News Release

11 May 2018

CDL POSTS STRONG REVENUE GROWTH OF 35% TO S$1.1 BILLION AND PROFIT OF S$80 MILLION FOR Q1 2018
– STELLAR PERFORMANCE BY SINGAPORE PROPERTY DEVELOPMENT

- **Robust demand for newly launched projects – New Futura and The Tapestry**
- **459 units sold with sales value up 66% year-on-year totalling S$792.6 million**
- **Secured three prime residential sites for S$1.2 billion; increasing pipeline to over 3,000 units**
- **Four upcoming residential launches in Singapore**
- **Poised for upturn in Singapore's commercial rental market**

For Q1 2018, City Developments Limited (CDL) achieved a strong revenue growth of 35% to S$1.1 billion (Restated Q1 2017: S$783.7 million). The increase was propelled by the completion of The Criterion Executive Condominium (EC) in Q1 2018. Under prevailing accounting standards, revenue and profits are recognised in entirety upon obtaining Temporary Occupation Permit (TOP) for an EC project. The Group also benefited from the maiden contribution of New Futura as well as continued contributions from Coco Palms and Suzhou Hong Leong City Center.

The Group achieved net attributable profit after tax and non-controlling interest (PATMI) of S$80 million (Restated Q1 2017: S$95.6 million). The lower PATMI was attributable to compressed profit margins for The Criterion EC, relative to projects such as Coco Palms, D'Nest and Suzhou Hong Leong City Center, and the absence of contribution from Commonwealth Towers, a joint venture (JV) project that was completed and sold out last year. Notably, while New Futura achieved stellar sales performance since its launch in January 2018, the profits will only be booked in when the sale of the units are legally completed.

Financial Highlights

(S$ million)	Q1 2018	Q1 2017* (Restated)	% Change
Revenue	1,057.8	783.7	35.0
Profit before tax	167.4	125.2	33.7
PATMI	80.0	95.6	(16.3)

***Note:**
The comparative figures of the Group's Q1 2017 results were restated due to the adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) on 1 January 2018. The impact of the restatement was an increase in Q1 2017 PATMI to S$95.6 million (previously reported was S$85.5 million).

The Group's net gearing ratio as at 31 March 2018 stood at 10% with interest cover at 15.6 times. The Group's balance sheet remains healthy with S$3.6 billion of cash and bank balances.

Operations Review and Prospects

Robust demand for launched residential projects in Singapore

- The Group soft-launched Phase 1 of New Futura, a freehold,124-unit luxury condominium on Leonie Hill Road in prime District 9, in January. Response to the Phase 1 launch, comprising the 64-unit South Tower, has been overwhelming. To date, 62 apartments (97%) have been sold, including the penthouse, achieving an average selling price (ASP) of over S$3,350 psf.

- Phase 1 of the Group's 861-unit The Tapestry at Tampines Avenue 10 was launched in March and to date, 400 units (80%) of the 500 units released have been snapped up. Setting a new benchmark price in this vicinity, an ASP of about S$1,360 psf was achieved.

- The Group's other ongoing projects continued to sell well. To date, the 174-unit freehold luxury Gramercy Park along Grange Road has only one unit remaining. The Group's JV projects namely the 519-unit Forest Woods condominium near Serangoon MRT station is now 95% sold, the 944-unit Coco Palms in Pasir Ris has only 10 units remaining, the 505-unit The Criterion EC in Yishun has just one unit left, and the 638-unit The Brownstone EC next to the upcoming Canberra MRT station is fully sold.

- In total, the Group, together with its JV associates, sold 459 units including ECs, with a total sales value of S$792.6 million in Q1 2018 (Q1 2017: 293 units with total sales value of S$477.1 million), reflecting a 66% increase in total sales value compared to Q1 2017.

Strategic expansion of Singapore residential land bank

- In Q1 2018, the Group secured three attractive Government Land Sales sites for about S$1.2 billion. For the Handy Road / Mount Sophia site across from the triple-line Dhoby Ghaut MRT interchange station, the Group plans to develop a premium condominium with around 200 units and convert a conserved building into a clubhouse. Its new condominium at the West Coast Vale site, with views to the Sungei Pandan River, will have about 730 units. The Group's project at the Sumang Walk site in Punggol will be a landmark waterfront EC with about 820 units.

- Including the Amber Park collective sale site acquired in October last year (with about 600 units planned for) and existing unlaunched projects, the Group now has a pipeline of over 3,000 units.

Four upcoming residential launches in Singapore

- In view of the improving market conditions, the Group is launching Phase 2 of New Futura – the 60-unit North Tower. Its JV project, the 190-unit South Beach Residences on Beach Road, is expected to be soft launched in Q3 2018. The Group is also planning for its West Coast Vale site to be launch ready in Q4 2018. Concurrently, it is actively working on the Amber Park enbloc site, which has received its Provisional Permission, and plans to launch the project in 1H 2019.

Poised for upturn in Singapore's commercial rental market

- Office supply has peaked and is expected to taper off over the next few years. The limited supply in 2018 together with a positive economic outlook is expected to provide the impetus for rents to continue the upward trend. This augurs well for the Group's flagship building Republic Plaza, which just started its S$70 million Asset Enhancement Initiative (AEI) in April 2018 and the phased works are expected to complete by 2H 2019.

- Distrii, one of the Group's strategic investments into disruptors, will also soft-open its first international co-working centre at Republic Plaza in May. Spanning 62,000 square feet (sq ft), the centre is the single largest co-working facility in Singapore and it is expected to be fully operational by Q3 2018.

Mr Kwek Leng Beng, CDL Executive Chairman, said, "It was a strong quarter for our Singapore residential business. Our new launches have received overwhelming response, with The Tapestry emerging as Singapore's top-selling project for March. As the Singapore residential market continues to improve, our strategic approach enabled us to secure three very attractive sites in Q1 2018, bringing our total Singapore residential pipeline to over 3,000 units. We will continue to seek strategic bids to bolster our local land bank but will remain highly selective and disciplined. In addition to organic growth, given our strong balance sheet, acquisitive growth is also on our radar and we will continue to prudently seek suitable opportunities that are synergistic with our core real estate business."

Mr Sherman Kwek, CDL Group Chief Executive Officer, said, "After four challenging years for the Singapore residential property market, the emerging signs of recovery look promising. Fuelled by pent-up demand, sales volumes are strengthening and property prices are trending up. Anticipating that land prices will escalate substantially, we acted swiftly in acquiring land sites and now have one of the larger land banks in Singapore for future development income. The strategically acquired land bank caters to all segments of the market such as EC, mass, mid and high-end and is spread across the island from the east to the central to the west. The Group will be able to launch the appropriate parcel at the right time and is well positioned to ride the upward momentum."

Please visit www.cdl.com.sg for CDL's Q1 2018 financial statement.
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