CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH 2019

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

1(a)(i) 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		
	2019	**2018 (Restated)***	**Incr/ (Decr)**
	S$'000	**S$'000**	**%**
Revenue [1]	746,164	1,057,829	(29.5)
Cost of sales	(394,030)	(687,566)	(42.7)
Gross profit [2]	352,134	370,263	(4.9)
Other operating income [3]	144,702	31,225	NM
Administrative expenses [4]	(138,891)	(124,899)	11.2
Other operating expenses	(104,716)	(98,619)	6.2
Profit from operating activities	253,229	177,970	42.3
Finance income	21,887	25,233	(13.3)
Finance costs	(49,629)	(38,675)	28.3
Net finance costs [5]	(27,742)	(13,442)	NM
Share of after-tax profit of associates [6]	6,623	5,791	14.4
Share of after-tax profit of joint ventures [7]	33,533	2,762	NM
Profit before tax	265,643	173,081	53.5
Tax expense [8]	(54,134)	(33,866)	59.8
Profit for the period	211,509	139,215	51.9
Attributable to:			
Owners of the Company	**199,564**	**85,342**	133.8
Non-controlling interests	11,945	53,873	(77.8)
Profit for the period	211,509	139,215	51.9
Earnings per share			
- basic	22.0 cents	9.4 cents	134.0
- diluted	21.0 cents	8.9 cents	136.0

NM: Not Meaningful

* The 2018 comparative figures had been restated to take into account the retrospective adjustments on adoption of the Agenda Decision issued by the IFRS Interpretation Committee (IFRIC) as detailed in item 5 of this announcement.

Notes to the Group's Income Statement:

(1) The variance in revenue for Q1 2019 arose primarily from the property development segment due to projects launched, units sold, and percentage of completion during the reporting period except for units sold in an Executive Condominium (EC) project where the entire revenue from sold units is only recognised upon receiving Temporary Occupation Permit (TOP). Included in Q1 2018 was the revenue recognition from units sold at The Criterion EC in entirety upon obtaining TOP in February 2018.

For Q1 2019, revenue was largely recognised from New Futura, Gramercy Park and The Tapestry.

Items 14 and 15 of this announcement further analyse the performance by business segments.

(2) Notwithstanding that the revenue declined by 29.5%, the decline in gross profit was lower at 4.9% due to higher profit margin from development projects recognised in Q1 2019 compared to a lower profit margin achieved for The Criterion EC.

(3) Other operating income comprised mainly management fee, and profit on sale of investment properties and property, plant and equipment. In Q1 2019, a gain of $144.3 million was realised from divestment of Manulife Centre in relation to the Group's second Profit Participation Securities (PPS 2) structure developed in 2015. Included in Q1 2018 was a gain recognised on the divestment of Mercure Brisbane and Ibis Brisbane by CDL Hospitality Trusts (CDLHT).

(4) Administrative expenses comprised mainly depreciation, hotel administrative expenses, and salaries and related expenses. The increase in administrative expenses in Q1 2019 was due to depreciation accounted on the right-of-use assets following the adoption of SFRS(I) 16 *Leases* on 1 January 2019 (as detailed in Item 5 of this announcement) as well as higher depreciation for investment properties that were recently added to the Group's portfolio including Aldgate House, 125 Old Broad Street, Central Mall Office Tower and Le Grove Serviced Residences (reopened in July 2018).

(5) Net finance costs comprise the following:

		The Group Three months ended 31 March		
		2019	2018 (Restated)	Incr/ (Decr)
	Note	S$'000	S$'000	
Finance income				%
Interest income	(i)	21,888	13,603	60.9
Net exchange gain	(ii)	-	11,691	NM
Less: finance income capitalised		(1)	(61)	(98.4)
		21,887	25,233	(13.3)
Finance costs				
Amortisation of transaction costs capitalised		(1,643)	(1,277)	28.7
Interest expenses	(iii)	(43,833)	(29,106)	50.6
Fair value loss on financial derivatives	(iv)	(2,418)	(6,285)	(61.5)
Fair value loss on financial assets measured at fair value through profit or loss	(v)	(6,859)	(2,578)	NM
Net exchange loss	(ii)	(526)	-	NM
Unwinding of discount on non-current provisions		(158)	(471)	(66.5)
Less: finance costs capitalised		5,808	1,042	NM
		(49,629)	(38,675)	28.3
Net finance costs		**(27,742)**	**(13,442)**	NM

NM: not meaningful

(i) Increase in interest income in Q1 2019 was due to loans granted to an established real estate developer in China which the Group intends to take an approximately 24% equity stake in the company when relevant conditions, including regulatory approvals, are met and to acquire a 70% interest in one of its office projects located in Shanghai, held by the subsidiaries of the real estate developer.

(ii) The net exchange gain in Q1 2018 was mainly due to the exchange gain from Renminbi (RMB) bank deposits held by the Group and United States dollar (USD) denominated bank loans.

The net exchange loss in Q1 2019 was due primarily to exchange loss from the weakening of the Sterling Pound against Singapore dollar, translation loss from USD denominated bank borrowings, as well as depreciation of Australian dollar denominated receivables and cash balances against Singapore dollar, partially reduced by the exchange gain recognised from a RMB denominated intercompany loan by a Hong Kong subsidiary.

(iii) Increase in interest expenses in Q1 2019 was mainly attributable to the Group's higher borrowings and the recognition of lease liabilities following the adoption of SFRS(I) 16 *Leases*.

(iv) Fair value loss on financial derivatives related mainly to the net effect arising from the re-measurement of foreign exchange forward contracts, cross-currency swaps and interest rate swaps that the Group entered into.

(v) This mainly arose from the re-measurement of unquoted debt instruments and investments in equities and funds to their fair values at the reporting date.

(6) Share of after-tax profit of associates related primarily to the Group's share of results of First Sponsor Group Limited (FSGL). The increase for Q1 2019 was due to higher contribution from its property financing business with higher average secured PRC loan portfolio, partially reduced by the absence of net penalty interest income from the successful enforcement action on the defaulted PRC loans accounted in Q1 2018.

(7) The increase for Q1 2019 was due to contribution from South Beach Residences, launched in Q3 2018, along with returns recognised from the sale of units in the Ivy and Eve project in Australia.

(8) Tax expense for the period was derived at by applying the varying statutory tax rates on the taxable profit/(loss) and taxable/deductible temporary differences of the different countries in which the Group operates.

	The Group	
	Three months ended 31 March	
	2019	**2018 (Restated)**
The tax charge relates to the following:	**S$'m**	**S$'m**
Profit for the period	47.7	28.2
Land appreciation tax	6.1	5.0
Underprovision in respect of prior periods	0.3	0.7
	54.1	33.9

(9) Profit before tax includes the following:

	The Group	
	Three months ended 31 March	
	2019	**2018**
	S$'000	**S$'000**
Allowance (made)/written back for doubtful receivables and bad debts written off	(71)	33
Allowance written back for foreseeable losses on development properties	1,782	-
Dividend income	241	243
Depreciation and amortisation	(63,969)	(50,072)
Profit on sale of investment properties and property, plant and equipment (net)	144,335	29,307

1(a)(ii) Consolidated Statement of Comprehensive Income

	The Group Three months ended 31 March 2019 S$'000	2018 (Restated) S$'000
Profit for the period	211,509	139,215
Other comprehensive income:		
Item that will not be reclassified to profit or loss:		
Change in fair value of equity investments measured at fair value through other comprehensive income	1,730	(511)
Items that are or may be reclassified subsequently to profit or loss:		
Effective portion of changes in fair value of cash flow hedges	273	(4,305)
Exchange differences on hedges of net investment in foreign operations	6,093	9,250
Exchange differences on monetary items forming part of net investment in foreign operations	6,945	11,161
Exchange differences reclassified to profit or loss on cessation of business of foreign operations	-	841
Share of translation differences of equity-accounted investees	4,130	5,378
Translation differences arising on consolidation of foreign operations	2,523	6,109
	19,964	28,434
Total other comprehensive income for the period, net of tax	**21,694**	**27,923**
Total comprehensive income for the period	**233,203**	**167,138**
Attributable to:		
Owners of the Company	**223,457**	**142,864**
Non-controlling interests	9,746	24,274
Total comprehensive income for the period	**233,203**	**167,138**

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

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

	Note	The Group		The Company	
		As at 31.03.2019 S$'000	As at 31.12.2018 S$'000	As at 31.03.2019 S$'000	As at 31.12.2018 S$'000
Non-current assets					
Property, plant and equipment	(1)	5,286,160	5,013,300	45,036	13,994
Investment properties	(1)	3,859,349	3,741,327	449,003	452,217
Lease premium prepayment	(1)	-	101,349	-	-
Investments in subsidiaries		-	-	2,067,869	2,067,869
Investments in associates		437,886	427,852	-	-
Investments in joint ventures		1,349,336	1,307,639	37,360	37,360
Investments in financial assets	(2)	769,720	884,476	354,315	352,831
Other non-current assets	(3)	251,174	310,496	4,020,313	3,620,324
		11,953,625	**11,786,439**	**6,973,896**	**6,544,595**
Current assets					
Lease premium prepayment	(1)	-	3,752	-	-
Development properties		5,628,545	5,703,910	182,521	182,833
Contract costs		6,317	12,156	-	-
Contract assets		37,081	107,241	-	42,921
Consumable stocks		11,686	13,254	-	-
Financial assets		14,410	14,203	-	-
Trade and other receivables	(4)	1,715,716	955,490	4,570,691	4,426,381
Cash and cash equivalents		2,175,726	2,289,247	627,445	727,373
		9,589,481	**9,099,253**	**5,380,657**	**5,379,508**
Total assets		**21,543,106**	**20,885,692**	**12,354,553**	**11,924,103**
Equity attributable to Owners of the Company					
Share capital		1,991,397	1,991,397	1,991,397	1,991,397
Reserves		8,273,112	8,049,300	4,784,786	4,706,110
		10,264,509	10,040,697	6,776,183	6,697,507
Non-controlling interests		2,204,244	2,233,243	-	-
Total equity		**12,468,753**	**12,273,940**	**6,776,183**	**6,697,507**
Non-current liabilities					
Interest-bearing borrowings*		5,330,082	5,068,840	2,387,324	2,192,985
Employee benefits		25,297	26,392	-	-
Lease liabilities	(1)	183,145	-	24,345	-
Other liabilities	(5)	122,394	262,242	8,091	8,847
Provisions		36,624	36,719	-	-
Deferred tax liabilities		113,243	113,778	17,097	17,561
		5,810,785	**5,507,971**	**2,436,857**	**2,219,393**
Current liabilities					
Trade and other payables		1,283,701	1,293,336	2,573,461	2,510,898
Lease liabilities	(1)	14,211	-	5,649	-
Contract liabilities		156,809	104,007	-	-
Interest-bearing borrowings*		1,362,991	1,258,412	504,003	437,525
Employee benefits		26,517	26,562	2,503	2,562
Provision for taxation		386,909	385,393	55,897	56,218
Provisions		32,430	36,071	-	-
		3,263,568	**3,103,781**	**3,141,513**	**3,007,203**
Total liabilities		**9,074,353**	**8,611,752**	**5,578,370**	**5,226,596**
Total equity and liabilities		**21,543,106**	**20,885,692**	**12,354,553**	**11,924,103**

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

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

(1) Following the adoption of SFRS(I) 16 *Leases* on 1 January 2019, the Group and the Company recognised right-of-use assets (the right to use leased assets) and lease liabilities (their obligations to make lease payments) in relation to their existing operating lease arrangements. Right-of-use assets that relate to their property, plant and equipment have been presented within property, plant and equipment. Right-of-use assets that relate to their investment properties have been presented within investment properties. The Group also reclassified lease premium prepayment (both current and non-current portion) to property, plant and equipment and investment properties. Refer to more details in Item 5 of this announcement.

(2) The decrease in investments in financial assets at the Group was largely due to the partial redemption of bonds that the Group previously subscribed for under PPS 2 platform.

(3) The decrease in other non-current assets at the Group was mainly due to the release of deposits pledged to financial institutions following repayment of the related borrowings and reduction of deferred tax assets in Q1 2019.

The increase in other non-current assets at the Company was mainly due to additional shareholder loans granted to subsidiaries to finance the acquisitions of properties.

(4) The increase in trade and other receivables at the Group was due mainly to loans granted to an established real estate developer in China and its subsidiaries in which the Group intends to take a 24% stake when relevant conditions, including regulatory approvals, are met, and to acquire a 70% interest in one of its office projects located in Shanghai, held by the subsidiaries of the real estate developer.

(5) The decrease in other liabilities at the Group was due to a gain of $144.3 million realised from the divestment of Manulife Centre in relation to the Group's PPS 2 structure developed in 2015.

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities.

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

		As at 31.03.2019 S$'000	As at 31.12.2018 S$'000
Unsecured			
- repayable within one year		1,070,310	1,011,789
- repayable after one year		3,840,600	3,644,924
	(a)	4,910,910	4,656,713
Secured			
- repayable within one year		307,678	247,209
- repayable after one year		1,686,659	1,438,724
	(b)	1,994,337	1,685,933
Gross borrowings	(a) + (b)	6,905,247	6,342,646
Less: cash and cash equivalents as shown in the statement of financial position		(2,175,726)	(2,289,247)
Less: restricted deposits included in other non-current assets		(193,874)	(222,979)
Net borrowings		4,535,647	3,830,420

Details of any collateral

Where secured, borrowings are collateralised by:

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

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

	Three months ended 31 March	
	2019	2018 (Restated)
	S$'000	S$'000
Cash flows from operating activities		
Profit for the period	211,509	139,215
Adjustments for:		
Depreciation and amortisation	63,969	50,072
Dividend income	(241)	(243)
Equity settled share-based transactions	531	551
Finance costs	55,458	38,675
Finance income	(21,887)	(13,709)
Tax expense	54,134	33,866
Profit on sale of property, plant and equipment and investment properties	(144,335)	(29,307)
Property, plant and equipment and investment properties written off	107	271
Share of after-tax profit of associates	(6,623)	(5,791)
Share of after-tax profit of joint ventures	(33,533)	(2,762)
Operating profit before working capital changes	179,089	210,838
Changes in working capital		
Development properties	75,737	146,461
Consumable stocks and trade and other receivables	(126,616)	(176,815)
Contract costs	5,839	1,937
Contract assets	70,160	(14,048)
Trade and other payables	(33,508)	(96,872)
Contract liabilities	67,233	(79,861)
Employee benefits	120	245
Cash generated from/(used in) operations	238,054	(8,115)
Tax paid	(24,345)	(28,737)
Net cash from/(used in) operating activities carried forward [(1)]	**213,709**	**(36,852)**

	Three months ended 31 March 2019	Three months ended 31 March 2018 (Restated)
	S$'000	S$'000
Net cash from/(used in) operating activities brought forward	**213,709**	**(36,852)**
Cash flows from investing activities		
Acquisition of subsidiaries (net of cash acquired)[2]	(28,154)	-
Advances granted to a real estate developer in China [3]	(657,853)	-
Capital expenditure on investment properties	(14,634)	(12,162)
Dividends received:		
- joint ventures	19,148	7,200
- financial investments	241	243
Interest received	14,259	10,872
Increase in investments in joint ventures	(2,516)	(8,266)
Decrease/(Increase) in amounts owing by equity-accounted investees (non-trade)	27,162	(54,220)
Purchase of property, plant and equipment	(52,033)	(53,712)
Proceeds from sale of property, plant and equipment and investment properties [4]	16	80,575
Purchase of financial assets (net)	(472)	(1,853)
Return of capital from financial assets	80,800	434
Proceeds from distributions from financial assets	-	104
Settlement of derivative instruments	2,095	(1,827)
Net cash used in investing activities	**(611,941)**	**(32,612)**
Cash flows from financing activities		
Capital distribution to non-controlling interests	(5,656)	(2,144)
Dividends paid	(33,265)	(34,311)
Repayment of lease liabilities and finance lease payable	(3,157)	(46)
Interest paid (including amounts capitalised as property, plant and equipment and development properties)	(33,624)	(24,237)
Decrease in restricted cash	387	472
Decrease in deposits pledged and charged to financial institutions (net)	7,921	6,850
Proceeds from/(repayments of) revolving credit facilities and short-term bank borrowings (net)	150,815	(84,308)
Advances /(Repayment of advances) from related parties (non-trade)	39,541	(6,333)
Payment of financing transaction costs	(2,608)	(1,219)
Increase/(Decrease) of other long-term liabilities	6,771	(280)
Proceeds from bank borrowings	164,969	18,162
Proceeds from issuance of bonds and notes	250,000	18,300
Repayment of bank borrowings	(171,401)	(89,752)
Repayment of bonds and notes	(105,535)	(100,000)
Net cash from/(used in) financing activities [5]	**265,158**	**(298,846)**
Net decrease in cash and cash equivalents	**(133,074)**	**(368,310)**
Cash and cash equivalents at beginning of the period	2,162,373	3,599,044
Effect of exchange rate changes on balances held in foreign currencies	(2)	10,159
Cash and cash equivalents at end of the period	**2,029,297**	**3,240,893**
Cash and cash equivalents comprise:-		
Cash and cash equivalents as shown in the statement of financial position	2,175,726	3,407,722
Restricted deposits included in other non-current assets	193,873	213,531
Less: Deposits pledged and charged to financial institutions	(339,366)	(379,563)
Less: Restricted cash	(936)	(797)
	2,029,297	**3,240,893**

Notes to the statement of cash flows

1. The cash outflow for Q1 2018 related to the progress payment for land sites at Handy Road, West Coast Vale and Sumang Walk that the Group acquired.

2. The cash outflow for Q1 2019 related to the consideration paid for the acquisition of 100% interest in a freehold site located at Monk Bridge in Leeds, United Kingdom.

3. The cash outflow for Q1 2019 related to loans granted to an established real estate developer in China and its subsidiaries in which the Group intends to take an approximately 24% stake in the company when relevant conditions, including regulatory approvals, are met, and to acquire a 70% interest in one of its office projects located in Shanghai, held by the subsidiaries of the developer.

4. The cash inflow for Q1 2018 related mainly to the proceeds from the divestment of Mercure Brisbane and Ibis Brisbane by CDLHT on 11 January 2018.

5. The Group had a net cash inflow from financing activities of $265.2 million (Q1 2018: net cash outflow of $298.8 million) for Q1 2019.

   The net cash inflow for Q1 2019 was mainly due to a net increase in borrowings of $288.8 million.

   The net cash outflow for Q1 2018 was mainly due to a net repayment of borrowings of $237.6 million.

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

The Group	Share Capital S$m	Cap. Res. S$m	Other Res.* S$m	Foreign Curr Trans Res. S$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 2019	1,991.4	185.9	16.6	(119.5)	7,966.3	10,040.7	2,233.2	12,273.9
Profit for the period	-	-	-	-	199.6	199.6	11.9	211.5
Other comprehensive income for the period, net of tax	-	-	2.2	21.7	-	23.9	(2.2)	21.7
Total comprehensive income for the period	-	-	2.2	21.7	199.6	223.5	9.7	233.2
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital distribution to non-controlling interests	-	-	-	-	-	-	(5.6)	(5.6)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(33.2)	(33.2)
Share-based payment transactions	-	-	0.3	-	-	0.3	0.2	0.5
Total contributions by and distributions to owners	-	-	0.3	-	-	0.3	(38.6)	(38.3)
Change in ownership interests in subsidiaries								
Change of interests in a subsidiary without loss of control	-	0.1	-	-	-	0.1	(0.1)	-
Total change in ownership interests in subsidiaries	-	0.1	-	-	-	0.1	(0.1)	-
Total transactions with owners	-	0.1	0.3	-	-	0.4	(38.7)	(38.3)
At 31 March 2019	**1,991.4**	**186.0**	**19.1**	**(97.8)**	**8,165.9**	**10,264.6**	**2,204.2**	**12,468.8**
At 1 January 2018	1,991.4	182.1	42.2	(95.4)	7,271.0	9,391.3	2,254.8	11,646.1
Adjustment on initial application of SFRS(I) 9 (net of tax)	-	-	0.4	-	362.7	363.1	-	363.1
Adjusted balance at 1 January 2018	1,991.4	182.1	42.6	(95.4)	7,633.7	9,754.4	2,254.8	12,009.2
Profit for the period	-	-	-	-	85.3	85.3	53.9	139.2
Other comprehensive income for the period, net of tax	-	-	(3.3)	60.8	-	57.5	(29.6)	27.9
Total comprehensive income for the period	-	-	(3.3)	60.8	85.3	142.8	24.3	167.1
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital distribution to non-controlling interests	-	-	-	-	-	-	(2.1)	(2.1)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(34.3)	(34.3)
Share-based payment transactions	-	-	0.4	-	-	0.4	0.1	0.5
Total contributions by and distributions to owners	-	-	0.4	-	-	0.4	(36.3)	(35.9)
Change in ownership interests in subsidiaries								
Change of interests in a subsidiary without loss of control	-	1.5	-	-	-	1.5	(1.5)	-
Total change in ownership interests in subsidiaries	-	1.5	-	-	-	1.5	(1.5)	-
Total transactions with owners	-	1.5	0.4	-	-	1.9	(37.8)	(35.9)
At 31 March 2018	**1,991.4**	**183.6**	**39.7**	**(34.6)**	**7,719.0**	**9,899.1**	**2,241.3**	**12,140.4**

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 2019	1,991.4	63.7	(29.0)	4,671.4	6,697.5
Profit for the period	-	-	-	77.0	77.0
Other comprehensive income					
Change in fair value of equity investments measured at fair value through other comprehensive income	-	-	1.7	-	1.7
Total other comprehensive income for the period, net of tax	-	-	1.7	-	1.7
Total comprehensive income for the period	-	-	1.7	77.0	78.7
At 31 March 2019	**1,991.4**	**63.7**	**(27.3)**	**4,748.4**	**6,776.2**
At 1 January 2018	1,991.4	63.7	14.6	4,389.7	6,459.4
Adjustment on initial application of SFRS(I) 9 (net of tax)	-	-	(0.5)	366.1	365.6
Adjusted balance at 1 January 2018	1,991.4	63.7	14.1	4,755.8	6,825.0
Profit for the period	-	-	-	65.8	65.8
Other comprehensive income					
Change in fair value of equity investments measured at fair value through other comprehensive income	-	-	(0.4)	-	(0.4)
Total other comprehensive income for the period, net of tax	-	-	(0.4)	-	(0.4)
Total comprehensive income for the period	-	-	(0.4)	65.8	65.4
At 31 March 2018	**1,991.4**	**63.7**	**13.7**	**4,821.6**	**6,890.4**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as the end of the current financial period reported on and as 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 2019.

Preference share capital

There was no change in the Company's issued preference share capital during the period ended 31 March 2019.

As at 31 March 2019, the maximum number of ordinary shares that may be issued upon full conversion of all the non-redeemable convertible non-cumulative preference shares of the Company ("Preference Shares") at the sole option of the Company was 44,998,898 ordinary shares (31 March 2018: 44,998,898 ordinary shares).

1(d)(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.

Ordinary share capital

As at 31 March 2019, the total number of issued ordinary shares (excluding treasury shares) was 906,901,330 (31 December 2018: 906,901,330).

Preference share capital

The total number of issued Preference Shares as at 31 March 2019 and 31 December 2018 was 330,874,257.

Treasury shares

As at 31 March 2019, the Company held 2,400,000 treasury shares (31 December 2018: 2,400,000) which represented 0.26% of the total number of issued shares (excluding treasury shares).

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

There were no sales, transfers, cancellation and/or use of treasury shares during the period ended 31 March 2019.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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 had 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 2018.

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.

Following the Tentative Agenda Decision issued by the IFRS Interpretation Committee (IFRIC) in Q4 2018 relating to the capitalisation of borrowing costs for the construction of a residential multi-unit estate development where revenue is recognised over time, the Group had ceased capitalisation of borrowing costs on development properties where revenue is recognised over time.

In addition, with effect from Q2 2018, the Group had reclassified net exchange gain/(loss), previously presented under "other operating expenses" to net finance costs as the Group is of the view that such reclassification better reflects the substance of the transactions.

Accordingly, we had restated Q1 2018 to conform to such presentation.

Impact on Q1 2018

Income Statement

	Three months ended 31 March 2018 $'000
Decrease in cost of sales	7,127
Increase in other operating expenses	(11,699)
Increase in finance income	11,629
Increase in finance costs	(1,028)
Decrease in share of after-tax profit of joint ventures	(350)
Increase in tax expenses	(366)
Increase in profit attributable to owners of the Company	5,313
Increase in basic earnings per share (cents)	0.6

The new/revised SFRS(I) applicable for the financial period beginning 1 January 2019 is as follows:

SFRS(I) 16 *Leases*
SFRS(I) INT 23 *Uncertainty over Income Tax Treatment*
Long-term Interests in Associates and Joint Ventures (Amendments to SFRS(I) 1-28)
Prepayment Features with Negative Compensation (Amendments to SFRS(I) 9)
Previously Held Interest in a Joint Operation (Amendments to SFRS(I) 3 and 11)
Income Tax Consequences of Payments on Financial Instruments Classified as Equity (Amendments to SFRS(I) 1-12)
Borrowing Costs Eligible for Capitalisation (Amendments to SFRS(I) 1-23)
Plan Amendment, Curtailment or Settlement (Amendments to SFRS(I) 1-19)

SFRS(I) 16

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its rights to use the underlying asset and a lease liability representing its obligation to make lease payments. Remaining lease payments under the operating leases will be recognised at their present value discounted using an appropriate discount rate and the nature of expenses will now change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of ROU assets and interest expense on lease liabilities.

As a lessee, the Group had adopted SFRS(I) 16 using the modified retrospective approach. Therefore, the cumulative effect of adoption SFRS(I) 16 will be recognised as an adjustment to the opening balance of accumulative profits at 1 January 2019, with no restatement of comparative information. The Group had applied the practical expedient to grandfather the definition of a lease on transition and the practical expedient to recognise ROU assets equal to its lease liabilities as at 1 January 2019.

The adoption of SFRS(I) 16 resulted in adjustments to the statement of financial position of the Group as at 1 January 2019.

Statement of financial position

	1.1.2019 $'000
Increase in property, plant and equipment	265,185
Increase in investment properties	42,471
Decrease in lease premium prepayment	(105,101)
Increase in lease liabilities	(200,785)
Decrease in trade and other receivables	(1,523)
Increase in trade and other payables	(247)
	-

As a result of initially applying SFRS(I) 16, in relation to the leases that were previously classified as operating leases, the Group recognised right-of-use assets of $302.4 million and lease liabilities of $197.4 million as at 31 March 2019.

In relation to those leases under SFRS(I) 16, the Group has recognised depreciation and interest costs, instead of operating lease expense. During the three months ended 31 March 2019, the Group recognised depreciation charge of $4.9 million and interest costs of $2.0 million from these leases.

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	
	2019	2018 (Restated)
Basic Earnings per share (cents)	22.0	9.4
Diluted Earnings per share (cents)	21.0	8.9
Earnings per share is calculated based on:		
a) Profit attributable to owners of the Company (S$'000)	199,564	85,342
b) Weighted average number of ordinary shares in issue:		
- basic	906,901,330	909,301,330
- diluted (*)	951,900,228	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	
	31.03.2019 S$	31.12.2018 S$	31.03.2019 S$	31.12.2018 S$
Net Asset Value per ordinary share based on the number of issued 906,901,330 ordinary shares (excluding treasury shares) as at 31 March 2019 (906,901,330 ordinary shares (excluding treasury shares) as at 31 December 2018)	11.32	11.07	7.47	7.39

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

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

Group Performance

For the first quarter ended 31 March 2019 (Q1 2019), the Group achieved a strong set of financial results. Net attributable profit after tax and minority interest (PATMI) increased 133.8% to $199.6 million (Restated Q1 2018: $85.3 million) boosted by strong profit margins for development projects recognised this quarter and the realisation of a $144.3 million pre-tax gain from the divestment of Manulife Centre, which is in connection with the Group's second Profit Participation Securities (PPS) structure developed in 2015.

Revenue decreased by 29.5% to $746.2 million (Q1 2018: $1.1 billion). Comparatively, in Q1 last year and in accordance with prevailing accounting standards, the Group had recognised the revenue from The Criterion Executive Condominium (EC) in entirety following its completion in February 2018. Excluding the contribution from The Criterion EC, Q1 2019 revenue would have increased by 6%. Notably, the decline in gross profit was lower at 4.9% due to higher profit margins for the development projects that contributed to the Q1 2019 results as compared with that for The Criterion EC. This was further aided by higher rental income from recently acquired properties including Aldgate House and 125 Old Broad Street in the UK, Central Mall as well as Le Grove Serviced Residences (re-opened in July 2018) in Singapore.

In terms of business segments, rental properties took the lead in Q1 2019, contributing 68% in pre-tax profits primarily attributable to the divestment of Manulife Centre and contributions from recent acquisitions. The property development segment was the next strongest contributor, largely supported by several of the Group's key local projects including Gramercy Park, New Futura, The Tapestry, Whistler Grand, South Beach Residences as well as overseas projects like Hong Leong City Center in Suzhou and Hongqiao Royal Lake in Shanghai.

The hotel operations segment is largely contributed by the Group's 65.2% subsidiary, Millennium & Copthorne Hotels plc (M&C). This segment registered a loss in Q1 2019 due to a myriad of factors including a challenging US region which continued to be loss making, refurbishments affecting two major hotels in the Group's key gateway cities of London and Singapore, and higher net financing costs.

The Group's EBITDA increased by 51.1% to $357.4 million (Restated Q1 2018: $236.6 million), underpinned by the strong contribution from the rental properties segment.

As at 31 March 2019, the Group's net gearing ratio (without factoring any revaluation surplus from investment properties) stood at 36% with interest cover at 16.3 times and cash reserves at $2.4 billion.

Property (Singapore)

In Q1 2019, the Group and its JV associates sold 173 units with total sales value of $516.3 million (Q1 2018: 459 units with total sales value of $792.6 million). Notably, the Group launched only one project this quarter, Boulevard 88, as compared with New Futura and The Tapestry in Q1 last year.

In March 2019, the Group soft launched the freehold, ultra-luxurious 154-unit Boulevard 88, a JV with Hong Leong Holdings Limited and Lea Investments Pte Ltd, located along Orchard Boulevard. Designed by world-renowned Moshe Safdie, who conceptualised architectural landmarks such as Marina Bay Sands and the Jewel Changi Airport, Boulevard 88 is part of a mixed-use development with the residences perched above a 204-room The Singapore EDITION Hotel, a unique lifestyle hotel designed by Ian Schrager in partnership with Marriott International. The project was very well-received and in just over two months, 47 units including two penthouses have been sold at an average selling price (ASP) of over $3,700 per square foot (psf).

Projects launched by the Group in 2018 continued to register steady sales to date. 98% of the 124-unit New Futura condominium at Leonie Hill Road have been sold at an ASP of over $3,500 psf, with only three units remaining. At The Tapestry, the 861-unit condominium project in Tampines Avenue 10, 619 units (72%) have been sold at an ASP of about $1,350 psf while at Whistler Grand, the 716-unit condominium at West Coast Vale, 320 units have been sold at an ASP of about $1,380 psf.

The Group's other launched JV projects also moved inventory. To date, 75 units at the 190-unit South Beach Residences on Beach Road have been sold at an ASP of about $3,450 psf. The 428-unit Jovell at Flora Drive off Upper Changi, which the Group has a one-third share, sold 75 units at an ASP of between $1,250 and $1,300 psf.

The Group replenished its landbank with the successful JV tender for a 174,648 sq ft residential site at Sims Drive for $383.5 million or $732 psf ppr in April 2019. The site is well located near Aljunied MRT station, located only one station from Paya Lebar which is transforming into a well-connected and established regional hub. The JV will explore a residential development with several 17-or 18-storey blocks comprising about 560 units.

With limited new office space in the horizon, vacancy in the Central Business District (CBD) core area is expected to shrink further. Leasing activities have registered healthy pre-commitments for new and refurbished projects in 2019 and 2020. Commercial investments have also increased. These positive indicators should translate into an upwards momentum this year and beyond. The Group's office portfolio has benefited from this trend with a committed occupancy rate of 91.4% at the end of Q1 2019, higher than the island-wide occupancy rate of 88.2%.

Hotel

M&C achieved PATMI of £1 million for Q1 2019 (Q1 2018: £8 million), impacted by the Mayfair property refurbishment and lower contributions from Asian hotels, principally due to the Orchard Hotel refurbishment. In addition, REIT profit contributions were down and net finance cost was higher. In Q1 2018, gains were recognised following the divestment of two Australian properties owned by CDL Hospitality Trusts (CDLHT).

In constant currency terms, hotel revenue for Q1 2019 decreased by 3.1% to £187 million (Q1 2018: £193 million) which includes a £3 million impact from the Mayfair hotel closure, while total revenue decreased by 4.0% to £215 million (Q1 2018: £224 million). In reported currency, hotel revenue was flat while total revenue for Q1 2019 fell by 0.9% (Q1 2018: £217 million).

Global revenue per available room (RevPAR) in constant currency decreased by 0.9% to £70.01 for Q1 2019 (Q1 2018: £70.65). On a like-for-like basis (excluding the impact of the Mayfair hotel since July 2018 and the Millennium New Plymouth New Zealand which was acquired in February 2018), RevPAR decreased by 0.8%.

In constant currency terms, RevPAR for M&C's London hotels for Q1 2019 was up 5.3% to £82.93 (Q1 2018: £78.72) and Australasia was up 2.2% to £90.71 (Q1 2018: £88.80). Other regions, such as US, Rest of Europe and Asia registered RevPAR declines for Q1 2019: US RevPAR fell 1.4% to £69.17 (Q1 2018: £70.14), Rest of Europe RevPAR fell 4.0% to £45.15 (Q1 2018: £47.04) and Asia RevPAR fell 2.9% to £67.73 (Q1 2018: £69.78) with decreases in average room rates and occupancy.

The on-going refurbishment of the Mayfair hotel which is now renamed The Biltmore, Mayfair, is expected to complete in mid-2019. The hotel will have 257 luxurious guest rooms plus 51 designer suites. Refurbishment works at the common spaces at Orchard Hotel in Singapore has been substantially completed. Currently, phased works on 260 guestrooms at the Orchard Wing are in progress and targeted for completion in Q2 2019.

M&C is in the final stage of discussions with Hilton to potentially designate the newly named Millennium Times Square New York (formerly known as the Millennium Broadway New York Times Square) as an affiliate of Hilton, with access to its reservation channels and loyalty programme.

Overseas Markets

China

Strategic investment into Sincere, a prominent Chinese real estate developer

In Q1 2019, the Group entered into a strategic partnership with Sincere Property Group (Sincere), an established real estate developer in China. The Group will invest RMB 5.5 billion (approximately $1.1 billion), comprising both equity subscription and interest-bearing loans. Upon full completion expected by Q4 2019, the Group will indirectly hold approximately 24% equity stake in Sincere via its offshore investment vehicle, making the Group the second largest shareholder after Sincere's Founder and Chairman, Mr Wu Xu.

With over 20 years of track record, Sincere is one of the Top 100 Developers in China. It has a full set of development and asset management capabilities across different sectors, including residential, retail, office, serviced apartment, business park and sizable mixed-use developments. As of December 2018, Sincere has 70 development projects across 20 cities in China. Sincere also owns and operates a substantial portfolio of investment properties across key tier 1 and tier 2 cities within China.

This strategic partnership is in line with the Group's GET strategy of Growth, Enhancement and Transformation. Leveraging Sincere's development and asset management capabilities, local expertise and wide geographic presence in China, the Group will be able to substantially expand its presence in China with development projects and investment properties. As the second largest shareholder in Sincere, the Group will also contribute its international knowledge, best practices and networks to drive the JV's future growth. This is a game-changing initiative that will substantially boost the Group's presence in China.

Shanghai Hongqiao Sincere Centre (Phase 2)

As part of its focus on expanding recurring income in global gateway cities, the Group entered into an agreement to purchase a 70% stake in Shanghai Hongqiao Sincere Centre (Phase 2), a prime commercial property in the heart of Shanghai's Hongqiao Central Business District, for RMB 1.2 billion (approximately S$247 million), equivalent to about RMB 49,000 per square metre (sqm). Spreading across 11 adjoining blocks, the property has a Gross Floor Area (GFA) of 35,739 square metre comprising offices, serviced apartments, a retail component and a basement car park with 384 lots. It is within 10 minutes' drive to the Hongqiao Transportation Hub which consists of an international airport, railway and subway stations. It is also within 15 minutes' drive to the Shanghai National Exhibition and Convention Center. This acquisition is expected to complete by Q3 2019.

CDL China Limited (CDL China)

In Q1 2019, the Group's wholly-owned subsidiary CDL China, together with its JV associates, sold 113 residential units and 1 villa in China, achieving a total sales value of RMB 358.8 million (approximately $72.0 million).

Hong Leong Plaza Hongqiao, located in Shanghai's Hongqiao CBD, will begin operations by Q2 2019. One of its five commercial towers, making up 20% of Net Lettable Area (NLA), has been leased to a serviced apartment operator, commencing in May 2019. It continues to receive interests from other tenants for the other towers.

UK

In March 2019, the Group expanded into the rapidly-growing UK Private Rented Sector (PRS) with the acquisition of a £15.4 million (approximately $27.5 million) 193,752 sq ft freehold site which is located only a 10-minute walk from Leeds Train Station and two kilometres to the Leeds City Centre. The Group plans to develop a 664-unit build-to-rent residential project with retail space within the site's attractive heritage arches beneath a viaduct. Full planning permission has been obtained for the site and the project is expected to be completed in 2023 at an estimated total development cost of £140 million (approximately $250 million). A 5.0% annual net yield is expected.

Residential leasing has picked up momentum as Brexit uncertainties have affected homebuyers' decisions to purchase. Teddington Riverside, the Group's 240-unit development in the Borough of Richmond Upon Thames, has started leasing activities. The Group is confident that when the Brexit issue is resolved, sales for this project will progress.

Leasing activities have also commenced for the Group's two fully-fitted prime projects in Central London – Chesham Street in Belgravia (six units) and Hans Road in Knightsbridge (three units). Another Central London project, 90 – 100 Sydney Street in Chelsea (nine units) that overlooks the scenic Chelsea Farmers Market, will hold its sale preview in May 2019. The project is targeted to complete by Q2 2019.

The Group's other UK developments are currently going through the planning and development process.

The Group's two recently acquired Grade A commercial properties in UK are performing well. The occupancy rates at 125 Old Broad Street and Aldgate House are 100% and 88% respectively. Both properties are under-rented and have strong potential for positive rental reversions. The Group is exploring several AEI initiatives for both properties to drive further upside.

For details on the sales status of the Group's overseas development projects, please refer to the Q1 2019 presentation materials.

Fund Management

The Group is developing its fund management business through organic growth coupled with the acquisition of assets and platforms.

In April, the Group acquired a 50% stake in IREIT Global Group Pte. Ltd., the manager of Singapore-listed IREIT Global, for about $18.4 million and approximately 12.4% of the total issued units in IREIT Global for about $59.4 million.

IREIT Global focuses on investing, directly or indirectly, in income-producing office, retail and industrial properties in Europe. Its current portfolio, which comprises five freehold office properties in Germany, is valued at €504.9 million (about $800 million). The five properties, with a total NLA of more than 200,600 sqm, have diversified blue-chip tenants and an overall occupancy rate of 98.6%. This investment in IREIT Global is in line with the Group's aim to achieve AUM of US$5 billion by 2023. Besides being earnings accretive with immediate contribution to recurring income through management fees and attractive yields, the investment also strengthens the Group's fund management expertise and establishes a track record for the Group in this arena.

The UK's fundamental attraction for international investors remains intact and bodes well for the Group's UK commercial assets which could possibly be transferred to a private fund or as seed assets to a REIT vehicle.

Profit Participation Securities (PPS)

For PPS 2, the Group and its JV partner Alpha Investment Partners (Alpha) divested Manulife Centre for $555.5 million or $2,301 psf in January 2019. In April 2019, the JV entered into binding agreement to divest 7 & 9 Tampines Grande for $395 million or $1,373 psf. The Group had earlier acquired the remaining 60% stake in Central Mall Office Tower from Alpha in December 2018 as the site has good redevelopment potential. With the sale of 7 & 9 Tampines Grande expected by Q2 2019, this marks the winding down of PPS 2.

The Group is working with its partners and investors on a mutually favourable way to wind down the other two PPS initiatives in view of their short five-year fund life.

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 2018.

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 Singapore residential property market is expected to see a surge in supply fuelled by the Government Land Sales (GLS) and collective sales activities from previous years. In view of the potential surplus, the Government has moderated its 1H 2019 GLS programme with a reduction of 20% from previous half-yearly figures. This should give the market a breather and alleviate the supply overhang.

While buyers remain cautious and discerning after the additional property cooling measures in July 2018, sales remain relatively stable particularly for well-located projects with strong attributes that are priced sensitively. Demand is expected to be underpinned by displaced enbloc-sale owners, first-timers and upgraders who are less affected by the cooling measures. Private residential properties in Singapore will continue to appeal to homebuyers and investors.

On 4 May 2019, the Group's freehold 592-unit JV project Amber Park was launched. Located in the Amber Road enclave within the East Coast area, it is just a three-minute walk to the upcoming Tanjong Katong MRT station. Amber Park has stunning architecture featuring a rooftop recreational deck called the Stratosphere, which provides several unique facilities including a first-of-its-kind 600-metre sky jogging track 235 feet above sea level that connects the three 21-storey towers. 115 units were snapped up on its launch weekend, surpassing market expectations and making Amber Park the best-selling new freehold property launch this year. The units were priced at an early bird ASP of $2,425 psf and total sales value achieved amounted to over $240 million. To date, 145 units have been sold.

The Group is planning to launch another three new developments during the year and is confident that these projects will generate strong interest due to their unique selling propositions and good locational attributes.

The next launch will be **Haus on Handy**, a 188-unit condominium in prime District 9, a short walk from Plaza Singapura and Dhoby Ghaut MRT station – a three-line interchange station. The architecture will be cutting-edge and incorporates a unique three-storey conservation bungalow from 1892 which will be converted into a luxurious clubhouse.

After that will be **Piermont Grand**, Singapore's only EC launch for 2019. This 820-unit JV waterfront development is within 100 metres to Sumang LRT station and a 10-minute stroll to Punggol MRT station, bus interchange and Waterway Point Shopping Mall. Given no new EC supply in the market, there is strong pent-up demand. The Group expects healthy interest for Piermont Grand for this hybrid asset class which qualifies for Government subsidies for eligible buyers. This will be the Group's ninth EC project.

The Group's final launch for the year will be a JV project at **Sengkang Central**. Won through a two-envelope URA tender, this mixed-use development will comprise about 680 residential apartments, a shopping mall, supermarket, hawker centre and a community club with a child care centre, seamlessly integrated with Buangkok MRT station and a new bus interchange. It is targeted for completion in 1H 2022.

In March, URA unveiled its Draft Master Plan 2019. Two new schemes were introduced, namely the Strategic Development Incentive Scheme and the CBD Incentive Scheme. Being the owner of several commercial assets in the CBD, the Group could benefit from these initiatives. Feasibility studies will be done to ascertain the viability.

Hotel

Despite the uncertainties and challenges in the global economy, M&C remains focused on maximising the value of its hospitality assets. Operationally, M&C will re-focus its sales efforts to improve yields. It is also prioritising the refurbishment of its key gateway city properties to reposition its hotels whilst seeking to minimise the short-term negative impact on its trading results. In the US, the proposed affiliation agreement with Hilton for the Millennium Times Square New York will allow M&C to continue to manage one of its key US hotels yet tap on Hilton's vast distribution strength and help M&C to turn around the hotel's performance more quickly.

Board Appointment

The Board has appointed Mr Sherman Kwek, CDL's Group Chief Executive, as a member of the Board of Directors with effect from 15 May 2019. As an Executive Director, he will add further depth and diversity to the Board's collective experience, skills and perspectives, all of which are important contributors towards robust and effective decision-making.

Group Prospects

The Group remains focussed on growing its development pipeline in Singapore and in its key overseas markets of China, Australia, Japan and the UK. In Singapore alone, it has a launch pipeline of about 2,250 units comprising EC, mass-market, mid-tier and high-end segments. The Group is especially attentive to the planning and execution of these launches. It will continue to evaluate opportunities to replenish its land bank so that there is a sustained pipeline of projects to capitalise on the property cycles.

Another key priority for the Group is to substantially grow its recurring income through acquisitions, asset enhancement and fund management. It will continue to leverage its strong balance sheet to strategically acquire investment properties and listed/unlisted platforms in Singapore and overseas.

While Singapore will always remain its home ground, the Group's overseas efforts have borne fruit and provided much needed diversification to the Group's earnings. While global economic and political events have led to market uncertainties, the Group's geographically-diversified and income-stable portfolio in Singapore and overseas, will enable it to better navigate through these challenges. The Group is confident to remain profitable in the next 12 months.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

On 14 May 2019, the Board of Directors, pursuant to the recommendation of the Audit & Risk Committee, declared the payment of a tax-exempt (one-tier) non-cumulative preference dividend to holders of City Developments Limited Preference Shares in accordance with the terms of issue of the Preference Shares. The preference dividend for each Preference Share is calculated at the dividend rate of 3.9% per annum of the issued price of $1.00 for each Preference Share on the basis of 182 days, being the actual number of days comprised in the dividend period from 31 December 2018 to 30 June 2019, divided by 365 days.

Name of Dividend	Tax-exempt (One-tier) Preference Dividend
Date of Payment	1 July 2019
Dividend Type	Cash
Dividend Amount (in cents)	1.94 cents per Preference Share
Dividend rate (in %)	3.9% per annum on the issue price of each Preference Share
Dividend Period	From 31 December 2018 to 30 June 2019 (both dates inclusive)
Issue Price	$1.00 per Preference Share

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of Dividend	Tax-exempt (One-tier) Preference Dividend
Date of Payment	2 July 2018
Dividend Type	Cash
Dividend Amount (in cents)	1.94 cents per Preference Share^
Dividend rate (in %)	3.9% per annum on the issue price of each Preference Share
Dividend Period	From 31 December 2017 to 30 June 2018 (both dates inclusive)
Issue Price	$1.00 per Preference Share

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

(c) Date payable

The tax-exempt (one-tier) preference dividend for the period from 31 December 2018 to 30 June 2019 (both dates inclusive) will be paid on 1 July 2019.

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

5.00 pm on 6 June 2019.

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

The directors are not recommending the payment of an interim dividend for ordinary shares (31 March 2018: Nil) in respect of the period under review, as it is not practice of the Board to declare any interim dividend with respect of the first quarter of the financial year.

13. Interested Person Transactions

Interested Persons	Aggregate value of all interested person transactions conducted in the first quarter ended 31 March 2019 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 (a) Lease of premises to interested person	$7,505,085.00
	Total:	**$7,505,085.00**
Directors and their immediate family members		Nil

14. Segment Reporting

	The Group			
	Revenue Three months ended 31 March		Profit/(Loss) before tax (**) Three months ended 31 March	
	2019	2018	2019	2018 (Restated)
	S$'000	S$'000	S$'000	S$'000
Property Development	249,486	563,205	87,432	86,488
Hotel Operations *	360,193	377,760	(1,941)	20,810
Rental Properties	103,249	84,216	180,647	61,091
Others	33,236	32,648	(495)	4,692
	746,164	1,057,829	265,643	173,081

** Revenue from hotel operations includes room revenue of $238.7 million (Q1 2018: $248.2 million) for Q1 2019 from hotels that are owned by the Group.*

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

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

<u>Property Development</u>

Revenue decreased by $313.7 million to $249.5 million (Q1 2018: $563.2 million) whilst pre-tax profit remained relatively constant at $87.4 million (Restated Q1 2018: $86.5 million) for this business segment.

Projects that contributed to both revenue and profit in Q1 2019 include Gramercy Park, New Futura, The Tapestry, Whistler Grand, Hongqiao Royal Lake and Suzhou Hong Leong City Center. In accordance with the Group's policy of equity accounting for the results of its joint ventures, whilst revenue from joint venture developments such as Forest Woods and South Beach Residences had not been consolidated into the Group's total revenue, the Group's share of profit arising from joint venture developments had been included in pre-tax profit.

The significant decrease in revenue was primarily due to the timing of recognition for EC. Included in Q1 2018 was the contribution from The Criterion EC, which obtained TOP in February 2018, coupled with contribution from Gramercy Park and New Futura. In Q1 2019, revenue was recognised largely from The Tapestry, New Futura and Gramercy Park.

Despite a substantial decline in revenue, pre-tax profit remained constant mainly due to compressed profit margins from The Criterion EC relative to projects with a higher profit margin such as Gramercy Park and New Futura. In addition, South Beach Residences, a joint venture project, which was launched in Q3 2018, also contributed to the pre-tax profit.

<u>Hotel Operations</u>

Revenue for this segment decreased by $17.6 million to $360.2 million (Q1 2018: $377.8 million) and this segment reported a pre-tax loss of $1.9 million (Q1 2018: pre-tax profit of $20.8 million) for Q1 2019.

The decrease in revenue for Q1 2019 was attributable to myriad of factors including weakening of the Sterling Pound which impacted the contribution from hotels in United Kingdom when translated to Singapore dollars, and ongoing refurbishment works for hotels located in London and Singapore. In particular, Millennium Hotel London Mayfair was fully closed in July 2018 for refurbishment. In addition, Dhevanafushi Maldives Luxury Resort was closed since June 2018 for rebranding to "Raffles" resort.

The pre-tax loss reported in Q1 2019, in line with lower hotel income achieved, was also attributable to continued loss-making of hotels in New York due to lower contributions from Asian hotels and higher financing costs.

<u>Rental Properties</u>

Revenue for this segment increased by $19.0 million to $103.2 million (Q1 2018: $84.2 million) and pre-tax profit increased by $119.5 million to $180.6 million (Q1 2018: $61.1 million) for Q1 2019.

The increase in revenue for Q1 2019 was largely due to the full quarter contribution from the three buildings acquired in the second half of 2018, namely Aldgate House (London), 125 Old Broad Street (London) and Central Mall Office Tower, as well as contribution from Le Grove Serviced Residences (re-opened in July 2018 following a major revamp) and Hong Leong City Center's retail mall (opened in June 2018).

The substantial increase in pre-tax profit for Q1 2019 was primarily due to the realisation of a gain of $144.3 million, previously deferred when the Group divested Manulife Centre to Golden Crest Holdings Pte. Ltd. (PPS 2 platform). Following the divestment of the property held under PPS 2 platform to an external party in January 2019, the gain was realised in Q1 2019. Included in Q1 2018 was a gain recognised on divestment of Mercure Brisbane and Ibis Brisbane by CDLHT.

<u>Others</u>

Revenue, comprising mainly income from building maintenance contracts, project management, club operations, laundry services and dividend income, remained flat at $33.2 million (Q1 2018: $32.6 million) for Q1 2019.

This segment posted a pre-tax loss of $0.5 million (Q1 2018: pre-tax profit of $4.7 million) for Q1 2019. The loss in Q1 2019 was mainly due to higher fair value loss recognised on re-measurement of certain quoted securities.

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

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

	Full Year 2018 S$'000	Full Year 2017 S$'000
Ordinary	72,552	72,744
Special	108,942	90,930
Preference	12,904	12,904
Total	**194,398**	**176,578**

The tax-exempt (one-tier) final ordinary dividend and tax-exempt (one-tier) special final ordinary dividend for the year ended 31 December 2018 of 8.0 cents and 6.0 cents respectively per ordinary share had been approved by the ordinary shareholders at the Annual General Meeting held on 26 April 2019 and the dividend amounts are based on the number of issued ordinary shares as at 2 May 2019.

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

Not applicable.

18. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 in accordance with Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Shufen Loh @ Catherine Shufen Loh
Company Secretary
15 May 2019

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 2019 to be false or misleading in any material respect.

On behalf of the Board of Directors

Kwek Leng Beng
Executive Chairman

Lim Yin Nee Jenny
Director

Singapore, 15 May 2019