News Release

28 February 2018

CDL POSTS PROFIT OF S$186.7 MILLION AND 13.8% INCREASE IN REVENUE TO S$1.3 BILLION FOR Q4 2017

- **One of the top-selling private sector developers in Singapore for 2017**
- **1,171 Singapore residential units sold in 2017 with sales value of S$1.93 billion**
- **Poised for Singapore property upturn with around 2,750 residential units in the pipeline**
- **Submits top bid for prime Sumang Walk Executive Condominium site in Punggol**
- **Aims to create a sustainable fund management business with an Assets Under Management target of US$5 billion by 2023 to enhance recurring income streams**
- **Higher total dividends of 18 cents per share for 2017 (2016: 16 cents)**

City Developments Limited (CDL) posted a Profit after Tax and Minority Interests (PATMI) of S$186.7 million for Q4 2017 (Q4 2016: S$243.8 million) and S$538.2 million for FY 2017 (FY 2016: S$653.2 million). In FY 2016, the Group's performance was boosted by a variety of factors, including a sizable contribution from Hong Leong City Center (HLCC) in Suzhou, higher profit margin projects like Coco Palms, D'Nest and Lush Acres Executive Condominium (EC), divestment of its 52.52% interest in City e-Solutions Limited, sale of Exchange Tower and recapitalisation of Summervale Properties Pte. Ltd. (which holds Nouvel 18) via the Group's third Profit Participation Securities.

Revenue for Q4 2017 increased by 13.8% to S$1.3 billion (Q4 2016: S$1.2 billion) whilst revenue for FY 2017 remained relatively stable at S$3.8 billion (FY 2016: S$3.9 billion). Q4 2017 revenue was boosted primarily by contribution from The Brownstone EC which obtained its Temporary Occupation Permit in October 2017 and according to prevailing accounting standards, the revenue and profit for an EC project is recognised in entirety upon completion. FY 2017 revenue contributors include the strong take up for Gramercy Park, sales from existing property development projects such as The Venue Residences, Coco Palms and HLCC in Suzhou, and contributions from the Group's investment properties. Revenue growth from the hotel operations segment was enhanced primarily by the full-year contributions from certain hotels within the Group's listed subsidiary, Millennium & Copthorne Hotels plc (M&C), notably Millennium Hilton New York One UN Plaza (re-opened in September 2016 after refurbishment) and Grand Millennium Auckland (included in September 2016).

Financial Highlights

	Q4 2017	Q4 2016	% Change	FY 2017	FY 2016	% Change
Revenue (S$ million)	1,327.7	1,167.0	13.8	3,828.6	3,905.5	(2.0)
Profit before tax (S$ million)	239.1	331.5	(27.9)	780.4	914.0	(14.6)
PATMI (S$ million)	186.7	243.8	(23.4)	538.2	653.2	(17.6)

As at 31 December 2017, the Group's net gearing ratio, excluding any revaluation surplus from investment properties, was at 9% (FY 2016: 16%), the lowest for the Group on record. With strong cash reserves of approximately S$4 billion and interest cover of 13.6 times (FY 2016: 12.5 times), the Group has the financial resources to react swiftly to any attractive opportunities, both locally or abroad. Some of its cash reserves were deployed for recent land acquisitions in Singapore.

In addition to the final ordinary dividend of 8 cents per share, the Board is also recommending a special final ordinary dividend of 6 cents per share. Considering the special interim dividend of 4 cents paid in September 2017, the total dividends for 2017 amount to 18 cents per share (FY 2016: 16 cents).

Operations Review and Prospects

Singapore Property Development

- In 2017, the Group, with its joint venture (JV) associates, sold 1,171 units including ECs, with a total sales value of S$1.93 billion, again emerging as one of the top-selling private sector developers in Singapore (FY 2016: 1,017 units with total sales value of S$1.25 billion).

- The Group's 174-unit Gramercy Park luxury freehold development on Grange Road is now about 97% sold, with only six units remaining. Its New Futura luxury freehold development on Leonie Hill Road has received overwhelming response since the soft launch of its Phase 1 (64-unit South Tower) in January 2018. To date, 48 units (or 75% of the South Tower) have been sold at an average price of over S$3,200 psf.

- Sales for JV projects have also progressed well. The 519-unit Forest Woods condominium near Serangoon MRT station is now 93% sold, while the 944-unit Coco Palms near Pasir Ris MRT station is about 99% sold with only 13 units remaining. The 638-unit The Brownstone EC next to the upcoming Canberra MRT station has only two units remaining while the 505-unit The Criterion EC in Yishun is now 98% sold.

- In March 2018, the Group expects to launch The Tapestry, an 861-unit condominium along Tampines Avenue 10, just minutes to the Tampines Regional Centre and Our Tampines Hub. The 190-unit South Beach Residences is on track for soft launch by Q2/Q3 2018.

- Subject to approval, the Group and its JV partner plan to redevelop the Amber Park site acquired in October 2017 into a luxury condominium comprising three 21-storey towers with over 600 units. The project is expected to be ready for launch by 1H 2019.

- As announced on 27 February 2018, the Group and its JV partner submitted the top bid of S$509.37 million (or S$583 psf ppr) for the prime Sumang Walk EC site in Punggol Town. There were 17 bids in total, and the Group's JV bid topped the hotly contested tender by a 4.8% margin versus the second highest bid. The expansive 291,235 sq ft site has excellent locational attributes being right next to My Waterway@Punggol and within 100 metres to Sumang LRT station and 550 metres to Punggol LRT/MRT station and bus interchange. If awarded, the JV will explore an EC project with around 820 units.

International Property Development

- The Group's 476-unit Ivy and Eve residential JV project in Brisbane is almost fully sold with 13 units remaining and completion is expected in 1H 2018.

- Its 20% JV freehold residential project in central Tokyo, the 160-unit Park Court Aoyama The Tower, is over 80% sold. The project is expected to be completed in March 2018 and will be handed over to purchasers progressively.

- HLCC, a mixed-use waterfront development in Suzhou Industrial Park, has registered strong revenue for the Group. For the residential units, to date, 1,185 units (86%) of Phase 1 have been sold with sales value of RMB 2.6 billion and 375 units (87%) of Phase 2 have been sold with a sales value of RMB 928 million. The total sales generated by HLCC to date is RMB 3.53 billion.

- Hongqiao Royal Lake, which comprises 85 luxury villas in the high-end residential enclave of Qingpu District in Shanghai, sold 38 villas with sales value of RMB 810 million, which sufficiently covers the Group's invested capital in the project.

Fund Management

The Group will create a sustainable fund management business to generate attractive long-term, risk-adjusted returns for its investors and shareholders. The fund management business will also help the Group to diversify its earnings, enhance its recurring income streams and widen its investor base. This strategy will enable the Group to tap on the growing appetite of institutional investors for unlisted real estate funds and concurrently deliver a higher return on equity to its shareholders.

The Group's goal is to be a leading fund manager in Asia by 2023 and to achieve this milestone, it will target to attain Assets Under Management (AUM) of US$5 billion by then. As such, the Group aims to launch its first series of close-ended, co-mingled funds focusing on core, core plus and opportunistic real estate investments in Asia Pacific by 2019.

The Group will use its core competency in real estate to create real estate vehicles with different risk return profiles to cater to the needs of various institutional and high net worth individuals. The focus is not only on growing AUM but to achieve credible performance and establish a strong track record.

Mr Kwek Leng Beng, CDL Executive Chairman, said, "After a challenging four-year period, there is a boost in sentiment for the Singapore residential market, with increased sales volume and prices. To drive growth, we will look to our property development business, particularly in Singapore where the upturn in the property cycle is only just beginning. Singapore is a market we know intimately well, having operated here for over 50 years. We are well-poised to ride the upturn with around 2,750 residential units in the pipeline across the mass, mid- and high-end segments. CDL will continue to be highly disciplined and selective in making strategic bids. For our hospitality business, we will prudently expedite the refurbishment of M&C's portfolio which is a key contributor to our recurring income."

Mr Sherman Kwek, CDL Group Chief Executive Officer, said, "We are privileged to have clinched multiple attractive land sites over the past 12 months and we will continue to strengthen our landbank in Singapore as well as overseas. In addition to growing our property development business, we will focus on enhancing our asset management capabilities and driving greater operational efficiency within the business. To supplement our recurring income streams, we will also look towards the creation of a sizable and sustainable fund management business. We are strongly embracing innovation within the company and will continue to invest in new economy and technology ventures that will transform our key product offerings and services."

Please visit www.cdl.com.sg for CDL's Q4 and FY 2017 financial statement and presentation.

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