



# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

## UNAUDITED THIRD QUARTER AND NINE-MONTH FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2012

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

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

These figures have not been audited.

	The Group			The Group		
	Third quarter ended		Incr/ (Decr) %	9-month period ended		Incr/ (Decr) %
	30 September 2012	2011		30 September 2012	2011	
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	832,858	805,811	3.4	2,467,358	2,558,947	(3.6)
Cost of sales	(454,591)	(358,180)	26.9	(1,312,466)	(1,244,065)	5.5
<b>Gross profit</b>	<b>378,267</b>	<b>447,631</b>	<b>(15.5)</b>	<b>1,154,892</b>	<b>1,314,882</b>	<b>(12.2)</b>
Other operating income <sup>(2)</sup>	44,278	623	7,007.2	94,434	244,207	(61.3)
Administrative expenses <sup>(3)</sup>	(122,812)	(126,671)	(3.0)	(369,156)	(374,242)	(1.4)
Other operating expenses <sup>(4)</sup>	(92,860)	(92,211)	0.7	(282,036)	(288,450)	(2.2)
<b>Profit from operations</b>	<b>206,873</b>	<b>229,372</b>	<b>(9.8)</b>	<b>598,134</b>	<b>896,397</b>	<b>(33.3)</b>
Finance income <sup>(5)</sup>	10,298	6,307	63.3	29,215	20,069	45.6
Finance costs <sup>(6)</sup>	(20,065)	(21,181)	(5.3)	(58,303)	(62,384)	(6.5)
<b>Net finance costs</b>	<b>(9,767)</b>	<b>(14,874)</b>	<b>(34.3)</b>	<b>(29,088)</b>	<b>(42,315)</b>	<b>(31.3)</b>
Share of after-tax profit of associates <sup>(7)</sup>	6,699	4,460	50.2	38,528	17,141	124.8
Share of after-tax profit/(loss) of jointly-controlled entities <sup>(8)</sup>	12,620	(1,439)	NM	27,202	18,888	44.0
<b>Profit before income tax <sup>(1)</sup></b>	<b>216,425</b>	<b>217,519</b>	<b>(0.5)</b>	<b>634,776</b>	<b>890,111</b>	<b>(28.7)</b>
Income tax expense <sup>(9)</sup>	(42,225)	(29,347)	43.9	(92,714)	(131,136)	(29.3)
<b>Profit for the period</b>	<b>174,200</b>	<b>188,172</b>	<b>(7.4)</b>	<b>542,062</b>	<b>758,975</b>	<b>(28.6)</b>
<b>Attributable to:</b>						
<b>Owners of the Company</b>	<b>134,535</b>	<b>132,100</b>	<b>1.8</b>	<b>428,991</b>	<b>635,333</b>	<b>(32.5)</b>
Non-controlling interests	39,665	56,072	(29.3)	113,071	123,642	(8.5)
<b>Profit for the period</b>	<b>174,200</b>	<b>188,172</b>	<b>(7.4)</b>	<b>542,062</b>	<b>758,975</b>	<b>(28.6)</b>
<b>Earnings per share</b>						
- basic	14.8 cents	14.5 cents	2.1	46.5 cents	69.2 cents	(32.8)
- diluted	14.1 cents	13.8 cents	2.2	45.0 cents	66.6 cents	(32.4)

NM: Not Meaningful

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

## Notes to the Group's Income Statement:

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

	The Group Third quarter ended 30 September		The Group 9-month period ended 30 September	
	2012 S\$'000	2011 S\$'000	2012 S\$'000	2011 S\$'000
Interest income	8,359	6,312	24,214	19,571
Profit on sale of investments, investment properties and property, plant and equipment (net)	41,970	59	83,719	230,645
Gain on dilution/disposal of investment in an associate (net)	631	15	1,232	418
Gain on disposal/liquidation/dilution of investment in jointly-controlled entities	-	-	-	5,519
Loss on disposal/dilution/liquidation of investment in subsidiaries (net)	-	(42)	(7,832)	(2,330)
Investment income	4,041	3,034	6,025	8,596
Depreciation and amortisation	(35,348)	(30,578)	(105,984)	(98,607)
Interest expenses	(17,330)	(16,427)	(51,905)	(47,850)
Net exchange gain/(loss)	5,329	(5,855)	5,560	(7,263)
Net change in fair value of financial assets at fair value through profit or loss:				
- held for trading	1,939	(6,082)	5,001	(9,395)
- designated as such upon initial recognition	-	-	-	145
Impairment loss on property, plant and equipment	-	(8,666)	-	(8,666)

- (2) Other operating income, comprising mainly management fee, miscellaneous income and profit on sale of investments, investment properties and property, plant and equipment, increased by \$43.7 million to \$44.3 million (Q3 2011: \$0.6 million) for Q3 2012 but decreased by \$149.8 million to \$94.4 million (YTD September 2011: \$244.2 million) for YTD September 2012. The increase for Q3 2012 was mainly due to gains recorded on disposal of certain strata units in Citimac Industrial Complex, Elite Industrial Building II, GB Building and Pantech Business Hub in Q3 2012 coupled with gain accounted on realization of certain long-term financial assets. For YTD September 2012, the decrease was primarily due to substantial gains recognised in YTD September 2011 pertaining to the disposal of The Corporate Office in Q1 2011, The Corporate Building and the sale and leaseback of Studio M Hotel to CDL Hospitality Trusts (CDLHT) in Q2 2011, partially mitigated by the gains on realisation of the aforesaid financial assets.
- (3) Administrative expenses which comprise mainly depreciation, hotel administrative expenses, operating lease expense as well as salaries and related expenses had decreased by \$3.9 million for Q3 2012 but remained relatively constant for YTD September 2012 as compared to the corresponding periods in the previous year. The decrease for Q3 2012 was due to lower salaries and related costs, reduced operating lease expense following the expiry of leases of Millennium Hotel & Resort Stuttgart in August 2011 and Kingsgate Hotel Parnell Auckland in July 2012, partially offset by higher depreciation.
- (4) Other operating expenses which comprise mainly property taxes and insurance on hotels, other operating expenses on hotels, net exchange differences, impairment losses and professional fees had remained relatively constant for both Q3 2012 and YTD September 2012 as compared to the corresponding periods in the previous year.
- (5) Finance income comprise mainly interest income, fair value gains on financial assets held for trading and fair value gains on financial assets designated at fair value upon initial recognition. Finance income increased by \$4.0 million and \$9.1 million for Q3 2012 and YTD September 2012 respectively due to higher interest income earned and fair value gains recorded on financial assets held for trading.
- (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 \$20.1 million (Q3 2011: \$21.2 million) for Q3 2012 and \$58.3 million (YTD September 2011: \$62.4 million) for YTD September 2012.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

- (7) Share of after-tax profit of associates relates to the Group's share of results of CDLHT and First Sponsor Capital Limited (FSCL) which are held via the Group's 55% owned subsidiary Millennium & Copthorne Hotels plc. The increases for Q3 2012 and YTD September 2012 by \$2.2 million and \$21.4 million respectively were mainly attributable to the profit contribution from Chengdu Cityspring residential project held by FSCL.
- (8) For Q3 2012, share of after-tax profit of jointly-controlled entities of \$12.6 million was recognised vis-à-vis share of after-tax loss of \$1.4 million in Q3 2011 mainly due to gains recognised on disposal of several strata units in Burlington Square in Q3 2012 coupled with maiden contribution from Hedges Park. Q3 2011 loss mainly relates to recognition of fair value losses on financial assets held for trading by a jointly-controlled entity. The increase for YTD September 2012 by \$8.3 million was due to the sale of the aforesaid strata units and contribution from Hedges Park, partially offset by lower contribution from The Gale.
- (9) Income tax expense for the period is derived by applying the varying statutory tax rates on the taxable profits/(losses) and taxable/deductible temporary differences of the different countries in which the Group operates.

	The Group		The Group	
	Third quarter ended		9-month period ended	
	30 September		30 September	
	2012	2011	2012	2011
	S\$m	S\$m	S\$m	S\$m
The tax charge relates to the following:				
Profit for the period	42.5	49.5	119.7	159.8
Overprovision in respect of prior periods	(0.3)	(20.2)	(27.0)	(28.7)
	42.2	29.3	92.7	131.1

The overall effective tax rate of the Group was 19.5% (Q3 2011: 13.5%) for Q3 2012 and 14.6% (YTD September 2011: 14.7%) for YTD September 2012. Excluding the overprovision in respect of prior periods, the effective tax rate for the Group is 19.6% (Q3 2011: 22.8%) for Q3 2012 and 18.9% (YTD September 2011: 18.0%) for YTD September 2012.

# 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 30.09.2012 S\$'000	As at 31.12.2011 S\$'000	As at 30.09.2012 S\$'000	As at 31.12.2011 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	(1)	3,405,359	3,313,182	9,895	9,192
Investment properties	(1)	3,056,895	2,907,181	527,963	525,164
Lease premium prepayment		83,206	90,460	-	-
Investments in subsidiaries		-	-	2,221,805	2,221,805
Investments in associates		409,841	420,966	-	-
Investments in jointly-controlled entities		686,346	674,272	36,360	36,360
Investments in financial assets	(2)	100,702	156,739	26,955	23,752
Other non-current assets	(3)	104,736	314,120	233,319	233,148
		<b>7,847,085</b>	<b>7,876,920</b>	<b>3,056,297</b>	<b>3,049,421</b>
<b>Current assets</b>					
Development properties		3,662,051	3,243,875	631,961	700,183
Lease premium prepayment		2,478	2,635	-	-
Consumable stocks		8,056	8,825	40	66
Financial assets		30,363	26,288	-	-
Assets classified as held for sale	(4)	6,702	-	-	-
Trade and other receivables	(3)	1,388,190	1,200,918	4,851,733	4,224,478
Cash and cash equivalents		2,365,714	2,603,005	1,297,571	1,572,120
		<b>7,463,554</b>	<b>7,085,546</b>	<b>6,781,305</b>	<b>6,496,847</b>
<b>Total assets</b>		<b>15,310,639</b>	<b>14,962,466</b>	<b>9,837,602</b>	<b>9,546,268</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		5,069,514	4,835,408	3,360,307	3,384,601
		7,060,911	6,826,805	5,351,704	5,375,998
<b>Non-controlling interests</b>					
		1,884,175	1,869,199	-	-
<b>Total equity</b>		<b>8,945,086</b>	<b>8,696,004</b>	<b>5,351,704</b>	<b>5,375,998</b>
<b>Non-current liabilities</b>					
Interest-bearing borrowings*		3,436,506	2,929,322	2,420,714	1,506,060
Employee benefits		40,942	35,989	-	-
Other liabilities	(1)	139,405	96,898	173,278	166,825
Provisions		15,979	17,703	-	-
Deferred tax liabilities		334,505	367,304	37,607	41,620
		<b>3,967,337</b>	<b>3,447,216</b>	<b>2,631,599</b>	<b>1,714,505</b>
<b>Current liabilities</b>					
Trade and other payables		1,076,614	981,845	1,310,703	1,148,587
Interest-bearing borrowings*		1,031,229	1,476,508	446,766	1,135,304
Employee benefits		16,254	15,707	2,706	2,479
Other liabilities		183	75	-	-
Provision for taxation		245,653	321,074	94,124	169,395
Provisions		28,050	24,037	-	-
Liabilities classified as held for sale	(4)	233	-	-	-
		<b>2,398,216</b>	<b>2,819,246</b>	<b>1,854,299</b>	<b>2,455,765</b>
<b>Total liabilities</b>		<b>6,365,553</b>	<b>6,266,462</b>	<b>4,485,898</b>	<b>4,170,270</b>
<b>Total equity and liabilities</b>		<b>15,310,639</b>	<b>14,962,466</b>	<b>9,837,602</b>	<b>9,546,268</b>

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

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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

- 1) The increases were mainly due to the acquisition of a group of foreign entities in January 2012 which had interests in 2 retail developments and a hotel and the construction costs of the integrated development for W Singapore Sentosa Cove Hotel and Quayside Isle. In addition, the capital expenditure pertaining to the refurbishment work on ONE UN (formerly Millennium UN Plaza) had also contributed to the increase in property, plant and equipment.
- 2) The decrease in financial assets was mainly due to the realisation of investments in a real estate private fund.
- 3) The decrease in other non-current assets was mainly due to a transfer of loans due by a jointly-controlled entity from non-current assets to current asset.
- 4) As at 30 September 2012, these relate to assets and liabilities associated with 3 strata units in Citimac Industrial Complex, 1 strata unit in Elite Industrial Building I, 1 strata floor in GB Building and 8 strata units in Pantech Business Hub held by the Group. The Group had entered into sale and purchase contracts to sell these units. These transactions are expected to be completed in the last quarter of 2012.

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

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

	<b>As at 30.09.2012 S\$'000</b>	<b>As at 31.12.2011 S\$'000</b>	
<b><u>Unsecured</u></b>			
- repayable within one year	673,734	1,418,312	
- repayable after one year	2,846,568	2,003,261	
(a)	<u>3,520,302</u>	<u>3,421,573</u>	
<b><u>Secured</u></b>			
- repayable within one year	358,716	60,614	
- repayable after one year	603,412	936,689	
(b)	<u>962,128</u>	<u>997,303</u>	
Gross borrowings	(a) + (b)	4,482,430	4,418,876
Less: cash and cash equivalents		<u>(2,365,714)</u>	<u>(2,603,005)</u>
Net borrowings		<u>2,116,716</u>	<u>1,815,871</u>

### **Details of any collateral**

Where secured, borrowings are collateralised by:

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

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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.**

	Third quarter ended 30 September		9-month period ended 30 September	
	2012 S\$'000	2011 S\$'000	2012 S\$'000	2011 S\$'000
<b>Operating Activities</b>				
Profit for the period	174,200	188,172	542,062	758,975
<b>Adjustments for:</b>				
Depreciation and amortisation	35,348	30,578	105,984	98,607
Dividend income	(4,041)	(3,034)	(6,025)	(8,596)
Equity settled share-based transactions	1,188	497	3,585	1,192
Finance income	(10,298)	(6,307)	(29,215)	(20,069)
Finance costs	20,065	21,181	58,303	62,384
Gain on disposal/dilution of investment in an associate (net)	(631)	(15)	(1,232)	(418)
Gain on disposal/liquidation/dilution of investment in jointly-controlled entities	-	-	-	(5,519)
Loss on disposal/dilution/liquidation of investment in subsidiaries (net)	-	42	7,832	2,330
Impairment loss on loans to a jointly-controlled entity	2,179	234	2,652	718
Impairment loss on property, plant and equipment	-	8,666	-	8,666
Income tax expense	42,225	29,347	92,714	131,136
Profit on sale of property, plant and equipment and investment properties (net)	(36,947)	(59)	(37,026)	(230,521)
Profit on sale of investments	(5,023)	-	(46,693)	(124)
Property, plant and equipment and investment properties written off	165	5	182	34
Share of after-tax profit of associates	(6,699)	(4,460)	(38,528)	(17,141)
Share of after-tax (profit)/loss of jointly-controlled entities	(12,620)	1,439	(27,202)	(18,888)
Units in an associate received and receivable in lieu of fee income	(2,397)	(2,513)	(7,293)	(8,438)
Operating profit before working capital changes	196,714	263,773	620,100	754,328
<b>Changes in working capital</b>				
Development properties	(365,245)	177,224	(401,165)	397,411
Stocks, trade and other receivables	(41,642)	(59,727)	(4,259)	(311,409)
Trade and other payables	16,488	5,817	93,160	171,317
Employee benefits	(1,272)	1,536	327	2,386
Cash (used in)/generated from operations	(194,957)	388,623	308,163	1,014,033
Income tax paid	(86,909)	(71,060)	(193,836)	(139,437)
<b>Cash flows (used in)/from operating activities carried forward<sup>(1)</sup></b>	<b>(281,866)</b>	<b>317,563</b>	<b>114,327</b>	<b>874,596</b>

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

	Third quarter ended 30 September		9-month period ended 30 September	
	2012 S\$'000	2011 S\$'000	2012 S\$'000	2011 S\$'000
<b>Cash flows (used in)/from operating activities brought forward</b>	<b>(281,866)</b>	<b>317,563</b>	<b>114,327</b>	<b>874,596</b>
<b>Investing Activities</b>				
Acquisition of subsidiaries (net of cash acquired) <sup>(2)</sup>	-	-	(208,017)	-
Acquisition of additional interest in a subsidiary	(129)	-	(129)	-
Capital expenditure on investment properties <sup>(3)</sup>	(11,469)	(171,799)	(45,576)	(181,410)
Decrease/(Increase) in investments in associates	2,594	(32)	5,600	1,516
Dividends received:				
- an associate	19,451	18,034	38,908	35,846
- jointly-controlled entities	209	15,216	13,828	18,475
- financial investments	4,041	2,853	6,025	8,415
Disposal of financial assets <sup>(4)</sup>	7,683	2,248	100,430	6,614
Disposal of subsidiaries (net of cash disposed of) <sup>(5)</sup>	-	(98)	-	264,325
Increase in intangibles assets	(360)	-	(360)	(261)
Increase in investments in jointly-controlled entities <sup>(6)</sup>	(1,931)	(5,221)	(10,093)	(274,363)
Interest received	4,249	3,626	13,768	8,968
Proceeds from disposal of a jointly-controlled entity	-	-	-	1,465
Payments for purchase of property, plant and equipment	(41,129)	(25,252)	(169,034)	(156,771)
Proceeds from sale of property, plant and equipment and investment properties <sup>(7)</sup>	68,909	198	69,469	430,268
<b>Cash flows from/(used in) investing activities</b>	<b>52,118</b>	<b>(160,227)</b>	<b>(185,181)</b>	<b>163,087</b>
<b>Financing Activities</b>				
Capital contribution by non-controlling interests	1,134	249	1,229	1,874
Dividends paid	(1,614)	(49,357)	(167,698)	(233,876)
Increase in/(Repayment of) finance lease	-	1	(3)	4
Increase in/(Repayment of) other long-term liabilities	41	13	275	(176)
Interest paid (including amounts capitalised as investment properties, property, plant and equipment and development properties)	(26,002)	(21,071)	(70,962)	(66,632)
Net repayment by/(advances to) related parties	1,723	(9,532)	64,458	(149,971)
Net (repayments of)/proceeds from revolving credit facilities and short-term bank borrowings	(45,748)	(140,859)	(122,066)	240,796
Payment of financing transaction costs	(4,861)	(1,084)	(6,754)	(5,045)
Proceeds from bank borrowings	535,000	284,861	535,000	284,861
Proceeds from issuance of bonds and notes	149,854	50,000	355,501	105,000
Repayment of bank borrowings	(13,159)	(233,380)	(258,323)	(383,927)
Repayment of bonds and notes	(186,129)	-	(403,766)	(216,675)
<b>Cash flows from/(used in) financing activities<sup>(8)</sup></b>	<b>410,239</b>	<b>(120,159)</b>	<b>(73,109)</b>	<b>(423,767)</b>
<b>Net increase/(decrease) in cash and cash equivalents carried forward</b>	<b>180,491</b>	<b>37,177</b>	<b>(143,963)</b>	<b>613,916</b>

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

	Third quarter ended 30 September		9-month period ended 30 September	
	2012 S\$'000	2011 S\$'000	2012 S\$'000	2011 S\$'000
<b>Net increase/(decrease) in cash and cash equivalents brought forward</b>	<b>180,491</b>	<b>37,177</b>	<b>(143,963)</b>	<b>613,916</b>
Cash and cash equivalents at beginning of the period	2,155,095	2,440,115	2,487,580	1,872,974
Effect of exchange rate changes on balances held in foreign currencies	(8,433)	5,159	(16,464)	(4,439)
<b>Cash and cash equivalents at end of the period</b>	<b>2,327,153</b>	<b>2,482,451</b>	<b>2,327,153</b>	<b>2,482,451</b>
<b>Cash and cash equivalents comprise:-</b>				
Cash and cash equivalents as shown in the Balance Sheet	2,365,714	2,601,942	2,365,714	2,601,942
Less: Bank overdrafts	(38,561)	(119,491)	(38,561)	(119,491)
	<b>2,327,153</b>	<b>2,482,451</b>	<b>2,327,153</b>	<b>2,482,451</b>

## Notes to consolidated statement of cash flows

- (1) For Q3 2012, the Group had a net cash outflow from operating activities of \$281.9 million (Q3 2011: net cash inflow of \$317.6 million) due largely to the payment of land cost for the site at Buangkok as well as the site at Huang Huayuan in Chongqing in Q3 2012.
- (2) The net cash outflow was mainly due to acquisition of a group of foreign entities in Q1 2012 which had interests in 2 retail developments and a hotel.
- (3) The cash outflow for Q3 2011 and YTD September 2011 relates mainly to acquisition of a land site in the Ginza district of Tokyo, Japan on 30 September 2011 on which a deluxe hotel will be constructed.
- (4) The cash inflow for YTD September 2012 refers to proceeds from realisation of investments in a real estate private fund.
- (5) For YTD September 2011, this relates mainly to proceeds received from sale of a wholly-owned subsidiary, Allventure Limited (Allventure), which held the convertible notes issued by South Beach Consortium Pte. Ltd. (SBCPL), to a jointly-controlled entity, Scottsdale Properties Pte. Ltd. (Scottsdale).
- (6) The substantial cash outflow for YTD September 2011 relates mainly to the subscription of additional shares issued by Scottsdale so as to fund the acquisition of the remaining 66.66% interest in SBCPL and the purchase of Allventure.
- (7) The cash inflow for Q3 2012 and YTD September 2012 relates primarily to proceeds from sale of several strata units in Citimac Industrial Complex, Elite Industrial Building II, GB Building and Pantech Business Hub. The cash inflow for YTD September 2011 relates mainly to proceeds from sale of The Corporate Office, a strata unit in GB Building, The Corporate Building and sale and leaseback of Studio M Hotel.
- (8) For Q3 2012, the Group had a net cash inflow from financing activities of \$410.2 million (Q3 2011: net cash outflow of \$120.2 million) due to net proceeds of bank borrowings and bonds and notes of \$439.8 million (Q3 2011: net repayments of \$39.4 million) in Q3 2012. In addition, payment of a special interim ordinary dividend of 5 cents per ordinary share in September 2011 had also resulted in a net cash outflow.

For YTD September 2012, the Group had a net cash outflow from financing activities of \$73.1 million (YTD September 2011: \$423.8 million) due to lower dividend paid coupled with repayment of loans by First Sponsor Capital Limited vis-à-vis advances given to them in YTD September 2011. The cash outflow was partially offset by net proceeds received from borrowings in 2012 of \$106.3 million as compared to \$30.1 million for YTD September 2011.



# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

## 1(d) Consolidated Statement of Comprehensive Income

	Third quarter ended 30 September		9-month period ended 30 September	
	2012 S\$'000	2011 S\$'000	2012 S\$'000	2011 S\$'000
<b>Profit for the period</b>	174,200	188,172	542,062	758,975
Other comprehensive income:				
Actuarial gains/(losses) on defined benefit plans	45	(4,071)	(3,691)	(4,071)
Change in fair value of equity investments available for sale	3,177	(6,537)	3,238	(10,998)
Effective portion of changes in fair value of cashflow hedges	861	(420)	217	451
Exchange differences on hedge of net investment in foreign entities	12,691	(6,980)	7,215	182
Exchange differences on monetary items forming part of net investments in foreign entities	(13,779)	16,364	(16,669)	4,229
Realisation of exchange differences on liquidation of subsidiaries	-	-	7,831	-
Share of other reserve movement of an associate	(7)	(1,302)	241	(9,691)
Share of other reserve movement of a jointly-controlled entity	-	-	-	13
Translation differences arising on consolidation of foreign entities	(73,637)	56,957	(123,345)	(51,030)
<b>Other comprehensive income for the period, net of income tax</b>	<b>(70,649)</b>	<b>54,011</b>	<b>(124,963)</b>	<b>(70,915)</b>
<b>Total comprehensive income for the period</b>	<b>103,551</b>	<b>242,183</b>	<b>417,099</b>	<b>688,060</b>
Attributable to:				
<b>Owners of the Company</b>	<b>92,860</b>	<b>168,201</b>	<b>357,794</b>	<b>603,730</b>
Non-controlling interests	10,691	73,982	59,305	84,330
<b>Total comprehensive income for the period</b>	<b>103,551</b>	<b>242,183</b>	<b>417,099</b>	<b>688,060</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.

The Group	Attributable to Owners of the Company						Non-controlling Interests S\$m	Total Equity S\$m
	Share Capital S\$m	Cap. Res. S\$m	Other Res.* S\$m	Exch. Fluct. Res. S\$m	Accum. Profits S\$m	Total S\$m		
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
<b>Profit for the period</b>	-	-	-	-	156.7	156.7	39.5	196.2
<u>Other comprehensive income</u>								
Actuarial losses on defined benefit plans	-	-	-	-	(0.4)	(0.4)	(0.4)	(0.8)
Change in fair value of equity investments available for sale	-	-	3.7	-	-	3.7	-	3.7
Effective portion of changes in fair value of cash flow hedges	-	-	0.2	-	-	0.2	0.2	0.4
Exchange differences on hedges of net investment in foreign entities	-	-	-	2.7	-	2.7	2.3	5.0
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	1.2	-	1.2	(1.0)	0.2
Share of other reserve movements of associates	-	-	0.1	-	-	0.1	0.1	0.2
Translation differences arising on consolidation of foreign entities	-	-	-	(28.1)	-	(28.1)	(19.4)	(47.5)
<b>Other comprehensive income for the period, net of income tax</b>	-	-	4.0	(24.2)	(0.4)	(20.6)	(18.2)	(38.8)
<b>Total comprehensive income for the period</b>	-	-	4.0	(24.2)	156.3	136.1	21.3	157.4
<b>Transactions with owners, recorded directly in equity</b>								
<u>Contributions by and distributions to owners</u>								
Acquisition of a subsidiary	-	-	-	-	-	-	1.6	1.6
Share-based payment transactions	-	-	0.5	-	-	0.5	0.5	1.0
Share options exercised	-	-	(0.3)	-	-	(0.3)	0.3	-
At 31 March 2012	1,991.4	148.9	11.6	(344.4)	5,155.6	6,963.1	1,892.9	8,856.0
<b>Profit for the period</b>	-	-	-	-	137.7	137.7	33.9	171.6
<u>Other comprehensive income</u>								
Actuarial losses on defined benefit plans	-	-	-	-	(1.6)	(1.6)	(1.3)	(2.9)
Change in fair value of equity investments available for sale	-	-	(3.6)	-	-	(3.6)	-	(3.6)
Effective portion of changes in fair value of cash flow hedges	-	-	(0.6)	-	-	(0.6)	(0.5)	(1.1)
Exchange differences on hedges of net investment in foreign entities	-	-	-	(5.7)	-	(5.7)	(4.8)	(10.5)
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	(2.2)	-	(2.2)	(0.9)	(3.1)
Realisation of exchange differences on liquidation of subsidiaries	-	-	-	7.8	-	7.8	-	7.8
Translation differences arising on consolidation of foreign entities	-	-	-	(3.0)	-	(3.0)	0.8	(2.2)
<b>Other comprehensive income for the period, net of income tax</b>	-	-	(4.2)	(3.1)	(1.6)	(8.9)	(6.7)	(15.6)
<b>Total comprehensive income for the period</b>	-	-	(4.2)	(3.1)	136.1	128.8	27.2	156.0
<b>Transactions with owners, recorded directly in equity</b>								
<u>Contributions by and distributions to owners</u>								
Adjustment to acquisition of a subsidiary	-	-	-	-	-	-	1.0	1.0
Capital contribution from non-controlling interests	-	-	-	-	-	-	0.1	0.1
Share-based payment transactions	-	-	0.7	-	-	0.7	0.6	1.3
Dividends	-	-	-	-	(124.6)	(124.6)	(41.4)	(166.0)
At 30 June 2012	1,991.4	148.9	8.1	(347.5)	5,167.1	6,968.0	1,880.4	8,848.4

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

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

The Group	Attributable to Owners of the Company						Non-controlling Interests S\$m	Total Equity S\$m
	Share Capital S\$m	Cap. Res. S\$m	Other Res.* S\$m	Exch. Fluct. Res. S\$m	Accum. Profits S\$m	Total S\$m		
At 1 July 2012	1,991.4	148.9	8.1	(347.5)	5,167.1	6,968.0	1,880.4	8,848.4
<b>Profit for the period</b>	-	-	-	-	134.6	134.6	39.6	174.2
<u>Other comprehensive income</u>								
Change in fair value of equity investments available for sale	-	-	3.2	-	-	3.2	-	3.2
Effective portion of changes in fair value of cash flow hedges	-	-	0.5	-	-	0.5	0.4	0.9
Exchange differences on hedges of net investment in foreign entities	-	-	-	6.9	-	6.9	5.8	12.7
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	(13.8)	-	(13.8)	-	(13.8)
Translation differences arising on consolidation of foreign entities	-	-	-	(38.5)	-	(38.5)	(35.1)	(73.6)
<b>Other comprehensive income for the period, net of income tax</b>	-	-	3.7	(45.4)	-	(41.7)	(28.9)	(70.6)
<b>Total comprehensive income for the period</b>	-	-	3.7	(45.4)	134.6	92.9	10.7	103.6
<b>Transactions with owners, recorded directly in equity</b>								
<u>Contributions by and distributions to owners</u>								
Capital contribution from non-controlling interests	-	-	-	-	-	-	1.1	1.1
Change of interest in a subsidiary	-	0.1	-	-	-	0.1	(0.2)	(0.1)
Share-based payment transactions	-	-	(0.1)	-	-	(0.1)	(0.1)	(0.2)
Dividends	-	-	-	-	-	-	(7.7)	(7.7)
At 30 September 2012	<b>1,991.4</b>	<b>149.0</b>	<b>11.7</b>	<b>(392.9)</b>	<b>5,301.7</b>	<b>7,060.9</b>	<b>1,884.2</b>	<b>8,945.1</b>

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

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

The Group	Attributable to Owners of the Company						Non-controlling Interests S\$m	Total Equity S\$m
	Share Capital S\$m	Cap. Res. S\$m	Other Res.* S\$m	Exch. Fluct. Res. S\$m	Accum. Profits S\$m	Total S\$m		
At 1 January 2011	1,991.4	148.1	23.9	(322.4)	4,421.5	6,262.5	1,717.7	7,980.2
<b>Profit for the period</b>	-	-	-	-	282.3	282.3	16.6	298.9
<u>Other comprehensive income</u>								
Change in fair value of equity investments available for sale	-	-	0.8	-	-	0.8	-	0.8
Effective portion of changes in fair value of cash flow hedges	-	-	0.5	-	-	0.5	0.5	1.0
Exchange differences on hedges of net investment in foreign entities	-	-	-	4.0	-	4.0	3.5	7.5
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	(6.4)	-	(6.4)	0.3	(6.1)
Share of other reserve movements of an associate	-	-	(0.1)	-	-	(0.1)	(0.1)	(0.2)
Translation differences arising on consolidation of foreign entities	-	-	-	(10.5)	-	(10.5)	(29.8)	(40.3)
<b>Other comprehensive income for the period, net of income tax</b>	-	-	1.2	(12.9)	-	(11.7)	(25.6)	(37.3)
<b>Total comprehensive income for the period</b>	-	-	1.2	(12.9)	282.3	270.6	(9.0)	261.6
<b>Transactions with owners, recorded directly in equity</b>								
<u>Contributions by and distributions to owners</u>								
Capital contribution from non-controlling interests	-	-	-	-	-	-	1.4	1.4
Share-based payment transactions	-	-	0.6	-	-	0.6	0.5	1.1
Dividends	-	-	-	-	-	-	(1.3)	(1.3)
At 31 March 2011	1,991.4	148.1	25.7	(335.3)	4,703.8	6,533.7	1,709.3	8,243.0
<b>Profit for the period</b>	-	-	-	-	220.9	220.9	51.0	271.9
<u>Other comprehensive income</u>								
Change in fair value of equity investments available for sale	-	-	(5.2)	-	-	(5.2)	-	(5.2)
Effective portion of changes in fair value of cash flow hedges	-	-	(0.1)	-	-	(0.1)	-	(0.1)
Exchange differences on hedges of net investment in foreign entities	-	-	-	(0.1)	-	(0.1)	(0.2)	(0.3)
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	(5.2)	-	(5.2)	(0.8)	(6.0)
Share of other reserve movement of an associate	-	-	(3.5)	-	-	(3.5)	(4.7)	(8.2)
Translation differences arising on consolidation of foreign entities	-	-	-	(41.8)	-	(41.8)	(26.0)	(67.8)
<b>Other comprehensive income for the period, net of income tax</b>	-	-	(8.8)	(47.1)	-	(55.9)	(31.7)	(87.6)
<b>Total comprehensive income for the period</b>	-	-	(8.8)	(47.1)	220.9	165.0	19.3	184.3
<b>Transactions with owners, recorded directly in equity</b>								
<u>Contributions by and distributions to owners</u>								
Capital contribution from non-controlling interests	-	-	-	-	-	-	0.3	0.3
Share-based payment transactions	-	-	(1.3)	-	-	(1.3)	(1.2)	(2.5)
Dividends	-	-	-	-	(170.1)	(170.1)	(13.1)	(183.2)
At 30 June 2011	1,991.4	148.1	15.6	(382.4)	4,754.6	6,527.3	1,714.6	8,241.9

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

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

The Group	Attributable to Owners of the Company						Non-controlling Interests S\$m	Total Equity S\$m
	Share Capital S\$m	Cap. Res. S\$m	Other Res.* S\$m	Exch. Fluct. Res. S\$m	Accum. Profits S\$m	Total S\$m		
At 1 July 2011	1,991.4	148.1	15.6	(382.4)	4,754.6	6,527.3	1,714.6	8,241.9
<b>Profit for the period</b>	-	-	-	-	132.1	132.1	56.1	188.2
<u>Other comprehensive income</u>								
Actuarial losses on defined benefit plans	-	-	-	-	(2.2)	(2.2)	(1.9)	(4.1)
Change in fair value of equity investments available for sale	-	-	(6.5)	-	-	(6.5)	-	(6.5)
Effective portion of changes in fair value of cash flow hedges	-	-	(0.2)	-	-	(0.2)	(0.2)	(0.4)
Exchange differences on hedges of net investment in foreign entities	-	-	-	(3.7)	-	(3.7)	(3.3)	(7.0)
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	15.7	-	15.7	0.6	16.3
Share of other reserve movements of an associate	-	-	(0.6)	-	-	(0.6)	(0.7)	(1.3)
Translation differences arising on consolidation of foreign entities	-	-	-	33.6	-	33.6	23.4	57.0
<b>Other comprehensive income for the period, net of income tax</b>	-	-	(7.3)	45.6	(2.2)	36.1	17.9	54.0
<b>Total comprehensive income for the period</b>	-	-	(7.3)	45.6	129.9	168.2	74.0	242.2
<b>Transactions with owners, recorded directly in equity</b>								
<u>Contributions by and distributions to owners</u>								
Capital contribution from non-controlling interests	-	-	-	-	-	-	0.2	0.2
Share-based payment transactions	-	-	(0.5)	-	-	(0.5)	(0.4)	(0.9)
Dividends	-	-	-	-	(45.5)	(45.5)	(3.9)	(49.4)
At 30 September 2011	<b>1,991.4</b>	<b>148.1</b>	<b>7.8</b>	<b>(336.8)</b>	<b>4,839.0</b>	<b>6,649.5</b>	<b>1,784.5</b>	<b>8,434.0</b>

\* Other reserves comprise mainly fair value reserve arising from available-for-sale investments, share of other reserve of an associate 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	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
<b>Profit for the period</b>	-	-	-	-	21.9	21.9
<u>Other comprehensive income</u>						
Change in fair value of equity investments available for sale	-	-	3.2	-	-	3.2
<b>Other comprehensive income for the period, net of income tax</b>	-	-	3.2	-	-	3.2
<b>Total comprehensive income for the period</b>	-	-	3.2	-	21.9	25.1
<b>Transaction with owners, recorded directly in equity</b>						
<u>Contributions by and distributions to owners</u>						
Loan forgiveness by subsidiaries	-	-	-	20.0	-	20.0
At 31 March 2012	1,991.4	63.7	10.0	25.7	3,330.3	5,421.1
<b>Profit for the period</b>	-	-	-	-	63.5	63.5
<u>Other comprehensive income</u>						
Change in fair value of equity investments available for sale	-	-	(1.1)	-	-	(1.1)
<b>Other comprehensive income for the period, net of income tax</b>	-	-	(1.1)	-	-	(1.1)
<b>Total comprehensive income for the period</b>	-	-	(1.1)	-	63.5	62.4
<b>Transaction with owners, recorded directly in equity</b>						
<u>Contributions by and distributions to owners</u>						
Dividends	-	-	-	-	(124.6)	(124.6)
Realisation of other reserve upon liquidation of subsidiaries	-	-	-	(25.7)	-	(25.7)
At 30 June 2012	1,991.4	63.7	8.9	-	3,269.2	5,333.2
<b>Profit for the period</b>	-	-	-	-	16.0	16.0
<u>Other comprehensive income</u>						
Change in fair value of equity investments available for sale	-	-	2.5	-	-	2.5
<b>Other comprehensive income for the period, net of income tax</b>	-	-	2.5	-	-	2.5
<b>Total comprehensive income for the period</b>	-	-	2.5	-	16.0	18.5
At 30 September 2012	1,991.4	63.7	11.4	-	3,285.2	5,351.7

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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 2011	1,991.4	63.7	13.9	-	2,763.9	4,832.9
<b>Profit for the period</b>	-	-	-	-	656.7	656.7
<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)	-	656.7	655.8
At 31 March 2011	1,991.4	63.7	13.0	-	3,420.6	5,488.7
<b>Profit for the period</b>	-	-	-	-	85.1	85.1
<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)	-	85.1	84.2
<b>Transaction with owners, recorded directly in equity</b>						
<u>Contributions by and distributions to owners</u>						
Dividends	-	-	-	-	(170.1)	(170.1)
At 30 June 2011	1,991.4	63.7	12.1	-	3,335.6	5,402.8
<b>Profit for the period</b>	-	-	-	-	42.8	42.8
<u>Other comprehensive income</u>						
Change in fair value of equity investments available for sale	-	-	(4.2)	-	-	(4.2)
<b>Other comprehensive income for the period, net of income tax</b>	-	-	(4.2)	-	-	(4.2)
<b>Total comprehensive income for the period</b>	-	-	(4.2)	-	42.8	38.6
<b>Transaction with owners, recorded directly in equity</b>						
<u>Contributions by and distributions to owners</u>						
Dividends	-	-	-	-	(45.5)	(45.5)
At 30 September 2011	1,991.4	63.7	7.9	-	3,332.9	5,395.9

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

---

**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 three months ended 30 September 2012.

Preference share capital

There was no change in the Company's issued preference share capital during the three months ended 30 September 2012.

As at 30 September 2012, 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 (30 September 2011: 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 30 September 2012, 31 December 2011 and 30 September 2011.

The total number of issued ordinary shares (excluding treasury shares) as at 30 September 2012 and 31 December 2011 is 909,301,330.

The total number of issued Preference Shares as at 30 September 2012 and 31 December 2011 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 three months ended 30 September 2012.

**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.



# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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 2011.

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 revised Financial Reporting Standards (FRS) which took effect for financial year beginning on 1 January 2012:

Amendments to FRS 107 *Disclosures – Transfer of Financial Assets*  
Amendments to FRS 12 *Deferred Tax: Recovery of Underlying Assets*

The adoption of these revised 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.**

	Third quarter ended 30 September		9-month period ended 30 September	
	2012	2011	2012	2011
Basic Earnings per share (cents)	14.8	14.5	46.5	69.2
Diluted Earnings per share (cents)	14.1	13.8	45.0	66.6
Earnings per share is calculated based on:				
a) Profit attributable to owners of the Company (S\$'000) (*)	134,535	132,100	422,574	628,934
b) 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 of \$6,417,000 declared and paid in Q2 2012 (Q2 2011: \$6,399,000).

\*\* 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	
	30.09.2012 S\$	31.12.2011 S\$	30.09.2012 S\$	31.12.2011 S\$
Net Asset Value per ordinary share based on the number of issued 909,301,330 ordinary shares (excluding treasury shares) as at 30 September 2012 (909,301,330 ordinary shares (excluding treasury shares) as at 31 December 2011)	7.77	7.51	5.89	5.91

# 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 quarter ended 30 September 2012 (Q3 2012), the Group's performance improved marginally as compared to the corresponding period in previous year. Group revenue of \$832.9 million (Q3 2011: \$805.8 million) and attributable profit after tax and non-controlling interests of \$134.5 million (Q3 2011: \$132.1 million) were achieved.

For the 9-month period ended 30 September 2012 (YTD Sept 2012), the Group reported revenue of \$2,467.4 million revenue (YTD Sept 2011: \$2,558.9 million) and attributable profit after tax and non-controlling interests of \$429.0 million (YTD Sept 2011: \$635.3 million), which decreased by 3.6% and 32.5% respectively. The decrease in profit was due to substantial divestment gains recognised in 2011 from the disposal of The Corporate Office, The Corporate Building and the sale and leaseback of Studio M Hotel.

At the pre-tax level, property development segment remained the lead contributor to the Group's performance for YTD Sept 2012, followed by the hotel operations.

However, for Q3 2012, the rental properties segment surpassed the hotel operations to be the next highest contributor after property development segment in view of gains recognised from the sale of certain strata units in GB Building, Citimac Industrial Complex, Pantech Business Hub and Elite Industrial Building II.

Basic earnings per share of the Group increased by 2.1% to 14.8 cents (Q3 2011: 14.5 cents) for Q3 2012 but decreased by 32.8% to 46.5 cents for YTD Sept 2012 (YTD Sept 2011: 69.2 cents).

As at 30 September 2012, the Group continued to have a healthy balance sheet with a relatively low net gearing ratio at 24%. Its interest cover was at 16.1 times for YTD Sept 2012.

## **Property**

Advance estimates indicate that Singapore's economy grew at a modest pace of 1.3% in Q3 2012, compared to the 2.3% growth in the previous quarter on a year-on-year basis. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted by 1.5%, compared to the 0.2% expansion in Q2 2012.

Growth in the various sectors was subdued except for the construction sector, which remained resilient with growth of 8.6% on a year-on-year basis.

Urban Redevelopment Authority (URA) data indicated that the Residential Property Price Index (PPI) rose marginally from 206.9 points in Q2 2012 to 208.2 points in Q3 2012. Prices of private residential properties increased by 0.6% in Q3 2012, compared to the 0.4% increase in the previous quarter.

In Q3 2012, developers sold 5,916 private residential units (excluding Executive Condominiums) powered by new launches, reflecting strong underlying demand for new private homes. This is 9.5% higher than the 5,402 units sold in Q2 2012.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

---

The Government introduced new measures in October 2012, aimed at curbing home buyers from over-extending themselves. The Monetary Authority of Singapore (MAS) will restrict the tenure of loans granted by financial institutions for the purchase of residential properties. This move is part of the Government's broader aim of avoiding a price bubble and fostering long term stability in the property market. The maximum tenure of all new residential property loans will be capped at 35 years. In addition, loans exceeding 30 years tenure will face significantly tighter loan-to-value (LTV) limits. This will apply to both private properties and HDB flats. The new rules took effect from 6 October 2012.

In July 2012, the Group launched its joint venture project HAUS@SERANGOON GARDEN comprising 97 terraces. This development is the first landed housing estate in Singapore to achieve the top tier Building and Construction Authority (BCA) Green Mark Platinum Award. The site is close to Serangoon Garden Circus, famous Chomp Chomp food centre, myVillage and many other amenities. This environmentally-friendly project is very popular among homebuyers. To date, 86 houses have been sold.

The Group's two Executive Condominium (EC) projects namely The Rainforest, a 466-unit joint venture EC located close to Choa Chu Kang MRT station and Blossom Residences, the Group's 602-unit EC located next to Segar LRT station at Bukit Panjang, are now 100% sold.

Other on-going projects continued to sell reasonably well.

UP@Robertson Quay, a mixed development comprising a 300-room hotel and 70 exclusive residences was launched in May 2012. Located in the prestigious District 9 and in the heart of trendy Robertson Quay, the riverside apartments offer well-designed flexible spaces, with select units featuring up to 7.2 metre floor-to-floor heights, private timber pool decks and dual purpose furniture options. The launch received good response. 48 out of the 55 units released for sale have been sold to date.

The Palette, a joint venture project with 892 units located at the Pasir Ris Grove residential enclave and within a short walking distance to the Pasir Ris MRT station is now over 94% sold.

The joint venture project, Bartley Residences comprising 702 units located next to Bartley MRT station and directly opposite Maris Stella High School is now more than 92% sold.

For the period under review, profits were booked in from Buckley Classique, 368 Thomson, Cube 8, Volari, Hundred Trees and H<sub>2</sub>O Residences.

Profits were also booked in from The Glyndebourne which is developed by the Group's subsidiary, Millennium & Copthorne Hotels plc (M&C), as well as other joint venture projects such as NV Residences, Tree House, The Gale and Hedges Park.

However, no profit was realised from the two fully-sold EC developments – The Rainforest and Blossom Residences due to new accounting treatments. Profit from Bartley Residences, The Palette, UP@Robertson Quay and HAUS@SERANGOON GARDEN were also not booked in as the construction of these projects is still in early stages.

In September 2012, the Group and its joint venture partner won a URA tender for a residential-cum-commercial site at Tai Thong Crescent for \$245 million. The 8,200.3 square metre (sq m) 99-year leasehold site has a permissible Gross Floor Area of 28,702 sq m. The land parcel is situated within walking distance to Potong Pasir MRT station and close to popular schools. It is also a short drive to Kallang Riverside which is envisaged to be transformed into a vibrant lifestyle precinct by the waterfront. A wide variety of shopping, dining and recreational facilities are available at the nearby Serangoon and Toa Payoh Town Centres. Popular suburban malls – City Square Mall and NEX and are also conveniently located two MRT stations away.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

---

The Singapore office market improved marginally despite the global economic and financial uncertainties. URA data showed that the prices of office space rose 1.9% in Q3 2012, after the decline of 0.9% in the previous quarter. However, rentals for office space fell by 0.1% in Q3 2012, as compared to the decline of 0.5% in Q2 2012. Although the amount of occupied office space increased by 71,000 sq m (nett) in Q3 2012, the stock of office space decreased by 22,000 sq m (nett). As a result, the island-wide vacancy rate of office space as at Q3 2012 decreased to 9.7%, from 10.9% as at Q2 2011. The total available office space decreased marginally to 7.27 million sq m. The Group's office portfolio as at end September 2012 continues to enjoy healthy occupancy of 94.2% as compared to the island-wide occupancy rate of 90.3%.

At City Square Mall, Babies "R" Us and Toys "R" Us have opened in October 2012. Golden Village cinema will also be officially opening in November 2012. Meanwhile, Esprit has also taken up tenancy and active negotiations with a few other major reputable retail tenants are in the final stages. These tenants are part of the Mall's efforts to refresh and enhance its retail mix, to rejuvenate and reconfigure the Mall since its opening in 2010, as this is a retail industry norm. Presently, the Mall is over 90% occupied.

## Hotels

M&C, in which the Group has a 55% interest, delivered a satisfactory performance in Q3 2012, despite challenging trading conditions and global economic uncertainty.

In Q3 2012, M&C achieved net profit after tax and non-controlling interests of £30.7 million (Q3 2011: £58.5 million - due in part to the inclusion of profit from the sale of development land in Kuala Lumpur 2011); and £89.1 million for YTD Sept 2012 (YTD Sept 2011: £120.5 million - due in part to the inclusion of profit on the sale and leaseback of Studio M Hotel in May 2011 and the profit from the KL land sale). Basic earnings per share for YTD Sept 2012 decreased by 27.4% to 27.8p (YTD Sept 2011: 38.3p).

For YTD Sept 2012, overall RevPAR rose by 4.9%. London RevPAR was up 10.2% (YTD Sept 2012) and 20.2% (Q3 2012) as a result of the Olympic and Paralympic Games.

For the first nine months of 2012, M&C strengthened its financial position. Net debt at 30 June 2012 of £10.6 million reversed to a net cash position of £11.9 million at 30 September 2012. Accordingly, its balance sheet showed nil gearing as at September 2012 (30 June 2012: 0.5%).

In line with its focus on asset management, M&C is continuing to review its property portfolio to identify upgrading and refurbishment projects that will enhance its brands and substantially increase return on assets. In addition to plans already announced for Seoul, New York, Taipei and London, M&C has approved additional capital expenditure on Minneapolis, and is considering plans for its hotels in New York, Chicago and additional destinations.

Millennium Seoul Hilton, which completed a major part of its refurbishment in Q4 2011, saw a 14.8% increase in average room rate for the first nine months of 2012 compared to the same period last year. M&C also anticipates a revitalised performance at ONE UN (formerly Millennium UN Plaza Hotel), following its re-branding and the re-opening of the refurbished west tower on 5 September 2012, in time for the UN General Assembly.

Facade renovation of the Grand Hyatt Taipei is complete and the room renovation in the west wing, with the closing of over 500 rooms, commenced in early August. Completion is scheduled for Q2 2013. Refurbishment of the east wing rooms is planned for next year.

Substantial renovation of the Millennium Minneapolis will commence in Q4 2012. The 321-room hotel will be fully closed in December 2012 and is expected to re-open in April 2013. Over in the UK, M&C is discussing design proposals for the Millennium Hotel London Mayfair with the freeholder.

In addition to the above, a Japanese general contractor has been selected to construct the new 322-room deluxe hotel in Tokyo's Ginza district after a tender exercise which began in July 2012. Demolition work is complete and construction of the hotel is expected to commence next year with completion scheduled in Q4 2014.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

---

Development of The Glyndebourne condominium project (the site of the former Copthorne Orchid Hotel) is progressing well with most of the structural development complete and architectural work underway. 144 units out of the 150 residential units have been sold, with sales value of \$522.5 million. Sales proceeds collected to date total \$214.5 million representing approximately 41% of the sales value. The CDL Group has been progressively recognising profit for this project based on stages of construction. However, based on UK accounting standards, M&C's profits will only be booked in when the construction of the entire development is completed.

First Sponsor Capital Limited (FSCL), M&C's associate, continues to make good progress with development in Chengdu, People's Republic of China. M&C's investment in FSCL is a key part of its China strategy, enabling it to participate in hotel ownership through mixed property development. FSCL currently has plans for two hotels and a serviced apartment building that will be managed by M&C.

Ground preparation works have commenced on the Wenjiang development land site named Millennium Waterfront which was successfully tendered by FSCL in November 2011. The land is intended for residential, commercial and hotel development. Development will be phased according to demand. The first residential phase will be launched officially when relevant licenses and approvals have been finalised. The total residential component will comprise 50 apartment blocks with 7,110 units.

As of 28 October 2012, over 98% of the residential units and 79% of the commercial units of the Chengdu Cityspring project have been sold either under sale and purchase or option agreements, with over 99% and 82% of the sales proceeds collected respectively. FSCL is expected to complete the commercial units in 2013 when it would recognise the revenue for the units transferred to the buyers. It plans to retain a portion of commercial units as investment assets. Proceeds from the residential and commercial sales will finance the development of a 195-room hotel, M Hotel Chengdu, which is scheduled to open in 2013 as part of the Chengdu Cityspring project.

**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 the second quarter and half year ended 30 June 2012.

**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 outlook for the global economy appears to be challenging and fragile as it is plagued by uncertainties and fresh setbacks. There are concerns about the series of policy changes, potential oversupply of housing and fears of a slowdown due to economic woes in the United States (US) and Europe. The US Federal Reserve recently embarked on a third round of quantitative easing (QE3) to address the insipid economy as well as a stubbornly high unemployment rate in the US.

The implementation of QE3 has ignited concerns that an influx of foreign funds could result in asset inflation in the real estate sector. The Singapore Government has acknowledged the potential impact of QE3 on the Singapore property market and in October 2012 introduced additional measures to curb excessive lendings. It also reiterated that it is ready to act, if and when necessary, to keep a good handle on the property market amid rising home sales so as to avoid a bubble that will eventually hurt borrowers and destabilise its financial system.

While the outlook for the property market in the medium to long-term is still positive, the Group is cognisant that between 2014 and 2015, there could be some oversupply with more residential units being completed. However, this fear will be unwarranted if the world economy turns around by that time and majority of the completed units are owner-occupied. The Group hopes that the property cooling measures that have been imposed will be lifted in due course.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

---

Investment sentiment in residential high-end segments is still subdued. However, the buying interest in mass and mid-market projects has remained strong due to abundant liquidity in the market, supported by the low interest rate environment. Moreover, the equity market remains volatile and there is practically an absence of other stable investment product options. New and innovative mass market residential projects that are located near MRT stations and shopping amenities should continue to be popular. In general, the Group expects property prices to remain stable with moderate increases of varying degrees, depending on the project's location and unique propositions.

Developers have been bidding aggressively for land sites since Q2 2012 as many have limited land bank. Competition has been intense, fuelled by the low interest rate environment, with many embracing a new strategy of diversifying their risks through joint ventures. The Group will continue to be selective in its land replenishment strategy. It will remain nimble and strategic, mindful of the economic outlook. Its strategic land banking strategy has afforded it with a good portfolio of land sites which are carried at book cost and most of them have been reasonably acquired. This enables the Group to maximise profit by extracting the appropriate sites for launch at the right time, depending on market demand.

The Group is delighted to have submitted the highest bid of \$135 million for a hotly contested EC site located at Sengkang West Way / Fernvale Link on 8 November 2012. It strategically edged out the next highest bidder by a razor thin margin of only 0.1%, even though the Group's bid is lower than earlier awarded tenders in the vicinity. The 14,100.8 sq m site is a few minutes' walk from Layar LRT station and the upcoming Seletar Mall. The Group will explore a high-rise EC development with about 380 units. This will be its sixth EC project, after The Florida, Nuovo, The Esparis, Blossom Residences and The Rainforest.

In Q4 2012, the Group is planning to launch Echelon – its highly anticipated prime development at Alexandra Road. It is located at the edge of the prestigious Tanglin residential enclave, yet within 5 minutes' walk to the Redhill MRT station. The Group had tendered strategically for this coveted piece of land. Since then, other tender sites in its surrounding have been awarded at much higher prices. Echelon comprises two distinctive 43-storey twin towers with voluminous sky terraces. Designed by award-winning architectural firm SCDA, it features 508 units ranging from studio units to 4-bedroom apartments and penthouses.

Another project slated for launch in early 2013 is located at Pasir Ris Grove. Sited just next to the Group's sold-out projects namely Livia and NV Residences, and the almost sold-out project, The Palette; this development is only 6 minutes' walk to the Pasir Ris MRT station and White Sands Shopping Mall. The project will comprise 912 units accommodated in 12 blocks of between 11 and 13 storeys.

The demand for office space remained resilient in Q3 2012. Based on anecdotal evidence, non-financial institutions, such as legal, social media, pharmaceutical and energy sectors are leasing office space in Singapore, while demand has softened primarily amongst banks and financial services companies. Reports indicated that office rents are falling in the CBD area, while the rates are moderating in the CBD fringe areas, such as Anson Road / Tanjong Pagar and Orchard Road.

Based on URA's data, office rents in the Downtown Core and Orchard planning areas fell marginally in Q3 2012. The near-term outlook for the office sector remains subdued. Vacancy levels will probably slowly inch upwards and rents will continue to ease on the back of weak demand and unabsorbed supply in new office project completions in 2011 and 2012. According to the URA's statistics, the total supply of office space in the pipeline increased from 11.9 million sq ft GFA to 12.6 million sq ft GFA as at the end of Q3 2012.

With the expected increase in liquidity due to QE3 and large collective sales that were completed recently, investor sentiment for commercial and industrial space has improved and may stabilise next year.

The South Beach development is making good progress and is on track to complete in 2015. This mixed development will feature about 190 premier residential apartments, approximately 651 hotel rooms, some 49,000 sq m of lettable office space, 7,900 sq m of retail/F&B area which will be integrated with the conserved buildings as well as a 2,700 sq m private club. The highly-prolific designer Philippe Starck has also been commissioned to design the interiors of the hotel and the club with a revolutionary concept. The consortium plans to launch the project at the appropriate time.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

---

The Group celebrated the official opening of its W Singapore – Sentosa Cove hotel on 20 October 2012 with glamour and fanfare. This stylish hot spot retreat is expected to invigorate the marina community. The hotel offers a fully integrated lifestyle experience featuring 240 guest rooms and suites, two signature restaurants, a destination bar, the W Lounge experience, WET Pool deck and bar, Away Spa, and more than 1,500 sq m of modern meeting and event space. Adjacent to the hotel is the Group's Quayside Isle – a unique specialty retail complex with waterfront restaurants and shops. It will have a good representation of over eight international cuisines, comprising European, Mediterranean, Italian, Spanish, Belgian, Japanese, Australian and American – creating a gastronomic experience. A handful of restaurants are expected to open by mid December 2012, while the others are expected to open by Q1 2013. The enhancement works to The Residences at W Singapore – Sentosa Cove is almost complete. As this is the only branded residences in the Cove with the unique position of being integrated with the adjoining hotel, retail, F&B and specialty shops, the Group will review its strategy for the Residences at the appropriate time. This integrated land site was awarded to the Group in 2006, mainly for the unique design proposed. With the three developments completed, the Group's vision for a tropical marina-oriented lifestyle hub that would enhance the experience for all at Sentosa Cove is coming to fruition.

CDL China Limited, a wholly-owned subsidiary of the Group, is in the midst of amending the design submission plans for its luxury residential development at Eling Hill in Yuzhong District, Chongqing. Due to the historically important and culturally sensitive nature of the location, the planning authorities have given substantial input to the design in order to help it blend better with the green surroundings. This project will be launched at the appropriate time as the China property market improves.

## **Hotels**

On a like-for-like basis, in constant currency terms, excluding Kingsgate Hotel Parnell Auckland (leased expired in July 2012), M&C's RevPAR in the first four weeks of October 2012 increased by 1.5% compared to the corresponding period a year ago. This was led by continuing strong performance in London, both during and after the Olympic and Paralympic games where RevPAR increased by 6.9%, together with growth in Rest of Europe (8.6%) and Regional US (4.8%). In New York, RevPAR increased by 0.5%.

Trading conditions in Singapore were very competitive in Q3 2012 with more cautious corporate spending. This has continued into October with Singapore showing an indicative RevPAR decrease of 0.9% while rest of Asia declined by 0.5%, particularly due to the closure of over 500 rooms for its Taipei renovations.

M&C has yet to assess the full impact of Hurricane Sandy on its New York operations. While it maintains a cautious stance in light of continuing economic uncertainty, the outlook for FY2012 performance is in line with M&C's management expectations.

M&C's strong balance sheet ensures that it is well positioned to continue to enhance its assets in prime locations.

## **Group Prospects**

While the global economic outlook remains uncertain and unpredictable, the scenario has evolved from six months ago. With the exception of Europe which is still reeling from its financial woes, there seems to be positive indications that markets like China may begin to stabilise. China's economy is showing signs of improvement and with the renewed leadership in the US post its recent elections, this may help to remove some uncertainty.

Singapore's economy remains on track to grow as projected. As the global economic conditions improve, Singapore in turn will also benefit. The Government restrictions on the property sector, while necessary to help stabilise the market, has dampened foreign interest somewhat. However, the Group is of the view that Singapore should take advantage of the financial crisis in Europe and the anemic growth in US, to continue attracting larger foreign companies who perceive Asia as a growth region to invest in our city. This will benefit Singapore's economy in the medium to long term, including the real estate sector.

The Group is watchful of these developments. During this period of rapid changes, it will remain nimble so that it can adapt swiftly to changing conditions. It is confident that with good strategies in place, armed with its strong balance sheet and cash flow, it is well poised to seize opportunities that may avail during this time, and will continue to perform profitably for the year.

# 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.

The Company had on 10 May 2012 declared a tax-exempt (one-tier) non-cumulative preference dividend to holders of City Developments Limited Preference Shares of 1.94 cents per Preference Share, calculated at the dividend rate of 3.9% per annum of the issue price of \$1.00 for each Preference Share, for the dividend period from 31 December 2011 to 29 June 2012. The said preference dividend was paid on 2 July 2012.

On 14 November 2012, 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 the 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 on the issue price of \$1.00 for each Preference Share on the basis of 184 days, being the actual number of days comprised in the dividend period from 30 June 2012 to 30 December 2012, divided by 366 days.

Name of Dividend	Tax-exempt (One-tier) Preference Dividend
Date of payment	31 December 2012
Dividend Type	Cash
Dividend Amount (in cents)	1.96 cents per Preference Share
Dividend rate (in %)	3.9% per annum on the issue price of each Preference Share
Dividend period	From 30 June 2012 to 30 December 2012 (both dates inclusive)
Issue price	\$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) Special Interim Ordinary Dividend	Tax exempt (One-tier) Preference Dividend	
Date of payment	28 September 2011	30 June 2011	3 January 2012
Dividend type	Cash	Cash	Cash
Dividend amount (in cents)	5.0 cents per Ordinary Share	1.93 cents per Preference Share	1.97 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 2010 to 29 June 2011 (both dates inclusive)	From 30 June 2011 to 31 December 2011 (both dates inclusive)
Issue price	N.A.	\$1.00 per Preference Share	\$1.00 per Preference Share



# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

---

**(c) Date payable**

The tax-exempt (one-tier) preference dividend for the period from 30 June 2012 to 30 December 2012 (both dates inclusive) will be paid on 31 December 2012.

**(d) Books Closure Date**

5.00 p.m. on 13 December 2012.

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

Not applicable.

**13. Interested Person Transactions**

Interested Persons	Aggregate value of all interested person transactions conducted in third quarter ended 30 September 2012 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> - Lease of premises from and to interested persons \$1,444,475.17 <b>TOTAL:</b> \$1,444,475.17
Directors and their immediate family members	Nil

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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

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.

### By Business Segments

	The Group			
	Third quarter ended		9-month period ended	
	30 September		30 September	
	2012	2011	2012	2011
	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>Revenue</u></b>				
Property Development	348,767	321,845	1,036,352	1,136,883
Hotel Operations	381,121	394,654	1,129,411	1,148,283
Rental Properties	75,317	67,790	227,231	208,965
Others	27,653	21,522	74,364	64,816
	<b>832,858</b>	<b>805,811</b>	<b>2,467,358</b>	<b>2,558,947</b>
<b><u>Profit before income tax (*)</u></b>				
Property Development	76,505	129,599	273,695	392,753
Hotel Operations	55,678	69,274	166,484	208,473
Rental Properties	71,189	32,089	135,074	296,519
Others	13,053	(13,443)	59,523	(7,634)
	<b>216,425</b>	<b>217,519</b>	<b>634,776</b>	<b>890,111</b>

\* Includes share of after-tax profit/(loss) of associates and jointly-controlled entities.

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

### **Property Development**

Revenue increased by \$27.0 million to \$348.8 million (Q3 2011: \$321.8 million) for Q3 2012 but decreased by \$100.5 million to \$1,036.4 million (YTD September 2011: \$1,136.9 million) for YTD September 2012.

Pre-tax profit decreased by \$53.1 million to \$76.5 million (Q3 2011: \$129.6 million) for Q3 2012 and \$119.1 million to \$273.7 million (YTD September 2011: \$392.8 million) for YTD September 2012.

Projects that contributed to both revenue and profit for 2012 include Volari, NV Residences, 368 Thomson, Cube 8, Hundred Trees, Tree House, The Glyndebourne, Buckley Classique and H<sub>2</sub>O Residences. 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 and Hedges Park 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.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

---

The increase in revenue for Q3 2012 was mainly attributable to maiden contributions from The Glyndebourne, Buckley Classique and H<sub>2</sub>O Residences in 2012 as well as higher contributions from 368 Thomson, Cube 8 and Tree House. This was partially offset by reduced contribution from Volari following its completion in Q3 2012.

For YTD September 2012, revenue decreased mainly due to absence of contributions from Cliveden at Grange, Shelford Suites and Livia which obtained Temporary Occupation Permit in 2011 as well as lower contributions from One Shenton and Volari. This was partially cushioned by the maiden contributions from aforesaid projects as well as increased contributions from Cube 8, Tree House and 368 Thomson.

In addition, included in Q3 2011 revenue was a sale of development land at £44.2 million (approximately S\$88.9 million) in Kuala Lumpur by the Group's 55% owned subsidiary, Millennium & Cophthorne Hotels plc.

Despite the increase in revenue for Q3 2012, pre-tax profit decreased mainly due to the profit recognised in Q3 2011 pertaining to the sale of land in Kuala Lumpur, partially offset by gain recognised on disposal of several strata units in Burlington Square in Q3 2012.

The decrease in pre-tax profits for YTD September 2012, in tandem with the decrease in revenue, was partially mitigated by the profit recognition of Chengdu Cityspring residential project held by First Sponsor Capital Limited.

## **Hotel Operations**

Revenue for this segment remained relatively constant at \$381.1 million (Q3 2011: \$394.7 million) for Q3 2012 and \$1,129.4 million (YTD September 2011: \$1,148.3 million) for YTD September 2012.

Pre-tax profit decreased by \$13.6 million to \$55.7 million (Q3 2011: \$69.3 million) for Q3 2012 and \$42.0 million to \$166.5 million (YTD September 2011: \$208.5 million) for YTD September 2012. The decreases were due to pre-operating expenses incurred by W Singapore Sentosa Cove Hotel and higher exchange losses arising from revaluations of Thai Baht denominated borrowings granted due to weakening of this currency against Singapore dollars in 2012. In addition, the gain of £17.4 million (approximately S\$35.4 million) on the sale and leaseback of Studio M Hotel recorded in Q2 2011 had also negatively impacted the performance for YTD September 2012. The decreases were however mitigated by no impairment loss made on hotel in 2012 as opposed to an impairment loss made on a hotel in United States in Q3 2011.

## **Rental Properties**

Revenue increased by \$7.5 million to \$75.3 million (Q3 2011: \$67.8 million) for Q3 2012 and by \$18.2 million to \$227.2 million (YTD September 2011: \$209.0 million) for YTD September 2012 mainly due to revenue generated from a retail mall in Thailand which the Group acquired in Q1 2012.

Pre-tax profit increased by \$39.1 million to \$71.2 million (Q3 2011: \$32.1 million) for Q3 2012 but decreased by \$161.4 million to \$135.1 million (YTD September 2011: \$296.5 million) for YTD September 2012.

The increase in pre-tax profit for Q3 2012, in-line with the higher revenue achieved for the said quarter, was also due to gains recognised on the disposal of several strata units in Citimac Industrial Complex, Elite Industrial Building II, GB Building and Pantech Business Hub in Q3 2012.

Despite the increase in revenue, pre-tax profit for YTD September 2012 decreased mainly on account of substantial gains recognised on the sale of The Corporate Building, The Corporate Office and a strata unit in GB Building in 2011, partially mitigated by gains recorded in Q3 2012 relating to the disposal of strata units in the abovementioned investment properties.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

## Others

Revenue, comprising mainly income from building maintenance contracts, project management, club operations as well as dividend income, increased by \$6.2 million to \$27.7 million (Q3 2011: \$21.5 million) for Q3 2012 and \$9.6 million to \$74.4 million (YTD September 2011: \$64.8 million) for YTD September 2012. The increase for both Q3 2012 and YTD September 2012 were due to higher management fee income.

Pre-tax profits of \$13.1 million for Q3 2012 and \$59.5 million for YTD September 2012 were reported respectively as compared to pre-tax losses of \$13.4 million and \$7.6 million for the corresponding periods in 2011. This was largely due to gain recognised on realisation of investments in a real estate private fund as well as fair value gains recognised on financial assets held for trading in 2012 vis-à-vis net fair value losses recorded in 2011.

**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 18 of Appendix 7.2 for the required details*)

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

The final tax-exempt (one-tier) ordinary dividend and special final ordinary dividend for the year ended 31 December 2011 of 8.0 cents and 5.0 cents respectively per ordinary share have been approved by the ordinary shareholders at the Annual General Meeting held on 27 April 2012 and the dividend amounts are based on the number of issued ordinary shares as at 3 May 2012. The final tax-exempt (one-tier) ordinary dividend and special final ordinary dividend were paid on 18 May 2012.

**17. A breakdown of sales and operating profit after tax for first half year and second half year.**

Not applicable.

**BY ORDER OF THE BOARD**

Shufen Loh @ Catherine Shufen Loh  
Company Secretary  
14 November 2012

# **CITY DEVELOPMENTS LIMITED**

(REG. NO. 196300316Z)

---

## **CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

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 third quarter and the 9-month period ended 30 September 2012 to be false or misleading in any material aspect.

On behalf of the Board of Directors

**Kwek Leng Beng**  
Executive Chairman

**Kwek Leng Joo**  
Managing Director

Singapore, 14 November 2012