



# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

## UNAUDITED FULL YEAR FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

### 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		
	Fourth Quarter Ended		Incr/ (Decr)	Full Year Ended		Incr/ (Decr)
	31 December	2013		31 December	2013	
	2014	(Restated)*	2014	(Restated)*		
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	846,933	788,720	7.4	3,763,938	3,213,337	17.1
Cost of sales	(450,162)	(286,680)	57.0	(2,131,575)	(1,552,278)	37.3
<b>Gross profit</b>	<b>396,771</b>	<b>502,040</b>	<b>(21.0)</b>	<b>1,632,363</b>	<b>1,661,059</b>	<b>(1.7)</b>
Other operating income <sup>(2)</sup>	342,441	22,801	1,401.9	355,515	198,913	78.7
Administrative expenses <sup>(3)</sup>	(138,667)	(123,865)	12.0	(509,405)	(474,958)	7.3
Other operating expenses <sup>(4)</sup>	(146,695)	(136,254)	7.7	(439,053)	(416,978)	5.3
<b>Profit from operations</b>	<b>453,850</b>	<b>264,722</b>	<b>71.4</b>	<b>1,039,420</b>	<b>968,036</b>	<b>7.4</b>
Finance income <sup>(5)</sup>	11,115	9,192	20.9	40,548	30,645	32.3
Finance costs <sup>(6)</sup>	(42,013)	(24,753)	69.7	(131,033)	(91,997)	42.4
<b>Net finance costs</b>	<b>(30,898)</b>	<b>(15,561)</b>	<b>98.6</b>	<b>(90,485)</b>	<b>(61,352)</b>	<b>47.5</b>
Share of after-tax profit of associates <sup>(7)</sup>	6,847	2,366	189.4	8,000	7,665	4.4
Share of after-tax profit of joint ventures <sup>(8)</sup>	7,343	19,338	(62.0)	46,795	33,703	38.8
<b>Profit before income tax <sup>(1)</sup></b>	<b>437,142</b>	<b>270,865</b>	<b>61.4</b>	<b>1,003,730</b>	<b>948,052</b>	<b>5.9</b>
Income tax expense <sup>(9)</sup>	(24,004)	(7,242)	231.5	(95,097)	(69,563)	36.7
<b>Profit for the period/year</b>	<b>413,138</b>	<b>263,623</b>	<b>56.7</b>	<b>908,633</b>	<b>878,489</b>	<b>3.4</b>
<b>Attributable to:</b>						
<b>Owners of the Company</b>	<b>384,897</b>	<b>221,977</b>	<b>73.4</b>	<b>769,637</b>	<b>686,241</b>	<b>12.2</b>
Non-controlling interests	28,241	41,646	(32.2)	138,996	192,248	(27.7)
<b>Profit for the period/year</b>	<b>413,138</b>	<b>263,623</b>	<b>56.7</b>	<b>908,633</b>	<b>878,489</b>	<b>3.4</b>
<b>Earnings per share</b>						
- basic	41.6 cents	23.7 cents	75.5	83.2 cents	74.0 cents	12.4
- diluted	40.3 cents	23.3 cents	73.0	80.6 cents	71.9 cents	12.1

#### Note:

\* The 2013 comparative figures have been restated to take into account the retrospective adjustments arising from the adoption of FRS 110 - Consolidated Financial Statements as detailed in item 5 of this announcement.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

## Notes to the Group's Income Statement:

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

	The Group Fourth Quarter Ended 31 December		The Group Full Year Ended 31 December	
	2014	2013 (Restated)	2014	2013 (Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
Interest income	9,647	7,712	35,701	27,155
Profit on sale of investments, investment properties and property, plant and equipment (net)	9,496	10,257	9,755	160,811
Gain on dilution of investment in an associate	-	-	6,843	-
Gains on loss of control/liquidation of investments in subsidiaries (net)	330,896	9,108	330,896	29,243
Investment income	803	1,248	6,672	6,238
(Allowance for)/Write-back of allowance for foreseeable losses on development properties (net)	(24,165)	2,702	(24,229)	2,566
Depreciation and amortisation	(54,596)	(48,441)	(200,002)	(188,144)
Interest expenses	(38,695)	(21,881)	(112,358)	(82,665)
Net exchange gain/(loss)	1,317	(2,506)	(398)	(2,276)
Net change in fair value of financial assets held for trading	1,504	1,405	4,045	2,515
Impairment loss on investment properties	-	(2,324)	-	(2,324)
Impairment loss on property, plant and equipment	-	(23,706)	-	(23,706)
Impairment loss on loans to joint ventures	(1,157)	(270)	(2,491)	(1,091)
Impairment loss on available-for-sale financial asset	-	-	(8,742)	-

- (2) Other operating income comprises mainly management fee, miscellaneous income and profit on sale of investments, investment properties and property, plant and equipment as well as gains on loss of control of subsidiaries. This had increased by \$319.6 million to \$342.4 million (Restated Q4 2013: \$22.8 million) for Q4 2014 and \$156.6 million to \$355.5 million (Restated FY 2013: \$198.9 million) for FY 2014. The significant increases for Q4 2014 and FY 2014 were mainly due to gain arising from loss of control in a subsidiary, Cityview Place Holdings Pte. Ltd. following the completion of the sale of its cashflow to Sunbright Holdings Limited (a special purpose vehicle funded by the Group and two institutional investors). Included in FY 2013 were gains recognised in relation to disposal of an industrial site at 100G Pasir Panjang, a subsidiary in China and India, 2 strata floors of GB Building, several strata units in Citimac Industrial Complex, Elite Industrial Building I and Elite Industrial Building II. There was no major divestment of non-core investment properties in 2014.
- (3) Administrative expenses, comprising mainly depreciation, hotel administrative expenses, operating lease expenses and salaries and related expenses, increased by \$14.8 million to \$138.7 million (Restated Q4 2013: \$123.9 million) for Q4 2014 and \$34.4 million to \$509.4 million (Restated FY 2013: \$475.0 million) for FY 2014. The increases were due to higher salaries expenses and operating lease expenses, coupled with higher depreciation from recently refurbished Grand Hyatt Taipei and acquisition of a Maldives hotel by CDL Hospitality Trusts in December 2013 and another 3 hotels acquired by the Group's 61% owned subsidiary, Millennium & Copthorne Hotels plc (M&C), in 2014.
- (4) Other operating expenses comprise mainly property taxes and insurance on hotels, other operating expenses on hotels, professional fees, net exchange differences and impairment losses on investment properties, property, plant and equipment, and loans to joint ventures. Other operating expenses increased by \$10.4 million to \$146.7 million (Restated Q4 2013: \$136.3 million) for Q4 2014 and \$22.1 million to \$439.1 million (Restated FY 2013: \$417.0 million) for FY 2014. These increases were due to higher professional fees and property tax and insurance incurred in FY 2014, partially mitigated by the absence of similar impairment losses on property, plant and equipment, and investment properties provided in FY 2013.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

- (5) Finance income comprising mainly interest income, fair value gains on financial assets held for trading, increased by \$1.9 million to \$11.1 million (Restated Q4 2013: \$9.2 million) for Q4 2014 and \$9.9 million to \$40.5 million (Restated FY 2013: \$30.6 million) for FY 2014. The increases were primarily due to higher interest income earned.
- (6) Finance costs comprise primarily interest on borrowings, fair value loss on financial assets held for trading, impairment loss on available-for-sale financial asset and amortisation of capitalised transaction costs on borrowings. This had increased by \$17.3 million and \$39.0 million for Q4 2014 and FY 2014 respectively. The increases for both Q4 2014 and FY 2014 were due to higher interest expenses incurred on increased borrowings. In addition, an impairment loss was provided on an available-for-sale financial asset in FY 2014.
- (7) Share of after-tax profit of associates relates primarily to the Group's share of results of First Sponsor Group Limited (FSGL) held via M&C. Share of after-tax profit of associates increased by \$4.4 million to \$6.8 million (Restated Q4 2013: \$2.4 million) for Q4 2014 but remained relatively constant at \$8.0 million (Restated FY 2013: \$7.7 million) for FY 2014. Higher profit was reported by FSGL for Q4 2014 due to profit recognition from its pre-sold 746 residential units in its Millennium Waterfront project that were handed over to the purchasers in December 2014 as well as higher profit from its property financing business.
- (8) Share of after-tax profit from joint ventures decreased by \$12.0 million to \$7.3 million (Q4 2013: \$19.3 million) for Q4 2014 but increased by \$13.1 million to \$46.8 million (FY 2013: \$33.7 million) for FY 2014. The decrease for Q4 2014 was mainly due to an impairment loss made for a residential project. The increase in FY 2014 was mainly due to maiden contribution from Echelon as well as increased profit contribution from Bartley Ridge, The Inflora and Bartley Residences, partially offset by the aforesaid impairment loss.
- (9) Income tax expense for the period/year is derived at by applying the varying statutory tax rates on the taxable profits/(losses) and taxable/deductible temporary differences of the different countries in which the Group operates.

The Group		The Group	
Fourth Quarter Ended		Full Year Ended	
31 December		31 December	
2014	2013	2014	2013
	(Restated)		(Restated)
S\$m	S\$m	S\$m	S\$m

The tax charge relates to the following:

Profit for the period/year	26.0	59.7	124.1	140.6
Overprovision in respect of prior periods/years	(2.0)	(52.5)	(29.0)	(71.0)
	24.0	7.2	95.1	69.6

The overall effective tax rate of the Group for Q4 2014 was 5.5% (Restated Q4 2013: 2.7%) and FY 2014 was 9.5% (Restated FY 2013: 7.3%). Excluding the overprovision in respect of prior periods/years, the effective tax rate for the Group for Q4 2014 was 5.9% (Restated Q4 2013: 22.0%) and FY 2014 was 12.4% (Restated FY 2013: 14.8%). Higher overprovision of tax for Q4 2013 and FY 2013 was due to resolution of long outstanding tax matters with the tax authorities following finalisation of a few years of tax assessments.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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

	Note	The Group		The Company	
		As at 31.12.2014 S\$'000	As at 31.12.2013 (Restated) S\$'000	As at 31.12.2014 S\$'000	As at 31.12.2013 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	(1)	4,918,273	4,399,023	10,138	9,795
Investment properties		3,109,176	3,161,073	502,405	511,135
Lease premium prepayment		119,170	119,262	-	-
Investments in subsidiaries		-	-	2,217,026	2,222,347
Investments in associates	(2)	307,390	264,818	-	-
Investments in joint ventures	(3)	821,088	772,266	36,360	36,360
Investments in financial assets		76,460	85,116	28,419	29,700
Other non-current assets		19,646	15,639	461,766	407,881
		<b>9,371,203</b>	<b>8,817,197</b>	<b>3,256,114</b>	<b>3,217,218</b>
<b>Current assets</b>					
Development properties	(4)	4,792,947	4,326,542	363,279	482,988
Lease premium prepayment		3,833	3,507	-	-
Consumable stocks		11,181	8,424	1	1
Financial assets		35,232	36,534	-	-
Trade and other receivables		1,588,550	1,641,914	5,476,029	5,457,485
Cash and cash equivalents		3,897,574	2,719,578	2,118,494	1,367,264
		<b>10,329,317</b>	<b>8,736,499</b>	<b>7,957,803</b>	<b>7,307,738</b>
<b>Total assets</b>		<b>19,700,520</b>	<b>17,553,696</b>	<b>11,213,917</b>	<b>10,524,956</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		6,418,730	5,740,000	3,869,847	3,447,897
		8,410,127	7,731,397	5,861,244	5,439,294
<b>Non-controlling interests</b>					
		2,365,474	2,484,439	-	-
<b>Total equity</b>		<b>10,775,601</b>	<b>10,215,836</b>	<b>5,861,244</b>	<b>5,439,294</b>
<b>Non-current liabilities</b>					
Interest-bearing borrowings*	(5)	4,466,222	4,400,520	2,395,948	2,592,044
Employee benefits		31,071	37,521	-	-
Other liabilities		136,522	110,214	239,318	297,837
Provisions		16,930	15,977	-	-
Deferred tax liabilities		316,855	328,811	47,750	47,412
		<b>4,967,600</b>	<b>4,893,043</b>	<b>2,683,016</b>	<b>2,937,293</b>
<b>Current liabilities</b>					
Trade and other payables		1,463,026	1,327,019	1,770,727	1,530,773
Interest-bearing borrowings*	(5)	2,232,926	893,597	859,124	601,461
Employee benefits		20,024	17,903	2,971	2,639
Other liabilities		6,945	213	-	-
Provision for taxation		193,905	188,165	36,835	13,496
Provisions		40,493	17,920	-	-
		<b>3,957,319</b>	<b>2,444,817</b>	<b>2,669,657</b>	<b>2,148,369</b>
<b>Total liabilities</b>		<b>8,924,919</b>	<b>7,337,860</b>	<b>5,352,673</b>	<b>5,085,662</b>
<b>Total equity and liabilities</b>		<b>19,700,520</b>	<b>17,553,696</b>	<b>11,213,917</b>	<b>10,524,956</b>

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

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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

- 1) The increase was primarily due to the acquisition of The Chelsea Harbour Hotel, the Novotel New York Times Square and Grand Hotel Palace Rome by M&C and 2 hotels in Tokyo by CDL Hospitality Trusts. This was however partially offset by the deconsolidation of W Singapore – Sentosa Cove held under Cityview Place Holdings Pte. Ltd. following the Group's loss of control in this wholly-owned subsidiary.
- 2) The increase was mainly due to additional investment in First Sponsor Group Limited (FSGL) in Q1 2014. This was however partially reduced by a capital reduction exercise undertaken by Millennium & Copthorne Hotels New Zealand Limited, an indirect non-wholly owned subsidiary of the Group, to distribute in specie its shareholding in FSGL.
- 3) The increase was due to share of after-tax profit of joint ventures, partially offset by dividend income received.
- 4) The increase was mainly due to the acquisitions of a freehold land site in Tokyo, two Executive Condominium (EC) land sites in Singapore, five freehold properties in United Kingdom and 85 completed luxurious units located in Shanghai Qingpu District. This was partially offset by the completion of an EC, Blossom Residences and the deconsolidation of The Residences at W Singapore – Sentosa Cove held under Cityview Place Holdings Pte. Ltd. following the Group's loss of control in this subsidiary.
- 5) The increase in overall interest-bearing borrowings was mainly due to the Group's acquisition of abovementioned 5 hotels, freehold land site in Tokyo, 5 freehold properties in United Kingdom, 2 EC land sites in Singapore and 85 completed residential units in Shanghai.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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

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

	As at 31.12.2014	As at 31.12.2013 (Restated)
	S\$'000	S\$'000
<b><u>Unsecured</u></b>		
- repayable within one year	1,984,049	768,979
- repayable after one year	3,583,759	3,755,494
(a)	<u>5,567,808</u>	<u>4,524,473</u>
<b><u>Secured</u></b>		
- repayable within one year	252,679	125,052
- repayable after one year	897,106	659,377
(b)	<u>1,149,785</u>	<u>784,429</u>
Gross borrowings	6,717,593	5,308,902
(a) + (b)	6,717,593	5,308,902
Less: cash and cash equivalents as shown in the statement of financial position	<u>(3,897,574)</u>	<u>(2,719,578)</u>
Net borrowings	<u>2,820,019</u>	<u>2,589,324</u>

### Details of any collateral

The secured term loans are generally secured by:

- mortgages on development properties of the Company;
- mortgages on the borrowing subsidiaries' 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; and
- pledge of shares in a wholly-owned subsidiary.

# 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.

	Fourth Quarter Ended 31 December		Full Year Ended 31 December	
	2014	2013 (Restated)	2014	2013 (Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating Activities</b>				
Profit for the period/year	413,138	263,623	908,633	878,489
<b>Adjustments for:</b>				
Depreciation and amortisation	54,596	48,441	200,002	188,144
Dividend income	(803)	(1,248)	(6,672)	(6,238)
Equity settled share-based transactions	(1,252)	(1,924)	637	1,644
Finance costs	42,013	24,753	131,033	91,997
Finance income	(11,115)	(9,192)	(40,548)	(30,645)
Impairment losses on loans to joint ventures	1,157	270	2,491	1,091
Impairment loss on investment properties and property, plant and equipment	-	26,030	-	26,030
Income tax expense	24,004	7,242	95,097	69,563
Gain on dilution of investment in an associate	-	-	(6,843)	-
Gains on loss of control/liquidation of investments in subsidiaries (net)	(330,896)	(9,108)	(330,896)	(29,243)
Profit on sale of investments	(9,504)	(9)	(9,557)	(9,005)
Loss/(Profit) on sale of property, plant and equipment and investment properties	8	(10,248)	(198)	(151,806)
Property, plant and equipment and investment properties written off	276	-	309	434
Share of after-tax profit of associates	(6,847)	(2,366)	(8,000)	(7,665)
Share of after-tax profit of joint ventures	(7,343)	(19,338)	(46,795)	(33,703)
Operating profit before working capital changes	167,432	316,926	888,693	989,087
<b>Changes in working capital</b>				
Development properties	(99,406)	(292,991)	(636,998)	20,548
Stocks, trade and other receivables	179,480	(32,700)	75,313	(460,037)
Trade and other payables	150,461	155,948	79,397	260,092
Employee benefits	(2,430)	(2,258)	529	2,044
Cash generated from operations	395,537	144,925	406,934	811,734
Income tax paid	(16,095)	(10,365)	(114,751)	(135,001)
<b>Cash flows from operating activities carried forward</b>	<b>379,442</b>	<b>134,560</b>	<b>292,183</b>	<b>676,733</b>

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

	Fourth Quarter Ended		Full Year Ended	
	31 December	31 December	31 December	31 December
	2014	2013	2014	2013
		(Restated)		(Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities brought forward</b>	<b>379,442</b>	<b>134,560</b>	<b>292,183</b>	<b>676,733</b>
<b>Investing Activities</b>				
Acquisition of subsidiaries (net of cash acquired) <sup>(1)</sup>	(151,210)	-	(151,655)	-
Capital expenditure on investment properties	(29,934)	(10,528)	(97,497)	(26,411)
Disposal of and distribution of income from financial assets	21,109	2,152	25,093	28,080
Dividends received				
- an associate	22	44	105	44
- financial investments	803	1,248	6,672	6,238
- joint ventures	166	11,151	11,076	81,689
Interest received	5,680	4,755	23,480	19,004
Increase in intangible assets	-	(146)	(366)	(290)
Increase in investments in associates <sup>(2)</sup>	-	(48)	(86,945)	(60,488)
Increase in investments in joint ventures	(3,800)	(2,904)	(8,116)	(9,037)
Increase in lease premium prepayment	(643)	(5,587)	(643)	(34,801)
Payments for purchase of property, plant and equipment <sup>(3)</sup>	(229,193)	(101,175)	(838,693)	(246,882)
Payments for purchase of investment property <sup>(4)</sup>	-	-	-	(59,960)
Proceeds from loss of control in subsidiaries (net of cash of subsidiaries) <sup>(5)</sup>	1,074,974	9,479	1,074,974	83,650
Proceeds from sale of property, plant and equipment, and investment properties <sup>(6)</sup>	10	21,267	682	208,056
<b>Cash flows from/(used in) investing activities</b>	<b>687,984</b>	<b>(70,292)</b>	<b>(41,833)</b>	<b>(11,108)</b>
<b>Financing Activities</b>				
Acquisition of non-controlling interests	(60,108)	-	(89,773)	(143,538)
Capital contribution from non-controlling interests	18,490	6,899	31,123	7,742
Deposits pledged to financial institutions	(165,722)	-	(165,722)	-
Disposal of interest in a subsidiary without loss of control	-	-	996	2,616
Dividends paid	(26,459)	(12,607)	(274,848)	(320,047)
Finance lease payments	(8)	(11)	(30)	(28)
Increase in/(Repayment of) other long-term liabilities	10,846	46	11,105	(557)
Interest paid (including amounts capitalised as property, plant and equipment, investment properties and development properties)	(32,212)	(25,601)	(126,734)	(109,073)
Net (decrease in amount owing to)/decrease in amount owing by related parties	(474)	(1,771)	(4,442)	61,804
Net (repayments of)/proceeds from revolving credit facilities and short-term bank borrowings	(20,178)	(29,867)	661,033	264,627
Payment of financing transaction costs	(6,213)	(1,824)	(13,522)	(5,615)
Payment on settlement of financial instruments	-	-	(1,170)	(4,132)
Payment of issue expenses by a subsidiary	-	-	(566)	-
Proceeds from bank borrowings	229,641	100,097	1,188,313	453,534
Proceeds from issuance of bonds and notes	139,345	195,035	612,199	727,575
Repayment of bank borrowings	(352,475)	(52,300)	(772,280)	(385,702)
Repayment of bonds and notes	(102,000)	(137,650)	(317,000)	(715,270)
<b>Cash flows (used in)/from financing activities <sup>(7)</sup></b>	<b>(367,527)</b>	<b>40,446</b>	<b>738,682</b>	<b>(166,064)</b>
<b>Net increase in cash and cash equivalents carried forward</b>	<b>699,899</b>	<b>104,714</b>	<b>989,032</b>	<b>499,561</b>



# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

	Fourth Quarter Ended		Full Year Ended	
	31 December		31 December	
	2014	2013	2014	2013
		(Restated)		(Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Net increase in cash and cash equivalents brought forward</b>	<b>699,899</b>	<b>104,714</b>	<b>989,032</b>	<b>499,561</b>
Cash and cash equivalents at beginning of the period/year	3,010,174	2,607,932	2,718,405	2,202,534
Effect of exchange rate changes on balances held in foreign currencies	14,658	5,759	17,294	16,310
<b>Cash and cash equivalents at end of the year</b>	<b>3,724,731</b>	<b>2,718,405</b>	<b>3,724,731</b>	<b>2,718,405</b>
<b>Cash and cash equivalents comprise:-</b>				
Cash and cash equivalents as shown in the statement of financial position	3,897,574	2,719,578	3,897,574	2,719,578
Less: Deposits pledged to financial institutions	(165,722)	-	(165,722)	-
Less: Bank overdrafts	(7,121)	(1,173)	(7,121)	(1,173)
	<b>3,724,731</b>	<b>2,718,405</b>	<b>3,724,731</b>	<b>2,718,405</b>

## Notes to the consolidated statement of cash flows

- (1) The cash outflow in current year relates to the acquisition of 5 companies incorporated in Mauritius and China.
- (2) The net cash outflows in 2014 and 2013 relate to additional investments in First Sponsor Group Limited.
- (3) The significant cash outflows for 2014 relates mainly to the acquisition of The Chelsea Harbour Hotel in Q1 2014, The Novotel New York Times Square in Q2 2014 as well as Grand Hotel Palace Rome and two Tokyo hotels in Q4 2014.
- (4) The cash outflows for 2013 relates mainly to the acquisition of Angsana Velavaru, a resort located in Maldives, by CDL Hospitality Trusts in Q1 2013.
- (5) The cash inflow for 2014 relates to the net proceeds from the sale of cashflow of Cityview Place Holdings Pte. Ltd., a wholly-owned subsidiary of the Group which owns W Singapore – Sentosa Cove, Quayside Isle and The Residences at W Singapore – Sentosa Cove, to Sunbright Holdings Limited. This transaction, completed in December 2014, resulted in the loss of control in this subsidiary by the Group.

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

- (6) The net cash inflows for Q4 2013 and FY 2013 were primarily due to the proceeds from the sale of several strata units in Citimac Industrial Complex, Elite Industrial Building I and Elite Industrial Building II in Q1 2013, and an industrial site at 100G Pasir Panjang in Q2 2013 and 2 strata floors in GB Building in Q3 2013 and Q4 2013 respectively.
- (7) The Group had net cash outflows from financing activities of \$367.5 million (Restated Q4 2013: net cash inflows of \$40.4 million) for Q4 2014 and net cash inflows of \$738.7 million (Restated FY 2013: net cash outflows of \$166.1 million) for FY 2014.

For Q4 2014, this was due to net repayment of borrowings of \$105.7 million for Q4 2014 vis-à-vis net proceeds from borrowings of \$75.3 million for Q4 2013. Deposits pledged to financial institutions, purchase of shares in Millennium & Copthorne Hotels plc (M&C) and the acquisition of the remaining 30% interest in Quantum Limited by Millennium & Copthorne Hotels New Zealand, an indirect non-wholly owned subsidiary of the Group, also attributed to the cash outflows for Q4 2014.

For FY 2014, the net cash inflow was mainly due to higher net proceeds from borrowings of \$1,372.3 million (FY 2013: \$344.8 million) for FY 2014. This was however partially offset by dividends payment and the aforesaid deposits pledged. For 2013, the net cash outflows was mainly due to higher number of M&C shares being purchased and more dividends paid but partially offset by the aforesaid net proceeds from borrowings.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

## 1(d) Consolidated Statement of Comprehensive Income

	Fourth Quarter Ended		Full Year Ended	
	31 December		31 December	
	2014	2013	2014	2013
		(Restated)		(Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Profit for the period/year</b>	413,138	263,623	908,633	878,489
<b>Other comprehensive income:</b>				
<u>Item that will not be reclassified to profit or loss:</u>				
Defined benefit plan remeasurements	3,436	(2,073)	3,530	(1,862)
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Changes in fair value of available-for-sale equity investments	(987)	1,024	(523)	727
Change in fair value of available-for-sale equity investments reclassified to profit or loss	-	-	8,742	-
Effective portion of changes in fair value of cash flow hedges	(105)	109	(213)	59
Exchange differences on hedges of net investments in foreign entities	24,618	9,686	12,276	20,409
Exchange differences on monetary items forming part of net investments in foreign entities	(25,042)	(18,121)	(14,354)	(20,768)
Exchange differences realised on dilution of investment in an associate/loss of control in subsidiaries	-	90	(757)	(1,048)
Share of other reserve movement of an associate transferred to profit or loss upon dilution	-	-	1,528	-
Share of other reserve movement of associates and a joint venture	(109)	(97)	(1,317)	(53)
Translation differences arising on consolidation of foreign entities	40,140	61,987	33,804	133,673
<b>Other comprehensive income for the period/year, net of tax</b>	<b>41,951</b>	<b>52,605</b>	<b>42,716</b>	<b>131,137</b>
<b>Total comprehensive income for the period/year</b>	<b>455,089</b>	<b>316,228</b>	<b>951,349</b>	<b>1,009,626</b>
<b>Total comprehensive income attributable to:</b>				
<b>Owners of the Company</b>	<b>419,957</b>	<b>264,245</b>	<b>802,145</b>	<b>753,540</b>
Non-controlling interests	35,132	51,983	149,204	256,086
<b>Total comprehensive income for the period/year</b>	<b>455,089</b>	<b>316,228</b>	<b>951,349</b>	<b>1,009,626</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					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 January 2014	1,991.4	143.1	14.3	(339.3)	6,035.9	7,845.4	1,983.0	9,828.4
Effect of adoption of FRS 110	-	14.0	-	(11.8)	(116.1)	(113.9)	501.4	387.5
At 1 January 2014, restated	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 year</b>	-	-	-	-	769.6	769.6	139.0	908.6
<u>Other comprehensive income</u>								
Defined benefit plans remeasurements	-	-	-	-	2.4	2.4	1.1	3.5
Change in fair value of available-for-sale equity investments	-	-	(0.5)	-	-	(0.5)	-	(0.5)
Change in fair value of available-for-sale equity investments reclassified to profit or loss	-	-	8.7	-	-	8.7	-	8.7
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	-	-	-	7.5	-	7.5	4.8	12.3
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	(0.6)	-	(0.6)	(13.7)	(14.3)
Exchange differences realised on dilution of investment in an associate	-	-	-	(0.5)	-	(0.5)	(0.3)	(0.8)
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 a joint venture	-	-	(0.9)	-	-	(0.9)	(0.4)	(1.3)
Translation differences arising on consolidation of foreign entities	-	-	-	15.5	-	15.5	18.3	33.8
<b>Other comprehensive income for the year, net of income tax</b>	-	-	8.1	21.9	2.4	32.4	10.3	42.7
<b>Total comprehensive income for the year</b>	-	-	8.1	21.9	772.0	802.0	149.3	951.3
<b>Transactions with owners, recorded directly in equity</b>								
<u>Contributions by and distributions to owners</u>								
Capital contribution from non-controlling interests	-	-	-	-	-	-	31.5	31.5
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	-	-	-	-	(122.0)	(122.0)	-	(122.0)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(153.3)	(153.3)
Issue expenses incurred by a subsidiary	-	(0.2)	-	-	-	(0.2)	(0.3)	(0.5)
Share-based payment transactions	-	-	0.1	-	-	0.1	0.1	0.2
<b>Total contributions by and distributions to owners</b>	-	(0.2)	0.1	-	(122.0)	(122.1)	(180.7)	(302.8)
<u>Changes in ownership interests in subsidiaries</u>								
Change of interests in subsidiaries without loss of control	-	3.7	5.4	5.0	(15.4)	(1.3)	(87.5)	(88.8)
<b>Total changes in ownership interests in subsidiaries</b>	-	3.7	5.4	5.0	(15.4)	(1.3)	(87.5)	(88.8)
<b>Total transactions with owners</b>	-	3.5	5.5	5.0	(137.4)	(123.4)	(268.2)	(391.6)
<b>At 31 December 2014</b>	<b>1,991.4</b>	<b>160.6</b>	<b>27.9</b>	<b>(324.2)</b>	<b>6,554.4</b>	<b>8,410.1</b>	<b>2,365.5</b>	<b>10,775.6</b>

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

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

The Group	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		
<b>At 1 January 2013</b>	1,991.4	149.0	12.0	(392.1)	5,543.4	7,303.7	1,953.4	9,257.1
Effect of adoption of FRS 110	-	13.2	-	(13.4)	(113.5)	(113.7)	514.1	400.4
<b>At 1 January 2013, restated</b>	1,991.4	162.2	12.0	(405.5)	5,429.9	7,190.0	2,467.5	9,657.5
<b>Profit for the year</b>	-	-	-	-	686.2	686.2	192.3	878.5
<u>Other comprehensive income</u>								
Defined benefit plan remeasurements	-	-	-	-	(1.2)	(1.2)	(0.7)	(1.9)
Change in fair value of available-for-sale equity investments	-	-	0.7	-	-	0.7	-	0.7
Effective portion of changes in fair value of cash flow hedges	-	-	0.3	(0.3)	-	-	-	-
Exchange differences on hedges of net investment in foreign entities	-	-	-	8.6	-	8.6	11.8	20.4
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	(6.4)	-	(6.4)	(14.4)	(20.8)
Exchange differences realised on disposal of subsidiaries	-	-	-	(1.0)	-	(1.0)	-	(1.0)
Translation differences arising on consolidation of foreign entities	-	-	-	66.6	-	66.6	67.1	133.7
<b>Other comprehensive income for the year, net of income tax</b>	-	-	1.0	67.5	(1.2)	67.3	63.8	131.1
<b>Total comprehensive income for the year</b>	-	-	1.0	67.5	685.0	753.5	256.1	1,009.6
<b>Transactions with owners, recorded directly in equity</b>								
<u>Contributions by and distributions to owners</u>								
Capital contribution from non-controlling interests	-	-	-	-	-	-	7.7	7.7
Dividends paid to owners of the Company	-	-	-	-	(203.9)	(203.9)	-	(203.9)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(116.1)	(116.1)
Share-based payment transactions	-	-	1.2	-	-	1.2	0.8	2.0
<b>Total contributions by and distributions to owners</b>	-	-	1.2	-	(203.9)	(202.7)	(107.6)	(310.3)
<u>Changes in ownership interests in subsidiaries</u>								
Change of interests in subsidiaries without loss of control	-	(5.1)	0.1	(13.1)	8.8	(9.3)	(131.6)	(140.9)
<b>Total changes in ownership interests in subsidiaries</b>	-	(5.1)	0.1	(13.1)	8.8	(9.3)	(131.6)	(140.9)
<b>Total transactions with owners</b>	-	(5.1)	1.3	(13.1)	(195.1)	(212.0)	(239.2)	(451.2)
<b>At 31 December 2013, restated</b>	<b>1,991.4</b>	<b>157.1</b>	<b>14.3</b>	<b>(351.1)</b>	<b>5,919.8</b>	<b>7,731.5</b>	<b>2,484.4</b>	<b>10,215.9</b>

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

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

The Company	Share Capital S\$m	Capital Reserve S\$m	Fair Value Reserve S\$m	Accumulated Profits S\$m	Total S\$m
<b>At 1 January 2013</b>	1,991.4	63.7	12.2	3,326.3	5,393.6
<b>Profit for the year</b>	-	-	-	247.6	247.6
<u>Other comprehensive income</u>					
Change in fair value of available-for-sale equity investments	-	-	2.0	-	2.0
<b>Other comprehensive income for the year, net of income tax</b>	-	-	2.0	-	2.0
<b>Total comprehensive income for the year</b>	-	-	2.0	247.6	249.6
<b>Transactions with owners, recorded directly in equity</b>					
<u>Contributions by and distributions to owners</u>					
Dividends paid to owners of the Company	-	-	-	(203.9)	(203.9)
<b>Total contributions by and distributions to owners</b>	-	-	-	(203.9)	(203.9)
<b>Total transactions with owners</b>	-	-	-	(203.9)	(203.9)
<b>At 31 December 2013</b>	<b>1,991.4</b>	<b>63.7</b>	<b>14.2</b>	<b>3,370.0</b>	<b>5,439.3</b>
<b>Profit for the year</b>	-	-	-	545.2	545.2
<u>Other comprehensive income</u>					
Change in fair value of available-for-sale equity investments	-	-	(1.3)	-	(1.3)
<b>Other comprehensive income for the year, net of income tax</b>	-	-	(1.3)	-	(1.3)
<b>Total comprehensive income for the year</b>	-	-	(1.3)	545.2	543.9
<b>Transactions with owners, recorded directly in equity</b>					
<u>Contributions by and distributions to owners</u>					
Dividends paid to owners of the Company	-	-	-	(122.0)	(122.0)
<b>Total contributions by and distributions to owners</b>	-	-	-	(122.0)	(122.0)
<b>Total transactions with owners</b>	-	-	-	(122.0)	(122.0)
<b>At 31 December 2014</b>	<b>1,991.4</b>	<b>63.7</b>	<b>12.9</b>	<b>3,793.2</b>	<b>5,861.2</b>

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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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 year ended 31 December 2014.

Preference share capital

There was no change in the Company's issued preference share capital during the year ended 31 December 2014.

As at 31 December 2014, the maximum number of ordinary shares that may be issued upon full conversion of all the non-redeemable convertible non-cumulative preference shares of the Company ("Preference Shares") at the sole option of the Company is 44,998,898 ordinary shares (31 December 2013: 44,998,898 ordinary shares).

- 1(e)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The Company did not hold any treasury shares as at 31 December 2014 and 31 December 2013.

The total number of issued ordinary shares (excluding treasury shares) as at 31 December 2014 and 31 December 2013 is 909,301,330.

The total number of issued Preference Shares as at 31 December 2014 and 31 December 2013 is 330,874,257.

- 1(e)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the year ended 31 December 2014.

- 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)

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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 year as those applied in the Group's most recently audited financial statements for the year ended 31 December 2013.

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

The Group adopted the following relevant new standards, amendments to standards and interpretations that are effective for financial period beginning on 1 January 2014.

Revised FRS 27 *Separate Financial Statements*

Revised FRS 28 *Investments in Associates and Joint Ventures*

FRS 110 *Consolidated Financial Statements*

FRS 111 *Joint Arrangements*

FRS 112 *Disclosure of Interests in Other Entities*

Amendments to FRS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*

Amendments to FRS 36 *Impairment of Assets: Recoverable Amount Disclosure for Non-Financial Assets*

Amendments to FRS 39 *Financial Instruments: Recognition and Measurement: Novation of Derivatives and Continuation of Hedge Accounting*

INT FRS 121 *Levies*

The adoption of these FRSs did not result in any significant impact on the financial statements of the Group, except for the following:

FRS 112 *Disclosure of Interests in Other Entities*

FRS 112 *Disclosure of Interests in Other Entities*, which sets out the disclosures required to be made in respect of all forms of an entity's interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The adoption of this standard would result in more extensive disclosures being made in the Group's financial statements in respect of its interests in other entities. As FRS 112 is primarily a disclosure standard, there was no financial impact on the results and financial position of the Group and the Company upon adoption of this standard by the Group in 2014.

FRS 110 *Consolidated Financial Statements*

FRS 110 *Consolidated Financial Statements* introduces a single control model with a series of indicators to assess control. In accordance with the transitional provisions of FRS 110, the Group has re-assessed the control conclusion for its investees under the new control model. As a consequence, the Group has consolidated CDL Hospitality Trusts which was previously accounted for as an associate using the equity method.

The change in accounting policy was applied retrospectively and the effects of the Group's comparative for this reporting period arising from the adoption of FRS 110 are as follows:

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

	<b>Full Year Ended 31 December 2013</b>
	\$'000
<u>Income Statement</u>	
Increase in revenue	51,191
Increase in cost of sales	(2,635)
Decrease in other operating income	(1,418)
Decrease in administrative expenses	54,103
Increase in other operating expenses	(3,091)
Increase in finance income	206
Increase in finance costs	(16,279)
Decrease in share of after-tax profit of associates	(26,474)
Increase in income tax expense	(250)
Increase in non-controlling interests	(52,100)
Increase in profit attributable to owners of the Company	<u>3,253</u>
Increase in basic earnings per share (cents)	<u>0.3</u>

	<b>As at 31.12.2013</b>
	\$'000
<u>Statements of Financial Position</u>	
Increase in property, plant and equipment	832,598
Increase in investment properties	375,251
Increase in lease premium prepayment	34,564
Decrease in investments in associates	(228,356)
Decrease in other non-current assets	(6,675)
Increase in trade and other receivables	7,338
Increase in provision for taxation	(28)
Decrease in provisions (current)	7,252
Increase in trade and other payables	(14,175)
Increase in deferred tax liabilities	(321)
Increase in interest-bearing borrowings (net of cash and cash equivalents)	(619,500)
Increase in other liabilities (non-current)	(497)
Increase in net assets	<u>387,451</u>
Decrease in reserves	(113,983)
Increase in non-controlling interests	501,434
Increase in total equity	<u>387,451</u>



# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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

	Fourth Quarter Ended 31 December		Full Year Ended 31 December	
	2014	2013 (Restated)	2014	2013 (Restated)
Basic Earnings per share (cents)	41.6	23.7	83.2	74.0
Diluted Earnings per share (cents)	40.3	23.3	80.6	71.9
Earnings per share is calculated based on:				
a) Profit attributable to equity holders of the parent (S\$'000) (*)	378,392	215,507	756,733	673,337
b) Profit used for computing diluted earnings per share (S\$'000)	384,897	221,977	769,637	686,241
c) Weighted average number of ordinary shares				
in issue:				
- basic	909,301,330	909,301,330	909,301,330	909,301,330
- diluted (**)	954,300,228	954,300,228	954,300,228	954,300,228

\* After deducting preference dividends declared and paid in Q4 2014 of \$6,505,000 (Q4 2013: \$6,470,000) and in full year 2014 of \$12,904,000 (FY 2013: \$12,904,000).

\*\* For computation of diluted earnings per share, the weighted average number of ordinary shares has been adjusted for any dilutive effect of potential ordinary shares arising from the conversion of all preference shares.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares (excluding treasury shares) of the issuer at the end of the:-  
 (a) current financial period reported on; and  
 (b) immediately preceding financial year.

	The Group		The Company	
	31.12.2014	31.12.2013 (Restated)	31.12.2014	31.12.2013
	S\$	S\$	S\$	S\$
Net Asset Value per ordinary share based on the number of issued 909,301,330 ordinary shares (excluding treasury shares) as at 31 December 2014 (909,301,330 ordinary shares (excluding treasury shares) as at 31 December 2013)	9.25	8.50	6.45	5.98

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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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 fourth quarter ended 31 December 2014 (Q4 2014), the Group posted a record attributable profit after tax and non-controlling interests of \$384.9 million (Restated Q4 2013: \$222.0 million), registering a significant increase of 73.4%. This was boosted by the completion of the sale of the present and future cashflows of the dividends and other shareholders' distributions in its wholly-owned subsidiary, Cityview Place Holdings Pte. Ltd. ("Cityview") which owns the W Singapore – Sentosa Cove, Quayside Isle and The Residences at W Singapore – Sentosa Cove. Accordingly, basic earnings per share of the Group increased by 75.5% to 41.6 cents (Restated Q4 2013: 23.7 cents) for Q4 2014.

For the year ended 31 December 2014 (FY 2014), the Group achieved its highest ever revenue of \$3,763.9 million, up 17.1% from 2013. The Group's profit after tax and non-controlling interests also increased by 12.2% to \$769.6 million (Restated FY 2013: \$686.2 million). Basic earnings per share stood at 83.2 cents (Restated FY 2013: 74.0 cents) for FY 2014.

The Group achieved more than \$1 billion pre-tax profit for FY 2014. Profit contribution from the property development segment continued to be the highest for both Q4 and FY 2014. Pre-tax profit for this segment had increased by 46.9% and 28.8% respectively, following the completion of the sale of cashflow of Cityview, coupled with the maiden contributions from several projects namely D'Nest and Jewel @ Buangkok. In addition, the recognition of the entire profit from Blossom Residences Executive Condominium (EC) upon its completion in Q3 2014 had also attributed to the increase for FY 2014.

The hotel operations segment though second in place in terms of pre-tax contribution, delivered a strong performance. Pre-tax profit for this segment increased by 191.1% for Q4 2014 and by 43.7% for FY 2014. This was attributable to profit contribution from three newly acquired hotels, The Chelsea Harbour Hotel, Novotel New York Times Square and the Grand Hotel Palace Rome, and positive performance from recently refurbished hotels. Further, the sale of cashflow of Cityview also contributed to this segment.

The rental properties segment posted lower pre-tax profit for FY 2014 due to the absence of divestment gains from non-core investment properties recognised in FY 2013. The gains in 2013 were mainly from the sale of 100G Pasir Panjang and strata units in Citimac Industrial Complex, Elite Industrial Building I, Elite Industrial Building II and GB Building.

As at 31 December 2014, without considering the fair value surplus of the investment properties, the gearing ratio of the Group remained stable at 26.0% (Restated FY 2013: 25.0%). Its interest cover was at 12.1 times (Restated FY 2013: 13.7 times) for FY 2014.

In addition to final ordinary dividend of 8.0 cents per share, the Board is also recommending a special final ordinary dividend of 4.0 cents per share. Taking into account the special interim dividend of 4.0 cents paid in September 2014, the total dividends for 2014 amounted to 16.0 cents per share.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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## Property

Based on advance estimates, Singapore's economy expanded by 1.5% in Q4 2014 on a year-on-year basis (Q3 2014: 2.8%). On a quarter-on-quarter seasonally-adjusted annualised basis, the economy grew by 1.6% in Q4 2014 (Q3 2014: 3.1%).

For FY 2014, the Singapore economy expanded by 2.8%, compared with the 3.9% growth in 2013. This was at the lower end of Ministry of Trade and Industry's (MTI) revised growth forecast of between 2.5% and 3.5% for 2014.

The construction sector grew by 0.8% on a year-on-year basis in Q4 2014, lower than the 1.3% growth in the previous quarter, reflecting the slowdown in the private sector.

Prices of private residential properties moderated downwards for five consecutive quarters. Urban Redevelopment Authority (URA) data indicated that prices fell by 4.0% in 2014 compared with the 1.1% increase in 2013. Residential Property Price Index (PPI) decreased to 205.7 points in Q4 2014 (Q4 2013: 214.3 points). Rentals of private residential properties also declined by 3.0% year-on-year in 2014, a reversal from the 0.9% increase in 2013 on the back of new supply coming onto the market.

According to URA data, developers sold only 7,316 private residential units (excluding ECs) – a significant drop of 51.1% in 2014 (2013: 14,948 units sold). If ECs are included, developers sold 8,894 units – a fall of 52.0% (2013: 18,536 units sold).

In general, property consultants share the view that sentiment will remain negative in 2015, with private home sales volume expected to hover around 7,000 to 8,000 units.

Despite the tough market conditions, the Group, together with its joint venture associates, sold 1,378 units, including ECs, at a value of about \$1.4 billion, maintaining the Group's position as Singapore's top-selling private sector developer for 2014 (2013: 3,210 units with total sales value of \$3.32 billion).

During the year under review, the Group successfully launched two new joint venture projects in May. The 944-unit Coco Palms at Pasir Ris Grove, is near Pasir Ris MRT station and White Sands Shopping Centre. To date, 80% of the project has been sold. The second development was the 845-unit Commonwealth Towers located adjacent to Queenstown MRT station. With its excellent city fringe location and strong transport connectivity, 85% of the 400 units released for sale have been sold to date. Coco Palms and Commonwealth Towers were respectively the first and second best-selling project for May in terms of sales volume. Coco Palms went on to top the best-selling list for 1H 2014.

For the period under review, profits were booked in from several pre-sold projects such as H<sub>2</sub>O Residences and Jewel @ Buangkok. Profits were also booked in from joint venture projects such as HAUS@SERANGON GARDEN, The Palette, D'Nest, Bartley Residences, Bartley Ridge, The Inflora, Hedges Park and Echelon.

However, no profit was realised from Coco Palms and Commonwealth Towers as well as two fully sold EC projects namely, The Rainforest and Lush Acres.

For the office sector, URA statistics showed that the overall price index for office space increased by 4.5% in 2014 (2013: 5.2%). The overall rental index for office space shot up by 9.8% in 2014, a significant increase versus the 1.3% climb in 2013. The office rental index for the Central Area and the Fringe Area increased by 10.9% and 7.3% respectively.

Island-wide occupancy of office space at the end of 2014 moderated slightly to 89.8% (2013: 90.1%). The Group's portfolio of office space continues to maintain high occupancy at 97.2%.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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South Beach, the Group's mega mixed-used joint venture development on Beach Road, topped-out its 45-storey South Tower (the taller of its two towers) on 2 December 2014. This tower will house a 654-room hotel, designed by famed Philippe Starck, named The South Beach. Offering a unique hospitality experience with a blend of the latest integrated technology and cool design elements, the hotel also has a large ballroom that can cater to over 500 guests, housed in a conserved building. The hotel will enjoy a symbiotic link with Suntec City Convention Centre, with connections built across and under the Nicoll Highway. The hotel General Manager has been appointed, the hotel management team is in place and staff recruitment is ongoing. The hotel is expected to soft open in April 2015, in phases.

The South Tower also houses The South Beach Residences, comprising 190 luxury apartments ranging from approximately 950 square feet (sq ft) for a 2-bedroom unit to over 6,500 sq ft for a 5-bedroom penthouse. Every unit will enjoy panoramic views of the Singapore skyline with stylish fitting and state-of-the-art furnishings. The penthouse will come with private swimming pools. It is expected to be completed in Q4 2015.

South Beach Consortium (SBC) has secured 80% of the leases for the 34-storey North Tower, offering 500,000 sq ft of Grade A office space. SBC is currently in advanced negotiations with potential tenants to take up the remaining 20%. This tower is expected to obtain its Temporary Occupation Permit (TOP) in Q1 2015. Tenants include numerous multi-national companies including Facebook Singapore Pte Ltd, which is the anchor tenant, occupying 70,000 sq ft of space. The first tenant is expected to commence operations in Q1 2015.

Other components of this integrated development such as the 29,000 sq ft South Beach Club and the retail space, are expected to complete in April 2015 and Q4 2015 respectively.

## **Overseas Platforms**

The Group has been actively pursuing real estate development overseas as part of its diversification and expansion strategy.

### **China**

CDL China Limited, a wholly-owned subsidiary of the Group, continues to develop its three projects.

Eling Residences, a 126-unit luxury development located at the peak of Eling Hill in Yuzhong district, Chongqing, has completed all structural works up to the roof. In-situ show units are being completed and landscaping works on site have commenced. This Building and Construction Authority (BCA) Green Mark Platinum awarded project represents the first Green Mark Platinum rating accorded to a residential project in China. Subject to market conditions, the development is targeted for a soft launch in Q2 2015.

The mixed-use project at Huang Huayuan, also located in Yuzhong district, has made good progress both in excavation and retaining wall works. This development will comprise three high-rise residential towers, a 150-room hotel and a mall.

Suzhou Hong Leong City Center (HLCC) is a sizable mixed-use development next to Jinji Lake in Suzhou Industrial Park district. The 462-unit residential tower and the 899-unit SOHO tower, both part of Phase 1, have obtained their respective sales permits and the sales gallery which has two showflats is ready. While the project has not been officially launched, it has garnered many enquiries from the local community and 60 units were transacted with eager buyers in Q4 2014. CDL China will continue to monitor the market conditions in Suzhou and will officially launch Phase 1 at the appropriate time. For Phase 2, the excavation and retaining wall works are progressing smoothly and are expected to be completed in Q1 2015. Phase 2 will encompass a 362-unit residential tower, a hotel with around 300 rooms, a retail mall and an office tower.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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The Group recently gained a foothold in Shanghai in December 2014 via the acquisition of Shanghai Jingwen Zhaoxiang Real Estate Limited (Jingwen), a Shanghai residential real estate developer, for RMB 799 million. Jingwen's completed 120-unit luxury residential development in Qingpu District's affluent residential corridor is built on a 163,837 square metres (sqm) land parcel with lush, well-landscaped greenery. The project was completed in 2013 with total GFA of approximately 48,456 sqm. 85 units remain unsold. The project is undergoing a complete overhaul which will include physical renovations and landscape enhancement. Three new showflats will be built in addition to the two existing ones.

The Group is closely monitoring the market conditions in China and will adopt the appropriate strategies as required. While most cities have lifted the home purchase restrictions and also relaxed the loan restrictions, the market recovery is still uncertain and sales are expected to be muted, although some provinces have recorded more transactions.

## UK

The UK economy is experiencing above trend growth despite easing in the latter part of 2014. With UK growth for 2014 estimated at 2.6%, growth for the year was the best since 2007. Consensus Treasury forecasts predict growth of 2.6% in 2015 before easing to 2.4% in 2016.

London with its politically-stable global economy will outperform the UK generally. Therefore, domestic and international demand for real estate is forecast to continue, leading to capital value growth. Meanwhile, growth in consumer spending is supported by falling oil prices. A note of caution is sounded about rising construction tender prices, but overall the prospects for real estate are positive.

Political events may have an influence in the medium term. A UK general election in May 2015, followed by the London mayoral election in 2016, may have some bearing on real estate. However, the Group expects the underlining strength of the economy to offer some protection from political risk, and it will continue to be diligent in the assessment of new investments, we have reason to be cautiously optimistic about the outlook for London.

Since the Group established its UK real estate platform in 2013, setting aside up to £300 million for investment, to date, it has acquired six prime freehold properties in UK, amounting to an investment of £157 million. These include two sites in Knightsbridge, one each in Croydon, Belgravia, Chelsea and Reading. All these sites are "off-market" deals and they comprise a multi-storey car park site, residential and investment properties.

The Group is planning to market its Reading, Belgravia, Chelsea and Knightsbridge projects in Q2 2015.

The Group, through its indirect subsidiary Pinenorth Properties Limited, has entered into a conditional sale and purchase contract with Haymarket Group Properties Limited to acquire the Teddington Studios land site for £85 million (approximately S\$175.4 million based on an exchange rate of S\$1 to £0.48). The acquisition is expected to be completed in 2H 2015, upon fulfillment of the contractual conditions. The site is strategically located on the banks of the River Thames in south-west London, in one of the prime residential areas of Greater London, this freehold land parcel measures 18,211 sqm (approximately 4.5 acres). Under the current approved planning permission, the Teddington site may be redeveloped into a luxury residential complex with 207 apartments and six houses, with secure underground car parking.

## Japan

In September 2014, the Group seized an extremely rare opportunity to acquire majority interest in a prized freehold land site in Tokyo for 30.5 billion yen (approximately S\$355.5 million). Located in the high-end, prestigious residential enclave of the Shirokane area in Tokyo's Minato ward, where numerous foreign embassies are situated, the expansive 16,815 sqm land parcel includes a mansion, the former residence of Seiko's founder, Mr Kintaro Hattori. The purchase of this landmark site in Japan marks the Group's first foray into residential real estate development in this market and the Group plans to develop luxurious condominiums on this site.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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## Fund Management

The Group has also been attentively developing its funds management products as planned. In December 2014, the Group partnered with investment firm Blackstone's Tactical Opportunities Fund and CIMB Bank Berhad, Labuan Offshore Branch, to create a unique investment platform that will invest in the cashflows of the Group's high quality assets on Sentosa Cove, called the Quayside Collection.

The Quayside Collection comprises hotel, retail and residential components namely W Singapore – Sentosa Cove hotel, Quayside Isle, a waterfront F&B and retail property and the apartments of The Residences at W Singapore – Sentosa Cove. The investment instrument called Profit Participation Securities (PPS) will see investors receive a fixed payout based on 5% interest per annum for a period of five years, in addition to a participation in the cashflows over the period they hold the PPS.

The total aggregated value of PPS is \$750 million, comprising \$281 million subscribed by Astoria Holdings Limited, a wholly-owned subsidiary of the Group; with Blackstone Tactical Opportunities Fund investing \$367 million and CIMB Bank Berhad, Labuan Offshore Branch contributing \$102 million. Concurrently, two banks will provide \$750 million in value of senior loan facilities.

The Group remains a substantial investor in PPS, reflecting its commitment and confidence in the long-term prospects for its Sentosa Cove assets. Through this transaction, a total of \$1.5 billion was raised, enabling the Group to build and deploy capital for its global plans. The PPS demonstrates the Group's capability to bring well-structured products that would create value for its shareholders and for its strategic partners.

## Hotel

Millennium & Copthorne Hotels plc (M&C), in which the Group holds a 61.0% interest, reported net profit after tax and non-controlling interests of £44.0 million for Q4 2014 (Restated Q4 2013: £147.0 million) and £110.0 million for FY 2014 (Restated FY 2013: £224.0 million). The decrease was largely due to the absence of significant revenue and profit from the fully-sold The Glyndebourne condominium project, which were recognised in FY 2013. Basic earnings per share for FY 2014 was 34.0p (Restated FY 2013: 69.4p).

Excluding The Glyndebourne, M&C's FY 2014 revenue increased by 3.8% to £820.0 million (Restated FY 2013: £790.0 million) and profit before tax was up 17.3% to £183.0 million (Restated: £156.0 million), driven by improved Revenue per available room (RevPAR), mainly through acquisitions and hotel refurbishments.

RevPAR increased by 2.8% to £71.55 (FY 2013: £69.58), or by 6.9% in constant currency. M&C's refurbishment programme also benefitted hotel revenue through the return of renovated rooms to the inventory, as well as higher average room rates, especially at Millennium Hotel Minneapolis and Grand Hyatt Taipei, following their refurbishment works. The closure of the poorly performing Millennium Hotel St Louis in January 2014 had also helped to improve RevPAR.

Throughout 2014, M&C remained on alert for acquisition opportunities. In general, prices demanded by owners of hotel assets remained higher than justified by hotel operating performance. Despite this overall trend, M&C succeeded in completing the acquisition of three value-adding properties: an all-suite London hotel now renamed as The Chelsea Harbour Hotel, comprising 154 suites and 4 penthouses for £65 million in March, the 480-room 4-star Novotel New York Times Square for US\$274 million (£161 million) in June; and M&C's first hotel in Italy, a 87-room 5-star hotel now renamed Grand Hotel Palace Rome for €66 million (£51 million) in October.

Altogether, the three acquisitions added £32.0 million to revenue and £6.0 million to operating profit in FY 2014. Proportionately greater contributions are anticipated in 2015, which will be their first full year of ownership by M&C.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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In addition, CDL Hospitality Trusts (CDLHT), M&C's hospitality real estate investment trust associate, acquired two hotels in Tokyo in December 2014, which will be managed under the MyStay brand.

M&C's first hotel in Japan officially opened on 17 December 2014. The new 329-room luxury hotel is located in Tokyo's fashionable Ginza district. Mitsui Fudosan Co., Ltd. operates the hotel as the Millennium Mitsui Garden Hotel Tokyo under a fixed-term lease and licensing arrangement. M&C co-own the freehold and leasehold interests in the property through a joint venture with the Group.

In December 2014, Urban Environmental Improvement (UEI) approval was granted for M&C's land in Seoul, South Korea to be used for lodging facilities. Also granted was UEI approval of the floor area ratio, footprint ratio and building height for a proposed hotel and serviced apartment construction project under consideration by M&C.

M&C is considering its options with regard to its freehold interest in Millennium Hotel St Louis, which closed in January 2014. The property occupies a 17,033 sqm site in the city. Additionally, it is also considering its options with respect to its freehold interest in a 35,717 sqm mixed use land site in Sunnyvale, California.

Apart from acquisitions and new developments, M&C regards prudent investment in the existing hotel portfolio as a means to improve return on capital. Such investment decisions are made with the utmost care, avoiding excessive disruption to current trading. Investment is also dependent on local planning constraints and permissions, which can delay individual projects.

In addition to standard maintenance expenditure across the estate, M&C invested £42.0 million in existing properties in 2014. Most of this investment was accounted for by the continuing refurbishment of the 853-room Grand Hyatt Taipei – M&C's largest hotel in Asia. The remaining work on the common areas of the property will conclude in 2015.

M&C also completed the refurbishment of its 125-room hotel in Arizona and all 100 rooms in the main tower of Millennium Harvest House in Boulder. On 1 October 2014, the former Millennium Resort and Villas Scottsdale was re-opened as The McCormick Scottsdale after a three-month closure over the normally quiet summer months.

Elsewhere, refurbishment projects are in process at Millennium Bailey's Hotel London, Millennium Hotel Buffalo, Millennium Hotel Anchorage and Millennium Biltmore Hotel Los Angeles. A number of significant refurbishment projects affecting other M&C properties are being planned.

M&C's associate, First Sponsor Group Limited (FSGL), was listed on the Singapore Exchange on 22 July 2014. FSGL will continue to be an important part of M&C's strategy for growing its presence in China, through managing hotels that are developed and owned by FSGL in the course of its work as an international mixed use real estate developer. As at 31 December 2014, M&C managed one property owned by FSGL – the 196-room M Hotel Chengdu. The 610-room Millennium Waterfront Chengdu Hotel is scheduled to open in Chengdu's Wenjiang district in 2017. Further properties are at the planning stage.

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

The Group's performance for the year under review is in line with its expectations as disclosed in the announcement of results for the third quarter and nine months ended 30 September 2014.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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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

With the challenging regulatory environment, residential property prices in Singapore are expected to continue to moderate across all market segments. The various Government cooling measures, in particular the total debt service ratio (TDSR) framework and additional buyer stamp duty (ABSD), have adversely impacted both sales volumes and prices of residential units. Average residential rents across all market segments are on the decline, coupled with a weak secondary market.

By contrast, land prices for public Government Land Sales (GLS) tenders have remained relatively resilient. While the number of bidders and the tender bids have generally moderated for sites that are not considered prime, the demand for prime sites has stayed relatively strong. Tender bids for sites with good locational attributes continued to be very competitive, typically drawing more than 10 bidders each time. The demand for GLS sites underpins the pressure on developers to replenish their depleting land banks.

Upward pressure on GLS tender prices also seems in part attributable to the restrictions imposed by Qualifying Certificates (QC) which apply to the private land market, leading many listed local developers to rely on the GLS programme for land bank replenishment, often in competition with foreign developers' participation.

Given the Government property cooling measures, tighter credit environment, incoming supply of completed residential units and the possibility of continued rising interest rates, demand in the residential market is likely to remain subdued and residential prices are likely to continue to moderate further.

While the operating environment is expected to remain challenging, the Group will continue to maintain discipline in its investment approach to land or property acquisitions in Singapore and abroad.

The Group intends to launch two new projects in the coming months. The first is a 638-unit EC at Canberra Drive, next to the future Canberra MRT station. Comprising 2-bedroom to 5-bedroom types, with eight 10 to 12-storey blocks, this contemporary development is inspired by "Manhattan"-style living, with generous internal spaces and a thematically arranged recreational landscape. For this project, the Group will also introduce the use of Prefabricated Prefinished Volumetric Construction (PPVC), a game-changing technology for large-scale residential development which will make a quantum leap in construction productivity, worksite safety and quality control. This will likely be the largest application of PPVC in the world, and the first of its kind in Asia.

The second project is Gramercy Park, a 174-unit freehold development located along Grange Road in prime district 10, minutes away from Orchard Road and the CBD. Comprising two iconic sculptural towers, it is designed by world renowned architecture firm, NBBJ of New York. It is beautifully landscaped with a large sculptural garden, nature-inspired walking trail and a sculptural function room overlooking the 50-metre lap pool with jacuzzi. With a choice of 2-bedroom to 4-bedroom apartments and penthouses, all units are greeted by a private lift lobby with spacious, well-appointed interiors and premium finishes.

According to the Monetary Authority of Singapore (MAS), the global economic outlook is mixed and growth will be uneven across regions. The US is expected to see stronger growth relative to the other developed economies with improving private consumption in 2015. An expected US-led recovery will benefit the export-oriented ASEAN economies. However, such recovery will be partly offset by economic weaknesses in the Eurozone, Japan and China. The MAS is forecasting growth in the Singapore economy to remain moderate at between 2.0% and 4.0% for 2015.



# **CITY DEVELOPMENTS LIMITED**

(REG. NO. 196300316Z)

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The World Bank has ranked Singapore as the world's easiest place to do business in 2014. Similarly, the World Economic Forum ranked Singapore the second most competitive city in the world in 2014. Singapore has continued to remain attractive for investments and talent, thus maintaining its global financial and commercial hub status. In the long run, as global economic gravity continues to shift to Asia and as trade within North Asia and South East Asia grows, Singapore is well-positioned to become a leading global city. With such positive potential, the prospects for the office market and especially for Grade-A office will remain highly favourable.

Property consultants expect the supply of office space to remain tight until the second half of 2016. Vacancy is expected to remain low for the short-term and office rents should continue to rise, albeit at a moderated pace.

## **Hotel**

In the year ahead, M&C will focus on ownership and management of hospitality real estate assets and will also commit significant capital to the refurbishment of key gateway city and other properties. Its strong financial position affords it the ability to continue seeking out attractive acquisition opportunities.

Subject to ongoing concern about the sustainability of economic recovery and other factors affecting world travel and hospitality markets, M&C is well positioned to generate further improvements in operating performance in 2015. M&C's Global RevPAR for January 2015 increased by 6.9% on a reported currency basis.

Mr Aloysius Lee joins M&C as its Chief Executive Officer (CEO) designate on 1 February 2015 and will take full control on 1 March 2015, succeeding Mr Wong Hong Ren who will step down as M&C's CEO and from the M&C Board.

## **Group Prospects**

In 2014, the Group made very deliberate efforts to focus on its diversification strategy via both geographic expansion and development of new investment platforms.

In keeping with these objectives, the Group has acquired approximately \$1.3 billion worth of assets in US, UK, Italy, Japan and China in 2014; and additionally, also created new products in fund management such as the PPS platform. The Group has demonstrated its ability to be nimble and innovative, building value for its shareholders. Reinforcing these developments has been the injection of fresh perspectives via new senior management appointments.

Headwinds are expected to persist for the domestic market. The health of the global economic landscape remains fragile. Despite these uncertainties, there will always be pockets of opportunity and the Group remains poised to capitalise on this down cycle, to build on its capabilities, expand geographically, diversify its suite of products and create its own opportunities both locally and abroad.

# 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 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	Special Interim Tax exempt (One-tier) 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.

Subject to ordinary shareholders' approval at the Annual General Meeting to be held on 22 April 2015, the following Ordinary dividend has been proposed:

Name of Dividend	Proposed Final Tax-exempt (One-tier) Ordinary Dividend	Proposed Special Final Tax-exempt (One-tier) Ordinary Dividend
Dividend Type	Cash	Cash
Dividend Amount (in cents)	8.0 cents per Ordinary Share	4.0 cents per Ordinary Share

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

**(c) Corresponding Period of the Immediately Preceding Financial Year**

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

Yes.

Name of Dividend	Tax exempt (One-tier) Preference Dividend	
Date of Payment	1 July 2013	31 December 2013
Dividend Type	Cash	Cash
Dividend Amount (in cents)	1.94 cents per Preference Share <sup>^^</sup>	1.96 cents per Preference Share <sup>^^</sup>
Dividend rate (in %)	3.9% per annum on the issue price of each Preference Share	3.9% per annum on the issue price of each Preference Share
Dividend Period	From 31 December 2012 to 30 June 2013 (both dates inclusive)	From 1 July 2013 to 30 December 2013 (both dates inclusive)
Issue Price	\$1.00 per Preference Share	\$1.00 per Preference Share

Name of Dividend	Special Interim Tax-exempt (One-tier) Ordinary Dividend	Final Tax-exempt (One-tier) Ordinary Dividend
Date of payment	5 September 2013	20 May 2014
Dividend Type	Cash	Cash
Dividend Amount (in cents)	8.0 cents per Ordinary Share	8.0 cents per Ordinary 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.

**(d) Date payable**

Subject to ordinary shareholders' approval at the Annual General Meeting to be held on 22 April 2015, the proposed final and special final Ordinary dividends for financial year ended 31 December 2014 will be payable on 20 May 2015.

**(d) Books Closure Date**

5.00 pm on 5 May 2015.

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

Not applicable.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

## 13. Interested Person Transactions

Interested Persons	Aggregate value of all interested person transactions conducted for FY 2014 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></p> <p>(a) provision to/by interested persons of</p> <p style="padding-left: 20px;">(i) project management services;</p> <p style="padding-left: 20px;">(ii) marketing services; and</p> <p style="padding-left: 20px;">(iii) property management and maintenance services</p> <p>(b) lease of premises to interested persons</p> <p style="text-align: right;">\$17,431,968.97</p> <p><u>Management and Support Services</u></p> <p>(a) provision to interested persons of</p> <p style="padding-left: 20px;">(i) accounting and administrative services; and</p> <p style="padding-left: 20px;">(ii) financial services</p> <p style="text-align: right;">\$1,211,291.00</p> <p><u>Financial and Treasury Transactions</u></p> <p>(a) Borrowing of funds from interested person</p> <p style="text-align: right;">\$151,515.00</p> <p><b>Total:</b> <span style="float: right;"><b>\$18,794,774.97</b></span></p>
Directors and their immediate family members	Nil

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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

## Segmental Analysis

	<b>The Group</b>			
	<b>Fourth quarter ended</b>		<b>Full year ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>(Restated)</b>		<b>(Restated)</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>Revenue</u></b>				
Property Development	246,394	253,555	1,581,158	1,198,084
Hotel Operations	464,066	412,457	1,678,343	1,529,381
Rental Properties	102,736	97,877	384,655	378,883
Others	33,737	24,831	119,782	106,989
	<u>846,933</u>	<u>788,720</u>	<u>3,763,938</u>	<u>3,213,337</u>
<b><u>Profit/(Loss) before income tax (*)</u></b>				
Property Development	251,273	171,090	531,620	412,906
Hotel Operations	139,182	47,813	332,791	231,623
Rental Properties	40,900	44,500	145,918	283,621
Others	5,787	7,462	(6,599)	19,902
	<u>437,142</u>	<u>270,865</u>	<u>1,003,730</u>	<u>948,052</u>

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

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

## Segmental results for full year ended 31 December

	Property Development S\$'000	Hotel Operations S\$'000	Rental Properties S\$'000	Others S\$'000	Total S\$'000
<b>FY 2014</b>					
<b>External revenue</b>	<b>1,581,158</b>	<b>1,678,343</b>	<b>384,655</b>	<b>119,782</b>	<b>3,763,938</b>
<b>Results</b>					
Profit from operations	511,774	342,024	180,722	4,900	1,039,420
Share of after-tax profit/(loss) of associates and joint ventures	44,197	15,788	(3,522)	(1,668)	54,795
Profit before income tax and net finance costs	555,971	357,812	177,200	3,232	1,094,215
Finance income	25,078	7,148	1,716	6,606	40,548
Finance costs	(49,429)	(32,169)	(32,998)	(16,437)	(131,033)
Net finance costs	(24,351)	(25,021)	(31,282)	(9,831)	(90,485)
<b>Reportable segment profit/(loss) before income tax</b>	<b>531,620</b>	<b>332,791</b>	<b>145,918</b>	<b>(6,599)</b>	<b>1,003,730</b>
<b>FY 2013 (Restated)</b>					
<b>External revenue</b>	<b>1,198,084</b>	<b>1,529,381</b>	<b>378,883</b>	<b>106,989</b>	<b>3,213,337</b>
<b>Results</b>					
Profit from operations	388,310	235,026	325,860	18,840	968,036
Share of after-tax profit/(loss) of associates and joint ventures	30,428	16,986	(9,513)	3,467	41,368
Profit before income tax and net finance costs	418,738	252,012	316,347	22,307	1,009,404
Finance income	13,579	5,629	2,017	9,420	30,645
Finance costs	(19,411)	(26,018)	(34,743)	(11,825)	(91,997)
Net finance costs	(5,832)	(20,389)	(32,726)	(2,405)	(61,352)
<b>Reportable segment profit before income tax</b>	<b>412,906</b>	<b>231,623</b>	<b>283,621</b>	<b>19,902</b>	<b>948,052</b>

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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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 remained relatively stable at \$246.4 million (Q4 2013: \$253.6 million) for Q4 2014 but increased by \$383.1 million to \$1,581.2 million (FY 2013: \$1,198.1 million) for FY 2014.

Pre-tax profits increased by \$80.2 million to \$251.3 million (Q4 2013: \$171.1 million) for Q4 2014 and \$118.7 million to \$531.6 million (FY 2013: \$412.9 million) for FY 2014.

Projects that contributed to both revenue and profit for 2014 include 368 Thomson, Buckley Classique, The Glyndebourne, H<sub>2</sub>O Residences, HAUS@SERANGOON GARDEN, The Palette, Jewel @ Buangkok, UP@Robertson Quay, D'Nest, Blossom Residences and The Venue Residences and Shoppes. 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 Hedges Park, The Inflora, Bartley Residences, Bartley Ridge and Echelon have not been consolidated into the Group's total revenue, the Group's share of profits arising from such joint venture development has been included in pre-tax profit.

The significant increase in revenue for FY 2014 was primarily due to the full revenue recognition from an executive condominium (EC), Blossom Residences 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, maiden contribution from Jewel @ Buangkok and D'Nest together with higher contribution from H<sub>2</sub>O Residences and The Palette also attributed to the increase. The increase was however partially offset by absence of contributions from Hundred Trees, Cube 8 and Tree House that were completed in 2013 as well as lower contribution from The Glyndebourne and 368 Thomson.

Though Q4 2014 revenue was steady, pre-tax profit for this quarter reported an increase of 46.9% as compared to Q4 2013. This was largely due to the recognition of a gain arising from loss of control in Cityview Place Holdings Pte. Ltd. ("Cityview") following the completion of the sale of its cashflow. Substantial portion of the gain was accounted under this segment as Cityview owns the apartments at The Residences at W Singapore – Sentosa Cove. This increase was however partially offset by allowances for foreseeable losses made in Q4 2014 for certain Singapore residential projects.

The increase in pre-tax profit for FY 2014 was in-line with the higher revenue achieved coupled with the sale of cashflow of Cityview but partially offset by allowance for foreseeable losses made.

## Hotel Operations

Revenue for this segment increased by \$51.6 million to \$464.1 million (Restated Q4 2013: \$412.5 million) for Q4 2014 and \$148.9 million to \$1,678.3 million (Restated FY 2013: \$1,529.4 million) for FY 2014 whilst pre-tax profits increased by \$91.4 million to \$139.2 million (Restated Q4 2013: \$47.8 million) for Q4 2014 and \$101.2 million to \$332.8 million (Restated FY 2013: \$231.6 million) for FY 2014.

The increase in revenue for Q4 2014 and FY 2014 were primarily due to contributions from three newly acquired hotels, namely, The Chelsea Harbour Hotel, Novotel New York Times Square and Grand Hotel Palace Rome, and higher contribution from recently refurbished hotels, including Grand Hyatt Taipei and Millennium Hotel Minneapolis. RevPAR in all regions, except Singapore, had shown improvement with the United States and Australasia being the strongest performance regions.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

The increases in pre-tax profit for Q4 2014 and FY 2014 were in tandem with the increases in revenue as well as a result of tight cost control and closure of the unprofitable Millennium St Louis in January 2014. In addition, a portion of the gain arising from the loss of control in Cityview was accounted under this segment as it owns W Singapore - Sentosa Cove. Further, there was no impairment loss made on hotel this year as compared to an impairment of \$23.7 million made in 2013 on a hotel in United States.

## Rental Properties

Revenue for this segment remained relatively steady at \$102.7 million (Restated Q4 2013: \$97.9 million) for Q4 2014 and at \$384.7 million (Restated FY 2013: \$378.9 million) for FY 2014.

Pre-tax profit remained relatively flat at \$40.9 million (Restated Q4 2013: \$44.5 million) for Q4 2014 but decreased by \$137.7 million to \$145.9 million (Restated FY 2013: \$283.6 million) for FY 2014.

The decrease in pre-tax profit for FY 2014 was primarily attributed to absence of substantial gains on disposal of non-core investment properties. In 2013, profit was recognised from the sale of an industrial site at 100G Pasir Panjang, disposal of equity interest in a subsidiary, several strata units in Citimac Industrial Complex, Elite Industrial Building I, Elite Industrial Building II and 2 strata floors of GB Building. The decrease was however offset by a portion of gain recognised from loss of control in Cityview being accounted under this segment as it owns Quayside Isle, coupled with no impairment made on investment properties this year. Last year, an impairment of \$2.3 million was provided on an investment property located in Japan.

## Others

Revenue, comprising mainly income from building maintenance contracts, project management, club operations and dividend income, increased by \$8.9 million to \$33.7 million (Q4 2013: \$24.8 million) for Q4 2014 and \$12.8 million to \$119.8 million (FY 2013: \$107.0 million) for FY 2014 due to higher management fee income.

Pre-tax profit for this segment remained relatively steady at \$5.8 million (Q4 2013: \$7.5 million) for Q4 2014 but reported a pre-tax loss of \$6.6 million (FY 2013: pre-tax profit of \$19.9 million) for FY 2014. The loss for FY 2014 was mainly attributable to impairment loss made on an available-for-sale financial asset. In addition, the Group's share of loss in its associate, First Sponsor Group Limited in FY 2014 vis-à-vis share of its profit last year had also attributed to the loss.

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

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

	<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 are subject to the approval of ordinary shareholders at the forthcoming Annual General Meeting and the dividend amounts are based on the number of issued ordinary shares as at 31 December 2014.



# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

## 17. A breakdown of sales

	2014	2013	Incr/(Decr)
	S\$'000	(Restated) S\$'000	%
a) <b>Revenue</b>			
- First half	1,595,387	1,589,711	0
- Second half	2,168,551	1,623,626	34
	<u>3,763,938</u>	<u>3,213,337</u>	17
b) <b>Operating profit after tax before deducting non-controlling interests</b>			
- First half	318,844	439,826	(28)
- Second half	589,789	438,663	34
	<u>908,633</u>	<u>878,489</u>	3

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

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

- City e-Solutions Limited ("CES"),
- M&C REIT Management Limited ("M&CREIT"), manager of CDL Hospitality Real Estate Investment Trust ("H-REIT")
- M&C Business Trust Management Limited ("M&CBTM"), trustee-manager of CDL Hospitality Business Trust ("HBT")
- Millennium & Cophorne International Limited ("MCIL")
- CDL China Limited ("CDL China")

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr Kwek Leng Beng	74	Brother of Mr Kwek Leng Joo.  Cousin of Mr Kwek Leng Peck.	<b>CDL</b> Executive Chairman of CDL with effect from 1 January 1995, with executive powers over the overall business operations and management of CDL.	N.A.
			<b>CES</b> Chairman and Managing Director of CES since 1989, responsible for the overall management of CES.	N.A.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr Kwek Leng Joo	61	Brother of Mr Kwek Leng Beng. Cousin of Mr Kwek Leng Peck.	<b>CDL</b> Appointed Deputy Chairman of CDL with effect from 17 February 2014. Assists the Executive Chairman and undertakes any other roles assigned by the Board while focusing on product innovation, and continues to provide leadership on corporate social responsibility (CSR) and sustainability initiatives as well as corporate governance matters.  <b>CES</b> Executive Director since 1989.	Mr Kwek relinquished his position as Managing Director and assumed his role as Deputy Chairman with effect from 17 February 2014. He remains an Executive Director of CDL.  N.A.
Mr Vincent Yeo Wee Eng	46	Nephew of Messrs Kwek Leng Beng, Kwek Leng Joo and Kwek Leng Peck.	<b>M&amp;CREIT/M&amp;CBTM</b> Director and Chief Executive Officer of M&CREIT (as manager of H-REIT) and M&CBTM (as trustee-manager of HBT) with effect from 17 May 2006 and 19 July 2006 respectively. Responsible for working within the M&CREIT and M&CBTM Board to determine overall business, investment and operational strategies for H-REIT and HBT.	N.A.
Mr Chia Fook Fie	66	Brother-in-law of Mr Kwek Leng Peck.	<b>MCIL</b> Director of Procurement, MCIL, overseeing the operations in central procurement office since February 2002.	N.A.

# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr Sherman Kwek Eik Tse	38	Son of Mr Kwek Leng Beng.  Nephew of Messrs Kwek Leng Joo and Kwek Leng Peck.	<p><b>CDL</b> Chief Investment Officer of CDL with effect from 14 April 2014. Responsible for the sourcing and execution of new investment opportunities with emphasis on overseas markets.</p> <p><b>CDL China</b> Chief Executive Officer and Director with effect from 11 August 2010 and 7 October 2010 respectively. Responsible for the overall management of CDL China's investments and operations.</p> <p><b>CES</b> Chief Executive Officer of CES with effect from 1 November 2008.</p>	<p>Mr Sherman Kwek was appointed as Chief Investment Officer with effect from 14 April 2014.</p> <p>N.A.</p> <p>Mr Sherman Kwek will be stepping down as Chief Executive Officer of CES with effect from 2 March 2015.</p>
Mr Kwek Eik Sheng	33	Son of Mr Kwek Leng Joo.  Nephew of Messrs Kwek Leng Beng and Kwek Leng Peck.	<p><b>CDL</b> Appointed Chief Strategy Officer with effect from 14 April 2014. Supports CDL's Chief Executive Officer in investment analysis and formulation of business strategies for the CDL Group.</p>	<p>Mr Kwek Eik Sheng assumed the new appointment as Chief Strategy Officer with effect from 14 April 2014, whereupon he ceased his role as Head, Corporate Development in CDL.</p>

## BY ORDER OF THE BOARD

Shufen Loh @ Catherine Shufen Loh  
Company Secretary  
16 February 2015