

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS

Issuer & Securities

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CITY DEVELOPMENTS LIMITED

Securities

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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 documents:

1. Unaudited Full Year Financial Statement for the year ended 31 December 2020;
2. News Release titled "CDL records Full Year Loss of S\$1.9 Billion due to decision to write down Sincere Property Investment to focus on post COVID-19 recovery"; and
3. FY 2020 Results Presentation.

Additional Details

For Financial Period Ended

31/12/2020

Attachments

[CDL FY2020 Results.pdf](#)[CDL News Release-FY2020 Results.pdf](#)

[CDL_FY2020-Results_Presentation.pdf](#)

Total size =4006K MB



CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

UNAUDITED FULL YEAR FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

These figures have not been audited.

	The Group Half Year ended 31 December			The Group Full Year ended 31 December		
	2020	2019	Incr/ (Decr)	2020	2019	Incr/ (Decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue ⁽¹⁾	1,035,522	1,832,197	(43.5)	2,108,426	3,428,725	(38.5)
Cost of sales	(653,044)	(965,117)	(32.3)	(1,279,484)	(1,790,239)	(28.5)
Gross profit ⁽²⁾	382,478	867,080	(55.9)	828,942	1,638,486	(49.4)
Other income ⁽³⁾	76,505	13,590	NM	171,990	175,210	(1.8)
Administrative expenses ⁽⁴⁾	(228,516)	(308,886)	(26.0)	(487,852)	(591,093)	(17.5)
Other operating expenses ⁽⁵⁾	(531,879)	(341,493)	55.8	(752,782)	(568,669)	32.4
Impairment loss on other receivables ⁽⁶⁾	(323,942)	-	NM	(323,942)	-	NM
Impairment loss on debt investment ⁽⁶⁾	(288,000)	-	NM	(288,000)	-	NM
(Loss)/Profit from operating activities	(913,354)	230,291	NM	(851,644)	653,934	NM
Finance income	77,283	55,372	39.6	168,618	108,527	55.4
Finance costs	(135,316)	(111,655)	21.2	(262,009)	(204,691)	28.0
Net finance costs ⁽⁷⁾	(58,033)	(56,283)	3.1	(93,391)	(96,164)	(2.9)
Share of after-tax profit of associates ⁽⁸⁾	17,743	40,251	(55.9)	37,976	98,539	(61.5)
Share of after-tax (loss)/profit of joint ventures ⁽⁹⁾	(850,962)	49,520	NM	(883,752)	97,768	NM
(Loss)/Profit before tax	(1,804,606)	263,779	NM	(1,790,811)	754,077	NM
Tax expense ⁽¹⁰⁾	(74,305)	(44,634)	66.5	(87,702)	(140,716)	(37.7)
(Loss)/Profit for the period/year	(1,878,911)	219,145	NM	(1,878,513)	613,361	NM
Attributable to:						
Owners of the Company	(1,920,536)	202,615	NM	(1,917,391)	564,576	NM
Non-controlling interests	41,625	16,530	NM	38,878	48,785	(20.3)
(Loss)/Profit for the period/year	(1,878,911)	219,145	NM	(1,878,513)	613,361	NM
Earnings per share						
- basic	(212.5) cents	21.6 cents	NM	(212.8) cents	60.8 cents	NM
- diluted	(212.5) cents	20.6 cents	NM	(212.8) cents	59.3 cents	NM

NM: not meaningful

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Notes to the Group's Income Statement – Note A: Sincere Property:

In April 2020, the Group acquired an effective 51.01% joint controlling interest in Sincere Property Group (Sincere Property) via an offshore investment vehicle (HCP Cayman) for \$882 million (RMB 4.39 billion). HCP Cayman holds a 100% equity interest in HCP HK, which in turn holds an 80.01% interest in Sincere Property. This represented the Group's expansion into the China property market as the Group continues to hold a long-term view of its investments in the People's Republic of China (PRC) and remains confident of the PRC's strong fundamentals and ability to rebound.

This followed the initial strategic investment in Sincere Property announced in May 2019 for RMB 5.5 billion, comprising a 24% in stake and interest-bearing loans. The Group's intention to invest in Sincere Property started back in 2019 with the engagement of HSBC as financial advisors for this investment. The Group also appointed legal advisors and a reputable accounting firm for the legal, tax and financial due diligence of the significant companies within the Sincere Property Group as part of its due diligence process.

In June 2019, the Group subscribed for US\$230 million (\$305 million) of USD bonds issued by Sincere Property. The bonds have a 3-year term maturing on 27 June 2022.

Given the adverse impact of the COVID-19 crisis and the global uncertainty, CDL took the opportunity to renegotiate the terms for its investment into Sincere Property in April 2020 and the purchase consideration of \$882 million (RMB 4.39 billion) was based on an agreed valuation of Sincere Property at RMB 8.6 billion. In addition, the Group has a call option to acquire an additional 9.0% effective equity interest in Sincere Property, which is exercisable at the Group's discretion within a 6-month period commencing on the later of the first business day after the expiry of 18 months from acquisition completion of the acquisition price payment date or 1 July 2022, at the same valuation of RMB 8.6 billion.

The unaudited financial statements of Sincere Property prepared under PRC GAAP as at 30 April 2020 reported a Net Asset Value ("NAV") of RMB15.4 billion (Audited NAV under PRC GAAP as of 31 December 2019: RMB 16.0 billion).

In 1H 2020, the Group carried out a preliminary purchase price allocation (PPA) (prior to the completion of the audit of the acquisition balance sheet of HCP Cayman). The Revalued Net Asset Value (RNAV) of the net identifiable assets of HCP Cayman were valued at RMB 9 billion based on Sincere Property's unaudited April 2020 financial statements adjusted for valuations of its properties based on draft valuation reports by Cushman and Wakefield. Accordingly, the Group recognised in 1H 2020 the following:

- i) \$43.2 million of negative goodwill for its 51.01% effective joint controlling interest in Sincere Property in 1H 2020.
- ii) a mark to market fair value gain on the call option of \$7.7 million.
- iii) share of loss of \$41 million arising from equity accounting Sincere Property.

In June 2020, the Group advanced a RMB 650 million working capital (\$132 million) loan to Sincere Property.

On 2 July 2020, the joint venture holding company of Sincere Property, HCP HK, took a loan from a financial institution of RMB 1.5 billion (\$283 million). Both the ultimate shareholders of HCP HK, being the Group and the founder of Sincere Property, provided guarantees and securities for this loan.

In September 2020, the Group provided a liquidity support undertaking for a tranche of Sincere Property bonds due in October 2020. The total amount of the bonds principal and interest due was RMB 1.512 billion, for which the full amount was called upon in October 2020. RMB0.19 billion was subsequently repaid by Sincere Property, leaving the balance owing at RMB 1.322 billion (\$269 million).

In addition, the Group further equity accounted for another \$35 million share of loss arising from Sincere Property in Q3 2020. Accordingly, the share of loss that was equity accounted by the Group up to YTD September 2020 amounted to \$76 million.

In December 2020, the Group provided a short term RMB 18.8 million loan (\$4 million) to Sincere Property which was repaid on 24 February 2021.

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As at 31 December 2020, the exposure of the Group to Sincere Property total \$1.8 billion as summarised below:

<u>Exposure to statement of financial position</u>	Note	Gross S\$'million	Impairment loss/ Provision made S\$'million	Net exposure S\$'million
Investment in joint venture - equity investment	(a)	806	(806) *	-
Financial assets - USD bond debt investment	(b)	305	(288)	17
Other receivables - Loans granted (including interest receivables)	(b)	433	(324)	109
Provisions - provision for corporate guarantee	(c)	283	(283)	-
		1,827	(1,701) **	126

*: after equity accounting for share of loss of \$76 million up till YTD September 2020

**: Total loss including the share of loss of \$76 million was \$1,777 million

<u>Impact to the income statements</u>	Note	2H 2020 S\$'million	FY 2020 S\$'million
Other income			
Reversal of negative goodwill	(a)	(43)	-
Finance costs			
Reversal of fair value gain on call option	(a)	(8)	-
		(51)	-
Share of after-tax loss of joint ventures			
Equity account for loss		(35)	(76)
Impairment loss on equity investment	(a)	(806)	(806)
		(841)	(882)
Impairment loss on USD bond debt investment	(b)	(288)	(288)
Impairment loss on receivables owing by Sincere Property	(b)	(324)	(324)
		(612)	(612)
Other operating expenses			
Provision for corporate guarantee	(c)	(283)	(283)
Total		(1,787)	(1,777)

Note:

- (a) The audit of Sincere Property as at 30 April 2020 and the PPA exercise are ongoing. A comparison of Sincere Property's management accounts as at 30 April 2020 (NAV of RMB 15.4 billion) based on PRC GAAP against the draft Singapore Financial Reporting Standards (International) (SFRS(I)) compliant financial statements (NAV of RMB 0.8 billion) tabled below.

As at 30 April 2020	Management accounts (per Sincere Property) - PRC GAAP	Management accounts (per the Group) - SFRS(I)*
	RMB (billion)	RMB (billion)
Total Assets	92.4	83.1
Less: Total Liabilities	(74.2)	(80.8)
	18.2	2.3
Less: Minority Interest	(2.8)	(1.5)
NAV/RNAV	15.4	0.8

* prepared through a consolidation of Sincere Property, factoring in adjustments to each entity after discussion with the Group's auditors and the PPA adjustments.

Sincere Property is a highly geared company. The ratio of total assets to total liabilities is 1.2:1 based on Sincere Property's 30 April 2020 management accounts. Hence, the SFRS(I) adjustments of a 10% adjustment to total assets and 9% adjustment to total liabilities eroded the net asset value drastically. (caution: the above comparison includes several reclassifications in accordance with SFRS(I) and PPA adjustments etc and comparison may not be fully meaningful).

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The substantial decline in RNAV was primarily attributable to many adjustments including:

- i) Property valuations adjustment for property, plant and equipment and investment properties - the investment properties of Sincere Property are carried at fair value as at 31 December 2019, valued by local valuer firms. The Group had appointed Cushman and Wakefield to value Sincere Property's properties and the net decline in investment properties (net of deferred tax accounted for under SFRS(I)) is approximately RMB 5 billion.
- ii) Adjustments to development properties – Adjustments were made to the development properties to take into account the net realisable value of the development properties considering sales status of the properties, actual selling prices and selling costs (including land value appreciation tax) – approximately RMB 4 billion.
- iii) Impairment losses made on receivables of approximately RMB 2 billion upon detailed review of the receivables due to expenses being capitalised as assets, reconciliation of receivables against confirmations received, and long outstanding debts due without security.
- iv) Reversal of approximately RMB 1 billion of deferred tax assets following assessment that future taxable profits may not be available against which such deferred tax assets can be used. This took into account the huge loss incurred by Sincere Property in 2020 and anticipated tax losses.
- v) Adjustments for liabilities relate largely to understatement of interest expenses, construction cost payables, accruals, deferred tax liabilities as well as alignment of profit recognition policy on development projects to the Group's accounting policy - approximately RMB 3 billion.

In addition, a financial liability for a put option held by Greenland (a 19.9% shareholder of Sincere Property) from 2022 was also accounted on consolidation of HCP HK, which resulted in the RNAV of HCP Cayman to be negative. Whilst the Group has recourse against the founder for the put option held by Greenland, the Group has not recognised this indemnity asset.

Hence, the purchase consideration paid by the Group over the Group's share of the fair value of identifiable assets indicates a goodwill arising from the Group's investment in Sincere Property. In view of the near-term challenges impacted by the pandemic, a challenging macro-economic environment with the geo-political tension and the tightening of credit in China real estate, the Group fully impaired its remaining cost of investment in Sincere Property of \$806 million after considering the cumulative share of loss in Sincere Property of \$76 million accounted by the Group up till YTD September 2020.

Resultantly, the \$43.2 million negative goodwill previously recognised and the \$7.7 million fair value gain on the call option recognised at 1H 2020 were reversed.

As the Group's cost of investment in HCP Cayman had been fully impaired, the Group will cease to equity account for its share of future losses of HCP Cayman as the Group had not undertaken to provide continuing financial support for Sincere Property.

- (b) In line with accounting standards, the Group assesses if its investment in USD bonds and loans extended (inclusive of interest income receivable) to Sincere Property are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

It was brought to the Group's attention that the refinancing of the borrowings of Sincere Property became increasingly difficult. While Sincere Property had indeed brought down its interest-bearing liabilities from RMB 42.9 billion as at 30 April 2020 to RMB 35.0 billion as at 31 December 2020, it also notes that a portion of the loans from financial institutions remains unpaid and are in negotiations with the lenders.

Out of the RMB 35.0 billion interest-bearing liabilities as at 31 December 2020, about RMB 22.6 billion will be due within the next 12 months. Hence, the Group is concerned that there exists uncertainty if Sincere Property is able to repay or refinance these loans without further credit enhancements.

Further, the Group was made aware of a credit rating downgrade by China Lianhe Credit Rating Co., Ltd in February 2021 for Sincere Property bonds (as tabulated below).

Names of Bond	Issue Date	Maturity	Outstanding Bond Principal Amount (RMB)
18 协信 01	7 March 2018	March 2021	444 million
16 协信 03	16 March 2016	March 2021	652 million
16 协信 05	11 May 2016	May 2021	561 million
16 协信 06	13 July 2016	July 2021	838 million
16 协信 08	26 September 2016	Sept 2021	540 million

The audit of Sincere Property as at 31 December 2020 is ongoing. It is envisaged that the Group's SFRS(I) management accounts of Sincere Property would result in a net liability position due to significant losses incurred, compounded by high financing costs, marketing and administrative costs, subsequent sales of projects at prices lower than valuations and impairment losses recognised on assets held for sale.

In light of the above, the Group has assessed that its investment in USD bonds and the loans extended to Sincere Property are credit impaired.

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To assess the recoverability of the loans extended, the Group applies lifetime expected credit loss which assumes a 50% adjustment to the carrying value of underlying properties, non-recoverability of certain financial assets, additional costs including potential penalty interest on defaulted borrowings (estimate of 30%), debt restructuring cost based on the unaudited financial statements of Sincere Property as at 31 December 2020 as well as its cashflow projection over a restructuring period. Net of all the applicable costs over the envisaged restructuring period, the remaining assets for distribution had taken into account the secured creditors since most of the assets are secured against the bank loans. The USD bonds and the loans extended by the Group to Sincere Property are unsecured.

Based on the assessment, estimated impairment losses totalling \$612 million had been recognised. This is approximately 83% of the total of USD bonds and balances due from Sincere Property.

The Group would like to caution that the above impairment losses is derived based on the unaudited SFRS(I) financial statements of Sincere Property as at 31 December 2020, adjusted for various assumptions that the Group had undertaken to estimate the recoverability of the loans extended, including adjustments to the assets values which is a significant accounting estimate.

At the date of this announcement, the assessment of the values of its underlying properties as at 31 December 2020 and the audit of Sincere Property are still ongoing. Accordingly, changes may be expected on the impairment figures following the finalisation of the audit.

- (c) Lastly, the Group evaluated the corporate guarantee extended to a financial institution in connection with the loan taken up at HCP HK. In line with SFRS(I)1-37, the Group had made a provision for corporate guarantee of \$283 million in 2H 2020.

CDL:

- (i) *has used the Sincere Property Group accounts prepared according to the PRC GAAP as a reference in its analysis and assessment.*
- (ii) *notes that the Sincere Property Group is managed by its own management team.*
- (iii) *has assumed that the information provided by Sincere Property may be relied upon in full, and accordingly, has analysed and assessed the impact of such information on CDL's accounts and made specific determinations in its accounts (including any comparisons, adjustments and impairment losses).*

Notes to the Group's Income Statement:

- (1) The decrease in revenue for 2H 2020 and FY 2020 was primarily attributable to a substantial decline in contribution from hotel operations segment as a result of the prolonged adverse impact of the COVID-19 pandemic. Property development and investment properties segments were also impacted to varying extent.

The COVID-19 outbreak, which was declared a global pandemic in March 2020 has brought about an unprecedented downturn in global tourism and travel. In FY 2020, the Group's hotels located in all regions recorded significantly lower RevPAR and occupancies as a result of extensive travel restrictions, strict social distancing and lockdown of cities imposed by most countries to contain the spread of the outbreak, which resulted in a global collapse in demand for air travel, lodging and tourism. Several of the Group's hotels were closed temporarily for different time period whilst those opened were operating at much lower occupancies. Some Singapore hotels were aided by accommodation demand from foreign workers affected by Malaysia border closures and returnees from overseas serving out Stay Home Notices in hotels. Notably, the performance of Singapore hotels was also impacted by postponement/cancellation of major MICE events, wedding banquets and social functions.

Investment properties segment also reported a lower revenue, mainly due to rental rebates granted to tenants for buildings located in Singapore and Thailand, particularly the retail malls. Hotels under master lease arrangements, held primarily under CDL Hospitality Trusts (CDLHT), also generated lower rental income.

2H 2020 and FY 2020 revenue from property development segment were largely contributed by the sales of Whistler Grand, The Tapestry, and Amber Park, which were recognised progressively based on their stages of construction of sold units as well as Hongqiao Royal Lake, Shanghai, Teddington Riverside in Borough of Thames, 100 Sydney Street project in Chelsea and sales of residential land banks in New Zealand. 2H 2019 and FY 2019 revenue included contribution from Whistler Grand, The Tapestry, Amber Park, Hongqiao Royal Lake, Suzhou Hong Leong City Center (HLCC), 32 Hans Road, United Kingdom (UK) and substantial contribution from Gramercy Park and New Futura.

Items 14 and 15 further analyse the performance by segments.

- (2) Gross profit margin achieved for 2H 2020 was 37% as compared to 47% in 2H 2019. For FY 2020, gross profit margin was 39%, as compared to 48% achieved in FY 2019. The lower gross profit margin for 2H 2020 and FY 2020 is mainly due to allowance for foreseeable losses of \$35.0 million made on development properties, coupled with thinner profit margins achieved for those Singapore residential projects that are still under construction as compared to those high-end completed projects including Gramercy Park and New Futura that commanded better margins. In addition, hotel operations segment recorded a more compressed margin led by lower room rate seen in most countries.

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- (3) In 2H 2020, the Group accounted gain of \$107.9 million on disposal of Novotel Clarke Quay to a joint venture consortium, along with divestment gain of \$9.4 million on sale of Novotel Brisbane. This was partially offset by the reversal of negative goodwill of \$43.2 million arising on acquisition of an effective 51.01% joint controlling interest in Sincere Property, which was previously recorded in 1H 2020. Refer to Note A of item 1(a)(i) for more details.

Comparatively, for 2H 2019, a gain of \$10.5 million was accounted on sale of a vacant land parcel at Jervois Road.

Other income for FY 2020 also included divestment gains from disposal of Millennium Hotel Cincinnati of \$26.0 million and disposal of equity stake in Sceptre Hospitality Resources (SHR) of \$23.5 million.

Other income for FY 2019, in addition to the gain on sale of a vacant land parcel at Jervois Road, related largely to the unwinding of the Group's first and second Profit Participation Securities (PPS) structures. For PPS 1, the Group acquired the remaining PPS instruments issued by Sunbright Holdings Limited (Sunbright), an associate of the Group which was established in 2014 in connection with the non-residential components of the Quayside Collection comprising W Singapore – Sentosa Cove and Quayside Isle, that the Group did not own, under this structure. As part of the purchase price allocation exercise, a net gain of about \$7 million was recorded due to remeasurement of its existing stake in these properties at fair value. For PPS 2, the Group realised deferred gains of \$144.3 million and \$9.6 million from the divestment of Manulife Centre and 7 & 9 Tampines Grande respectively, from the Group's PPS 2 structure established in 2015 via Golden Crest Holdings (Golden Crest).

Additionally, the Group received distribution of \$52.6 million in FY 2019 from Golden Crest for its 40% investment in PPS 2 in accordance with the stipulated waterfall distribution. This was accounted for under share of after-tax profit of associates.

- (4) Administrative expenses comprised mainly depreciation, hotel administrative expenses and salaries and related expenses.

The decrease in administrative expenses in 2H 2020 and FY 2020 was largely due to lower hotel administrative expenses and salaries expenses, in tandem with lower revenue generated from hotel operations, cost containment measures undertaken by hotels and wage support received from local governments.

The decrease was partially offset by higher depreciation contributed by hotel and investment properties added to the Group's portfolio in 2H 2019 which included The Biltmore Mayfair (reopened in September 2019), Hong Leong Hongqiao Centre (formerly Shanghai Hongqiao Sincere Centre (Phase 2)) (acquired in November 2019), two towers within Hong Leong Plaza Hongqiao which were transferred from development properties to investment properties upon tenants being secured in December 2019, and a leasehold industrial building for laundry operations (construction completed in June 2019). Further, the Group's acquisition of W Singapore – Sentosa Cove and Quayside Isle in April 2019 via the abovementioned PPS 1 financial instruments also contributed to the higher depreciation for FY 2020.

- (5) Other operating expenses included impairment losses recognised on property, plant and equipment and investment properties, impairment loss on trade receivables, property taxes, insurance and other operating expenses on hotels. Other operating expenses for 2H 2020 and FY 2020 also included provision for corporate guarantee in relation to an external loan taken up by HCP HK.

The increase in other operating expenses was mainly due to provision for the aforesaid corporate guarantee of \$283 million, as well as higher impairment losses made on property, plant and equipment and investment properties, and impairment loss made on trade receivables.

In 2H 2020, the Group recorded additional impairment losses of \$53.6 million and \$12.0 million on its property, plant and equipment and investment properties respectively, bringing the total impairment losses for the year to \$87.5 million on property, plant and equipment (FY2019: \$60.4 million) and \$12.0 million on investment properties (FY2019: writeback of \$2.4 million). More details on the impairment losses are detailed in item 1(b)(i).

In addition, an impairment loss of \$14.8 million was also made mainly on rent receivables from Pullman Hotel Munich which have payment difficulties due to COVID-19, and on aged receivables of several other US and UK hotels.

The increase in other operating expenses was slightly mitigated by lower hotel operating expenses in view of hotel closures and cost containment measures implemented.

- (6) In 2H 2020 and FY 2020, the Group provided a \$300 million impairment loss on the loans granted to Sincere Property, and \$288 million impairment loss on the US\$230 million USD bonds issued by Sincere Property which the Group had subscribed to. The Group also recognised impairment loss on the interest receivables on the aforesaid loans and bonds amounting to \$12.3 million and \$11.6 million respectively. More details on the impairment losses recognised are detailed in Note A of Item 1(a)(i).

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(7) Net finance costs comprised the following:

	Note	The Group Half Year Ended 31 December			The Group Full Year Ended 31 December		
		2020	2019	Incr/ (Decr)	2020	2019	Incr/ (Decr)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Finance income							
Interest income		41,510	51,939	(20.1)	84,053	79,259	6.0
Fair value gain on financial derivatives	(i)	-	3,014	NM	-	11,936	NM
Fair value gain on financial assets measured at fair value through profit or loss (net)	(ii)	26,146	657	NM	65,694	17,572	NM
Net exchange gain	(iii)	9,645	-	NM	19,140	-	NM
Less: finance income capitalised		(18)	(238)	(92.4)	(269)	(240)	12.1
		<u>77,283</u>	<u>55,372</u>	39.6	<u>168,618</u>	<u>108,527</u>	55.4
Finance costs							
Amortisation of transaction costs capitalised		(4,418)	(4,049)	9.1	(8,474)	(7,960)	6.5
Interest expenses	(iv)	(105,367)	(113,475)	(7.1)	(220,391)	(208,993)	5.5
Fair value loss on financial derivatives	(i)	(36,339)	-	NM	(55,277)	-	NM
Net exchange loss	(iii)	-	(8,852)	NM	-	(14,034)	NM
Unwinding of discount on non-current liabilities		(200)	(270)	(25.9)	(434)	(575)	(24.5)
Less: finance costs capitalised		11,008	14,991	(26.6)	22,567	26,871	(16.0)
		<u>(135,316)</u>	<u>(111,655)</u>	21.2	<u>(262,009)</u>	<u>(204,691)</u>	28.0
Net finance costs		<u>(58,033)</u>	<u>(56,283)</u>	3.1	<u>(93,391)</u>	<u>(96,164)</u>	(2.9)

NM: not meaningful

(i) Fair value gain/(loss) on financial derivatives related mainly to the net effect arising from the remeasurement of foreign exchange forward contracts and Euro/United States dollar (USD) cross-currency interest rate swap contract (CCS) entered into by CDL Hospitality Trusts (CDLHT), Sterling Pound/Singapore dollar (SGD), Japanese Yen/SGD, Euro/SGD and Renminbi/SGD CCS, foreign currency exchange swap and floating-for-fixed SGD interest rate swaps entered into by the Group.

Fair value loss for 2H 2020 and FY 2020 arose mainly from loss recognised on Renminbi/SGD foreign currency exchange swaps with nominal value of approximately RMB 4 billion, entered by the Group to fund its investment in and loan granted to Sincere Property. In contrast, fair value gain was recognised on Renminbi/SGD foreign currency exchange swaps with nominal value of RMB 2.36 billion in FY 2019. The fair value loss for 2H 2020 also includes the impact of reversing a \$7.7 million fair value gain on the call option granted to acquire an additional 9.0% effective equity interest in Sincere Property, recognised in 1H 2020. Refer to Note A of item 1(a)(i) for more details.

(ii) This mainly arose from remeasurement of unquoted debt instruments and investments in equities and funds measured at fair value through profit or loss.

(iii) Net exchange gain for FY 2020 was mainly due to exchange gain arising from the appreciation of Australian dollar (AUD) and New Zealand dollar (NZD) denominated receivables and cash balances held by CDLHT Group against SGD.

Net exchange loss for FY 2019 was mainly attributable to the translation loss from the weakening of USD denominated intercompany loan receivables and bank deposits, as well as translation loss from the depreciation of AUD and Euro denominated receivables and balances against SGD.

(iv) The increase in interest expenses for FY 2020 was mainly due to the Group's higher borrowings to provide various funding requirements including the acquisition of an effective 51.01% joint controlling interest in Sincere Property in 1H 2020, subscription of USD bonds issued by Sincere Property in end June 2019, acquisition and development of land sites/properties in Singapore and overseas, and privatisation of Millennium & Copthorne plc in late 2019.

(8) The decrease in share of after-tax profit of associates was mainly attributable to the lower share of progressive distribution received from Golden Crest arising from the unwinding of PPS 2 structure in May 2019. The Group received \$2.6 million distribution in FY 2020 as compared to \$52.6 million in FY 2019. In addition, First Sponsor Group Limited (FSGL) also contributed lower share of profit to the Group due to lower profit generated from sale of properties and hotel operations and absence of gain on divestment of Oliphant office property in Amsterdam to its 33% owned equity investee in November 2019.

(9) The substantial share of loss of joint ventures for 2H 2020 and FY 2020 was mainly due to full impairment loss amounting to \$882 million recognised on the Group's cost of investment in Sincere Property. More details on the impairment losses are detailed in Note A of Item 1(a)(i).

In addition, results performance of JW Marriot Hotel South Beach, St Regis Hotel, JW Marriot Hotel Hong Kong and New World Millennium Hong Kong Hotel were lacklustre due to immense negative impact from COVID-19 outbreak, and there was lower contribution from South Beach Residences, Forest Woods and the Ivy and Eve project in Brisbane.

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- (10) Tax expense for the period/year is derived at by applying the varying statutory tax rates on the taxable profit/(loss) and taxable/deductible temporary differences of the different countries in which the Group operates.

	The Group Half Year Ended 31 December		The Group Full Year Ended 31 December	
	2020	2019	2020	2019
	S\$m	S\$m	S\$m	S\$m
The tax charge relates to the following:				
Profit for the period/year	68.8	55.5	87.3	144.1
Land appreciation tax (LAT)/(overprovision of LAT)	6.7	(1.9)	12.5	9.7
Overprovision in respect of prior periods/years	(1.2)	(9.0)	(12.1)	(13.1)
	<u>74.3</u>	<u>44.6</u>	<u>87.7</u>	<u>140.7</u>

There is a tax charge for FY 2020 despite the substantial loss position due to non-deductibility of the significant impairments and foreseeable losses recognised on the Group's assets.

FY 2020 tax expense included a deferred tax credit of \$18 million recognised following the reintroduction of tax depreciation on commercial and industrial buildings in New Zealand effective from 1 January 2020, as part of the New Zealand government's COVID-19 Business Continuity Package.

Excluding this deferred tax credit, the higher effective tax rate in FY 2020 was primarily due to losses incurred by foreign subsidiaries (mostly in the US) which were not available for set off against profits of local subsidiaries and deferred tax assets were recognised only to the extent that it is probable that the related tax benefit will be realised.

- (11) (Loss)/Profit before tax included the following:

	The Group Half Year Ended 31 December		The Group Full Year Ended 31 December	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Allowance (made)/written back for foreseeable loss on development properties	(35,014)	4,742	(35,014)	6,524
Dividend income	4,208	3,813	4,784	5,559
Depreciation and amortisation	(146,585)	(144,735)	(287,129)	(275,987)
Gain on loss of control in subsidiaries	9,426	-	32,897	-
Gain on remeasurement of previously held interest in an associate which became a subsidiary	-	-	-	6,608
Impairment loss on debt investments	(288,000)	-	(288,000)	-
Impairment loss on trade receivables and bad debts written off	(10,334)	(6,373)	(17,393)	(6,643)
Impairment loss on other receivables - Sincere Property	(323,942)	-	(323,942)	-
Impairment loss on property, plant and equipment	(53,587)	(60,386)	(87,517)	(60,386)
Impairment loss (made)/written back on investment properties	(12,035)	2,414	(12,035)	2,414
Impairment loss on investment in an associate	-	(3,000)	-	(3,000)
Loss on liquidation of subsidiaries (net)	-	(79)	-	(79)
Loss on dilution of an associate	-	(39)	(731)	(39)
Profit on sale of property, plant and equipment and investment properties (net)	107,028	11,095	133,401	164,988
Reversal of negative goodwill on acquisition of a joint venture	(43,234)	-	-	-
Provision for corporate guarantee in relation to an external bank loan obtained by HCP HK	(283,000)	-	(283,000)	-

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1(a)(ii) Consolidated Statement of Comprehensive Income

	The Group			
	Half Year Ended		Full Year Ended	
	31 December		31 December	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
(Loss)/Profit for the period/year	(1,878,911)	219,145	(1,878,513)	613,361
Other comprehensive income:				
<u>Items that will not be reclassified to profit or loss:</u>				
Change in fair value of equity instruments measured at fair value through other comprehensive income	(31,730)	64,378	(43,077)	66,786
Defined benefit plan remeasurements	(3,810)	(2,634)	(3,810)	(2,634)
<u>Items that are or may be reclassified subsequently to profit or loss:</u>				
Effective portion of changes in fair value of cash flow hedges	2,270	1,742	(2,952)	(2,997)
Exchange differences on hedges of net investment in foreign operations	9,350	5,951	8,665	7,526
Exchange differences on monetary items forming part of net investment in foreign operations	(7,772)	20,819	14,029	15,627
Exchange differences reclassified to profit or loss on loss of control in foreign operations	2,016	58	2,032	58
Share of translation differences of equity-accounted investees	4,405	(5,354)	13,192	(11,530)
Translation differences arising on consolidation of foreign operations	1,647	(38,932)	62,320	(85,908)
Total other comprehensive income for the year, net of tax	(23,624)	46,028	50,399	(13,072)
Total comprehensive income for the periods/years	(1,902,535)	265,173	(1,828,114)	600,289
Attributable to:				
Owners of the Company	(1,939,338)	252,518	(1,882,242)	579,159
Non-controlling interests	36,803	12,655	54,128	21,130
Total comprehensive income for the periods/years	(1,902,535)	265,173	(1,828,114)	600,289

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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note	The Group		The Company	
		As at	As at	As at	As at
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment		5,525,684	5,462,367	37,439	43,677
Investment properties		4,568,697	4,410,261	424,955	436,510
Investments in subsidiaries		-	-	2,025,019	2,024,934
Investments in associates	(1)	707,699	562,876	-	-
Investments in joint ventures	(2)	1,085,288	1,192,456	37,360	37,360
Financial assets	(3)	736,119	1,060,292	348,510	375,964
Other non-current assets	(4)	241,186	677,732	6,518,288	5,134,558
		12,864,673	13,365,984	9,391,571	8,053,003
Current assets					
Development properties	(5)	5,391,055	5,155,642	180,247	181,735
Contract costs		31,643	26,151	-	-
Contract assets	(6)	505,231	242,048	-	-
Consumable stocks		10,511	16,650	-	-
Financial assets	(7)	20,048	562,681	-	-
Trade and other receivables	(8)	1,681,218	822,074	5,830,508	5,521,625
Cash and cash equivalents		3,126,529	2,797,652	1,288,914	1,269,235
		10,766,235	9,622,898	7,299,669	6,972,595
Assets held for sale	(9)	45,884	211,375	-	-
		10,812,119	9,834,273	7,299,669	6,972,595
Total assets		23,676,792	23,200,257	16,691,240	15,025,598
Equity attributable to Owners of the Company					
Share capital		1,991,397	1,991,397	1,991,397	1,991,397
Reserves		6,510,811	8,528,853	4,458,033	4,615,886
		8,502,208	10,520,250	6,449,430	6,607,283
Non-controlling interests					
		740,249	746,306	-	-
Total equity		9,242,457	11,266,556	6,449,430	6,607,283
Non-current liabilities					
Interest-bearing borrowings*	(10)	8,756,068	7,673,152	5,780,877	4,211,386
Employee benefits		30,997	28,662	-	-
Lease liabilities	(11)	237,854	189,448	14,152	20,003
Other liabilities	(12)	243,599	130,825	8,290	9,912
Provisions		24,554	26,809	-	-
Deferred tax liabilities		96,845	107,592	15,644	21,242
		9,389,917	8,156,488	5,818,963	4,262,543
Current liabilities					
Trade and other payables	(13)	1,348,759	1,198,907	2,733,590	2,799,268
Lease liabilities	(11)	14,187	17,752	5,850	5,769
Contract liabilities	(6)	267,607	209,503	-	-
Interest-bearing borrowings*	(10)	2,798,612	2,037,999	1,671,717	1,341,294
Employee benefits		32,044	27,495	1,616	2,364
Provision for taxation		276,164	249,506	10,074	7,077
Provisions	(14)	307,045	28,471	-	-
		5,044,418	3,769,633	4,422,847	4,155,772
Liabilities directly associated with the assets held for sale	(9)	-	7,580	-	-
		5,044,418	3,777,213	4,422,847	4,155,772
Total liabilities		14,434,335	11,933,701	10,241,810	8,418,315
Total equity and liabilities		23,676,792	23,200,257	16,691,240	15,025,598

* These balances are stated at amortised cost after taking into consideration their related transaction costs.

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The Group had reviewed its property, plant and equipment, investment properties and development properties for the year ended 31 December 2020, to ascertain the appropriateness of the assets' carrying value in the financial statements amid the ongoing COVID-19 situation.

Property, Plant and Equipment (PPE)

The Group's PPE relates largely to the hotel portfolio (93% of the PPE) and is carried at cost less accumulated depreciation and impairment losses.

In line with accounting standards, the Group assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group will estimate the recoverable amount of the asset.

For the year ended 31 December 2020, the Group focused on the impairment assessment of its hotel portfolio and applied a selection criteria which took into consideration of headroom to the last available valuation and the countries in which the hotels operate. The headroom was computed using last valuation performed compared to the carrying value of the asset as at 30 June 2020.

Independent valuations were conducted for those hotels falling within the selection criteria, except for M Social Hotel where an in-house valuation was carried out by the Group. For both the in-house and independent valuations, the fair value approach was adopted.

For assets that were assessed as at 31 December 2020, the key assumptions adopted are tabled as follows:

	Capitalisation rates	Discount rates	RevPAR decline in 2020	Recovery year to 2019 RevPAR levels	RevPAR CAGR* (2021 to recovery year)	Stabilised long term growth (p.a.)
US Region	5.50% to 11.00%	7.50% to 12.75%	-62.85%	2024 to 2025	23.6%	3.0%
Europe Region	4.00% to 6.50%	7.00% to 11.30%	-73.36%	2024	25.6%	1.7%
Asia Region	3.75% to 5.50%	6.00% to 7.50%	-62.45%	2023 to 2025	15.8%	2.6%

* Compounded Annual Growth Rate (CAGR)

Some of the discount rates used in the valuations were higher this year to reflect higher risks for those assets due to the economic uncertainty¹.

CDL Hospitality Trust (CDLHT) and Millennium & Copthorne Hotels New Zealand Limited (MCHNZ) are listed on the Singapore Exchange Securities Trading Limited and New Zealand Stock Exchange, respectively. In the SGX announcement issued by CDLHT on 29 January 2021 on its unaudited financial statements for the year ended 31 December 2020, CDLHT has conducted independent valuations for its investment properties and PPE as at 31 December 2020 and recorded an overall net fair value loss of S\$185.5 million.

MCHNZ had also conducted independent valuations for all its fourteen hotels, which were valued on a going concern and best use basis. Six larger hotels were subjected to full valuation using discounted cashflows from projected income and costs plus the direct comparison method while the other eight smaller hotels were reviewed using the direct comparison approach. Based on the independent valuations, MCHNZ had deducted NZD12.97 million from the carrying values of land and buildings.

Based on the above impairment assessment, the Group recognised a \$87.0 million of impairment losses for the year ended 31 December 2020, after offsetting the write back of previously made impairment losses and the effects of changes in foreign exchange rates.

	Impairment for 1H 2020	Additional impairment made for 2H 2020	Total impairment for FY 2020	Impact to PATMI
	S\$m	S\$m	S\$m	S\$m
US Region	29.1	37.6	66.7	66.7
Europe Region	4.8	8.5	13.3	6.5
Asia Region	-	6.2	6.2	0.5
Australasia Region	-	0.8	0.8	0.6
Total	33.9	53.1	87.0	74.3

Although there are signs of improvement and the availability of the COVID-19 vaccines, the pandemic continues to significantly impact the hospitality sector. Continued uncertainty of the tourism industry and the on-going travel restrictions are expected to prolong the recovery of the accommodation sector.

Due to the market uncertainty created by the pandemic, the valuations are currently subject to material value uncertainty. The assumptions used may be revised significantly and accordingly, values may change more quickly and significantly than under normal market conditions.

¹ These are Grand Hotel Palace Rome, Copthorne Hotel London Gatwick, Hard Days Night Hotel Liverpool, Copthorne Hotel Effingham Gatwick, Millennium Hotel Glasgow, Novotel New York Times Square and Comfort Inn Near Vail Beaver Creek.

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Sensitivity Analysis for the Group's PPE portfolio (for illustration purposes only)

A sensitivity analysis on changes to key assumptions and the significant different outcomes are detailed below:

1. Terminal Capitalisation rates

	2020 valuation terminal cap rates	Changes to valuation because of changes to terminal cap rates		Additional impairment	
		+25bps	+50bps	+25bps	+50bps
US Hotels	5.50% to 11.00%	-\$36.0M	-\$70.4M	S\$17.2M	S\$35.2M
Europe Hotels	4.00% to 6.50%	-\$28.0M	-\$53.8M	S\$6.1M	S\$12.0M
Asia Hotels	3.75% to 5.50%	-\$78.7M	-\$150M	S\$13.1M	S\$24.8M
Total		-\$142.7M	-\$274.2M	S\$36.4M	S\$72.0M

2. Discount rates

	2020 valuation discount rates	Changes to valuation because of changes to discount rates		Additional impairment	
		+25bps	+50bps	+25bps	+50bps
US Hotels	7.50% to 12.75%	-\$26.8M	-\$53.7M	S\$13.2M	S\$28.0M
Europe Hotels	7.00% to 11.30%	-\$18.8M	-\$37.3M	S\$3.4M	S\$7.1M
Asia Hotels	6.00% to 7.50%	-\$41.1M	-\$81.6M	S\$6.6M	S\$13.0M
Total		-\$86.7M	-\$172.6M	S\$23.2M	S\$48.1M

The sensitivity analysis above does not include analysis on hotels held under CDLHT and MCHNZ Group, where independent valuations are carried out and managed separately and independently by the subsidiary groups.

Investment Properties

The Group's investment properties include its commercial portfolio held for rental income (comprising office, retail, industrial and residential for lease), as well as hotels that are under the master lease structure, which earn rental income.

The Group adopts a conservative accounting policy to account for its investment properties and hotels, at cost less accumulated depreciation and impairment losses vis-à-vis the fair value model for investment properties.

	Carrying value in aggregate*	Fair value in aggregate
	S\$m	S\$m
31 December 2020	4,569	8,901
31 December 2019	4,410	8,780

* The hotels under the CDLHT portfolio that are accounted for as investment properties comprises 8% of the carrying value of the investment properties of the Group as at 31 December 2020.

For the year ended 31 December 2020, the Group conducted an in-house valuation for commercial properties in Singapore and external valuers were engaged for its remaining commercial portfolio.

In performing the in-house valuations for the Singapore commercial properties, the Group relies on the expertise of its certified in-house valuer. The in-house valuations were based on both direct comparison and income capitalisation methods. The direct comparison method involves an analysis of comparable sales of similar properties to the investment properties of the Group. The income capitalisation method capitalises the projected future income stream into a present value using revenue multipliers or single year capitalisation rates. The capitalisation rates assumed were in the range of 3.5% to 5.0%, save for carpark assets with a higher capitalisation rate of 7.5%.

In view of the substantial headroom over fair value for most assets in the commercial portfolio, the Group is of the view that no impairment losses are considered necessary as at 31 December 2020 for its investment properties, excluding the hotels under CDLHT portfolio, where the Group recognised an impairment loss of \$12.0 million (\$4.6 million impact to PATMI).

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Development properties

The Group accounts for its development properties at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

The Group had reviewed the estimated selling prices of its development properties as at 31 December 2020 and recognised an allowance for foreseeable losses of \$35.0 million (\$33.7 million impact to PATMI) on its development properties for the year ended 31 December 2020, in light of the challenging market condition in Singapore and United Kingdom.

Notes to the statements of financial position of the Group and the Company

- 1) The increase in investments in associates at the Group was mainly due to the acquisition of additional stake in IREIT Global in FY 2020 for a consideration of approximately \$57 million, representing an increase from 12.52% to 20.94% stake as well as share of profit for the year contributed primarily from FSGL

The increase was also attributable to the conversion of series 2 perpetual convertible capital securities (PCCS 2), issued in 2019 by FSGL, to its ordinary shares in 2H 2020. PCCS 1 was previously accounted for as financial assets measured at fair value through other comprehensive income under non-current assets. With the conversion, the carrying value of PCCS 2 of \$50.6 million was reclassified to investments in associates.

- 2) The decrease in investments in joint ventures at the Group was mainly due to return of capital from the mixed-use South Beach development. The Group's investment in Sincere Property during the year has been fully impaired. Details are set out in Note A of item 1(a)(i).
- 3) The decrease in non-current financial assets was mainly due to the \$288 million impairment loss provided on the US\$230 million bonds issued by Sincere Property which the Group had subscribed to in FY 2019. The bonds were classified as unquoted debt investments measured at amortised cost. Details are set out in Note A of item 1(a)(i).
- 4) The decrease in other non-current assets at the Group was mainly due to reclassification of advances granted to a joint venture to trade and other receivables, as the Group foresees repayment within the next financial year, when the joint venture project is launched for sales. The decrease was also attributable to the full repayment of advances previously granted to IREIT Global.

The increase in other non-current assets at the Company was mainly due to additional loans granted to subsidiaries to meet several funding requirements including the acquisition of 51.01% effective joint controlling stake in Sincere Property. This was partially reduced by repayment of loans owing by subsidiaries.

- 5) The increase in development properties was due to acquisition of a land parcel at Irwell Bank Road, additional development costs incurred for Whistler Grand, Piermont Grand, Amber Park, Haus on Handy, The Tapestry and UK development projects. This was partially reduced by progressive sales recognised for Whistler Grand, The Tapestry, Amber Park and Haus on Handy, along with sold units from completed projects including UK development projects, Gramercy Park, Hongqiao Royal Lake, Park Court Aoyama The Tower, New Futura and Phase 2 of HLCC being handed over.

In December 2020, the Group also reclassified another two towers within Hong Leong Plaza Hongqiao to investment properties, upon commencement of leasing activities.

- 6) Contract assets and liabilities at the Group increased due to timing of revenue recognition vis-à-vis progress billings to the purchasers for various projects.
- 7) Short-term financial assets at the Group decreased significantly as the RMB 2.75 billion loan granted to Sincere Property, previously classified as unquoted debt investments measured at fair value through profit or loss, was repaid in 1H 2020 and the Group utilised the amount received to subscribe for preference shares in HCP Cayman.
- 8) The increase in trade and other receivables at the Group was mainly due to reclassification of the abovementioned advances granted to a joint venture from non-current assets, as well as additional advances granted to another joint venture to fund the redevelopment of the mixed development project at Liang Court site.

The increase in trade and other receivables at the Company was mainly due to additional loans granted to subsidiaries to meet several funding requirements, including the provision of liquidity support to Sincere Property and payment for the land parcel at Irwell Bank Road.

- 9) Assets held for sale as at 31 December 2020 relate to the proposed divestment of Copthorne Hotel Christchurch, Copthorne Orchid Penang, Copthorne Hotel Birmingham and Millennium Harvest House Boulder.

Assets held for sale and the liabilities directly associated with the assets held for sale as at 31 December 2019 relate to the proposed divestments of Novotel Singapore Clarke Quay, SHR and Millennium Hotel Cincinnati. The divestments of SHR and Millennium Hotel Cincinnati were completed in 1H 2020, whilst the divestment of Novotel Singapore Clarke Quay was completed on 15 July 2020.

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- 10) The overall increase in interest-bearing borrowings (current and non-current portion) at the Group and Company was mainly due to loans taken up and new medium term notes issued to provide several funding requirements including the investment in 51.01% effective stake in Sincere Property, provision of liquidity support to Sincere Property, advances to joint venture to fund the redevelopment of the mixed development project at Liang Court site, and payment for the land parcel at Irwell Bank Road.
- 11) The increase in lease liabilities was mainly due to recognition of right-of-use (ROU) assets and corresponding ROU liabilities for W Singapore – Sentosa Cove. Based on the Group's further assessment of the operating lease arrangement for this property in FY 2020, the Group determined that the arrangement contains a lease and accordingly, the Group has accounted for this property in accordance with SFRS(I) 16 Leases with effect from FY 2020.
- 12) The increase in other liabilities at the Group was mainly attributable to an increase in deferred income relating to the deferment of gain on sale of Novotel Clarke Quay to a joint venture consortium equally held by the Group and CapitalLand Limited.
- 13) The increase in trade and other payables at the Group was mainly due to increase in amount owing to Sincere Property arising from the funding of liquidity support in relation to Sincere Property bonds which matured in October 2020. The Group provided liquidity support using offshore fund whereby the fund was provided via its Singapore subsidiary to Sincere Property's offshore investment vehicle which then brought the funds into China. The fund was then channelled back to the Group's wholly-owned China subsidiary in a form of interest-free loan which was then on-lent to Sincere Property onshore. Arising from this fund transfer exercise, an amount owing to Sincere Property was recorded.
- 14) The increase in provisions at Group was due to the \$283 million provision for corporate guarantee made by the Group, in relation to an external loan obtained by HCP HK.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

The Group's net borrowings refer to aggregate borrowings from banks, financial institutions and lease liabilities, after deducting cash and cash equivalents. Unamortised balance of transaction costs had not been deducted from the gross borrowings.

	As at 31.12.2020 S\$'000	As at 31.12.2019 S\$'000
<u>Unsecured</u>		
- repayable within one year	2,613,250	1,827,113
- repayable after one year	7,152,541	6,027,540
(a)	9,765,791	7,854,653
<u>Secured</u>		
- repayable within one year	200,941	229,583
- repayable after one year	1,859,113	1,850,621
(b)	2,060,054	2,080,204
Gross borrowings	11,825,845	9,934,857
Less: cash and cash equivalents as shown in the statement of financial position	(3,126,529)	(2,797,652)
Less: restricted deposits included in other non-current assets	(110,620)	(284,691)
Less: cash and cash equivalents classified under assets held for sale	-	(1,429)
Net borrowings	8,588,696	6,851,085

Details of any collateral

Where secured, borrowings are collateralised by:

- mortgages on the borrowing companies' hotels, investment and development properties;
- assignment of all rights and benefits to sale, lease and insurance proceeds in respect of hotels, investment and development properties;
- pledge of cash deposits;
- pledge of shares in subsidiaries;
- a statutory lien on certain assets of foreign subsidiaries; and
- statutory preferred right over the assets of a foreign subsidiary.

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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Half Year Ended		Full Year Ended	
	31 December		31 December	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
(Loss)/Profit for the period/year	(1,878,911)	219,145	(1,878,513)	613,361
Adjustments for:				
Depreciation and amortisation	146,585	144,735	287,129	275,987
Dividend income	(4,208)	(3,813)	(4,784)	(5,559)
Finance costs	135,316	102,803	262,009	190,657
Finance income	(56,964)	(52,893)	(139,517)	(107,633)
(Gain)/Loss on loss of control in and liquidation of subsidiaries/dilution of an associate (net)	(9,426)	118	(32,166)	118
Impairment losses on investment properties and property, plant and equipment (net)	65,622	57,972	99,552	57,972
Impairment loss on investment in an associate	-	3,000	-	3,000
Impairment loss on debt investments	288,000	-	288,000	-
Impairment loss on other receivables - Sincere Property	323,942	-	323,942	-
Gain on remeasurement of previously held interest in an associate which became a subsidiary	-	-	-	(6,608)
Profit on sale of property, plant and equipment and investment properties (net)	(107,028)	(11,095)	(133,401)	(164,988)
Property, plant and equipment, investment properties and intangible assets written off	11,771	1,034	11,897	3,469
Provision for corporate guarantee	283,000	-	283,000	-
Share of after-tax profit of associates	(17,743)	(40,251)	(37,976)	(98,539)
Share of after-tax loss/(profit) of joint ventures	850,962	(49,520)	883,752	(97,768)
Tax expense	74,305	44,634	87,702	140,716
Reversal of negative goodwill on acquisition of a joint venture	43,234	-	-	-
Operating profit before working capital changes	148,457	415,869	300,626	804,185
Changes in working capital				
Development properties	224,074	232,854	(210,681)	382,624
Consumable stocks and trade and other receivables	(24,350)	50,714	(1,240)	15,745
Contract costs	(3,142)	(15,975)	(5,492)	(13,995)
Contract assets	(140,695)	(147,609)	(263,183)	(134,807)
Trade and other payables	(20,007)	(43,480)	(157,948)	(77,463)
Contract liabilities	29,161	34,262	55,818	103,711
Employee benefits	1,169	(1,432)	2,177	303
Cash generated from/(used in) from operations	214,667	525,203	(279,923)	1,080,303
Tax paid	(44,899)	(101,351)	(76,224)	(243,915)
Net cash from/(used in) operating activities ⁽¹⁾	169,768	423,852	(356,147)	836,388
Cash flows from investing activities				
Acquisition of subsidiaries (net of cash acquired) ⁽²⁾	-	(152,253)	-	(244,298)
Repayment of advances/(Advances granted) to a real estate developer in China ⁽³⁾	-	105,653	-	(552,200)
Capital expenditure on investment properties	(73,223)	(58,985)	(126,227)	(88,920)
Dividends received:				
- an associate	13,910	15,824	24,180	63,035
- financial investments	4,208	3,813	4,784	5,559
- joint ventures	3,905	12,397	13,004	35,628
Increase in amounts owing by equity-accounted investees (non-trade) ⁽⁴⁾	(704,106)	(82,287)	(295,763)	(297,083)
Increase in investments in associates ⁽⁵⁾	(31,383)	(5,091)	(63,351)	(64,917)
(Increase)/Decrease in investments in joint ventures ⁽⁶⁾	(174)	128,727	(813,027)	167,031
Interest received	11,528	46,552	49,544	77,388
Payment for intangible assets	(174)	(524)	(355)	(524)
Payments for purchase of property, plant and equipment	(220,425)	(123,135)	(267,244)	(218,405)
Purchase of investment properties ⁽⁷⁾	(33,771)	(41,760)	(66,492)	(41,760)
Purchase of financial assets (net) ⁽⁸⁾	(17,463)	(29,387)	(35,836)	(408,728)
Proceeds from distribution from investments in financial assets ⁽⁹⁾	1,313	45,674	5,146	180,920
Proceeds from loss on control in subsidiaries (net of cash disposed of) ⁽¹⁰⁾	64,371	-	109,090	-
Proceeds from sale of property, plant and equipment and investment properties ⁽¹¹⁾	372,789	13,701	421,500	14,157
Settlement of financial derivatives	(17,056)	9,096	(34,994)	22,873
Cash flows used in investing activities	(625,751)	(111,985)	(1,076,041)	(1,350,244)

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	Half Year Ended		Full Year Ended	
	31 December		31 December	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from financing activities				
Acquisition of non-controlling interests	-	(1,330,014)	-	(1,330,014)
Capital distribution to non-controlling interests	-	(4,185)	(7,922)	(9,829)
Decrease in deposits pledged to financial institutions	15,264	16,938	13,104	58,251
Dividends paid	(149,222)	(89,433)	(190,211)	(268,671)
Repayment of lease liabilities and finance lease payable	(11,916)	(12,197)	(21,059)	(17,022)
Increase in restricted cash	(1,389)	(4,077)	(665)	(4,093)
Decrease in other long-term liabilities	-	(6,911)	-	-
Interest paid (including amounts capitalised in investment properties, property, plant and equipment and development properties)	(108,443)	(103,119)	(218,329)	(187,100)
Net advances from related parties (non-trade)	255,762	8,938	274,573	29,116
Net proceeds from revolving credit facilities and short-term bank borrowings	4,767	68,109	2,319	1,183,133
Payment of issue expenses by a subsidiary	-	(230)	-	(230)
Payment of financing transaction costs	(7,499)	(2,827)	(11,855)	(11,632)
Proceeds from borrowings	995,362	1,396,521	1,561,958	2,059,709
Proceeds from issuance of bonds and notes	369,990	50,000	898,990	900,000
Repayment of bank borrowings	(240,152)	(324,424)	(300,515)	(856,975)
Repayment of bonds and notes	(124,990)	(139,695)	(436,795)	(395,275)
Cash flows from/(used in) financing activities ⁽¹²⁾	997,534	(476,606)	1,563,593	1,149,368
Net increase/(decrease) in cash and cash equivalents	541,551	(164,739)	131,405	635,512
Cash and cash equivalents at beginning of the year	2,392,024	2,959,230	2,789,569	2,162,373
Effect of exchange rate changes on balances held in foreign currencies	21,534	(4,922)	34,135	(8,316)
Cash and cash equivalents at end of the period/year	2,955,109	2,789,569	2,955,109	2,789,569
Cash and cash equivalents comprise:-				
Cash and cash equivalents as shown in the statement of the financial position	3,126,529	2,797,652	3,126,529	2,797,652
Restricted deposits included in other non-current assets	110,620	284,691	110,620	284,691
Cash and cash equivalents included in assets held for sale	-	1,429	-	1,429
Less: Deposits pledged to financial institutions	(276,030)	(288,807)	(276,030)	(288,807)
Less: Restricted cash	(6,010)	(5,395)	(6,010)	(5,395)
Less: Bank overdrafts	-	(1)	-	(1)
	2,955,109	2,789,569	2,955,109	2,789,569

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Notes to the statement of cash flows

- (1) The cash outflows for FY 2020 were mainly due to the payment for land site (including stamp duty) at Irwell Bank Road of \$670 million. Excluding the payment for Irwell land, there would be a net cash inflows from operating activities of \$314 million.
- (2) The cash outflows for Q4 2019 were mainly due to the payment for the acquisition of 100% stake in subsidiaries which own Shanghai Hongqiao Sincere Centre (Phase 2). Cash outflows for FY 2019 also included payments made to acquire the remaining PPS 1 instruments issued by Sunbright, in connection to the non-residential components of the Quayside Collection which the Group did not own and the acquisition of 100% interest in subsidiaries which own a freehold site located at Monk Bridge in Leeds, UK.
- (3) The cash outflows for FY 2019 were in relation to the loan granted to Sincere Property. In Q4 2019, part of the advances granted to Sincere were repaid upon the completion of the acquisition of 100% stake in subsidiaries which own Shanghai Hongqiao Sincere Centre (Phase 2). The remaining amount was reclassified to amount owing from joint ventures upon the completion of the acquisition of 51.01% effective joint controlling stake in Sincere Property in April 2020 and was repaid subsequently.
- (4) The cash outflows for 2H 2020 and FY 2020 were mainly due to additional loans granted to Sincere Property, partially offset by the abovementioned repayment of loan from Sincere Property. In addition, there were also advances granted to joint ventures to fund the acquisition of the remaining two properties located at the Liang Court redevelopment site.

The cash outflows for 2H 2019 were mainly due to advances granted to IREIT Global, an associate acquired by the Group during the year. FY 2019 cash outflows also included advances granted to equity-accounted investees to fund the acquisition of a land site at Sims Drive and Liang Court retail mall.

- (5) The cash outflows for FY 2019 were largely due to the Group's acquisition of 12.5% stake in IREIT Global. The cash outflows for 2H 2020 and FY 2020 were largely due to payments made by the Group to acquire additional units in IREIT Global which increased the Group's stake from 12.5% to 20.9%.
- (6) The net cash outflows for FY 2020 were mainly due to acquisition of 51.01% effective joint controlling interest in Sincere Property, partially offset by cash inflows arising from the return of capital from South Beach Consortium (SBC).

The net cash inflows for 2H 2019 and FY 2019 were mainly due to the return of capital from SBC. The cash inflows for FY 2019 were partially reduced by cash outflows for investment in 50% stake in IREIT Global Group Pte. Ltd. (the trust manager for IREIT Global) as well as additional investment in Shanghai Distrii Technology Development Co., Ltd.

- (7) The cash outflows for 2H 2020 relates to the acquisition of a private rental sector (PRS) project, namely City Lux Yokohama in Yokohama City, Japan. Included in the cash outflows for FY 2020 were also payments for the acquisition of two other PRS projects, B-PROUD Tenmabashi and Pregio Miyakojima Hondori, which are located in Osaka, Japan.

The cash outflows for 2H 2019 and FY 2019 were due to the acquisition of Pregio Joto Chuo, and Horie Lux, which are also in Osaka, Japan.

- (8) The significant cash outflows for FY 2019 were largely due to the Group's subscription of a US\$230 million bonds issued by Sincere Property.
- (9) The cash inflows for 2H 2019 and FY 2019 relate largely to interest income received from the loan granted to Sincere Property as well as interest on the US\$230 million bonds issued by Sincere Property which the Group had subscribed to. The significant cash inflows for FY 2019 also included proceeds from the redemption of bonds issued by In-V Asset Holding Pte. Ltd., a financing vehicle under the PPS 2 platform for which the Group subscribed to previously.
- (10) The cash inflows for 2H 2020 relate to the consideration received for divestment of Novotel Brisbane in October 2020. Included in the cash inflows for FY 2020 was also consideration received for divestment of 75.1% equity interest in SHR.
- (11) The proceeds from the sale of property, plant and equipment for 2H 2020 relate mainly to the proceeds received from the divestment of Novotel Singapore Clarke Quay to a joint venture consortium in July 2020. The proceeds for FY 2020 also include proceeds received from the divestment of Millennium Hotel Cincinnati.

The proceeds from the sale of property, plant and equipment and investment properties for FY 2019 relate largely to the proceeds received from the divestment of a vacant land parcel at Jervois Road in July 2019.

- (12) The Group had net cash inflows from financing activities of \$997.5 million (2H 2019: net cash outflows of \$476.6 million) for 2H 2020 and \$1,563.6 million (FY 2019: \$1,149.4 million) for FY 2020.

The net cash inflows for 2H 2020 and FY 2020 were largely due to a net increase in borrowings of \$1,005.0 million and \$1,726.0 million respectively, which were raised to provide various funding requirements including the acquisition of 51.01% effective joint controlling interest in Sincere Property, along with loan granted to them, and acquisition/development of land sites/properties both in Singapore and overseas. This was partially offset by dividends paid during the period/year.

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The net cash outflows for 2H 2019 were resulted from payment made for the acquisition of shares in M&C that the Group did not already own pursuant to the privatisation exercise in October 2019. This was largely offset with a net increase in borrowings of \$1,050.5 million.

For FY 2019, the net cash inflows were largely due to net increase in borrowings of \$2,890.6 million raised to finance the subscription of the bonds issued by Sincere Property and loan granted to them, privatisation of M&C, and acquisition/development of land sites/properties in Singapore and overseas. This was offset by payment made for the privatisation of M&C and dividends paid during the year.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group	Attributable to Owners of the Company					Total	Non-controlling Interests	Total Equity
	Share Capital	Cap. Res.	Other Res.*	Exch. Fluct. Res.	Accum. Profits			
	S\$m	S\$m	S\$m	S\$m	S\$m	S\$m	S\$m	S\$m
At 1 January 2020	1,991.4	280.3	75.9	(165.1)	8,337.7	10,520.2	746.3	11,266.5
(Loss)/Profit for the year	-	-	-	-	(1,917.4)	(1,917.4)	38.9	(1,878.5)
Other comprehensive income for the year, net of tax	-	(0.4)	(45.9)	85.4	(3.9)	35.2	15.2	50.4
Total comprehensive income for the year	-	(0.4)	(45.9)	85.4	(1,921.3)	(1,882.2)	54.1	(1,828.1)
Transactions with owners, recorded directly in equity								
<u>Contributions by and distributions to owners</u>								
Capital distribution to non-controlling interests (net)	-	-	-	-	-	-	(6.8)	(6.8)
Dividends	-	-	-	-	(139.9)	(139.9)	(51.4)	(191.3)
Transfer to statutory reserve	-	-	0.5	-	(0.5)	-	-	-
Total contributions by and distributions to owners	-	-	0.5	-	(140.4)	(139.9)	(58.2)	(198.1)
<u>Changes in ownership interests in subsidiaries</u>								
Change of interests in subsidiaries with loss of control	-	-	-	-	-	-	2.1	2.1
Change of interests in subsidiaries without loss of control	-	4.1	-	-	-	4.1	(4.1)	-
Total change in ownership interests in subsidiaries	-	4.1	-	-	-	4.1	(2.0)	2.1
Total transactions with owners	-	4.1	0.5	-	(140.4)	(135.8)	(60.2)	(196.0)
Transfer on conversion of convertible securities held in an associate to investment in an associate	-	-	(0.3)	-	0.3	-	-	-
At 31 December 2020	1,991.4	284.0	30.2	(79.7)	6,276.3	8,502.2	740.2	9,242.4

* Other reserves comprise mainly fair value reserve arising from re-measurement of financial assets at fair value through other comprehensive income, hedging reserve, share of other reserve of associates, statutory reserve and share option reserve.

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The Group	Attributable to Owners of the Company					Total	Non-controlling Interests	Total Equity
	Share Capital	Cap. Res.	Other Res.*	Exch. Fluct. Res.	Accum. Profits			
At 1 January 2019	1,991.4	185.9	16.6	(119.5)	7,966.3	10,040.7	2,233.2	12,273.9
Profit for the year	-	-	-	-	564.6	564.6	48.8	613.4
Other comprehensive income for the year, net of tax	-	(0.2)	63.0	(45.6)	(2.6)	14.6	(27.7)	(13.1)
Total comprehensive income for the year	-	(0.2)	63.0	(45.6)	562.0	579.2	21.1	600.3
Transactions with owners, recorded directly in equity								
<u>Contributions by and distributions to owners</u>								
Capital distribution to non-controlling interests (net)	-	-	-	-	-	-	(9.4)	(9.4)
Dividends	-	-	-	-	(194.3)	(194.3)	(74.8)	(269.1)
Issue expenses of a subsidiary	-	(0.1)	-	-	-	(0.1)	(0.1)	(0.2)
Transfer to statutory reserve	-	-	1.2	-	(1.2)	-	-	-
Total contributions by and distributions to owners	-	(0.1)	1.2	-	(195.5)	(194.4)	(84.3)	(278.7)
<u>Changes in ownership interests in subsidiaries</u>								
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	1.0	1.0
Change of interests in subsidiaries without loss of control	-	94.7	-	-	-	94.7	(1,424.7)	(1,330.0)
Total change in ownership interests in subsidiaries	-	94.7	-	-	-	94.7	(1,423.7)	(1,329.0)
Total transactions with owners	-	94.6	1.2	-	(195.5)	(99.7)	(1,508.0)	(1,607.7)
Transfer on conversion of convertible securities held in an associate to investment in an associate	-	-	(4.9)	-	4.9	-	-	-
At 31 December 2019	1,991.4	280.3	75.9	(165.1)	8,337.7	10,520.2	746.3	11,266.5

* Other reserves comprise mainly fair value reserve arising from re-measurement of financial assets at fair value through other comprehensive income, hedging reserve, share of other reserve of associates, statutory reserve and share option reserve.

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The Company	Share Capital S\$m	Capital Reserve S\$m	Other Reserve* S\$m	Accumulated Profits S\$m	Total S\$m
At 1 January 2020	1,991.4	63.7	(4.7)	4,556.9	6,607.3
Profit for the year	-	-	-	10.9	10.9
Total other comprehensive income for the year, net of tax	-	-	(28.9)	-	(28.9)
Total comprehensive income for the year	-	-	(28.9)	10.9	(18.0)
Transaction with owners, recorded directly in equity					
<u>Contributions by and distributions to owners</u>					
Dividends	-	-	-	(139.9)	(139.9)
Total contributions by and distributions to owners	-	-	-	(139.9)	(139.9)
Total transactions with owners	-	-	-	(139.9)	(139.9)
At 31 December 2020	1,991.4	63.7	(33.6)	4,427.9	6,449.4
At 1 January 2019	1,991.4	63.7	(29.0)	4,671.4	6,697.5
Profit for the year	-	-	-	79.8	79.8
Total other comprehensive income for the year, net of tax	-	-	24.3	-	24.3
Total comprehensive income for the year	-	-	24.3	79.8	104.1
Transaction with owners, recorded directly in equity					
<u>Contributions by and distributions to owners</u>					
Dividends	-	-	-	(194.3)	(194.3)
Total contributions by and distributions to owners	-	-	-	(194.3)	(194.3)
Total transactions with owners	-	-	-	(194.3)	(194.3)
At 31 December 2019	1,991.4	63.7	(4.7)	4,556.9	6,607.3

* Other reserves comprise mainly fair value reserve arising from re-measurement of financial assets at fair value through other comprehensive income and hedging reserve.

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- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Ordinary share capital

There was no change in the Company's issued share capital during the six months ended 31 December 2020.

Preference share capital

There was no change in the Company's issued preference share capital during the six months ended 31 December 2020.

As at 31 December 2020, the maximum number of ordinary shares that may be issued upon full conversion of all of the non-redeemable convertible non-cumulative preference shares of the Company ("Preference Shares") at the sole option of the Company is 44,998,898 ordinary shares (31 December 2019: 44,998,898 ordinary shares).

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Ordinary share capital

As at 31 December 2020, the total number of issued ordinary shares (excluding treasury shares) was 906,901,330 (31 December 2019: 906,901,330).

Preference share capital

The total number of issued Preference Shares as at 31 December 2020 and 31 December 2019 was 330,874,257.

Treasury Shares

As at 31 December 2020, the Company held 2,400,000 treasury shares (31 December 2019: 2,400,000) which represents 0.26% of the total number of issued shares (excluding treasury shares).

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the six months ended 31 December 2020.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have neither been audited nor reviewed by our auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in Item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the Group's most recently audited financial statements for the year ended 31 December 2019.

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5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has applied the following amendments to SFRS(I)s that are effective for the annual periods beginning on or after 1 January 2020:

- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 *Definition of Material*
- Amendments to References to Conceptual Framework in SFRS(I) Standards

In addition to the above, the Group has early adopted the following amendments to SFRS(I) which are effective for annual periods beginning after 1 January 2020 with earlier application permitted.

- Amendments to SFRS(I) 16 *COVID-19-Related Rent Concessions*
- Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current*

The adoption of the above amendments to SFRS(I)s did not have any significant impact on the financial statements of the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Half Year Ended 31 December		Full Year Ended 31 December	
	2020	2019	2020	2019
Basic Earnings per share (cents)	(212.5)	21.6	(212.8)	60.8
Diluted Earnings per share (cents)	(212.5)	20.6	(212.8)	59.3
Earnings per share is calculated based on:				
a) Profit attributable to owners of the Company (S\$'000) (*)	(1,927,023)	196,145	(1,930,295)	551,672
b) Profit used for computing diluted earnings per share (S\$'000)	(1,927,023)	196,145	(1,930,295)	564,576
c) Weighted average number of ordinary shares in issue:				
- basic	906,901,330	906,901,330	906,901,330	906,901,330
- diluted (**)	906,901,330	951,900,228	906,901,330	951,900,228

* After deducting preference dividends of \$6,487,000 paid in 2H 2020 (2H 2019: \$6,470,000) and in full year 2020 of \$12,904,000 (FY 2019: \$12,904,000).

** For computation of diluted earnings per share, the weighted average number of ordinary shares has been adjusted for any dilutive effect of potential ordinary shares arising from the conversion of all preference shares. For the second half and full year ended 31.12.2020, the preference shares were antidilutive and therefore excluded from the computation of diluted earnings per share.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares (excluding treasury shares) of the issuer at the end of the: -

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group		The Company	
	31.12.2020 S\$	31.12.2019 S\$	31.12.2020 S\$	31.12.2019 S\$
Net Asset Value per ordinary share based on the number of issued 906,901,330 ordinary shares (excluding treasury shares) as at 31 December 2020 (906,901,330 ordinary shares (excluding treasury shares) as at 31 December 2019)	9.38	11.60	7.11	7.29

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8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -**

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Group Performance

The combination of the COVID-19 pandemic's impact on the global hospitality sector and losses in China resulting from a weaker operating environment and policy changes to the real estate sector, affected the Group's performance. The Group reported a loss after tax and non-controlling interest of \$1.9 billion for second half (2H 2020) and \$1.9 billion for the year ended 31 December 2020 (FY 2020) (2H 2019: PATMI of \$202.6 million; FY 2019: PATMI of \$564.6 million). The results reflected significant losses attributable to its joint venture (JV) investment in Sincere Property Group (Sincere Property) in China and impairment losses for its hotels and investment properties, and allowance for foreseeable losses for development projects, with global market conditions and economic growth ravaged by the prolonged COVID-19 pandemic.

Revenue

Revenue for 2H 2020 declined by 43.5% to \$1.0 billion (2H 2019: \$1.8 billion) and 38.5% to \$2.1 billion for FY 2020 (FY 2019: \$3.4 billion). While the decline was across all segments, the Group's hotel operations segment accounted for 81% of the decline. As the pandemic continues to spread with resurgence in some cities, many affected countries imposed increased border restrictions, lockdowns, strict social distancing measures, quarantines, and mandated closures of non-essential business to contain the spread of the virus.

The property development segment also reported lower revenue due to less contribution from high-end projects such as New Futura and Gramercy Park (both in Singapore), as well as Suzhou Hong Leong City Center (China) which was substantially sold in 2019.

The investment properties segment also registered a decline in revenue with the rental rebates granted to tenants, poorer performance for its retail malls and lower rental contributions from hotels owned by CDL Hospitality Trusts (CDLHT), an indirect subsidiary of the Group, which are accounted for as investment properties due to master lease arrangements.

Loss/Profit Before Tax

The Group registered a pre-tax loss of \$1.8 billion for 2H 2020 (2H 2019: Pre-tax profit of \$263.8 million) and \$1.8 billion for FY 2020 (FY 2019: Pre-tax profit of \$754.1 million), largely attributable to its \$1.8 billion* investment in and loans to Sincere Property*, which distorted the Group's 2H 2020 and FY 2020 results.

**Refer to Note A of item 1(a)(i) of the announcement.*

Based on the audit outcome by KPMG and the challenges faced by this JV platform, the Group effectively impaired 93% of its total investment in Sincere Property amounting to \$1.78 billion. Taking into consideration Sincere Property's debts in the next 12 months and China's "three red lines" policy to cap borrowings for real estate developers, the Group is cautious that Sincere Property may face significant liquidity challenges. Earlier plans to divest Sincere Property's assets to improve its gearing and to re-balance its property portfolio did not materialise due to poor market conditions. In line with accounting standards, the Group had prudently provided for these impairment losses, mindful that the current economic situation remains unfavourable and that many of China's real estate developers are plagued with similar liquidity challenges. As announced on 21 January 2021, the Group has ring-fenced its current financial exposure to its investment in Sincere Property and will continue to strenuously protect its position. Notwithstanding the above, the Group is working tirelessly to extract value from its investment.

The Group also made impairment losses on hotels and investment properties totalling \$99.5 million (FY 2019: \$58.0 million) and allowance for foreseeable losses for its development properties of \$35.0 million (FY 2019: write back of allowance for foreseeable losses of \$6.5 million). Notably, the Group had made impairment losses for its hotel properties of \$33.9 million in 1H 2020 based on management assessment. The year-end impairment review of its hotel properties was done by external valuers, reflecting the subdued outlook for the hospitality sector. Of the net impairment losses, 77% relate to M&C's US hotels, while 23% relate to CDLHT's hotels.

On a like-for-like basis, excluding the losses mentioned above, the Group would have generated a profit before tax of \$83.0 million for 2H 2020 (2H 2019: \$317.0 million) and \$120.8 million for FY 2020 (FY 2019: \$805.5 million). All business segments of the Group would be in positive grounds except the hotel operations segment which reported an operational loss even after excluding the impairments, since the pandemic has decimated the hospitality sector.

Capital Position

Despite the unprecedented set of results, the Group's financial position remains robust with sufficient liquidity to meet its operational needs and financial commitments. As at 31 December 2020, the Group had cash reserves of \$3.2 billion. It maintains a strong liquidity position comprising cash and available undrawn committed bank facilities totalling \$5.2 billion.

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In view of the protracted global pandemic and the impairments made, the Group's Net Asset Value (NAV) per share as at 31 December 2020 stands at \$9.38 (31 December 2019: \$11.60). Notably, the Group adopts the policy of stating investment properties at cost less accumulated depreciation and impairment losses. Had the Group factored in fair value gains on its investment properties, the Revalued Net Asset Value (RNAV) per share would be \$14.26 (2019: \$16.46).

It should be noted that this RNAV figure assumes that the Group's hotels continue to be stated at cost. Had the revaluation surpluses of its hotels been included, based on the 2020 internal estimates and external valuations, the Group's RNAV per share would have increased by \$2.62 to \$16.88. There is deep value in M&C's assets which form the bulk of these revaluation surpluses and the Group will review the portfolio holistically, now that it is 100% owned after the privatisation exercise in November 2019.

Net gearing ratio after factoring in fair value on investment properties stands at 62%.

The Group is confident to weather this storm with its strong fundamentals and financial strength.

Dividend

The Group did not declare a mid-year dividend amid a challenging operating environment in which cash conservation and prudent capital management were crucial. For FY 2020, the Board is recommending a final ordinary dividend of 8.0 cents per share as well as a special final ordinary dividend of 4.0 cents per share, bringing the total full-year dividend to 12.0 cents per share (FY 2019: 20.0 cents). Despite the losses, the Board wishes to reward shareholders and express its appreciation for their confidence and support amid these challenging times.

Operational Highlights

Property Development

Singapore

After the Circuit Breaker movement restrictions were eased in mid-2020, the Group's residential sales momentum improved significantly in 2H 2020, with 972 units sold (1H 2020: 346 units) – an increase of almost three-fold; with sales value rising 171% to \$1.3 billion (1H 2020: \$498 million). For FY 2020, the Group and its JV associates sold 1,318 residential units including Executive Condominiums (ECs), with a total sales value of \$1.8 billion (FY 2019: 1,554 units with a total sales value of \$3.3 billion). Overall, the sales are comparable with 2019, despite the challenges posed by the pandemic in 1H 2020. The lower sales value was due to more upgrader and mid-segment projects like Whistler Grand, Piermont Grand and Penrose sold, compared to sales from higher-end projects like New Futura, Boulevard 88 and Amber Park in the previous year.

For the year under review, the Group launched Penrose, a 566-unit JV project located at Sims Drive, near Aljunied MRT station, in September. The response was overwhelming, with over 60% of the units sold during the launch weekend, making it one of the best-selling launches in 2020. The project is now 74% sold at an average selling price (ASP) of over \$1,570 per square foot (psf).

Projects launched in 2019 also continued to sell well:

Project	Location	Launched	Total Units	Units Sold [#]	ASP Achieved
Boulevard 88*	Orchard Boulevard	March	154	107	>\$3,770 psf
Amber Park*	Amber Road	May	592	265	>\$2,470 psf
Haus on Handy	Handy Road	July	188	39	>\$2,840 psf
Piermont Grand*	Sumang Walk	July	820	714	>\$1,100 psf
Nouvel 18 ⁺	Anderson Road	July	156	71	>\$3,380 psf
Sengkang Grand Residences*	Sengkang Central	November	680	358	\$1,730 psf

*JV project

[#]As at 21 February 2021

⁺ Divested project under PPS 3, marketed by CDL

Forest Woods, the Group's 519-unit JV project located near Serangoon MRT station, obtained its Temporary Occupation Permit (TOP) in November 2020. This project is now fully sold.

To replenish its land bank, in January 2020, the Group successfully tendered for a 137,634 square feet (sq ft) Government Land Sales (GLS) prime site at Irwell Bank Road for \$583.9 million (or \$1,515 psf per plot ratio). Located along River Valley Road, near the upcoming Great World MRT station, this site will be redeveloped into a 540-unit condominium named Irwell Hill Residences, slated for launch in Q2 2021.

Overseas Markets

Australia

The Group's Brickworks Park development, consisting of 222 units of apartments and townhouses located in Alderley, North Brisbane, will be launched in two stages. Stage 1 was soft launched in September 2020. To date, 35 units out of the 132 released have been sold.

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The Marker, a 198-unit JV residential project located on Spencer Street, West Melbourne, has exchanged contracts on 77% of the apartments. Meanwhile, the Group's collaboration with Waterbrook Lifestyle for a retirement village project in Bowral in New South Wales, has exchanged contracts on 74% of the 77 townhouses launched.

Japan

All 160 units at Park Court Aoyama The Tower in Tokyo, a freehold JV residential project, have been handed over to buyers as at 31 December 2020.

UK

Expanding into UK's Private Rented Sector (PRS) sector, the Group has obtained full planning permission for its freehold site in Leeds. It plans to develop a 665-unit for-rent residential project with retail space located within the site's attractive heritage arches beneath a viaduct. Construction has commenced and expected to complete in 2023.

China

CDL China Limited

In FY 2020, the Group's wholly-owned subsidiary, CDL China Limited, and its JV associates sold 441 units in China, achieving a sales value of RMB 1.48 billion (approximately \$284 million).

Hong Leong City Center (HLCC), a mixed-use development in Suzhou Industrial Park, has sold 1,668 (92%) of its 1,813 residential units to date. Despite the sluggish office rental market in Suzhou, HLCC's Grade A office tower is now 75% occupied. The HLCC mall's occupancy is currently at 89%, and the 295-room five-star M Social Hotel is expected to open in Q1 2022.

In Chongqing, Emerald, the 869-unit JV project is almost fully sold, with 1 unit remaining to date; and the project was handed over since end-2020. The completed 126-unit Eling Palace has sold 105 (83%) units to date.

Hongqiao Royal Lake, a luxury development in the prime residential enclave of Qingpu District, Shanghai, has sold 65 (76%) out of the 85 villas to date.

Strategic Investment in Sincere Property Group

As detailed in Note A of item 1(a)(i) of the announcement, since the onset of the pandemic, Sincere Property has faced immense liquidity headwinds, exacerbated by the "three red lines" policy announced by Chinese authorities to curb lending to real estate developers. Since late 2020, the Group has commenced a strategic review which involves restructuring the platform. The Group's special working group will work with Sincere Property, with the assistance of Deloitte China, to improve liquidity and restructure its existing loans and liabilities. The operating environment remains volatile and fluid. The special working group is exploring all options in formulating its recovery plan while limiting any additional financial exposure by the Group.

On 22 February 2021, the Group announced its first major corporate action to improve the liquidity of Sincere Property: the acquisition of equity interests in a Shenzhen technology park project, Shenzhen Longgang Tusincere Tech Park (深圳龙岗区启迪协信科技园), which provides the Group with a combined 55% effective interest in this large-scale development in China's high-growth "Silicon Valley". The site comprises offices (about 70%), SOHO apartments (about 20%), 4,887 carpark lots and retail/others (about 10%). The project is being developed in four phases, of which Phase 1 is completed while Phase 2 and 3 are under construction with expected completion in April 2022. Phase 4 (self-held office block) has not yet commenced construction.

For this transaction, the Group acquired a total of 84.6% equity interest in the project from Sincere Property and two entities of China Ping An (Ping An; 中国平安) in Shenzhen Tusincere Technology Park Development Co. Ltd. (the Holdco; 深圳启迪协信科技园发展有限公司) for RMB 850 million (approximately \$174 million) and will assume its proportionate share of existing shareholders' loans. The Holdco controls 65% interest in the project, which was valued at RMB 8.8 billion (approximately \$1.81 billion) by independent valuer, Cushman & Wakefield. The remaining 35% equity interest in the project is held by Shenzhen Longgang District state-owned enterprise (深圳龙岗区商业服务集团有限公司).

Investment Properties

Singapore

Majority of the Group's rental income is from its office portfolio, supported by medium to long-term leases with a diversified pool of mainly blue-chip MNCs. With pro-active leasing and tenant retention, committed occupancy of the Group's office portfolio improved to 92.2% as at 31 December 2020, higher than the national average of 88.2%. The Group's flagship office building Republic Plaza has a committed occupancy of above 96%.

Occupancy for the Group's retail portfolio remains resilient at 92.2%. Despite the lower footfall in the malls, the full year Gross Turnover (GTO) of the Group's malls managed to narrow the decline to approximately 15% drop y-o-y by end-2020. This is largely contributed by the strong performance of the F&B outlets in Palais Renaissance and Quayside Isle, which achieved full year GTO increases of over 10% despite the two-month Circuit Breaker closure (April to May 2020). To provide tenants with an alternative sales channel, CDL eMall, an online retail and F&B sales and delivery platform, was launched in December 2020.

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China

The Group has two commercial properties in Hongqiao, Shanghai. Hong Leong Plaza, a five-tower office building, has fully leased its office space for use as serviced apartments, a confinement centre and aesthetic clinic with long leases. This will generate stable recurring income. Hong Leong Hongqiao's office space is about 63% occupied. The serviced apartments are also relatively resilient despite the pandemic.

Japan

In September 2020, the Group acquired a forward-funded rental apartment PRS project – a 78-unit property named City Lux Yokohama. The property was completed in August 2020 and achieved a 61.5% occupancy rate within three months of completion. The Group's remaining four PRS projects in Osaka Japan, have achieved an average occupancy rate of 98%.

Fund Management

The Group is actively pursuing growth of its fund management business organically or via mergers and acquisitions.

In April 2020, the Group acquired an additional 8.4% stake in Singapore-listed IREIT Global, a pan-European real estate investment trust listed in Singapore. In October 2020, it supported IREIT's fund-raising exercise, increasing its stake to 21% of the total issued units. The Group currently has a 50% stake in the REIT manager. IREIT's AUM grew 41% from €504.9 million (approximately \$813.0 million) (at the point of investment by the Group in April 2019) to €711.3 million (approximately \$1.1 billion) as at 31 December 2020. It remains confident about the long-term fundamentals of the established European economies.

The Group is accelerating its plans to establish a Singapore-listed REIT with UK commercial assets. Discussions with banks, partners and various stakeholders are at an advanced stage. Details such as the properties to be injected and the size of the offering are being deliberated. The timeline is subject to market conditions.

Hotel Operations

Key operating statistics for hotels owned by the Group:

	Room Occupancy			Average Room Rate			RevPAR		
	FY 2020	FY 2019	Incr / (Decr)	FY 2020	FY 2019 *	Incr / (Decr)	FY 2020	FY 2019 *	Incr / (Decr)
	%	%	% pts	\$	\$	%	\$	\$	%
Singapore	76.7	86.9	(10.2)	110.7	195.1	(43.3)	84.9	169.6	(49.9)
Rest of Asia	30.6	71.4	(40.8)	121.5	158.3	(23.2)	37.2	113.0	(67.1)
Total Asia	48.2	77.5	(29.3)	114.9	174.4	(34.1)	55.4	135.1	(59.0)
Australasia	45.7	82.4	(36.7)	159.4	157.0	1.5	72.9	129.4	(43.7)
London	17.6	79.1	(61.5)	194.2	243.9	(20.4)	34.2	192.8	(82.3)
Rest of Europe	23.8	71.3	(47.5)	135.4	156.3	(13.4)	32.2	111.4	(71.1)
Total Europe	20.9	74.8	(53.9)	158.9	197.9	(19.7)	33.1	147.9	(77.6)
New York	44.2	86.6	(42.4)	185.4	349.3	(46.9)	82.0	302.7	(72.9)
Regional US	34.7	58.0	(23.3)	132.5	188.9	(29.9)	46.0	109.7	(58.1)
Total US	38.1	67.5	(29.4)	154.2	257.0	(40.0)	58.7	173.5	(66.2)
Total Group	38.6	74.3	(35.7)	137.2	200.6	(31.6)	52.9	149.1	(64.5)

*For comparability, FY 2019 Average Room Rate and RevPAR had been translated at constant exchange rates (31 December 2020).

The Group holds the view that given several global lockdowns, ongoing border closures and the resulting impact on its hospitality business, the y-o-y comparison above is not meaningful.

Asia and Australasia

With minimal inbound business, occupancies in most Singapore and New Zealand (NZ) hotels were partially mitigated by Government quarantine business and local government contracts for isolation programme respectively. Demand for the North Asia hotels has started to recover in domestic and retail markets as cities gradually lift national and regional travel restrictions.

Europe

In 2H 2020, regional UK started to recover ahead of London, but was subsequently impacted again by the second and third waves of infections. The Group's hotels in Paris and Rome remained closed since March 2020.

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US

The US continues to be the hardest hit, with the greatest number of infection cases and continuing restrictions on travel and business openings, compounded by civil and political unrest in many cities.

NY hotel occupancies were severely impacted with approximately 40% of the Group's hotels closed. Novotel Times Square was closed on 25 March 2020. The Group's other three NY hotels secured medical-related business as well as served essential workers to mitigate the losses.

Refurbishments

In 1H 2020, Copthorne King's Hotel in Singapore completed the renovation of 142 rooms at the Tower Wing. After completing refurbishment, Copthorne Hotel & Resort in Queenstown Lakefront, New Zealand, reopened in Q4 2020.

Developments

The Group is progressing with its plans to develop the Sunnyvale California project comprising a 263-room M Social hotel and a 250-unit residential block. It hopes to capitalise on Sunnyvale's strategic location as the headquarters of many technology companies and California's high-tech area of Silicon Valley. Construction for the apartment block has commenced and completion is expected in 2022.

Divestments

The sale of Millennium Cincinnati was completed on 14 February 2020 for US\$36 million (approximately \$49 million) with a disposal gain of \$26.0 million. The sale of W Singapore – Sentosa Cove hotel to CDLHT for \$324 million was completed on 16 July 2020.

In December 2013, as a result of a compulsory purchase order by the Birmingham City Council for the Copthorne Hotel Birmingham, the Group entered into various commercial arrangements with Birmingham City Council and Paradise Circus Limited Partnership (PCLP), the developer of Birmingham's Paradise Circus redevelopment scheme. The Group will be exercising its put option to sell the existing site to PCLP for £17.2 million (\$30.8 million) and expects to complete this in Q3 2021.

The Group entered into a Sale and Purchase Agreement in December 2020 to sell Copthorne Orchid Hotel & Resort Penang in Malaysia for RM 75 million (approximately \$25 million), with a pre-tax gain on disposal of \$9.2 million. The deal is expected to close in Q2 2021.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's performance for the period under review is in line with its expectations as disclosed in the announcement of results for the six months ended 30 June 2020, and the announcement of profit guidance on the unaudited financial results for the full year ended 31 December 2020.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Singapore

Singapore's residential market continues to show signs of recovery. New private home sales in January 2021 surged to their highest for the month in eight years, as developers successfully rolled out several new launches. To ensure that the Group has sufficient stock in the pipeline, it is preparing to launch two new projects this year.

The first is Irwell Hill Residences, conveniently located near Great World City shopping mall and the upcoming Great World MRT station. This prime District 9 development will comprise two elegant 36-storey towers with a total of 540 units. It is expected to be launched in Q2 2021.

The second project slated for launch in 2H 2021 is the residential component of the Liang Court JV redevelopment project with a 48-storey and a 24-storey tower with a total of 696 units. The mixed-used integrated development will also comprise a 21-storey Moxy hotel (475 keys), a 20-storey serviced residence (192 keys) and a 2-storey commercial podium. Located in the heart of Clarke Quay, the site has a coveted dual frontage facing the Singapore River and Fort Canning Hill. When completed, the development will have a direct connection to the Fort Canning MRT station of the Downtown line. The timely redevelopment of this mature asset and rejuvenation of the river promenade beside it will complement the revitalisation of the Singapore River planning area.

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To capitalise on the Government's initiatives to rejuvenate older assets in the CBD with enhanced plot ratios, the Group is progressing with plans to redevelop its Fuji Xerox Towers with a potential uplift of 25% GFA. Located near Tanjong Pagar MRT station and the upcoming Prince Edward MRT station, the proposed redevelopment will comprise a 47-storey mixed-use integrated development with residential, office, retail and serviced apartment uses. The asset offers great potential, stemming from its prime location at the gateway to the Greater Southern Waterfront masterplan by the Government.

Hotel Operations

Globally, hotel operations will continue to face pressures as travel restrictions and periodic lockdowns continue to be enforced in various regions and cities. However, the Group has a diversified hotel portfolio and is beginning to see some green shoots of recovery. For instance, domestic business in Europe is expected to continue as a new norm as lockdowns ease and international travel is reciprocated among the UK, France and several other locations. In Singapore and NZ, the Group's hotels are positioning themselves to host significant large-scale events from major global conferences and sporting events.

The Group had privatised and delisted M&C in late 2019. The subsequent pandemic which has significantly disrupted the global hospitality industry has given additional impetus to review its entire hotel footprint. Apart from a clear shift to digitalisation, restructuring and refurbishment of some assets, the Group will also accelerate efforts to unlock the deep value of the portfolio of hotel assets and streamline operating and cost structures to improve efficiency.

Board Appointments

Three Non-Executive Directors – Mr Kwek Leng Peck, Mr Koh Thiam Hock and Ms Tan Yee Peng – have stepped down from the Board since October 2020. The Board bench has been renewed with the additions of four Independent Non-Executive Directors – Mr Colin Ong, Mr Daniel Desbaillets, Mr Chong Yoon Chou and Ms Carol Fong – all with diversified skill sets and extensive experience.

Outlook

2020 was a tumultuous year, ravaged by the COVID-19 pandemic, which paralysed many global economies. Asymptomatic in nature yet lethal in its impact, the pandemic was a rude awakening as governments and businesses grappled with relentless challenges on public health and safety, protecting the social fabric while also trying to revitalise an ailing economy laden with deep uncertainties. The magnitude and ferocity of the impact were unprecedented.

The Group had to embrace these disruptions and swiftly adapt to the changes. From the mobilisation of evolving safe distancing measures, strengthening its digital platforms, helping its stakeholders tide over this challenging period, to pivoting new ways of doing business – the Group worked diligently to reposition its business model.

Beyond the pandemic, 2020 posed other unprecedented structural and policy challenges beyond the Group's control. Two of the Group's largest investments – its Sincere Property JV and M&C – bore the brunt of the combined impact, affecting their liquidity and operations, respectively.

Over the decades, the Group has recovered from each crisis and emerged stronger than before. Its balance sheet and financial health remain strong. Moving into 2021, it will continue to display resilience, management expertise and its proven ability to seize opportunities. On the back of global vaccine deployment, and collective efforts to reopen some borders, the Group remains optimistic that there is light at the end of this storm, and it will recover from this one-off dislocation. As the global economy recovers from the effects of the pandemic, the Group will continuously tweak and execute on its Growth, Enhancement and Transformation (GET) strategy to propel recovery and accelerate growth.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

The Company had paid the following tax-exempt (one-tier) special interim ordinary dividend to ordinary shareholders and non-cumulative preference dividends to holders of City Developments Limited Non-redeemable Convertible Non-cumulative Preference Shares ("Preference Shares").

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Name of Dividend	Tax exempt (One-tier) Preference Dividend	
Date of Payment	30 June 2020	31 December 2020
Dividend Type	Cash	Cash
Dividend Amount (in cents)	1.94 cents per Preference Share [^]	1.96 cents per Preference Share [^]
Dividend rate (in %)	3.9% per annum on the issue price of each Preference Share	3.9% per annum on the issue price of each Preference Share
Dividend Period	From 31 December 2019 to 29 June 2020 (both dates inclusive)	From 30 June 2020 to 30 December 2020 (both dates inclusive)
Issue Price	\$1.00 per Preference Share	\$1.00 per Preference Share

[^] Preference dividend for each Preference Share is calculated at the dividend rate of 3.9% per annum of the issue price of \$1.00 for each Preference Share on the basis of the actual number of days comprised in the dividend period divided by 366 days.

Subject to ordinary shareholders' approval at the Annual General Meeting to be held on 30 April 2021, the following Ordinary dividend has been proposed:

Name of Dividend	Proposed Tax-exempt (One-tier) Final Ordinary Dividend	Proposed Tax-exempt (One-tier) Special Final Ordinary Dividend
Dividend Type	Cash	Cash
Dividend Amount (in cents)	8.0 cents per Ordinary Share	4.0 cents per Ordinary Share

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend	Tax exempt (One-tier) Preference Dividend	
Date of payment	1 July 2019	31 December 2019
Dividend type	Cash	Cash
Dividend amount (in cents)	1.94 cents per Preference Share ^{^^}	1.96 cents per Preference Share ^{^^}
Dividend rate (in %)	3.9% per annum on the issue price of each Preference Share	3.9% per annum on the issue price of each Preference Share
Dividend period	From 31 December 2018 to 30 June 2019 (both dates inclusive)	From 1 July 2019 to 30 December 2019 (both dates inclusive)
Issue price	\$1.00 per Preference Share	\$1.00 per Preference Share

Name of Dividend	Tax-exempt (One-tier) Special Interim Ordinary Dividend	Tax-exempt (One-tier) Final Ordinary Dividend	Tax-exempt (One-tier) Special Final Ordinary Dividend
Date of payment	12 September 2019	16 July 2020	16 July 2020
Dividend Type	Cash	Cash	Cash
Dividend Amount (in cents)	6.0 cents per Ordinary Share	8.0 cents per Ordinary Share	6.0 cents per Ordinary Share

^{^^} Preference dividend for each Preference Share is calculated at the dividend rate of 3.9% per annum of the issue price of \$1.00 for each Preference Share on the basis of the actual number of days comprised in the dividend period divided by 365 days.

(c) Date payable

Subject to ordinary shareholders' approval at the Annual General Meeting to be held on 30 April 2021, the proposed final and special final Ordinary dividends for financial year ended 31 December 2020 will be payable on 21 May 2021.

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(d) Record Date

5.00pm on 6 May 2021.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Not applicable.

13. Interested Person Transactions

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
			\$'000
Subsidiaries of Hong Leong Investment Holdings Pte. Ltd.	Hong Leong Investment Holdings Pte. Ltd. is a controlling shareholder of the Company. Its subsidiaries are interested persons being associates of a controlling shareholder.	<u>Management and Support Services</u> Provision of management and consultancy services by interested persons	741
Directors and their immediate family members			Nil

14. Segment Reporting

By Business Segments

	The Group			
	Half Year Ended		Full Year Ended	
	31 December		31 December	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Revenue</u>				
Property Development	502,205	600,730	965,940	1,136,730
Hotel Operations*	285,156	919,734	640,445	1,705,015
Investment Properties	175,951	230,635	361,418	438,143
Others	72,210	81,098	140,623	148,837
	<u>1,035,522</u>	<u>1,832,197</u>	<u>2,108,426</u>	<u>3,428,725</u>
<u>(Loss)/Profit before tax**</u>				
Property Development	(854,817)	198,455	(739,844)	378,075
Hotel Operations	(365,222)	(36,088)	(573,393)	(6,576)
Investment Properties	(601,309)	74,479	(575,002)	332,906
Others	16,742	26,933	97,428	49,672
	<u>(1,804,606)</u>	<u>263,779</u>	<u>(1,790,811)</u>	<u>754,077</u>

* Revenue from hotel operations includes room revenue of \$395.9 million (FY 2019: \$1,154.2 million) for FY 2020 from hotels that are owned by the Group.

** Includes share of after-tax profit/(loss) of associates and joint ventures.

Loss relating to the Group's investment in Sincere Property are segmented to property development, hotel operations and investment properties segments based on the unaudited financial information of Sincere Property as at 31 December 2020. Such allocation may be subject to change pending the completion of the audit of Sincere Property.

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Segmental results for full year ended 31 December

	Property Development S\$'000	Hotel Operations S\$'000	Investment Properties S\$'000	Total S\$'000	Others S\$'000	Total S\$'000
2020						
External revenue	965,940	640,445	361,418	1,967,803	140,623	2,108,426
Results						
(Loss)/Profit from operating activities	(289,458)	(437,083)	(171,864)	(898,405)	46,761	(851,644)
Share of after-tax (loss)/profit of associates and joint ventures	(404,913)	(98,366)	(367,629)	(870,908)	25,132	(845,776)
Finance income	76,681	10,060	47,947	134,688	33,930	168,618
Finance costs	(122,154)	(48,004)	(83,456)	(253,614)	(8,395)	(262,009)
Net finance (costs)/income	(45,473)	(37,944)	(35,509)	(118,926)	25,535	(93,391)
Reportable segment (loss)/profit before tax	(739,844)	(573,393)	(575,002)	(1,888,239)	97,428	(1,790,811)
2019						
External revenue	1,136,730	1,705,015	438,143	3,279,888	148,837	3,428,725
Results						
Profit from operating activities	277,154	60,698	311,630	649,482	4,452	653,934
Share of after-tax profit/(loss) of associates and joint ventures	153,643	(16,758)	45,790	182,675	13,632	196,307
Finance income	38,125	8,815	10,657	57,597	50,930	108,527
Finance costs	(90,847)	(59,331)	(35,171)	(185,349)	(19,342)	(204,691)
Net finance (costs)/income	(52,722)	(50,516)	(24,514)	(127,752)	31,588	(96,164)
Reportable segment profit/(loss) before tax	378,075	(6,576)	332,906	704,405	49,672	754,077

15. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Property Development

Revenue decreased by \$98.5 million to \$502.2 million (2H 2019: \$600.7 million) for 2H 2020 and \$170.8 million to \$965.9 million (FY 2019: \$1,136.7 million) for FY 2020.

This segment reported a pre-tax loss of \$854.8 million (2H 2019: pre-tax gain of \$198.5 million) for 2H 2020 and a pre-tax loss of \$739.8 million (FY 2019: pre-tax gain of \$378.1 million) for FY 2020.

Projects that contributed to both revenue and profit in FY 2020 include Whistler Grand, The Tapestry, Amber Park, Gramercy Park, New Futura, HLCC, Hongqiao Royal Lake, Park Court Aoyama The Tower, Phase 1 of Teddington Riverside in Borough of Richmond upon Thames and 100 Sydney Street project in Chelsea. Sales of residential properties in New Zealand and units in Zenith Residences by M&C Group also contributed to the Group's revenue and pre-tax profit for this segment. In accordance with the Group's policy of equity accounting for the results of its joint ventures, whilst revenue from joint venture developments such as South Beach Residences, Boulevard 88, The Jovell and Forest Woods had not been consolidated into the Group's total revenue, the Group's share of profit arising from these joint venture developments had been included in pre-tax profit.

The decrease in revenue for 2H 2020 and FY 2020 was attributable to lower recognition of profits progressively for projects due to the slower construction progress due to COVID-19, and 2H 2019 and FY 2019 contribution included a larger contribution from high end projects which commanded higher profit margins such as New Futura, Gramercy Park and South Beach Residences. The decrease is slightly offset by higher progressive contribution from Whistler Grand and Amber Park due to higher percentage of completion achieved, higher contribution from the Teddington Riverside and maiden contribution from 100 Sydney Street project in Chelsea.

The substantial pre-tax loss recognised for 2H 2020 and FY 2020 was due to losses attributable to the Group's investment in Sincere Property. Excluding the impact of Sincere Property, this segment would have reported a pre-tax gain of \$110.2 million for 2H 2020 and \$219.8 million for FY 2020.

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The decrease in pre-tax profit for 2H 2020 and FY 2020 (excluding the impact of Sincere Property) was in tandem with the decrease in revenue, coupled with thinner margins for The Tapestry, Whistler Grand and Amber Park, the main contributors for 2H 2020 and FY 2020. In addition, there was lower share of profit from South Beach Residences, a joint venture project due to lower sales volume, and lower returns recognised from the sales of units in the Ivy and Eve project in Australia which was fully sold in 2019. In addition, the Group made an allowance for foreseeable losses of \$35.0 million on its development properties, vis-à-vis a \$6.5 million write back in FY 2019.

Hotel Operations

Revenue for this segment decreased \$634.5 million to \$285.2 million (2H 2019: \$919.7 million) for 2H 2020 and \$1,064.6 million to \$640.4 million (FY 2019: \$1,705.0 million) for FY 2020.

This segment reported a pre-tax loss of \$365.2 million (2H 2019: \$36.1 million) for 2H 2020 and a pre-tax loss of \$573.4 million (FY 2019: \$6.6 million) for FY 2020.

Excluding the impact of Sincere Property, this segment would have reported a pre-tax loss of \$258.0 million for 2H 2020 and \$466.8 million for FY 2020.

The prolonged COVID-19 pandemic continues to have a profound impact on the Group's hotel operations. Widespread travel restrictions and lockdowns of cities since March 2020 had resulted in an unprecedented collapse in global tourism and travel. In the second half of the year, while some nations see recovery in the hospitality sector due to gradual lifting of travel restrictions and implementation of domestic travel initiatives, others such as the United States and United Kingdom experience a resurgence of the outbreak, triggering second and subsequent lockdowns. The hotels results were also impacted by the civil unrest in the United States regarding racial injustice and travel strikes in Paris.

Impairment losses made by the Group of \$87.0 million (FY2019: \$58.2 million) on its hotel properties during the year also contributed to the loss for this segment.

Investment Properties

Revenue for this segment decreased by \$54.6 million to \$176.0 million (2H 2019: \$230.6 million) for 2H 2020 and \$76.7 million to \$361.4 million (FY 2019: \$438.1 million) for FY 2020.

This segment reported a pre-tax loss of \$601.3 million (2H 2019: pre-tax gain of \$74.5 million) for 2H 2020 and a pre-tax loss of \$575.0 million (FY 2019: pre-tax gain of \$332.9 million) for FY 2020.

The decrease in revenue for both 2H 2020 and FY 2020 were largely due to rental rebates provided to retail tenants, as well as lower revenue for hotels under the master lease structure for CDLHT Group, where operations are severely impacted by the pandemic.

The substantial pre-tax loss recognised for 2H 2020 and FY 2020 was due to losses attributable to the Group's investment in Sincere Property. Excluding the impact of Sincere Property, this segment would have reported a pre-tax gain of \$113.5 million for 2H 2020 and \$135.8 million for FY 2020.

Excluding the loss attributable to Sincere Property, pre-tax profit for this segment for FY 2020 declined mainly due to lower divestment gains recognised, impairment losses recognised on investment properties and higher financing cost incurred. In July 2020, the Group (through CDLHT Group) completed the sale of Novotel Clarke Quay to a joint venture consortium held by the Group and CapitaLand Limited and recognised a gain of \$107.9 million on the sale. The Group also recognised a gain of \$9.4 million on the divestment of Novotel Brisbane in October 2020. Divestment gains in FY 2019 was higher where the Group realised deferred gain on sale of investment properties of \$153.9 million and \$52.6 million of distributions from Golden Crest upon the successful unwinding of the PPS 2 platform. The Group also recognised a \$10.5 million gain from the divestment of a vacant land parcel at Jervois Road in July 2019.

During the year, based on assessment done by external valuers, the Group recognised an impairment loss of \$12.0 million on two investment properties located in Italy and the Maldives. On the other hand, the Group wrote back \$2.4 million of impairment loss on two investment properties located in the Maldives in FY 2019.

Others

Revenue, comprising mainly income from building maintenance contracts, project management, club operations, laundry services and dividend income, decreased by \$8.9 million to \$72.2 million (2H 2019: \$81.1 million) for 2H 2020 and \$8.2 million to \$140.6 million (FY 2019: \$148.8 million) for FY 2020. The decreases for 2H 2020 and FY 2020 were due to lower project management fees and club income earned.

Pre-tax profit decreased by \$10.2 million to \$16.7 million (2H 2019: \$26.9 million) for 2H 2020 but increased \$47.7 million to \$97.4 million (FY 2019: \$49.7 million) for FY 2020.

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Despite a marginal decrease in revenue, pre-tax profit for FY 2020 increased mainly due to higher contribution derived from FSGL's property financing business, backed by higher income from refinancing loans. In addition, the Group also recognised a \$23.5 million divestment gain on SHR and lower mark-to-market loss on certain quoted securities held by the Group.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total Annual Net Dividend (Refer to Para 18 of Appendix 7.2 for the required details)

	Full Year 2020 S\$'000	Full Year 2019 S\$'000
Ordinary	72,552	72,552
Special	36,276	108,828 ^{^^}
Preference	12,904	12,904
Total	121,732	194,284

^{^^} Restated to factor in the impact of treasury shares purchased by the Company during the year.

The final tax-exempt (one-tier) ordinary dividend and special final tax-exempt (one-tier) ordinary dividend for the year ended 31 December 2020 of 8.0 cents and 4.0 cents respectively per ordinary share are subject to the approval of ordinary shareholders at the forthcoming Annual General Meeting and the dividend amounts are based on the number of issued ordinary shares as at 31 December 2020.

17. A breakdown of sales and operating profit after tax for first half year and second half year.

	2020 S\$'000	2019 S\$'000	Incr/(Decr) %
a) Revenue			
- First half	1,072,904	1,596,528	(32.8)
- Second half	1,035,522	1,832,197	(43.5)
	<u>2,108,426</u>	<u>3,428,725</u>	(38.5)
b) Operating profit/(loss) after tax before deducting non-controlling interests			
- First half	398	394,216	(99.9)
- Second half	(1,878,911)	219,145	NM
	<u>(1,878,513)</u>	<u>613,361</u>	NM

18. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 in accordance with Rule 720(1) of the Listing Manual.

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19. Disclosure of person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(13) of the Listing Rules.

City Developments Limited ("CDL") and the following principal subsidiaries:

- Millennium & Copthorne Hotels Limited ("M&C")
- M&C REIT Management Limited ("M&CREIT"), manager of CDL Hospitality Real Estate Investment Trust ("H-REIT")
- M&C Business Trust Management Limited ("M&CBTM"), trustee-manager of CDL Hospitality Business Trust ("HBT")
- CDL China Limited ("CDL China")

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr Kwek Leng Beng	80	Father of Mr Sherman Kwek Eik Tse, Executive Director and Group Chief Executive Officer of CDL.	<p><u>CDL</u> Executive Chairman of CDL since 1 January 1995, having overall executive responsibility to provide leadership and vision in the Board of Directors' review and development of the business direction and strategies for the sustainable growth of the CDL group of companies.</p> <p><u>M&C</u> Appointed Executive Chairman of M&C on 18 November 2019 with executive responsibility to lead and drive M&C's performance, with the assistance of the management team of M&C, and through better synergies from integration with CDL following the privatisation of M&C.</p>	No change.
Mr Sherman Kwek Eik Tse	44	Son of Mr Kwek Leng Beng, Executive Chairman of CDL.	<p><u>CDL</u> Appointed Group Chief Executive Officer of the Group in 2018 and Executive Director of CDL on 15 May 2019.</p> <p>As Executive Director and Group Chief Executive Officer, Mr Sherman Kwek is responsible for setting and implementing the business directions and strategies for the Group as endorsed by the Board, providing leadership to drive the pursuit of the Group's strategic objectives, and having overall management oversight of the Group's performance.</p> <p><u>CDL China</u> Appointed Executive Chairman of CDL China in 2016, with overall executive responsibility for CDL China's investments and operations.</p>	No change.

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Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr Kwek Eik Sheng	39	<p>Nephew of Mr Kwek Leng Beng, Executive Chairman of CDL.</p> <p>Cousin of Mr Sherman Kwek Eik Tse, Executive Director and Group Chief Executive Officer of CDL.</p>	<p><u>CDL</u> Appointed Chief Strategy Officer of CDL in 2014. In his current position as Group Chief Strategy Officer, Mr Kwek Eik Sheng supports the Group Chief Executive Officer of CDL in investment analysis and formulation of business strategies to explore new sectors for growth and to drive corporate-wide initiatives for increased corporate efficiency and innovation.</p> <p><u>M&C</u> Appointed Executive Director of M&C on 18 November 2019, with executive responsibilities including oversight on:</p> <ul style="list-style-type: none"> (i) investment management, including reviewing opportunities for mergers & acquisitions and asset disposals; (ii) capital planning, including capital expenditure planning, treasury matters and corporate finance and financial planning; and (iii) development projects for the M&C group and strategic corporate planning, including the spearheading the integration between M&C and CDL. 	No change.
Mr Vincent Yeo Wee Eng	52	<p>Nephew of Mr Kwek Leng Beng, Executive Chairman of CDL.</p> <p>Cousin of Mr Sherman Kwek Eik Tse, Executive Director and Group Chief Executive Officer of CDL.</p>	<p><u>M&CREIT/M&CBTM</u> Director and Chief Executive Officer of M&CREIT (as manager of H-REIT) and M&CBTM (as trustee-manager of HBT) with effect from 17 May 2006 and 19 July 2006 respectively. Responsible for working within the M&CREIT and M&CBTM Boards and as CEO of M&CREIT and M&CBTM to develop and implement the overall business, investment and operational strategies for H-REIT and HBT.</p>	No change.

BY ORDER OF THE BOARD

Shufen Loh @ Catherine Shufen Loh
Company Secretary
26 February 2021

News Release

26 February 2021

**CDL RECORDS FULL YEAR LOSS OF S\$1.9 BILLION
DUE TO DECISION TO WRITE DOWN SINCERE PROPERTY INVESTMENT TO
FOCUS ON POST COVID-19 RECOVERY**

- **Significant loss attributable to one-off impairment of S\$1.78 billion on Sincere Property Group (Sincere Property) investment**
- **Impairment losses for CDL's hotels and investment properties; and allowance for foreseeable losses for development projects**
- **Excluding impairments and foreseeable losses, CDL would have registered a profit before tax of S\$120.8 million for FY 2020**
- **Property development segment remains resilient: sold 1,318 residential units in Singapore with sales value of S\$1.8 billion in FY 2020**
- **Fundamentals remain strong, with cash reserves of S\$3.2 billion**
- **Total dividends for 2020 at 12 cents per share (FY 2019: 20 cents)**

With the protracted COVID-19 global pandemic adversely impacting its business and operations and a challenging operating real estate environment in China, City Developments Limited (CDL) reported a loss after tax and non-controlling interest of S\$1.9 billion for its second half (2H 2020) and S\$1.9 billion for the year ended 31 December 2020 (FY 2020) (2H 2019: PATMI of S\$202.6 million; FY 2019: PATMI of S\$564.6 million).

Excluding one-off, non-cash impairments of S\$1.78 billion for losses attributable to its joint venture (JV) investment in Sincere Property in China, impairment losses for CDL's hotels and investment properties of S\$99.5 million and allowance for foreseeable losses for development projects of S\$35.0 million, CDL would have registered a profit before tax of S\$83.0 million for 2H 2020 and S\$120.8 million for FY 2020 (2H 2019: S\$317.0 million; and FY 2019: S\$805.5 million).

The Group's revenue for 2H 2020 declined by 43.5% to S\$1.0 billion (2H 2019: S\$1.8 billion) and 38.5% to S\$2.1 billion for FY 2020 (FY 2019: S\$3.4 billion). While all segments were impacted, the Group's hotel operations segment accounted for 81% of the decline, as the pandemic continued to spread with resurgence in some cities even amid border restrictions, lockdowns and other measures to contain the spread of the virus.

Despite the unprecedented set of results, the Group remains confident to weather the combined challenges with its strong fundamentals and financial strength. Its financial position remains robust with sufficient liquidity to meet its operational needs and financial commitments. As at 31 December 2020, the Group has cash reserves of S\$3.2 billion. It maintains a strong liquidity position comprising cash and available undrawn committed bank facilities totalling S\$5.2 billion. Net gearing ratio after factoring in fair value on investment properties stands at 62%.

For FY 2020, the Board is recommending a final ordinary dividend of 8.0 cents per share as well as a special final ordinary dividend of 4.0 cents per share. The Group did not declare a mid-year dividend amid a challenging operating environment in which cash conservation and prudent capital management were crucial. This brings the total full-year dividend to 12.0 cents per share (FY 2019: 20.0 cents). Despite the losses, the Board wishes to reward shareholders and express its appreciation for their confidence and support amid these challenging times.

Financial Highlights

(\$ million)	FY 2020	FY 2019	% Change	2H 2020	2H 2019	% Change
Revenue	2,108.4	3,428.7	(38.5)	1,035.5	1,832.2	(43.5)
Profit before tax	(1,790.8)	754.1	NM	(1,804.6)	263.8	NM
PATMI	(1,917.4)	564.6	NM	(1,920.5)	202.6	NM

Important Notes on Impairments, Profit Before Tax & Net Asset Value

- The loss attributable to Sincere Property has distorted the Group's 2H 2020 and FY 2020 results. Based on the audit outcome by KPMG and the challenges faced by the JV platform, the Group effectively impaired 93% of its total investment in Sincere Property, amounting to S\$1.78 billion. Taking into consideration Sincere Property's debts in the next 12 months and China's "three red lines" policy to cap borrowings for real estate developers, the Group is cautious that Sincere Property may face significant liquidity challenges.
- For FY 2020, the Group also made impairment losses on hotels and investment properties totalling S\$99.5 million (FY 2019: S\$58.0 million) and allowance for foreseeable losses of S\$35.0 million (FY 2019: write back of allowance for foreseeable losses of S\$6.5 million). Notably, the Group had made impairment losses for its hotel properties of S\$33.9 million in 1H 2020 based on management assessment. The year-end impairment review of its hotel properties was done by external valuers, reflecting the subdued outlook for the hospitality sector.
- In view of the protracted global pandemic and the impairments made, the Group's Net Asset Value (NAV) per share as at 31 December 2020 stands at S\$9.38 (31 December 2019: S\$11.60). Notably, the Group adopts the policy of stating investment properties at cost less accumulated depreciation and impairment losses. Had the Group factored in fair value gains on its investment properties, the Revalued Net Asset Value (RNAV) per share would be S\$14.26 (2019: S\$16.46). It should be noted that this RNAV figure assumes that the Group's hotels continue to be stated at cost. Had the revaluation surpluses of its hotels been included, based on the 2020 internal estimates and external valuations, the Group's RNAV per share would have increased by S\$2.62 to S\$16.88. There is deep value in M&C's assets which form the bulk of these revaluation surpluses and the Group will review the portfolio holistically, now that it is 100% owned after the privatisation exercise in November 2019.

Strategic Investment as First Action to Improve Liquidity of Sincere Property

- The Group has formed a special working group who will work with Sincere Property, assisted by Deloitte China, to improve liquidity and restructure its existing loans and liabilities. In an operating environment that remains volatile and fluid, the working group is exploring all options in formulating its recovery plan while limiting any additional financial exposure by the Group.
- The Group announced on 22 February its first major corporate action to improve the liquidity of Sincere Property. CDL has acquired from Sincere Property and two entities of China Ping An (Ping An; 中国平安) a total of 84.6% interest in Shenzhen Tusincere Technology Park Development Co. Ltd. (the Holdco; 深圳启迪协信科技园发展有限公司) for RMB 850 million (approximately S\$174 million) and will assume its proportionate share of existing shareholders' loans.
- Apart from lowering the gearing of Sincere Property, CDL now has a combined effective 55% interest in a large-scale development – the Shenzhen Longgang Tusincere Tech Park (深圳龙岗区启迪协信科技园) – in China's high-growth "Silicon Valley". The Holdco controls 65% interest in the Tech Park while 35% interest is held by Shenzhen Longgang District state-owned enterprise (深圳龙岗区商业服务集团有限公司). The Tech Park has been independently valued by Cushman & Wakefield at RMB 8.8 billion (approximately S\$1.81 billion).

Operations Review and Prospects

Resilient Residential Sales in Singapore, China and other Overseas Markets

- In **Singapore**, the Group and its JV associates sold 1,318 residential units including Executive Condominiums (ECs), with a total sales value of S\$1.8 billion (FY 2019: 1,554 units with a total sales value of S\$3.3 billion). The lower sales value was due to more upgrader and mid-segment projects like Whistler Grand, Piermont Grand and Penrose sold, compared to sales from higher-end projects like New Futura, Boulevard 88 and Amber Park in the previous year.
- Penrose, a 566-unit JV project located at Sims Drive, near Aljunied MRT station, was launched in September. The response was overwhelming, with over 60% of the units sold during the launch weekend, making it one of the best-selling launches in 2020. The project is now 74% sold at an average selling price (ASP) of over S\$1,570 per square foot (psf).
- In **China**, the Group's wholly-owned subsidiary, CDL China Limited, and its JV associates sold 441 units, achieving a sales value of RMB 1.48 billion (approximately S\$284 million). To date, the Group has sold 1,668 (92%) out of 1,813 units in the residential component of Hong Leong City Center (HLCC), an integrated mixed-use development in Suzhou Industrial Park. Current occupancy at HLCC's Grade A office tower and mall stands at 75% and 89% respectively, and the 295-room five-star M Social Hotel is expected to open in Q1 2022.
- In **Australia**, the Group soft launched stage 1 of Brickworks Park, consisting of 222 units of apartments and townhouses located in Alderley, North Brisbane, with 35 units out of the 132 released sold to date. The Group has also exchanged contracts on 77% of the apartments of its JV 198-unit freehold residential project The Marker in West Melbourne.

Project Launch Pipeline

- Two residential launches are in the pipeline for 2021. The first is Irwell Hill Residences, conveniently located near Great World City shopping mall and the upcoming Great World MRT station. This prime District 9 development will comprise two elegant 36-storey towers with a total of 540 units. It is expected to be launched in Q2 2021.
- The second project slated for launch in 2H 2021 is the residential component of the Liang Court JV redevelopment project with a 48-storey tower and a 24-storey tower totalling 696 units. The mixed-used integrated development will comprise a 21-storey Moxy hotel (475 keys), a 20-storey serviced residence (192 keys) and a two-storey commercial podium. Located in the heart of Clarke Quay, the site has a coveted dual frontage facing the Singapore River and Fort Canning Hill.

Redevelopment & Portfolio Rejuvenation

- To capitalise on the Government's initiatives to rejuvenate older assets in the CBD with enhanced plot ratios, the Group is progressing with plans to redevelop its Fuji Xerox Towers with a potential GFA uplift of 25%. Located near Tanjong Pagar MRT station and the upcoming Prince Edward MRT station, the proposed redevelopment will comprise a 47-storey mixed-use integrated development with residential, office, retail and serviced apartment uses. The asset offers great potential and growth, stemming from its prime location at the gateway to the Greater Southern Waterfront masterplan by the Government.

Mr Kwek Leng Beng, Executive Chairman of CDL, said, "Irrespective of the current pandemic situation, the Group continues to work diligently to reposition itself and grow its business. We have shielded ourselves through conservative accounting policies and have not yet unearthed the deep value of our asset portfolio – especially for our M&C hotels which have not been revalued and have much upside potential to be realised. COVID-19 has given us greater impetus to review our entire privatised M&C portfolio, with a view to unlocking the intrinsic value of the Group's RNAV at the right time.

We have taken a prudent approach with regards to our non-cash, non-recurring impairments and a special working group has been tasked to explore all options in formulating a recovery plan for the Group's investment in Sincere Property. Our recent acquisition of a majority stake in Shenzhen Longgang Tusincere Tech Park marks our first major step to improve the liquidity of Sincere Property. The situation is fluid and we remain focused on completing our strategic review and embarking on further corporate action, whilst prioritising shareholder value preservation.

Over the decades, the Group has recovered from each crisis and emerged stronger than before. Its balance sheet and financial health remain strong. Moving into 2021, we will continue to display resilience, management expertise and our proven ability to seize opportunities."

Mr Sherman Kwek, Group Chief Executive Officer of CDL, said, "Despite the immense disruptions owing to the impact of COVID-19 and other challenges, we have been steadfast in transforming our business, adapting to new trends and embracing digitalisation. As a result, we maintained business continuity in moving residential inventory in Singapore and abroad as well as ensured resilience in our core property development and asset management divisions.

While our financial results have been negatively skewed by our key Transformation initiatives, these figures do not reflect the reality of what the rest of CDL has pulled together to achieve throughout an unprecedented time in modern history.

As the global economy recovers from the effects of the pandemic, the Group will continuously refine its Growth, Enhancement and Transformation (GET) strategy to propel recovery and drive growth through initiatives such as land replenishment, portfolio enhancement and fund management."

Please visit www.cdl.com.sg for CDL's FY 2020 financial statement.

Issued by City Developments Limited (Co. Regn. No. 196300316Z)

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DEVELOPMENTS
LIMITED**

Trusted
Since
1963

FY 2020 Results Presentation

26 February 2021

Agenda |

- **Overview & Strategic Initiatives**
- **Financial Highlights**
- **Sincere Property Update**
- **Operations Review**
 - Singapore Operations
 - International Operations
 - Hospitality





Overview |



Key Financial Highlights

2H 2020	Revenue	EBITDA	PBT	PATMI
	\$1.0B	(\$1.6B)	(\$1.8B)	(\$1.9B)
	\$187MM Exclude Sincere	(\$18MM) Exclude Sincere	(\$134MM) Exclude Sincere	
2H 2019				
	\$1.8B	\$464.8MM	\$263.8MM	\$202.6MM
FY 2020	Revenue	EBITDA	PBT	PATMI
	\$2.1B	(\$1.4B)	(\$1.8B)	(\$1.9B)
	\$367MM Exclude Sincere	(\$14MM) Exclude Sincere	(\$140MM) Exclude Sincere	
FY 2019				
	\$3.4B	\$1.1B	\$754.1MM	\$564.6MM

No fair values adopted on investment properties.
Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.



Key Financial Highlights – FY 2020

FY 2020

NAV per share

\$9.38

▼ 19.1% YoY

FY 2019:

\$11.60

RNAV per share

\$14.26

▼ 13.4% YoY

FY 2019:

\$16.46

If FV gains on investment properties had been factored in and the Group's hotels continue to be stated at cost

\$16.88
If revaluation surpluses of the hotel portfolio had been included (based on 2020 internal & external valuations)

FY 2020

Proposed Dividend

12.0

cents per share

▼ 40.0%

FY 2019:

20.0 cents

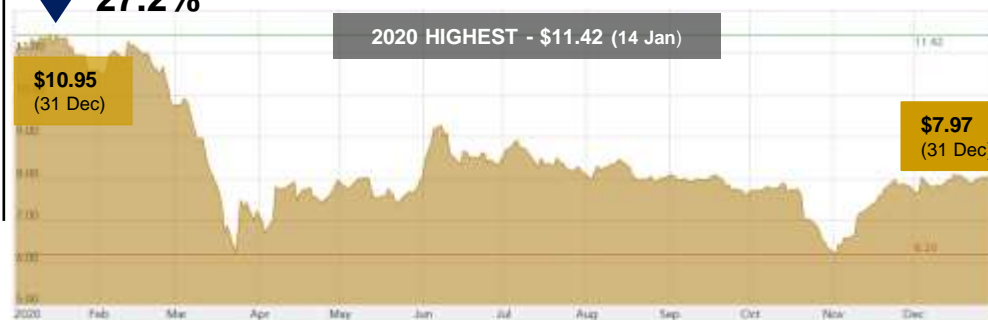
Comprises:

- Special Final Dividend: – 4.0 cents
- Final Dividend: – 8.0 cents

Share Price Performance

\$7.97[^]

▼ 27.2%



No fair values (FV) adopted on investment properties.





Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

[^] As of 31 Dec 2020



Key Operational Highlights – FY 2020

Performance Summary

 <p>Property Development</p>	<ul style="list-style-type: none">▪ SINGAPORE: Sold 1,318 units with total sales value of \$1.846B*▪ CHINA: Sold 441 units with total sales value of RMB 1.48B (\$284MM)▪ AUSTRALIA: Sold over 77% of 198-unit The Marker project in Melbourne
 <p>Asset Management</p>	<ul style="list-style-type: none">▪ SINGAPORE: Resilient committed occupancy for core Singapore office & retail portfolio:<ul style="list-style-type: none">– Office: 92.2% (NLA: 1.7MM sq ft)– Retail: 92.2% (NLA: 686,000 sq ft)▪ OVERSEAS: Stable occupancy for office assets in London and China
 <p>Hotel Operations</p>	<ul style="list-style-type: none">▪ Performance severely impacted by COVID-19 pandemic:<ul style="list-style-type: none">– Hotel closures: 8% of 152 hotels worldwide temporarily closed– Global occupancy: 38.6% (▼ 35.7% yoy)– Global RevPAR: \$52.90 (▼ 64.5% yoy)– Global ARR: \$137.20 (▼ 31.6% yoy)▪ Divestment of four hotel assets in Malaysia, Singapore, the UK and the US
 <p>Fund Management</p>	<ul style="list-style-type: none">▪ Continue to build pipeline, in active collaboration with capital partners to acquire new AUM<ul style="list-style-type: none">– Acquired additional 8.4% effective stake in IREIT Global units in Apr 2020 for \$25.5MM– Exploring establishment of a REIT with commercial assets located in the UK to be listed on SGX-ST



* Includes Executive Condominiums (ECs) and share of JV partners, excludes Nouvel 18

Portfolio Composition by Segment – FY 2020

Adjusted
EBITDA *
\$466.3MM



FY 2020



Total Assets ^
\$23.7B



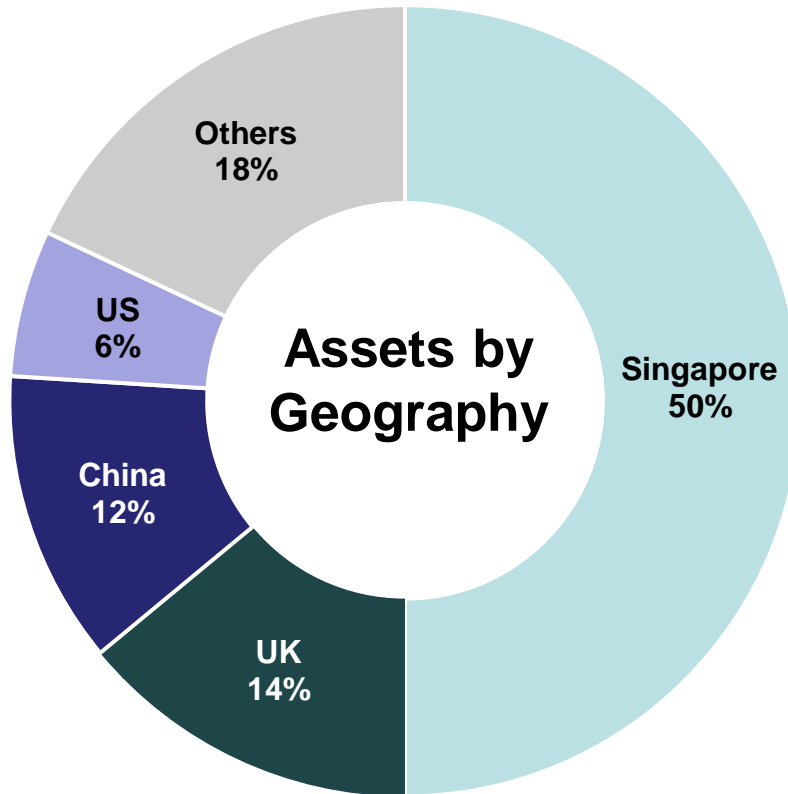
* Earnings before interest, tax, depreciation and amortisation exclude impairment losses on investment properties and property, plant and equipment, and net loss from Sincere.

^ Excludes tax recoverable and deferred tax asset.



Global Portfolio Overview

The Group's diversified portfolio enables it to weather cyclical typhoons from time to time



Total Assets:
\$23.7B



As at 31 December 2020



Strategic Initiatives



GET Strategy

Accelerate Transformation of Asset Portfolio and Business Operations for Growth

Growth
Enhancement
Transformation



Growth

- Build development pipeline & recurring income streams

Enhancement

- Enhance **asset portfolio**
- Drive **operational efficiency**



Transformation

- Transform business via **new platforms:**
Strategic Investments,
Fund Management,
Innovation &
Venture Capital



Focus 2021

Growth

- **Pipeline launches:** Irwell Hill Residences and Liang Court redevelopment project
- **Active land replenishment:** Maintain a strategic inventory level



Enhancement

- **Asset rejuvenation:** Redevelopment of Fuji Xerox Towers (CBD Incentive Scheme) and Central Mall (Strategic Development Incentive Scheme)



Transformation

- **Fund management:** Establish **SGX-listed REIT** with UK commercial assets
- **Strategic review:** **M&C** and **Sincere Property Group**





Growth

- Build development pipeline & recurring income streams

Completed Strategic Acquisitions & Investments

FY 2020:
~\$1.52B[^]
Acquisitions & investments

Europe

Additional 8.4% stake in Singapore-listed IREIT Global



Japan

78-unit prime freehold residential development, Yokohama City



China

51.01% joint venture equity investment in Sincere Property Group



Singapore

Irwell Bank Road GLS site



[^] Refers to CDL's attributable share

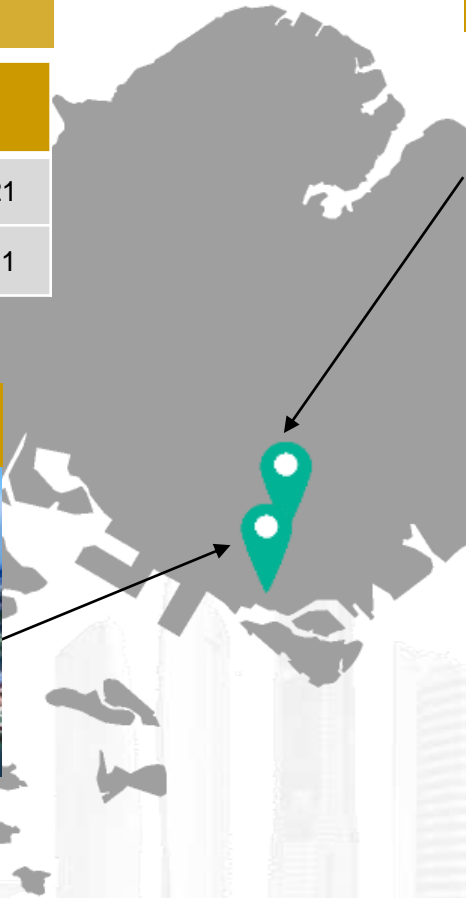
Diversified Singapore Residential Launch Pipeline

**Launch Pipeline
>1,200 units***

Upcoming Launches

Irwell Hill Residences	Q2 2021
Liang Court redevelopment^	2H 2021

**Liang Court redevelopment^
(696 units)**



**Irwell Hill Residences
(540 units)**



GLS site near upcoming Great World MRT station awarded in Jan 2020

Preliminary Artist's Impression
Land cost: **\$583.9MM**
(\$1,515 psf ppr)



* Includes JV partners share. ^ JV project.

Upcoming Launch in Q2 2021

Irwell Hill Residences – Exclusive Luxury Living Designed by World-Renowned Architects MVRDV (Concept) and ADDP (Principal)

Location	Tenure	Equity Stake	Total Units	Site Area (sq ft)	Gross Floor Area (sq ft)
Irwell Hill Residences	99-year	100%	540	137,634	Approx. 385,400

540-unit Residences at Prime District 9

- Comprises 2 elegant 36-storey high towers with exclusive units ranging from studio apartments to 4-bedroom Premium apartments and 3 exquisite penthouses
- Just a few minutes' walk to Great World City shopping mall and the upcoming Great World MRT station
- Uniquely-curated communal spaces with expansive landscape and recreational spaces innovatively catered for work, live, play and fitness, and is complemented with a suite of premier residential services
- Selected units are provided with convertible furniture for flexible use of space





Enhancement

- Enhance asset portfolio
- Drive operational efficiency

Focus on Asset & Operational Efficiency

Improve Asset Positioning and Relevance, Enhance Asset Portfolio and Drive Operational Efficiency and Returns



Asset Rejuvenation and Redevelopment

Reposition assets and replenish land bank through schemes such as the CBD Incentive Scheme and Strategic Development Incentive Scheme



Asset Enhancement Initiatives (AEI)

Rejuvenating existing assets to unlock value and strengthen recurring income stream



Operational Efficiency

Deriving synergy through consolidating functions & inculcating the future CDL culture for success through innovation & teamwork, execution & customer focused



Asset Enhancement Initiatives (AEI)

City Industrial Building and Cideco Industrial Complex: Functional Upgrade

City Industrial Building – Completed in 2020



- Refresh the buildings' aesthetics.
- Upgrade amenities to improve user experience.



Cideco Industrial Complex – Target to complete in 2021



Asset Rejuvenation

Redevelopment of Existing Assets – Realise GFA uplift from Incentive Schemes

Fuji Xerox Towers

Proposed redevelopment under CBD Incentive Scheme*:



47-storey freehold mixed-use integrated development comprising office, retail, residential and serviced apartments

Residential Use
35%
(286 units^)

Serviced
Apartments Use
25%

Commercial
Use
40%

**Potential uplift in GFA by 25%
to approximately 655,000 sq ft**

Central Mall

Proposed redevelopment under Strategic Development Incentive Scheme*:



Mixed-use integrated development comprising office, retail, serviced apartments and hotel

Commercial
Use
70%

Hotel & Serviced
Apartments Use
30%

Potential uplift in GFA



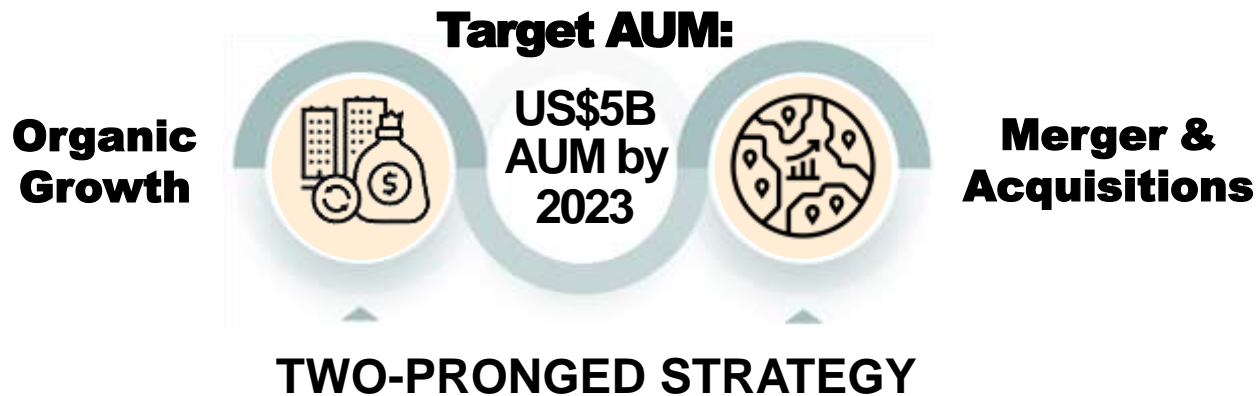
* Subject to authorities' approval ^ Planned number of units





Transformation

- Transform business via new platforms: Strategic Investments, Fund Management, Innovation & Venture Capital

Fund Management



 Partner with **institutional investors** in countries and asset classes where CDL has domain knowledge and track record

 Accelerate growth of **Fund Management** business through acquisitions





- Hospitality
- Commercial
- Residential
-

 **Build track record**

 **Acquire new expertise**

- Listed / unlisted Real Estate platforms
-

 **Build asset pipeline to seed assets for Fund Management**

 **Strengthen fund management expertise through strategic investments**



Fund Management

Strengthen Fund Management Expertise Through Strategic Investments



IREIT Global (IREIT) is the first Singapore-listed real estate investment trust which is principally investing in a portfolio of income-producing real estate in Europe which is used primarily for office, retail and industrial (including logistics) purposes.

CDL acquired a total of 21% stake in IREIT Global's units :

- 12.5% in 2019
- 8.4% in April 2020

IREIT's AUM grew 41% from €504.9MM (\$813.0MM) (at the point of investment by CDL) to €711.3MM (\$1.1B) as at 31 Dec 2020. In Oct 2020, IREIT recorded a successful fund-raising exercise of \$143MM which was 1.66x oversubscribed.

50% stake in REIT Manager and 21% Stake in IREIT Units

AUM	Apr 2019 (Acquisition)	5 Properties	€504.9MM / \$813.0MM	<ul style="list-style-type: none"> • Portfolio valued at acquisition based on Dec 2018 • 5 assets in Germany
	Dec 2019	9 Properties	€630.2MM / \$1.0B (+25%)	<ul style="list-style-type: none"> • Portfolio valued as at on Dec 2019 • 5 assets in Germany • 40% stake in 4 Spanish assets • CDL extended €32MM Bridge Loan
	Sep 2020	9 Properties	€711.3MM / \$1.1B (+41%)	<ul style="list-style-type: none"> • Successful \$143MM Rights issues (1.66x sub) • Acquisition of 60% stake in Spanish properties • Repayment of CDL's Bridge Loan



Strategic ESG Integration

Driving Business Transformation through Strong Sustainability Focus

Environmental Performance

- First Singapore real estate developer and conglomerate in Southeast Asia to sign **WorldGBC's Net Zero Carbon Buildings Commitment** – pledging net zero carbon in operations by 2030
- 44% reduction in carbon emissions intensity from 2007; on track to achieve SBTi target of 59% reduction by 2030 from 2007 levels
- Achieved energy savings of more than \$30MM for 8 commercial properties from 2012 to 2020



Sustainability-linked Financing

- \$470MM Green Revolving Credit Facility (RCF)** to refinance RP and other green projects

Ranked on 12 Leading Global Sustainability Ratings and Rankings

LATEST ESG MILESTONES					
	Only Singapore real estate company listed for 4th consecutive year	Only company in Southeast Asia & Hong Kong to achieve double 'A' honour for both climate change and water security for 2 nd consecutive year	Top 7% of CDP participants, assessed for supplier engagement on climate change	Ranked world's top real estate company, top Singapore company, and 1st & only Singapore company listed on Global 100 for 12 consecutive years	

Member of
Dow Jones Sustainability Indices
 Powered by the S&P Global CSA
 Since 2011

MSCI ESG RATINGS
 AAA
 'AAA' since 2010

FTSE4Good
 Since 2002

GRESB
 Sector Leader 2020
 Since 2017

Corporate ESG Performance
ISS ESG
 Rated Prime Since 2018

STOXX
 Member 2005/2001
ESG Leaders Indices
 Since 2014

EURONEXT
Vigeo Eiris
 INDEXES WORLD 120
 Since 2018

ESG GLOBAL 50 TOP RATED
 Since 2020

SGX
iEdge SG ESG Indices
 Since 2016





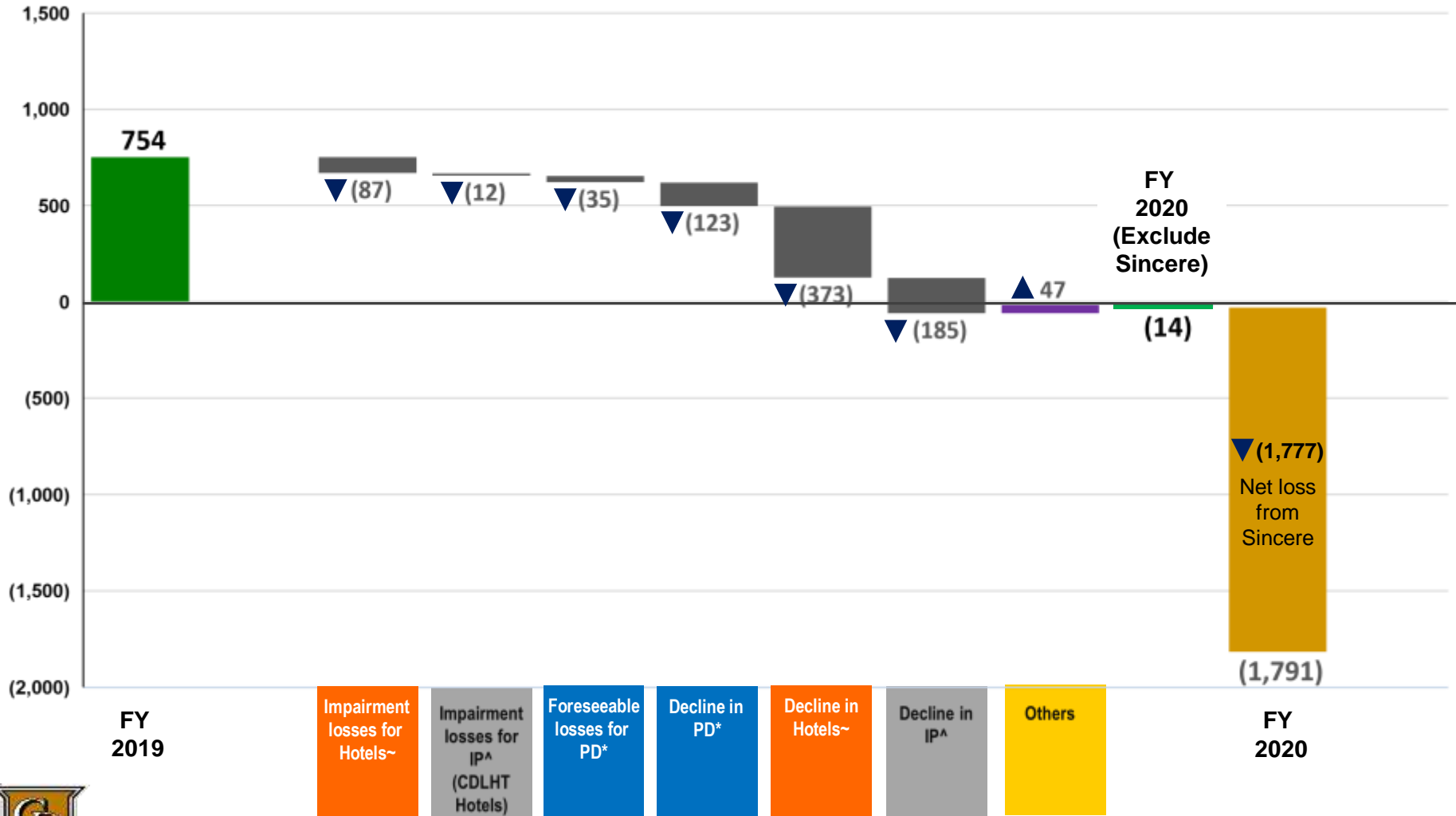
Financial Highlights



Financial Highlights

PBT Reconciliation

\$ (MM)



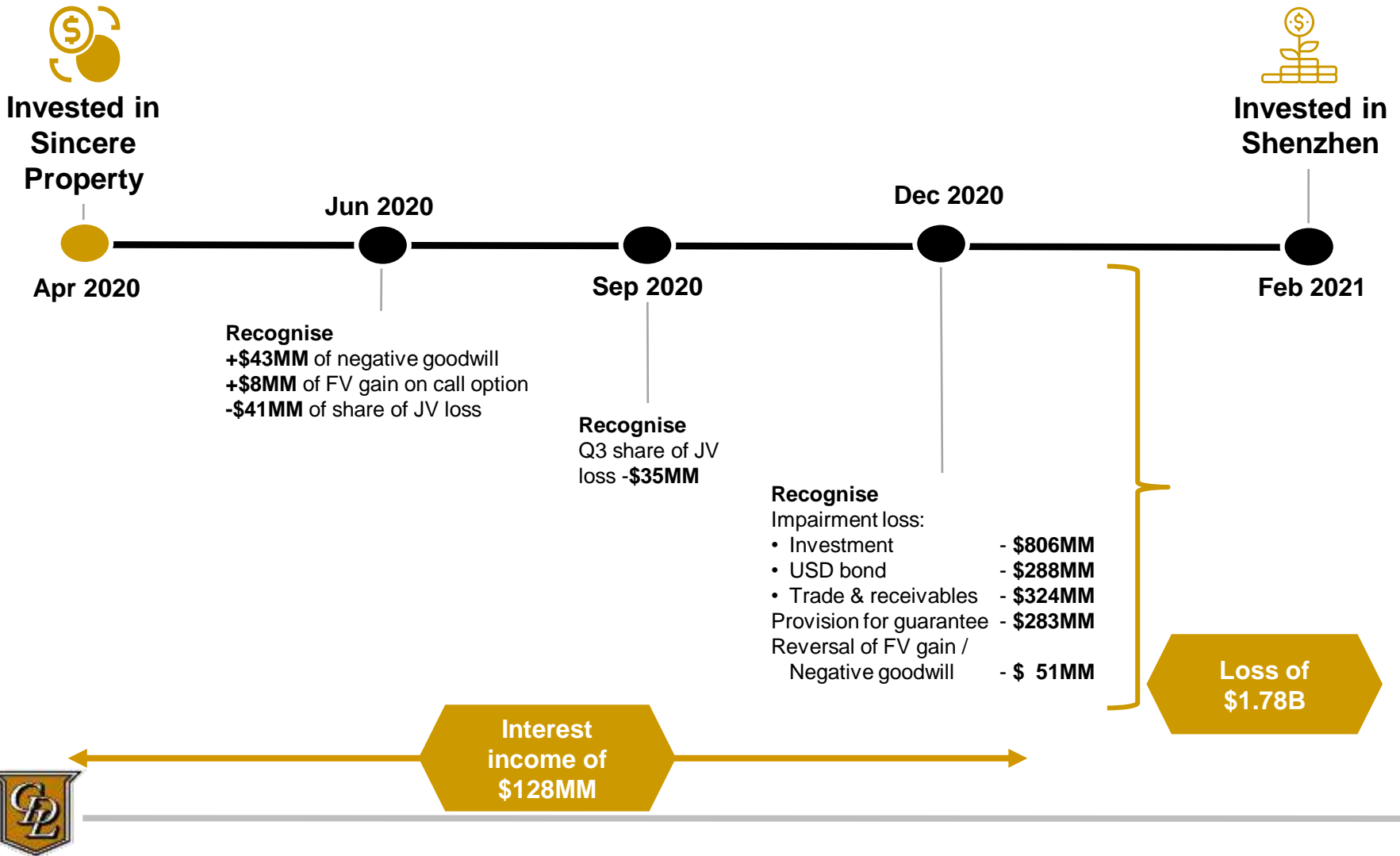
* Property Development

^ Investment Properties

~ Hotel Operations

Financial Highlights

Sincere Property – Profit & Loss Effect



Sincere Property – Impairment on Equity Investment

Investment in Sincere (51.01%)

RMB 4.4B ≈ (\$882MM)

Equity accounting for losses (up to Sep 20)

(\$76MM)

Impairment loss

(\$806MM)

As at 30 April 2020	Management accounts (per Sincere Group) – PRC GAAP RMB (billion)	Management accounts (per the Group) – SFRS(I) RMB (billion)
Total Assets	92.4	83.1
Less: Total Liabilities	(74.2)	(80.8)
	18.2	2.3
Less: Minority interest	(2.8)	(1.5)
NAV/RNAV	15.4	0.8



95% ↓ in RNAV

- Eroding of RNAV due to Sincere being highly geared

- ❑ 10% ↓ in total assets
- ❑ 9% ↑ in total liabilities

- Decline in RNAV due to

- ✓ Property valuations for investment properties ~ RMB 5B
- ✓ Adjustments to development properties ~ RMB 4B
- ✓ Impairment loss on receivables ~ RMB 2B
- ✓ Reversal of deferred tax assets ~ RMB 1B
- ✓ Adjustments for understated liabilities ~ RMB 3B



Full write off of cost of investment



Sincere Property – Impairment on Financial Assets

Impairment loss on USD bonds (\$288MM) & loans extended to Sincere Property (\$324MM)

In line with accounting standards, the Group considers the financial assets to be credit impaired

FRS 109

- Significant financial difficulty of the borrower
- A breach of contract such as default
- Restructuring of a loan or advance that the Group would not have considered
- Probable that the borrower will enter bankruptcy or other financial reorganisation
- Disappearance of an active market for a security because of financial difficulties

- 3 Red Lines
- Refinancing / new loans challenging without credit enhancement
- A portion of loans due by 31 Dec 2020 remain unpaid / in negotiations with lenders
- RMB 22.6B of interest bearing liabilities (includes loans, interest, other payables) due in the next 12 months
- Credit downgrade to AA- for bonds
- One of Sincere bonds plunged by 65% on Shanghai Exchange (Source: Bloomberg)

Credit impaired

Impairment loss of \$612MM provided



Financial Highlights

Property Development



	FY 2020	FY 2019
Revenue	\$966MM	\$1.1B
PBT	(\$740MM)	\$378MM
Exclude net loss from Sincere	\$220MM	

- **Decrease in revenue and PBT mainly due to timing of profit recognition**
 - ✓ FY 2020 contributions largely from The Tapestry, Whistler Grand and Amber Park, with thinner profit margins
 - Vis-à-vis
 - ✓ FY 2019 contribution largely from New Futura, Gramercy Park and Hong Leong City Center, Suzhou, with higher profit margins
- **Allowance for foreseeable losses** of \$35MM were made in FY 2020 vis-à-vis write-back of foreseeable losses of \$7MM in FY 2019
- **More financing costs** expensed off for new projects

Hotel Operations



	FY 2020	FY 2019
Revenue	\$640MM	\$1.7B
PBT	(\$573MM)	(\$7MM)
Exclude net loss from Sincere	(\$467MM)	

- **This segment was severely impacted** by the prolonged COVID-19 pandemic which severely affected the global hospitality sector with travel restrictions, trip cancellations, postponement of major events and a steep reduction in F&B spend
- **Global RevPAR declined 65%** driven by decline in occupancies with the lockdowns
- **US, Europe and Asia all generated pre-tax losses.**
- **Impairment losses** of \$87MM was provided in FY 2020
- **Divestment gain of \$26MM** upon the sale of Cincinnati Hotel mitigated the losses

Investment Properties



	FY 2020	FY 2019
Revenue	\$361MM	\$438MM
PBT	(\$575MM)	\$333MM
Exclude net loss from Sincere	\$136MM	

- **Decrease in revenue** was mainly due to
 - ✓ **rental rebates** granted mainly to retail tenants in Singapore, Phuket and Suzhou
 - ✓ **Lower rental from CDLHT hotels** accounted for as investment properties due to the pandemic
 - **Lower divestment gains** in FY 2020 accounts for the sharp decline in pre-tax profits. Included in FY 2020 was a gain of \$108MM for the disposal of Novotel Clark Quay and \$9MM for the disposal of Novotel Brisbane
- Included in FY 2019 was a substantial gain of \$207MM resulting from the closure of the Group's PPS2 platform, following the sale of Manulife Centre and 7 & 9 Tampines Grande, as well as gain of \$11MM on disposal of Jervois Road

Others

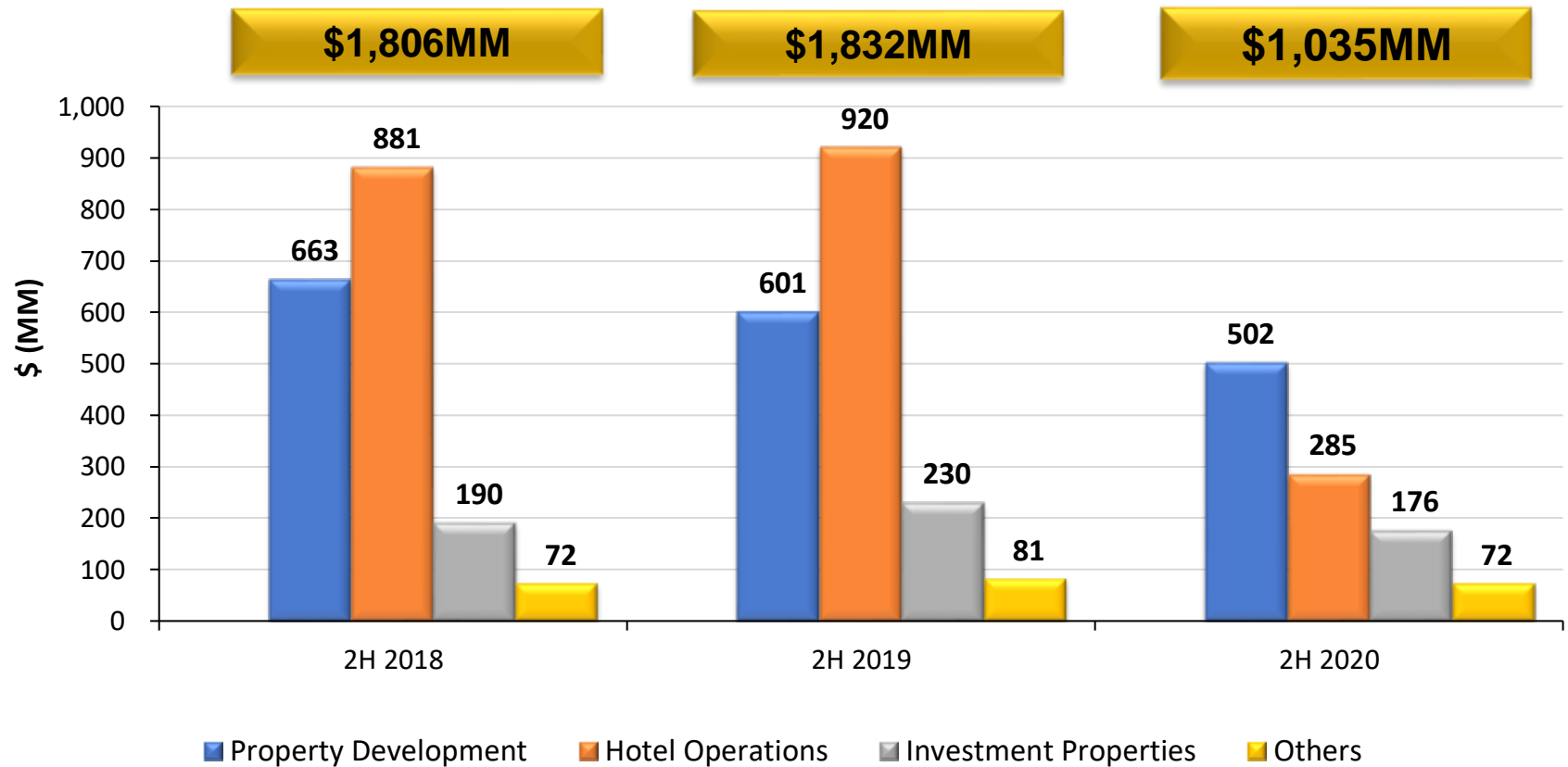


	FY 2020	FY 2019
Revenue	\$141MM	\$149MM
PBT	\$97MM	\$50MM
Exclude net loss from Sincere	\$97MM	

- **Gain mainly relate to:**
 - ✓ \$23MM divestment gain upon sale of a non-core subsidiary
 - ✓ Higher contribution from property financing business from an associate

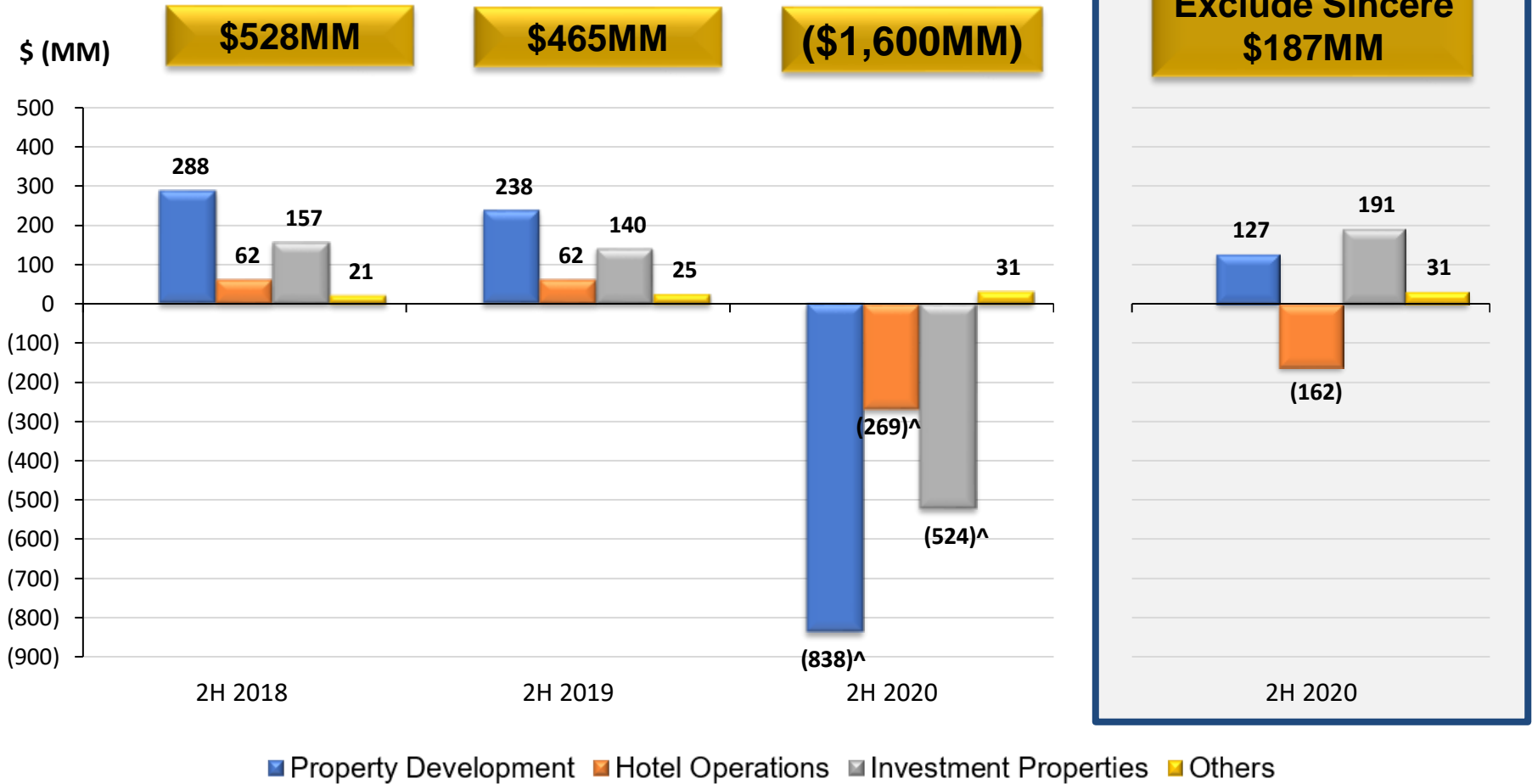
Financial Highlights

Revenue by Segment for 2H (2018 – 2020)



Financial Highlights

EBITDA by Segment for 2H (2018 – 2020)

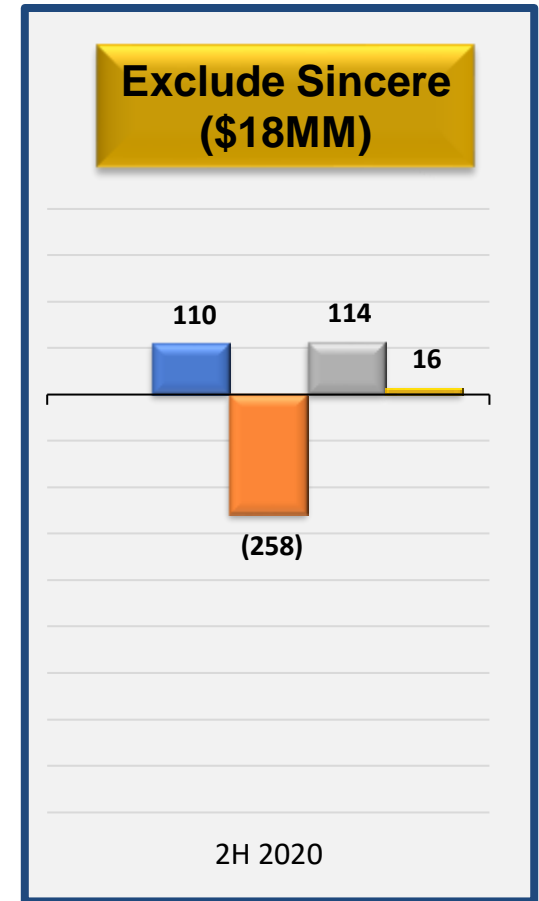
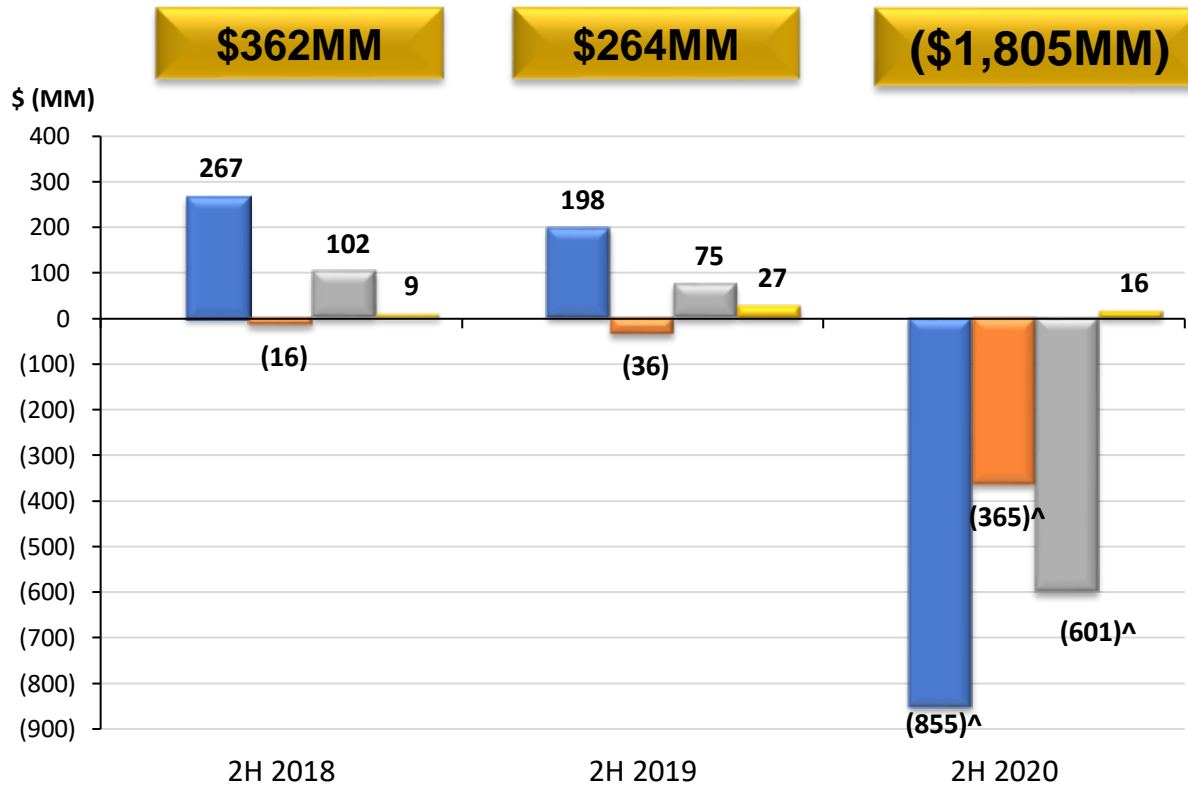


[^] Include net loss from Sincere of \$1.79B – Property Development \$0.96B
 – Hotel Operations \$0.11B
 – Investment Properties \$0.72B



Financial Highlights

Profit Before Tax by Segment for 2H (2018 – 2020)



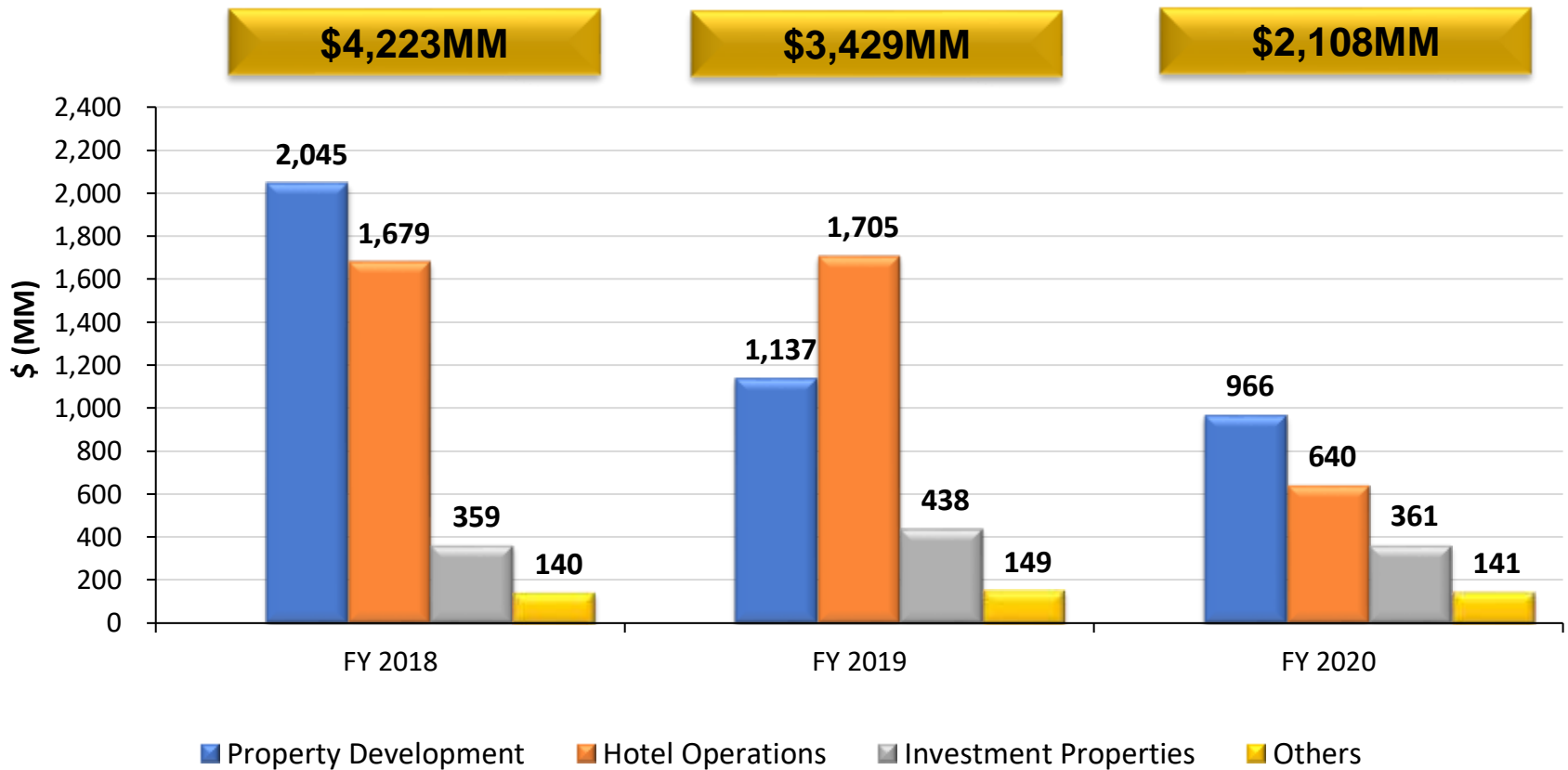
■ Property Development ■ Hotel Operations ■ Investment Properties ■ Others

[^] Include net loss from Sincere of \$1.79B – Property Development \$0.96B
 – Hotel Operations \$0.11B
 – Investment Properties \$0.72B



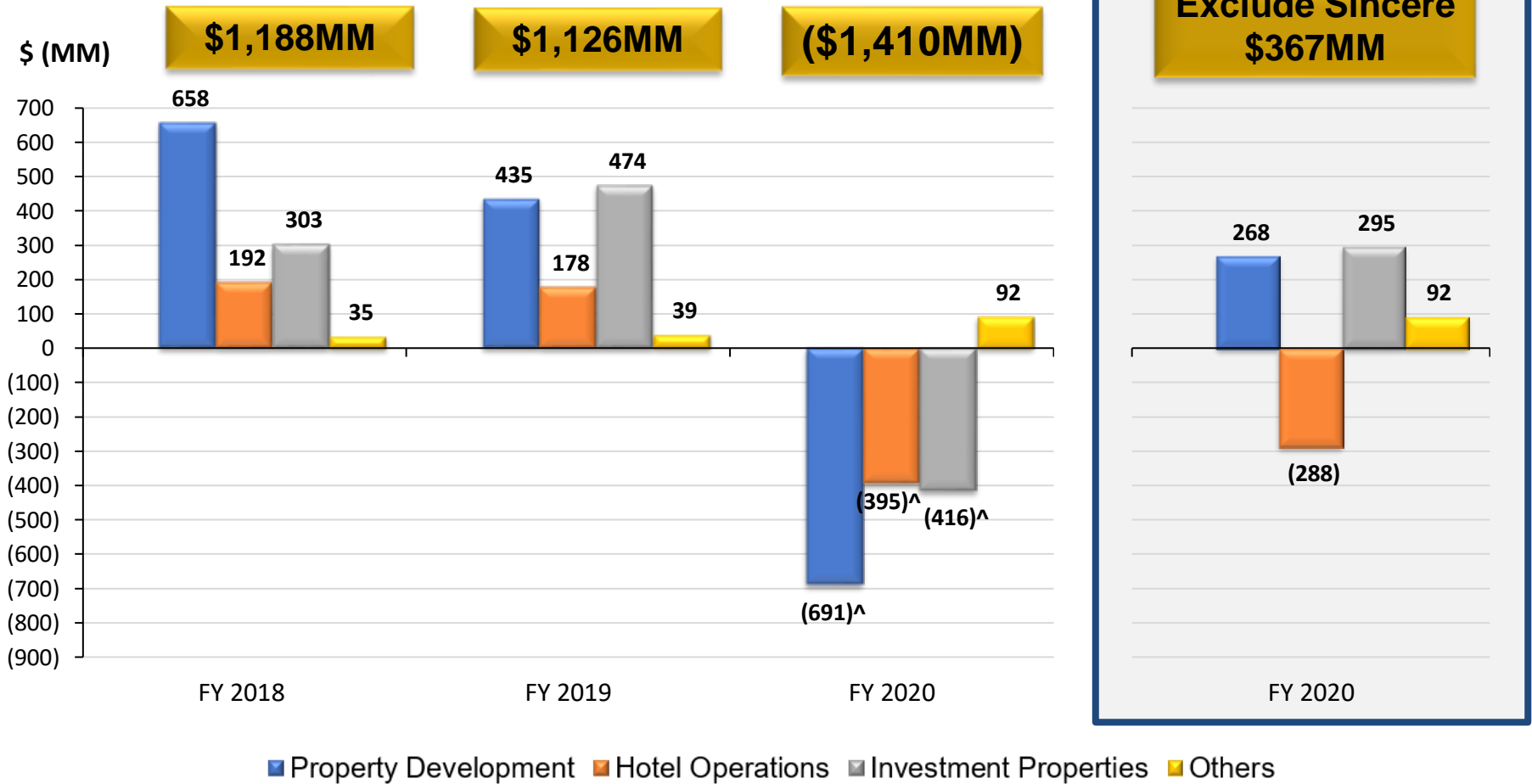
Financial Highlights

Revenue by Segment for Full Year (2018 – 2020)



Financial Highlights

EBITDA by Segment for Full Year (2018 – 2020)

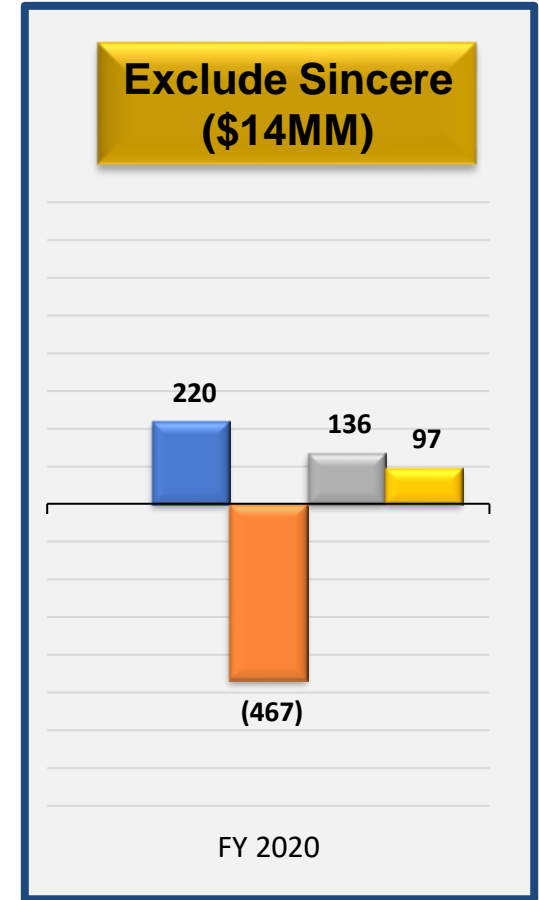
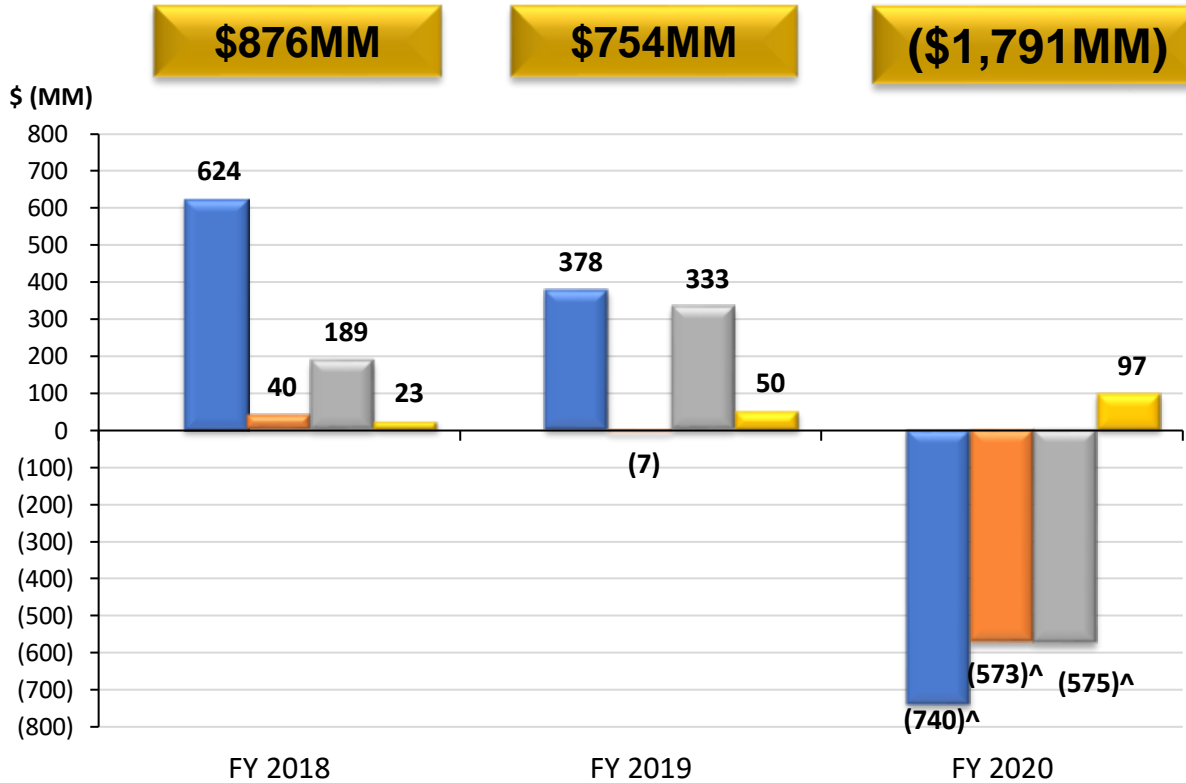


[^] Include net loss from Sincere of \$1.78B – Property Development \$0.96B
 – Hotel Operations \$0.11B
 – Investment Properties \$0.71B



Financial Highlights

Profit Before Tax by Segment for Full Year (2018 – 2020)







■ Property Development ■ Hotel Operations ■ Investment Properties ■ Others

[^] Include net loss from Sincere of \$1.78B – Property Development \$0.96B
 – Hotel Operations \$0.11B
 – Investment Properties \$0.71B



Financial Highlights

Strong Balance Sheet & Liquidity Position

 Gearing	 Sufficient Liquidity	 Financing Flexibility	 Balanced Debt Profile
<p>Net Gearing</p> <p>93%</p> <p>FY 2019: 61%</p>	<p>Total Cash</p> <p>\$3.2B</p> <p>FY 2019: \$3.1B</p>	<p>Interest Cover Ratio ¹</p> <p>3.4x</p> <p>FY 2019: 9.1x</p>	<p>% of Fixed Rate Debt</p> <p>34%</p> <p>FY 2019: 40%</p>
<p>Net Gearing ² (include fair value)</p> <p>62%</p> <p>FY 2019: 43%</p>	<p>Cash and Available Committed Credit Facilities</p> <p>\$5.2B</p> <p>FY 2019: \$5.6B</p>	<p>Average Borrowing Cost</p> <p>1.8%</p> <p>FY 2019: 2.4%</p>	<p>Average Debt Maturity</p> <p>2.3 years</p> <p>FY 2019: 2.4 years</p>

¹ Exclude non-cash impairment losses on investment properties and property, plant and equipment, and net loss from Sincere

² After taking in fair value on investment properties

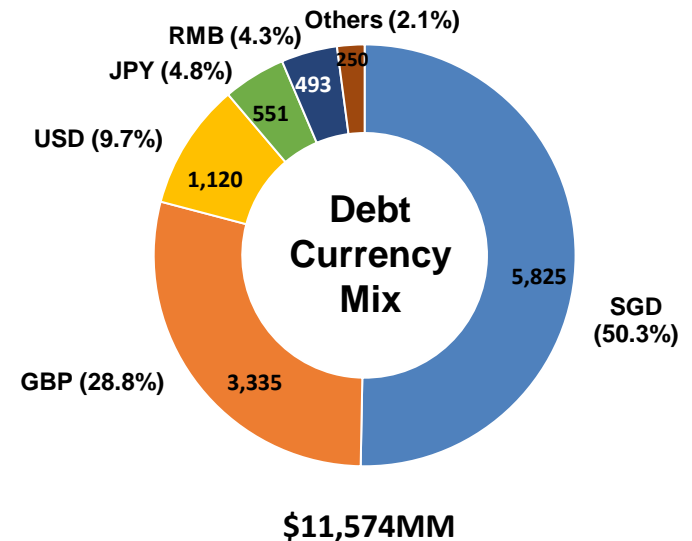
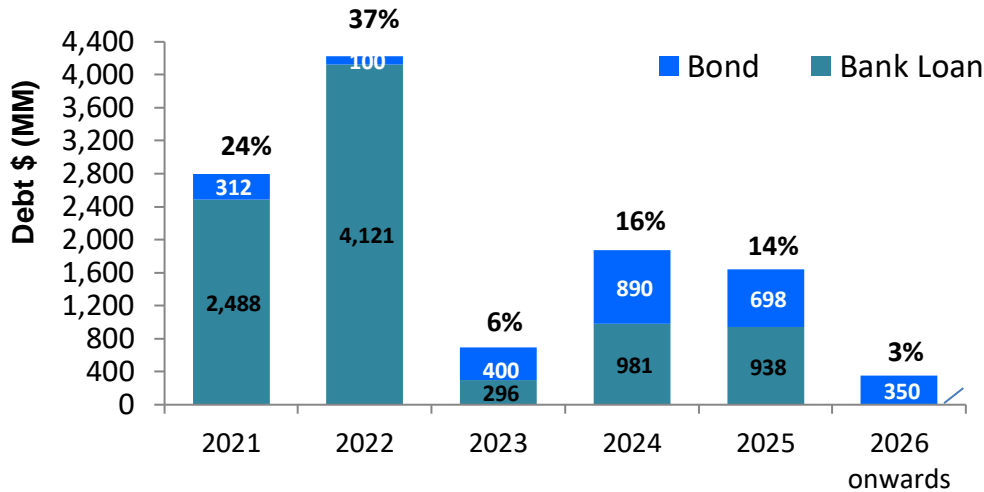


Financial Highlights

Prudent Capital Management

- Balanced debt expiry profile
- Balanced debt currency mix – adopting a natural hedging strategy
- Average borrowing cost kept low

Well-Spread Debt Maturity Profile





Sincere Property Update



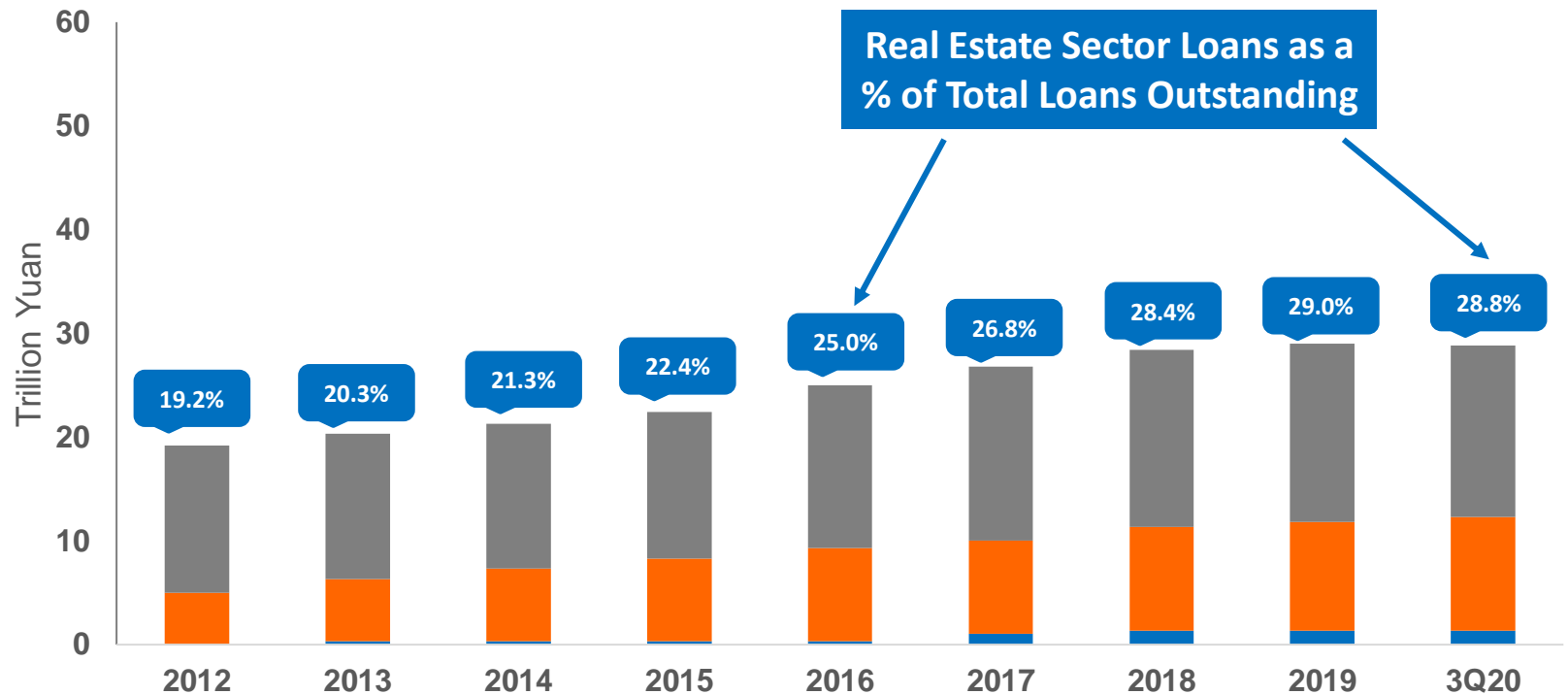
Strategic Review

- Operating Challenges
- Corporate Action to Improve Liquidity



\$8 Trillion of China Real Estate Loans Outstanding

- Other Real Estate Loans Outstanding
- Construction Loans Outstanding
- Mortgage Loans Outstanding



Bloomberg

Source: People's Bank of China



China Property Control Measures

“To unswervingly implement the real estate long-term mechanism;
focus on the goals of stabilising land and home prices and expectations;
insist on one city and one policy;
strengthen real estate financial regulation;
to firmly adhere to the positioning that houses are for living in, not for speculation;
not to use real estate as a short-term means of stimulating the economy;
always keep tightening the string of real estate market regulation, pragmatically
continue to improve the policy toolbox to promote the healthy and stable
development of the housing market”

Han Zheng – Senior Vice Premier of the State Council and Politburo Standing Committee Member of the Communist Party, Speaking at MOHURD’s Real Estate Work Symposium

Xinhua, Originally in Chinese, Translated by Bloomberg Intelligence, 3 Dec 2020



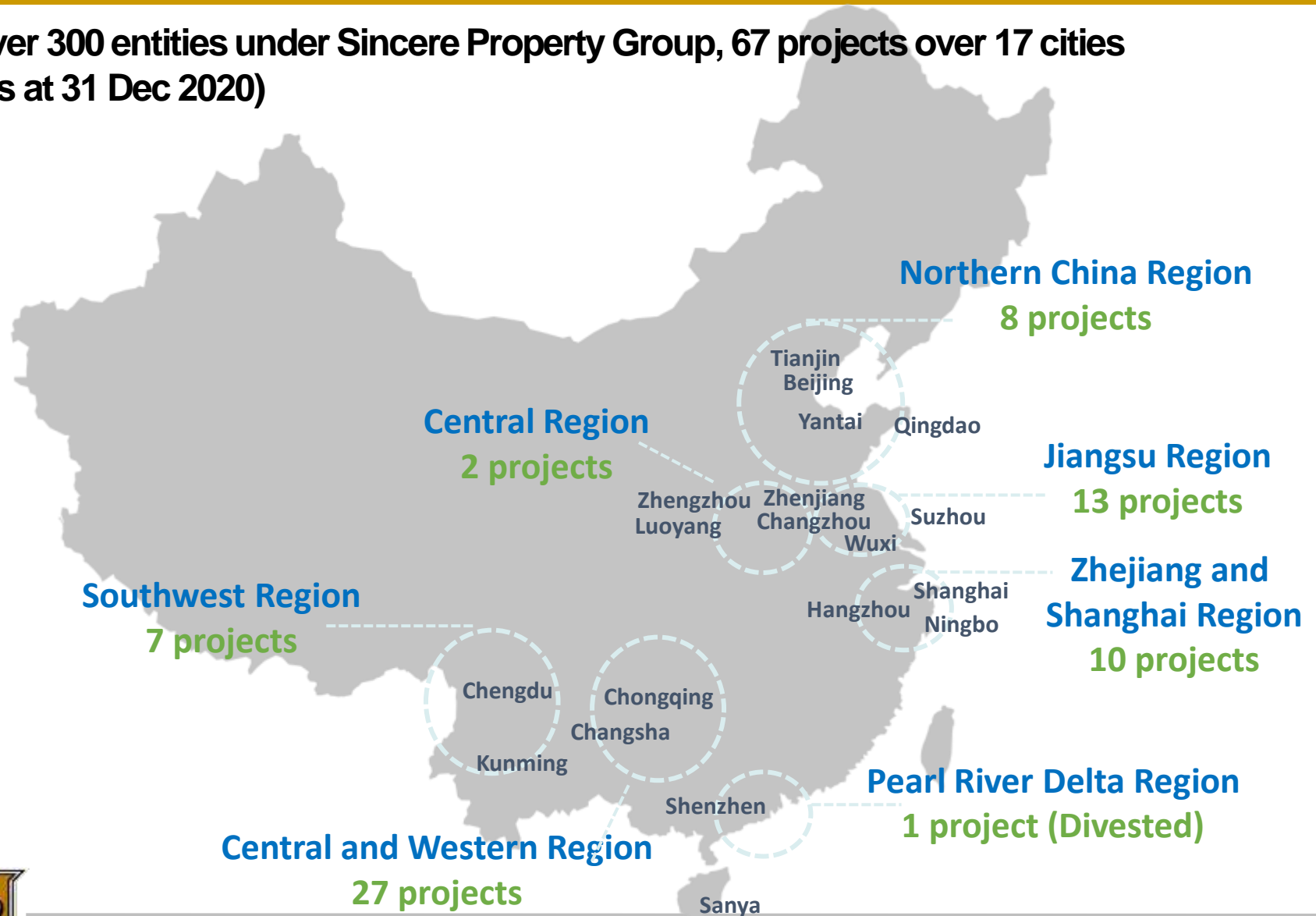
China Property Control Measures

- “Positioning that Houses are for Living in, Not for Speculation; Not to use real estate as a short term means of stimulating the economy”
- Shanghai new rule: 29 Jan 2021 to stop mortgage approvals for projects in which the building structure has not been topped out. This will hurt cash collection and sales for developers in the city
- Rule also limits Personal Mortgage exposure at:
 - 32.5% for large banks
 - 20.0% for medium-size banks
 - 17.5% for small banks
- Prioritise mortgages for first Home Buyers for self use
- Strictly review the source of down payment funds as well as qualifications of Borrowers, especially divorcees

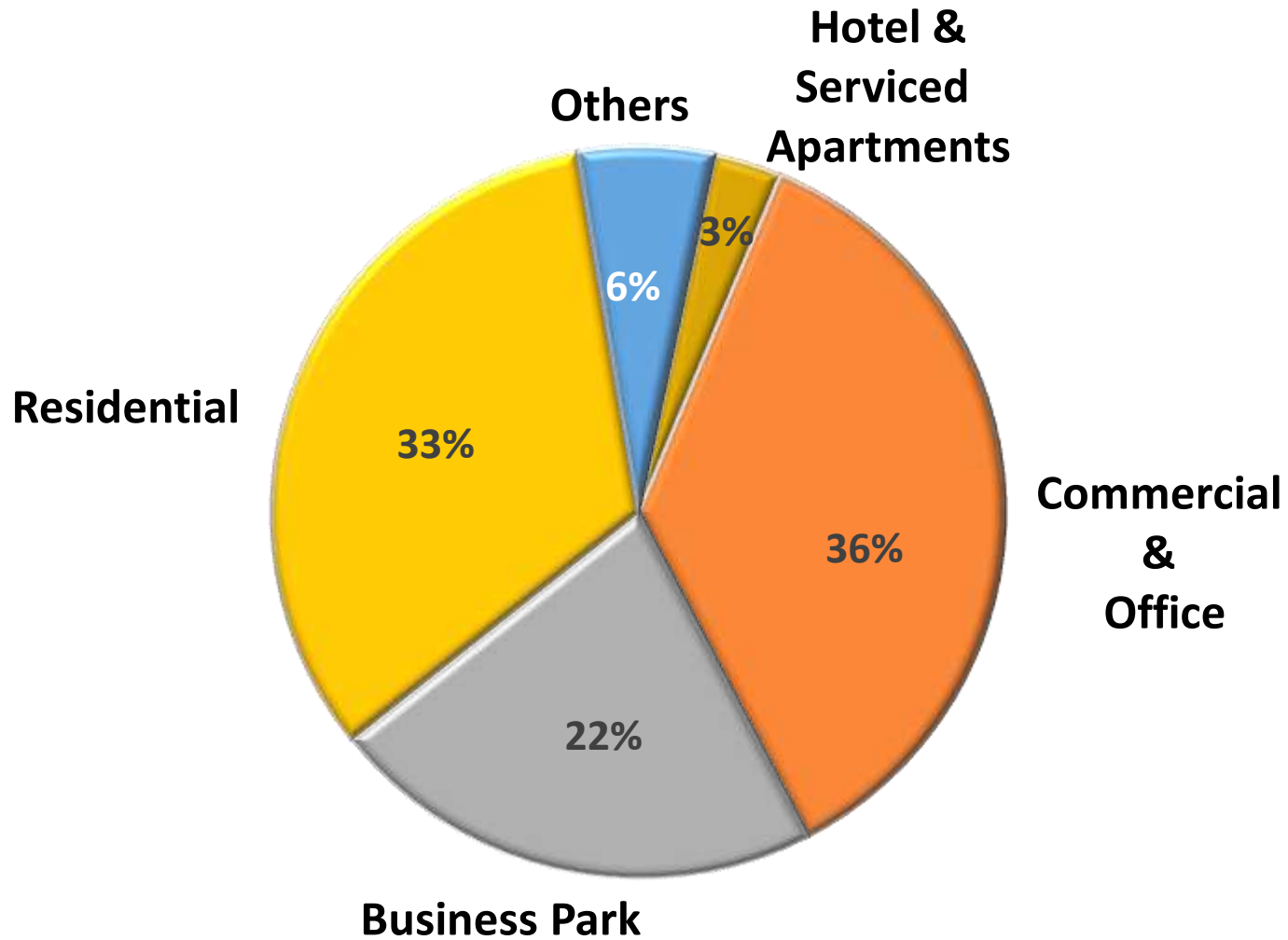


Sincere Property – Overview of Projects

Over 300 entities under Sincere Property Group, 67 projects over 17 cities
(As at 31 Dec 2020)



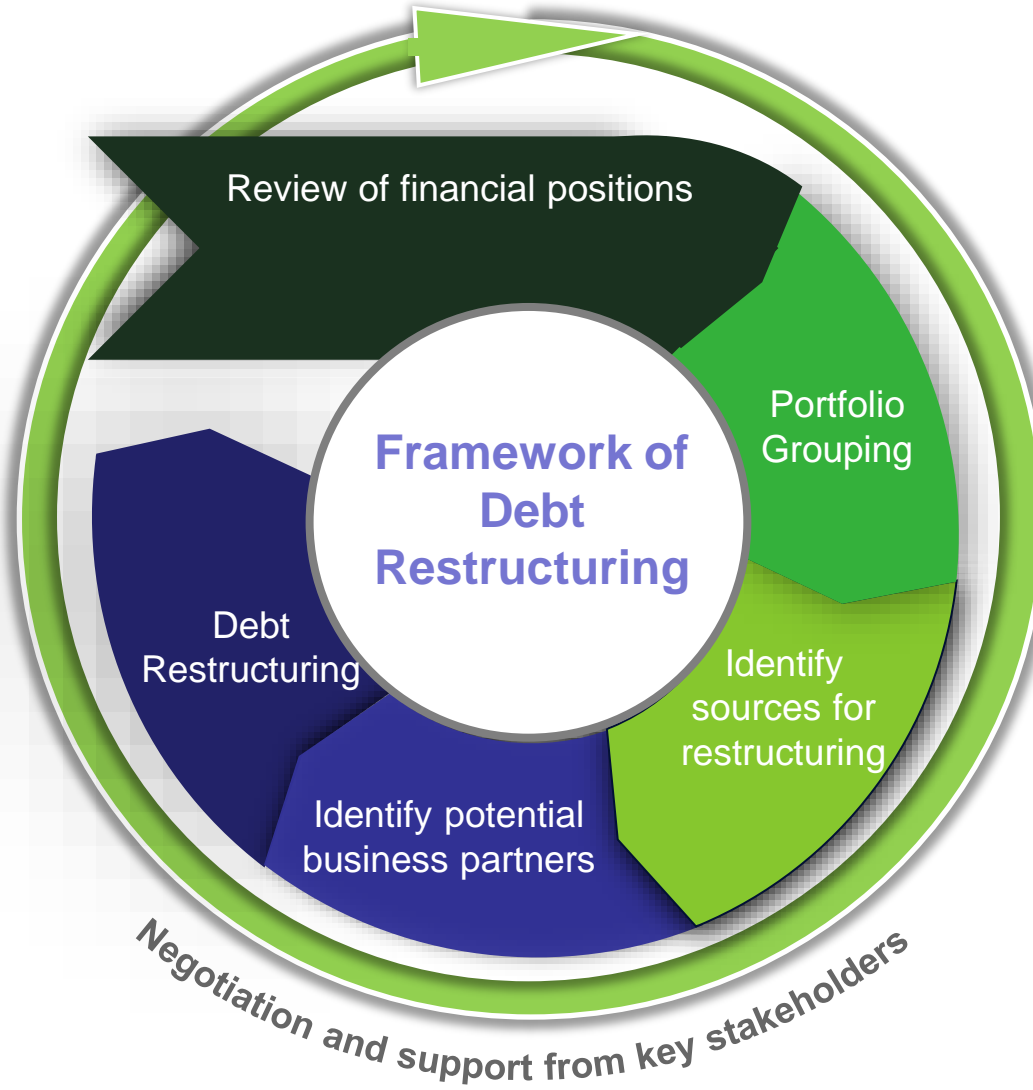
Sincere Property – Portfolio by Property Type



Two-thirds of the portfolio are non-residential properties



Debt Restructuring Framework

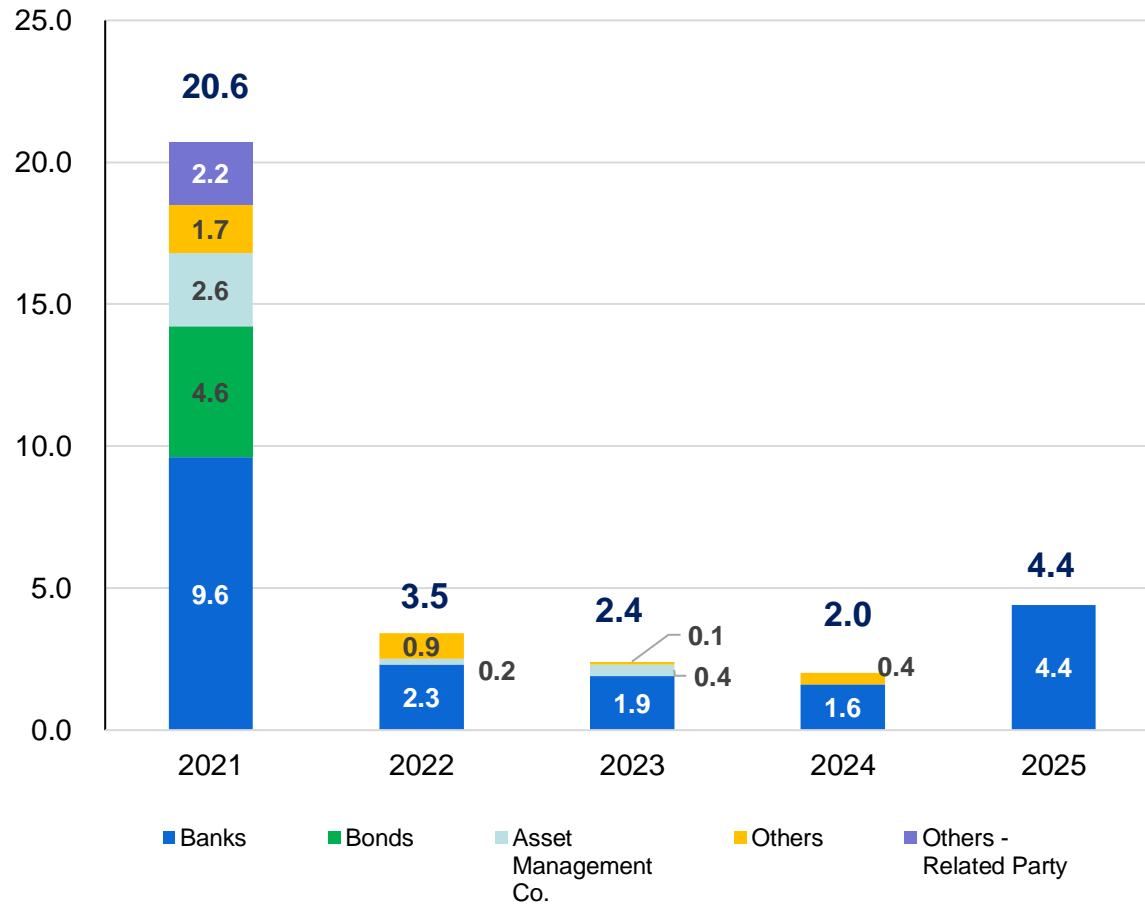


Sincere Property Loans Summary

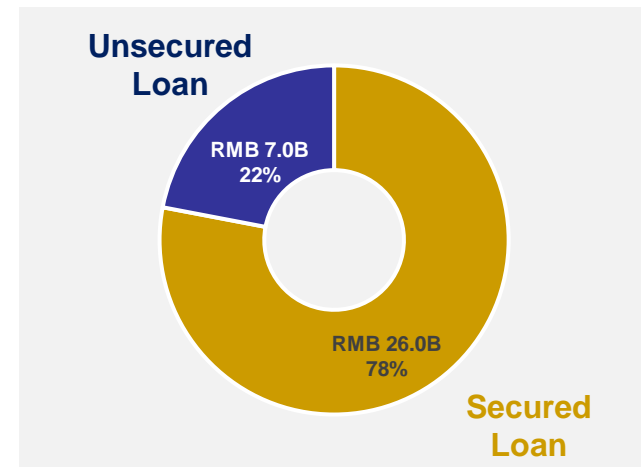
As at 31 Dec 2020

RMB'B

Principal Loan Repayment



Interest Rate



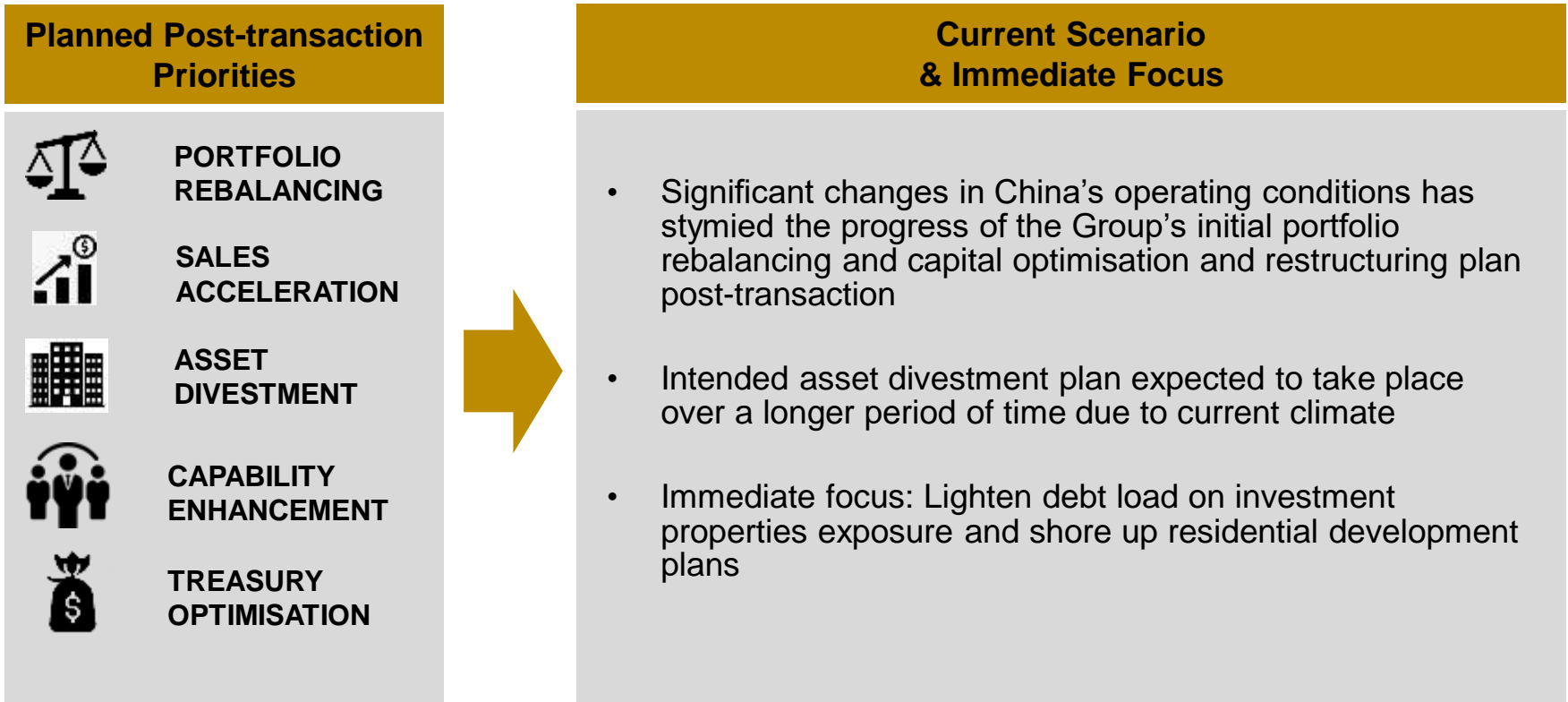
Sincere Property – Three Red Lines Impact

Three Red Lines	31-12-2019	30-4-2020	31-12-2020	Policy Target
红线1： 剔除预收款后的资产负债率大于70% 剔除预收款后的资产负债率=(总负债-预收账款)/(总资产-预收账款) (Total liabilities less advances received)/ (Total assets less advances received) > 70%;	77%	77%	79%	<70%
红线2： 净负债率大于100% 净负债率= (有息负债-货币资金) /净资产 (Interest bearing liabilities – Cash)/ Net Assets > 100%;	193%	187%	180%	<100%
红线3： 现金短债比小于1.0倍。 现金短债比=非受限资金/(短期借款+一年内到期的非流动负债) (unrestricted cash)/(short-term loan+long term loan to be repaid in one year)<1.0)	10%	10%	13%	>100%
*: the ratios for three red lines are computed based on management account of Sincere Property prepared under PRC GAAP				



Challenging Liquidity Position

- Severe Impact by the Prolonged COVID-19 Pandemic
- Tightening of Liquidity for Real Estate Companies in China with Three Red Lines





**Shenzhen
Longgang
Tusincere Tech
Park Acquisition**



Shenzhen Longgang Tusincere Tech Park

Acquisition of Majority Stake in Tech Park in China's "Silicon Valley" – First Corporate Action to Improve Liquidity of Sincere Property



- Transaction involves acquisition from Sincere Property and two entities of China Ping An totalling 84.6% interest in Shenzhen Tusincere Technology Park Development Co. Ltd. for RMB 850MM
- Combined transaction will accord CDL an effective 55% stake in a Shenzhen tech park, valued at RMB 8.8B
- Tech park located at the technology hub of Greater Bay Area in southern China developing over four phases

Development Details

Location	Longcheng Street, Longgang District, Shenzhen (northeast of Shenzhen city, 30km from Hong Kong, 150km from Guangzhou)
Site Area	Approx. 192,739 sqm
Tenure	Leasehold till 1 Dec 2045
Expected Completion	<ul style="list-style-type: none"> • Phase 1: Completed • Phases 2 and 3: Under construction; expected completion in Apr 2022 • Phase 4: not commenced
GFA Breakdown	<ul style="list-style-type: none"> • Saleable area: 413,634 sqm • Self-use leasable area: 162,144 sqm

Transaction Overview

Acquisition Price	<ul style="list-style-type: none"> • RMB 850MM (approx. \$174MM) for 84.6% interest in asset holdco • Assumption of its proportionate share of existing shareholders' loans
Valuation	RMB 8.8B (approx. \$1,805MM) (as at 30 Nov 2020)

*Based on exchange rate of RMB 1 to S\$0.2051 as at 20 February 2021





Operations Review



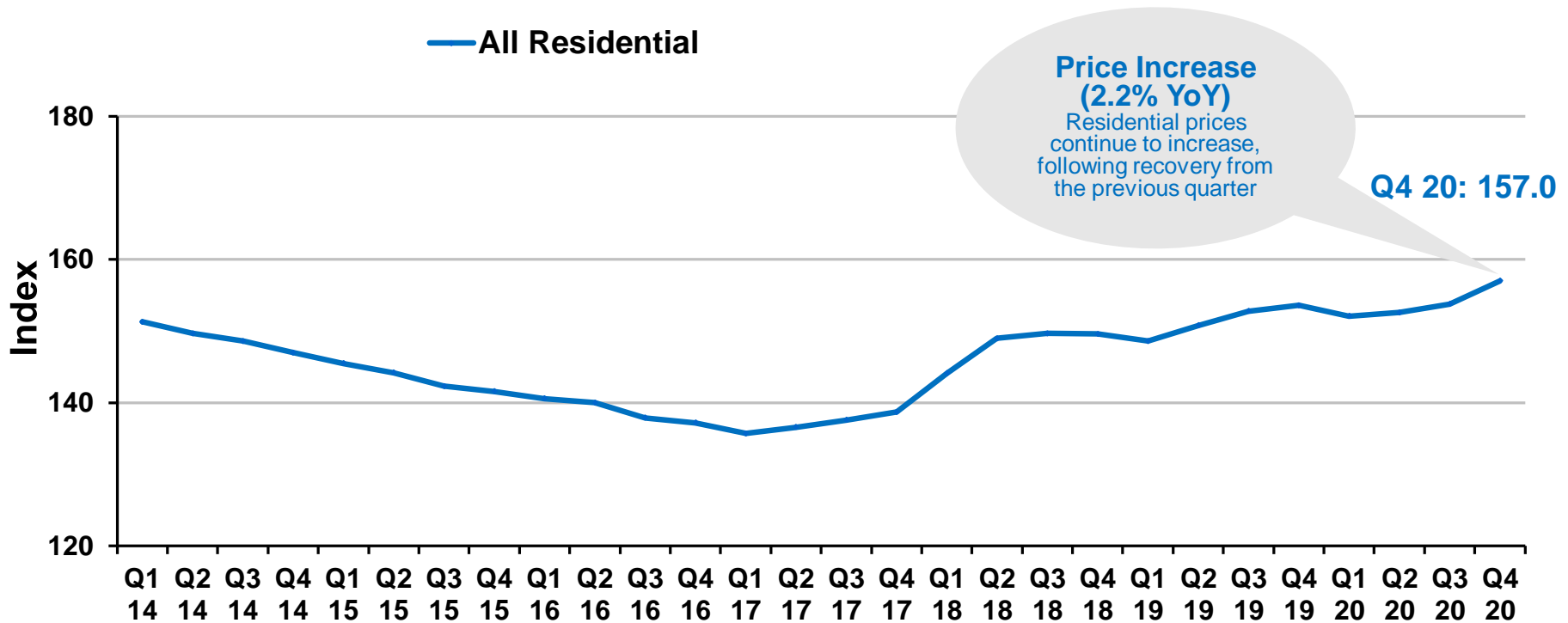


**Singapore
Operations**
Property Development



Singapore Property Market

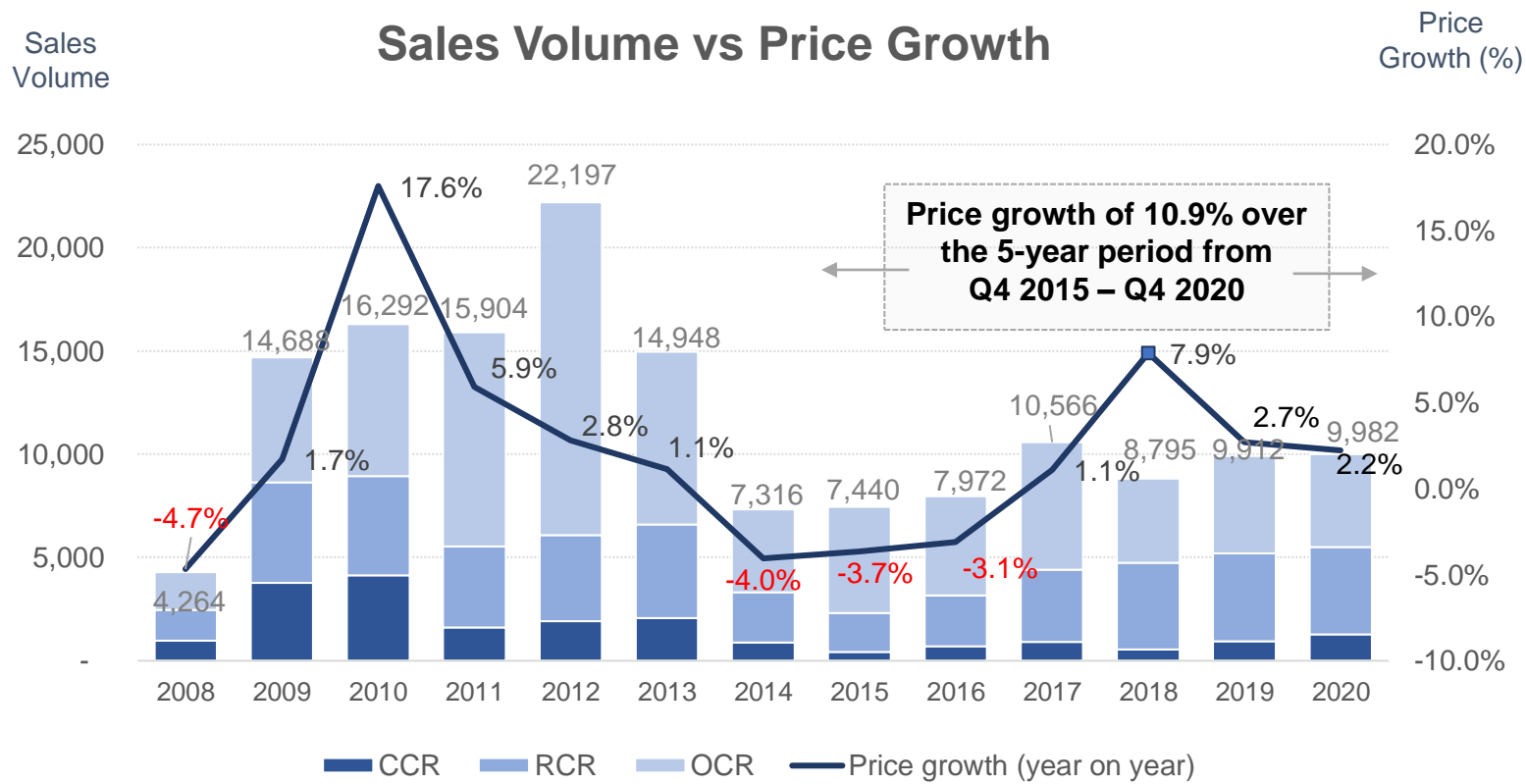
Property Price Index – Residential (2014 – 2020)



Source: URA, Q4 2020

Singapore Property Market

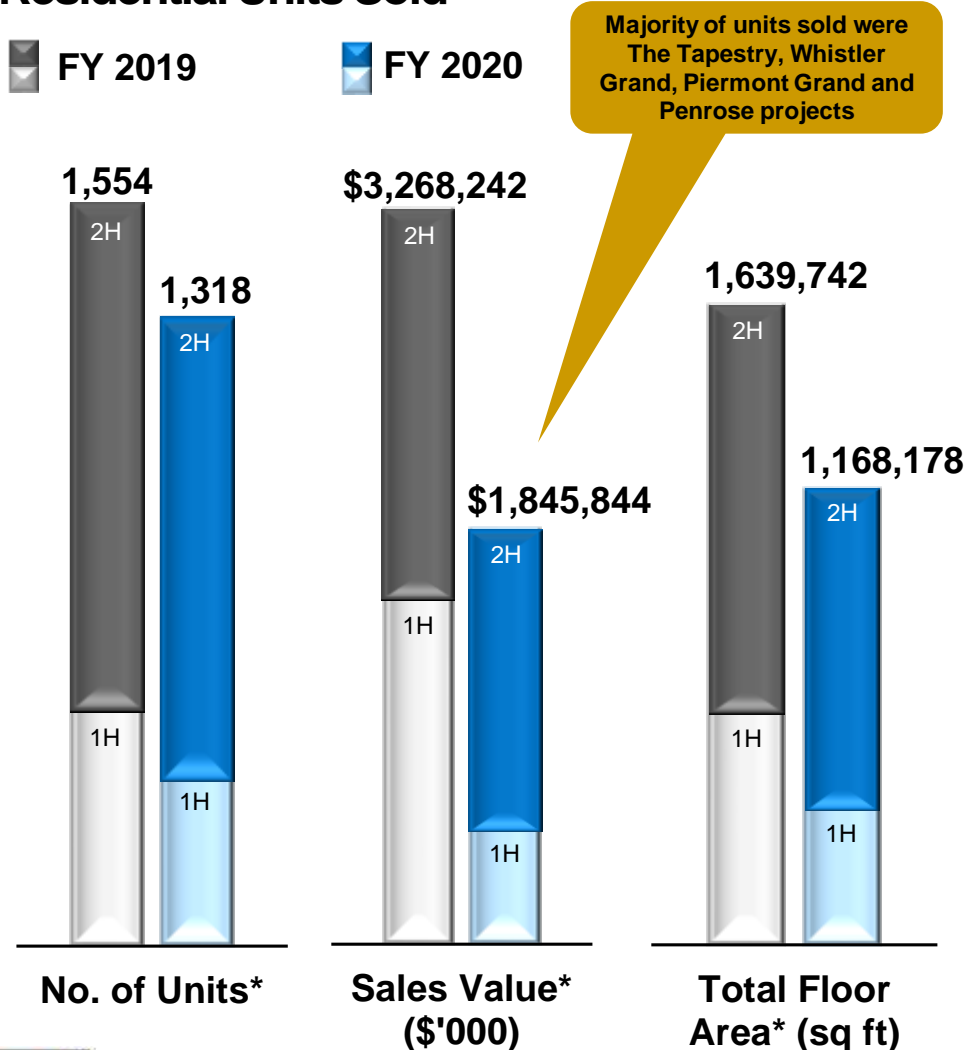
- Private residential market continues to show signs of recovery with URA Private Residential Property Price Index registering a 2.1% increase in Q4 2020. Cumulatively, prices have risen 2.2% in 2020.
- Robust primary home sales in Q4 2020 with 2,603 units sold registering a 6.5% increase as compared to Q4 2019. Developers sold a total of 9,982 private homes in the whole of 2020, marking a 0.7% increase compared to the previous year.



Source: URA Statistics

Singapore Property Development

Residential Units Sold



2H 2020 Highlights

Resilient performance

- Improved performance from 1H:
 - Residential units sold in 2H 2020 were almost three times that of 1H 2020
 - Sales value increased 171% in 2H 2020

Units Sold	1H	346 units	Units sold and sales value for 2H were three times that of 1H
	2H	972 units	
Sales Value	1H	\$498.0MM	
	2H	\$1.348B	

- Stronger 2H performance due to Penrose launch
- Healthy residential sales momentum – overall FY 2020 performance is quite comparable with 2019, despite the pandemic
- Steady take-up of existing inventory (FY 2020: 1 launch vs FY 2019: 5 launches*)
- Mainly mass market projects sold in Q4 2020



* Includes Executive Condominiums (ECs) and share of JV partners, excludes Nouvel 18

Singapore Property Development

Resilient / Strong Sales Performance for FY 2020 Amid Pandemic

➤ Sold 1,318 units with total sales value of \$1.85B for FY 2020^

Best-Selling Projects in 2020

Project	Location	Tenure	Equity Stake	Total Units	Units Sold*	Units Sold in 2020	Achieved Average Selling Price (ASP)*	Launch
Penrose	Sims Drive	99 years	40%	566	420	414	>\$1,570 psf	2020
Piermont Grand	Sumang Walk	99 years	60%	820	714	244	>\$1,100 psf	2019
Whistler Grand	West Coast Vale	99 years	100%	716	684	205	>\$1,400 psf	2018
The Tapestry	Tampines Street	99 years	100%	861	860	166	>\$1,330 psf	2018



Steady Sales for Existing Inventory – 2019 Launches

Project	Location	Tenure	Equity Stake	Total Units	Units Sold*	ASP*
Boulevard 88	Orchard Boulevard	Freehold	40%	154	107	>\$3,770 psf
Amber Park	Amber Road	Freehold	80%	592	265	>\$2,470 psf
Haus on Handy	Handy Road	99 years	100%	188	39	>\$2,840 psf
Sengkang Grand Residences	Sengkang Central	99 years	50%	680	358	\$1,730 psf
Nouvel 18⁻	Anderson Road	Freehold	-	156	71	>\$3,380 psf

* As of 21 Feb 2021



^ Includes Executive Condominiums (ECs) and share of JV partners, excludes Nouvel 18 - Divested project marketed by CDL

Singapore Property Development

Inventory of Launched Residential Projects – As at 31 Dec 2020

Project	Equity Stake	Total Units	Units Sold	Total Unsold Inventory	CDL's Share of Unsold Inventory
Cuscaden Residences	25%	75	74	1	0.3
St. Regis Residences	33%	173	161	12	4.0
The Oceanfront @ Sentosa Cove	50%	264	263	1	0.5
One Shenton	100%	341	328	13	13.0
Cliveden at Grange**	100%	110	43	67	67.0
UP@Robertson Quay	100%	70	61	9	9.0
The Venue Residences	60%	266	265	1	0.6
Forest Woods	50%	519	518	1	0.5
The Tapestry	100%	861	860	1	1.0
Whistler Grand	100%	716	652	64	64.0
Boulevard 88	40%	154	105	49	19.6
Amber Park	80%	592	237	355	284.0
Haus on Handy	100%	188	34	154	154.0
Piermont Grand	60%	820	691	129	77.4
Sengkang Grand Residences	50%	680	330	350	175.0
South Beach Residences	50%	190	152	38	19.0
The Jovell	33%	428	183	245	80.9
Penrose	40%	566	414	152	60.8
TOTAL:		7,013	5,371	1,642	~1,031

The Venue Shoppes – sold 16 units out of 28 sold, 12 units unsold with 3 units leased

** Leasing strategy implemented



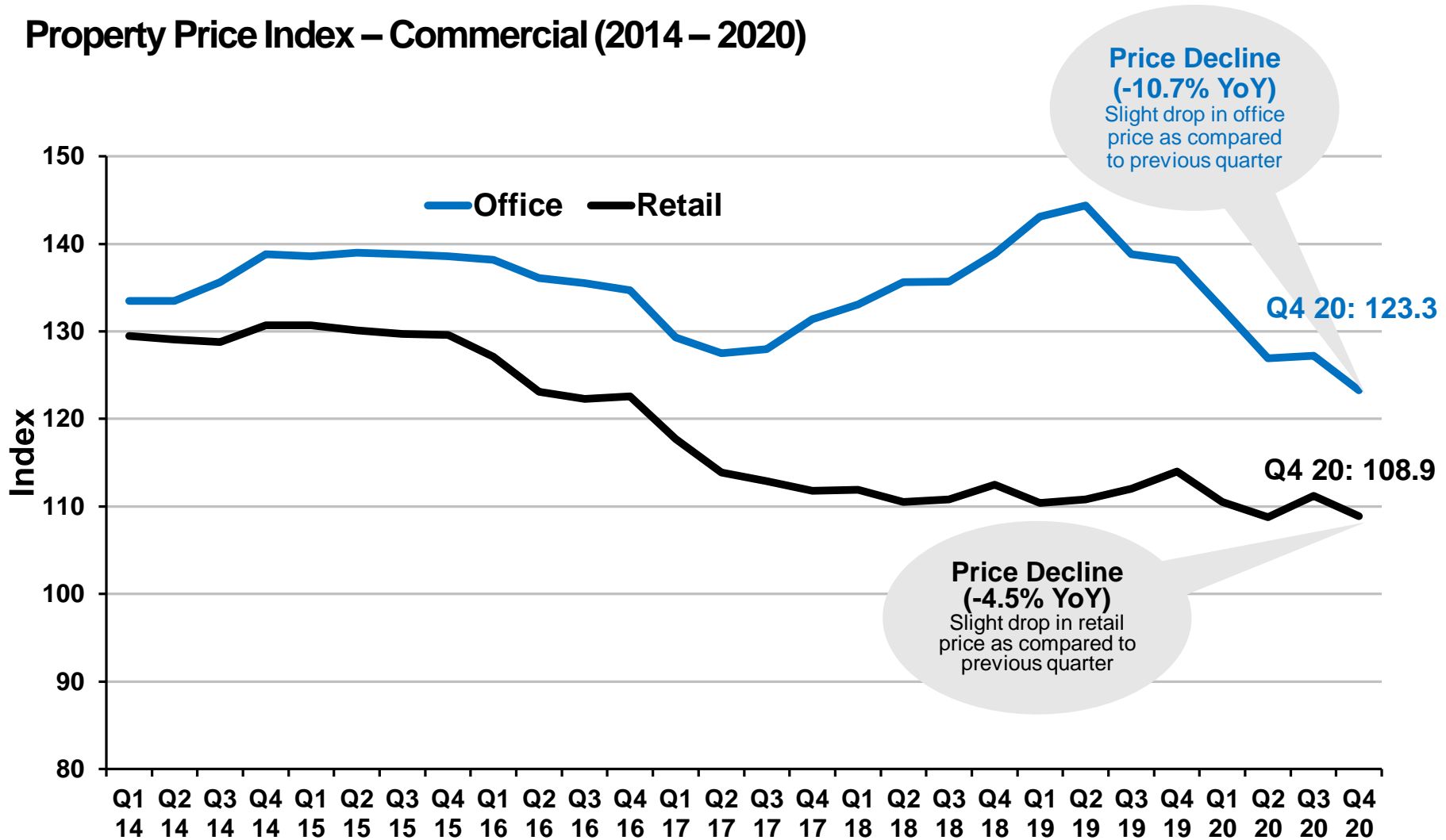


**Singapore
Operations**
Asset Management



Singapore Commercial Market

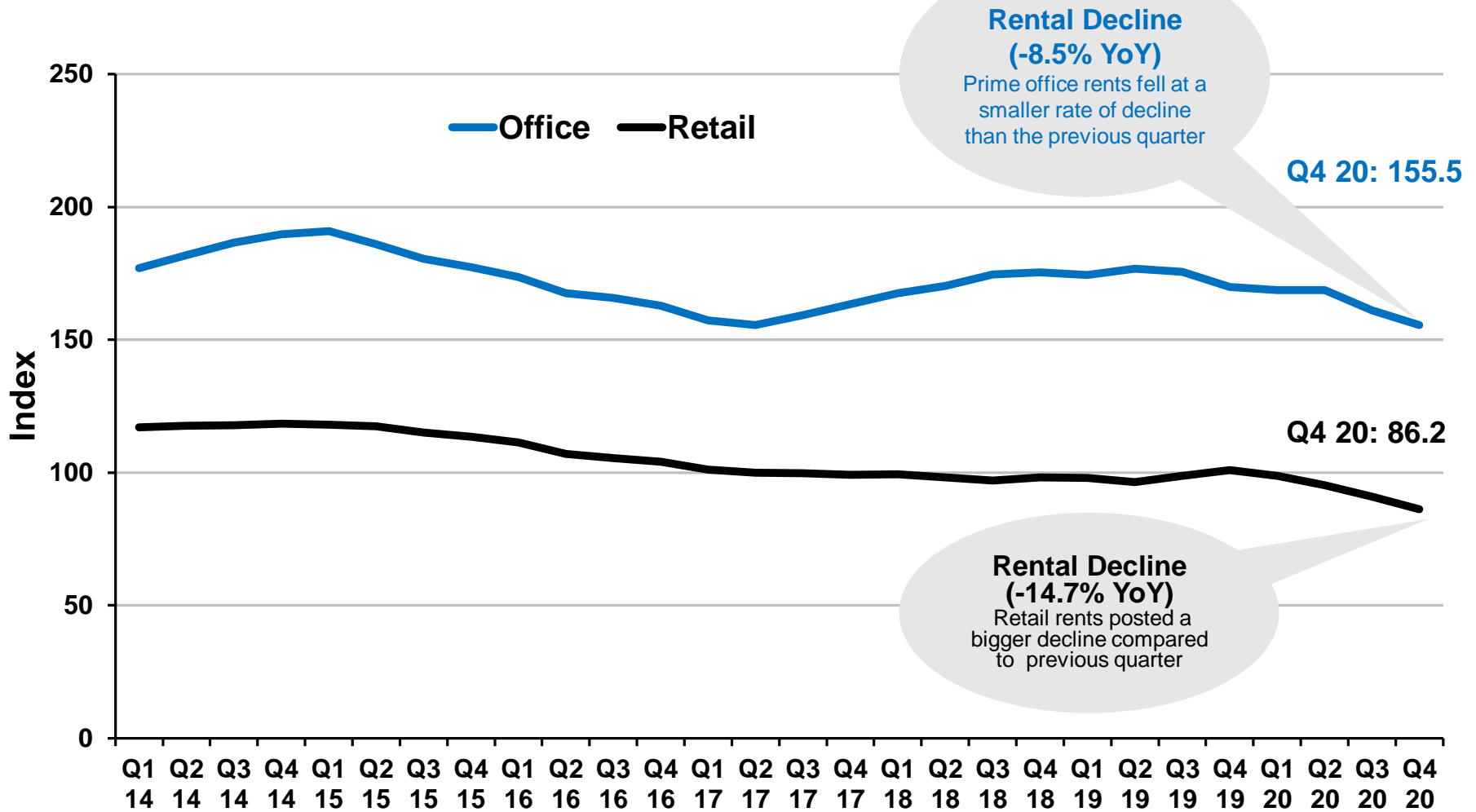
Property Price Index – Commercial (2014 – 2020)



Source: URA, Q4 2020

Singapore Commercial Market

Property Rental Index – Commercial (2014 – 2020)



Source: URA, Q4 2020



Singapore Commercial Portfolio

Strong Committed Occupancy and Positive Rental Reversion for Office Portfolio (As at 31 Dec 2020) ⁽¹⁾

Office
11 properties

92.2%
Committed Occupancy

1.7MM sq ft
Net Lettable Area





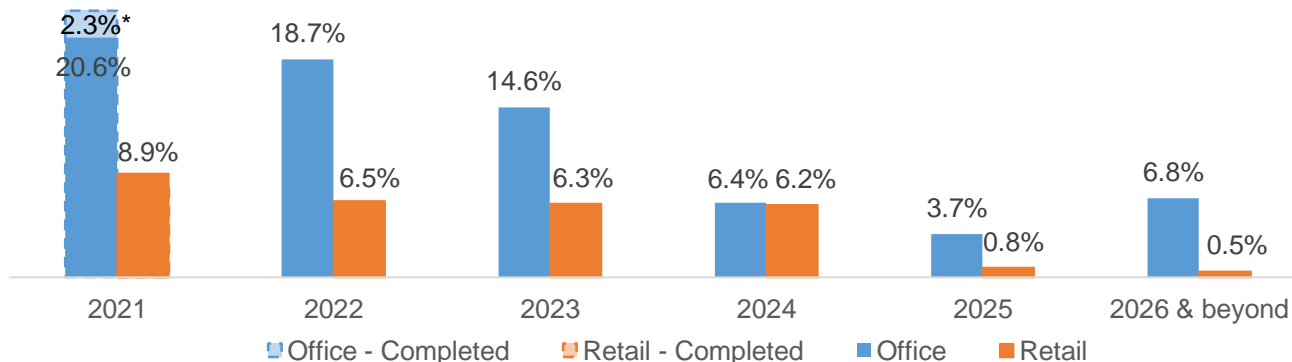
Retail
8 properties

92.2%
Committed Occupancy

686,000 sq ft
Net Lettable Area

Lease Expiry Profile by % of NLA

- Active risk management by engaging tenants ahead of lease expiries.
- Review lease structure to adapt to current challenging market to defend occupancy.



* Refers to expiring leases that have been renegotiated

(1) Includes all Singapore assets under management (including JV project South Beach) in accordance to CDL's proportionate ownership.

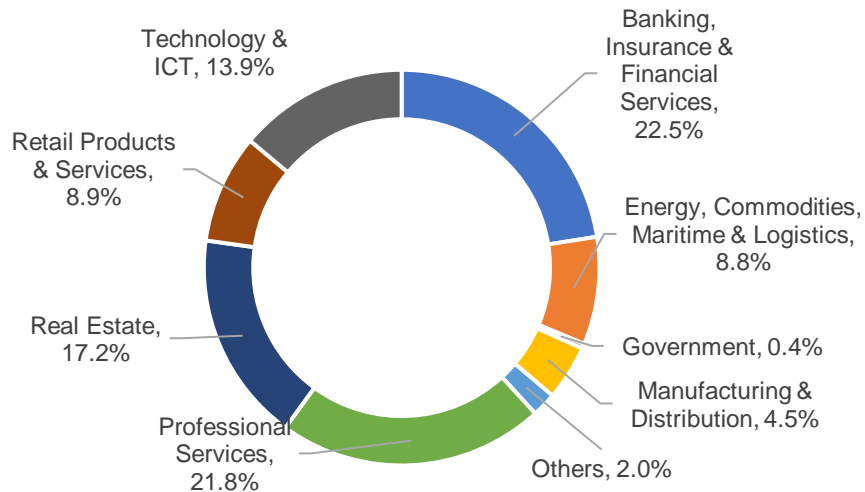
(2) Excludes Fuji Xerox Towers, Central Mall Office Tower and Central Mall Conservation Unit which will be redeveloped.



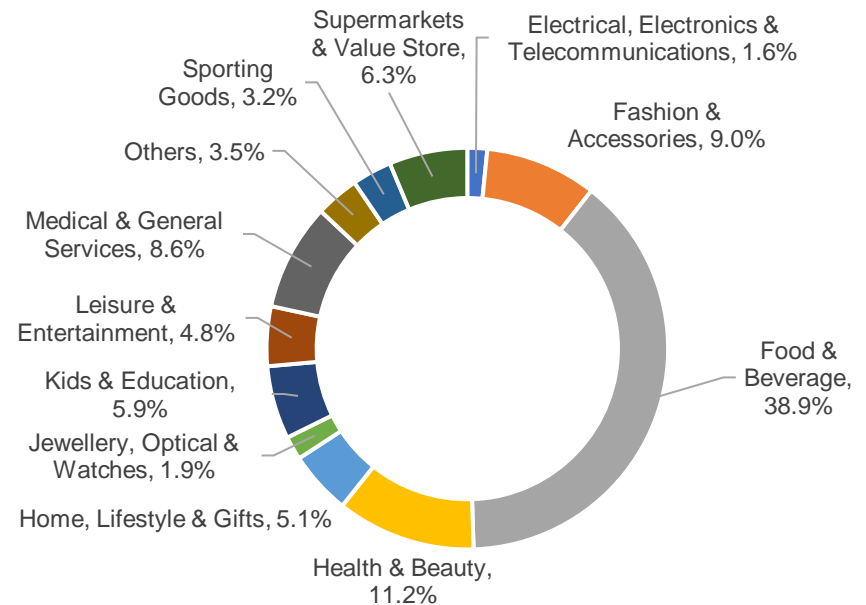
Singapore Commercial Portfolio

Trade Mix of Office & Retail Space by % of Total Gross Rental Income (As at 31 Dec 2020)*

Office



Retail



- **Diverse and well-spread tenant mix across both office and retail segments:**
 - **Office:** Trade mix remains largely stable amid a challenging economic environment.
 - **Retail:** Target support for tenants in challenged trade-mix requiring assistance to adapt to new retail norms.



* Includes all Singapore assets under management (including JV project South Beach) except for Fuji Xerox Towers, Central Mall Office Tower and Central Mall Conservation Unit which will be redeveloped, in accordance to CDL's proportionate ownership and excludes retail gross turnover rent.

Singapore Office Market Outlook

Grade A office rental declined for its fourth consecutive quarter to \$10.40 psf per month in Q4 2020. This represented a full year decline of 10% in Grade A office rents. Nonetheless, on the back of vaccine rollout, economic activity and business sentiments are expected to improve rent growth in 2021 / 2022.

CBD CORE OFFICE RENTAL PROJECTIONS

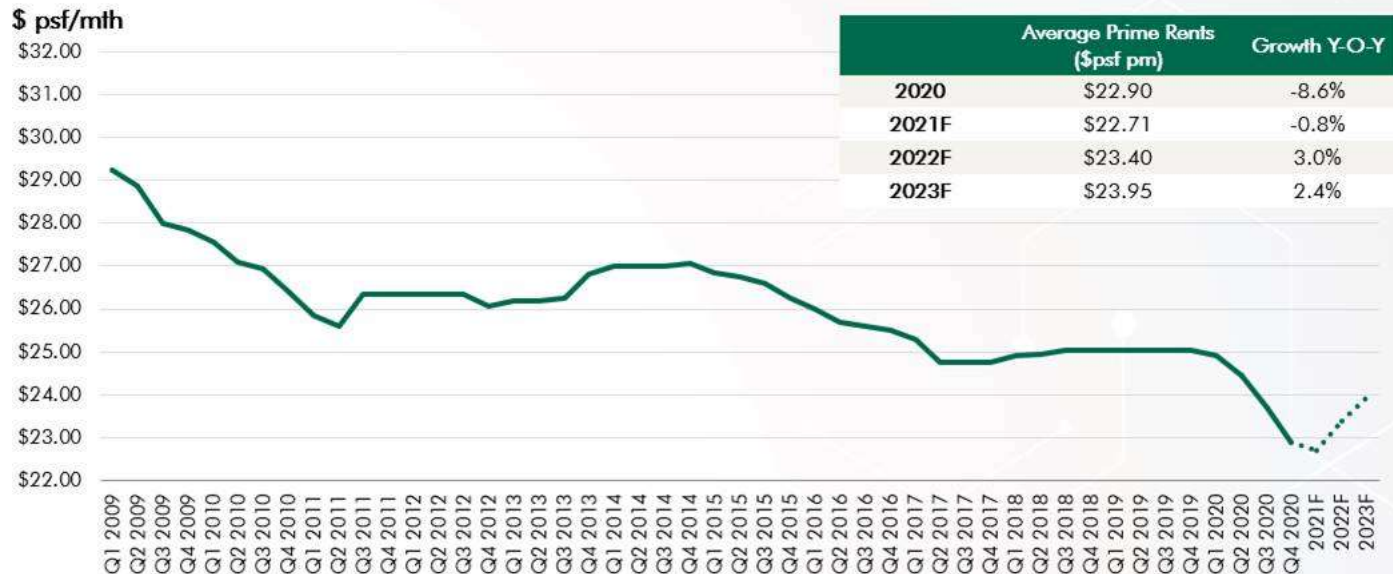
	Grade A	Growth Y-O-Y	Grade B	Growth Y-O-Y
End 2019	\$11.55	6.9%	\$8.70	4.8%
End 2020	\$10.40	-10.0%	\$7.90	-9.2%
End 2021 (F)	\$10.55	1.4%	\$7.95	0.6%
End 2022 (F)	\$10.85	2.8%	\$8.15	2.5%
End 2023 (F)	\$11.10	2.3%	\$8.30	1.8%



Singapore Retail Market Outlook

Average prime island-wide retail rents declined by 8.6% for 2020. The retail sector remained challenged with continued social distancing measures and closure of tourism borders. Nonetheless, consumer demand and retailers' confidence are expected to recover in 2021 with positive news of stabilising economy, increase in permitted social group sizes, relaxation of rules and barring an escalation of the COVID-19 situation in Singapore.

PRIME RENTAL PROJECTION (ISLAND-WIDE)





International Operations



International Operations – Australia

Focus on Developments Across Eastern Seaboard of Australia

Queensland



Brickworks Park (Residential)

- Launching officially for pre-sales in 1H 2021. 222-unit development consisting of apartments and townhouses located in the prestigious Alderley suburb in North Brisbane.

New South Wales



Waterbrook Bowral

- Waterbrook Bowral, a 135-unit retirement housing project, has received reservations on 74% of 77 units launched. Project is targeted to begin construction in 1H 2021.

Victoria



Project on Fitzroy (Mixed Use)



The Marker (Mixed Use)



Arco (Mixed Use)

- The Marker has exchanged contracts on 77% of 198 units available, early works construction has commenced in 1H 2020.



International Operations – China

Focus on Tier 1 and Tier 2 Cities

Chongqing (重庆)



Eling Palace (鹅岭峯)

Relaunched in May 2018:
Sold 105 units to date*

- Sales value of RMB 643MM

Suzhou (苏州)



Hong Leong City Center (丰隆城市中心)

Continued Sales Momentum:
Total sales of RMB 4.03B generated for 92% of 1,813 units to date*^A

- Phase 1 – 99% sold
- Phase 2 – 67% sold
- 32,101 sqm Grade A office tower is 75% occupied and operational since June 2019
- HLCC mall is 89% occupied
- Hotel expected to open in Q1 2022

Handover since end 2020:

Sold 868 units to date*

- Sales value of RMB 2.52B
- Remaining retail units will launch in Feb 2021



Artist's Impression

Emerald (翡翠都会)

Shanghai (上海)



Asset rebranding completed:

- Renamed as Hong Leong Hongqiao Centre – formerly known as Shanghai Hongqiao Sincere Centre (Phase 2)
- Occupancy for office and serviced apartments remain stable at around 50% and 70% respectively

Good Uptake post-COVID:

65 villas sold to date*

- Sales value of RMB 1.48B



For Illustration Only

Hongqiao Royal Lake (御湖)



Artist's Impression

Hong Leong Plaza Hongqiao (虹桥丰隆广场)

Stable income stream:

- Comprises 5 office towers with 2 levels of basement carpark with GFA of 32,182 sqm
- Office towers are fully leased out as serviced apartment, postnatal confinement centre and aesthetic clinic



Yaojiang International (耀江国际)

Asset enhancement:

- Operational since Jan 2019
- Exterior works has been completed in Q3 2020

^ Excludes 143 units transferred to CDL's wholly-owned subsidiary for investment purpose.

International Operations – Japan

Japan PRS Sector Continues to Display Resilience



Park Court Aoyama The Tower*

Completed in Q1 2018:

- 160-unit freehold joint venture residential project launched in Oct 2016



Freehold site in Shirokane

Development Site:

- Prime 180,995 sq ft freehold site acquired in Oct 2014



City Lux Yokohama

Freehold residential asset consisting of 78 units



Horie Lux, Osaka

Freehold residential asset consisting of 29 residential units and 5 retail units across 14-storesys



B-Proud Tenmabashi



Pregio Joto Chuo



Pregio Miyakojima Hondori

Freehold residential assets consisting of 130 units across 3 properties in Osaka



International Operations – UK Residential

Strengthening our Presence

Marketing in progress



100 Sydney Street



Teddington Riverside



31 & 33 Chesham Street



Monk Bridge, Leeds

Planning in progress



28 Pavilion Road

Ransomes Wharf

Fully sold



Knightsbridge

Planning in progress



Stag Brewery



UK – Recurring Income Projects

Strengthening our Presence in London



125 Old Broad Street

NLA	328,806
Tenants	25
Occupancy	94.6%
WALE [^]	4.83 years
Income	£19.0MM
Yield	4.9%
CDL's Acquisition	£385MM



Aldgate House

NLA	209,840
Tenants	4
Occupancy	86.8%
WALE [^]	5.78 years
Income	£8.3MM
Yield	4.7%
CDL's Acquisition	£183MM

Planning in progress



Development House

Artist's Impression



[^] WALE to expiry based on NLA
As of 31 Dec 2020



Hospitality |

Hotel Operations

Trading Performance

	YTD 2020 \$MM	YTD 2019 \$MM	Change %
Revenue	640.4	1,705.0	(62.4)
Profit Before Tax (PBT)	(573.4)	(6.6)	NM*
EBITDA	(395.1)	178.3	NM*



Studio M Hotel Singapore

Group RevPAR : ↓ 64.5% in FY 2020 (constant currency)
 ↓ 63.5% in FY 2020 (reported currency)

Revenue, PBT and EBITDA decreased mainly due to:

- Lockdown measures being reimposed in major destinations such as Japan, Germany, Italy, US and UK, in response to COVID resurgence threat, limiting international demand and encouraging event deferment/cancellations.
- A sustainable and meaningful recovery of international travel is dependent on the availability of a viable medical solution for the masses and consequently the containment of the pandemic globally. Vaccination efforts are ongoing but expected to extend beyond 2021.



*NM: Not meaningful

Hotel Operations (2H 2020 vs 2H 2019)

Hotel Occupancy, Average Room Rate, and RevPAR by Region for CDL Group

	Room Occupancy			Average Room Rate			RevPAR		
	2H 2020 %	2H 2019 %	Incr / (Decr) % pts	2H 2020 S\$	2H 2019 * S\$	Incr / (Decr) %	2H 2020 S\$	2H 2019 * S\$	Incr / (Decr) %
Singapore	89.8	89.1	0.7	97.1	203.2	(52.2)	87.2	181.2	(51.9)
Rest of Asia	31.8	75.3	(43.5)	114.0	154.6	(26.3)	36.3	116.3	(68.8)
Total Asia	53.1	80.7	(27.6)	103.5	175.5	(41.0)	55.0	141.6	(61.2)
Australasia	45.5	80.8	(35.3)	154.3	161.6	(4.5)	70.3	130.6	(46.2)
London	10.7	80.0	(69.3)	129.3	264.8	(51.2)	13.9	211.8	(93.4)
Rest of Europe	19.7	72.7	(53.0)	135.7	157.8	(14.0)	26.7	114.8	(76.7)
Total Europe	15.5	76.1	(60.6)	133.6	209.5	(36.2)	20.7	159.3	(87.0)
New York	32.9	90.8	(57.9)	142.2	370.3	(61.6)	46.7	336.1	(86.1)
Regional US	34.5	59.7	(25.2)	116.0	188.5	(38.5)	40.0	112.5	(64.4)
Total US	34.0	70.0	(36.0)	124.2	266.5	(53.4)	42.2	186.4	(77.4)
Total Group	37.8	76.4	(38.6)	118.6	207.0	(42.7)	44.8	158.1	(71.7)



* For comparability, 2H 2019 Average Room Rate and RevPAR have been translated at constant exchange rates (31 Dec 2020).

Hotel Operations (FY 2020 vs FY 2019)

Hotel Occupancy, Average Room Rate, and RevPAR by Region for CDL Group

	Room Occupancy			Average Room Rate			RevPAR		
	FY 2020 %	FY 2019 %	Incr / (Decr) % pts	FY 2020 S\$	FY 2019 * S\$	Incr / (Decr) %	FY 2020 S\$	FY 2019 * S\$	Incr / (Decr) %
Singapore	76.7	86.9	(10.2)	110.7	195.1	(43.3)	84.9	169.6	(49.9)
Rest of Asia	30.6	71.4	(40.8)	121.5	158.3	(23.2)	37.2	113.0	(67.1)
Total Asia	48.2	77.5	(29.3)	114.9	174.4	(34.1)	55.4	135.1	(59.0)
Australasia	45.7	82.4	(36.7)	159.4	157.0	1.5	72.9	129.4	(43.7)
London	17.6	79.1	(61.5)	194.2	243.9	(20.4)	34.2	192.8	(82.3)
Rest of Europe	23.8	71.3	(47.5)	135.4	156.3	(13.4)	32.2	111.4	(71.1)
Total Europe	20.9	74.8	(53.9)	158.9	197.9	(19.7)	33.1	147.9	(77.6)
New York	44.2	86.6	(42.4)	185.4	349.3	(46.9)	82.0	302.7	(72.9)
Regional US	34.7	58.0	(23.3)	132.5	188.9	(29.9)	46.0	109.7	(58.1)
Total US	38.1	67.5	(29.4)	154.2	257.0	(40.0)	58.7	173.5	(66.2)
Total Group	38.6	74.3	(35.7)	137.2	200.6	(31.6)	52.9	149.1	(64.5)



* For comparability, FY 2019 Average Room Rate and RevPAR have been translated at constant exchange rates (31 Dec 2020).

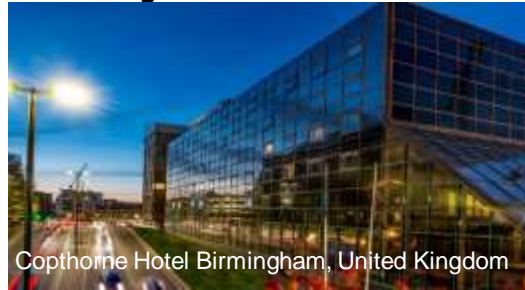
Hotel Divestments in FY 2020

Non-Core Hotel Divestments held by M&C



Millennium Cincinnati

Hotel was closed on 31 December 2019 and sold on 14 February 2020 for US\$36MM (~\$49MM) with a disposal gain of \$26.0MM.



Copthorne Hotel Birmingham

Option to acquire alternative site under the agreement¹ was not exercised and terminated in April 2020. Exercised the put option¹ to sell the existing hotel. Target completion Q3 2021.



Copthorne Orchid Hotel & Resort Penang

Entered a Sale and Purchase Agreement to sell Penang hotel to Bursa Malaysia-listed Ivory Properties Group Berhad for RM 75MM (~\$25MM), with a pre-tax gain of \$9.2MM.

Divestment of three non-core hotel assets resulted in a combined sales value of \$104.8MM and pre-tax divestment gains for CDL of \$49.9MM, of which \$23.9MM will be recognised in 2021.

Other Hotel Divestments



W Singapore

Sale of W Hotel to CDL Hospitality Trusts for \$324MM was completed on 16 July 2020. Estimated Net Book Value at CDL Group level is \$319.5MM.

¹ In 2013, M&C entered into a compulsory purchase order agreement with Paradise Circus Limited Partnership ("PCLP") - a joint venture comprising developer Argent LLP and Birmingham City Council - regarding Paradise Birmingham. The agreements include put and call options that provide for the Group to acquire an alternate development site and sale of the existing hotel to PCLP for £17.2MM (~\$30.8MM).



CDL Hospitality Trusts

Trading Performance

	FY 2020 \$MM	FY 2019 \$MM	Change %
Gross Revenue	117.56	196.87	(40.3)
Net Property Income (NPI)	69.33	141.16	(50.9)

The COVID-19 pandemic severely impacted hospitality and conference businesses globally, affecting CDLHT's overall performance due to occupancy declines and hotel closures.

Substantive contributions from SG, NZ and AU hotels partially insulated the group from the pandemic's severe impacts.

However, lack of NPI contribution from divested hotels (Novotel Clarke Quay and Novotel Brisbane) exceeded inorganic NPI contribution from W Hotel.

CDLHT continues to work with operators and lessees to secure alternative revenue channels and tighten cost control measures.



Orchard Hotel, Singapore



Grand Millennium Auckland, New Zealand



CDL Hospitality Trusts

Trading Performance

Country	YoY change in RevPAR (%)	Remarks
Singapore¹	(51.4)	Occupancy supported by continued demand for dedicated isolation facilities and from foreign workers affected by border closures, but at much lower RevPAR. Postponement/cancellation of MICE events continues to weigh on performance. Government working towards border reopening.
Maldives	(54.1)	Total tourist arrivals declined 67.4% YTD December 2020. Accordingly, Raffles Maldives Meradhoo remains closed since 1 April 2020 to contain costs, while Angsana Velavaru is operating at reduced staffing levels.
New Zealand	(19.2)	Managed isolation business from the government expected to continue supporting occupancy through 1Q 2021.
Germany	(75.5)	Adverse impact from absence of major trade fairs, as well as lockdown measures. Impairment recognized against rental receivables due.
Italy	(85.5)	Closure of Hotel Cerretani Firenze for 7 of 12 months in the year weighed on RevPAR. Rental arrangement with Italy Hotel lessee was restructured.
Japan	(63.0)	Limited international visitor arrivals continued to weigh on demand. December spike in COVID-19 cases resulted in second state of emergency.
United Kingdom	(68.5)	Fast-changing government restrictions and a new fast-spreading coronavirus variant curtailed demand in Q4 2020. Government furlough scheme helped to contain operating costs.



Disclaimer:

This document may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other developments or companies, shifts in customer demands, customers and partners, expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events. Numbers in tables and charts may not add up due to rounding.



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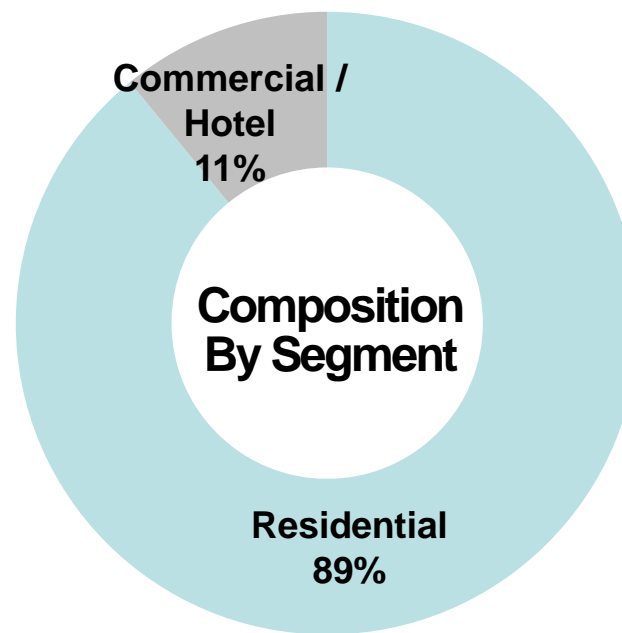
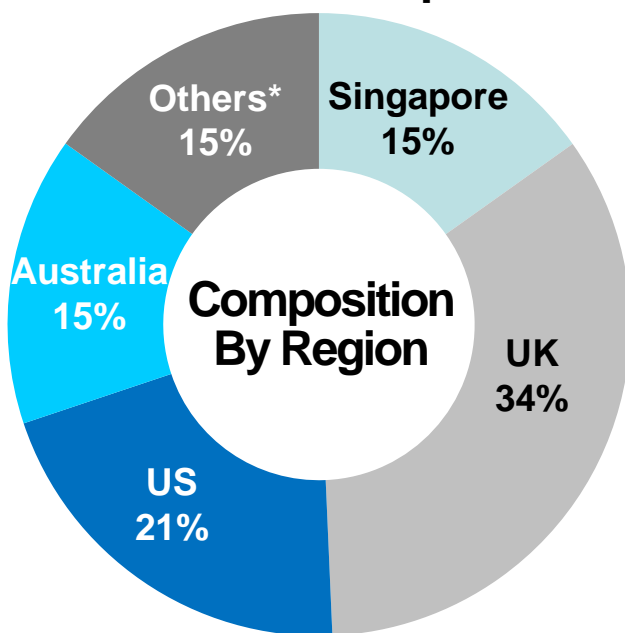
Appendix |

Diversified Land Bank

Land Area (as at 31 Dec 2020) – CDL’s Attributable Share

Type of Development	Land Area (sq ft)			
	Singapore	International	Total	%
Residential	445,642	2,691,016	3,136,658	89
Commercial / Hotel	87,990	296,552	384,542	11
Total	533,632	2,987,568	3,521,200	100

Total Land Area¹ – 3.5MM sq ft



* Includes Japan, Korea and Malaysia

¹ Including M&C and its subsidiaries, exclude CDL New Zealand