



News Release

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CDL'S Q3 2016 PROFIT RISES 60.1% TO S\$170.3 MILLION

- Revenue increased 14% to S\$922.8 million
- Stellar sales performance for Hong Leong City Center, Suzhou
- High demand for newly launched Forest Woods project in Singapore
- Steady sales for other Singapore residential projects

City Developments Limited (CDL) achieved a strong financial performance for Q3 2016. Net attributable profit after tax and non-controlling interests (PATMI) rose 60.1% to S\$170.3 million (Q3 2015: S\$106.4 million), due to strong sales performance in the property development segment and gains from the divestment of the Group's entire 52.52% interest in City e-Solutions Limited.

Revenue increased 14% to S\$922.8 million (Q3 2015: S\$809.3 million) driven by the property development segment, including maiden contribution from the Gramercy Park project in Singapore and Hanover House project in Reading, United Kingdom, as well as contribution from Coco Palms, D'Nest and The Venue Residences and Shoppes projects in Singapore.

As at 30 September 2016, the Group's balance sheet remained strong with net gearing of 27% (excluding any fair value surpluses on investment properties) and S\$3 billion of cash and cash equivalents. Interest cover for YTD September 2016 was 10.9 times (YTD September 2015: 10.1 times).

Financial Highlights

(S\$ million)	Q3 2016	Q3 2015	% Change	YTD September 2016	YTD September 2015	% Change
Revenue	922.8	809.3	14.0	2,738.5	2,449.1	11.8
Profit before tax	239.0	154.5	54.7	582.5	514.1	13.3
PATMI	170.3	106.4	60.1	409.4	362.9	12.8

International Property Development

• **Australia**

Ivy and Eve, Brisbane

- CDL's joint venture (JV) residential project in Brisbane's highly sought-after South Bank precinct benefitted from a timely launch in mid-2015.
- Comprising two 30-storey towers named Ivy and Eve, with 472 apartments, the project is approximately 93% sold.

• **China**

Hong Leong City Center (HLCC), Suzhou

- The mixed-use development next to Jinji Lake in Suzhou Industrial Park district has achieved stellar sales performance.
- 995 of the 1,374 residential units in Phase 1 have been sold to date, amounting to sales value of RMB 2.12 billion. Profit is expected to be booked from Q4 2016.
- For the newly launched 430-unit residential tower in Phase 2, all 156 units released were sold in one hour, with sales value of RMB 429 million.

Hongqiao Royal Lake, Shanghai

- Located in the affluent residential district of Qingpu in Shanghai, the completed luxury villa project has recorded consistent sales despite property tightening measures.
- 32 of the 85 villas have been sold/booked to date, amounting to a sales value of RMB 634 million.

- **UK**

Hanover House, Reading

- The 82-unit project is fully sold, with sales value of £18.34 million.

Singapore Property Development

There is high demand for the newly-launched Forest Woods project which has an excellent location just a five-minute walk to Serangoon MRT interchange, bus interchange and Nex Shopping Mall. To date, over 70% of the total 519 units have been sold, with an average selling price of about S\$1,400 per square foot. All one-bedroom plus study and two-bedroom apartment types as well as penthouses have been sold. The strong demand can be attributed to an optimal mix of location, design features, and pricing for a prime development.

Notwithstanding the challenging market conditions, the Group has also continued to achieve steady sales for its other Singapore residential projects. Following the 174-unit high-end freehold Gramercy Park's soft launch in end-May 2016, the project along the Grange Road prime residential area has sold 38 of the 40 units released for sale. The 616-unit Jewel @ Buangkok is fully sold and the Group's JV projects the 944-unit Coco Palms in Pasir Ris is over 91% sold and The Brownstone, a 638-unit Executive Condominium next to the upcoming Canberra MRT station, is almost 80% sold.

Mr Kwek Leng Beng, CDL Executive Chairman, said, "The Group has remained resilient and achieved strong financial results for Q3 2016, weathering persistent headwinds. To enhance shareholder returns, we are reviewing our asset portfolio and business model. We are accelerating our diversification initiatives and will continue to focus on improving the Group's performance wherever possible, across all segments – property development, hotel operations, investment properties and funds management. We have an exceptionally robust balance sheet and are building our war chest to capture attractive opportunities during this period of market dislocation."

Mr Grant Kelley, CDL Chief Executive Officer, said, "As part of our diversification strategy, we have stepped up the growth of our international property and funds management businesses. Following the successful execution of our third Profit Participation Securities platform in October, we now have over S\$3.5 billion in funds under management, on track to achieving our target of S\$5 billion. That same month, we also acquired a 20% stake in a prime residential project in Tokyo. In September, we created a new platform by acquiring a 20% stake in mamahome, one of China's fastest growing online apartment rental platforms. Moving forward, we will continue to explore initiatives to enhance recurring income streams, and hone in on our existing development projects."

Please visit www.cdl.com.sg for CDL's Q3 2016 financial statement.

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