CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH 2008

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.

	Note	The Group Three months ended 31 March 2008 S$'000	2007 S$'000	Incr/ (Decr) %
Revenue	(a)	758,752	769,069	(1.3)
Cost of sales		(333,203)	(410,859)	(18.9)
Gross profit		425,549	358,210	18.8
Other operating income [2]		1,620	10,898	(85.1)
Administrative expenses [3]		(130,441)	(119,272)	9.4
Other operating expenses [4]		(103,089)	(107,537)	(4.1)
Profit from operations		193,639	142,299	36.1
Finance income [5]		8,290	20,608	(59.8)
Finance costs [6]		(29,965)	(30,175)	(0.7)
Net finance costs		(21,675)	(9,567)	126.6
Share of after-tax profit of associates [7]		3,236	2,785	16.2
Share of after-tax profit of jointly-controlled entities [8]		57,250	42,659	34.2
Profit before income tax [1]		232,450	178,176	30.5
Income tax expense [9]		(42,349)	(26,167)	61.8
Profit for the period		190,101	152,009	25.1
Attributable to:				
Equity holders of the Company		**164,969**	**126,083**	30.8
Minority interests		25,132	25,926	(3.1)
Profit for the period		190,101	152,009	25.1
Earnings per share				
- basic		18.1 cents	13.9 cents	30.2
- diluted		17.3 cents	13.2 cents	31.1

Note:

(a): This excludes the Group's share of revenue in jointly-controlled entities in Q1 2008 of approximately $198 million (Q1 2007: $126 million) which in accordance with the Group's policy of equity accounting for the results of its jointly-controlled entities, only the Group's share of after-tax profit from these joint ventures is included in the pre-tax profit of the Group.

Notes to the Group's Income Statement:

(1) Profit before income tax includes the following:

	The Group Three months ended 31 March	
	2008	**2007**
	S$'000	**S$'000**
Interest income	8,180	10,954
Profit on sale of investments, property, plant and equipment (net)	18	1,267
Investment income	853	1,221
Depreciation and amortisation	(33,131)	(34,477)
Interest expenses	(25,521)	(29,191)
Net exchange gain/(loss)	4,259	(200)
Mark-to-market (loss)/gain on financial assets held for trading (net)	(4,266)	9,654

(2) Other operating income comprises mainly profit on sale of property, plant and equipment, management fee and miscellaneous income. This decreased by $9.3 million to $1.6 million (Q1 2007: $10.9 million) on account that Q1 2007 included profit from partial sale of stapled securities held in CDL Hospitality Trusts and release of £1.0 million (approximately S$3.0 million) property tax provision set aside by its subsidiary, Millennium & Copthorne Hotels plc (M&C) on the acquisition of Regal hotels located in United States in 1999 following protracted negotiations which was settled in M&C's favor. In addition, lower management fee income earned in Q1 2008 has also attributed to the decline.

(3) Administrative expenses, comprise mainly depreciation, hotel administrative expenses, operating lease expenses and salaries and related expenses, increased by 9.3% to $130.4 million (Q1 2007: $119.3 million) primarily due to higher salaries and related expenses and rental expenses incurred for the leasing of hotels from CDL Hospitality Trusts.

(4) Other operating expenses comprise mainly property taxes and insurance on hotels, hotel other operating expenses, net exchange differences and professional fees.

(5) Finance income comprises mainly interest income and mark-to-market gain on equities held for trading. This has decreased by $12.3 million to $8.3 million (Q1 2007: $20.6 million) on account of decline in unrealised gains arising from equities held for trading as a result of the sub-prime crisis affecting stock market negatively and lower interest income from fixed deposits recognised in 2008.

(6) Finance costs comprise primarily interest on borrowings, mark-to-market loss on equities held for trading and amortisation of capitalised transaction costs on borrowings.

(7) Share of after-tax profit of associates relates primarily to the Group's share of results of CDL Hospitality Trusts.

(8) Share of after-tax profit of jointly-controlled entities increased by $14.6 million to $57.3 million (Q1 2007: $42.7 million) primarily due to profit recognised for Ferraria Park and The Oceanfront @ Sentosa Cove as well as higher profit contribution from St. Regis Residences and The Sail @ Marina Bay.

(9) Income tax expense for the period 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, and after adjustment for write-back of overprovision of taxation in prior periods of $1.9 million (Q1 2007: $3.9 million).

The overall effective tax rate of the Group is 18.2% (Q1 2007: 14.7%). Excluding the overprovision in respect of prior periods, the effective tax rate for the Group will be 19.0% (Q1 2007: 16.9%).

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1(b)(i) A balance sheet (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 31.03.2008 S$'000	As at 31.12.2007 S$'000	As at 31.03.2008 S$'000	As at 31.12.2007 S$'000
Non-current assets					
Property, plant and equipment		4,154,268	4,038,315	112,554	104,202
Investment properties		2,468,445	2,468,253	280,707	281,942
Investments in subsidiaries		-	-	2,258,734	2,258,755
Investments in associates		286,775	277,615	-	-
Investments in jointly-controlled entities		606,350	553,213	34,159	34,159
Investments in financial assets		177,100	183,880	39,490	39,307
Other non-current assets		35,475	248,324	130,410	127,897
		7,728,413	**7,769,600**	**2,856,054**	**2,846,262**
Current assets					
Development properties		2,741,472	2,578,015	1,537,623	1,428,690
Consumable stocks		13,952	14,877	-	-
Financial assets		60,190	67,509	-	-
Trade and other receivables		1,110,510	1,076,947	2,308,207	2,278,295
Cash and cash equivalents		657,539	711,602	47,604	103,027
		4,583,663	**4,448,950**	**3,893,434**	**3,810,012**
Total assets		**12,312,076**	**12,218,550**	**6,749,488**	**6,656,274**
Equity attributable to equity holders of the Company					
Share capital		1,991,397	1,991,397	1,991,397	1,991,397
Reserves		3,316,287	3,207,387	2,389,180	2,343,449
		5,307,684	5,198,784	4,380,577	4,334,846
Minority interests		1,696,588	1,717,613	-	-
Total equity		**7,004,272**	**6,916,397**	**4,380,577**	**4,334,846**
Non-current liabilities					
Interest-bearing borrowings	(1)	3,137,919	3,235,377	1,628,486	1,618,809
Employee benefits		36,190	36,999	-	-
Other liabilities		73,877	74,739	23,509	21,336
Provisions		3,080	3,464	-	-
Deferred tax liabilities		434,387	426,812	56,647	45,999
		3,685,453	**3,777,391**	**1,708,642**	**1,686,144**
Current liabilities					
Trade and other payables		579,672	585,002	264,847	249,932
Interest-bearing borrowings	(1)	898,166	796,290	364,372	351,647
Employee benefits		15,940	15,718	1,669	1,625
Other liabilities		2,022	2,236	-	-
Provision for taxation		117,301	115,894	29,381	32,080
Provisions		9,250	9,622	-	-
		1,622,351	**1,524,762**	**660,269**	**635,284**
Total liabilities		**5,307,804**	**5,302,153**	**2,368,911**	**2,321,428**
Total equity and liabilities		**12,312,076**	**12,218,550**	**6,749,488**	**6,656,274**

Note:

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

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. It excludes deferred real estate taxes payable, retention sums payable, other payables and deposits received. Unamortised balance of transaction costs have not been deducted from the gross borrowings.

		As at 31/3/2008 S$'000	As at 31/12/2007 S$'000
Unsecured			
-repayable within one year		796,535	794,986
-repayable after one year		2,280,311	2,362,822
	(a)	3,076,846	3,157,808
Secured			
-repayable within one year		102,253	2,206
-repayable after one year		864,827	879,484
	(b)	967,080	881,690
Gross borrowings	(a)+(b)	4,043,926	4,039,498
Less: cash and cash equivalents		(657,539)	(711,602)
Net borrowings		3,386,387	3,327,896

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.

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

	Three months ended 31 March	
	2008	**2007**
	S$'000	**S$'000**
Operating Activities		
Profit before income tax	232,450	178,176
Adjustments for:		
Depreciation and amortisation	33,131	34,477
Dividend income	(853)	(1,221)
Finance income	(8,290)	(20,608)
Finance costs	29,965	30,175
Gain on disposal of investment in an associate	-	(1,254)
Profit on sale of property, plant and equipment	(18)	(13)
Property, plant and equipment written off	120	-
Share of after-tax profit of associates	(3,236)	(2,785)
Share of after-tax profit of jointly-controlled entities	(57,250)	(42,659)
Units in an associate receivable in lieu of fee income	(2,266)	-
Value of employee services received for issue of share options	683	558
Operating profit before working capital changes	224,436	174,846
Changes in working capital		
Development properties	(154,040)	(240,594)
Stocks, trade and other receivables	(11,993)	16,310
Trade and other payables	(15,678)	21,216
Employee benefits	(683)	(1,020)
Cash generated from operations	42,042	(29,242)
Income tax paid	(13,563)	(6,144)
Cash flows from operating activities carried forward	**28,479**	**(35,386)**

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	Three months ended 31 March 2008 S$'000	Three months ended 31 March 2007 S$'000
Cash flows from operating activities brought forward	**28,479**	**(35,386)**
Investing Activities		
Capital expenditure on investment properties	(1,488)	(1,375)
Dividends received		
- an associate	14,645	7,947
- financial investments	851	52
- jointly-controlled entities	-	76
Interest received	8,010	12,513
Proceeds from sale of property, plant and equipment	50	123
(Purchase)/disposal of interest in associates	(21,191)	2,663
Purchase of financial assets	(51)	(24,948)
Payments for purchase of property, plant and equipment	(70,036)	(78,475)
Cash flows from investing activities	(69,210)	(81,424)
Financing Activities		
Advances to related parties	(13,642)	(3,258)
Capital contribution from minority shareholders (net)	-	3,832
Dividends paid	-	(11,561)
Interest paid (including amounts capitalised as property, plant and equipment and development properties)	(25,901)	(32,305)
Net (repayment)/proceeds from revolving credit facilities and short-term bank borrowings	(168,581)	257,620
Payment of financing transaction costs	(240)	(856)
Proceeds from bank borrowings	150,936	207,743
Proceeds from issuance of bonds and notes	110,000	120,990
Repayment of other long-term liabilities	(1,606)	(902)
Repayment of bank borrowings	(4,047)	(125,968)
Repayment of bonds and notes	(50,000)	(290,528)
Repayment to finance leases	(18)	(3,087)
Cash flows from financing activities	(3,099)	121,720
Net (decrease)/increase in cash and cash equivalents carried forward	**(43,830)**	**4,910**

	Three months ended 31 March	
	2008	**2007**
	S$'000	**S$'000**
Net (decrease)/increase in cash and cash equivalents brought forward	**(43,830)**	**4,910**
Cash and cash equivalents at beginning of the period	710,566	774,605
Effect of exchange rate changes on balances held in foreign currencies	(10,061)	(3,305)
Cash and cash equivalents at end of the period	**656,675**	**776,210**
Cash and cash equivalents comprise:-		
Cash and cash equivalents as shown in the Balance Sheet	657,539	778,774
Less: Bank overdrafts	(864)	(2,564)
	656,675	**776,210**

1(d)(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	Share Capital S$m	Cap. Res. S$m	Other Res.* S$m	Exch. Fluct. Res. S$m	Accum. Profits S$m	Total S$m	Minority Interests S$m	Total Equity S$m
	<--------Attributable to equity holders of the Company-------->							
At 1 January 2007	1,991.4	147.2	28.0	81.7	2,486.2	4,734.5	1,645.6	6,380.1
Translation differences on consolidation of foreign subsidiaries	-	-	-	(9.4)	-	(9.4)	(2.9)	(12.3)
Exchange differences on hedge of net investments in foreign entities	-	-	-	(0.2)	-	(0.2)	(0.1)	(0.3)
Exchange differences on monetary items forming part of net investments in foreign entiites	-	-	-	(1.9)	-	(1.9)	(1.7)	(3.6)
Change in fair value of equity investments available for sale	-	-	4.0	-	-	4.0	-	4.0
Share of other reserve movement of an associate	-	-	(0.1)	-	-	(0.1)	(0.1)	(0.2)
Actuarial losses on defined benefit plans	-	-	-	-	(1.0)	(1.0)	(0.9)	(1.9)
Net gains/(losses) recognised directly in equity	-	-	3.9	(11.5)	(1.0)	(8.6)	(5.7)	(14.3)
Profit for the period	-	-	-	-	126.1	126.1	25.9	152.0
Total recognised income and expenses for the period	-	-	3.9	(11.5)	125.1	117.5	20.2	137.7
Change of interest in subsidiaries	-	-	-	-	-	-	3.8	3.8
Value of employee services received for issue of share options	-	-	0.3	-	-	0.3	0.3	0.6
Dividends	-	-	-	-	-	-	(5.1)	(5.1)
At 31 March 2007	1,991.4	147.2	32.2	70.2	2,611.3	4,852.3	1,664.8	6,517.1
At 1 January 2008	1,991.4	147.2	31.6	36.1	2,992.5	5,198.8	1,717.6	6,916.4
Translation differences on consolidation of foreign subsidiaries	-	-	-	(38.3)	-	(38.3)	(41.2)	(79.5)
Exchange differences on monetary items forming part of net investments in foreign entiites	-	-	-	(15.0)	-	(15.0)	(5.0)	(20.0)
Change in fair value of equity investments available for sale	-	-	(2.8)	-	-	(2.8)	-	(2.8)
Share of other reserve movement of an associate	-	-	(0.3)	-	-	(0.3)	(0.3)	(0.6)
Net losses recognised directly in equity	-	-	(3.1)	(53.3)	-	(56.4)	(46.5)	(102.9)
Profit for the period	-	-	-	-	165.0	165.0	25.1	190.1
Total recognised income and expenses for the period	-	-	(3.1)	(53.3)	165.0	108.6	(21.4)	87.2
Value of employee services received for issue of share options	-	-	0.3	-	-	0.3	0.4	0.7
At 31 March 2008	1,991.4	147.2	28.8	(17.2)	3,157.5	5,307.7	1,696.6	7,004.3

* *Other reserves comprise mainly Fair Value Reserve arising from available-for-sale investments.*

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The Company	Share Capital S$m	Capital Reserve S$m	Fair Value Reserve S$m	Accumulated Profits S$m	Total S$m
At 1 January 2007	1,991.4	63.7	19.2	1,832.1	3,906.4
Change in fair value of equity investments available for sale	-	-	2.2	-	2.2
Net gain recognised directly in equity	-	-	2.2	-	2.2
Profit for the period	-	-	-	41.9	41.9
Total recognised income and expenses for the period	-	-	2.2	41.9	44.1
At 31 March 2007	1,991.4	63.7	21.4	1,874.0	3,950.5
At 1 January 2008	1,991.4	63.7	19.5	2,260.2	4,334.8
Change in fair value of equity investments available for sale	-	-	0.1	-	0.1
Net gain recognised directly in equity	-	-	0.1	-	0.1
Profit for the period	-	-	-	45.6	45.6
Total recognised income and expenses for the period	-	-	0.1	45.6	45.7
At 31 March 2008	1,991.4	63.7	19.6	2,305.8	4,380.5

1(d)(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 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 period ended 31 March 2008.

Preference share capital

There was no change in the Company's issued preference share capital during the period ended 31 March 2008.

As at 31 March 2008, the maximum number of ordinary shares that may be issued upon full conversion of all of 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 March 2007: 44,998,898 ordinary shares).

1(d)(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 March 2008 and 31 December 2007.

The total number of issued ordinary shares (excluding treasury shares) as at 31 March 2008 and 31 December 2007 is 909,301,330.

The total number of issued Preference Shares as at 31 March 2008 and 31 December 2007 is 330,874,257.

1(d)(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 period ended 31 March 2008.

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.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the Group's most recently audited financial statements for the year ended 31 December 2007.

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.

There was no change in the accounting policies and methods of computation.

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.

	Three months ended 31 March	
	2008	**2007**
Basic Earnings per share (cents)	18.1	13.9
Diluted Earnings per share (cents)	17.3	13.2
Earnings per share is calculated based on:		
a) Profit attributable to equity holders of the parent (S$'000) (*)	164,969	126,083
b) Weighted average number of ordinary shares in issue:		
- basic	909,301,330	909,301,330
- diluted (**)	954,300,228	954,300,228

** After deducting any preference dividends declared for the period.*

*** 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	
	31/3/2008 S$	31/12/2007 S$	31/3/2008 S$	31/12/2007 S$
Net Asset Value per ordinary share based on the number of issued 909,301,330 ordinary shares (excluding treasury shares) as at 31 March 2008 (909,301,330 ordinary shares (excluding treasury shares) as at 31 December 2007).	5.84	5.72	4.82	4.77

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 first quarter of the year, the Group registered an increase of 30.8% in its profit after tax and minority interests to $165.0 million (Q1 2007: $126.1 million).

Basic earnings per share rose to 18.1 cents (Q1 2007: 13.9 cents), an increase of 30.2%.

Although the revenue for the first quarter of the year reflected a small decrease versus the same corresponding period in 2007, the Group's share of revenue in the jointly-controlled entities (JCE) is not included according to the Group's policy of equity accounting for its JCE. If the Group's share of revenue in JCE was to be included, the revenue for Q1 2008 would show an increase of 6.9% to $956.8 million (Q1 2007: $895.1 million).

The strong performance of the Group is primarily attributable to the property development segment. This segment continued to be the major contributor of the Group's profit after tax as its profits are recognised in stages, based on the construction progress of the developments. The other two core segments – hotel and rental properties have also shown an increase as compared to the same corresponding period last year.

The Group's net profits do not include valuation differences arising from investment properties as the Group has continued to adopt the conservative policy of stating them at cost less accumulated depreciation and impairment losses allowed under Financial Reporting Standard 40. All of the Group's profits are core earnings.

Property

Though the economy grew by a credible 7.2% in Q1 2008, the underlying sentiments have been affected by the on-going sub-prime woes especially in the US and the credit-crunch which has affected some countries. GDP growth forecast for the full year has been adjusted downwards to 4-6% from the earlier more optimistic forecast of 4.5-6.5%.

Based on the statistics released by Urban Redevelopment Authority (URA), residential property price index continued to rise but at a more moderate rate of 3.7% in Q1. However, volume of transactions in Q1 has dropped by 47% to 762 units compared to 1,449 units sold in Q4 2007.

Residential rental increase has also moderated. It rose by 6% compared to 6.8% in Q4 2007.

Due to the continued poor sentiments, the Group has deferred the launch of new projects in Q1.

For the period under review, profits were recognised from City Square Residences, One Shenton, Tribeca and The Solitaire. Profits were also recognised from joint-venture projects such as The Sail @ Marina Bay, St. Regis Residences, The Oceanfront @ Sentosa Cove, Parc Emily, The Botannia and Ferraria Park.

However, no profit recognition has been made yet for Cliveden at Grange and Wilkie Studio as these projects are still in the initial stage of construction.

On the leasing front, the office market continued to perform well. However, rental increase has moderated to 7.8% compared to 10.9% in Q4 2007. Capital values of offices increased moderately by 1.1% in Q1 2008 compared to 8% increase in Q4 2007. The Group's office portfolio continued to perform well with occupancy rate exceeding 95%.

In the quarter under review, the Group, together with its joint-venture partners, soft-opened the St. Regis Singapore. This hotel is part of the Group's mixed development with the adjoining St. Regis Residences. The hotel was officially opened with much fanfare on 20 April 2008. This is the first international hotel to open in over a decade and is the flagship of the St. Regis brand in South East Asia. This six-star hotel, with its 299 exquisitely-decorated guestrooms and suites, has been immaculately designed with modern opulence. The St. Regis experience, with attentive butlers on every floor, will cater to the needs of the affluent, well-heeled travellers.

Hotel

The overall first quarter results for Millennium & Copthorne Hotels plc (M&C), in which the Group has a 53% interest, had improved, despite the timing of Easter falling in March this year, as compared to April in 2007, where traditionally, this holiday period results in a slow-down of business, particularly in the UK. This is further compounded by the two major renovation projects at the Millennium Bostonian Hotel in Boston and Millennium Knickerbocker Hotel in Chicago, which has reduced substantially the available room inventory. If not for these factors, M&C would have performed even better.

Despite these challenges, M&C's RevPAR increased by 7.4% based on constant currency terms, propelled by the strong market conditions in Singapore and New York. In Singapore, the buoyancy of the hospitality market resulted in a 36.7% increase in RevPAR to £69.49 (Q1 2007: £50.84) driven by a 38.3% increase in average rate to £82.63 (Q1 2007: £59.74).

M&C has a 39% interest in the Singapore-listed REIT, CDL Hospitality Trusts (CDLHT) and also acts as manager of the REIT. Both its REIT management fee and share of profits increased year-on-year by a combined 42.1% (before last year's £0.4 million gain on disposal of stapled securities).

M&C's net profit after tax and minority interests in Q1 2008 increased by a credible 16% to £14.1 million (S$39.6 million) as compared to £12.2 million (S$36.6 million) in Q1 2007.

M&C continued with its expansion into Asia. In China, the former 352-room Crown Plaza Harbourview Hotel Xiamen was re-branded Millennium Harbourview Hotel Xiamen in January 2008 under a franchise contract, followed by the soft opening of the 521-room Grand Millennium Beijing.

In May 2008, the 453-room Copthorne Hotel Qingdao (formerly Hotel Equatorial Qingdao) will open under a franchise contract and another hotel this week was re-branded Copthorne Hotel Zhuhai in China. A further two hotels under management contracts are slated to open in China later this year in Chengdu and Wuxi.

In the Middle East, three hotels under management contracts opened, namely; the 352-room Grand Millennium Dubai, 163-room Copthorne Hotel Dubai and the Copthorne Al Jahrah Kuwait.

Eight more management contracts – seven in United Arab Emirates (UAE) and one in Kuwait, accounting for almost 2,300 additional rooms have also been signed. These hotels are due to open between 2009 and 2011. With these, the total number of rooms in the pipeline under management contracts to be added into M&C's portfolio amounts to 5,517 across 19 hotels globally.

In April, M&C appointed hotel veteran Richard Hartman as its Group Chief Executive Officer. He has extensive hospitality experience in Europe, North America, Middle East, Asia, Australia, New Zealand and Africa.

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 period under review is in line with its expectations as disclosed in the announcement of results for year ended 31 December 2007.

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

With the sub-prime problems still looming and with tightening of credit by some financial institutions, activities and sentiments in the property market is expected to remain subdued. While there are currently less forthcoming individual property buyers, the Group notes that foreign funds from Europe, US, Korea and China are migrating their focus to Asia and Singapore is one of the key markets that they are keenly looking at.

The Group is optimistic that Singapore is in a better position to weather out the economic turbulence this time round as compared to the previous Asian financial crisis. The Government has steadily put in place growth strategies in manufacturing, transport engineering and bio-medical, including new growth areas such as clean energy and environmental technology. It has also restructured the economy and laid the foundations for a new global city. It continues to proceed with the hardware infrastructure such as upgrading of airports, transportation systems, high-speed infocomm and high-tech products and services. The Government has also recently given its assurance that it is prepared to address the economic impact with several options, including fiscal policy measures, if the economic climate worsens significantly.

The Group has lined up four projects for launch once the sentiments improve and when pent-up demand can be expected. These are Shelford Suites, The Arte @ Thomson, Pasir Ris Phase 1 and The Quayside @ Sentosa.

Office leasing is expected to remain strong with upward adjustment of existing rentals to higher level when the existing leases are up for renewal. The Group is expediting the construction of two commercial properties to cater to the growing demand for office location, outside of the Central Business District. The new 3-storey Tampines Concourse, with a total lettable area of 105,000 square feet, and the two 8-storey office towers, 9 Tampines Grande comprising a total of 300,000 square feet are expected to be completed by March 2009 and June 2009 respectively. Conveniently located within a well-established estate, equipped with excellent transportation facilities such as the close-by Tampines bus interchange, Tampines MRT and linked with major expressways, the leasing interest generated for these sites is encouraging.

Leasing of the 700,000 square feet City Square Mall is progressing well with a number of anchor tenants comprising a major supermarket chain and a major departmental store already in place. The mall is scheduled to be opened in the middle of 2009.

Hotel

With the slowdown of the US economy and the current credit-crunch, the common view is that this will impact the hotel industry. However, in our opinion it is too early at this stage to assess the extent. We take confidence that our hotels are well spread-out geographically, cater to a wide spectrum of business and leisure travellers and importantly, our revenue stream is not overly dependent on a specific country.

Nevertheless, even amidst the current uncertain environment, there will be favourable opportunities for companies like M&C, which has a strong balance sheet, low gearing and cash generation capabilities. M&C is therefore well positioned to take advantage of expansion opportunities and it has sufficient operational flexibility to react to the changing market conditions if needed.

M&C expects to make further progress and its outlook for the year as a whole remains positive, in line with its expectations.

Group Prospects

The Group currently views the uncertainty of the global economy as only a temporary environment. The time frame of how long the uncertainty and credit squeeze will pan out has yet to be determined. However, amidst these challenges, the Group is fortunate to be in an advantage position with a strong balance sheet and low gearing, which will enable it to make appropriate investments where opportunities arise.

The Group is optimistic that given Singapore’s forward looking initiatives from the government, growth engines, upcoming developments and mega events, this city has yet to fully develop into its potential. In fact, it is merely at the threshold of transformation. The Government’s indication of kicking-in contingency plans should there be a prolonged economic downturn, is assuring. Developers have also been prudent in pacing their launches in light of current market conditions.

Singapore’s nimbleness in responding to economic changes will provide the city with the resilience to cope. The Group believes that given these positive factors, Singapore continues to remain very attractive in the global arena, which augurs well for the property and hospitality market.

The Group has seen many of such economic challenges having operated for over 40 years. This is not new to us. Our track record has demonstrated profitability over many years, reflecting our success in weathering out these trials because we have remained flexible in our business approach. We are committed to do everything possible within our means to face any problems which may arise. Importantly, we continue to be creative and innovative in our business strategies.

With profits yet to be recognised from residential developments sold over the last three years which are still in the course of construction, the Group is confident of remaining profitable during the next 12 months, even if it decides to continue to hold back or pace its property launches.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

On 14 May 2008, the Board of Directors, pursuant to the recommendation of the Audit Committee, declared the payment of a tax-exempt (one-tier) non-cumulative preference dividend to holders of City Developments Limited Preference Shares in accordance with the terms of issue of the Preference Shares. The 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 182 days, being the actual number of days comprised in the dividend period from 31 December 2007 to 29 June 2008, divided by 366 days.

Name of Dividend	Tax exempt (One-tier) Preference Dividend
Date of payment	30 June 2008
Dividend Type	Cash
Dividend Amount per Preference Share (in cents)	1.94 cents
Dividend rate (in %)	3.9% per annum on the issue price of each Preference Share
Dividend period	From 31 December 2007 to 29 June 2008 (both dates inclusive)
Issue price of Preference Shares	$1.00 per Preference 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	Preference Dividend
Date of payment	2 July 2007
Dividend Type	Cash
Dividend Amount per Preference Share (in cents)	1.93 cents (net)
Dividend rate (in %)	3.9% (net) per annum on the issue price of each Preference Share
Dividend period	From 31 December 2006 to 29 June 2007 (both dates inclusive)
Issue price of Preference Shares	$1.00 per Preference Share

(c) Date payable

The tax exempt (one-tier) preference dividend for the period from 31 December 2007 to 29 June 2008 (both dates inclusive) will be paid on 30 June 2008.

(d) **Books Closure Date for Non-redeemable Convertible Non-cumulative Preference Shares (the "Preference Shares")**

NOTICE IS HEREBY GIVEN that the Preference Share Transfer Books and Register of Preference Shareholders of the Company will be closed on 13 June 2008. Duly completed registrable transfers received by the Company's Registrar, M & C Services Private Limited of 138 Robinson Road #17-00, The Corporate Office, Singapore 068906, up to 5.00 p.m. on 12 June 2008 will be registered to determine Preference Shareholders' entitlement to the tax-exempt (one-tier) preference dividend (the "Preference Dividend") of 3.9% per annum of the issue price of $1.00 for each Preference Share for the dividend period from 31 December 2007 to 29 June 2008 (both dates inclusive). In respect of Preference Shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the Preference Dividend will be paid by the Company to CDP who will distribute the Preference Dividend to the holders of the securities accounts.

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

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. 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.

By Business Segments

	The Group			
	Revenue		Profit before income tax (*)	
	Three months ended		Three months ended	
	2008	2007	2008	2007
	S$'000	S$'000	S$'000	S$'000
Property Development	234,084	258,475	155,062	103,985
Hotel Operations	455,615	450,419	52,120	41,867
Rental Properties	57,154	46,630	25,141	12,882
Others	11,899	13,545	127	19,442
	758,752	769,069	232,450	178,176

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

14. 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 decreased by $24.4 million to $234.1 million (Q1 2007: $258.5 million) while the pre-tax profit has surged by $51.1 million to $155.1 million (Q1 2007: $104.0 million).

Projects that contributed to both revenue and profit in Q1 2008 include City Square Residences, The Botannia, One Shenton, The Solitaire and Tribeca.

In accordance with the Group's policy of equity accounting for the results of its jointly-controlled entities, whilst revenue from The Sail @ Marina Bay, Parc Emily, Ferraria Park, The Oceanfront @ Sentosa Cove, St. Regis Residences, Cuscaden Residences and Edelweiss Park has not been consolidated into the Group's total revenue, the Group's share of profits arising from these joint venture developments has been included in pre-tax profit. Should the share of revenue of these joint venture developments be included as part of the Group's total revenue, the Group's revenue from property development segment for Q1 2008 would be $396.2 million (adjusted Q1 2007: $382.7 million), an increase of 3.5%.

The decrease in revenue is mainly attributable to the fact that projects such as Residences @ Evelyn, The Imperial, Savannah CondoPark, Butterworth Lane, The Pier at Robertson and Monterey Park, which had contributed to 2007, were fully sold by end of 2007. This is partially mitigated by revenue recognised for One Shenton, The Solitaire, The Botannia and higher contribution from City Square Residences.

Despite the decline in revenue, pre-tax profit continue to improve due to higher profit margin achieved for projects launched in recent years as well as profit recognised for The Oceanfront @ Sentosa Cove and Ferraria Park and higher contributions from The Sail @ Marina Bay and St. Regis Residences.

Hotel Operations

Revenue increased by $5.2 million to $455.6 million and pre-tax profit increased by $10.2 million to $52.1 million. The increase in both revenue and pre-tax profit resulted from the improvement in the Group's RevPAR achieved, backed by the continued encouraging market conditions in New York and Singapore.

Rental Properties

Revenue improved by 22.7% from $46.6 million to $57.2 million as a result of general improvement in occupancy and rental rates.

Pre-tax profit had accelerated by 94.5% to $25.1 million primarily due to improved rental income, the recovery of some property taxes from tenants and increased contribution from CDL Hospitality Trusts.

Others

Revenue, comprising mainly building maintenance contracts, project management, club operations and dividend income, has remained relatively constant at $11.9 million (Q1 2007: $13.5 million).

Pre-tax profit had fallen by $19.3 million to $0.1 million (Q1 2007: $19.4 million) on account of higher mark-to-market loss on equities held for trading recognised in 2008 as opposed to gains accounted in the corresponding period in view of the current sub-prime mortgage market that has negatively impacted the stock markets globally.

15. 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 2007 S$'000	Full Year 2006 S$'000
Ordinary	68,198	55,922
Special	188,226	129,121
Preference	12,904	12,904
Total	**269,328**	**197,947**

The final tax exempt (one-tier) ordinary dividend and special final tax exempt (one-tier) ordinary dividend for the year ended 31 December 2007 of 7.5 cents and 12.5 cents respectively per ordinary share have been approved by the ordinary shareholders at the Annual General Meeting held on 24 April 2008 and the dividend amounts are based on the number of issued ordinary shares as at 8 May 2008.

16. Interested Person Transactions

Interested Persons	Aggregate value of all interested person transactions conducted for the quarter ended 31 March 2008 under the IPT Mandate pursuant to Rule 920 (excluding transactions less than $100,000)	
Hong Leong Investment Holdings Pte. Ltd. group of companies	Property-related: *(leases and carpark operation and management services)*	$475,411.29
	Total	**$475,411.29**
Directors and their immediate family members		Nil

BY ORDER OF THE BOARD

Shufen Loh @ Catherine Shufen Loh
Company Secretary
14 May 2008

CONFIRMATION BY THE BOARD

The Directors of the Company hereby confirm, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the Group's unaudited financial results for the 3-month period ended 31 March 2008 to be false or misleading in any material respect.

On behalf of the Board of Directors

Kwek Leng Beng
Executive Chairman

Kwek Leng Joo
Managing Director

Singapore, 14 May 2008