CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2010

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)
	2010	2009		2010	2009	
	S$'000	S$'000	%	S$'000	S$'000	%
Revenue	941,656	787,064	19.6	1,692,113	1,409,538	20.0
Cost of sales	(475,047)	(420,247)	13.0	(869,110)	(717,728)	21.1
Gross profit	466,609	366,817	27.2	823,003	691,810	19.0
Other operating income (2)	10,452	1,219	757.4	46,365	3,940	1,076.8
Administrative expenses (3)	(129,003)	(109,750)	17.5	(244,978)	(220,617)	11.0
Other operating expenses (4)	(89,123)	(85,649)	4.1	(191,710)	(185,803)	3.2
Profit from operations	258,935	172,637	50.0	432,680	289,330	49.5
Finance income (5)	6,162	9,996	(38.4)	21,139	13,387	57.9
Finance costs (6)	(19,864)	(14,919)	33.1	(36,528)	(36,038)	1.4
Net finance costs	(13,702)	(4,923)	178.3	(15,389)	(22,651)	(32.1)
Share of after-tax (loss)/profit of associates (7)	(1,879)	4,181	NM	3,912	6,957	(43.8)
Share of after-tax profit of jointly-controlled entities (8)	3,471	26,083	(86.7)	16,721	43,646	(61.7)
Profit before income tax (1)	246,825	197,978	24.7	437,924	317,282	38.0
Income tax expense (9)	(79,256)	(37,000)	114.2	(113,913)	(65,116)	74.9
Profit for the period	167,569	160,978	4.1	324,011	252,166	28.5
Attributable to:						
Owners of the Company	**164,606**	**139,976**	17.6	**303,952**	**223,122**	36.2
Non-controlling interests	2,963	21,002	(85.9)	20,059	29,044	(30.9)
Profit for the period	167,569	160,978	4.1	324,011	252,166	28.5
Earnings per share						
- basic	17.4 cents	14.7 cents	18.4	32.7 cents	23.8 cents	37.4
- diluted	17.2 cents	14.7 cents	17.0	31.9 cents	23.4 cents	36.3

NM: Not Meaningful

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	
	2010	**2009**	**2010**	**2009**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Interest income	6,591	4,648	14,699	7,020
Profit on sale of investments, investment properties and property, plant and equipment (net)	8,894	58	44,110	104
Gain on disposal of a jointly-controlled entity	411	98	411	750
Dividend income	6,852	602	7,804	608
Depreciation and amortisation	(34,763)	(33,288)	(69,066)	(64,949)
Interest expenses	(14,122)	(16,240)	(28,646)	(34,483)
Exchange gain (net)	912	8,965	1,772	10,213
Net change in fair value of financial assets at fair value through profit or loss:				
- held for trading	(8,941)	7,499	(4,114)	6,367
- designated as such upon initial recognition	4,575	-	6,096	-
Impairment loss on loan to a jointly-controlled entity	(454)	(2,548)	(758)	(2,548)

(2) Other operating income, comprising mainly management fee, miscellaneous income and profit on sale of investments, investment properties and property, plant and equipment, increased by $9.2 million for Q2 2010 and $42.4 million for 1H 2010. The increases were primarily due to gains recognised on the disposal of North Bridge Commercial Complex and The Office Chamber in Q1 2010 and Q2 2010 respectively.

(3) Administrative expenses comprise mainly depreciation, hotel administrative expenses, operating lease expenses and salaries and related expenses. This had increased by $19.3 million for Q2 2010 and $24.4 million for 1H 2010 on account of increased rental expenses incurred for the leasing of hotels from CDL Hospitality Trusts (CDLHT) coupled with higher depreciation following the completion of City Square Mall and Tampines Grande. In addition, a provision for redundancy costs associated with the closure of Copthorne Orchid Singapore of £1.5 million (approximately $3.2 million) was made in Q2 2010 by the Company's 54% owned subsidiary, Millennium & Copthorne Hotels plc (M&C).

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

(5) Finance income comprise mainly interest income, fair value gains on financial assets held for trading and fair value gains on financial assets designated at fair value upon initial recognition. The finance income decreased by $3.8 million for Q2 2010 due to lower fair value gains recognised on financial assets, partially mitigated by higher interest income earned. For 1H 2010, finance income increased by $7.8 million on account of higher interest income earned from loans provided to jointly-controlled entities and the convertibles notes issued by a jointly controlled entity.

(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. Finance costs increased by $4.9 million for Q2 2010 as a result of higher fair value loss recognised on financial assets held for trading, partially offset by lower interest expenses incurred. For 1H 2010, the finance costs remained relatively constant at $36.5 million (1H 2009: $36.0 million) as the higher fair value loss on financial assets held for trading accounted had been substantially offset by the lower interest expenses.

(7) Share of after-tax (loss)/profit of associates relates to the Group's share of results of CDLHT and First Sponsor Capital Limited (FSCL) which were held via M&C. Despite the increased contribution from CDLHT, share of after-tax profit of associates decreased by $3.0 million for 1H 2010 and a loss of $1.9 million was incurred for in Q2 2010 as a result of share of losses in FSCL. FSCL's loss was due to provision for debtors and the write-off of fees and monies believed to have been misappropriated by one of the FSCL's joint venture partners in FSCL's subsidiary, Idea Valley Group Limited, its subsidiaries and two of its related companies.

(8) Share of after-tax profit of jointly-controlled entities decreased by $22.6 million for Q2 2010 and $26.9 million for 1H 2010 primarily due to reduced profit contributions from The Oceanfront @ Sentosa Cove and Ferraria Park which had obtained Temporary Occupation Permit in Q1 2010 and 2009 respectively. In addition, the absence of profits from The Sail @ Marina Bay which were fully sold by 2009 had also attributed to the decline.

(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**	
	2010	**2009**	**2010**	**2009**
The tax charge relates to the following:	**S$'m**	**S$'m**	**S$'m**	**S$'m**
Profit for the period	52.2	34.9	86.8	61.1
Underprovision in respect of prior periods	27.1	2.1	27.1	4.0
	79.3	37.0	113.9	65.1

The $27.1 million underprovision of tax for Q2 2010 and 1H 2010 were primarily attributed to the impact on a change in tax legislation in New Zealand, which had removed the ability to depreciate buildings for tax purposes, thus resulted in an increased deferred tax liability on the Group's hotel operations located there. Excluding the underprovision, the effective tax rate for the Group is 21.1% for Q2 2010 (Q2 2009: 17.6%) and 19.8% for 1H 2010 (1H 2009: 19.3%).

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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 30.06.2010 S$'000	As at 31.12.2009 S$'000	As at 30.06.2010 S$'000	As at 31.12.2009 S$'000
Non-current assets					
Property, plant and equipment		3,549,537	3,616,768	7,181	8,010
Investment properties		3,037,901	3,063,766	535,664	540,212
Investments in subsidiaries		-	-	2,259,199	2,259,199
Investments in associates		345,819	345,725	-	-
Investments in jointly-controlled entities		633,601	675,702	36,360	36,360
Investments in financial assets		399,413	393,660	31,896	33,543
Other non-current assets		154,184	121,243	667,772	638,260
		8,120,455	**8,216,864**	**3,538,072**	**3,515,584**
Current assets					
Development properties		3,353,164	3,278,635	1,112,856	1,157,075
Consumable stocks		8,928	10,143	-	-
Financial assets		33,261	32,671	-	-
Assets classified as held for sale	(1)	-	14,782	-	-
Trade and other receivables		906,188	757,820	2,943,040	2,592,156
Cash and cash equivalents		1,355,478	981,486	547,856	407,571
		5,657,019	**5,075,537**	**4,603,752**	**4,156,802**
Total assets		**13,777,474**	**13,292,401**	**8,141,824**	**7,672,386**
Equity attributable to Owners of the Company					
Share capital		1,991,397	1,991,397	1,991,397	1,991,397
Reserves		4,177,192	3,981,077	2,700,421	2,622,005
		6,168,589	5,972,474	4,691,818	4,613,402
Non-controlling interests		1,638,584	1,691,707	-	-
Total equity		**7,807,173**	**7,664,181**	**4,691,818**	**4,613,402**
Non-current liabilities					
Interest-bearing borrowings *		3,111,265	3,197,816	1,951,247	1,753,286
Employee benefits		42,533	40,682	-	-
Other liabilities		86,959	89,301	145,012	92,542
Provisions		1,614	1,818	-	-
Deferred tax liabilities		474,151	433,797	100,229	81,889
		3,716,522	**3,763,414**	**2,196,488**	**1,927,717**
Current liabilities					
Trade and other payables		928,109	795,599	899,701	777,938
Interest-bearing borrowings *		1,056,722	818,312	255,146	244,962
Employee benefits		16,464	15,383	2,058	2,067
Other liabilities		-	75	-	-
Provision for taxation		242,777	230,528	96,613	106,300
Provisions		9,707	4,335	-	-
Liabilities classified as held for sale	(1)	-	574	-	-
		2,253,779	**1,864,806**	**1,253,518**	**1,131,267**
Total liabilities		**5,970,301**	**5,628,220**	**3,450,006**	**3,058,984**
Total equity and liabilities		**13,777,474**	**13,292,401**	**8,141,824**	**7,672,386**

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

Note to the statement of financial position of the Group

1) The decrease in assets and liabilities classified as held for sale was due to the completion of the sale of North Bridge Commercial Complex and The Office Chamber in Q1 2010 and Q2 2010 respectively.

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 30.06.2010 S$'000	As at 31.12.2009 S$'000
Unsecured			
-repayable within one year		598,008	520,895
-repayable after one year		2,449,194	2,219,360
	(a)	3,047,202	2,740,255
Secured			
-repayable within one year		459,265	297,912
-repayable after one year		678,310	996,061
	(b)	1,137,575	1,293,973
Gross borrowings	(a)+(b)	4,184,777	4,034,228
Less: cash and cash equivalents		(1,355,478)	(981,486)
Net borrowings		2,829,299	3,052,742

Details of any collateral

Where secured, borrowings are collateralised by:

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

1(c) A 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	
	2010 S$'000	2009 S$'000	2010 S$'000	2009 S$'000
Operating Activities				
Profit before income tax	246,825	197,978	437,924	317,282
Adjustments for:				
Depreciation and amortisation	34,763	33,288	69,066	64,949
Dividend income	(6,852)	(602)	(7,804)	(608)
Equity settled share-based transactions	1,253	1,259	2,570	2,040
Finance income	(6,162)	(9,996)	(21,139)	(13,387)
Finance costs	19,864	14,919	36,528	36,038
Gain on liquidation of a jointly-controlled entity	-	(8)	-	(8)
Gain on disposal of a jointly-controlled entity	(411)	(98)	(411)	(750)
Impairment loss on loan to a jointly-controlled entity	454	2,548	758	2,548
Profit on sale of property, plant and equipment and investment properties	(8,896)	(58)	(43,819)	(104)
Loss/(profit) on sale of investments	2	-	(291)	-
Property, plant and equipment written off	28	16	462	197
Share of after-tax loss/(profit) of associates	1,879	(4,181)	(3,912)	(6,957)
Share of after-tax profit of jointly-controlled entities	(3,471)	(26,083)	(16,721)	(43,646)
Units in an associate received and receivable in lieu of fee income	(2,023)	(1,527)	(3,840)	(3,087)
Operating profit before working capital changes	277,253	207,455	449,371	354,507
Changes in working capital				
Development properties	48,229	210,121	(35,551)	208,277
Stocks, trade and other receivables	(118,264)	(84,711)	(143,876)	(200,637)
Trade and other payables	85,093	(2,533)	143,060	52,115
Employee benefits	(1,958)	5,264	(2,617)	7,998
Cash generated from operations	290,353	335,596	410,387	422,260
Income tax paid	(46,933)	(36,903)	(67,454)	(55,718)
Cash flows from operating activities carried forward	**243,420**	**298,693**	**342,933**	**366,542**

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	Second quarter ended 30 June		Half year ended 30 June	
	2010	**2009**	**2010**	**2009**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Cash flows from operating activities brought forward	**243,420**	**298,693**	**342,933**	**366,542**
Investing Activities				
Capital expenditure on investment properties	(4,319)	(34,176)	(31,774)	(108,192)
Dividends received:				
- an associate	-	-	15,602	15,329
- jointly-controlled entities	29,020	56,450	29,020	128,950
- financial investments	1,058	602	1,907	608
Interest received	2,401	2,695	3,900	4,088
Net proceeds from disposal of a jointly-controlled entity	411	98	411	666
Payments for purchase of property, plant and equipment	(28,525)	(10,061)	(44,894)	(30,322)
Proceeds from sale of property, plant and equipment and investment properties	13,249	307	58,738	371
Proceeds from liquidation of a jointly-controlled entity	-	33	-	33
Purchase of investments in associates	(7,433)	-	(7,433)	-
Purchase of investments in jointly-controlled entities	-	(175)	-	(234)
Disposal/(purchase) of financial assets [(1)]	9,604	(199,841)	(3,795)	(200,112)
Cash flows from investing activities	15,466	(184,068)	21,682	(188,815)
Financing Activities				
Advances (to)/from related parties	(8,512)	8,385	(7,079)	5,356
Capital contribution by non-controlling interests	64	-	163	-
Dividends paid	(81,684)	(84,486)	(88,530)	(84,486)
Finance lease payments	(2)	(1)	(4)	(4)
Interest paid (including amounts capitalised as investment properties, property, plant and equipment and development properties)	(22,289)	(32,311)	(40,957)	(53,844)
Net proceeds from/(repayment of) revolving credit facilities and short-term bank borrowings	33,179	65,853	(11,329)	(52,381)
Payment of financing transaction costs	(1,065)	(1,337)	(3,125)	(3,706)
Proceeds from bank borrowings	154,039	175,000	176,433	200,000
Proceeds from issuance of bonds and notes	296,447	50,000	520,640	150,000
(Repayment of)/increase in other long-term liabilities	(91)	(72)	1,065	(92)
Repayment of bank borrowings	(50,331)	(22,234)	(179,316)	(47,865)
Repayment of bonds and notes	(161,988)	(143,438)	(345,836)	(363,320)
Cash flows from financing activities[(2)]	157,767	15,359	22,125	(250,342)
Net increase/(decrease) in cash and cash equivalents carried forward	**416,653**	**129,984**	**386,740**	**(72,615)**

	Second quarter ended 30 June		Half year ended 30 June	
	2010	**2009**	**2010**	**2009**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Net increase/(decrease) in cash and cash equivalents brought forward	**416,653**	**129,984**	**386,740**	**(72,615)**
Cash and cash equivalents at beginning of the period	945,644	576,409	980,134	769,859
Effect of exchange rate changes on balances held in foreign currencies	(7,889)	(1,287)	(12,466)	7,862
Cash and cash equivalents at end of the period	**1,354,408**	**705,106**	**1,354,408**	**705,106**
Cash and cash equivalents comprise:-				
Cash and cash equivalents as shown in the Balance Sheet	1,355,478	706,034	1,355,478	706,034
Less: Bank overdrafts	(1,070)	(928)	(1,070)	(928)
	1,354,408	**705,106**	**1,354,408**	**705,106**

Notes to consolidated statement of cash flows

(1) The purchase of financial assets in Q2 2009 and 1H 2009 relate primarily to the subscription of $195 million out of the $400 million secured convertible notes issued by South Beach Consortium Pte. Ltd., a joint venture consortium to develop South Beach.

(2) The Group had a net cash inflow from financing activities of $157.8 million in Q2 2010 (Q2 2009: $15.4 million) due to higher net proceeds received from bank borrowings and issuance of bonds and notes in Q2 2010 of $271.3 million as compared to $125.2 million in Q2 2009.

The Group had a net cash inflow from financing activities of $22.1 million in 1H 2010 (1H 2009: cash outflow of $250.3 million) due to net repayment of borrowings of $113.6 million in 1H 2009 as compared to net proceeds received from borrowings of $160.6 million in 1H 2010.

1(d) Consolidated Statement of Comprehensive Income

	Second quarter ended 30 June		Half year ended 30 June	
	2010	**2009**	**2010**	**2009**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Profit for the period	167,569	160,978	324,011	252,166
Other comprehensive income:				
Actuarial losses on defined benefit plans	(2,313)	(9,111)	(2,313)	(9,111)
Change in fair value of equity investments available for sale	(959)	10,283	(2,319)	6,789
Exchange differences on hedge of net investment in foreign entities	(15,616)	(38,292)	(51,102)	(41,416)
Exchange differences on monetary items forming part of net investments in foreign entities	(7,740)	(12,457)	(4,608)	(11,040)
Exchange differences realised on disposal of a jointly-controlled entity	-	(70)	-	(70)
Net movement on cash flow hedges	(469)	-	(747)	-
Share of other reserve movement of an associate	-	201	-	587
Translation differences arising on consolidation of foreign entities	(50,027)	47,894	(34,133)	141,933
Other comprehensive income for the period, net of income tax	**(77,124)**	**(1,552)**	**(95,222)**	**87,672**
Total comprehensive income for the period	**90,445**	**159,426**	**228,789**	**339,838**
Attributable to:				
Owners of the Company	**142,035**	**134,568**	**273,884**	**262,586**
Non-controlling interests	(51,590)	24,858	(45,095)	77,252
Total comprehensive income for the period	**90,445**	**159,426**	**228,789**	**339,838**

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 2010	1,991.4	147.6	25.3	(83.0)	3,891.2	5,972.5	1,691.7	7,664.2
Profit for the period	-	-	-	-	139.3	139.3	17.1	156.4
Other comprehensive income								
Change in fair value of equity investments available for sale	-	-	(1.4)	-	-	(1.4)	-	(1.4)
Exchange differences on hedges of net investment in foreign entities	-	-	-	(19.0)	-	(19.0)	(16.5)	(35.5)
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	2.0	-	2.0	1.1	3.1
Net movement on cash flow hedges	-	-	(0.1)	-	-	(0.1)	(0.1)	(0.2)
Translation differences arising on consolidation of foreign entities	-	-	-	11.0	-	11.0	4.9	15.9
Other comprehensive income for the period, net of income tax	-	-	(1.5)	(6.0)	-	(7.5)	(10.6)	(18.1)
Total comprehensive income for the period	-	-	(1.5)	(6.0)	139.3	131.8	6.5	138.3
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital contribution from non-controlling interests	-	-	-	-	-	-	0.1	0.1
Share-based payment transactions	-	-	0.7	-	-	0.7	0.6	1.3
Dividends	-	-	-	-	-	-	(6.8)	(6.8)
At 31 March 2010	1,991.4	147.6	24.5	(89.0)	4,030.5	6,105.0	1,692.1	7,797.1
Profit for the period	-	-	-	-	164.6	164.6	3.0	167.6
Other comprehensive income								
Actuarial losses on defined benefit plans	-	-	-	-	(1.2)	(1.2)	(1.1)	(2.3)
Change in fair value of equity investments available for sale	-	-	(0.9)	-	-	(0.9)	-	(0.9)
Exchange differences on hedges of net investment in foreign entities	-	-	-	(8.3)	-	(8.3)	(7.3)	(15.6)
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	(5.4)	-	(5.4)	(2.3)	(7.7)
Net movement on cash flow hedges	-	-	(0.3)	-	-	(0.3)	(0.2)	(0.5)
Translation differences arising on consolidation of foreign entities	-	-	-	(6.4)	-	(6.4)	(43.7)	(50.1)
Other comprehensive income for the period, net of income tax	-	-	(1.2)	(20.1)	(1.2)	(22.5)	(54.6)	(77.1)
Total comprehensive income for the period	-	-	(1.2)	(20.1)	163.4	142.1	(51.6)	90.5
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Net capital contribution from minority interest	-	-	-	-	-	-	0.1	0.1
Share-based payment transactions	-	-	0.7	-	-	0.7	0.5	1.2
Dividends	-	-	-	-	(79.2)	(79.2)	(2.5)	(81.7)
At 30 June 2010	1,991.4	147.6	24.0	(109.1)	4,114.7	6,168.6	1,638.6	7,807.2

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

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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 2009	1,991.4	148.7	3.9	(93.7)	3,379.4	5,429.7	1,592.6	7,022.3
Profit for the period	-	-	-	-	83.1	83.1	8.1	91.2
Other comprehensive income								
Change in fair value of equity investments available for sale	-	-	(3.5)	-	-	(3.5)	-	(3.5)
Exchange differences on hedges of net investment in foreign entities	-	-	-	(1.6)	-	(1.6)	(1.5)	(3.1)
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	4.4	-	4.4	(3.0)	1.4
Share of other reserve movement of an associate	-	-	0.2	-	-	0.2	0.2	0.4
Translation differences arising on consolidation of foreign entities	-	-	-	45.4	-	45.4	48.6	94.0
Other comprehensive income for the period, net of income tax	-	-	(3.3)	48.2	-	44.9	44.3	89.2
Total comprehensive income for the period	-	-	(3.3)	48.2	83.1	128.0	52.4	180.4
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Share-based payment transactions	-	-	0.4	-	-	0.4	0.4	0.8
At 31 March 2009	1,991.4	148.7	1.0	(45.5)	3,462.5	5,558.1	1,645.4	7,203.5
Profit for the period	-	-	-	-	140.0	140.0	21.0	161.0
Other comprehensive income								
Actuarial losses on defined benefit plans	-	-	-	-	(4.8)	(4.8)	(4.3)	(9.1)
Change in fair value of equity investments available for sale	-	-	10.3	-	-	10.3	-	10.3
Exchange differences on hedges of net investment in foreign entities	-	-	-	(20.1)	-	(20.1)	(18.2)	(38.3)
Exchange differences on monetary items forming part of net investment in foreign entities	-	-	-	(9.8)	-	(9.8)	(2.7)	(12.5)
Share of other reserve movement of an associate	-	-	0.1	-	-	0.1	0.1	0.2
Translation differences arising on consolidation of foreign entities	-	-	-	18.9	-	18.9	28.9	47.8
Other comprehensive income for the period, net of income tax	-	-	10.4	(11.0)	(4.8)	(5.4)	3.8	(1.6)
Total comprehensive income for the period	-	-	10.4	(11.0)	135.2	134.6	24.8	159.4
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Share-based payment transactions	-	-	0.7	-	-	0.7	0.6	1.3
Dividends	-	-	-	-	(74.6)	(74.6)	(9.9)	(84.5)
At 30 June 2009	1,991.4	148.7	12.1	(56.5)	3,523.1	5,618.8	1,660.9	7,279.7

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

CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

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 2010	1,991.4	63.7	14.9	2,543.4	4,613.4
Profit for the period	-	-	-	63.1	63.1
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)	63.1	62.2
At 31 March 2010	1,991.4	63.7	14.0	2,606.5	4,675.6
Profit for the period	-	-	-	95.8	95.8
Other comprehensive income					
Change in fair value of equity investments available for sale	-	-	(0.4)	-	(0.4)
Other comprehensive income for the period, net of income tax	-	-	(0.4)	-	(0.4)
Total comprehensive income for the period	-	-	(0.4)	95.8	95.4
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Dividends	-	-	-	(79.2)	(79.2)
At 30 June 2010	1,991.4	63.7	13.6	2,623.1	4,691.8
At 1 January 2009	1,991.4	63.7	6.4	2,347.8	4,409.3
Profit for the period	-	-	-	43.9	43.9
Other comprehensive income					
Change in fair value of equity investments available for sale	-	-	(1.7)	-	(1.7)
Other comprehensive income for the period, net of income tax	-	-	(1.7)	-	(1.7)
Total comprehensive income for the period	-	-	(1.7)	43.9	42.2
At 31 March 2009	1,991.4	63.7	4.7	2,391.7	4,451.5
Profit for the period	-	-	-	45.0	45.0
Other comprehensive income					
Change in fair value of equity investments available for sale	-	-	6.3	-	6.3
Other comprehensive income for the period, net of income tax	-	-	6.3	-	6.3
Total comprehensive income for the period	-	-	6.3	45.0	51.3
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Dividends	-	-	-	(74.6)	(74.6)
At 30 June 2009	1,991.4	63.7	11.0	2,362.1	4,428.2

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 2010.

Preference share capital

There was no change in the Company's issued preference share capital during the three months ended 30 June 2010.

As at 30 June 2010, 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 2009: 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 2010 and 31 December 2009.

The total number of issued ordinary shares (excluding treasury shares) as at 30 June 2010 and 31 December 2009 is 909,301,330.

The total number of issued Preference Shares as at 30 June 2010 and 31 December 2009 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 2010.

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 2009.

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 various new/revised Financial Reporting Standards (FRS) and Interpretations of FRSs (INT FRS) which took effect for financial year beginning on 1 January 2010. The adoption of these new/revised FRS and INT FRS 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	
	2010	**2009**	**2010**	**2009**
Basic Earnings per share (cents)	17.4	14.7	32.7	23.8
Diluted Earnings per share (cents)	17.2	14.7	31.9	23.4
Earnings per share is calculated based on:				
a) Profit attributable to owners of the Company (S$'000) (*)	158,207	133,577	297,553	216,723
b) Weighted average number of ordinary shares in issue:				
- basic	909,301,330	909,301,330	909,301,330	909,301,330
- diluted (**)	954,300,228	954,300,228	954,300,228	954,300,228

* *After deducting preference dividends of $6,399,000 declared and paid in Q2 2010 (Q2 2009:$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	
	30.06.2010 S$	31.12.2009 S$	30.06.2010 S$	31.12.2009 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 2010 (909,301,330 ordinary shares (excluding treasury shares) as at 31 December 2009)	6.78	6.57	5.16	5.07

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 Q2 and 1H 2010 under review, the Group continued to register improvements in its performance as compared to corresponding periods in 2009. Revenue for Q2 2010 was up by 19.6% to $941.7 million whilst attributable profit after tax and minority interest rose by 17.6% to $164.6 million.

For 1H 2010, the Group achieved revenue of $1,692.1 million, an increase of 20.0% from 1H 2009 (1H 2009: $1,409.5 million). Its attributable profit after tax and minority interest increased by 36.2% to $304.0 million (1H 2009: $223.1 million).

Accordingly, basic earnings per share had improved for Q2 2010 and 1H 2010 by 18.4% to 17.4 cents (Q2 2009: 14.7 cents) and 37.4% to 32.7 cents (1H 2009: 23.8 cents) respectively.

The Group's property development segment was the lead performer, contributing more than 50% to the Group's profit before tax for both Q2 and 1H in 2010. Rental properties segment continued to be the second largest contributor for 1H 2010 due to the gains recognised on disposal of North Bridge Commercial Complex and The Office Chamber in Q1 and Q2 2010 respectively. However, for Q2 2010, with the recovery of the hospitality market, particularly in Asia, coupled with effective cost management, the Group's hotel operations became the second in line in terms of profit contribution.

The Group's gearing ratio remains healthy at 36%, without considering any fair value gains on investment properties, with interest cover at 19.5 times as at 30 June 2010.

Property

According to Ministry of Trade and Industry (MTI) data, the Singapore economy continued to expand strongly for Q2 2010 where Singapore's GDP grew at a seasonally adjusted rate of 24.0% quarter-on-quarter. This follows a quarter-on-quarter expansion of 45.7% in Q1 2010. Compared to a year ago, the economy grew by 18.8% in Q2 2010, up from 16.9% year-on-year growth during Q1 2010. For 1H 2010, the Singapore economy expanded by 17.9% year-on-year.

The manufacturing sector grew by 44.5% year-on-year. Growth was driven by a surge in the output of the biomedical manufacturing cluster, as well as a strong expansion in the electronics cluster underpinned by healthy worldwide demand for electronics products. The construction sector grew by 11.5% on a year-on-year basis, compared to 9.7% growth in Q1 2010. This was supported by an increase in public sector construction activities.

The services producing industries continued to expand by 11.2% year-on-year, compared to an increase of 11.4% in the preceding quarter. Growth in the trade-related sectors was bolstered by healthy global trade flows, while the openings of the Integrated Resorts and higher visitor arrival numbers contributed to the growth in the tourism-related sectors. The financial services sector also grew strongly, supported by increased foreign exchange trading, and domestic bank lending activities.

The strong sales momentum seen during the initial months of the year continued through Q2 2010. A total of 4,180 uncompleted private residential units were launched for sale by developers in Q2 2010. Despite the uncertainty arising from the European debt crisis, total primary sales for the 3 months ending June 2010 amounted to 4,033 units. The total primary sales of 8,413 units recorded in 1H 2010 was more than half of the total primary sales figure of 14,688 units in the whole of 2009.

The private residential market saw most activities in the mass market and mid-tier segments in Q2 2010. The mid-tier private residential segment was a hive of activity, in marked contrast to its subdued state a quarter earlier.

Buoyed by the low interest rate environment, the strong HDB resale market, and in view of the improving economy, buyers' interest in the mass market continued to be high. Mass market projects with good attributes such as a unique location, thoughtful design and attractive pricing continued to witness enthusiastic take-up. In April, the Group launched its joint-venture project known as Tree House comprising 429 units at Chestnut Avenue. Its unique location within the Bukit Timah Nature Reserve made it an instant hit and the project was sold out within a few weeks.

With the buoyant property market, private residential home prices continued to improve in Q2 2010. Real estate statistics released by the Urban Redevelopment Authority (URA) showed that the market-wide private residential price index climbed 5.3% in Q2 2010. With this fourth consecutive quarter of growth, the latest gains brought the index to surpass its previous peaks in Q2 1996 and Q2 2008 by 1.5% and 3.7% respectively. Based on the current transaction prices of high-end properties, except for landed properties, they are still below the peak of 2008.

Amongst the Group's launches in 1H 2010 include Cube 8, a freehold 36-storey development comprising 177 units at Thomson Road, located next to the highly successful The Arte. Since its launch in January, all units at this mid-tier development have been sold except for two penthouses.

At the end of March, the Group launched The Residences at W Singapore Sentosa Cove, comprising 228 luxury residences at the exclusive Sentosa Cove residential enclave. As the only branded residence in Sentosa, this development is strategically located within the only integrated development in Sentosa Cove – Quayside Isle, which will be home to trendy cafes, fine dining restaurants, specialty shops and entertainment spots and bars, as well as just next to the W Singapore Sentosa Cove hotel. Phase 1 comprising 56 units were released and about 40% has been sold to-date as the Group has not been actively promoting this project since May. The Group is considering retaining at least 100 units for medium to long-term investment or for en bloc sales if the price is right.

Given the unique and exclusive waterfront location, landed property prices on Sentosa Cove have been leading the luxury end of the market. In May 2010, a record price of $36 million was set for a top-end bungalow on Sentosa Cove in the resale market. This record price is even higher than bungalows sold in the main island. The Group is of the view that the appreciation of condominiums in Sentosa Cove should follow suit within a year as supply is limited to only about 2,200 units. In addition, there is no more land for tender within this gated marina community and there are no chances of enbloc sales, unlike the matured estates in the main island, as the properties in Sentosa Cove are relatively new. Hence, with no new residential properties in Sentosa Cove coming on-stream, the value of properties in the Cove is expected to appreciate further.

While sales for The Residences at W Singapore Sentosa Cove have not been as brisk as compared to its other projects, the Group remains optimistic about the potential of this prime site. The moderate take-up rate is largely due to competition arising from the strong sub-sale market transactions of several newly completed projects in Sentosa Cove, including The Oceanfront @ Sentosa Cove, where early buyers who had purchased units during the launch are now reaping attractive capital gains from sub-sales. Moreover, during the Group's launch of The Residences at W Singapore Sentosa Cove, there were also two other projects which were either launching or being re-launched concurrently. Nevertheless, the Group remains confident in realising robust profits for its project when its vision for the integrated, tropical marina-oriented lifestyle concept, which includes the W Singapore Sentosa Cove hotel and the Quayside Isle, is likely to complete by 2012. The Group had won this coveted marina Quayside site after a rigorous tender process. Uniquely, the Group's winning bid was based not only on price, but other pertinent factors like architectural design, concept, tourism appeal and strength of the prospective lessee and operator. Since its successful tender in 2006, the cost of subsequent land sales were much higher. With lower land cost, it is therefore confident of achieving the full potential of this development in due course.

During the period under review, profits were booked in from Cliveden at Grange, One Shenton, The Arte, Wilkie Studio, Shelford Suites, Tribeca and The Residences at W Singapore Sentosa Cove.

Tribeca received its Certificate of Statutory Completion in late May while The Arte received its Temporary Occupation Permit in June 2010.

The Group also booked in profits from joint-venture projects, namely Livia and The Gale.

Profits from the three sold-out or substantially sold-out projects, namely the 396-unit Hundred Trees, 85-unit Volari at Balmoral and Tree House have not been accounted for yet as they are in stages of construction not yet recognisable for accounting purposes. Likewise, no profit has been booked in from the 177-unit Cube 8 project as the construction contract for the project is just being awarded.

The Singapore office property market shows a healthy rebound in Q2 2010. According to URA statistics, overall rentals for office space increased by 1.1% compared with 0.4% increment in Q1 2010. The upswing / uptrend in rents came about as occupancy rates tightened across all micro-markets, in spite of the addition of more than 1.5 million square feet of Grade A office space since 2H 2009. The healthy take-up, in turn, was the result of robust occupiers' demand. The rapidly recovering economy raised businesses' optimism on their growth prospects and spurred many to secure additional office space needed for future expansion ahead of a pick-up in rents. The island-wide occupancy rate increased from 87.5% in Q1 2010 to 87.7% in Q2 2010. Our office portfolio continued to perform well with an occupancy rate of 93.0% for 1H 2010.

Based on URA statistics, total supply of office space in the pipeline continued its decline to about 974,000 square metres Gross Floor Area as at the end of June 2010. The potential supply has fallen by about 21% compared to the same period last year. The office supply coming on-stream will also be mitigated as a result of the impending conversion of some office properties into residential developments. Of the total pipeline supply of office space, about 892,000 square metres or 91% of the total pipeline supply is expected to be completed by 2013.

Hotel

The recovery in the trading performance of Millennium & Copthorne Hotels plc (M&C), in which the Group has a 54% interest, accelerated during the second quarter of the year, with strong improvement in revenue and profit. M&C achieved a net profit after tax and minority interests of £25.0 million in Q2 2010 (Q2 2009: £16.0 million), an increase of 56.3% year-on-year, and £37.2 million in 1H 2010 (1H 2009: £22.9 million).

Over the first six months of 2010, M&C made good progress in recovering lost ground following the global economic crisis in 2008/9. For 1H 2010, global RevPAR rose by 9.3%, led by high growth rates in Singapore, New York and Rest of Asia. The biggest gains were seen in Singapore where RevPAR grew by a remarkable 49.1% in the second quarter and by 33.3% over the six months as a whole.

This strong recovery in profits demonstrates continuing and effective cost management discipline amidst better trading conditions. M&C continued to strengthen its balance sheet, reducing net debt by £20.4 million to £182.1 million at 30 June 2010 (31 December 2009: £202.5 million) and reducing gearing to 9.8% (31 December 2009: 11.6%). As at 30 June 2010, M&C had cash reserves of £175.3 million and total undrawn committed bank facilities of £197.7 million available. M&C's interest cover ratio, excluding share of results of joint ventures and associates and other operating expense, improved to 26.2 times from 7.8 times in 1H 2009.

M&C has a 39.8% effective interest in First Sponsor Capital Limited (FSCL), a vehicle which principally undertakes property development and investment projects in China. FSCL recorded a net loss for the period to 30 June 2010, of which M&C's effective share of the net loss after minority interest is US$4.3 million (£2.8 million). The loss was mainly due to provision for debtors and the write-off of fees and monies believed to have been misappropriated by one of FSCL's joint venture partners, Cheung Ping Kwong in FSCL's subsidiary, Idea Valley Group Limited, its subsidiaries and two of its related companies.

The CDL Group's effective interest in FSCL is approximately 21% held indirectly through its 54% interest in M&C. Based on the unaudited management accounts of FSCL group as at 30 June 2010, which has taken into account the write-offs and provisions, the Group's attributable share of the aggregate exposure to the four assets illegally disposed of is approximately US$9.6 million (approximately $13.3 million). The Group has similarly not made any provisions for the impact of the unauthorised transactions on the basis of legal opinion obtained and ongoing legal actions being undertaken by M&C.

The FSCL management has obtained legal advice which states that it has a basis to recover all assets illegally sold by Cheung. Various actions have been taken under civil and criminal law for the purposes of such recovery and are ongoing. The legal process is, however, exceptionally complex and dependent on the assistance and cooperation from all relevant official authorities. M&C will continue to monitor this situation closely, in particular the need for provisioning. Despite the misappropriation, M&C remains confident that FSCL will ultimately be value-enhancing for its shareholders in due course.

On 1 July 2010, CDLHT announced the issue of 116,960,000 new stapled securities, priced at $1.71 each, pursuant to a private placement, and raising net proceeds of $196.7 million ($200.0 million gross). Proceeds were applied to pay down debt. M&C's interest in CDLHT, a Singapore-listed REIT for which it also acts as manager, fell to 34.77% from its pre-issuance interest of 39.03%. As a result of the private placement, M&C will report a one-off gain of $14.6 million in its financial results for Q3 2010. The gain arises from M&C's share of proceeds being greater than its share of net tangible assets diluted by the issue.

In line with M&C's asset management strategy which seeks to enhance the performance and optimum use of each of its property asset, a collective sales agreement was signed with other unit-holders in Tanglin Shopping Centre, a shopping-cum-office development situated within the prime Orchard area in Singapore in June 2010. M&C holds a 34% interest in the total strata area and a further update on the proposed disposal of this asset will be made in due course.

The project to redevelop the Copthorne Orchid Singapore into condominiums has gained momentum. Construction of the showflats has started and advance sales are expected to commence in September. The hotel is expected to close by the end of 2010.

On 17 June 2010, M&C officially opened the 360-room loft-style Studio M hotel in Singapore. Since its soft-opening in Q1 2010, Studio M has traded above expectations, reflecting its successful capture of a new niche in the three-to-four star hotel market. Of M&C's six Singapore hotels, Studio M achieved the highest occupancy of 88.4% in Q2 2010 and an average room rate of $168.71. The hotel was cash positive in Q2 2010. This is a very credible performance by Studio M in view that it has just opened and is still in its gestation period. Generally, new hotels take a year or more to stablise their operations and achieve profitability.

In 2007, M&C formed a joint venture in India to develop two limited service hotels in Bangalore and Chennai, as a first step towards penetrating the fast-growing Indian hospitality market. Development plans were suspended in early 2009 as a result of the rapid deterioration in the global economy. In light of improved trading conditions, the plan to commence construction of a 110-room hotel at Chennai has been approved by the M&C Board.

As previously announced in Q1 2010, M&C has signed four management contracts this year in the Middle East region. The new hotels – in Jordan, Oman, Qatar and the United Arab Emirates – will offer 1,034 rooms on completion between now and 2012. M&C's worldwide pipeline has 30 hotels offering 8,818 rooms.

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 2010.

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

Following its announcement of the Q2 2010 GDP figures, MTI maintained its 2010 growth forecast this year at 13.0% - 15.0%. This double-digit growth forecast is the third revision by MTI since its earlier growth forecasts of 4.5% - 6.5% announced in February 2010 and 7.0% - 9.0% in April 2010.

Although the global economy remains on a recovery path and the drivers of Singapore's economic growth are likely to remain intact, the possibility of some moderation in the growth momentum over the next few quarters cannot be ruled out in view of difficulties in the US and Europe economies and further government policy adjustments.

The rapid economic expansion that Singapore is experiencing should help sustain market confidence, and the encouraging showing in residential sales volume during Q2 2010 is likely to remain in a reasonably buoyant condition over the next few months.

In early July, the Group launched its 157-unit, 36-storey condominium located at Thomson Road known as 368 Thomson. It is located next to the Group's two earlier successful projects, namely The Arte and Cube 8. Response was overwhelming and all units were sold out within three weeks.

In view of the continuing healthy demand, the Group has planned two more new launches in the coming months. The first is the 642-unit condominium project located at Pasir Ris, next to the sold-out Livia. This development is named NV Residences. It is near the Pasir Ris MRT station and in close proximity to the airport, Changi Business Park, international schools, Singapore's fourth university – Singapore University of Technology & Design (SUTD) and many other amenities.

The second project is the redevelopment of the existing Copthorne Orchid Hotel site along Dunearn Road, which the Group is managing the marketing on behalf of M&C, for which the Group has a 54% interest. Comprising 150 units, this well-located and tastefully designed project is expected to generate much interest.

In view of the strong demand for private housing and land for private residential developments, the Government has placed 18 sites on the Confirmed List of the 2H 2010 Government Land Sales (GLS) Programme. These 18 sites can together yield 8,135 residential units, which is the highest supply of private housing from the Confirmed List since the Confirmed List/Reserve List system was introduced in 2H 2001. With the increased supply of these new sites, the Group is of the view that tender prices are likely to be moderated as there will be less aggressive price bidding amongst developers, who are likely to tender selectively to replenish their land banks. This, in turn, will be beneficial to all stakeholders, including home buyers and tenants, to achieve a sustainable market.

Leasing momentum in the office sector remained strong in 1H 2010. With confidence in the economy restored, decision makers are initiating advance space planning thus leading to a pick-up in users' requirements and ultimately increasing leasing volume. The positive economic outlook for 2010 is expected to further boost demand for office space, and this is already borne out in the pre-commitment levels of upcoming new office supply. While there are concerns over the possible hollowing out of the older office buildings in the CBD when companies move to the newly-completed office buildings, it is worth noting that the improving business environment which sees many financial institutions looking to hire, expansions by existing companies and new SME set-ups are also expected to backfill the vacant space from tenants relocating to newer buildings. The redevelopment and conversion of existing office stock and ongoing development of apartments within the CBD will continue the gradual gentrification of older parts of the city's commercial centre, further reducing the prospect of oversupply. Hence, there is potential for office rents to post further growth in 2H 2010 barring the derailment of the recovery of the global and domestic economies as a result of the financial woes in the Eurozone.

In line with the Group's ongoing strategy to continually review its existing asset portfolio and unlock shareholders' value, it has contracted to sell all the strata-titled units which it owns in Chinatown Point at North Bridge Road for a total consideration of $250 million. 10% of the purchase price has been paid and completion is expected in 2H 2010.

In terms of the Group's international expansion, it has strategically and selectively made some investments in overseas projects. While the Group may not have been very active in China, it has always kept a watchful eye on the burgeoning China market. Due to the overly bullish real estate environment in China over the past few years, the Group had traditionally adopted a cautious approach in assessing investment opportunities there. However, the Group now holds the view that the China market may present itself favourably in the near future, as its Government has recently implemented measures to control its over-heated property market, and this should take effect factoring in a time lag. The Group believes that opportunities should be forthcoming in certain cities as property prices and transaction volumes begin to taper downwards. With the regulatory tightening of China's property market, the time may be ripe soon for the Group to pick up valuable land bank and/or investment properties at the right price.

With this in mind, CDL China Limited, the Group's wholly-owned subsidiary, will be stepping up efforts to focus on establishing CDL's presence in certain cities throughout China and implementing the Company's real estate strategy there. Investment funds amounting to approximately $300 million would initially be allocated for this purpose.

The Group has appointed Mr Sherman Kwek as the Chief Executive Officer of CDL China Limited to spearhead this initiative. Mr Kwek has previously held various executive management positions both within the Hong Leong Group and in external corporations and has experience with real estate and operations in China.

The Group currently owns Tianjin City Tower, a 36-storey office building located in Tianjin, a municipality in China. This asset will also come under CDL China Limited's portfolio.

While the Group will continue to seek opportunities overseas, in the meantime, its focus will remain firmly rooted in Singapore, where it knows the environment best and serves as a proxy to the Singapore real estate market.

South Beach project, in which the Group has a one third share, is progressing as scheduled. Currently the project is at the stage of Detailed Design Development, taking full consideration of future functionality and lifestyle appeal when the project is completed by 2016. Keeping to the spirit of ensuring that this development is designed with environmental sustainability in mind, many innovative eco-friendly features and products are currently being studied for implementation. As construction cost is always a concern for developers, especially for mega_projects, South Beach continues to undergo value engineering reviews, with some good measure of success, as part of an on-going exercise to ensure that costs are well managed through careful design, efficient structure and use of new technology and material. It is anticipated that written permission will be obtained by Q4 this year and sub-structure work will likely commence by early 2011.

The stellar rebound of Singapore's economy is providing further growth impetus for the various property sectors. The opening of the two Integrated Resorts (IRs) in Singapore, the stabilisation of the office sector and the increasing global reputation of Singapore as an ideal financial centre are also helping to fuel positive market sentiments. It is the Group’s view that South Beach with its hotel, office tower, luxurious city apartments and elegant retail concepts will be well-positioned to reap full benefits from the upturn, even before the project is completed.

The hospitality market in Singapore is enjoying robust growth. The IRs have brought in new, untapped audience to Singapore. With monthly visitors reaching the 1 million mark, despite the increased supply of hotel rooms created by the IRs, hotels across the board are enjoying high occupancies and rising room rates. With limited new hotels in the Beach Road / Stamford / Marina area, the hotel rooms at South Beach with its luxurious differentiation will be poised to match this demand especially given its proximity to Marina Bay Sands. When annual visitors eventually hit the Government's 17 million target, the upward pressure on hotel values will intensify further. South Beach will benefit from being just next to Suntec City Convention Centre, which does not have a hotel.

In the residential and office sector, as articulated earlier, the demand for private housing and increase in pre-leasing activity remains healthy. Inner city living has become well-entrenched with an ever-rising expatriate population as evidenced in successful projects such as The Sail @ Marina Bay and other projects in the vicinity. With a renowned Fosters design and a breathtaking view of the city skyline, the apartments in South Beach are expected to command attractive pricing and brisk sales. The pre-letting activity of the South Beach office tower is expected to commence at the right time to take full advantage of the favourable market conditions.

The retail component in South Beach, albeit a small one, will benefit from its strategic location and accessibility. With a resident population of more than 17,000, its hub of MRT exchange stations and proximity of other retail centres, what remains is to establish a unique concept for this retail mix that is befitting for this project.

As South Beach Consortium Pte Ltd (SBCPL) prepares to commence construction work of the South Beach Project in early 2011, it has approached the existing consortium banks to provide a project financing package for the development and discussions with the banks are ongoing.

Hotel

Overall, demand has been strong in most of M&C’s markets. On average, across the board, M&C is trading at fair market share against the defined competitive set for each of its hotels.

In the month of July, global RevPAR increased by 14.3% with London increasing by 23.7%, in part due to the biennial Farnborough Air Show, and Singapore increasing by 33.8%. New York showed RevPAR growth of 8.3%, in part reflecting a new rate-led strategy that resulted in a 2.3 percentage point fall in occupancy and a 10.9% rise in average room rate in the month of July.

Although these figures are very strong, M&C remains mindful of the considerable macro-economic uncertainty over the next 12 to 18 months, especially in Europe and the US. M&C will remain cautious in its approach, maintaining a tight rein on costs and testing very carefully its investment plans.

Group Prospects

Riding on the back of Singapore's strong economic growth for 2010, the positive sentiments will be beneficial to all of the Group's business segments comprising mainly property development, hotel operations and rental properties. However, the Group is cognizant that the euphoria of the strong growth needs to be measured and taken into its context as there are still many external risks in the world economy, especially in Europe and US, with its possible impact yet to be determined. As the global financial systems have not been fully restored, there is a real need to stay vigilant and nimble.

While the Group is optimistic that sustained, measured growth is attainable, it adopts a pragmatic approach that this can be achieved through strategic and careful planning and execution of its management strategies. The Group will continue to launch appropriate properties at the right time, taking into account market conditions. In the meantime, it has already locked-in a number of successful pre-sold developments. For the rental and hospitality sector, the Group will continue to seize the opportunities that have arisen due to the strong growth momentum, fuelled by expansion plans for businesses and increase in leisure and business travellers.

The Group is expected to remain profitable over the next 12 months.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

The Company had on 12 May 2010 declared a tax-exempt (one-tier) non-cumulative preference dividend to holders of City Developments Limited Preference Shares of 1.93 cents per Preference Share, calculated at the dividend rate of 3.9% per annum of the issue price of $1.00 for each Preference Share, for the dividend period from 31 December 2009 to 29 June 2010. The said preference dividend was paid on 30 June 2010.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

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

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

(c) Date payable

Not applicable.

(d) Books Closure Date

Not applicable.

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

Not applicable.

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

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

By Business Segments

	The Group			
	Second quarter ended 30 June		Half year ended 30 June	
	2010	2009	2010	2009
	S$'000	S$'000	S$'000	S$'000
Revenue				
Property Development	444,190	343,407	745,373	541,553
Hotel Operations	396,328	364,538	753,931	709,056
Rental Properties	81,468	69,197	159,631	139,160
Others	19,670	9,922	33,178	19,769
	941,656	**787,064**	**1,692,113**	**1,409,538**
Profit before income tax (*)				
Property Development	150,267	119,244	231,146	187,899
Hotel Operations	60,389	29,499	96,699	50,437
Rental Properties	42,250	30,541	112,601	67,407
Others	(6,081)	18,694	(2,522)	11,539
	246,825	**197,978**	**437,924**	**317,282**

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

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

Property Development

Revenue increased by $100.8 million to $444.2 million for Q2 2010 (Q2 2009: $343.4 million) and $203.8 million to $745.4 million for 1H 2010 (1H 2009: $541.6 million) respectively.

In term of pre-tax profit, this segment increased by $31.1 million to $150.3 million for Q2 2010 (Q2 2009: $119.2 million) and $43.2 million to $231.1 million for 1H 2010 (1H 2009: $187.9 million) respectively.

Projects that contributed to both revenue and profit for 2010 include Cliveden at Grange, Livia, One Shenton, The Arte, Shelford Suites, Tribeca, Residences at W Singapore Sentosa Cove and Wilkie Studio. In accordance to the Group's policy of equity accounting for the results of its jointly-controlled entities, whilst revenue from The Gale, The Oceanfront @ Sentosa Cove, St Regis Residences, The Sail @ Marina Bay and Ferraria Park, had not been consolidated into the Group's total revenue, the Group's share of profits arising from these joint venture developments had been included in pre-tax profit.

The increases in revenue for Q2 2010 and 1H 2010 were primarily due to maiden contribution from Residences at W Singapore Sentosa Cove and higher contribution from Livia, Cliveden at Grange, One Shenton and Shelford Suites. These were however partially offset by absence of contributions from Botannia, The Solitaire and City Square Residences following their completion in 2009. In addition, contributions from Tribeca and The Arte had also declined as they had received Certificate of Statutory Completion and Temporary Occupancy Permit respectively in Q2 2010.

Pre-tax profits for both Q2 2010 and 1H 2010 improved due to higher revenue achieved coupled with the commencement of profit contribution from The Gale in Q2 2010. The increases were partially offset by the reduced contributions from The Oceanfront @ Sentosa Cove, Ferraria Park and The Sail @ Marina Bay.

Hotel Operations

Revenue increased by $31.8 million to $396.3 million for Q2 2010 (Q2 2009: $364.5 million) and $44.8 million for 1H 2010 to $753.9 million (1H 2009: $709.1 million).

Pre-tax profits increased by $30.9 for Q2 2010 to $60.4 million (Q2 2009: $29.5 million) and $46.3 million for 1H 2010 to $96.7 million (1H 2009: $50.4 million).

The increases in revenue for Q2 2010 and 1H 2010 were due to the improvement in Group's RevPAR, particularly in Singapore. Other than the higher hotel revenue achieved, the on-going efforts in cost control management had also assisted in boosting the pre-tax profit of hotel operations.

Rental Properties

Revenue increased by $12.3 million for Q2 2010 to $81.5 million (Q2 2009: $69.2 million) and $20.4 million to $159.6 million for 1H 2010 (1H 2009: $139.2 million) due to contributions from City Square Mall following its commencement of operations in September 2009.

Pre-tax profit increased by $11.8 million to $42.3 million for Q2 2010 (Q2 2009: $30.5 million) and $45.2 million to $112.6 million for 1H 2010 (1H 2009: $67.4 million). The increases were due to higher rental income earned and gains recognised on sale of North Bridge Commercial Complex and The Office Chamber in Q1 2010 and Q2 2010 respectively. The increased profit contributions from CDL Hospitality Trusts had also attributed to the increases.

<u>Others</u>

Revenue, comprising mainly income from building maintenance contracts, project management, club operations and dividend income, increased by $9.8 million to $19.7 million for Q2 2010 (Q2 2009: $9.9 million) and $13.4 million to $33.2 million for 1H 2010 (1H 2009: $19.8 million). The increases were due to higher dividend income received and management fee income earned.

Despite the increase in revenue, pre-tax profit for this segment recorded losses of $6.1 million for Q2 2010 and $2.5 million for 1H 2010 due to mark-to-market losses for financial assets held for trading in 2010 as opposed to mark-to-market gains accounted in 2009. The decreases were also attributed to the recognition of share of losses in First Sponsor Capital Limited.

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

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

	Full Year Ended 31 December	
	2009 S$'000	**2008 S$'000**
Ordinary	72,744	68,198
Preference	12,904	12,906
Total	**85,648**	**81,104**

The final tax-exempt (one-tier) ordinary dividend for the year ended 31 December 2009 of 8.0 cents per ordinary share had been approved by the ordinary shareholders at the Annual General Meeting held on 28 April 2010 and the dividend amounts are based on the number of issued ordinary shares as at 6 May 2010. The final tax-exempt (one-tier) ordinary dividend was paid on 21 May 2010.

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

Not applicable.

17. Interested Person Transactions

Interested Persons	Aggregate value of all interested person transactions conducted for the quarter ended 30 June 2010 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) building services, and (ii) security guard services	$ 1,658,541.00
Directors and their immediate family members		Nil

BY ORDER OF THE BOARD
Shufen Loh @ Catherine Shufen Loh
Company Secretary
12 August 2010

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 2010 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Kwek Leng Beng
Executive Chairman

Kwek Leng Joo
Managing Director

Singapore, 12 August 2010