CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH 2009

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 2009 S$'000	2008 S$'000	Incr/ (Decr) %
Revenue	622,474	758,752	(18.0)
Cost of sales	(297,481)	(333,203)	(10.7)
Gross profit	324,993	425,549	(23.6)
Other operating income (2)	2,721	1,620	68.0
Administrative expenses (3)	(110,867)	(130,441)	(15.0)
Other operating expenses (4)	(100,154)	(103,089)	(2.8)
Profit from operations	116,693	193,639	(39.7)
Finance income (5)	3,391	8,290	(59.1)
Finance costs (6)	(21,119)	(29,965)	(29.5)
Net finance costs	(17,728)	(21,675)	(18.2)
Share of after-tax profit of associates (7)	2,776	3,236	(14.2)
Share of after-tax profit of jointly-controlled entities (8)	17,563	57,250	(69.3)
Profit before income tax	119,304	232,450	(48.7)
Income tax expense (9)	(28,116)	(42,349)	(33.6)
Profit for the period	91,188	190,101	(52.0)
Attributable to:			
Equity holders of the Company	**83,146**	**164,969**	(49.6)
Minority interests	8,042	25,132	(68.0)
Profit for the period	91,188	190,101	(52.0)
Earnings per share			
- basic	9.1 cents	18.1 cents	(49.7)
- diluted	8.7 cents	17.3 cents	(49.7)

Notes to the Group's Income Statement:

(1) Profit before income tax includes the following:

	The Group Three months ended 31 March	
	2009	2008
	S$'000	S$'000
Interest income	2,372	8,180
Profit on sale of investments and property, plant and equipment (net)	46	18
Gain on disposal of a jointly-controlled entity	652	-
Investment income	6	853
Depreciation and amortisation	(31,661)	(33,131)
Interest expenses	(18,243)	(25,521)
Exchange gain (net)	1,248	4,259
Mark-to-market loss on financial assets held for trading (net)	(1,132)	(4,266)

(2) Other operating income comprises mainly profit on sale of property, plant and equipment, management fee and miscellaneous income. This increased by $1.1 million to $2.7 million (Q1 2008: $1.6 million) mainly on account of a gain recognised on the disposal of a jointly-controlled entity.

(3) Administrative expenses, comprise mainly depreciation, hotel administrative expenses, operating lease expenses and salaries and related expenses, decreased by 15.0% to $110.9 million (Q1 2008: $130.4 million) primarily due to lower salaries and related expenses, and rental expenses incurred for the leasing of hotels from CDL Hospitality Trusts.

(4) Other operating expenses comprise mainly property taxes and insurance on hotels, hotel other operating expenses, net exchange differences and professional fees.

(5) Finance income comprises mainly interest income and mark-to-market gain on equities held for trading. This had decreased by $4.9 million to $3.4 million (Q1 2008: $8.3 million) on account of decline in interest income from fixed deposits recognised in Q1 2009.

(6) Finance costs comprise primarily interest on borrowings, mark-to-market loss on equities held for trading and amortisation of capitalised transaction costs on borrowings. The decrease of finance costs by $8.9 million for Q1 2009 to $21.1 million (Q1 2008: $30.0 million) was due to decrease in interest expenses incurred and lower mark-to-market loss on financial assets recognised.

(7) Share of after-tax profit of associates relates primarily to the Group's share of results of CDL Hospitality Trusts.

(8) Share of after-tax profit of jointly-controlled entities decreased by $39.7 million to $17.6 million (Q1 2008: $57.3 million) on account of lower profit contribution from St. Regis Residences and The Sail @ Marina Bay as they had obtained Temporary Occupation Permit in 2008.

(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 $1.9 million (Q1 2008: overprovision of $1.9 million).

The overall effective tax rate of the Group was 23.6% (Q1 2008: 18.2%). Excluding the under/(over)provision in respect of prior periods, the effective tax rate for the Group would be 22.0% (Q1 2008: 19.0%).

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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 31.03.2009 S$'000	**As at 31.12.2008 S$'000**	**As at 31.03.2009 S$'000**	**As at 31.12.2008 S$'000**
Non-current assets					
Property, plant and equipment	(1)	3,696,251	4,161,527	8,098	166,945
Investment properties	(2)	2,937,017	2,312,675	473,781	277,115
Investments in subsidiaries		-	-	2,259,199	2,258,199
Investments in associates		342,088	348,644	-	-
Investments in jointly-controlled entities	(3)	650,240	693,860	35,204	35,204
Investments in financial assets		165,597	162,718	21,191	23,387
Other non-current assets		21,618	18,569	103,728	105,218
		7,812,811	**7,697,993**	**2,901,201**	**2,866,068**
Current assets					
Development properties		2,935,692	2,920,056	1,486,285	1,534,891
Consumable stocks		10,202	11,220	-	-
Financial assets		19,339	19,727	-	-
Trade and other receivables		1,211,620	1,098,648	2,775,284	2,592,840
Cash and cash equivalents		577,077	775,882	81,593	159,490
		4,753,930	**4,825,533**	**4,343,162**	**4,287,221**
Total assets		**12,566,741**	**12,523,526**	**7,244,363**	**7,153,289**
Equity attributable to equity holders of the Company					
Share capital		1,991,397	1,991,397	1,991,397	1,991,397
Reserves		3,566,739	3,438,311	2,460,099	2,417,943
		5,558,136	5,429,708	4,451,496	4,409,340
Minority interests		1,645,374	1,592,609	-	-
Total equity		**7,203,510**	**7,022,317**	**4,451,496**	**4,409,340**
Non-current liabilities					
Interest-bearing borrowings *		3,106,643	3,286,610	1,537,491	1,640,280
Employee benefits		28,180	27,259	-	-
Other liabilities		97,245	84,388	33,992	26,343
Provisions		2,425	2,400	-	-
Deferred tax liabilities		412,288	410,616	54,685	65,922
		3,646,781	**3,811,273**	**1,626,168**	**1,732,545**
Current liabilities					
Trade and other payables		684,143	641,218	679,972	469,481
Interest-bearing borrowings *		824,048	860,063	422,583	490,068
Employee benefits		15,532	14,536	1,818	1,804
Other liabilities		2,176	2,099	-	-
Provision for taxation		186,214	167,130	62,326	50,051
Provisions		4,337	4,890	-	-
		1,716,450	**1,689,936**	**1,166,699**	**1,011,404**
Total liabilities		**5,363,231**	**5,501,209**	**2,792,867**	**2,743,949**
Total equity and liabilities		**12,566,741**	**12,523,526**	**7,244,363**	**7,153,289**

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

Notes to the Balance Sheet of the Group

1) The decrease was due mainly to the Group's adoption of *Amendments to Financial Reporting Standard (FRS) 40 – Investment Property* which took effect on 1 January 2009 whereby properties under construction for future use as investment properties are classified as investment properties. Accordingly, the Group has reclassified the carrying value of those properties under construction for future use as investment properties to Investment Properties. This is partially offset by translation gains arising from consolidating the carrying values of overseas properties at Group level.

2) The increase was due the reclassification of the carrying value of properties under construction from property, plant and equipment to investment properties and additional costs incurred in such investment properties.

3) The decrease was due to dividend income received, partially mitigated by share of after-tax profit contribution from jointly-controlled entities.

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 deferred real estate taxes payable, retention sums payable, other payables and deposits received. Unamortised balance of transaction costs have not been deducted from the gross borrowings.

		As at 31.03.2009 S$'000	As at 31.12.2008 S$'000
Unsecured			
-repayable within one year		594,502	666,581
-repayable after one year		2,229,846	2,331,677
	(a)	2,824,348	2,998,258
Secured			
-repayable within one year		229,613	193,755
-repayable after one year		885,224	961,453
	(b)	1,114,837	1,155,208
Gross borrowings	(a)+(b)	3,939,185	4,153,466
Less: cash and cash equivalents		(577,077)	(775,882)
Net borrowings		3,362,108	3,377,584

Details of any collateral

Where secured, borrowings are collateralised by:

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

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	
	2009	**2008**
	S$'000	**S$'000**
Operating Activities		
Profit before income tax	119,304	232,450
Adjustments for:		
Depreciation and amortisation	31,661	33,131
Dividend income	(6)	(853)
Finance income	(3,391)	(8,290)
Finance costs	21,119	29,965
Gain on disposal of a jointly-controlled entity	(652)	-
Profit on sale of property, plant and equipment	(46)	(18)
Property, plant and equipment written off	181	120
Share of after-tax profit of associates	(2,776)	(3,236)
Share of after-tax profit of jointly-controlled entities	(17,563)	(57,250)
Units in an associate received in lieu of fee income	(1,560)	(2,266)
Value of employee services received for issue of share options	781	683
Operating profit before working capital changes	147,052	224,436
Changes in working capital		
Development properties	(1,844)	(154,040)
Stocks, trade and other receivables	(115,926)	(18,856)
Trade and other payables	54,648	(16,299)
Employee benefits	2,734	(683)
Cash generated from operations	86,664	34,558
Income tax paid	(18,815)	(13,563)
Cash flows from operating activities carried forward	**67,849**	**20,995**

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	Three months ended 31 March	
	2009	**2008**
	S$'000	**S$'000**
Cash flows from operating activities brought forward	**67,849**	**20,995**
Investing Activities		
Capital expenditure on investment properties and properties under development	(74,016)	(1,488)
Dividends received		
- an associate	15,329	14,645
- financial investments	6	851
- a jointly-controlled entity	72,500	-
Interest received	1,393	8,010
Increase in investments in jointly-controlled entities	(752)	-
Increase in investments in associates	-	(21,191)
Net proceeds from disposal of a jointly-controlled entity	568	-
Proceeds from sale of property, plant and equipment	64	50
Payments for purchase of property, plant and equipment	(20,261)	(70,036)
Purchase of financial assets	(271)	(51)
Cash flows from investing activities	(5,440)	(69,210)
Financing Activities		
Advances to related parties	(2,336)	(6,158)
Repayment of other long-term liabilities	(20)	(1,606)
Interest paid (including amounts capitalised as property, plant and equipment and development properties)	(21,533)	(25,901)
Net repayments of revolving credit facilities and short-term bank borrowings	(118,234)	(168,581)
Payment of transaction costs	(2,369)	(240)
Proceeds from bank borrowings	25,000	150,936
Proceeds from issuance of bonds and notes	100,000	110,000
Repayment of bank borrowings	(25,631)	(4,047)
Repayment of bonds and notes	(219,882)	(50,000)
Repayment to finance leases	(3)	(18)
Cash flows from financing activities	(265,008)	4,385
Net decrease in cash and cash equivalents carried forward	**(202,599)**	**(43,830)**

	Three months ended 31 March 2009 S$'000	Three months ended 31 March 2008 S$'000
Net decrease in cash and cash equivalents brought forward	**(202,599)**	**(43,830)**
Cash and cash equivalents at beginning of the period	769,859	710,566
Effect of exchange rate changes on balances held in foreign currencies	9,149	(10,061)
Cash and cash equivalents at end of the period	**576,409**	**656,675**
Cash and cash equivalents comprise:-		
Cash and cash equivalents as shown in the Balance Sheet	577,077	657,539
Less: Bank overdrafts	(668)	(864)
	576,409	**656,675**

<u>Notes to the Consolidated Cash Flow Statement</u>

(1) The Group had a net cash outflow from investing activities of $5.4 million for Q1 2009 (Q1 2008: $69.2 million) primarily due to dividends received from a jointly-controlled entity in Q1 2009.

(2) The Group had a net cash outflow from financing activities of $265.0 million for Q1 2009 as compared to a net cash inflow of $4.4 million for the corresponding period in 2008 due to a net repayment of loans of $238.7 million during the current quarter.

1(d) Statement of Comprehensive Income

	<---- The Group ---->	
	As at 31.03.2009 S$'000	As at 31.03.2008 S$'000
Profit for the period	91,188	190,101
Other comprehensive income:		
Translation differences on consolidation of foreign subsidiaries	94,039	(79,469)
Exchange differences on hedge of net investments in foreign entities	(3,124)	-
Exchange differences on monetary items forming part of net investments in foreign entities	1,417	(20,034)
Change in fair value of equity investments available for sale	(3,494)	(2,828)
Actuarial losses on defined benefit plans	-	(12)
Share of other reserve movement of an associate	386	(567)
Other comprehensive income/(expense) for the period, net of tax	**89,224**	**(102,910)**
Total comprehensive income for the period	**180,412**	**87,191**
Total comprehensive income attributable to:		
Equity holders in the Company	**128,018**	**108,540**
Minority interests	52,394	(21,349)
	180,412	**87,191**

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

The Group	<--------Attributable to equity holders of the Company-------->							
	Share Capital S$m	Cap. Res. S$m	Other Res.* S$m	Exch. Fluct. Res. S$m	Accum. Profits S$m	Total S$m	Minority Interests S$m	Total Equity S$m
At 1 January 2008	1,991.4	147.2	31.6	36.1	2,992.5	5,198.8	1,717.6	6,916.4
Total comprehensive income/(expenses) for the period	-	-	(3.1)	(53.3)	165.0	108.6	(21.4)	87.2
Value of employee services received for issue of share options	-	-	0.3	-	-	0.3	0.4	0.7
At 31 March 2008	1,991.4	147.2	28.8	(17.2)	3,157.5	5,307.7	1,696.6	7,004.3
At 1 January 2009	1,991.4	148.7	3.9	(93.7)	3,379.4	5,429.7	1,592.6	7,022.3
Total comprehensive income/(expenses) for the period	-	-	(3.3)	48.2	83.1	128.0	52.4	180.4
Value of employee services received for issue of share options	-	-	0.4	-	-	0.4	0.4	0.8
At 31 March 2009	1,991.4	148.7	1.0	(45.5)	3,462.5	5,558.1	1,645.4	7,203.5

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

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 2008	1,991.4	63.7	19.5	2,260.2	4,334.8
Total comprehensive income for the period	-	-	0.1	45.6	45.7
At 31 March 2008	1,991.4	63.7	19.6	2,305.8	4,380.5
At 1 January 2009	1,991.4	63.7	6.4	2,347.8	4,409.3
Total comprehensive income/(expenses) for the period	-	-	(1.7)	43.9	42.2
At 31 March 2009	1,991.4	63.7	4.7	2,391.7	4,451.5

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 2009.

Preference share capital

There was no change in the Company's issued preference share capital during the period ended 31 March 2009.

As at 31 March 2009, 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 2008: 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 2009 and 31 December 2008.

The total number of issued ordinary shares (excluding treasury shares) as at 31 March 2009 and 31 December 2008 is 909,301,330.

The total number of issued Preference Shares as at 31 March 2009 and 31 December 2008 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 2009.

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 2008.

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 has adopted *Amendments to Financial Reporting Standard (FRS) 40 – Investment Property* which became effective on 1 January 2009. This FRS has been amended to cover property that is being constructed or developed for future use as investment property which previously was accounted for under *FRS 16 – Property, Plant and Equipment*. On adoption of this amendment, the Group has reclassified the carrying value of properties which are under construction for future use as investment properties from property, plant and equipment to investment properties. This amendment has been applied prospectively in accordance with the Amendments to FRS 40.

Other than the above, the Group adopted various new and revised FRSs and Interpretations of FRSs which took effect for financial year beginning on 1 January 2009. These do not have a significant impact on the Group's financial statements.

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	
	2009	**2008**
Basic Earnings per share (cents)	9.1	18.1
Diluted Earnings per share (cents)	8.7	17.3
Earnings per share is calculated based on:		
a) Profit attributable to equity holders of the parent (S$'000)	83,146	164,969
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	
	31.03.2009 S$	**31.12.2008 S$**	**31.03.2009 S$**	**31.12.2008 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 2009 (909,301,330 ordinary shares (excluding treasury shares) as at 31 December 2008)	6.11	5.97	4.90	4.85

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.

<u>Group Performance</u>

In spite of the global economic downturn, the Group managed to deliver a respectable performance. Revenue of $622.5 million and attributable profit after tax and minority interest of $83.1 million were achieved for Q1 2009.

For the quarter under review, the Group's revenue and pre-tax profit were 18.0% and 48.7% lower than Q1 2008 respectively, primarily due to lower contributions from both the property development segment and hotel operations. These declines were partially mitigated by the improvement in rental properties segment which saw an increase of 22.4% and 46.6% for revenue and pre-tax profit respectively for Q1 2009, compared to the previous corresponding period.

In terms of pre-tax profit, property development segment remained the biggest contributor to the Group's core earnings for the quarter. The worsening global economic condition has had a greater impact on the global hospitality market than the industry expected. As a result, rental properties segment surpassed hotel operations as the second in line. The strong performance of the rental properties segment is because office rental leases are secured for a longer period of time and the Group, had also benefited by having a diversified tenant mix and locking in higher rental rates from leases that were up for renewal when the office market was more buoyant.

<u>Property</u>

Singapore suffered its worst quarter of GDP contraction in Q1 2009 since its independence. Advanced estimates indicate that the economy for Q1 2009 may contract by 11.5% compared to 4.2% contraction in Q4 2008. In view of the sharp deterioration of Q1 2009 and the weak global outlook, the Government has also downgraded the growth forecast for 2009 to contract by 6.0% to 9.0%, lower than its earlier forecast contraction of 2.0% to 5.0%.

In tandem with the weakening economy, private residential property prices suffered its steepest drop of 14.1% in Q1 2009 compared with the decline of 6.1% in the previous quarter.

However, the mid and mass market segments showed signs of increased activity since February, after the Lunar New Year celebrations. This was probably due to pent-up demand and lack of new project launches for some time. Moreover, developers are now more pragmatic and are prepared to lower their prices so as to improve market sentiment and to boost sales. Developers test-launched a few new projects and they were well received by the market. As there was a growing appetite in the mass market segment, the Group adjusted the selling price of selected units of its Livia project by about 5%. This made the development even more attractive to price sensitive buyers who have been waiting on the side-line. The response was good and more than 60 units have since been sold after the price adjustment, bringing the total sales to over 400 units for the project.

With the growing positive response and feedback from the success of new launches, the Group previewed its mid-end segment project known as The Arte at Thomson in March. Designed by award winning architect, this development was created for luxury, yet it is attractively priced as a value-for-money investment. Conveniently located, this architectural masterpiece is also taking the lead in rejuvenating the neighbourhood. This outstanding 336-unit freehold project comprises two 36-storey towers, offering superb views of the surroundings including the MacRitchie Reservoir. The preview was very well-received and more than 90 units were snapped up by end of Q1 2009. Following the successful preview, the Group proceeded to officially launch the project in April 2009. This was met with overwhelming success. To-date, more than 250 units have been sold. The Group will continue to release more units in stages to meet market demand for the project.

Hence, the national sales turnover for Q1 2009 was relatively healthy with 2,552 uncompleted units transacted compared with only 407 units in Q4 2008, an increase of more than six times.

During the quarter under review, the Group booked in profits from City Square Residences, Cliveden at Grange, One Shenton, Shelford Suites, Tribeca, The Solitaire and Wilkie Studio. It also booked in profits from joint-venture projects namely The Oceanfront @ Sentosa Cove, Botannia and Ferraria Park.

In 2008, the Group obtained its Temporary Occupation Permits (TOP) for a total of 1,755 residential units and final payments of sale prices for almost all these units were received. In Q1 2009, 439 units obtained TOP and similarly, almost all purchasers have settled their purchase prices upon notification. This includes the buyers who had opted for Deferred Payment Scheme (DPS), when it was available. This reiterates the Group’s earlier stance mentioned in last quarter, that its exposure to DPS buyers defaulting on its purchases is limited.

Demand for office space weakened as companies struggled to deal with the financial crisis and focus on cost savings measures and consolidation of office usage. Overall, rental for office space fell for the third consecutive quarter by 10.7% in Q1 2009 according to Government statistics. Island wide office occupancy decreased to 90% in Q1 2009 compared to 91.2% as at end of 2008.

Likewise, our office space occupancy has been affected and decreased marginally to 91% in Q1 2009 compared to 94% as at end of 2008. Nevertheless, the Group was able to secure several lease renewals at optimum rental rates, before the rents started to decline sharply due to the recession and weak economic outlook.

Hotel

Q1 2009 trading environment was predictably challenging for the global hospitality industry.

For the quarter under review, Millennium & Copthorne Hotels plc (M&C), which the Group has a 53.5% interest, saw a worsening in demand across all regions in which it operates, particularly in the US markets, as the effects of the financial woes continue to unfold. Global RevPAR declined by 1.9% based on reported currency and 18.2% on constant currency basis.

At constant rate of exchange, the impact of this sector, as a result of the economic downturn, was most prevalent in New York where RevPAR fell 37.8% and elsewhere in the US, RevPAR decline was 14.3% for the quarter under review. Visitor numbers in Singapore have continued to fall since mid-2008 and have impacted both corporate and leisure markets, resulting in Singapore recording the second largest RevPAR fall after New York with a decline of 30.6% for Q1 2009. However, as Singapore hotels are operating on a low cost base as compared to the hotels in the US, despite the decline, they will still be able to maintain a reasonable gross margin. Performance in London, the other key gateway cities for M&C, has been very resilient in the first quarter, with RevPAR only marginally down by 0.2%.

In reported currency term for the quarter, profit after tax and minority interest fell by 51.1% to £6.9 million (Q1 2008: £14.1 million).

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 2008.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Property

The world economy continues to be challenging with many nations still trying to stabilise their respective economies, after the introduction of various stimulus measures.

In Singapore, the Government continues to focus on measures to help companies save jobs. It also rolled out schemes to enable SMEs to obtain credit more easily from financial institutions. It has accelerated Government-led infrastructure development projects so as to prepare Singapore for its next economic boom. It is comforting that the Government has assured the business community that appropriate off-budget measures may be introduced should the situation warrant them.

While the results of these economic stimulus measures have yet to be realised in its full impact, the Group is beginning to see light at the end of the tunnel in the global economy. In recent months, there is greater optimism in the global markets. Stock prices have been moving on an upward trend, banks are more ready to lend and in some countries, interest rates are beginning to come down. Property market sentiments are also improving.

From the good sales take-up rate of The Arte at Thomson, it is evident that there are many buyers who are ready to invest in property and have strong purchasing power. As the apartments sold at The Arte are of larger sized units, starting from two-bedroom to penthouses, a higher quantum for each apartment is pegged. The sales volume is a positive sign as it indicates that this class of buyers have confidence in the property market and in the future of their investment. These savvy investors share the same view as the Group, that their property assets will reap good prospects when viewed with a medium term perspective.

The increased visitorship to show flats are also an indication that there are still many genuine investors who are 'shopping' for good, value for money investments, even though there is no DPS offered. The Group is encouraged by the sustained interest and the increased activity which augurs well for the prospects for residential launches.

The construction for the residential development at The Quayside Isle Collection at Sentosa Cove is progressing well and is expected to be completed by 2011. The Group had successfully tendered for this prime land at a low cost before the subsequent land tendered prices escalated at the Cove. It was also fortunate to have secured favourable construction cost. While the Group may be able to launch this project soon and still make reasonable profits, it has decided to hold back the launch till later. In fact, it may even launch this project only after the development is completed or near completion. The rationale for this approach is because, due the current ongoing massive construction on Sentosa Island, property prices at the Cove have been subdued. Nevertheless, the Group believes that The Quayside Isle at Sentosa Cove holds immense potential and will be even more attractive when the Sentosa Integrated Resort is completed. By then, the entire Sentosa Island will be buzzing with activities and the scenario at the Cove may be quite different. As the Group has the financial resources to hold on to this development, it will do so, as it can reap better returns when it decides to launch at the appropriate time.

As the mass and mid market segments appear to be recovering well, the Group has put on fast-track its project at the former Hong Leong Garden Condominium. Based on prevailing prices in this vicinity, the Group believes that there is an opportunity to successfully launch this project. It has therefore deliberately brought forward this development into the pipeline and intends to prepare for launch by Q4 2009. At the same time, the Group would also be identifying appropriate development sites that are likely to be well received by potential buyers. The Group is doing the necessary groundwork to prepare these sites for potential launch, so that it will be well positioned to reap first-mover advantage, when the property market recovers further.

On the South Beach development, the joint-venture partners are in the final stage of negotiations with the consortium banks on re-financing for the land. As this development has until at least 2016 to be completed, the Group is taking the opportunity to review and refine the plans for the development so as to maximise the immense potential of this sizeable prime site, making it even more efficient. Meanwhile, construction cost is expected to come down further.

Though facing a challenging environment in the office sector, it is important to highlight that not all office leases expire at the same time. The Group has been progressively engaging tenants in discussions for those leases which will soon be up for renewal. It has also implemented pro-active measures to fill any vacant spaces and will continue to do the best it can under the present conditions.

The Group's mega retail complex, City Square Mall, is coming to fruition and will be opening in Q4 09 as scheduled. Inevitably, the leasing of the remaining retail space have been challenging due to the financial crisis and the recessionary environment. Nevertheless, the Group continues to actively pursue potential tenants and discussions are progressing smoothly. City Square Mall has numerous advantages. It is superbly located with direct, underground connection to the Farrer Park MRT station and has a good, critical size which enables it to offer a variety of tenant mix and offerings for its customers. There are no other malls in the vicinity that provide such a convenient access and of this sizeable nature. In view that suburban shopping malls are currently performing better than the malls located in the prime central district, the Group is optimistic that City Square Mall will be substantially occupied upon its opening.

Hotel

In April 2009, RevPAR fell by 22.9% due in part to the effect of Easter falling in April this year compared to March 2008. Traditionally, this holiday period results in a slow down of business, particularly in the UK, and may impact M&C's performance for the next quarter.

Given the current market conditions, M&C will focus on achieving at least fair-market share within each hotel's pre-defined competitive set and maintaining a tight control over all operating costs.

With strong cash generation from operations of £13.6 million, M&C has continued to control tightly its capital expenditure and maintain a strong balance sheet and low gearing of 15.9%.

Group Prospects

The Group believes that the global economic scenario is better than six months ago. Market sentiment globally is generally improving and many are looking at property as a reliable instrument for investment.

The Group is optimistic that as the positive news from the global economies continue to be sustained, the worst may be over and that a gradual economic recovery is emerging. It is confident of remaining 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 11 May 2009, the Board of Directors, pursuant to the recommendation of the Audit Committee, declared the payment of a tax-exempt (one-tier) non-cumulative preference dividend to holders of 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 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 2008 to 29 June 2009, divided by 365 days.

Name of Dividend	Tax exempt (One-tier) Preference Dividend
Date of payment	30 June 2009
Dividend Type	Cash
Dividend Amount per Preference Share (in cents)	1.93 cents
Dividend rate (in %)	3.9% per annum on the issue price of each Preference Share
Dividend period	From 31 December 2008 to 29 June 2009 (both dates inclusive)
Issue price of Preference Shares	$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 2008
Dividend Type	Cash
Dividend Amount per Preference Share (in cents)	1.94 cents
Dividend rate (in %)	3.9% per annum on the issue price of each Preference Share
Dividend period	From 31 December 2007 to 29 June 2008 (both dates inclusive)
Issue price of Preference Shares	$1.00 per Preference Share

(c) Date payable

The tax exempt (one-tier) preference dividend for the period from 31 December 2008 to 29 June 2009 (both dates inclusive) will be paid on 30 June 2009.

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

5.00 pm on 11 June 2009.

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 Three months ended 31 March		Profit before income tax (*) Three months ended 31 March	
	2009 S$'000	2008 S$'000	2009 S$'000	2008 S$'000
Property Development	198,146	234,084	68,655	155,062
Hotel Operations	344,518	455,615	20,938	52,120
Rental Properties	69,963	57,154	36,866	25,141
Others	9,847	11,899	(7,155)	127
	622,474	758,752	119,304	232,450

** Includes share of after-tax profit of associates and jointly-controlled entities.*

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 decreased by $36.0 million to $198.1 million (Q1 2008: $234.1 million) and the pre-tax profit decreased by $86.4 million to $68.7 million (Q1 2008: $155.1 million).

Projects that contributed to both revenue and profit in Q1 2009 include City Square Residences, Botannia, One Shenton, The Solitaire, Cliveden At Grange, Shelford Suites, Wilkie Studio and Tribeca.

In accordance with the Group's policy of equity accounting for the results of its jointly-controlled entities, whilst revenue from Ferraria Park and The Oceanfront @ Sentosa Cove, has not been consolidated into the Group's total revenue, the Group's share of profits arising from these joint venture developments has been included in pre-tax profit.

The decrease in revenue was mainly attributable to lower contribution from City Square Residences and One Shenton, partially offset by revenue recognised for Shelford Suites, Cliveden At Grange, Wilkie Studio and increased contribution from Tribeca.

The decrease in profit before tax was in-line with the decline in the revenue, coupled with lower profit contribution from joint venture projects such as St. Regis Residences and The Sail @ Marina Bay.

Hotel Operations

Revenue decreased by $111.1 million to $344.5 million (Q1 2008: $455.6 million) and pre-tax profit decreased by $31.2 million to $20.9 million (Q1 2008: $52.1 million). The decreases in both revenue and pre-tax profit were attributable to the decline in Group's RevPAR resulted from the continued effects of financial tsunami, particularly in New York and Singapore. In addition, the strengthening of Singapore dollars against Sterling pound had also negatively impacted the result of this segment when being consolidated at Group level.

Rental Properties

Revenue improved by $12.8 million from $57.2 million to $70.0 million and pre-tax profit increased by $11.8 million to $36.9 million (Q1 2008: $25.1 million) as a result of general improvement in occupancy and rental rates.

Others

Revenue, comprising mainly building maintenance contracts, project management, club operations and dividend income, had decreased by $2.1 million to $9.8 million (Q1 2008: $11.9 million) due to lower dividend income and management fee income.

This segment reported a pre-tax loss of $7.2 million (Q1 2008: pre-tax profit of $0.1 million) mainly due to lower revenue generated, reduced exchange gains recognised and share of loss from education related services recognised.

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 Ended 31 December	
	2008 S$'000	**2007 S$'000**
Ordinary	68,198	68,198
Special	-	188,226
Preference	12,906	12,904
Total	**81,104**	**269,328**

The final tax exempt (one-tier) ordinary dividend for the year ended 31 December 2008 of 7.5 cents per ordinary share have been approved by the ordinary shareholders at the Annual General Meeting held on 29 April 2009 and the dividend amounts are based on the number of issued ordinary shares as at 7 May 2009.

16. Interested Person Transactions

Interested Persons	Aggregate value of all interested person transactions conducted for the quarter ended 31 March 2009 under the IPT Mandate pursuant to Rule 920 (excluding transactions less than $100,000)	
Hong Leong Investment Holdings Pte. Ltd. group of companies	Property-related: *(leases to interested persons and provision of carpark management and operation services to interested person)*	$1,839,168.00
Directors and their immediate family members	-	Nil

BY ORDER OF THE BOARD

Shufen Loh @ Catherine Shufen Loh
Company Secretary
11 May 2009

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 2009 to be false or misleading in any material respect.

On behalf of the Board of Directors

Kwek Leng Beng
Executive Chairman

Kwek Leng Joo
Managing Director

Singapore, 11 May 2009