48
16	Reef Holdings Pte Ltd	2,000,000	0.44
17	Estate of Jacob Ballas, Deceased	1,900,000	0.42
18	UOB Kay Hian Pte Ltd	1,628,000	0.36
19	DB Nominees (S) Pte Ltd	1,433,674	0.32
20	Keppel Bank Nominees Pte Ltd	1,420,250	0.31
Total		403,690,182	89.15

HOTEL PROPERTIES LIMITED

SUBSTANTIAL SHAREHOLDERS

as at 21 March, 2001

as shown in the Company's Register of Substantial Shareholders

Substantial Shareholder	Direct/Beneficial Interest No of Shares	%	Deemed Interest No of Shares	%
Coldharbour Limited	66,289,800	14.64	–	
Como Holdings Inc	67,139,800	14.83	–	
Born Free Investments Limited	33,144,900	7.32	–	
Peter Fu Yun Siak	–		89,608,800 (1)	19.79
Ong Beng Seng	3,000,000	0.66	90,958,800 (2)	20.09
Peter Fu Chong Cheng	–		54,463,900 (3)	12.03
FCC Holdings Pte Ltd	88,230,000	19.48	–	–
First Capital Corporation Limited	–		■ 88,230,000	19.48
Guoco Investment Pte Ltd	–		■ 88,230,000	19.48
Guoco Group Limited	–		■ 88,230,000	19.48
Guoline Overseas Limited	–		■ 88,230,000	19.48
Guoline Capital Assets Limited	–		■ 88,230,000	19.48
Hong Leong Company (Malaysia) Bhd	–		■ 88,230,000	19.48
HL Holdings Sdn Bhd	–		■ 88,230,000	19.48
Mr Quek Leng Chan	–		■ 88,230,000	19.48
Hong Leong Investment Holdings Pte Ltd	–		● 89,211,000	19.70

Notes:

- (1) Mr Peter Fu Yun Siak is deemed to have an interest in the shares held by Coldharbour Limited, Jermaine Limited, Holmshaw Services Limited, 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 held by Como Holdings Inc, Reef Holdings Pte Ltd, Holmshaw Services Limited, 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 held by Born Free Investments Limited, Holmshaw Services Limited, 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 88,230,000 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) 88,230,000 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 .