News Release

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CDL POSTS STELLAR PERFORMANCE FOR Q2 2018:

Profit Soared 79.5% To S$204.8 Million; Revenue Rose 59.2% To S$1.36 Billion

- **Achieved strong residential sales in Singapore and China**
- **Enhanced recurring income streams through strategic acquisition, investment and asset enhancement**
- **Attained milestone in China with opening of HLCC mall in Suzhou**

City Developments Limited (CDL) has posted stellar performance for Q2 and 1H 2018. Revenue rose 59.2% to S$1.36 billion for Q2 2018 (Restated Q2 2017: S$854.0 million) and 47.6% to S$2.42 billion for 1H 2018 (Restated 1H 2017: S$1.64 billion). Net attributable profit after tax and non-controlling interests (PATMI) soared 79.5% to S$204.8 million for Q2 2018 (Restated Q2 2017: S$114.1 million) and 35.8% to S$284.8 million for 1H 2018 (Restated 1H 2017: S$209.7 million), backed by strong sales recognition in the period under review.

The strong performance from the Group's property development segment for Q2 2018 was powered mainly by three projects – New Futura and Gramercy Park in Singapore, and Hong Leong City Center (HLCC) in Suzhou, China. This segment also included profits from the Group's joint venture (JV) development Park Court Aoyama The Tower in Tokyo, Japan. The Criterion Executive Condominium (EC), which is now fully sold, achieved its Temporary Occupation Permit (TOP) in Q1 2018 and boosted revenue for 1H 2018.

<u>Financial Highlights</u>

(S$ million)	Q2 2018	Q2 2017	% Change	1H 2018	1H 2017	% Change
Revenue	1,359.5	854.0	59.2	2,417.4	1,637.6	47.6
Profit before tax	325.4	189.1	72.0	492.8	314.4	56.7
PATMI	204.8	114.1	79.5	284.8	209.7	35.8

The Group's balance sheet remains robust. As at 30 June 2018, the net gearing ratio of the Group increased to 19%, following the full payment of the recent Singapore land sites acquired. Interest cover remains strong at 18.4 times to weather any risks of impending rate hikes.

The Board is pleased to declare payment of a tax-exempt (one-tier) special interim dividend of 6.0 cents per ordinary share.

Operations Review and Prospects

Strong residential sales in Singapore and China

- In Singapore, the Group's launched projects performed well in 1H 2018, before the new property cooling measures were announced in July. The Group, together with its JV associates, sold 651 units including ECs, with a total sales value of S$1.29 billion in 1H 2018 (1H 2017: 691 units with total sales value of S$1.15 billion).

  - The 174-unit Gramercy Park at Grange Road, launched in March 2016, is fully sold.

  - For the 124-unit New Futura at Leonie Hill Road, 92 units (over 74%), including the two penthouses, have been sold to date, achieving an average selling price (ASP) of about S$3,500 per square foot (psf).

  - Since Phase 1 of The Tapestry, the Group's 861-unit condominium at Tampines Avenue 10, was launched in March this year, 488 (89%) of the 550 units released have been sold to date with an ASP of about S$1,350 psf.

- In China, the Group and its JV associates sold 170 units and villas with a total sales value of RMB 691.06 million (approximately S$138 million) in 1H 2018.

Upcoming launches in Singapore and London, UK

- Whistler Grand, the Group's project in West Coast Vale, is scheduled for launch in Q4 2018 as planned. It will comprise two 36-storey towers with 716 apartments and two shops, commanding views of the Sungei Pandan River.

- Teddington Riverside, the Group's 240-unit development that overlooks the River Thames in the Borough of Richmond, is expected to be launched in September 2018.

Enhancement of recurring income streams

- The Group acquired an office block within the Yaojiang International complex in Shanghai's prime North Bund Business District for RMB 148 million (approximately S$30 million). A long master lease was signed with China's leading operator of co-working spaces, Distrii, for the entire office block. An Asset Enhancement Initiative (AEI) will be carried out to enhance rental yield and long-term capital value.

- The Group also invested HK$237.81 million (approximately S$41.4 million) in the Initial Public Offering of E-House, a leading data-based real estate transaction service provider with a geographic footprint spanning 186 cities across 30 provinces in China. Furthermore, a strategic agreement with E-House will give CDL priority access to market its Singapore and London properties to Chinese buyers through the E-House platform.

- Le Grove Serviced Residences completed its S$30 million refurbishment ahead of schedule and now has 173 apartments (up from the original 97 apartments). It re-opened in mid-July with healthy occupancy. The Group's flagship Republic Plaza is undergoing a S$70 million AEI which is expected to complete by 2H 2019. It is well-positioned to benefit from the improving office sector.

Opening of HLCC mall in Suzhou

- In June 2018, the HLCC integrated development in Suzhou Industrial Park marked yet another milestone with the official opening of the HLCC mall. Ahead of its opening, the mall achieved a 90% pre-lease commitment for its 56,000 square metres of retail space.

Mr Kwek Leng Beng, CDL Executive Chairman, said, "We had two quarters of strong residential sales in Singapore, but market dynamics changed after the unexpectedly harsh property cooling measures were announced in July. Sales are expected to moderate though prices may be sustained for very few quality projects in good locations where there is limited supply and pent-up demand. Having navigated various property cooling measures over the years, we have seen that sentiment and timing are critical. As our land bank was bought relatively early before prices rose further, this gives us more flexibility for the commencement of construction and sales launches. Our investment horizon remains long-term and we will continue to adopt a disciplined approach to maximise returns for shareholders."

Mr Sherman Kwek, CDL Group Chief Executive Officer, said, "For the Singapore residential market, CDL has a strategically acquired land bank that caters to all segments of the market such as EC, mass, mid and high-end. It is spread across the island from the east to the central and the west. Our globally diversified portfolio of residential developments and recurring income properties also enables us to weather headwinds that impact specific asset classes or markets. We remain focused on growing our recurring income significantly over the next 10 years through strategic acquisitions, investments and asset enhancements. We have also put in place a new integrated organisational structure which increases synergy and innovation, and appointed senior executives to drive fund management, asset management and property development. By strengthening our leadership bench and capabilities, CDL is well-poised for our next phase of growth."

Please visit www.cdl.com.sg for CDL's Q2 and 1H 2018 financial statement.

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