Unaudited Full Year * Financial Statement And Dividend 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 *	Shufen Loh @ Catherine Shufen Loh
Designation *	Company Secretary
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>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	31-12-2007

Attachments:

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CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

UNAUDITED FULL YEAR FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

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 Full Year Ended 31 December		
		2007	**2006**	**Incr/ (Decr)**
		S$'000	**S$'000**	**%**
Revenue		3,106,106	2,546,804	22.0
Cost of sales		(1,478,150)	(1,179,145)	25.4
Gross profit		1,627,956	1,367,659	19.0
Other operating income [2]	(a)	29,202	187,519	(84.4)
Administrative expenses [3]		(522,757)	(460,792)	13.4
Other operating expenses [4]		(396,230)	(420,726)	(5.8)
Profit from operations		738,171	673,660	9.6
Finance income		49,218	42,468	15.9
Finance costs		(119,486)	(138,718)	(13.9)
Net finance costs [5]		(70,268)	(96,250)	(27.0)
Share of after-tax profit of associates [6]		16,254	5,956	172.9
Share of after-tax profit of jointly-controlled entities [7]		270,456	108,912	148.3
Profit before income tax [1]		954,613	692,278	37.9
Income tax expense [8]		(65,394)	(129,312)	(49.4)
Profit for the year		889,219	562,966	58.0
Attributable to:				
Equity holders of the Company	(b)	**724,993**	**351,659**	106.2
Minority interests		164,226	211,307	(22.3)
Profit for the year		889,219	562,966	58.0
Earnings per share				
- basic		78.3 cents	37.0 cents	111.6
- diluted		76.0 cents	36.6 cents	107.7

Note:
(a) Included in 2006 is an one-off gain of $150.9 million arising from the disposal of long leasehold interest in four Singapore hotels to CDL Hospitality Trusts.
(b) The profit attributable to equity holders of the Company for Q4 2007 has increased by 71.1% to $235.0 million (Q4 2006: $137.3 million).

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Notes to the Group's Income Statement:

(1) Profit before income tax includes the following:

	The Group Full Year Ended 31 December 2007 S$'000	2006 S$'000
Interest income	41,740	32,944
Profit on sale of investments, long leasehold interest in hotels and property, plant and and equipment (net)	4,337	153,786
Investment income	14,150	9,647
Gain on dilution of investment in an associate	6,013	-
(Allowance for)/Write-back of allowance for foreseeable losses on development properties (net)	(16,783)	38,561
Depreciation and amortisation	(136,139)	(155,705)
Interest expenses	(112,478)	(135,085)
Net exchange (loss)/gain	(8,711)	6,043
Mark-to-market gain on financial assets held for trading (net)	4,163	8,919
Property, plant and equipment written off	(22,163)	(3,429)
Write-back of impairment losses on investment properties	75,017	821
Impairment losses on property, plant and equipment	(20,320)	(10,041)

(2) Other operating income, comprising mainly net exchange gain, management fee, profit on sale of investments, long leasehold interest in hotels, property, plant and equipment and miscellaneous income, decreased by $158.3 million to $29.2 million (2006: $187.5 million). The decrease was attributable to profit recognised in Q3 2006 on sale of long leasehold interest in four Singapore hotels to CDL Hospitality Trusts (CDLHT) of $150.9 million and business interruption insurance proceeds received of $15.9 million in respect of the Millenium Hilton New York, held by the Company's 53% owned subsidiary, Millennium & Copthorne Hotels plc (M&C). This is partially mitigated by £1.9 million (approximately S$6.0 million) recorded in Q3 2007 in relation to gain on dilution of investment in CDLHT following subscription to a right issues of shares at a discount by M&C, through its wholly-owned subsidiaries, together with M&C Group's non-participation in a S$32.8m private placement issue, the effect of which marginally diluted the M&C Group's interest in CDLHT. In addition, profit from sale of some shares held in CDLHT and release of £1.0 million (approximately S$3.0 million) property tax provision in Q1 2007 set aside by M&C on the acquisition of Regal hotels located in United States in 1999 following protracted negotiations have also mitigated the decrease in 2007.

(3) Administrative expenses, comprise mainly depreciation, hotel administrative expenses, operating lease expenses and salaries and related expenses, increased by $62.0 million primarily due to rental expenses incurred for the leaseback of four Singapore hotels commencing from July 2006 from CDLHT.

(4) Other operating expenses comprise mainly property taxes and insurance on hotels, hotel other operating expenses, net exchange loss and professional fees and write-back of/(allowance for) impairment losses on investment properties and property, plant and equipment. This has decreased by $24.5 million from $420.7 million in 2006 to $396.2 million this year on account of a net write-back of impairment losses on investment properties and property, plant and equipment of $54.7 million in 2007 as compared to an impairment made of $9.2 million in 2006. The decline is however partially offset by higher property, plant and equipment written off and increase in hotel other operating expenses.

(5) Net finance costs comprise primarily interest on borrowings and amortisation of capitalised transaction costs on borrowings and debt securities, net of interest income and mark-to-market gains on financial assets held for trading . This has decreased by $26.0 million due to lower interest expenses incurred by its subsidiary, M&C, as a result of its lower borrowings.

(6) Share of after-tax profit of associates relates mainly to the Group's share of results of CDLHT.

(7) Share of after-tax profit of jointly-controlled entities surged to $270.5 million (2006: $108.9 million) primarily due to profit recognised from The Oceanfront @ Sentosa Cove and higher contributions from St Regis Residences, The Sail @ Marina Bay, Cuscaden Residences and Parc Emily. In addition, there was also write-back on allowance for foreseeable losses previously provided on certain development projects.

(8) Income tax expense for the period is derived at by applying the varying statutory tax rates on the taxable profits/(losses) and taxable/deductible temporary differences of the different countries in which the Group operates.

	The Group Full Year Ended 31 December	
	2007	**2006**
The tax charge relates to the following:	**S$'m**	**S$'m**
Profit for the year	155.8	131.4
Overprovision in respect of prior years	(90.4)	(2.1)
	65.4	129.3

The tax charge for 2007 versus 2006 had shown a significant decrease mainly due to changes made in the UK tax legislation on hotel tax allowances and reduction in tax rates in various geographical regions where the Group's hotel operations are located. In addition, the reduction in Singapore corporate tax rate has also benefited Singapore property operations. Excluding these overprovisions, the effective tax rate for the Group for 2007 would be 16.3% (2006: 19.0%).

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

	Note	<------ The Group ------->		<-- The Company ---->	
		As at 31.12.2007 S$'000	As at 31.12.2006 S$'000	As at 31.12.2007 S$'000	As at 31.12.2006 S$'000
Non-current assets					
Property, plant and equipment		4,038,315	3,893,041	104,202	65,923
Investment properties		2,468,253	2,425,788	281,942	276,429
Investments in subsidiaries		-	-	2,258,755	2,219,682
Investments in associates		277,615	116,990	-	-
Investments in jointly-controlled entities		553,213	289,014	34,159	50,054
Financial assets		183,880	152,858	39,307	39,582
Other non-current assets		248,324	277,354	127,897	137,202
		7,769,600	**7,155,045**	**2,846,262**	**2,788,872**
Current assets					
Development properties		2,578,015	2,281,858	1,428,690	1,469,935
Consumable stocks		14,877	14,507	-	-
Financial assets		67,509	70,703	-	-
Trade and other receivables		1,076,947	705,328	2,278,295	1,376,141
Cash and cash equivalents		711,602	776,924	103,027	99,741
		4,448,950	**3,849,320**	**3,810,012**	**2,945,817**
Total assets		**12,218,550**	**11,004,365**	**6,656,274**	**5,734,689**
Equity attributable to equity holders of the Company					
Share capital		1,991,397	1,991,397	1,991,397	1,991,397
Reserves		3,207,387	2,743,138	2,343,449	1,914,961
		5,198,784	4,734,535	4,334,846	3,906,358
Minority interests		1,717,613	1,645,564	-	-
Total equity		**6,916,397**	**6,380,099**	**4,334,846**	**3,906,358**
Non-current liabilities					
Interest-bearing borrowings	(1)	3,235,377	2,316,947	1,618,809	589,384
Employee benefits		36,999	45,178	-	-
Other liabilities		74,739	53,323	21,336	10,070
Provisions		3,464	5,548	-	-
Deferred tax liabilities		426,812	467,267	45,999	22,955
		3,777,391	**2,888,263**	**1,686,144**	**622,409**
Current liabilities					
Trade and other payables		585,002	572,641	249,932	542,253
Interest-bearing borrowings	(1)	796,290	1,031,471	351,647	610,427
Employee benefits		15,718	16,336	1,625	1,477
Other liabilities		2,236	2,498	-	-
Provision for taxation		115,894	110,701	32,080	51,765
Provisions		9,622	2,356	-	-
		1,524,762	**1,736,003**	**635,284**	**1,205,922**
Total liabilities		**5,302,153**	**4,624,266**	**2,321,428**	**1,828,331**
Total equity and liabilities		**12,218,550**	**11,004,365**	**6,656,274**	**5,734,689**

Note:

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

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

The Group's net borrowings refer to aggregate borrowings from banks, financial institutions and finance lease creditors, after deducting cash and cash equivalents. It excludes advances from minority shareholders of certain subsidiaries, deferred real estate taxes payable, retention sums payable, other payables and deposits received. Unamortised balance of transaction costs have not been deducted from the gross borrowings.

		As at 31/12/2007 S$'000	As at 31/12/2006 S$'000
Unsecured			
-repayable within one year		794,986	641,377
-repayable after one year		2,362,822	1,546,115
	(a)	3,157,808	2,187,492
Secured			
-repayable within one year		2,206	390,714
-repayable after one year		879,484	777,855
	(b)	881,690	1,168,569
Gross borrowings	(a)+(b)	4,039,498	3,356,061
Less: cash and cash equivalents		(711,602)	(776,924)
Net borrowings		3,327,896	2,579,137

Details of any collateral

Where secured, borrowings are collateralised by:

- mortgages on the borrowing companies' land and buildings and/or hotel properties and/or
- assignment of all rights and benefits to sale, lease and/or insurance proceeds

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

	Full Year Ended 31 December	
	2007	**2006**
	S$'000	**S$'000**
Operating Activities		
Profit before income tax	954,613	692,278
Adjustments for:		
Depreciation and amortisation	136,139	155,705
Dividend income	(14,150)	(9,647)
Finance income	(49,218)	(42,468)
Finance costs	119,486	135,085
Impairment losses on property, plant and equipment	20,320	10,041
Write-back of impairment losses on investment properties	(75,017)	(821)
Profit on sale of long leasehold interest in hotels and property, plant and equipment	(1,812)	(153,581)
Gain on dilution of investment in an associate	(6,013)	-
Loss on liquidation of a jointly-controlled entity	24	1,247
Profit on sale of investments	(310)	(205)
Property, plant and equipment written off	22,163	3,429
Profit on partial disposal of interest in an associate	(2,215)	-
Share of after-tax profit of associates	(16,254)	(5,956)
Share of after-tax profit of jointly-controlled entities	(270,456)	(108,912)
Units in an associate received in lieu of fee income	(8,242)	-
Value of employee services received for issue of share options	2,340	1,822
Operating profit before working capital changes	811,398	678,017
Changes in working capital		
Development properties	(249,663)	(198,046)
Stocks, trade and other receivables	76,670	(82,457)
Trade and other payables	99,597	(2,991)
Employee benefits	(24,535)	(3,012)
Cash generated from operations	713,467	391,511
Income tax paid	(98,152)	(62,121)
Cash flows from operating activities carried forward	**615,315**	**329,390**

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	Full Year Ended 31 December	
	2007	2006
	S$'000	S$'000
Cash flows from operating activities brought forward	**615,315**	**329,390**
Investing Activities		
Acquisition of subsidiaries (net of cash acquired)	-	(48,674)
Dividends received		
- financial investments	12,429	8,379
- jointly-controlled entities	34,500	28,204
- an associate	19,953	-
Interest received	46,649	48,934
Purchase of intangible assets	-	(5)
Proceeds from sale of long leasehold interest in hotels and property, plant and equipment	402	869,106
Proceeds from partial disposal of interest in an associate	4,771	-
Proceeds from liquidation of a jointly-controlled entity	77	-
Purchase of investments in jointly-controlled entities	(37,483)	(250)
Purchase of investments in associates	(150,727)	(229,640)
Purchase of financial assets	(30,699)	(51,509)
Capital expenditure on investment properties	(10,471)	(13,270)
Payments for purchase of property, plant and equipment and lease premium	(485,762)	(164,055)
Cash flows from investing activities	(596,361)	447,220
Financing Activities		
Advances (to)/from related parties	(348,934)	2,896
(Return of capital to)/Capital contribution from minority shareholders (net)	(23,735)	12,001
Dividends paid	(260,002)	(198,123)
Fixed deposits pledged to a financial institution	-	1,026
Repayment of other long-term liabilities	(2,541)	(405)
Interest paid (including amounts capitalised as property, plant and equipment and development properties)	(153,330)	(151,471)
Net proceeds from revolving credit facilities and short-term bank borrowings	528,893	116,761
Payment of transaction costs	(3,901)	(1,571)
Proceeds from bank borrowings	871,468	232,993
Proceeds from issue of shares	-	51,251
Proceeds from issuance of bonds and notes	515,882	479,031
Repayment of bank borrowings	(740,736)	(787,158)
Repayment of bonds and notes	(450,920)	(300,455)
Repayment to finance leases	(6,474)	(5,734)
Cash flows from financing activities	(74,330)	(548,958)
Net (decrease)/increase in cash and cash equivalents carried forward	(55,376)	227,652

	Full Year Ended 31 December 2007 S$'000	Full Year Ended 31 December 2006 S$'000
Net (decrease)/increase in cash and cash equivalents brought forward	**(55,376)**	**227,652**
Cash and cash equivalents at beginning of the year	774,605	569,767
Effect of exchange rate changes on balances held in foreign currencies	(8,663)	(22,814)
Cash and cash equivalents at end of the year	**710,566**	**774,605**
Cash and cash equivalents comprise:-		
Cash and cash equivalents as shown in the Balance Sheet	711,602	776,924
Less: Bank overdrafts	(1,036)	(2,319)
	710,566	**774,605**

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

	<--------Attributable to equity holders of the Company-------->								
The Group	**Share Capital S$m**	**Share Prem. S$m**	**Cap. Res. S$m**	**Other Res.* S$m**	**Exch. Fluct. Res. S$m**	**Accum. Profits S$m**	**Total S$m**	**Minority Interests S$m**	**Total Equity S$m**
At 1 January 2006	460.9	1,492.3	148.2	23.3	142.0	2,281.1	4,547.8	1,527.4	6,075.2
Translation differences on consolidation of foreign subsidiaries	-	-	-	-	(54.9)	-	(54.9)	(55.3)	(110.2)
Exchange differences on hedge of net investments in foreign entities	-	-	-	-	(1.3)	-	(1.3)	(0.1)	(1.4)
Exchange differences on monetary items forming part of net investments in foreign entiites	-	-	-	-	(4.1)	-	(4.1)	(3.7)	(7.8)
Change in fair value of equity investments available for sale	-	-	-	4.0	-	-	4.0	-	4.0
Share of other reserve movements of an associate	-	-	(3.3)	(0.2)	-	-	(3.5)	(3.2)	(6.7)
Actuarial losses on defined benefit plans	-	-	-	-	-	(1.4)	(1.4)	(1.4)	(2.8)
Net gains/(losses) recognised directly in equity	-	-	(3.3)	3.8	(60.3)	(1.4)	(61.2)	(63.7)	(124.9)
Profit for the year	-	-	-	-	-	351.7	351.7	211.3	563.0
Total recognised income and expenses for the year	-	-	(3.3)	3.8	(60.3)	350.3	290.5	147.6	438.1
Change of interest in subsidiaries	-	-	2.3	-	-	-	2.3	9.5	11.8
Value of employee services received for issue of share options	-	-	-	0.9	-	-	0.9	0.9	1.8
Issue of ordinary shares	50.9	0.4	-	-	-	-	51.3	-	51.3
Transfer from share premium account to share capital upon implementation of the Companies (Amendment) Act 2005	1,479.6	(1,492.7)	-	-	-	13.1	-	-	-
Dividends	-	-	-	-	-	(158.3)	(158.3)	(39.8)	(198.1)
At 31 December 2006	1,991.4	-	147.2	28.0	81.7	2,486.2	4,734.5	1,645.6	6,380.1
Translation differences on consolidation of foreign subsidiaries	-	-	-	-	(37.0)	-	(37.0)	(27.1)	(64.1)
Exchange differences on hedge of net investments in foreign entities	-	-	-	-	(0.4)	-	(0.4)	(0.4)	(0.8)
Exchange differences on monetary items forming part of net investments in foreign entiites	-	-	-	-	(8.2)	-	(8.2)	(6.7)	(14.9)
Change in fair value of equity investments available for sale	-	-	-	1.4	-	-	1.4	-	1.4
Actuarial losses on defined benefit plans	-	-	-	-	-	(0.8)	(0.8)	(0.7)	(1.5)
Net gains/(losses) recognised directly in equity	-	-	-	1.4	(45.6)	(0.8)	(45.0)	(34.9)	(79.9)
Profit for the year	-	-	-	-	-	725.0	725.0	164.2	889.2
Total recognised income and expenses for the year	-	-	-	1.4	(45.6)	724.2	680.0	129.3	809.3
Net return of capital to minority interests	-	-	-	-	-	-	-	(23.7)	(23.7)
Value of employee services received for issue of share options	-	-	-	2.2	-	-	2.2	2.0	4.2
Dividends	-		-	-	-	(217.9)	(217.9)	(35.6)	(253.5)
At 31 December 2007	1,991.4	-	147.2	31.6	36.1	2,992.5	5,198.8	1,717.6	6,916.4

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

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The Company	Share Capital S$m	Share Premium S$m	Capital Res. S$m	Fair Val. Res. S$m	Accum. Profits S$m	Total S$m
At 1 January 2006	460.9	1,479.2	63.7	17.7	1,739.0	3,760.5
Change in fair value of equity investments available for sale	-	-	-	1.5	-	1.5
Net gain recognised directly in equity	-	-	-	1.5	-	1.5
Profit for the year	-	-	-	-	251.4	251.4
Total recognised income and expenses for the year	-	-	-	1.5	251.4	252.9
Issue of ordinary shares	50.9	0.4	-	-	-	51.3
Transfer from share premium account to share capital upon implementation of the Companies (Amendment) Act 2005	1,479.6	(1,479.6)	-	-	-	-
Dividends	-	-	-	-	(158.3)	(158.3)
At 31 December 2006	1,991.4	-	63.7	19.2	1,832.1	3,906.4
Change in fair value of equity investments available for sale	-	-	-	0.3	-	0.3
Net gain recognised directly in equity	-	-	-	0.3	-	0.3
Profit for the year	-	-	-	-	646.0	646.0
Total recognised income and expenses for the year	-	-	-	0.3	646.0	646.3
Dividends	-	-	-	-	(217.9)	(217.9)
At 31 December 2007	1,991.4	-	63.7	19.5	2,260.2	4,334.8

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

<u>Ordinary share capital</u>

There was no change in the Company's issued share capital during the year ended 31 December 2007.

<u>Preference share capital</u>

There was no additional non-redeemable convertible non-cumulative preference shares ("Preference Shares") issued during the year ended 31 December 2007. The total number of issued Preference Shares as at 31 December 2007 and 31 December 2006 is 330,874,257.

As at 31 December 2007, the maximum number of ordinary shares that may be issued upon full conversion of all the Preference Shares at the sole option of the Company is 44,998,898 ordinary shares (31 December 2006: 44,998,898 ordinary shares).

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as those applied in the Group's most recently audited financial statements for the year ended 31 December 2006, except for those as disclosed under Paragraph 5.

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 has adopted FRS 40 – *Investment Property*, which became operative from 1 January 2007. FRS 40 permits investment properties to be stated at either fair value or cost less accumulated depreciation and impairment losses. Before 1 January 2007, the Group's investment properties and related plant and equipment and improvements were accounted for under FRS 16 - *Property, Plant and Equipment* and were stated at cost less accumulated depreciation and impairment losses. On adoption of FRS 40, the Group has reclassified the carrying value of their investment properties and related plant and equipment and improvements from property, plant and equipment to investment properties and continue to state at cost less accumulated depreciation and impairment losses.

Other than FRS 40, the Group adopted various new/revised Financial Reporting Standards issued by the Council on Corporate Disclosure and Governance, which took effect from 1 January 2007. These do not have a significant impact on the Group's financial statements.

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.

	Full Year Ended 31 December	
	2007	**2006**
Basic Earnings per share (cents)	78.3	37.0
Diluted Earnings per share (cents)	76.0	36.6
Earnings per share is calculated based on:		
a) Profit attributable to equity holders of the parent (S$'000) (*)	712,089	338,755
b) Weighted average number of ordinary shares in issue:		
- basic	909,301,330	915,414,150
- diluted (**)	954,300,228	960,413,048

* *After deducting preference dividends of $12,904,000 paid or declared in 2007 and 2006.*

** *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 issued share capital of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group		The Company	
	31/12/2007 S$	31/12/2006 S$	31/12/2007 S$	31/12/2006 S$
Net Asset Value per ordinary share based on total issued 909,301,330 ordinary shares as at 31 December 2007 (909,301,330 ordinary shares as at 31 December 2006)	5.72	5.21	4.77	4.30

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.

Local Industry Review

The Singapore economy grew robustly in 2007 with a GDP growth of 7.7%. For the fourth quarter, unemployment rate dropped to its lowest level in a decade to 1.6%.

In tandem with the sizzling economy, the construction sector also grew by a hefty 46% with volume of contracts awarded hitting $24.5 billion. It was way above the earlier estimate of $19 billion to $22 billion.

The property market performed very well with the residential property price index increasing by 31.2% during the year. Transaction volume for the primary market also achieved a new record with 14,811 units sold during the year.

In the rental market, house rental surged by 41.2%, yet another record in the residential market.

However, it must be noted that the bulk of these increases were registered in the first 9 months. Transaction volume and rental increase have slowed down in Q4 due to concern in the volatile financial market triggered by the sub-prime crisis.

The office market was extremely robust in 2007. Islandwide, occupancy improved from 89.7% in 2006 to 92.7% in 2007. The strong demand and limited supply led to a steep rental increase of more than 50% for the year.

Group Performance

In the year under review, the Group has achieved sterling results, buoyed by the outstanding performance of the property development sector of the Group. Revenue increased by 22.0% to $3.11 billion from $2.55 billion in 2006. Profit for core earnings after tax and minority interest soared to $725.0 million, a 106.2% increase from 2006 of $351.7 million without divestment gains and fair value gains on investment properties. The Group's record profit achieved in 2007 is its best since its inception in 1963.

The Group adopts the conservative policy of depreciating its investment properties as allowed under Financial Reporting Standard (FRS) 40. However, if the Company and its subsidiaries had adopted a revaluation policy as commonly practised by practically all Singapore listed developers, its profit after tax and minority interest would have surged to $2.8 billion after taking into account the fair value gains on investment properties from 2006 to 2007 (not taking into account net book value). The Group holds the view that by taking the valuation route, this will reflect inappropriately the unrealised profits due to market fluctuations from year to year. Therefore, it has continued to adopt the conservative policy of depreciating its investment properties as allowed by FRS, providing a consistent, yearly assessment of its core cash generation earnings.

Excluding the one-off gain arising from the divestment of its long leasehold interest in four Singapore hotels to CDL Hospitality Trusts (CDLHT) in 2006 of $150.9 million, 2007 total profit before tax increased by $413.2 million or 76.3% to $954.6 million as compared to the corresponding year.

All three core segments of the Group – property development, hotel operations and rental properties have performed well and contributed significantly to the Group's stellar results.

As a result of the good performance, Basic Earnings Per Share of the Group increased by 111.6% to 78.3 cents from 37.0 cents for 2006.

The Board is pleased to propose the payment of an additional special ordinary dividend of 12.5 cents per share, in addition to the normal ordinary dividend of 7.5 cents per share. All such dividends will be tax exempt (1-tier) dividends. Together with the special interim dividend of 10 cents paid on 30 October 2007, the total dividend proposed and paid/payable by the Group to its ordinary shareholders for the year under review amounts to 30 cents per share.

Property

2007 was a very active and rewarding year for the property market and a very successful one for the Group. It sold a total of 1,655 units with sales value hitting a record $3.38 billion, about 22% higher than 2006's sales value of $2.77 billion.

During the year, the Group successfully launched five new residential projects, three of which are in the high-end segment.

In January, the Group launched the iconic 341-unit One Shenton which is located in the exciting Marina Bay area. This project met with very good response and is now substantially sold.

Next, the boutique 59-unit The Solitaire, nestled in District 10's lush residential area of Balmoral Park was successfully launched in March and all the units were snapped up within a week of the launch.

In June, the Group launched its super luxurious Cliveden at Grange. This prominent 110-unit freehold, upmarket project with iconic architecture and charming landscaping comes with one apartment per floor and offers virtually 360° panoramic views of the surrounding. Todate, 89 out of the 100 units released have been sold.

In the mid-market segment, the Group launched The Botannia, a 50:50 joint venture project, located in the West Coast area. More than 93% of the 493 units have been sold.

In November, the Group launched Phase 1 of its Wilkie Studio located at Mount Sophia. This exclusive freehold 40-unit petite development is located within an up-and-coming desirable residential district. Almost 90% of the units launched have been sold.

During the year, the Group booked in profits from Monterey Park, City Square Residences and Tribeca as well as previously completed projects such as Chelsea Gardens and The Equatorial. Other joint venture developments contributing to the Group's profits include St. Regis Residences, The Sail @ Marina Bay, The Oceanfront @ Sentosa Cove, Residences @ Evelyn, Parc Emily, Savannah CondoPark, Edelweiss Park, Ferraria Park, The Pier at Robertson and The Botannia.

Profits were also recognised from strata units bought from third parties for resale namely, Cuscaden Residences, 7 Draycott Drive and The Imperial.

However, no profit recognition had been made yet for One Shenton, The Solitaire, Cliveden at Grange and Wilkie Studio as these projects are still in the initial stage of construction. These projects account for $1.735 billion of sales value.

The office market performed strongly with healthy increases in occupancy and rental rates. Capital value of offices rose by 32.6% in 2007.

The Group's extensive portfolio of office properties continued to enjoy good occupancy of over 95.5%. Existing rentals are being progressively revised upwards to reflect the improved market conditions when leases are due for renewal. Given the improving office rental yields, the Group has ample time to review its strategy with options to continue retaining its commercial properties at a low cost base, monetise its commercial portfolio and/or extract maximum value by selling its assets wholesale or individually.

For the year under review, the Group acquired land bank at approximately $1.345 billion (including the Group's share of joint venture projects) which will serve as a pipeline for future development. A major acquisition was the high profile tripartite, joint venture iconic South Beach development, located along Beach Road in the Marina Bay / Raffles City area. Together with two prominent, internationally renowned partners led by the Group, the consortium was awarded this strategic, highly coveted site, through an intense competitive tender exercise based on design first, and then price. South Beach is an equal partnership among the three conglomerates at a tender price of $1.688 billion. In line with the Group's commitment as a Green developer, South Beach is envisioned as a revolutionary Eco-Quarter, incorporating sustainable environmental elements; thereby heralding a new generation of environmentally conscious businesses.

Hotels

The 2007 results of Millennium & Copthorne Hotels plc (M&C), which the Group has a 53% interest, have outperformed market expectations and mark the fourth consecutive year of healthy revenue and growth. The 5-year compound annual growth rate of profit before tax is 21.4%. The excellent results are due to strong operational profits enhanced by the prime location and quality of our hotels in gateway cities including London, New York and Singapore. The hotel operations have increased operating profit by a compound annual growth rate of 21.2% since 2003 while the margin has increased from 13.0% to 21.6%.

M&C's profit after tax and minority interest was £149.4 million (2006: £100.1 million) and basic earnings per share increased by 47.0% to 50.7p.

The sterling results are due to the success of M&C's business strategy blueprint that was incorporated in 2004 and updated in 2006. Since then, M&C has been delivering consistent year-on-year growth, reaching yet another record in 2007. This is a testament of the strength of the M&C team which does not overly rely on any one individual.

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 2007.

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

Property

Singapore has revised its economic growth forecast downwards from 4% to 6% from the previous 4.5% to 6.5% for 2008 due to external economic conditions that have deteriorated and increased downside risks.

In an affirmative step towards making Singapore even more attractive to wealthy investors, the government has in its recent Budget speech announced the removal of estate duty with immediate effect. This move will incentivise high net worth individuals to make long-term investments in Singapore thus enhancing its status as a global wealth management hub. The property market, especially the high-end segment, is likely to be a benefactor of this initiative since real estate has always been of strong interest to such investors.

The sub-prime issue has affected the property market with subdued sentiments as investors adopt a wait-and-see attitude. Operating in a global economy today, it is inevitable that Singapore and its regional neighbours will be affected should the world economies fall into a worldwide recession, triggered by the US. Fundamentally, market sentiments are the driving force. Investors should continue to look at Singapore favourably as our restructured economy is beginning to bear fruit.

In the short term, depending on when the global economy stabilises, the property market will likely remain subdued. The high-end properties which have seen steep phenomenal price growth over the last year has become passive but consolidating. The mid-tier market remains healthy but will not be as vigorous as anticipated. Although the mass property market may appear to be experiencing strong growth, it is still not widespread yet. Property prices for the mass market are still below the last peak of 1996, leaving more room for growth in this segment. The super-rich investors from Russia, Middle East and even hedge-fund managers have yet to come into Singapore in a big way. With Singapore developing into a global city and placed into the limelight, it can be a very attractive place to invest for these well-heeled clienteles, as in London.

Depending on the market conditions, the Group may consider launching the following projects in the coming months.

The first is Shelford Suites, located along Shelford Road, off Dunearn Road. This exclusive, boutique freehold condominium comprising only 77 apartments, is set in the midst of an exclusive private residential estate and in close proximity to excellent schools.

The second is a joint venture property sited along Pasir Ris Drive 1, strategically located minutes from the Pasir Ris MRT station. This condominium targeted at the mass market will comprise 10 blocks of 15 to 16-storey towers, yielding 724 units with two-three and four-bedroom apartments as well as penthouses. In its lush tranquil setting, in close proximity to numerous amenities, this project will appeal to many homebuyers and investors. The Group has a 51% share in this development and the project will be launched in phases.

The third project is the redevelopment of the former Lock Cho apartments at Thomson Road. This 336-unit freehold development with two 36-storey towers will cater to the mid-tier market. This will be an exciting project as it is well located in an area that is experiencing rejuvenation.

The fourth development is the much awaited Quayside Collection at Sentosa Cove. This integrated project comprising commercial space, a 228-unit luxurious residential development and a proposed 249 room, five-star waterfront hotel is designed to be the entertainment and leisure hub of Sentosa Cove. Like St. Regis, the hotel and residences will be branded. The Group is the only developer to have large mixed-use choice sites that enable it to bring new, branded living concepts to Singapore.

The world economic outlook for the first half of 2008 remains uncertain. The Group is fortunate to have pre-sold sales value of about $6.2 billion of its projects between 2006 and 2007. The better-than-expected substantial profits locked in will continue to be recognised progressively based on construction progress.

In Singapore, developers book in profits based on the construction progress of any housing project as prescribed by the Controller of Housing. Therefore, many developers, large or small, who have pre-sold their properties with healthy profit margin will not be adversely affected should there be a slow-down in the economy as they will continue to recognise their gains progressively for the next two to three years. Hence, many can afford to pace or delay their launches in a slower market.

As the Group’s gearing is relatively low, it is not pressured to launch new projects. It has the financial muscle to weather this period of uncertainty even for the next three years. Even if the Group defers or paces its launches, it will proceed with the construction for its projects where construction cost has been favourably secured earlier. It may also consider constructing select projects when the construction cost stablises at a reasonable level. It expects that when sentiments improve and when the market begins to recover, there would be pent-up demand which the Group will be in the position to meet.

Moving forward, the performance of the property market will largely depend on how the sub-prime crisis pans out and its impact on global economies. The property market scenario today is very different from a year ago. Formulated policies and plans for 2008 based on the buoyant conditions of 2007 will need to be revised quickly to meet the changes in the current market condition. As proven in the past, the Singapore property market is a very important pillar that complements the other sectors of the economy. It is therefore vital that stakeholders of the property industry remain nimble by reviewing and modifying their practices quickly so that they stay relevant, thereby minimising potential problems and arrest them ahead of time.

Given Singapore’s strong fundamentals, accompanied with forward looking strategies which have enabled Singapore to be a choice city to live, work and play, the Group is confident that Singapore will remain very attractive to the investment community locally and globally, especially since its restructured economy has just started to bear fruit for this city. Singapore has created its own brand with much equity and is poised for a new era of growth.

Nevertheless, it must be emphasised that property investment is not a short term commitment. History has shown that investing in real estate in Singapore with a medium to long term perspective has provided higher returns, through en bloc sales or value appreciation of the properties over time. Real estate is not as liquid as stock and shares and it can never be reduced to zero value even in a downturn. In the longer term, it is likely to outperform many other classes of assets. Properties are a well established hedge against inflation. Under current high inflationary environment, this would be an opportune time to purchase properties as housing loan rates are still very attractive. Importantly, property buyers must be able to service their instalment payments within their means. With fewer property buyers in the market, more will opt to rent which will raise the rental yields for apartments.

The office sector remains buoyant. The potential office supply may be delayed as there is a strain on the construction industry. Between now till possibly 2011, rentals are likely to remain healthy due to the limited supply coming on-stream and growing demand. As one of the biggest landlords in Singapore, the Group will benefit from the office crunch and pent-up demand as many of its key tenant leases are up for renewal during this period. While there are concerns that office rentals have gone up significantly recently, many forget that this sector has not grown much, except in the last two years, as rental increases also suffer a lag time since rental rates are often locked in over a period of time. Hence, many of the low rental rates were committed during the lull period of the property market and the improvements are evident when leasing contracts are up for renewal.

The Group is expediting the development of Tampines Grande commercial plot located near Tampines Central. This modern office complex with about 361,662 square feet of GFA is targeted to be completed by 2009. This will enable the Group to further tap on the strong demand for office space as more companies move their backroom business operations into the suburbs.

On the retail front, the Group's investment commitment in the private real estate fund Real Estate Capital Asia Partners, L.P. (RECAP) which acquired Jungceylon complex at Patong Beach, Phuket's largest shopping mall with about 1.5 million sq ft of retail space, has opened for business with 86% of the complex leased out. The 421-room Millennium Resort Patong Phuket, located next to the mall also opened its doors in January 2008.

In Singapore, the 700,000 square feet City Square Mall located at the junction of Serangoon and Kitchener Road, with the Farrer Park MRT station at its basement, is an attractive retail mall as it stands to provide an estimated 1.3 million potential customer base. The street-like retail design concept within the 5-storey atrium has been carefully designed to maximise shop visibility, providing a unique shopping experience. Slated to open in 2009, negotiations with anchor tenants are progressing well.

The hospitality industry in Singapore is also performing strongly. The Group has successfully capitalised on the CDL Hospitality Trusts (CDLHT) platform to extract greater revenue in light of the favourable market conditions. While there are fears that the Integrated Resort (IR) hotels when built by 2010/2011 will flood the city with an oversupply of hotel rooms, the Group holds a different view. Although there may be an initial impact of short term over supply, this will not be significant as the operators of the IR have their own marketing mechanism to attract their profiled clienteles to fill their rooms. In fact, the IR operators feel that they may not have sufficient rooms in the longer term. The IRs will make Singapore an even more exciting and attractive city with increased visitorship for business and leisure travellers. Moreover, some of these visitors may enjoy their stay so much as to purchase a property as their vacation or second home. The Group anticipates that the next wave of good business will be in 2011 when the two IRs are opened and operating successfully.

Diversification

Besides the diversification through the ownership and management of its hotel portfolio, the Group continues with its strategy to expand overseas either through real estate funds such as RECAP or by direct real estate investments. Recently, it has made overseas real estate investments/acquisitions in South Korea (Seoul), Russia (Moscow), Thailand (Bangkok and Phuket) and China (Beijing and Tianjin). As part of the Group's diversification efforts, it continues to explore new business opportunities in promising overseas markets in South Korea, China, India, Japan, Vietnam and Eastern Europe / Commonwealth of Independent States (CIS) countries across the various property market segments.

The Group continues to remain steadfast to be the proxy to the Singapore property market as this upcoming global city is beginning to reap the benefits of a restructured economy. It is confident that when the IRs are successfully operational, accompanied with mega high profile events and investments flowing into Singapore, this city will take the next quantum leap forward, with a sustainable burst of growth opportunities which will greatly benefit the real estate sector.

Hotel

M&C has managed to expand its global hotel portfolio with a well spread-out presence. Located in key gateway cities, the hotels are mainly business hotels which cater to a broad spectrum of travellers. Even if travel in the US market should slow down, M&C hotels should not be adversely affected as its hotel presence and revenue stream are well distributed.

M&C continues its successful twin strategy of being both a hotel owner and operator as it enjoys excellent cash generation capability and at the same time, capitalises on its hotel assets value over time through better operating performance, redevelopment or natural appreciation of its real estate value.

Four new hotels were also opened in 2007 in Qatar (Doha), Egypt (Sharm el Sheikh), Phuket and the 325-room Grand Millennium Sukhumvit in Thailand.

In 2008, the Grand Millennium Beijing, a 521-room 27-storey hotel located in the heart of Beijing's new financial and business district will be opened in the first half of the year. Another two hotels in China under management contracts will also be opening in Chengdu and Wuxi. Other scheduled hotel openings include Abu Dhabi, Dubai, Kuwait, Egypt (Sharm el Sheikh) and UK (Sheffield). Management contracts have also increased to 23 from 21 in 2006.

CDL Hospitality Trusts, which M&C has a 38.5% interest, purchased Novotel Clarke Quay Hotel in June 2007 for $219.6 million and now has six hotels under its portfolio.

M&C has a robust balance sheet, a strong asset position and low debt. In 2007, its gearing is reduced to 18.3% as compared to 20.5% in 2006. Its interest cover ratio, excluding share of joint ventures and associates, other operating income and impairment improved from 4.6 times in 2006 to 8.5 times in 2007. M&C is ideally positioned to swiftly capitalise on new opportunities down the road which may arise as a result of the change in the current economic climate.

In the first four weeks of trading in 2008, M&C achieved a RevPAR growth of 11% as compared to the same period in 2007 of 9.2%.

Group Prospects

Property development will continue to make significant contribution with locked-in profits yet to be recognised from its pre-sold residential projects. Some may be concerned that the US sub-prime issue may impact the hospitality business. However, the Group is fortunate to have its hotels well spread-out geographically and therefore, it is unlikely to be materially affected by this uncertain environment. As world travel increases with greater accessibility to more budget and super-large aircraft options, the Group stands to benefit as its hotels cater to business, MICE and leisure travellers. Healthy rental renewals and tight office supply auger well for the office rental segment.

The Group is confident that all three core segments of its business – property development, hotel operations and rental properties have been performing well and the prospects are good. With the above, the Group's earnings growth is assured and it should remain profitable over the next 12 months.

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 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	Special Interim Ordinary Dividend	Preference Dividend	
Date of payment	30 October 2007	2 July 2007	31 December 2007
Dividend Type	Cash	Cash	Cash
Dividend Amount (in cents)	10.0 cents (gross) per Ordinary Share	1.93 cents (net) per Preference Share^	1.97 cents (net) per Preference Share^
Dividend rate (in %)	N.A.	3.9% (net) per annum on the issue price of each Preference Share	3.9% (net) per annum on the issue price of each Preference Share
Dividend period	N.A.	From 31 December 2006 to 29 June 2007 (both dates inclusive)	From 30 June 2007 to 30 December 2007 (both dates inclusive)
Issue price	N.A.	$1.00 per Preference Share	$1.00 per Preference Share
Tax rate	18%	18%	18%

^ *Preference dividend for each Preference Share is calculated at the dividend rate of 3.9%(net) 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.*

Subject to ordinary shareholders' approval at the Annual General Meeting to be held on 24 April 2008, the following Ordinary dividends have been proposed:

Name of Dividend	Proposed Tax-Exempt (One-tier) Final Dividend	Proposed Tax-Exempt (One-tier) Special Final Dividend
Dividend Type	Cash	Cash
Dividend Amount (in cents)	7.5 cents per Ordinary Share	12.5 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	Preference Dividend	
Date of payment	30 June 2006	3 January 2007
Dividend Type	Cash	Cash
Dividend Amount per Preference Share (in cents)	1.93 cents (net)	1.97 cents (net)
Dividend rate (in %)	3.9% (net) per annum on the issue price of each Preference Share	3.9% (net) per annum on the issue price of each Preference Share
Dividend period	From 31 December 2005 to 29 June 2006 (both dates inclusive)	From 30 June 2006 to 30 December 2006 (both dates inclusive)
Issue price of Preference Shares	$1.00 per Preference Share	$1.00 per Preference Share
Tax rate	20%	20%

Name of Dividend	Special Interim Ordinary Dividend	First & Final Ordinary Dividend	Special Ordinary Dividend
Date of payment	27 December 2006	18 May 2007	18 May 2007
Dividend Type	Cash	Cash	Cash
Dividend Amount per Ordinary Share (in cents)	7.5 cents (gross)	7.5 cents (gross)	10.0 cents (gross)
Tax rate	20%	18%	18%

(c) Date payable

Subject to ordinary shareholders' approval at the Annual General Meeting to be held on 24 April 2008, the proposed final ordinary dividend and special final ordinary dividend for the financial year ended 31 December 2007 will be payable on 23 May 2008.

***(d)* Books Closure Date**

NOTICE IS HEREBY GIVEN that the subject to the ordinary shareholders' approval of the payment of a final tax-exempt (one-tier) ordinary dividend of 7.5 cents and a special final tax-exempt (one-tier) ordinary dividend of 12.5 cents per ordinary share in respect of the financial year ended 31 December 2007 at the Annual General Meeting to be held on 24 April 2008, the Ordinary Shares Transfer Books and Register of Holders of ordinary shares of the Company will be closed on 9 May 2008. Duly completed registrable transfers received by the Company's Registrar, M&C Services Private Limited of 138 Robinson Road #17-00, The Corporate Office, Singapore 068906, up to 5.00 p.m. on 8 May 2008 will be registered to determine ordinary shareholders' entitlement to the dividends. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the said dividends will be paid by the Company to CDP which will distribute the said dividends to the holders of the securities accounts.

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

Not applicable.

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

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

By Business Segments

		<-------The Group-------		------>	
		Revenue Full Year Ended 31 December		**Profit before tax (*) Full Year Ended 31 December**	
	Note	**2007 S$'000**	**2006 S$'000**	**2007 S$'000**	**2006 S$'000**
Revenue					
Property Development		861,791	484,980	506,321	225,811
Hotel Operations	(a)	1,986,513	1,846,378	285,422	396,598
Rental Properties		201,467	168,066	133,568	30,047
Others		56,335	47,380	29,302	39,822
		3,106,106	2,546,804	954,613	692,278

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

Note:
(a) Included in pre-tax profit of the Hotel Operations for year ended 31.12.2006 is the one-off gain of $150.9 million recognised on the sale of long leasehold interest in four Singapore hotels to CDL Hospitality Trusts. Excluding this one-off gain, pre-tax profit of the Hotel Operations would have increased by 16.2% to $285.4 million (adjusted 2006: $245.7 million)

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

Property Development

Revenue surged by $376.8 million (or 77.7%) to $861.8 million (2006: $485.0 million) while a pre-tax profit has more than doubled to $506.3 million (2006: $225.8 million)

Projects that contributed to both revenue and profit include City Square Residences, Residences @ Evelyn, Butterworth 33, Savannah CondoPark, The Imperial, Tribeca, The Equatorial, Chelsea Gardens, The Botannia, 7 Draycott Drive, Monterey Park, The Pier at Robertson and sale of the residential units in Sydney and land in New Zealand. In accordance to the Group's policy of equity accounting for the results of its jointly-controlled entities, whilst revenue from The Sail @ Marina Bay, Parc Emily, The Oceanfront @ Sentosa Cove, Ferraria Park, St. Regis Residences, Cuscaden Residences and Edelweiss Park has not been consolidated into the Group's total revenue, the Group's share of profits arising from these joint venture developments has been included in pre-tax profit.

The increase in revenue is mainly attributable to contributions from The Botannia, Chelsea Gardens, The Tribeca and higher revenue generated from Butterworth 33, City Square Residences, 7 Draycott Drive, The Equatorial and The Imperial.

The increase in pre-tax profit, which is in-line with the improvement in revenue, is also attributed to profit recognised for The Oceanfront @ Sentosa Cove, higher contributions from The Sail @ Marina Bay, Parc Emily and St Regis Residences.

Hotel Operations

Revenue improved by $140.1 million (or 7.6%) to $1,986.5 million (2006: $1,846.4 million). The increase in revenue is a result of higher Group RevPAR achieved on the back of buoyant market conditions, particularly in New York, London and Singapore.

Pre-tax profit decreased by $111.2 million to $285.4 million (2006: $396.6 million) mainly due the absence of one-off gain of $150.9 million on the disposal of long leasehold interest in four Singapore hotels in Q3 2006 to CDL Hospitality Trusts (CDLHT) and increase in impairment losses provided on hotels, partially mitigated by the improved performance of hotel operations.

Rental Properties

Revenue increased by 19.9% to $201.5 million (2006: $168.1 million) as a result of general improvement in average rental rates and occupancy.

Pre-tax profit has accelerated to $133.6 million (2006: $30.0 million) mainly due to improvement in revenue and write-back of impairment losses of approximately $75 million on investment properties previously provided. It is also further enhanced by the profit contribution from CDLHT.

Others

Revenue, comprising mainly income from hotel management, building maintenance contracts, project management, club operations and dividend income, has improved by 18.8% to $56.3 million (2006: $47.4 million) due to higher dividend income and management fees earned.

Pre-tax profit for this segment decreased by $10.5 million to $29.3 million (2006: $39.8 million) due to lower mark-to-market gain recognised from financial assets held for trading and exchange loss arising from foreign currency denominated loans.

15. A breakdown of sales

	<-------------------The Group-------------------->					
	2007			2006		
	1H S$'000	2H S$'000	Total S$'000	1H S$'000	2H S$'000	Total S$'000
Sales	1,544,285	1,561,821	3,106,106	1,143,316	1,403,488	2,546,804
Operating profit after tax before deducting minority interests	412,487	476,732	889,219	131,426	431,540	562,966

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

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

		Full Year 2006 S$'000	Full Year 2005 S$'000
Ordinary		55,922	54,507
Special		129,121	36,338
Preference		12,904	12,904
Total		**197,947**	**103,749**

The final ordinary dividend and special final ordinary dividend for the financial year ended 31 December 2006 of 7.5 cents and 10.0 cents respectively per ordinary share less 18% tax have been approved by the ordinary shareholders at the Annual General Meeting held on 26 April 2007 and the dividends were paid on 18 May 2007.

17. Interested Person Transactions

Interested Persons	Aggregate value of all interested person transactions conducted in FY2007 under the IPT Mandate pursuant to Rule 920 (excluding transactions less than $100,000)	
Hong Leong Investment Holdings Pte. Ltd. group of companies	Property-related: *(leases, marketing, construction award, and carpark operation and management services)*	$3,483,043.00
Directors and their immediate family members		Nil

BY ORDER OF THE BOARD

Shufen Loh @ Catherine Shufen Loh
Company Secretary
28 February 2008