CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

UNAUDITED FULL YEAR FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

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

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

These figures have not been audited.

	The Group Fourth Quarter Ended 31 December		Incr/ (Decr)	The Group Full Year Ended 31 December		Incr/ (Decr)
	2013	2012		2013	2012	
	S$'000	S$'000	%	S$'000	S$'000	%
Revenue	774,396	886,369	(12.6)	3,162,146	3,353,727	(5.7)
Cost of sales	(286,168)	(380,188)	(24.7)	(1,549,643)	(1,692,654)	(8.4)
Gross profit	488,228	506,181	(3.5)	1,612,503	1,661,073	(2.9)
Other operating income [2]	23,616	54,224	(56.4)	200,331	148,658	34.8
Administrative expenses [3]	(137,309)	(136,700)	0.4	(529,061)	(505,856)	4.6
Other operating expenses [4]	(135,834)	(101,469)	33.9	(413,887)	(383,505)	7.9
Profit from operations	238,701	322,236	(25.9)	869,886	920,370	(5.5)
Finance income [5]	9,167	9,375	(2.2)	30,439	38,590	(21.1)
Finance costs [6]	(20,598)	(20,564)	0.2	(75,718)	(78,867)	(4.0)
Net finance costs	(11,431)	(11,189)	2.2	(45,279)	(40,277)	12.4
Share of after-tax profit of associates [7]	9,326	1,406	563.3	34,139	39,934	(14.5)
Share of after-tax profit of jointly-controlled entities [8]	19,338	13,010	48.6	33,703	40,212	(16.2)
Profit before income tax [1]	255,934	325,463	(21.4)	892,449	960,239	(7.1)
Income tax expense [9]	(7,097)	(7,187)	(1.3)	(69,313)	(99,901)	(30.6)
Profit for the period/year	248,837	318,276	(21.8)	823,136	860,338	(4.3)
Attributable to:						
Owners of the Company	**220,961**	**249,348**	(11.4)	**682,988**	**678,339**	0.7
Non-controlling interests	27,876	68,928	(59.6)	140,148	181,999	(23.0)
Profit for the period/year	248,837	318,276	(21.8)	823,136	860,338	(4.3)
Earnings per share						
- basic	23.6 cents	26.7 cents	(11.6)	73.7 cents	73.2 cents	0.7
- diluted	23.2 cents	26.1 cents	(11.1)	71.6 cents	71.1 cents	0.7

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	
	2013 S$'000	2012 S$'000	2013 S$'000	2012 S$'000
Interest income	7,687	7,067	26,949	31,281
Profit on sale of investments, investment properties and property, plant and equipment (net)	10,257	46,592	160,811	130,311
Gain on dilution/disposal of investment in an associate (net)	-	9	603	1,241
Write-back of allowance for foreseeable losses on development properties	2,701	4,400	2,566	5,593
Gain/(Loss) on disposal/liquidation of investment in subsidiaries (net)	9,108	-	29,243	(7,832)
Investment income	1,248	460	6,238	6,485
Depreciation and amortisation	(40,897)	(42,287)	(159,347)	(148,271)
Interest expenses	(17,909)	(17,174)	(67,265)	(69,079)
Net exchange (loss)/gain	(2,370)	3,693	(1,650)	9,253
Net change in fair value of financial assets held for trading	1,405	2,308	2,515	7,309
Impairment losses on investment properties	(2,324)	(6,009)	(2,324)	(6,009)
Impairment losses on property, plant and equipment	(23,706)	-	(23,706)	-
Impairment losses on loans to a jointly-controlled entity	(270)	(252)	(1,091)	(2,904)

(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 $30.6 million to $23.6 million (Q4 2012: $54.2 million) for Q4 2013 but increased by $51.6 million to $200.3 million (FY 2012: $148.7 million) for FY 2013. The decrease in Q4 2013 was mainly due to the disposal of fewer strata units in non-core investment properties. Furthermore, included in Q4 2012 was a gain recognised on the disposal of Copthorne Hotel Christchurch Central following an insurance settlement on this hotel, which was affected by the New Zealand 2011 earthquake. The decrease was mitigated by the gain recognised from the disposal of an India subsidiary by the Group's 59% owned subsidiary, Millennium & Copthorne Hotels plc. For FY 2013, the increase was primarily due to higher disposal gains recognised following sale of an industrial site at 100G Pasir Panjang, a subsidiary in China and India, partially offset by lower gains from realisation of a private real estate fund and lesser sale of strata units in investment properties.

(3) Administrative expenses comprise mainly depreciation, hotel administrative expenses, operating lease expenses and salaries and related expenses. This had remained relatively constant at $137.3 million (Q4 2012: $136.7 million) for Q4 2013 but increased by $23.2 million to $529.1 million (Q4 2012: $505.9 million) for FY 2013. The increase in FY 2013 was mainly due to higher salaries and related expenses, coupled with increased depreciation for W Singapore Sentosa Cove Hotel which commenced operations in October 2012 as well as ONE UN New York, Millennium Hotel Minneapolis, Millennium Seoul Hilton and west wing of the Grand Hyatt Taipei following completion of hotel renovations. The increases were however partially mitigated by lower operating lease expenses.

(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 increased by $34.3 million to $135.8 million (Q4 2012: $101.5 million) for Q4 2013 and by $30.4 million to $413.9 million (FY 2012: $383.5 million) for FY 2013. These increases were primarily due to impairment loss of $23.7 million made in Q4 2013 on a hotel in United States partially offset by lower impairment loss of $2.3 million (Q4 2012: $6.0 million) in Q4 2013 on an investment property located in Japan. In addition, net exchange loss reported in 2013 vis-à-vis net exchange gain recorded last year also led to higher other operating expenses.

(5) Finance income, comprising mainly interest income and fair value gains on financial assets held for trading, remained relatively constant at $9.2 million (Q4 2012: $9.4 million) for Q4 2013 but decreased by $8.2 million to $30.4 million (FY 2012: $38.6 million) for FY 2013. The decrease was due to lower fair value gains recorded on financial assets held for trading and lower interest income earned.

(6) Finance costs comprise primarily interest on borrowings, fair value loss on financial assets held for trading and amortisation of capitalised transaction costs on borrowings. This had remained relatively constant at $20.6 million (Q4 2012: $20.6 million) for Q4 2013 and $75.7 million (FY 2012: $78.9 million) for FY 2013.

(7) Share of after-tax profit of associates relates to the Group's share of results of CDL Hospitality Trusts (CDLHT) and First Sponsor Capital Limited (FSCL) which are held via the Group's 59% owned subsidiary, M&C. Share of after-tax profit of associates increased by $7.9 million for Q4 2013 but decreased by $5.8 million for FY 2013. The increase in Q4 2013 was mainly due to higher share of results from FSCL. The decrease in FY 2013 was mainly attributable to lower profit contribution from Chengdu Cityspring residential project held by FSCL as well as reduced contribution from CDLHT.

(8) Share of after-tax profit from jointly-controlled entities increased by $6.3 million to $19.3 million (Q4 2012: $13.0 million) for Q4 2013 but decreased by $6.5 million to $33.7 million (FY 2012: $40.2 million) for FY 2013. The increase for Q4 2013 was mainly due to maiden contribution from The Inflora and Bartley Ridge. The decrease in FY 2013 was mainly attributable to gains recognised on disposal of strata units in Burlington Square in Q3 2012.

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

	The Group Fourth Quarter Ended 31 December		The Group Full Year Ended 31 December	
	2013 S$'m	2012 S$'m	2013 S$'m	2012 S$'m
The tax charge relates to the following:				
Profit for the period/year	59.6	51.1	140.3	170.8
Overprovision in respect of prior period/year	(52.5)	(43.9)	(71.0)	(70.9)
	7.1	7.2	69.3	99.9

The overall effective tax rate of the Group for Q4 2013 was 2.8% (Q4 2012: 2.2%) and FY 2013 was 7.8% (FY 2012: 10.4%). Excluding the overprovision in respect of prior period/year, the effective tax rate for the Group for Q4 2013 was 23.3% (Q4 2012: 15.7%) and FY 2013 was 15.7% (FY 2012: 17.8%). The overprovision of tax for Q4 2013 and FY 2013 is due to resolution of long outstanding tax matters with the tax authorities following finalisation of a few years of tax assessments.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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

	Note	The Group		The Company	
		As at 31.12.2013 S$'000	As at 31.12.2012 S$'000	As at 31.12.2013 S$'000	As at 31.12.2012 S$'000
Non-current assets					
Property, plant and equipment		3,566,425	3,405,474	9,795	9,772
Investment properties		2,785,822	2,916,193	511,135	518,651
Lease premium prepayment		85,559	82,798	-	-
Investments in subsidiaries		-	-	2,222,347	2,223,435
Investments in associates	(1)	493,174	417,855	-	-
Investments in jointly-controlled entities		772,266	806,956	36,360	36,360
Investments in financial assets	(2)	85,116	102,132	29,700	27,687
Other non-current assets	(3)	22,314	79,072	407,881	428,227
		7,810,676	**7,810,480**	**3,217,218**	**3,244,132**
Current assets					
Development properties		4,326,542	4,310,685	482,988	651,687
Lease premium prepayment		2,646	2,484	-	-
Consumable stocks		8,424	8,838	1	32
Financial assets		36,534	32,585	-	-
Assets classified as held for sale	(4)	-	103,698	-	-
Trade and other receivables		1,634,576	1,182,731	5,457,485	4,936,376
Cash and cash equivalents		2,871,261	2,156,827	1,367,264	1,040,004
		8,879,983	**7,797,848**	**7,307,738**	**6,628,099**
Total assets		**16,690,659**	**15,608,328**	**10,524,956**	**9,872,231**
Equity attributable to Owners of the Company					
Share capital		1,991,397	1,991,397	1,991,397	1,991,397
Reserves		5,853,983	5,312,251	3,447,897	3,402,160
		7,845,380	7,303,648	5,439,294	5,393,557
Non-controlling interests		1,983,005	1,953,407	-	-
Total equity		**9,828,385**	**9,257,055**	**5,439,294**	**5,393,557**
Non-current liabilities					
Interest-bearing borrowings*		3,858,275	3,468,764	2,592,044	2,381,248
Employee benefits		37,521	34,774	-	-
Other liabilities		109,717	145,522	297,837	124,254
Provisions		15,977	15,415	-	-
Deferred tax liabilities		328,490	352,637	47,412	45,842
		4,349,980	**4,017,112**	**2,937,293**	**2,551,344**
Current liabilities					
Trade and other payables		1,312,844	1,034,134	1,530,773	1,444,302
Interest-bearing borrowings*		968,025	998,164	601,461	408,448
Employee benefits		17,903	16,279	2,639	2,477
Other liabilities		213	266	-	-
Provision for taxation		188,137	221,360	13,496	72,103
Provisions		25,172	23,816	-	-
Liabilities classified as held for sale	(4)	-	40,142	-	-
		2,512,294	**2,334,161**	**2,148,369**	**1,927,330**
Total liabilities		**6,862,274**	**6,351,273**	**5,085,662**	**4,478,674**
Total equity and liabilities		**16,690,659**	**15,608,328**	**10,524,956**	**9,872,231**

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

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) The decrease in financial assets was mainly due to the realisation of investments in a private real estate fund.

3) The decrease in other non-current assets was attributable to repayment of loans by an associate.

4) The decrease was mainly due to the completion of the equity transfer of the Group's interest in an indirect wholly-owned subsidiary, Tianjin Trophy Real Estate Co., Ltd, incorporated in Republic of China.

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

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

		As at 31.12.2013 S$'000	As at 31.12.2012 S$'000
Unsecured			
- repayable within one year		843,298	750,790
- repayable after one year		3,211,493	2,676,832
	(a)	4,054,791	3,427,622
Secured			
- repayable within one year		125,052	249,248
- repayable after one year		659,377	841,834
	(b)	784,429	1,091,082
Gross borrowings	(a) + (b)	4,839,220	4,518,704
Less: cash and cash equivalents as shown in the statement of financial position		(2,871,261)	(2,156,827)
Less: cash and cash equivalents included in assets classified as held for sale		-	(5,204)
Net borrowings		1,967,959	2,356,673

Details of any collateral

Where secured, borrowings are collateralised by:

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

1(c) A 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	
	2013	2012	2013	2012
	S$'000	S$'000	S$'000	S$'000
Operating Activities				
Profit for the period/year	248,837	318,276	823,136	860,338
Adjustments for:				
Depreciation and amortisation	40,897	42,287	159,347	148,271
Dividend income	(1,248)	(460)	(6,238)	(6,485)
Equity settled share-based transactions	(1,924)	562	1,644	4,147
Finance costs	20,598	20,564	75,718	78,867
Finance income	(9,167)	(9,375)	(30,439)	(38,590)
Gain on dilution of investment in an associate	-	(9)	(603)	(1,241)
Impairment losses on loans to a jointly-controlled entity	270	252	1,091	2,904
Impairment losses on investment properties and property, plant and equipment	26,030	6,009	26,030	6,009
Income tax expense	7,097	7,187	69,313	99,901
(Gain)/Loss on disposal/liquidation of investments in subsidiaries (net)	(9,108)	-	(29,243)	7,832
(Profit)/Loss on sale of investments	(9)	377	(9,005)	(46,316)
Profit on sale of property, plant and equipment and investment properties	(10,248)	(46,969)	(151,806)	(83,995)
Property, plant and equipment and investment properties written off	-	8	434	190
Share of after-tax profit of associates	(9,326)	(1,406)	(34,139)	(39,934)
Share of after-tax profit of jointly-controlled entities	(19,338)	(13,010)	(33,703)	(40,212)
Units in an associate received and receivable in lieu of fee income	(2,597)	(2,483)	(9,925)	(9,776)
Operating profit before working capital changes	280,764	321,810	851,612	941,910
Changes in working capital				
Development properties	(290,865)	(355,047)	19,831	(756,212)
Stocks, trade and other receivables	(41,029)	40,548	(467,014)	36,289
Trade and other payables	165,472	(37,376)	269,262	55,784
Employee benefits	(2,195)	(8,764)	2,008	(8,437)
Cash generated from/(used in) operations	112,147	(38,829)	675,699	269,334
Income tax paid	(10,365)	(10,238)	(134,975)	(204,074)
Cash flows from/(used in) operating activities carried forward[(1)]	**101,782**	**(49,067)**	**540,724**	**65,260**

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

	Fourth Quarter Ended 31 December		Full Year Ended 31 December	
	2013	2012	2013	2012
	S$'000	S$'000	S$'000	S$'000
Cash flows from/(used in) operating activities brought forward	**101,782**	**(49,067)**	**540,724**	**65,260**
Investing Activities				
Acquisition of subsidiaries (net of cash acquired) (2)	-	(203,976)	-	(411,993)
Capital expenditure on investment properties	(8,522)	(2,747)	(23,647)	(48,323)
Disposal/(Purchase) of financial assets (3)	2,152	(2,697)	28,080	97,733
Disposal of subsidiaries (net of cash disposed off) (4)	9,479	-	83,650	-
Dividends received				
- an associate	23	-	37,915	38,908
- financial investments	1,248	460	6,238	6,485
- jointly-controlled entities	11,151	10,069	81,689	23,897
Interest received	4,688	4,495	18,562	18,263
Increase in intangible assets	(146)	(236)	(290)	(596)
(Increase)/Decrease in investments in associates	(48)	(244)	(57,871)	5,356
Increase in investments in jointly-controlled entities	(2,904)	(3,277)	(9,037)	(13,370)
Payments for purchase of property, plant and equipment	(24,840)	(39,729)	(159,247)	(208,763)
Proceeds from sale of property, plant and equipment and investment properties (5)	21,267	70,172	208,056	139,641
Cash flows from/(used in) investing activities	13,548	(167,710)	214,098	(352,762)
Financing Activities				
Acquisition of non-controlling interests	-	-	(143,538)	(129)
Net (decrease in amount owing to)/decrease in amount owing by related parties	(1,412)	(10,295)	61,797	54,163
Capital contribution from non-controlling interests	6,899	23	7,742	1,252
Dividends paid	(12,607)	(13,897)	(250,782)	(181,595)
Finance lease payments	(11)	-	(28)	(3)
Increase in/(Repayment of) other long-term liabilities	46	107	(557)	382
Interest paid (including amounts capitalised as property, plant and equipment, investment properties and development properties)	(21,934)	(23,005)	(92,720)	(93,967)
Net (repayments of)/proceeds from revolving credit facilities and short-term bank borrowings	(14,033)	(244)	50,999	(122,310)
Payment of financing transaction costs	(1,336)	(1,790)	(4,857)	(8,544)
Payment on settlement of financial instruments	-	-	(4,132)	-
Proceeds from bank borrowings	6,369	255,826	359,806	790,826
Proceeds from issuance of bonds and notes	195,035	742	607,575	356,243
Repayment of bank borrowings	(52,300)	(193,332)	(385,702)	(451,655)
Repayment of bonds and notes	(137,650)	(234)	(455,270)	(404,000)
Cash flows (used in)/from financing activities (6)	(32,934)	13,901	(249,667)	(59,337)
Net increase/(decrease) in cash and cash equivalents carried forward	**82,396**	**(202,876)**	**505,155**	**(346,839)**

	Fourth Quarter Ended 31 December		Full Year Ended 31 December	
	2013	2012	2013	2012
	S$'000	S$'000	S$'000	S$'000
Net increase/(decrease) in cash and cash equivalents brought forward	**82,396**	**(202,876)**	**505,155**	**(346,839)**
Cash and cash equivalents at beginning of the period/year	2,562,355	2,327,153	2,127,160	2,487,580
Effect of exchange rate changes on balances held in foreign currencies	4,926	2,883	17,362	(13,581)
Cash and cash equivalents at end of the year	**2,649,677**	**2,127,160**	**2,649,677**	**2,127,160**
Cash and cash equivalents comprise:-				
Cash and cash equivalents as shown in the statement of financial position	2,871,261	2,156,827	2,871,261	2,156,827
Cash and cash equivalents included in assets classified as held for sale	-	5,204	-	5,204
Less: Bank overdrafts	(221,584)	(34,871)	(221,584)	(34,871)
	2,649,677	**2,127,160**	**2,649,677**	**2,127,160**

Notes to the consolidated statement of cash flows

(1) The net outflow from operating activities for Q4 2012 of $49.1 million was primarily due to the payment of land cost for the site at Tai Thong Crescent in Q4 2012.

(2) The net cash outflow for Q4 2012 and FY 2012 relates to the acquisition of a group of foreign entities in Q1 2012 which had interests in 2 retail developments and a hotel, as well as the acquisition of the remaining 60% interest in Grange 100 Pte. Ltd..

(3) The cash inflow for FY 2013 and FY 2012 refers to proceeds from realisation of investments in a private real estate fund.

(4) The net cash inflow for Q4 2013 and FY 2013 was due to the proceeds from disposal of 2 subsidiaries, Tianjin Trophy Real Estate Co., Ltd and M and C Rakindo Hospitality Private Limited in Q2 2013 and Q4 2013 respectively.

(5) The net cash inflow for Q4 2013 and FY 2013 were primarily due to the proceeds from the sale of several strata units in Citimac Industrial Complex, Elite Industrial Building I and Elite Industrial Building II in Q1 2013, an industrial site at 100G Pasir Panjang in Q2 2013 and 1 strata floor in GB Building in Q3 2013 and Q4 2013 respectively.

The cash inflow for Q4 2012 and FY 2012 relates primarily to proceeds from disposal of several strata units in Citimac Industrial Complex, Elite Industrial Building I and II, GB Building and Pantech Business Hub as well as insurance settlement receipt for Copthorne Hotel Christchurch Central.

(6) For Q4 2013, the Group had a net cash outflow from financing activities of $32.9 million (Q4 2012: net cash inflow of $13.9 million) mainly due to net repayment of borrowings in Q4 2013 of $2.6 million as compared to net proceeds received from borrowings of $62.8 million in Q4 2012.

The Group had a net cash outflow from financing activities of $249.7 million (FY 2012: net cash outflow of $59.3 million) for FY 2013. This was due to higher dividend paid coupled with purchase of shares in a subsidiary, Millennium & Copthorne Hotels plc in FY 2013. The cash outflow was partially offset by net proceeds received from borrowings in 2013 of $177.4 million as compared to $169.1 million for FY 2012.

1(d) Consolidated Statement of Comprehensive Income

	Fourth Quarter Ended 31 December		Full Year Ended 31 December	
	2013	2012	2013	2012
	S$'000	S$'000	S$'000	S$'000
Profit for the period/year	248,837	318,276	823,136	860,338
Other comprehensive income:				
Item that will not be reclassified to profit or loss:				
Actuarial losses on defined benefit plans	(2,073)	(2,397)	(1,862)	(6,088)
Items that may be reclassified subsequently to profit or loss:				
Changes in fair value of equity investments available for sale	1,024	36	727	3,274
Effective portion of changes in fair value of cash flow hedges	109	367	59	584
Exchange differences on hedges of net investments in foreign entities	7,116	(1,318)	11,369	5,897
Exchange differences on monetary items forming part of net investments in foreign entities	(11,431)	(2,998)	(6,511)	(19,667)
Exchange differences realised on disposal/liquidation of subsidiaries	90	-	(1,048)	7,831
Share of other reserve movement of associates and a jointly-controlled entity	(97)	-	(53)	241
Translation differences arising on consolidation of foreign entities	56,254	7,757	130,114	(115,588)
Other comprehensive income for the period/year, net of tax	**50,992**	**1,447**	**132,795**	**(123,516)**
Total comprehensive income for the period/year	**299,829**	**319,723**	**955,931**	**736,822**
Total comprehensive income attributable to:				
Owners of the Company	**261,319**	**249,187**	**749,039**	**606,981**
Non-controlling interests	38,510	70,536	206,892	129,841
Total comprehensive income for the period/year	**299,829**	**319,723**	**955,931**	**736,822**

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.

	Attributable to owners of the Company							
The Group	**Share Capital S$m**	**Cap. Res. S$m**	**Other Res.* S$m**	**Exch. Fluct. Res. S$m**	**Accum. Profits S$m**	**Total S$m**	**Non-controlling Interests S$m**	**Total Equity S$m**
At 1 January 2012	1,991.4	148.9	7.4	(320.2)	4,999.3	6,826.8	1,869.2	8,696.0
Profit for the year	-	-	-	-	678.3	678.3	182.0	860.3
<u>Other comprehensive income</u>								
Actuarial losses on defined benefit plans	-	-	-	-	(3.1)	(3.1)	(3.0)	(6.1)
Change in fair value of equity investments available for sale	-	-	3.3	-	-	3.3	-	3.3
Effective portion of changes in fair value of cash flow hedges	-	-	0.3	-	-	0.3	0.3	0.6
Exchange differences on hedges of net investment in foreign entities	-	-	-	3.2	-	3.2	2.7	5.9
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	(18.0)	-	(18.0)	(1.6)	(19.6)
Exchange differences realised on liquidation of subsidiaries	-	-	-	7.8	-	7.8	-	7.8
Share of other reserve movements of associates and a jointly-controlled entity			0.1	-	-	0.1	0.1	0.2
Translation differences arising on consolidation of foreign entities	-	-	-	(64.9)	-	(64.9)	(50.7)	(115.6)
Other comprehensive income for the year, net of income tax	-	-	3.7	(71.9)	(3.1)	(71.3)	(52.2)	(123.5)
Total comprehensive income for the year	-	-	3.7	(71.9)	675.2	607.0	129.8	736.8
Transactions with owners, recorded directly in equity								
<u>Contributions by and distributions to owners</u>								
Capital contribution from non-controlling interests	-	-	-	-	-	-	1.3	1.3
Dividends paid to owners of the Company	-	-	-	-	(131.1)	(131.1)	-	(131.1)
Dividends paid to non-controlling interests						-	(50.5)	(50.5)
Share options exercised	-	-	(0.3)	-	-	(0.3)	0.3	-
Share-based payment transactions	-	-	1.2	-	-	1.2	1.0	2.2
Total contributions by and distributions to owners	-	-	0.9	-	(131.1)	(130.2)	(47.9)	(178.1)
<u>Changes in ownership interests in subsidiaries</u>								
Acquisition of a subsidiary with non-controlling interests	-	-	-	-	-	-	2.5	2.5
Acquisition of non-controlling interests without a change in control	-	0.1	-	-	-	0.1	(0.2)	(0.1)
Total changes in ownership interests in subsidiaries	-	0.1	-	-	-	0.1	2.3	2.4
Total transactions with owners	-	0.1	0.9	-	(131.1)	(130.1)	(45.6)	(175.7)
At 31 December 2012	**1,991.4**	**149.0**	**12.0**	**(392.1)**	**5,543.4**	**7,303.7**	**1,953.4**	**9,257.1**

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

CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

The Group	Share Capital S$m	Cap. Res. S$m	Other Res.* S$m	Exch. Fluct. Res. S$m	Accum. Profits S$m	Total S$m	Non-controlling Interests S$m	Total Equity S$m
	Attributable to owners of the Company							
At 1 January 2013	1,991.4	149.0	12.0	(392.1)	5,543.4	7,303.7	1,953.4	9,257.1
Profit for the year	-	-	-	-	683.0	683.0	140.1	823.1
Other comprehensive income								
Actuarial losses on defined benefit plans	-	-	-	-	(1.2)	(1.2)	(0.7)	(1.9)
Change in fair value of equity investments available for sale	-	-	0.7	-	-	0.7	-	0.7
Effective portion of changes in fair value of cash flow hedges	-	-	0.3	(0.3)	-	-	-	-
Exchange differences on hedges of net investment in foreign entities	-	-	-	6.7	-	6.7	4.7	11.4
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	(3.4)	-	(3.4)	(3.1)	(6.5)
Exchange differences realised on disposal of subsidiaries	-	-	-	(1.0)	-	(1.0)	-	(1.0)
Translation differences arising on consolidation of foreign entities	-	-	-	64.2	-	64.2	65.9	130.1
Other comprehensive income for the year, net of income tax	-	-	1.0	66.2	(1.2)	66.0	66.8	132.8
Total comprehensive income for the year	-	-	1.0	66.2	681.8	749.0	206.9	955.9
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital contribution from non-controlling interests	-	-	-	-	-	-	7.7	7.7
Dividends paid to owners of the Company	-	-	-	-	(203.9)	(203.9)	-	(203.9)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(46.9)	(46.9)
Share options exercised	-	-	-	-	-	-	-	-
Share-based payment transactions	-	-	1.2	-	-	1.2	0.8	2.0
Total contributions by and distributions to owners	-	-	1.2	-	(203.9)	(202.7)	(38.4)	(241.1)
Changes in ownership interests in subsidiaries								
Acquisition of non-controlling interests without a change in control	-	(5.9)	0.1	(13.4)	14.6	(4.6)	(138.9)	(143.5)
Total changes in ownership interests in subsidiaries	-	(5.9)	0.1	(13.4)	14.6	(4.6)	(138.9)	(143.5)
Total transactions with owners	-	(5.9)	1.3	(13.4)	(189.3)	(207.3)	(177.3)	(384.6)
At 31 December 2013	**1,991.4**	**143.1**	**14.3**	**(339.3)**	**6,035.9**	**7,845.4**	**1,983.0**	**9,828.4**

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

The Company	Share Capital S$m	Capital Reserve S$m	Fair Value Reserve S$m	Other Reserve S$m	Accumulated Profits S$m	Total S$m
At 1 January 2012	1,991.4	63.7	6.8	5.7	3,308.4	5,376.0
Profit for the year	-	-	-	-	149.0	149.0
Other comprehensive income						
Change in fair value of equity investments available for sale	-	-	5.4	-	-	5.4
Other comprehensive income for the year, net of income tax	-	-	5.4	-	-	5.4
Total comprehensive income for the year	-	-	5.4	-	149.0	154.4
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Dividends paid to owners of the Company	-	-	-	-	(131.1)	(131.1)
Effects on liquidation of subsidiaries	-	-	-	(5.7)	-	(5.7)
Total contributions by and distributions to owners	-	-	-	(5.7)	(131.1)	(136.8)
Total transactions with owners	-	-	-	(5.7)	(131.1)	(136.8)
At 31 December 2012	**1,991.4**	**63.7**	**12.2**	**-**	**3,326.3**	**5,393.6**
Profit for the year	-	-	-	-	247.6	247.6
Other comprehensive income						
Change in fair value of equity investments available for sale	-	-	2.0	-	-	2.0
Other comprehensive income for the year, net of income tax	-	-	2.0	-	-	2.0
Total comprehensive income for the year	-	-	2.0	-	247.6	249.6
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Dividends paid to owners of the Company	-	-	-	-	(203.9)	(203.9)
Total contributions by and distributions to owners	-	-	-	-	(203.9)	(203.9)
Total transactions with owners	-	-	-	-	(203.9)	(203.9)
At 31 December 2013	**1,991.4**	**63.7**	**14.2**	**-**	**3,370.0**	**5,439.3**

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 2013.

Preference share capital

There was no change in the Company's issued preference share capital during the year ended 31 December 2013.

As at 31 December 2013, 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 2012: 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 2013 and 31 December 2012.

The total number of issued ordinary shares (excluding treasury shares) as at 31 December 2013 and 31 December 2012 is 909,301,330.

The total number of issued Preference Shares as at 31 December 2013 and 31 December 2012 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 2013.

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.

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 2012.

<u>2014 changes in accounting policy and presentation</u>

FRS 110 *Consolidated Financial Statements* which replaces requirements in FRS 27 *Consolidated and Separate Financial Statements* and INT FRS 12 *Consolidation – Special Purpose Entities,* introduces new criteria to determine whether entities in which the Group has an interest should be consolidated. It will first be effective for the Group's 2014 financial statements, and the implementation of FRS 110 will result in the Group consolidating CDL Hospitality Trusts which was previously accounted for as an associate using the equity method. The financial impact to the Group as at 31 December 2013 if FRS 110 had been adopted at that date would be an increase in net assets of $388m. The Group's attributable profit after tax and non-controlling interests for the year ended 31 December 2013 would have increased by $3m.

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

The Group adopted the following relevant new standards, amendments to standards and interpretations that are effective for financial period beginning on 1 January 2013.

Amendments to FRS 1 *Presentation of items of Other Comprehensive income*
FRS 19 *Employee Benefits (revised 2011)*
FRS 113 *Fair Value Measurement*

Amendments to FRS 1 *Presentation of items of Other Comprehensive income* requires those items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met to be separated from those that would never be reclassified to profit and loss. This amendment only affects the presentation of the consolidated statement of comprehensive income in the financial statement.

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

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

	Fourth Quarter Ended 31 December		Full Year Ended 31 December	
	2013	2012	2013	2012
Basic Earnings per share (cents)	23.6	26.7	73.7	73.2
Diluted Earnings per share (cents)	23.2	26.1	71.6	71.1
Earnings per share is calculated based on:				
a) Profit attributable to equity holders of the parent (S$'000) (*)	214,491	242,861	670,084	665,435
b) Profit used for computing diluted earnings per share (S$'000)	220,961	249,348	682,988	678,339
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 2013 of $6,470,000 (Q4 2012: $6,487,000) and in full year 2013 of $12,904,000 (FY 2012: $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	
	31.12.2013 S$	31.12.2012 S$	31.12.2013 S$	31.12.2012 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 2013 (909,301,330 ordinary shares (excluding treasury shares) as at 31 December 2012)	8.63	8.03	5.98	5.93

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

Despite the challenging property market in Singapore, resulting in part from several rounds of Government cooling measures, the Group continued to deliver a respectable performance for the year ended 31 December 2013 (FY 2013). For FY 2013, the Group achieved attributable profit after tax and non-controlling interests of $683.0 million, on par with FY 2012 of $678.3 million.

For the quarter ended 31 December 2013 (Q4 2013), the Group posted an attributable profit after tax and non-controlling interests of $221.0 million (Q4 2012: $249.3 million).

Basic earnings per share of the Group stood at 23.6 cents for Q4 2013 (Q4 2012: 26.7 cents) and 73.7 cents for FY 2013 (FY 2012: 73.2 cents).

In terms of pre-tax profit, the property development segment was the main contributor, representing 46.3% and 66.8% of the Group's profit before tax for FY 2013 and Q4 2013 respectively, despite reporting lower profits. The lower profit contribution from this segment was due to the completion of Hundred Trees and Tree House in 2013, coupled with the absence of similar gain from disposal of industrial land parcels at Jalan Lam Huat recorded in Q4 2012. Furthermore, the Group was unable to recognise profits for some of its launched private residential projects as construction of these projects have yet to commence or reach recognition stage. The Group was also unable to recognise profits from its three fully sold Executive Condominiums (ECs), following the mandatory adoption of accounting standard INT FRS 115 in 2011, which only allows profit recognition of ECs in entirety, upon completion of construction.

The rental properties segment, though second in line, had seen its profit contribution increased by 68.1% for FY 2013, primarily due to the disposal of 100G Pasir Panjang warehouse, a non-core investment property in Q2 2013.

Profit contributions from Millennium & Copthorne Hotel plc (M&C) to the Group were lower primarily due to differences in accounting treatment of income recognition between Singapore and London for The Glyndebourne condominium (former Copthorne Orchid Hotel), which was completed in Q4 2013. Its hotel revenues for the year also showed a reduction of 1.5% compared to 2012 as a result of the temporary removal of a net 290,000 room nights from the system over the course of the year, in connection with the ongoing asset management programme. During the year, there was a greater emphasis on driving revenue through higher occupancy ratios rather than increased room rates. This reflected a more competitive trading environment in some regions – especially Singapore – and other factors, notably the absence of the Olympics in London compared to 2012 and the reduced number of Japanese visitors to Seoul, mainly as a result of political tensions.

As at 31 December 2013, the Group's gearing ratio, without factoring in any fair value surpluses on investment properties, was 20.0% (FY 2012: 25.0%). Its interest cover was at 15.2 times for FY 2013 (FY 2012: 17.4 times).

The Board is recommending an ordinary dividend of 8.0 cents per share. Together with the special interim ordinary dividend of 8.0 cents per share paid on 5 September 2013, the total dividends for 2013 amount to 16.0 cents per share.

Property

In Q4 2013, Singapore economy grew by 5.5% on a year-on-year basis (Q3 2013: 5.8%). On a quarter-on-quarter seasonally-adjusted annualised basis, the economy grew by 6.1%, much higher than the 0.3% growth in the previous quarter. For the whole of 2013, Singapore economy expanded by 4.1%, higher than the 1.9% growth in 2012, marginally beating Ministry of Trade and Industry's (MTI) growth estimates of 3.5% to 4.0% for the year. While most sectors saw growth, the construction sector moderated to 5.9% (2012: 8.6%), due to a slowdown in both public and private construction activities.

According to data from Urban Redevelopment Authority (URA), developers sold 2,568 private residential units (excluding ECs) in Q4 2013 – an increase of 5.7% (Q3 2013: 2,430 units sold). For the whole of 2013 however, developers sold a total of 14,948 private residential units (excluding ECs) – representing a fall of 32.7% (2012: 22,197 units sold). If ECs are included, developers sold 18,536 units of new homes – a drop of 30.6% (2012: 26,696 units sold).

In 2013, prices of private residential properties increased by 1.1% (2012: 2.8%). URA data indicated that the Residential Property Price Index (PPI) decreased to 214.3 points in Q4 2013 (Q3 2013: 216.3 points). Overall prices of non-landed private residential properties decreased by 0.9% quarter-on-quarter in Q4 2013, compared to the 0.4% increase in the previous quarter.

Notwithstanding the challenging conditions caused by the numerous property cooling measures, the Group's ongoing residential projects, officially launched in 2013, continued to book in reasonable sales.

Echelon, a 508-unit joint venture development centrally positioned at Alexandra View is almost sold-out, with only three penthouses left. Bartley Ridge, an 868-unit joint venture development located at Bartley Road / Mount Vernon Road has seen strong take-up with about 90% of the project sold to date. D'Nest, a 912-unit Pasir Ris Grove condominium, located within walking distance to Pasir Ris MRT station, is now 93% sold. Jewel @ Buangkok, the 616-unit project situated just minutes' walk to the Buangkok MRT station, has achieved steady sales with 86% of the 450 launched units sold. Lush Acres, a 380-unit EC project located along Fernvale Close in Sengkang, is now 100% sold.

In Q4 2013, the Group launched two projects in October. The first is The Venue Residences and Shoppes – a mixed development offering 266 apartments and 28 retail units. Situated along Tai Thong Crescent, at the junction of Upper Serangoon and MacPherson Roads, it is just a few minutes' walk from Potong Pasir MRT station. 50% of all the retail units and 66% of the 70 apartments released for sale have been taken up.

Buying interests in this city fringe project was affected by the latest round of property cooling measures especially the Total Debt Servicing Ratio (TDSR) which restricts potential buyers' borrowing capacity, resulting in many preferring to adopt a wait-and-see attitude. Given its excellent location in an area that is undergoing rapid transformation and its unique position as a mixed-use development, The Venue Residences and Shoppes should continue to enjoy interests from investors and home-buyers in the medium to long-term.

The other project is The Inflora, a 396-unit joint venture condominium at Flora Drive located in the Changi/Pasir Ris locale. The project was competitively priced based on low land cost and sold out within a few weeks.

For the year under review, the Group, together with its joint venture associates, sold 3,210 units, including ECs, at a value of about $3.32 billion, emerging as the top-selling private developer in Singapore (2012: 2,395 units with total sales value of $2.78 billion).

In Q4 2013, profits were booked in from various pre-sold projects, namely 368 Thomson, Buckley Classique, H_2O Residences and UP@Robertson Quay. Profits from joint venture projects were also booked in. They include HAUS@SERANGOON GARDEN, The Palette, Bartley Residences, Hedges Park, The Inflora and Bartley Ridge.

Profits were also realised from The Glyndebourne, which is developed by M&C. While M&C's Q4 2013 performance was significantly boosted by profit recognition from this development, it should be noted that the CDL Group has been progressively recognising profit for The Glyndebourne project based on stage of construction for the units sold, whereas M&C could only book in the profits in entirety in Q4 2013, when the development was completed, based on UK accounting standards. Therefore, the substantive jump in profits as seen in M&C's performance would not be reflected on the CDL Group level.

Profits however, were not realised from Echelon, D'Nest, Jewel @ Buangkok and The Venue Residences and Shoppes as these projects are either in early stages of construction or construction has not commenced yet. No profits were booked from sales of the three fully sold EC projects namely, Blossom Residences, The Rainforest and Lush Acres due to prevailing accounting treatment for ECs.

The Singapore office market registered moderate improvement. URA data showed that prices of office space rose 5.2% in 2013, compared with the 1.4% increase in 2012. Overall rentals of office space increased by 1.3% in 2013, compared with the 1.3% decline in 2012.

The rental index for office space in Central Area increased by 1.8%, while the rental index for Fringe Area increased by 0.6%. According to a property consultant, the leasing activity in the Central Business District (CBD) increased in 2013 on the back of relocation activities by corporates for office space upgrades and expansion.

In Q4 2013, the Group's office portfolio continued to enjoy healthy occupancy of about 96.5%, compared with the national average of 90.1% year-on-year.

The construction of the superstructure for South Beach Tower – the office component of the South Beach development – is targeted to be completed by Q1 2014. This 34-storey tower encompasses 500,000 sq ft of lettable prime Grade A office space. Currently, more than 50% of the office tower is under negotiations and the first tenant is a renowned foreign bank, which has leased approximately 30,000 sq ft. Leasing interest for its retail component has been healthy with numerous enquiries.

Designed by Philippe Starck, the fitting out of the 654-room luxury concept hotel named as The South Beach has commenced and the opening of the hotel is expected to be in 2015. Recruitment for respective Senior Executives for the Hotel is also in progress. For the residential component, the Group is still monitoring the market and will only launch the exquisite 190-unit South Beach Residences at the appropriate timing.

Overseas Platforms

In addition to the Group's global hospitality portfolio through M&C, it has also made further progress on its overseas growth engines to drive its diversification efforts.

CDL China Limited, a wholly-owned subsidiary of the Group, continues to push forward on its three projects and 2014 marks a critical milestone. Eling Residences, the luxury development located at the peak of Eling Hill in Yuzhong District, Chongqing, will be completing its earthworks in February 2014, with construction having already commenced in January 2014.

Huang Huayuan, a mixed-use project in the same district in Chongqing, completed concept design at the end of 2013 and the team is currently working on the schematic design. Excavation and retaining wall works commenced in February 2014 and construction is expected to begin in the second half of 2014.

Suzhou Hong Leong City Center (HLCC), CDL China's sizable mixed-use development next to Jinji Lake in Suzhou Industrial Park District, continues to show good progress. In order to reach the pre-sales stage at a faster pace, the project's construction schedule has been split into two phases, consisting of one block of residential apartments and one block of SOHO units in Phase 1, with the second residential tower and the commercial components (office, retail mall and hotel) to follow in Phase 2. Construction for Phase 1 started in January 2014 while piling works for Phase 2 is scheduled to begin in May 2014.

If market conditions are favourable, both Eling Residences and Suzhou HLCC will officially commence sales in September/October this year, typically the strongest sales period in China. Due to the deep excavation required and the lofty height of its three buildings, Huang Huayuan will start selling in 2015.

In London, the Group continues to analyse off-market property development and investment propositions across all sectors. Notwithstanding a challenging acquisition environment, a number of well-located buildings and sites in Central London are in the process of being bought off-market, at prices which represent good value despite some commentators' views that London may be developing a bubble. There is a focus on strategic opportunities in the Greater London area where demand from local and overseas buyers is proven and the sustainable growth in the market will remain positive in the medium to long-term. In line with this strategy, the Group has exchanged contracts to acquire a prime investment/development opportunity in Croydon, close to the newly proposed mega £1 billion shopping centre.

Plans to redevelop 28 Pavilion Road in Knightsbridge into a contemporary residential development continue to advance and discussions with the local planning authority and consultations with local residents have been well received. The site is located in close proximity to Harrods. A full detailed planning application is expected to be submitted in June 2014, ahead of schedule.

Hotel

M&C, in which the Group has a 59% interest, posted record revenue of £1.04 billion for FY 2013 (2012: £768.3 million) and achieved a 69.3% increase in net profit after tax and non-controlling interests of £228.5 million (2012: £135.0 million). For Q4 2013, its revenue was £471.3 million (Q4 2012: £203.2 million) and registered a 226.8% increase in net profit after tax non-controlling interests of £150.0 million in Q4 2013 (Q4 2012: £45.9 million). Basic earnings per share for FY 2013 increased by 67.9% to 70.5p (2012: 42.0p).

M&C's robust performance was mainly boosted by recognition of profits arising from the 147 apartments sold in The Glyndebourne development, which was completed in Q4 2013, following the issuance of its Temporary Occupation Permit (TOP). The level of profit reflects the successful timing of the 150-unit condominium project and the low historical book value of the land. It demonstrates the strength of M&C's business model as an owner and operator of hotels, with gains generated through timely and opportunistic asset management, in addition to income from hospitality services.

Although M&C's Global RevPAR increased by 3.4% during the year to £69.58 (2012: £67.32), its hotel revenue fell by 1.5% to £738.0 million (2012: £749.4 million) due to the impact of temporarily room lost to refurbishment as well as a reduction in hotel non-room revenue.

Positive RevPAR performance in London, New Zealand, New York and Regional US outweighed the fall in RevPAR in Singapore, Rest of Asia and UK regional hotels.

As the asset management programme continues, M&C's management anticipates that this effect will reverse. For example almost 14,000 room nights re-entered the system in 2013, with significantly higher room rates, following the refurbishment of ONE UN New York.

M&C's financial position remained strong throughout the year, placing it in a good position for growth through acquisition. With the recovering global economy, hotel capital values have increased, although at a faster rate than hotel earnings. With the current low interest rate environment, many investors expect hotel earnings to improve. In 2013, M&C completed and embarked on some key asset and land acquisitions.

In April 2013, M&C completed its purchase of a 1,563.7 sq m land parcel adjacent to the Millennium Seoul Hilton for £17.2 million. Architectural detailing is underway for a business lifestyle hotel and serviced apartment complex which will be complementary to the Millennium Seoul Hilton.

In December 2013, M&C announced the proposed acquisition of a hotel located within the Chelsea Harbour district in London for £65.0 million, subject to standard purchase price adjustments. M&C believes that this property is the city's first and only all-suite hotel. It currently offers 154 suites and four penthouses, and is situated in a prestigious riverside area that will be undergoing further transformation in the near future. The property will fit efficiently into M&C's existing portfolio of London properties with minimum impact on central management costs. Completion is expected in Q1 2014.

In February 2014, M&C also announced that it has entered into two conditional purchase and sale agreements. The first is to acquire the 480 room 4-star Novotel New York Times Square for US$273.6 million (£167.0 million) subject to standard purchase price adjustments. Completion is expected in Q2 2014. The second, just announced by M&C on 24 February 2014, is to acquire a hotel in Rome, Italy – the 5-star Boscolo Palace Roma for €65.5 million, subject to standard purchase price adjustments. Situated on Via Veneto, one of the city's most attractive streets, the hotel offers 87 luxury guest rooms and suites, and is well located to serve the needs of visitors to Vatican City. Rome is one of the most popular tourist destinations in the world. This acquisition adds an important new destination to M&C's European portfolio. M&C has been seeking to establish a presence in Rome for many years, and this acquisition continues its strategy of selective growth through careful investment in gateway cities. The property was recently refurbished and does not require material capital investment or significant management infrastructure. Its location together with the quality of the product and its high service levels will enhance the Millennium brand experience and reputation.

Other strategic asset purchases include the acquisition of the 35 villa Jumeirah Dhevanafushi by CDL Hospitality Trusts (CDLHT), M&C's hospitality real estate investment trust associate, in December 2013. This asset is CDLHT's second luxury resort hotel in the Maldives.

In 2013, M&C continued to make headway in its development plans. The construction of M&C's Tokyo hotel, in the heart of Ginza district is progressing well and is scheduled to complete at the end of 2014. With the positive impact of Abenomics, coupled with Tokyo's successful bid to host the Olympic Games in 2020 and the possibility of a proposed casino resort in the capital city, the Japanese hotel business is beginning to rebound strongly. Hotel capital values are increasing. The purchase timing and completion of M&C's hotel is ideal, as M&C will stand to benefit from these developments.

In January 2014, M&C closed its Millennium Hotel St Louis hotel, as refurbishment of the property was unlikely to offer attractive returns in the foreseeable future. M&C is considering a full range of options for the freehold property, which occupies a 17,033 sq m site in the city. In addition, M&C closed two hotels in New Zealand in 2013.

In the current hotel trading environment, M&C considers it vital to invest in its asset portfolio in order to enhance trading performance, especially in its main gateway city properties. Results from hotels where significant renovations have been completed have generated higher room rates and RevPAR compared to their pre-renovation performance. Since its asset enhancement programme commenced in 2011 with capital expenditure of £240.0 million, a total of £87.8 million had been invested by 31 December 2013, mainly on the refurbishment of several key hotels including the west tower of ONE UN New York, Millennium Seoul Hilton, Millennium Hotel Minneapolis and Grand Hyatt Taipei.

Refurbishment of the Grand Hyatt Taipei's west wing was completed and re-opened in Q3 2013. Work is currently underway on renovation of the east wing. The hotel is scheduled to re-open fully in Q3 2014.

In the US, refurbishment of the Millennium Hotel Minneapolis completed in Q2 2013, and the hotel fully re-opened in May 2013, and has since received a much improved rating from guests. In 2H 2013, RevPAR for the hotel was £52.89 compared to £44.19 in the same period of 2012, representing an increase of 19.7%.

M&C's associate, First Sponsor Capital Limited (FSCL), continued to make good progress with development in Chengdu, China. M&C's investment in FSCL is a key part of its China strategy, building its brand proposition in this key market, enabling it to participate in hotel ownership through mixed-use property development in a capital efficient manner.

For FY 2013, M&C has recognised £7.4 million as its share of FSCL's net profit after tax (2012: £9.3 million). Profits arose mainly due to FSCL's disposal of the land in Humen and profits on the sale of the remaining Chengdu Cityspring residential units, the bulk of which were sold in 2012. The 196-room M Hotel Chengdu, part of the Chengdu Cityspring project, soft opened in September 2013 and is being managed by M&C.

Progress on the Wenjiang development land site in Chengdu, purchased in November 2011 and branded as Millennium Waterfront, is on track. The land is designated for residential, commercial and hotel development. The total residential component comprises 50 apartment blocks with 7,110 units. The sale of 10 blocks with 1,618 residential units had been launched at 31 December 2013. At that date 1,490 out of the 1,618 residential units launched had been sold either under option agreements or sale and purchase agreements. FSCL has also commenced the sales of some auxiliary retail commercial units and sales have been encouraging. Development of the project will be phased according to demand. In the meanwhile, the construction of a Millennium branded hotel with convention facilities commenced in Q2 2013 and is scheduled to open in 2017.

FSCL is considering an initial public offering and listing on the Singapore Stock Exchange of its principal operating subsidiary, First Sponsor Group Limited, later in 2014.

M&C recognised profit of £9.1 million from land sales in New Zealand during the year (2012: £6.3 million). It also announced in Q4 2013 that it had signed a Collective Sale Agreement (CSA) with other selling unit-holders in Tanglin Shopping Centre, a shopping-cum-office complex situated within the Orchard Road shopping belt, in which M&C holds approximately a 34% interest. This process will be directed by an independent sales committee, representing all selling unit-holders.

During 2013, the Copthorne Hotel Birmingham became the subject of a compulsory purchase order as part of the redevelopment of Birmingham city centre. As a result of this, M&C entered into an agreement with the developer of the scheme that grants it with a number of options including the construction of a new hotel and/or the sale of the existing site, the timings of which are currently unknown. M&C is also in discussions with the appropriate authorities in Scotland regarding the impact of the redevelopment of the local area on the Millennium Hotel Glasgow.

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 2013.

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 global economy is showing some signs of recovery. The troubled eurozone has technically emerged from recession, unemployment in US has moderated and Japan is seeing an economic revival. Growth in the developed economies is expected to pick up as the drag from fiscal consolidation and policy uncertainty eases. The recovery is expected to improve exports from developing economies. However, risks to a long-awaited global economic recovery remain as the speed of the Quantitative Easing (QE) tapering in US could place pressures on financial markets and dampen business sentiments in the short-term. Additionally, China's outlook remains uncertain as the economy continues to undergo restructuring. In light of the unpredictable macroeconomic environment and the tightness in the domestic labour conditions, MTI has maintained Singapore's growth forecast for 2014 at a modest 2.0% to 4.0%.

Following several rounds of property cooling measures and the implementation of the TDSR, residential property transactions and prices have begun to decline. The TDSR framework was introduced in June 2013 by the Monetary Authority of Singapore (MAS) to encourage prudent borrowings by households and to strengthen credit underwriting standards of Financial Institutions. In addition, rules applicable to the Loan-to-Value (LTV) limits for housing loans were further refined to address any circumvention.

New measures targeting the EC market were also introduced in December 2013 to refine the EC housing scheme and align it closer to other public housing schemes. A resale levy has been imposed on second-timer applicants buying EC units directly from developers for EC land sales launched on or after 9 December 2013. In addition, the MAS has moved to cap the Mortgage Service Ratio (MSR) for EC loan granted at 30% of a borrower's gross monthly income. These measures could impact EC affordability, and consequently, pricing and sales volumes of EC units.

Taking advantage of the moderating effect on EC land tender bids, in January 2014, the Group won a 99-year EC housing site located at Canberra Drive, within Sembawang New Town, for $226.0 million. This joint venture bid topped the tightly contested tenders by a mere 4.4% margin. Located in an established residential area and surrounded by greenery, the 307,447 sq ft site is easily accessible by major expressways and is strategically located near Sembawang MRT station and bus interchange. It offers easy access to a host of amenities, such as Sembawang Shopping Centre, Sun Plaza and Northpoint Shopping Centre. In addition, the site could be near a future MRT station located between Yishun and Sembawang MRT stations that is being considered as part of Land Transport Authority's (LTA) rail transit masterplan. The Group plans to develop a mid-rise EC project of between 10 and 11 storeys with approximately 660 units. Given the popularity of ECs in Singapore and the site's convenient access to Sembawang MRT station and amenities, it expects this development to be well-received. Recent EC projects in the vicinity have enjoyed healthy uptake and there is limited supply of unsold EC units in Sembawang area. This will be the Group's 7th EC project, after The Florida, Nuovo, The Esparis, Blossom Residences, The Rainforest and Lush Acres.

With the market stabilising, the Government has moved to slow down the supply of residential land under the Government Land Sales (GLS) Programme. For 1H 2014, the Government is making available 21 sites yielding about 11,600 units compared with 25 sites released in 2H 2013. This move should help reduce the risk of an oversupply of private residential units down the road.

The 2013 Draft Master Plan, which makes provisions to house a growing population with diverse needs, has identified districts such as Holland Village, Kampung Bugis and Marina South, which will provide 14,500 new homes over the medium term. The Woodlands Regional Centre is ear-marked to be a key commercial cluster in the north. A new shopping and entertainment belt is expected to be developed at Marina Bay. With the relocation of the Paya Lebar Airbase, the site will undergo major redevelopment for the eastern part of Singapore. These plans, amongst several others, present good long-term growth opportunities for the industry.

Singapore's economic outlook in 2014 remains positive despite ongoing efforts to restructure its economy to raise the nation's productivity for quality growth and better prospects for the future. The Group is confident that Singapore will evolve to be a leader with forward thinking strategies that have made the city a choice place to work, live, play and invest in. With a healthy economy, strong fundamentals, an efficient and responsible Government, and a low interest rate environment, Singapore remains an attractive hub for investors to anchor their business.

The Group is planning to launch two new joint venture residential developments in the next few months, subject to market conditions.

The first project is sited at Pasir Ris Grove. It is the final parcel in an exclusive residential enclave comprising four of the Group's earlier successful developments – Livia, NV Residences, The Palette and D'Nest. It offers 944 apartments and 6 retail units within 12 blocks of 12 to 16-storey towers. Units range from one to five-bedroom apartments, three to four-bedroom dual-key suites and penthouses. Designed with a large lagoon pool surrounding the blocks, most of the units will enjoy a pool-view. This project is also within several minutes' walk to the Pasir Ris MRT station and White Sands shopping centre. It is also strategically located several minutes' drive to mega stores like Ikea, Courts Megastore and Giant Hypermart, as well as Downtown East and Pasir Ris Park.

The second project is located at Commonwealth Avenue, next to the Queenstown MRT station. This upcoming residential development houses 845 units in two 43-storey towers, offering one to four-bedroom unit types. It features four sky terraces with a myriad of facilities, specifically designed to maximise the views of both the city and the surrounding verdant greenery. This city-fringe development is also close to several entertainment, recreation and F&B hotspots such as Holland Village, Dempsey Hill, VivoCity and Sentosa Island. The consortium had won this site by tender in February last year. This project is expected to be well received in view of its enviable location and amenities.

Based on anecdotal evidence by property consultants, demand for office space in the Central Business District (CBD) has firmed up, resulting in a tighter leasing environment with improved rental expectation. The average monthly gross rents across Premium and Grade A offices buildings in the CBD increased by 2.2% quarter-on-quarter in Q4 2013 as compared with the 1.2% increase in Q3 2013. On a year-on-year basis, the average monthly gross rents increased by 2.9% for 2013, a contrast from the 6.9% drop in 2012. Analysts expect bargaining power to remain with the landlords in the near-term, given the limited new supply in the CBD.

Singapore is poised to benefit from the strength of Asia's economic growth. With its business-friendly legal, tax and regulatory environments, coupled with excellent infrastructure and strong connectivity with the global economy, Singapore remains the premium choice destination for the Asian regional headquarters of multi-nationals. In addition, Singapore will continue to grow and develop as a financial and wealth management hub, a top destination for legal services and dispute resolutions, and as a sustainable energy hub. The combination of these elements should ensure that Singapore remains a top business centre which will support the demand for office space.

Management Appointments

With effect from 17 February 2014, Mr Kwek Leng Joo assumed the role of Deputy Chairman of the Company, relinquishing his post as Managing Director. In addition, Mr Grant L. Kelley was appointed as the Group's Chief Executive Officer (CEO).

Mr Kelley has more than 20 years of global experience in corporate strategy, private equity and real estate investment in Australia, Hong Kong, Japan, Singapore, South Korea, UK and US. Having been a management consultant for 11 years with Booz Allen (now known as Booz & Company), advising major listed companies, Mr Kelley will help enhance the Group's management structures and systems to strengthen its capabilities and drive greater productivity, which is in line with the Government's emphasis. Mr Kelley also has significant investment management experience, having led the Asian real estate investment practices for both Colony Capital and, subsequently, Apollo Global Management, for a combined eight years. At Colony Capital, he acquired and managed a wide portfolio of hotel assets, including Raffles Holdings' global portfolio in 2005.

These senior management appointments are in line with the Group's strategy to bring fresh perspectives to address a rapidly changing and competitive business landscape. The Group needs to be less Singapore-centric as the local property sector is expected to face continued headwinds. Leveraging on Mr Kelley's real estate and hotel expertise, looking overseas and setting up synergistic platforms to capitalise on growth markets and for risk diversification is the right step forward.

Hotel

The global economy has not yet been fully restored to complete health, with pockets of uncertainty continuing to affect some travel destinations. However, M&C expect its properties in the main gateway cities to see improvements in 2014.

In the first six weeks of 2014, Global RevPAR was up 5.3% on a reported currency basis, compared to the same period last year.

In 2014, M&C will continue to pursue its core strategic objective of improving returns on shareholders' capital while growing the business. In line with this strategy, it will continue to enhance its properties, with a number of refurbishment projects ready to commence in 2014, subject to relevant consents.

M&C will soon be fully re-opening all of the guest rooms at its largest hotel in Asia, the Grand Hyatt Taipei, before completing refurbishment of the public areas and restaurants and creating an outstanding five-star deluxe property. Elsewhere, it will continue to maximise the value of its real estate portfolio. In addition, it will continue to be alert to acquisition and disposal opportunities.

Overall, M&C remains cautiously optimistic about its performance for 2014 despite uncertainty affecting some regions, and poor weather conditions in US and UK in Q1 2014. It anticipates performance to be further impacted by its ongoing refurbishment programme and the resulting temporary removal of rooms from inventory.

Group Prospects

In the near-term, the Group, like all property developers, will have to grapple with the uncertain global economic outlook, challenges on the domestic landscape, with several headwinds looming. However, with over 50 years of experience, the Group has a proven track record of resilience and emerging stronger from these periodic turbulent periods.

In view that the Government has very recently announced, in its Singapore Budget 2014, that it will not be relaxing the property cooling measures soon and will further tighten foreign labour in the construction sector, macro headwinds are expected to continue to weigh on the domestic property market. The Group notes that the Government is not engineering a hard landing for the property sector and will continue to monitor and adjust the measures when necessary. The Group is hopeful that some of the cooling measure could be tweaked in due course, particularly in the area of foreign investment, to mitigate any prolonged down cycles, taking into account time lags in implementation and unforeseen risks. This will help the nation maintain its competitiveness as a global city. Notwithstanding this, while the medium to long-term prospects in Singapore continue to remain strong, the Group will focus on accelerating its diversification efforts overseas.

In the year ahead, the Group will look at various ways to derive greater value from its global hospitality arm – M&C – as hotel operations is a significant contributor to its performance. The Group is poised to reap the benefits from its establishment of China and London platforms and will continue to pursue opportunities in these markets. It will also actively seek opportunities in mature markets such as the US, Japan and Australia. These economies are just recovering and their capital markets have the sophistication, transparency and corporate governance protocols that are akin to Singapore's. This will enable the Group to move swiftly with greater confidence to secure projects.

The Group has taken deliberate efforts over the years to further strengthen its financial position and is well poised to leverage on a down cycle of the property market. With its solid foundation, the Group has its eyes set on growth. It will utilise both intuition and institutional knowledge to seize opportunities, evolving with fresh innovative initiatives and platforms that will deliver greater value for its shareholders.

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").

	Tax-exempt (One-tier) Special Interim Ordinary Dividend	Tax-exempt (One-tier) Preference Dividend	
Date of payment	5 September 2013	1 July 2013	31 December 2013
Dividend type	Cash	Cash	Cash
Dividend amount (in cents)	8.0 cents per Ordinary Share	1.94 cents per Preference Share^	1.96 cents per Preference Share^
Dividend rate (in %)	N.A.	3.9% per annum on the issue price of each Preference Share	3.9% per annum on the issue price of each Preference Share
Dividend period	N.A.	From 31 December 2012 to 30 June 2013 (both dates inclusive)	From 1 July 2013 to 30 December 2013 (both dates inclusive)
Issue price	N.A.	$1.00 per Preference Share	$1.00 per Preference Share

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

Subject to ordinary shareholders' approval at the Annual General Meeting to be held on 23 April 2014, the following Ordinary dividend has been proposed:

Name of Dividend	Proposed Tax-exempt (One-tier) Final Ordinary Dividend
Dividend Type	Cash
Dividend Amount (in cents)	8.0 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	2 July 2012	31 December 2012
Dividend type	Cash	Cash
Dividend amount (in cents)	1.94 cents per Preference Share^^	1.96 cents per Preference Share^^
Dividend rate (in %)	3.9% per annum on the issue price of each Preference Share	3.9% per annum on the issue price of each Preference Share
Dividend period	From 31 December 2011 to 29 June 2012 (both dates inclusive)	From 30 June 2012 to 30 December 2012 (both dates inclusive)
Issue price	$1.00 per Preference Share	$1.00 per Preference Share

Name of Dividend	Final Tax-Exempt (One-tier) Ordinary Dividend	Special Final Tax-Exempt (One-tier) Dividend
Date of payment	20 May 2013	20 May 2013
Dividend Type	Cash	Cash
Dividend Amount (in cents)	8.0 cents per Ordinary Share	5.0 cents per Ordinary Share

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

(c) Date payable

Subject to ordinary shareholders' approval at the Annual General Meeting to be held on 23 April 2014, the proposed final Ordinary dividend for financial year ended 31 December 2013 will be payable on 20 May 2014.

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

5.00 pm on 5 May 2014.

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 2013 under the IPT Mandate pursuant to Rule 920 (excluding transactions less than $100,000)	
Hong Leong Investment Holdings Pte. Ltd. group of companies	<u>Property-related</u> (a) provision to/by interested persons of (i) project management services; (ii) marketing services; (iii) property management and maintenance services; (iv) cleaning services; (v) security services; and (vi) managing agent services (b) lease of premises to interested persons	$24,055,793.37
	<u>Management and Support Services</u> (a) provision to/by interested persons of (i) accounting and administrative services; and (ii) financial services; and (iii) legal services	$1,506,153.10
	Total:	**$25,561,946.47**
Directors and their immediate family members		Nil

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 31 December		Full year ended 31 December	
	2013	2012	2013	2012
	S$'000	S$'000	S$'000	S$'000
Revenue				
Property Development	253,555	378,481	1,198,084	1,414,833
Hotel Operations	416,448	406,224	1,543,409	1,535,635
Rental Properties	79,562	76,602	313,664	303,833
Others	24,831	25,062	106,989	99,426
	774,396	886,369	3,162,146	3,353,727
Profit before income tax (*)				
Property Development	171,090	194,433	412,906	468,128
Hotel Operations	29,788	83,828	160,064	250,312
Rental Properties	47,594	43,090	299,577	178,164
Others	7,462	4,112	19,902	63,635
	255,934	325,463	892,449	960,239

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

Segmental results for full year ended 31 December

	Property Development S$'000	Hotel Operations S$'000	Rental Properties S$'000	Others S$'000	Total S$'000
FY 2013					
External revenue	**1,198,084**	**1,543,409**	**313,664**	**106,989**	**3,162,146**
Results					
Profit from operations	388,310	162,893	299,843	18,840	869,886
Share of after-tax profit of associates and jointly-controlled entities	30,428	16,986	16,961	3,467	67,842
Profit before income tax and net finance costs	418,738	179,879	316,804	22,307	937,728
Finance income	13,579	5,778	1,662	9,420	30,439
Finance costs	(19,411)	(25,593)	(18,889)	(11,825)	(75,718)
Net finance costs	(5,832)	(19,815)	(17,227)	(2,405)	(45,279)
Reportable segment profit before income tax	**412,906**	**160,064**	**299,577**	**19,902**	**892,449**
FY 2012					
External revenue	**1,414,833**	**1,535,635**	**303,833**	**99,426**	**3,353,727**
Results					
Profit from operations	433,964	255,782	171,854	58,770	920,370
Share of after-tax profit of associates and jointly-controlled entities	32,790	17,870	28,402	1,084	80,146
Profit before income tax and net finance costs	466,754	273,652	200,256	59,854	1,000,516
Finance income	17,887	6,495	1,128	13,080	38,590
Finance costs	(16,513)	(29,835)	(23,220)	(9,299)	(78,867)
Net finance income/(costs)	1,374	(23,340)	(22,092)	3,781	(40,277)
Reportable segment profit before income tax	**468,128**	**250,312**	**178,164**	**63,635**	**960,239**

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.

<u>Property Development</u>

Revenue decreased by $124.9 million to $253.6 million (Q4 2012: $378.5 million) for Q4 2013 and $216.7 million to $1,198.1 million (FY 2012: $1,414.8 million) for FY 2013.

Pre-tax profits decreased by $23.3 million to $171.1 million (Q4 2012: $194.4 million) for Q4 2013 and $55.2 million to $412.9 million (FY 2012: $468.1 million) for FY 2013.

Projects that contributed to both revenue and profit for 2013 include Volari, NV Residences, 368 Thomson, Cube 8, Hundred Trees, Tree House, The Glyndebourne, Buckley Classique, H_2O Residences, The Palette, HAUS@SERANGOON GARDEN and UP@Robertson Quay. In accordance with the Group's policy of equity accounting for the results of its jointly-controlled entities, whilst revenue from joint venture developments such as The Gale, Hedges Park, The Inflora, Bartley Residences and Bartley Ridge have not been consolidated into the Group's total revenue, the Group's share of profits arising from such joint venture development has been included in pre-tax profit.

The decrease in revenue for Q4 2013 was mainly attributable to the sale of the Group's proportionate interest in industrial land parcels situated at Jalan Lam Huat in Q4 2012 and absence of contributions from NV Residences, Cube 8, Hundred Trees and Tree House which obtained Temporary Occupation Permit by Q3 2013. This was however partially offset by maiden contribution from The Palette, HAUS@SERANGOON GARDEN and UP@Robertson Quay in 2013 as well as higher contribution from Buckley Classique.

The decrease in revenue for FY 2013 was mainly attributable to the absence of revenue from sale of a warehouse at Tagore Avenue, sold in Q1 2012, sale of the aforesaid industrial land parcels and lower contribution from Volari, NV Residences, Hundred Trees, Cube 8 and Tree House. This was partially mitigated by sale of strata units in Sunshine Plaza and an industrial site at 100F Pasir Panjang, coupled with increased contributions from Buckley Classique, H_2O Residences and The Glyndebourne as well as maiden contributions from the aforesaid 3 residential projects.

For Q4 2013 and FY 2013, the decrease in pre-tax profit was in tandem with the decrease in revenue. Q4 2013 and FY 2013 included release of accruals no longer required for a number of projects, partially mitigated by maiden contribution from The Inflora and Bartley Ridge.

<u>Hotel Operations</u>

Notwithstanding the challenging conditions in certain Asia markets, particularly Seoul and the temporary closure of hotel rooms during the year due to on-going hotel renovation works, the hotel operations segment managed to achieve steady revenue at $416.4 million (Q4 2012: $406.2 million) for Q4 2013 and $1,543.4 million (FY 2012: $1,535.6 million) for FY 2013. This was mainly due to contribution from W Singapore Sentosa Cove Hotel which commenced operations in October 2012 and gradual re-instatement of refurbished rooms which achieved higher room rates than before.

Though revenue was steady, pre-tax profit for this segment decreased by $54.0 million to $29.8 million (Q4 2012: $83.8 million) for Q4 2013 and $90.2 million to $160.1 million (FY 2012: $250.3 million).

The decreases in pre-tax profit for Q4 2013 and FY 2013 were due to higher operation costs coupled with local factors such as increase in room supply, raising labour costs due to government's guest worker restrictions in Singapore and the geo-political tensions between Japan and South Korea which affected the overall hotel performance. Further, impairment loss was made on a hotel in United States in 2013. There was no impairment on hotels last year. There was also a gain recognised in Q4 2012 on the disposal of Copthorne Hotel Christchurch following an insurance settlement on this hotel, which was affected by the New Zealand 2011 earthquake.

Rental Properties

Revenue for this segment remained relatively steady at $79.6 million (Q4 2012: $76.6 million) for Q4 2013 and at $313.7 million (FY 2012: $303.8 million) for FY 2013.

Pre-tax profit remained relatively constant at $47.6 million (Q4 2012: $43.1 million) but increased by $121.4 million to $299.6 million (FY 2012: $178.2 million) for FY 2013.

The increase in pre-tax profit for FY 2013 was primarily due to gains recognised from the sale of an industrial site at 100G Pasir Panjang, more strata units sold in Elite Industrial Building I, as well as profits on disposal of equity interest in a China subsidiary in 2013. This was however, partially offset by the lesser strata units sold in 2013 for GB Building and Citimac Industrial Complex as compared to 2012.

Others

Revenue, comprising mainly income from building maintenance contracts, project management, club operations and dividend income, remained relatively steady at $24.8 million (Q4 2012: $25.1 million) for Q4 2013 but increased by $7.6 million to $107.0 million (FY 2012: $99.4 million). The increase for FY 2013 was attributable to higher management fee income earned in FY 2013 as compared to the corresponding year.

Pre-tax profit for this segment remained relatively steady at $7.5 million (Q4 2012: $4.1 million) for Q4 2013 but decreased by $43.7 million to $19.9 million (FY 2012: $63.6 million) for FY 2013. The decrease for FY 2013 was mainly attributable to lower gains recognised on realisation of investments in a private real estate fund and lower fair value gains recognised on financial assets held for trading in 2013.

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 2013 S$'000	Full Year 2012 S$'000
Ordinary	72,744	72,744
Special	72,744	45,465
Preference	12,904	12,904
Total	**158,392**	**131,113**

The final tax-exempt (one-tier) ordinary dividend for the year ended 31 December 2013 of 8.0 cents per ordinary share is 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 2013.

17. A breakdown of sales

	2013 S$'000	2012 S$'000	Incr/(Decr) %
a) **Revenue**			
- First half	1,565,095	1,634,500	(4)
- Second half	1,597,051	1,719,227	(7)
	3,162,146	3,353,727	(6)
b) **Operating profit after tax before deducting non-controlling interests**			
- First half	413,185	367,862	12
- Second half	409,951	492,476	(17)
	823,136	860,338	(4)

18. Disclosure of person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(13) of the Listing Rules.

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

- City e-Solutions Limited ("CES"),
- M&C REIT Management Limited ("M&CREIT"), manager of CDL Hospitality Real Estate Investment Trust ("H-REIT")
- M&C Business Trust Management Limited ("M&CBTM"), trustee-manager of CDL Hospitality Business Trust ("HBT")
- 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	73	Brother of Mr Kwek Leng Joo. Cousin of Mr Kwek Leng Peck.	**CDL** Executive Chairman of CDL with effect from 1 January 1995, with executive powers over the overall business operations and management of CDL. **CES** Chairman and Managing Director of CES since 1989, responsible for the overall management of CES.	N.A. N.A.

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 Joo	60	Brother of Mr Kwek Leng Beng. Cousin of Mr Kwek Leng Peck.	**CDL** Appointed Deputy Chairman of CDL with effect from 17 February 2014. He assists the Executive Chairman and undertakes any other roles assigned by the Board while focusing on product innovation, and continues to provide leadership on corporate social responsibility (CSR) and sustainability initiatives as well as corporate governance matters. **CES** Executive Director since 1989.	Mr Kwek relinquished his position as Managing Director and assumed his role as Deputy Chairman with effect from 17 February 2014. He remains an Executive Director of CDL. N.A.
Mr Vincent Yeo Wee Eng	45	Nephew of Messrs Kwek Leng Beng, Kwek Leng Joo and Kwek Leng Peck.	M&CREIT/M&CBTM Director and Chief Executive Officer of M&CREIT (as manager of H-REIT) and M&CBTM (as trustee-manager of HBT) with effect from 17 May 2006 and 19 July 2006 respectively. He is responsible for working within the M&CREIT and M&CBTM Board to determine overall business, investment and operational strategies for H-REIT and HBT.	M&CBTM activated HBT (which was previously dormant) on 31 December 2013. Following the acquisition of a hotel property by a wholly-owned subsidiary of H-REIT, HBT through its wholly-owned subsidiary became the master lessee of the said hotel property.

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 Chia Fook Fie	65	Brother-in-law of Mr Kwek Leng Peck.	**MCIL** Director of Procurement, MCIL, overseeing the operations in central procurement office from February 2002.	N.A.
Mr Sherman Kwek Eik Tse	37	Son of Mr Kwek Leng Beng. Nephew of Messrs Kwek Leng Joo and Kwek Leng Peck.	**CES** Chief Executive Officer of CES with effect from 1 November 2008. **CDL China** Chief Executive Officer and Director with effect from 11 August 2010 and 7 October 2010 respectively. He is responsible for the overall management of CDL China's investments and operations.	N.A. N.A. Resigned as President and Director of SWAN with effect from 14 August 2013.
Mr Kwek Eik Sheng	32	Son of Mr Kwek Leng Joo. Nephew of Messrs Kwek Leng Beng and Kwek Leng Peck.	**CDL** Head, Corporate Development from January 2011. The key mission of Corporate Development is to generate and implement strategies that will improve corporate performance, to champion change management and to lead corporate planning to further CDL's goals.	N.A.

BY ORDER OF THE BOARD

Shufen Loh @ Catherine Shufen Loh
Company Secretary
27 February 2014