Financial Statements and Related Announcement::Third Quarter Results

Issuer & Securities

Issuer/ Manager	CITY DEVELOPMENTS LIMITED
Securities	CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09
Stapled Security	No

Announcement Details

Announcement Title	Financial Statements and Related Announcement
Date & Time of Broadcast	08-Nov-2018 18:58:16
Status	New
Announcement Sub Title	Third Quarter Results
Announcement Reference	SG181108OTHR9OWB
Submitted By (Co./ Ind. Name)	Enid Ling Peek Fong
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	Please refer to the attached documents: 1. Unaudited Third Quarter and Nine-Month Financial Statement for the period ended 30 September 2018; 2. News Release titled "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"; and 3. Q3 2018 Results Presentation.

Additional Details

For Financial Period Ended	30/09/2018

Attachments	CDL Q318.pdf News Release - CDL Q3 2018 Results.pdf CDL Q3 2018 - Results Presentation.pdf Total size =3702K

CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

UNAUDITED THIRD QUARTER AND NINE-MONTH FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2018

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group Third quarter ended 30 September		Incr/ (Decr)	The Group 9-month period ended 30 September		Incr/ (Decr)
	2018	2017 (Restated)*		2018	2017 (Restated)*	
	S$'000	S$'000	%	S$'000	S$'000	%
Revenue (1)	1,016,879	863,811	17.7	3,434,249	2,501,436	37.3
Cost of sales	(531,135)	(436,371)	21.7	(2,004,222)	(1,288,984)	55.5
Gross profit (2)	485,744	427,440	13.6	1,430,027	1,212,452	17.9
Other operating income (3)	14,342	30,939	(53.6)	46,260	32,962	40.3
Administrative expenses	(137,549)	(128,066)	7.4	(388,615)	(386,181)	0.6
Other operating expenses (4)	(109,007)	(99,143)	9.9	(318,771)	(282,382)	12.9
Profit from operating activities	253,530	231,170	9.7	768,901	576,851	33.3
Finance income	15,097	13,434	12.4	40,955	39,727	3.1
Finance costs	(37,392)	(28,774)	30.0	(97,606)	(95,866)	1.8
Net finance costs (5)	(22,295)	(15,340)	45.3	(56,651)	(56,139)	0.9
Share of after-tax profit of associates (6)	8,520	7,480	13.9	18,188	15,105	20.4
Share of after-tax profit of joint ventures (7)	2,723	8,582	(68.3)	4,806	10,446	(54.0)
Profit before tax	242,478	231,892	4.6	735,244	546,263	34.6
Tax expense (8)	(53,797)	(38,903)	38.3	(177,653)	(85,701)	NM
Profit for the period	188,681	192,989	(2.2)	557,591	460,562	21.1
Attributable to:						
Owners of the Company	**161,799**	**146,577**	10.4	**446,622**	**356,270**	25.4
Non-controlling interests	26,882	46,412	(42.1)	110,969	104,292	6.4
Profit for the period	188,681	192,989	(2.2)	557,591	460,562	21.1
Earnings per share						
- basic	17.8 cents	16.1 cents	10.6	48.4 cents	38.5 cents	25.7
- diluted	17.0 cents	15.4 cents	10.4	46.8 cents	37.3 cents	25.5

NM: Not Meaningful

* The 2017 comparative figures have been restated to take into account the retrospective adjustments on adoption of Singapore Financial Reporting Standards (International) SFRS(I) framework and new/revised SFRS(I) as detailed in item 5 of this announcement.

Notes to the Group's Income Statement:

(1) The increases for Q3 2018 and YTD September 2018 (YTD Sep 2018) were primarily boosted by the higher revenue recognised from the property development sales in Singapore. In addition, contribution from Phase 2 of Hong Leong City Center (HLCC), Suzhou and Park Court Aoyama The Tower, Tokyo also contributed positively to Group's YTD Q3 2018 performance. Items 14 and 15 of this announcement further analyse the performance by segments.

(2) The increases for Q3 2018 and YTD Sep 2018 were largely due to higher gross profit generated by the property development segment. Gross profit margin for YTD Sep 2018 of 42% was lower than that of YTD Sep 2017 of 48% due to compressed profit margin for property development segment, hauled by lower margin for The Criterion Executive Condominium (EC).

(3) Other operating income which comprises mainly management fee, miscellaneous income and profit on realisation/sale of investments, investment properties and property, plant and equipment, decreased by $16.6 million to $14.3 million (Restated Q3 2017: $30.9 million) for Q3 2018 but increased by $13.3 million to $46.3 million (Restated YTD Sep 2017: $33.0 million) for YTD Sep 2018. The decrease for Q3 2018 was mainly due to lower divestment gain accounted in current quarter. Included in other operating income of Q3 2018 was a gain of $12 million recognised on disposal of a vacant shophouse plot at Jalan Besar versus the divestment gain of $30 million recognised on disposal of an office building in Osaka in Q3 2017. YTD Sep 2018 also included a gain of approximately $29 million recognised in Q1 2018 on divestment of Mercure Brisbane and Ibis Brisbane by CDL Hospitality Trusts (CDLHT), an indirect subsidiary of the Group.

(4) Other operating expenses comprise mainly property taxes and insurance on hotels, other operating expenses on hotels, professional fees and write-back of impairment loss on loans to joint ventures. This had increased by $9.9 million to $109.0 million (Restated Q3 2017: $99.1 million) for Q3 2018 and $36.4 million to $318.8 million (Restated YTD Sep 2017: $282.4 million) for YTD Sep 2018. The increase for YTD Sep 2018 was mainly due to higher other hotel operating expenses from new hotels being added to the Group including Lowry Hotel (acquired in May 2017), M Social Auckland (re-opened in October 2017) and Millennium New Plymouth (acquired in February 2018). Further, included in YTD Sep 2017 was a write-back of impairment loss of $22 million previously provided on loans advanced by the Group's 65% owned subsidiary, Millennium & Copthorne plc (M&C), to a joint venture, Fena Estate Co. Ltd (Fena). There was also an impairment loss of $6.6 million made on goodwill arising from the acquisition of The Lowry Hotel by CDLHT in Q2 2017.

(5) Net finance costs comprise the following:

	The Group Third quarter ended 30 September			The Group 9-month period ended 30 September		
	2018	2017 (Restated)	Incr/ (Decr)	2018	2017 (Restated)	Incr/ (Decr)
	S$'000	S$'000		S$'000	S$'000	
Finance income			%			%
Interest income	12,901	12,322	4.7	39,248	36,865	6.5
Fair value gain on financial derivatives (i)	2,371	227	NM	2,029	227	NM
Fair value gain on financial assets measured at fair value through profit or loss	-	803	NM	-	2,899	NM
Net exchange gain	-	176	NM	-	-	-
Less: finance income capitalised	(175)	(94)	86.2	(322)	(264)	22.0
	15,097	13,434	12.4	40,955	39,727	3.1
Finance costs						
Amortisation of transaction costs capitalised	(1,341)	(1,919)	(30.1)	(3,944)	(5,522)	(28.6)
Interest expenses	(35,942)	(31,153)	15.4	(96,608)	(97,236)	(0.6)
Fair value loss on financial assets measured at fair value through profit or loss (ii)	(2,630)	-	NM	(9,707)	-	NM
Net exchange loss (iii)	(9,342)	-	NM	(7,761)	(6,876)	12.9
Unwinding of discount on non-current provisions	(413)	(573)	(27.9)	(1,335)	(1,725)	(22.6)
Less: finance costs capitalised	12,276	4,871	NM	21,749	15,493	40.4
	(37,392)	(28,774)	30.0	(97,606)	(95,866)	1.8
Net finance costs	**(22,295)**	**(15,340)**	45.3	**(56,651)**	**(56,139)**	0.9

NM: not meaningful

(i) Fair value gain on financial derivatives relates mainly to the re-measurement of foreign exchange forward contracts and Euro/United States dollar cross-currency interest swap contract entered into by CDLHT and Japanese Yen/Singapore dollar cross-currency swaps entered into by the Company.

(ii) This mainly arose from re-measurement of unquoted debt instruments as well as the re-measurement of investments in equities and funds to fair value.

(iii) The net exchange loss in Q3 2018 mainly relates to the weakening of Renminbi (RMB) against Singapore dollar and Hong Kong dollar for the quarter which led to higher exchange loss for an RMB intercompany loan by a Hong Kong subsidiary of M&C as well as RMB bank deposits held by the Group.

(6) Share of after-tax profit of associates relates primarily to the Group's share of results of First Sponsor Group Limited (FSGL). This had increased by $1.0 million to $8.5 million (Q3 2017: $7.5 million) for Q3 2018 and $3.1 million to $18.2 million (YTD Sep 2017: $15.1 million) for YTD Sep 2018. The increases for Q3 2018 and YTD Sep 2018 were mainly due to the higher contribution from its property financing segment derived from loans advanced to its associates and joint ventures in Europe region and increased loan portfolio in China. The net penalty interest income recognised from successful enforcement on certain defaulted loans also benefited its YTD Sep 2018 performance.

(7) Share of after-tax profit of joint ventures decreased by $5.9 million to $2.7 million (Restated Q3 2017: $8.6 million) for Q3 2018 and $5.6 million to $4.8 million (Restated YTD Sep 2017: $10.4 million) for YTD Sep 2018. The decreases for both Q3 2018 and YTD Sep 2018 were mainly due to the timing of profit recognition for the property development joint venture projects. Q3 2017 and YTD Sep 2017 had significant contribution from Commonwealth Towers that was fully sold and completed in 2017.

(8) 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 Third quarter ended 30 September		The Group 9-month period ended 30 September	
	2018	2017 (Restated)	2018	2017 (Restated)
The tax charge relates to the following:	S$'m	S$'m	S$'m	S$'m
Profit for the period	49.5	32.1	139.4	86.9
Land appreciation tax	9.3	10.1	46.7	21.3
Overprovision in respect of prior periods	(5.0)	(3.3)	(8.4)	(22.5)
	53.8	38.9	177.7	85.7

(9) Profit before tax includes the following:

	The Group Third quarter ended 30 September		The Group 9-month period ended 30 September	
	2018	2017 (Restated)	2018	2017 (Restated)
	S$'000	S$'000	S$'000	S$'000
Dividend income	3,645	5,050	5,235	6,460
Profit on sale/realisation of investments, property, plant and equipment and investment properties (net)	12,407	30,375	41,785	31,340
Allowance written back for foreseeable loss on a development property	-	-	-	15,352
Write-back of impairment loss on loans to a joint venture (net)	-	132	-	22,320
Depreciation and amortisation	(54,533)	(54,984)	(159,022)	(162,097)
Impairment loss on goodwill arising from acquisition of a subsidiary	-	-	-	(6,648)
Loss on liquidation of subsidiaries	-	-	(35)	-

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1(a)(ii) Consolidated Statement of Comprehensive Income

	The Group Third quarter ended 30 September		The Group 9-month period ended 30 September	
	2018	2017 (Restated)	2018	2017 (Restated)
	S$'000	S$'000	S$'000	S$'000
Profit for the period	188,681	192,989	557,591	460,562
Other comprehensive income:				
Item that will not be reclassified to profit or loss:				
Change in fair value of equity instruments measured at fair value through other comprehensive income	(454)	-	(1,795)	-
Items that are or may be reclassified subsequently to profit or loss:				
Change in fair value of available-for-sale equity investments	-	(1,108)	-	2,810
Effective portion of changes in fair value of cash flow hedges	3,383	1,254	(1,513)	179
Exchange differences on hedges of net investment in foreign operations	775	4,850	(4,715)	19,251
Exchange differences on monetary items forming part of net investment in foreign operations	(1,618)	(3,208)	8,582	(22,315)
Exchange differences reclassified to profit or loss on liquidation/cessation of business of foreign operations	90	109	850	109
Translation differences arising on consolidation of foreign operations	(61,989)	(13,819)	(42,182)	(63,975)
Total other comprehensive income for the period, net of tax	**(59,813)**	**(11,922)**	**(40,773)**	**(63,941)**
Total comprehensive income for the period	**128,868**	**181,067**	**516,818**	**396,621**
Attributable to:				
Owners of the Company	**115,725**	**147,353**	**440,042**	**306,521**
Non-controlling interests	13,143	33,714	76,776	90,100
Total comprehensive income for the period	**128,868**	**181,067**	**516,818**	**396,621**

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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 30.09.2018	As at 31.12.2017 (Restated)	As at 31.12.2016 (Restated)	As at 30.09.2018	As at 31.12.2017 (Restated)	As at 31.12.2016 (Restated)
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Non-current assets							
Property, plant and equipment		5,109,323	4,998,887	5,119,383	12,259	7,735	8,368
Investment properties	(1)	2,711,344	2,448,901	2,346,114	454,091	453,365	444,682
Lease premium prepayment		101,872	106,288	113,587	-	-	-
Investments in subsidiaries		-	-	-	2,130,433	2,131,243	2,132,213
Investments in associates	(2)	466,954	389,360	371,370	-	-	-
Investments in joint ventures		1,114,600	1,150,308	1,070,858	37,360	37,360	37,360
Investments in financial assets	(3)	813,114	432,923	398,603	394,149	30,561	28,329
Other non-current assets		515,726	483,740	261,353	2,624,944	2,540,071	1,861,215
		10,832,933	**10,010,407**	**9,681,268**	**5,653,236**	**5,200,335**	**4,512,167**
Current assets							
Lease premium prepayment		3,737	3,793	3,913	-	-	-
Development properties	(4)	5,865,460	4,575,583	5,225,247	192,292	366,350	506,333
Consumable stocks		9,999	11,018	11,823	-	-	-
Financial assets		14,690	15,770	16,399	-	-	-
Assets classified as held for sale	(5)	-	56,618	-	-	-	-
Trade and other receivables		1,071,384	1,035,936	1,166,493	4,585,056	4,352,813	4,335,835
Cash and cash equivalents		2,615,834	3,775,909	3,673,037	1,010,745	1,384,157	2,043,714
		9,581,104	**9,474,627**	**10,096,912**	**5,788,093**	**6,103,320**	**6,885,882**
Total assets		**20,414,037**	**19,485,034**	**19,778,180**	**11,441,329**	**11,303,655**	**11,398,049**
Equity attributable to Owners of the Company							
Share capital		1,991,397	1,991,397	1,991,397	1,991,397	1,991,397	1,991,397
Reserves		8,175,898	7,572,576	7,280,566	4,725,362	4,475,907	4,529,189
		10,167,295	9,563,973	9,271,963	6,716,759	6,467,304	6,520,586
Non-controlling interests		2,240,794	2,256,181	2,114,773	-	-	-
Total equity		**12,408,089**	**11,820,154**	**11,386,736**	**6,716,759**	**6,467,304**	**6,520,586**
Non-current liabilities							
Interest-bearing borrowings*	(6)	4,485,328	3,755,650	3,954,937	1,913,935	1,780,524	1,808,330
Employee benefits		33,066	34,387	42,837	-	-	-
Other liabilities		352,077	356,222	375,646	58,740	119,311	170,137
Provisions		53,781	75,198	84,917	-	-	-
Deferred tax liabilities		162,028	180,932	272,409	34,089	50,157	67,805
		5,086,280	**4,402,389**	**4,730,746**	**2,006,764**	**1,949,992**	**2,046,272**
Current liabilities							
Trade and other payables	(7)	1,377,178	1,605,240	1,576,660	2,330,915	2,164,002	1,809,538
Interest-bearing borrowings*	(6)	1,157,977	1,266,032	1,782,830	345,291	672,176	998,216
Employee benefits		27,290	24,560	24,544	2,762	2,205	2,282
Provision for taxation		306,960	318,080	251,509	38,838	47,976	21,155
Provisions		50,263	48,579	25,155	-	-	-
		2,919,668	**3,262,491**	**3,660,698**	**2,717,806**	**2,886,359**	**2,831,191**
Total liabilities		**8,005,948**	**7,664,880**	**8,391,444**	**4,724,570**	**4,836,351**	**4,877,463**
Total equity and liabilities		**20,414,037**	**19,485,034**	**19,778,180**	**11,441,329**	**11,303,655**	**11,398,049**

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

Notes to the statements of financial position of the Group and the Company

1) The increase in investment properties at the Group was mainly due to the acquisition of Aldgate House, a prime freehold Grade A commercial building in London and an office block within Yaojiang International Complex in Shanghai's prime North Bund Business District, partially offset by depreciation during the period.

2) The increase in investment in associates at the Group was mainly due to M&C, via its indirect subsidiaries, having subscribed its full entitlement of its associate, FSGL's rights issue of new perpetual convertible capital securities in April 2018 for a total cost of $58.2 million coupled with share of profit from FSGL, partially offset by dividend received from FSGL. In addition, the Group invested $12 million in Suzhou Dragonrise Pan-Artificial Intelligence High-Tech Fund.

3) The increases in investments in financial assets at the Company and the Group were mainly due to measurement of certain unquoted equity investment at fair value following the adoption of SFRS(I) 9 *Financial Instruments* on 1 January 2018. The increase at the Group was however partially offset by full redemption of units by a fund that the Group invested previously.

4) The decrease in development properties at the Company was mainly due to the completion of both Phase 1 and Phase 2 of Coco Palms in YTD September 2018.

   The increase in development properties at the Group was primarily due to successful land tenders for Amber Park, Handy Road, West Coast Vale and Sumang Walk and development cost incurred for UK projects. This was partially offset by the completion of Coco Palms, The Criterion EC, Park Court Aoyama The Tower, Phase 2 of HLCC as well as the progressive sales of New Futura and Gramercy Park.

5) The decrease in assets classified as held for sale at the Group was due to completion of the divestment of Mercure Brisbane and Ibis Brisbane in January 2018.

6) The net increase in interest-bearing borrowings (current and non-current portion) at the Group was mainly due to loans taken up for the acquisition of Aldgate House, land sites at Amber Park and Sumang Walk, partially offset by settlement of borrowings that matured, including redemption of two medium term notes of the Company.

   The net decrease in interest-bearing borrowings (current and non-current portion) at the Company was due to repayment of borrowings including redemption of two medium term notes of the Company, with proceeds from the sale proceeds of New Futura.

7) The decrease in trade and other payables at the Group was due to the reduction in deferred income primarily derived from Phase 2 of HLCC and The Criterion EC. These 2 projects were completed in 2018 and accordingly deferred income was recognised in the income statement as revenue upon buyers taking possession of their residential units.

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 30.09.2018 S$'000	As at 31.12.2017 S$'000
Unsecured			
- repayable within one year		847,324	1,104,330
- repayable after one year		3,343,705	3,327,613
	(a)	4,191,029	4,431,943
Secured			
- repayable within one year		311,457	162,873
- repayable after one year		1,154,468	441,417
	(b)	1,465,925	604,290
Gross borrowings	(a) + (b)	5,656,954	5,036,233
Less: cash and cash equivalents as shown in the statement of financial position		(2,615,834)	(3,775,909)
Less: restricted deposits included in other non-current assets		(243,426)	(213,531)
Net borrowings		2,797,694	1,046,793

Details of any collateral

Where secured, borrowings are collateralised by:

- mortgages on the borrowing companies' hotels, investment and development properties;
- assignment of all rights and benefits to sale, lease and insurance proceeds in respect of hotels, investment and development properties;
- pledge of cash deposits;
- pledge of shares in subsidiaries;
- a statutory lien on certain assets of a foreign subsidiary; and
- statutory preferred right over the assets of foreign subsidiaries.

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.

	Third quarter ended 30 September		9-month period ended 30 September	
	2018	2017 (Restated)	2018	2017 (Restated)
	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities				
Profit for the period	188,681	192,989	557,591	460,562
Adjustments for:				
Depreciation and amortisation	54,533	54,984	159,022	162,097
Dividend income	(3,645)	(5,050)	(5,235)	(6,460)
Equity settled share-based transactions	535	533	1,630	533
Finance costs	37,392	28,774	97,606	95,866
Finance income	(15,097)	(13,434)	(40,955)	(39,727)
Loss on liquidation of subsidiaries	-	-	35	-
Impairment loss on goodwill arising from acquisition of a subsidiary	-	-	-	6,648
Profit on realisation of investments	-	(448)	-	(1,417)
Profit on sale of property, plant and equipment and investment properties	(12,407)	(29,927)	(41,785)	(29,923)
Property, plant and equipment and investment properties written off	881	174	1,235	4,239
Share of after-tax profit of associates	(8,520)	(7,480)	(18,188)	(15,105)
Share of after-tax profit of joint ventures	(2,723)	(8,582)	(4,806)	(10,446)
Tax expense	53,797	38,903	177,653	85,701
Write-back of impairment loss on loans to a joint venture (net)	-	(132)	-	(22,320)
Operating profit before working capital changes	293,427	251,304	883,803	690,248
Changes in working capital				
Development properties	107,205	(148,148)	(1,100,267)	(80,841)
Consumable stocks and trade and other receivables	(25,581)	57,895	(69,450)	(7,593)
Trade and other payables	(81,937)	72,366	(388,498)	116,505
Employee benefits	578	(1,007)	2,233	(1,837)
Cash generated from/(used in) from operations	293,692	232,410	(672,179)	716,482
Tax paid	(92,130)	(42,058)	(205,069)	(142,204)
Net cash from/(used in) operating activities [1]	**201,562**	**190,352**	**(877,248)**	**574,278**
Cash flows from investing activities				
Acquisition of subsidiaries (net of cash acquired) [2]	(327,016)	(153,664)	(327,816)	(246,240)
Capital expenditure on investment properties	(7,421)	(10,017)	(35,883)	(26,380)
Consideration received for divestment of subsidiaries [3]	-	201,327	-	201,327
Dividends received				
- an associate	2,326	2,115	5,117	4,229
- financial investments	3,645	5,050	5,235	6,460
- joint ventures	10,750	33,500	32,050	52,490
Decrease/(Increase) in amounts owing by equity-accounted investee (non-trade)	2,967	(2,907)	(15,299)	27,392
Increase in investments in associates [4]	(12,318)	-	(72,963)	-
Decrease/(Increase) in investments in joint ventures [5]	26,471	(12,811)	8,146	(37,542)
Interest received	12,326	8,037	36,191	27,413
Payment for intangible assets	(1)	(35)	(4)	(49)
Payments for purchase of property, plant and equipment	(44,357)	(19,436)	(131,946)	(79,387)
Purchase of financial assets	(41,530)	(31,279)	(44,050)	(41,544)
Proceeds from distribution from financial assets	1,368	2,290	18,097	4,584
Purchase of an investment property [6]	(30,726)	-	(30,726)	-
Proceeds from disposal of a joint venture	-	22,811	-	22,811
Proceeds from sale of property, plant and equipment and investment properties [7]	13,831	63,572	94,528	64,191
Settlement of financial derivatives	-	-	(1,827)	-
Cash flows (used in)/from investing activities	**(389,685)**	**108,553**	**(461,150)**	**(20,245)**

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	Third quarter ended 30 September		9-month period ended 30 September	
	2018	2017 (Restated)	2018	2017 (Restated)
	S$'000	S$'000	S$'000	S$'000
Financing Activities				
Acquisition of non-controlling interests	(18)	(2,569)	(66)	(23,545)
Capital (distribution to)/contribution from non-controlling interests	(2,567)	159,687	(3,111)	157,587
Decrease/(Increase) in deposits pledged to financial institutions	21,431	14,534	34,105	(88,056)
Dividends paid	(90,456)	(65,506)	(274,801)	(237,914)
Finance lease payments	(25)	(108)	(118)	(306)
(Increase)/Decrease in restricted cash	(8)	282	129	402
Interest paid (including amounts capitalised in investment properties, property, plant and equipment and development properties)	(29,859)	(23,890)	(86,808)	(91,242)
Net (repayment to)/advances from fellow subsidiaries (non-trade)	(35,575)	(21,999)	103,557	(18,309)
Net proceeds from/(repayments of) revolving credit facilities and short-term bank borrowings	224,204	66,261	(6,966)	(48,925)
Payment of issue expenses by a subsidiary	-	(4,048)	(30)	(4,048)
Payment of financing transaction costs	(1,661)	(2,075)	(4,566)	(7,287)
Proceeds from borrowings	62,252	58,771	1,081,274	246,224
Proceeds from issuance of bonds and notes	-	-	18,300	100,000
Purchase of treasury shares	(15,668)	-	(15,668)	-
Repayment of bank borrowings	(16,393)	(240,125)	(261,914)	(508,476)
Repayment of bonds and notes	(109,150)	-	(329,150)	(250,000)
(Increase)/Decrease in other long-term liabilities	(23)	1,925	(3,907)	1,526
Cash flows from/(used in) financing activities [8]	**6,484**	**(58,860)**	**250,260**	**(772,369)**
Net (decrease)/increase in cash and cash equivalents	**(181,639)**	**240,045**	**(1,088,138)**	**(218,336)**
Cash and cash equivalents at beginning of the period	2,703,468	3,091,503	3,599,044	3,566,757
Effect of exchange rate changes on balances held in foreign currencies	(20,704)	(7,553)	(9,781)	(24,426)
Cash and cash equivalents at end of the period	**2,501,125**	**3,323,995**	**2,501,125**	**3,323,995**
Cash and cash equivalents comprise:-				
Cash and cash equivalents as shown in the statement of financial position	2,615,834	3,502,301	2,615,834	3,502,301
Cash and cash equivalents included in assets classified as held for sale	-	8,567	-	8,567
Restricted deposits included in other non-current assets	243,426	213,531	243,426	213,531
Less: Deposits pledged to financial institutions	(357,016)	(399,375)	(357,016)	(399,375)
Less: Restricted cash	(1,119)	(1,029)	(1,119)	(1,029)
	2,501,125	**3,323,995**	**2,501,125**	**3,323,995**

Notes to the statement of cash flows

(1) The cash outflows for YTD Sep 2018 relate to the payment for government land sites (including stamp duty) at Handy Road, West Coast Vale and Sumang Walk as well as the completion of the acquisition of Amber Park (via collective en bloc sale) amounted to $2.1 billion. Excluding the payments of these land sites acquisitions, the Group would have net cash from operating activities of $1.2 billion for YTD Sep 2018.

(2) The cash outflows for Q3 2018 and YTD Sep 2018 relate mainly to the consideration paid for the acquisition of 100% interest in Aldgate House, London.

The cash outflows for Q3 2017 and YTD Sep 2017 relate to the consideration paid by CDLHT for acquisition of 94.5% effective interest in Pullman Hotel Munich, together with its retail components and related fixture, furniture and equipment in Q3 2017, as well as 100% interest in The Lowry Hotel Limited (holds The Lowry Hotel) in Q2 2017.

(3) The cash inflows for Q3 2017 and YTD Sep 2017 relates to consideration received for divestment of equity interest of 70% in Chongqing Huang Huayuan Property Development Co., Ltd and 50% in Chongqing Eling Property Development Co., Ltd.

(4) The increases in investments in associates for Q3 2018 and YTD Sep 2018 relate mainly to the Group's investment in Suzhou Dragonrise Pan-Artificial Intelligence High-Tech Fund in Q3 2018 and the subscription for FSGL's rights issue of new perpetual convertible capital securities in April 2018.

(5) The decrease in investments in joint ventures for Q3 2018 and YTD Sep 2018 relate mainly to the return of principal of the Group's investment via preferred equity interest in a joint development of a prime residential land site in Brisbane, partially offset by the progressive investment in South Beach Consortium (SBC).

The increase in investments in joint ventures for Q3 2017 and YTD Sep 2017 relate to the Group's progressive investment in SBC and Shanghai Distrii Technology Development Co., Ltd, a leading operator of co-working spaces in China.

(6) The cash outflows for Q3 2018 and YTD Sep 2018 relates to the acquisition of an office block within the Yaojiang International Complex in Shanghai's prime North Bund Business District.

(7) The proceeds from sale of property, plant and equipment and investment properties for Q3 2018 and YTD Sep 2018 relate mainly to the proceeds received from the disposal of a vacant shophouse plot at Jalan Besar in Q3 2018 and the divestment of Mercure Brisbane and Ibis Brisbane by CDLHT in Q1 2018.

The cash inflows for Q3 2017 and YTD Sep 2017 relates mainly to the proceeds from an office building in Osaka in September 2017.

(8) The Group had net cash inflows from financing activities of $6.5 million (Q3 2017: net cash outflows of $58.9 million) for Q3 2018 and $250.3 million (YTD Sep 2017: net cash outflows of $772.4 million) for YTD Sep 2018.

The net cash inflow for Q3 2018 was mainly due to increase in borrowings of $160.9 million arising from the purchase of overseas properties. For YTD Sep 2018, the net cash inflow was due to increase in borrowings of $501.5 million primarily used for the purchase of the land sites of Amber Park and Sumang Walk which the Group has 80% and 60% interest respectively and advances from fellow subsidiaries for their share of contribution towards the acquisition of these 2 land sites. The above cash inflows were partially offset by dividend paid and purchase of the Company's shares by designating them as treasury shares during the current period.

In comparison, for Q3 2017, the net cash outflow was largely due to net repayment of borrowings of $115.1 million, dividend paid, partially offset by proceeds received from non-controlling interests effected via a rights issue exercise by CDLHT.

For YTD Sep 2017, the net cash outflow was due to net repayment of borrowings of $461.2 million, acquisition of remaining 5.31% preferred equity share capital in Tempus Platinum Investments Tokutei Mokuteki Kaisha that the Group does not own in Q1 2017, purchase of shares in M&C in Q2 2017, dividend paid as well as increase in deposit pledged to financial institutions. This was partially offset by the proceeds received from the aforesaid rights issue by CDLHT.

1(d)(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 31 December 2017, previously reported	1,991.4	182.1	42.2	(584.7)	7,952.6	9,583.6	2,257.5	11,841.1
Adoption of SFRS(I) 1 and 15	-	-	-	489.1	(508.7)	(19.6)	(1.3)	(20.9)
At 31 December 2017, restated	1,991.4	182.1	42.2	(95.6)	7,443.9	9,564.0	2,256.2	11,820.2
Adoption of SFRS(I) 9	-	-	0.4	-	362.7	363.1	-	363.1
At 1 January 2018, restated	1,991.4	182.1	42.6	(95.6)	7,806.6	9,927.1	2,256.2	12,183.3
Profit for the period	-	-	-	-	80.0	80.0	53.9	133.9
Other comprehensive income for the period, net of tax	-	-	(3.3)	60.8	-	57.5	(29.6)	27.9
Total comprehensive income for the period	-	-	(3.3)	60.8	80.0	137.5	24.3	161.8
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital distribution to non-controlling interests	-	-	-	-	-	-	(2.1)	(2.1)
Dividends	-	-	-	-	-	-	(34.3)	(34.3)
Share-based payment transactions	-	-	0.4	-	-	0.4	0.1	0.5
Total contributions by and distributions to owners	-	-	0.4	-	-	0.4	(36.3)	(35.9)
Change in ownership interests in subsidiaries								
Change of interests in subsidiaries without loss of control	-	1.5	-	-	-	1.5	(1.5)	-
Total change in ownership interests in subsidiaries	-	1.5	-	-	-	1.5	(1.5)	-
Total transactions with owners	-	1.5	0.4	-	-	1.9	(37.8)	(35.9)
At 31 March 2018	**1,991.4**	**183.6**	**39.7**	**(34.8)**	**7,886.6**	**10,066.5**	**2,242.7**	**12,309.2**
Profit for the period	-	-	-	-	204.8	204.8	30.2	235.0
Other comprehensive income for the period, net of tax	-	-	(1.2)	(16.8)	-	(18.0)	9.1	(8.9)
Total comprehensive income for the period	-	-	(1.2)	(16.8)	204.8	186.8	39.3	226.1
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital contribution from non-controlling interests	-	-	-	-	-	-	1.6	1.6
Dividends	-	-	-	-	(133.7)	(133.7)	(16.3)	(150.0)
Share-based payment transactions	-	-	0.3	-	-	0.3	0.2	0.5
Transfer to statutory reserve	-	-	1.3	-	(1.3)	-	-	-
Total contributions by and distributions to owners	-	-	1.6	-	(135.0)	(133.4)	(14.5)	(147.9)
Changes in ownership interests in subsidiaries								
Change of interests in subsidiaries without loss of control	-	1.3	-	-	-	1.3	(1.3)	-
Total change in ownership interests in subsidiaries	-	1.3	-	-	-	1.3	(1.3)	-
Total transactions with owners	-	1.3	1.6	-	(135.0)	(132.1)	(15.8)	(147.9)
At 30 June 2018	**1,991.4**	**184.9**	**40.1**	**(51.6)**	**7,956.4**	**10,121.2**	**2,266.2**	**12,387.4**

* *Other reserves comprise mainly fair value reserve arising from re-measurement of financial assets at fair value through other comprehensive income, share of other reserve of associates, statutory reserve and share option reserve.*

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 July 2018	1,991.4	184.9	40.1	(51.6)	7,956.4	10,121.2	2,266.2	12,387.4
Profit for the period	-	-	-	-	161.8	161.8	26.9	188.7
Other comprehensive income for the period, net of tax	-	-	1.7	(47.7)	-	(46.0)	(13.6)	(59.6)
Total comprehensive income for the period	-	-	1.7	(47.7)	161.8	115.8	13.3	129.1
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital distribution to non-controlling interests	-	-	-	-	-	-	(2.7)	(2.7)
Dividends	-	-	-	-	(54.5)	(54.5)	(36.0)	(90.5)
Purchase of treasury shares	-	-	-	-	(15.7)	(15.7)	-	(15.7)
Share-based payment transactions	-	-	0.3	-	-	0.3	0.2	0.5
Total contributions by and distributions to owners	-	-	0.3	-	(70.2)	(69.9)	(38.5)	(108.4)
Change in ownership interests in subsidiaries								
Change of interests in subsidiaries without loss of control	-	0.2	-	-	-	0.2	(0.2)	-
Total change in ownership interests in subsidiaries	-	0.2	-	-	-	0.2	(0.2)	-
Total transactions with owners	-	0.2	0.3	-	(70.2)	(69.7)	(38.7)	(108.4)
At 30 September 2018	**1,991.4**	**185.1**	**42.1**	**(99.3)**	**8,048.0**	**10,167.3**	**2,240.8**	**12,408.1**

* *Other reserves comprise mainly fair value reserve arising from re-measurement of financial assets at fair value through other comprehensive income, share of other reserve of associates, statutory reserve and share option reserve.*

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 2017, as previously reported	1,991.4	175.5	29.7	(478.9)	7,576.1	9,293.8	2,114.9	11,408.7
Adoption of SFRS(I) 1 and 15	-	-	-	478.9	(500.7)	(21.8)	(0.1)	(21.9)
At 1 January 2017, restated	1,991.4	175.5	29.7	-	7,075.4	9,272.0	2,114.8	11,386.8
Profit for the period, restated	-	-	-	-	95.6	95.6	14.1	109.7
Other comprehensive income for the period, net of tax	-	-	6.3	(77.8)	-	(71.5)	(10.2)	(81.7)
Total comprehensive income for the period	-	-	6.3	(77.8)	95.6	24.1	3.9	28.0
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital distribution to non-controlling interests	-	-	-	-	-	-	(2.1)	(2.1)
Dividends	-	-	-	-	-	-	(37.0)	(37.0)
Share-based payment transactions	-	-	0.4	-	-	0.4	0.1	0.5
Transfer to statutory reserves	-	-	4.8	-	(4.8)	-	-	-
Total contributions by and distributions to owners	-	-	5.2	-	(4.8)	0.4	(39.0)	(38.6)
Change in ownership interests in subsidiaries								
Change of interests in subsidiaries without loss of control	-	(4.5)	-	-	-	(4.5)	(8.8)	(13.3)
Total change in ownership interests in subsidiaries	-	(4.5)	-	-	-	(4.5)	(8.8)	(13.3)
Total transactions with owners	-	(4.5)	5.2	-	(4.8)	(4.1)	(47.8)	(51.9)
At 31 March 2017	**1,991.4**	**171.0**	**41.2**	**(77.8)**	**7,166.2**	**9,292.0**	**2,070.9**	**11,362.9**
Profit for the period, restated	-	-	-	-	114.1	114.1	43.7	157.8
Other comprehensive income for the period, net of tax	-	-	(3.1)	24.0	-	20.9	8.8	29.7
Total comprehensive income for the period	-	-	(3.1)	24.0	114.1	135.0	52.5	187.5
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Dividends	-	-	-	-	(115.5)	(115.5)	(19.9)	(135.4)
Share-based payment transactions	-	-	(0.3)	-	-	(0.3)	(0.2)	(0.5)
Total contributions by and distributions to owners	-	-	(0.3)	-	(115.5)	(115.8)	(20.1)	(135.9)
Changes in ownership interests in subsidiaries								
Change of interests in subsidiaries without loss of control	-	2.7	-	0.1	0.1	2.9	(10.6)	(7.7)
Total change in ownership interests in subsidiaries	-	2.7	-	0.1	0.1	2.9	(10.6)	(7.7)
Total transactions with owners	-	2.7	(0.3)	0.1	(115.4)	(112.9)	(30.7)	(143.6)
At 30 June 2017	**1,991.4**	**173.7**	**37.8**	**(53.7)**	**7,164.9**	**9,314.1**	**2,092.7**	**11,406.8**

* *Other reserves comprise mainly fair value reserve arising from remeasurement of financial assets at fair value through other comprehensive income, share of other reserve of associates, statutory reserve and share option reserve.*

CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

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 July 2017	1,991.4	173.7	37.8	(53.7)	7,164.9	9,314.1	2,092.7	11,406.8
Profit for the period, restated	-	-	-	-	146.6	146.6	46.4	193.0
Other comprehensive income for the period, net of tax	-	-	(0.3)	1.1	-	0.8	(12.7)	(11.9)
Total comprehensive income for the period	-	-	(0.3)	1.1	146.6	147.4	33.7	181.1
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital distribution to non-controlling interests	-	-	-	-	-	-	159.7	159.7
Dividends paid to owners of the Company	-	-	-	-	(36.4)	(36.4)	-	(36.4)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(29.1)	(29.1)
Issues expense of a subsidiary	-	(1.0)	-	-	-	(1.0)	(3.1)	(4.1)
Share-based payment transactions	-	-	0.4	-	-	0.4	0.2	0.6
Total contributions by and distributions to owners	-	(1.0)	0.4	-	(36.4)	(37.0)	127.7	90.7
Change in ownership interests in subsidiaries								
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	5.0	5.0
Change of interests in a subsidiary without loss of control	-	7.9	-	-	-	7.9	(10.5)	(2.6)
Total change in ownership interests in subsidiaries	-	7.9	-	-	-	7.9	(5.5)	2.4
Total transactions with owners	-	6.9	0.4	-	(36.4)	(29.1)	122.2	93.1
At 30 September 2017	**1,991.4**	**180.6**	**37.9**	**(52.6)**	**7,275.1**	**9,432.4**	**2,248.6**	**11,681.0**

* *Other reserves comprise mainly fair value reserve arising from re-measurement of financial assets at fair value through other comprehensive income, share of other reserve of associates, statutory reserve 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 31 December 2017, previously reported	1,991.4	63.7	14.6	4,392.1	6,461.8
Adoption of SFRS(I) 15	-	-	-	5.5	5.5
At 31 December 2017, previously reported	1,991.4	63.7	14.6	4,397.6	6,467.3
Adoption of SFRS(I) 9	-	-	(0.5)	366.1	365.6
At 1 January 2018, restated	1,991.4	63.7	14.1	4,763.7	6,832.9
Profit for the period	-	-	-	65.8	65.8
Total other comprehensive income for the period, net of tax	-	-	(0.4)	-	(0.4)
Total comprehensive income for the period	-	-	(0.4)	65.8	65.4
At 31 March 2018	**1,991.4**	**63.7**	**13.7**	**4,829.5**	**6,898.3**
Profit for the period	-	-	-	1.0	1.0
Total other comprehensive income for the period, net of tax	-	-	(0.5)	-	(0.5)
Total comprehensive income for the period	-	-	(0.5)	1.0	0.5
Transaction with owners, recorded directly in equity					
Contributions by and distributions to owners					
Dividends	-	-	-	(133.7)	(133.7)
Total contributions by and distributions to owners	-	-	-	(133.7)	(133.7)
Total transactions with owners	-	-	-	(133.7)	(133.7)
At 30 June 2018	**1,991.4**	**63.7**	**13.2**	**4,696.8**	**6,765.1**
Profit for the period	-	-	-	22.5	22.5
Total other comprehensive income for the period, net of tax	-	-	(0.6)	-	(0.6)
Total comprehensive income for the period	-	-	(0.6)	22.5	21.9
Transaction with owners, recorded directly in equity					
Contributions by and distributions to owners					
Purchase of treasury shares	-	-	-	(15.7)	(15.7)
Dividends	-	-	-	(54.6)	(54.6)
Total contributions by and distributions to owners	-	-	-	(70.3)	(70.3)
Total transactions with owners	-	-	-	(70.3)	(70.3)
At 30 September 2018	**1,991.4**	**63.7**	**12.6**	**4,649.0**	**6,716.7**

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 2017, previously reported	1,991.4	63.7	12.3	4,446.0	6,513.4
Adoption of SFRS(I) 15	-	-	-	7.2	7.2
At 1 January 2017, restated	1,991.4	63.7	12.3	4,453.2	6,520.6
Profit for the period, restated	-	-	-	33.1	33.1
Total other comprehensive income for the period, net of tax	-	-	4.3	-	4.3
Total comprehensive income for the period	-	-	4.3	33.1	37.4
At 31 March 2017	**1,991.4**	**63.7**	**16.6**	**4,486.3**	**6,558.0**
Profit for the period, restated	-	-	-	5.2	5.2
Total other comprehensive income for the period, net of tax	-	-	(1.6)	-	(1.6)
Total comprehensive income for the period	-	-	(1.6)	5.2	3.6
Transaction with owners, recorded directly in equity					
Contributions by and distributions to owners					
Dividends	-	-	-	(115.5)	(115.5)
Total contributions by and distributions to owners	-	-	-	(115.5)	(115.5)
Total transactions with owners	-	-	-	(115.5)	(115.5)
At 30 June 2017	**1,991.4**	**63.7**	**15.0**	**4,376.0**	**6,446.1**
Profit for the period, restated	-	-	-	6.5	6.5
Total other comprehensive income for the period, net of tax	-	-	(1.5)	-	(1.5)
Total comprehensive income for the period	-	-	(1.5)	6.5	5.0
Transaction with owners, recorded directly in equity					
Contributions by and distributions to owners					
Dividends	-	-	-	(36.4)	(36.4)
Total contributions by and distributions to owners	-	-	-	(36.4)	(36.4)
Total transactions with owners	-	-	-	(36.4)	(36.4)
At 30 September 2017	**1,991.4**	**63.7**	**13.5**	**4,346.1**	**6,414.7**

1(d)(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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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

During the quarter ended 30 September 2018, the changes in the Company's issued share capital were as follows:

	No. of Shares
As at 30/06/2018	909,301,330
Purchase of treasury shares	(1,700,000)
As at 30/09/2018	907,601,330

Preference share capital

There was no change in the Company's issued preference share capital during the three months ended 30 September 2018.

As at 30 September 2018, 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 September 2017: 44,998,898 ordinary shares).

1(d)(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.

Ordinary share capital

As at 30 September 2018, the total number of issued ordinary shares (excluding treasury shares) was 907,601,330 (31 December 2017: 909,301,330).

Preference share capital

The total number of issued Preference Shares as at 30 September 2018 and 31 December 2017 was 330,874,257.

Treasury Shares

Movements in the Company's treasury shares were as follows:

	No. of Shares
As at 30/06/2018	-
Purchase of treasury shares	1,700,000
As at 30/09/2018	1,700,000

As at 30 September 2018, the Company held 1,700,000 treasury shares (30 September 2017: Nil) which represents 0.19% of the total number of issued shares (excluding treasury shares).

1(d)(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 September 2018.

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 2017.

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.

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)), which comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) issued by the International Accounting Statutory Board. The Group's financial statements for the financial year ending 31 December 2018 will be prepared in accordance with SFRS(I) and IFRS.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2017, except for the adoption of the SFRS(I) framework as described above and the new/revised SFRS(I) applicable for the financial period beginning 1 January 2018 as follows:

- SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*
- SFRS(I) 15 *Revenue from Contracts with Customers*
- SFRS(I) 9 *Financial Instruments*

a) SFRS(I) 1

In adopting the new framework, the Group is required to apply the specific transition requirements in SFRS(I). The Group has applied SFRS(I) with 1 January 2017 as the date of transition for the Group and the Company, on a retrospective basis, as if such accounting policies had always been applied. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application. The Group has elected various optional exemptions in SFRS(I) 1, including those set out below which impact the financial statements:

- Use of fair values of certain hotel properties, previously adopted by its subsidiary, as their new cost; and
- Resetting the foreign currency translation reserve to zero.

b) SFRS(I) 15

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group adopted SFRS(I) 15 using the retrospective approach with practical expedients.

Success-based sales commissions

The Group pays sales commissions to both external and internal property sales agents for securing property sales contracts for the Group on a success basis. In the past, the Group recognised sales commissions as an expense when incurred. Under SFRS(I) 15, the Group capitalises such incremental costs as a contract cost asset as they are recoverable. These costs are amortised to profit or loss as the Group recognises the related revenue. The Group previously recognised both revenue and cost of sales (including land costs) on Singapore development properties sold by reference to the stage of completion of construction activity at the end of the reporting period (percentage of completion method).

Accounting for contract costs relating to development properties

Under SFRS(I) 15, the Group continues to recognise revenue from sale of development properties and land costs of the sold units using the percentage of completion method. Construction costs incurred for sold units are, however, no longer recognised as cost of sales using the percentage of completion method. Instead, such costs are recognised as cost of sales as and when they are incurred to the extent of the units sold.

c) SFRS(I) 9

SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements.

The Group has elected to apply the exemption in SFRS(I) 1 allowing it not to restate comparative information in the 2018 SFRS(I) financial statements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in accumulated profits and reserves as at 1 January 2018.

The adoption of SFRS(I) 9 has resulted in the reclassification of certain equity investments as financial assets measured at fair value through profit or loss (FVTPL) and financial assets at fair value through other comprehensive income (FVOCI) and loans and receivables as financial assets measured at FVTPL.

In addition, certain unquoted equity investments of the Group and the Company, which were previously classified as available for sale and measured at cost have been reclassified as financial assets at FVOCI and measured at fair value, resulting in an increase in accumulated profits as at 1 January 2018.

SFRS(I) 9 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group adopts the simplified approach and records lifetime expected losses on all trade receivables. The impairment calculated using the expected credit loss model does not have a significant impact on the financial statements.

Impact on the comparatives for the financial statements of this reporting quarter on adoption of SFRS(I) framework and new/revised accounting standards

Income Statement

	Third quarter ended 30 September 2017 $'000	**9-month period ended 30 September 2017 $'000**
Increase in revenue	702	491
Decrease in cost of sales	165	3,156
Decrease in other operating income	(8,215)	(8,215)
Decrease in administrative expenses	179	560
Decrease in operating expenses	124	124
Increase in finance costs	-	(172)
(Decrease)/Increase in share of after-tax profit of joint ventures	(2,123)	9,018
Decrease/(Increase) in tax expense	82	(308)
(Increase)/Decrease in non-controlling interests	(484)	124
(Decrease)/Increase in profit attributable to owners of the Company	(9,570)	4,778
(Decrease)/Increase in basic earnings per share (cents)	(1.1)	0.5

Statements of Financial Position

	As at 1.1.2018 $'000	As at 31.12.2017 $'000	As at 1.1.2017 $'000
Decrease in property, plant and equipment	-	(14,880)	(16,305)
Decrease in investments in joint ventures	-	(18,142)	(19,284)
Increase in development properties	-	14,764	16,347
Increase in financial assets	363,135	-	-
Increase/(decrease) in accumulative profits	362,675	(508,686)	(500,793)
Increase in fair value reserve	460	-	-
Decrease in deficit of foreign exchange translation reserve	-	489,085	478,948
Increase in deferred tax liabilities	-	1,753	1,396
Increase/(decrease) in provision for taxation	-	47	(120)
Increase in trade and other payables	-	938	1,430
Decrease in non-controlling interests	-	(1,395)	(103)

In addition, with effect from Q2 2018 the Group has also reclassified net exchange gain/(loss), previously presented under “other operating expenses” to net finance costs as the Group is of the view that such reclassification better reflects the substance of the transactions. Accordingly, the prior period comparatives have been restated to conform to such presentation.

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.

	Third quarter ended 30 September		9-month period ended 30 September	
	2018	2017 (Restated)	2018	2017 (Restated)
Basic Earnings per share (cents)	17.8	16.1	48.4	38.5
Diluted Earnings per share (cents)	17.0	15.4	46.8	37.3
Earnings per share is calculated based on:				
a) Profit attributable to owners of the Company (S$'000) (*)	161,799	146,577	440,188	349,871
b) Profit used for computing diluted earnings per share (S$'000)	161,799	146,577	446,622	356,270
c) Weighted average number of ordinary shares in issue:				
- basic	908,744,808	909,301,330	909,114,883	909,301,330
- diluted (**)	953,743,706	954,300,228	954,113,781	954,300,228

* *After deducting preference dividends of $6,434,000 paid in Q2 2018 (Q2 2017: $6,399,000 paid).*

** *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	
	30.09.2018 S$	31.12.2017 (Restated) S$	30.09.2018 S$	31.12.2017 (Restated) S$
Net Asset Value per ordinary share based on the number of issued 907,601,330 ordinary shares (excluding treasury shares) as at 30 September 2018 (909,301,330 ordinary shares (excluding treasury shares) as at 31 December 2017)	11.20	10.52	7.40	7.11

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.

<u>Group Performance</u>

For the third quarter (Q3 2018) and nine months ended 30 September 2018 (YTD Sep 2018), the Group continues to perform well in spite of challenging market conditions. Net attributable profit after tax and non-controlling interest (PATMI) increased 10.4% for Q3 2018 to $161.8 million (Restated Q3 2017: $146.6 million) and 25.4% for YTD Sep 2018 to $446.6 million (Restated YTD Sep 2017: $356.3 million).

For Q3 2018 and YTD Sep 2018, the Group's revenue increased by 17.7% to $1.02 billion (Restated Q3 2017: $863.8 million) and 37.3% to $3.4 billion (Restated YTD Sep 2017: $2.5 billion) respectively. These increases were underpinned by the strong performance from the property development segment driven by contributions from 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.

The Group's EBITDA increased to $950.9 million for YTD Sep 2018 (Restated YTD Sep 2017: $764.5 million), again bolstered by the strong recognition of profits from the property development segment.

In terms of YTD Sep 2018 pre-tax profits, the property development segment maintained its lead contributing 66.7%, followed by the rental properties segment at 17.8%, which was boosted by divestment gains including the $29 million profit in Q1 2018 from the sale of Mercure Brisbane and Ibis Brisbane by CDL Hospitality Trusts (CDLHT), an indirect subsidiary of the Group. In comparison, YTD Sep 2017 also had a divestment gain arising from the sale of the Group's office building in Osaka.

However, the hotel operations segment delivered mixed trading results. This segment relates largely to the Group's 65.2% owned subsidiary, Millennium & Copthorne Hotels plc (M&C), which was impacted by the full closure of Millennium Hotel London Mayfair in July 2018 for refurbishment works while it continues to incur certain fixed costs. Additionally, M&C's operating costs also increased due to higher payroll related expenditure. The new M&C hotels added to its portfolio including Millennium New Plymouth NZ (acquired in March 2018) and M Social Auckland (re-opened in October 2017) partially mitigated the decline. In comparison, YTD Sep 2017 hotel operations included a write-back of impairment losses on loans to a joint venture (JV) of $22 million and an impairment of goodwill of $7 million that arose from the acquisition of The Lowry Hotel by CDLHT.

Basic earnings per share increased by 10.6% to 17.8 cents (Restated Q3 2017: 16.1 cents) for Q3 2018 and 25.7% to 48.4 cents (Restated YTD Sep 2017: 38.5 cents).

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

Property

Urban Redevelopment Authority's (URA) data indicated that private residential property prices grew by 0.5% quarter-on-quarter in Q3 2018, moderating from the 3.4% increase in Q2 2018 and the 3.9% increase in Q1 2018. The significant moderation in Q3 2018 suggests a period of consolidating prices after the surprise implementation of the harsh property cooling measures which took effect on 6 July 2018. In YTD Sep 2018, property prices increased by 7.9%. Although this marks the fifth consecutive quarter of price growth since Q2 2017, registering a 9.6% increase cumulatively, prices have declined about 12% over 15 consecutive quarters from Q3 2013 to Q2 2017.

In Q3 2018, developers sold 3,012 private residential units excluding ECs, a 27% increase compared with the 2,366 units sold in the previous quarter. However, in YTD Sep 2018, developers sold 6,959 units, compared with 8,702 units sold in the same period last year, reflecting a 20% decrease.

The Group's launched projects continued to register sales with sustained prices. 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 $3,500 per square foot (psf). At The Tapestry, the Group's 861-unit condominium project in Tampines Avenue 10, 544 units have been sold to date at an ASP of around $1,350 psf.

In September 2018, capitalising on the Formula 1 Singapore Grand Prix season, the Group previewed its iconic 190-unit South Beach Residences on Beach Road, a JV project. It is part of the South Beach integrated development which comprises four historic buildings with two new towers comprising Grade A office spaces in South Beach Tower (34-storey), a 5-star 634-room JW Marriott Hotel Singapore South Beach, and various restaurants and retail outlets. South Beach Residences is housed within the 45-storey South Tower from Levels 22 to 45, just above the hotel. The apartments offer spectacular views of the Singapore skyline, Central Business District (CBD) area, and Marina Bay areas. To date, 12 units out of the 50 units released have been sold, including the 6,728 sq ft super penthouse which was sold for $26 million.

For YTD Sep 2018, the Group and its JV associates sold 787 units with total sales value of $1.56 billion (YTD Sep 2017: 1,056 units with sales value of $1.76 billion).

During the quarter under review, profit was booked from New Futura, Gramercy Park, The Brownstone EC and The Tapestry, as well as JV projects namely Forest Woods and Coco Palms.

In July 2018, the Group's newly refurbished Le Grove Serviced Residences on Orange Grove Road reopened with 173 apartments (from its original 97 apartments). It is registering healthy occupancy.

In August 2018, the Group and its JV partner successfully clinched an attractive mixed-use residential and commercial site at Singapore's vibrant Sengkang Central through a Two-envelope Concept and Price Revenue tender system for $777.78 million or $923.60 psf ppr. The 3.7-hectare site will be transformed into an integrated community hub with 700 residential apartments, amenities such as a hawker centre, community club, childcare centre, retail shops, as well as public rail and bus transport facilities all within a one-stop location. It has direct access to Buangkok MRT Station and the future bus interchange and is a mere 20-minute drive from the CBD. The new non-remittable and revised ABSD rate imposed on housing developers from 6 July 2018 is not applicable for this site acquisition. The integrated development is targeted for completion in 1H 2022.

For the office sector, URA data indicated that prices of office space increased by 0.1% in Q3 2018, as compared with the 1.9% increase in the previous quarter. Overall rental for office space increased by 2.5% in Q3 2018, extending the 1.6% increase in Q2 2018, marking the sixth consecutive quarter of office rental increase.

Rental growth is boosted by a decline in new supply. The two million sq ft of net lettable office space that was released into the market in 2017 has almost been absorbed. Both rental growth and demand for office space remain at a healthy level as the market continues to calibrate the demand and supply equilibrium.

The Group's office portfolio continued to enjoy a healthy committed occupancy rate of 91.5% as at end of Q3 2018, compared with an island-wide occupancy rate of 88%.

The results of Q3 2018 demonstrated that there is sustained confidence in the market. Strong leasing demand has effectively reduced the supply of available lettable space, which saw a spike in 2017. These are positive indicators that the office market will continue its upward momentum in the near term.

Overseas Markets

Australia

Completed in February 2018, majority of the sales in the Group's JV 476-unit Ivy and Eve residential project in Brisbane have achieved settlement.

The Group's collaboration with Waterbrook Lifestyle Resorts to develop two five-star luxury retirement villages in New South Wales is progressing well. The Bayview and Bowral projects are expected to be completed in 2020 and 2021 respectively.

While the outlook for Australia's residential market has softened in the near term, the longer-term prospects for its economy and population growth remain positive and the Group will continue to explore new opportunities in Australia.

Japan

To date, 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.

With the rising construction costs in Japan, fuelled in part by the preparations for the 2020 Tokyo Olympics, the Group's rare freehold Shirokane residential redevelopment site in central Tokyo will remain in its land bank. Given the scarcity of prime land, the site will benefit from capital appreciation.

UK

Despite the current uncertainty posted by Brexit, London is believed to remain a key financial hub in Europe with its connectivity to the world and established infrastructure.

The outlook for Central London's office market is positive with rental growth expected through 2021, bolstered by heightened demand and tightening of both existing Grade A office stock and new supply. The short-term uncertainties surrounding Brexit have presented the Group with off-market opportunities to acquire high performance assets with deep value.

As part of its focus to enhance its recurring income in the UK and Europe, the Group acquired Aldgate House in September 2018, a prime freehold commercial building in London for £183 million (approximately $328 million). The property is right beside Aldgate Underground Station, which is adjacent to London's financial district and within a five-minute walk from six other stations. Aldgate House has a net lettable area (NLA) of 211,000 sq ft comprising Grade A office, retail and ancillary spaces, spread over two basements, ground, mezzanine and eight upper floors. The development has an occupancy rate of 88% and is achieving a passing yield of about 5%. Over 45% of the office rentals in the building are about 20% below the market rents in the Aldgate area. There is also potential to undertake asset enhancement initiatives (AEI) to add value to this property.

Further expanding its UK commercial portfolio, in October 2018, the Group acquired 125 Old Broad Street, a prime freehold Grade A office tower in the City of London and within the main financial district for £385 million (approximately $687 million). This landmark asset overlooks St. Paul's Cathedral and the iconic Bank of England headquarters, and was the former home of the London Stock Exchange. It is within a five-minute walk to Liverpool Street Station and several Underground Stations. It comprises an office tower and ancillary retail space and has a NLA of approximately 329,200 sq ft spread over 26 floors with panoramic views of the city and three basement levels. It also has secured parking facilities. The building is currently fully tenanted with a passing net yield of about 4.7%. Both Aldgate House and 125 Old Broad Street are currently under-rented and have seen positive rental reversions.

The Group has also taken vacant possession of another recurring income asset in London, the 28,000 sq ft Development House at 56-64 Leonard Street, Shoreditch. It will be redeveloped into a nine-storey office building with an increased NLA of over 72,000 sq ft.

Teddington Riverside, the Group's 240-unit development that overlooks the River Thames in the Borough of Richmond, previewed its Phase One in the UK, Hong Kong and Singapore. Phase One comprises the five-storey Carlton House and seven-storey Shepperton House. The 999-year leasehold project has the best of South West London's culture, parks and schools on its doorstep and benefits from excellent connectivity to Central London and major airports. It also features the famed River Thames and cascading water of the Teddington Lock as its backdrop. In the UK, the on-site marketing suite and three fully-fitted show units are available for viewing. The project is on track for completion by Q1 2020.

The Group's two prime freehold projects in Central London, Chesham Street in Belgravia (6 units) and Hans Road in Knightsbridge (3 units) are fully-fitted and will be actively marketed by the appointed agencies. The show unit for 90-100 Sydney Street in Chelsea (9 units) is on track to complete by Q4 2018.

The Group's other UK developments are all progressing through the development process.

China

Notwithstanding the uncertainties faced by China's economy and the property market, the Group, together with its JV associates, sold 193 units and 16 villas in China in YTD Sep 2018 with a total sales value of RMB 979.44 million (about $195 million).

The Group, through its wholly-owned subsidiary, CDL China Limited (CDL China), is jointly developing Emerald and Eling Palace with China Vanke Co., Ltd (Vanke), having divested a partial equity stake in the two residential projects in Chongqing to them. Eling Palace relaunched in May 2018 and has sold 33 units to date, with a sales value of RMB 181 million (about $36 million) while Emerald, under Vanke's portfolio of luxury residential developments, will open for presale in Q1 2019 and is expected to complete by end 2020.

HLCC, CDL China's first integrated development in Suzhou Industrial Park district, has sold 1,271 residential units (93%) of the Phase 1 launch with a sales value of RMB 2.77 billion (about $550 million) to date. 283 units (66%) of the Phase 2 residential tower have been sold with a sales value of RMB 945 million (about $188 million) and are currently being handed over to buyers progressively. To date, HLCC has achieved total sales of RMB 3.71 billion (about $737 million). The HLCC mall, with 56,000 sqm of retail space, enjoys stable and healthy footfall since opening in June 2018. HLCC's 30,000 sqm premium Grade A office tower has been completed while M&C will operate the five-star M Social hotel when it opens in Q1 2020.

At Hongqiao Royal Lake, located in the high-end residential enclave of Qingpu, Shanghai, 51 out of the 85 villas have been sold with a sales value of RMB 1.09 billion (about $217 million).

Hong Leong Plaza Hongqiao, comprising five office towers with approval for strata-titled units, will be operational by Q1 2019. Located in Shanghai's Hongqiao CBD, the development benefits from the transformation of the surrounding infrastructure and amenities in preparation for the China International Import Expo in November 2018. The property is situated next to the mega Shanghai Hongqiao International Medical Center surrounded by many international schools, upcoming R&D centres and business parks.

Asset enhancement for the office block within Yaojiang International complex in Shanghai's prime North Bund Business District 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.

As a cornerstone investor in E-House, a leading data-based real estate transaction service provider in China, the Group is in active discussion with them to market its Singapore, China and UK properties through their platform.

Moving forward, CDL China will continue to pursue strategic investments and innovative technologies that complement the Group's core business.

Fund Management

The Group plans to develop its fund management business via organic growth and the acquisition of assets or platforms. It will continue to use its strong balance sheet to strategically acquire investment properties in the Group's key markets (Singapore, UK, China, Australia and Japan) and grow its recurring income base. Some of these assets, like the recently-acquired Aldgate House and 125 Old Broad Street, could possibly be transferred to a private fund or a REIT vehicle.

The Group is also working closely with its partners and investors in its three Profit Participation Securities to ensure a mutually favourable outcome for all three structures.

Hotel

M&C achieved PATMI of £20 million for Q3 2018 (Q3 2017: £50 million) and £48 million for YTD Sep 2018 (YTD Sep 2017: £92 million). The decline was mainly due to the closure of the Mayfair hotel in July which continued to incur certain fixed costs at the hotel, as well as higher M&C payroll related costs.

In constant currency terms, hotel revenue was flat for YTD Sep 2018 at £627 million. Higher contributions from Millennium Hilton New York One UN Plaza (re-branded in August 2017) and M Social Auckland (opened in October 2017) were partially offset by the closure of the Mayfair hotel. Reported hotel revenue for the same period fell by £22 million or 3.4%, reflecting the impact of the stronger pound.

M&C's total revenue decreased by 2.4% to £730 million for YTD Sep 2018 (YTD Sep 2017: £748 million), reflecting a £26 million impact from the strengthening of the pound, which offset higher contributions from property sector, CDLHT and a small number of recently opened or refurbished hotels. In constant currency, total revenue increased by £8 million or 1.1%.

Global revenue per available room (RevPAR) in reported currency decreased by 3.8% to £79.26 for YTD Sep 2018 (YTD Sep 2017: £82.41). In constant currency, it dropped by just 0.4% mainly reflecting a stronger pound against M&C's main trading currencies. On a like-for-like basis (excluding the impact of acquisitions, closures and refurbishments), RevPAR increased by 1.5% for YTD Sep 2018.

RevPAR, in constant currency, for M&C's London hotels for YTD Sep 2018 was down 11.5% compared to YTD Sep 2017, mainly due to the closure of the Mayfair hotel. Other regions, such as US, Asia and Australasia registered RevPAR growth for YTD Sep 2018: US RevPAR was up 1.3% to £91.51 (YTD Sep 2017: £90.34), Asia RevPAR was up 1.5% to £70.40 (YTD Sep 2017: £69.39) driven by increases in both average room rates and occupancy, while Australasia was up 5.9% with the inclusion of M Social Auckland and Millennium New Plymouth and driven by growth in international visitor arrivals.

M&C continues to make good progress with its AEIs. The ongoing refurbishment works at the Mayfair hotel is on track, with the hotel to be re-opened as a 5-star deluxe property in Q1 2019. In addition, M&C continues to review plans for the phased refurbishment of some of its key properties in London, New York and Singapore.

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 second quarter ended 30 June 2018.

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

In Singapore, the unexpectedly harsh property cooling measures that took effect on 6 July 2018 have disrupted the private residential market that was just recovering. Enbloc sales have come to a halt with many tenders closed without any bids. Participation and bids for the recent GLS sites appeared to be relatively subdued, except for EC land sites which are still in an undersupply situation. This could indicate that developers are now more cautious and selective on their land replenishment policy. Sales volume has also tapered as buyers' sentiment dampens from the imposition of the additional ABSD and further tightening of the loan quantum.

On 17 October 2018, the URA announced revised guidelines to increase the minimum average unit size for non-landed residential projects in the Outside Central Region (OCR) from 70 sqm to 85 sqm. In addition, nine locations in Singapore will be subject to an even more stringent minimum average size requirement of 100 sqm, up from four locations currently. These revisions will take effect from 17 January 2019. With these changes, developers will need to rethink their unit mix for their new projects and build larger sized apartments while also taking into consideration affordability. Other revised guidelines included the reduction of bonus GFA cap for private outdoor spaces from 10% to 7% limiting the size of balconies while also allocating bonus GFA for indoor recreational space, allowing developers to provide additional facilities and covered communal spaces for residents.

The Group is not impacted by these latest revisions since its acquired sites, namely Amber Park, West Coast Vale (now known as Whistler Grand), Handy Road and Sumang Walk EC, have all obtained Planning Permission (PP). For its JV Sengkang Central GLS site, the Group is already in advanced planning stages having won this site via the dual-envelope system and is on-track to obtain its PP before the timeline. The Group will take these new guidelines into consideration in its future land tender assessments.

Against this challenging backdrop for the Singapore private residential market, the Group is cognisant that sales volumes for new residential launches will likely be impacted by the cooling measures as certain buyers adopt a wait-and-see approach, becoming more selective and price-sensitive in their purchases. Nevertheless, the Group had selectively acquired prime sites early in the property cycle that cater to a wide spectrum of the market – from EC, mid to high-end, and has been diligently curating these sites to offer maximum value. Location, pricing, developers' track record and value propositions are factors that will be critical in the buyers' decision-making process and the Group remains confident that its developments offer strong value.

On 3 November 2018, the Group launched its 716-unit Whistler Grand at West Coast Vale, close to Jurong Lake District, earmarked as Singapore's second CBD. Comprising two distinctive 36-storey towers that offer panoramic views of the city, Pandan Reservoir and Bukit Timah Nature Reserve, the project has over 60 recreational facilities spread across six clubs. It has convenient access to amenities and the transportation network via at least four MRT stations across different MRT lines, including the upcoming Jurong Region and Cross Island Lines. With an attractive early bird ASP at $1,380 psf and limited new project launches in the West Coast area, 160 units out of the 240 units released were sold on its first weekend launch. 91% of the buyers are Singaporeans and the remaining 9% are foreigners (including Singapore Permanent Residents). 71% of the Singaporeans and Singapore PRs are first-time home buyers. The good take-up can be attributed to a combination of affordability, good location and appealing design. Many of the units are also affordably priced below the sweet spot of $1 million.

In the eastern part of Singapore, the Group's one-third share JV project, The Jovell, a 428-unit development on Flora Drive off Upper Changi, located near the new Tampines East MRT station, was launched in end September 2018. The project is marketed by its consortium partner and sister company Hong Leong Holdings, which had also led several of the consortium's earlier successful condominium projects in the Flora Drive enclave. To date, a total of 49 units out of 250 units released were sold at an ASP of between $1,250 and $1,300 psf. This site was part of the Group's legacy land bank. As there are no new land sites around this enclave, the project will have its own captive market.

The Group is preparing its other sites to be launch-ready in 1H 2019. These include the Amber Park enbloc site which will yield 592 units, the Handy Road site with 188 units and the EC site at Sumang Walk which will offer 820 units – possibly the only EC launch in 2019.

For the office sector, there are no foreseeable significant headwinds as the market continues to remain robust and healthy take-up is expected to continue. This is evident by the quarter-on-quarter increase in rental and occupancy rates across various industries. In addition, co-working operators remain active in their bid to secure additional locations and have been occupying some of the new office spaces.

The ongoing AEI exercise at Republic Plaza is progressing smoothly and is expected to complete by 2H 2019, enabling the Group to tap on the improving office sentiment.

Hotel

The hospitality sector is faced with challenging trading conditions, including significant supply growth, technological disruption, industry consolidation as well as rising minimum wage requirements and labour costs in key jurisdictions. These challenges, which have impacted the availability of talent and reduced margins, are further exacerbated by geopolitical headwinds such as the uncertainty surrounding Brexit and global trade tensions.

M&C will manage these issues through product innovation, tighter cost control over all capital and operational expenses and by flattening the management structure to streamline its operations, improve efficiency and enhance its competitiveness, in light of the disruptive economy. M&C will explore ways to transform its business operations, while embracing its twin strategy of being both an operator and owner. In addition, M&C will continue to focus on delivering value from significant capital expenditure projects as well as the repositioning of the Mayfair property as a 5-star deluxe hotel and the development of its new hotel and residential apartment complex in Sunnyvale California, which broke ground in October 2018.

Mr Tan Kian Seng was reappointed as M&C's interim CEO in September following the departure of former CEO Ms Jennifer Fox. The M&C Board is confident that Mr Tan's appointment will provide stability, which will give it adequate time to search for the right person to drive M&C forward as a niche owner-operator of hospitality assets.

Group Prospects

The persistent headwinds for the Singapore residential property market seem unlikely to abate in the near-term. Macroeconomic uncertainties arising from political tensions, midterm elections in the US, interest rate hikes, currency crises and trade disputes, further exacerbate the already jittery global financial markets.

The change in the business landscape is a fitting reminder that well-diversified companies will have a better chance of weathering headwinds that may impact any specific sector. The Group is fortunate to have diversified in terms of product, sector and geography. These various platforms enable it to better navigate through cyclical market headwinds and manage its overall financial performance, while still ensuring a strong balance sheet. While Singapore will always remain as the Group's core focus, it will continue to explore opportunities both domestically and overseas.

The Group remains focused on strong execution of its development projects and growing its recurring EBITDA while maintaining its strategic and disciplined approach towards maximising shareholder's returns.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

The Company had paid the following tax-exempt (one-tier) special interim ordinary dividend to ordinary shareholders and non-cumulative preference dividends to holders of City Developments Limited Non-redeemable Convertible Non-cumulative Preference Shares ("Preference Shares").

Name of dividend	Tax exempt (One-tier) Special Interim Ordinary Dividend	Tax exempt (One-tier) Preference Dividend
Date of payment	12 September 2018	2 July 2018
Dividend type	Cash	Cash
Dividend amount (in cents)	6.0 cents per Ordinary Share	1.94 cents per Preference Share^
Dividend rate (in %)	N.A.	3.9% per annum of the issue price of each Preference Share
Dividend period	N.A.	From 31 December 2017 to 30 June 2018 (both dates inclusive)
Issue price	N.A.	$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.*

On 8 November 2018, the Board of Directors, pursuant to the recommendation of the Audit and Risk Committee, declared the payment of a tax-exempt (one-tier) non-cumulative preference dividend to holders of the City Developments Limited Preference Shares in accordance with the terms of issue of the Preference Shares. The 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 183 days, being the actual number of days comprised in the dividend period from 1 July 2018 to 30 December 2018, divided by 365 days.

Name of Dividend	Tax-exempt (One-tier) Preference Dividend
Date of payment	31 December 2018
Dividend Type	Cash
Dividend Amount (in cents)	1.96 cents per Preference Share
Dividend rate (in %)	3.9% per annum of the issue price of each Preference Share
Dividend period	From 1 July 2018 to 30 December 2018 (both dates inclusive)
Issue price	$1.00 per Preference Share

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

	Tax exempt (One-tier) Special Interim Ordinary Dividend	Tax exempt (One-tier) Preference Dividend	
Date of payment	13 September 2017	30 June 2017	2 January 2018
Dividend type	Cash	Cash	Cash
Dividend amount (in cents)	4.0 cents per Ordinary Share	1.93 cents per Preference Share^	1.97 cents per Preference Share^
Dividend rate (in %)	N.A.	3.9% per annum of the issue price of each Preference Share	3.9% per annum of the issue price of each Preference Share
Dividend period	N.A.	From 31 December 2016 to 29 June 2017 (both dates inclusive)	From 30 June 2017 to 30 December 2017 (both dates inclusive)
Issue price	N.A.	$1.00 per Preference Share	$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

The tax-exempt (one-tier) preference dividend for the period from 1 July 2018 to 30 December 2018 (both dates inclusive) will be paid on 31 December 2018.

(d) Books Closure Date

5pm on 5 December 2018.

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

Not applicable.

13. Interested Person Transactions

Interested Persons	Aggregate value of all interested person transactions conducted in the third quarter ended 30 September 2018 under the IPT Mandate pursuant to Rule 920 (excluding transactions less than $100,000)	
Hong Leong Investment Holdings Pte. Ltd. group of companies	<u>Property-related</u> Provision to interested persons of (i) project management services; (ii) marketing services; and (iii) property management and maintenance and customer services	$13,392,804.35
	<u>Management and Support Services</u> Provision to interested persons of (i) accounting and administrative services; and (ii) financial services	$695,806.00
	Total:	**$14,088,610.35**
Directors and their immediate family members		Nil

14. Segment Reporting

By Business Segments

	The Group			
	Third quarter ended 30 September		9-month period ended 30 September	
	2018	2017 (Restated)	2018	2017 (Restated)
	S$'000	S$'000	S$'000	S$'000
Revenue				
Property Development	466,513	291,210	1,848,394	893,254
Hotel Operations*	428,083	445,312	1,226,554	1,244,012
Rental Properties	86,643	89,216	255,399	260,785
Others	35,640	38,073	103,902	103,385
	1,016,879	**863,811**	**3,434,249**	**2,501,436**
Profit before tax**				
Property Development	154,812	84,367	490,556	263,857
Hotel Operations	36,685	74,207	93,131	147,985
Rental Properties	43,957	63,413	131,034	120,282
Others	7,024	9,905	20,523	14,139
	242,478	**231,892**	**735,244**	**546,263**

***** *Revenue from hotel operations includes room revenue of $835.9 million (YTD Sep 2017: $864.9 million) for YTD Sep 2018 from hotels that are owned by the Group.*

****** *Includes share of after-tax profit/(loss) of associates and joint ventures.*

15. 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 $175.3 million to $466.5 million (Q3 2017: $291.2 million) for Q3 2018 and $955.1 million to $1,848.4 million (YTD Sep 2017: $893.3 million) for YTD Sep 2018.

Pre-tax profits increased by $70.4 million to $154.8 million (Restated Q3 2017: $84.4 million) for Q3 2018 and $226.7 million to $490.6 million (Restated YTD Sep 2017: $263.9 million) for YTD Sep 2018.

Projects that contributed to both revenue and profit in YTD Sep 2018 include Gramercy Park, New Futura, The Brownstone EC, The Criterion EC, The Tapestry, Park Court Aoyama The Tower, Coco Palms, Hongqiao Royal Lake and HLCC. In accordance with the Group's policy of equity accounting for the results of its joint ventures, whilst revenue from joint venture developments such as Forest Woods had not been consolidated into the Group's total revenue, the Group's share of profits arising from joint venture developments had been included in pre-tax profits.

The increase in revenue for Q3 2018 and YTD Sep 2018 was due to contribution from New Futura and Park Court Aoyama The Tower, coupled with increased contribution from HLCC, partially offset by lower contribution from Gramercy Park and Coco Palms. Phase 2 of HLCC was completed in May 2018 and profit was recognised in entirety for 264 units that were handed over to purchasers in the current 9-month period. For YTD Sep 2018, the significant increase was further boosted by full recognition from The Criterion EC, which obtained Temporary Occupation Permit (TOP) in February 2018. Under prevailing accounting standards, both revenue and profit for EC are recognised in entirety upon TOP. Lower revenue from The Venue Residences following its completion in Q4 2017 had partially offset the increase for YTD Sep 2018.

The increases in pre-tax profits for Q3 2018 and YTD Sep 2018 were in tandem with the increases in revenue, coupled with the higher share of contribution from Forest Woods but partially offset by lower contribution from FSGL due to lesser residential units in the Millennium Waterfront project being handed over in current period. Further, the absence of writeback of allowance for foreseeable losses for The Venue Residences of $15.4 million recorded in Q2 2017 and share of contribution from Commonwealth Towers (another joint venture project which was completed in Q4 2017) had partially offset the increase.

Hotel Operations

Revenue for this segment decreased by $17.2 million to $428.1 million (Q3 2017: $445.3 million) for Q3 2018 and $17.4 million to $1,226.6 million (YTD Sep 2017: $1,244.0 million) for YTD Sep 2018.

Pre-tax profits decreased by $37.5 million to $36.7 million (Restated Q3 2017: $74.2 million) for Q3 2018 and $54.9 million to $93.1 million (Restated YTD Sep 2017: $148.0 million) for YTD Sep 2018.

The decreases in revenue for Q3 2018 and YTD Sep 2018 were due largely to the full closure of Millennium Hotel London Mayfair at beginning of July 2018 to facilitate on-going refurbishment work as well as lower contribution from Millennium Hilton Bangkok (another hotel undergoing phased refurbishment) and Maldives which was impacted by closure of Dehevanafushi Maldives Luxury Resort in June 2018 (for rebranding exercise to a “Raffles” resort). Further, the weakened USD in the current 9-month period also negatively impacted hotel revenue for YTD Sep 2018, despite higher RevPAR in constant currency. The declines were however mitigated by contributions from M Social Auckland.

Other than the lower revenue for hotel operations being reported, the pre-tax profit of Q3 2018 and YTD Sep 2018 were also impacted by several factors including increase in payroll related costs both at the hotels and corporate offices, continuation of incurring certain fixed costs for Millennium Hotel London Mayfair despite its full closure. There were several one-off items in Q2 2017 including the writeback of impairment loss of $22 million on loans granted to Fena and an impairment of goodwill arising from the acquisition of The Lowry Hotel.

Rental Properties

Revenue for this segment remained relatively constant at $86.6 million (Q3 2017: $89.2 million) for Q3 2018 and $255.4 million (YTD Sep 2017: $260.8 million) for YTD Sep 2018.

Pre-tax profits decreased by $19.4 million to $44.0 million (Restated Q3 2017: $63.4 million) for Q3 2018 but increased by $10.7 million at $131.0 million (Restated YTD Sep 2017: $120.3 million) for YTD Sep 2018.

The substantial decrease in pre-tax profit for Q3 2018 was primarily due to gain of $30 million recognised in September 2017 on the disposal of an office building in Osaka. In Q3 2018, the Group recognised a divestment gain of $12 million on disposal of a vacant shophouse plot at Jalan Besar. Beside the disposal of aforesaid vacant shophouse plot at Jalan Besar, the increase in YTD Sep 2018 was also due to a gain of approximately $29 million recognised on divestment of Mercure Brisbane and Ibis Brisbane in January 2018 by CDLHT. This was partially offset by the divestment gain recognised from an office building last year.

Others

Revenue, comprising mainly income from building maintenance contracts, project management, club operations, laundry services and dividend income, decreased by $2.5 million to $35.6 million (Restated Q3 2017: $38.1 million) for Q3 2018 but remained flat at $103.9 million (Restated YTD Sep 2017: $103.4 million) for YTD Sep 2018. The decrease for Q3 2018 was due to lower management fees earned.

Pre-tax profits decreased by $2.9 million to $7.0 million (Restated Q3 2017: $9.9 million) for Q3 2018 but increased by $6.4 million to $20.5 million (Restated YTD Sep 2017: $14.1 million) for YTD Sep 2018. The decrease for Q3 2018 was in tandem with the decrease in revenue, coupled with fair value loss on re-measurement of financial assets measured at fair value through profit or loss. For YTD Sep 2018, the increase was attributable to higher share of profit from FSGL’s property financing business derived from loans advanced to its associates and joint ventures in Europe region, increased loan portfolio in China as well as net penalty interest income recognised from successful enforcement on the defaulted loans. The increase was partially offset by fair value loss on re-measurement of financial assets including quoted equities and funds.

16. 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 18 of Appendix 7.2 for the required details*)

	Full Year 2017 S$'000	Full Year 2016 S$'000
Ordinary	72,744	72,744
Special	90,930	72,744
Preference	12,904	12,922
Total	**176,578**	**158,410**

The final tax-exempt (one-tier) ordinary dividend and special final tax-exempt (one-tier) ordinary dividend for the year ended 31 December 2017 of 8.0 cents and 6.0 cents respectively per ordinary share had been approved by the ordinary shareholders at the Annual General Meeting held on 25 April 2018 and the dividend amounts are based on the number of issued ordinary shares as at 2 May 2018.

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

Not applicable.

18. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 in accordance with Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Shufen Loh @ Catherine Shufen Loh
Company Secretary
8 November 2018

CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

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 third quarter and the 9-month period ended 30 September 2018 to be false or misleading in any material respect.

On behalf of the Board of Directors

Kwek Leng Beng
Executive Chairman

Lim Yin Nee Jenny
Director

Singapore, 8 November 2018

News Release

8 November 2018

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.

For media enquiries, please contact:

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

Tel: (65) 6428 9315
Email: belindalee@cdl.com.sg

Tan Hock Lee
Senior Manager, Corporate Communications
City Developments Limited

Tel: (65) 6428 9312
Email: hocklee@cdl.com.sg

Q3 2018 Results Presentation

8 November 2018

Agenda |

- General Overview
- Financial Highlights
- Singapore Operations
- International Operations
- Hospitality

General Overview

Key Highlights

- **Residential sales highlights:**

  SINGAPORE: Sold 787 units with total sales value of $1.56 billion* for YTD Sep 2018

  - **Ongoing sales of 2018 launched projects healthy**:
    - New Futura: 104 units (84%) sold^ with ASP of over $3,500 psf
    - The Tapestry: 544 units of 600 released units (91%) sold^ with ASP of around $1,350 psf
  - **Preview of South Beach Residences in Sep 2018, in conjunction with F1 Singapore Grand Prix:**
    - 12 units of 50 released units (24%) sold^
    - Includes a 6,728 sq ft super penthouse sold for $26 million
  - **Positive response to Whistler Grand launch on 3 Nov 2018:**
    - 160 units (out of 240 units released) sold^ with ASP of $1,380 psf over launch weekend

  OVERSEAS: Sold 193 units with sales value of RMB 633.58 million** and 16 villas with sales value of RMB 345.86 million** in China for YTD Sep 2018

- **HOTELS: M&C delivered mixed trading results**, impacted by full closure of Millennium Hotel London Mayfair in July 2018 and higher payroll related expenditure

- **Group's EBITDA increased 24% for YTD Sep 2018 to $951 million**, bolstered by strong recognition of profits from property development sales

- **Asset portfolio growth – $2.5 billion of acquisitions and investments to date^, including:**
  - **Singapore:** Sengkang Central mixed-use GLS site for $777.78 million
  - **Overseas**: Expansion of UK commercial portfolio with acquisitions of prime freehold commercial properties in London:
    - Aldgate House for £183 million
    - 125 Old Broad Street for £385 million

Aldgate House, London

* Includes Executive Condominiums (ECs) and **share of JV partners ^ As of 4 Nov 2018

Key Financial Highlights – Q3 2018

Revenue	EBITDA	PATMI	Basic EPS
$1.017 billion	**$319.3** million	**$161.8** million	**17.8** cents
▲ **17.7%**	▲ **5.7%**	▲ **10.4%**	▲ **10.6%**
Q3 2017 (Restated) *:			
$0.864 billion	**$302.2 million**	**$146.6 million**	**16.1 cents**

- Robust Q3 2018 performance underpinned by the property development segment, largely due to New Futura

No fair values adopted on investment properties.
Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.
* *Restated due to adoption of SFRS(I) 1 & 15.*

Key Financial Highlights – YTD Sep 2018

Revenue	EBITDA	PATMI	Basic EPS
$3.434 billion	**$950.9** million	**$446.6** million	**48.4** cents
▲ **37.3%**	▲ **24.4%**	▲ **25.4%**	▲ **25.7%**
YTD Sep 2017 (Restated) *:			
$2.501 billion	**$764.5 million**	**$356.3 million**	**38.5 cents**

NAV per share

$11.20

▲ **6.5% YoY**

FY 2017 (Restated) *:

$10.52

- YTD Sep 2018: Solid financial performance due to strong property development segment from both local and overseas projects

No fair values adopted on investment properties.
Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.
* *Restated due to adoption of SFRS(I) 1 & 15.*

Portfolio Composition – YTD Sep 2018

S$ million	Property Development	Recurring Income Segments: Hotel Operations	Recurring Income Segments: Rental Properties	Recurring Income Segments: Others	Total
EBITDA *					
Local	314	57	124	6	501
Overseas	186	150	89	25	450
	500	**207**	**213**	**31**	**951**
Total Assets ^					
Local	5,981	693	3,167	591	10,432
Overseas	3,017	4,754	1,790	367	9,928
	8,998	**5,447**	**4,957**	**958**	**20,360**

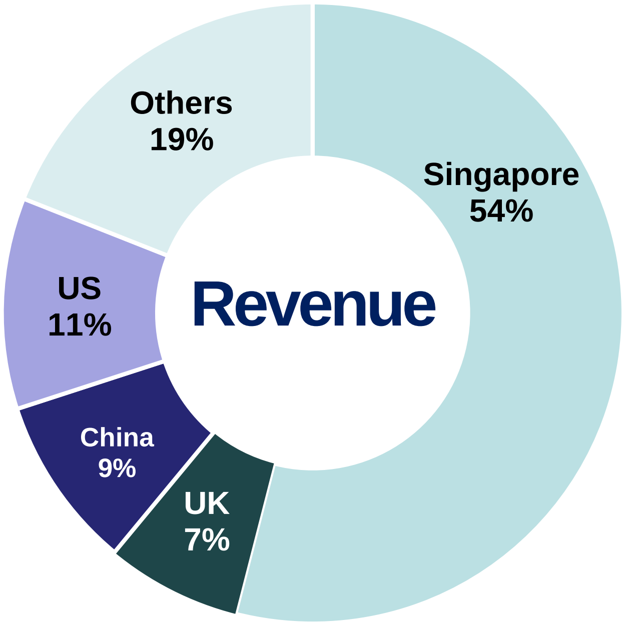
* Earnings before interest, tax, depreciation and amortisation.

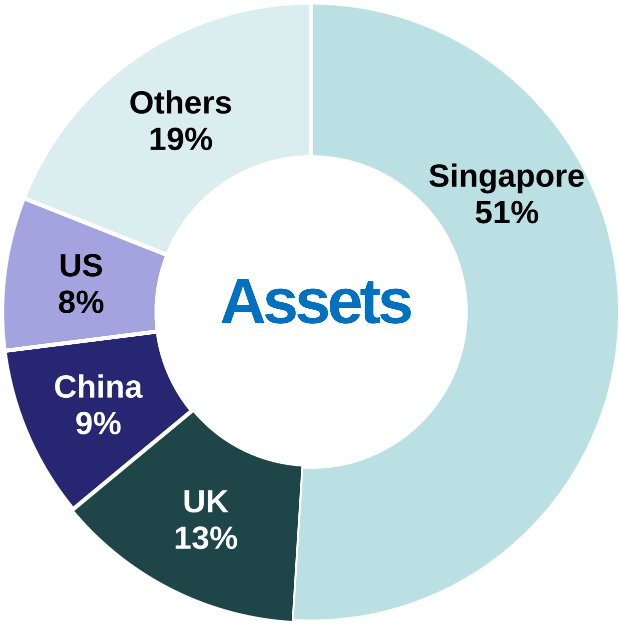
^ Excludes tax recoverable and deferred tax asset.

Diversified Global Portfolio

Deepening Presence in Key Markets

➢ Geographical diversification allows flexibility to capitalise on opportunities





YTD Sep 2018

Diversified Land Bank – CDL's Attributable Share

Land Area (as of 30 Sep 2018)

Type of Development	Land Area (sq ft)			
	Singapore	International	Total	%
Residential	1,060,217	1,714,143	2,774,360	93
Commercial / Hotel	66,401	132,706	199,107	7
Total	**1,126,618**	**1,846,849**	**2,973,467**	**100**

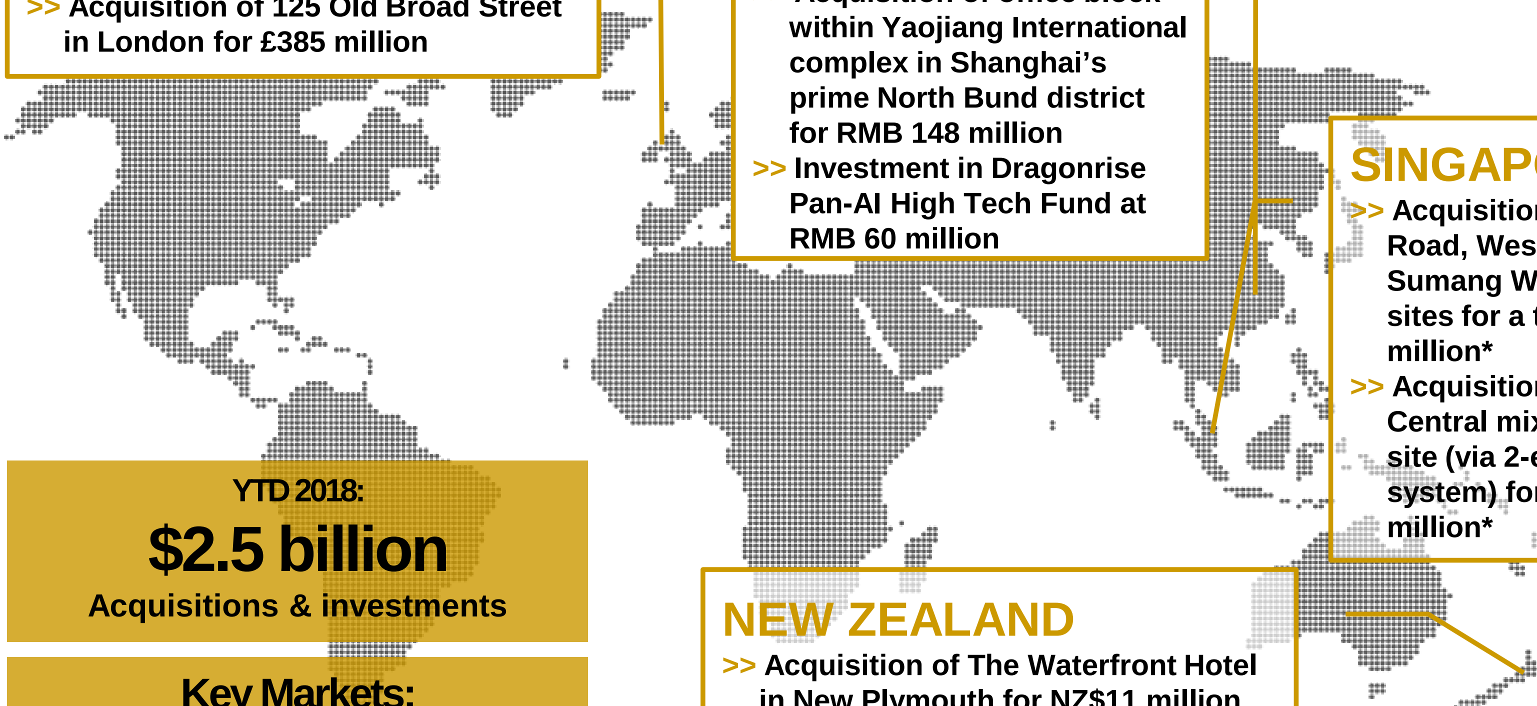
Proposed GFA (as of 30 Sep 2018)

Country	Proposed GFA (sq ft)			
	Residential	Commercial / Hotel	Total	%
Singapore	2,336,306	172,707	2,509,013	47
UK	1,542,238	217,371	1,759,609	33
China	322,081	69,140	391,221	7
Others *	668,283	-	668,283	13
Total	**4,868,908**	**459,218**	**5,328,126**	**100**

* Includes Japan and Malaysia

Grow Global Footprint

Strategic Investments and Diversifications YTD 2018



UK

- >> Acquisition of Aldgate House in London for £183 million
- >> Acquisition of 125 Old Broad Street in London for £385 million

CHINA

- >> E-House IPO – HK$237.81 million
- >> Acquisition of office block within Yaojiang International complex in Shanghai's prime North Bund district for RMB 148 million
- >> Investment in Dragonrise Pan-AI High Tech Fund at RMB 60 million

SINGAPORE

- >> Acquisition of Handy Road, West Coast Vale and Sumang Walk EC GLS sites for a total of $990.2 million*
- >> Acquisition of Sengkang Central mixed-use GLS site (via 2-envelope tender system) for $777.78 million*

NEW ZEALAND

- >> Acquisition of The Waterfront Hotel in New Plymouth for NZ$11 million by Millennium & Copthorne Hotels New Zealand Limited

YTD 2018:

$2.5 billion

Acquisitions & investments

Key Markets:

Singapore, China, UK & Europe, Japan & Australia

* Includes JV partners / associates share

Acquisition of Mixed-use Site at Sengkang Central

Successful JV bid for Prime Commercial & Residential Site at $777.78 million

Two-envelope Concept and Price Revenue tender system

- CDL and its 50% JV partner successfully tendered for the prime Sengkang Central GLS site via the two-envelope tender system on 16 Aug 2018
  - Site is the largest commercial and residential site awarded since 2015
- Attractive integrated site in the heart of Sengkang Central:
  - Direct access to Buangkok MRT station and future bus interchange
  - Development will incorporate a linear park that runs along the entire frontage of the development along Sengkang Central and Compassvale Ancilla Park
- 3.7 hectare site to be transformed into an integrated community hub with 700 residential apartments and amenities
- Non-remittable and revised ABSD rate (imposed from 6 Jul 2018) will not apply for this site acquisition
- Target completion in 1H 2022

Site Information	
Site Area	37,254.9 sqm
Maximum GFA	78,236 sqm (plot ratio – 2.1)
Land Price	$777.78 million / $923.60 psf ppr
Tenure	99-year leasehold

Expansion of UK Commercial Portfolio

Acquisition of 2 Prime Grade A Freehold Commercial Properties

	Aldgate House	125 Old Broad Street
Location	33 Aldgate High Street London EC3N 1DL	125 Old Broad Street London EC2N 1AR
	Grade A office, retail and ancillary spaces over 2 basements, ground, mezzanine and 8 upper floors	Grade A office and retail over 3 basements and 26 upper floors
Land Tenure	Freehold	Freehold
NLA	211,000 sq ft	329,200 sq ft
Acquisition Price	£183 million (approx. $328 million)	£385 million (approx. $687 million)
Occupancy	88%	100%
WAULT^	5.8 years (to lease breaks) / 7.5 years (to lease expiries)*	5 years (to lease breaks) / 5.4 years (to lease expiries)*
Passing Yield	~5%	~4.7%

125 Old Broad Street

Aldgate House

Acquisitions enhance CDL's recurring income portfolio:
- Immediate contribution to recurring income
- Both properties have strong potential for positive rental reversions

^ Weighted Average Unexpired Lease Term (WAULT)

* as at 1 Aug 2018

ESG & Sustainability Performance

Key Accolades in 2018

SIAS INVESTORS' CHOICE AWARDS

Securities Investors Association (Singapore) Investors' Choice Awards 2018
- **Sustainability Award** – Winner
- **Most Transparent Company Award** – Runner-up, Properties Category

GLOBAL100

Only Singapore company to be ranked for 9 consecutive years

GRESB REAL ESTATE Sector Leader 2018

Sector Leader for Office in Singapore and Asia

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

1st Singapore company to have carbon reduction targets validated

MEMBER OF Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

Listed on other key sustainability benchmarks:
- Dow Jones Sustainability Indices (since 2011)
- FTSE4Good Index Series (since 2002)
- MSCI ESG Leaders Indexes (since 2009)
- Carbon Disclosure Project (since 2007)

Green Bond Awards 2018
Climate Bonds

Green Bond Awards 2018
In recognition of CDL's issuance of the first green bond by a Singapore company in 2017

2018
Bloomberg
Gender-Equality Index

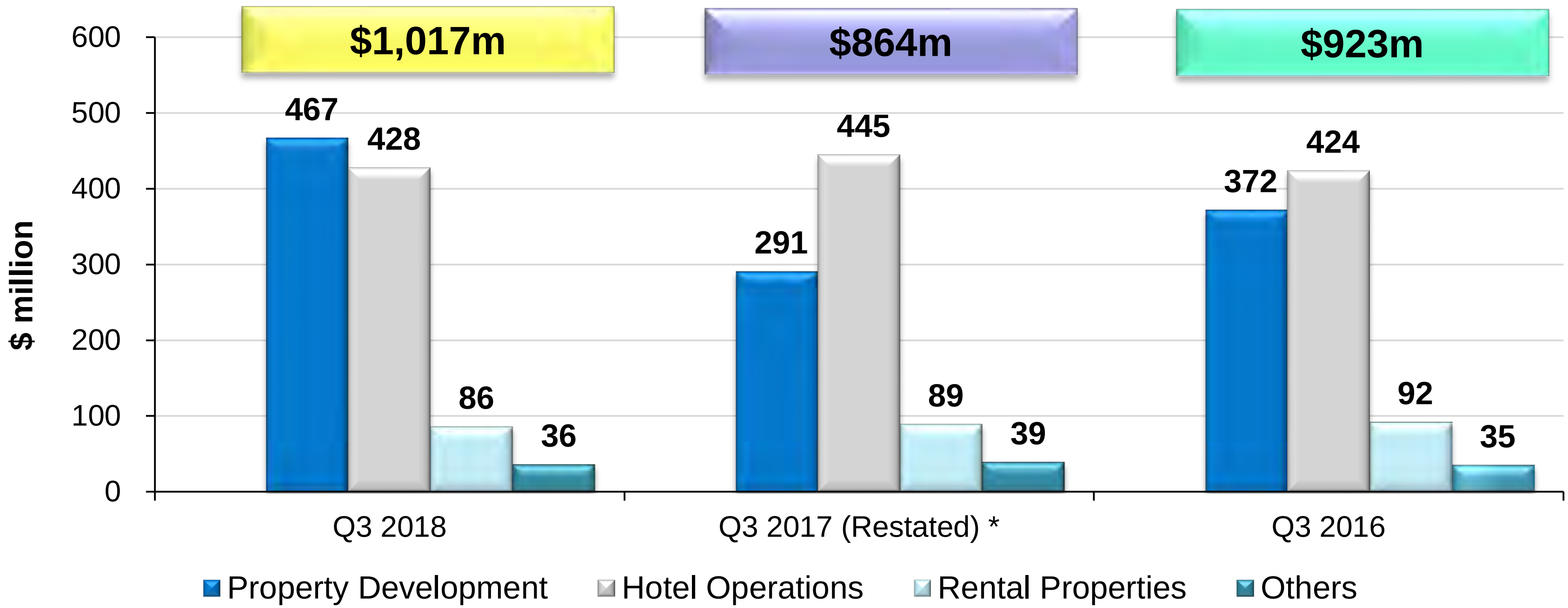
Bloomberg Gender-Equality Index (GEI) 2018
One of two Singapore companies to be listed on the inaugural sector-neutral Bloomberg GEI

Sustainable Business Awards Singapore 2018
- **Overall Winner**
- **Best Climate Change**
- **Special Recognition, Workforce**

Financial Highlights

Financial Highlights

Revenue by Segment for 3rd Quarter (2016 – 2018)

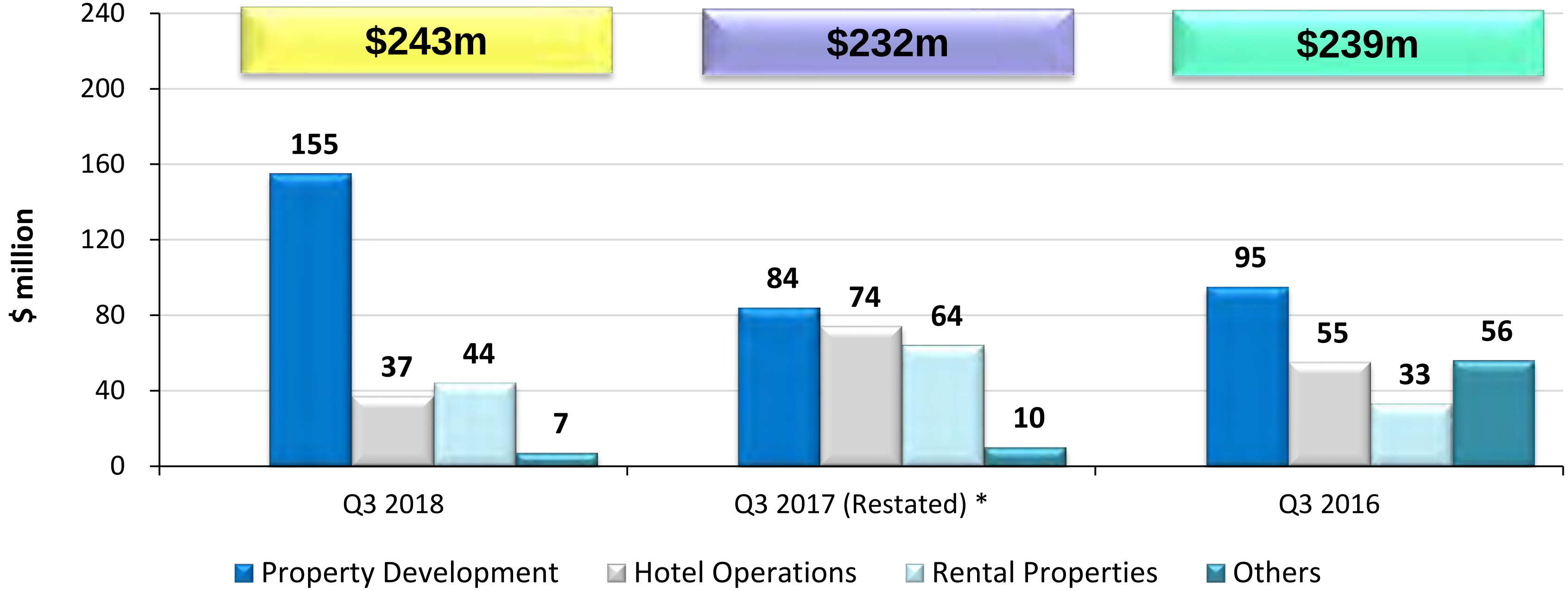


	Q3 2018	Q3 2017 (Restated) *	Q3 2016
Property Development	46%	34%	40%
Hotel Operations	42%	52%	46%
Rental Properties	9%	10%	10%
Others	3%	4%	4%

* *Restated due to adoption of SFRS(I) 1 & 15 for 2017 only.*

Financial Highlights

Profit Before Tax by Segment for 3rd Quarter (2016 – 2018)

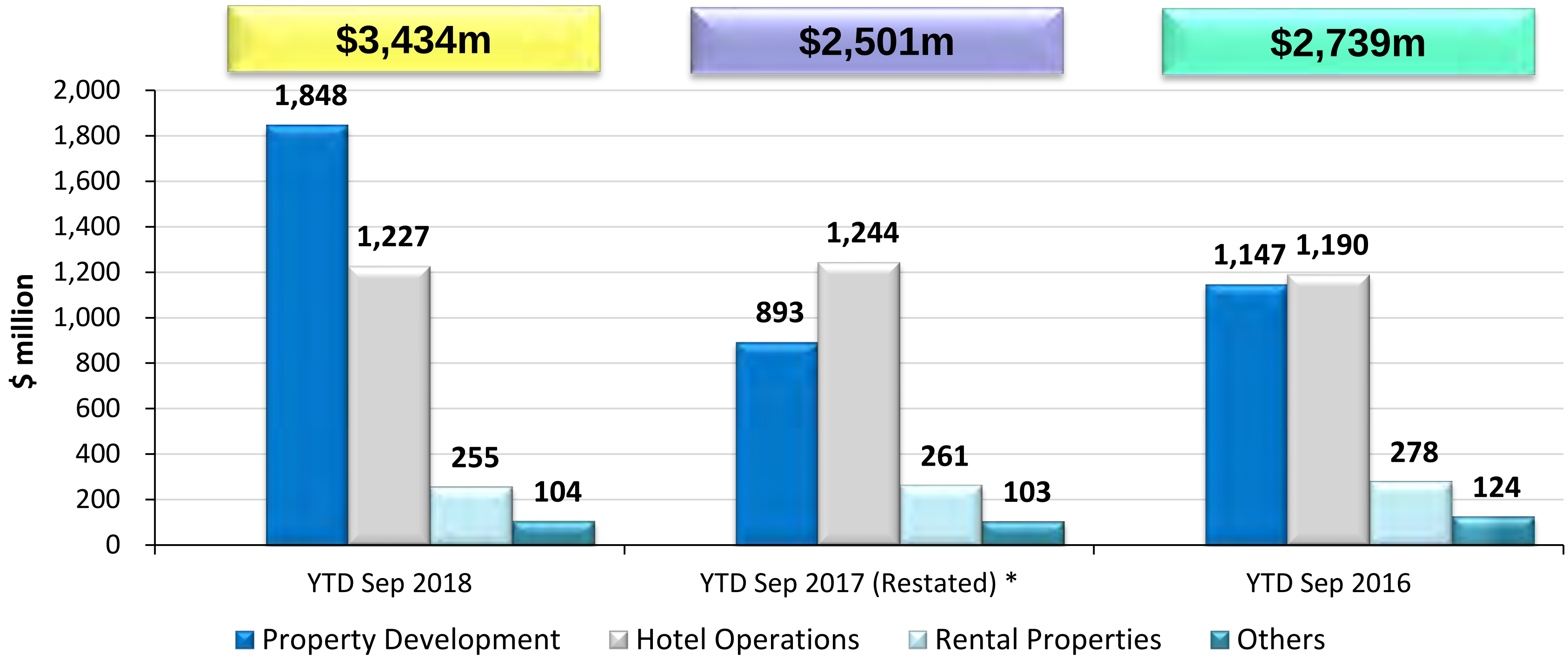


	Q3 2018	Q3 2017 (Restated) *	Q3 2016
Property Development	**64%**	**36%**	**40%**
Hotel Operations	**15%**	**32%**	**23%**
Rental Properties	**18%**	**28%**	**14%**
Others	**3%**	**4%**	**23%**

* *Restated due to adoption of SFRS(I) 1 & 15 for 2017 only.*

Financial Highlights

Revenue by Segment for YTD Sep (2016 – 2018)

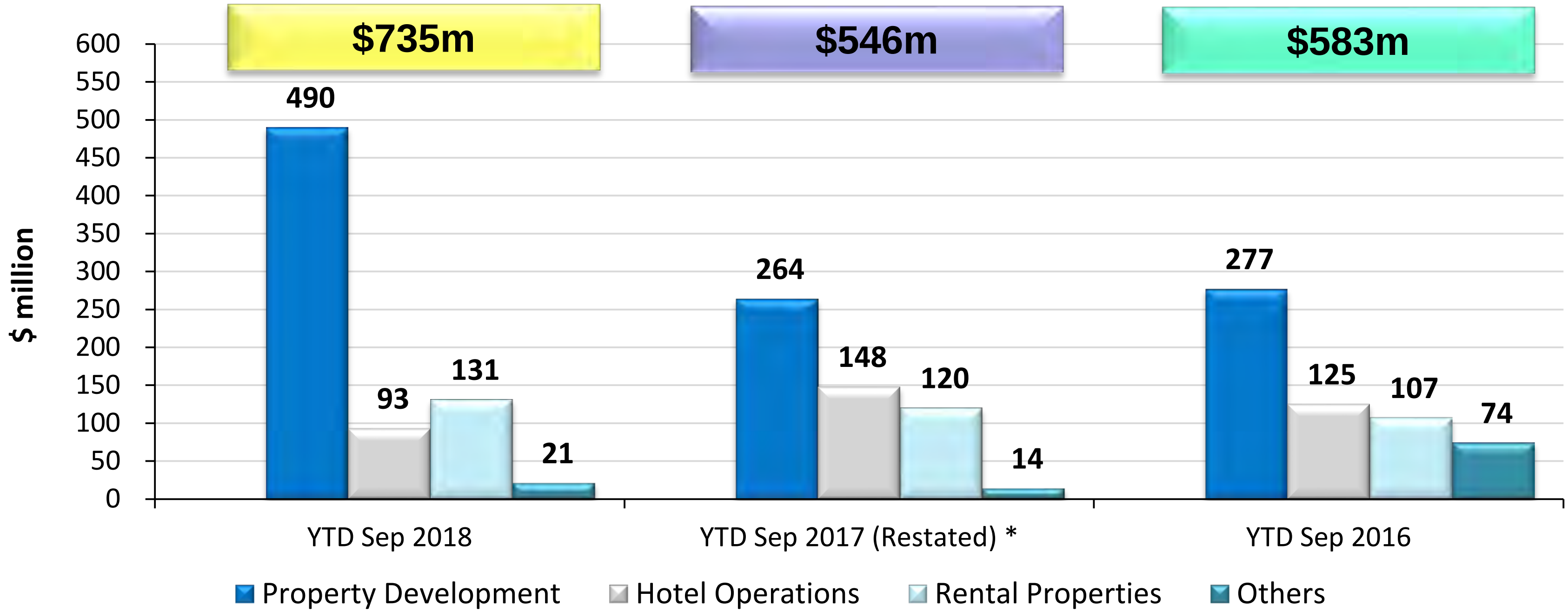


	YTD Sep 2018	YTD Sep 2017 (Restated) *	YTD Sep 2016
Property Development	**54%**	**36%**	**42%**
Hotel Operations	**36%**	**50%**	**43%**
Rental Properties	**7%**	**10%**	**10%**
Others	**3%**	**4%**	**5%**

* *Restated due to adoption of SFRS(I) 1 & 15 for 2017 only.*

Financial Highlights

Profit Before Tax by Segment for YTD Sep (2016 – 2018)

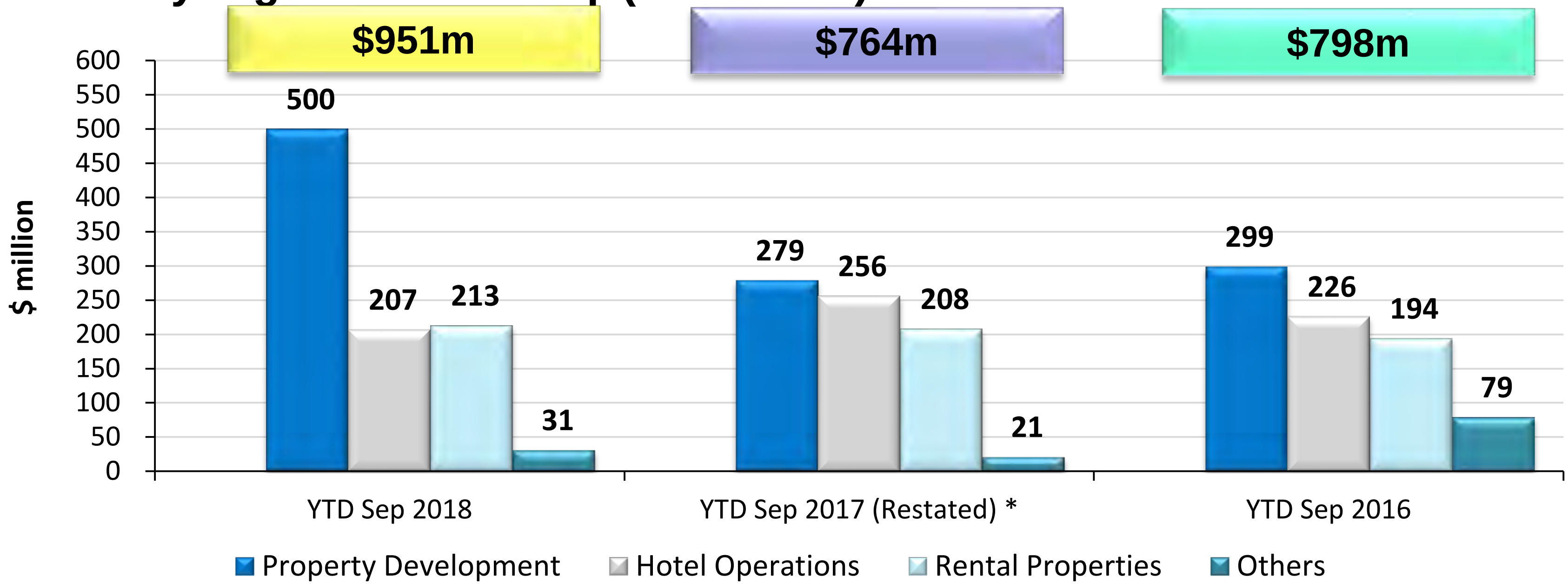


	YTD Sep 2018	YTD Sep 2017 (Restated) *	YTD Sep 2016
Property Development	67%	48%	48%
Hotel Operations	13%	27%	21%
Rental Properties	18%	22%	18%
Others	2%	3%	13%

* *Restated due to adoption of SFRS(I) 1 & 15 for 2017 only.*

Financial Highlights

EBITDA by Segment for YTD Sep (2016 – 2018)



	YTD Sep 2018	YTD Sep 2017 (Restated) *	YTD Sep 2016
Property Development	**53%**	**36%**	**38%**
Hotel Operations	**22%**	**34%**	**28%**
Rental Properties	**22%**	**27%**	**24%**
Others	**3%**	**3%**	**10%**

* *Restated due to adoption of SFRS(I) 1 & 15 for 2017 only.*

Financial Highlights

Balance Sheet

	As at 30/09/18	As at 31/12/17
Gross borrowings	$5,657m	$5,036m
Cash and bank balances ^	$2,859m	$3,989m
Net borrowings	$2,798m	$1,047m
Net gearing ratio without taking in fair value gains on investment properties	23%	9%
Net gearing ratio after taking in fair value gains on investment properties	17%	7%
Interest cover ratio	16.6 x	13.5 x (Restated) *

^ Include restricted deposits of $243m (2017: $214m) classified as non current assets

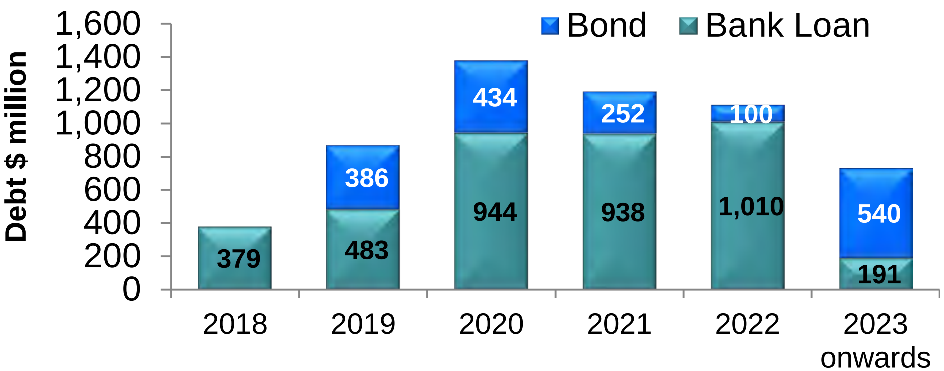
* *Restated due to adoption of SFRS(I) 1 & 15*

Financial Highlights

CDL Group – Prudent Capital Management

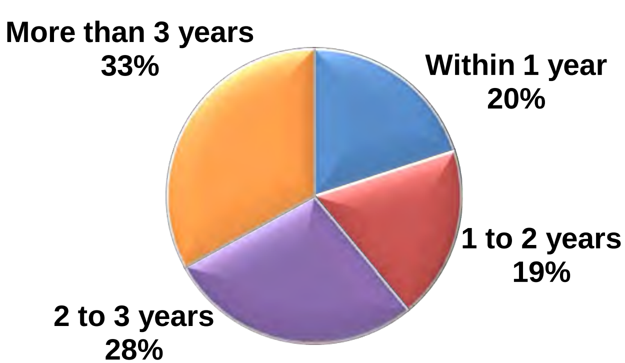
- Balanced debt expiry profile
- Balanced debt currency mix – adopting a natural hedging strategy
- Average borrowing cost kept low
- Balance of fixed rate borrowings to mitigate rate hikes

Debt Expiry Profile

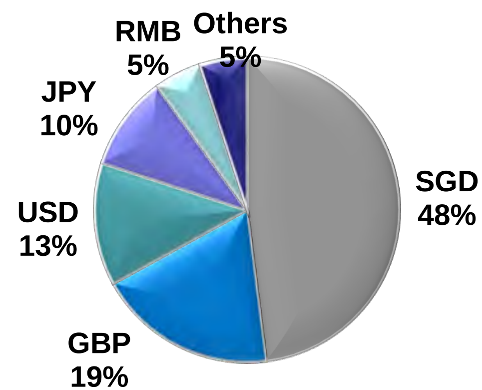


	30/9/2018	31/12/2017
Average Borrowing Cost	2.3%	2.2%
% Secured Borrowings	26%	12%
% Fixed Rate Debt	53%	42%

Debt Maturity



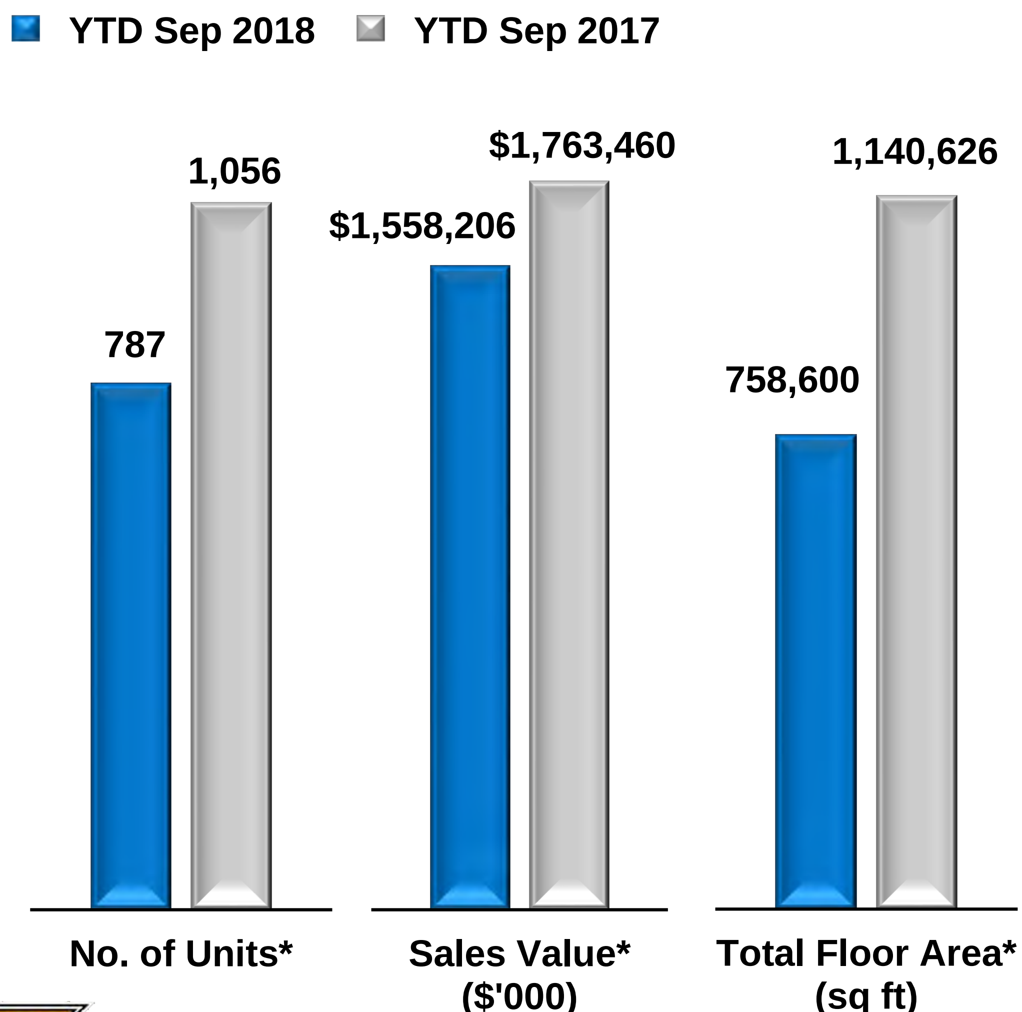
Debt Currency Mix



Singapore Operations

Singapore Property Development

Residential Units Sold by CDL



Stronger residential sales in YTD Sep 2017 primarily driven by existing inventory:

- Gramercy Park
- Commonwealth Towers
- The Brownstone and The Criterion Exec Condos (ECs)

Comparatively, YTD Sep 2018 residential sales comprises mainly new launches:

- New Futura
- The Tapestry
- The Jovell

* Includes share of JV partners

Singapore Property Development

Steady Sales for Launched Projects

NEW FUTURA

Location	Tenure	Equity Stake	Total Units	Total Units Sold*	% Sold*	Total Saleable Area (sq ft)
Leonie Hill Road	Freehold	100%	124	104	84%	248,199


New Futura

Sold 104 units, including 2 penthouses

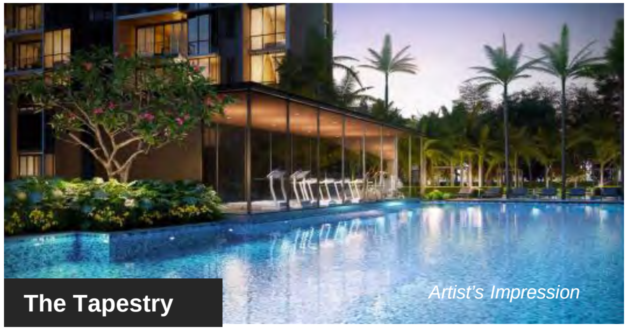
- To date, 104 units (84%) including the two penthouses have been sold
- Achieved average selling price (ASP) of over $3,500 psf
- About 80% of buyers are foreigners (including Permanent Residents)
- All units except one 2-bedroom apartment in South Tower are fully sold

THE TAPESTRY

Location	Tenure	Equity Stake	Total Units	Units Released	Total Units Sold*	% Sold*	Total Saleable Area (sq ft)
Tampines Ave 10	99-year leasehold	100%	861	600	544	^91%	652,950

Sold 91% out of 600 units released

- To date, 544 units have been sold out of 600 units released
- Achieved ASP of about $1,350 psf
- 80% of buyers are Singaporean, mainly first-time buyers



The Tapestry

** As of 4 Nov 2018 ^ Based on released units*

Singapore Property Development

South Beach Residences – Positive Response to Private Previews

Location	Tenure	Equity Stake	Total Units	Units Released	Total Units Sold*	% Sold*	Total Saleable Area (sq ft)
Beach Road	99-year leasehold	50.1%	190	50	12	^24%	347,510

Exclusive Private Previews held in conjunction with the Singapore Grand Prix in Sep 2018:

- The exclusive 190-unit South Beach Residences is housed within the 45-storey South Tower of the integrated development (from levels 22 to 45)
  - Comprises two-, three- and four-bedroom apartments, as well as penthouses offering 3, 4 or 5 bedrooms
  - All units are generously-sized from 936 square feet for a two-bedroom apartment to 6,728 square feet for a five-bedroom super penthouse.
- To date, 12 out of 50 units released have been sold, including the 6,728 sq ft super penthouse, which was sold for $26 million

** As of 4 Nov 2018* *^ Based on released units*

Singapore Property Development

The Jovell – Launched in end Sep 2018

Location	Tenure	Equity Stake	Total Units	Units Released	Total Units Sold*	% Sold*	Total Saleable Area (sq ft)
Flora Drive	99-year leasehold	33%	428	250	49	^20%	324,000

Units sold at ASP of $1,250 – $1,300 psf:

- Located at Upper Changi – easy access to Changi Airport, Changi Business Park, Downtown East, and expressways to the city
- Development comprises 428 units housed in nine eight-storey residential blocks:
  - Unit sizes range from 441 sq ft for a 1-bedroom, 635 sq ft for a 2-bedroom, 904 sq ft for a 3-bedroom to 1,270 sq ft for a 4-bedroom.
- Project is being marketed by JV partners
- Site is part of the Group's legacy land bank in the Flora Drive residential enclave at Upper Changi. Earlier projects include Azalea Park, Ballota Park, Carissa Park, Dahlia Park, Edelweiss Park, Ferraria Park, The Gale, Hedges Park and The Inflora.

** As of 4 Nov 2018* *^ Based on released units*

Latest Residential Launch

Whistler Grand –160 units sold over Launch Weekend

Whistler Grand

Location	Tenure	Equity Stake	Total Units	Units Released	Total Units Sold*	% Sold*	Total Saleable Area (sq ft)	Expected TOP
West Coast Vale	99-year leasehold	100%	716 + 2 shops	240	160	^67%	602,392	2021

Whistler Grand

Launched on 3 Nov – 67% of 240 units released sold over weekend:

- **91% of buyers are Singaporeans**
- **71% of Singaporeans / PRs are first-time home buyers**

- Excellent connectivity to the future Jurong Lake District, Singapore's 2nd CBD:
  - 10-minute drive to Jurong Gateway Precinct, shopping malls (including Westgate, JEM, Jcube, Big Box, IMM) and Ng Teng Fong General Hospital
  - Easy access to Jurong East MRT station (interchange for existing North-South, East-West MRT Lines) as well as Clementi MRT station
- Comprises 716 residential units in two 36-storey towers:
  - Development offers over 60 facilities such as Cantilevered Gym, Lap Pool, Pool Cabanas, Spa Lagoon, Sky Lounge, Aqua Swing, Urban Farming and Parkour Gym, as well as exclusive fee-based Residential Services
  - Typical unit sizes range from 441 sq ft for a one-bedroom to 1,442 sq ft for the five-bedroom apartment
  - All units are fitted with smart home technologies
- Special prices at the official launch start from $608,000 for one-bedroom, $792,000 for two-bedroom, $1.198 million for three-bedroom, $1.568 million for four-bedroom and $1.788 million for five-bedroom
- Most affordable launch for Q4 2018: ASP of $1,380 psf

** As of 4 Nov 2018* *^ Based on released units*

Singapore Property Development

Limited Inventory of Launched Residential Projects – As of 30 Sep 2018

Project	Equity Stake	Total Units	Units Sold	% Sold	Total Unsold Inventory	CDL's Share of Unsold Inventory
Cuscaden Residences	25%	75	74	99%	1	0.25
St. Regis Residences	33.3%	173	161	93%	12	4.00
The Oceanfront @ Sentosa Cove	50%	264	263	99%	1	0.50
One Shenton	100%	341	327	96%	14	14.00
Cliveden at Grange**	100%	110	43	39%	67	67.00
UP@Robertson Quay	100%	70	60	86%	10	10.00
Echelon	50%	508	506	99%	2	1.00
The Venue Residences	60%	266	265	99%	1	0.60
Coco Palms	51%	944	938	99%	6	3.06
The Criterion Executive Condo	70%	505	505	100%	0	0.00
Forest Woods	50%	519	502	97%	17	8.50
New Futura	100%	124	100	81%	24	24.00
The Tapestry (^600 units released)	100%	861	530	^88%	^70	^70.00
The Jovell (^250 units released)	33.3%	428	41	^16%	^209	^69.67
South Beach Residences (^50 units released)	50.1%	190	9	^18%	^41	^20.54
TOTAL:		**5,378**	**4,324**		**475**	**292**

^ Based on no. of units released

** Leasing strategy implemented

The Venue Shoppes – 16 units out of 28 sold, 12 units unsold with 3 units leased

Limited Inventory of Launched Projects

Diversified Residential Launch Pipeline

CDL's Pipeline comprises EC, Mass Market, Mid-Tier & High End segments

Project / Site	Tenure	Equity Stake	Total Units	Est Total Saleable Area (sq ft)	Land Price ($ million)	Land Cost ($ psf ppr)	Expected Launch
South Beach Residences	99-year	50.1%	190	347,510	(Part of integrated South Beach mixed-use project)		Private Previews in Sep 2018*
Whistler Grand (West Coast Vale)	99-year	100%	716 units + 2 shops	602,392	472.4	800	Sales launch on 3 Nov 2018^
Amber Park	Freehold	80%	Est 592	604,000	906.7	1,515	1H 2019
Handy Road	99-year	100%	Est 188	122,000	212.2	1,722	1H 2019
Sumang Walk (Exec Condo site)	99-year	60%	Est 820	900,000	509.37	583	Q2 2019
Sengkang Central	99-year	50%	Est 700	537,000	777.78	923.60	Q4 2019
Boulevard 88 (Former Boulevard Hotel site)	Freehold	40%	Est 154	345,000			

3.5 million sq ft


Sumang Walk


Amber Park


Whistler Grand

Artist's Impression

* *50 units released* ^ *240 units released*

Singapore Commercial Portfolio

Strong Committed Occupancy for Office & Retail Portfolio (As of 30 Sep 2018)

Office
16 properties

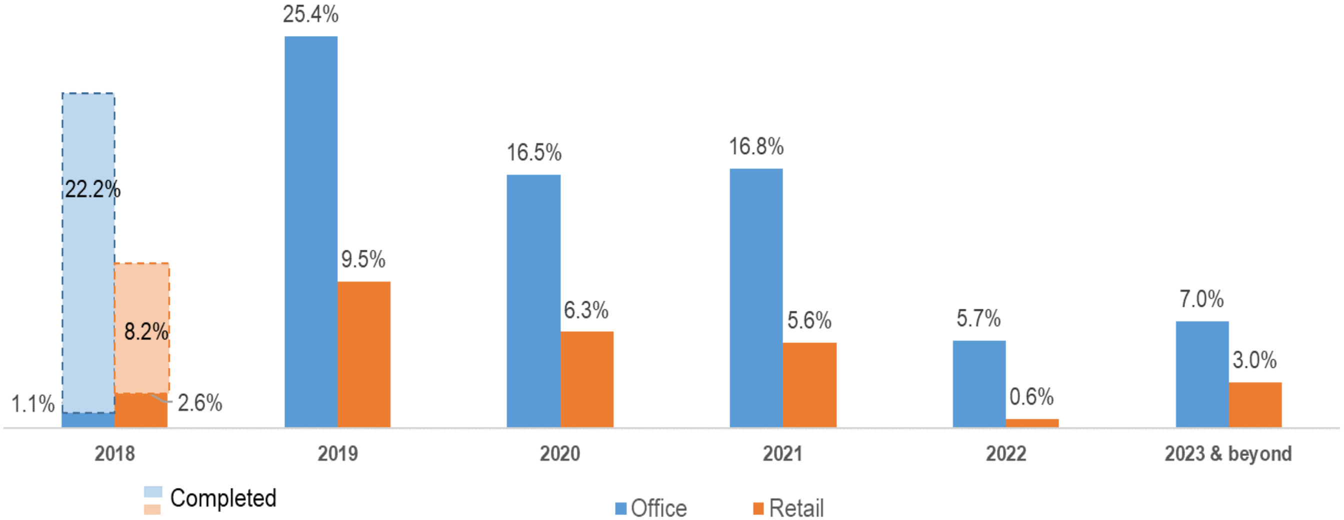
91.5%
Committed Occupancy
2.3 million sq ft
Net Lettable Area

Retail
20 properties

95.8%
Committed Occupancy
833,000 sq ft
Net Lettable Area

Lease Expiry Profile by % of NLA

- Income stability from well-spread lease expiry profile
- Discussions on renewal of leases expiring in 2019 on-going
- Well-placed to ride the office rent uptrend expected in 2019

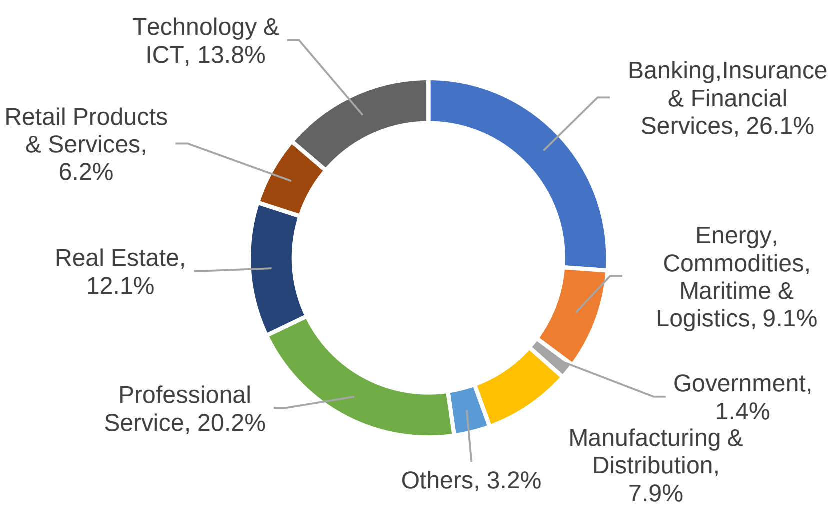


* Includes all Singapore assets under management (except for JV project South Beach). Excludes retail gross turnover rent

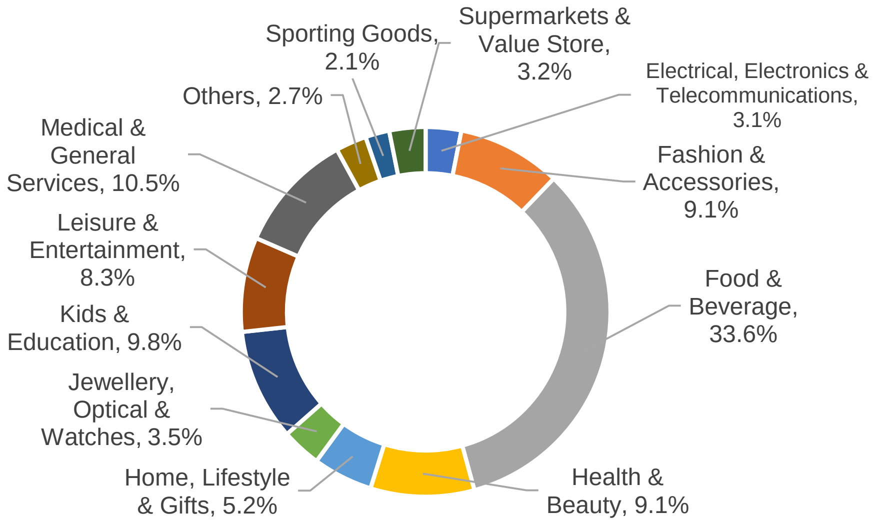
Singapore Commercial Portfolio

Trade Mix of Office & Retail Space by % of Total Gross Rental Income*
(As of 30 Sep 2018)

Office



Retail



- **Diverse and well-spread tenant mix across both office and retail segments:**
  - **Office**: Representation across varied industries provide stability; good take-up in high-growth industries (e.g. Technology & ICT)
  - **Retail:** F&B tenants provide buffer from traditional retail, which faces challenges from e-commerce

* Includes all Singapore assets under management (except for JV project South Beach) based on lease commencement date. Excludes retail gross turnover rent

International Operations

International Operations – Australia

Focus on Increasing Exposure in Australia

Sydney

Waterbrook Bayview

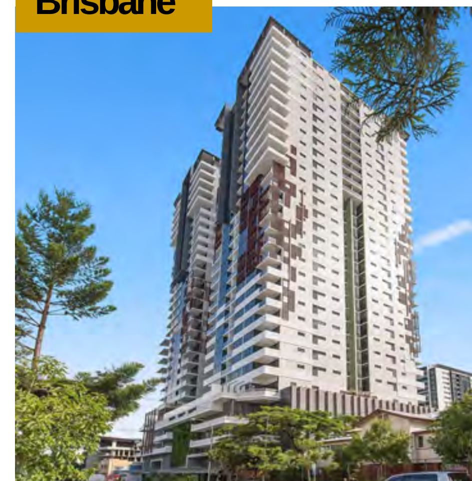
Luxury Retirement Housing Projects:
Collaboration with Waterbrook Lifestyle Resorts on 2 Freehold Luxury Retirement Housing Projects in Sydney & NSW for A$57 million

- Developments offer a high-end hospitality experience that differs from the traditional retirement village model
- Positive on luxury retirement sector due to strong unmet demand from a growing demographic of well-heeled retirees

Bowral

Waterbrook Bowral

Brisbane



Ivy and Eve

Completed in Feb 2018:

- Majority of units have been sold and settlement achieved

International Operations – China

Focus on Tier 1 and Tier 2 Cities

Chongqing (重庆)

Eling Palace (鹅岭峯)

Relaunched in May 2018

Sold 33 units to date*

- Sales value of RMB 181 million

Emerald (翡翠都会)

Expected completion by end 2020

Suzhou (苏州)

Hong Leong City Center (丰隆城市中心)

Continued Sales Momentum:

Total sales of RMB 3.71 billion generated for 86% of 1,804 units to date*^

- Phase 1 – 93% sold with sales value of RMB 2.77 billion
- Phase 2 – 66% sold with sales value of RMB 945 million^
- HLCC mall officially opened in June 2018 with stable and healthy footfall; hotel expected to open by Q1 2020

Shanghai (上海)

Hongqiao Royal Lake (御湖)

Good Uptake:

51 villas sold to date*

- Sales value of RMB 1.09 billion

Hong Leong Plaza Hongqiao (虹桥丰隆广场)

In operation by Q1 2019:

- Comprises 5 office towers with 2 levels of basement carparks with GFA of 32,182 sqm
- Possibility of converting part of the commercial space to serviced apartments for long-term recurring income

Yaojiang International

Asset enhancement:

- Expected completion by end 2018
- Immediate recurring income with master lease agreement with Distrii

** As of 4 Nov 2018*

^ Excludes 143 units transferred to CDL's wholly-owned subsidiary for investment purpose.

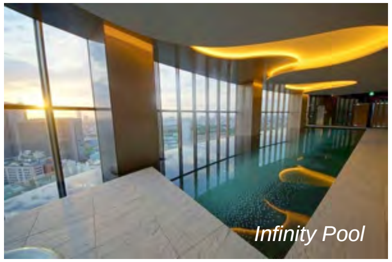
International Operations – Japan

Two Prime Freehold Residential Projects in Tokyo

Park Court Aoyama The Tower

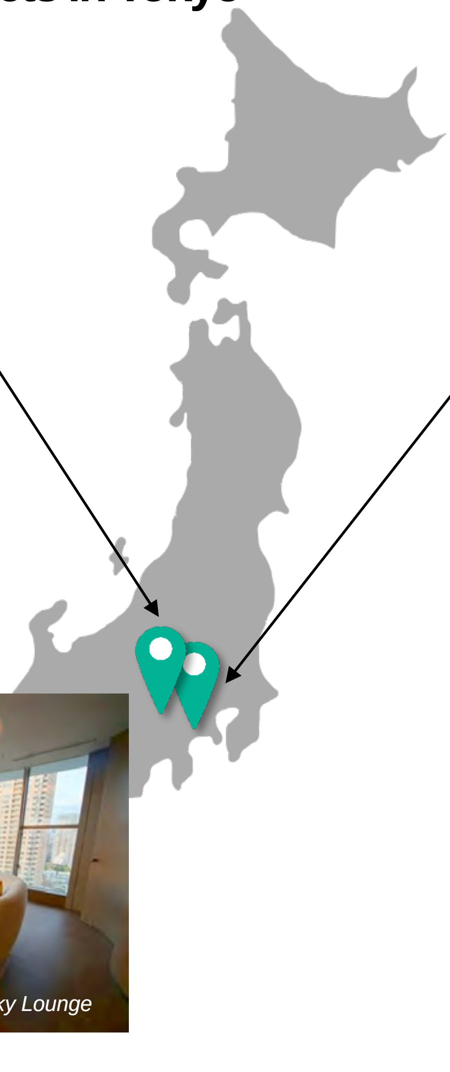
Completed in Q1 2018:

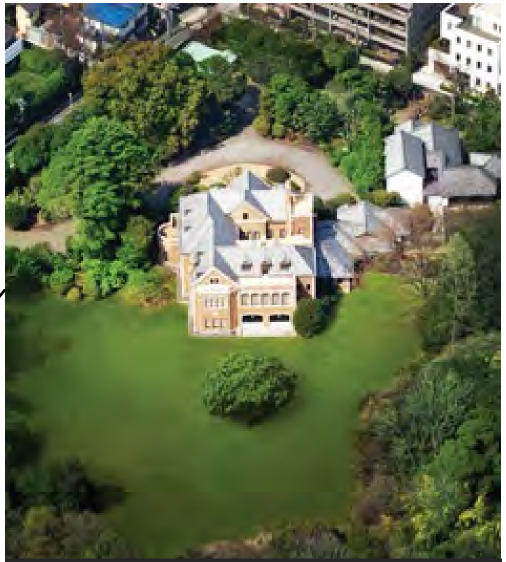
- 160-unit freehold JV residential project launched in Oct 2016
- Units are progressively being handed over – 140 units handed over*



Infinity Pool

Sky Lounge





Freehold site in Shirokane

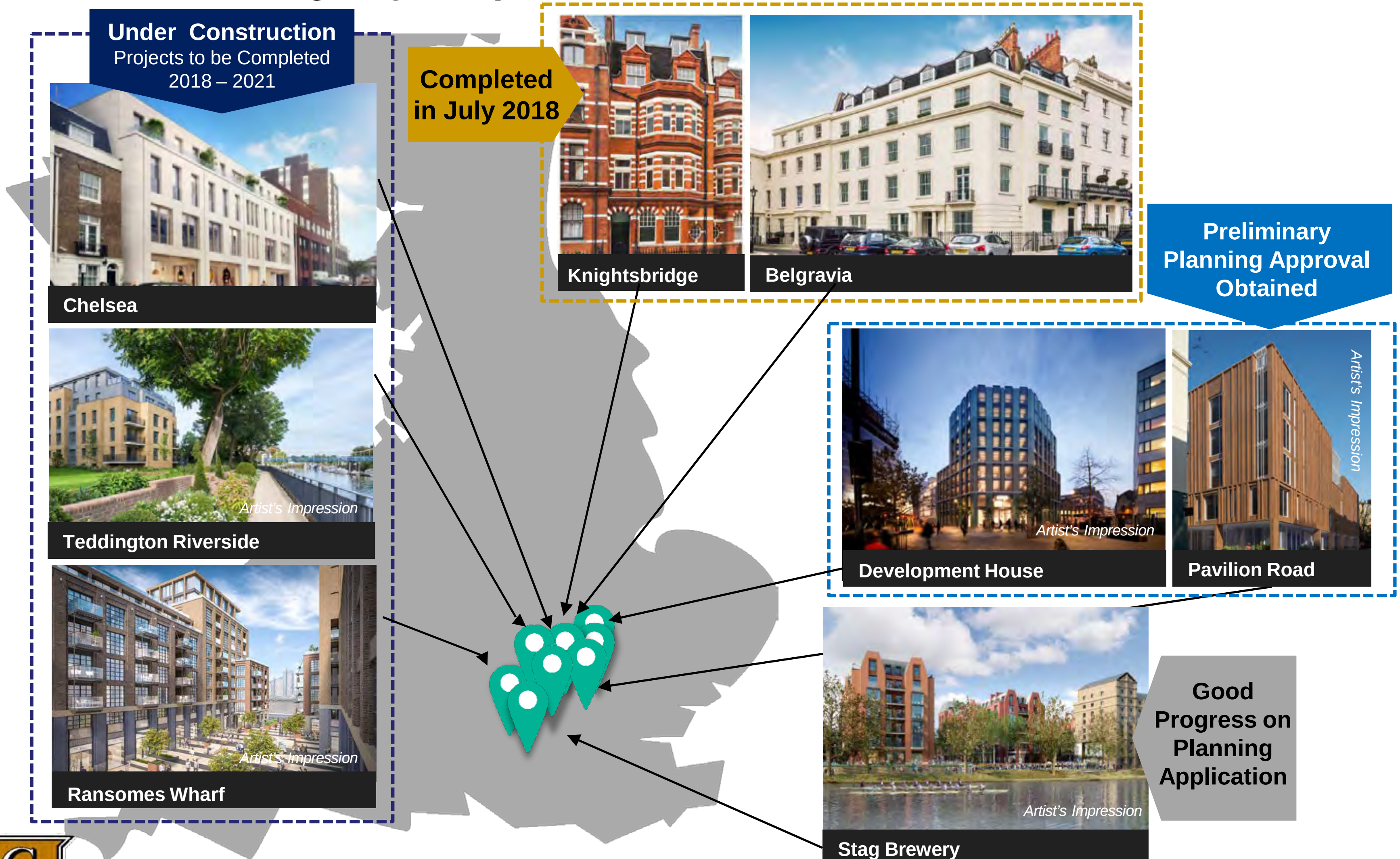
Land Bank Site:

- Prime 180,995 sq ft freehold site acquired in Sep 2014 land banked for value appreciation

**As of 4 Nov 2018*

International Operations – UK

Established Strong Project Pipeline in Greater London

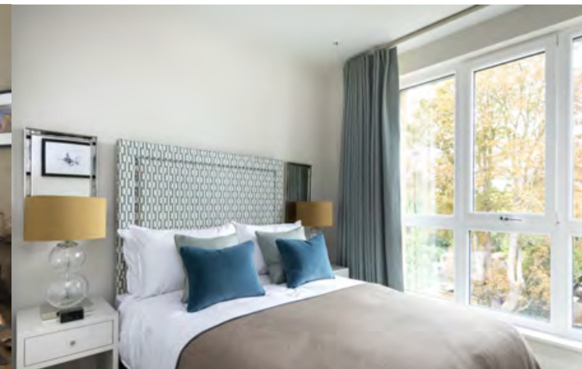


Teddington Riverside

Phase 1 Preview (Ongoing with Asia roadshow)

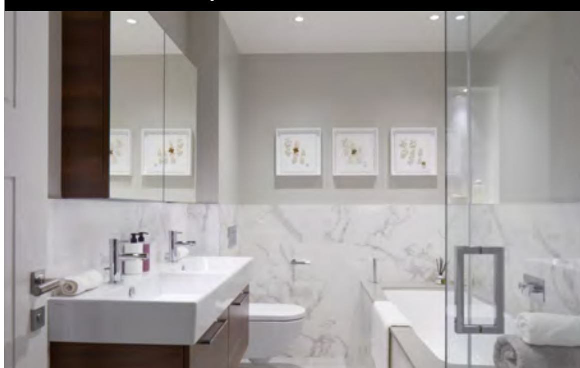
- Comprises the five-storey Carlton House (57 units) and seven-storey Shepperton House (19 units) relaunched in September 2018

1-Bedroom, 635 sq ft



2-Bedroom, 807 sq ft

3-Bedroom, 1,292 sq ft



Master Bathroom

Kitchen

Local Press Advertisement

Hospitality

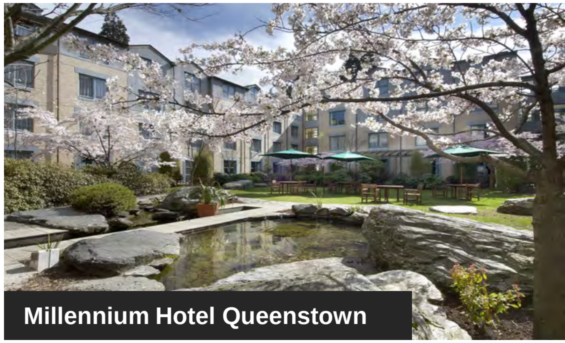
M&C Hotel Operations

Trading Performance

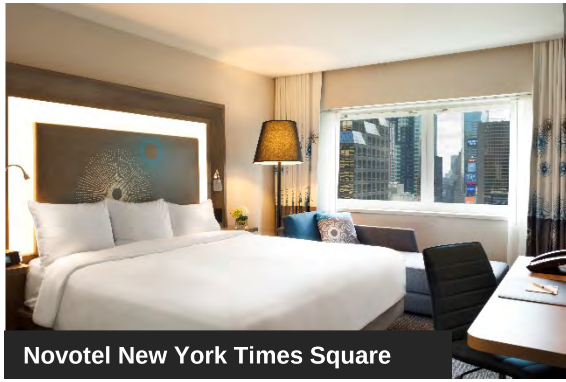
		Reported Currency		Constant Currency	
	YTD Sep 2018	YTD Sep 2017	Change	YTD Sep 2017	Change
Revenue	**£730m**	£748m	(2.4%)	£722m	1.1%
Revenue (hotel)	**£627m**	£649m	(3.4%)	£627m	-
Profit before tax	**£99m**	£118m	(16.1%)	£114m	(13.2%)
PATMI	**£48m**	£92m	(47.8%)		

- Group RevPAR : ↓ 3.8% in YTD Sep 2018 (reported currency)
  ↓ 0.4% in YTD Sep 2018 (constant currency)
  ↑ 1.5% in YTD Sep 2018 (like-for-like)
- In constant currency, hotel revenue was flat
  - Higher contribution from Millennium Hilton New York One UN Plaza
  - M Social Auckland (opened in Oct 2017)

  Offset by
  - Reduced contribution from Mayfair due to closure for refurbishment
- Lower hotel operating profit due to increase in central cost by 20% to £30m (YTD Sep 2017: £25m) due mainly to higher payroll related costs.
- One-off items : YTD Sep 2018 - £3m gain from CDLHT disposal of two Australia hotels (CDL's gain is S$29.3m)
  YTD Sep 2017 - £12m reversal of impairment for loans to Fena.
  - Offset by £9m impairment losses (S$7m impact to CDL arising from goodwill impairment on The Lowry Hotel)



Millennium Hotel Queenstown



Novotel New York Times Square

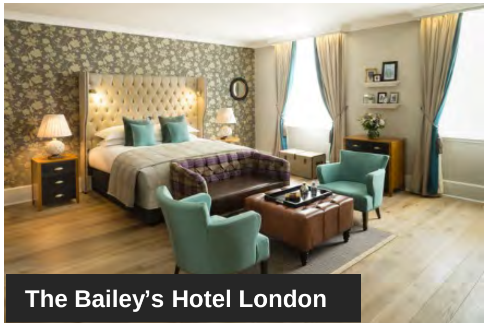
M&C Hotel Operations

Trading Performance

- RevPAR in reported currency fell by 3.8% and constant currency was down by 0.4% for YTD Sep 2018 as compared to the same period last year;

	YTD Sep 2018	Reported Currency	Constant Currency
New York	£153.18	↓ 2.0%	↑ 3.7%
Regional US	£61.21	↓ 7.0%	↓ 1.5%
Total US	**£91.51**	**↓ 4.3%**	**↑ 1.3%**
London	£98.03	↓11.5%	↓ 11.5%
Rest of Europe	£56.54	↑ 4.6%	↑ 4.2%
Total Europe	**£77.30**	**↓ 6.7%**	**↓ 6.8%**
Singapore	£82.91	↓ 2.1%	↓ 0.2%
Rest of Asia	£62.49	↑0.6%	↑ 2.8%
Total Asia	**£70.40**	**↓ 0.6%**	**↑ 1.5%**
Australasia	£70.26	↓ 2.3%	↑ 5.9%
Total Group	**£79.26**	**↓ 3.8%**	**↓ 0.4%**


Orchard Hotel Singapore


The Bailey's Hotel London

M&C Hotel Operations

Asset Enhancement

Millennium Hotel London Mayfair

- Started refurbishment in Nov 2017 and is on track, with the hotel to be opened as a 5-star luxury hotel in Q1 2019
- Est. total refurbishment cost at £50m

Orchard Hotel Singapore

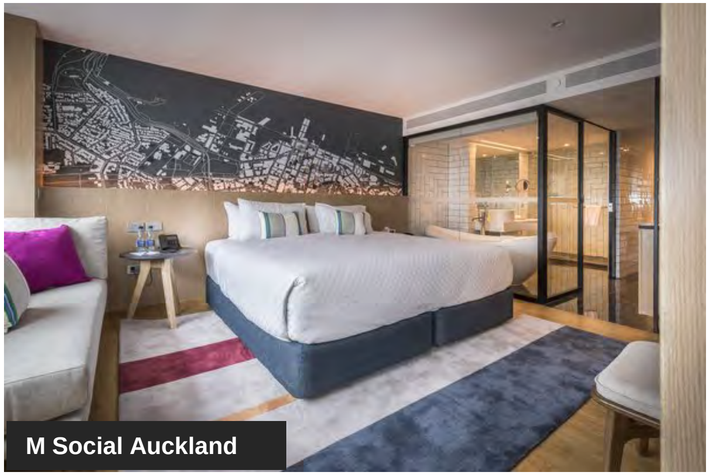
- Commence renovation works at the hotel's lobby and food & beverage outlets, which is expected to complete by Q4 2018
- Guest rooms in the Orchard Wing and the ballroom & meeting spaces will be renovated from Q4 2018 to Q2 2019

M&C Hotel Operations

Hotel Room Count and Pipeline

	Hotels		Rooms	
Hotel and Room Count	30 Sep 2018	31 Dec 2017	30 Sep 2018	31 Dec 2017
By region:				
● New York	4	4	2,238	2,238
● Regional US	15	15	4,559	4,559
● London	7	8	2,266	2,649
● Rest of Europe	22	21	3,655	3,528
● Middle East *	35	31	11,657	10,346
● Singapore	7	7	3,011	3,011
● Rest of Asia	23	25	9,006	9,240
● Australasia	24	25	3,461	3,831
Total:	**137**	**136**	**39,853**	**39,402**
Pipeline				
By region:				
● Middle East *	11	10	4,276	3,239
● Asia	6	4	1,770	1,594
● Regional US	1	1	263	263
● London	1	-	336	-
● Rest of Europe	1	1	318	184
● Australasia	-	1	-	42
Total:	**20**	**17**	**6,963**	**5,322**

* Mainly franchise contracts



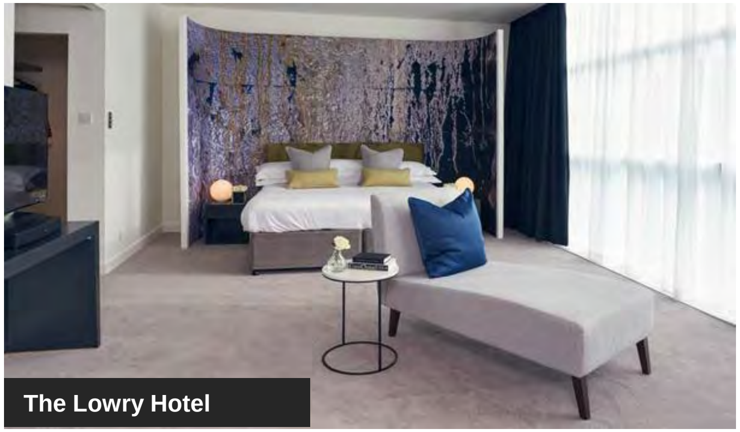
M Social Auckland

The Lakefront Anchorage Hotel

CDL Hospitality Trusts

Trading Performance

S$'000	YTD Sep 2018	YTD Sep 2017	Change
Gross Revenue	**149,522**	149,075	0.3%
Net Property Income (NPI)	**107,642**	111,136	(3.1%)


The Lowry Hotel

NPI decreased mainly due to :

- Absence of rental income from Mercure Brisbane and Ibis Brisbane since 11 Jan 2018 due to divestment
- Transition branding process for Dhevanafushi Maldives Luxury Resort and its closure for renovations from Jun 2018
- Lower contribution from Japan and New Zealand properties (which were also affected by a weaker NZD and JPY)

This was partially offset by :

- Inorganic contribution from both The Lowry Hotel and Pullman Munich Hotel which were completed on 4 May 2017 and 14 Jul 2017 respectively
- Incremental contribution from Singapore portfolio and Hilton Cambridge City Centre

Disclaimer:

This document may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other developments or companies, shifts in customer demands, customers and partners, expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events. Numbers in tables and charts may not add up due to rounding.

New Futura, Singapore