CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2012

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)
	2012 S$'000	2011 S$'000	%	2012 S$'000	2011 S$'000	%
Revenue	787,767	979,391	(19.6)	1,634,500	1,753,136	(6.8)
Cost of sales	(378,445)	(521,044)	(27.4)	(857,875)	(885,885)	(3.2)
Gross profit	409,322	458,347	(10.7)	776,625	867,251	(10.4)
Other operating income (2)	4,336	93,861	(95.4)	50,156	243,584	(79.4)
Administrative expenses (3)	(123,259)	(121,910)	1.1	(246,344)	(247,571)	(0.5)
Other operating expenses (4)	(109,098)	(96,127)	13.5	(189,176)	(196,239)	(3.6)
Profit from operations	181,301	334,171	(45.7)	391,261	667,025	(41.3)
Finance income (5)	7,839	6,274	24.9	18,917	13,762	37.5
Finance costs (6)	(18,025)	(19,592)	(8.0)	(38,238)	(41,203)	(7.2)
Net finance costs	(10,186)	(13,318)	(23.5)	(19,321)	(27,441)	(29.6)
Share of after-tax profit of associates (7)	24,572	8,563	187.0	31,829	12,681	151.0
Share of after-tax profit of jointly-controlled entities (8)	7,044	6,291	12.0	14,582	20,327	(28.3)
Profit before income tax (1)	202,731	335,707	(39.6)	418,351	672,592	(37.8)
Income tax expense (9)	(31,110)	(63,849)	(51.3)	(50,489)	(101,789)	(50.4)
Profit for the period	171,621	271,858	(36.9)	367,862	570,803	(35.6)
Attributable to:						
Owners of the Company	**137,705**	**220,891**	(37.7)	**294,456**	**503,233**	(41.5)
Non-controlling interests	33,916	50,967	(33.5)	73,406	67,570	8.6
Profit for the period	171,621	271,858	(36.9)	367,862	570,803	(35.6)
Earnings per share						
- basic	14.4 cents	23.6 cents	(39.0)	31.7 cents	54.6 cents	(41.9)
- diluted	14.4 cents	23.1 cents	(37.7)	30.9 cents	52.7 cents	(41.4)

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	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
Interest income	7,817	6,162	15,855	13,259
Profit on sale of investments, investment properties and property, plant and equipment (net)	872	82,644	41,749	230,586
Gain on dilution/disposal of investment in an associate (net)	601	403	601	403
Gain on disposal/liquidation/dilution of investment in jointly-controlled entities	-	4,054	-	5,519
Loss on disposal/dilution/liquidation of investment in subsidiaries (net)	(7,832)	(2,288)	(7,832)	(2,288)
Investment income	1,728	5,552	1,984	5,562
Depreciation and amortisation	(35,392)	(34,108)	(70,636)	(68,029)
Interest expenses	(16,934)	(16,190)	(34,575)	(31,423)
Net exchange (loss)/gain	(4,971)	(1,769)	231	(1,408)
Net change in fair value of financial assets at fair value through profit or loss:				
- held for trading	22	(82)	3,062	(3,313)
- designated as such upon initial recognition	-	-	-	145
Impairment loss on loans to a jointly-controlled entity	(236)	(244)	(473)	(484)

(2) Other operating income comprises mainly management fee, miscellaneous income and profit on sale of investments, investment properties and property, plant and equipment, decreased by $89.6 million to $4.3 million (Q2 2011: $93.9 million) for Q2 2012 and $193.4 million to $50.2 million (1H 2011: $243.6 million) for 1H 2012. The decreases for both Q2 2012 and 1H 2012 were mainly due to substantial gains recognized in 1H 2011 pertaining to the disposal of The Corporate Office and a strata unit in GB Building in Q1 2011 and The Corporate Building in Q2 2011, coupled with a gain of £17.4 million (approximately S$35.4 million) recognised on the sale and leaseback of Studio M Hotel to CDL Hospitality Trusts (CDLHT). There were no similar gains in 1H 2012. The decrease for 1H 2012 was partially mitigated by gain accounted in Q1 2012 on realisation of certain long-term financial assets.

(3) Administrative expenses, which comprise primarily depreciation, hotel administrative expenses, operating lease expenses and salaries and related expenses have remained relatively constant for both Q2 2012 and 1H 2012 as compared to corresponding period in the previous year.

(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 increased by $13.0 million to $109.1 million (Q2 2011: $96.1 million) in Q2 2012 but remained relatively constant for 1H 2012 at $189.2 million (1H 2011: $196.2 million). The increase for Q2 2012 was mainly due to higher professional fees incurred and the realization of exchange losses capitalised in exchange fluctuation reserve upon liquidation of two foreign subsidiaries. Included in other operating expenses for Q2 2011 was a loss on divestment of interest in a wholly-owned subsidiary to a jointly-controlled entity.

(5) Finance income comprises mainly interest income and fair value gain on financial assets held for trading. This had increased by $1.5 million and $5.1 million for Q2 2012 and 1H 2012 respectively. The increases for both Q2 2012 and 1H 2012 were due to higher interest income. In addition, higher fair value gains recorded on financial assets held for trading had also attributed to the increase for 1H 2012.

(6) Finance costs comprise primarily interest on borrowings, fair value loss on financial assets held for trading and amortisation of capitalised transaction costs on borrowings. This had remained relatively constant at $18.0 million (Q2 2011: $19.6 million) for Q2 2012 and $38.2 million (1H 2011: $41.2 million) for 1H 2012.

(7) Share of after-tax profit of associates relates primarily to the Group's share of results of CDLHT and First Sponsor Capital Limited (FSCL), both held via the Company's 55% owned subsidiary, Millennium & Copthorne Hotels plc. The increases for Q2 2012 and 1H 2012 by $16.0 million and $19.1 million respectively were mainly attributable to the profit contribution from Chengdu Cityspring residential project, held by FSCL.

(8) Share of after-tax profit of jointly-controlled entities had remained relatively constant for Q2 2012 but decreased by $5.7 million for 1H 2012. The decrease for 1H 2012 was mainly due to lower contribution from The Gale, partially offset by maiden contribution from another joint venture project, Hedges Park.

(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**	
	2012	**2011**	**2012**	**2011**
The tax charge relates to the following:	**S$'m**	**S$'m**	**S$'m**	**S$'m**
Profit for the period	39.5	65.3	77.2	110.3
Overprovision in respect of prior periods	(8.4)	(1.5)	(26.7)	(8.5)
	31.1	63.8	50.5	101.8

The overall effective tax rate of the Group was 15.3% (Q2 2011: 19.0%) for Q2 2012 and 12.1% (1H 2011: 15.1%) for 1H 2012. Excluding the overprovision in respect of prior periods, the effective tax rate of the Group is 19.5% (Q2 2011: 19.5%) for Q2 2011 and 18.5% (1H 2011: 16.4%) for 1H 2012.

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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 30.06.2012 S$'000	As at 31.12.2011 S$'000	As at 30.06.2012 S$'000	As at 31.12.2011 S$'000
Non-current assets					
Property, plant and equipment	(1)	3,430,286	3,313,182	9,822	9,192
Investment properties	(1)	3,083,192	2,907,181	528,027	525,164
Lease premium prepayment		86,312	90,460	-	-
Investments in subsidiaries		-	-	2,221,805	2,221,805
Investments in associates		429,486	420,966	-	-
Investments in jointly-controlled entities		681,140	674,272	36,360	36,360
Investments in financial assets	(2)	104,624	156,739	26,315	23,752
Other non-current assets	(3)	104,729	314,120	233,309	233,148
		7,919,769	**7,876,920**	**3,055,638**	**3,049,421**
Current assets					
Development properties		3,294,917	3,243,875	703,776	700,183
Lease premium prepayment		2,551	2,635	-	-
Consumable stocks		8,386	8,825	46	66
Financial assets		29,000	26,288	-	-
Assets classified as held for sale	(4)	28,835	-	-	-
Trade and other receivables	(3)	1,342,353	1,200,918	4,365,698	4,224,478
Cash and cash equivalents		2,310,477	2,603,005	1,142,722	1,572,120
		7,016,519	**7,085,546**	**6,212,242**	**6,496,847**
Total assets		**14,936,288**	**14,962,466**	**9,267,880**	**9,546,268**
Equity attributable to Owners of the Company					
Share capital		1,991,397	1,991,397	1,991,397	1,991,397
Reserves		4,976,631	4,835,408	3,341,780	3,384,601
		6,968,028	6,826,805	5,333,177	5,375,998
Non-controlling interests		1,880,378	1,869,199	-	-
Total equity		**8,848,406**	**8,696,004**	**5,333,177**	**5,375,998**
Non-current liabilities					
Interest-bearing borrowings*		2,971,404	2,929,322	1,700,247	1,506,060
Employee benefits		40,752	35,989	-	-
Other liabilities	(1)	127,054	96,898	168,397	166,825
Provisions		17,229	17,703	-	-
Deferred tax liabilities		338,388	367,304	45,558	41,620
		3,494,827	**3,447,216**	**1,914,202**	**1,714,505**
Current liabilities					
Trade and other payables		1,056,573	981,845	1,195,508	1,148,587
Interest-bearing borrowings*		1,203,301	1,476,508	693,660	1,135,304
Employee benefits		16,705	15,707	2,269	2,479
Other liabilities		167	75	-	-
Provision for taxation		287,517	321,074	129,064	169,395
Provisions		27,844	24,037	-	-
Liabilities classified as held for sale	(4)	948	-	-	-
		2,593,055	**2,819,246**	**2,020,501**	**2,455,765**
Total liabilities		**6,087,882**	**6,266,462**	**3,934,703**	**4,170,270**
Total equity and liabilities		**14,936,288**	**14,962,466**	**9,267,880**	**9,546,268**

* 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

1) The increases were mainly due to the acquisition of a group of foreign entities in January 2012 which had interests in 2 retail developments and a hotel and advanced stage of construction of the integrated development for W Singapore Sentosa Cove hotel and Quayside Isle.

2) The decrease in financial assets was mainly due to the realisation of investments in a real estate private fund.

3) The decrease in other non-current assets was mainly due to a transfer of loans due by a jointly-controlled entity from non-current assets to current assets.

4) As at 30 June 2012, these relate to assets and liabilities associated with 1 strata unit in Citimac Industrial Complex, 6 strata units in Elite Industrial Building II, 5 strata floors in GB Building and 1 strata unit in Pantech Business Hub held by the Group. The Group had entered into sale and purchase contracts to sell these units. These transactions are expected to be completed in the second half of 2012.

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 30.06.2012 S$'000	As at 31.12.2011 S$'000
Unsecured			
- repayable within one year		1,040,196	1,418,312
- repayable after one year		2,138,481	2,003,261
	(a)	3,178,677	3,421,573
Secured			
- repayable within one year		164,081	60,614
- repayable after one year		843,320	936,689
	(b)	1,007,401	997,303
Gross borrowings	(a) + (b)	4,186,078	4,418,876
Less: cash and cash equivalents		(2,310,477)	(2,603,005)
Net borrowings		1,875,601	1,815,871

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.

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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	
	2012	2011	2012	2011
	S$'000	S$'000	S$'000	S$'000
Operating Activities				
Profit for the period	171,621	271,858	367,862	570,803
Adjustments for:				
Depreciation and amortisation	35,392	34,108	70,636	68,029
Dividend income	(1,728)	(5,552)	(1,984)	(5,562)
Equity settled share-based transactions	1,199	(428)	2,397	695
Finance income	(7,839)	(6,274)	(18,917)	(13,762)
Finance costs	18,025	19,592	38,238	41,203
Gain on dilution/disposal of investment in an associate (net)	(601)	(403)	(601)	(403)
Gain on disposal/liquidation/dilution of investment in jointly-controlled entities	-	(4,054)	-	(5,519)
Loss on disposal/dilution/liquidation of investment in subsidiaries (net)	7,832	2,288	7,832	2,288
Impairment loss on loans to a jointly-controlled entity	236	244	473	484
Income tax expense	31,110	63,849	50,489	101,789
Profit on sale of property, plant and equipment and investment properties	(31)	(82,644)	(79)	(230,462)
Profit on sale of investments	(841)	-	(41,670)	(124)
Property, plant and equipment and investment properties written off	17	6	17	29
Share of after-tax profit of associates	(24,572)	(8,563)	(31,829)	(12,681)
Share of after-tax profit of jointly-controlled entities	(7,044)	(6,291)	(14,582)	(20,327)
Units in an associate received and receivable in lieu of fee income	(2,408)	(3,811)	(4,896)	(5,925)
Operating profit before working capital changes	220,368	273,925	423,386	490,555
Changes in working capital				
Development properties	(56,585)	245,056	(35,920)	220,187
Stocks, trade and other receivables	133,959	(28,390)	37,383	(251,682)
Trade and other payables	20,227	72,460	76,672	165,114
Employee benefits	1,451	378	1,599	850
Cash generated from operations	319,420	563,429	503,120	625,024
Income tax paid	(92,804)	(54,266)	(106,927)	(68,377)
Cash flows from operating activities carried forward	**226,616**	**509,163**	**396,193**	**556,647**

	Second quarter ended 30 June		Half year ended 30 June	
	2012	2011	2012	2011
	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities brought forward	**226,616**	**509,163**	**396,193**	**556,647**
Investing Activities				
Acquisition of subsidiaries, net of cash acquired(1)	-	-	(208,017)	-
Capital expenditure on investment properties	(18,222)	(7,211)	(34,107)	(9,611)
Dividends received:				
- an associate	-	-	19,457	17,812
- jointly-controlled entities	263	40	13,619	3,259
- financial investments	1,728	5,552	1,984	5,562
Disposal of subsidiaries (net of cash acquired)(2)	-	264,423	-	264,423
Increase in intangibles assets	-	(261)	-	(261)
Interest received	4,410	2,799	9,519	5,342
Proceeds from disposal of a jointly-controlled entity	-	-	-	1,465
Payments for purchase of property, plant and equipment	(85,855)	(109,746)	(127,905)	(131,519)
Proceeds from sale of property, plant and equipment and investment properties(3)	97	207,533	560	430,456
Decrease in investments in associates	3,006	1,548	3,006	1,548
Increase in investments in jointly-controlled entities(4)	(4,618)	(265,300)	(8,162)	(269,142)
Proceeds from realisation of financial assets(5)	2,372	25,578	92,747	4,366
Cash flows (used in)/from investing activities	(96,819)	124,955	(237,299)	323,700
Financing Activities				
Repayment by/(Advances to) related parties	23,474	(138,448)	62,735	(140,439)
Capital contribution by non-controlling interests	77	221	95	1,625
Dividends paid	(166,084)	(183,189)	(166,084)	(184,519)
(Repayment of)/Increase in finance lease	-	(1)	(3)	3
Interest paid (including amounts capitalised as investment properties, property, plant and equipment and development properties)	(22,444)	(23,017)	(44,960)	(45,561)
Net (repayments of)/proceeds from revolving credit facilities and short-term bank borrowings	(143,440)	82,448	(76,318)	381,655
Payment of financing transaction costs	(1,575)	(926)	(1,893)	(3,961)
Proceeds from issuance of bonds and notes	105,647	-	205,647	55,000
Increase in/(Repayment of) other long-term liabilities	224	(90)	234	(189)
Repayment of bank borrowings	(74,865)	(92,766)	(245,164)	(150,547)
Repayment of bonds and notes	(217,637)	(116,675)	(217,637)	(216,675)
Cash flows used in financing activities(6)	(496,623)	(472,443)	(483,348)	(303,608)
Net (decrease)/increase in cash and cash equivalents carried forward	**(366,826)**	**161,675**	**(324,454)**	**576,739**

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	Second quarter ended 30 June		Half year ended 30 June	
	2011	2011	2012	2011
	S$'000	S$'000	S$'000	S$'000
Net (decrease)/increase in cash and cash equivalents brought forward	**(366,826)**	**161,675**	**(324,454)**	**576,739**
Cash and cash equivalents at beginning of the period	2,526,515	2,283,308	2,487,580	1,872,974
Effect of exchange rate changes on balances held in foreign currencies	(4,594)	(4,868)	(8,031)	(9,598)
Cash and cash equivalents at end of the period	**2,155,095**	**2,440,115**	**2,155,095**	**2,440,115**
Cash and cash equivalents comprise:-				
Cash and cash equivalents as shown in the Balance Sheet	2,310,477	2,440,784	2,310,477	2,440,784
Less: Bank overdrafts	(155,382)	(669)	(155,382)	(669)
	2,155,095	**2,440,115**	**2,155,095**	**2,440,115**

Notes to the statement of cash flows

(1) The net cash outflow for 1H 2012 was mainly due to acquisition of a group of foreign entities in Q1 2012 which had interests in 2 retail developments and a hotel.

(2) This relates mainly to proceeds received from sale of a wholly-owned subsidiary, Allventure Limited (Allventure), which held the convertible notes issued by South Beach Consortium Pte. Ltd. (SBCPL), to a jointly-controlled entity, Scottsdale Properties Pte. Ltd. (Scottsdale).

(3) The cash inflow for Q2 2011 and 1H 2011 relates to proceeds from sale of The Corporate Office and a strata unit in GB Building in Q1 2011 as well as proceeds from sale of The Corporate Building and Studio M Hotel in Q2 2011.

(4) The substantial cash outflow for Q2 2011 and 1H 2011 relates mainly to the subscription of additional shares issued by Scottsdale so as to fund the acquisition of the remaining 66.66% interest in SBCPL and the purchase of Allventure.

(5) The cash inflow for 1H 2012 refers to proceeds from realisation of investments in a real estate private fund.

(6) The Group had a net cash outflow from financing activities of $496.6 million (Q2 2011: $472.4 million) for Q2 2012 and $483.3 million (1H 2011: $303.6 million) for 1H 2012. These were due to higher net repayment of borrowings of $330.3 million and $333.5 million in Q2 2012 and 1H 2012 respectively as compared to a net repayment of $127.0 million in Q2 2011 and net proceeds from borrowing of $69.4 million in 1H 2011. The cash outflows were partially mitigated by lower dividend paid coupled with repayment of loans by First Sponsor Capital Limited vis-à-vis advances given to them in Q2 2011.

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1(d) Consolidated Statement of Comprehensive Income

	Second quarter ended 30 June		Half year ended 30 June	
	2012	**2011**	**2012**	**2011**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Profit for the period	171,621	271,858	367,862	570,803
Other comprehensive income:				
Actuarial losses on defined benefit plans	(2,875)	-	(3,736)	-
Change in fair value of equity investments available for sale	(3,617)	(5,225)	61	(4,461)
Effective portion of changes in fair value of cashflow hedges	(1,079)	(126)	(644)	871
Exchange differences on hedge of net investment in foreign entities	(10,508)	(278)	(5,482)	7,162
Exchange differences on monetary items forming part of net investments in foreign entities	(3,036)	(6,018)	(2,890)	(12,135)
Realisation of exchange differences on liquidation of subsidiaries	7,831	-	7,831	-
Share of other reserve movement of an associate	5	(8,214)	248	(8,389)
Share of other reserve movement of a jointly-controlled entity	-	13	-	13
Translation differences arising on consolidation of foreign entities	(2,175)	(67,708)	(49,702)	(107,987)
Other comprehensive income for the period, net of income tax	**(15,454)**	**(87,556)**	**(54,314)**	**(124,926)**
Total comprehensive income for the period	**156,167**	**184,302**	**313,548**	**445,877**
Attributable to:				
Owners of the Company	**128,878**	**164,978**	**264,934**	**435,529**
Non-controlling interests	27,289	19,324	48,614	10,348
Total comprehensive income for the period	**156,167**	**184,302**	**313,548**	**445,877**

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

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 2012	1,991.4	148.9	7.4	(320.2)	4,999.3	6,826.8	1,869.2	8,696.0
Profit for the period	-	-	-	-	156.7	156.7	39.5	196.2
Other comprehensive income								
Acturial gains on defined benefit plans	-	-	-	-	(0.4)	(0.4)	(0.4)	(0.8)
Change in fair value of equity investments available for sale	-	-	3.7	-	-	3.7	-	3.7
Effective portion of changes in fair value of cash flow hedges	-	-	0.2	-	-	0.2	0.2	0.4
Exchange differences on hedges of net investment in foreign entities	-	-	-	2.7	-	2.7	2.3	5.0
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	1.2	-	1.2	(1.0)	0.2
Share of other reserve movements of associates	-	-	0.1	-	-	0.1	0.1	0.2
Translation differences arising on consolidation of foreign entities	-	-	-	(28.1)	-	(28.1)	(19.4)	(47.5)
Other comprehensive income for the period, net of income tax	-	-	4.0	(24.2)	(0.4)	(20.6)	(18.2)	(38.8)
Total comprehensive income for the period	-	-	4.0	(24.2)	156.3	136.1	21.3	157.4
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Acquisition of a subsidiary	-	-	-	-	-	-	1.6	1.6
Share-based payment transactions	-	-	0.5	-	-	0.5	0.5	1.0
Share options exercised	-	-	(0.3)	-	-	(0.3)	0.3	-
At 31 March 2012	1,991.4	148.9	11.6	(344.4)	5,155.6	6,963.1	1,892.9	8,856.0
Profit for the period	-	-	-	-	137.7	137.7	33.9	171.6
Other comprehensive income								
Actuarial losses on defined benefit plans	-	-	-	-	(1.6)	(1.6)	(1.3)	(2.9)
Change in fair value of equity investments available for sale	-	-	(3.6)	-	-	(3.6)	-	(3.6)
Effective portion of changes in fair value of cash flow hedges	-	-	(0.6)	-	-	(0.6)	(0.5)	(1.1)
Exchange differences on hedges of net investment in foreign entities	-	-	-	(5.7)	-	(5.7)	(4.8)	(10.5)
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	(2.2)	-	(2.2)	(0.9)	(3.1)
Realisation of exchange differences on liquidation of subsidiaries	-	-	-	7.8	-	7.8	-	7.8
Translation differences arising on consolidation of foreign entities	-	-	-	(3.0)	-	(3.0)	0.8	(2.2)
Other comprehensive income for the period, net of income tax	-	-	(4.2)	(3.1)	(1.6)	(8.9)	(6.7)	(15.6)
Total comprehensive income for the period	-	-	(4.2)	(3.1)	136.1	128.8	27.2	156.0
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Adjustment to acquisition of a subsidiary	-	-	-	-	-	-	1.0	1.0
Capital contribution from non-controlling interests	-	-	-	-	-	-	0.1	0.1
Share-based payment transactions	-	-	0.7	-	-	0.7	0.6	1.3
Dividends	-	-	-	-	(124.6)	(124.6)	(41.4)	(166.0)
At 30 June 2012	1,991.4	148.9	8.1	(347.5)	5,167.1	6,968.0	1,880.4	8,848.4

** 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 2011	1,991.4	148.1	23.9	(322.4)	4,421.5	6,262.5	1,717.7	7,980.2
Profit for the period	-	-	-	-	282.3	282.3	16.6	298.9
Other comprehensive income								
Change in fair value of equity investments available for sale	-	-	0.8	-	-	0.8	-	0.8
Effective portion of changes in fair value of cash flow hedges	-	-	0.5	-	-	0.5	0.5	1.0
Exchange differences on hedges of net investment in foreign entities	-	-	-	4.0	-	4.0	3.5	7.5
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	(6.4)	-	(6.4)	0.3	(6.1)
Share of other reserve movements of an associate	-	-	(0.1)	-	-	(0.1)	(0.1)	(0.2)
Translation differences arising on consolidation of foreign entities	-	-	-	(10.5)	-	(10.5)	(29.8)	(40.3)
Other comprehensive income for the period, net of income tax	-	-	1.2	(12.9)	-	(11.7)	(25.6)	(37.3)
Total comprehensive income for the period	-	-	1.2	(12.9)	282.3	270.6	(9.0)	261.6
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital contribution from non-controlling interests	-	-	-	-	-	-	1.4	1.4
Share-based payment transactions	-	-	0.6	-	-	0.6	0.5	1.1
Dividends	-	-	-	-	-	-	(1.3)	(1.3)
At 31 March 2011	1,991.4	148.1	25.7	(335.3)	4,703.8	6,533.7	1,709.3	8,243.0
Profit for the period	-	-	-	-	220.9	220.9	51.0	271.9
Other comprehensive income								
Change in fair value of equity investments available for sale	-	-	(5.2)	-	-	(5.2)	-	(5.2)
Effective portion of changes in fair value of cash flow hedges	-	-	(0.1)	-	-	(0.1)	-	(0.1)
Exchange differences on hedges of net investment in foreign entities	-	-	-	(0.1)	-	(0.1)	(0.2)	(0.3)
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	(5.2)	-	(5.2)	(0.8)	(6.0)
Share of other reserve movement of an associate	-	-	(3.5)	-	-	(3.5)	(4.7)	(8.2)
Translation differences arising on consolidation of foreign entities	-	-	-	(41.8)	-	(41.8)	(26.0)	(67.8)
Other comprehensive income for the period, net of income tax	-	-	(8.8)	(47.1)	-	(55.9)	(31.7)	(87.6)
Total comprehensive income for the period	-	-	(8.8)	(47.1)	220.9	165.0	19.3	184.3
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital contribution from non-controlling interests	-	-	-	-	-	-	0.3	0.3
Share-based payment transactions	-	-	(1.3)	-	-	(1.3)	(1.2)	(2.5)
Dividends	-	-	-	-	(170.1)	(170.1)	(13.1)	(183.2)
At 30 June 2011	1,991.4	148.1	15.6	(382.4)	4,754.6	6,527.3	1,714.6	8,241.9

** 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$m**	**Other Reserve S$m**	**Accumulated Profits S$m**	**Total S$m**
At 1 January 2012	1,991.4	63.7	6.8	5.7	3,308.4	5,376.0
Profit for the period	-	-	-	-	21.9	21.9
Other comprehensive income						
Change in fair value of equity investments available for sale	-	-	3.2	-	-	3.2
Other comprehensive income for the period, net of income tax	-	-	3.2	-	-	3.2
Total comprehensive income for the period	-	-	3.2	-	21.9	25.1
Transaction with owners, recorded directly in equity						
Contributions by and distributions to owners						
Loan forgiveness by subsidiaries	-	-	-	20.0	-	20.0
At 31 March 2012	1,991.4	63.7	10.0	25.7	3,330.3	5,421.1
Profit for the period	-	-	-	-	63.5	63.5
Other comprehensive income						
Change in fair value of equity investments available for sale	-	-	(1.1)	-	-	(1.1)
Other comprehensive income for the period, net of income tax	-	-	(1.1)	-	-	(1.1)
Total comprehensive income for the period	-	-	(1.1)	-	63.5	62.4
Transaction with owners, recorded directly in equity						
Contributions by and distributions to owners						
Dividends	-	-	-	-	(124.6)	(124.6)
Realisation of other reserve upon liquidation of subsidiaries	-	-	-	(25.7)	-	(25.7)
At 30 June 2012	1,991.4	63.7	8.9	-	3,269.2	5,333.2
At 1 January 2011	1,991.4	63.7	13.9	-	2,763.9	4,832.9
Profit for the period	-	-	-	-	656.7	656.7
Other comprehensive income						
Change in fair value of equity investments available for sale	-	-	(0.9)	-	-	(0.9)
Other comprehensive income for the period, net of income tax	-	-	(0.9)	-	-	(0.9)
Total comprehensive income for the period	-	-	(0.9)	-	656.7	655.8
At 31 March 2011	1,991.4	63.7	13.0	-	3,420.6	5,488.7
Profit for the period	-	-	-	-	85.1	85.1
Other comprehensive income						
Change in fair value of equity investments available for sale	-	-	(0.9)	-	-	(0.9)
Other comprehensive income for the period, net of income tax	-	-	(0.9)	-	-	(0.9)
Total comprehensive income for the period	-	-	(0.9)	-	85.1	84.2
Transaction with owners, recorded directly in equity						
Contributions by and distributions to owners						
Dividends	-	-	-	-	(170.1)	(170.1)
At 30 June 2011	1,991.4	63.7	12.1	-	3,335.6	5,402.8

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

Ordinary share capital

There was no change in the Company's issued share capital during the three months ended 30 June 2012.

Preference share capital

There was no change in the Company's issued preference share capital during the three months ended 30 June 2012.

As at 30 June 2012, 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 2011: 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 2012, 31 December 2011 and 30 June 2011.

The total number of issued ordinary shares as at 30 June 2012 and 31 December 2011 is 909,301,330.

The total number of issued Preference Shares as at 30 June 2012 and 31 December 2011 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 2012.

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 2011.

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 revised Financial Reporting Standards (FRS) which took effect for financial year beginning on 1 January 2012:

Amendments to FRS 107 *Disclosures – Transfer of Financial Assets*
Amendments to FRS 12 *Deferred Tax: Recovery of Underlying Assets*

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

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

	Second quarter ended 30 June		**Half year ended 30 June**	
	2012	**2011**	**2012**	**2011**
Basic Earnings per share (cents)	14.4	23.6	31.7	54.6
Diluted Earnings per share (cents)	14.4	23.1	30.9	52.7
Earnings per share is calculated based on:				
a) Profit attributable to owners of the Company (S$'000) (*)	131,288	214,492	288,039	496,834
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 $6,417,000 declared and paid in Q2 2012 (Q2 2011: $6,399,000).*

** *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	
	30.06.2012 S$	31.12.2011 S$	30.06.2012 S$	31.12.2011 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 2012 (909,301,330 ordinary shares (excluding treasury shares) as at 31 December 2011)	7.66	7.51	5.87	5.91

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

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

<u>Group Performance</u>

Amidst the uncertain global economy, the Group continued to deliver a respectable performance for Q2 2012 and 1H 2012.

For Q2 2012, the Group reported revenue of $787.8 million (Q2 2011: $979.4 million) and an attributable profit after tax and non-controlling interests of $137.7 million (Q2 2011: $220.9 million). For 1H 2012, the Group posted revenue of $1,634.5 million (1H 2011: $1,753.1 million) and attributable profit after tax and non-controlling interests of $294.5 million (1H 2011: $503.2 million).

Excluding substantial divestment gains from 2011 results arising from Studio M Hotel and The Corporate Building in Q2 2011 and The Corporate Office in Q1 2011, the Group's attributable profit after tax and non-controlling interests of $294.5 million for 1H 2012 was on par with 1H 2011.

At pre-tax profit level, the property development segment continued to be the lead contributor to the Group's performance, despite reporting lower earnings for both Q2 and 1H 2012. Though strong sales were achieved in recent residential launches of mass market projects and Executive Condominiums (ECs), the Group was not able to recognise the locked-in profits from its pre-sale activities as the construction of these projects has yet to reach the recognition stage (existing accounting standard for ECs only permit recognition of profits upon completion).

The hotel operations from the Group's subsidiary, Millennium & Copthorne Hotels plc (M&C), was the second highest contributor in pre-tax profits. M&C delivered a credible overall performance with strong RevPAR increases in Singapore and London. Korea in particular, saw a 17.0% increase in average room rate after its major refurbishments compared to the 1H 2011. M&C's twin strategy of being a hotel owner/operator also enabled the conversion of its former Copthorne Orchid Hotel into a development project – The Glyndebourne, which is 96% sold. Additional profits also came from its joint venture in China and good progress on M&C's asset management projects.

Basic earnings per share decreased by 39.0% to 14.4 cents (Q2 2011: 23.6 cents) and 41.9% to 31.7 cents (1H 2011: 54.6 cents) for Q2 and 1H 2012 respectively.

For 1H 2012, the Group's gearing remained low at 21% excluding revaluation surpluses from investment properties, and interest cover was at 16.3 times. The Group's balance sheet remained strong with over $2.3 billion of cash and cash equivalents.

Property

Singapore's economy grew by 2.0% in Q2 2012 on a year-on-year basis (Q1 2012: 1.5%), but contracted by 0.7% (Q1 2012: 9.5%) on a seasonally-adjusted annualised basis, largely due to decline in the electronics manufacturing sector, wholesale trade and tourism-related services. The Government has narrowed its 2012 growth forecast for the Singapore economy from 1.0% to 3.0%, to 1.5% to 2.5%.

Urban Redevelopment Authority (URA) data indicated that the overall prices of private residential properties increased by 0.4% quarter-on-quarter in Q2 2012 (Q1 2012: -0.1%). In 1H 2012, developers sold 11,928 completed and uncompleted private residential units, which accounts for 75% of the total volume sold in 2011 (2011: 15,904 units). Private homes sales continued to remain high in Q2 2012 as they were powered by new launches, reflecting strong underlying demand for new private homes.

In May 2012, the Group previewed UP@Robertson Quay, an integrated hotel-cum-residential development, located by the Singapore River, within the prestigious enclave of District 9. It comprises 70 exclusive apartments and loft residences, with select units that feature soaring floor-to-floor heights of up to 7.2 metres; private timber pool decks and dual-purpose furniture options. Inspired by the success of Studio M, the adjoining 300-room *M Social* Hotel, to be managed by M&C, will introduce its new lifestyle concept to this upscale neighbourhood. *M Social* will be a new extension of the M-family stable of brands and will also provide affordably priced, fee-based hotel services to the apartments. This project was officially launched recently. 20 units out of the 25 units released have been sold.

Other current residential projects continued to enjoy healthy take-up rate.

The Rainforest, the joint venture 466-unit EC, located close to Choa Chu Kang MRT station and Lot One Shoppers' Mall, was launched in January 2012 and is now 100% sold. ECs have grown in popularity after the Government raised the monthly income ceiling for new EC purchases. This gives more families the added option of buying an EC, besides resale flats and private property. It also facilitates upgrading for existing HDB flat owners.

Blossom Residences, the Group's 602-unit EC located next to Segar LRT station and nestled amongst lush greenery, with panoramic views of the close-by nature parks is now over 95% sold.

The 702-unit Bartley Residences, a joint venture project, located along Bartley Road and Lorong How Sun, which was launched in February 2012 has met with good response with 423 units out of the 450 units launched sold to date. The condominium is conveniently located next to the Bartley MRT station and directly opposite the reputable Maris Stella High School.

The 521-unit H_2O Residences at Sengkang and the 501-unit Hedges Park – another joint venture project, located at the popular Changi/Pasir Ris locality are both more than 75% sold.

The Palette, a joint venture 892-unit condominium, located in a residential enclave at Pasir Ris Grove and within walking distance of Pasir Ris MRT station and White Sands Shopping Mall was well received with about 85% of the project sold to date.

For the period under review, profits were booked in from 368 Thomson, Buckley Classique, Cube 8, Hundred Trees and Volari.

Profit was also booked in from The Glyndebourne, which is being developed by M&C. Joint venture projects such as Tree House, NV Residences, Hedges Park and The Gale also contributed to the Group's profits.

However, no profit was realised from H_2O Residences, The Palette, Bartley Residences, The Rainforest and Blossom Residences, even though these developments have been substantially sold, as the construction of these projects are still in early stages.

For 1H 2012, the Group, along with its joint venture associates, sold a total of 1,299 units with sales value of approximately $1.25 billion (1H 2011: 809 units with sales value of $793.9 million).

In June 2012, the Group successfully acquired through tender, a 18,340.7 square metres (sq m) land parcel at Buangkok Drive / Sengkang Central for $301 million. This site is well located just next to Buangkok MRT station and one stop away from the bustling Sengkang Town Centre, which houses facilities such as the Sengkang MRT station and Bus interchange, library, polyclinic and the popular Compass Point mall. The well-publicised Punggol Park is also located close by with several established schools in the vicinity. The Group plans to develop a luxurious 640-unit condominium at this site.

The Singapore office market continued to moderate due to the economic and financial uncertainties in the global economy. URA statistics showed that overall rentals for office space decreased by 0.5% quarter-on-quarter in Q2 2012, following a decline of the same percentage in Q1 2012. Prices of office space also declined by 0.9% in Q2 2012, after remaining unchanged in the previous quarter. Although the amount of occupied office space increased by 33,000 sq m in Q2 2012, the stock of office space decreased by 32,000 sq m. As a result, the island-wide occupancy rate of office space as at Q2 2012 increased to 89.1% (Q1 2012: 88.3%). The Group's office portfolio continues to enjoy healthy occupancy of 94%.

The enhancement of City Square Mall is progressing well. Two new anchor tenants namely, Baby "R" Us & Toys "R" Us as well as Golden Village cinema are expected to open for business in October and November 2012 respectively. Meanwhile, footfalls have been improving steadily and are expected to improve even further with the refreshed tenant mix. Several other major big-name retailers are now considering setting up shops in the Mall.

Hotel

Although M&C, in which the Group has a 55% interest, delivered a successful overall performance in 1H 2012 that is in line with its management expectations, the hospitality industry is not immune to the on-going Euro crisis and global economic uncertainty.

For the six months ended 30 June 2012, net profit after tax and non-controlling interests decreased marginally by 5.8% to £58.4 million (1H 2011: £62.0 million). Basic earnings per share decreased by 7.6% to 18.3p (1H 2011: 19.8p).

Overall RevPAR (in constant currency terms) for 1H 2012 rose by 5.2% primarily driven by increase in average room rates. On a like-for-like basis, excluding the three Christchurch hotels, Copthorne Orchid and Stuttgart, RevPAR grew by 4.6% as RevPAR in Singapore increased by 6.1% and in London by 4.3%. With the impact of the refurbishment of the Millennium UN Plaza which closed its west wing in April 2012, RevPAR in New York fell by 3.8%. Excluding Millennium UN Plaza, New York RevPAR grew by 3.3%. Strong RevPAR growth was also experienced in Rest of Asia, increasing by 19.8% with M&C's hotels in Kuala Lumpur, Beijing and Seoul all showing double digit RevPAR growth.

In 1H 2012, M&C continued to strengthen its financial position, with net debt falling to £10.6 million at 30 June 2012 (31 December 2011: £100.2 million). Gearing at the end of 1H 2012 was 0.5%, compared to 4.8% at the end of 2011 and 4.1% at 30 June 2011. As at 30 June 2012, M&C had cash reserves of £422.3 million and £213.4 million undrawn committed bank facilities.

M&C is continuing to progress its asset management strategy, namely the upgrading and refurbishment of four premium destination hotels in Seoul, New York, Taipei and London. Good progress has been made. Millennium Seoul Hilton, benefitted from the completion of its major refurbishment with 17.0% increase in average room rate compared to 1H 2011.

At the beginning of April 2012, the west wing of Millennium UN Plaza in New York was closed for refurbishment and upgrading. The re-opening of the hotel is planned in time for the UN General Assembly to be held in September 2012. Over at Grand Hyatt Taipei, the entire hotel will be closed from 13 to 24 August 2012, enabling the demolishment of half of its 865 guest rooms for its first stage of major refurbishment works. The hotel will re-open on 24 August 2012 with half of its room inventory. This first set of refurbished rooms is expected to be completed in 2H 2013. Thereafter, the second stage of renovation will commence for the remaining guests rooms. By 2014, all rooms would have been fully renovated. The temporary closure of the hotel is necessary to minimise inconveniences to hotel guests. The phased partial closure of the hotel rooms over the next two years will help to curtail disruption to income and this renewal will further anchor its status as the preferred hotel. In London, major refurbishment plans are being developed for M&C's flagship hotel, Millennium Mayfair.

In addition, M&C has obtained the agreement of the landlord of the 321-room Millennium Hotel Minneapolis for a substantial renovation project which will see the hotel close at the end of 2012. The hotel is expected to re-open fully by July 2013.

In September 2011, M&C successfully acquired a site in the Ginza district of Tokyo. Demolition work has been completed on the site of the planned 322-room deluxe hotel. Construction of the hotel is expected to complete in 2014.

144 out of 150 residential units at The Glyndebourne (the site of the former Copthorne Orchid Hotel) have been sold, with a sales value of $522.5 million, representing a price of over $2,000 per square foot. Sales proceeds collected to date total $200.3 million, representing approximately 38% of the sales value. The CDL Group has been progressively recognising profit for this project based on stage of construction. However, based on UK accounting standards, M&C's profits will only be booked in when the construction of the entire development is completed.

As at 29 July 2012, First Sponsor Capital Limited (FSCL), in which M&C has a 39.3% effective interest, has sold (either under sales and purchase or option agreements) approximately 98% of the residential units of the Chengdu Cityspring project, with approximately 99% of the sales proceeds collected. M&C recognised £9.1 million as its share of net profit after tax of FSCL relating to Chengdu Cityspring project.

The commercial units at the Chengdu Cityspring project also enjoyed a healthy take-up rate. As at 29 July 2012 approximately 75% of the Chengdu Cityspring commercial units launched for sale in July 2011 have been sold either under sales and purchase or option agreements, with approximately 81% of the sales proceeds collected. FSCL is expected to complete the commercial units in 2013 when it would recognise the revenue for the units that are legally handed over. It plans to retain a proportion of commercial units as investment assets.

Proceeds from the residential and commercial sales will finance the development of a 195-room hotel, M Hotel Chengdu, which is scheduled to open next year as part of the Chengdu Cityspring project. As one of the largest business centres in western China, Chengdu, which is the regional capital of Sichuan province, is a highly favoured destination amongst foreign investors and business travellers.

In 2011, FSCL successfully tendered for two parcels of land in Wenjiang, Chengdu which is intended for residential, commercial and hotel development. Ground preparation works have commenced. Depending on market conditions, FSCL is planning to launch its first residential phase in Q4 2012.

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 2012.

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

After the implementation of several rounds of property market cooling measures, the Government has recently noted that the property market is stabilising and becoming more sustainable, as intended.

Investment sentiments, particularly amongst foreign buyers, in the high-end residential segment have not recovered due to the uncertain global economy and the Euro crisis. The 10% Additional Buyer's Stamp Duty (ABSD) measures introduced on 7 December 2011, has also significantly dampened market sentiments for this niche market. However, the buying interests in mass market projects have remained strong due to abundant liquidity in the market. There is a lack of other investment options especially given the volatility of the stock market and the extremely low bank deposit rates being offered. The low housing interest rate environment lends affordability to homebuyers and property is also viewed as a safer class of asset to invest. New and innovative mass market residential projects located near MRT stations, shopping malls and other amenities continue to boost the private residential sector.

Furthermore, there will always be demand for new landed housing developments as the supply of such landed houses are becoming increasingly scarce, even more so in mature and established estates, which are popular residential enclaves. Hence, in July 2012, the Group launched a joint venture project known as HAUS@SERANGOON GARDEN – an exclusive community of 97 landed houses in the prestigious Serangoon Garden estate. This development is the first landed housing estate to achieve the Green Mark Platinum Award from the Building and Construction Authority (BCA). The site is a stone's throw away from Serangoon Garden Circus, the famous Chomp Chomp food centre, myVillage and many other amenities. 49 of the 60 terrace houses, released for sale snapped up, with sales value of $129.0 million.

The Group is planning to launch one or two more joint venture residential projects in 2H 2012. The first is a prime development at Alexandra Road, a popular estate. Sited within a 5 minutes' walk to Redhill MRT station, this 43-storey condominium with approximately 508 units, is slated for launch in Q4 2012.

The second project is located within the Pasir Ris Grove private residential enclave – 6 minutes' walk to the Pasir Ris MRT station and White Sands Shopping Mall. This is the fourth land parcel within this estate to be launched by the Group's joint venture entity. It had earlier successfully launched Livia (724 units) and NV Residences (642 units) projects and The Palette. The former two projects are fully sold, while The Palette is about 85% sold to date. This upcoming development, slated for launch by year end or early 2013 will yield approximately 912 units, comprising 12 blocks of 11 to 13-storeys.

Based on anecdotal evidence, smaller tenants from law firms, the oil and gas sectors and global consumer companies are leasing office spaces in Grade A buildings, while financial institutions are less active. URA's statistics indicate that office rents in the Downtown Core and Orchard planning areas fell marginally in Q2 2012. The near-term outlook for the office sector remains cautious. Vacancy level is likely to inch upwards and rents will continue to face pressure on the back of new office project completions in 2011 and 2012.

The industrial sector and market for strata-titled commercial spaces are experiencing more buying interest as some investors diversify their interest from the residential sector.

The construction for the iconic, joint venture South Beach development continues to make good progress. Excavation work for casting, piling works and construction of all the diaphragm walls are completed. Restoration of the brick facade for the conserved former NCO club building has begun. With the adoption of environmental design and green technology, both the residential and commercial buildings of this development were recently accorded the distinctive BCA Green Mark Platinum status for their exemplary showcase of 'green' architecture.

The Group's W Singapore Sentosa Cove hotel will be opening this September. This highly-anticipated, 'Wow' inspired contemporary lifestyle hotel is expected to bring much buzz, glamour and excitement to the Cove and Sentosa Island. Touted to be the next hip hot spot of the island, the 240-room hotel, with sea and marina facing guestrooms, boasts of an indoor heated pool with sensational wraparound sea views, spa services, chic restaurants and bars. The Group is also updating and enhancing the common areas of its adjoining, The Residences at W Singapore Sentosa Cove, to enhance its alignment with the current W design philosophy – a key component of W's DNA. It believes that once the hotel is opened, the value proposition of the 'W' lifestyle would be more visible. This would provide a good opportunity for the Group to re-launch the Residences to maximise its profit, as the Group had successfully won this coveted site based on design and at a low cost before subsequent land tendered prices escalated at the Cove. Moreover, Sentosa Cove has no more residential land for sale or tender. In the meantime, the Group is expecting to obtain the Temporary Occupational Permit (TOP) for its retail component at Quayside Isle. It expects the retail units to open for business before year-end, which will make the Residences, even more desirable.

CDL China Limited, a wholly-owned subsidiary of the Group, is in active discussions with the Chongqing authorities to meet their requests and to also make further refinements to the proposed iconic design for its first residential development at Eling Hill in Yuzhong District, Chongqing. Conceptual plans are also currently being drawn up for CDL China's second Chongqing site at Huang Huayuan, where it intends to develop residential apartments and a commercial complex, and its third site in Suzhou which will encompass high-end residential apartments, an office tower, SOHO units, a retail mall and a luxury hotel.

Overall, the China property market is still in its corrective phase, though there are signs of improvement in its monthly strata residential sales volume, particularly for Tier 1 and Tier 2 cities. CDL China is planning to launch its Eling project next year if the China property market improves so as to maximise its profits. Should conditions remain subdued, it may defer the launch, which would have little impact as its cost is not high.

The Group believes the real estate market in China is sustainable, though a breather is currently needed where it favours those with strong financial capabilities, providing opportunities. The Group is confident of the China market as it views its investment with a medium to long-term perspective.

Hotel

Looking ahead, M&C's focus will remain on driving RevPAR growth by achieving an optimal balance between occupancy and room rate and by the repositioning/ refurbishment of several key hotels, so as to grow their yield potential. The continuing strong performance of the recently refurbished Millennium Seoul Hilton in Q2 2012 is an encouraging indicator that M&C's asset management strategy will deliver good returns on investment.

Although it is too early to predict the performance for 2012, trading to date is in line with management expectations. On a like-for-like basis, M&C's RevPAR in the first 24 days of July 2012 decreased by 4.2% (3.0% excluding UN Plaza), ahead of the London Olympics. According to STR Global research, during the Olympics which started at the end of July 2012, London hotels performed strongly with REVPAR increases. The Group is confident that with the increased hotel rates in London, it is expected to somewhat compensate for the weaker trading in July.

In view of the on-going Euro crisis and global economic uncertainty, it is evident that some hospitality markets, like many sectors, may be softening. M&C is well positioned for such an eventuality, having steadily strengthened both its management team and achieving a strong balance sheet. It is well-placed to manage and take advantage of strategic acquisition opportunities which the present environment is likely to offer in due course. While more assets are coming into the market, vendor prices have yet to reach realistic levels. Nonetheless, those with patience and financial power can benefit.

<u>Group Prospects</u>

The outlook for the global economy is uncertain and fragile at this stage. The Euro zone crisis is more serious than anticipated; the US economy is experiencing anaemic recovery; and slower-than-expected growth prospects from emerging economies such as China, will impact the region. Singapore is also facing paced economic growth. There are no signs of sustained resolution or recovery in the near-term. In fact, the economic conditions have deteriorated further compared to six months ago.

The Group has been watchful of the posture of the global economy for some time. At the time of economic uncertainty which started since last year, it has deliberately paid close attention to strengthening its financial position by ensuring that its balance sheet remains healthy and strong, with relatively low debt, to the point that it believes it is better to err on caution with a more sustainable business model. With a view to diversify the Group's risk, it has brought in joint venture partners for some projects in different locations. The Group believes that this strategy will well position it to weather any challenges as well as to seize larger opportunities that may arise.

For property development, the Group has already achieved strong residential sales in the 1H 2012 with locked-in profits. It also has a good pipeline of new and exciting projects to be launched, at the appropriate time.

For the Group's hotel operations, it will continue to manage its assets efficiently while it strategically enhances its select, prime properties for upgrading and refurbishment, so that they will be prepped for accelerated growth when the economy picks up.

The Group's diversified office portfolio remains steady with healthy demand to cater to different business segments. It has continued to divest its non-core commercial assets such as its remaining strata units, unlocking shareholder value. These one-off divestment gains will be recognised in 2H 2012.

The shape of the global economy remains unpredictable. Barring unforeseen shocks, the Group remains optimistic that it will operate profitably 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 10 May 2012 declared a tax-exempt (one-tier) non-cumulative preference dividend to holders of City Developments Limited Preference Shares of 1.94 cents per Preference Share, calculated at the dividend rate of 3.9% per annum of the issue price of $1.00 for each Preference Share, for the dividend period from 31 December 2011 to 29 June 2012. The said preference dividend was paid on 2 July 2012.

(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	28 September 2011	30 June 2011
Dividend type	Cash	Cash
Dividend amount (in cents)	5.0 cents per Ordinary Share	1.93 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 2010 to 29 June 2011 (both dates inclusive)
Issue price	N.A.	$1.00 per Preference Share

(c) Date payable

Not applicable.

(d) ***Books Closure Date***

Not applicable.

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 2012 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 interested persons of (i) project management services; (ii) marketing services; (iii) property management and maintenance services; and (iv) building and security services	$5,821,805.43
	Management and Support Services - provision by interested persons of accounting and administrative services	$178,250.00
	TOTAL:	**$6,000,055.43**
Directors and their immediate family members		Nil

14. Segment Reporting

By Business Segments

	The Group					
	Second quarter ended 30 June			Half year ended 30 June		
	2012 S$'000	2011 S$'000		2012 S$'000	2011 S$'000	
Revenue						
Property Development	293,338	487,403		687,585	815,038	
Hotel Operations	394,147	397,287		748,290	753,629	
Rental Properties	75,539	69,462		151,914	141,175	
Others	24,743	25,239		46,711	43,294	
	787,767	**979,391**		**1,634,500**	**1,753,136**	
Profit/(Loss) before income tax (*)						
Property Development	109,169	136,094		197,190	263,154	
Hotel Operations	70,501	108,279	(1)	110,806	139,199	(1)
Rental Properties	28,061	86,297	(2)	63,885	264,430	(3)
Others	(5,000)	5,037		46,470	5,809	
	202,731	**335,707**		**418,351**	**672,592**	

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

Notes:

(1) Included in pre-tax profit for hotel operations for Q2 2011 and 1H 2011 was a gain recognised on the sale and leaseback of Studio M Hotel to CDL Hospitality Trusts.

(2) Included in pre-tax profit for rental properties segment for Q2 2011 was a gain recognised on the disposal of The Corporate Building.

(3) Included in pre-tax profit for rental properties segment for 1H 2011 were gains recognised on the disposal of The Corporate Office and a strata unit in GB Building in Q1 2011 and The Corporate Building in Q2 2011.

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 decreased by $194.1 million to $293.3 million (Q2 2011: $487.4 million) for Q2 2012 and by $127.4 million to $687.6 million (1H 2011: $815.0 million) for 1H 2012.

Pre-tax profits decreased by $26.9 million to $109.2 million (Q2 2011: $136.1 million) for Q2 2012 and by $66.0 million to $197.2 million (1H 2011: $263.2 million) for 1H 2012.

Projects that contributed to both revenue and profit in 1H 2012 include Volari, NV Residences, 368 Thomson, Cube 8, Hundred Trees, Tree House, The Glyndebourne and Buckley Classique. 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 The Gale and Hedges Park has not been consolidated into the Group's total revenue, the Group's share of profits arising from the joint venture developments has been included in pre-tax profit.

The decreases in revenue for both Q2 2012 and 1H 2012 were mainly attributable to the absence of contributions from Cliveden at Grange, Shelford Suites and Livia which obtained Temporary Occupation Permit in 2011 as well as lower contribution from One Shenton and Volari. This was partially offset by increased contribution from Tree House and maiden contribution from The Glyndebourne and Buckley Classique in 2012. In addition, Q2 2012 revenue was also impacted by the lower contribution from Hundred Trees.

The decreases in pre-tax profit for Q2 2012 and 1H 2012 were in tandem with the decrease in revenue, partially mitigated by the profit recognition of Chengdu Cityspring residential project held by First Sponsor Capital Limited in Q2 2012.

Hotel Operations

Revenue for this segment remained relatively constant at $394.1 million (Q2 2011: $397.3 million) for Q2 2012 and $748.3 million (1H 2011: $753.6 million) for 1H 2012.

Pre-tax profits decreased by $37.8 million to $70.5 million (Q2 2011: $108.3 million) for Q2 2012 and $28.4 million to $110.8 million (1H 2011: $139.2 million) for 1H 2012. This was primarily due to a gain of £17.4 million (approximately S$35.4 million) recognized in 1H 2011 on the sale and leaseback of Studio M Hotel to CDLHT. There was no similar gain in 1H 2012.

Rental Properties

Revenue increased by $6.0 million to $75.5 million (Q2 2011: $69.5 million) for Q2 2012 and $10.7 million to $151.9 million (1H 2011: $141.2 million) for 1H 2012 mainly due to revenue generated from a retail mall in Thailand which the Group acquired in Q1 2012.

Despite the increase in revenue, pre-tax profit decreased by $58.2 million to $28.1 million (Q2 2011: $86.3 million) for Q2 2012 and $200.5 million to $63.9 million (1H 2011: $264.4 million) for 1H 2012. The decreases were due to substantial gains recognised on the sale of The Corporate Office and a strata unit in GB Building in Q1 2011 and The Corporate Building in Q2 2011. There were no similar gains in 1H 2012.

Others

Revenue, comprising mainly management fee income from building maintenance contracts, project management, club operations as well as dividend income, had remained relatively constant for Q2 2012 but increased by $3.4 million to $46.7 million (1H 2011: $43.3 million) for 1H 2012 due to higher management fee income but partially offset by lower dividend income.

This segment reported a pre-tax loss of $5.0 million (Q2 2011: pre-tax profit of $5.0 million) for Q2 2012 but increased by $40.7 million to $46.5 million (1H 2011: $5.8 million) for 1H 2012. The loss in Q2 2012 mainly resulted from higher net exchange losses and professional fees incurred. The increase pre-tax profits in 1H 2012 was mainly due to gain recognised on realisation of investments in a real estate private fund. The recognition of fair value gains (net) on financial assets held for trading in 1H 2012 vis-à-vis fair value loss (net) on the aforesaid financial assets in 1H 2011 had also attributed to the increase in 1H 2012.

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 2011 S$'000	Full Year 2010 S$'000
Ordinary	72,744	72,744
Special	90,930	90,930
Preference	12,904	12,904
Total	**176,578**	**176,578**

The final tax-exempt (one-tier) ordinary dividend and special final ordinary dividend for the year ended 31 December 2011 of 8.0 cents and 5.0 cents respectively per ordinary share have been approved by the ordinary shareholders at the Annual General Meeting held on 27 April 2012 and the dividend amounts are based on the number of issued ordinary shares as at 3 May 2012. The final tax-exempt (one-tier) ordinary dividend and special final ordinary dividend were paid on 18 May 2012.

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 2012

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 2012 to be false or misleading in any material respect.

On behalf of the Board of Directors

Kwek Leng Beng	**Kwek Leng Joo**
Executive Chairman	Managing Director

Singapore, 14 August 2012