

News Release

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CDL ACHIEVES 32.4% REVENUE INCREASE TO S\$1.1 BILLION AND RESILIENT PROFIT OF S\$133.8 MILLION FOR Q2 2016

- **Good take-up for Singapore and overseas residential development projects**
- **To launch new project named Forest Woods near Serangoon MRT and bus interchanges**
- **Clinches planning consent for £200 million first-ever luxury care home development in central London**

Despite significant macroeconomic challenges in both the domestic and international markets, City Developments Limited (CDL) has achieved a resilient set of results for Q2 2016 and 1H 2016. Revenue increased 32.4% to S\$1.1 billion for Q2 2016 (Q2 2015: S\$824.9 million) and 10.7% to S\$1.8 billion for 1H 2016 (1H 2015: S\$1.6 billion). This was underpinned by the revenue and profit recognition from Lush Acres, a fully sold Executive Condominium (EC), following its Temporary Occupation Permit issuance in Q2 2016.

Attributable profit after tax and non-controlling interests (PATMI) of S\$133.8 million for Q2 2016 is on par with S\$133.5 million for Q2 2015. This was propelled by the property development business segment, which accounted for 51.6% and 53.1% of Q2 and 1H 2016 pre-tax profits respectively. In particular, the recognition of profit from Lush Acres EC boosted the pre-tax profits of the property development business segment for Q2 2016.

The Group maintained its robust financial position with a cash and cash equivalent position of S\$3.3 billion, while its net gearing ratio, without factoring in fair value gains on investment properties, was 27% as at 30 June 2016. Interest cover for 1H 2016 stood at 10.1 times (1H 2015: 10.5 times). The strong balance sheet has enabled CDL to capitalise on overseas investment opportunities, in line with its diversification strategy. The Group's overseas development projects are expected to begin contributing to profit from 2H 2016.

The Board is pleased to declare payment of a tax-exempt (one-tier) special interim dividend of 4.0 cents per ordinary share.

Financial Highlights

| (S\$ million) | Q2 2016 | Q2 2015 | % Change | 1H 2016 | 1H 2015 | % Change |
|----------------------|--------------------|--------------------|---------------------|--------------------|--------------------|---------------------|
| Revenue | 1,092.4 | 824.9 | 32.4 | 1,815.7 | 1,639.9 | 10.7 |
| Profit before tax | 205.1 | 190.9 | 7.4 | 343.5 | 359.5 | (4.5) |
| PATMI | 133.8 | 133.5 | 0.2 | 239.1 | 256.5 | (6.8) |

Good take-up for Singapore and overseas residential development projects

• Singapore

Gramercy Park

- Located a short distance from Orchard Road, the highly sought-after 174-unit freehold condominium sits on a rare, expansive 170,000 square feet (sq ft) site.
- With the successful soft launch in May 2016, which sold all 30 units released, another 10 units were released to cater to the demand.
- To date, 31 units have been sold.
- An official launch is currently being planned and private viewings by appointments are ongoing.

Other Singapore projects

- The 616-unit Jewel@Buangkok, directly opposite Buangkok MRT station, is almost fully-sold with only four units remaining.
- Coco Palms, a 944-unit joint venture (JV) condominium next to Pasir Ris MRT station, is almost 90% sold.
- The Brownstone, a 638-unit JV EC next to the upcoming Canberra MRT station, is 73% sold.

• Australia

Ivy and Eve, Brisbane

- CDL's JV residential project in Brisbane's highly-sought-after South Bank precinct is now about 90% sold.
- Comprising two 30-storey towers named Ivy and Eve, with 472 apartments, the project's average selling prices range from about A\$9,000 to A\$10,000 per square metre (sqm).
- The Group expects to realise profits from this project in early 2018.

• China

Hong Leong City Center (HLCC), Suzhou

- The mixed-use development is next to Jinji Lake in Suzhou Industrial Park district.
- To date, 945 residential units have been sold, amounting to sales value of RMB 2 billion (approximately S\$409 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.
- The villas, which range from 3,400 to 5,400 sq ft, are selling about up to S\$5 million each.
- To date, 18 of the 85 villas have been sold, amounting to sales revenue of RMB 338 million (approximately S\$69 million).

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

• UK

Reading project

- The 82-unit project is fully sold at an average price of about £610 psf (approximately S\$1,199 psf).
- 36 buyers have completed their purchases and the remainder are expected to complete by Q3 2016.

Upcoming launch: Forest Woods near Serangoon MRT and bus interchanges

The Group plans to launch a new project named Forest Woods in the next few months. Located at the Upper Serangoon / Paya Lebar Road junction, the 519-unit development is less than five minutes' walk to the Serangoon MRT and bus interchanges, as well as the popular nex megamall.

The condominium will comprise seven 12-storey residential blocks with an array of unit types, including one-bedroom plus study, two-bedroom, two-bedroom plus study, three-bedroom, four-bedroom and penthouses that are equipped with smart home automation features. Residents will have access to over 60 luxurious facilities and concierge services.

Clinches planning consent for £200 million first-ever luxury care home development in central London

The Group has obtained planning consent for a first-ever luxury care home development in central London. Strategically located at its highly coveted Knightsbridge carpark site at 28 Pavilion Road, just two minutes' walk from Harrods Department Store, the six-and seven-storey scheme will comprise 34 two-bedroom apartments for sale, ranging in size from 1,250 to 2,110 sq ft. With a potential value of up to £200 million (approximately S\$356 million), the planned assisted living facilities within the development include a luxury spa, swimming pool, library, private doctor's surgery, 24-hour concierge service, dedicated nurse care rooms and car parking spaces. The site is also connected to Harrods by an underground tunnel now disused.

The project caters to an affluent demographic group in retirement whose needs are insufficiently provided for by the current housing stock. While this community style living concept appears to have generated considerable initial interest, the Group will monitor market conditions closely and launch this unique offering at the most appropriate time.

Mr Kwek Leng Beng, CDL Executive Chairman, said, "In view of the global economic uncertainties and domestic market challenges, we are recalibrating and evaluating our asset portfolio more intensively. The Group is constantly reviewing ways to optimise and unlock the value of our rich asset portfolio through instruments such as the Profit Participation Securities platform. We have a robust balance sheet, high liquidity and conservative accounting practices. This provides us with the firepower to continue investing overseas, given prevailing headwinds in the Singapore property market. We have seen increased competition from local and overseas developers as well as contractors undertaking a dual role as developers, who have been submitting high bids for land in Singapore. Moreover, there is difficulty in land banking in Singapore especially for listed companies."

Mr Grant Kelley, CDL Chief Executive Officer, said, "Our investment approach remains value-driven and growth focused, yet disciplined. As part of our diversification strategy, we continue to look out for suitable opportunities to acquire more overseas properties. Our prudent capital management of the past will provide the basis for quickly capturing opportunities whenever they arise. We will also continue to grow our funds management business. This will enable us to both fortify our recurring income stream and generate alpha from development projects."

Please visit www.cdl.com.sg for CDL's Q2 and 1H 2016 financial statement and presentation.

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