

**41. EXCHANGE EQUALISATION RESERVE**

	GROUP	
	2000 HK\$ million	1999 HK\$ million
Balance at beginning of year	2.0	(1.7)
Release on disposal of overseas subsidiary companies/partnerships	(1.4)	(4.5)
Release on disposal of an overseas associate	(2.1)	-
Exchange adjustment on translation of the financial statements of overseas subsidiary companies/partnerships	(1.7)	8.2
Balance at end of year	<u>(3.2)</u>	<u>2.0</u>

42. INTERESTS IN SUBSIDIARY COMPANIES

	COMPANY	
	2000 HK\$ million	1999 HK\$ million
Unlisted shares, at cost	2,059.0	2,059.0
Amount due from a subsidiary company	1,059.8	1,045.5
	<u>3,118.8</u>	<u>3,104.5</u>
Provisions for diminutions in values	(1,236.2)	(1,000.0)
	<u>1,882.6</u>	<u>2,104.5</u>



Details of the principal subsidiary companies are as follows:

Name	Place of incorporation/ registration	Issued share capital/ registered capital	Percentage of equity interest attributable to the Company		Principal activities
			2000	1999	
Aikford Financial Services Limited	Hong Kong	HK\$2	100	100	Securities investment
Century City Brokerage Limited	Hong Kong	HK\$25,800,000	100	100	Brokerage services
Century City BVI Holdings Limited	British Virgin Islands	HK\$10	100	100	Investment holding
Century City (F.S.) Management Limited	Hong Kong	HK\$2	100	100	Management services
Century City Finance Limited	Hong Kong	HK\$2	100	100	Financing
Century City Funds Management Limited	Hong Kong	HK\$2	100	100	Fund management
Century City Futures Limited	Hong Kong	HK\$10,000,000	100	100	Brokerage services
Century City Holdings Limited	Hong Kong	HK\$264,488,059	100	100	Investment holding
Century City (Nominees) Limited	Hong Kong	HK\$2	100	100	Nominee services
Century City (Secretaries) Limited	Hong Kong	HK\$2	100	100	Secretarial services
Century Pacific Development Limited	Hong Kong	HK\$2	100	100	Financing
Cityline Finance Limited	Hong Kong	HK\$2	100	100	Financing
Gentwin Investment Limited	Hong Kong	HK\$2	100	100	Financing
Meylink Limited	British Virgin Islands	US\$1	100	100	Investment holding
Splendour Corporation	British Virgin Islands	US\$1	100	100	Investment holding



Name	Place of incorporation/ registration	Issued share capital/ registered capital	Percentage of equity interest attributable to the Company		Principal activities
			2000	1999	
T.M. Nominees Limited	Hong Kong	HK\$2	100	100	Nominee services
Wise Assets Holdings Limited	British Virgin Islands	US\$1	100	100	Securities investment
Paliburg Holdings Limited	Bermuda	HK\$2,318,497,452	60.4	60.4	Investment holding
Athlone Limited	Hong Kong	HK\$10,000	60.4	60.4	Property investment
Bajan Company Limited	Hong Kong	HK\$2	60.4	60.4	Securities trading
Beijing Century City Real Estate Development Co., Ltd.*	The People's Republic of China	US\$26,670,000	13.9	57.4	Property development and investment
Beijing Jianye Real Estate Developing Co., Ltd.*	The People's Republic of China	US\$10,410,000	13.9	57.4	Property development and investment
Bonseta Limited	Hong Kong	HK\$2	60.4	60.4	Financing
Cathay City BVI Holdings Limited	British Virgin Islands	HK\$10	60.4	60.4	Investment holding
Cathay City Investments Limited	Hong Kong	HK\$89,626,000	60.4	60.4	Investment holding
Cathay City Development, Inc.	U.S.A.	US\$6,000,000	60.4	60.4	Property development and investment
Cathay City Property Management, Inc.	U.S.A.	US\$10,000	60.4	60.4	Property and project management
Chatwin Construction Management Limited	Hong Kong	HK\$2	60.4	60.4	Construction management



Name	Place of incorporation/ registration	Issued share capital/ registered capital	Percentage of equity interest attributable to the Company		Principal activities
			2000	1999	
Chatwin Engineering Limited	Hong Kong	HK\$2,800,000	48.3	48.3	Building construction
Cheer Faith Limited	Hong Kong	HK\$2	60.4	60.4	Financing
Chinatrend (Holdings) Limited	Hong Kong	HK\$10,000	45.3	45.3	Investment holding
Chinatrend (Weifang Cement Plant) Limited	Hong Kong	HK\$2	45.3	45.3	Investment holding
Cosmos Best Development Limited	Hong Kong	HK\$2	60.4	60.4	Management services
Cosmos Gain Development Limited	Hong Kong	HK\$2	60.4	60.4	Property development and investment
Everlane Investment Limited	Hong Kong	HK\$2	60.4	60.4	Property development and investment
Farich Investment Limited	Hong Kong	HK\$2	60.4	60.4	Investment holding
Fine Cosmos Development Limited	Hong Kong	HK\$2	60.4	60.4	Property development and investment
Finso Limited	Hong Kong	HK\$2	60.4	60.4	Investment holding
Gain World Investments Limited	British Virgin Islands	US\$1	60.4	60.4	Investment holding
Glaser Holdings Limited	British Virgin Islands	US\$1	60.4	60.4	Investment holding
Glory Legend Development Limited	Hong Kong	HK\$2	60.4	60.4	Financing
Good Focus Holdings Limited	British Virgin Islands	US\$1	60.4	60.4	Property investment
Granco Development Limited	Hong Kong	HK\$2	60.4	60.4	Property development and investment



Name	Place of incorporation/ registration	Issued share capital/ registered capital	Percentage of equity interest attributable to the Company		Principal activities
			2000	1999	
H.P. Nominees Limited	Hong Kong	HK\$2	60.4	60.4	Investment holding and nominee services
Key Choice Limited	Hong Kong	HK\$2	60.4	60.4	Property development and investment
Landstar Investment Limited	Hong Kong	HK\$2	60.4	60.4	Financing
Lead Fortune Development Limited	Hong Kong	HK\$2	60.4	60.4	Property development and investment
Linkprofit Limited	Hong Kong	HK\$2	60.4	60.4	Investment holding
Paliburg BVI Holdings Limited	British Virgin Islands	HK\$10	60.4	60.4	Investment holding
Paliburg Building Services Limited	Hong Kong	HK\$2	60.4	60.4	Mechanical and electrical engineering services
Paliburg Company Limited	Hong Kong	HK\$1,000	60.4	60.4	Investment holding
Paliburg Development BVI Holdings Limited	British Virgin Islands	US\$1	60.4	60.4	Investment holding
Paliburg Development Consultants Limited	Hong Kong	HK\$100,000	60.4	60.4	Development consultants
Paliburg Development Finance Limited	Hong Kong	HK\$2	60.4	60.4	Financing
Paliburg Estate Agents Limited	Hong Kong	HK\$20	60.4	60.4	Estate agent
Paliburg Estate Management Limited	Hong Kong	HK\$20	60.4	60.4	Estate management



Name	Place of incorporation/ registration	Issued share capital/ registered capital	Percentage of equity interest attributable to the Company		Principal activities
			2000	1999	
Paliburg Finance (C.B. 2002) Limited	British Virgin Islands	US\$1	60.4	60.4	Financing
Paliburg Finance Limited	Hong Kong	HK\$2	60.4	60.4	Financing
Paliburg International Finance Limited	British Virgin Islands	US\$1	60.4	60.4	Financing
Paliburg International Holdings Limited	Bermuda	HK\$100,000	60.4	60.4	Investment holding
Paliburg Investments Limited	Hong Kong	HK\$526,506,860	60.4	60.4	Investment holding
Polarfine Inc	British Virgin Islands	HK\$3,000,000	48.3	48.3	Investment holding
Rank Cheer Investment Limited	Hong Kong	HK\$2	60.4	60.4	Financing
Real Charm Investment Limited	Hong Kong	HK\$2	60.4	60.4	Property investment
Rich Pearl Limited	Hong Kong	HK\$10,000	60.4	60.4	Financing
Sanefix Development Limited	Hong Kong	HK\$2	60.4	60.4	Property investment
Shenyang Paliburg Plaza Limited**	The People's Republic of China	US\$9,820,000	60.4	60.4	Property development and investment
Sonnix Limited	Hong Kong	HK\$2	60.4	60.4	Property development and investment
Taylor Investments Ltd.	British Virgin Islands	US\$1	60.4	60.4	Investment holding
Tianjin Haihe Palace Of Entertainment Co., Ltd.#	The People's Republic of China	RMB7,000,000	25.0	25.0	Restaurant operations



Name	Place of incorporation/ registration	Issued share capital/ registered capital	Percentage of equity interest attributable to the Company		Principal activities
			2000	1999	
Transcar Investments Limited	British Virgin Islands	US\$1	60.4	60.4	Investment holding
Treasure Spot Investments Limited	British Virgin Islands	US\$1	60.4	60.4	Property investment
Weifang Yuanzhong Real Estate Development Co., Ltd.#	The People's Republic of China	US\$8,130,000	31.7	31.7	Property development and investment
Yield Star Limited	British Virgin Islands	US\$1	60.4	60.4	Investment holding
Regal Hotels International Holdings Limited	Bermuda	Ordinary - HK\$393,877,250 Preference - US\$167,480	44.6	44.7	Investment holding
Bauhinia Hotels Limited	Hong Kong	HK\$2	44.6	44.7	Hotel ownership
Camomile Investments Limited	Hong Kong	HK\$2	44.6	44.7	Property investment
Century Win Investment Limited	Hong Kong	HK\$10,000	40.1	40.2	Restaurant operations
Charter Capital Development Limited	Hong Kong	HK\$2	44.6	44.7	Property investment
Cityability Limited	Hong Kong	HK\$10,000	44.6	44.7	Hotel ownership
Come On Investment Company Limited	Hong Kong	HK\$10,000	44.6	44.7	Securities investment and trading
Cranfield Investments Limited	Hong Kong	HK\$2	44.6	44.7	Wedding services
Fortune Nice Investment Limited	Hong Kong	HK\$2	44.6	44.7	Financing



Name	Place of incorporation/ registration	Issued share capital/ registered capital	Percentage of equity interest attributable to the Company		Principal activities
			2000	1999	
Gala Hotels Limited	Hong Kong	HK\$2	44.6	44.7	Hotel ownership
Gaud Limited	Hong Kong	HK\$2	44.6	44.7	Plant nursery and florist
Kaifeng Yatai Brewery Co., Ltd.**	The People's Republic of China	RMB 35,923,300	40.1	40.2	Production/distribution of beer
Kaifeng Yatai Brewery Second Co., Ltd.**	The People's Republic of China	RMB 30,576,700	40.1	40.2	Production/distribution of beer
Key Winner Investment Limited	Hong Kong	HK\$2	44.6	44.7	Financing
Kingford View Investments Limited	British Virgin Islands	US\$1	44.6	44.7	Securities investment
Ragout Investments Limited	British Virgin Islands	US\$1	44.6	44.7	Securities investment
Regal Century Investment Limited	Hong Kong	HK\$2	44.6	44.7	Investment holding and management services
Regal Constellation Hotel Limited	Canada	CAN\$1	44.6	44.7	Hotel ownership
Regal Hotels Company Limited	Hong Kong	HK\$2	44.6	44.7	Financing
Regal Hotels (Holdings) Limited	Hong Kong	HK\$1,151,598,638	44.6	44.7	Investment holding
Regal Hotels International Limited	Hong Kong	HK\$100,000	44.6	44.7	Hotel management
Regal Hotels Management (BVI) Limited	British Virgin Islands	US\$1	44.6	44.7	Hotel management



Name	Place of incorporation/ registration	Issued share capital/ registered capital	Percentage of equity interest attributable to the Company		Principal activities
			2000	1999	
Regal International Limited	British Virgin Islands	US\$20	44.6	44.7	Investment and trademark holding
Regal International (BVI) Holdings Limited	British Virgin Islands	HK\$10.1	44.6	44.7	Investment holding
Regal Laundry Services Limited	Hong Kong	HK\$2	44.6	44.7	Laundry operations
Regal Pacific (Holdings) Limited	Canada	CAN\$2,005,200	44.6	44.7	Investment holding
Regal Riverside Hotel Limited	Hong Kong	HK\$2	44.6	44.7	Hotel ownership
Regal Supplies Limited	Hong Kong	HK\$2	44.6	44.7	Bakery operations
R.H.I. Licensing B.V.	The Netherlands	NLG40,000	44.6	44.7	Trademark holding
Ricobem Limited	Hong Kong	HK\$2	44.6	44.7	Hotel ownership
Stareast Travel Limited	Hong Kong	HK\$1,500,000	44.6	44.7	Travel services
Tenshine Limited	Hong Kong	HK\$2	44.6	44.7	Restaurant operations
Unicorn Star Limited	British Virgin Islands	US\$1	44.6	44.7	Securities investment
Widebase Limited	British Virgin Islands	US\$1	44.6	44.7	Securities investment
Winner Team Investment Limited	Hong Kong	HK\$2	44.6	44.7	Securities investment
World Way Management Limited	Hong Kong	HK\$2	44.6	44.7	Management services

* The interests in these subsidiary companies were partially disposed of during the year (note 20).

** These subsidiary companies are sino foreign co-operative joint venture companies established in the People's Republic of China (the "PRC").

These subsidiary companies are sino-foreign equity joint venture companies established in the PRC.



Except for Century City BVI Holdings Limited, all principal subsidiary companies are indirectly held by the Company.

All of the above subsidiary companies operate in the place of their incorporation/registration except for Paliburg Holdings Limited, Good Focus Holdings Limited, Paliburg Finance (C.B. 2002) Limited, Paliburg International Finance Limited, Paliburg International Holdings Limited, Treasure Spot Investments Limited and Regal Hotels International Holdings Limited, which are incorporated in either Bermuda or the British Virgin Islands, but operate in Hong Kong.

The above table lists the subsidiary companies of the Company which, in the opinion of the Directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiary companies would, in the opinion of the Directors, result in particulars of excessive length.

43. CONTRIBUTED SURPLUS

The contributed surplus arose in 1989 as a result of the group reorganisation in that year and represented the difference between the nominal value of the Company's shares issued under the reorganisation scheme and the then consolidated net asset value of the acquired subsidiary companies at the date of acquisition.

Under the Companies Act 1981 of Bermuda, the contributed surplus is distributable to shareholders under certain circumstances.