

News Release

21 February 2019

**CDL POSTS RECORD REVENUE FOR 2018 –
CROSSES S\$4 BILLION FOR THE FIRST TIME IN HISTORY
FY 2018 Revenue and PATMI up 10.3% and 6.7% to S\$4.2 Billion and S\$557.3 Million**

- *EBITDA increased 12.4% to S\$1.2 billion for FY 2018*
- *Sold 1,113 residential units in Singapore with sales value of S\$2.2 billion in 2018*
- *Sold 259 residential units and 18 villas in China with sales value of RMB 1.3 billion (approximately S\$269 million) in 2018*
- *Expanded recurring income streams through strategic acquisitions and asset enhancement initiatives*
- *Proposes higher dividends totalling 20 cents per share for 2018 (2017: 18 cents)*

For FY 2018, City Developments Limited's (CDL) revenue rose 10.3% to a record S\$4.2 billion and profit increased 6.7% to S\$557.3 million, compared to FY 2017.

In terms of business segments, property development continued to be the lead contributor making up 71% of FY 2018 pre-tax profits. Its strong performance was underpinned by several local and overseas projects. In Singapore, New Futura, Gramercy Park, The Tapestry and The Criterion Executive Condominium (EC) anchored the contribution while the Group also benefitted from its overseas diversification strategy with profit recognition primarily from Hong Leong City Center in Suzhou and Park Court Aoyama The Tower in Tokyo.

EBITDA increased 12.4% to S\$1.2 billion for FY 2018, bolstered by the strong recognition of profits from the property development segment.

Financial Highlights

(S\$ million)	FY 2018	FY 2017 (Restated)	% Change	Q4 2018	Q4 2017 (Restated)	% Change
Revenue	4,222.6	3,829.2	10.3	788.3	1,327.8	(40.6)#
EBITDA	1,188.3	1,056.8	12.4	192.4	293.2	(34.4)
Profit before tax	875.5	763.3	14.7	110.6	223.1	(50.4)
PATMI	557.3	522.2	6.7	77.9	171.9	(54.7)#

Important Notes on Q4 2018 PATMI and Revenue

- Excluding S\$94.1 million of impairment losses for hotels and S\$20.1 million of allowance for foreseeable losses for two small-scale development projects in Central London which potentially may be leased out, as well as a gain from the partial divestment of the Group's interest in two Chongqing projects in 2017, PATMI for Q4 2018 had in fact increased by 17%.
- The higher revenue and PATMI for Q4 2017 were boosted by the full recognition of revenue and profit from The Brownstone EC, which obtained its Temporary Occupation Permit in October 2017 and a gain from the partial divestment of the Group's interest in two Chongqing projects.

As at 31 December 2018, the Group's balance sheet continued to remain robust with cash reserves of S\$2.5 billion. Net gearing ratio, excluding any revaluation surpluses from investment properties, was 31% after full settlement of its land tenders and acquisitions in Q4 2018.

In addition to the final ordinary dividend of 8.0 cents per share, the Board is also recommending a special final ordinary dividend of 6.0 cents per share. Considering the special interim ordinary dividend of 6.0 cents per share paid in September 2018, the total dividends for FY 2018 amount to 20.0 cents per share (FY 2017: 18.0 cents).

Operations Review and Prospects

Healthy residential sales in Singapore, China and Japan

- In Singapore, the Group and its joint venture (JV) associates sold 1,113 residential units, including ECs, with a total sales value of S\$2.2 billion (FY 2017: 1,171 units with total sales value of S\$1.93 billion).
 - To date, 115 units (about 93%) of the freehold 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, 580 units (about 67%) have been sold to date at an ASP of about S\$1,350 psf.
 - The 190-unit South Beach Residences, which was only soft launched in September 2018, has sold 53 units of the 70 released to date at an ASP of S\$3,450 psf, including a 6,728 sq ft super penthouse sold for S\$26 million.
 - The 716-unit Whistler Grand condominium at West Coast Vale, close to the Jurong Lake District, has sold 260 units out of the 300 released to date at an ASP of S\$1,380 psf.
- In China, the Group's wholly-owned subsidiary CDL China Limited, together with its JV associates, sold 259 residential units and 18 villas in 2018, achieving a total sales value of RMB 1.3 billion (approximately S\$269 million).
- In Japan, 148 units of the completed 160-unit Park Court Aoyama The Tower in central Tokyo, in which the Group holds a 20% interest, have been handed over to buyers.

Upcoming launches in Singapore

- The Group is preparing to launch five projects in 2019:

1H 2019

- 154-unit freehold Boulevard 88 along Orchard Boulevard in prime District 10, above the luxurious 204-room The Singapore EDITION Hotel – a unique lifestyle hotel designed by Ian Schrager in partnership with Marriott International.
- 592-unit freehold Amber Park development in one of East Coast's most desirable addresses. It is within five minutes' walk to the upcoming Tanjong Katong MRT station.
- 188-unit Haus on Handy in prime District 9, within three minutes' walk to Plaza Singapura shopping mall and Dhoby Ghaut MRT station.

2H 2019

- 820-unit Sumang Walk, Singapore's only EC launch for 2019, which is within 10 minutes' walk to Punggol MRT station and Waterway Point shopping mall.
- 680-unit JV project with CapitaLand, a distinctive mixed-use development in Sengkang Central which will be seamlessly integrated with Buangkok MRT station and a new bus interchange.

Enhancement of recurring income

- The newly-refurbished 173-unit Le Grove Serviced Residences on Orange Grove Road has continued to perform above expectations. Its occupancy rate crossed 85% for the month of January 2019.
- Distrii, a leading co-working company in China that the Group has an equity stake in, will be the master tenant of the Group's newly-acquired office block within Yaojiang International complex in Shanghai's prime North Bund Business District. An ongoing Asset Enhancement Initiative is expected to complete by Q1 2019.
- Two newly-acquired prime freehold Grade A commercial buildings in London, Aldgate House and 125 Old Broad Street (formerly known as the Stock Exchange Tower), are currently under rented and recent lease renewals have enjoyed strong positive rental reversions.

Mr Kwek Leng Beng, CDL Executive Chairman, said, "In spite of the challenging market conditions, CDL has achieved record revenue of more than S\$4 billion for FY 2018. We are confident that when the global issues are stabilised, Singapore is well-poised to recover given its strong fundamentals. The residential property market sentiments should thereby improve with pent-up demand. Singapore remains attractive for investments and talents given its political stability, high quality of living and established infrastructure. Moreover, the Group has a geographically-diversified and income-stable portfolio primarily comprising residences, offices, hotels, serviced apartments, integrated developments and shopping malls, which can weather cyclical impacts and market shifts. When one segment is impacted, another class of asset can help cushion and often make up the difference. While we continue to strengthen our foothold in Singapore, we will also look abroad to diversify for growth and manage our risk."

Mr Sherman Kwek, CDL Group Chief Executive Officer, said, "CDL is known for well-located residential projects with attractive design and competitive pricing. Coupled with our reputation for good quality and execution, this has enabled us to remain as one of Singapore's top-selling developers in 2018. The Group plans to launch several projects in 2019 and we are confident that their unique selling propositions will generate strong interest. As part of our G-E-T strategy of Growth, Enhancement and Transformation, we will continue to replenish our land bank of development projects, both locally and overseas, while also actively growing our recurring income streams to provide a stronger base for the Group. To achieve higher performance, we will enhance, reposition or redevelop our existing properties while also striving to attain higher operational efficiency. We are also very focused on transforming our business through game-changing investments, new fund management platforms, constant innovation and venture capital investments in promising start-ups and technologies."

Please visit www.cdl.com.sg for CDL's Q4 and FY 2018 financial statement and presentation.

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