


<b>Unaudited First Quarter * Financial Statement And Dividend Announcement</b>	
* Asterisks denote mandatory information	
Name of Announcer *	CITY DEVELOPMENTS LIMITED
Company Registration No.	196300316Z
Announcement submitted on behalf of	CITY DEVELOPMENTS LIMITED
Announcement is submitted with respect to *	CITY DEVELOPMENTS LIMITED
Announcement is submitted by *	Shufen Loh @ Catherine Shufen Loh
Designation *	Company Secretary
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<b>&gt;&gt; Announcement Details</b>
The details of the announcement start here ...

For the Financial Period Ended *	31-03-2005
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# CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

## UNAUDITED FIRST QUARTER FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH 2005

### 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.

	The Group Three months ended 31 March		Increase/ (Decrease) %
	2005 S\$'000	2004 (restated) S\$'000	
Revenue	518,011	594,347	(12.8)
Cost of sales	(255,838)	(319,816)	(20.0)
<b>Gross profit</b>	<b>262,173</b>	<b>274,531</b>	<b>(4.5)</b>
Other operating income <sup>(2)</sup>	48,848	9,625	407.5
Administrative expenses <sup>(3)</sup>	(105,646)	(101,029)	4.6
Other operating expenses <sup>(4)</sup>	(93,559)	(91,470)	2.3
<b>Profit from operations <sup>(1)</sup></b>	<b>111,816</b>	<b>91,657</b>	<b>22.0</b>
Financial expenses <sup>(5)</sup>	(36,943)	(42,594)	(13.3)
<b>Profit before share of results of associated companies and jointly controlled entities</b>	<b>74,873</b>	<b>49,063</b>	<b>52.6</b>
Share of profit/(loss) of associated companies	3	(19)	NM
Share of profit of jointly controlled entities <sup>(6)</sup>	24,680	3,495	606.2
<b>Profit from ordinary activities before taxation</b>	<b>99,556</b>	<b>52,539</b>	<b>89.5</b>
Income tax expense <sup>(7)</sup>	(38,564)	3,792	NM
<b>Profit for the period</b>	<b>60,992</b>	<b>56,331</b>	<b>8.3</b>
<b>Attributable to :</b>			
<b>Equity holders of the Company</b>	<b>40,754</b>	<b>39,936</b>	<b>2.0</b>
Minority interests <sup>(8)</sup>	20,238	16,395	23.4
<b>Profit for the period</b>	<b>60,992</b>	<b>56,331</b>	<b>8.3</b>
<b>Earnings per share</b>			
- basic	4.65 cents	4.83 cents	
- fully diluted	4.32 cents	4.83 cents	

NM : Not meaningful

Note :

The comparative figures have been restated/reclassified to take into account the retrospective adjustments arising from the adoption of FRS 21 (revised 2004) - *The Effects of Changes in Foreign Exchange Rates* and FRS 102 - *Share-based Payment* or to conform with current period's presentation.

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## Notes to The Group's Income Statement :

- (1) Profit from operations includes the following :

	The Group Three months ended 31 March	
	2005	2004 (restated)
	S\$'000	S\$'000
Interest income	6,477	4,494
Profit on sale of investments, property, plant and equipment (net)	187	2,931
Depreciation and amortisation	(42,524)	(43,014)

- (2) Other operating income comprising mainly profit on disposal of property, plant and equipment, and miscellaneous income increased by \$39.2 million to \$48.8 million (2004: \$9.6 million) mainly due to business interruption insurance proceeds of £12.8 million (approximately S\$39.8 million) received in respect of the Millennium Hilton New York, a hotel held by its subsidiary, Millennium & Copthorne Hotels plc.
- (3) Administrative expenses comprise mainly depreciation, hotel administrative expenses, and salaries and related expenses.
- (4) Other operating expenses comprise mainly property taxes and insurance on hotels, hotel other operating expenses and net exchange loss.
- (5) Financial expenses comprise interest on borrowings, valuation losses on investments and amortisation of transaction cost on borrowings and debt securities. This decreased by \$5.7 million to \$36.9 million (2004: \$42.6 million) mainly due to lower interest costs resulting from the reduction in the Group's borrowings.
- (6) Share of profit of jointly controlled entities increased significantly by \$21.2 million to \$24.7 million (2004: \$3.5 million). Profit for 2005 includes profit from the sale of MyeongDong Central Building in Seoul, held by Myungdong Development Co. Ltd, in which the Group has a 50% interest.

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## Notes to the Group's Income Statement: (cont'd)

- (7) Income tax expense for the period is derived at by applying the varying statutory tax rates on the taxable profit/(losses) and taxable temporary differences of the different countries in which the Group operates.

The tax charge of \$38.6 million for 2005 (2004: tax credit of \$3.8 million) relates to the following :

	<b>The Group</b>	
	<b>Three months</b>	
	<b>ended 31 March</b>	
	<b>2005</b>	<b>2004</b>
	<b>\$m</b>	<b>\$m</b>
Profit for the period	19.2	13.8
Business interruption insurance proceeds	18.7	-
Under/(over)provision in respect of prior years	0.7	(17.6)
	<u>38.6</u>	<u>(3.8)</u>

The effective tax rate for the Group is 39 % (2004 : NM). Excluding the underprovision in respect of prior years, business interruption insurance proceeds and its related tax, the effective tax rate for the Group would be 32% (2004: 26% after adjusting for overprovision in respect of prior years).

- (8) Minority interests increased by \$3.8 million to \$20.2 million (2004: \$16.4 million) mainly on account of improved contributions from the hotel subsidiary, Millennium & Copthorne Hotels plc, in which the Group has a 52% interest.

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## 1(b)(i) A balance sheet (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 31.3.2005	As at 31.12.2004 (restated)	As at 31.3.2005	As at 31.12.2004 (restated)
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>					
Property, plant and equipment		8,821,503	8,891,410	578,852	580,938
Investments in subsidiaries		-	-	2,201,389	2,201,407
Investments in associated companies		1,304	1,241	-	-
Investments in jointly controlled entities		253,002	235,631	67,880	67,880
Financial assets		57,673	31,301	36,654	15,546
Intangible assets		294	295	-	-
Other non-current assets		82,650	81,839	56,902	57,535
		<b>9,216,426</b>	<b>9,241,717</b>	<b>2,941,677</b>	<b>2,923,306</b>
<b>Current assets</b>					
Assets held for sale	(1)	28,256	-	-	-
Development properties		1,996,840	1,944,358	1,638,802	1,599,119
Consumable stocks		13,399	13,508	1,016	1,061
Financial assets		46,921	35,642	-	-
Trade and other receivables		755,050	700,959	952,971	969,549
Cash and cash equivalents		806,237	827,834	388,051	385,282
		<b>3,646,703</b>	<b>3,522,301</b>	<b>2,980,840</b>	<b>2,955,011</b>
<b>Current liabilities</b>					
Bank overdrafts		(1,976)	(2,171)	-	-
Trade and other payables		(686,578)	(688,222)	(943,293)	(983,698)
Bank loans		(17,800)	(18,306)	(17,800)	(18,306)
Current portion of long-term liabilities (net)	(2)	(1,184,192)	(815,656)	(78,859)	(48,876)
Bonds and notes - repayable within 12 months (net)	(2)	(766,403)	(583,311)	(109,992)	(169,979)
Employee benefits		(15,765)	(14,566)	(1,176)	(1,153)
Provision for taxation		(122,709)	(115,173)	(36,194)	(35,065)
Provisions		(507)	(497)	-	-
		<b>(2,795,930)</b>	<b>(2,237,902)</b>	<b>(1,187,314)</b>	<b>(1,257,077)</b>
<b>Net current assets</b>		<b>850,773</b>	<b>1,284,399</b>	<b>1,793,526</b>	<b>1,697,934</b>
		<b>10,067,199</b>	<b>10,526,116</b>	<b>4,735,203</b>	<b>4,621,240</b>
<b>Non-current liabilities</b>					
Interest-bearing loans and other liabilities (net)	(2)	(2,050,472)	(2,625,631)	(1,020,173)	(943,553)
Employee benefits		(16,358)	(17,291)	-	-
Provisions		(9,533)	(9,830)	-	-
Deferred tax liabilities		(703,172)	(670,222)	(15,653)	(10,906)
		<b>(2,779,535)</b>	<b>(3,322,974)</b>	<b>(1,035,826)</b>	<b>(954,459)</b>
<b>Net assets</b>		<b>7,287,664</b>	<b>7,203,142</b>	<b>3,699,377</b>	<b>3,666,781</b>
<b>Equity</b>					
Share capital		455,225	452,541	455,225	452,541
Reserves		4,561,441	4,498,163	3,244,152	3,214,240
<b>Total equity attributable to equity holders of the Company</b>		<b>5,016,666</b>	<b>4,950,704</b>	<b>3,699,377</b>	<b>3,666,781</b>
<b>Minority interests</b>		<b>2,270,998</b>	<b>2,252,438</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>7,287,664</b>	<b>7,203,142</b>	<b>3,699,377</b>	<b>3,666,781</b>

Notes :

- (1) This relates to commercial property assets held in Sydney which are expected to be sold during 2005 and are classified as Assets held for sale in accordance with FRS 105 - Non-Current Assets Held for Sale and Discontinued Operations.
- (2) These figures have been derived after deducting the unamortised balance of related deferred financial charges.
- (3) Certain comparative figures have been restated/reclassified to adjust for the effect of adoption of FRS 21 (revised 2004) and FRS 102 or to conform with current period's presentation.

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

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

	As at 31/3/2005 S\$'000	As at 31/12/2004 S\$'000
<b><u>Unsecured</u></b>		
-repayable within one year	532,528	564,306
-repayable after one year	1,346,115	1,267,339
(a)	<u>1,878,643</u>	<u>1,831,645</u>
<b><u>Secured</u></b>		
-repayable within one year	1,437,742	855,296
-repayable after one year	681,678	1,334,272
(b)	<u>2,119,420</u>	<u>2,189,568</u>
Gross borrowings	3,998,063	4,021,213
Less : cash and cash equivalents	<u>(806,237)</u>	<u>(827,834)</u>
Net borrowings	<u>3,191,826</u>	<u>3,193,379</u>

### Details of any collateral

The borrowings by subsidiaries are generally secured by:

- mortgages on their land and buildings and/or hotel properties and/or
- assignment of all rights and benefits to sale, lease and/or insurance proceeds

The borrowings by the Company are unsecured.

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

	Three months ended	
	31 March	
	2005	2004
		(restated)
<b>Operating Activities</b>	<b>S\$'000</b>	<b>S\$'000</b>
Profit from ordinary activities before taxation	99,556	52,539
<b>Adjustments for:</b>		
Depreciation and amortisation	42,524	43,014
Property, plant and equipment written off	20	3
Profit on sale of property, plant and equipment	(187)	(2,591)
Share of profit of associated companies and jointly controlled entities (net)	(24,683)	(3,476)
Interest income	(6,477)	(4,494)
Interest expense	35,370	40,948
Dividend income	(402)	(697)
Valuation/hedging differences	(2,511)	-
Allowance for diminution in value of investments written back	-	(121)
Share-based expenses	376	309
Allowance for foreseeable losses on development properties written back	(1,074)	-
Allowance for doubtful debts made (net)	72	685
Operating profit before working capital changes	142,584	126,119
Changes in working capital		
Development properties	(23,575)	107,730
Stocks, trade and other receivables	(27,928)	(261,884)
Related corporations	(31,066)	(26,732)
Trade and other payables	(27,486)	1,979
Employee benefits	297	1,815
Cash generated from/(used in) operations	32,826	(50,973)
Income tax (paid)/refunded	(5,700)	3,448
<b>Cash flows from operating activities carried forward</b>	<b>27,126</b>	<b>(47,525)</b>

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	Three months ended	
	31 March	
	2005	2004
		(restated)
	S\$'000	S\$'000
<b>Cash flows from operating activities brought forward</b>	<b>27,126</b>	<b>(47,525)</b>
<b>Investing Activities</b>		
Purchase of property, plant and equipment	(14,788)	(9,135)
Proceeds from sale of property, plant and equipment	15,740	9,946
Disposal of investments in jointly controlled entities	-	297
Purchase of financial assets	(1,815)	(16,752)
Interest received (including amounts capitalised as property, plant and equipment and development properties)	6,490	4,519
Dividends received		
- investments	402	697
- jointly controlled entities	-	4,938
<b>Cash flows from investing activities</b>	<b>6,029</b>	<b>(5,490)</b>
<b>Financing Activities</b>		
Proceeds from issue of shares	13,418	-
Capital contribution from minority shareholders	2,920	2,993
Proceeds from term loans (net of expenses)	66,350	91,029
Repayment of term loans	(129,635)	(21,185)
Repayment to finance lease creditors	(2,713)	(2,396)
Proceeds from issuance of bonds and notes (net of expenses)	109,877	67,914
Repayment of bonds and notes	(71,249)	(50,000)
Repayment of other long-term liabilities	(1,032)	(1,413)
Repayment of bank loans	-	(24,297)
Interest paid (including amounts capitalised as property, plant and equipment and development properties)	(38,546)	(44,514)
<b>Cash flows from financing activities</b>	<b>(50,610)</b>	<b>18,131</b>
<b>Net decrease in cash and cash equivalents carried forward</b>	<b>(17,455)</b>	<b>(34,884)</b>



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	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2005</b>	<b>2004</b>
		<b>(restated)</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Net decrease in cash and cash equivalents brought forward</b>	<b>(17,455)</b>	<b>(34,884)</b>
Exchange differences arising on translation of foreign subsidiaries' cash and cash equivalents	(3,947)	(516)
Cash and cash equivalents at the beginning of the period (net of bank overdraft)	825,663	566,889
<b>Cash and cash equivalents at the end of the period (net of bank overdraft)</b>	<b>804,261</b>	<b>531,489</b>

# CITY DEVELOPMENTS LIMITED

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**1(d)(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 equity holders of the Company----->									
	Share Capital S\$m	Share Prem. S\$m	Cap. Res. S\$m	Other Res.* S\$m	Asset Rev. Res. S\$m	Exch. Fluct. Res. S\$m	Accum. Profits S\$m	Total S\$m	Minority Interest S\$m	Total Equity S\$m
At 1 January 2005, as previously reported	452.5	1,458.7	148.2	-	515.3	176.4	2,199.6	4,950.7	2,252.4	7,203.1
Effects of adopting										
- FRS 21 (revised 2004)	-	-	-	-	-	0.7	(0.7)	-	-	-
- FRS 102	-	-	-	0.6	-	-	(0.6)	-	-	-
At 1 January 2005, restated	452.5	1,458.7	148.2	0.6	515.3	177.1	2,198.3	4,950.7	2,252.4	7,203.1
Effect of adopting FRS 39	-	-	-	8.8	-	-	1.7	10.5	(4.1)	6.4
	452.5	1,458.7	148.2	9.4	515.3	177.1	2,200.0	4,961.2	2,248.3	7,209.5
Exchange differences arising on consolidation of foreign subsidiaries	-	-	-	-	16.2	(22.6)	-	(6.4)	(3.0)	(9.4)
Issue of ordinary shares	2.7	10.7	-	-	-	-	-	13.4	-	13.4
Exchange differences arising on foreign currency liabilities (net of repayment) accounted for as a hedge of net investments in foreign entities	-	-	-	-	-	0.5	-	0.5	-	0.5
Realised revaluation reserve transferred to accumulated profits	-	-	-	-	(0.3)	-	0.3	-	-	-
Capital contribution from minority interests	-	-	-	-	-	-	-	-	2.9	2.9
Cost of share-based payment	-	-	-	0.2	-	-	-	0.2	0.2	0.4
Valuation and hedging differences taken to equity (net of tax)	-	-	-	7.0	-	-	-	7.0	2.4	9.4
Profit for the period	-	-	-	-	-	-	40.8	40.8	20.2	61.0
At 31 March 2005	455.2	1,469.4	148.2	16.6	531.2	155.0	2,241.1	5,016.7	2,271.0	7,287.7
At 1 January 2004, as previously reported	413.6	1,055.4	148.2	-	461.4	165.5	2,358.9	4,603.0	2,069.0	6,672.0
Effects of adopting										
- FRS 21 (revised 2004)	-	-	-	-	-	2.9	(2.9)	-	-	-
- FRS 102	-	-	-	0.3	-	-	(0.3)	-	-	-
At 1 January 2004, restated	413.6	1,055.4	148.2	0.3	461.4	168.4	2,355.7	4,603.0	2,069.0	6,672.0
Exchange differences arising on consolidation of foreign subsidiaries	-	-	-	-	(0.2)	(3.6)	-	(3.8)	(9.2)	(13.0)
Exchange differences arising on foreign currency liabilities (net of repayment) accounted for as a hedge of net investments in foreign entities	-	-	-	-	-	(0.3)	-	(0.3)	-	(0.3)
Capital contribution from minority interests	-	-	-	-	-	-	-	-	3.0	3.0
Cost of share-based payment	-	-	-	0.1	-	-	-	0.1	0.1	0.2
Profit for the period, restated	-	-	-	-	-	-	39.9	39.9	16.4	56.3
At 31 March 2004, restated	413.6	1,055.4	148.2	0.4	461.2	164.5	2,395.6	4,638.9	2,079.3	6,718.2

\*Other reserves comprise mainly Fair Value Reserve arising from available-for-sale investments and Hedging Reserve.

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The Company	Share Capital S\$m	Share Premium S\$m	Capital Res. S\$m	Asset Rev. Res. S\$m	Exch. Fluct. Res. S\$m	Fair Val. Res. S\$m	Accum. Profits S\$m	Total S\$m
At 1 January 2005, as previously reported	452.5	1,445.6	63.7	0.9	(0.1)	-	1,704.2	3,666.8
Effect of adopting FRS 21 (revised 2004)	-	-	-	-	0.1	-	(0.1)	-
At 1 January 2005, restated	452.5	1,445.6	63.7	0.9	-	-	1,704.1	3,666.8
Effect of adopting FRS 39	-	-	-	-	-	13.2	(1.0)	12.2
	452.5	1,445.6	63.7	0.9	-	13.2	1,703.1	3,679.0
Issue of ordinary shares	2.7	10.7	-	-	-	-	-	13.4
Valuation gains taken to equity (net of tax)	-	-	-	-	-	3.7	-	3.7
Profit for the period	-	-	-	-	-	-	3.2	3.2
At 31 March 2005	455.2	1,456.3	63.7	0.9	-	16.9	1,706.3	3,699.3
At 1 January 2004, as previously reported	413.6	1,042.3	63.7	0.9	(0.8)	-	2,052.4	3,572.1
Effect of adopting FRS21 (revised 2004)	-	-	-	-	0.8	-	(0.8)	-
At 1 January 2004, restated	413.6	1,042.3	63.7	0.9	-	-	2,051.6	3,572.1
Profit for the period, restated	-	-	-	-	-	-	19.7	19.7
At 31 March 2004, restated	413.6	1,042.3	63.7	0.9	-	-	2,071.3	3,591.8

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- 1(d)(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 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

Arising from the exercise of subscription rights by bonus warrant holders during the three-month period ended 31 March 2005, the Company issued 5,367,105 new ordinary shares of \$0.50 each, thus bringing the total issued and paid up ordinary share capital as at 31 March 2005 to \$438,680,806.50 comprising 877,361,613 ordinary shares of \$0.50 each. As at 31 March 2005, the number of ordinary shares that may be issued on conversion of all the outstanding bonus warrants is 32,542,594 ordinary shares (31 March 2004: Nil).

## Preference share capital

There was no additional preference shares issued during the three-month period. The total issued and paid up preference share capital as at 31 March 2005 was \$16,543,712.85 comprising 330,874,257 non-redeemable convertible non-cumulative preference shares of \$0.05 each.

As at 31 March 2005, the maximum number of ordinary shares that may be issued upon full conversion at the sole option of the Company of all the preference shares is 44,998,898 ordinary shares (31 March 2004: Nil).

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

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

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

Not applicable.

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

The accounting policies and methods of computation adopted are consistent with those applied in the audited financial statements for the year ended 31 December 2004 except for the following which arose from the adoption of new/revised Financial Reporting Standards ("FRS") issued by the Council on Corporate Disclosure and Governance and are operative for financial period beginning on or after 1 January 2005:

**(a) FRS 21 (revised 2004) - The Effects of Changes in Foreign Exchange Rates**

The revised FRS requires exchange differences on loans from the Company to its subsidiaries which forms part of the Company's net investment in the subsidiaries to be included in the Company's income statement. Previously, the exchange differences were included in the Company's Exchange Fluctuation Reserves. On consolidation, exchange differences on such inter-company loans which are denominated in either the functional currency of the parent or the subsidiary continues to be taken to Exchange Fluctuation Reserves whilst exchange differences arising from similar loans which are not denominated in either the functional currency of parent or the subsidiary will now remain in the consolidated income statement. The application is retrospective and accordingly the comparative financial statements for 2004 are restated.

**(b) FRS 39 - Financial Instruments: Recognition and Measurement**

This FRS sets out the new requirements for the recognition, derecognition and measurement of the Group's and the Company's financial instruments and hedge accounting. In accordance with the transitional provisions of this FRS, the comparative financial statements for 2004 are not restated.

**(c) FRS 102 - Share-based Payment**

This FRS requires an entity to recognise share-based payment transactions in its financial statements, including transactions with employees or other parties to be settled in cash, other assets, or equity instruments of the entity. The application on the Share Option Scheme of a subsidiary is retrospective and accordingly the comparative financial statements for 2004 are restated.

**(d) FRS 105 - Non-current Assets Held for Sale and Discontinued Operations**

This FRS requires an entity to state its non-current assets as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. In accordance with the transitional provisions of this FRS, the comparative financial statements for 2004 are not restated.

The financial effects of the adoption of the various FRS on the accumulated profits, exchange fluctuation and other reserves are set out in item 1(d)(i) and may be subject to adjustments when they are audited at the end of the year.

The Group and the Company have also adopted revisions in other FRS that have become operative from 1 January 2005. However, they do not have any significant impact on the financial statements.

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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.**

Except for those required by the adoption of new/revised FRS stated in item 4 above, there was no change in the accounting policies and methods of computation.

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	
	2005	2004 (restated)
Basic Earnings per share (cents)	4.65	4.83
Fully Diluted Earnings per share (cents)	4.32	4.83
Earnings per share is calculated based on :		
a) Profit attributable to equity holders of the Company (S\$'000)	40,754	39,936
b) weighted average number of ordinary shares in issue :		
- basic	875,603,889	827,185,643
- fully diluted (*)	942,294,696	827,185,643

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

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

	The Group		The Company	
	31/3/2005 S\$	31/12/2004 S\$	31/3/2005 S\$	31/12/2004 S\$
Net Asset Value per ordinary share based on issued share capital of 877,361,613 ordinary shares as at 31 March 2005 (871,994,508 ordinary shares as at 31 December 2004).	5.72	5.68	4.22	4.21

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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.**

For the first quarter of the year, the Group registered a hefty increase of 89.5% or \$47.0 million in its pre-tax profit to \$99.5 million (restated 2004: \$52.5 million). After-tax profit for the period increased by 8.3% to \$61.0 million (restated 2004: \$56.3 million) of which \$40.8 million was attributable to the Company (restated 2004: \$39.9 million).

Included in these results are the proceeds from insurance claim for business interruption relating to Millenium Hilton, New York of £12.8 million (approximately S\$39.8 million) and its related estimated tax charge of £6 million (approximately S\$18.7 million) which have been recognized by our hotel subsidiary during the period under review.

## **Property**

As expected the economy continued to grow, though at a slower pace of 2.4% compared to 6.5% last year. The GDP growth projection for the whole year is still a credible 3% to 5%.

The residential property market continued to improve with a price increase of 0.7%, the fourth consecutive quarter of upturn. Transaction volume also increased by about 3% compared to Q1 last year.

The Group continued to sell its existing ongoing projects and among them, The Sail @ Marina Bay attracted many local and foreign buyers. The first tower - Marina Bay Tower, comprising 681 units, which was launched in November last year was 97% sold in less than 5 months.

Profits continued to be realised from pre-sold projects such as Savannah CondoPark, The Pier at Robertson, and Esparis Executive Condominium, among others. Profits from The Sail @ Marina Bay and recently launched City Square Residences will be recognised from the second half of 2005 and 2006 respectively.

Parc Emily project, in which the Group has a 50% share, was launched in February. Phase 1 was well received with 80% sold in Q1.

The office market continued to recover with average rental increasing by 2.2% in Q1. Meanwhile office occupancy also increased by 1% to the national average of 85%.

## **Hotel**

Millennium & Copthorne Hotels plc ("M&C"), in which the Group has a 52% interest, continued to experience increases in revenue and RevPAR in all regions. Even though it is still early in the Group's financial year, the Group's hotel performance for the first quarter of 2005 reflects steady progress.

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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 2004.

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

In early April, the Group launched Phase 1, comprising 200 units, of its freehold City Square Residences at Kitchener Road. Response was so overwhelming that more units were released in the subsequent weeks and to-date more than 560 units out of the 620 released have been snapped up. The City Square project comprises 910 units of residential apartments and an adjoining 721,000 square feet of exciting shops, restaurants, hypermarket and entertainment facilities at City Square Mall, which the Group is also developing.

The general market sentiments were buoyed by the Government's decision, which was announced in mid-April, to allow two Integrated Resorts (IRs) with casinos to be built in Singapore. Market watchers expect the IRs to bring in more benefits to the economy of Singapore, especially the hospitality sector.

The Group is currently evaluating the possible launch of the second tower - Central Park Tower at The Sail @ Marina Bay. We have considered various enbloc offers. However, these offers did not reach our target price. Since the IRs' announcement where it was revealed that one of the locations for the IRs will be at Marina Bay, we have received many enquiries from both local and foreign potential individual purchasers. Given the intense interest and demand, the Group may launch the second tower for sale.

The office market is expected to continue on its recovery path and analysts expect rental to improve by 10% to 20% this year. With limited new office space coming on-stream in the next 12 months or so, prospects look brighter, especially for Grade A offices.

The Group is evaluating the merits and feasibility of various REIT transactions involving our existing asset portfolio through the listing of new REIT vehicle(s) and other REIT related transactions. In connection with this exercise, the Group has entered into discussions with its professional advisers and real estate investors to see how best to maximize the value to shareholders based on a selection of ear-marked properties.

In February 2005, the Group had announced its participation in a private equity real estate fund, Real Estate Capital Asia Partners, L.P. (RECAP). RECAP has since acquired two properties, one in Thailand and the other in Korea.



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## Hotel

As part of its growth strategy, M&C signed 8 management contracts across 3 continents which include 2 landmark 5-star Millennium management contracts, one in Bangkok, Thailand, and the other a luxury hotel resort and residence at Sharm el Sheikh in Egypt

## Group Prospects

With the new proposed developments such as the IRs and the Business Financial Centre, we believe the sentiments in real estate will continue to improve.

The Group is confident to remain profitable in the next 12 months.

## 11. Dividend

### (a) Current Financial Period Reported On

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

Yes.

On 13 May 2005, the Board of Directors, pursuant to the recommendation of the Audit Committee, declared the payment of a non-cumulative preference dividend to holders of City Developments Limited Non-redeemable Convertible Non-cumulative Preference Shares of \$0.05 each ("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% (net) per annum of the issue price of \$1.00 for each Preference Share on the basis of 181 days, being the actual number of days comprised in the dividend period from 31 December 2004 to 29 June 2005, divided by 365 days.

Name of Dividend	Preference Dividend
Dividend Type	Cash
Dividend Amount per Preference Share (in cents)	1.93 cents (net) per Preference share
Dividend rate (in %)	3.9% (net) per annum on the issue price of each Preference Share
Dividend period	From 31 December 2004 to 29 June 2005 (both dates inclusive)
Par value of Preference Shares	\$0.05 per Preference Share
Issue price of Preference Shares	\$1.00 per Preference share
Tax rate	20%

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

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

None.

**(c) Date payable**

The preference dividend will be paid on 30 June 2005.

**(d) Books Closure Date for Non-redeemable Convertible Non-cumulative Preference Shares of \$0.05 each (the "Preference Shares")**

**NOTICE IS HEREBY GIVEN** that the Preference Share Transfer Books and Register of Preference Shareholders of the Company will be closed on 17 June 2005. Duly completed registrable transfers received by the Company's Registrar, M & C Services Private Limited of 138 Robinson Road #17-00, The Corporate Office, Singapore 068906, up to 5.00 p.m. on 16 June 2005 will be registered to determine Preference Shareholders' entitlement to the preference dividend (the "Preference Dividend") of 3.9% per annum (net) for the dividend period from 31 December 2004 to 29 June 2005 (both dates inclusive). In respect of Preference Shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the Preference Dividend will be paid by the Company to CDP who will distribute the Preference Dividend to the holders of the securities accounts.

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

Not applicable.

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

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

**By Business Segments**

	<-----The Group----->			
	Revenue		Profit before Tax	
	2005	2004	2005	2004
	S\$'000	S\$'000	S\$'000	S\$'000 (restated)
Property Development	66,445	154,877	15,459	32,593
Hotel Operations	403,172	383,812	60,050	7,977
Rental Properties	39,751	46,408	22,840	10,942
Others	8,643	9,250	1,207	1,027
	<u>518,011</u>	<u>594,347</u>	<u>99,556</u>	<u>52,539</u>

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

## Property Development

Revenue and pre-tax profit decreased by \$88.5 million (or 57.1%) to \$66.4 million (2004: \$154.9 million) and by \$17.1 million (or 52.6%) to \$15.5 million (2004: \$32.6 million) respectively. Projects that contributed to both revenue and profit include Savannah CondoPark, The Pier at Robertson, Monterey Park and The Esparis. In addition, the Group continued to recognise profit from Edelweiss Park which is a project developed by a jointly controlled entity of the Group.

The decrease in revenue and pre-tax profit is mainly on account of completion of Goldenhill Park, Changi Rise and Nuovo EC during 2004.

## Hotel Operations

Revenue improved by \$19.4 million (or 5.1%) to \$403.2 million (2004: \$383.8 million) and pre-tax profit soared to \$60.1 million (2004: \$8 million). The increase in both revenue and pre-tax profit resulted from the improvement in RevPAR across all regions and profit contribution of £12.8 million (approximately S\$39.8 million) from the settlement of Millenium Hilton insurance dispute.

## Rental Properties

Revenue decreased by \$6.7 million to \$39.8 million (2004: \$46.4 million) mainly due to lower rental income following the disposal of the Birkenhead Shopping Centre and Marina in Q4 2004.

Pre-tax profit of \$22.8 million (2004: \$10.9 million) was achieved. The increase is mainly on account of the disposal of MyeongDong Central Building in Seoul, held by a jointly controlled entity in which the Group has a 50% interest. This has been partially offset by the absence of rental following the sale of Birkenhead Shopping Centre and Marina last year.

## Others

Revenue comprises mainly income from hotel management, building maintenance contracts, project management, club operations and dividend income.

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

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

	Full Year 2004 S\$'000	Full Year 2003 S\$'000
Ordinary	52,786	49,631
Special	-	330,874
Preference	7,248	-
Total	60,034	380,505

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The first and final ordinary dividend for 2004 of 15% per ordinary share less 20% tax has been approved by the ordinary shareholders at the Annual General Meeting and the dividend amounts are based on the number of issued ordinary shares as at 5 May 2005.

## **16. Interested Person Transactions**

In the quarter ended 31 March 2005, there is no interested person transactions conducted with Hong Leong Investment Holdings Pte. Ltd. group of companies under the shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual.

## **BY ORDER OF THE BOARD**

Shufen Loh @ Catherine Shufen Loh  
Company Secretary  
13 May 2005