CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2014

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

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

These figures have not been audited.

	The Group Second quarter ended 30 June		Incr/ (Decr)	The Group Half year ended 30 June		Incr/ (Decr)
	2014	**2013 (Restated)***		**2014**	**2013 (Restated)***	
	S$'000	**S$'000**	**%**	**S$'000**	**S$'000**	**%**
Revenue	861,149	813,478	5.9	1,595,387	1,589,711	0.4
Cost of sales	(439,715)	(430,568)	2.1	(819,133)	(834,690)	(1.9)
Gross profit	421,434	382,910	10.1	776,254	755,021	2.8
Other operating income (2)	930	137,513	(99.3)	2,156	169,003	(98.7)
Administrative expenses (3)	(128,208)	(120,598)	6.3	(240,796)	(234,832)	2.5
Other operating expenses (4)	(92,621)	(99,637)	(7.0)	(177,269)	(184,685)	(4.0)
Profit from operations	201,535	300,188	(32.9)	360,345	504,507	(28.6)
Finance income (5)	11,885	6,324	87.9	20,494	16,327	25.5
Finance costs (6)	(26,555)	(22,848)	16.2	(53,380)	(43,659)	22.3
Net finance costs	(14,670)	(16,524)	(11.2)	(32,886)	(27,332)	20.3
Share of after-tax loss of associates (7)	(3,442)	(2,833)	21.5	(4,696)	(4,065)	15.5
Share of after-tax profit of jointly-controlled entities (8)	12,540	5,009	150.3	29,950	13,201	126.9
Profit before income tax (1)	195,963	285,840	(31.4)	352,713	486,311	(27.5)
Income tax expense (9)	(19,510)	(26,252)	(25.7)	(33,869)	(46,485)	(27.1)
Profit for the period	176,453	259,588	(32.0)	318,844	439,826	(27.5)
Attributable to:						
Owners of the Company	**137,863**	**205,075**	(32.8)	**257,528**	**342,782**	(24.9)
Non-controlling interests	38,590	54,513	(29.2)	61,316	97,044	(36.8)
Profit for the period	176,453	259,588	(32.0)	318,844	439,826	(27.5)
Earnings per share						
- basic	14.5 cents	21.8 cents	(33.5)	27.6 cents	37.0 cents	(25.4)
- diluted	14.4 cents	21.5 cents	(33.0)	27.0 cents	35.9 cents	(24.8)

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

Notes to the Group's Income Statement:

(1) Profit before income tax includes the following:

	The Group Second quarter ended 30 June		The Group Half year ended 30 June	
	2014	2013 (Restated)	2014	2013 (Restated)
	S$'000	S$'000	S$'000	S$'000
Interest income	9,175	6,398	16,892	12,598
Gains on disposal/liquidation of investment in subsidiaries (net)	-	20,135	-	20,135
Investment income	2,054	1,609	2,276	1,781
(Loss)/Profit on sale of investments, investment properties and property, plant and equipment (net)	(1)	116,306	100	144,756
Allowance of allowance for foreseeable losses on development properties	(64)	(136)	(64)	(136)
Depreciation and amortisation	(47,868)	(46,566)	(94,139)	(92,238)
Interest expenses	(25,286)	(20,643)	(46,956)	(39,908)
Net exchange gain/(loss)	679	(7,998)	(1,490)	(3,036)
Net change in fair value of financial assets held for trading	3,846	(1,514)	2,787	1,098
Impairment losses on loans to a jointly-controlled entity	(250)	(272)	(490)	(548)

(2) Other operating income comprises mainly management fee, miscellaneous income and profit on sale of investments, investment properties and property, plant and equipment. This had decreased by $136.6 million to $0.9 million (Restated Q2 2013: $137.5 million) for second quarter of 2014 (Q2 2014) and $166.8 million to $2.2 million (Restated 1H 2013: $169.0 million) for first half of 2014 (1H 2014). The significant decreases for Q2 2014 and 1H 2014 were primarily due to absence of gains recognised in Q2 2013 and 1H 2013 in relation to disposal of an industrial site at 100G Pasir Panjang and a subsidiary in China as well as realisation of investments in a private real estate fund. In addition, gains recognised from sale of several strata units in Citimac Industrial Complex, Elite Industrial Building I and Elite Industrial Building II in Q1 2013 also attributed to the decrease in 1H 2014.

(3) Administrative expenses comprise mainly depreciation, hotel administrative expenses, operating lease expenses and salaries and related expenses. This had increased by $7.6 million to $128.2 million (Restated Q2 2013: $120.6 million) for Q2 2014 and by $6.0 million to $240.8 million (Restated 1H 2013: $234.8 million) for 1H 2014. The increases were due to higher salaries expenses, operating lease expenses coupled with higher depreciation from Grand Hyatt Taipei following completion of its west wing refurbishment in June 2013.

(4) Other operating expenses comprise mainly property taxes and insurance on hotels, other operating expenses on hotels, net exchange differences and professional fees. This had decreased by 7.0% for Q2 2014 but remained relatively constant for 1H 2014. The decrease in Q2 2014 was due to net exchange gains recognised in Q2 2014 vis-à-vis net exchange losses recorded in Q2 2013.

(5) Finance income comprises mainly interest income and fair value gain on financial assets held for trading. This had increased by $5.6 million and $4.2 million for Q2 2014 and 1H 2014 respectively. The increases for Q2 2014 and 1H 2014 were due to higher interest income earned and higher fair value gains recorded on financial assets held for trading.

(6) Finance costs comprise mainly interest on borrowings, fair value loss on financial assets held for trading and amortisation of capitalised transaction costs on borrowings. This had increased by $3.7 million and $9.7 million for Q2 2014 and 1H 2014 respectively. The increases for Q2 2014 and 1H 2014 were due to higher interest expenses incurred on borrowings.

(7) Share of after-tax loss of associates of $3.4 million (Restated Q2 2013: $2.8 million) for Q2 2014 and $4.7 million (Restated 1H 2013: $4.1 million) for 1H 2014 relates primarily to the Group's share of results of First Sponsor Group Limited.

(8) Share of after-tax profit of jointly-controlled entities increased by $7.5 million to $12.5 million (Q2 2013: $5.0 million) for Q2 2014 and $16.8 million to $30.0 million (1H 2013: $13.2 million) for 1H 2014. The increases for Q2 2014 and 1H 2014 were due to maiden contribution from Echelon, Bartley Ridge and The Inflora, as well as higher contributions from 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.

	The Group Second quarter ended 30 June		**The Group Half year ended 30 June**	
	2014	**2013 (Restated)**	**2014**	**2013 (Restated)**
The tax charge relates to the following:	**S$'m**	**S$'m**	**S$'m**	**S$'m**
Profit for the period	37.4	27.0	57.9	54.8
Overprovision in respect of prior periods	(17.9)	(0.7)	(24.0)	(8.3)
	19.5	26.3	33.9	46.5

The overall effective tax rate of the Group was 10.0% (Restated Q2 2013: 9.2%) for Q2 2014 and 9.6% (Restated 1H 2013: 9.6%) for 1H 2014. Excluding the overprovision in respect of prior periods, the effective tax rate of the Group is 19.1% (Restated Q2 2013: 9.4%) for Q2 2014 and 16.4% (Restated 1H 2013: 11.3%) for 1H 2014.

CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

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

	Note	The Group		The Company	
		As at 30.06.2014	As at 31.12.2013 (Restated)	As at 30.06.2014	As at 31.12.2013
		S$'000	S$'000	S$'000	S$'000
Non-current assets					
Property, plant and equipment	(1)	4,950,328	4,421,527	10,185	9,795
Investment properties		3,161,501	3,173,133	507,020	511,135
Lease premium prepayment		79,046	85,559	-	-
Investments in subsidiaries		-	-	2,220,227	2,222,347
Investments in associates	(2)	328,390	264,818	-	-
Investments in jointly-controlled entities		791,522	772,266	36,360	36,360
Financial assets		85,744	85,116	29,608	29,700
Other non-current assets		16,412	15,639	409,723	407,881
		9,412,943	**8,818,058**	**3,213,123**	**3,217,218**
Current assets					
Lease premium prepayment		2,541	2,646	-	-
Development properties		4,756,006	4,326,542	380,553	482,988
Consumable stocks		9,465	8,424	2	1
Financial assets		47,810	36,534	-	-
Trade and other receivables		1,677,598	1,641,914	5,976,159	5,457,485
Cash and cash equivalents		3,350,039	2,939,989	1,458,947	1,367,264
		9,843,459	**8,956,049**	**7,815,661**	**7,307,738**
Total assets		**19,256,402**	**17,774,107**	**11,028,784**	**10,524,956**
Equity attributable to Owners of the Company					
Share capital		1,991,397	1,991,397	1,991,397	1,991,397
Reserves		5,894,302	5,740,000	3,423,371	3,447,897
		7,885,699	7,731,397	5,414,768	5,439,294
Non-controlling interests		2,454,792	2,484,439	-	-
Total equity		**10,340,491**	**10,215,836**	**5,414,768**	**5,439,294**
Non-current liabilities					
Interest-bearing borrowings*		5,092,783	4,400,520	2,975,930	2,592,044
Employee benefits		37,367	37,521	-	-
Other liabilities		123,419	110,214	246,017	297,837
Provisions		15,819	15,977	-	-
Deferred tax liabilities		315,931	328,811	51,902	47,412
		5,585,319	**4,893,043**	**3,273,849**	**2,937,293**
Current liabilities					
Trade and other payables		1,449,398	1,327,019	1,635,259	1,530,773
Interest-bearing borrowings*		1,655,759	1,114,008	668,104	601,461
Employee benefits		19,940	17,903	2,559	2,639
Other liabilities		125	213	-	-
Provision for taxation		189,020	188,165	34,245	13,496
Provisions		16,350	17,920	-	-
		3,330,592	**2,665,228**	**2,340,167**	**2,148,369**
Total liabilities		**8,915,911**	**7,558,271**	**5,614,016**	**5,085,662**
Total equity and liabilities		**19,256,402**	**17,774,107**	**11,028,784**	**10,524,956**

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

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

1) The increase was primarily due to the acquisition of The Chelsea Harbour Hotel and the Novotel New York Times Square on 25 March 2014 and 12 June 2014 respectively.

2) The increase was mainly due to additional investments in First Sponsor Group Limited.

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 30.06.2014 S$'000	As at 31.12.2013 (Restated) S$'000
Unsecured			
- repayable within one year		1,361,480	989,390
- repayable after one year		4,082,978	3,755,494
	(a)	5,444,458	4,744,884
Secured			
- repayable within one year		296,301	125,052
- repayable after one year		1,023,784	659,377
	(b)	1,320,085	784,429
Gross borrowings	(a) + (b)	6,764,543	5,529,313
Less: cash and cash equivalents as shown in the statement of financial position		(3,350,039)	(2,939,989)
Net borrowings		3,414,504	2,589,324

Details of any collateral

Where secured, borrowings are collateralised by:

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

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.

	Second Quarter Ended 30 June		Half Year Ended 30 June	
	2014	2013 (Restated)	2014	2013 (Restated)
	S$'000	S$'000	S$'000	S$'000
Operating Activities				
Profit for the period	176,453	259,588	318,844	439,826
Adjustments for:				
Depreciation and amortisation	47,868	46,566	94,139	92,238
Dividend income	(2,054)	(1,609)	(2,276)	(1,781)
Equity settled share-based transactions	633	1,205	1,263	2,381
Finance costs	26,555	22,848	53,380	43,659
Finance income	(11,885)	(6,324)	(20,494)	(16,327)
Impairment losses on loans to a jointly-controlled entity	250	272	490	548
Income tax expense	19,510	26,252	33,869	46,485
Gains on disposal/liquidation of subsidiaries (net)	-	(20,135)	-	(20,135)
Profit on realisation of investments	-	(1,124)	-	(5,747)
Loss/(Profit) on sale of property, plant and equipment and investment properties	1	(115,182)	(100)	(139,009)
Property, plant and equipment written off	-	1	-	1
Share of after-tax loss of associates	3,442	2,833	4,696	4,065
Share of after-tax profit of jointly-controlled entities	(12,540)	(5,009)	(29,950)	(13,201)
Operating profit before working capital changes	248,233	210,182	453,861	433,003
Changes in working capital				
Development properties	(293,829)	189,279	(415,706)	117,474
Consumable stocks and trade and other receivables	4,993	(134,562)	(18,136)	(308,690)
Trade and other payables	98,973	121,724	131,420	139,537
Employee benefits	1,688	1,775	1,892	3,091
Cash generated from operations	60,058	388,398	153,331	384,415
Income tax paid	(58,636)	(57,768)	(48,715)	(72,752)
Cash flows from operating activities carried forward	**1,422**	**330,630**	**104,616**	**311,663**

CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

	Second quarter ended 30 June		Half year ended 30 June	
	2014	2013 (Restated)	2014	2013 (Restated)
	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities brought forward	**1,422**	**330,630**	**104,616**	**311,663**
Investing Activities				
Capital expenditure on investment properties	(2,875)	(3,334)	(14,279)	(7,161)
Increase in investments in associates [1]	(186)	-	(86,945)	(1,112)
Disposal of a subsidiary (net of cash acquired) [2]	-	74,171	-	74,171
Dividends received:				
- an associate	22	-	68	-
- jointly-controlled entities	3,432	69,889	7,786	70,019
- financial investments	2,054	1,609	2,276	1,781
Increase in investments in jointly-controlled entities	(1,160)	(3,416)	(1,160)	(3,416)
Increase in intangible assets	(186)	-	(186)	-
Interest received	6,080	4,108	10,846	9,173
Payments for purchase of property, plant and equipment [3]	(406,796)	(78,773)	(571,904)	(118,365)
Payment for purchase of an investment property [4]	-	-	-	(89,174)
Proceeds from sale of property, plant and equipment and investment properties [5]	23	150,865	140	181,099
(Purchase of)/Disposal of and distribution of income from financial assets	(6,519)	7,721	(8,768)	29,881
Cash flows (used in)/from investing activities	(406,111)	222,840	(662,126)	146,896
Financing Activities				
Acquisition of non-controlling interests	(26,581)	(72,168)	(26,581)	(72,168)
Capital contribution by non-controlling interests	300	227	300	738
Disposal of interest in a subsidiary without loss of control	996	-	996	2,616
Increase/(Decrease) in amounts owing to/by related parties	3,685	(945)	(3,272)	3,797
Dividends paid	(137,550)	(161,959)	(172,750)	(197,237)
Interest paid (including amounts capitalised as investment properties, property, plant and equipment and development properties)	(29,964)	(21,195)	(58,284)	(50,438)
Net proceeds from/(repayments of) revolving credit facilities and short-term bank borrowings	443,503	(230,449)	600,196	34,480
Payment of financing transaction costs	(1,520)	(879)	(5,371)	(2,574)
Payment on settlement of financial instruments	(12)	-	(1,170)	(4,132)
Proceeds from bank borrowings	367,577	69,426	452,594	136,422
Proceeds from issuance of bonds and notes	-	320,440	350,000	532,195
Increase in/(Repayment of) other long-term liabilities	382	(63)	349	(538)
Repayment of finance lease	(9)	(6)	(19)	(8)
Repayment of bank borrowings	(247,100)	(60,405)	(279,792)	(119,145)
Repayment of bonds and notes	(90,000)	(50,880)	(145,000)	(314,390)
Cash flows from/(used in) financing activities[6]	283,707	(208,856)	712,196	(50,382)
Net (decrease)/increase in cash and cash equivalents carried forward	**(120,982)**	**344,614**	**154,686**	**408,177**

	Second quarter ended 30 June		Half year ended 30 June	
	2014	2013 (Restated)	2014	2013 (Restated)
	S$'000	S$'000	S$'000	S$'000
Net (decrease)/increase in cash and cash equivalents brought forward	**(120,982)**	**344,614**	**154,686**	**408,177**
Cash and cash equivalents at beginning of the period	2,996,445	2,272,516	2,718,405	2,202,534
Effect of exchange rate changes on balances held in foreign currencies	(4,946)	2,605	(2,574)	9,024
Cash and cash equivalents at end of the period	**2,870,517**	**2,619,735**	**2,870,517**	**2,619,735**
Cash and cash equivalents comprise:-				
Cash and cash equivalents as shown in the statement of financial position	3,350,039	2,651,376	3,350,039	2,651,376
Less: Bank overdrafts	(479,522)	(31,641)	(479,522)	(31,641)
	2,870,517	**2,619,735**	**2,870,517**	**2,619,735**

<u>Notes to the statement of cash flows</u>

(1) The cash outflows for Q2 2014 and 1H 2014 relate to additional investments in First Sponsor Group Limited.

(2) The net cash inflows for Q2 2013 and 1H 2013 were due to disposal of a subsidiary in China.

(3) The cash outflows for Q2 2014 and 1H 2014 refer mainly to the acquisition of The Chelsea Harbour Hotel in Q1 2014 and the Novotel New York Times Square in Q2 2014.

(4) The cash outflows for 1H 2013 refer mainly to the acquisition of Angsana Velavaru, a resort located in Maldives, by CDL Hospitality Trusts in February 2013.

(5) The net cash inflows for Q2 2013 and 1H 2013 were primarily due to the proceeds from the sale of several strata units in Citimac Industrial Complex, Elite Industrial Building I and Elite Industrial Building II in Q1 2013 and an industrial site at 100G Pasir Panjang in Q2 2013.

(6) The Group had a net cash inflows from financing activities of $283.7 million (Restated Q2 2013: net cash outflows of $208.9 million) for Q2 2014 and $712.2 million (Restated 1H 2013: net cash outflows of $50.4 million) for 1H 2014. These were due to higher net proceeds from borrowings of $474.0 million (Restated Q2 2013: $48.1 million) in Q2 2014 and $978.0 million (Restated 1H 2013: $269.6 million) in 1H 2014.

CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

1(d) Consolidated Statement of Comprehensive Income

	Second quarter ended 30 June		Half year ended 30 June	
	2014	**2013 (Restated)**	**2014**	**2013 (Restated)**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Profit for the period	176,453	259,588	318,844	439,826
Other comprehensive income:				
Item that will not be reclassified to profit or loss:				
Defined benefit plan remeasurements	(368)	38	47	57
Items that may be reclassified subsequently to profit or loss:				
Changes in fair value of equity investments available for sale	500	(3,785)	2,575	(506)
Effective portion of changes in fair value of cashflow hedges	(114)	32	(300)	(220)
Exchange differences on hedge of net investment in foreign entities	9,213	4,145	9,653	(8,047)
Exchange differences on monetary items forming part of net investments in foreign entities	(6,768)	(2,109)	(3,174)	9,471
Realisation of exchange differences on disposal of a subsidiary	-	(1,138)	-	(1,138)
Share of other reserve movements of associates	26	1	(1,504)	(56)
Translation differences arising on consolidation of foreign entities	(17,762)	18,998	(4,713)	42,494
Other comprehensive income for the period, net of income tax	**(15,273)**	**16,182**	**2,584**	**42,055**
Total comprehensive income for the period	**161,180**	**275,770**	**321,428**	**481,881**
Attributable to:				
Owners of the Company	**123,960**	**229,740**	**236,533**	**374,172**
Non-controlling interests	37,220	46,030	84,895	107,709
Total comprehensive income for the period	**161,180**	**275,770**	**321,428**	**481,881**

CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

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

The Group	Attributable to Owners of the Company							
	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 2014	1,991.4	143.1	14.3	(339.3)	6,035.9	7,845.4	1,983.0	9,828.4
Effect of adoption of FRS 110	-	14.0	-	(11.8)	(116.1)	(113.9)	501.4	387.5
At 1 January 2014, restated	1,991.4	157.1	14.3	(351.1)	5,919.8	7,731.5	2,484.4	10,215.9
Profit for the period	-	-	-	-	119.7	119.7	22.7	142.4
Other comprehensive income								
Defined benefit plan remeasurements	-	-	-	-	0.2	0.2	0.2	0.4
Changes in fair value of equity investments available for sale	-	-	2.0	-	-	2.0	-	2.0
Effective portion of changes in fair value of cash flow hedges	-	-	(0.1)	-	-	(0.1)	(0.1)	(0.2)
Exchange differences on hedges of net investment in foreign entities	-	-	-	0.2	-	0.2	0.2	0.4
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	2.5	-	2.5	1.1	3.6
Share of other reserve movement of associates	-	-	(0.7)	-	-	(0.7)	(0.8)	(1.5)
Translation differences arising on consolidation of foreign entities	-	-	-	(11.3)	-	(11.3)	24.4	13.1
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								
Dividends 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 distributions to owners	-	-	0.4	-	-	0.4	(35.0)	(34.6)
Change in ownership interests in subsidiaries								
Change of interest 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**
Profit for the period	-	-	-	-	137.9	137.9	38.6	176.5
Other comprehensive income								
Defined benefit plan remeasurements	-	-	-	-	(0.3)	(0.3)	(0.1)	(0.4)
Changes in fair value of equity investments available for sale	-	-	0.5	-	-	0.5	-	0.5
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	(0.1)	(0.1)
Exchange differences on hedges of net investment in foreign entities	-	-	-	5.5	-	5.5	3.7	9.2
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	(5.9)	-	(5.9)	(0.8)	(6.7)
Translation differences arising on consolidation of foreign entities	-	-	-	(13.7)	-	(13.7)	(4.1)	(17.8)
Other comprehensive income for the period, net of income tax	-	-	0.5	(14.1)	(0.3)	(13.9)	(1.4)	(15.3)
Total comprehensive income for the period	-	-	0.5	(14.1)	137.6	124.0	37.2	161.2
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital contribution from non-controlling interests	-	-	-	-	-	-	0.3	0.3
Dividends paid to owners of the Company	-	-	-	-	(79.1)	(79.1)	-	(79.1)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(58.4)	(58.4)
Share-based payment transactions	-	-	0.4	-	-	0.4	0.3	0.7
Total contributions by and distributions to owners	-	-	0.4	-	(79.1)	(78.7)	(57.8)	(136.5)
Changes in ownership interests in subsidiaries								
Change of interests in subsidiaries without loss of control	-	(3.2)	5.2	4.7	(17.8)	(11.1)	(14.6)	(25.7)
Total change in ownership interests in subsidiaries	-	(3.2)	5.2	4.7	(17.8)	(11.1)	(14.6)	(25.7)
Total transactions with owners	-	(3.2)	5.6	4.7	(96.9)	(89.8)	(72.4)	(162.2)
At 30 June 2014	**1,991.4**	**161.0**	**22.0**	**(369.1)**	**6,080.4**	**7,885.7**	**2,454.8**	**10,340.5**

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

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
	Attributable to Owners of the Company							
At 1 January 2013	1,991.4	149.0	12.0	(392.1)	5,543.4	7,303.7	1,953.4	9,257.1
Effect of adoption of FRS 110	-	13.2	-	(13.4)	(113.5)	(113.7)	514.1	400.4
At 1 January 2013, restated	1,991.4	162.2	12.0	(405.5)	5,429.9	7,190.0	2,467.5	9,657.5
Profit for the period	-	-	-	-	137.7	137.7	42.5	180.2
Other comprehensive income								
Changes in fair value of equity investments available for sale	-	-	3.3	-	-	3.3	-	3.3
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	-	-	-	(6.7)	-	(6.7)	(5.5)	(12.2)
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	13.2	-	13.2	(1.6)	11.6
Share of other reserve movement of associates	-	-	-	-	-	-	(0.1)	(0.1)
Translation differences arising on consolidation of foreign entities	-	-	-	(3.0)	-	(3.0)	26.5	23.5
Other comprehensive income for the period, net of income tax	-	-	3.2	3.5	-	6.7	19.2	25.9
Total comprehensive income for the period	-	-	3.2	3.5	137.7	144.4	61.7	206.1
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital contribution from non-controlling interests	-	-	-	-	-	-	0.5	0.5
Share-based payment transactions	-	-	0.6	-	-	0.6	0.5	1.1
Dividends paid to non-controlling interests	-	-	-	-	-	-	(35.2)	(35.2)
Total contributions by and distributions to owners	-	-	0.6	-	-	0.6	(34.2)	(33.6)
Change in ownership interests in subsidiaries								
Change of interest in a subsidiary without loss of control	-	-	-	1.4	0.2	1.6	1.0	2.6
Total change in ownership interests in subsidiaries	-	-	-	1.4	0.2	1.6	1.0	2.6
Total transactions with owners	-	-	0.6	1.4	0.2	2.2	(33.2)	(31.0)
At 31 March 2013	**1,991.4**	**162.2**	**15.8**	**(400.6)**	**5,567.8**	**7,336.6**	**2,496.0**	**9,832.6**
Profit for the period	-	-	-	-	205.1	205.1	54.5	259.6
Other comprehensive income								
Changes in fair value of equity investments available for sale	-	-	(3.8)	-	-	(3.8)	-	(3.8)
Effective portion of changes in fair value of cash flow hedges	-	-	0.3	(0.3)	-	-	-	-
Exchange differences on hedges of net investment in foreign entities	-	-	-	2.3	-	2.3	1.9	4.2
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	(2.2)	-	(2.2)	0.1	(2.1)
Realisation of exchange differences on disposal of subsidiaries	-	-	-	(1.1)	-	(1.1)	-	(1.1)
Share of other reserve movement of associates	-	-	(0.1)	-	-	(0.1)	-	(0.1)
Translation differences arising on consolidation of foreign entities	-	-	-	29.5	-	29.5	(10.5)	19.0
Other comprehensive income for the period, net of income tax	-	-	(3.6)	28.2	-	24.6	(8.5)	16.1
Total comprehensive income for the period	-	-	(3.6)	28.2	205.1	229.7	46.0	275.7
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital contribution from non-controlling interests	-	-	-	-	-	-	0.2	0.2
Dividends paid to owners of the Company	-	-	-	-	(124.6)	(124.6)	-	(124.6)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(37.3)	(37.3)
Share-based payment transactions	-	-	0.7	-	-	0.7	0.5	1.2
Total contributions by and distributions to owners	-	-	0.7	-	(124.6)	(123.9)	(36.6)	(160.5)
Changes in ownership interests in subsidiaries								
Change of interests in subsidiaries without loss of control	-	(2.6)	-	(4.8)	(0.2)	(7.6)	(64.5)	(72.1)
Total change in ownership interests in subsidiaries	-	(2.6)	-	(4.8)	(0.2)	(7.6)	(64.5)	(72.1)
Total transactions with owners	-	(2.6)	0.7	(4.8)	(124.8)	(131.5)	(101.1)	(232.6)
At 30 June 2013	**1,991.4**	**159.6**	**12.9**	**(377.2)**	**5,648.1**	**7,434.8**	**2,440.9**	**9,875.7**

* *Other reserves comprise mainly fair value reserve arising from available-for-sale investments, share of other reserve of associates 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 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					
Changes in fair value of equity investments available for sale	-	-	(0.1)	-	(0.1)
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**
Profit for the period	-	-	-	27.5	27.5
Other comprehensive income					
Changes in fair value of equity investments available for sale	-	-	-	-	-
Other comprehensive income for the period, net of income tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	27.5	27.5
Transaction with owners, recorded directly in equity					
Contributions by and distributions to owners					
Dividends paid to owners of the Company	-	-	-	(79.1)	(79.1)
Total contributions by and distributions to owners	-	-	-	(79.1)	(79.1)
Total transactions with owners	-	-	-	(79.1)	(79.1)
At 30 June 2014	**1,991.4**	**63.7**	**14.1**	**3,345.6**	**5,414.8**
At 1 January 2013	1,991.4	63.7	12.2	3,326.3	5,393.6
Profit for the period	-	-	-	24.6	24.6
Other comprehensive income					
Changes in fair value of equity investments available for sale	-	-	2.2	-	2.2
Other comprehensive income for the period, net of income tax	-	-	2.2	-	2.2
Total comprehensive income for the period	-	-	2.2	24.6	26.8
At 31 March 2013	**1,991.4**	**63.7**	**14.4**	**3,350.9**	**5,420.4**
Profit for the period	-	-	-	1.5	1.5
Other comprehensive income					
Changes in fair value of equity investments available for sale	-	-	(2.0)	-	(2.0)
Other comprehensive income for the period, net of income tax	-	-	(2.0)	-	(2.0)
Total comprehensive income for the period	-	-	(2.0)	1.5	(0.5)
Transaction with owners, recorded directly in equity					
Contributions by and distributions to owners					
Dividends paid to owners of the Company	-	-	-	(124.6)	(124.6)
Total contributions by and distributions to owners	-	-	-	(124.6)	(124.6)
Total transactions with owners	-	-	-	(124.6)	(124.6)
At 30 June 2013	**1,991.4**	**63.7**	**12.4**	**3,227.8**	**5,295.3**

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.

<u>Ordinary share capital</u>

There was no change in the Company's issued share capital during the three months ended 30 June 2014.

<u>Preference share capital</u>

There was no change in the Company's issued preference share capital during the three months ended 30 June 2014.

As at 30 June 2014, the maximum number of ordinary shares that may be issued upon full conversion of all of the non-redeemable convertible non-cumulative preference shares of the Company ("Preference Shares") at the sole option of the Company is 44,998,898 ordinary shares (30 June 2013: 44,998,898 ordinary shares).

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

The Company did not hold any treasury shares as at 30 June 2014, 31 December 2013 and 30 June 2013.

The total number of issued ordinary shares (excluding treasury shares) as at 30 June 2014 and 31 December 2013 is 909,301,330.

The total number of issued Preference Shares as at 30 June 2014 and 31 December 2013 is 330,874,257.

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the three months ended 30 June 2014.

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

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

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

Not applicable.

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 2013.

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

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

Revised FRS 27 *Separate Financial Statements*
Revised FRS 28 *Investments in Associates and Joint Ventures*
FRS 110 *Consolidated Financial Statements*
FRS 111 *Joint Arrangements*
FRS 112 *Disclosure of Interests in Other Entities*
Amendments to FRS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*
Amendments to FRS 36 *Impairment of Assets: Recoverable Amount Disclosure for Non-Financial Assets*
Amendments to FRS 39 *Financial Instruments: Recognition and Measurement: Novation of Derivatives and Continuation of Hedge Accounting*
INT FRS 121 *Levies*

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

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

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

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

Income Statement	Half year ended 30 June 2013 $'000
Increase in revenue	24,616
Increase in cost of sales	(1,424)
Decrease in other operating income	(603)
Decrease in administrative expenses	24,633
Decrease in other operating expenses	259
Increase in finance income	236
Increase in finance costs	(7,991)
Increase in share of after-tax loss of associates	(12,856)
Increase in income tax expense	(229)
Increase in non-controlling interests	(25,313)
Increase in profit attributable to owners of the Company	1,328
Increase in basic earnings per share (cents)	0.1

Statements of Financial Position	As at 31.12.2013 $'000
Increase in investment properties	387,311
Increase in property, plant and equipment	855,102
Decrease in investment in associates	(228,356)
Decrease in other non-current assets	(6,675)
Increase in trade and other receivables	7,338
Increase in cash and cash equivalents	68,728
Increase in total assets	1,083,448
Increase in provision for taxation	(28)
Decrease in provisions (current)	7,252
Increase in trade and other payables	(14,175)
Increase in interest-bearing borrowings (current)	(145,983)
Increase in deferred tax liabilities	(321)
Increase in interest-bearing borrowings (non-current)	(542,245)
Increase in other liabilities (non-current)	(497)
Increase in total liabilities	(695,997)
Decrease in reserves	(113,983)
Increase in non-controlling interests	501,434
Increase in total equity	387,451

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.

	Second quarter ended 30 June		Half year ended 30 June	
	2014	**2013 (Restated)**	**2014**	**2013 (Restated)**
Basic Earnings per share (cents)	14.5	21.8	27.6	37.0
Diluted Earnings per share (cents)	14.4	21.5	27.0	35.9
Earnings per share is calculated based on:				
a) Profit attributable to owners of the Company (S$'000) (*)	131,464	198,641	251,129	336,348
b) Weighted average number of ordinary shares in issue:				
- basic	909,301,330	909,301,330	909,301,330	909,301,330
- diluted (**)	954,300,228	954,300,228	954,300,228	954,300,228

* *After deducting preference dividends of $6,399,000 paid in Q2 2014 (Q2 2013: $6,434,000 declared).*

** *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	
	30.06.2014 S$	**31.12.2013 (Restated) S$**	**30.06.2014 S$**	**31.12.2013 (Restated) S$**
Net Asset Value per ordinary share based on the number of issued 909,301,330 ordinary shares (excluding treasury shares) as at 30 June 2014 (909,301,330 ordinary shares (excluding treasury shares) as at 31 December 2013)	8.67	8.50	5.95	5.98

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

Core earnings for the Group (i.e. net profit after tax and non-controlling interests of the Group, on a like-for-like comparison, excluding divestment gains that occurred in 1H 2013), increased by 89.7% to $137.9 million for Q2 2014 (Q2 2013: $72.7 million) and 37.3% to $257.5 million for 1H 2014 (1H 2013: $187.6 million).

Specifically, during 1H 2014, there was an absence of significant gains from disposals, as compared to gains primarily from the sale of 100G Pasir Panjang which occurred in Q2 2013, and strata units in Citimac Industrial Complex, Elite Industrial Building I and Elite Industrial Building II, which occurred in Q1 2013. Taking into consideration these divestment gains, the attributable profit after tax and non-controlling interests of the Group was $137.9 million for Q2 2014 (Restated Q2 2013: $205.1 million) and $257.5 million for 1H 2014 (Restated 1H 2013: $342.8 million).

The Group achieved revenue of $861.1 million in Q2 2014 (Restated Q2 2013: $813.5 million) and $1,595.4 million in 1H 2014 (Restated 1H 2013: $1,589.7 million) respectively.

The comparative figures of the Group's Q2 2013 and 1H 2013 results were restated due to the adoption of FRS 110 *Consolidated Financial Statements* on 1 January 2014 which led to the consolidation of the results of CDL Hospitality Trusts (CDLHT), which was previously equity accounted.

In terms of pre-tax profits, the property development segment continued to be the top contributor, representing 51.2% of the Group's pre-tax profit for 1H 2014. Despite reporting lower revenue, this segment's pre-tax profit increased to $180.5 million (1H 2013: $152.9 million) due to maiden profit contribution from joint venture projects including Echelon, Bartley Ridge, The Inflora and increased contribution from Bartley Residences.

The hotel operations segment, primarily from Millennium & Copthorne Hotels plc (M&C), was the next highest contributor to the Group's pre-tax earnings. However, hotel earnings for 1H 2014 were lower than the comparative period last year due to a broad range of factors including geopolitical events which particularly affected Asian markets, higher hotel operating costs, an ongoing room refurbishment programme which led to lower room inventory, as well as higher depreciation of the refurbished hotel assets.

Without factoring in any fair value surpluses in investment properties, and taking into account the consolidation of CDLHT and M&C's acquisition of new hotels, the Group's net gearing ratio as at 30 June 2014 was 33.0%, with interest cover at 10.7 times. The Group's balance sheet remained strong with $3.4 billion of cash and cash equivalents.

The Board is pleased to declare payment of a tax-exempt (one-tier) special interim ordinary dividend of 4.0 cents per ordinary share.

Property

Singapore's economy grew by 2.4% in Q2 2014 on a year-on-year basis, decelerating from the 4.8% growth in Q1 2014. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 0.1% in Q2 2014, compared to a 1.8% growth in the preceding quarter.

The construction sector grew at a slower pace of 4.4% on a year-on-year basis in Q2 2014, moderating from the 6.4% growth of the previous quarter, due mainly to a slowdown in private sector construction.

Urban Redevelopment Authority (URA) data indicated that the Residential Property Price Index (PPI) decreased from 211.6 points in Q1 2014 to 209.4 points in Q2 2014. Overall prices of non-landed private residential properties decreased by 1.0% quarter-on-quarter in Q2 2014, compared to the 1.3% decline in the previous quarter. In Q2 2014, developers sold 2,665 private residential units excluding Executive Condominiums (ECs). This is 52.8% more than the 1,744 units sold in Q1 2014 but 41.3% below Q2 2013 sales of 4,538 units.

In May 2014, the Group and its joint venture partner won the tender for a 99-year EC housing site located at Yishun Street 51 (within Yishun New Town). The Group topped the highly contested tender by a mere 2.1% margin with a bid at $178.5 million or $330 per square foot (sq ft) per plot ratio. The land parcel has a maximum allowable gross floor area of 540,703 sq ft and will yield an estimated 490 units.

The 193,000 sq ft site is easily accessible by major expressways, including the Central Expressway (CTE), Tampines Expressway (TPE) and Seletar Expressway (SLE). It is strategically located about 1.5 km from Khatib MRT station, with a host of nearby amenities, such as Northpoint Shopping Centre which is being expanded, and supermarkets/wet markets and popular eateries at Chong Pang Village. In the vicinity are recreational amenities such as the Lower Seletar Reservoir, Orchid Country Club, Yishun Sports Hall and Stadium, and Yishun Park. Established schools in the vicinity include Huamin Primary School, Northland Primary School and Chung Cheng High School (Yishun Branch), as well as medical facilities like the Khoo Teck Puat Hospital and Yishun Polyclinic.

Yishun New Town is a mature residential estate, which has been transformed into a vibrant sanctuary under the Housing and Development Board (HDB)'s "Remaking Our Heartland" programme. Given that recent EC projects in the vicinity have enjoyed healthy uptake, and there is limited supply of unsold EC units in Yishun, the Group expects this development to be well-received.

During the quarter under review, the Group launched two joint venture projects in May – Commonwealth Towers and Coco Palms, both located near MRT stations. The properties received enthusiastic response as they were attractively priced to sell at launch. According to URA data, these two projects topped the best-selling list for the month of May in terms of volume sales. Coco Palms continued to top the list in June as well.

Commonwealth Towers is a 845-unit condominium located along Commonwealth Avenue and adjacent to the Queenstown MRT station. Sale of the units has remained steady with 310 (about 78%) of the 400 units released sold to date.

Coco Palms is a 944-unit condominium located at the popular Pasir Ris Grove enclave. This is the Group's fifth and final parcel within this estate. Other joint venture projects in this locale – Livia, NV Residences and The Palette – are fully sold, while the fourth, D'Nest, which was launched in March 2013, is 94% sold. Coco Palms is just a five-minute walk to the Pasir Ris MRT station and the White Sands Shopping Centre. This resort-inspired development offers a plethora of facilities and is highly accessible to the expressways, airport, numerous mega stores and Downtown East. To date, 670 (about 86%) of the 780 units released have been sold.

Existing projects continued to rake in respectable sales though the market is affected by the property cooling measures and Total Debt Servicing Ratio (TDSR) which restricts potential buyers' borrowing capacity. The Venue Residences and Shoppes, launched in October 2013, has sold 85% of the 80 residential units released for sale and 54% of the 28 commercial units. For the 616-unit Jewel @ Buangkok, which was launched in June 2013, 87% of the 500 units launched have been sold to date. The 521-unit H_2O Residences was also fully sold in Q2 2014.

For the period under review, profits were booked in from Buckley Classique, H_2O Residences, Jewel @ Buangkok and UP@Robertson Quay. Profits were also contributed by various joint venture projects including HAUS@SERANGOON GARDEN, The Palette, D'Nest, Bartley Residences, Bartley Ridge, The Inflora, Hedges Park and Echelon.

However, no profit was recognised from The Venue Residences and Shoppes, Commonwealth Towers and Coco Palms as either they are in the early stages of construction, or site works have not yet begun. Profits were also not booked from three fully sold EC projects – Blossom Residences, The Rainforest and Lush Acres – due to prevailing accounting treatment.

URA statistics showed that prices of office space remained flat in Q2 2014, as compared with an increase of 0.5% in Q1 2014. On office space rental, there was an improved quarter-on-quarter increase of 2.8% in Q2 2014 compared with growth of 2.4% in Q1 2014.

The island-wide occupancy rate for office space as at end of Q2 2014 has risen to 90.4% (Q1 2014: 90.0%). The amount of occupied space increased marginally to 72.5 million sq ft in Q2 2014 (Q1 2014: 72.3 million sq ft). Total available office space as at Q2 2014 was approximately 80.2 million sq ft.

The Group's office portfolio continued to enjoy very healthy occupancy of about 96.5% (as at 30 June 2014) as compared to national average of 90.4%.

The 34-storey South Beach Tower – the office component of the South Beach development – is expected to be completed by end of 2014. Last year, the Group highlighted that rentals for Grade A office buildings were starting to move in an upward trend and that, given South Beach's enviable location, the Group's strategy was to space out the leasing efforts, in order to achieve better overall rental yields. With limited supply of Grade A office space in the near-term, leasing activities for South Beach Tower has been healthy and is progressing well. Currently, lease commitment for approximately 20% of the building's 500,000 sq ft of lettable prime Grade A office space has been secured. Tenants include multi-national companies such as Rabobank, De Lage Landen, TMF Group and Bain & Company. South Beach Consortium is at advanced stages of negotiation with a few major potential tenants.

CDL China Limited, a wholly-owned subsidiary of the Group, continues to meet its milestones set for 2014 successfully.

Eling Residences, the luxury development comprising 126 exclusive units located at the peak of Eling Hill in Yuzhong district, Chongqing, is on schedule to complete all structural works up to the roof by September 2014. Pre-launch marketing has already started and project interest has been positive, though it is observed that the overall residential market in China remains sluggish at the moment.

The mixed-use project at Huang Huayuan, also located in Yuzhong district, has made good progress both in excavation and retaining wall works. After a few years of negotiations on the planning parameters and design, the Chinese Government has finally approved the request for a higher GFA and this will result in more favourable economics for the project. This development will comprise three high-rise residential towers, a 150-room hotel and a mall.

Suzhou Hong Leong City Center (HLCC) is a sizable mixed-use development next to Jinji Lake in Suzhou Industrial Park district. The 462-unit residential tower in Phase 1 has fulfilled the prerequisite conditions for obtaining its sales permit while the other 899-unit SOHO tower is expected to reach the prerequisite level by September 2014. The excavation and retaining wall works for Phase 2 have commenced and are expected to be completed in the first quarter of 2015. Phase 2 will encompass a 362-unit residential tower, a hotel with around 300 rooms as well as a mall and office tower.

The Group is studying and closely monitoring market conditions in China. A few cities have started to lift home purchase restrictions in a broad-based manner, and other communities are considering relaxing some of their market cooling measures. At the appropriate time, the Group will officially commence sales for Eling Residences and Suzhou HLCC.

The UK economy is on a firm trajectory for a sustained recovery in 2014 and beyond. Looking forward, the Group anticipates a continued strengthening of the pound sterling, a possible rise in interest rates, and a General Election in May 2015, which collectively, are generating more opportunities with improved margins as the markets consolidate and bank lending remains tight for our competitors.

The Group expects UK Government consultations to produce further planning reforms to encourage residential development. With many uncertainties around the world, London's status as a major international financial centre and a safe haven makes the city and the Home Counties a high investment priority for the Group. To date, a total of about £157.0 million has been invested for six prime freehold properties with two located in Knightsbridge and one each in Chelsea, Belgravia (near Sloane Square), Croydon and Reading.

Despite receiving profitable offers for one of its Knightsbridge properties, and its Croydon property, the Group has elected to maintain its original asset plan for each property. The Group hopes to secure the planning consent to redevelop 28 Pavilion Road in Knightsbridge into a contemporary residential development by year-end. It has also secured a residential consent for 121 units at Croydon and will shortly be revealing its redevelopment plans for a 420,000 sq ft residential scheme on the same site. Additionally, work on Belgravia has started and a new improved consent is about to be submitted for its Chelsea residential scheme. There are some exciting prospects in hand for further investment in the Greater London area.

Hotel

For the quarter under review, M&C, in which the Group holds a 60% interest, reported a marginal decrease in revenue of 0.5% year-on-year to £205.3 million (Restated Q2 2013: £206.3 million) and net profit after tax and non-controlling interests decreased by 27.7% to £24.0 million (Restated Q2 2013: £33.2 million).

For 1H 2014, revenue decreased slightly by 0.4% year-on-year to £380.6 million (Restated 1H 2013: £382.2 million) and net profit after tax and non-controlling interests decreased 32.8% to £30.5 million (Restated 1H 2013: £45.4 million).

M&C's performance was impacted by a range of factors including geopolitical events unsettling the hospitality sector – especially in Northeast Asia – and the rapid appreciation of its reporting currency, the pound sterling.

On a constant currency basis, revenue increased by 6.0% to £380.6 million (Restated 1H 2013: £359.1 million). The lower profit achieved reflected mainly higher hotel operating costs, higher central costs and a lower contribution from M&C's joint ventures and associates.

Group RevPAR fell by 2.4% to £65.67 (1H 2013: £67.27) in 1H 2014, partly as a result of the strength of the sterling pound, which appreciated by about 8% against the US Dollar between 30 June 2013 and 30 June 2014. Group RevPAR was up by 3.6% on a constant currency basis, compared to the same period last year (1H 2013: £63.40), driven by higher average room rates and occupancy levels, with gains in all regions except for Singapore and Rest of Europe.

In 1H 2014, M&C completed two hotel acquisitions: Chelsea Harbour, London, with 154 suites and 4 penthouses, for £65.0 million and the 480-room Novotel New York Times Square for US$273.6 million (£161.0 million). The acquisitions were completed on 25 March 2014 and 12 June 2014 respectively. Subject to conditions being met, the acquisition of the 87-room Boscolo Palace Roma in Italy is scheduled for completion around September 2014.

M&C also achieved property revenue of £22.2 million during 1H 2014 from the sale of its subdivided land parcels in New Zealand and the sale of the last three units at The Glyndebourne condominium (site of the former Copthorne Orchid Hotel). In total, The Glyndebourne development generated revenue of £280.3 million and operating profit of £142.1 million for M&C, most of which was recognised in 2013 when the construction was completed. It should be noted that the CDL Group has been progressively recognising profit for this project based on stage of construction for the units sold.

On the development front, the construction of M&C's new hotel in Tokyo's Ginza district is on schedule to complete around September 2014, and the hotel is expected to officially open in December 2014. While M&C will own the property through freehold and leasehold interests, it is intended that the hotel will be leased to Mitsui Fudosan Co., Ltd. (Mitsui) under a fixed-term lease and licensing arrangement pursuant to which Mitsui or one of its affiliates will operate the hotel as the Millennium Mitsui Garden Hotel Tokyo. The brand equity of Millennium will be enhanced with its presence in the heart of Ginza district. The strategic acquisition and timely completion of this hotel is ideal as M&C stands to benefit from the positive impact of Abenomics, Tokyo being the host city for the 2020 Olympic Games and the announcement of proposed casinos in Japan.

M&C is also currently developing detailed plans to build hospitality facilities at the plot of land adjacent to Millennium Seoul Hilton which was acquired in 2013. In addition, it is also considering a range of options with regard to the future of the freehold site occupied by the Millennium Hotel St Louis, which was closed in January 2014.

Since the start of its hotel refurbishment programme in 2010, M&C has spent £106.0 million as at 30 June 2014. For the remainder of 2014, it expects to spend another £31.0 million on refurbishment projects that have already commenced or are approved, with an additional £22.0 million of spending on these projects scheduled for 2015 onwards.

Other refurbishment projects totaling £214.0 million are also under consideration, and include the Millennium Hotel London Knightsbridge, and Millennium Broadway Hotel New York. In May 2014, M&C announced the closure of the 125-room Millennium Scottsdale Resort and Villas in Arizona, from 22 June to 30 September 2014, for refurbishment. All projects are subject to relevant consents and phasing to minimise impact on earnings.

In 1H 2014, £18.0 million was spent on renovating the east wing of the Grand Hyatt Taipei. All guestroom refurbishment at Grand Hyatt Taipei is now complete and the hotel is operating with full room inventory. Further work on some of the outlets and public areas is scheduled to complete in 2015/2016. Total refurbishment cost for this hotel is anticipated to be £62.0 million and up to 30 June 2014, a total amount of £39.0 million had been deployed.

M&C's associate, First Sponsor Group Limited (FSGL), continued to make progress on its Wenjiang development land site in Chengdu, China. Construction of a Millennium branded hotel on the site, which is designated for residential, commercial and hotel development, commenced in 2013 and is scheduled to open in 2017.

On 22 July 2014, FSGL was listed on the Main Board of the Singapore Exchange. Based on its Initial Public Offering (IPO) price of $1.50 per share, the implied market capitalization for the company is $885.0 million (£417.0 million). This transaction marked an important step in the development of FSGL, efficiently migrating the business to a more appropriate domicile for a company serving the China market. Following the IPO, M&C owns an effective interest of 35.6% in FSGL, which remains a cornerstone of its China strategy.

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

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

<u>Property</u>

The Ministry of Trade and Industry (MTI) has narrowed Singapore's GDP growth forecast for 2014 to between 2.5% and 3.5%, from previous projection of between 2.0% to 4.0%, helped by macroeconomic factors such as increased global demand and the resilience in Singapore's domestic-oriented sectors. The US economy is improving, the Eurozone is likely to benefit from reduced pace of fiscal consolidation and accommodative monetary policy, and China has introduced measures to support its growth. As a whole, the Organization for Economic Cooperation and Development (OECD) markets such as Japan, Australia and the UK are seeing improving economic conditions as well. Thus the global economic environment appears to be supportive of moderate growth for Singapore's economy, although it remains watchful of geopolitical and event risks.

However, despite the improving macroeconomic environment, residential sales volume has declined significantly and prices have moderated downwards, in response to numerous Government cooling measures aimed at stabilising the property market. While residential land prices have moderated slightly, land parcels in attractive locations have nonetheless continued to draw strong interest because land is one of the essential components for developers to sustain their business.

The Group shares the view that it is prudent to manage property prices in order to avoid excessive spirals upwards or downwards. On average, prices of the high-end property market have remained very subdued, below the peak of 2008, when compared to the mid-tier and mass markets. Projects such as Coco Palms have demonstrated that there remains genuine demand for owner-occupiers especially in the mass to mid-market segments. Moreover, through their investment, it also enables them to increase their net worth with property added as another class of their assets. However, in the high-end segment, buyers are significantly more cautious. It is noted that foreign buyers especially, have been deterred by the Additional Buyer's Stamp Duties (ABSD) and other property cooling measures, and have shifted and are still shifting their investments to other markets outside of Singapore, where these measures do not exist, or are less onerous.

From the Group's over 50 years of experience, it notes that the general trend in a downturn cycle, is that residential sales volume will start to fall and prices will dip slightly, leading to a more acute downward pressure, with spiralling effects, as panic selling or forced sales seep in. This applies across all segments of the residential property market. Various industry stakeholders have called for the Government to review and tweak some of its measures. The timing of when to review the cooling measures is a judgement call. The Group is however hopeful that timely action will be taken by the Government if and when the situation warrants it.

Subject to market conditions, the Group intends to launch its New Futura project, located on Leonie Hill Road in the prestigious District 9 residential enclave. The project comprises two awe-inspiring towers, soaring 36-storeys high, with only 124 exclusive freehold residences. The famous Orchard Road shopping belt is just a five-minute walk away, offering a plethora of shopping, dining and entertainment options. Designed by world leading architecture firm SOM, the ultra-stylish development is thoughtfully crafted with a range of luxurious facilities. Besides a well-appointed clubhouse and lap pool on the ground floor, there are six sky terraces located on various levels featuring a jacuzzi, sky pool, yoga and private dining decks.

This ultra-luxurious development comprises two-, three-, and four-bedroom apartment types and penthouses with quality interiors and superior finishing. All units come with a private lift and designer kitchen equipped with branded appliances. The two exclusive penthouses are perched on the highest level of the two towers and come with a private infinity lap pool.

Office leasing activities have continued to improve with positive take up rate. The demand for office space is expected to maintain momentum on the back of improving economic prospects and business confidence. In the near-term, given limited office supply and resilient demand, we anticipate lower office vacancy and higher rental rates.

This positive sentiment will continue to support the office leasing activities at the Group's South Beach development, which has been progressing well with numerous new leasing deals underway.

Hotel

M&C's management is adopting a more cautious outlook and increasing its attention to cost control in uncertain markets.

Whilst it is too early to be certain about trading results for the full year, M&C is determined to meet expectations. For the first three weeks of trading in Q3 2014 ended 21 July 2014, Global RevPAR (in reported currency) was down 1.6%, with Australasia up 9.6%, US up 2.6% (down 4.9% excluding Novotel New York Times Square) and Europe up 5.0% (up 0.7% excluding The Chelsea Harbour Hotel). M&C's Asian destinations continue to face headwinds with RevPAR for Singapore down 17.1% and Rest of Asia down 12.2%. Excluding acquisitions, Global RevPAR was down by 5.8%.

Group Prospects

The macroeconomic environment of domestic and international markets, while unpredictable, appears to be stabilising.

Singapore's property landscape continues to experience challenging headwinds. The Group's business model is evolving, with growth focused on new geographies and products. The Group will accelerate its overseas expansion initiatives to supplement its existing operations. It remains optimistic but cautious in its approach to new markets. The Group is looking actively in Japan and Australia and hopes to establish its platforms in these markets by the end of the year. The Group is also actively seeking to develop funds management products.

Since the beginning of the year, the Group has announced several new appointments to its senior management team. These new appointments are in line with the Group's strategy to reorganise its key functions to stay globally connected and focused on new opportunities. These talents bring fresh perspectives and expertise that complement the Group's core leadership and will help grow its business, to achieve a balanced and diversified asset portfolio in Singapore and abroad.

The Group expects to remain profitable for the current year.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

The Company had on 14 May 2014 declared a tax-exempt (one-tier) non-cumulative preference dividend to holders of City Developments Limited Preference Shares of 1.93 cents per Preference Share, calculated at the dividend rate of 3.9% per annum of the issued price of $1.00 for each Preference Share, for the dividend period from 31 December 2013 to 29 June 2014. The said preference dividend was paid on 30 June 2014,

On 13 August 2014, the Board of Directors declared a tax-exempt (one-tier) special interim ordinary dividend of 4.0 cents per ordinary 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) Special Interim Ordinary Dividend	Tax exempt (One-tier) Preference Dividend
Date of payment	5 September 2013	1 July 2013
Dividend type	Cash	Cash
Dividend amount (in cents)	8.0 cents per Ordinary Share	1.94 cents per Preference Share^
Dividend rate (in %)	N.A.	3.9% per annum on the issue price of each Preference Share
Dividend period	N.A.	From 31 December 2012 to 30 June 2013 (both dates inclusive)
Issue price	N.A.	$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 payment date for tax-exempt (one-tier) special interim ordinary dividend will be 10 September 2014.

(d) Books Closure Date

5pm on 25 August 2014.

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 second quarter ended 30 June 2014 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 Provision to/by interested persons of: (i) project management services; (ii) property management and maintenance services; and (iii) marketing services	$11,003,662.70
	Financial and Treasury Borrowing of funds from interested person	$151,515.00
	Total:	**$11,155,177.70**
Directors and their immediate family members		Nil

14. Segment Reporting

	The Group			
	Second quarter ended 30 June		Half year ended 30 June	
	2014	2013 (Restated)	2014	2013 (Restated)
	S$'000	S$'000	S$'000	S$'000
Revenue				
Property Development	327,027	303,236	584,369	618,222
Hotel Operations	416,171	388,878	770,034	726,184
Rental Properties	91,819	92,307	186,875	187,412
Others	26,132	29,057	54,109	57,893
	861,149	**813,478**	**1,595,387**	**1,589,711**
Profit/(Loss) before income tax (*)				
Property Development	85,338	61,645	180,524	152,913
Hotel Operations	75,454	72,901	106,021	116,685
Rental Properties	33,142	155,068	70,623	210,804
Others	2,029	(3,774)	(4,455)	5,909
	195,963	**285,840**	**352,713**	**486,311**

** Includes share of after-tax profit/(loss) of associates and jointly-controlled entities.*

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 $23.8 million to $327.0 million (Q2 2013: $303.2 million) for Q2 2014 but decreased by $33.8 million to $584.4 million (1H 2013: $618.2 million) for 1H 2014.

Pre-tax profits increased by $23.7 million to $85.3 million (Q2 2013: $61.6 million) for Q2 2014 and $27.6 million to $180.5 million (1H 2013: $152.9 million) for 1H 2014.

Projects that contributed to both revenue and profit in 1H 2014 include 368 Thomson, Buckley Classique, The Glyndebourne, H_2O Residences, HAUS@SERANGEOON GARDEN, The Palette, Jewel@Buangkok, UP@Robertson Quay and D'Nest. In accordance with the Group's policy of equity accounting for the results of its jointly-controlled entities, whilst revenue from joint venture developments such as Hedges Park, The Inflora, Bartley Residences, Bartley Ridge and Echelon have not been consolidated into the Group's total revenue, the Group's share of profits arising from these joint venture developments have been included in pre-tax profit.

The increase in revenue for Q2 2014 was mainly attributable to maiden contribution from HAUS@SERANGOON GARDEN, UP@Robertson Quay, Jewel@Buangkok and D'Nest as well as higher contribution from H_2O Residences and The Palette. This was however partially offset by an absence of contributions from Hundred Trees, Cube 8 and Tree House which obtained Temporary Occupation Permit (TOP) in 2013 as well as reduced contribution from The Glyndebourne. Included in Q2 2013 revenue was income from sale of an industrial site at 100F Pasir Panjang.

The decrease in 1H 2014 revenue was attributable to absence of income from the aforesaid projects which obtained TOP including NV Residences that was completed in Q1 2013, coupled with lower contribution from The Glyndebourne. The decrease was partially mitigated by maiden contribution from the abovementioned projects that had attained the profit recognition stage as well as higher contribution from H_2O Residences, The Palette and Buckley Classique.

The increase in Q2 2014 pre-tax profit was in tandem with the increase in revenue, coupled with maiden contribution from joint venture projects including Echelon, Bartley Ridge and The Inflora as well as higher contribution from Bartley Residences. Pre-tax profits increased for 1H 2014 was largely due to the contribution from the abovementioned joint venture projects.

Hotel Operations

Revenue for this segment increased by $27.3 million to $416.2 million (Restated Q2 2013: $388.9 million) for Q2 2014 and $43.8 million to $770.0 million (Restated 1H 2013: $726.2 million) for 1H 2014 whilst pre-tax profit remained relatively constant for Q2 2014 but decreased by $10.7 million to $106.0 million (Restated 1H 2013: $116.7 million) for 1H 2014.

The increase in revenue was primarily due to contributions from a Maldives hotel, Jumeriah Dhevanafushi, acquired by CDL Hospitality Trusts in December 2013 and The Chelsea Harbour Hotel, acquired by the Group in March 2014. In addition, the strengthening of sterling pound against Singapore dollar in 2014 which contributed positively when Millennium & Copthorne Hotels plc's hotel revenue got consolidated at Group level.

The decrease in pre-tax profits in 1H 2014, despite higher revenue, was mainly attributed to challenging Asian markets and higher hotel operating costs.

Rental Properties

Revenue for this segment remained relatively at par at $91.8 million (Restated Q2 2013: $92.3 million) for Q2 2014 and $186.9 million (Restated 1H 2013: $187.4 million) for 1H 2014 whilst pre-tax profit decreased by $122.0 million to $33.1 million (Restated Q2 2013: $155.1 million) and $140.2 million to $70.6 million (Restated 1H 2013: $210.8 million) for 1H 2014.

The decreases in pre-tax profit for Q2 2014 and 1H 2014 were mainly attributed to profits recognised from sale of an industrial site at 100G Pasir Panjang and disposal of equity interest in a subsidiary in Q2 2013. In addition, 1H 2013 pre-tax profit also included gains recognised from disposal of several strata units in Citimac Industrial Complex, Elite Industrial Building I and Elite Industrial Building II in Q1 2013.

Others

Revenue, comprising mainly management fee income from building maintenance contracts, project management, club operations as well as dividend income, decreased by $3.0 million to $26.1 million (Q2 2013: $29.1 million) for Q2 2014 and $3.8 million to $54.1 million (1H 2013: $57.9 million) for 1H 2014 due to lower management fee income.

This segment reported a pre-tax profit of $2.0 million (Q2 2013: pre-tax loss of $3.8 million) for Q2 2014 and a pre-tax loss of $4.5 million (1H 2013: pre-tax profit of $5.9 million) for 1H 2014. Pre-tax profit for Q2 2014 was mainly due to net fair value gains on financial assets held for trading and exchange gains recognised in Q2 2014 vis-à-vis net fair value losses and exchange losses incurred in Q2 2013. This was partially offset by higher losses reported by the Group's associate, First Sponsor Group Limited (FSGL) due to expenses incurred for its IPO exercise in Q2 2014.

For 1H 2014, pre-tax loss was attributable to higher share of losses from FSGL, partially offset by higher net fair value gains recognised on the aforesaid financial assets. In addition, 2013 pre-tax profit included gains from the realisation of investments in a private real estate fund which was not repeated in 2014.

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

	Full Year 2013 S$'000	Full Year 2012 S$'000
Ordinary	72,744	72,744
Special	72,744	45,465
Preference	12,904	12,904
Total	**158,392**	**131,113**

The final tax-exempt (one-tier) ordinary dividend for the year ended 31 December 2013 of 8.0 cents per ordinary share had been approved by the ordinary shareholders at the Annual General Meeting held on 23 April 2014 and the dividend amounts are based on the number of issued ordinary shares as at 5 May 2014.

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
14 August 2014

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 second quarter and the half year ended 30 June 2014 to be false or misleading in any material respect.

On behalf of the Board of Directors

Kwek Leng Beng
Executive Chairman

Kwek Leng Joo
Deputy Chairman

Singapore, 14 August 2014