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Unaudited Full Year * Financial Statement And Related Announcement

* Asterisks denote mandatory information


Name of Announcer *	CITY DEVELOPMENTS LIMITED
Company Registration No.	196300316Z
Announcement submitted on behalf of	CITY DEVELOPMENTS LIMITED
Announcement is submitted with respect to *	CITY DEVELOPMENTS LIMITED
Announcement is submitted by *	Enid Ling Peek Fong
Designation *	Company Secretary
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>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	31-12-2012
Description	

Attachments

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CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

UNAUDITED FULL YEAR FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

These figures have not been audited.

	The Group Fourth Quarter Ended 31 December			The Group Full Year Ended 31 December		
	2012 S\$'000	2011 S\$'000	Incr/ (Decr) %	2012 S\$'000	2011 S\$'000	Incr/ (Decr) %
Revenue	886,369	721,518	22.8	3,353,727	3,280,465	2.2
Cost of sales	(380,188)	(263,421)	44.3	(1,692,654)	(1,507,486)	12.3
Gross profit	506,181	458,097	10.5	1,661,073	1,772,979	(6.3)
Other operating income ⁽²⁾	54,224	9,778	454.6	148,658	253,985	(41.5)
Administrative expenses ⁽³⁾	(136,700)	(115,971)	17.9	(505,856)	(490,213)	3.2
Other operating expenses ⁽⁴⁾	(101,469)	(120,932)	(16.1)	(383,505)	(409,382)	(6.3)
Profit from operations	322,236	230,972	39.5	920,370	1,127,369	(18.4)
Finance income ⁽⁵⁾	9,375	8,102	15.7	38,590	28,171	37.0
Finance costs ⁽⁶⁾	(20,564)	(18,680)	10.1	(78,867)	(81,064)	(2.7)
Net finance costs	(11,189)	(10,578)	5.8	(40,277)	(52,893)	(23.9)
Share of after-tax profit of associates ⁽⁷⁾	1,406	14,582	(90.4)	39,934	31,723	25.9
Share of after-tax profit of jointly-controlled entities ⁽⁸⁾	13,010	11,356	14.6	40,212	30,244	33.0
Profit before income tax ⁽¹⁾	325,463	246,332	32.1	960,239	1,136,443	(15.5)
Income tax expense ⁽⁹⁾	(7,187)	(43,587)	(83.5)	(99,901)	(174,723)	(42.8)
Profit for the period/year	318,276	202,745	57.0	860,338	961,720	(10.5)
Attributable to:						
Owners of the Company	249,348	163,222	52.8	678,339	798,555	(15.1)
Non-controlling interests	68,928	39,523	74.4	181,999	163,165	11.5
Profit for the period/year	318,276	202,745	57.0	860,338	961,720	(10.5)
Earnings per share						
- basic	26.7 cents	17.2 cents	55.2	73.2 cents	86.4 cents	(15.3)
- diluted	26.1 cents	17.1 cents	52.6	71.1 cents	83.7 cents	(15.1)

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

Notes to the Group's Income Statement:

- (1) Profit before income tax includes the following:

	The Group		The Group	
	Fourth Quarter Ended		Full Year Ended	
	31 December		31 December	
	2012	2011	2012	2011
	S\$'000	S\$'000	S\$'000	S\$'000
Interest income	7,067	8,455	31,281	28,026
Profit on sale of investments, investment properties and property, plant and equipment (net)	46,592	77	130,311	230,722
Gain on dilution of investment in an associate	9	-	1,241	418
Write-back of allowance for foreseeable losses on development properties	4,400	41,644	5,593	41,644
Net gain on disposal, dilution and liquidation of jointly-controlled entities	-	382	-	5,901
Net loss on disposal, dilution and liquidation of subsidiaries	-	(431)	(7,832)	(2,761)
Investment income	460	1,441	6,485	10,037
Depreciation and amortisation	(42,287)	(34,734)	(148,271)	(133,341)
Interest expenses	(17,174)	(16,504)	(69,079)	(64,354)
Net exchange gain/(loss)	3,693	(2,644)	9,253	(9,907)
Net change in fair value of financial assets at fair value through profit or loss:				
- held for trading	2,308	(227)	7,309	(9,622)
- designated as such upon initial recognition	-	-	-	145
Impairment losses on investment properties	(6,009)	(14,056)	(6,009)	(14,056)
Impairment losses on property, plant and equipment	-	(21,459)	-	(30,125)

- (2) Other operating income, comprising mainly management fee, miscellaneous income and profit on sale of investments, investment properties and property, plant and equipment, increased by \$44.4 million to \$54.2 million (Q4 2011: \$9.8 million) for Q4 2012 but decreased by \$105.3 million to \$148.7 million (FY 2011: \$254.0 million) for FY 2012. The increase in Q4 2012 was mainly due to gains recorded on disposal of several strata units in Citimac Industrial Complex, Pantech Business Hub, GB Building and Elite Industrial Building I. In addition, the Group's 55% owned subsidiary, Millennium & Copthorne Hotels plc (M&C) received insurance settlement in Q4 2012 for Copthorne Hotel Christchurch Central which was closed following the February 2011 earthquake in New Zealand, resulting in a gain on disposal of this hotel. For FY 2012, the decrease was primarily due to substantial gains recognized in FY 2011 pertaining to the disposal of The Corporate Office in Q1 2011, The Corporate Building and the sale and leaseback of Studio M Hotel to CDL Hospitality Trusts (CDLHT) in Q2 2011, partially mitigated by the profit accounted on realisation of investments in a private real estate fund as well as the aforesaid gains recorded in Q4 2012.

- (3) Administrative expenses comprise mainly depreciation, hotel administrative expenses, operating lease expenses and salaries and related expenses. This had increased by \$20.7 million to \$136.7 million (Q4 2011: \$116.0 million) for Q4 2012 and \$15.7 million to \$505.9 million (FY 2011: \$490.2 million) for FY 2012. The increase in Q4 2012 and FY 2012 were mainly due to higher salaries and related expenses incurred and higher depreciation partially offset by reduced operating lease expense following the expiry of leases of Millennium Hotel & Resort Stuttgart in August 2011 and Kingsgate Hotel Parnell Auckland in July 2012.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

- (4) Other operating expenses comprise mainly property taxes and insurance on hotels, other operating expenses on hotels, professional fees, net exchange differences and impairment losses on investment properties, property, plant and equipment and loans to a jointly-controlled entity. Other operating expenses decreased by \$19.4 million to \$101.5 million (Q4 2011: \$120.9 million) for Q4 2012 and \$25.9 million to \$383.5 million (FY 2011: \$409.4 million) for FY 2012. These decreases were primarily due to lower impairment losses. Impairment loss of \$6.0 million (Q4 2011: \$14.1 million) was accounted in Q4 2012 on an investment property located in Japan. There was no impairment loss made on hotels for current year vis-à-vis impairment loss of \$21.5 million made in Q4 2011 on certain hotels in United States and United Kingdom as well as a piece of land in India. The other operating expenses for FY 2011 was partially offset by a release of £6.6 million (approximately S\$13.3 million) dilapidation provision in Q3 2011 for Millennium Hotel & Resort Stuttgart whose lease expired on August 2011.
- (5) Finance income increased by \$1.3 million to \$9.4 million (Q4 2011: \$8.1 million) for Q4 2012 and \$10.4 million to \$38.6 million (FY 2011: \$28.2 million) for FY 2012. The increases were due to fair value gains recorded on financial assets held for trading and higher interest income earned.
- (6) Finance costs comprise primarily interest on borrowings, fair value loss on financial assets held for trading and amortisation of capitalised transaction costs on borrowings. This had remained relatively constant at \$20.6 million (Q4 2011: \$18.7 million) for Q4 2012 and \$78.9 million (FY 2011: \$81.1 million) for FY 2012.
- (7) Share of after-tax profit of associates relates to the Group's share of results of CDLHT and First Sponsor Capital Limited (FSCL) which are held via the Company's 55% owned subsidiary, M&C. Share of after-tax profit of associates decreased by \$13.2 million for Q4 2012 but increased by \$8.2 million for FY 2012. The decrease in Q4 2012 was mainly due to lower contribution from FSCL, partially mitigated by improved performance from CDLHT. The increase in FY 2012 was mainly due to higher contribution from CDLHT as well as profit contribution from Chengdu Cityspring residential project held by FSCL.
- (8) Share of after-tax profit from jointly-controlled entities remained relatively constant for Q4 2012 but increased by \$10.0 million for FY 2012. The increase for FY 2012 was due to maiden contribution from Bartley Residences and Hedges Park, coupled with gains recognised on disposal of several strata units in Burlington Square in Q3 2012.
- (9) Income tax expense for the period/year is derived at by applying the varying statutory tax rates on the taxable profits/(losses) and taxable/deductible temporary differences of the different countries in which the Group operates.

The Group		The Group	
Fourth Quarter Ended		Full Year Ended	
31 December		31 December	
2012	2011	2012	2011
S\$m	S\$m	S\$m	S\$m

The tax charge relates to the following:

Profit for the period/year	51.1	38.3	170.8	198.1
(Over)/Underprovision in respect of prior period/year	(43.9)	5.3	(70.9)	(23.4)
	7.2	43.6	99.9	174.7

The overall effective tax rate of the Group for Q4 2012 was 2.2% (Q4 2011: 17.7%) and FY 2012 was 10.4% (FY 2011: 15.4%). Excluding the under/(over)provision in respect of prior period/year, the effective tax rate for the Group for Q4 2012 was 15.7% (Q4 2011: 15.5%) and FY 2012 was 17.8% (FY 2011: 17.4%). The over-provision of tax for Q4 2012 and FY 2012 is due to resolution of long outstanding tax matters with the tax authority, resulting in the finalization of a few years of tax assessments.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note	The Group		The Company	
		As at 31.12.2012 S\$'000	As at 31.12.2011 S\$'000	As at 31.12.2012 S\$'000	As at 31.12.2011 S\$'000
Non-current assets					
Property, plant and equipment	(1)	3,405,474	3,313,182	9,772	9,192
Investment properties	(1), (6)	2,916,193	2,907,181	518,651	525,164
Lease premium prepayment		82,798	90,460	-	-
Investments in subsidiaries		-	-	2,223,435	2,221,805
Investments in associates		417,855	420,966	-	-
Investments in jointly-controlled entities	(2)	806,956	674,272	36,360	36,360
Investments in financial assets	(3)	102,132	156,739	27,687	23,752
Other non-current assets	(4)	79,072	314,120	428,227	233,148
		7,810,480	7,876,920	3,244,132	3,049,421
Current assets					
Development properties	(5)	4,310,685	3,243,875	651,687	700,183
Lease premium prepayment		2,484	2,635	-	-
Consumable stocks		8,838	8,825	32	66
Financial assets		32,585	26,288	-	-
Assets classified as held for sale	(6)	103,698	-	-	-
Trade and other receivables		1,182,731	1,200,918	4,936,376	4,224,478
Cash and cash equivalents		2,156,827	2,603,005	1,040,004	1,572,120
		7,797,848	7,085,546	6,628,099	6,496,847
Total assets		15,608,328	14,962,466	9,872,231	9,546,268
Equity attributable to Owners of the Company					
Share capital		1,991,397	1,991,397	1,991,397	1,991,397
Reserves		5,312,251	4,835,408	3,402,160	3,384,601
		7,303,648	6,826,805	5,393,557	5,375,998
Non-controlling interests		1,953,407	1,869,199	-	-
Total equity		9,257,055	8,696,004	5,393,557	5,375,998
Non-current liabilities					
Interest-bearing borrowings*		3,468,764	2,929,322	2,381,248	1,506,060
Employee benefits		34,774	35,989	-	-
Other liabilities		145,522	96,898	124,254	166,825
Provisions		15,415	17,703	-	-
Deferred tax liabilities		352,637	367,304	45,842	41,620
		4,017,112	3,447,216	2,551,344	1,714,505
Current liabilities					
Trade and other payables		1,034,134	981,845	1,444,302	1,148,587
Interest-bearing borrowings*		998,164	1,476,508	408,448	1,135,304
Employee benefits		16,279	15,707	2,477	2,479
Other liabilities		266	75	-	-
Provision for taxation		221,360	321,074	72,103	169,395
Provisions		23,816	24,037	-	-
Liabilities classified as held for sale	(6)	40,142	-	-	-
		2,334,161	2,819,246	1,927,330	2,455,765
Total liabilities		6,351,273	6,266,462	4,478,674	4,170,270
Total equity and liabilities		15,608,328	14,962,466	9,872,231	9,546,268

* These balances are stated at amortised cost after taking into consideration their related transaction costs.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

Notes to the statement of financial position of the Group and Company

- 1) The increases were mainly due to the acquisition of a group of foreign entities in January 2012 which had interests in 2 retail developments and a hotel in Thailand and the construction costs of the integrated development for W Singapore Sentosa Cove Hotel and Quayside Isle. In addition, the capital expenditure pertaining to the refurbishment work on ONE UN (formerly Millennium UN Plaza) and Grand Hyatt Taipei had also contributed to the increase in property, plant and equipment.

In addition, the transfer of the carrying amounts of certain investment properties to assets classified as held for sale as disclosed in Note (6) below had partially offset the increase in investment properties of the Group.

- 2) The increase was mainly due to the share of profit contribution from jointly-controlled entities and acquisition of the remaining 60% interest in a jointly-controlled entity, Grange 100 Pte. Ltd. (Grange 100), from joint venture partner to become a wholly-owned subsidiary in Q4 2012. Grange 100 owns 44 units in Cliveden at Grange which it acquired from City Developments Limited previously. In line with the Group's accounting policy whereby transactions with jointly-controlled entity are eliminated to the extent of the Group's interest in the entity, profit of the sale of these 44 units was previously recognised by the Group up to 60%. The other 40% profit was deferred and accounted as a reduction to the Group's cost of investment in jointly-controlled entities. Upon Grange 100 becoming a subsidiary, this deferred profit element is now transferred out from investments in jointly-controlled entities to Group's development properties in the balance sheet, resulting in the Group's investments in jointly-controlled entities to increase after the transfer.

The increase was partially offset by the receipt of dividend income.

- 3) This decrease in financial assets was mainly due to the realisation of investments in a private real estate fund.
- 4) The decrease in other non-current assets was attributable to significant reduction in loans owing by jointly-controlled entities following Grange 100 becoming a subsidiary in Q4 2012 as well as loan repayment by First Sponsor Capital Limited.
- 5) The increase in development properties was primarily due to land acquisition costs incurred for sites at Buangkok Drive / Sengkang Central, Tai Thong Crescent, Huang Huayuan in Chongqing, China, as well as the higher inventory for Cliveden at Grange following Grange 100 becoming a subsidiary in Q4 2012.
- 6) As at 31 December 2012, these relate to assets and liabilities associated with the following:
 - a) 1 strata unit in Citimac Industrial Complex, 11 strata units in Elite Industrial Building I and 6 strata units in Elite Industrial Building II. The Group had entered into sale and purchase contract to sell these units.
 - b) an indirect wholly-owned subsidiary of the Group holding an investment property in China. The Group had entered into an equity transfer agreement in February 2013 to dispose its entire interest in this subsidiary.

These transactions are expected to be completed in 2013.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

The Group's net borrowings refer to aggregate borrowings from banks, financial institutions and finance lease creditors, after deducting cash and cash equivalents. Unamortised balance of transaction costs have not been deducted from the gross borrowings.

	As at 31.12.2012 S\$'000	As at 31.12.2011 S\$'000
<u>Unsecured</u>		
- repayable within one year	750,790	1,418,312
- repayable after one year	2,676,832	2,003,261
(a)	<u>3,427,622</u>	<u>3,421,573</u>
<u>Secured</u>		
- repayable within one year	249,248	60,614
- repayable after one year	841,834	936,689
(b)	<u>1,091,082</u>	<u>997,303</u>
Gross borrowings	(a) + (b) 4,518,704	4,418,876
Less: cash and cash equivalents as shown in the statement of financial position	(2,156,827)	(2,603,005)
Less: cash and cash equivalents included in assets classified as held for sale	(5,204)	-
Net borrowings	<u>2,356,673</u>	<u>1,815,871</u>

Details of any collateral

Where secured, borrowings are collateralised by:

- mortgages on the borrowing companies' development, investment and hotel properties; and
- assignment of all rights and benefits to sale, lease and insurance proceeds in respect of development, investment and hotel properties.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Fourth Quarter Ended 31 December		Full Year Ended 31 December	
	2012 S\$'000	2011 S\$'000	2012 S\$'000	2011 S\$'000
Operating Activities				
Profit for the period/year	318,276	202,745	860,338	961,720
Adjustments for:				
Depreciation and amortisation	42,287	34,734	148,271	133,341
Dividend income	(460)	(1,441)	(6,485)	(10,037)
Equity settled share-based transactions	562	1,512	4,147	2,704
Finance costs	20,564	18,680	78,867	81,064
Finance income	(9,375)	(8,102)	(38,590)	(28,171)
Gain on dilution of investment in an associate	(9)	-	(1,241)	(418)
Impairment losses on loans to a jointly-controlled entity	252	241	2,904	959
Impairment losses on investment properties and property, plant and equipment	6,009	35,515	6,009	44,181
Income tax expense	7,187	43,587	99,901	174,723
Net gain on disposal, dilution and liquidation of jointly-controlled entities	-	(382)	-	(5,901)
Net loss on disposal, dilution and liquidation of subsidiaries	-	431	7,832	2,761
Loss/(Profit) on sale of investments	377	(28)	(46,316)	(152)
Profit on sale of property, plant and equipment and investment properties	(46,969)	(49)	(83,995)	(230,570)
Property, plant and equipment and investment properties written off	8	316	190	350
Share of after-tax profit of associates	(1,406)	(14,582)	(39,934)	(31,723)
Share of after-tax profit of jointly-controlled entities	(13,010)	(11,356)	(40,212)	(30,244)
Units in an associate received and receivable in lieu of fee income	(2,483)	(2,456)	(9,776)	(10,894)
Operating profit before working capital changes	321,810	299,365	941,910	1,053,693
Changes in working capital				
Development properties	(355,047)	(223,542)	(756,212)	173,869
Stocks, trade and other receivables	40,548	162,657	36,289	(148,752)
Trade and other payables	(37,376)	(105,487)	55,784	65,830
Employee benefits	(8,764)	(1,847)	(8,437)	539
Cash generated from operations	(38,829)	131,146	269,334	1,145,179
Income tax paid	(10,238)	(22,787)	(204,074)	(162,224)
Cash flows (used in)/from operating activities carried forward ⁽¹⁾	(49,067)	108,359	65,260	982,955

CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

	Fourth Quarter Ended 31 December		Full Year Ended 31 December	
	2012 S\$'000	2011 S\$'000	2012 S\$'000	2011 S\$'000
Cash flows (used in)/from operating activities brought forward	(49,067)	108,359	65,260	982,955
Investing Activities				
Acquisition of additional interest in a subsidiary ⁽²⁾	-	(24,255)	(129)	(24,255)
(Acquisition)/Disposal of subsidiaries (net of cash acquired) ⁽³⁾	(203,976)	-	(411,993)	264,325
Capital expenditure on investment properties ⁽⁴⁾	(2,747)	(13,407)	(48,323)	(194,817)
Dividends received				
- an associate	-	-	38,908	35,846
- financial investments	460	1,440	6,485	9,855
- jointly-controlled entities	10,069	12,047	23,897	30,522
Interest received	4,495	4,340	18,263	13,308
Increase in intangibles assets	(236)	(47)	(596)	(308)
(Increase)/Decrease in investments in associates	(244)	(38,866)	5,356	(37,350)
Increase in investments in jointly-controlled entities ⁽⁵⁾	(3,277)	(262)	(13,370)	(274,625)
Payments for purchase of property, plant and equipment	(39,729)	(42,322)	(208,763)	(199,093)
Proceeds from disposal of a jointly-controlled entity	-	-	-	1,465
Proceeds from sale of property, plant and equipment and investment properties ⁽⁶⁾	70,172	99	139,641	430,367
(Purchase)/Disposal of financial assets ⁽⁷⁾	(2,697)	(9,195)	97,733	(2,581)
Cash flows (used in)/from investing activities	(167,710)	(110,428)	(352,891)	52,659
Financing Activities				
Net (advances to)/repayment by related parties	(10,295)	(51,806)	54,163	(201,777)
Capital contribution from non-controlling interests	23	61,249	1,252	63,123
Dividends paid	(13,897)	(13,578)	(181,595)	(247,454)
Finance lease payments	-	(7)	(3)	(3)
Interest paid (including amounts capitalised as property, plant and equipment, investment properties and development properties)	(23,005)	(22,497)	(93,967)	(89,129)
Net (repayments of)/proceeds from revolving credit facilities and short-term bank borrowings	(244)	1,751	(122,310)	242,547
Payment of financing transaction costs	(1,790)	(276)	(8,544)	(5,321)
Proceeds from bank borrowings	255,826	153,339	790,826	438,200
Proceeds from issuance of bonds and notes	742	-	356,243	105,000
Repayment of bank borrowings	(193,332)	(23,947)	(451,655)	(407,874)
Repayment of bonds and notes	(234)	(100,000)	(404,000)	(316,675)
Increase in/(Repayment of) other long-term liabilities	107	42	382	(134)
Cash flows from/(used in) financing activities ⁽⁸⁾	13,901	4,270	(59,208)	(419,497)
Net (decrease)/increase in cash and cash equivalents carried forward	(202,876)	2,201	(346,839)	616,117

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

	Fourth Quarter Ended		Full Year Ended	
	31 December		31 December	
	2012	2011	2012	2011
	S\$'000	S\$'000	S\$'000	S\$'000
Net (decrease)/increase in cash and cash equivalents brought forward	(202,876)	2,201	(346,839)	616,117
Cash and cash equivalents at beginning of the period/year	2,327,153	2,482,451	2,487,580	1,872,974
Effect of exchange rate changes on balances held in foreign currencies	2,883	2,928	(13,581)	(1,511)
Cash and cash equivalents at end of the year	2,127,160	2,487,580	2,127,160	2,487,580
Cash and cash equivalents comprise:-				
Cash and cash equivalents as shown in the statement of financial position	2,156,827	2,603,005	2,156,827	2,603,005
Cash and cash equivalents included in assets classified as held for sale	5,204	-	5,204	-
Less: Bank overdrafts	(34,871)	(115,425)	(34,871)	(115,425)
	2,127,160	2,487,580	2,127,160	2,487,580

Notes to the consolidated statement of cash flows

- (1) For Q4 2012, the Group has a net cash outflow from operating activities of \$49.1 million (Q4 2011: net cash inflow of \$108.4 million) largely due to the payment of land cost for the site at Tai Thong Crescent in Q4 2012.

For FY 2012, the Group reported a lower net cash inflow from operating activities of \$65.3 million (FY 2011: \$983.0 million) for FY 2012 mainly due to acquisition of new land sites at Huang Huayuan in Chongqing, Buangkok Drive / Sengkang Central and Tai Thong Crescent during the year.

- (2) The 2011 cash outflow relates to the acquisition of additional shares in Millennium & Copthorne Hotels plc by the Group from non-controlling interests.
- (3) For FY 2012, the net cash outflow was mainly due to the acquisition of a group of foreign entities in Q1 2012 which had interests in 2 retail developments and a hotel, as well as the acquisition of the remaining 60% interest in Grange 100 Pte. Ltd..

The disposal of subsidiaries for FY 2011 relates mainly to proceeds received from sale of a wholly-owned subsidiary, Allventure Limited (Allventure), which held the convertible notes issued by South Beach Consortium Pte. Ltd. (SBCPL), to a jointly-controlled entity, Scottsdale Properties Pte. Ltd. (Scottsdale).

- (4) The substantial capital expenditure in FY 2011 relates mainly to acquisition of a land site in the Ginza district of Tokyo, Japan on 30 September 2011 on which a deluxe hotel will be constructed.
- (5) The substantial cash outflow for FY 2011 relates mainly to the subscription of additional shares issued by Scottsdale in Q2 2011 so as to fund the acquisition of the remaining 66.66% interest in SBCPL and the purchase of Allventure.
- (6) The cash inflow for Q4 2012 and FY 2012 relates primarily to proceeds from disposal of several strata units in Citimac Industrial Complex, Elite Industrial Building I and II, GB Building and Pantech Business Hub as well as insurance settlement receipt for the closed Copthorne Hotel Christchurch Central.

The cash inflow for FY 2011 relates mainly to proceeds from sale of The Corporate Office, a strata unit in GB Building, The Corporate Building and the sale and leaseback of Studio M Hotel.

- (7) The cash inflow for FY 2012 refers to proceeds from realisation of investments in a private real estate fund.
- (8) The Group had a net cash outflow from financing activities of \$59.2 million (FY 2011: net cash outflow of \$419.5 million) for FY 2012. This was due to lower dividend paid coupled with repayment of loans by First Sponsor Capital Limited vis-à-vis advances given to them in FY 2011. The cash outflow was partially offset by net proceeds received from borrowings in 2012 of \$169.1 million as compared to \$61.2 million for FY 2011.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

1(d) Consolidated Statement of Comprehensive Income

	Fourth Quarter Ended 31 December		Full Year Ended 31 December	
	2012 S\$'000	2011 S\$'000	2012 S\$'000	2011 S\$'000
Profit for the period/year	318,276	202,745	860,338	961,720
Other comprehensive income:				
Actuarial gains/(losses) on defined benefit plans	(2,397)	470	(6,088)	(3,601)
Change in fair value of equity investments available for sale	36	(1,615)	3,274	(12,613)
Effective portion of changes in fair value of cash flow hedges	367	468	584	919
Exchange differences on hedges of net investments in foreign entities	(1,318)	(870)	5,897	(688)
Exchange differences on monetary items forming part of net investments in foreign entities	(2,998)	1,542	(19,667)	5,771
Exchange differences realised on disposal of a subsidiary and a jointly-controlled entity	-	131	-	131
Exchange differences realised on liquidation of subsidiaries	-	-	7,831	-
Share of other reserves movements of associates and a jointly-controlled entity	-	(117)	241	(9,795)
Translation differences arising on consolidation of foreign entities	7,757	34,052	(115,588)	(16,978)
Other comprehensive income for the period/year, net of tax	1,447	34,061	(123,516)	(36,854)
Total comprehensive income for the period/year	319,723	236,806	736,822	924,866
Total comprehensive income attributable to:				
Owners of the Company	249,187	175,228	606,981	778,958
Non-controlling interests	70,536	61,578	129,841	145,908
	319,723	236,806	736,822	924,866

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

1(e)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group	Attributable to owners of the Company							Total Equity S\$m
	Share Capital S\$m	Cap. Res. S\$m	Other Res.* S\$m	Exch. Fluct. Res. S\$m	Accum. Profits S\$m	Total S\$m	Non-controlling Interests S\$m	
At 1 January 2011	1,991.4	148.1	23.9	(322.4)	4,421.5	6,262.5	1,717.7	7,980.2
Profit for the year	-	-	-	-	798.5	798.5	163.2	961.7
<u>Other comprehensive income</u>								
Actuarial losses on defined benefit plans	-	-	-	-	(2.0)	(2.0)	(1.6)	(3.6)
Change in fair value of equity investments available for sale	-	-	(12.6)	-	-	(12.6)	-	(12.6)
Effective portion of changes in fair value of cash flow hedges	-	-	0.5	-	-	0.5	0.4	0.9
Exchange differences on hedges of net investment in foreign entities	-	-	-	(0.4)	-	(0.4)	(0.3)	(0.7)
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	6.6	-	6.6	(0.8)	5.8
Exchange differences realised on disposal of a subsidiary	-	-	-	0.1	-	0.1	-	0.1
Share of other reserve movement of associates and a jointly-controlled entity	-	-	(4.2)	-	-	(4.2)	(5.6)	(9.8)
Translation differences arising on consolidation of foreign entities	-	-	-	(7.6)	-	(7.6)	(9.4)	(17.0)
Other comprehensive income for the year, net of income tax	-	-	(16.3)	(1.3)	(2.0)	(19.6)	(17.3)	(36.9)
Total comprehensive income for the year	-	-	(16.3)	(1.3)	796.5	778.9	145.9	924.8
Transactions with owners, recorded directly in equity								
<u>Contributions by and distributions to owners</u>								
Capital contribution from non-controlling interests	-	-	-	-	-	-	63.1	63.1
Dividends paid to owners of the Company	-	-	-	-	(222.0)	(222.0)	-	(222.0)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(25.4)	(25.4)
Share-based payment transactions	-	-	(0.3)	-	-	(0.3)	(0.2)	(0.5)
Total contributions by and distributions to owners	-	-	(0.3)	-	(222.0)	(222.3)	37.5	(184.8)
<u>Changes in ownership interests in subsidiaries</u>								
Change of interest in subsidiaries	-	0.8	0.1	3.5	3.3	7.7	(31.9)	(24.2)
Total transactions with owners	-	0.8	(0.2)	3.5	(218.7)	(214.6)	5.6	(209.0)
At 31 December 2011	1,991.4	148.9	7.4	(320.2)	4,999.3	6,826.8	1,869.2	8,696.0

* Other reserves comprise mainly fair value reserve arising from available-for-sale investments, share option reserve and share of other reserves of associates.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

The Group	Attributable to owners of the Company						Non-controlling Interests S\$m	Total Equity S\$m
	Share Capital S\$m	Cap. Res. S\$m	Other Res.* S\$m	Exch. Fluct. Res. S\$m	Accum. Profits S\$m	Total S\$m		
At 1 January 2012	1,991.4	148.9	7.4	(320.2)	4,999.3	6,826.8	1,869.2	8,696.0
Profit for the year	-	-	-	-	678.3	678.3	182.0	860.3
<u>Other comprehensive income</u>								
Actuarial losses on defined benefit plans	-	-	-	-	(3.1)	(3.1)	(3.0)	(6.1)
Change in fair value of equity investments available for sale	-	-	3.3	-	-	3.3	-	3.3
Effective portion of changes in fair value of cash flow hedges	-	-	0.3	-	-	0.3	0.3	0.6
Exchange differences on hedges of net investment in foreign entities	-	-	-	3.2	-	3.2	2.7	5.9
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	(18.0)	-	(18.0)	(1.6)	(19.6)
Exchange differences realised on liquidation of subsidiaries	-	-	-	7.8	-	7.8	-	7.8
Share of other reserve movements of associates and a jointly-controlled entity	-	-	0.1	-	-	0.1	0.1	0.2
Translation differences arising on consolidation of foreign entities	-	-	-	(64.9)	-	(64.9)	(50.7)	(115.6)
Other comprehensive income for the year, net of income tax	-	-	3.7	(71.9)	(3.1)	(71.3)	(52.2)	(123.5)
Total comprehensive income for the year	-	-	3.7	(71.9)	675.2	607.0	129.8	736.8
Transactions with owners, recorded directly in equity								
<u>Contributions by and distributions to owners</u>								
Capital contribution from non-controlling interests	-	-	-	-	-	-	1.3	1.3
Dividends paid to owners of the Company	-	-	-	-	(131.1)	(131.1)	-	(131.1)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(50.5)	(50.5)
Share options exercised	-	-	(0.3)	-	-	(0.3)	0.3	-
Share-based payment transactions	-	-	1.2	-	-	1.2	1.0	2.2
Total contributions by and distributions to owners	-	-	0.9	-	(131.1)	(130.2)	(47.9)	(178.1)
<u>Changes in ownership interests in subsidiaries</u>								
Acquisition of a subsidiary with non-controlling interests	-	-	-	-	-	-	2.5	2.5
Change of interest in subsidiaries	-	0.1	-	-	-	0.1	(0.2)	(0.1)
Total changes in ownership interests in subsidiaries	-	0.1	-	-	-	0.1	2.3	2.4
Total transactions with owners	-	0.1	0.9	-	(131.1)	(130.1)	(45.6)	(175.7)
At 31 December 2012	1,991.4	149.0	12.0	(392.1)	5,543.4	7,303.7	1,953.4	9,257.1

* Other reserves comprise mainly fair value reserve arising from available-for-sale investments, share option reserve and share of other reserves of associates.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

The Company	Share Capital S\$m	Capital Reserve S\$m	Fair Value Reserve S\$m	Other Reserve S\$m	Accumulated Profits S\$m	Total S\$m
At 1 January 2011	1,991.4	63.7	13.9	-	2,763.9	4,832.9
Profit for the year	-	-	-	-	766.5	766.5
<u>Other comprehensive income</u>						
Change in fair value of equity investments available for sale	-	-	(7.1)	-	-	(7.1)
Other comprehensive income for the year, net of income tax	-	-	(7.1)	-	-	(7.1)
Total comprehensive income for the year	-	-	(7.1)	-	766.5	759.4
Transactions with owners, recorded directly in equity						
<u>Contributions by and distributions to owners</u>						
Dividends	-	-	-	-	(222.0)	(222.0)
Loan forgiveness by a subsidiary	-	-	-	5.7	-	5.7
At 31 December 2011	1,991.4	63.7	6.8	5.7	3,308.4	5,376.0
Profit for the year	-	-	-	-	149.0	149.0
<u>Other comprehensive income</u>						
Change in fair value of equity investments available for sale	-	-	5.4	-	-	5.4
Other comprehensive income for the year, net of income tax	-	-	5.4	-	-	5.4
Total comprehensive income for the year	-	-	5.4	-	149.0	154.4
Transactions with owners, recorded directly in equity						
<u>Contributions by and distributions to owners</u>						
Dividends	-	-	-	-	(131.1)	(131.1)
Loan forgiveness by a subsidiary	-	-	-	(5.7)	-	(5.7)
At 31 December 2012	1,991.4	63.7	12.2	-	3,326.3	5,393.6

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

- 1(e)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the Company, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Ordinary share capital

There was no change in the Company's issued share capital during the year ended 31 December 2012.

Preference share capital

There was no change in the Company's issued preference share capital during the year ended 31 December 2012.

As at 31 December 2012, the maximum number of ordinary shares that may be issued upon full conversion of all the non-redeemable convertible non-cumulative preference shares of the Company ("Preference Shares") at the sole option of the Company is 44,998,898 ordinary shares (31 December 2011: 44,998,898 ordinary shares).

- 1(e)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The Company did not hold any treasury shares as at 31 December 2012 and 31 December 2011.

The total number of issued ordinary shares (excluding treasury shares) as at 31 December 2012 and 31 December 2011 is 909,301,330.

The total number of issued Preference Shares as at 31 December 2012 and 31 December 2011 is 330,874,257.

- 1(e)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the year ended 31 December 2012.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have neither been audited nor reviewed by our auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as those applied in the Group's most recently audited financial statements for the year ended 31 December 2011.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group adopted the following revised Financial Reporting Standards (FRS) which took effect for financial year beginning on 1 January 2012:

Amendments to FRS 107 *Disclosures – Transfer of Financial Assets*
Amendments to FRS 12 *Deferred Tax: Recovery of Underlying Assets*

The adoption of these revised FRSs did not result in any significant impact on the financial statements of the Group.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Fourth Quarter Ended 31 December		Full Year Ended 31 December	
	2012	2011	2012	2011
Basic Earnings per share (cents)	26.7	17.2	73.2	86.4
Diluted Earnings per share (cents)	26.1	17.1	71.1	83.7
Earnings per share is calculated based on:				
a) Profit attributable to equity holders of the parent (S\$'000) (*)	242,861	156,717	665,435	785,651
b) Profit used for computing diluted earnings per share (S\$'000)	249,348	163,222	678,339	798,555
c) Weighted average number of ordinary shares in issue:				
- basic	909,301,330	909,301,330	909,301,330	909,301,330
- diluted (**)	954,300,228	954,300,228	954,300,228	954,300,228

* After deducting preference dividends declared and paid in Q4 2012 of \$6,487,000 (Q4 2011: \$6,505,000) and in full year 2012 of \$12,904,000 (FY 2011: \$12,904,000).

** For computation of diluted earnings per share, the weighted average number of ordinary shares has been adjusted for any dilutive effect of potential ordinary shares arising from the conversion of all preference shares.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares (excluding treasury shares) of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group		The Company	
	31.12.2012 S\$	31.12.2011 S\$	31.12.2012 S\$	31.12.2011 S\$
Net Asset Value per ordinary share based on the number of issued 909,301,330 ordinary shares (excluding treasury shares) as at 31 December 2012 (909,301,330 ordinary shares (excluding treasury shares) as at 31 December 2011)	8.03	7.51	5.93	5.91

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Group Performance

For the fourth quarter ended 31 December 2012 (Q4 2012), the Group delivered a strong set of results with revenue of \$886.4 million (Q4 2011: \$721.5 million) and net profit after tax and non-controlling interests of \$249.3 million (Q4 2011: \$163.2 million), up by 22.8% and 52.8% respectively. This was backed by better performance from the property development segment. Revenue and pre-tax profit of this business segment increased by 83.0% and 35.7% respectively.

For the full year ended 31 December 2012, the Group posted revenue of \$3,353.7 million (2011: \$3,280.5 million) – the highest revenue achieved since inception in 1963. Net profit after tax and non-controlling interest was \$678.3 million (2011: \$798.6 million). Excluding all one-off gains, the net profit after tax and non-controlling interests would have increased by 5.8% compared to FY 2011, on a like-for-like basis. This profit is core earnings from the Group's business activities. The Group has been unlocking shareholder value on its non-core assets to recycle capital for new opportunities that may avail.

In terms of pre-tax profit, the property development segment continued to be the lead contributor, making up 48.8% (2011: 47.2%) of the Group's pre-tax profit and the hotel operations, primarily from the Group's subsidiary, Millennium & Copthorne Hotels plc (M&C), was the second highest, contributing 26.1% (2011: 24.8%) of the Group's pre-tax profit.

Basic earnings per share of the Group stood at 73.2 cents (2011: 86.4 cents).

As at 31 December 2012, the Group's balance sheet remained healthy with a relatively low gearing ratio at 25.0% (2011: 21.0%). The Group is the only major listed property developer that states investment properties at cost, less accumulated depreciation and impairment losses. Had the Group factored in fair value gains on investment properties, the net gearing ratio would be reduced further to 18.0%. The interest cover of the Group is at 17.4 times (2011: 21.8 times).

The Board is recommending a special ordinary dividend of 5.0 cents per share in addition to the ordinary dividend of 8.0 cents per share. The total dividend proposed for 2012 amounts to 13.0 cents per share.

Property

In Q4 2012, the Singapore economy grew moderately by 1.5% on a year-on-year basis, an improvement from the flat growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 3.3%, a contrast from its 4.6% contraction in the preceding quarter. For the whole of 2012, Singapore's economy slowed to 1.3% as compared to the 5.2% expansion in 2011, weighed down by weakness in the externally-oriented sectors.

In Q4 2012, developers sold 4,353 private residential units (excluding Executive Condominiums). This is 26% lower than the 5,916 units sold in Q3 2012. The decline could be due to fewer new property launches and property cooling measures imposed by the Government in October 2012, which included restriction on loan tenure and tighter loan-to-value (LTV) limits.

Overall, Singapore's residential market remained resilient. A total of 22,197 private residential units were sold by developers in 2012 compared with 15,904 units in 2011. This figure has surpassed the historical high achieved in 2010 by 36%.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

Urban Redevelopment Authority (URA) data indicated that the Residential Property Price Index (PPI) increased from 208.2 points in Q3 2012 to 212.0 points in Q4 2012. Overall prices of private residential properties increased by 1.8% quarter-on-quarter in Q4 2012, compared to 0.6% increase in the previous quarter. For 2012 as a whole, prices of private residential properties increased by about 2.8% (based on preliminary Q4 2012 flash estimate), lower than the 5.9% increase in 2011.

In end December 2012, the Group previewed its joint venture project Echelon. Designed by award-winning architectural firm SCDA Architects Pte Ltd, this 508-unit distinctive residence comprises two iconic 43-storey towers. Centrally positioned at the fringe of the city and around the prime Tanglin residential enclave, Echelon at Alexandra View is a mere stone's throw to the Redhill MRT Station, providing seamless connectivity to the rail network. The Central Business District (CBD) is only a six-minute drive away. Echelon met with much enthusiastic response. To date, 428 units (over 84%) of the development have been sold. The Group had tendered strategically for this coveted piece of land in 2011 and since then, subsequent land sales in this area have transacted at prices significantly higher.

During the year, besides Echelon, the Group also successfully launched another four projects with strong take-up.

HAUS@SERANGOON GARDEN, a joint venture development with an exclusive community of 97 terraces, was launched in July 2012. Located in the popular Serangoon Garden estate, it is a stone's throw to Serangoon Garden Circus, famous Chomp Chomp food centre, myVillage and many other amenities. It is the first sustainable landed housing estate in Singapore to be accorded the top tier Building and Construction Authority (BCA) Green Mark Platinum Award. The project is now 99% sold.

UP@Robertson Quay, launched in May 2012, is a trendy mixed development comprising 70 exclusive apartments and an adjoining 300-room *M Social* Hotel. Within the prestigious District 9 enclave and by the Singapore River, some apartments offer up to 7.2 metre floor-to-floor heights, private timber pool decks and dual-purpose furniture options. To date, about 75% of the apartments have been sold. *M Social* Hotel, to be managed by M&C, is a new lifestyle concept and an extension of its M-family stable of brands. It will offer affordably priced, fee-based hotel services to the apartments. Construction for this development will be commencing soon.

The joint venture 702-unit Bartley Residences, launched in February 2012 is now 100% sold. This condominium is a mere two-minutes' walk to Bartley MRT station and located opposite the reputable Maris Stella High School.

In January 2012, the Group launched The Rainforest, its 466-unit joint venture Executive Condominium (EC), located at Choa Chu Kang Avenue 3, a five-minutes' walk to Choa Chu Kang MRT Station. This EC is now fully sold. ECs have grown in popularity after the Government raised the monthly income ceiling for new EC purchases. This gives more families the added option of buying an EC, besides resale flats and private property. It also facilitates upgrading for existing HDB flat owners. The Group's 602-unit Blossom Residences EC at Segar Road, launched in July 2011 is also fully sold.

Other on-going projects for sale continued to sell well and the Group currently has limited inventory stock.

The Palette, a joint venture 892-unit condominium, located in a private estate at Pasir Ris Grove and within walking distance of Pasir Ris MRT station, launched in end 2011, is now over 99% sold.

Over 80% of the 521-unit riverfront H₂O Residences at Sengkang have been sold to date. Another joint venture project, the 501-unit Hedges Park, located at the popular Changi/Pasir Ris locality also registered good sales with around 90% sold.

For the year under review, the Group, together with its joint venture associates, sold a total of 2,395 units (including ECs) with total sales value of about \$2.78 billion (2011: 1,818 units with total sales value of \$1.76 billion).

During the period under review, profits were booked in from numerous projects such as 368 Thomson, Buckley Classique, Cube 8, Hundred Trees and H₂O Residences.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

Profits were also booked in from The Glyndebourne which is developed by M&C and several other joint venture projects such as NV Residences, Tree House, Bartley Residences, The Gale and Hedges Park.

However, no profit was recognised from The Palette, HAUS@SERANGOON GARDEN, UP@Robertson Quay and Echelon as construction of these projects are either in early stages or not commenced yet. In addition, no profit was realised from the two fully sold EC developments, The Rainforest and Blossom Residences, due to current accounting requirements for ECs.

In November 2012, the Group won a tender for an EC housing site located at Sengkang West Way / Fernvale Link for \$135 million. CDL won this hotly-contested bid by a mere 0.1% margin. Situated in an established residential area, the 14,100.8 square-metre (sq m) site is easily accessible by major expressways. The site is a few minutes' walk from Layar LRT station and the upcoming Seletar Mall. The Group is planning to launch this 372-unit project around mid-year. Given the popularity of ECs in Singapore and its convenient access to the nearby LRT station, the Group expects this development to be well received.

The Singapore office market improved marginally despite the uncertainties of the global economy. URA statistics showed that the prices of office space moderated by 0.3% in Q4 2012, compared to an increase of 1.9% in the previous quarter. For the whole of 2012, prices of office space increased by 1.4%, which is modest when compared with the increase of 13.8% in 2011.

The overall rentals for office space fell by 0.3% quarter-on-quarter in Q4 2012, as compared to the decline of 0.1% in Q3 2012. For the whole of 2012, rentals of office space held steadily, declined by a mere 0.1%, compared with the increase of 8.4% in 2011.

In Q4 2012, the Group's office portfolio continued to enjoy healthy occupancy of about 94.5% as compared to national average of 90.6%.

Construction for the joint venture, iconic South Beach development on Beach Road is progressing well. The 190 ultra-luxurious units at South Beach Residences will comprise a good mix of two, three and four-bedroom apartments and penthouses. The 654-room South Beach Hotel and the South Beach Club will be imbued with revolutionary design concepts, inspired by renowned creative designer Philippe Starck. While the construction schedule has been delayed slightly due to shortage of manpower on the part of its main contractor, the project is still on track to complete in 2015 as planned.

Quayside Isle (QI), the Group's latest retail development situated in Sentosa Cove, was completed in end Q4 2012. It is located right next to The Residences at W Singapore – Sentosa Cove, which is the only condominium on Sentosa Island that has F&B and retail offerings at its doorstep. QI is part of a total integrated development comprising the newly opened W Singapore – Sentosa Cove hotel and the Residences.

QI offers a myriad of international dining concepts and specialty retail stores, over a retail space of more than 40,000 square feet (sq ft), all under one roof. About 80% of QI has been leased out to date and its first restaurants opened in mid-December 2012. QI is the finishing touch of the integrated marina lifestyle hub that the Group had envisioned to inject vibrancy and create buzz for this exclusive lifestyle destination when it was first awarded the site in 2006 based on its unique design proposal. QI is the trendiest hot spot for visitors to Sentosa Island and convenient for the well-heeled Cove's residents. With panoramic views of the marina while dining al fresco or walking along its scenic boardwalk, QI is a must visit; and set to be the new crown jewel of Sentosa and Capri of Southeast Asia.

CDL China Limited, a wholly-owned subsidiary of the Group, has received planning approval for its luxury residential development at Eling Hill in Chongqing and its sizable mixed-use development next to Jinji Lake in Suzhou in December 2012 and February 2013 respectively. Similar approval is expected for its Huang Huayuan project in the central district of Chongqing within the next few months.

With these approvals in hand, the next milestone is the commencement of construction for the various projects. For the Eling and Jinji Lake projects, construction is expected to begin around the middle of 2013. For Huang Huayuan, it will likely be in the second half of this year. These projects will be launched at the appropriate time as the China property market improves.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

Hotel

In spite of more challenging conditions in some markets in the second half of 2012, M&C, in which the Group had a 55% interest, achieved net profit after tax and non-controlling interests of £45.9 million in Q4 2012 (Q4 2011: £40.4 million). Profit before tax increased 24.0% as a result of £10.5 million gain arising from insurance settlement for Copthorne Hotel Christchurch Central which was damaged in the earthquake. RevPAR for the quarter grew by 0.9% with steady trading in all regions.

For the year under review, on a like-for-like, constant currency basis, M&C hotels achieved good operating profit margins with revenue up 1.1% to £762.0 million (2011: £753.8 million). Like-for-like excludes Kingsgate Hotel Parnell Auckland (lease expired in July 2012), Millennium Hotel & Resort Stuttgart (lease expired in August 2011), Kuala Lumpur land sale (in August 2011), the three Christchurch hotels (closed in February 2011 due to earthquake damage) and Copthorne Orchid in Singapore (closed in April 2011 for development into condominiums). The above factors affected year-on-year comparisons. Overall, M&C's net profit after tax and non-controlling interests was £135.0 million (2011: £160.9 million). Basic earnings per share decreased by 17.6% to 42.0p (2011: 51.0p).

M&C's global RevPAR (in constant currency terms) grew by 3.4% to £67.32 (2011: £65.11) due to higher average room rates. Singapore and London both breached the annual £100 RevPAR barrier for the first time, achieving £101.14 (2011: £96.42) and £105.91 (2011: £97.92) respectively, whilst Rest of Asia delivered the strongest RevPAR growth over the year, increasing by 8.5% to £62.57 (2011: £57.69).

M&C's operating strategy in 2012 was consistent with previous years, with focus on achieving an optimal balance between occupancy and average room rate across the estate. This has enabled it to achieve good levels of profitability despite some regions seeing signs of economic uncertainty affecting personal and corporate hospitality budgets. The results affirm the earnings benefit of a balanced portfolio of assets in good locations, as well as M&C's ability to respond effectively to changes in the economic climate, while continuing to control costs, invest in its assets and improve the brand's attractiveness to customers.

M&C also strengthened its financial position in 2012. Strong cash flow from operating activities enabled it to turn cash-positive in 2012, ending the year with zero gearing. Net debt at 31 December 2011 of £100.2 million was reversed to a net cash position of £52.2 million at 31 December 2012 with cash reserves of £396.7 million and £258.2 million undrawn committed bank facilities. Most of the facilities are unsecured with unencumbered assets representing 87.3% of its fixed assets and investment properties.

In the current hotel trading environment, M&C considers it vital to continue investing in its asset portfolio in order to enhance trading performance, especially in its main gateway city properties. In 2010, M&C announced its plan to upgrade and enhance returns from four key hotels – ONE UN (then the Millennium UN Plaza), Millennium London Mayfair, Grand Hyatt Taipei and Millennium Seoul Hilton. In 2012, its asset management enhancement programme has been expanded with additional projects, including Millennium Minneapolis, Orchard Singapore, and further upgrades of ONE UN and Millennium Seoul Hilton.

By the end of 2012, major enhancements had been undertaken at Orchard Singapore, Millennium Seoul Hilton and ONE UN, with additional work commenced at Grand Hyatt Taipei and Millennium Minneapolis. Results from those hotels where significant renovations have been completed, have been in line with M&C's expectations for higher room rates and RevPAR. The improved performance affirms M&C management's strategic vision for asset management and it has no intention to dispose of key assets, especially in gateway cities. M&C will also continue to progressively upgrade and improve its regional properties, particularly in the US and UK. Capital spending on its asset enhancement programme is estimated at £240 million. About £46 million had been invested by 31 December 2012. The timing of this investment, beyond what has already commenced is dependent on planning and other consents.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

In Q3 2012, M&C closed 461 rooms (over 50% of its inventory) in the west wing of the Grand Hyatt Taipei, in order to commence a major upgrading of the hotel. Being its largest hotel in Asia, this has had an impact on revenue from the region in the second half 2012. The current stage of the refurbishment is scheduled to complete during second half 2013, after which the east wing containing 392 rooms will be refurbished. The M&C Board anticipates a strong performance from this hotel once all work is fully completed in 2014.

Construction of M&C's new hotel in Tokyo's Ginza district is scheduled to complete end next year. Construction cost is expected to total about £43 million. The hotel is expected to open in Q1 2015.

The Glyndebourne condominium development (the site of the former Copthorne Orchid Hotel) continues to make good progress. 144 of the 150 units released have been sold, amounting to a sale value of \$522.5 million. Most of the structural work is complete. Sales proceeds collected to date total \$227.7 million (£107.7 million) representing 43.58% of the sales value. The CDL Group has been progressively recognising profit for this project based on stages of construction. However, based on UK accounting standards, M&C's profits will only be booked in when the construction of the entire development is completed.

In Q1 2013, M&C announced that it had entered into a conditional sale and purchase (S&P) agreement with the South Korean company Woo Yang Industrial Development Co., Ltd to acquire 1,563.7 sq m of land adjacent to the Millennium Seoul Hilton Hotel, for KWon 29.5 billion (£17.2 million). Completion is expected to take place in Q2 2013, subject to certain terms and conditions being met. The site has considerable potential to enhance M&C's existing operations in Seoul, detailed plans for which will be drawn up in due course.

First Sponsor Capital Limited (FSCL), M&C's associate, continues to make good progress with development in Chengdu, China. M&C's investment in FSCL is a key part of its China strategy, enabling it to participate in hotel ownership through mixed property development. FSCL currently has plans for two hotels and a serviced apartment building that will be managed by M&C.

Progress on the Wenjiang development land site in Chengdu, purchased in November 2011 and named as Millennium Waterfront, is on track. The land is intended for residential, commercial and hotel development. The total residential component comprises 50 blocks with 7,110 apartments. 5 blocks of 779 residential units was launched for sale since 24 November 2012. As at 31 December 2012, 370 out of the 779 residential units launched have been sold either under option or S&P agreements. Development will be phased according to demand. Construction of the Millennium branded hotel with convention facilities is scheduled to commence in 2013.

As at 31 December 2012, over 98% of residential component of Chengdu Cityspring was sold either under S&P or option agreements. With the handover of the residential units sold in April 2012, FSCL recognised a pre-tax profit of US\$46.2 million from these residential sales, thus contributing to the significant increase in profit for the year. The 195-room M Hotel Chengdu is scheduled to open in 2013 and will be managed by M&C. The remaining portion of the development comprises small-office home-office (SOHO) and retail units which are available for sale or rental. The SOHO units for sale are 77% sold either under option or S&P agreements, with over 85% of the sales proceeds collected. These SOHO units are expected to be handed over to the buyers in mid-2013 when profit will be recognised.

For the year ended 31 December 2012, M&C has recognised £9.3 million as its share of net profit after tax of FSCL relating to the residential component of Chengdu Cityspring.

During 2012, M&C opened five hotels under management contract in the Middle East and one in Taiwan. Currently, its worldwide pipeline comprises 21 hotels offering 5,440 rooms mainly under management contracts. Of these, two hotels will open in China during 2013.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The Group's performance for the year under review is in line with its expectations as disclosed in the announcement of results for the third quarter and nine months ended 30 September 2012.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Property

The Government expects Singapore's GDP growth in 2013 to remain modest at between 1.0% to 3.0%. The outlook is cautiously positive in relation to the expected sluggishness in the global economy and also as the city undergoes economic restructuring in order to create sustainable growth.

To provide adequate supply to meet continued demand from home buyers, the Ministry of National Development (MND) announced that its Confirmed List for the first half 2013 (1H 2013) Government Land Sales (GLS) Programme will comprise 12 private residential sites (including 5 EC sites) and a commercial & residential site, as compared to 14 private residential sites (including 5 EC sites) in 1H 2012. These sites can yield about 6,900 private residential units (including 3,100 EC units) and 33,000 sq m GFA of commercial space. Most of the private residential sites in this programme, including the 5 EC sites, are located in Outside Central Region or in locations in Rest of Central Region where more affordable private housing is expected to be built. Several choice residential sites were released in the Confirmed and Reserve List.

In December 2011, to contain the escalation of property prices, the Singapore Government introduced an Additional Buyer's Stamp Duty (ABSD), where developers must complete and sell all units on GLS residential sites within five years or face a 10% ABSD. The ABSD for non-individual buyers was raised to 15% with effect from 12 January 2013.

On another aspect, under the Residential Property Act, developers whose shareholders and directors are not all Singaporeans, have to obtain a Qualifying Certificate (QC) to purchase residential property for development. This applies specifically to private land including collective sales sites, and is imposed to control foreign ownership of land in Singapore. Under the QC policy, affected developers – many of whom are established listed companies, are required to complete and obtain temporary occupation permit (TOP) for its development within a Project Completion Period (PCP). They are also required to sell all units within two years of obtaining the TOP and not allowed to rent out unsold units. Penalties on late completion and unsold units will be levied.

The QC conditions make it difficult for affected developers to buy land from the private market, thereby limiting the stock in trade and developers have no alternatives but to bid aggressively for GLS sites. In addition, with the recent ABSD for GLS residential sites, it makes it even more challenging for developers. The Group hopes that the QC policy can be reviewed and to reconsider the definition of foreign ownership as many listed developers are substantially owned or controlled by Singaporeans, and have been disadvantaged by this ruling.

The Group expects competitive bidding to continue from developers for the plum GLS sites in 1H 2013, as many have limited or no land bank, which in turn, is likely to result in property price increases. It believes that with a relaxation of the QC policy and with less punitive restrictions, developers can look towards both the GLS as well as private collective sale for land, which could balance out the high bidding process and better manage escalating land cost.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

The Group will continue to be selective and strategic in its land replenishment strategy. In order to diversify its risks and to tender competitively, the Group has partnered like-minded associates from its sister companies to bid for key sites. Increasingly, this formula is being used by other developers. On 5 February 2013, the Group made a successful bid in a joint tender for a prime site at Commonwealth Avenue for \$562.8 million. The 12,086.8 sq m land parcel is nestled in the heart of Queenstown, conveniently located next to Queenstown MRT station. The Group is familiar with this city-fringe locale; having successfully launched the nearby Echelon project end of last year. It will explore a high-rise residential development with about 690 units on this site.

In 2012, the Group and its joint venture associates were successful in securing four public land tenders. These include a residential site along Mount Vernon Road, located adjacent to Bartley MRT station; a residential site located in Buangkok Drive / Sengkang Central, just next to the Buangkok MRT station; a residential-cum-commercial site located at Tai Thong Crescent, situated within walking distance to Potong Pasir MRT station; and the EC housing site located at Sengkang West Way / Fernvale Link, near the Layar LRT station mentioned earlier. Notably, all the sites that the Group has successfully acquired are near MRT / LRT stations.

The Singapore Government announced additional property cooling measures on 11 January 2013. The measures include raising ABSD rates, lowering LTV, tightening mortgage and HDB ownership for Permanent Residents. Seller's Stamp Duty (SSD) for industrial properties were also introduced for the first time to discourage speculative activity in the sector. This is the seventh round of cooling measures announced by the Government since 2009 and it is the most comprehensive set of measures so far. The latest round of property measures sharpens the focus on filtering speculative demand further, sparing only the first time home purchasers and genuine upgraders. The Government has highlighted that the new ABSDs and loan rules are significant, but are temporary and will be reviewed in the future.

The Group supports the Government's intent to consolidate the market, contain escalating housing prices and foster financial prudence amongst home buyers and investors, so as to achieve a sustainable property market, which will be beneficial to all stakeholders. It believes that if prices trend up in a straight-line, it may also fall in the same manner when conditions change.

To ensure that housing remains affordable, the Government has expedited the development of about 200,000 units, to increase the supply of public and private housing. However, the Group is concerned that there will likely be a time lag between physical completion and theoretical numbers on projected demand. In the event where the economy does not improve, there may be some oversupply, which will not be so easily arrested in a timely manner. This delicate balance is critical especially with a home ownership rate of 90.1% in Singapore.

The resilience of the private residential property market is currently supported substantively by the low interest rate environment, lack of alternative good investment options, abundant liquidity and seemingly genuine demand for homebuyers who look forward to Singapore's future. Notably, the sub-sale private residential market has been less active since the recent cooling measures were introduced. The Group is of the view that the buying statistics can be distilled further so that measures introduced can appropriately address different market segments.

The Group is heartened to note that the Government is pragmatic and has highlighted that its calibrated measures are intended to stabilise the prices of private and HDB properties and not to cause a collapse in the property market. It believes that the Government would react promptly to lift some of the property measures when there is a change in market conditions.

Although URA data showed that sales of new private homes in Singapore jumped by 42% month-on-month to 2,013 units in January 2013 despite the latest round of cooling measures, this may not be an accurate reflection of the months ahead. The investment sentiment in the residential luxury segment is likely to be affected for a period of time. The buying interest in mass and mid-market projects could be moderated over the next few months as the latest cooling measures would require investors to increase their upfront payments – higher stamp duties and cash outlay, as well as stricter financing requirements. However, new and innovative mass market residential projects that are located near MRT stations and shopping amenities would continue to sell but at a slower pace. The Group expects property prices in prime locations for the mass market to remain somewhat stable.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

The Group is planning to launch a number of projects over the next few months, subject to market conditions.

The first project is D'Nest, a 912-unit condominium located at Pasir Ris Grove, within walking distance to Pasir Ris MRT. This is the Group's fourth development in this exclusive estate following its successful projects nearby which includes the sold-out Livia and NV Residences as well as The Palette, which is almost sold-out. D'Nest comprises 12 blocks of 11 to 13 storey apartments, providing a wide variety of unit types, ranging from one to five-bedroom apartments and sprawling penthouses. It is also uniquely designed with three Clubhouses to encourage greater interaction amongst residents so as to promote a more inclusive society. It is also strategically located minutes' drive to Ikea, Courts and Giant Hypermarkets, Downtown East and the Pasir Ris Park.

The second project is Bartley Ridge, a 868-unit joint venture development located along Bartley Road / Mount Vernon Road. Comprising one to four-bedroom apartments and Dual Key units, this project is within a 2-minute walk to Bartley MRT station. It is also diagonally across the consortium's Bartley Residences which was launched successfully last year and is now fully sold.

The third project is located in Buangkok Drive / Sengkang Central, just 2 minutes' walk to the Buangkok MRT station and well connected to the expressways. The locale is also well served by amenities such as Compass Point and Hougang Mall. This much sought-after project will yield 616 units within 6 blocks, providing a good selection of one to five-bedroom types and penthouses. The project's facilities feature a Clubhouse, a 50-m lap pool, family and spa pools and cabanas. Designed with lifestyle cabins such as gourmet, pet-lover, adventure and gardener's cabins, this project creates a unique landscape layout for its residents.

The Group is also planning to launch its sixth EC project to date, after The Florida, Nuovo, The Esparis, Blossom Residences and The Rainforest. Located at Fernvale Link (along Sengkang West Way) and only minutes to the Layan LRT Station, this latest 372-unit EC is only 5 minutes' walk to the upcoming Seletar Mall and a short drive to Compass Point, Greenwich Mall and the Seletar Aerospace. Housed within 4 blocks of 20 to 25-storeys high, this EC will provide choice selection of three to five-bedroom apartments.

Based on anecdotal evidence, non-financial institutions such as legal, social media, pharmaceutical and energy sectors are leasing more office space in Singapore, while demand has softened especially in the financial sectors such as banks and financial services companies. Currently, the demand for larger office floor plates is lower due to the uncertainties in the global economy. Based on reports, rents at the CBD-fringe areas, such as Marina Centre, Anson Road / Tanjong Pagar and Orchard Road, are holding firm, which is in contrast to the slight decline in CBD and Marina Bay area.

Latest URA statistics indicated that office rents in the Downtown Core and Orchard planning areas fell marginally in Q4 2012. The near-term outlook for the office sector is expected to remain stable. Analysts have reported that the CBD office rents are forecast to bottom out in 2013, as global economic growth is expected to strengthen gradually in 2013.

However, sales of strata-titled offices improved recently as investors turn to them as investment assets due to limited supply and abundant liquidity.

Hotel

In 2013, M&C will focus on improving return on investment (ROI) from its existing asset portfolio through a number of strategic initiatives. It will deploy its strong balance sheet to invest in its existing asset portfolio, thereby supporting M&C's core earnings engine. Its strategy to enhance returns from select hotels through the asset management plan is on track. M&C is supporting the refurbishment process with improvements to its customer offering and a refreshed global sales and brand strategy designed to improve both revenues and return on assets.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

Hotel trading is likely to become increasingly competitive in certain cities, both as a result of global economic uncertainty and increased supply of new hotel rooms in some gateway cities where M&C operates. M&C considers that its owner/operator business model, combined with its strong balance sheet and a global spread of assets in many key travel destinations, places it in a good position to withstand the pressure which may result from such conditions, while continuing to build a foundation for future growth.

Like-for-like, M&C's overall RevPAR was down 1.1% in the first six weeks of 2013, with falls in each of its three main gateway cities: Singapore down 10.2%, London down 9.6% and New York down 1.6%. While this reflects competitive trading conditions, the period is not indicative for the year as a whole.

Group Prospects

2013 remains unpredictable on the global economic front, though there is some positive recovery, albeit slow. The Group has already established some growth platforms and will build upon them while it continually seeks for new opportunities.

Besides residential developments in Singapore, the Group will also focus on deriving more earnings from its overseas growth engines. Existing platforms include its hotel operations which is a key contributor - in particular M&C's over 100 global hotels and its hospitality REIT. For its foray into China market, it has FSCL (M&C's associate) which has established a proven track record in China and upcoming projects via its wholly-owned CDL China Limited; plus other investment properties in the region. The Group expects its revenue from its overseas investments to grow. We will study and strategise other new platforms and growth opportunities that will provide the Group with a balanced and diversified portfolio both domestically and internationally, for sustainable growth.

For property development in Singapore, the Group has already pre-sold quite a number of projects with locked in profits yet to be booked. With some of its land bank not developed yet, together with its recent successful land tenders with prime sites located near MRT / LRT stations, the Group is positive on its upcoming launches.

The Group envisages some headwind for the private residential property market, particularly in the high-end segment. Some developers will sail through better than others. The Group's land banking strategy has afforded it with a diverse portfolio that caters to different market segments. From ECs, mass, mid to high-end developments, it can extract the appropriate sites to market at the right time. Furthermore, as some of these sites are the Group's historical land bank, with new additions reasonably acquired, the Group believes it is in a better position to weather any challenges that may arise in the near-term.

The Group also has some projects overseas that are in the pipeline for development, in particular, its China projects.

Hotel operations will remain a steady income generator for the Group. This segment is the highest revenue and second highest profit contributor to the Group's earnings. The Group will hold on to its key assets for long-term investment. M&C is expected to benefit from increased ROI when its refurbishment works in its key hotels in gateway cities are completed. M&C's strong financial position will enable it to make the necessary investment to ensure that it maintains and enhances its sound competitive position within the global hospitality market. Although prices continue to remain unjustifiably high, M&C will continue to monitor acquisition opportunities in the year ahead.

The Group's rental properties are expected to remain stable, with high yields overall for its properties, given its relatively low book cost.

It expects to remain profitable over the next 12 months.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

The Company had paid the following tax-exempt (one-tier) non-cumulative preference dividends to holders of the City Developments Limited Non-redeemable Convertible Preference Shares ("Preference Shares").

Date of payment	2 July 2012	31 December 2012
Dividend Type	Cash	Cash
Dividend Amount (in cents)	1.94 cents per Preference Share [^]	1.96 cents per Preference Share [^]
Dividend rate (in %)	3.9% per annum on the issue price of each Preference Share	3.9% per annum on the issue price of each Preference Share
Dividend period	From 31 December 2011 to 29 June 2012 (both dates inclusive)	From 30 June 2012 to 30 December 2012 (both dates inclusive)
Issue price	\$1.00 per Preference Share	\$1.00 per Preference Share

[^] Preference dividend for each Preference share is calculated at the dividend rate of 3.9% per annum of the issue price of \$1.00 for each Preference Share on the basis of the actual number of days comprised in the dividend period divided by 366 days.

Subject to ordinary shareholders' approval at the Annual General Meeting to be held on 24 April 2013, the following Ordinary dividends have been proposed:

Name of Dividend	Proposed Tax-Exempt (One-tier) Final Ordinary Dividend	Proposed Tax-Exempt (One-tier) Special Final Ordinary Dividend
Dividend Type	Cash	Cash
Dividend Amount (in cents)	8.0 cents per Ordinary Share	5.0 cents per Ordinary Share

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of dividend	Tax exempt (One-tier) Special Interim Ordinary Dividend	Tax exempt (One-tier) Preference Dividend	
Date of payment	28 September 2011	30 June 2011	3 January 2012
Dividend type	Cash	Cash	Cash
Dividend amount (in cents)	5.0 cents per Ordinary Share	1.93 cents per Preference Share ^{^^}	1.97 cents per Preference Share ^{^^}
Dividend rate (in %)	N.A.	3.9% per annum on the issue price of each Preference Share	3.9% per annum on the issue price of each Preference Share
Dividend period	N.A.	From 31 December 2010 to 29 June 2011 (both dates inclusive)	From 30 June 2011 to 30 December 2011 (both dates inclusive)
Issue price	N.A.	\$1.00 per Preference Share	\$1.00 per Preference Share

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

Name of Dividend	Tax-Exempt (One-tier) Final Ordinary Dividend	Tax-Exempt (One-tier) Special Final Dividend
Date of payment	18 May 2012	18 May 2012
Dividend Type	Cash	Cash
Dividend Amount (in cents)	8.0 cents per Ordinary Share	5.0 cents per Ordinary Share

^{^^} Preference dividend for each Preference share is calculated at the dividend rate of 3.9% per annum of the issue price of \$1.00 for each Preference Share on the basis of the actual number of days comprised in the dividend period divided by 365 days.

(c) Date payable

Subject to ordinary shareholders' approval at the Annual General Meeting to be held on 24 April 2013, the proposed final and special final Ordinary dividends for financial year ended 31 December 2012 will be payable on 20 May 2013.

(d) Books Closure Date

5.00 pm on 2 May 2013.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. Interested Person Transactions

Interested Persons	Aggregate value of all interested person transactions conducted for FY 2012 under the IPT Mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Hong Leong Investment Holdings Pte. Ltd. group of companies	<p><u>Property-related</u></p> <p>(a) provision to interested persons of</p> <ul style="list-style-type: none"> (i) project management services; (ii) marketing services; (iii) property management and maintenance services; (iv) carpark operation and management services; (v) building and security services; and (vi) managing agent services <p>(b) lease of premises to and from interested persons</p> <p><u>Management and Support Services</u></p> <p>(a) provision to interested persons of accounting and administrative services</p> <p>Total:</p>
	<p>\$26,810,848.03</p> <p>\$395,153.00</p> <p>\$27,206,001.03</p>
Directors and their immediate family members	<p><u>General</u></p> <p>purchase of vehicle from interested person</p>
	<p>\$127,000.00</p>

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

14. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Segmental Analysis

	The Group			
	Fourth quarter ended		Full year ended	
	31 December		31 December	
	2012	2011	2012	2011
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Revenue</u>				
Property Development	378,481	206,861	1,414,833	1,343,744
Hotel Operations	406,224	415,203	1,535,635	1,563,486
Rental Properties	76,602	71,802	303,833	280,767
Others	25,062	27,652	99,426	92,468
	<u>886,369</u>	<u>721,518</u>	<u>3,353,727</u>	<u>3,280,465</u>
<u>Profit before income tax (*)</u>				
Property Development	194,433	143,276	468,128	536,029
Hotel Operations	83,828	73,734	250,312	282,207
Rental Properties	43,090	29,122	178,164	325,641
Others	4,112	200	63,635	(7,434)
	<u>325,463</u>	<u>246,332</u>	<u>960,239</u>	<u>1,136,443</u>

* Includes share of after-tax profit of associates and jointly-controlled entities.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

Segmental results for full year ended 31 December

	Property Development S\$'000	Hotel Operations S\$'000	Rental Properties S\$'000	Others S\$'000	Total S\$'000
FY 2012					
External revenue	1,414,833	1,535,635	303,833	99,426	3,353,727
Results					
Profit from operations	433,964	255,782	171,854	58,770	920,370
Share of after-tax profit of associates and jointly-controlled entities	32,790	17,870	28,402	1,084	80,146
Profit before income tax and net finance costs	466,754	273,652	200,256	59,854	1,000,516
Finance income	17,887	6,495	1,128	13,080	38,590
Finance costs	(16,513)	(29,835)	(23,220)	(9,299)	(78,867)
Net finance costs	1,374	(23,340)	(22,092)	3,781	(40,277)
Reportable segment profit before income tax	468,128	250,312	178,164	63,635	960,239
FY 2011					
External revenue	1,343,744	1,563,486	280,767	92,468	3,280,465
Results					
Profit from operations	530,520	284,844	309,248	2,757	1,127,369
Share of after-tax profit of associates and jointly-controlled entities	7,323	14,622	39,214	808	61,967
Profit before income tax and net finance costs	537,843	299,466	348,462	3,565	1,189,336
Finance income	15,939	7,133	2,530	2,569	28,171
Finance costs	(17,753)	(24,392)	(25,351)	(13,568)	(81,064)
Net finance costs	(1,814)	(17,259)	(22,821)	(10,999)	(52,893)
Reportable segment profit/(loss) before income tax	536,029	282,207	325,641	(7,434)	1,136,443

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

15. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Property Development

Revenue increased by \$171.6 million to \$378.5 million (Q4 2011: \$206.9 million) for Q4 2012 and by \$71.1 million to \$1,414.8 million (FY 2011: \$1,343.7 million) for FY 2012.

Pre-tax profits increased by \$51.1 million to \$194.4 million (Q4 2011: \$143.3 million) for Q4 2012 but decreased by \$67.9 million to \$468.1 million (FY 2011: \$536.0 million) for FY 2012.

Projects that contributed to both revenue and profit for 2012 include Volari, NV Residences, 368 Thomson, Cube 8, Hundred Trees, Tree House, The Glyndebourne, Buckley Classique and H₂O Residences. In accordance with the Group's policy of equity accounting for the results of its jointly-controlled entities, whilst revenue from joint venture developments such as The Gale, Hedges Park and Bartley Residences have not been consolidated into the Group's total revenue, the Group's share of profits arising from such joint venture development has been included in pre-tax profit.

The increase in revenue and pre-tax profits for Q4 2012 were mainly attributable to the maiden contribution from The Glyndebourne, Buckley Classique and H₂O Residences in 2012 as well as higher contribution from 368 Thomson, Cube 8 and Hundred Trees. Contribution from sale of the Group's proportionate interest in industrial land parcels situated at Jalan Lam Huat also boosted the revenue and pre-tax profits. This was partially offset by reduced contribution from NV Residences and absence of revenue contribution from Volari following its completion in Q3 2012.

For FY 2012, revenue increased due to maiden contribution from the aforesaid projects, sale of the industrial land parcels at Jalan Lam Huat as well as increased contribution from 368 Thomson, Cube 8, Hundred Trees and Tree House. This was partially offset by absence of revenue contribution from Volari and Cliveden at Grange as well as reduced contribution from One Shenton. Included in revenue of FY 2011 was also a gain recorded on the sale of a development land in Q3 2011 at £44.2 million (approximately \$88.9 million) in Kuala Lumpur by the Company's 55% owned subsidiary, Millennium & Copthorne Hotels plc (M&C).

Notwithstanding the increase in revenue for FY 2012, pre-tax profit decreased largely attributable to some projects completed in 2011 which had higher profit margins and higher net write-back of allowance for foreseeable losses for development projects in 2011.

Hotel Operations

Revenue had remained relatively constant at \$406.2 million (Q4 2011: \$415.2 million) for Q4 2012 and \$1,535.6 million (FY 2011: \$1,563.5 million) for FY 2012.

Despite revenue being constant, pre-tax profit increased by \$10.1 million to \$83.8 million (Q4 2011: \$73.7 million) for Q4 2012 but decreased by \$31.9 million to \$250.3 million (FY 2011: \$282.2 million).

The increase in pre-tax profit for Q4 2012 was attributable to no impairment loss being made on hotels vis-à-vis impairment losses made in Q4 2011 on hotels in United States, United Kingdom as well as a piece of land in India. This was however partially offset by the pre-operating expenses and depreciation expenses incurred by W Singapore Sentosa Cove Hotel, officially opened in Oct 2012.

The decrease in pre-tax profit for FY 2012 was due to a gain recorded in Q2 2011 of £17.4 million (approximately \$35.4 million) on the sale and leaseback of Studio M Hotel, release of £6.6 million (approximately \$13.3 million) dilapidation provision for Millennium Hotel & Resort Stuttgart whose lease expired on August 2011 as well as pre-operating expenses and higher depreciation incurred by W Singapore Sentosa Cove Hotel in 2012. The decrease was however mitigated by an absence of impairment loss on hotel this year.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

Rental Properties

Revenue increased by \$4.8 million to \$76.6 million (Q4 2011: \$71.8 million) for Q4 2012 and \$23.0 million to \$303.8 million (FY 2011: \$280.8 million) for FY 2012 primarily due to revenue generated from a retail mall in Thailand which the Group acquired in Q1 2012.

Pre-tax profit increased by \$14.0 million to \$43.1 million (Q4 2011: \$29.1 million) for Q4 2012 but decreased by \$147.4 million to \$178.2 million (FY 2011: \$325.6 million) for FY 2012.

The increase in pre-tax profit for Q4 2012, in line with the higher revenue coupled with gains recognised on the disposal of several strata units in Citimac Industrial Complex, Pantech Business Hub, GB Building and Elite Industrial Building I.

Despite the increase in revenue, pre-tax profit for FY 2012 decreased due to substantial gains recognised on the sale of The Corporate Building, The Corporate Office and a strata unit in GB Building in 2011, partially mitigated by lower impairment loss on investment properties, gains recorded on the disposal of several strata units in Citimac Industrial Complex, Pantech Business Hub, GB Building and Elite Industrial Building I and II in 2012.

Others

Revenue, comprising mainly income from building maintenance contracts, project management, club operations and dividend income, remained relatively constant at \$25.1 million (Q4 2011: \$27.7 million) for Q4 2012 but increased by \$6.9 million to \$99.4 million (FY 2011: \$92.5 million). The increase for FY 2012 was primarily due to higher management fee income, partially offset by lower dividend income received.

Pre-tax profit of \$4.1 million (Q4 2011: \$0.2 million) for Q4 2012 and \$63.6 million (FY 2011: pre-tax losses of \$7.4 million) for FY 2012 were reported for this segment. Higher pre-tax profit for Q4 2012 was largely due to net fair value gains recognised on financial assets held for trading in 2012 vis-à-vis net fair value losses recorded in the corresponding period last year. In addition to the abovementioned fair value gains, pre-tax profit for FY 2012 was primarily boosted by the gain recognised on realisation of investments in a private real estate fund.

16. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Total Annual Net Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Full Year 2012 S\$'000	Full Year 2011 S\$'000
Ordinary	72,744	72,744
Special	45,465	90,930
Preference	12,904	12,904
Total	131,113	176,578

The final tax-exempt (one-tier) ordinary dividend and special final tax-exempt (one-tier) ordinary dividend for the year ended 31 December 2012 of 8.0 cents and 5.0 cents respectively per ordinary share are subject to the approval of ordinary shareholders at the forthcoming Annual General Meeting and the dividend amounts are based on the number of issued ordinary shares as at 31 December 2012.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

17. A breakdown of sales

	2012 S\$'000	2011 S\$'000	Incr/(Decr) %
a) Revenue			
- First half	1,634,500	1,753,136	(7)
- Second half	1,719,227	1,527,329	13
	3,353,727	3,280,465	2
b) Operating profit after tax before deducting non-controlling interests			
- First half	367,862	570,803	(36)
- Second half	492,476	390,917	26
	860,338	961,720	(11)

18. Disclosure of person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(5) of the Listing Rules.

City Developments Limited ("CDL") and the following principal subsidiaries:

- City e-Solutions Limited ("CES"),
- M&C REIT Management Limited ("M&CREIT"), manager of CDL Hospitality Real Estate Investment Trust ("H-REIT")
- Millennium & Copthorne International Limited ("MCIL")
- SWAN Holdings Limited ("SWAN")
- CDL China Limited ("CDL China")

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr Kwek Leng Beng	72	Brother of Mr Kwek Leng Joo. Cousin of Mr Kwek Leng Peck.	CDL Executive Chairman of CDL with effect from 1 January 1995, with executive powers over the overall business operations and management of CDL.	N.A.
			CES Chairman and Managing Director of CES since 1989, responsible for the overall management of CES.	N.A.
Mr Kwek Leng Joo	59	Brother of Mr Kwek Leng Beng. Cousin of Mr Kwek Leng Peck.	CDL Managing Director of CDL with effect from 1 January 1995, with full responsibilities as a Chief Executive Director.	N.A.
			CES Executive Director since 1989.	N.A.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr Vincent Yeo Wee Eng	44	Nephew of Messrs Kwek Leng Beng, Kwek Leng Joo and Kwek Leng Peck.	M&CREIT Director and Chief Executive Officer of M&CREIT with effect from 17 May 2006 and 19 July 2006 respectively. He is responsible for working within the M&CREIT Board to determine overall business, investment and operational strategies for H-REIT.	N.A.
Mr Chia Fook Fie	64	Brother-in-law of Mr Kwek Leng Peck.	MCIL Director of Procurement, MCIL, overseeing the operations in central procurement office from February 2002.	N.A.
Mr Sherman Kwek Eik Tse	36	Son of Mr Kwek Leng Beng. Nephew of Messrs Kwek Leng Joo and Kwek Leng Peck.	CES Chief Executive Officer of CES with effect from 1 November 2008. SWAN President and Director of SWAN with effect from 15 April 2009. CDL China Chief Executive Officer and Director with effect from 11 August 2010 and 7 October 2010 respectively. He is responsible for the overall management of the investments and operations.	N.A. N.A. N.A.
Mr Kwek Eik Sheng	31	Son of Mr Kwek Leng Joo. Nephew of Messrs Kwek Leng Beng and Kwek Leng Peck.	CDL Head, Corporate Development from January 2011. The key mission of Corporate Development is to generate and implement strategies that will improve corporate performance, to champion change management and to lead corporate planning to further CDL's goals.	N.A.

BY ORDER OF THE BOARD

Shufen Loh @ Catherine Shufen Loh
Company Secretary
28 February 2013