



# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

## UNAUDITED FIRST QUARTER FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH 2010

### 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 Three months ended 31 March		Incr/ (Decr) %
	2010 S\$'000	2009 S\$'000	
Revenue	750,457	622,474	20.6
Cost of sales	(394,063)	(297,481)	32.5
<b>Gross profit</b>	<b>356,394</b>	<b>324,993</b>	9.7
Other operating income <sup>(2)</sup>	35,913	2,721	1,219.8
Administrative expenses <sup>(3)</sup>	(115,975)	(110,867)	4.6
Other operating expenses <sup>(4)</sup>	(102,587)	(100,154)	2.4
<b>Profit from operating activities</b>	<b>173,745</b>	<b>116,693</b>	48.9
Finance income <sup>(5)</sup>	14,977	3,391	341.7
Finance costs <sup>(6)</sup>	(16,664)	(21,119)	(21.1)
<b>Net finance costs</b>	<b>(1,687)</b>	<b>(17,728)</b>	(90.5)
Share of after-tax profit of associates <sup>(7)</sup>	5,791	2,776	108.6
Share of after-tax profit of jointly-controlled entities <sup>(8)</sup>	13,250	17,563	(24.6)
<b>Profit before income tax <sup>(1)</sup></b>	<b>191,099</b>	<b>119,304</b>	60.2
Income tax expense <sup>(9)</sup>	(34,657)	(28,116)	23.3
<b>Profit for the period</b>	<b>156,442</b>	<b>91,188</b>	71.6
<b>Attributable to:</b>			
<b>Owners of the Company</b>	<b>139,346</b>	<b>83,146</b>	67.6
Non-controlling interests	17,096	8,042	112.6
<b>Profit for the period</b>	<b>156,442</b>	<b>91,188</b>	71.6
<b>Earnings per share</b>			
- basic	15.3 cents	9.1 cents	68.1
- diluted	14.6 cents	8.7 cents	67.8

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

## Notes to the Group's Income Statement:

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

	The Group Three months ended 31 March	
	2010 S\$'000	2009 S\$'000
Interest income	8,108	2,372
Profit on sale of investments, investment property and property, plant and equipment (net)	35,216	46
Gain on disposal of a jointly-controlled entity	-	652
Investment income	952	6
Depreciation and amortisation	(34,303)	(31,661)
Interest expenses	(14,524)	(18,243)
Exchange gain (net)	860	1,248
Net change in fair value of financial assets at fair value through profit or loss:		
- held for trading	4,827	(1,132)
- designated as such upon initial recognition	1,521	-
Impairment loss on loan to a jointly-controlled entity	(304)	-

- (2) Other operating income comprises mainly management fee, miscellaneous income and profit on sale of investments, investment property and property, plant and equipment. This had increased by \$33.2 million to \$35.9 million (Q1 2009: \$2.7 million) mainly on account of gain on the disposal of North Bridge Commercial Complex recognised in March 2010.
- (3) Administrative expenses comprise primarily depreciation, hotel administrative expenses, operating lease expenses and salaries and related expenses. This had increased by \$5.1 million to \$116.0 million (Q1 2009: \$110.9 million) mainly due to higher rental expenses incurred on leasing of hotels from CDL Hospitality Trusts (CDLHT) coupled with higher depreciation following the completion of certain investment properties namely City Square Mall, Tampines Concourse and Tampines Grande in 2009.
- (4) Other operating expenses comprise mainly property taxes and insurance on hotels, other operating expenses on hotels, net exchange differences and professional fees.
- (5) Finance income comprises mainly interest income and fair value gain on financial assets held for trading. This had increased by \$11.6 million to \$15.0 million (Q1 2009: \$3.4 million) on account of higher fair value gain recognised on financial assets held for trading. In addition, higher interest income earned from loans given to jointly-controlled entities and unquoted convertible notes issued by a jointly-controlled entity had also contributed to the increase.
- (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 decreased by \$4.4 million to \$16.7 million (Q1 2009: \$21.1 million) as a result of lower interest expenses incurred on borrowings.
- (7) Share of after-tax profit of associates relates primarily to the Group's share of results of CDLHT.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

---

- (8) Share of after-tax profit of jointly-controlled entities decreased by \$4.3 million to \$13.3 million (Q1 2009: \$17.6 million) on account of lower profit contributions from The Oceanfront @ Sentosa Cove and Ferrara Park which had obtained Temporary Occupation Permit in 2010 and 2009 respectively. The decrease is partially offset by share of profit from sale of units in St Regis Residences in Q1 2010 and absence of share of loss from education business engaged by a jointly-controlled entity which was disposed off in 2009.
- (9) Income tax expense for the period is derived at by applying the varying statutory tax rates on the taxable profits/(losses) and taxable/deductible temporary differences of the different countries in which the Group operates, and after adjustment for underprovision of taxation in prior periods of \$8,000 (Q1 2009: \$1.9 million).

The overall effective tax rate of the Group for Q1 2010 was 18.1% (Q1 2009: 23.6%). Excluding the underprovision in respect of prior periods, the effective tax rate of the Group for Q1 2010 would be 18.1% (Q1 2009: 22.0%).

# 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 31.03.2010 S\$'000	As at 31.12.2009 S\$'000	As at 31.03.2010 S\$'000	As at 31.12.2009 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment		3,589,467	3,616,768	7,537	8,010
Investment properties		3,053,686	3,063,766	538,002	540,212
Investments in subsidiaries		-	-	2,259,199	2,259,199
Investments in associates		342,027	345,725	-	-
Investments in jointly-controlled entities		675,816	675,702	36,360	36,360
Investments in financial assets		407,281	393,660	32,445	33,543
Other non-current assets		141,337	121,243	656,961	638,260
		<b>8,209,614</b>	<b>8,216,864</b>	<b>3,530,504</b>	<b>3,515,584</b>
<b>Current assets</b>					
Development properties		3,380,145	3,278,635	1,187,879	1,157,075
Consumable stocks		9,180	10,143	-	-
Financial assets		36,620	32,671	-	-
Assets classified as held for sale	(1)	4,491	14,782	-	-
Trade and other receivables		780,373	757,820	2,713,345	2,592,156
Cash and cash equivalents		946,984	981,486	385,082	407,571
		<b>5,157,793</b>	<b>5,075,537</b>	<b>4,286,306</b>	<b>4,156,802</b>
<b>Total assets</b>		<b>13,367,407</b>	<b>13,292,401</b>	<b>7,816,810</b>	<b>7,672,386</b>
<b>Equity attributable to Owners of the Company</b>					
Share capital		1,991,397	1,991,397	1,991,397	1,991,397
Reserves		4,113,631	3,981,077	2,684,196	2,622,005
		6,105,028	5,972,474	4,675,593	4,613,402
<b>Non-controlling interests</b>		1,692,067	1,691,707	-	-
<b>Total equity</b>		<b>7,797,095</b>	<b>7,664,181</b>	<b>4,675,593</b>	<b>4,613,402</b>
<b>Non-current liabilities</b>					
Interest-bearing borrowings *		2,942,000	3,197,816	1,810,993	1,753,286
Employee benefits		39,228	40,682	-	-
Other liabilities		86,790	89,301	91,399	92,542
Provisions		1,674	1,818	-	-
Deferred tax liabilities		442,965	433,797	87,449	81,889
		<b>3,512,657</b>	<b>3,763,414</b>	<b>1,989,841</b>	<b>1,927,717</b>
<b>Current liabilities</b>					
Trade and other payables		840,206	795,599	787,137	777,938
Interest-bearing borrowings *		964,261	818,312	247,830	244,962
Employee benefits		16,169	15,383	2,003	2,067
Other liabilities		81	75	-	-
Provision for taxation		231,368	230,528	114,406	106,300
Provisions		5,499	4,335	-	-
Liabilities classified as held for sale	(1)	71	574	-	-
		<b>2,057,655</b>	<b>1,864,806</b>	<b>1,151,376</b>	<b>1,131,267</b>
<b>Total liabilities</b>		<b>5,570,312</b>	<b>5,628,220</b>	<b>3,141,217</b>	<b>3,058,984</b>
<b>Total equity and liabilities</b>		<b>13,367,407</b>	<b>13,292,401</b>	<b>7,816,810</b>	<b>7,672,386</b>

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

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

## Note to the statement of financial position of the Group

1) The decrease in assets and liabilities classified as held for sale was due to the completion of the sale of North Bridge Commercial Complex in Q1 2010. As at 31 March 2010, the assets and liabilities classified as held for sale relate to the sale transaction of Office Chamber which was completed in April 2010.

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

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

		As at 31.03.2010 S\$'000	As at 31.12.2009 S\$'000
<b><u>Unsecured</u></b>			
-repayable within one year		420,737	520,895
-repayable after one year		2,379,708	2,219,360
	(a)	<u>2,800,445</u>	<u>2,740,255</u>
<b><u>Secured</u></b>			
-repayable within one year		544,065	297,912
-repayable after one year		579,819	996,061
	(b)	<u>1,123,884</u>	<u>1,293,973</u>
Gross borrowings	(a)+(b)	3,924,329	4,034,228
Less: cash and cash equivalents		(946,984)	(981,486)
Net borrowings		<u>2,977,345</u>	<u>3,052,742</u>

### Details of any collateral

Where secured, borrowings are collateralised by:

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

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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

	Three months ended	
	31 March	
	2010	2009
	S\$'000	S\$'000
<b>Operating Activities</b>		
Profit before income tax	191,099	119,304
<b>Adjustments for:</b>		
Depreciation and amortisation	34,303	31,661
Dividend income	(952)	(6)
Equity settled share-based transactions	1,317	781
Finance costs	16,664	21,119
Finance income	(14,977)	(3,391)
Gain on disposal of a jointly-controlled entity	-	(652)
Impairment loss on loan to a jointly-controlled entity	304	-
Profit on sale of property, plant and equipment and investment property	(34,923)	(46)
Profit on sale of investments	(293)	-
Property, plant and equipment written off	434	181
Share of after-tax profit of associates	(5,791)	(2,776)
Share of after-tax profit of jointly-controlled entities	(13,250)	(17,563)
Units in an associate received in lieu of fee income	(1,817)	(1,560)
Operating profit before working capital changes	172,118	147,052
<b>Changes in working capital</b>		
Development properties	(83,780)	(1,844)
Stocks, trade and other receivables	(25,612)	(115,926)
Trade and other payables	57,967	54,648
Employee benefits	(659)	2,734
Cash generated from operations	120,034	86,664
Income tax paid	(20,521)	(18,815)
<b>Cash flows from operating activities carried forward</b>	<b>99,513</b>	<b>67,849</b>

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

---

	Three months ended	
	31 March	
	2010	2009
	S\$'000	S\$'000
<b>Cash flows from operating activities brought forward</b>	<b>99,513</b>	<b>67,849</b>
<b>Investing Activities</b>		
Capital expenditure on investment properties and properties under development	(27,455)	(74,016)
Dividends received		
- an associate	15,602	15,329
- financial investments	849	6
- a jointly-controlled entity	-	72,500
Interest received	1,499	1,393
Increase in investments in jointly-controlled entities	-	(752)
Net proceeds from disposal of a jointly-controlled entity	-	568
Payments for purchase of property, plant and equipment	(16,369)	(20,261)
Proceeds from sale of property, plant and equipment and investment property	45,489	64
Purchase of financial assets	(13,399)	(271)
<b>Cash flows from investing activities<sup>(1)</sup></b>	<b>6,216</b>	<b>(5,440)</b>
<b>Financing Activities</b>		
Advances from/(to) related parties	1,433	(2,336)
Capital contribution by non-controlling interests	99	-
Dividends paid	(6,846)	-
Interest paid (including amounts capitalised as investment properties, property, plant and equipment and development properties)	(18,668)	(21,533)
Net repayments of revolving credit facilities and short-term bank borrowings	(44,508)	(118,234)
Payment of financing transaction costs	(2,060)	(2,369)
Proceeds from bank borrowings	22,394	25,000
Proceeds from issuance of bonds and notes	224,193	100,000
Repayment of bank borrowings	(128,985)	(25,631)
Repayment of bonds and notes	(183,848)	(219,882)
Increase in/(repayment of) other long-term liabilities	1,156	(20)
Finance lease payments	(2)	(3)
<b>Cash flows from financing activities<sup>(2)</sup></b>	<b>(135,642)</b>	<b>(265,008)</b>
<b>Net decrease in cash and cash equivalents carried forward</b>	<b>(29,913)</b>	<b>(202,599)</b>

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

	Three months ended	
	31 March	
	2010	2009
	S\$'000	S\$'000
<b>Net decrease in cash and cash equivalents brought forward</b>	<b>(29,913)</b>	<b>(202,599)</b>
Cash and cash equivalents at beginning of the period	980,134	769,859
Effect of exchange rate changes on balances held in foreign currencies	(4,577)	9,149
<b>Cash and cash equivalents at end of the period</b>	<b>945,644</b>	<b>576,409</b>
<b>Cash and cash equivalents comprise:-</b>		
Cash and cash equivalents as shown in the Balance Sheet	946,984	577,077
Less: Bank overdrafts	(1,340)	(668)
	<b>945,644</b>	<b>576,409</b>

## Notes to the Consolidated Statement of Cash Flows

- (1) The Group had a net cash inflow from investing activities for Q1 2010 of \$6.2 million (Q1 2009: net cash outflow of \$5.4 million). This was due to the receipt of proceeds from the sale of North Bridge Commercial Complex and lower capital expenditure on investment properties following the completion of City Square Mall and Tampines Grande in 2009, partially offset by lower dividend income received.
- (2) The Group had a net cash outflow from financing activities for Q1 2010 of \$135.6 million (Q1 2009: \$265.0 million) due to lower net repayment of loans during the current quarter.



# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

## 1(d) Consolidated Statement of Comprehensive Income

	As at 31.03.2010 S\$'000	As at 31.03.2009 S\$'000
<b>Profit for the period</b>	156,442	91,188
Other comprehensive income:		
Change in fair value of equity investments available for sale	(1,360)	(3,494)
Exchange differences on hedges of net investment in foreign entities	(35,486)	(3,124)
Exchange differences on monetary items forming part of net investment in foreign entities	3,132	1,417
Net movement on cash flow hedges	(278)	-
Share of other reserve movement of an associate	-	386
Translation differences arising on consolidation of foreign entities	15,894	94,039
<b>Other comprehensive income for the period, net of income tax</b>	<b>(18,098)</b>	<b>89,224</b>
<b>Total comprehensive income for the period</b>	<b>138,344</b>	<b>180,412</b>
Attributable to:		
<b>Owners of the Company</b>	<b>131,849</b>	<b>128,018</b>
Non-controlling interests	6,495	52,394
<b>Total comprehensive income for the period</b>	<b>138,344</b>	<b>180,412</b>

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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

←-----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 2010	1,991.4	147.6	25.3	(83.0)	3,891.2	5,972.5	1,691.7	7,664.2
<b>Profit for the period</b>	-	-	-	-	139.3	139.3	17.1	156.4
<u>Other comprehensive income</u>								
Change in fair value of equity investments available for sale	-	-	(1.4)	-	-	(1.4)	-	(1.4)
Exchange differences on hedges of net investment in foreign entities	-	-	-	(19.0)	-	(19.0)	(16.5)	(35.5)
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	2.0	-	2.0	1.1	3.1
Net movement on cash flow hedges	-	-	(0.1)	-	-	(0.1)	(0.1)	(0.2)
Translation differences arising on consolidation of foreign entities	-	-	-	11.0	-	11.0	4.9	15.9
<b>Other comprehensive income for the period, net of income tax</b>	-	-	(1.5)	(6.0)	-	(7.5)	(10.6)	(18.1)
<b>Total comprehensive income for the period</b>	-	-	(1.5)	(6.0)	139.3	131.8	6.5	138.3
<b>Transactions with owners, recorded directly in equity</b>								
<u>Contributions by and distributions to owners</u>								
Capital contribution from non-controlling interests	-	-	-	-	-	-	0.1	0.1
Share-based payment transactions	-	-	0.7	-	-	0.7	0.6	1.3
Dividends	-	-	-	-	-	-	(6.8)	(6.8)
At 31 March 2010	1,991.4	147.6	24.5	(89.0)	4,030.5	6,105.0	1,692.1	7,797.1
At 1 January 2009	1,991.4	148.7	3.9	(93.7)	3,379.4	5,429.7	1,592.6	7,022.3
<b>Profit for the period</b>	-	-	-	-	83.1	83.1	8.1	91.2
<u>Other comprehensive income</u>								
Change in fair value of equity investments available for sale	-	-	(3.5)	-	-	(3.5)	-	(3.5)
Exchange differences on hedges of net investment in foreign entities	-	-	-	(1.6)	-	(1.6)	(1.5)	(3.1)
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	4.4	-	4.4	(3.0)	1.4
Share of other reserve movement of an associate	-	-	0.2	-	-	0.2	0.2	0.4
Translation differences arising on consolidation of foreign entities	-	-	-	45.4	-	45.4	48.6	94.0
<b>Other comprehensive income for the period, net of income tax</b>	-	-	(3.3)	48.2	-	44.9	44.3	89.2
<b>Total comprehensive income for the period</b>	-	-	(3.3)	48.2	83.1	128.0	52.4	180.4
<b>Transactions with owners, recorded directly in equity</b>								
<u>Contributions by and distributions to owners</u>								
Share-based payment transactions	-	-	0.4	-	-	0.4	0.4	0.8
At 31 March 2009	1,991.4	148.7	1.0	(45.5)	3,462.5	5,558.1	1,645.4	7,203.5

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

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

The Company	Share Capital S\$m	Capital Reserve S\$m	Fair Value Reserve S\$m	Accumulated Profits S\$m	Total S\$m
At 1 January 2010	1,991.4	63.7	14.9	2,543.4	4,613.4
<b>Profit for the period</b>	-	-	-	63.1	63.1
<u>Other comprehensive income</u>					
Change in fair value of equity investments available for sale	-	-	(0.9)	-	(0.9)
<b>Other comprehensive income for the period, net of income tax</b>	-	-	(0.9)	-	(0.9)
<b>Total comprehensive income for the period</b>	-	-	(0.9)	63.1	62.2
At 31 March 2010	<u>1,991.4</u>	<u>63.7</u>	<u>14.0</u>	<u>2,606.5</u>	<u>4,675.6</u>
At 1 January 2009	1,991.4	63.7	6.4	2,347.8	4,409.3
<b>Profit for the period</b>	-	-	-	43.9	43.9
<u>Other comprehensive income</u>					
Change in fair value of equity investments available for sale	-	-	(1.7)	-	(1.7)
<b>Other comprehensive income for the period, net of income tax</b>	-	-	(1.7)	-	(1.7)
<b>Total comprehensive income for the period</b>	-	-	(1.7)	43.9	42.2
At 31 March 2009	<u>1,991.4</u>	<u>63.7</u>	<u>4.7</u>	<u>2,391.7</u>	<u>4,451.5</u>

**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 period ended 31 March 2010.

## Preference share capital

There was no change in the Company's issued preference share capital during the period ended 31 March 2010.

As at 31 March 2010, the maximum number of ordinary shares that may be issued upon full conversion of all of the non-redeemable convertible non-cumulative preference shares of the Company ("Preference Shares") at the sole option of the Company is 44,998,898 ordinary shares (31 March 2009: 44,998,898 ordinary shares).

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

---

**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 March 2010 and 31 December 2009.

The total number of issued ordinary shares (excluding treasury shares) as at 31 March 2010 and 31 December 2009 is 909,301,330.

The total number of issued Preference Shares as at 31 March 2010 and 31 December 2009 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 period ended 31 March 2010.

**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 period as those applied in the Group's most recently audited financial statements for the year ended 31 December 2009.

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

The Group adopted various new/revised Financial Reporting Standards (FRS) and Interpretations of FRSs (INT FRS) which took effect for financial year beginning on 1 January 2010. The adoption of these new/revised FRS and INT FRS did not result in any significant impact on the financial statements of the Group.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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

	Three months ended 31 March	
	2010	2009
Basic Earnings per share (cents)	15.3	9.1
Diluted Earnings per share (cents)	14.6	8.7
Earnings per share is calculated based on:		
a) Profit attributable to owners of the Company (S\$'000)	139,346	83,146
b) Weighted average number of ordinary shares in issue:		
- basic	909,301,330	909,301,330
- diluted (*)	954,300,228	954,300,228

\* 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	
	31.03.2010 S\$	31.12.2009 S\$	31.03.2010 S\$	31.12.2009 S\$
Net Asset Value per ordinary share based on the number of issued 909,301,330 ordinary shares (excluding treasury shares) as at 31 March 2010 (909,301,330 ordinary shares (excluding treasury shares) as at 31 December 2009)	6.71	6.57	5.14	5.07

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

---

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

## Group Performance

For the first quarter of 2010 under review, the Group's revenue increased by 20.6% to \$750.5 million (Q1 2009: \$622.5 million). The after-tax profit attributable to shareholders for Q1 2010 amounted to \$139.3 million, representing a 67.6% jump from the corresponding period in 2009. Accordingly, basic earnings per share rose to 15.3 cents (Q1 2009: 9.1 cents), an increase of 68.1%.

In terms of the Group's profit before tax, all business segments had shown improvement as compared to Q1 2009, contributing positively to the Group's results. The property development segment remained the Group's main contributor. In particular, the profit contribution from the rental properties segment, being the second in line in terms of contribution for this quarter, had recorded an improvement of 90.8% due primarily to the gain recognised on disposal of North Bridge Commercial Complex in March 2010.

As at 31 March 2010, the Group's net gearing continued to be low at 38% with interest cover at 17.8 times. This does not take into consideration any fair value gains on investment properties as the Group has adopted the conservative policy of stating investment properties at cost less accumulated depreciation and impairment losses.

## Property

Advanced estimates by the Ministry of Trade and Industry (MTI) indicate that the Singapore economy in Q1 2010 expanded by 13.1% as compared to a 2.8% contraction in Q4 2009. On a seasonally adjusted quarter-on-quarter annualised basis, Singapore's GDP grew by 32.1%. While the Q1 2010 growth benefited from the favorable low base effect, the strong sequential quarter-on-quarter improvement demonstrates the country's continuous robust recovery from the sharp decline in economic activity seen a year ago.

Backed by a stronger than expected economic performance, developers launched more than 4,000 private residential units in Q1 2010, reflecting the real estate industry's confidence on the level of demand. The response from buyers did not disappoint as primary sales activity more than doubled when compared to Q4 2009. The total sales achieved in Q1 2010 were 4,380 units.

In January this year, the Group launched Cube 8, the elegant 36-storey development comprising 177 units at Thomson Road, located next to the highly successful The Arte. This freehold project was very well received and all units were sold except for three penthouses.

The Group launched The Residences at W Singapore Sentosa Cove, the only branded residence in Sentosa, at the end of March 2010. This development presents a collection of 228 private luxury residences. Located within the only integrated development in Sentosa Cove, the Quayside Isle will be home to trendy cafes, fine dining restaurants, specialty shops and entertainment spots and bars, as well as the adjacent W Singapore Sentosa Cove hotel. This branded residence will provide Residential Services, in addition to the signature Whatever/Whenever® service offered by the hotel under the renowned 'W' brand.

Phase 1 comprising 56 units was released and approximately half of them have been sold. The Group has confidence in the medium to long-term potential of Sentosa when Resorts World Sentosa reaches its optimum level of operations after the initial period.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

---

The Group is of the view that The Residences at W Singapore Sentosa Cove is currently priced to reflect the value of the property at this point in time. The value of Sentosa Cove's properties is expected to continue to grow as demand is likely to outstrip supply due to several factors. Firstly, the Cove is a very exclusive and affluent marina residential community which only offers a limited supply of about 2,200 units on the island. Secondly, there is no more land for tender on the Cove and hence, no new residential properties will come on-stream. Thirdly, the current active and buoyant sub-sale market for Sentosa Cove looks like tell-tale signs that property values are starting to move in an upward trend. The Group believes that when the W Singapore Sentosa Cove hotel is operational, the property value will be enhanced and there will be a premium attached to the branded residences. It is considering reserving at least 100 units for investment or en bloc sales.

During the quarter under review, the Group also continued to sell its remaining units in Livia (which is now fully sold), Shelford Suites and Hundred Trees.

For Q1 2010, the Group booked in profits from One Shenton, Cliveden at Grange, The Arte, Tribeca, Shelford Suites and Wilkie Studio.

Profits were also booked in from joint-venture projects namely The Oceanfront @ Sentosa Cove which received its Temporary Occupation Permit (TOP) in March 2010 and Livia at Pasir Ris.

Profits from the 396-unit Hundred Trees, 85-unit Volari at Balmoral and 177-unit Cube 8 which are almost completely sold have not been booked in yet due to the early stage of construction. Likewise, no profit has been booked in from the 329-unit joint-venture project, The Gale, which is also substantially sold.

In view of the improving economy, there is a strong positive sentiment in the market fueled by pent-up demand, low interest rates for housing loans and high liquidity. Genuine investors are realising that spare cash earns very little interest and they are diversifying their portfolio into real estate, which has proven to be one of the best investments in Singapore. Since property prices for the mass market are still affordable, buyers' interest in the mass market projects continued to be high even after new Government measures, which included the introduction of Sellers' Stamp Duty and lowering the Loan-to-Value rate to 80%, took effect in February 2010.

Expectedly, the continuous increase in residential activity resulted in an upward movement in residential prices. The Urban Redevelopment Authority (URA) private residential property price index rose by 5.6% in Q1 2010 compared to 7.4% in Q4 2009. In response to strong demand for private housing, the Government made available a record number of 26 sites yielding approximately 10,500 private residential units as part of its Government Land Sales (GLS) programme for 1H 2010 alone.

The Group was the successful bidder for the first public tender from the GLS programme for 1H 2010 on 4 February 2010 for the 182,975 square feet residential site at Sengkang West Avenue / Fernvale Link. It won the tender at \$200.5 million or \$365 per square foot per plot ratio in a hotly contested exercise among 10 keen competitors. The 99-year leasehold site can be developed into a 24-storey condominium with a maximum Gross Floor Area (GFA) of approximately 550,000 square feet, and this acquisition is in line with CDL's strategy to build value into, and replenish its land bank.

Office rental rebounded, albeit slightly by 0.4% in Q1 2010 compared to a decline of 3.3% in the final quarter of 2009. It was observed that shadow space declined during the quarter as more companies reviewed their space requirements. With signs of a sustained economic recovery, companies are either retaining their existing space or expanding with new space requirements which were originally halted due to the economic downturn. This augurs well for the office segment as more companies are likely to increase their real estate budgets to support their regional expansion plans. Relative to the other geographical regions, Asia Pacific is seen as the fastest growing region. The island wide office occupancy rate fell very marginally in Q1 2010 to 87.5% as compared to 87.9% in Q4 2009.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

---

Total potential supply of office space in the pipeline continued its decline to about 1.02 million sq m GFA as at the end of March 2010. The potential supply has fallen by about 21% compared to the same period last year. The office supply coming on-stream will also be mitigated as a result of the impending conversion of selected office properties into residential developments. Of the total pipeline supply of office space, about 931,000 sq m or 91% of the total pipeline supply is expected to be completed by 2013.

The newly completed eco-friendly City Square Mall was officially opened on 20 March 2010. It is now almost fully occupied with a healthy tenancy mix. This Building and Construction Authority (BCA) Green Mark Platinum Award winning project also just received the BCA Universal Design Gold Award and BCA Design and Engineering Safety Excellence Merit Award in 2010.

## **Hotel**

Millennium & Copthorne Hotels plc (M&C), in which the Group has a 53.9% interest, delivered a good performance in the first quarter of the year, with revenue and trading performance in line with management expectations. M&C achieved a net profit after tax and minority interests for Q1 2010 of £12.2 million (Q1 2009: £6.9 million), an increase of 76.8% quarter-on-quarter.

M&C also maintained a strong financial position, strengthening its balance sheet further with net debt marginally reducing to £201.9 million at 31 March 2010 from £202.5 million as at 31 December 2009. Gearing also improved to 10.8% (31 December 2009: 11.6%).

Overall, M&C's RevPAR at constant currency increased by 3.2% in Q1 2010 with occupancy increases being the key driver in most regions. Singapore saw the highest RevPAR increase of 17.6%. The growth for Singapore hotels was across the portfolio and driven by a resurgence of visitor arrivals and an impressive quarterly increase in GDP. New York recorded a 9.5% increase in RevPAR, driven entirely by occupancy.

M&C had previously reported that it had obtained provisional permission from the planning authority for the redevelopment of the Copthorne Orchid Singapore into condominiums. The showflats will be constructed shortly and the hotel is expected to close in Q4 2010. This project is in line with M&C's twin strategy of being an owner and operator of hotels with redevelopment opportunities.

Pursuant to the acquisition by M&C's 39.5% owned REIT associate, CDL Hospitality Trusts of five hotels in Australia comprising 1,139 rooms – Novotel Brisbane, Mercure Brisbane, Ibis Brisbane, Mercure Perth and Ibis Perth, M&C earned an acquisition fee of £1 million in Q1 2010.

For the quarter under review, M&C soft opened the newly constructed 360-room Studio M hotel in Singapore. Another four management contracts were also signed in Jordan, Oman, Qatar and the United Arab Emirates. These properties are due to open between 2011 and 2012 and account for 1,034 additional rooms, bringing the number of rooms in the M&C's worldwide pipeline to 8,818 rooms in 30 hotels.

In April 2010, M&C became aware of issues relating to an investment undertaken by First Sponsor Capital Limited (FSCL) in Idea Valley Investment Holdings Ltd (IVIH). M&C has a 39.8% effective interest in FSCL, a vehicle which undertakes property development projects in China. One of FSCL's joint venture partners, a 20% investor in IVIH, had disposed of certain assets held by entities within the IVIH group without proper authority, knowledge or agreement of the relevant boards. FSCL and IVIH took immediate action to protect their interests in the remaining assets and to void the unauthorised asset sales. A report has been lodged with the People's Republic of China authorities and measures are being taken to safeguard the remaining Guangdong assets. Based on the unaudited management accounts of FSCL group at 28 February 2010, M&C's aggregate exposure to the affected assets is approximately £14.7 million.



# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

---

No provisions have been made by M&C for the impact of the unauthorised transactions as Idea Valley Group Limited (IVGL), a subsidiary of IVIH, has obtained legal opinion to confirm that it has a basis to recover all those assets in due course.

The CDL Group's effective interest in FSCL is approximately 21% held indirectly through its 53.9% interest in M&C. Based on the unaudited management accounts of FSCL group at 28 February 2010, the Group's aggregate exposure to the affected assets is approximately \$16.5 million. The Group has similarly not made any provisions for the impact of the unauthorised transactions taking into account the position taken by M&C as set out above.

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

The Group's performance for the period under review is in line with its expectations as disclosed in the announcement of results for year ended 31 December 2009.

**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

Following its announcement of the advance Q1 2010 GDP estimates, MTI raised its 2010 growth forecast for the second time this year to 7.0% - 9.0%. In February 2010, MTI had upgraded its initial forecast for GDP growth in Singapore in 2010 to 4.5% - 6.5%. The latest growth forecast range is an earlier-than-expected return to the pre-crisis growth levels last seen between 2004 and 2007.

The remarkable showing in residential sales volume during Q1 2010 is likely to remain in a reasonably buoyant condition over the next few months as developers continue to feed on this demand, in tandem with the GDP growth.

The Group launched its 429-unit joint-venture project at Chestnut Avenue known as Tree House on 22 April 2010. This strategic land site was successfully tendered by the Group last year as it saw great potential for a well-positioned, nature-inspired development in this tranquil estate. Surrounded by lush greenery, fresh air and picturesque views of the Bukit Timah Nature Reserve and Upper Peirce Reservoir, Tree House, with its attractive pricing, unique location and thoughtfully designed development appeals to buyers who are looking for value for money and high investment potential. The launch met with overwhelming response over the weekend preview and to date about 97% have been sold.

The Group is planning to launch two more projects in the coming months. The first is a 157-unit condominium at the site of the former Concorde Residence at Thomson Road. It is located near the Group's two successful projects in the vicinity namely The Arte and Cube 8.

The next development is a joint venture project, at Pasir Ris located next to the fully sold Livia. It comprises 642 units and will be released in phases in Q3 2010.

The Government will be releasing more residential land parcels under the GLS programme in the Confirmed and Reserve Lists. This move is welcomed by developers as many are looking to replenish their land banks. However, most developers believe that in light of the improving economic conditions, the tender prices are anticipated to move in an upward trend. The Group is of the view that offering more sites may help to level out the aggressiveness in the tender prices, but it will not help to bring property prices down immediately as there is always a lag time between actual supply of land and the completion of the residential projects. The actual demand in terms of occupancy can only be ascertained on the project's completion.

# **CITY DEVELOPMENTS LIMITED**

(REG. NO. 196300316Z)

---

The Group is a one-third shareholder of Tripartite Developers Pte Ltd, which successfully tendered for a GLS reserve list residential site on 27 April 2010. A total of six bidders participated in this tender for a 330,222 square feet residential site at Upper Changi Road North / Floral Drive. Tripartite's winning bid was \$148.3 million or \$321 per square foot per plot ratio for the 99-year leasehold site which can be developed into a 8-storey condominium with a maximum GFA of 462,230 square feet. This site is located next to seven residential projects developed and successfully sold by Tripartite over the years.

Leasing momentum seen in Q4 2009 had spilled over to the beginning of the current year. Take-up rate in the recently completed office supply is encouraging and there are signs that the office market rentals may have bottomed out. The Group continued to maintain a healthy occupancy of 93.5% as at end April 2010.

South Beach project is progressing on schedule. The consortium has managed to achieve some degree of value-engineering to ensure that the project is made more efficient and cost-effective. Formal planning approval for this development is expected this year and construction is expected to commence either end of this year or in early 2011.

## **Hotel**

M&C continues to see encouraging signs of recovery in some of its markets although conditions for others, notably Rest of Europe and Regional US, remain challenging.

In the month of April, M&C's RevPAR increased by 10.6% with New York increasing by 14.0%, Singapore increasing by 46.7% and London declining by 3.9%. London is forecast to recover slowly from the impact of the reduction of aircrew business.

Although it is too early to predict trading performance for 2010, the M&C Board considers that M&C's rigorous analytical management, its geographically diversified revenues and strong balance sheet place it in a strong competitive position. Through management's intense focus on cost control, M&C expects to continue delivering benefits to shareholders through its owner-operator model.

## **Group Prospects**

With an improving economic climate and the soon-to-be fully completed mega developments such as the two Integrated Resorts and the new Business Financial Centre, the Group is optimistic that sentiments in the real estate, commercial and hospitality sectors will continue to improve as Singapore becomes more visible on the global stage, reaching untapped business and leisure travelers descending on Singapore to live, work, play and invest.

The Group is expected to remain profitable over the next 12 months.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

## 11. Dividend

### (a) Current Financial Period Reported On

#### *Any dividend declared for the current financial period reported on?*

Yes.

On 12 May 2010, the Board of Directors, pursuant to the recommendation of the Audit Committee, declared the payment of a tax-exempt (one-tier) non-cumulative preference dividend to holders of City Developments Limited Preference Shares in accordance with the terms of issue of the Preference Shares. The preference dividend for each Preference Share is calculated at the dividend rate of 3.9% per annum of the issue price of \$1.00 for each Preference Share on the basis of 181 days, being the actual number of days comprised in the dividend period from 31 December 2009 to 29 June 2010, divided by 365 days.

Name of Dividend	Tax-exempt (One-tier) Preference Dividend
Date of payment	30 June 2010
Dividend Type	Cash
Dividend Amount per Preference Share (in cents)	1.93 cents
Dividend rate (in %)	3.9% per annum on the issue price of each Preference Share
Dividend period	From 31 December 2009 to 29 June 2010 (both dates inclusive)
Issue price of Preference Shares	\$1.00 per Preference Share

### (b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of Dividend	Tax-exempt (One-tier) Preference Dividend
Date of payment	30 June 2009
Dividend Type	Cash
Dividend Amount per Preference Share (in cents)	1.93 cents <sup>^</sup>
Dividend rate (in %)	3.9% per annum on the issue price of each Preference Share
Dividend period	From 31 December 2008 to 29 June 2009 (both dates inclusive)
Issue price of Preference Shares	\$1.00 per Preference Share

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

### (c) Date payable

The tax-exempt (one-tier) preference dividend for the period from 31 December 2009 to 29 June 2010 (both dates inclusive) will be paid on 30 June 2010.

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

5.00 pm on 10 June 2010.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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

Not applicable.

## PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

### By Business Segments

	← The Group →			
	Revenue		Profit before income tax (*)	
	Three months ended 31 March		Three months ended 31 March	
	2010 S\$'000	2009 S\$'000	2010 S\$'000	2009 S\$'000
Property Development	301,183	198,146	80,879	68,655
Hotel Operations	357,603	344,518	36,310	20,938
Rental Properties	78,163	69,963	70,351	36,866
Others	13,508	9,847	3,559	(7,155)
	750,457	622,474	191,099	119,304

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

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

### Property Development

Revenue and pre-tax profit increased by \$103.1 million to \$301.2 million (Q1 2009: \$198.1 million) and by \$12.2 million to \$80.9 million (Q1 2009: \$68.7 million) respectively.

Projects that contributed to both revenue and profit in Q1 2010 include One Shenton, Cliveden at Grange, Shelford Suites, Wilkie Studio, Livia, The Arte and Tribeca. In accordance with the Group's policy of equity accounting for the results of its jointly-controlled entities, whilst revenue from St Regis Residences and The Oceanfront @ Sentosa Cove, 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 and pre-tax profit was mainly attributable to higher contribution from Cliveden at Grange, Livia, One Shenton, Shelford Suites and The Arte. This was, however, partially offset by the absence of contributions from Botannia, The Solitaire and City Square Residences as they had obtained Temporary Occupancy Permit in 2009. In addition, decreased contribution from Tribeca resulted from lower percentage of completion achieved had also affected the increase in revenue and pre-tax profit.

The increase in pre-tax profit was in tandem with the higher revenue achieved but partially offset by reduced profit contributions from joint venture projects namely Ferrara Park and The Oceanfront @ Sentosa Cove.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

---

## Hotel Operations

Revenue and pre-tax profit increased by \$13.1 million to \$357.6 million (Q1 2009: \$344.5 million) and by \$15.4 million to \$36.3 million (Q1 2009: \$20.9 million) respectively. The increases in both revenue and pre-tax profit were attributable to the improvement in RevPAR. In addition, the concerted efforts in controlling cost also improved the results of the hotel operations.

## Rental Properties

Revenue and pre-tax profit increased by \$8.2 million to \$78.2 million (Q1 2009: \$70.0 million) and by \$33.5 million to \$70.4 million (Q1 2009: \$36.9 million) respectively. The improvement in revenue was mainly due to the rental income contributed by City Square Mall, which commenced operations in September 2009. Higher pre-tax profit achieved for Q1 2010 was due to higher rental income and a gain recognised on the sale of North Bridge Commercial Complex.

## Others

Revenue, comprising mainly income from building maintenance contracts, project management, club operations and dividend income, increased by \$3.7 million to \$13.5 million (Q1 2009: \$9.8 million) due to higher dividend income and management fee income.

This segment reported a pre-tax profit of \$3.6 million (Q1 2009: pre-tax loss of \$7.2 million) mainly due to higher revenue generated coupled with fair value gains recognised on financial assets held for trading as opposed to fair value losses on the aforesaid financial assets recorded in Q1 2009.

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

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

	Full Year Ended 31 December	
	2009 S\$'000	2008 S\$'000
Ordinary	72,744	68,198
Preference	12,904	12,906
<b>Total</b>	<b>85,648</b>	<b>81,104</b>

The final tax-exempt (one-tier) ordinary dividend for the year ended 31 December 2009 of 8.0 cents per ordinary share have been approved by the ordinary shareholders at the Annual General Meeting held on 28 April 2010 and the dividend amounts are based on the number of issued ordinary shares as at 6 May 2010.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

## 16. Interested Person Transactions

Interested Persons	Aggregate value of all interested person transactions conducted for the quarter ended 31 March 2010 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: provision to interested persons of (i) project management services, (ii) carpark management and operation services, (iii) managing agent services, (iv) cleaning services, (v) security services, (vi) property management and maintenance services, and (vii) marketing services  \$8,165,782.67
	Management and Support Services: provision to interested person of (i) financial services, and (ii) accounting and administrative services  \$455,450.00
	<b>TOTAL</b> <b>\$8,621,232.67</b>
Directors and their immediate family members	Nil

### BY ORDER OF THE BOARD

Shufen Loh @ Catherine Shufen Loh  
Company Secretary  
12 May 2010

# **CITY DEVELOPMENTS LIMITED**

(REG. NO. 196300316Z)

---

## **CONFIRMATION BY THE BOARD**

The Directors of the Company hereby confirm, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the Group's unaudited financial results for the 3-month period ended 31 March 2010 to be false or misleading in any material respect.

On behalf of the Board of Directors

**Kwek Leng Beng**  
Executive Chairman

**Kwek Leng Joo**  
Managing Director

Singapore, 12 May 2010