

**News Release**

16 February 2015

**CDL ACHIEVES RECORD PROFIT OF S\$384.9 MILLION FOR Q4 2014**

- Highest ever revenue of S\$3.8 billion for FY 2014
- Over S\$1 billion in pre-tax profit for FY 2014
- About S\$1.3 billion in overseas acquisitions in 2014, in line with diversification strategy
- Unveiled a unique, first-of-its-kind S\$1.5 billion strategic platform with Blackstone's Tactical Opportunities Fund and CIMB Bank Berhad, Labuan Offshore Branch
- Total dividends for 2014 of 16.0 cents per share

City Developments Limited (CDL) has achieved its highest ever attributable profit after tax and non-controlling interests (PATMI) of S\$384.9 million for Q4 2014, a 73.4% increase over S\$222.0 million for Q4 2013.

CDL also posted its highest ever annual revenue of S\$3.8 billion, up 17.1% from 2013.

**Financial Highlights**

|  | <b>Q4<br/>2014</b> | <b>Q4<br/>2013<br/>(Restated)</b> | <b>%<br/>Change</b> | <b>FY<br/>2014</b> | <b>FY<br/>2013<br/>(Restated)</b> | <b>%<br/>Change</b> |
|--|--------------------|-----------------------------------|---------------------|--------------------|-----------------------------------|---------------------|
| Revenue (S\$ million)                  | 846.9              | 788.7                             | 7.4                 | 3,763.9            | 3,213.3                           | 17.1                |
| Profit before income tax (S\$ million) | 437.1              | 270.9                             | 61.4                | 1,003.7            | 948.1                             | 5.9                 |
| PATMI (S\$ million)                    | 384.9              | 222.0                             | 73.4                | 769.6              | 686.2                             | 12.2                |

- Property development was the main contributor to CDL's pre-tax profit. Despite tough market conditions, CDL, with its joint venture associates, sold 1,378 units including Executive Condominiums (EC), at a value of about S\$1.4 billion, maintaining the Group's position as Singapore's top-selling private sector developer for 2014.
- Hotel operations, primarily from Millennium & Copthorne Hotels plc (M&C), were the next highest contributor. Pre-tax profit for this segment increased by 191.1% for Q4 2014 and by 43.7% for FY 2014.
- As at end 2014, without considering the fair value surplus of investment properties, CDL's gearing ratio remained stable at 26%.
- In addition to a final dividend of 8.0 cents per share, the Board has recommended a special final dividend of 4.0 cents per share. Taking into account the special interim dividend of 4.0 cents paid in September 2014, the total dividends for 2014 amounted to 16.0 cents per share.

**Operations Review and Prospects**

**Residential**

- ***Demand remains healthy for projects with excellent location, attractive prices and high quality***
- The 944-unit Coco Palms and 845-unit Commonwealth Towers, launched in May 2014, were respectively the first and second best-selling project for that month in terms of sales volume. Coco Palms went on to top the best-selling list for 1H 2014.
- Subject to market conditions, CDL has two upcoming projects for launch:

638-unit EC at Canberra Drive, next to future Canberra MRT station

- Inspired by “Manhattan”-style living, the EC has eight 10-12 storey blocks, offering 2-to-5-bedroom types, with generous internal spaces and a thematically arranged recreational landscape.
- The contemporary development will be built using Prefabricated Prefinished Volumetric Construction (PPVC), a game-changing technology that will make a quantum leap in construction productivity, worksite safety and quality control.
- This will likely be the largest application of PPVC in the world, and the first-of-its-kind in Asia.

174-unit freehold Gramercy Park along Grange Road in prime district 10

- Comprising two iconic sculptural towers, with a choice of 2-to-4-bedroom apartments and penthouses, Gramercy Park is designed by world renowned architecture firm NBBJ of New York.
- It will be beautifully landscaped with a large sculptural garden, nature-inspired walking trail and sculptural function room overlooking a 50-metre lap pool.

**Commercial / Integrated Development**

- ***South Beach, CDL’s mega mixed-used joint venture development, is expected to be fully completed in Q4 2015***
- South Beach Consortium has secured 80% of the leases for the 34-storey North Tower offering 500,000 square feet (sq ft) of Grade A office space. Tenants include numerous multinational companies including anchor tenant Facebook Singapore Pte Ltd which occupies 70,000 sq ft of space.
- CDL’s office portfolio continued to enjoy high occupancy of 97.2% as at end 2014, above the island-wide occupancy rate of 89.8%.

**Hotels**

- ***Acquisitions and refurbished hotels contribute to M&C’s revenue and profit***
- For FY 2014, M&C’s Revenue Per Available Room (RevPAR) increased by 2.8% (or 6.9% in constant currency) to £71.55, compared to £69.58 for FY 2013.
- M&C’s refurbishment programme benefitted revenue through the return of renovated rooms to inventory and higher average room rates, especially at Millennium Hotel Minneapolis and Grand Hyatt Taipei.
- Newly-acquired The Chelsea Harbour Hotel, Novotel New York Times Square and Grand Hotel Palace Rome added £32.0 million to revenue and £6.0 million to operating profit in FY 2014. Proportionately greater contributions are expected in 2015.

**Overseas Growth Platforms**

- ***Active pursuit of overseas real estate development as part of diversification and expansion strategy***
- Since establishing its UK real estate platform in 2013 with up to £300.0 million for investment, CDL has to date acquired six prime freehold properties in UK for £157.0 million. CDL plans to market five of these projects in Reading, Belgravia, Chelsea and Knightsbridge in Q2 2015.
- Through an indirect subsidiary, CDL has entered into a conditional sale and purchase contract to acquire the Teddington Studios land site for £85.0 million (approximately S\$175.4 million). Strategically located on the banks of the River Thames in south-west London and in a prime residential area of Greater London, this freehold land parcel measuring 18,211 square metres (sqm) may be redeveloped into a luxury residential complex with 207 apartments, six houses and secure underground car parking.
- In China, CDL’s luxury residential development within an affluent residential corridor in Shanghai’s Qingpu district is undergoing renovations and landscape enhancement.
- Eling Residences in Chongqing is targeted for a soft launch in Q2 2015, subject to market conditions. Although Suzhou Hong Leong City Center has not been launched, the sizeable mixed-used development next to Jinji Lake in Suzhou Industrial Park district has garnered much interest with 60 units transacted in Q4 2014.

- CDL plans to build luxurious condominiums on its expansive 16,815 sqm freehold land parcel in the prestigious residential enclave of the Shirokane area in Tokyo's Minato ward. This is CDL's first foray into residential development in Japan.

**Mr Kwek Leng Beng, CDL Executive Chairman**, said, "In 2014, we made very deliberate efforts to focus on CDL's diversification strategy through geographic expansion and development of new investment platforms. In line with these objectives, CDL has acquired approximately S\$1.3 billion worth of assets in the US, UK, Italy, Japan and China in 2014. We also created the Profit Participation Securities (PPS) platform which raised S\$1.5 billion for the Group's global plans. CDL has demonstrated the ability to be nimble and innovative, and with the fresh perspectives via new senior management appointments, we have continued to build value for shareholders."

"Headwinds are expected to persist for the Singapore market and the global economy remains fragile. Despite these uncertainties, there will always be pockets of opportunity. We remain poised to capitalise on this down cycle by building on our capabilities, expanding geographically, diversifying our products and creating our own opportunities both locally and abroad."

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Please refer to CDL's full unaudited financial results announcement for the fourth quarter and full year ended 31 December 2014 for a detailed review of the Group's performance and prospects.

For media enquiries, please contact:

Belinda Lee  
Head, Corporate Communications  
City Developments Limited  
(Regn No: 196300316Z)

Gerry De Silva  
Head, Group Corporate Affairs  
Hong Leong Group Singapore

Tel: (65) 6428 9315

Tel: (65) 6428 9308