


**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
Date & Time of Broadcast	29-Feb-2012 07:21:20
Announcement No.	00017

**>> Announcement Details**

The details of the announcement start here ...

For the Financial Period Ended *	31-12-2011
Description	

**Attachments**

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# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

## UNAUDITED FULL YEAR FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

### 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			The Group		
	Fourth Quarter Ended		Incr/ (Decr)	Full Year Ended		Incr/ (Decr)
	2011	2010 (Restated) *		2011	2010 (Restated) *	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	721,518	671,584	7.4	3,280,465	3,103,416	5.7
Cost of sales	(263,421)	(294,157)	(10.4)	(1,507,486)	(1,450,687)	3.9
<b>Gross profit</b>	<b>458,097</b>	<b>377,427</b>	<b>21.4</b>	<b>1,772,979</b>	<b>1,652,729</b>	<b>7.3</b>
Other operating income <sup>(2)</sup>	9,778	218,476	(95.5)	253,985	291,314	(12.8)
Administrative expenses <sup>(3)</sup>	(115,971)	(125,390)	(7.5)	(490,213)	(484,035)	1.3
Other operating expenses <sup>(4)</sup>	(120,932)	(194,049)	(37.7)	(409,382)	(469,865)	(12.9)
<b>Profit from operations</b>	<b>230,972</b>	<b>276,464</b>	<b>(16.5)</b>	<b>1,127,369</b>	<b>990,143</b>	<b>13.9</b>
Finance income <sup>(5)</sup>	8,102	5,602	44.6	28,171	35,640	(21.0)
Finance costs <sup>(6)</sup>	(18,680)	(19,408)	(3.8)	(81,064)	(68,708)	18.0
<b>Net finance costs</b>	<b>(10,578)</b>	<b>(13,806)</b>	<b>(23.4)</b>	<b>(52,893)</b>	<b>(33,068)</b>	<b>60.0</b>
Share of after-tax profit of associates <sup>(7)</sup>	14,582	10,760	35.5	31,723	17,112	85.4
Share of after-tax profit of jointly-controlled entities <sup>(8)</sup>	11,356	36,853	(69.2)	30,244	93,312	(67.6)
<b>Profit before income tax <sup>(1)</sup></b>	<b>246,332</b>	<b>310,271</b>	<b>(20.6)</b>	<b>1,136,443</b>	<b>1,067,499</b>	<b>6.5</b>
Income tax expense <sup>(9)</sup>	(43,587)	(53,188)	(18.1)	(174,723)	(202,111)	(13.6)
<b>Profit for the period/year</b>	<b>202,745</b>	<b>257,083</b>	<b>(21.1)</b>	<b>961,720</b>	<b>865,388</b>	<b>11.1</b>
<b>Attributable to:</b>						
<b>Owners of the Company</b>	<b>163,222</b>	<b>240,965</b>	<b>(32.3)</b>	<b>798,555</b>	<b>783,988</b>	<b>1.9</b>
Non-controlling interests	39,523	16,118	145.2	163,165	81,400	100.4
<b>Profit for the period/year</b>	<b>202,745</b>	<b>257,083</b>	<b>(21.1)</b>	<b>961,720</b>	<b>865,388</b>	<b>11.1</b>
<b>Earnings per share</b>						
- basic	17.2 cents	25.8 cents	(33.3)	86.4 cents	84.8 cents	1.9
- diluted	17.1 cents	25.3 cents	(32.4)	83.7 cents	82.2 cents	1.8

\* The 2010 comparative figures have been restated to take into account the retrospective adjustments arising from the adoption of INT FRS 115 – *Agreements for the Construction of Real Estate* as detailed in item 5 of this announcement.

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## Notes to the Group's Income Statement:

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

	The Group Fourth Quarter Ended 31 December		The Group Full Year Ended 31 December	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Interest income	8,455	5,757	28,026	27,395
Profit on sale of investments, investment properties and property, plant and equipment (net)	77	197,021	230,722	241,045
Gain on dilution of investment in an associate	-	-	418	25,470
Write-back of allowance/(allowance) for foreseeable losses on development properties (net)	41,644	(282)	41,644	(282)
Net gain/(loss) on disposal, dilution and liquidation of jointly-controlled entities	382	(1,200)	5,901	(678)
Net loss on disposal and dilution of subsidiaries	(431)	-	(2,761)	-
Investment income	1,441	569	10,037	14,060
Gain arising in respect of step up acquisition of a jointly-controlled entity	-	17,662	-	17,662
Goodwill written off in respect of additional interest acquired in a jointly-controlled entity to become a subsidiary	-	(17,042)	-	(17,042)
Depreciation and amortisation	(34,734)	(37,176)	(133,341)	(140,666)
Interest expenses	(16,504)	(16,607)	(64,354)	(58,993)
Net exchange (loss)/gain	(2,644)	(1,520)	(9,907)	5,792
Net change in fair value of financial assets at fair value through profit or loss:				
- held for trading	(227)	1,006	(9,622)	464
- designated as such upon initial recognition	-	(1,094)	145	6,343
Impairment losses on investment properties	(14,056)	(23,863)	(14,056)	(23,863)
Impairment losses on property, plant and equipment	(21,459)	(30,840)	(30,125)	(30,840)
Impairment losses on loans to a jointly-controlled entity	(241)	(255)	(959)	(1,188)

- (2) Other operating income, comprising mainly management fee, miscellaneous income and profit on sale of investments, investment properties and property, plant and equipment, decreased by \$208.7 million to \$9.8 million (Q4 2010: \$218.5 million) for Q4 2011 and \$37.3 million to \$254.0 million (FY 2010: \$291.3 million) for FY 2011. The decrease for Q4 2011 was mainly due to substantial gains recognised in Q4 2010 pertaining to disposal of all strata units in Chinatown Point, Pantech 21 and several strata units in GB Building, coupled with a gain arising in respect of step up acquisition of Beijing Fortune Co., Ltd ("Beijing Fortune") by the Company's 55% owned subsidiary, Millennium & Copthorne Hotels plc (M&C). M&C increased its effective interest in Beijing Fortune from 30% to 70% which resulted in a gain from revaluing the previously held 30% interest. For FY 2011, the decrease was due to lower gains accounted from disposal of non-core investment properties and dilution of investment in an associate. This was however partially offset by a gain of £17.4 million (approximately S\$35.4 million) recognised on the sale and leaseback of Studio M Hotel to CDL Hospitality Trusts (CDLHT) in Q2 2011.

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- (3) Administrative expenses comprise mainly depreciation, hotel administrative expenses, operating lease expenses and salaries and related expenses. This had decreased by \$9.4 million to \$116.0 million (Q4 2010: \$125.4 million) for Q4 2011 but increased by \$6.2 million to \$490.2 million (FY 2010: \$484.0 million) for FY 2011. The decrease in Q4 2011 was mainly due to lower salaries and related expenses incurred. The increase in FY 2011 was attributable to increased rental expenses incurred for the leasing of hotels from CDLHT and higher equity settled share-based transactions incurred, but was partially offset by lower depreciation following the disposal of several investment properties in 2010 and 2011.
- (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 \$73.1 million to \$120.9 million (Q4 2010: \$194.0 million) for Q4 2011 and \$60.5 million to \$409.4 million (FY 2010: \$469.9 million) for FY 2011. These decreases were primarily due to lower impairment losses made as well as absence of a write-off of goodwill of £8.1 million (approximately \$17.0 million) arising from the acquisition of additional 40% interest in Beijing Fortune in Q4 2010 by M&C. Impairment loss of \$35.5 million (Q4 2010: \$54.7 million) was accounted in Q4 2011 on certain hotels in United States and United Kingdom and a piece of land in India held by M&C as well as investment property located in Japan. In addition, the 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 had also resulted in lower other operating expenses for FY 2011.
- (5) Finance income comprise mainly interest income, fair value gains on financial assets held for trading and fair value gains on financial assets designated at fair value upon initial recognition. Finance income increased by \$2.5 million for Q4 2011 on account of higher interest income earned from loans provided to jointly-controlled entities. For FY 2011, finance income decreased by \$7.5 million due to lower fair value gains recognised.
- (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. Finance costs remained relatively constant for Q4 2011 but increased by \$12.4 million to \$81.1 million (FY 2010: \$68.7 million) for FY 2011. The increase for FY 2011 was due to higher fair value loss recognised on financial assets held for trading as well as increase in interest expenses as a result of the consolidation of bank borrowings of Beijing Fortune which became a subsidiary of the Group in November 2010.
- (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. The increases for Q4 2011 and FY 2011 by \$3.8 million and \$14.6 million respectively were mainly due to improved performance from FSCL. FSCL incurred a loss for FY 2010 due to assets write-off and legal costs incurred in relation to its disposals of subsidiaries. In addition, the increase in FY 2011 was also boosted by higher contribution from CDLHT.
- (8) Share of after-tax profit from jointly-controlled entities decreased by \$25.5 million to \$11.4 million (Q4 2010: \$36.9 million) for Q4 2011 and \$63.1 million to \$30.2 million (FY 2010: \$93.3 million) for FY 2011. The decreases for both Q4 2011 and FY 2011 were mainly due to a substantial gain recognised in Q4 2010 following the disposal of New Tech Park. The significant decline for FY 2011 was also due to the adoption of INT FRS 115 which resulted in retrospective adjustments to the profit contribution from The Oceanfront @ Sentosa Cove pertaining to units sold under deferred payment scheme. Profit recognition for such units was recognised entirely in Q1 2010 as The Oceanfront @ Sentosa Cove obtained Temporary Occupation Permit in that quarter.

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- (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	
2011	2010	2011	2010
	(Restated)		(Restated)
S\$m	S\$m	S\$m	S\$m

The tax charge relates to the following:

Profit for the period/year	38.3	50.6	198.1	187.4
Under/(Over)provision in respect of prior period/year	5.3	2.6	(23.4)	14.7
	<u>43.6</u>	<u>53.2</u>	<u>174.7</u>	<u>202.1</u>

The overall effective tax rate of the Group for Q4 2011 was 17.7% (Q4 2010: 17.1%) and FY 2011 was 15.4% (FY 2010: 18.9%). Excluding the under/(over)provision in respect of prior period/year, the effective tax rate for the Group for Q4 2011 was 15.5% (Q4 2010: 16.3%) and FY 2011 was 17.4% (FY 2010: 17.6%).

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## 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 31.12.2011 S\$'000	As at 31.12.2010 (Restated) S\$'000	As at 31.12.2009 (Restated) S\$'000	As at 31.12.2011 S\$'000	As at 31.12.2010 (Restated) S\$'000	As at 31.12.2009 (Restated) S\$'000
<b>Non-current assets</b>							
Property, plant and equipment		3,313,182	3,410,448	3,616,768	9,192	8,695	8,010
Investment properties		2,907,181	2,784,907	3,063,766	525,164	530,908	540,212
Lease premium prepayment		90,460	88,079	-	-	-	-
Investments in subsidiaries		-	-	-	2,221,805	2,262,806	2,259,199
Investments in associates	(1)	420,966	398,367	345,725	-	-	-
Investments in jointly-controlled entities	(2)	674,272	537,110	637,826	36,360	36,360	36,360
Investments in financial assets	(3)	156,739	379,900	393,660	23,752	32,353	33,543
Other non-current assets	(4)	314,120	172,465	121,243	233,148	415,871	638,260
		<b>7,876,920</b>	<b>7,771,276</b>	<b>8,178,988</b>	<b>3,049,421</b>	<b>3,286,993</b>	<b>3,515,584</b>
<b>Current assets</b>							
Development properties		3,243,875	3,311,162	3,121,489	700,183	1,138,727	1,109,807
Lease premium prepayment		2,635	2,493	-	-	-	-
Consumable stocks		8,825	9,552	10,143	66	77	-
Financial assets		26,288	35,885	32,671	-	-	-
Assets classified as held for sale	(5)	-	81,972	14,782	-	-	-
Trade and other receivables		1,200,918	876,592	757,820	4,224,478	3,574,406	2,592,156
Cash and cash equivalents		2,603,005	1,873,826	981,486	1,572,120	981,090	407,571
		<b>7,085,546</b>	<b>6,191,482</b>	<b>4,918,391</b>	<b>6,496,847</b>	<b>5,694,300</b>	<b>4,109,534</b>
<b>Total assets</b>		<b>14,962,466</b>	<b>13,962,758</b>	<b>13,097,379</b>	<b>9,546,268</b>	<b>8,981,293</b>	<b>7,625,118</b>
<b>Equity attributable to Owners of the Company</b>							
Share capital		1,991,397	1,991,397	1,991,397	1,991,397	1,991,397	1,991,397
Reserves		4,835,408	4,271,113	3,812,310	3,384,601	2,841,573	2,583,019
		6,826,805	6,262,510	5,803,707	5,375,998	4,832,970	4,574,416
<b>Non-controlling interests</b>							
		1,869,199	1,717,749	1,691,707	-	-	-
<b>Total equity</b>		<b>8,696,004</b>	<b>7,980,259</b>	<b>7,495,414</b>	<b>5,375,998</b>	<b>4,832,970</b>	<b>4,574,416</b>
<b>Non-current liabilities</b>							
Interest-bearing borrowings*		2,929,322	3,425,299	3,197,816	1,506,060	2,270,778	1,753,286
Employee benefits		35,989	33,201	40,682	-	-	-
Other liabilities		96,898	76,880	89,301	166,825	171,203	92,542
Provisions		17,703	4,249	1,818	-	-	-
Deferred tax liabilities		367,304	423,081	407,542	41,620	89,968	73,607
		<b>3,447,216</b>	<b>3,962,710</b>	<b>3,737,159</b>	<b>1,714,505</b>	<b>2,531,949</b>	<b>1,919,435</b>
<b>Current liabilities</b>							
Trade and other payables		981,845	943,850	795,599	1,148,587	1,241,212	777,938
Interest-bearing borrowings*		1,476,508	780,002	818,312	1,135,304	277,404	244,962
Employee benefits		15,707	14,895	15,383	2,479	2,097	2,067
Other liabilities		75	135	75	-	-	-
Provision for taxation		321,074	264,357	230,528	169,395	95,661	106,300
Provisions		24,037	14,895	4,335	-	-	-
Liabilities classified as held for sale	(5)	-	1,655	574	-	-	-
		<b>2,819,246</b>	<b>2,019,789</b>	<b>1,864,806</b>	<b>2,455,765</b>	<b>1,616,374</b>	<b>1,131,267</b>
<b>Total liabilities</b>		<b>6,266,462</b>	<b>5,982,499</b>	<b>5,601,965</b>	<b>4,170,270</b>	<b>4,148,323</b>	<b>3,050,702</b>
<b>Total equity and liabilities</b>		<b>14,962,466</b>	<b>13,962,758</b>	<b>13,097,379</b>	<b>9,546,268</b>	<b>8,981,293</b>	<b>7,625,118</b>

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

# CITY DEVELOPMENTS LIMITED

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

- 1) The increase was mainly due to additional investment in First Sponsor Capital Limited and share of results from associates, partially offset by dividend income received.
- 2) This increase was due to subscription of shares issued by Scottsdale Properties Pte. Ltd. (Scottsdale). Scottsdale was previously a wholly-owned subsidiary of the Group. Following a joint venture between the Group and IOI Corporation Berhad in Q2 2011, the Group's interest in Scottsdale was diluted and it became a jointly-controlled entity of the Group. The increase was partially offset by receipt of dividend income.
- 3) The decrease was due to de-consolidation of Allventure Limited (Allventure), following the disposal of this company to Scottsdale in Q2 2011. Allventure holds part of the convertible notes issued by South Beach Consortium Pte. Ltd.
- 4) The increase was mainly due to additional loans granted to a jointly-controlled entity as well as new loan granted to an associate. This is partially offset by the de-consolidation of Allventure following the disposal of this company to Scottsdale.
- 5) The decrease in assets and liabilities classified as held for sale was due to the completion of the sale of The Corporate Office, a strata unit in GB Building, The Corporate Building as well as the sale and leaseback of Studio M Hotel to CDL Hospitality Trusts by 31 December 2011.
- 6) 2010 and 2009 comparative figures had been restated to take into account the retrospective adjustments arising from the adoption of INT FRS 115 – *Agreements for the Construction of Real Estate* as detailed in item 5 of this announcement.

# CITY DEVELOPMENTS LIMITED

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## 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.

	<b>As at 31.12.2011 S\$'000</b>	<b>As at 31.12.2010 S\$'000</b>
<b><u>Unsecured</u></b>		
- repayable within one year	1,418,312	423,414
- repayable after one year	2,003,261	2,744,867
(a)	<u>3,421,573</u>	<u>3,168,281</u>
<b><u>Secured</u></b>		
- repayable within one year	60,614	356,851
- repayable after one year	936,689	694,797
(b)	<u>997,303</u>	<u>1,051,648</u>
Gross borrowings	(a) + (b) 4,418,876	4,219,929
Less: cash and cash equivalents	<u>(2,603,005)</u>	<u>(1,873,826)</u>
Net borrowings	<u>1,815,871</u>	<u>2,346,103</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.



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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	
	2011 S\$'000	2010 (Restated) S\$'000	2011 S\$'000	2010 (Restated) S\$'000
<b>Operating Activities</b>				
Profit for the period/year	202,745	257,083	961,720	865,388
<b>Adjustments for:</b>				
Depreciation and amortisation	34,734	37,176	133,341	140,666
Dividend income	(1,441)	(569)	(10,037)	(14,060)
Equity settled share-based transactions	1,512	(5,558)	2,704	(1,716)
Finance costs	18,680	19,408	81,064	68,708
Finance income	(8,102)	(5,602)	(28,171)	(35,640)
Gain arising in respect of step up acquisition of a jointly-controlled entity	-	(17,662)	-	(17,662)
Gain on dilution of investment in an associate	-	-	(418)	(25,470)
Goodwill written off in respect of additional interest acquired in a jointly-controlled entity to become a subsidiary	-	17,042	-	17,042
Impairment losses on loans to a jointly-controlled entity	241	255	959	1,188
Impairment losses on investment properties and property, plant and equipment	35,515	54,703	44,181	54,703
Income tax expense	43,587	53,188	174,723	202,111
Net (gain)/loss on disposal, dilution and liquidation of jointly-controlled entities	(382)	1,200	(5,901)	678
Net loss on disposal and dilution of subsidiaries	431	-	2,761	-
Profit on sale of investments	(28)	(92)	(152)	(380)
Profit on sale of property, plant and equipment and investment properties	(49)	(196,929)	(230,570)	(240,665)
Property, plant and equipment and investment properties written off	316	221	350	286
Share of after-tax profit of associates	(14,582)	(10,760)	(31,723)	(17,112)
Share of after-tax profit of jointly-controlled entities	(11,356)	(36,853)	(30,244)	(93,312)
Units in an associate received and receivable in lieu of fee income	(2,456)	(1,995)	(10,894)	(7,938)
Operating profit before working capital changes	299,365	164,256	1,053,693	896,815
<b>Changes in working capital</b>				
Development properties	(223,542)	117,460	173,869	(132,650)
Stocks, trade and other receivables	162,657	(207,225)	(148,752)	(220,481)
Trade and other payables	(105,487)	13,557	65,830	81,513
Employee benefits	(1,847)	(5,179)	539	(7,234)
Cash generated from operations	131,146	82,869	1,145,179	617,963
Income tax (paid)/refunded	(22,787)	7,426	(162,224)	(105,910)
<b>Cash flows from operating activities carried forward</b>	<b>108,359</b>	<b>90,295</b>	<b>982,955</b>	<b>512,053</b>

**CITY DEVELOPMENTS LIMITED**  
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	Fourth Quarter Ended		Full Year Ended	
	31 December		31 December	
	2011	2010	2011	2010
		(Restated)		(Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities brought forward</b>	<b>108,359</b>	<b>90,295</b>	<b>982,955</b>	<b>512,053</b>
<b>Investing Activities</b>				
Acquisition of additional interest in a subsidiary <sup>(1)</sup>	(24,255)	-	(24,255)	-
Capital expenditure on investment properties <sup>(2)</sup>	(13,407)	(4,130)	(194,817)	(42,349)
Disposal/(Acquisition) of subsidiaries (net of cash acquired) <sup>(3)</sup>	-	(9,129)	264,325	(9,129)
Dividends received				
- an associate	-	-	35,846	31,851
- financial investments	1,440	741	9,855	8,036
- jointly-controlled entities	12,047	30,096	30,522	104,116
Interest received	4,340	5,983	13,308	11,598
Increase in intangibles assets	(47)	-	(308)	-
Increase in investments in associates	(38,866)	(27,287)	(37,350)	(34,720)
(Increase)/Decrease in investments in jointly-controlled entities <sup>(4)</sup>	(262)	7,440	(274,625)	2,839
Payments for purchase of property, plant and equipment <sup>(5)</sup>	(42,322)	(26,842)	(199,093)	(86,624)
Proceeds from liquidation and disposal of jointly-controlled entities and an associate	-	444	1,465	966
Proceeds from sale of property, plant and equipment and investment properties <sup>(6)</sup>	99	316,751	430,367	375,762
(Purchase)/Disposal of financial assets	(9,195)	2,712	(2,581)	8,652
<b>Cash flows (used in)/from investing activities</b>	<b>(110,428)</b>	<b>296,779</b>	<b>52,659</b>	<b>370,998</b>
<b>Financing Activities</b>				
Net (advances to)/repayment by related parties	(51,806)	35,948	(201,777)	121,323
Capital contribution from non-controlling interests	61,249	4	63,123	420
Dividends paid	(13,578)	(10,608)	(247,454)	(99,874)
(Finance lease payments)/Increase in finance leases	(2)	-	2	(4)
Interest paid (including amounts capitalised as property, plant and equipment, investment properties and development properties)	(22,502)	(23,393)	(89,134)	(84,215)
Net (repayments of)/proceeds from revolving credit facilities and short-term bank borrowings	1,751	(67,419)	242,547	(434,580)
Payment of financing transaction costs	(276)	(474)	(5,321)	(6,812)
Proceeds from bank borrowings	153,339	6,063	438,200	318,080
Proceeds from issuance of bonds and notes	-	139,689	105,000	1,159,869
Repayment of bank borrowings	(23,947)	(32,936)	(407,874)	(311,794)
Repayment of bonds and notes	(100,000)	(106,877)	(316,675)	(627,543)
Increase in/(Repayment of) other long-term liabilities	42	(1,645)	(134)	(290)
<b>Cash flows from/(used in) financing activities <sup>(7)</sup></b>	<b>4,270</b>	<b>(61,648)</b>	<b>(419,497)</b>	<b>34,580</b>
<b>Net increase in cash and cash equivalents carried forward</b>	<b>2,201</b>	<b>325,426</b>	<b>616,117</b>	<b>917,631</b>

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	Fourth Quarter Ended 31 December		Full Year Ended 31 December	
	2011	2010 (Restated)	2011	2010 (Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Net increase in cash and cash equivalents brought forward</b>	<b>2,201</b>	<b>325,426</b>	<b>616,117</b>	<b>917,631</b>
Cash and cash equivalents at beginning of the period/year	2,482,451	1,553,373	1,872,974	980,134
Effect of exchange rate changes on balances held in foreign currencies	2,928	(5,825)	(1,511)	(24,791)
<b>Cash and cash equivalents at end of the year</b>	<b>2,487,580</b>	<b>1,872,974</b>	<b>2,487,580</b>	<b>1,872,974</b>
<b>Cash and cash equivalents comprise:-</b>				
Cash and cash equivalents as shown in the statement of financial position	2,603,005	1,873,826	2,603,005	1,873,826
Less: Bank overdrafts	(115,425)	(852)	(115,425)	(852)
	<b>2,487,580</b>	<b>1,872,974</b>	<b>2,487,580</b>	<b>1,872,974</b>

## Notes to the consolidated statement of cash flows

- (1) This relates to acquisition of additional shares in Millennium & Copthorne Hotel plc by the Group from non-controlling interests.
- (2) The capital expenditure in FY 2011 relates mainly to acquisition of a land site in the Ginza district of Tokyo, Japan on 30 September 2011, where the Group intends to construct a 325-room deluxe hotel.
- (3) 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) This 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.
- (5) This relates primarily to payments made to purchase a land site at Robertson Quay, construction of hotel component at Quayside Collection site and refurbishment work at Millennium Seoul Hilton.
- (6) The proceeds for FY 2011 relate mainly to the sale of The Corporate Office, a strata unit in GB Building, The Corporate Building and the sale and leaseback of Studio M hotel. 2010 proceeds arose primarily from the sale of all strata units in Chinatown Point, several units in GB Buildings, Pantech 21, North Bridge Commercial Complex and The Office Chamber.
- (7) The Group had a net cash outflow from financing activities of \$419.5 million (FY 2010: net cash inflow of \$34.6 million) for FY 2011. This was due to advances given to First Sponsor Capital Limited and South Beach Consortium Pte. Ltd., payments of special ordinary dividend of \$136.4 million made in relation to a special final ordinary dividend of 10 cents per ordinary share for the financial year ended 31 December 2010 in May 2011 and a special interim ordinary dividend of 5 cents per ordinary share for the financial year ended 31 December 2011 in September 2011. These were however partially offset by lower net proceeds received from borrowings in FY 2011 of \$61.2 million as compared to \$104.0 million for FY 2010 and a capital contribution from non-controlling interests for China investment in Suzhou.

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## 1(d) Consolidated Statement of Comprehensive Income

	Fourth Quarter Ended		Full Year Ended	
	31 December		31 December	
	2011	2010	2011	2010
		(Restated)		(Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Profit for the period/year</b>	202,745	257,083	961,720	865,388
Other comprehensive income:				
Actuarial gains/(losses) on defined benefit plans	470	3,514	(3,601)	1,208
Change in fair value of equity investments available for sale	(1,615)	(273)	(12,613)	(1,868)
Effective portion of changes in fair value of cash flow hedges	468	(794)	919	(2,246)
Exchange differences on hedges of net investments in foreign entities	(870)	(16,808)	(688)	(34,028)
Exchange differences on monetary items forming part of net investments in foreign entities	1,542	(9,933)	5,771	(26,218)
Exchange differences realised on dilution of investment in an associate	-	(37)	-	487
Exchange differences realised on disposal of a subsidiary and a jointly-controlled entity	131	980	131	980
Realisation of share of other reserve of an associate on dilution of investment in the associate	-	-	-	1,032
Share of other reserves movements of associates and a jointly-controlled entity	(117)	-	(9,795)	-
Translation differences arising on consolidation of foreign entities	34,052	(130,294)	(16,978)	(246,240)
<b>Other comprehensive income for the period/year, net of tax</b>	<b>34,061</b>	<b>(153,645)</b>	<b>(36,854)</b>	<b>(306,893)</b>
<b>Total comprehensive income for the period/year</b>	<b>236,806</b>	<b>103,438</b>	<b>924,866</b>	<b>558,495</b>
<b>Total comprehensive income attributable to:</b>				
<b>Owners of the Company</b>	<b>175,228</b>	<b>61,060</b>	<b>778,958</b>	<b>542,855</b>
Non-controlling interests	61,578	42,378	145,908	15,640
	<b>236,806</b>	<b>103,438</b>	<b>924,866</b>	<b>558,495</b>

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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 2010, as previously reported	1,991.4	147.6	25.3	(83.0)	3,891.2	5,972.5	1,691.7	7,664.2
Effect of adopting INT FRS 115	-	-	-	-	(168.8)	(168.8)	-	(168.8)
<b>At 1 January 2010, restated</b>	<b>1,991.4</b>	<b>147.6</b>	<b>25.3</b>	<b>(83.0)</b>	<b>3,722.4</b>	<b>5,803.7</b>	<b>1,691.7</b>	<b>7,495.4</b>
<b>Profit for the year, restated</b>	-	-	-	-	784.0	784.0	81.4	865.4
<u>Other comprehensive income</u>								
Actuarial gains on defined benefit plans	-	-	-	-	0.7	0.7	0.5	1.2
Change in fair value of equity investments available for sale	-	-	(1.8)	-	-	(1.8)	-	(1.8)
Effective portion of changes in fair value of cash flow hedges	-	-	(1.2)	-	-	(1.2)	(1.1)	(2.3)
Exchange differences on hedges of net investment in foreign entities	-	-	-	(18.2)	-	(18.2)	(15.9)	(34.1)
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	(22.8)	-	(22.8)	(3.4)	(26.2)
Exchange differences realised on dilution of investment of an associate	-	-	-	0.3	-	0.3	0.2	0.5
Exchange differences realised on disposal of a jointly-controlled entity	-	-	-	0.9	-	0.9	-	0.9
Realisation of share of other reserve of an associate on dilution of investment in the associate	-	0.5	-	-	-	0.5	0.5	1.0
Translation differences arising on consolidation of foreign entities	-	-	-	(199.6)	-	(199.6)	(46.6)	(246.2)
<b>Other comprehensive income for the year, net of income tax</b>	-	0.5	(3.0)	(239.4)	0.7	(241.2)	(65.8)	(307.0)
<b>Total comprehensive income for the year, restated</b>	-	0.5	(3.0)	(239.4)	784.7	542.8	15.6	558.4
<b>Transactions with owners, recorded directly in equity</b>								
<u>Contributions by and distributions to owners</u>								
Acquisition of a subsidiary	-	-	-	-	-	-	22.8	22.8
Dividends	-	-	-	-	(85.6)	(85.6)	(14.2)	(99.8)
Net capital contribution from non-controlling interests	-	-	-	-	-	-	0.4	0.4
Share-based payment transactions	-	-	1.6	-	-	1.6	1.4	3.0
At 31 December 2010, restated	1,991.4	148.1	23.9	(322.4)	4,421.5	6,262.5	1,717.7	7,980.2

\*Other reserves comprise mainly fair value reserve arising from available-for-sale investments and share option reserve.

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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, as previously reported	1,991.4	148.1	23.9	(322.4)	4,555.3	6,396.3	1,717.7	8,114.0
Effect of adopting INT FRS 115	-	-	-	-	(133.8)	(133.8)	-	(133.8)
<b>At 1 January 2011, restated</b>	<b>1,991.4</b>	<b>148.1</b>	<b>23.9</b>	<b>(322.4)</b>	<b>4,421.5</b>	<b>6,262.5</b>	<b>1,717.7</b>	<b>7,980.2</b>
<b>Profit for the year</b>	-	-	-	-	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)
<b>Other comprehensive income for the year, net of income tax</b>	-	-	(16.3)	(1.3)	(2.0)	(19.6)	(17.3)	(36.9)
<b>Total comprehensive income for the year</b>	-	-	(16.3)	(1.3)	796.5	778.9	145.9	924.8
<b>Transactions with owners, recorded directly in equity</b>								
<u>Contributions by and distributions to owners</u>								
Change of interest in subsidiaries	-	0.8	0.1	3.5	3.3	7.7	(31.9)	(24.2)
Capital contribution from non-controlling interests	-	-	-	-	-	-	63.1	63.1
Dividends	-	-	-	-	(222.0)	(222.0)	(25.4)	(247.4)
Share-based payment transactions	-	-	(0.3)	-	-	(0.3)	(0.2)	(0.5)
<b>At 31 December 2011</b>	<b>1,991.4</b>	<b>148.9</b>	<b>7.4</b>	<b>(320.2)</b>	<b>4,999.3</b>	<b>6,826.8</b>	<b>1,869.2</b>	<b>8,696.0</b>

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

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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 2010, as previously reported	1,991.4	63.7	14.9	2,543.4	4,613.4
Effect of adopting INT FRS 115	-	-	-	(39.0)	(39.0)
<b>At 1 January 2010, restated</b>	<b>1,991.4</b>	<b>63.7</b>	<b>14.9</b>	<b>2,504.4</b>	<b>4,574.4</b>
<b>Profit for the year, restated</b>	-	-	-	345.1	345.1
<u>Other comprehensive income</u>					
Change in fair value of equity investments available for sale	-	-	(1.0)	-	(1.0)
<b>Other comprehensive income for the year, net of income tax</b>	-	-	(1.0)	-	(1.0)
<b>Total comprehensive income for the year, restated</b>	-	-	(1.0)	345.1	344.1
<u>Contributions by and distributions to owners</u>					
Dividends	-	-	-	(85.6)	(85.6)
At 31 December 2010, restated	1,991.4	63.7	13.9	2,763.9	4,832.9
At 1 January 2011, as previously reported	1,991.4	63.7	13.9	2,826.5	4,895.5
Effect of adopting INT FRS 115	-	-	-	(62.6)	(62.6)
<b>At 1 January 2011, restated</b>	<b>1,991.4</b>	<b>63.7</b>	<b>13.9</b>	<b>2,763.9</b>	<b>4,832.9</b>
<b>Profit for the year</b>	-	-	-	766.5	766.5
<u>Other comprehensive income</u>					
Change in fair value of equity investments available for sale	-	-	(7.1)	-	(7.1)
<b>Other comprehensive income for the year, net of income tax</b>	-	-	(7.1)	-	(7.1)
<b>Total comprehensive income for the year</b>	-	-	(7.1)	766.5	759.4
<b>Transactions with owners, recorded directly in equity</b>					
<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	<b>1,991.4</b>	<b>69.4</b>	<b>6.8</b>	<b>3,308.4</b>	<b>5,376.0</b>

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- 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 2011.

Preference share capital

There was no change in the Company's issued preference share capital during the year ended 31 December 2011.

As at 31 December 2011, 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 2010: 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 2011 and 31 December 2010.

The total number of issued ordinary shares (excluding treasury shares) as at 31 December 2011 and 31 December 2010 is 909,301,330.

The total number of issued Preference Shares as at 31 December 2011 and 31 December 2010 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 2011.

- 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.



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**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 2010.

**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 various new/revised Financial Reporting Standards (FRS) and Interpretations of FRSs (INT FRS) which took effect for financial year beginning on 1 January 2011. The adoption of these new/revised FRS and INT FRS did not result in any significant impact on the financial statements of the Group, except for INT FRS 115 - *Agreements for the Construction of Real Estate* that was issued with an Accompanying Note that considers the application of the interpretation for uncompleted residential projects under Singapore legal framework.

INT FRS 115 clarifies when revenue and related expenses from a sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. INT FRS 115 determines that contracts which are not classified as construction contracts in accordance with FRS 11 can only be accounted for under the percentage of completion (POC) method if the entity continuously transfers to the buyer control and the significant risks and rewards of the work in progress in its current state as construction progresses.

Before 1 January 2011, the Group's accounting policy for its property development projects was to recognise revenue using POC method which is an allowed alternative under Recommended Accounting Practice (RAP) 11 – *Pre-completion Contracts for the Sale of Development Property*. Following the adoption of INT FRS 115 on 1 January 2011, RAP 11 was withdrawn.

On the adoption of INT FRS 115, the Group continues to recognise revenue and profit based on POC method for sale of private development properties under the progressive payment scheme in Singapore. For sale of Singapore development properties under deferred payment scheme, the completion of construction method is used. Revenue and profits from sale of development properties under deferred payment scheme are recognised in entirety upon obtaining Temporary Occupation Permit. For the overseas development properties which have yet to be launched, we will take into consideration the legal framework and the industry practices in the country of operation to implement INT FRS 115.

This change of accounting policy was applied retrospectively and the effects of the Group's comparatives for this reporting quarter arising from the adoption of INT FRS 115 are as follows:

<u>Income Statement</u>	<b>Fourth quarter ended 31 December 2010 S\$'000</b>	<b>Full year ended 31 December 2010 S\$'000</b>
Decrease in revenue	(19,377)	(25,164)
Decrease in cost of sales	9,510	22,480
Increase in share of after-tax profit of jointly-controlled entities	-	37,876
Decrease/(Increase) in income tax expense	1,621	(178)
(Decrease)/Increase in profit for the period/year	<u>(8,246)</u>	<u>35,014</u>
(Decrease)/Increase in basic earnings per share (cents)	<u>(0.9)</u>	<u>3.9</u>
(Decrease)/Increase in diluted earnings per share (cents)	<u>(0.8)</u>	<u>3.7</u>

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## Statement of Financial Position

	As at 31.12.2010 S\$'000	As at 31.12.2009 S\$'000
Decrease in development properties	(159,830)	(157,146)
Decrease in investments in jointly-controlled entities	-	(37,876)
Decrease in accumulated profits	(133,753)	(168,767)
Decrease in deferred tax liabilities	(26,077)	(26,255)

**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	
	2011	2010 (Restated)	2011	2010 (Restated)
Basic Earnings per share (cents)	17.2	25.8	86.4	84.8
Diluted Earnings per share (cents)	17.1	25.3	83.7	82.2
Earnings per share is calculated based on:				
a) Profit attributable to equity holders of the parent (S\$'000) (*)	156,717	234,460	785,651	771,084
b) Profit used for computing diluted earnings per share (S\$'000)	163,222	240,965	798,555	783,988
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 2011 of \$6,505,000 (Q4 2010: \$6,505,000) and in full year 2011 of \$12,904,000 (FY 2010: \$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	
	31.12.2011 S\$	31.12.2010 (Restated) S\$	31.12.2011 S\$	31.12.2010 (Restated) 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 2011 (909,301,330 ordinary shares (excluding treasury shares) as at 31 December 2010)	7.51	6.89	5.91	5.32

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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

In spite of an uncertain global economy and overall market sentiments dampened by the deterioration of the Eurozone crisis in the second half of 2011, the Group is pleased to deliver a sterling set of results posting a profit after tax and non-controlling interests of \$798.6 million for the year ended 31 December 2011 (Restated 2010: \$784.0 million), without property fair value gains. Notably, this is the Group's second consecutive year to surpass \$1 billion in its pre-tax profits.

The credible results were primarily due to better performance from the Group's property development business segment and increased contribution from its hotel operations. At the pre-tax profit level, property development business segment remains the biggest contributor. Hotel operations also reported a 37.8% increase in pre-tax profit contribution as compared to FY 2010. This was due to gain recognised from the sale and leaseback of Studio M Hotel to CDL Hospitality Trusts (CDLHT) coupled with the improved performance of hotels located in the Group's main gateway cities.

The basic earnings per share stood at 86.4 cents (Restated 2010: 84.8 cents).

For the fourth quarter ended 31 December 2011 (Q4 2011), the Group's attributable profit after tax and non-controlling interests was \$163.2 million (Restated Q4 2010: \$241.0 million). This was primarily due to lower profits recorded in the rental properties segment as compared to Q4 2010 which had included the gain recognised in Q4 2010 from the sale of the Group's strata units in Chinatown Point. Notwithstanding this, it should be noted that the pre-tax contribution of \$143.3 million from the property development segment for Q4 2011 is five times that of the corresponding period last year (Restated Q4 2010: \$28.8 million).

As at 31 December 2011, the Group's net gearing ratio improved to 21% (2010: 29%). Had the Group factored in the fair value gains on investment properties, the net gearing ratio would be driven down further to 15.0%. The interest cover of the Group had remained relatively constant at 21.8 times (Restated 2010: 21.3 times).

As a result of the solid performance achieved for 2011, the Board is pleased to recommend the payment of an additional special ordinary dividend of 5.0 cents per share, on top of its ordinary dividend of 8.0 cents per share. Together with the special interim ordinary dividend of 5.0 cents per share paid on 28 September 2011, the total dividend proposed and paid/payable by the Group to its ordinary shareholders for the year under review amounts to 18.0 cents per share.

## Property

The Singapore economy grew 3.6% on a year-on-year basis in Q4 2011 as compared to 6.0% growth in Q3 2011. On a seasonally-adjusted quarter-on-quarter annualised basis, the economy contracted by 2.5% in Q4 2011, compared to the 2.0% gain in the previous quarter. For the whole of 2011, the economy expanded by 4.9%, as compared to the expansion of 14.8% in 2010.

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The Singapore Government announced further measures on 7 December 2011 with the introduction of an Additional Buyer's Stamp Duty (ABSD) ranging from 3% to 10% on certain categories of residential property purchases made by different classification of buyers. The ABSD is imposed over and above the current Buyer's Stamp Duty, and will apply to the purchase price or market value of the property (whichever is higher). The measures are to pre-empt any possible escalation of property prices which may lead to a property bubble forming, so as to maintain a stable and sustainable property market. Following the introduction of ABSD, for residential sites purchased with effect from 8 December 2011, developers will need to satisfy certain conditions for the remission of ABSD, including the development and sale of all the units in the new project within 5 years, otherwise the ABSD becomes payable.

Demand for new homes moderated to 3,603 units in Q4 2011 compared to the 4,262 units sold in the previous quarter. In December, sales volume was the lowest as buying activity slowed in the run up to the festive season and in the wake of the new property cooling measures introduced.

Overall, for the year 2011, the Singapore residential market proved to be resilient due to several factors such as high Singapore dollar liquidity, a low interest rate environment, no shortage of housing loans, lack of more stabilised investment products in the market and property investment remaining a good hedge against inflation. Developers sold a total of 15,904 uncompleted and completed units, compared with an all-time high of 16,292 units in 2010.

Urban Redevelopment Authority (URA) data indicated that the Residential Property Price Index (PPI) of 206.2 continued to surpass the previous record of 205.7 set in the preceding quarter. Overall prices of private residential properties increased by 0.2% quarter-on-quarter in Q4 2011, compared with a 1.3% quarter-on-quarter increase in the previous quarter. This was the 9th consecutive quarter in which the rate of increase in private housing prices had moderated.

Numerous new private residential property launches in 2011 witnessed healthy take-up. During the year, the Group successfully launched five residential projects.

H<sub>2</sub>O Residences, a 521-unit riverfront development nestled in the heart of Sengkang New Town, sold 85% of the 300 units launched during its preview in March 2011. To date, the whole project is about 73% sold.

In April 2011, Hedges Park, a joint venture 501-unit condominium located in the tranquil estate at Flora Drive, off Changi / Pasir Ris, received strong demand with over 130 units out of 200 units released sold during its weekend launch. To date, 343 units have been sold.

Situated in the heart of the prestigious District 11, Buckley Classique, the Group's exclusive 64-unit freehold development, with a uniquely conserved colonial bungalow as its clubhouse, was launched in June 2011. It is now over 90% sold.

Response to Blossom Residences – a 602-unit Executive Condominium (EC) located along Segar Road, just next to Segar LRT station which the Group launched in July 2011 has been good. To date, about 82% the project has been sold.

Similarly, The Palette, a joint venture 892-unit condominium, located in a residential enclave at Pasir Ris Grove and within walking distance of Pasir Ris MRT station and White Sands Shopping Mall, met with enthusiastic response with 80% of the 450 units released snapped up during its launch in November 2011. 530 units out of 600 units released have been sold to date.

Other ongoing projects continued to sell well. The 642-unit joint venture development – NV Residences in Pasir Ris is now 98% sold.

For the year 2011, the Group, along with its joint venture associates, sold a total of 1,818 units with sales value of \$1.755 billion.

During the period under review, profits were booked in from several projects such as Hundred Trees, Volari and 368 Thomson. Profits were also booked in from joint venture projects such as NV Residences, Tree House and The Gale.

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However, no profit was booked for The Glyndebourne, H<sub>2</sub>O Residences, Buckley Classique, Blossom Residences and Hedges Park, even though these developments have been substantially sold as the construction of these projects are still in early stages.

The Group was recently successful in another two Government Land Sales (GLS) tenders. In December 2011, a joint venture comprising CDL, Hong Leong Holdings Limited and Hong Realty (Private) Limited, was successful in its bid of \$396 million for a prime 99-year leasehold high-rise residential site located along Alexandra Road, near the Redhill MRT station.

In January 2012, a joint venture between CDL, Hong Leong Holdings Limited and TID Pte. Ltd., successfully bid \$388 million for a 99-year leasehold high-rise residential site located along Mount Vernon Road, off Bartley Road. The consortium is familiar with this locale, having won an earlier tender site in March 2011, which is just diagonally across. This earlier site, located along Bartley Road and Lorong How Sun is adjoining the Bartley MRT station and will be developed into a 702-unit condominium known as Bartley Residences.

Overall, the Group was successful in a total of six public land tenders launched for sale through the 2011 GLS programme. It has since launched The Rainforest EC site at Choa Chu Kang Drive and Bartley Residences in January and February 2012 respectively. For 1H 2012, the Group is planning to launch the mixed hotel and residential development at Robertson Quay and a landed housing site at Serangoon Garden Way in the popular Serangoon Garden estate area. The Alexandra Road and Mount Vernon Road sites will be considered for launch later.

The Singapore office market continued to expand going into 2011, riding on the momentum from 2010. However, the office demand started moderating in 2H 2011 due to the economic and financial uncertainties in the global economy. URA statistics showed that the rental index for office space in Central Area increased by 0.5% quarter-on-quarter in Q4 2011, compared to 0.8% increase in Q3 2011. The islandwide price index for office space increased by 1.0% in Q4 2011, lower than the 3.7% increase in the previous quarter. Total available office space as at Q4 2011 remained stable at 7.23 million sq m.

The Group's office portfolio continues to enjoy healthy occupancy of 93.5% as compared to national average of 88.7%.

## Hotel

Millennium & Copthorne Hotels plc (M&C), which the Group has a 55% interest, hit a record in terms of revenues and profits in 2011 largely due to a strong hotel operating performance and significant gains from asset management activities. M&C's net profit after tax and non-controlling interests was £40.4 million in Q4 2011 (Q4 2010: £31.5 million), an increase of 28.3% quarter-on-quarter, and £160.9 million (2010: £96.2 million) for FY 2011, a year-on-year increase of 67.3%. Basic earnings per share increased by 65.0% to 51.0p (2010: 30.9p).

M&C's global RevPAR (in constant currency terms) grew by 5.8% to £64.81, approximately S\$130.31 (2010: £61.28, approximately S\$123.22), driven primarily by an increase in room rate. On a like-for-like basis, RevPAR increased by 5.5% as hotels in gateway cities performed very well, 8.8% increase in London, 6.1% in Singapore (excluding Copthorne Orchid for the full year and Studio M for the first half of the year) and 6.1% in New York. With the exception of the UK hotels outside of London, RevPAR increased in every region. The Rugby World Cup in New Zealand also helped Australasia increase RevPAR by 5.3%, excluding the impact of three hotel closures in Christchurch due to earthquake damage in February 2011.

During the year, M&C's key asset management initiatives included the completion of the sale of Studio M in Singapore to CDLHT in May 2011 as well as the completed sale of land adjacent to the Grand Millennium Kuala Lumpur in August 2011, which contributed to a pre-tax profit of £17.4 million and £34.0 million respectively.

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Additional considerations that affected year-on-year comparisons include the closures of Copthorne Orchid on 1 April 2011 for The Glyndebourne project and three Christchurch hotels following the New Zealand earthquake, consolidation of the results of the Grand Millennium Beijing since November 2010 (when M&C's stake increased from 30% to 70%), the opening of Studio M towards the end of the Q1 2010 and its subsequent sale and leaseback to the REIT in May 2011 as well as expiry of the lease in Stuttgart in August 2011 (which included a £10.1 million year-on-year impact of the release of a dilapidation provision).

M&C's financial position strengthened during the year with net debt falling to £100.2 million (2010: £165.7 million) while gearing reduced to 4.8% (2010: 8.5%). As at 31 December 2011, M&C had cash reserves of £332.2 million (2010: £251.9 million) and total undrawn committed bank facilities of £184.3 million (2010: £152.4 million). Most of the facilities are unsecured with unencumbered assets representing 87.3% of M&C's fixed assets and investment properties.

One of M&C's highlights of the year was its ability to seize a rare opportunity to secure a prime-location land in the Ginza district of Tokyo, Japan. The total cost for land site and development of this property is about ¥14.56 billion (approximately S\$250.2 million based on S\$1 = ¥58.2 as at 27 September 2011). There are plans to construct a 325-room deluxe hotel to be completed by 2014. An agreement has also been entered into with Mitsui Fudosan Co., Ltd (MFC) – Japan's largest real estate group in terms of revenue, setting out the indicative principal terms by which MFC is granted a fixed-term master lease of the hotel. Apart from M&C, the Group also took a minority stake in this prime project, through its wholly-owned subsidiary, Citydev Venture Holdings Limited. CDL's effective interest in the property is 29.99% (excluding the interest held through the M&C group), whilst M&C's effective interest in this property is 70.01%. The aggregate investment for CDL is about ¥1.12 billion (approximately S\$19.2 million).

The development of The Glyndebourne (former Copthorne Orchid Hotel) started in Q2 2011. 144 of the 150 units released have been sold as at 20 February 2012 with a sales value of \$522.5 million, representing a price of over \$2,000 per square foot. Sales proceeds collected to date total \$138.2 million, representing approximately 27% of the sales value.

As part of M&C's efforts to enhance its key assets for organic growth, it completed a number of hotel refurbishments in 2011. In Q2, the first phase renovation of 249 rooms at Millennium Seoul Hilton was completed, which resulted in its quarterly RevPAR increasing by 8.4% to £113.10 (approximately S\$227.41) in the last three months of the year. The refurbishment of all 331 guestrooms at Orchard Hotel Singapore's Claymore Wing was also completed at the end of Q3. The renovation of the ballroom at Grand Hyatt Taipei has also been completed. It is now undergoing re-cladding of its facade and will commence renovation of the guest rooms in Q3 2012. M&C is also planning to reposition some of its key hotels. It is close to awarding construction contracts for the 153-room west wing refurbishment at the Millennium UN Plaza, with completion expected by September 2012. Plans to give Millennium Mayfair a complete makeover with major refurbishment and reconfiguration, leaving just the structural facade, are currently being developed, to establish this key asset as M&C's global flagship hotel.

As reported previously, the collective sales agreement with other unit-holders in the Tanglin Shopping Centre, Singapore expired on 26 September 2011 without any acceptable offer to the sales committee. Together with other unit-holders, M&C will re-consider its position at a later date.

In November 2011, First Sponsor Capital Limited (FSCL), in which M&C has a 39.3% effective interest, successfully tendered for two parcels of land (about 270,500 sq m) in Chengdu at an all in net cost of approximately US\$130 million, which it plans to develop into a residential and commercial development, including a hotel and convention centre.

FSCL's City Spring project – its first development in Chengdu is almost sold out. As at 12 February 2012, 711 out of 726 residential units have been sold either under sale and purchase or option agreements. 98.6% of the sales proceeds have been collected for those residential units sold under sale and purchase agreements. In addition, 527 of the 709 commercial units launched for sale in July 2011 have been sold either under sale and purchase or option agreements with 65.1% of the sales proceeds having been collected. Revenue and profit recognition requirement for the residential units is expected to be taken into account in 2012. Proceeds from the residential and commercial sales will finance the development of a 195-room hotel.

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In 3 May 2011, M&C completed the sale and leaseback of the Studio M Hotel to the REIT associate, CDLHT, in which it has 35.2% interest, for a cash consideration of \$154.0 million. This gave rise to a total realised pre-tax profit from the disposal of \$35.4 million. CDLHT is continuing its strategy to opportunistically pursue acquisitions while maintaining a disciplined approach to investment activities.

M&C opened two hotels in the Middle East – Millennium Plaza Hotel Dubai and Millennium Resort Mussanah, both under management contracts. Globally, M&C has in pipeline 30 hotels offering 6,607 rooms, which are mainly management contracts.

**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 2011.

**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 anticipates that the Singapore economy will grow by between 1.0% and 3.0% in 2012. Challenging and volatile macroeconomic conditions stemming from the European debt crisis, partisan politics in the lead-up to the US presidential elections and fiscal austerity are likely to impact external demand.

In January 2012, the Group unveiled The Rainforest – the first EC launch of the New Year. This joint venture 466-unit premier development is ideally located along Choa Chu Kang Avenue 3, just 5 minutes' walk to Choa Chu Kang MRT station and amenities such as Lot One Shoppers' Mall. It provides an alluring option for homebuyers in search of quality affordable housing, near an MRT station. The launch was well received with over 75% of the project sold in about a month.

On 21 February 2012, the Group's joint venture development, the 702-unit Bartley Residences, was launched. Located next to Bartley MRT station, the project was well received with 170 units out of 240 units launched sold to-date.

The Group is planning to launch another two projects in the 1H 2012. The first is a mixed development at the trendy Robertson Quay along Singapore River. The project will accommodate a 300-room hotel and 70 exciting lifestyle apartments and loft units. The second project is a 96-unit terrace housing development at Serangoon Garden Way, located within a well-established mature landed estate with excellent amenities and services. Given the limited supply of landed homes in Singapore, we expect this development to be well received.

To continue to ensure that there is adequate supply of land for the private housing to meet demand from homebuyers, the Government had announced in December 2011 that the 1H 2012 GLS Programme will comprise 14 Confirmed List sites, which can yield about 7,000 residential units. This is slightly less than the 8,100 units in the 2H 2011 Confirmed List. Following two years of strong sales take-up and expectations of a slowing economy, developers will likely remain selective on land bids with keen interest in sites located at areas earmarked as future growth districts as well as those near existing or future MRT stations and other amenities which are expected to continue to attract buyers. More recently, residential properties within mixed-used developments which offer both transport convenience as well as a shopping centre at its doorsteps have gained popularity, commanding premium prices.

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The South Beach development is making good progress and construction of the diaphragm wall and piling is now 90% completed. Sited on a prime location right next to Esplanade MRT station and close to City Hall MRT station, this iconic development designed by world-renowned firm Foster + Partners will feature two 45-storey and 34-storey towers plus four conserved blocks comprising hotel, residential, office and retail space. This mega mixed-use project will offer some 49,000 sq m of lettable office space, 7,900 sq m of retail/F&B area which will be integrated with the conserved buildings, a 2,700 sq m City Club at the former NCO club building, about 651 hotel rooms and 189 premier residential apartments.

Awarded the land tender in 2007 in part due to its revolutionary modern and environmentally-sustainable architectural design, this has been further articulated in the extensive incorporation of eco-features including solar panels, a unique canopy design for microclimate control and rainwater harvester for irrigation. This exceptional green development has just received two Green Mark Platinum Awards by the Building and Construction Authority (BCA) for both its commercial and residential components. This project is on track to be completed in 2015.

The 240-room W Singapore Sentosa Cove – Singapore’s only marina hotel with berths at its doorstep, catering to guests with luxury crafts, is expected to open for business in 2H 2012. The debut of the renowned W hotel brand will complement the Cove’s positioning as one of the most affluent lifestyle precincts. This new hotel concept is well positioned to tap into a growing market of well-heeled tourists and ‘staycationers’ in search of a unique hospitality experience. Sentosa – with its key attractions such as Resorts World Universal Studios theme park and upcoming developments like Marine Life Park (one of the world’s largest oceanarium) have made the island an increasingly popular destination for tourists and locals. The new hotel will provide additional hospitality and F&B facilities on the island, to cater to the growing demand.

The Group had stopped marketing The Residences at W Singapore Sentosa Cove due to the subdued market sentiments for high-end developments. This is the only residences in the cove that will have an adjoining retail element that will comprise of an exciting array of specialty shops and trendy F&B outlets. With no more residential land for sale or tender within the Cove and no more sites for hotels to be built on Sentosa, the Group is confident that its integrated Quayside Isle project (comprising the residences, the hotel and retail promenade), is a prized jewel in Sentosa Cove. It expects that once the hotel is operational and with the upcoming major developments in Sentosa completed, Sentosa and the Cove will be completely transformed with increased buzz and vibrancy, and the full potential of this integrated development with value appreciation will be realised.

## **Diversifications**

Besides the Group’s diversification through the ownership and management of its over 100 hotel portfolio, the Group continues with its expansion strategy in select markets globally where it views with good potential.

In January 2012, the Group acquired indirect interests in a retail and hotel development located in the commercial area of Patong, Phuket Island in Thailand, known as the Jungceylon Shopping Mall and Millennium Resort Patong, and the other, a retail development at Sukhumvit, Bangkok, Thailand with an estimated net lettable area of about 3,000 sq m (approximately 32,292 sq ft), known as Millennium Mall, which is currently under construction and expected to complete within the 1H 2012. The 4-storey Jungceylon Shopping Mall, with an estimated net lettable area of 63,000 sq m (approximately 678,000 sq ft), is the largest shopping complex on Phuket Island, within walking distance to Patong Beach and in the vicinity of other 4-star/5-star hotels in the Patong Beach area. Millennium Resort Patong Phuket comprises 418 rooms with complete facilities to support both corporate travellers and holidaymakers and is currently operated and managed by the Group’s hotel arm, M&C. The retail is also enjoying good yields. With this acquisition, combined with the Group’s Singapore retail assets, it has now amassed about 1.26 million sq ft of lettable retail space.



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CDL China Limited, a wholly-owned subsidiary of the Group, is developing an iconic design for its 43,000 sq m (approximately 463,000 sq ft) luxury residential development at Eling Hill in Chongqing, western China. It is currently engaged in feedback sessions with the Chongqing planning authorities to further fine-tune the design, ensuring a world class project that will blend in with the historic and delicate surroundings of Eling Park. Construction of the planned luxury units is expected to commence in the latter part of this year.

Following CDL China's successful land acquisition in July 2011 of a prime site in Suzhou with permissible GFA of 295,455 sq m (approximately 3.2 million sq ft), it has built up a strong team in Suzhou and is close to completing the land title transfer from the government. It will shortly be selecting an appropriate architect for this prized land parcel which will comprise about 750 high-end residential apartments, an office tower, SOHO units, a retail mall and a luxury hotel. Genway Housing Development Group Co., Ltd, an experienced China state-owned enterprise that has developed over 7 million sq m of projects in Suzhou, has since taken a 30% stake in this project and will play a valuable supporting role to CDL China's development efforts in Suzhou.

In early January 2012, CDL China successfully acquired a prime site with GFA of 108,686 sq m (approximately 1.2 million sq ft) in the heart of Yuzhong District, the central district of Chongqing municipality. The site, located in a prominent area known as Huang Huayuan, is zoned 80% residential and 20% commercial and was acquired for RMB540 million (S\$112 million). It boasts unobstructed views of the scenic Jialing River and is right next to a major light rail station, which is only one stop away from the epicentre of Chongqing's Central Business District, Jiefangbei. Directly across the site is the top secondary school in Chongqing – Bashu Middle School. The initial plan is to build around 900 residential apartments and a commercial complex. This marks the third acquisition for CDL China in 13 months.

Urbanization remains an important pillar of China's economy, especially in second-tier cities, and it is estimated by research analysts that this will generate several billion sq m of incremental demand over the next decade as over a 100 million people migrate to urban locations.

The property cooling measures in China have enabled the Group to find opportunities to enter the market by successfully tendering for prime land at reasonable prices. The Group believes that the cooling measures are temporary, aimed at helping to stabilise the property market.

The Group will continue to build its land bank in good locations as it is confident of the medium to long-term growth prospects in China. The Board has approved additional funds of \$500 million (on top of the initial seed funding of \$300 million allocated in August 2010) for CDL China to capitalise on further acquisition opportunities that may arise.

With a 49-year track record for being one of Singapore's premier developers, the Group intends to draw upon its expertise towards developing a premium and sustainable brand in China.

## **Hotel**

M&C's 2011 performance clearly shows the success of the owner/operator strategy that has been its hallmark since 1996. M&C will continue to deploy this strategy in the current year, exploiting asset management opportunities and managing the operation of its hotels in a disciplined, analytical, entrepreneurial and profitable manner thereby optimising total short, medium to long-term returns for shareholders.

Improving customer service and driving sales through enhanced yield management and cross-regional collaboration will be the key focus in 2012. M&C is implementing plans to improve trading performance in hotels that are currently generating weaker returns, especially its hotels in the US that are not located in gateway cities.

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Refurbishment of well located properties such as Millennium Seoul Hilton, which has already yielded trading benefits post its refurbishment work, will continue over the next two years, as M&C will enhance the yields of these hotels for organic growth. These and other asset management initiatives will help M&C sustain and build financial performance. M&C's strong balance sheet places it in an enviable position that will allow it to seize opportunities quickly.

Although there are signs that the US market is improving slowly, Europe still faces a difficult period ahead. However, M&C does not anticipate significant declines in trading. On a like-for-like basis, M&C's RevPAR in the first six weeks of this year increased by 3.4% with London increasing by 10.6%, Singapore (like-for-like excluding Copthorne Orchid) increasing by 8.9% and New York decreasing by 1.6%, although the performance in the first six weeks is not indicative for the year.

## **Group Prospects**

2012 is expected to be another challenging year for many businesses in light of a slowing economy and global economic uncertainties.

For property development, while the sales volume for new property launches is still relatively strong, the Group is cognizant that market conditions could be affected by the global economic conditions in the months ahead. With about 90% home ownership rate in Singapore, the real estate sector is an important fabric of the society and a pillar for the economy. The Group is confident that the Government will review its various property cooling measures when needed, with the aim of striking the necessary balance of achieving a sustainable property market, with a medium to long-term view.

The Group has always adopted a strategic land acquisition policy. Its healthy balance sheet and landbank provide the Group with greater flexibility in determining its project launches and pricing strategy. It will also carefully select the appropriate type of developments to launch in a timely manner, mindful of buyers' appetite and demand.

For the hotel operations, the Group will focus on generating income from its diversified portfolio of hotels. While some regions may face challenges due to austerity drives, hotels particularly in cities with key events such as London which is the host city of the upcoming Olympics, the Queen's Diamond Jubilee and Farnborough International Airshow, and M&C's Asia operations are expected to continue to perform well.

The office sector is expected to remain steady as Singapore continues to be a hub for this emerging region. Notwithstanding possible changes in the market conditions, the Group's rental properties are expected to remain stable, as it has a diversified portfolio of investment properties in various locations, catering to different price points. Overall, the yields for the Group's properties have been high, given its relatively low book cost.

In the current year, the Group's results are expected to remain profitable in view of its balanced portfolio of assets, strong balance sheet and prudent management.

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## 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) special interim ordinary dividend to ordinary shareholders and non-cumulative preference dividends to holders of City Developments Limited Non-redeemable Convertible Non-cumulative Preference Shares ("Preference Shares").

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 <sup>^</sup>	1.97 cents per Preference Share <sup>^</sup>
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

Subject to ordinary shareholders' approval at the Annual General Meeting to be held on 27 April 2012, 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 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) Preference Dividend	
Date of payment	30 June 2010	31 December 2010
Dividend Type	Cash	Cash
Dividend Amount (in cents)	1.93 cents per Preference Share <sup>^</sup>	1.97 cents per Preference Share <sup>^</sup>
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 2009 to 29 June 2010 (both dates inclusive)	From 30 June 2010 to 30 December 2010 (both dates inclusive)
Issue price	\$1.00 per Preference Share	\$1.00 per Preference Share

Name of Dividend	Tax-exempt (One-tier) Special Final Dividend	Tax-exempt (One-tier) Final Ordinary Dividend
Date of payment	20 May 2011	20 May 2011
Dividend Type	Cash	Cash
Dividend Amount (in cents)	10.0 cents per Ordinary Share	8.0 cents per Ordinary Share

<sup>^</sup> 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.

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**(c) Date payable**

Subject to ordinary shareholders' approval at the Annual General Meeting to be held on 27 April 2012, the proposed final and special final Ordinary dividends for financial year ended 31 December 2011 will be payable on 18 May 2012.

**(d) Books Closure Date**

5.00 pm on 3 May 2012.

**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 2011 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 (i) managing agent services; (ii) cleaning services; and (iii) security services; and \$1,300,608.24</p> <p>(b) leases of premises to and from interested persons \$289,408.80</p> <p><b>TOTAL: \$1,590,017.04</b></p>
Directors and their immediate family members	Nil

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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	
	2011	2010 (Restated)	2011	2010 (Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>Revenue</u></b>				
Property Development	206,861	150,051	1,343,744	1,124,794
Hotel Operations	415,203	429,276	1,563,486	1,577,419
Rental Properties	71,802	77,638	280,767	332,495
Others	27,652	14,619	92,468	68,708
	<u>721,518</u>	<u>671,584</u>	<u>3,280,465</u>	<u>3,103,416</u>
<b><u>Profit before income tax (*)</u></b>				
Property Development	143,276	28,783	536,029	421,082
Hotel Operations	73,734	33,213	282,207	204,747
Rental Properties	29,122	241,253	325,641	422,454
Others	200	7,022	(7,434)	19,216
	<u>246,332</u>	<u>310,271</u>	<u>1,136,443</u>	<u>1,067,499</u>

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

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## 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
<b>FY 2011</b>					
<b>External revenue</b>	<b>1,343,744</b>	<b>1,563,486</b>	<b>280,767</b>	<b>92,468</b>	<b>3,280,465</b>
<b>Results</b>					
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)
<b>Reportable segment profit/(loss) before income tax</b>	<b>536,029</b>	<b>282,207</b>	<b>325,641</b>	<b>(7,434)</b>	<b>1,136,443</b>
<b>FY 2010 (Restated)</b>					
<b>External revenue</b>	<b>1,124,794</b>	<b>1,577,419</b>	<b>332,495</b>	<b>68,708</b>	<b>3,103,416</b>
<b>Results</b>					
Profit from operations	366,984	212,200	389,451	21,508	990,143
Share of after-tax profit/(loss) of associates and jointly-controlled entities	48,673	7,504	55,632	(1,385)	110,424
Profit before income tax and net finance costs	415,657	219,704	445,083	20,123	1,100,567
Finance income	16,195	8,788	8,290	2,367	35,640
Finance costs	(10,770)	(23,745)	(30,919)	(3,274)	(68,708)
Net finance income/(costs)	5,425	(14,957)	(22,629)	(907)	(33,068)
<b>Reportable segment profit before income tax</b>	<b>421,082</b>	<b>204,747</b>	<b>422,454</b>	<b>19,216</b>	<b>1,067,499</b>

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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 \$56.8 million to \$206.9 million (Restated Q4 2010: \$150.1 million) for Q4 2011 and by \$218.9 million to \$1,343.7 million (Restated FY 2010: \$1,124.8 million) for FY 2011.

Pre-tax profits increased by \$114.5 million to \$143.3 million (Restated Q4 2010: \$28.8 million) for Q4 2011 and by \$114.9 million to \$536.0 million (Restated FY 2010: \$421.1 million) for FY 2011.

Projects that contributed to both revenue and profit for 2011 include One Shenton, Cliveden At Grange, Shelford Suites, Wilkie Studio, Livia, Volari, NV Residences, The Residences at W Singapore Sentosa Cove, 368 Thomson, Cube 8, Hundred Trees and Tree House. In accordance to 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 has 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 for Q4 2011 was due to maiden contribution from NV Residences, 368 Thomson, Cube 8, Hundred Trees and Tree House in 2011 as well as higher contribution from Volari. This was partially offset by absence of contribution from Shelford Suites, Cliveden At Grange, Livia and One Shenton as Temporary Occupancy Permit had been obtained for these projects by September 2011.

For FY 2011, revenue increased due to maiden contribution from the aforesaid projects, sale of development land in Q3 2011 at £44.2 million (approximately S\$88.9 million) in Kuala Lumpur by the Company's 55% owned subsidiary, Millennium & Copthorne Hotels plc (M&C) as well as increased contribution from One Shenton and Volari. However, the absence of contributions from Tribeca and The Arte which obtained Temporary Occupancy Permit in 2010 and reduced contributions from Wilkie Studio, Livia, Shelford Suites and The Residences at W Singapore Sentosa Cove had partially offset the increase in revenue.

The increase in pre-tax profits for both Q4 2011 and FY 2011 were in tandem with the increase in revenue coupled with a net write-back of allowance for foreseeable losses for development projects. However, the increase in pre-tax profit for FY 2011 was partially offset by the absence of profit contributions from The Oceanfront @ Sentosa Cove, a joint venture project, which obtained Temporary Occupancy Permit in 2010.

## **Hotel Operations**

Revenue decreased by \$14.1 million to \$415.2 million (Q4 2010: \$429.3 million) for Q4 2011 and by \$13.9 million to \$1,563.5 million (FY 2010: \$1,577.4 million) for FY 2011, despite improvement in the Group's RevPAR in main gateway cities. This was due to the closure of the Copthorne Orchid Hotel on 1 April 2011 for redevelopment to residential property and closure of three hotels in New Zealand due to the February 2011 earthquake in Christchurch. In addition, the refurbishment work at the Millennium Seoul Hilton and The Orchard Hotel in 2011 had also negatively impact the full year revenue.

Though revenue for both Q4 2011 and FY 2011 decreased, pre-tax profit increased by \$40.5 million to \$73.7 million (Q4 2010: \$33.2 million) for Q4 2011 and by \$77.5 million to \$282.2 million (FY 2010: \$204.7 million).

The increase in pre-tax profit of Q4 2011 was due to lower impairment losses made on hotels as compared to Q4 2010 and continued concerted efforts to control costs.

Pre-tax profit for FY 2011 was higher on account of a gain of £17.4 million (approximately S\$35.4 million) on the sale and leaseback of Studio M Hotel to CDL Hospitality Trusts recorded in Q2 2011 and a release of £6.6 million (approximately S\$13.3 million) dilapidation provision for Millennium Hotel & Resort Stuttgart whose lease expired on August 2011.

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## Rental Properties

Revenue decreased by \$5.8 million to \$71.8 million (Q4 2010: \$77.6 million) for Q4 2011 and by \$51.7 million to \$280.8 million (FY 2010: \$332.5 million) for FY 2011 primarily due to the disposal of Pantech 21, several strata units in GB Building and all strata units in Chinatown Point in Q4 2010, sale of The Corporate Office in Q1 2011 as well as sale of North Bridge Commercial Complex and The Office Chamber in 1H 2010.

Pre-tax profit decreased by \$212.2 million to \$29.1 million (Q4 2010: \$241.3 million) for Q4 2011 and by \$96.9 million to \$325.6 million (FY 2010: \$422.5 million) for FY 2011.

The decrease in Q4 2011 and FY 2011 were due to gains recognised in Q4 2010 from the sale of all strata units in Chinatown Point, Pantech 21, several strata units in GB Building and New Tech Park, held by a jointly-controlled entity, as well as sale of North Bridge Commercial Complex and The Office Chamber in 1H 2010, partially offset by lower impairment loss of \$14.1 million (Q4 2010: \$23.9 million) made in Q4 2011. Included in pre-tax profits for FY 2011 were gains accounted on the disposal of The Corporate Building, The Corporate Office and a strata unit in GB Building. In addition, a gain was also recorded for the dilution of investment in CDLHT following a CDLHT private placement issue in Q3 2010.

## Others

Revenue, comprising mainly income from building maintenance contracts, project management, club operations and dividend income, increased by \$13.1 million to \$27.7 million (Q4 2010: \$14.6 million) for Q4 2011 and by \$23.8 million to \$92.5 million (FY 2010: \$68.7 million) primarily due to higher management fee income. Higher dividend income was also received for FY 2011.

Though revenue had increased, pre-tax profit of \$0.2 million (Q4 2010: \$7.0 million) for Q4 2011 and pre-tax losses of \$7.4 million (FY 2010: pre-tax profit of \$19.2 million) for FY 2011 were reported. This was mainly due to higher professional fees incurred and exchange losses arising from translation of foreign denominated loans, particularly Hong Kong dollars denominated loans. Fair value losses recognised on financial assets held for trading in FY 2011 vis-à-vis net fair value gains recorded in FY 2010 had also negatively impact the full year performance for this segment.

## 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*)

	<b>Full Year 2011 S\$'000</b>	<b>Full Year 2010 S\$'000</b>
Ordinary	72,744	72,744
Special	90,930	90,930
Preference	12,904	12,904
<b>Total</b>	<b>176,578</b>	<b>176,578</b>

The final tax-exempt (one-tier) ordinary dividend and special final ordinary dividend for the year ended 31 December 2011 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 2011.



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## 17. A breakdown of sales

	2011	2010 (Restated)	Incr/(Decr)
	S\$'000	S\$'000	%
<b>a) Revenue</b>			
- First half	1,753,136	1,686,528	3.9
- Second half	1,527,329	1,416,888	7.8
	<u>3,280,465</u>	<u>3,103,416</u>	5.7
<b>b) Operating profit after tax before deducting non-controlling interests</b>			
- First half	570,803	367,591	55.3
- Second half	390,917	497,797	(21.5)
	<u>961,720</u>	<u>865,388</u>	11.1

## 18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer.

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	71	Brother of Mr Kwek Leng Joo. Cousin of Mr Kwek Leng Peck.	<b>CDL</b> Executive Chairman of CDL with effect from 1 January 1995, with executive powers over the overall business operations and management of CDL.	N.A.
			<b>CES</b> Chairman and Managing Director of CES since 1989, responsible for the overall management of CES.	N.A.
Mr Kwek Leng Joo	58	Brother of Mr Kwek Leng Beng. Cousin of Mr Kwek Leng Peck.	<b>CDL</b> Managing Director of CDL with effect from 1 January 1995, with full responsibilities as a Chief Executive Director.	N.A.
			<b>CES</b> Executive Director since 1989.	N.A.

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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	43	Nephew of Messrs Kwek Leng Beng, Kwek Leng Joo and Kwek Leng Peck.	<b>M&amp;CREIT</b> 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	63	Brother-in-law of Mr Kwek Leng Peck.	Director of Procurement, MCIL, overseeing the operations in central procurement office from February 2002.	N.A.
Mr Sherman Kwek Eik Tse	35	Son of Mr Kwek Leng Beng.  Nephew of Messrs Kwek Leng Joo and Kwek Leng Peck.	<b>CES</b> Chief Executive Officer of CES with effect from 1 November 2008.  <b>SWAN</b> President and Director of SWAN with effect from 15 April 2009.  <b>CDL China</b> 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.

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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 Eik Sheng	30	Son of Mr Kwek Leng Joo. Nephew of Messrs Kwek Leng Beng and Kwek Leng Peck.	<u>CDL</u> Assistant General Manager and 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  
29 February 2012