News Release

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CDL CONTINUES TO POST STRONG RESULTS IN Q3 2018: Revenue and profit up 17.7% and 10.4% respectively to S$1.02 billion and S$161.8 million

- **Strong contributions from property development in Singapore, China and Japan**
- **Expanded recurring income office portfolio with over S$1 billion of recent acquisitions in UK and China**
- **Whistler Grand project launched on 3 November 2018 sold 160 units over first weekend**

Following its strong performance in Q2 2018, City Developments Limited (CDL) continues to post encouraging results for Q3 2018 in spite of challenging market conditions.

Financial Highlights

(S$ million)	Q3 2018	Q3 2017 (Restated)	% Change	YTD Sep 2018	YTD Sep 2017 (Restated)	% Change
Revenue	1,016.9	863.8	17.7	3,434.2	2,501.4	37.3
Profit before tax	242.5	231.9	4.6	735.2	546.3	34.6
PATMI	161.8	146.6	10.4	446.6	356.3	25.4

The increases in revenue and PATMI were underpinned by strong performance from the property development segment arising from projects in Singapore, China and Japan. In Singapore, New Futura and The Tapestry which were both launched in Q1 2018 have sold well while revenue was further propelled by the full recognition of The Criterion Executive Condominium (EC) which obtained its Temporary Occupation Permit in Q1 2018. For the overseas market, Phase 2 of Hong Leong City Center (HLCC) in Suzhou, China and Park Court Aoyama The Tower in Tokyo, Japan were completed in 1H 2018 and revenues were recognised upon progressive handover of units to buyers.

As at 30 Sep 2018, the Group's net gearing ratio stands at 23% without factoring in fair value gains on investment properties. Its balance sheet continues to remain robust and healthy with cash reserves at S$2.9 billion and interest cover of 16.6 times.

Operations Review and Prospects

Residential sales highlights in Singapore, China and Japan

- In Singapore, projects launched by the Group continued to register sales with sustained prices. For YTD Sep 2018, the Group and its joint venture (JV) associates sold 787 units with total sales value of S$1.56 billion (YTD Sep 2017: 1,056 units with sales value of S$1.76 billion).

- To date, 104 units (84%) of the 124-unit New Futura condominium at Leonie Hill Road have been sold at an average selling price (ASP) of over S$3,500 per square foot (psf).

- For The Tapestry, the Group's 861-unit condominium at Tampines Avenue 10, 544 units have been sold to date, at an ASP of around S$1,350 psf.

- At South Beach Residences, the Group's iconic 190-unit JV project which previewed in Sep 2018, 12 units out of the 50 released have been sold to date, including the 6,728 square feet (sq ft) super penthouse which was sold for S$26 million.

- In China, the Group and its JV associates sold 193 units and 16 villas in YTD Sep 2018, with a total sales value of RMB 979.44 million (S$195 million).

- In Japan, 140 units of the completed 160-unit Park Court Aoyama in central Tokyo, in which the Group holds a 20% interest, have been handed over to buyers.

Current and upcoming launches in Singapore

- The 716-unit Whistler Grand in West Coast Vale, launched on 3 November 2018, sold 160 units on the first weekend out of the 240 released.

- Looking ahead, the Group is preparing three sites in Singapore to be launch-ready in 1H 2019 – the Amber Park enbloc site which will yield 592 units, the Handy Road site with 188 units and the Sumang Walk site (possibly the only EC launch in 2019) which will offer 820 units.

Expansion of recurring income

- As part of the Group's focus on expanding its recurring income, it recently acquired two prime freehold Grade A commercial buildings in London, UK:

  - Aldgate House, situated right beside Aldgate Underground Station which is adjacent to London's financial district, was acquired for £183 million (approximately S$328 million) in Sep 2018. It is also within a five-minute walk from six other stations.

  - 125 Old Broad Street, the former home of the London Stock Exchange, was acquired for £385 million (approximately S$687 million) in Oct 2018. It is within the main financial district and a five-minute walk to Liverpool Street Station and several Underground Stations.

  - Both Aldgate House and 125 Old Broad Street are currently under-rented and have seen positive rental reversions.

- For the office block within Yaojiang International complex in Shanghai's prime North Bund Business District acquired for RMB 148 million (about S$30 million) in Q3 2018, asset enhancement will complete by end-2018. A long master lease agreement has been signed with Distrii, a leading co-working company in China that the Group has an equity stake in.

Mr Kwek Leng Beng, CDL Executive Chairman, said, "Notwithstanding global macroeconomic uncertainties and persistent headwinds for the Singapore residential property market, the Group has continued to achieve an encouraging set of results for another quarter. Given the rapidly evolving business landscape, our diversified business in terms of product, sector and geography has helped us to weather headwinds that may impact any specific sector. These various platforms enable us to better navigate through cyclical market headwinds and nimbly manage our overall financial performance, while still ensuring a strong balance sheet. While Singapore will always remain as our core focus, we will continue to explore opportunities both domestically and overseas to diversify, enhance earnings and maximise returns for shareholders."

Mr Sherman Kwek, CDL Group Chief Executive Officer, said, "Due to well-located projects that offer excellent design and attractive pricing, CDL's residential projects in Singapore have continued to register healthy sales. This is further supplemented by our brand which is associated with trust and quality workmanship. We will continue to strengthen the execution of our development projects with the aim of enhancing customer experience and delivering even more value to our home buyers. It is also great to see that our diversification strategy has borne fruit, with our overseas projects contributing strongly to our results, especially in China. To accelerate our efforts to build a more stable base for our recurring income, we recently acquired three commercial assets in UK and China for over S$1 billion. We see deep value in these prime, high-performance assets which have seen positive rental reversions. Looking ahead, we remain focused on growing our development pipeline and recurring income portfolio through a strategic and disciplined approach."

Please visit www.cdl.com.sg for CDL's Q3 2018 financial statement.

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