



# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

## UNAUDITED THIRD QUARTER AND NINE-MONTH FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2015

### 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) %
	2015	2014		2015	2014	
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	809,251	1,321,618	(38.8)	2,449,125	2,917,005	(16.0)
Cost of sales	(395,823)	(862,280)	(54.1)	(1,256,060)	(1,681,413)	(25.3)
<b>Gross profit</b>	<b>413,428</b>	<b>459,338</b>	<b>(10.0)</b>	<b>1,193,065</b>	<b>1,235,592</b>	<b>(3.4)</b>
Other operating income <sup>(2)</sup>	588	10,918	(94.6)	7,883	13,074	(39.7)
Administrative expenses <sup>(3)</sup>	(140,830)	(129,942)	8.4	(396,975)	(370,738)	7.1
Other operating expenses <sup>(4)</sup>	(117,280)	(115,089)	1.9	(312,503)	(292,358)	6.9
<b>Profit from operations</b>	<b>155,906</b>	<b>225,225</b>	<b>(30.8)</b>	<b>491,470</b>	<b>585,570</b>	<b>(16.1)</b>
Finance income <sup>(5)</sup>	11,507	8,939	28.7	41,189	29,433	39.9
Finance costs <sup>(6)</sup>	(33,479)	(35,640)	(6.1)	(96,293)	(89,020)	8.2
<b>Net finance costs</b>	<b>(21,972)</b>	<b>(26,701)</b>	<b>(17.7)</b>	<b>(55,104)</b>	<b>(59,587)</b>	<b>(7.5)</b>
Share of after-tax profit of associates <sup>(7)</sup>	6,050	5,849	3.4	12,401	1,153	975.5
Share of after-tax profit of joint ventures <sup>(8)</sup>	14,513	9,502	52.7	65,276	39,452	65.5
<b>Profit before income tax <sup>(1)</sup></b>	<b>154,497</b>	<b>213,875</b>	<b>(27.8)</b>	<b>514,043</b>	<b>566,588</b>	<b>(9.3)</b>
Income tax expense <sup>(9)</sup>	(24,415)	(37,224)	(34.4)	(75,283)	(71,093)	5.9
<b>Profit for the period</b>	<b>130,082</b>	<b>176,651</b>	<b>(26.4)</b>	<b>438,760</b>	<b>495,495</b>	<b>(11.5)</b>
<b>Attributable to:</b>						
<b>Owners of the Company</b>	<b>106,396</b>	<b>127,212</b>	<b>(16.4)</b>	<b>362,916</b>	<b>384,740</b>	<b>(5.7)</b>
Non-controlling interests	23,686	49,439	(52.1)	75,844	110,755	(31.5)
<b>Profit for the period</b>	<b>130,082</b>	<b>176,651</b>	<b>(26.4)</b>	<b>438,760</b>	<b>495,495</b>	<b>(11.5)</b>
<b>Earnings per share</b>						
- basic	11.7 cents	14.0 cents	(16.4)	39.2 cents	41.6 cents	(5.8)
- diluted	11.1 cents	13.3 cents	(16.5)	38.0 cents	40.3 cents	(5.7)

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## 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	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Interest income	12,154	9,162	41,189	26,054
Gain on liquidation of investment in a subsidiary	-	-	483	-
Gain on dilution of investment in an associate	-	6,843	-	6,843
Investment income	3,594	3,593	7,233	5,869
Profit on sale/realisation of investments, investment properties and property, plant and equipment (net)	5	159	3,849	259
Allowance written back/(made) for foreseeable losses on development properties	-	-	672	(64)
Depreciation and amortisation	(57,255)	(51,267)	(159,948)	(145,406)
Interest expenses	(26,888)	(26,707)	(84,501)	(73,663)
Net exchange loss	(10,072)	(225)	(2,515)	(1,715)
Net change in fair value of financial assets held for trading	(4,720)	(246)	(4,399)	2,541
Write-back of impairment losses/(Impairment losses) on loans to joint ventures (net)	891	(844)	(310)	(1,334)
Impairment loss on available-for-sale financial asset	-	(8,742)	-	(8,742)

- (2) Other operating income comprises mainly management fee, miscellaneous income and profit on sale/realisation of investments, investment properties and property, plant and equipment. This had decreased by \$10.3 million to \$0.6 million (Q3 2014: \$10.9 million) for third quarter of 2015 (Q3 2015) and \$5.2 million to \$7.9 million (YTD Sep 2014: \$13.1 million) for the 9-month period ended 30 September 2015 (YTD September 2015). The decrease for Q3 2015 was mainly due to absence of gain on dilution of interest in an associate by the Group's subsidiary, Millennium & Copthorne plc (M&C) which occurred in Q3 2014. For YTD September 2015, the decrease was mainly due to the absence of the aforesaid dilution gain, but partially offset by profit on realisation of investments in a private real estate fund for YTD September 2015.
- (3) Administrative expenses comprise mainly depreciation, hotel administrative expenses, operating lease expenses and salaries and related expenses. This had increased by \$10.9 million to \$140.8 million (Q3 2014: \$129.9 million) for Q3 2015 and \$26.3 million to \$397.0 million (YTD September 2014: \$370.7 million) for YTD September 2015. The increases for Q3 2015 and YTD September 2015 were largely due to higher salaries and related expenses and depreciation arising from the acquisition of 5 hotels by the Group's subsidiaries in 2014. In addition, those hotels that were recently refurbished also attributed to the higher depreciation.
- (4) Other operating expenses comprise mainly property taxes and insurance on hotels, other operating expenses on hotels, net exchange differences, professional fees and impairment losses on loans to joint ventures. This had remained relatively constant at \$117.3 million (Q3 2014: \$115.1 million) for Q3 2015 but increased by \$20.1 million to \$312.5 million (YTD September 2014: \$292.4 million) for YTD September 2015. The increase for YTD September 2015 was due to higher property tax and insurance incurred, coupled with increased other hotel operating expenses in tandem with the new hotels acquired last year.
- (5) Finance income comprises mainly interest income and fair value gain on financial assets held for trading. This had increased by \$2.6 million and \$11.8 million for Q3 2015 and YTD September 2015 respectively. The increases for Q3 2015 and YTD September 2015 were due to higher interest income earned.

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- (6) Finance costs comprise mainly interest on borrowings, fair value loss on financial assets held for trading and amortisation of capitalised transaction costs on borrowings. This had decreased by \$2.1 million to \$33.5 million (Q3 2014: \$35.6 million) for Q3 2015 but increased by \$7.3 million to \$96.3 million (YTD September 2014: \$89.0 million) for YTD September 2015. Despite higher fair value loss recorded on financial assets held for trading in Q3 2015, finance costs for Q3 2015 decreased marginally due to the absence of impairment loss made on an available-for-sale financial asset in Q3 2014. The increase for YTD September 2015 was due to higher interest expenses incurred on borrowings and higher fair value loss accounted on held-for-trading financial assets, partially mitigated by the absence of aforesaid impairment loss made in Q3 2014.
- (7) Share of after-tax profit of associates, which relates primarily to the Group's share of results of First Sponsor Group Limited (FSGL), remained relatively constant at \$6.1 million (Q3 2014: \$5.8 million) for Q3 2015 but increased by \$11.2 million to \$12.4 million (YTD September 2014: \$1.2 million) for YTD September 2015. The positive contribution for YTD September 2015 was largely due to recognition of revenue by FSGL from its sale of residential and commercial units of Millennium Waterfront project for YTD September 2015 in which hand over to purchasers commenced from December 2014, higher rental income due to contribution from 2 investment properties located in Amsterdam, namely, Zuiderhof I, an office building acquired in February 2015 and Arena Towers, consisting of two Holiday Inn hotels, acquired in June 2015. In addition, recognition of a net investment return from a PRC government linked entity as well as higher interest income on secured entrusted loans granted to third parties generated from its property financing business in China also contributed to the increase due to a larger average loan portfolio for YTD September 2015.
- (8) Share of after-tax profit of joint ventures increased by \$5.0 million to \$14.5 million (Q3 2014: \$9.5 million) for Q3 2015 and \$25.8 million to \$65.3 million (YTD September 2014: \$39.5 million) for YTD September 2015. The increases for Q3 2015 and YTD September 2015 were mainly due to higher contribution from Bartley Ridge, The Inflora and Echelon, partially offset by the lower contribution from Bartley Residences which obtained Temporary Occupation Permit (TOP) in June 2015 as well as the pre-operating expenses incurred by The South Beach, a 654-room hotel which soft opened in September 2015. Further, profit recognition in entirety from The Rainforest, an executive condominium (EC), which obtained TOP in March 2015 also boosted the increase for YTD September 2015. Under prevailing accounting standards, profit for sale of EC is recognised in entirety only upon TOP.
- (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.

	The Group Third quarter ended 30 September		The Group 9-month period ended 30 September	
	2015 S\$m	2014 S\$m	2015 S\$m	2014 S\$m
The tax charge relates to the following:				
Profit for the period	30.5	40.2	89.0	98.1
Overprovision in respect of prior periods	(6.1)	(3.0)	(13.7)	(27.0)
	<u>24.4</u>	<u>37.2</u>	<u>75.3</u>	<u>71.1</u>

The overall effective tax rate of the Group was 15.8% (Q3 2014: 17.4%) for Q3 2015 and 14.6% (YTD September 2014: 12.5%) for YTD September 2015. Excluding the overprovision in respect of prior periods, the effective tax rate of the Group is 19.7% (Q3 2014: 18.8%) for Q3 2015 and 17.3% (YTD September 2014: 17.3%) for YTD September 2015.

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

	Note	The Group		The Company	
		As at 30.09.2015 S\$'000	As at 31.12.2014 S\$'000	As at 30.09.2015 S\$'000	As at 31.12.2014 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	(1)	5,130,701	4,918,273	9,383	10,138
Investment properties		3,065,549	3,109,176	493,972	502,405
Lease premium prepayment		123,675	119,170	-	-
Investments in subsidiaries		-	-	2,217,026	2,217,026
Investments in associates		335,429	307,390	-	-
Investments in joint ventures	(2)	912,928	821,088	37,360	36,360
Financial assets	(3)	58,745	76,460	25,034	28,419
Other non-current assets		21,669	19,646	438,877	461,766
		<b>9,648,696</b>	<b>9,371,203</b>	<b>3,221,652</b>	<b>3,256,114</b>
<b>Current assets</b>					
Lease premium prepayment		4,065	3,833	-	-
Development properties	(4)	5,025,239	4,792,947	396,076	363,279
Consumable stocks		11,026	11,181	-	1
Financial assets		32,576	35,232	-	-
Trade and other receivables		1,605,016	1,588,550	5,618,632	5,476,029
Cash and cash equivalents		2,937,851	3,897,574	1,559,882	2,118,494
		<b>9,615,773</b>	<b>10,329,317</b>	<b>7,574,590</b>	<b>7,957,803</b>
<b>Total assets</b>		<b>19,264,469</b>	<b>19,700,520</b>	<b>10,796,242</b>	<b>11,213,917</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		6,673,940	6,418,730	3,798,858	3,869,847
		8,665,337	8,410,127	5,790,255	5,861,244
<b>Non-controlling interests</b>					
		2,177,298	2,365,474	-	-
<b>Total equity</b>		<b>10,842,635</b>	<b>10,775,601</b>	<b>5,790,255</b>	<b>5,861,244</b>
<b>Non-current liabilities</b>					
Interest-bearing borrowings*		4,408,657	4,466,222	2,396,786	2,395,948
Employee benefits		33,580	31,071	-	-
Other liabilities		153,978	136,522	245,250	239,318
Provisions		17,873	16,930	-	-
Deferred tax liabilities		331,196	316,855	49,737	47,750
		<b>4,945,284</b>	<b>4,967,600</b>	<b>2,691,773</b>	<b>2,683,016</b>
<b>Current liabilities</b>					
Trade and other payables		1,554,819	1,469,971	1,755,656	1,770,727
Interest-bearing borrowings*		1,725,114	2,232,926	523,872	859,124
Employee benefits		21,407	20,024	2,847	2,971
Provision for taxation		144,044	193,905	31,839	36,835
Provisions		31,166	40,493	-	-
		<b>3,476,550</b>	<b>3,957,319</b>	<b>2,314,214</b>	<b>2,669,657</b>
<b>Total liabilities</b>		<b>8,421,834</b>	<b>8,924,919</b>	<b>5,005,987</b>	<b>5,352,673</b>
<b>Total equity and liabilities</b>		<b>19,264,469</b>	<b>19,700,520</b>	<b>10,796,242</b>	<b>11,213,917</b>

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

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

- 1) The increase was mainly due to the acquisition of Hard Days Night Hotel in Liverpool in August 2015 and the constructions costs of M Social Hotel. In addition, the capital expenditure pertaining to the refurbishment works on ONE UN New York, Millennium Hotel Buffalo, Millennium Biltmore Hotel Los Angeles, Millennium Bailey's Hotel London, Grand Hyatt Taipei, Millennium Seoul Hilton and Copthorne Hotel & Resort Queenstown Lakefront had also contributed to the increase in property, plant and equipment.
- 2) The increase was mainly due to share of after-tax profit contribution from joint ventures and additional investment in the Group's joint venture mixed use South Beach development.
- 3) The decrease was primarily due to the realisation of financial assets by Millennium & Copthorne plc, the Group's 65% owned subsidiary.
- 4) The increase was mainly due to the development expenditure incurred in YTD September 2015 for D'Nest, Coco Palms, Gramercy Park, New Futura, Lush Acres, The Criterion, a residential project in Tokyo and 2 residential projects in China.

### **(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 30.09.2015 S\$'000</b>	<b>As at 31.12.2014 S\$'000</b>
<b><u>Unsecured</u></b>			
- repayable within one year		1,454,115	1,984,049
- repayable after one year		3,501,533	3,583,759
	(a)	<u>4,955,648</u>	<u>5,567,808</u>
<b><u>Secured</u></b>			
- repayable within one year		275,228	252,679
- repayable after one year		922,986	897,106
	(b)	<u>1,198,214</u>	<u>1,149,785</u>
Gross borrowings	(a) + (b)	6,153,862	6,717,593
Less: cash and cash equivalents as shown in the statement of financial position		<u>(2,937,851)</u>	<u>(3,897,574)</u>
Net borrowings		<u>3,216,011</u>	<u>2,820,019</u>

### **Details of any collateral**

Where secured, borrowings are collateralised by:

- mortgages on the borrowing companies' hotels, investment and development properties;
- assignment of all rights and benefits to sale, lease and insurance proceeds in respect of hotels, investment and development properties;
- pledge of cash deposits;
- pledge of shares in a wholly-owned subsidiary;
- a statutory lien on certain assets of a foreign subsidiary; and
- a statutory preferred right over the assets of a foreign subsidiary.

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

	Third quarter ended 30 September		9-month period ended 30 September	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
<b>Operating Activities</b>				
Profit for the period	130,082	176,651	438,760	495,495
<b>Adjustments for:</b>				
Depreciation and amortisation	57,255	51,267	159,948	145,406
Dividend income	(3,594)	(3,593)	(7,233)	(5,869)
Equity settled share-based transactions	645	626	1,884	1,889
Finance costs	33,479	35,640	96,293	89,020
Finance income	(11,507)	(8,939)	(41,189)	(29,433)
Gain on dilution of investment in an associate	-	(6,843)	-	(6,843)
Gain on liquidation of investment in a subsidiary	-	-	(483)	-
(Write-back of impairment losses)/Impairment losses on loans to joint ventures	(891)	844	310	1,334
Income tax expense	24,415	37,224	75,283	71,093
Profit on realisation of investments	(112)	(53)	(3,898)	(53)
Loss/(Profit) on sale of property, plant and equipment and investment properties	107	(106)	49	(206)
Property, plant and equipment written off	255	33	369	33
Share of after-tax profit of associates	(6,050)	(5,849)	(12,401)	(1,153)
Share of after-tax profit of joint ventures	(14,513)	(9,502)	(65,276)	(39,452)
Operating profit before working capital changes	209,571	267,400	642,416	721,261
<b>Changes in working capital</b>				
Development properties	(91,273)	(121,886)	(200,707)	(537,592)
Consumable stocks and trade and other receivables	(39,118)	(86,031)	37,583	(104,167)
Trade and other payables	111,525	(202,484)	101,722	(71,064)
Employee benefits	3,233	1,067	4,839	2,959
Cash generated from/(used in) operations	193,938	(141,934)	585,853	11,397
Income tax paid	(51,352)	(49,941)	(118,279)	(98,656)
<b>Cash flows from/(used in) operating activities carried forward <sup>(1)</sup></b>	<b>142,586</b>	<b>(191,875)</b>	<b>467,574</b>	<b>(87,259)</b>

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	Third quarter ended 30 September		9-month period ended 30 September	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
<b>Cash flows from/(used in) operating activities brought forward</b>	<b>142,586</b>	<b>(191,875)</b>	<b>467,574</b>	<b>(87,259)</b>
<b>Investing Activities</b>				
Acquisition of subsidiaries (net of cash acquired) <sup>(2)</sup>	117	(445)	(7,111)	(445)
Capital expenditure on investment properties	(9,364)	(53,284)	(22,023)	(67,563)
Decrease/(Increase) in investments in associates <sup>(3)</sup>	-	-	29	(86,945)
Disposal of and distribution of income from financial assets	2,818	12,752	15,707	3,984
Dividends received				
- an associate	29	15	1,700	83
- financial investments	3,594	3,593	7,233	5,869
- joint ventures	99	3,124	2,871	10,910
Interest received	11,292	6,954	27,601	17,800
Increase in intangible assets	-	(180)	-	(366)
Increase in investments in joint ventures	(22,094)	(3,156)	(33,868)	(4,316)
Increase in lease premium prepayment	(259)	-	(584)	-
Payments for purchase of property, plant and equipment <sup>(4)</sup>	(80,453)	(37,596)	(161,264)	(609,500)
Proceeds from sale of property, plant and equipment	-	532	363	672
<b>Cash flows used in investing activities</b>	<b>(94,221)</b>	<b>(67,691)</b>	<b>(169,346)</b>	<b>(729,817)</b>
<b>Financing Activities</b>				
Acquisition of non-controlling interests	(83,131)	(3,084)	(198,722)	(29,665)
Capital contribution by non-controlling interests	321	12,333	432	12,633
(Increase)/Decrease in deposits pledged to financial institutions	(37,978)	-	47,062	-
Disposal of interest in a subsidiary without loss of control	-	-	-	996
Dividends paid	(70,304)	(75,639)	(256,121)	(248,389)
Finance lease payments	(389)	(3)	(631)	(22)
Increase in/(Repayment of) other long-term liabilities	277	(90)	(643)	259
Interest paid (including amounts capitalised as investment properties, property, plant and equipment and development properties)	(37,420)	(36,238)	(111,085)	(94,522)
Net (repayments of)/proceeds from revolving credit facilities and short-term bank borrowings	(240,775)	81,015	(267,122)	681,211
Net increase in amounts owing by related parties	(1,152)	(696)	(2,432)	(3,968)
Payment of financing transaction costs	(4,828)	(1,938)	(9,578)	(7,309)
Payment on settlement of financial instruments	-	-	-	(1,170)
Payment of issue expenses by a subsidiary	-	(566)	-	(566)
Proceeds from borrowings	194,225	506,078	516,020	958,672
Proceeds from issuance of bonds and notes	36,080	122,854	278,680	472,854
Repayment of bank borrowings	(109,419)	(140,013)	(444,178)	(419,805)
Repayment of bonds and notes	(500,746)	(70,000)	(771,195)	(215,000)
<b>Cash flows (used in)/from financing activities <sup>(5)</sup></b>	<b>(855,239)</b>	<b>394,013</b>	<b>(1,219,513)</b>	<b>1,106,209</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(806,874)</b>	<b>134,447</b>	<b>(921,285)</b>	<b>289,133</b>

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	Third quarter ended		9-month period ended	
	30 September		30 September	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Net (decrease)/increase in cash and cash equivalents brought forward</b>	<b>(806,874)</b>	<b>134,447</b>	<b>(921,285)</b>	<b>289,133</b>
Cash and cash equivalents at beginning of the period	3,604,456	2,870,517	3,724,731	2,718,405
Effect of exchange rate changes on balances held in foreign currencies	10,774	5,210	4,910	2,636
<b>Cash and cash equivalents at end of the period</b>	<b>2,808,356</b>	<b>3,010,174</b>	<b>2,808,356</b>	<b>3,010,174</b>
<b>Cash and cash equivalents comprise:-</b>				
Cash and cash equivalents as shown in the statement of financial position	2,937,851	3,316,042	2,937,851	3,316,042
Less: Deposits pledged to a financial institution	(126,780)	-	(126,780)	-
Less: Bank overdrafts	(2,715)	(305,868)	(2,715)	(305,868)
	<b>2,808,356</b>	<b>3,010,174</b>	<b>2,808,356</b>	<b>3,010,174</b>

## Notes to the statement of cash flows

- (1) The net cash outflows from operating activities for Q3 2014 of \$191.9 million and YTD September 2014 of \$87.3 million were primarily due to higher outlays in 2014 arising from the acquisition of freehold land site in Tokyo and an Executive Condominium (EC) land site at Yishun in Q3 2014 as well as another EC site in Singapore and 5 freehold properties in United Kingdom in first half of 2014. In addition, the completion of an EC, Blossom Residences, in September 2014 also resulted in substantial reduction in deferred income, offset in part with a decrease in development expenditure relating to this EC as its profit was recognised in entirety under the prevailing accounting standards.
- (2) The cash outflows for YTD September 2015 relates to progressive payments made in relation to the acquisition of 2 Singapore entities as well as acquisition of remaining 50% interest in a foreign joint venture in Q3 2015 by the Group's indirect subsidiary, CBM Pte. Ltd..  
  
The 2014 cash outlays relates to the acquisition of 2 foreign companies incorporated in Mauritius and China respectively.
- (3) The net cash outflows for YTD September 2014 relate to additional investments in First Sponsor Group Limited.
- (4) The significant cash outflows for YTD September 2014 relates mainly to the acquisition of The Chelsea Harbour Hotel in Q1 2014 and the Novotel New York Times Square in Q2 2014. The cash outflow for 2015 relates to acquisition of Hard Days Night Hotel located at Liverpool in August 2015 by M&C, construction costs of M Social Hotel and capital expenditure for on-going refurbishment works for M&C's hotels.
- (5) The Group had net cash outflows from financing activities of \$855.2 million (Q3 2014: net cash inflows of \$394.0 million) for Q3 2015 and \$1,219.5 million (YTD September 2014: net cash inflows of \$1,106.2 million) for YTD September 2015.

For Q3 2015, the cash outflow was due to net repayments from borrowings of \$620.6 million vis-à-vis net proceeds from borrowings of \$499.9 million for Q3 2014, coupled with increased payment arising from more shares of M&C being purchased by the Group.

For YTD September 2015, the cash outflow was due to net repayment of borrowings of \$687.8 million vis-à-vis net proceeds from borrowings of \$1,477.9 million for YTD September 2014 and higher dividend and interest paid. In addition, the purchase of shares in M&C and the acquisition of the remaining 38.7% interest in KIN Holdings Limited by Millennium & Copthorne Hotels New Zealand Limited, an indirect non-wholly owned subsidiary of the Group in Q1 2015 also contributed to the cash outflows in YTD September 2015. This was however mitigated by the reduction in cash deposits pledged to financial institutions.



# CITY DEVELOPMENTS LIMITED

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## 1(d) Consolidated Statement of Comprehensive Income

	The Group			
	Third quarter ended		9-month period ended	
	30 September		30 September	
	2015	2014	2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Profit for the period</b>	130,082	176,651	438,760	495,495
<b>Other comprehensive income:</b>				
<u>Item that will not be reclassified to profit or loss:</u>				
Defined benefit plan remeasurements	(383)	47	(767)	94
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Changes in fair value of available-for-sale equity investments	(3,817)	6,631	(4,694)	9,206
Effective portion of changes in fair value of cashflow hedges	259	192	373	(108)
Exchange differences on hedge of net investment in foreign entities	(22,789)	(21,995)	(10,884)	(12,342)
Exchange differences on monetary items forming part of net investments in foreign entities	20,937	13,862	6,577	10,688
Exchange differences realised on liquidation of an associate and a subsidiary reclassified to profit or loss	-	(757)	(606)	(757)
Share of other reserve movements of associates and joint ventures	-	296	-	(1,208)
Share of other reserve movements of associates	-	1,528	-	1,528
Translation differences arising on consolidation of foreign entities	112,307	(1,623)	90,385	(6,336)
<b>Other comprehensive income for the period, net of income tax</b>	<b>106,514</b>	<b>(1,819)</b>	<b>80,384</b>	<b>765</b>
<b>Total comprehensive income for the period</b>	<b>236,596</b>	<b>174,832</b>	<b>519,144</b>	<b>496,260</b>
<b>Attributable to:</b>				
<b>Owners of the Company</b>	<b>190,292</b>	<b>145,655</b>	<b>432,013</b>	<b>382,188</b>
Non-controlling interests	46,304	29,177	87,131	114,072
<b>Total comprehensive income for the period</b>	<b>236,596</b>	<b>174,832</b>	<b>519,144</b>	<b>496,260</b>

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

The Group	Attributable to Owners of the Company					Total S\$m	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			
At 1 January 2015	1,991.4	160.6	27.9	(324.2)	6,554.4	8,410.1	2,365.5	10,775.6
<b>Profit for the period</b>	-	-	-	-	123.0	123.0	21.0	144.0
<u>Other comprehensive income</u>								
Defined benefit plan measurements	-	-	-	-	(0.1)	(0.1)	-	(0.1)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	(0.2)	(0.2)
Exchange differences on hedges of net investment in foreign entities	-	-	-	(13.2)	-	(13.2)	(8.5)	(21.7)
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	16.6	-	16.6	0.3	16.9
Exchange differences realised on liquidation of an associate and a subsidiary reclassified to profit or loss	-	-	-	(0.3)	-	(0.3)	(0.3)	(0.6)
Share of other reserve movement of associates	-	-	0.4	-	(0.4)	-	-	-
Translation differences arising on consolidation of foreign entities	-	-	-	50.4	-	50.4	42.1	92.5
<b>Other comprehensive income for the period, net of income tax</b>	-	-	0.4	53.5	(0.5)	53.4	33.4	86.8
<b>Total comprehensive income for the period</b>	-	-	0.4	53.5	122.5	176.4	54.4	230.8
<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
Dividends paid to non-controlling interests	-	-	-	-	-	-	(36.4)	(36.4)
Share-based payment transactions	-	-	0.4	-	-	0.4	0.2	0.6
<b>Total contributions by and distributions to owners</b>	-	-	0.4	-	-	0.4	(36.1)	(35.7)
<u>Change in ownership interests in subsidiaries</u>								
Acquisition of subsidiaries with non-controlling interests	-	(2.6)	-	-	-	(2.6)	3.1	0.5
Change of interests in subsidiaries without loss of control	-	(13.8)	-	4.5	(0.2)	(9.5)	(31.9)	(41.4)
<b>Total change in ownership interests in subsidiaries</b>	-	(16.4)	-	4.5	(0.2)	(12.1)	(28.8)	(40.9)
<b>Total transactions with owners</b>	-	(16.4)	0.4	4.5	(0.2)	(11.7)	(64.9)	(76.6)
At 31 March 2015	1,991.4	144.2	28.7	(266.2)	6,676.7	8,574.8	2,355.0	10,929.8
<b>Profit for the period</b>	-	-	-	-	133.5	133.5	31.1	164.6
<u>Other comprehensive income</u>								
Defined benefit plan remeasurements	-	-	-	-	(0.2)	(0.2)	(0.1)	(0.3)
Changes in fair value of available-for-sale equity investments	-	-	(0.9)	-	-	(0.9)	-	(0.9)
Effective portion of changes in fair value of cash flow hedges	-	-	0.1	-	-	0.1	0.3	0.4
Exchange differences on hedges of net investment in foreign entities	-	-	-	20.7	-	20.7	12.9	33.6
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	(27.9)	-	(27.9)	(3.4)	(31.3)
Translation differences arising on consolidation of foreign entities	-	-	-	(60.0)	-	(60.0)	(54.4)	(114.4)
<b>Other comprehensive income for the period, net of income tax</b>	-	-	(0.8)	(67.2)	(0.2)	(68.2)	(44.7)	(112.9)
<b>Total comprehensive income for the period</b>	-	-	(0.8)	(67.2)	133.3	65.3	(13.6)	51.7
<b>Transactions with owners, recorded directly in equity</b>								
<u>Contributions by and distributions to owners</u>								
Dividends paid to owners of the Company	-	-	-	-	(115.5)	(115.5)	-	(115.5)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(33.9)	(33.9)
Share-based payment transactions	-	-	0.4	-	-	0.4	0.2	0.6
<b>Total contributions by and distributions to owners</b>	-	-	0.4	-	(115.5)	(115.1)	(33.7)	(148.8)
<u>Changes in ownership interests in subsidiaries</u>								
Change of interests in subsidiaries without loss of control	-	(7.5)	-	(4.3)	(0.3)	(12.1)	(62.1)	(74.2)
<b>Total change in ownership interests in subsidiaries</b>	-	(7.5)	-	(4.3)	(0.3)	(12.1)	(62.1)	(74.2)
<b>Total transactions with owners</b>	-	(7.5)	0.4	(4.3)	(115.8)	(127.2)	(95.8)	(223.0)
At 30 June 2015	1,991.4	136.7	28.3	(337.7)	6,694.2	8,512.9	2,245.6	10,758.5

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

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The Group	Attributable to Owners of the Company					Total	Non-controlling Interests	Total Equity
	Share Capital	Cap. Res.	Other Res.*	Exch. Fluct. Res.	Accum. Profits			
	S\$m	S\$m	S\$m	S\$m	S\$m	S\$m	S\$m	S\$m
At 1 July 2015	1,991.4	136.7	28.3	(337.7)	6,694.2	8,512.9	2,245.6	10,758.5
<b>Profit for the period</b>	-	-	-	-	106.4	106.4	23.7	130.1
<u>Other comprehensive income</u>								
Defined benefit plan remeasurements	-	-	-	-	(0.3)	(0.3)	(0.1)	(0.4)
Changes in fair value of available-for-sale equity investments	-	-	(3.8)	-	-	(3.8)	-	(3.8)
Effective portion of changes in fair value of cash flow hedges	-	-	0.1	-	-	0.1	0.2	0.3
Exchange differences on hedges of net investment in foreign entities	-	-	-	(14.6)	-	(14.6)	(8.2)	(22.8)
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	23.0	-	23.0	(2.1)	20.9
Share of other reserve movements of associates and joint ventures	-	-	-	-	-	-	-	-
Translation differences arising on consolidation of foreign entities	-	-	-	79.5	-	79.5	32.8	112.3
<b>Other comprehensive income for the period, net of income tax</b>	-	-	(3.7)	87.9	(0.3)	83.9	22.6	106.5
<b>Total comprehensive income for the period</b>	-	-	(3.7)	87.9	106.1	190.3	46.3	236.6
<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
Dividends paid to owners of the Company	-	-	-	-	(36.4)	(36.4)	-	(36.4)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(33.9)	(33.9)
Issue expenses incurred by a subsidiary	-	-	-	-	-	-	-	-
Share-based payment transactions	-	-	0.4	-	-	0.4	0.2	0.6
<b>Total contributions by and distributions to owners</b>	-	-	0.4	-	(36.4)	(36.0)	(33.4)	(69.4)
<u>Change in ownership interests in subsidiaries</u>								
Change of interest in a subsidiary without loss of control	-	(2.0)	-	0.3	(0.2)	(1.9)	(81.2)	(83.1)
<b>Total changes in ownership interests in subsidiaries</b>	-	(2.0)	-	0.3	(0.2)	(1.9)	(81.2)	(83.1)
<b>Total transactions with owners</b>	-	(2.0)	0.4	0.3	(36.6)	(37.9)	(114.6)	(152.5)
<b>At 30 September 2015</b>	<b>1,991.4</b>	<b>134.7</b>	<b>25.0</b>	<b>(249.5)</b>	<b>6,763.7</b>	<b>8,665.3</b>	<b>2,177.3</b>	<b>10,842.6</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

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The Group	Attributable to Owners of the Company					Total S\$m	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			
<b>At 1 January 2014</b>	1,991.4	157.1	14.3	(351.1)	5,919.8	7,731.5	2,484.4	10,215.9
<b>Profit for the period</b>	-	-	-	-	119.7	119.7	22.7	142.4
<u>Other comprehensive income</u>								
Defined benefit plan remeasurements	-	-	-	-	0.2	0.2	0.2	0.4
Changes in fair value of available-for-sale equity investments	-	-	2.0	-	-	2.0	-	2.0
Effective portion of changes in fair value of cash flow hedges	-	-	(0.1)	-	-	(0.1)	(0.1)	(0.2)
Exchange differences on hedges of net investment in foreign entities	-	-	-	0.2	-	0.2	0.2	0.4
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	2.5	-	2.5	1.1	3.6
Share of other reserve movement of associates	-	-	(0.7)	-	-	(0.7)	(0.8)	(1.5)
Translation differences arising on consolidation of foreign entities	-	-	-	(11.3)	-	(11.3)	24.4	13.1
<b>Other comprehensive income for the period, net of income tax</b>	-	-	1.2	(8.6)	0.2	(7.2)	25.0	17.8
<b>Total comprehensive income for the period</b>	-	-	1.2	(8.6)	119.9	112.5	47.7	160.2
<b>Transactions with owners, recorded directly in equity</b>								
<u>Contributions by and distributions to owners</u>								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(35.2)	(35.2)
Share-based payment transactions	-	-	0.4	-	-	0.4	0.2	0.6
<b>Total contributions by and distributions to owners</b>	-	-	0.4	-	-	0.4	(35.0)	(34.6)
<u>Change in ownership interests in subsidiaries</u>								
Change of interest in a subsidiary without loss of control	-	7.1	-	-	-	7.1	(7.1)	-
<b>Total change in ownership interests in subsidiaries</b>	-	7.1	-	-	-	7.1	(7.1)	-
<b>Total transactions with owners</b>	-	7.1	0.4	-	-	7.5	(42.1)	(34.6)
<b>At 31 March 2014</b>	<b>1,991.4</b>	<b>164.2</b>	<b>15.9</b>	<b>(359.7)</b>	<b>6,039.7</b>	<b>7,851.5</b>	<b>2,490.0</b>	<b>10,341.5</b>
<b>Profit for the period</b>	-	-	-	-	137.9	137.9	38.6	176.5
<u>Other comprehensive income</u>								
Defined benefit plan remeasurements	-	-	-	-	(0.3)	(0.3)	(0.1)	(0.4)
Changes in fair value of available-for-sale equity investments	-	-	0.5	-	-	0.5	-	0.5
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	(0.1)	(0.1)
Exchange differences on hedges of net investment in foreign entities	-	-	-	5.5	-	5.5	3.7	9.2
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	(5.9)	-	(5.9)	(0.8)	(6.7)
Translation differences arising on consolidation of foreign entities	-	-	-	(13.7)	-	(13.7)	(4.1)	(17.8)
<b>Other comprehensive income for the period, net of income tax</b>	-	-	0.5	(14.1)	(0.3)	(13.9)	(1.4)	(15.3)
<b>Total comprehensive income for the period</b>	-	-	0.5	(14.1)	137.6	124.0	37.2	161.2
<b>Transactions with owners, recorded directly in equity</b>								
<u>Contributions by and distributions to owners</u>								
Capital contribution from non-controlling interests	-	-	-	-	-	-	0.3	0.3
Dividends paid to owners of the Company	-	-	-	-	(79.1)	(79.1)	-	(79.1)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(58.4)	(58.4)
Share-based payment transactions	-	-	0.4	-	-	0.4	0.3	0.7
<b>Total contributions by and distributions to owners</b>	-	-	0.4	-	(79.1)	(78.7)	(57.8)	(136.5)
<u>Changes in ownership interests in subsidiaries</u>								
Change of interests in subsidiaries without loss of control	-	(3.2)	5.2	4.7	(17.8)	(11.1)	(14.6)	(25.7)
<b>Total change in ownership interests in subsidiaries</b>	-	(3.2)	5.2	4.7	(17.8)	(11.1)	(14.6)	(25.7)
<b>Total transactions with owners</b>	-	(3.2)	5.6	4.7	(96.9)	(89.8)	(72.4)	(162.2)
<b>At 30 June 2014</b>	<b>1,991.4</b>	<b>161.0</b>	<b>22.0</b>	<b>(369.1)</b>	<b>6,080.4</b>	<b>7,885.7</b>	<b>2,454.8</b>	<b>10,340.5</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

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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 2014	1,991.4	161.0	22.0	(369.1)	6,080.4	7,885.7	2,454.8	10,340.5
<b>Profit for the period</b>	-	-	-	-	127.2	127.2	49.4	176.6
<u>Other comprehensive income</u>								
Changes in fair value of available-for-sale equity investments	-	-	6.7	-	-	6.7	-	6.7
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	0.2	0.2
Exchange differences on hedges of net investment in foreign entities	-	-	-	(13.1)	-	(13.1)	(8.9)	(22.0)
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	11.6	-	11.6	2.3	13.9
Exchange differences realised on dilution of interest in an associate	-	-	-	(0.4)	-	(0.4)	(0.3)	(0.7)
Share of other reserve movements of associates transferred to profit and loss upon dilution	-	-	0.9	-	-	0.9	0.6	1.5
Share of other reserve movements of associates and joint ventures	-	-	-	-	-	-	0.3	0.3
Translation differences arising on consolidation of foreign entities	-	-	-	12.8	-	12.8	(14.4)	(1.6)
<b>Other comprehensive income for the period, net of income tax</b>	-	-	7.6	10.9	-	18.5	(20.2)	(1.7)
<b>Total comprehensive income for the period</b>	-	-	7.6	10.9	127.2	145.7	29.2	174.9
<b>Transactions with owners, recorded directly in equity</b>								
<u>Contributions by and distributions to owners</u>								
Capital contribution from non-controlling interests	-	-	-	-	-	-	12.3	12.3
Capital reduction by a subsidiary via distribution in specie of its interest in an associate	-	-	-	-	-	-	(58.7)	(58.7)
Dividends paid to owners of the Company	-	-	-	-	(36.4)	(36.4)	-	(36.4)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(39.3)	(39.3)
Issue expenses incurred by a subsidiary	-	(0.3)	-	-	-	(0.3)	(0.3)	(0.6)
Share-based payment transactions	-	-	0.4	-	-	0.4	0.2	0.6
<b>Total contributions by and distributions to owners</b>	-	(0.3)	0.4	-	(36.4)	(36.3)	(85.8)	(122.1)
<u>Change in ownership interests in subsidiaries</u>								
Change of interest in a subsidiary without loss of control	-	(1.8)	-	-	-	(1.8)	(1.3)	(3.1)
<b>Total changes in ownership interests in subsidiaries</b>	-	(1.8)	-	-	-	(1.8)	(1.3)	(3.1)
<b>Total transactions with owners</b>	-	(2.1)	0.4	-	(36.4)	(38.1)	(87.1)	(125.2)
<b>At 30 September 2014</b>	<b>1,991.4</b>	<b>158.9</b>	<b>30.0</b>	<b>(358.2)</b>	<b>6,171.2</b>	<b>7,993.3</b>	<b>2,396.9</b>	<b>10,390.2</b>

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

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The Company	Share Capital S\$m	Capital Reserve S\$m	Fair Value Reserve S\$m	Accumulated Profits S\$m	Total S\$m
At 1 January 2015	1,991.4	63.7	12.9	3,793.2	5,861.2
<b>Profit for the period</b>	-	-	-	46.4	46.4
<u>Other comprehensive income</u>					
Changes in fair value of available-for-sale equity investments	-	-	(0.3)	-	(0.3)
<b>Other comprehensive income for the period, net of income tax</b>	-	-	(0.3)	-	(0.3)
<b>Total comprehensive income for the period</b>	-	-	(0.3)	46.4	46.1
<b>At 31 March 2015</b>	<b>1,991.4</b>	<b>63.7</b>	<b>12.6</b>	<b>3,839.6</b>	<b>5,907.3</b>
<b>Profit for the period</b>	-	-	-	18.3	18.3
<u>Other comprehensive income</u>					
Changes in fair value of available-for-sale equity investments	-	-	(0.2)	-	(0.2)
<b>Other comprehensive income for the period, net of income tax</b>	-	-	(0.2)	-	(0.2)
<b>Total comprehensive income for the period</b>	-	-	(0.2)	18.3	18.1
<b>Transaction with owners, recorded directly in equity</b>					
<u>Contributions by and distributions to owners</u>					
Dividends paid to owners of the Company	-	-	-	(115.5)	(115.5)
<b>Total contributions by and distributions to owners</b>	-	-	-	(115.5)	(115.5)
<b>Total transactions with owners</b>	-	-	-	(115.5)	(115.5)
<b>At 30 June 2015</b>	<b>1,991.4</b>	<b>63.7</b>	<b>12.4</b>	<b>3,742.4</b>	<b>5,809.9</b>
<b>Profit for the period</b>	-	-	-	19.6	19.6
<u>Other comprehensive income</u>					
Changes in fair value of available-for-sale equity investments	-	-	(2.9)	-	(2.9)
<b>Other comprehensive income for the period, net of income tax</b>	-	-	(2.9)	-	(2.9)
<b>Total comprehensive income for the period</b>	-	-	(2.9)	19.6	16.7
<b>Transaction with owners</b>					
<u>Contributions by and distributions to owners</u>					
Dividends paid to owners of the Company	-	-	-	(36.4)	(36.4)
<b>Total contributions by and distributions to owners</b>	-	-	-	(36.4)	(36.4)
<b>Total transactions with owners</b>	-	-	-	(36.4)	(36.4)
<b>At 30 September 2015</b>	<b>1,991.4</b>	<b>63.7</b>	<b>9.5</b>	<b>3,725.6</b>	<b>5,790.2</b>

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The Company	Share Capital S\$m	Capital Reserve S\$m	Fair Value Reserve S\$m	Accumulated Profits S\$m	Total S\$m
At 1 January 2014	1,991.4	63.7	14.2	3,370.0	5,439.3
<b>Profit for the period</b>	-	-	-	27.2	27.2
<u>Other comprehensive income</u>					
Changes in fair value of available-for-sale equity investment	-	-	(0.1)	-	(0.1)
<b>Other comprehensive income for the period, net of income tax</b>	-	-	(0.1)	-	(0.1)
<b>Total comprehensive income for the period</b>	-	-	(0.1)	27.2	27.1
<b>At 31 March 2014</b>	<b>1,991.4</b>	<b>63.7</b>	<b>14.1</b>	<b>3,397.2</b>	<b>5,466.4</b>
<b>Profit for the period</b>	-	-	-	27.5	27.5
<u>Other comprehensive income</u>					
Changes in fair value of available-for-sale equity investment	-	-	-	-	-
<b>Other comprehensive income for the period, net of income tax</b>	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	27.5	27.5
<b>Transaction with owners, recorded directly in equity</b>					
<u>Contributions by and distributions to owners</u>					
Dividends paid to owners of the Company	-	-	-	(79.1)	(79.1)
<b>Total contributions by and distributions to owners</b>	-	-	-	(79.1)	(79.1)
<b>Total transactions with owners</b>	-	-	-	(79.1)	(79.1)
<b>At 30 June 2014</b>	<b>1,991.4</b>	<b>63.7</b>	<b>14.1</b>	<b>3,345.6</b>	<b>5,414.8</b>
<b>Profit for the period</b>	-	-	-	28.4	28.4
<u>Other comprehensive income</u>					
Changes in fair value of available-for-sale equity investment	-	-	(0.6)	-	(0.6)
<b>Other comprehensive income for the period, net of income tax</b>	-	-	(0.6)	-	(0.6)
<b>Total comprehensive income for the period</b>	-	-	(0.6)	28.4	27.8
<b>Transaction with owners, recorded directly in equity</b>					
<u>Contributions by and distributions to owners</u>					
Dividends paid to owners of the Company	-	-	-	(36.4)	(36.4)
<b>Total contributions by and distributions to owners</b>	-	-	-	(36.4)	(36.4)
<b>Total transactions with owners</b>	-	-	-	(36.4)	(36.4)
<b>At 30 September 2014</b>	<b>1,991.4</b>	<b>63.7</b>	<b>13.5</b>	<b>3,337.6</b>	<b>5,406.2</b>

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

Ordinary share capital

There was no change in the Company's issued share capital during the three months ended 30 September 2015.

Preference share capital

There was no change in the Company's issued preference share capital during the three months ended 30 September 2015.

As at 30 September 2015, 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 2014: 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 2015, 31 December 2014 and 30 September 2014.

The total number of issued ordinary shares (excluding treasury shares) as at 30 September 2015 and 31 December 2014 is 909,301,330.

The total number of issued Preference Shares as at 30 September 2015 and 31 December 2014 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 2015.

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

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

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

Not applicable.



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

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the Group's most recently audited financial statements for the year ended 31 December 2014.

**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 2015.

Amendments to FRS 19 *Defined Benefit Plans: Employee Contributions*  
 Improvements to FRSs (January 2014)  
 Improvements to FRSs (February 2014)

The adoption of these new/revised FRS 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	
	2015	2014	2015	2014
Basic Earnings per share (cents)	11.7	14.0	39.2	41.6
Diluted Earnings per share (cents)	11.1	13.3	38.0	40.3
Earnings per share is calculated based on:				
a) Profit attributable to owners of the Company (S\$'000) (*)	106,396	127,212	356,517	378,341
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 \$6,399,000 paid in Q2 2015 (Q2 2014: \$6,399,000 paid).

\*\* 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.

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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	
	30.09.2015 S\$	31.12.2014 S\$	30.09.2015 S\$	31.12.2014 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 2015 (909,301,330 ordinary shares (excluding treasury shares) as at 31 December 2014)	9.53	9.25	6.37	6.45

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 third quarter (Q3 2015) and nine-month period (YTD Sept 2015) ended 30 September 2015, the Group reported revenue of \$809.3 million (Q3 2014: \$1,321.6 million) and \$2,449.1 million (YTD Sept 2014: \$2,917.0 million). During YTD Sept 2015, there was an absence of significant revenue recognition from Executive Condominium (EC) projects, as compared to revenue recognised in entirety for Blossom Residences EC in Q3 2014 following the project's completion.

The Group's attributable profit after tax and non-controlling interests was \$106.4 million for Q3 2015 (Q3 2014: \$127.2 million) and \$362.9 million for YTD Sept 2015 (YTD Sept 2014: \$384.7 million). Despite the absence of EC profit which will be recognised upon Temporary Occupation Permit (TOP) obtained for the development, in accordance with the prevailing accounting standards, the property development segment remained the top contributor in terms of the Group's profit before tax. Contribution was mainly from its well-sold projects like Coco Palms, Jewel @ Buangkok, D'Nest and The Palette. The hotel operations segment was the Group's next highest profit contributor, despite facing adverse trading conditions in Asian markets, particularly in Singapore.

The rental properties segment, on the other hand, saw growth in both revenue and pre-tax contribution due mainly to rental income earned from the opening of the Millennium Mitsui Garden Hotel Tokyo, in December 2014.

Basic earnings per share for the Group stood at 39.2 cents (YTD Sept 2014: 41.6 cents) for YTD Sept 2015.

As at 30 September 2015, the Group's net gearing ratio, without considering revaluation surplus in investment properties, remained relatively low at 30% (31 December 2014: 26%), with interest cover at 10.1 times (YTD Sept 2014: 11.0 times). The Group's balance sheet remained strong with cash and cash equivalents at \$2.9 billion.

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## Property

Based on advance estimates, Singapore's economy expanded by 1.4% in Q3 2015 on a year-on-year basis, lower than the 2.0% achieved in Q2 2015. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded marginally by 0.1%, a reversal from the 2.5% decline in Q2 2015 and only narrowly avoiding a technical recession.

On a year-on-year basis, the construction sector grew by 1.6% in Q3 2015, lower than the 2.0% growth in the previous quarter, mainly due to weaker private sector construction activities. The service sector achieved a lower growth rate of 3.0%, compared to 3.6% in Q2 2015.

Urban Redevelopment Authority (URA) data indicated that the Residential Property Price Index (PPI) fell by 1.3% quarter-on-quarter in Q3 2015, compared to the 0.9% decrease in Q2 2015. This represents the eighth consecutive quarter of decline since Q3 2013, which is now cumulatively down by 8.0% in total. Rentals of private residential properties declined 0.6% in Q3 2015, moderating from the 1.1% drop in Q2 2015.

In Q3 2015, developers sold 2,410 private residential units excluding ECs. This is 14% more than the low base of 2,116 units sold in Q2 2015 and 57% more than Q3 2014 sales from an even lower base of 1,531 units.

Notwithstanding challenging market conditions, in July, the Group launched The Brownstone, a 638-unit joint venture EC at Canberra Drive in Sembawang. It is strategically located beside the upcoming Canberra MRT station, which will incorporate a new commercial development known as Canberra Plaza. For this project, the Group is pioneering the use of the innovative Prefabricated Prefinished Volumetric Construction (PPVC) method, which is in line with the Government's drive to boost productivity, promote easier-to-build designs and labour-efficient construction methods. The use of PPVC is the first of its kind in Asia and likely the world's largest application for large-scale residential projects. The project received a good response during the launch. To date, 289 units have been sold to eligible buyers.

In view of the positive response from The Brownstone, in late September, the Group proceeded to launch another EC, The Criterion, located in Yishun. This 505-unit joint venture development comprises ten 13-storey towers with scenic views overlooking the idyllic Lower Seletar Reservoir and Orchid Country Club golf course. To date, 45 units have been sold.

While sales for The Criterion have been more measured, The Brownstone EC, which is located in the same cluster, benefitted indirectly with good recent take-up of units, largely due to its strong locational attributes, right next to an upcoming MRT station.

The EC market remains challenging as ECs cater to a limited pool of eligible buyers. Notwithstanding the recent increase of the income eligibility ceiling, potential buyers have many choices currently, including Build-To-Order (BTO) projects. The Group is of the view that with today's supply of ECs in the marketplace, buyers are taking more time to shop around and identify options which best suit their needs. From experience, increasingly, EC buyers tend to be more active when the project is in the midst of development and closer to completion, as this is where they will be able to envisage the value of the offering.

The Group's other existing projects which continue to be marketed registered reasonable sales. The 616-unit Jewel @ Buangkok is about 91% sold. Other joint venture projects such as the 944-unit Coco Palms at Pasir Ris Grove, near Pasir Ris MRT station, is 87% sold, and the 845-unit Commonwealth Towers located adjacent to Queenstown MRT station is now 46% sold.

For the quarter under review, the Group booked in profits from Jewel @ Buangkok and UP@Robertson Quay. Profits were also contributed by joint venture projects namely Coco Palms, D'Nest, The Palette, HAUS@SERANGOON GARDEN, Echelon, Bartley Ridge, The Inflora and The Venue Residences and Shoppes. Sales of the balance units in the Group's Malacca residential project, Ocean Palms, also contributed to the profits.

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However, no profit was booked from the Group's fully-sold Lush Acres EC as well as from two recently launched ECs, The Brownstone and The Criterion, as profit recognition from ECs can only be realised upon TOP.

For the office sector, URA data showed that the overall price index for office decreased slightly quarter-on-quarter by 0.1% in Q3 2015, a reversal from the 0.3% increase in Q2 2015. The overall rental index for office space indicated a 2.9% quarter-on-quarter decrease in Q3 2015, accelerating the decline from the 2.6% drop in the previous quarter.

The Group's office portfolio continues to enjoy healthy occupancy of 97.3%. The island-wide occupancy rate for office space as at end of Q3 2015 improved slightly to 90.4% (Q2 2015: 90.2%).

## **South Beach**

The Group's joint venture mega mixed-use development on Beach Road is progressing well. Following the successful preview period of The South Beach in September, the hotel eased into the transitional phase of day-to-day business operations. The social spaces within the hotel have opened progressively. These include ADHD – an All Day Hotel Dining restaurant and LAUGH, a gastro bar. Ebb6 and Flow18 which house the infinity pools and state-of-the-art gym facilities respectively have opened exclusively to hotel guests and for private functions. Additionally, The South Beach Grand Ballroom, which is housed in one of the four heritage buildings, hosted its inaugural event – The South Beach Showcase. Co-hosted with ITB TTG Asia 2015, over 600 Trade and Travel attendees were captivated by the Forest of Lights, a stunning 11,520-light feature designed by Philippe Starck. Feedback on the hotel has been very positive. Many have remarked that it is a completely new and unique hospitality experience, only one of its kind in Singapore.

96% of the office space in the 34-storey South Beach Tower has been leased and about 70% have commenced operations. Advanced negotiations with potential tenants to take up the remaining 4% are ongoing.

South Beach Quarter, the 13,000 sq ft two-storey conservation block located at the junction of Beach Road and Middle Road, saw the opening of Suite 26 (a word-of-mouth club) and Vanity (a cocktail and champagne lounge) in September and October respectively. The opening of Vatos Urban Tacos, a popular Korean-Mexican restaurant (its first expansion out of South Korea) is expected in November, followed by The Armoury, a Gastropub and an all-day dining concept. With these four exciting new-to-market F&B concepts, South Beach Quarter is poised to be one of Singapore's finest dining and nightlife destinations.

Construction works on South Beach Avenue, which offers about 25,000 sq ft of retail and F&B space, and with direct connectivity to the Esplanade and City Hall MRT stations are ongoing. The retail space is spread across the entire basement, street level as well as the conservation building. Unfortunately, construction has been slow and challenging, due to the limited working hours stipulated by Land Transport Authority. The entire South Beach development is already substantially completed with this missing piece. The Group is thus hopeful that given the scale of this project, priority can be accorded in the interest of ensuring that the surrounding works are completed quickly. With the underground link connected, this will enable the retailers to operate and generate more activity to the development, with seamless connectivity for the underground traffic.

The 190-unit South Beach Residences is expected to be completed by Q2 2016. This ultraluxe project will be launched when market conditions are more favourable.

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## Overseas Platforms

### China

CDL China Limited, a wholly-owned subsidiary of the Group, made significant progress with its four China projects. For Eling Residences, a 126-unit luxury development located at the peak of Eling Hill in Yuzhong district, Chongqing, all structural works have been finished and the entire development is expected to be completed next year. The official site inspection by local authorities is underway and a sales launch is tentatively targeted for late November this year. The iconic design by Moshe Safdie coupled with the central location should help realise attractive prices.

The Group's other project in Chongqing is also located in Yuzhong district at a prime area known as Huang Huayuan. This development will comprise three high-rise residential towers, a hotel and a retail mall. This site is located in the vicinity of several top schools in Chongqing and conveniently situated next to major public transportation, making the location extremely sought after. The revised unit mix for this project is currently being finalised and many smaller units have been added. The project will resume activity next year.

Chongqing is an important pillar of China's 'One Belt, One Road' initiative, which seeks to enhance regional connectivity via three land routes and a maritime route which will link China to Europe, Russia and other parts of Asia. The new Singapore-China government-to-government project in Chongqing, announced during President Xi Jinping's recent visit to Singapore, will serve to enhance this connectivity and drive the development of Western China. With Singapore's involvement in the master-planning of the new initiative, it will further drive an influx of foreign investment and a larger presence by multinational corporations, as witnessed within the other collaborations in Suzhou and Tianjin. The collaboration bodes well for CDL China's projects in Chongqing, as it will further propel economic growth in Chongqing and Western China; and spur demand for quality real estate including residences, commercial spaces, hotels and serviced apartments.

Suzhou Hong Leong City Center (HLCC) is a sizable mixed-use development next to Jinji Lake in Suzhou Industrial Park district. Tower 1, a 462-unit residential tower and Tower 3, an 899-unit SOHO tower, both part of Phase 1, have obtained their respective sales permits and the structures have been topped off. As of 4 November 2015, a total of 381 units have been sold in both towers. This represents more than 80% of the units in Tower 1, while Tower 3 was only recently launched. Both towers will be completed next year and the units handed over to the individual buyers. Phase 2 comprises a 362-unit residential block (Tower 2), a 286-room luxury hotel, a 56,000 square metre (sqm) shopping mall and a 30,000 sqm office tower. The excavation and retaining wall works for Phase 2 were finished ahead of schedule in June this year and the entire basement structure will be completed by November.

CDL China acquired Shanghai residential developer Jingwen Zhaoxiang Real Estate Limited in December 2014. The developer had a 120-unit, fully completed luxury villa development in Qingpu District's affluent residential corridor, of which 85 bungalows were unsold. CDL China plans to relaunch this project in November this year, under the new project name, Hongqiao Royal Lake. The project has gone through a substantial overhaul which includes various renovations, a remodelled club house, landscape enhancements and three new show flats.

The Group is monitoring market conditions in China closely. There have been signs of improvements, with increased buying activity in certain cities, including Shanghai, after the government lifted several cooling measures and relaxed loan restrictions. To stimulate China's economy, the government has reduced the reserve-requirement ratio four times since February, which freed up a sizable amount of capital which Chinese banks can then lend out. In October this year, the government introduced yet another round of interest rate cuts, representing six reductions since November 2014. The interest rate cuts will further improve housing affordability by lowering the cost of mortgages.

While the Group will have to bear the gestation period of its four development projects, it remains confident in China's real estate market and is well-positioned to capitalise on the gradual recovery.

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## Japan

Japan recently announced that its current account surplus more than quadrupled to 8.7 trillion yen for April to September, up from the 2.0 trillion yen a year earlier. Its economy benefitted from an influx of tourists from overseas, the weaker yen and low energy import bill. Moreover, a strong current account indicates that companies are continuing to accumulate wealth, which could be used for more investment and wage increases to further stimulate the economy.

Prime Minister Shinzo Abe also announced the second phase of his economic recovery plan “Abenomics”, comprising three new “arrows” or policy goals, with promotion of economic and population growth being a fundamental objective. The Bank of Japan has also reaffirmed its commitment towards its monetary expansion programme and 2% inflation target.

Despite a slow economic environment, its economic measures have also helped the real estate sector, particularly in Tokyo. Based on Japanese government statistics, the price index for condominiums in Tokyo increased by 18% from July 2013 to July 2015. Land prices in central wards such as Chiyoda, Chuo and Minato have increased by more than 5% year-on-year in the past two consecutive years. The Group remains positive on the outlook for Japan real estate.

The Group’s prime freehold land site located in the prestigious residential enclave of the Shirokane area in Tokyo’s Minato ward and set amidst lush greenery and rich history, presents a compelling opportunity for the Group to harness these unique attributes and create a distinguished condominium while remaining true to the Group’s environmental stewardship culture. Due to the scale of this project, the Group is currently working with various local consultants to create the optimal and most outstanding design scheme, to achieve a design that is in harmony with Shirokane’s classy, serene surroundings. The proposed development will also include the provision of a public park and open space to support the local community.

## UK

Most commentators predict that the UK economy will continue to grow steadily over the next few years. The UK had one of the highest GDP growth rates among G7 members in 2014 and is predicted by the IMF to have the highest growth rate in Europe in 2015. While some downside risks from continued international volatility persist, overall prospects remain sound, with London and the South East growing faster than the remainder of the UK.

The UK government is taking the shortage of housing supply seriously, for example by extending Permitted Developments, and has also stated its intent to encourage Local Councils to deliver more homes through their Local Plans.

The Group’s UK operations are making steady progress. Residential sales at the 82-unit Reading project look promising, with 45 contracts exchanged and 33 reserved and in legal hands. Forecast profits are on target for Q3 2016.

After successful public consultations, the planning applications for both Teddington and the Knightsbridge carpark (28 Pavilion Road) have been submitted and the Group is expecting planning approvals for both in Q1 2016. Plans are well advanced for the sales launch of the first phase of Teddington in Q2 2016 and further details will be announced in Q1 2016.

When the Group established its UK real estate platform in 2013, the UK market was very buoyant. As the market was new to the Group, it adopted a cautious and prudent approach, by buying selective, off-market deals. It acquired six freehold properties for £157 million. Since then, the Group has gained greater in-depth knowledge of the real estate sector and is now more attuned with the market conditions. It is now shifting gears to focus on larger scale projects. For some of its smaller properties, the Group will attempt to unlock value from them, to reap good profit margins. It will start delivering its first profits in Q4 2015 with the sale of Emerald House in Croydon.

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## Hotels

M&C, in which the Group holds a 65.3% interest, reported a 33.3% decrease in net profit after tax and non-controlling interests to £24 million in Q3 2015 (Q3 2014: £36 million) and a 9.1% decrease to £60 million for YTD Sep 2015 (YTD Sep 2014: £66 million). For Q3 2015, revenue decreased by 2.8% to £211 million (Q3 2014: £217 million). However, for YTD Sep 2015, revenue increased by 3.0% to £615 million (YTD Sep 2014: £597 million) primarily as a result of hotel acquisitions, including the opening of Millennium Mitsui Garden Hotel Tokyo in December 2014, together with newly refurbished rooms returning to the inventory. Revenue and profit were lower in Q3 2015 because of weaker performance by its hotels in Singapore and rest of Asia, coupled with increasing pressure from higher operating costs.

Favourable foreign exchange movements also contributed to growth in M&C's reported currency revenue. In constant currency terms, M&C's revenue for YTD Sep 2015 increased by 1.3% (YTD Sep 2014: £607 million). On a like-for-like basis, revenue decreased by 0.8%.

In Q3 2015, global RevPAR decreased by 1.4% to £77.66 (Q3 2014: £78.76), due mainly to challenging conditions in Singapore and Asia. Like-for-like global RevPAR fell by 2.9% to £77.49 (Q3 2014: £79.79).

In Singapore, RevPAR fell by 7.5% for YTD Sep 2015 as a result of new room supply in the market, lower visitor numbers and a strong currency relative to several other Asian nations. The haze situation also affected tourism significantly. Trading conditions in Singapore are unlikely to stabilise until end 2017 as hotel inventory continues to grow.

In the rest of Asia, RevPAR fell by 10.9% for YTD Sep 2015, driven mainly by a decrease in occupancy by 8.1%. The weakening Chinese currency and economy, together with continuing travel restrictions affecting mainland Chinese visitors to Taiwan, have reduced demand for rooms in Taipei, while room inventory has been increasing. In Korea, Millennium Seoul Hilton is still recovering from lower visitor numbers after the outbreak of Middle East Respiratory Syndrome (MERS) outbreak in May. These factors, together with slower economic growth and higher operating costs, will continue to put pressure on revenue and profit in Asia.

Trading conditions elsewhere were comparatively less challenging, although M&C remains cautious about the outlook in New York and London. In the US, RevPAR for YTD Sep 2015 increased by 3.0% propelled by growth in the newly refurbished regional US hotels.

As earlier reported, Urban Environmental Improvement (UEI) approval was granted for M&C's land in Seoul to be used for lodging facilities in December 2014. In August 2015, a more detailed submission was lodged with the Construction Deliberation Commission, with approval expected by early next year for construction of a 306-room hotel and a 209-unit serviced apartment complex to commence in April 2016. This one-of-a-kind, trendy hotel will cater to a new generation of young, economical and style-conscious travellers. Preparation for the main tender has commenced with a view to tenders being awarded early next year. The construction is targeted to be completed by the end of 2018.

In the US, M&C is exploring options for its freehold site occupied by the Millennium Hotel St Louis, which closed in January 2014. Progress is being made on the proposed development of the 35,717 sqm mixed-use freehold landsite at Sunnyvale in California. The project team is now working on construction options for an initial phase, comprising a 263-room hotel and a 250-unit residential apartment block. A subsequent phase is expected to include a retail component. Subject to obtaining the City of Sunnyvale planning department's approval and other appropriate consents, M&C expects to break ground on the site in Q2 2016, with completion scheduled for late 2017.

In New Zealand, Copthorne Hotel Auckland Harbour City was closed in July 2015 for extensive refurbishment. The works, which include replacement of building services, guestrooms and public areas, are expected to be completed in early 2017.

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Apart from its ongoing hotel refurbishment programme, M&C also expanded its footprint in the UK through strategic acquisitions in Q3 2015. On 18 August 2015, M&C completed the acquisition of a long leasehold interest in the Hard Days Night Hotel in Liverpool, for £13.8 million. The Beatles-inspired hotel, which contains 110 rooms and suites, is located within the popular Cavern Quarter of the city.

M&C's subsidiary, CDL Hospitality Trusts (CDLHT), in which M&C owns a 36% stake, acquired the Cambridge City Hotel for £61.5 million on 1 October 2015. The property is a 198-room newly refurbished upscale hotel located in the heart of Cambridge city centre. The acquisition marks CDLHT's first investment in Europe.

**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 ended 30 June 2015.

**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

Private home prices in Singapore continue to decline across all market segments. Demand for residential units especially in the high-end segment remains tepid. Sales volume continues to be adversely impacted by the effects of the various Government cooling measures, rising interest rate environment and concerns over the local and global economy.

The Group will continue to monitor market conditions carefully prior to launching Gramercy Park, its upmarket 174-unit freehold condominium project at Grange Road. Its distinctive architecture and numerous amenities in this prime district will be an attractive proposition to potential buyers.

With regards to land replenishment, the Group will continue to monitor the market closely to capitalise on available opportunities while maintaining discipline in its investments.

In November 2015, the Group won a tender for a 14,001.5 sqm residential site at Lorong Lew Lian for \$321.0 million. This joint venture bid for the reserved site, topped the tightly contested tenders by a mere 2.6% margin over 10 other bidders. The site is attractively located in an established residential estate, adjoining a landed housing enclave, with good accessibility to Upper Serangoon Road, Upper Paya Lebar Road and Central Expressway (CTE). It is within a 250m walking distance to the Serangoon bus interchange and MRT station, which is an interchange station for the Circle and North-East Lines. It is also close to several amenities at Serangoon Town Centre, NEX Shopping Mall and Heartland Mall. The Group is familiar with the precinct and has confidence in the potential of the site, having jointly-developed the fully-sold 702-unit Bartley Residences and the 99% sold 868-unit Bartley Ridge. It plans to develop a condominium of between 12 to 13 storeys with over 500 units. Apartments on the higher floors will enjoy good views across the landed housing enclave.



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## Hotels

In the short-term, pressures on financial performance are expected to persist, especially in Asia. M&C remains focused on controlling costs, optimising sales opportunities and realising the potential of recently refurbished hotels.

M&C is taking advantage of the market slowdown to reposition key hotel assets through its on-going global refurbishment programme. The long-planned upgrades of Millennium Hotel London Mayfair and Millennium Hotel London Knightsbridge are under consideration to commence in 2016, pending final approvals. Given their prime locations, these properties are designed to be repositioned into deluxe hotels to achieve higher yields. The projects will require temporary removal of rooms from inventory.

In addition, M&C is strengthening its talent pool, with a number of strategic appointments in prospect.

## Group Prospects

Headwinds continue to dominate both domestically and globally. Markets remain highly sensitive, unpredictable and challenging.

The Group supports the forward looking initiative by the Government to form the Future Economy Committee, to set the strategy for Singapore's economic future. With continued investments and revenue growth through value creation, this will augur well for Singapore's progress. The Group continues to hold the view that the property cooling measures need to be reviewed as soon as possible, given that home ownership rate in Singapore is over 90%. Timing is the most important factor to achieve a healthy and sustainable property market.

The Group remains constantly observant of changing market conditions, both as a defensive measure and also, potentially, to take advantage of growth opportunities as valuations come under pressure and markets inflect. To this end, the Group is making headways in its diversification efforts, growing its overseas real estate platforms, expanding its hotel portfolio and developing funds management; while keeping a close tab on the Singapore property market. The Group's business DNA is opportunistic yet disciplined. It will navigate and seize strategic opportunities in a timely manner.

The Group expects to remain profitable for the current year.

## 11. Dividend

### **(a) Current Financial Period Reported On**

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

Yes.

The Company had paid the following tax-exempt (one-tier) special interim ordinary dividend to ordinary shareholders and non-cumulative preference dividends to holders of City Developments Limited Non-redeemable Convertible Non-cumulative Preference Shares ("Preference Shares").

Name of dividend	Tax exempt (One-tier) Special Interim Ordinary Dividend	Tax exempt (One-tier) Preference Dividend
Date of payment	10 September 2015	30 June 2015
Dividend type	Cash	Cash
Dividend amount (in cents)	4.0 cents per Ordinary Share	1.93 cents per Preference Share
Dividend rate (in %)	N.A.	3.9% per annum on the issue price of each Preference Share
Dividend period	N.A.	From 31 December 2014 to 29 June 2015 (both dates inclusive)
Issue price	N.A.	\$1.00 per Preference Share

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On 12 November 2015, the Board of Directors, pursuant to the recommendation of the Audit and Risk 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 2015 to 30 December 2015, divided by 365 days.

Name of Dividend	Tax-exempt (One-tier) Preference Dividend
Date of payment	31 December 2015
Dividend Type	Cash
Dividend Amount (in cents)	1.97 cents per Preference Share
Dividend rate (in %)	3.9% per annum on the issue price of each Preference Share
Dividend period	From 30 June 2015 to 30 December 2015 (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.

	Tax exempt (One-tier) Special Interim Ordinary Dividend	Tax exempt (One-tier) Preference Dividend	
Date of payment	10 September 2014	30 June 2014	31 December 2014
Dividend type	Cash	Cash	Cash
Dividend amount (in cents)	4.0 cents per Ordinary Share	1.93 cents per Preference Share <sup>^</sup>	1.97 cents per Preference Share <sup>^</sup>
Dividend rate (in %)	N.A.	3.9% per annum on the issue price of each Preference Share	3.9% per annum on the issue price of each Preference Share
Dividend period	N.A.	From 31 December 2013 to 29 June 2014 (both dates inclusive)	From 30 June 2014 to 30 December 2014 (both dates inclusive)
Issue price	N.A.	\$1.00 per Preference Share	\$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 30 June 2015 to 30 December 2015 (both dates inclusive) will be paid on 31 December 2015.

**(d) Books Closure Date**

5.00pm on 10 December 2015.

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**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 the third quarter ended 30 September 2015 under the IPT Mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Hong Leong Investment Holdings Pte. Ltd. group of companies	<p><u>Property-related</u> <span style="float: right;">\$6,797,736.00</span></p> <p>(a) Provision of security services to interested persons</p> <p>(b) Provision of marketing services to interested person</p> <p>(c) Lease of premises to interested person</p> <p><b>Total:</b> <span style="float: right;"><b>\$6,797,736.00</b></span></p>
Directors and their immediate family members	Nil

**14. Segment Reporting**

**By Business Segments**

	<u>The Group</u>			
	<u>Third quarter ended</u>		<u>9-month period ended</u>	
	<u>30 September</u>		<u>30 September</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b><u>Revenue</u></b>				
Property Development	227,951	750,395	795,366	1,334,764
Hotel Operations*	437,793	444,243	1,235,438	1,214,277
Rental Properties	101,357	95,044	300,561	281,919
Others	42,150	31,936	117,760	86,045
	<b><u>809,251</u></b>	<b><u>1,321,618</u></b>	<b><u>2,449,125</u></b>	<b><u>2,917,005</u></b>
<b><u>Profit/(Loss) before income tax**</u></b>				
Property Development	64,088	99,823	239,986	280,347
Hotel Operations	59,195	87,588	161,821	193,609
Rental Properties	39,933	34,395	111,145	105,018
Others	(8,719)	(7,931)	1,091	(12,386)
	<b><u>154,497</u></b>	<b><u>213,875</u></b>	<b><u>514,043</u></b>	<b><u>566,588</u></b>

\* Revenue from hotel operations includes room revenue of \$821.7 million (YTD September 2014: \$795.3 million) for YTD September 2015 from hotels that are owned by the Group.

\*\* Includes share of after-tax profit of associates and joint ventures.

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

## Property Development

Revenue decreased by \$522.4 million to \$228.0 million (Q3 2014: \$750.4 million) for Q3 2015 and \$539.4 million to \$795.4 million (YTD September 2014: \$1,334.8 million) for YTD September 2015.

Pre-tax profits also decreased by \$35.7 million to \$64.1 million (Q3 2014: \$99.8 million) for Q3 2015 and \$40.3 million to \$240.0 million (YTD September 2014: \$280.3 million) for YTD September 2015.

Projects that contributed to both revenue and profit for YTD September 2015 include Coco Palms, D'Nest, H<sub>2</sub>O Residences, HAUS@SERANGOON GARDEN, Jewel@Buangkok, The Palette and UP@Robertson Quay. In accordance with the Group's policy of equity accounting for the results of its joint ventures, whilst revenue from joint venture developments such as Hedges Park, The Inflora, Bartley Residences, Bartley Ridge, The Rainforest, Echelon and Commonwealth Towers had not been consolidated into the Group's total revenue, the Group's share of profits arising from the joint venture developments had been included in pre-tax profit.

The decreases in revenue for Q3 2015 and YTD September 2015 were largely due to absence of revenue recognition from Blossom Residences EC, which obtained Temporary Occupation Permit (TOP) in September 2014. Under prevailing accounting standards, both revenue and profit for EC are recognised in entirety only upon TOP. In addition, lower contributions from H<sub>2</sub>O Residences, obtained TOP in May 2015, and The Palette also attributed to the decreases. The decreases were partially mitigated by maiden contribution from Coco Palms in Q1 2015 and increased contribution from Jewel@Buangkok and D'Nest.

The decreases in pre-tax profits for Q3 2015 and YTD September 2015 were in tandem with the decreases in revenue. The decrease in pre-tax profit for YTD September 2015 was however mitigated by the share of profit contribution from The Rainforest, a joint venture EC, which obtained TOP in Q1 2015, coupled with higher share of profit contribution from Bartley Ridge, Echelon and The Inflora.

## Hotel Operations

Revenue for this segment remained relatively constant at \$437.8 million (Q3 2014: \$444.2 million) for Q3 2015 but increased by \$21.1 million to \$1,235.4 million (YTD September 2014: \$1,214.3 million) for YTD September 2015.

The increase in revenue for YTD September 2015 was primarily due to contributions from the 5 hotels acquired in 2014 by the Group namely, The Chelsea Harbour Hotel, Novotel New York Times Square, Grand Hotel Palace Rome, Hotel MyStays Asakusabashi and Hotel MyStays Kamata, coupled with better performance from refurbished hotels. This was however partially offset by reduced contribution from Singapore hotels as a result of increased room supply in the country, lower visitor numbers, strong Singapore dollar relative to several other Asian currencies which affect the recovery of visitor numbers, absence of contribution from Cityview Place Holdings Pte. Ltd. which owns W Singapore – Sentosa Cove following the Group's loss of control in this subsidiary in December 2014. Further, Taipei hotel was impacted by the weakening Chinese currency and economy, increased room inventory in the country and continuing travel restrictions which affected the Chinese visitors to Taiwan while Korea is still recovering from the Middle East Respiratory Syndrome outbreak this year.

Pre-tax profit decreased by \$28.4 million to \$59.2 million (Q3 2014: \$87.6 million) for Q3 2015 and \$31.8 million to \$161.8 million (YTD September 2014: \$193.6 million) for YTD September 2015. The decreases for Q3 2015 and YTD September 2015 were due to adverse trading conditions in Asian markets, particularly Singapore, which is facing increasing pressure on labour costs. Pre-operating expenses incurred for The South Beach, which soft opened in September 2015 also attributed to the decreases.

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## Rental Properties

Revenue for this segment increased by \$6.4 million to \$101.4 million (Q3 2014: \$95.0 million) for Q3 2015 and \$18.7 million to \$300.6 million (YTD September 2014: \$281.9 million) for YTD September 2015.

Pre-tax profit for this segment increased by \$5.5 million to \$39.9 million (Q3 2014: \$34.4 million) for Q3 2015 and \$6.1 million to \$111.1 million (YTD September 2014: \$105.0 million) for YTD September 2015.

The increases in revenue and pre-tax profits were due to rental income earned from Millennium Mitsui Garden Hotel Tokyo which opened last December 2014.

## Others

Revenue, comprising mainly income from building maintenance contracts, project management, club operations as well as dividend income, increased by \$10.3 million to \$42.2 million (Q3 2014: \$31.9 million) for Q3 2015 and \$31.8 million to \$117.8 million (YTD September 2014: \$86.0 million) for YTD September 2015 due to higher income from building maintenance contracts and project management.

This segment reported a higher pre-tax loss of \$8.7 million (Q3 2014: \$7.9 million) for Q3 2015 but reported a pre-tax profit of \$1.1 million (YTD September 2014: pre-tax loss of \$12.4 million) for YTD September 2015. The increase in loss for Q3 2015 is mainly due to higher net exchange loss and higher net fair value losses on financial assets held for trading in Q3 2015, but partially mitigated by absence of impairment loss made on an available-for-sale financial asset in Q3 2014. The increase for YTD September 2015 was mainly due to gains from realisation of investments in a private real estate fund recognised in 2015, coupled with the aforesaid impairment loss made in Q3 2014. In addition, the positive contribution from the Group's associate, First Sponsor Group Limited (FSGL) as compared to its loss-making position for YTD September 2014 also attributed to the better performance for this segment. FSGL's turnaround was underpinned by its continued growth in the property financing business in China, in which higher interest income was generated on secured entrusted loans to third parties due to larger average loan portfolio in YTD September 2015.

## 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

	<b>Full Year 2014 S\$'000</b>	<b>Full Year 2013 S\$'000</b>
Ordinary	72,744	72,744
Special	72,744	72,744
Preference	12,904	12,904
<b>Total</b>	<b>158,392</b>	<b>158,392</b>

The final tax-exempt (one-tier) ordinary dividend and special final tax-exempt (one-tier) ordinary dividend for the year ended 31 December 2014 of 8.0 cents and 4.0 cents respectively per ordinary share had been approved by the ordinary shareholders at the Annual General Meeting held on 22 April 2015 and the dividend amounts are based on the number of issued ordinary shares as at 20 May 2015.

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**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  
12 November 2015

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## **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 third quarter and the 9-month period ended 30 September 2015 to be false or misleading in any material respect.

On behalf of the Board of Directors

**Kwek Leng Beng**  
Executive Chairman

**Kwek Leng Joo**  
Deputy Chairman

Singapore, 12 November 2015