Financial Statements and Related Announcement::First Quarter Results

Issuer & Securities

Issuer/ Manager	CITY DEVELOPMENTS LIMITED
Securities	CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09
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Announcement Details

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Additional Details

For Financial Period Ended	31/03/2015

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CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH 2015

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

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

These figures have not been audited.

	The Group Three months ended 31 March 2015 S$'000	2014 S$'000	Incr/ (Decr) %
Revenue	814,939	734,238	11.0
Cost of sales	(444,404)	(379,418)	17.1
Gross profit	370,535	354,820	4.4
Other operating income [(2)]	838	1,226	(31.6)
Administrative expenses [(3)]	(128,070)	(112,588)	13.8
Other operating expenses [(4)]	(97,785)	(84,648)	15.5
Profit from operating activities	145,518	158,810	(8.4)
Finance income [(5)]	11,604	8,609	34.8
Finance costs [(6)]	(30,654)	(26,825)	14.3
Net finance costs	(19,050)	(18,216)	4.6
Share of after-tax profit/(loss) of associates [(7)]	3,713	(1,254)	NM
Share of after-tax profit of joint ventures [(8)]	38,483	17,410	121.0
Profit before income tax [(1)]	168,664	156,750	7.6
Income tax expense [(9)]	(24,634)	(14,359)	71.6
Profit for the period	144,030	142,391	1.2
Attributable to:			
Owners of the Company	**123,029**	**119,665**	2.8
Non-controlling interests	21,001	22,726	(7.6)
Profit for the period	144,030	142,391	1.2
Earnings per share			
- basic	13.5 cents	13.2 cents	2.3
- diluted	12.9 cents	12.5 cents	3.2

NM: Not meaningful

Notes to the Group's Income Statement:

(1) Profit before income tax includes the following:

	The Group Three months ended 31 March	
	2015	**2014**
	S$'000	**S$'000**
Interest income	11,345	7,717
Profit on sale of investment property and property, plant and equipment (net)	10	101
Investment income	1,284	222
Gain on liquidation of investment in a subsidiary	483	-
Net change in fair value of financial assets held for trading	181	(1,059)
Net exchange loss	(658)	(2,169)
Depreciation and amortisation	(51,045)	(46,271)
Interest expenses	(27,905)	(21,670)
Impairment loss on loans to a joint venture	(258)	(240)

(2) Other operating income comprises mainly management fee, miscellaneous income and profit on sale of a small non-core investment property and property, plant and equipment.

(3) Administrative expenses comprise primarily depreciation, hotel administrative expenses, operating lease expenses and salaries and related expenses, increased by $15.5 million to $128.1 million (Q1 2014: $112.6 million) for Q1 2015. The increase was largely due to higher salaries and related expenses and depreciation arising from the acquisition of 5 hotels by the Group’s subsidiaries in 2014. In addition, those hotels that were recently refurbished also contributed to the higher depreciation.

(4) Other operating expenses comprise mainly property taxes and insurance on hotels, other operating expenses on hotels, net exchange differences and professional fees. Other operating expenses increased by $13.2 million to $97.8 million (Q1 2014: $84.6 million) for Q1 2015. The increase was due to higher professional fees and property tax and insurance incurred, coupled with increased other hotel operating expenses in tandem with the 5 hotels acquired last year.

(5) Finance income comprising mainly interest income and fair value gain on financial assets held for trading, increased by $3.0 million to $11.6 million (Q1 2014: $8.6 million) for Q1 2015 due to higher interest income earned.

(6) Finance costs, comprise primarily interest on borrowings, fair value loss on financial assets held for trading and amortisation of capitalised transaction costs on borrowings. Finance costs increased by $3.9 million to $30.7 million (Q1 2014: $26.8 million) for Q1 2015 due to higher interest expenses incurred on increased average borrowings, partially mitigated by fair value gain recorded on financial assets held for trading for the current period vis-à-vis fair value loss in Q1 2014.

(7) Share of after-tax profit of associates of $3.7 million (Q1 2014: loss of $1.3 million) for Q1 2015 relates primarily to the Group’s share of results of First Sponsor Group Limited (FSGL). FSGL achieved a profit for Q1 2015 as compared to a loss for the corresponding period in 2014. This was primarily due to continued growth in its property financing business in China which generated higher interest income on secured entrusted loans granted to third parties due to a larger loan portfolio in Q1 2015 as well as recognition of a net investment return from a PRC government linked entity.

(8) Share of after-tax profit from joint ventures increased by $21.1 million to $38.5 million (Q1 2014: $17.4 million) mainly due to profit recognition in entirety from an executive condominium (EC), The Rainforest which obtained Temporary Occupation Permit (TOP) in March 2015. Under prevailing accounting standards, profit for sale of EC is recognised in entirety only upon TOP obtained. The increase was partially offset by reduced contribution from Echelon and Bartley Residences.

(9) Income tax expense for the period is derived at by applying the varying statutory tax rates on the taxable profits/(losses) and taxable/deductible temporary differences of the different countries in which the Group operates, and after adjustment for underprovision of taxation in prior periods of $0.3 million (Q1 2014: overprovision of $6.1 million).

The overall effective tax rate of the Group for Q1 2015 was 14.6% (Q1 2014: 9.2%). Excluding the under/(over) provision in respect of prior periods, the effective tax rate of the Group for Q1 2015 would be 14.5 % (Q1 2014: 13.1%).

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

	Note	The Group		The Company	
		As at 31.03.2015 S$'000	As at 31.12.2014 S$'000	As at 31.03.2015 S$'000	As at 31.12.2014 S$'000
Non-current assets					
Property, plant and equipment		4,991,497	4,918,273	9,984	10,138
Investment properties		3,121,548	3,109,176	499,512	502,405
Lease premium prepayment		122,236	119,170	-	-
Investments in subsidiaries		-	-	2,217,026	2,217,026
Investments in associates		322,151	307,390	-	-
Investments in joint ventures		866,488	821,088	36,360	36,360
Financial assets		74,956	76,460	28,144	28,419
Other non-current assets		21,482	19,646	466,931	461,766
		9,520,358	**9,371,203**	**3,257,957**	**3,256,114**
Current assets					
Lease premium prepayment		3,961	3,833	-	-
Development properties	(1)	4,968,305	4,792,947	422,653	363,279
Consumable stocks		10,671	11,181	-	1
Financial assets		35,754	35,232	-	-
Trade and other receivables		1,587,231	1,588,550	5,528,841	5,476,029
Cash and cash equivalents		3,662,235	3,897,574	1,992,956	2,118,494
		10,268,157	**10,329,317**	**7,944,450**	**7,957,803**
Total assets		**19,788,515**	**19,700,520**	**11,202,407**	**11,213,917**
Equity attributable to Owners of the Company					
Share capital		1,991,397	1,991,397	1,991,397	1,991,397
Reserves		6,583,423	6,418,730	3,915,909	3,869,847
		8,574,820	8,410,127	5,907,306	5,861,244
Non-controlling interests		2,355,043	2,365,474	-	-
Total equity		**10,929,863**	**10,775,601**	**5,907,306**	**5,861,244**
Non-current liabilities					
Interest-bearing borrowings*		4,126,755	4,466,222	2,146,850	2,395,948
Employee benefits		32,442	31,071	-	-
Other liabilities		148,700	136,522	241,201	239,318
Provisions		17,452	16,930	-	-
Deferred tax liabilities		319,568	316,855	48,813	47,750
		4,644,917	**4,967,600**	**2,436,864**	**2,683,016**
Current liabilities					
Trade and other payables		1,488,125	1,469,971	1,722,453	1,770,727
Interest-bearing borrowings*		2,465,498	2,232,926	1,090,029	859,124
Employee benefits		21,686	20,024	3,148	2,971
Provision for taxation		197,933	193,905	42,607	36,835
Provisions		40,493	40,493	-	-
		4,213,735	**3,957,319**	**2,858,237**	**2,669,657**
Total liabilities		**8,858,652**	**8,924,919**	**5,295,101**	**5,352,673**
Total equity and liabilities		**19,788,515**	**19,700,520**	**11,202,407**	**11,213,917**

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

<u>Note to the statement of financial position of the Group</u>

1) The increase was mainly due to the development expenditure incurred in Q1 2015 for The Palette, D'Nest, Coco Palms, Gramercy Park, an Executive Condominium in Yishun and a residential project in Tokyo.

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 31.03.2015 S$'000	As at 31.12.2014 S$'000
Unsecured			
- repayable within one year		2,115,614	1,984,049
- repayable after one year		3,270,625	3,583,759
	(a)	5,386,239	5,567,808
Secured			
- repayable within one year		352,998	252,679
- repayable after one year		872,730	897,106
	(b)	1,225,728	1,149,785
Gross borrowings	(a) + (b)	6,611,967	6,717,593
Less: cash and cash equivalents as shown in the statement of financial position		(3,662,235)	(3,897,574)
Net borrowings		2,949,732	2,820,019

Details of any collateral

Where secured, borrowings are collateralised by:

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

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.

	Three months ended 31 March	
	2015	**2014**
	S$'000	**S$'000**
Operating Activities		
Profit for the period	144,030	142,391
Adjustments for:		
Depreciation and amortisation	51,045	46,271
Dividend income	(1,284)	(222)
Equity settled share-based transactions	618	630
Finance costs	30,654	26,825
Finance income	(11,604)	(8,609)
Gain on liquidation of investment in a subsidiary	(483)	-
Impairment loss on loans to a joint venture	258	240
Income tax expense	24,634	14,359
Profit on sale of property, plant and equipment and investment property	(10)	(101)
Property, plant and equipment written off	57	-
Share of after-tax (profit)/loss of associates	(3,713)	1,254
Share of after-tax profit of joint ventures	(38,483)	(17,410)
Operating profit before working capital changes	195,719	205,628
Changes in working capital		
Development properties	(162,521)	(121,877)
Stocks, trade and other receivables	26,972	(23,129)
Trade and other payables	38,969	32,447
Employee benefits	4,753	204
Cash generated from operations	103,892	93,273
Income tax (paid)/refund	(14,621)	9,921
Cash flows from operating activities carried forward	**89,271**	**103,194**

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	Three months ended 31 March	
	2015	2014
	S$'000	S$'000
Cash flows from operating activities brought forward	**89,271**	**103,194**
Investing Activities		
Acquisition of subsidiaries (net of cash acquired) [(1)]	(5,027)	-
Capital expenditure on investment properties	(8,279)	(11,404)
Dividends received		
- an associate	22	46
- financial investments	1,284	222
- joint ventures	2,632	4,354
Interest received	7,078	4,766
Increase in investments in associates [(2)]	-	(86,759)
Increase in investments in joint ventures	(4,208)	-
Increase in lease premium prepayment	(73)	-
Payments for purchase of property, plant and equipment [(3)]	(32,646)	(165,108)
Proceeds from sale of property, plant and equipment	42	117
Disposal of/(Purchase of) and distribution of income from financial assets	2,730	(2,249)
Cash flows used in investing activities	**(36,445)**	**(256,015)**
Financing Activities		
Acquisition of non-controlling interests	(41,329)	-
Capital contribution by non-controlling interests	111	-
Decrease in deposits pledged to financial institutions	85,040	-
Dividends paid	(36,384)	(35,200)
Finance lease payments	(168)	(10)
Interest paid (including amounts capitalised as investment properties, property, plant and equipment and development properties)	(41,212)	(28,320)
Net proceeds from revolving credit facilities and short-term bank borrowings	43,034	156,693
Net increase in amount owing by related parties	(949)	(6,957)
Payment of financing transaction costs	(3,803)	(3,851)
Payment on settlement of financial instruments	-	(1,158)
Proceeds from borrowings	29,040	85,017
Proceeds from issuance of bonds and notes	118,650	350,000
Repayment of bank borrowings	(321,353)	(32,692)
Repayment of bonds and notes	(50,000)	(55,000)
Repayment of other long-term liabilities	-	(33)
Cash flows (used in)/from financing activities [(4)]	**(219,323)**	**428,489**
Net (decrease)/increase in cash and cash equivalents	**(166,497)**	**275,668**
Cash and cash equivalents at beginning of the period	3,724,731	2,718,405
Effect of exchange rate changes on balances held in foreign currencies	20,858	2,372
Cash and cash equivalents at end of the period	**3,579,092**	**2,996,445**
Cash and cash equivalents comprise:-		
Cash and cash equivalents as shown in the statement of financial position	3,662,235	3,344,654
Less: Deposits pledged to a financial institution	(80,682)	-
Less: Bank overdrafts	(2,461)	(348,209)
	3,579,092	**2,996,445**

Notes to the statement of cash flows

(1) The cash outflows for Q1 2015 relates to partial payment made in relation to the acquisition of 2 Singapore entities by the Group in January 2015.

(2) The cash outflows for Q1 2014 relate to additional investments in First Sponsor Capital Limited.

(3) The significant cash outflows for Q1 2014 relates mainly to the acquisition of The Chelsea Harbour Hotel in March 2014.

(4) The Group had a net cash outflows from financing activities of $219.3 million (Q1 2014: net cash inflows of $428.5 million) for Q1 2015 due to net repayment of borrowings of $180.6 million in the current quarter vis-à-vis net proceeds from borrowings of $504.0 million in Q1 2014. In addition, the purchase of shares in Millennium & Copthorne Hotels plc by the Group and the acquisition of the remaining 38.7% interest in KIN Holdings Limited by Millennium & Copthorne Hotels New Zealand Limited, an indirect non-wholly owned subsidiary of the Group, also attributed to the cash outflows for Q1 2015. This was however mitigated by the reduction in cash deposits pledged to financial institutions.

1(d) Consolidated Statement of Comprehensive Income

	The Group Three months ended 31 March	
	2015 S$'000	2014 S$'000
Profit for the period	144,030	142,391
Other comprehensive income:		
Item that will not be reclassified to profit or loss:		
Defined benefit plan remeasurements	(118)	415
Items that are or may be reclassified subsequently to profit or loss:		
Change in fair value of available-for-sale equity investments	7	2,075
Effective portion of changes in fair value of cash flow hedges	(236)	(186)
Exchange differences on hedges of net investment in foreign entities	(21,725)	440
Exchange differences on monetary items forming part of net investment in foreign entities	16,908	3,594
Exchange differences realised on liquidation of an associate and a subsidiary reclassified to profit or loss	7,938	-
Share of other reserve movements of associates	-	(1,530)
Translation differences arising on consolidation of foreign entities	84,010	13,049
	86,902	17,442
Other comprehensive income for the period, net of income tax	**86,784**	**17,857**
Total comprehensive income for the period	**230,814**	**160,248**
Attributable to:		
Owners of the Company	**176,383**	**112,573**
Non-controlling interests	54,431	47,675
Total comprehensive income for the period	**230,814**	**160,248**

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

	Attributable to owners of the Company							
The Group	**Share Capital S$m**	**Cap. Res. S$m**	**Other Res.* S$m**	**Exch. Fluct. Res. S$m**	**Accum. Profits S$m**	**Total S$m**	**Non-controlling Interests S$m**	**Total Equity S$m**
At 1 January 2015	1,991.4	160.6	27.9	(324.2)	6,554.4	8,410.1	2,365.5	10,775.6
Profit for the period	-	-	-	-	123.0	123.0	21.0	144.0
Other comprehensive income								
Defined benefit plan measurements	-	-	-	-	(0.1)	(0.1)	-	(0.1)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	(0.2)	(0.2)
Exchange differences on hedges of net investment in foreign entities	-	-	-	(13.2)	-	(13.2)	(8.5)	(21.7)
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	16.6	-	16.6	0.3	16.9
Exchange differences realised on liquidation of an associate and a subsidiary reclassified to profit or loss	-	-	-	4.9	-	4.9	3.0	7.9
Share of other reserve movements of associates	-	-	0.4	-	(0.4)	-	-	-
Translation differences arising on consolidation of foreign entities	-	-	-	45.2	-	45.2	38.8	84.0
Total other comprehensive income for the period, net of income tax	-	-	0.4	53.5	(0.5)	53.4	33.4	86.8
Total comprehensive income for the period	-	-	0.4	53.5	122.5	176.4	54.4	230.8
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital contribution from non-controlling interests	-	-	-	-	-	-	0.1	0.1
Dividend paid to non-controlling interests	-	-	-	-	-	-	(36.4)	(36.4)
Share-based payment transactions	-	-	0.4	-	-	0.4	0.2	0.6
Total contributions by and distribution to owners	-	-	0.4	-	-	0.4	(36.1)	(35.7)
Change in ownership interests in subsidiaries								
Acquisition of subsidiaries with non-controlling interests	-	(2.6)	-	-	-	(2.6)	3.1	0.5
Change of interests in subsidiaries without loss of control	-	(13.8)	-	4.5	(0.2)	(9.5)	(31.9)	(41.4)
Total change in ownership interests in subsidiaries	-	(16.4)	-	4.5	(0.2)	(12.1)	(28.8)	(40.9)
Total transactions with owners	-	(16.4)	0.4	4.5	(0.2)	(11.7)	(64.9)	(76.6)
At 31 March 2015	**1,991.4**	**144.2**	**28.7**	**(266.2)**	**6,676.7**	**8,574.8**	**2,355.0**	**10,929.8**
At 1 January 2014	1,991.4	157.1	14.3	(351.1)	5,919.8	7,731.5	2,484.4	10,215.9
Profit for the period	-	-	-	-	119.7	119.7	22.7	142.4
Other comprehensive income								
Defined benefit plan measurements	-	-	-	-	0.2	0.2	0.2	0.4
Change in fair value of available-for-sale equity investments	-	-	2.0	-	-	2.0	-	2.0
Effective portion of changes in fair value of cash flow hedges	-	-	(0.1)	-	-	(0.1)	(0.1)	(0.2)
Exchange differences on hedges of net investment in foreign entities	-	-	-	0.2	-	0.2	0.2	0.4
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	2.5	-	2.5	1.1	3.6
Share of other reserve movements of associates	-	-	(0.7)	-	-	(0.7)	(0.8)	(1.5)
Translation differences arising on consolidation of foreign entities	-	-	-	(11.3)	-	(11.3)	24.4	13.1
Total other comprehensive income for the period, net of income tax	-	-	1.2	(8.6)	0.2	(7.2)	25.0	17.8
Total comprehensive income for the period	-	-	1.2	(8.6)	119.9	112.5	47.7	160.2
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Dividend paid to non-controlling interests	-	-	-	-	-	-	(35.2)	(35.2)
Share-based payment transactions	-	-	0.4	-	-	0.4	0.2	0.6
Total contributions by and distribution to owners	-	-	0.4	-	-	0.4	(35.0)	(34.6)
Change in ownership interests in subsidiaries								
Change of interests in a subsidiary without loss of control	-	7.1	-	-	-	7.1	(7.1)	-
Total change in ownership interests in subsidiaries	-	7.1	-	-	-	7.1	(7.1)	-
Total transactions with owners	-	7.1	0.4	-	-	7.5	(42.1)	(34.6)
At 31 March 2014	**1,991.4**	**164.2**	**15.9**	**(359.7)**	**6,039.7**	**7,851.5**	**2,490.0**	**10,341.5**

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

The Company	Share Capital S$m	Capital Reserve S$m	Fair Value Reserve S$m	Accumulated Profits S$m	Total S$m
At 1 January 2015	1,991.4	63.7	12.9	3,793.2	5,861.2
Profit for the period	-	-	-	46.4	46.4
Other comprehensive income					
Change in fair value of available-for-sale equity investments	-	-	(0.3)	-	(0.3)
Total other comprehensive income for the period, net of income tax	-	-	(0.3)	-	(0.3)
Total comprehensive income for the period	-	-	(0.3)	46.4	46.1
At 31 March 2015	**1,991.4**	**63.7**	**12.6**	**3,839.6**	**5,907.3**
At 1 January 2014	1,991.4	63.7	14.2	3,370.0	5,439.3
Profit for the period	-	-	-	27.2	27.2
Other comprehensive income					
Change in fair value of available-for-sale equity investments	-	-	(0.1)	-	(0.1)
Total other comprehensive income for the period, net of income tax	-	-	(0.1)	-	(0.1)
Total comprehensive income for the period	-	-	(0.1)	27.2	27.1
At 31 March 2014	**1,991.4**	**63.7**	**14.1**	**3,397.2**	**5,466.4**

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

Ordinary share capital

There was no change in the Company's issued share capital during the period ended 31 March 2015.

Preference share capital

There was no change in the Company's issued preference share capital during the period ended 31 March 2015.

As at 31 March 2015, the maximum number of ordinary shares that may be issued upon full conversion of all of the non-redeemable convertible non-cumulative preference shares of the Company ("Preference Shares") at the sole option of the Company is 44,998,898 ordinary shares (31 March 2014: 44,998,898 ordinary shares).

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

The Company did not hold any treasury shares as at 31 March 2015, 31 December 2014 and 31 March 2014.

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

The total number of issued Preference Shares as at 31 March 2015 and 31 December 2014 is 330,874,257.

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the period ended 31 March 2015.

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

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

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

Not applicable.

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

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

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

The Group adopted various new/revised Financial Reporting Standards (FRS) and Interpretations of FRSs (INT FRS) which took effect for financial year beginning on 1 January 2015.

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

The adoption of these new/revised FRS did not result in any significant impact on the financial statements of the Group.

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

	Three months ended 31 March	
	2015	**2014**
Basic Earnings per share (cents)	13.5	13.2
Diluted Earnings per share (cents)	12.9	12.5
Earnings per share is calculated based on:		
a) Profit attributable to owners of the Company (S$'000)	123,029	119,665
b) Weighted average number of ordinary shares in issue:		
- basic	909,301,330	909,301,330
- diluted (*)	954,300,228	954,300,228

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

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

	The Group		The Company	
	31.03.2015 S$	31.12.2014 S$	31.03.2015 S$	31.12.2014 S$
Net Asset Value per ordinary share based on the number of issued 909,301,330 ordinary shares (excluding treasury shares) as at 31 March 2015 (909,301,330 ordinary shares (excluding treasury shares) as at 31 December 2014)	9.43	9.25	6.50	6.45

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Group Performance

For the first quarter ended 31 March 2015 (Q1 2015), the Group reported an increase of 11.0% in revenue to $814.9 million (Q1 2014: $734.2 million) and net attributable profit after tax and non-controlling interests of $123.0 million (Q1 2014: $119.7 million). Basic earnings per share stood at 13.5 cents for Q1 2015 (Q1 2014: 13.2 cents).

The increase in revenue was primarily attributed to the contributions from two business segments – property development and hotel operations. For the quarter under review, there were contributions from property development projects such as Coco Palms, D'Nest and Jewel @ Buangkok. However, these were partially offset by absence of contribution from projects that were completed last year. The higher hotel revenue was driven by income from new hotels acquired in 2014, coupled with better performance from refurbished hotels. In terms of pre-tax profits, the property development segment was the largest contributor. Rental properties segment was second in line, followed closely by hotel operations.

The Group's net gearing ratio as at 31 March 2015 without factoring any fair value surpluses on investment properties, remained relatively low at 27%. Its interest cover for Q1 2015 was at 9.3 times.

Property

Advance estimates indicate that Singapore's economy grew by 2.1% in Q1 2015 on a year-on-year basis, achieving the same growth rate as Q4 2014. On a quarter-on-quarter seasonally-adjusted annualised basis, Singapore's economy slowed to 1.1% in Q1 2015, compared with the 4.9% growth in the previous quarter.

On a year-on-year basis, in Q1 2015, the construction sector grew by 3.3%, higher than the 0.7% growth in the previous quarter; while the service sector maintained the same growth rate as Q4 2014 at 3.1%.

Urban Redevelopment Authority (URA) data indicated that the Residential Property Price Index (PPI) decreased 1.0% in Q1 2015, at a similar level to the 1.1% decrease in the last quarter. This is the sixth consecutive quarter of decline with prices falling about 6.0% since Q3 2013.

Rentals of private residential properties declined 1.7% quarter-on-quarter in Q1 2015, accelerating from the 1.0% drop in the last quarter.

In Q1 2015, developers sold 1,311 private residential units excluding Executive Condominiums (ECs). This is 4.7% less than the 1,376 units sold in Q4 2014 but a significant drop of 25% when compared with Q1 2014.

The Group's on-going projects continued to sell reasonably well. The 944-unit Coco Palms at Pasir Ris Grove, is now 84.0% sold. This joint venture development, which is within minutes' walk to Pasir Ris MRT station and White Sands Shopping Centre, represents a good value proposition and continues to generate interest from buyers.

Commonwealth Towers, the 845-unit joint venture development along Commonwealth Avenue has sold 371 units of the 400 units released for sale to date. This project is in an excellent location, adjoining the Queenstown MRT station, with strong connectivity to other parts of the island and supported by abundant amenities nearby.

The 616-unit Jewel @ Buangkok, located beside Buangkok MRT station, has seen steady demand with about 84% of the project sold to date. The Venue Residences and Shoppes, a joint venture mixed development, is located along Tai Thong Crescent, just minutes' walk to Potong Pasir MRT station, with 266 residential units and 28 retail and dining units. Around 85% of the 110 apartments released for sale and 54% of all its commercial units have been sold to date.

During the period under review, profits were booked in from H_2O Residences, Jewel @ Buangkok and UP@Robertson Quay. Profits were also booked in from joint venture projects namely, HAUS@SERANGOON GARDEN, The Palette, D'Nest, Echelon, The Inflora, Hedges Park, Bartley Residences and Bartley Ridge. Coco Palms contributed its maiden profits this quarter.

In March, the fully-sold joint venture EC project, The Rainforest, obtained its Temporary Occupation Permit (TOP) and profits were booked for the first time. Based on prevailing accounting standards, ECs can only realise profits upon TOP. Profits from the Group's other fully-sold EC Lush Acres, have not been booked in as construction is still in progress.

URA statistics showed that the overall price index for office moderated slightly quarter-on-quarter by 0.1% in Q1 2015, a reversal from the 2.4% increase in Q4 2014. The overall rental index for office space continued to rise with a 0.6% quarter-on-quarter increase in Q1 2015, a moderated growth rate when compared to the 1.7% rise in Q4 2014.

The national occupancy rate of office space as at end-Q1 2015 remained unchanged from Q4 2014 at 89.8%. In Q1 2015, the Group's occupancy for its office portfolio remains healthy at 97.4% as compared to the national average.

The Group's mixed-used joint venture development, South Beach, obtained TOP on February 2015, for its 34-storey South Beach Tower, which offers 510,000 sq ft of Grade A office space. South Beach Consortium (SBC) has secured 88% of the leases and approximately 20% of the tenants have commenced operations to date. SBC is in advanced negotiations with potential tenants to take up the remaining 12%.

SBC has also leased out the Conservation Block fronting South Beach Tower. The 11,000 sq ft retail space will house a Bistro (which takes inspiration from New York's famed French restaurant, Balthazar) in the day, and transformed into an elegant, chic and exclusive party venue at night. Opening in Q3 2015, this retail space will create a contagious and high energy experience for the overall development.

The 654-room hotel – The South Beach, is a luxury H.I.P (Highly Individualised People and Places) lifestyle destination. With its emphasis on *Imaginative Social Spaces* that cater to the need for being *Alone Together*, The South Beach is a *Hotel of Design*. Its distinctive design element melds the works of famed Phillip Starck and the creative individuals from around the world. The unique spaces are curated to *Create Infinite Experiences.*

The hotel's vibrant F&B outlets will offer *Mood Food and Drink* that will entertain the palates of every individual. Equipped with one contemporary all-day dining restaurant and three experiential bars, the hotel will provide gastronomic encounters. The hotel's General Manager and the senior management team have been appointed.

The hotel development had to push back its soft opening which was originally scheduled for April till Q4 this year, due to labour shortages and the mega-scale of this project.

Other components of this integrated development such as the 29,000 sq ft South Beach Club will begin its membership drive in Q3 2015.

Overseas Platforms

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 and the entire development will be completed by next year. Three in-situ show units in different styles as well as a sales gallery with an exhibition room are being created and will be ready by May. Landscaping works have also commenced though this process will take a longer period of time as it must be done up to a satisfactory standard since Chongqing buyers are particularly sensitive to this aspect. As such, it is anticipated that the sales launch will only take place in Q4 2015. The Building and Construction Authority (BCA) of Singapore has provisionally conferred the project a BCA Green Mark Platinum, the first such award for a residential project in China.

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 hotel and a retail mall. The site is located in the vicinity of several top schools in Chongqing and conveniently located next to major public transportation, making the location extremely sought after.

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. As at end March 2015, 98 units in total have been sold. 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 July 2015. Phase 2 will encompass a 362-unit residential tower, a hotel with around 300 rooms, a shopping mall and an office tower.

In December 2014, CDL China acquired Shanghai Jingwen Zhaoxiang Real Estate Limited (Jingwen), a residential real estate developer based in Shanghai. Jingwen completed a 120-unit luxury residential development in Qingpu District's affluent residential corridor, built on 163,837 square metres (sqm) of land with lush, well-landscaped greenery. The project was completed in 2013 and 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 residential sales still remain sluggish, there have been signs of increased buying activity in the past few months after the PRC government lifted several cooling measures and relaxed the loan restrictions. To stimulate the economy, the government reduced the reserve-requirement ratio in February, which freed up a sizable amount of capital that the banks can then lend out. Subsequently, in May, the government also cut interest rates, representing the third interest rate reduction in six months. The Group remains confident in China's real estate market and is well positioned with its four projects to capitalise on the gradual recovery.

UK

The UK residential market has slowed down as UK investors and occupiers adopted a "wait-and-see" attitude in anticipation of a close General Election. With the recent secured victory of the ruling party that affirms continuity, market sentiments are expected to improve in the short-term. Overseas investors' appetite remains relatively positive. However, sustained sentiments will depend on how quickly and effectively the UK government grapples with its various challenges, even as it works towards pushing forward its economic reforms and delivery of its manifestos.

London continues to be regarded as one of the world's leading cities. Its stable outlook brings both opportunities and challenges for property ownership and development in terms of navigating the complexities of the regulatory framework and strong but selective prime market.

The Group will look selectively at transactions across major UK centres, particularly in London as there are now more deals coming on-stream in the real estate marketplace; and is looking forward to a positive business environment post the election.

Japan

In order to counter deflation and boost growth, the Japanese government is placing emphasis on generating economic activities through monetary easing, fiscal stimulus and reforms under Abenomics. The Group believes that Japan's economy is gradually gaining momentum and on a growth trajectory.

Real estate deals in Japan totalled 5.06 trillion yen in 2014, up 16% from the previous year, according to the Urban Research Institute. In particular, the Tokyo residential market has been active in the past 24 months as evident by an increase in the number of units sold as well as rising sales prices.

In September 2014, the Group seized an extremely rare opportunity to acquire majority interest in a prized freehold land site in Tokyo. 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 which was the former residence of Seiko's founder, Mr Kintaro Hattori. The Group plans to develop low-rise, luxury condominiums on the site to take advantage of the unique location and exclusive surroundings. The sizable nature of the land allows for lush landscaping and the generous provision of amenities, further enhancing the appeal of the project. The project team is working with various consultants on the proposed unit mix and project planning parameters so as to get the concept design phase underway.

Fund Management

Following the establishment of the $1.5 billion Profit Participation Securities (PPS) to monetise its Quayside Collection assets on Sentosa Cove last year, the Group is actively exploring the possibility of further developing its unlisted funds management strategy by possibly launching one or more deals this year, encompassing existing CDL assets, should conditions be favourable. The Group will also seek to raise the traditional Price Earnings ratios for developers via a series of discretionary funds, building out CDL's funds management capability.

Hotel

Millennium & Copthorne Hotels plc (M&C), in which the Group holds a 61.0% interest, reported an increase in revenue of 8.0% to £189 million (Q1 2014: £175 million), with net profit after tax and non-controlling interests increasing by 14.3% to £8 million (Q1 2014: £7 million).

Hotel revenue grew by 10.4%, reflecting higher RevPAR, positive impact from acquired properties and refurbished hotels, as well as higher income from meetings and events. On a like-for-like basis, hotel revenue increased by 4.6% to £159 million (Q1 2014: £152 million).

Property income fell by £2 million due to the sale of the last Glyndebourne condominium units for £6 million in Q1 2014, but this was partially offset by rental income from Millennium Mitsui Garden Hotel Tokyo, which opened last December.

Profit before tax for the first three months of 2015 decreased by 5.0% to £19 million (Q1 2014: £20 million). Like-for-like profit before tax (excluding the impact of acquisitions, closures and Glyndebourne) increased by 9.9% with most regions trending upwards.

Global RevPAR increased by 5.8%, which translated to 2.6% in constant currency terms. This increase was driven predominantly by a 3.2% increase in average room rates, although occupancy was slightly down by (0.4%). Australasia recorded the strongest growth in RevPAR terms, followed by the United States and Europe, whereas rates in Singapore remained challenged as a result of increased room supply and lower visitor numbers.

In terms of operations, labour costs increased due to collective bargaining arrangements in New York and labour shortages in Singapore. M&C is prioritising ways to adjust the operating model in certain hotels, to reduce the impact of higher labour costs on profitability.

M&C has five refurbishment projects underway, at an estimated total cost of £22 million. These include Millennium Bailey's Hotel London, Millennium Alaskan Hotel Anchorage, Millennium Hotel Buffalo, Millennium Biltmore Hotel Los Angeles and Copthorne Hotel and Resort Lakefront in Queenstown, New Zealand (NZ). These refurbishment works are phased so as to minimise trading disruptions.

All guest rooms and most of the common areas at Grand Hyatt Taipei are complete. Remaining work on the main lobby, retail and some food outlets is scheduled to finish later this year. In April, Millennium Seoul Hilton also started work on its deluxe guest rooms and corridors, with completion of the final phase scheduled for 2016.

M&C opened four new Millennium hotels in Oman, Saudi Arabia and United Arab Emirates in Q1 2015, under management contracts. It has terminated its franchise agreement with the owner of Kingsgate Hotel Wellington, NZ with effect from 31 March 2015.

While capital value for hotels has significantly increased, earnings have not caught up yet. The Group is cognisant that acquiring prime hotel assets in today's market is extremely rare, costly and difficult. However, irrespective of capital value appreciation, the Group remains committed to its hotel business operations with a long-term perspective as it is income generating if the hotels are reasonably well managed. With over 120 hotels globally, M&C is able to counterbalance by geographical spread and its on-going refurbishment programme is deliberately designed to lift its earnings.

M&C currently has 123 hotels offering 34,287 rooms, with an additional 20 hotels offering 6,657 rooms in the pipeline. These are mainly properties to be operated under management contract.

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

The Group's performance for the period under review is in line with its expectations as disclosed in the announcement of results for year ended 31 December 2014.

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

Residential property prices in Singapore continue to moderate across all residential market segments. Residential sales volumes continue to be impacted by the effects of various Government cooling measures, with the total debt service ratio (TDSR) framework exerting the largest impact. Market players have generally turned cautious and there are fewer residential property launches. Unsold inventory has also risen significantly from 16,587 units (with pre-requisite for sale) in Q4 2014 to 19,359 units in Q1 2015, representing a 16.7% increase quarter-on-quarter.

Property prices rose about 60% between 2009 and 2013, and has started to moderate across all segments since then. Property consultants estimate that the most affected is the high-end market which has remained subdued. Prices in the high-end residential market, according to reports from various consultancies based on selected basket of high-end projects, have fallen up to 20% from its peak in 2011.

The interest rate environment looks to be trending upwards as SIBOR rose to 1.01% at end March 2015, the highest since December 2008. However, Singapore's interest rate is still generally much lower when compared to countries in the West.

From experience, the Group has observed that majority of property buyers follow the "herd instinct". As property prices begin to decline, people tend to adopt a "wait-and-see" disposition. However, when there is increased activity and property prices start moving upwards, more people are eager to buy. Quite often, this psychology of property buyers and other factors, outweigh the fundamentals of supply and demand projections. While statistics provide part of the overall assessment of the market, investors must recognise that the property market is cyclical in nature. History has shown that real estate assets in a safe and stable environment like Singapore remain a good investment when viewed with a medium to long-term perspective. Genuine buyers can benefit from recurring income and also reap substantial capital gains in property appreciation over time.

The Group hopes that some of the property cooling measures which have been effective in stamping out speculation in the market will be tweaked in due course. It believes that one of the ways to help narrow the widening income gap is to enable people to invest in different classes of assets so that they can diversify their investment portfolio – and property should be part of the basket of assets.

The Government has scaled back on its Government Land Sales (GLS) programme in view of the improving balance between supply and demand. Tender prices for GLS sites have also moderated in recent months. The Group will continue to monitor the market closely to capitalise on available opportunities while maintaining discipline in its investments.

Despite the challenges and headwinds ahead for the local residential market, the Group is confident that projects with strong locational attributes and quality will continue to attract discerning buyers. Hence, it is planning to launch two new projects in the second half of this year.

The first is The Brownstone – a 638-unit EC project at Canberra Drive in Sembawang, adjacent to the future Canberra MRT station currently under construction. Comprising 2- to-5-bedroom apartments, with eight 10- to 12-storey blocks, this "brown sandstone" inspired textured facade with its unique "jetty" balconies are based on New York Brownstone row houses. The development is designed with sleek exteriors, spacious interiors, premium fittings, and surrounded with a plethora of thematic recreational facilities. By embracing smart architecture design and construction, the Group will be pioneering the use of Prefabricated Prefinished Volumetric Construction (PPVC), an innovative new technology which not only enhances construction productivity and worksite safety, but also superior quality control given that the building modules are prefabricated offsite, using highly engineered techniques, and subsequently assembled onsite. The use of PPVC on this project is the first of its kind in Asia, and likely the world's largest application for a large-scale residential development.

The second project slated for launch is Gramercy Park. This 174-unit freehold development is located along Grange Road in prime district 10, minutes from the famous Orchard Road shopping belt and the Central Business District. Designed by world renowned architectural firm, NBBJ of New York, the modern facade design spots two distinctively sculptured 24-storey towers, with a good selection of 2-bedroom plus study to 4-bedroom apartments and 5-bedroom penthouses. All units will have their own private lifts, with spacious and well-appointed interiors and designers' fittings.

According to the Monetary Authority of Singapore (MAS), the global economic outlook has improved slightly supported by a buoyant US economy and economic turn-around of the Eurozone and Japan. The latter have also lent strength to the global economic momentum where both economies are supported by loose monetary policies and stronger export growth. The risk remains in the slowing Chinese economy but is mitigated by the current steady recovery of some developed economies. The MAS maintains its 2015 growth forecast for the Singapore economy at a moderated rate of between 2.0% and 4.0%.

Property consultants are expecting the supply of office space to remain tight until late 2016 due to limited supply coming on stream. The growth of office rents however, is expected to moderate.

Singapore's status as a key financial centre will ensure that long-term prospects for the office market remain positive. Singapore was the first to announce its vision to be a Smart Nation, which reflects the country's progressiveness and ability to stay ahead of the curve; equipping itself to cater to an emerging technologically-savvy generation. This will help attract new talent as Singapore builds its capacity in resource and infrastructure. The Smart Nation initiative will harness new technology breakthroughs and solutions that would impact the way we live, work and play. The seamless integration of systems and information will help create an even more robust and productive ecosystem. Fresh supply chains will be developed and the entire value chain in the way technology is used across various sectors will be reviewed, creating new growth possibilities. Singapore's stable economy, good governance and pro-business environment will continue to be attractive to both institutional investors and occupiers such as multinational firms and global institutions.

Group Prospects

A year ago, the Group announced that in light of the subdued domestic property market and its persistent headwinds, it was deliberately embarking on accelerating its diversification strategy across two dimensions – firstly, expanding its core real estate development business overseas and secondly by developing an unlisted funds management business. The Group has made good progress in these fronts and under the current environment, new opportunities continue to present themselves. However, the Group will continue to apply discipline in its investment choices, act decisively to capture opportunities with a focus on assets classes where the Group has scalability that will enhance and add value to its existing portfolio.

Even as the Group expands overseas and works actively to develop new platforms, its investment in Singapore will remain the mainstay of its business.

The Group expects to remain profitable for the current year.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

On 13 May 2015, the Board of Directors, pursuant to the recommendation of the Audit & Risk Committee, declared the payment of a tax-exempt (one-tier) non-cumulative preference dividend to holders of City Developments Limited Preference Shares in accordance with the terms of issue of the Preference Shares. The preference dividend for each Preference Share is calculated at the dividend rate of 3.9% per annum of the issued price of $1.00 for each Preference Share on the basis of 181 days, being the actual number of days comprised in the dividend period from 31 December 2014 to 29 June 2015, divided by 365 days.

Name of Dividend	Tax-exempt (One-tier) Preference Dividend
Date of payment	30 June 2015
Dividend Type	Cash
Dividend Amount (in cents)	1.93 cents per Preference Share
Dividend rate (in %)	3.9% per annum on the issue price of each Preference Share
Dividend period	From 31 December 2014 to 29 June 2015 (both dates inclusive)
Issue price	$1.00 per Preference Share

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of Dividend	Tax-exempt (One-tier) Preference Dividend
Date of payment	30 June 2014
Dividend Type	Cash
Dividend Amount (in cents)	1.93 cents per Preference Share^
Dividend rate (in %)	3.9% per annum on the issue price of each Preference Share
Dividend period	From 31 December 2013 to 29 June 2014 (both dates inclusive)
Issue price	$1.00 per Preference Share

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

(c) Date payable

The tax-exempt (one-tier) preference dividend for the period from 31 December 2014 to 29 June 2015 (both dates inclusive) will be paid on 30 June 2015.

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

5.00 pm on 10 June 2015.

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

Not applicable.

13. Interested Person Transactions

Interested Persons	Aggregate value of all interested person transactions conducted in first quarter ended 31 March 2015 under the IPT Mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Hong Leong Investment Holdings Pte. Ltd. group of companies	<u>Property-related</u> Provision to interested persons of: $656,340.00 (i) Cleaning services; and (ii) Managing agent services. **Total: $656,340.00**
Directors and their immediate family members	Nil

14. Segment Reporting

By Business Segments

	The Group			
	Revenue Three months ended 31 March		Profit before income tax (*) Three months ended 31 March	
	2015 S$'000	2014 S$'000	2015 S$'000	2014 S$'000
Property Development	298,566	257,342	97,759	95,186
Hotel Operations	375,975	353,863	33,738	30,567
Rental Properties	99,188	95,056	36,924	37,481
Others	41,210	27,977	243	(6,484)
	814,939	734,238	168,664	156,750

** Includes share of after-tax profit/(loss) of associates and joint ventures.*

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

Property Development

Revenue increased by $41.3 million to $298.6 million (Q1 2014: $257.3 million) whilst pre-tax profit increased by $2.6 million to $97.8 million (Q1 2014: $95.2 million).

Projects that contributed to both revenue and profit in Q1 2015 include Coco Palms, D'Nest, H_2O Residences, Jewel @ Buangkok, HAUS@SERANGOON GARDEN, The Palette and UP@Robertson Quay. In accordance with the Group's policy of equity accounting for the results of its joint ventures, whilst revenue from joint venture developments such as Hedges Park, The Inflora, Bartley Residences, Bartley Ridge, The Rainforest and Echelon had not been consolidated into the Group's total revenue, the Group's share of profits arising from the joint venture developments had been included in pre-tax profit.

The increase in revenue was mainly due to contribution from Jewel @ Buangkok, D'Nest and Coco Palms together with higher contribution from UP@Robertson Quay. The increase was however partially offset by absence of contribution from 368 Thomson and Buckley Classique which obtained Temporary Occupation Permit in 2014 and reduced contribution from The Palette and H_2O Residences.

The increase in pre-tax profit was due to share of profit from a joint venture development, The Rainforest, being recognised in entirety in Q1 2015 under prevailing accounting standards for Executive Condominium. This was however offset by lower profit margins achieved for projects launched recently as compared to those projects launched in much earlier years.

Hotel Operations

Revenue for this segment increased by $22.1 million to $376.0 million (Q1 2014: $353.9 million) for Q1 2015. The increase in revenue was primarily due to contributions from the 5 hotels acquired in 2014 by the Group namely, The Chelsea Harbour Hotel, Novotel New York Times Square, Grand Hotel Palace Rome, Hotel MyStays Asakusabashi and Hotel MyStays Kamata, coupled with higher contribution from refurbished hotels as well as hotels in Australasia, particularly New Zealand which benefited from increased visitors from Asia and higher airline capacity into this country.

Pre-tax profit remained relatively stable at $33.7 million (Q1 2014: $30.6 million) for Q1 2015.

Rental Properties

Revenue and pre-tax profit for this segment remained relatively steady at $99.2 million (Q1 2014: $95.1 million) for Q1 2015 and $36.9 million (Q1 2014: $37.5 million) for Q1 2015 respectively.

Others

Revenue, comprising mainly income from building maintenance contracts, project management, club operations as well as dividend income, increased by $13.2 million to $41.2 million (Q1 2014: $28.0 million) for Q1 2015. This was due to increased income from building maintenance contracts and project management and higher dividend income received.

This segment reported a pre-tax profit of $0.2 million (Q1 2014: pre-tax loss of $6.5 million) for Q1 2015. This was largely due to increase in revenue as well as recognition of net fair value gains on financial assets held for trading in Q1 2015 vis-à-vis net fair value losses in Q1 2014. In addition, positive contribution from the Group's associate, First Sponsor Group Limited (FSGL) as compared to its loss-making position in Q1 2014 also attributed to the profit achieved this quarter. FSGL's turnaround was underpinned by its continued growth in the property financing business in China, in which higher interest income was generated on secured entrusted loans to third parties due to larger average loan portfolio in Q1 2015.

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

Total Annual Net Dividend (*Refer to Para 18 of Appendix 7.2 for the required details*)

	Full Year 2014 S$'000	**Full Year 2013 S$'000**
Ordinary	72,744	72,744
Special	72,744	72,744
Preference	12,904	12,904
Total	**158,392**	**158,392**

The final tax-exempt (one-tier) ordinary dividend and special final tax-exempt (one-tier) ordinary dividend for the year ended 31 December 2014 of 8.0 cents and 4.0 cents respectively per ordinary share had been approved by the ordinary shareholders at the Annual General Meeting held on 22 April 2015 and the dividend amounts are based on the number of issued ordinary shares as at 5 May 2015.

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

Not applicable.

BY ORDER OF THE BOARD

Shufen Loh @ Catherine Shufen Loh
Company Secretary
13 May 2015

CONFIRMATION BY THE BOARD

The Directors of the Company hereby confirm, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the Group's unaudited financial results for the 3-month period ended 31 March 2015 to be false or misleading in any material respect.

On behalf of the Board of Directors

Kwek Leng Beng	**Kwek Leng Joo**
Executive Chairman	Deputy Chairman

Singapore, 13 May 2015