



City e-Solutions Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code:557)

2004

**Interim financial report
For the six months ended 30 June 2004**

CONTENTS

Consolidated profit and loss account	2
Consolidated statement of changes in equity	3
Consolidated balance sheet	4
Condensed consolidated cash flow statement	5
Notes on the unaudited interim financial report	6 - 12
Independent review report	13
Interim dividend	14
Management discussion and analysis	14 - 15
Audit committee	16
Compliance with the code of best practice	16
Compliance with the model code for securities transactions by Directors	16
Purchase, sale or redemption of the Company's listed securities	16
Directors' interests in shares	17 - 19
Substantial shareholders	20

RESULTS

The Directors of City e-Solutions Limited (the “Company”) are pleased to announce the following interim unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2004 together with comparative figures.

CONSOLIDATED PROFIT & LOSS ACCOUNT

For the six months ended 30 June 2004 - unaudited

		Six months ended 30 June	
	<i>Note</i>	2004	2003
		<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	2	32,009	34,884
Cost of sales		(10,574)	(8,952)
Gross profit		21,435	25,932
Other income (net)		8,484	11,954
Administrative expenses	3	(23,974)	(26,669)
Profit from operations	2	5,945	11,217
Profit from ordinary activities before taxation	4	5,945	11,217
Taxation	5	(71)	(55)
Profit from ordinary activities after taxation		5,874	11,162
Minority interests		(401)	27
Profit attributable to shareholders		5,473	11,189
Dividends	6	—	—
Retained profit for the period		5,473	11,189
Earnings per share	7		
Basic		1.43 cents	2.92 cents

The notes on pages 6 to 12 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - *Unaudited*

	Share Capital <i>HK\$'000</i>	Reserves <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 1 January 2003	383,126	172,971	556,097
Final dividends in respect of the previous financial year, approved and paid during the interim period of 2 cents per share	—	(7,663)	(7,663)
Profit for the 1st half year	—	11,189	11,189
Exchange differences on translation of financial statements of foreign subsidiaries	—	(70)	(70)
As at 30 June 2003	<u>383,126</u>	<u>176,427</u>	<u>559,553</u>
As at 1 July 2003	383,126	176,427	559,553
Profit for the 2nd half year	—	21,917	21,917
Exchange differences on translation of financial statements of foreign subsidiaries	—	(617)	(617)
As at 31 December 2003	<u>383,126</u>	<u>197,727</u>	<u>580,853</u>
As at 1 January 2004	383,126	197,727	580,853
Final dividends in respect of the previous financial year, approved and paid during the interim period of 3 cents per share	—	(11,494)	(11,494)
Profit for the 1st half year	—	5,473	5,473
Exchange differences on translation of financial statements of foreign subsidiaries	—	767	767
As at 30 June 2004	<u>383,126</u>	<u>192,473</u>	<u>575,599</u>

The notes on pages 6 to 12 form part of this interim financial report.

CONSOLIDATED BALANCE SHEET

At 30 June 2004 - unaudited

	Note	At 30 June 2004 HK\$'000	At 31 December 2003 HK\$'000
Non-current assets			
Fixed assets		4,011	5,255
Intangible assets		444	473
Other financial assets		538	279
Total non-current assets		4,993	6,007
Current assets			
Other financial assets		103,388	58,240
Trade and other receivables	8	27,143	38,060
Cash and cash equivalents	9	491,534	527,166
Total current assets		622,065	623,466
Current liabilities			
Trade and other payables	10	(24,624)	(22,360)
Provision for taxation		(1,087)	(1,048)
Total current liabilities		(25,711)	(23,408)
Net current assets		596,354	600,058
Total assets less current liabilities		601,347	606,065
Minority interests		(25,748)	(25,212)
NET ASSETS		575,599	580,853
CAPITAL AND RESERVES			
Share capital	11	383,126	383,126
Reserves	12	192,473	197,727
		575,599	580,853

The notes on pages 6 to 12 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2004 - unaudited

	Six months ended 30 June	
	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash inflow from operating activities	13,805	3,460
Net cash outflow from investing activities	(38,842)	(25,078)
Net cash outflow from financing activities	<u>(11,494)</u>	<u>(7,663)</u>
Decrease in cash and cash equivalents	(36,531)	(29,281)
Cash and cash equivalents at 1 January	527,166	553,372
Effects of foreign exchange rate changes	<u>899</u>	<u>(21)</u>
Cash and cash equivalents at 30 June	<u>491,534</u>	<u>524,070</u>
Analysis of the balances of cash and cash equivalents		
Cash at banks and in hand	24,634	27,927
Deposits with banks and other financial institutions	<u>466,900</u>	<u>496,143</u>
	<u>491,534</u>	<u>524,070</u>

The notes on pages 6 to 12 form part of this interim financial report.

NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

1. BASIS OF PREPARATION

This interim financial report is unaudited, but has been reviewed by KPMG in accordance with Statement of Auditing Standards 700 “Engagements to review interim financial reports”, issued by the Hong Kong Society of Accountants. KPMG’s independent review report to the board of directors is included on page 13.

The interim financial report has been prepared in accordance with the requirements of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited, including compliance with Statement of Standard Accounting Practice 25 “Interim financial reporting” issued by the Hong Kong Society of Accountants.

The financial information relating to the financial year ended 31 December 2003 included in the interim financial report does not constitute the Company’s statutory accounts for that financial year but is derived from those accounts. Statutory accounts for the year ended 31 December 2003 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those accounts in their report dated 19 February 2004.

The same accounting policies adopted in the 2003 annual accounts have been applied to the interim financial report.

The notes on the interim financial report include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2003 annual accounts.

2. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

Business segments

The Group comprises the following main business segments:

Investment holding:	The activities of investing.
Hospitality related services:	The provision of e-business enablement, hospitality solutions, hotel management services, hotel reservation services, insurance sales and risk management services, payroll services and procurement services.

	Investment Holding		Hospitality Related Services		Consolidated	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2004	2003	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	2,272	6,086	29,737	28,798	32,009	34,884
Profit/(loss) from operations	3,655	12,020	2,290	(803)	5,945	11,217
Taxation					(71)	(55)
Minority interests					(401)	27
Profit attributable to shareholders					5,473	11,189
Depreciation and amortisation for the period	618	541	307	951	925	1,492

Geographical segments

The Group's investing activities are mainly carried out in Hong Kong and Singapore.

The hospitality related services are carried out by the subsidiaries based in the United States.

In presenting information on the basis of geographical segments, segment revenue, in relation to investment holding is based on the geographical location of investments and segment revenue in relation to hospitality related services is based on the geographical location of customers.

	Hong Kong		Singapore		United States	
	Six months		Six months		Six months	
	ended 30 June		ended 30 June		ended 30 June	
	2004	2003	2004	2003	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue						
from external customers	<u>1,641</u>	<u>5,337</u>	<u>1,541</u>	<u>786</u>	<u>28,827</u>	<u>28,761</u>
Profit/(loss) from operations	<u>3,356</u>	<u>11,342</u>	<u>541</u>	<u>678</u>	<u>2,048</u>	<u>(803)</u>

3. ADMINISTRATIVE EXPENSES

Administrative expenses were largely incurred by the hospitality related services business units.

4. PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION

Profit from ordinary activities before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Depreciation of fixed assets	894	1,461
Amortisation of intangible assets	31	31
Exchange (gain)	(1,751)	(4,351)
Net loss/(gain) on sale of fixed assets	16	(65)
Unrealised (gain) on stating securities at fair value (net)	<u>(6,190)</u>	<u>(7,458)</u>

5. TAXATION

	Six months ended 30 June	
	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong taxation	—	—
Overseas taxation	71	55
	<u>71</u>	<u>55</u>

Hong Kong profits tax has been provided at the rate of 17.5% (2003: 17.5%) on the estimated assessable profits arising in Hong Kong. Overseas taxation has been provided on estimated assessable profits at the rates of taxation prevailing in the countries in which the Group operates.

The Company is exempted from taxation in the Cayman Islands for a period of twenty years from 1989 under the provisions of Section 6 of the Tax Concessions Law (Revised) of the Cayman Islands.

The Group did not have material unprovided deferred taxation at the balance sheet date.

6. DIVIDENDS

- a) Dividends attributable to the interim period

The Directors of the Company have resolved not to declare an interim dividend for the six months ended 30 June 2004 (2003: Nil).

- b) Dividends attributable to the previous financial year, approved and paid during the interim period.

	Six months ended 30 June	
	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Final dividends in respect of the previous financial year, approved and paid during the interim period of HK 3 cents (2003: HK 2 cents) per share	11,494	7,663
	<u>11,494</u>	<u>7,663</u>

7. EARNINGS PER SHARE

a) Basic earnings per share

The calculation of basic earnings per share is based on profit after taxation attributable to shareholders of HK\$5.5 million (2003: HK\$11.2 million) and on 383,125,524 (2003: 383,125,524) ordinary shares in issue during the period.

b) Diluted earnings per share

Diluted earnings per share is not applicable as there are no dilutive potential ordinary shares during the period.

8. TRADE AND OTHER RECEIVABLES

Trade and other receivables net of provisions for bad and doubtful receivables are analysed as follows:

	At 30 June 2004	At 31 December 2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current	8,239	6,488
1 to 3 months overdue	2,373	6,016
More than 3 months overdue but less than 12 months overdue	4,273	1,650
	<hr/>	<hr/>
Total trade receivables	14,885	14,154
Other receivables, deposits and prepayments	8,040	5,965
Amounts owing by affiliated companies	4,218	3,181
Dividend receivable	—	14,760
	<hr/>	<hr/>
	27,143	38,060
	<hr/> <hr/>	<hr/> <hr/>

Debts are due within 1 month from the date of billing. However, debtors with balances that are more than 3 months overdue are requested to settle all outstanding balances before any further credit is granted.

9. CASH AND CASH EQUIVALENTS

	At 30 June 2004	At 31 December 2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Deposits with banks and other financial institutions	466,900	497,056
Cash at bank and in hand	24,634	30,110
	<hr/>	<hr/>
	491,534	527,166
	<hr/> <hr/>	<hr/> <hr/>

10. TRADE AND OTHER PAYABLES

Trade and other payables are analysed as follows:

	At 30 June 2004	At 31 December 2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Due within one month or on demand	2,207	1,890
Total trade payables	2,207	1,890
Other payables and accrued charges	22,417	19,916
Amounts owing to affiliated companies	—	554
	<u>24,624</u>	<u>22,360</u>

11. SHARE CAPITAL

	No. of shares	
Issued and fully paid	<i>'000</i>	<i>HK\$'000</i>
At 30 June 2004	383,126	383,126

During the period ended 30 June 2004, there was no change in the Company's issued share capital.

At 30 June 2004, there were no outstanding share options.

12. RESERVES

The movements in reserves are set out in the Consolidated Statement of Changes in Equity.

13. COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases in respect of land and buildings are as follows:

	At 30 June 2004	At 31 December 2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Payable within 1 year	998	954
Payable after 1 year but within 5 years	257	760
	<u>1,255</u>	<u>1,714</u>

14. MATERIAL RELATED PARTY TRANSACTIONS

During the period, there were the following material related party transactions:

	Six months ended 30 June	
	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Dividend income received from a related company	293	1,052
Pricing determined on agreed terms:		
Management fees received/receivable from affiliated company	11,856	11,721
Income from sale of operating equipment received/receivable from affiliated companies	67	—
	<u>67</u>	<u>—</u>

In addition, the Group purchased shares through a stock broking company, which is a related company, as follows:

	Six months ended 30 June	
	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Purchase of shares in a related company	—	24,768
	<u>—</u>	<u>24,768</u>

INDEPENDENT REVIEW REPORT

To the Board of Directors of City e-Solutions Limited

INTRODUCTION

We have been instructed by the Company to review the interim financial report set out on pages 2 to 12.

DIRECTORS' RESPONSIBILITIES

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Statement of Standard Accounting Practice 25 "Interim financial reporting" issued by the Hong Kong Society of Accountants. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

REVIEW WORK PERFORMED

We conducted our review in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports", issued by the Hong Kong Society of Accountants.

A review consists principally of making enquiries of group management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the interim financial report.

REVIEW CONCLUSION

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30 June 2004.

KPMG

Certified Public Accountants

Singapore, 30 July 2004

INTERIM DIVIDEND

The Directors of the Company have resolved not to declare an interim dividend for the six months ended 30 June 2004 (2003: Nil cents).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Through its 85% subsidiary, SWAN Holdings Limited Group ("SWAN"), the Group has most of its operating activities in the United States.

After a tentative start to the year, the US hospitality industry has witnessed a palpable rebound in activities in the first half of 2004 compared to the previous year. However, the pace of recovery varied amongst the different regions.

For the 1st half of 2004, SWAN recorded operating revenues of HK\$28.8 million, which was unchanged from the previous corresponding period. However, a pre-tax profit of HK\$2.0 million was registered compared to a small loss of HK\$0.8 million incurred in the previous corresponding period. The improvement was assisted by the absence of the allowance for doubtful receivables of HK\$2.7 million incurred in the previous corresponding period.

Financial Commentary

Group Performance

The Group recorded a net profit attributable to its shareholders of HK\$5.5 million, a decrease of 51.1%, as compared to a profit of HK\$11.2 million in the previous corresponding period. The decrease in net profit can be attributed mainly to lower interest income and exchange gain.

The Group's turnover decreased by 8.2% to HK\$32.0 million from HK\$34.9 million due mainly to lower interest income. As the interest rate continues to remain low, approximately HK\$38.8 million was invested in equity security during the period under review, hence reducing the Group's interest generating cash deposits.

Net other income amounted to HK\$8.5 million, a decrease of HK\$3.5 million, from HK\$12.0 million reported in the previous corresponding period due mainly to a lower exchange gain as the majority of the Group's cash is held in United States dollar.

Financial Position, Cash Flow and Borrowings

As at 30 June 2004, the Group's gross assets stood at HK\$627.1 million, marginally lower from HK\$629.5 million as at 31 December 2003.

The Group reports its results in Hong Kong dollars and it is the objective of the Group to preserve its value in terms of Hong Kong dollars.

For the period under review, net operating cash inflow amounted to HK\$13.8 million. The cash outflow on investing and financing activities amounted to HK\$38.8 million being investment in equity security and HK\$11.5 million which was paid to shareholders as dividends respectively. Consequently, the Group reported cash and cash equivalents of HK\$491.5 million as at 30 June 2004, down from HK\$527.2 million as at 31 December 2003.

The Group has no borrowings for the period under review.

Treasury Activities

Majority of the Group's cash is held in United States dollar deposits, hence as long as the Hong Kong dollar trades within the existing United States dollar peg arrangement, currency risk will be minimal.

Employees

As at 30 June 2004, the Group had 42 employees, same as at the end of the last financial year ended 31 December 2003. The total payroll costs for the period under review was HK\$15.5 million.

Prospects

The economic climate in the United States is showing clear signs of recovery which will provide a conducive environment to the business. The hotel management business and reservations distribution and advisory business units are continuing to work on many potential contracts and are optimistic that some of these contracts will be converted to multi-year contracts in the second half of the year.

We will be more active in the coming six months to capitalize on investment opportunities. Barring unforeseen circumstances, the Group's hospitality related operations will continue to be satisfactory in the second half of 2004.

AUDIT COMMITTEE

The members of the Audit Committee of the Company comprise 2 independent non-executive directors of the Company. It has reviewed the unaudited interim financial report of the Group for the six months ended 30 June 2004.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

The Company has complied with the Code of Best Practice set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited throughout the period. The independent non-executive directors are not appointed for a specific term but are subject to retirement by rotation and re-election at annual general meeting in accordance with the Articles of Association of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” as set out in Appendix 10 of the Listing Rules of The Stock Exchange of Hong Kong Limited (“Model Code”). All directors have confirmed that they have complied with the Model Code throughout the period under review.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the six months ended 30 June 2004, there was no purchase, sale or redemption of the Company’s listed securities by the Company or any of its subsidiaries.

DIRECTORS' INTERESTS IN SHARES

- (a) As at 30 June 2004, the interests of the Directors of the Company in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:-

The Company

Name of Director	Nature of Interest	Number of Ordinary Shares of HK\$1.00 each
Kwek Leng Beng	personal	3,286,980
Vincent Yeo Wee Eng	personal	718,000
Kwek Leng Joo	personal	1,436,000
Kwek Leng Peck	personal	2,082,200
Gan Khai Choon	personal	1,041,100
Lawrence Yip Wai Lam	personal	520,550
Wong Hong Ren	personal	1,513,112
Hon. Chan Bernard Charnwut	personal	53,850

City Developments Limited

Name of Director	Nature of Interest	Number of Ordinary Shares of S\$0.50 each
Kwek Leng Beng	personal	361,115
Vincent Yeo Wee Eng	personal	18,323
Kwek Leng Joo	personal	59,510
Kwek Leng Peck	personal	43,758
Gan Khai Choon	personal	124,814
	family	114,345
Wong Hong Ren	family	4,950

City Developments Limited (Cont'd)

Name of Director	Nature of Interest	Number of Warrants
Kwek Leng Beng	personal	36,110
Vincent Yeo Wee Eng	personal	1,832
Kwek Leng Joo	personal	5,951
Kwek Leng Peck	personal	99,900
Gan Khai Choon	personal family	12,481 11,434

Name of Director	Nature of Interest	Number of Preference Shares of S\$0.05 each
Kwek Leng Beng	personal	144,445
Kwek Leng Joo	personal	100,000

Hong Leong Investment Holdings Pte. Ltd.

Name of Director	Nature of Interest	Number of Ordinary Shares of S\$100.00 each
Kwek Leng Beng	personal	2,320
Kwek Leng Joo	personal	1,290
Kwek Leng Peck	personal	304
Gan Khai Choon	family	247

CDL Hotels New Zealand Limited

Name of Director	Nature of Interest	Number of Ordinary Shares of No Par Value
Kwek Leng Beng	personal	3,000,000
Vincent Yeo Wee Eng	personal	500,000
Wong Hong Ren	personal	2,000,000

Note: CDL Hotels New Zealand Limited is an indirect subsidiary of Millennium & Copthorne Hotels plc, a subsidiary of City Developments Limited. City Developments Limited is the holding company of the Company. The Directors of the Company consider Hong Leong Investment Holdings Pte. Ltd. to be the Company's ultimate holding company.

- (b) Pursuant to the Millennium & Copthorne Hotels Executive Share Option Scheme (the “1996 Scheme”) operated by Millennium & Copthorne Hotels plc (“M&C”), certain Directors have outstanding options thereunder (“M&C Options”) to subscribe for M&C Shares for cash as follows: -

Name of Director	Part*	Date Granted	Number of M&C Options Outstanding	Exercise Price per M&C Share	Exercise Period
Vincent Yeo Wee Eng	A	05/03/1998	6,509	£4.6087	05/03/2001 to 04/03/2008
	B	05/03/1998	15,186	£4.6087	05/03/2001 to 04/03/2005
	B	05/03/1999	20,693	£4.8321	05/03/2002 to 04/03/2006
Wong Hong Ren	B	14/03/2001	69,364	£4.3250	14/03/2004 to 13/03/2008
	B	15/03/2002	83,720	£3.2250	15/03/2005 to 14/03/2009

- (c) Pursuant to the Millennium & Copthorne Hotels plc 2003 Executive Share Option Scheme (the “2003 Scheme”) approved by shareholders of M&C on 21 May 2002, certain Director(s) have outstanding options thereunder (“M&C Options”) to subscribe for M&C Shares for cash as follows: -

Name of Director	Part*	Date Granted	Number of M&C Options Outstanding	Exercise Price per M&C Share	Exercise Period
Wong Hong Ren	II	10/03/2003	124,031	£1.9350	10/03/2006 to 09/03/2013
	II	16/03/2004	44,999	£2.9167	17/03/2007 to 16/03/2014

**Note:* The 1996 Scheme has two parts. Part A is designed for the approval by the UK Inland Revenue, which approval was obtained under Schedule 9 of the Income and Corporation Taxes Act 1988 on 12 April 1996. Part B is an unapproved executive share option scheme designed for UK and non-UK executives. As with the 1996 Scheme, the 2003 Scheme provides for the grant of both approved and unapproved options.

- (d) Save as disclosed herein, as at 30 June 2004, none of the Directors and the chief executive of the Company or their associates were interested or had any short position in any shares, underlying shares or debentures of the Company and its associated corporations.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2004, the following persons were interested in 5% or more of the issued share capital of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name of Shareholder	Number of Shares Held	Notes	Percentage Holding in the Company
eMpire Investments Limited	190,523,819		49.73%
City Developments Limited	200,854,743	(1)	52.43%
Hong Leong Holdings Limited	21,356,085		5.57%
Hong Leong Investment Holdings Pte. Ltd.	230,866,817	(2)	60.26%
Kwek Holdings Pte Ltd	230,866,817	(3)	60.26%
Davos Investment Holdings Private Limited	230,866,817	(4)	60.26%
Kwek Leng Kee	230,866,817	(5)	60.26%
Arnhold and S Bleichroeder Advisors, LLC	38,250,000		9.98%
Farallon Capital Offshore Investors, Inc.	35,232,850		9.20%
Aberdeen Asset Management Asia Ltd	23,052,000		6.02%

Notes:

1. Of the 200,854,743 shares beneficially owned by wholly-owned subsidiaries of City Developments Limited ("CDL") representing approximately 52.43% of the issued share capital of the Company, 190,523,819 shares are held by eMpire Investments Limited.
2. The interests of CDL and Hong Leong Holdings Limited in 200,854,743 shares and 21,356,085 shares respectively, are included in the aggregate number of shares disclosed.
3. The interest of Hong Leong Investment Holdings Pte. Ltd. in 230,866,817 shares, representing approximately 60.26% of the issued share capital of the Company, is included in the aggregate number of shares disclosed.
4. The interest of Hong Leong Investment Holdings Pte. Ltd. in 230,866,817 shares, representing approximately 60.26% of the issued share capital of the Company, is included in the aggregate number of shares disclosed.
5. The interest of Davos Investment Holdings Private Limited in 230,866,817 shares, representing approximately 60.26% of the issued share capital of the Company, is included in the aggregate number of shares disclosed.

Save as stated above, no person or corporation was interested in or had a short position in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO as at 30 June 2004.

By Order of the Board
Kwek Leng Beng
Chairman

Hong Kong, 30 July 2004

As at the date hereof, the Board is comprised of 10 Directors, of which 6 are executive Directors, namely Mr. Kwek Leng Beng, Mr. Vincent Yeo Wee Eng, Mr. Kwek Leng Joo, Mr. Kwek Leng Peck, Mr. Gan Khai Choon and Mr. Lawrence Yip Wai Lam, 1 is non-executive Director, namely Mr. Wong Hong Ren and 3 are independent non-executive Directors, namely Dr. Lo Ka Shui, Mr. Lee Jackson a.k.a. Li Chik Sin and Mr. Chan Bernard Charnwut.