

## REPL::Financial Statements and Related Announcement::First Quarter Results

## Issuer &amp; 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	11-May-2016 20:09:02
Status	Replacement
Announcement Sub Title	First Quarter Results
Announcement Reference	SG1605110THR4JXE
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 revised News Release on "CDL Achieves Profit of \$105.3 million for Q1 2016 and Progresses its Diversification Strategy" issued by City Developments Limited on 11 May 2016, amending the data discrepancy on the Hong Leong City Center's (HLCC) sales volume and revenue.

## Additional Details

For Financial Period Ended	31/03/2016
Attachments	<a href="#">CDL News Release_Q1 2016.pdf</a> Total size =120K
Related Announcements	<a href="#">11/05/2016 18:24:35</a>



**News Release**

11 May 2016

**CDL ACHIEVES PROFIT OF S\$105.3 MILLION FOR Q1 2016 AND PROGRESSES ITS DIVERSIFICATION STRATEGY**

- **Acquires first office building redevelopment project in the UK for £37.4 million**
- **Achieves strong sales and progress for overseas property development**
- **Expects its overseas development projects to book in profit from 2H 2016**

For Q1 2016, despite prevailing headwinds in the Singapore market, and in line with Management's expectations, City Developments Limited (CDL) achieved a net profit after tax and non-controlling interests (PATMI) of S\$105.3 million (Q1 2015: S\$123.0 million) and revenue of S\$723.3 million (Q1 2015: S\$814.9 million).

The lower profit and revenue were due to the subdued performance from the local property development business and the hotel operations segment. There was reduced contribution from the Group's completed residential projects and absence of profit from The Rainforest Executive Condominium (EC) which was recognised in its entirety upon obtaining its Temporary Occupation Permit (TOP) in Q1 2015. Hotel operations were also impacted in key gateway cities by the competitive hospitality environment, leading to lower room rates and occupancy.

As at 31 March 2016, without factoring any fair value surpluses on investment properties, CDL's balance sheet remained strong with over S\$3.3 billion of cash and cash equivalents and a net gearing ratio of 26%. Interest cover for Q1 2016 was at 9.4 times (Q1 2015: 9.3 times). The strong balance sheet has enabled CDL to capitalise on overseas investment opportunities, in line with its diversification strategy. The Group anticipates its overseas development projects to begin contributing to profit from 2H 2016.

**Acquires its first office building redevelopment property in the UK for £37.4 million**

Following acquisitions of the landmark Teddington Studios and Stag Brewery land sites in the London Borough of Richmond upon Thames in 2015, CDL has announced the purchase of its first office building redevelopment property in the UK for £37.4 million (approximately S\$73.5 million). The deal will be completed in the UK on 11 May 2016. With this latest acquisition, CDL currently has a pipeline of 14 overseas development projects in Australia, China, Japan and the UK.

Known as Development House, the prime property is strategically located at 56-64 Leonard Street in Shoreditch (north of the City of London), an area which enjoys strong demand for office buildings, given limited supply. It is in an established location for the Technology, Media and Telecoms sector, situated on the prominent corner of Leonard and Paul Streets, south east of London's 'Silicon Roundabout' which is highly sought-after by tech start-ups. Moreover, the Shoreditch area has excellent transport links, located near the Liverpool Street Station which will provide enhanced connections with the opening of the Crossrail in 2018.

The existing six-storey office building measures 28,266 square feet (sq ft), which can potentially be redeveloped into a nine-storey office building with about 90,000 sq ft, including ancillary retail space at the ground floor.

## **Strong sales and progress for overseas property development**

### • **Australia**

#### Ivy and Eve, Brisbane

- With its exceptional location and competitive pricing, CDL's joint venture residential project in Brisbane's highly-sought-after South Bank precinct has received a strong response from buyers.
- Comprising two 30-storey towers named Ivy and Eve, with 472 apartments, the project is approximately 80% sold.
- Average selling prices range from about A\$9,000 to A\$10,000 per square metre (sqm).

### • **China**

#### Hong Leong City Center (HLCC), Suzhou

- The mixed-use development next to Jinji Lake in Suzhou Industrial Park district emerged as the top-selling project in Suzhou in 2015.
- To date, a total of 894 units have been sold, amounting to revenue of RMB 1.88 billion (approximately S\$392 million).

#### Hongqiao Royal Lake, Shanghai

- The completed 120-unit luxury villa project within an affluent residential enclave in Qingpu district, with 85 unsold villas, was relaunched in November 2015, following an overhaul.
- Strict government control over land use for villas in Shanghai has helped to preserve their value, making them more scarce and exclusive.
- To date, 15 of the 85 villas have been sold, generating revenue of RMB 291 million (approximately S\$61 million).

Profits from Hongqiao Royal Lake and HLCC are expected to be booked in from 2H 2016.

#### Eling Residences, Chongqing

- The 126-unit luxury residences located at the peak of Eling Hill in Yuzhong district enjoys magnificent views.
- Show flats are ready and the project is preparing for launch soon.

### • **Japan**

#### Shirokane land site, Tokyo

- Located within the prestigious Shirokane area in Minato ward, this expansive 16,815 sqm (over 4 acres) freehold land parcel is extremely rare and difficult to secure in Tokyo today.
- CDL plans to build a luxurious condominium project at the prime site and a sales launch is targeted for Q4 2017.

### • **UK**

#### Reading project

- Due to its high quality that surpassed market expectations, sales of the 82-unit Reading project have all been exchanged bar one unit.
- Sales for all 82 units will generate revenue of £18.4 million (approximately S\$36 million) and the project is on target to book in profits in Q3 2016.

#### Teddington Studios and Stag Brewery land sites, London Borough of Richmond upon Thames

- The Teddington Studios site (about 4.5 acres), being cleared of all existing buildings, will be redeveloped into a residential project that has already received over 250 enquiries.
- Planning approval for the 22-acre Stag Brewery site, which offers tremendous redevelopment potential for a mixed scheme, is expected in Q1 2018.

**Mr Kwek Leng Beng, CDL Executive Chairman**, said, “Given the challenging market conditions, our diversified portfolio enables us to achieve stability from recurring income streams, primarily from our hotel operations, rental properties and funds under management businesses, which currently account for 62% of our EBITDA. We remain watchful of the Singapore residential property market and will respond with agility when the market environment improves. In view of our highly diversified portfolio, we stand to benefit from any signs of recovery across a wide range of market segments.”

**Mr Grant Kelley, CDL Chief Executive Officer**, said, “In line with our diversification strategy, we have accelerated the growth of our international property business and expect the overseas projects to bring in profit from 2H 2016. Moving forward, CDL will focus on acquiring assets that can immediately contribute to our recurring income, and we will continue to seek attractive overseas investment opportunities such as our latest acquisition in the UK. We were also honoured to be ranked as one of the Top 10 Most Sustainable Corporations in the World, announced at the World Economic Forum in Davos in January 2016.”

---

Please visit [www.cdl.com.sg](http://www.cdl.com.sg) for CDL’s Q1 2016 financial statement and presentation.

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](mailto:belindalee@cdl.com.sg)

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

Tel: (65) 6428 9308  
Email: [Gerry@cdl.com.sg](mailto:Gerry@cdl.com.sg)