FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

CITY DEVELOPMENTS LIMITED

Securities

CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09

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Announcement Details

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Designation

Company Secretary

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. Condensed Interim Financial Statements for the six months and full year ended 31 December 2021;
2. News Release titled "CDL returns to profitability with PATMI of S$97.7 million and 24.5% increase in revenue to S$2.6 billion for FY 2021"; and
3. FY 2021 Results Presentation.

Additional Details

For Financial Period Ended

31/12/2021

Attachments

2H_2021_Interim_FS_Final.pdf

CDL_News_Release_FY_2021_Results.pdf

CDL_FY_2021_Results_Presentation.pdf

Total size =5560K MB

City Developments Limited and its subsidiaries
Registration Number: 196300316Z

Condensed Interim Financial Statements
For the six months and full year ended
31 December 2021

Condensed Interim Consolidated Statement of Profit or Loss
Six months and full year ended 31 December 2021

		Group			
	Note	**6 months ended 31 December 2021 $'000**	**6 months ended 31 December 2020 $'000**	**12 months ended 31 December 2021 $'000**	**12 months ended 31 December 2020 $'000**
Revenue	5	1,433,664	1,035,522	2,625,853	2,108,426
Cost of sales		(872,739)	(653,044)	(1,648,140)	(1,279,484)
Gross profit		560,925	382,478	977,713	828,942
Other income		31,566	76,505	87,979	171,990
Administrative expenses		(252,191)	(228,516)	(501,458)	(487,852)
Other operating expenses		(92,888)	(531,879)	(236,258)	(752,782)
Impairment loss on other receivables		(1,889)	(323,942)	(6,104)	(323,942)
Impairment loss on debt investment		–	(288,000)	–	(288,000)
Profit/(Loss) from operating activities		245,523	(913,354)	321,872	(851,644)
Finance income		22,839	77,283	36,206	168,618
Finance costs		(106,147)	(135,316)	(237,823)	(262,009)
Net finance costs	6	(83,308)	(58,033)	(201,617)	(93,391)
Share of after-tax profit of associates		252	17,743	30,713	37,976
Share of after-tax profit/(loss) of joint ventures		55,533	(850,962)	76,779	(883,752)
Profit/(Loss) before tax	7	218,000	(1,804,606)	227,747	(1,790,811)
Tax expense	8	(59,452)	(74,305)	(87,908)	(87,702)
Profit/(Loss) for the period/year		158,548	(1,878,911)	139,839	(1,878,513)
Attributable to:					
Owners of the Company		129,743	(1,920,536)	97,657	(1,917,391)
Non-controlling interests		28,805	41,625	42,182	38,878
Profit/(Loss) for the period/year		158,548	(1,878,911)	139,839	(1,878,513)
Earnings per share					
- Basic	9	13.6 cents	(212.5) cents	9.3 cents	(212.8) cents
- Diluted	9	13.6 cents	(212.5) cents	9.3 cents	(212.8) cents

Condensed Interim Consolidated Statement of Comprehensive Income
Six months and full year ended 31 December 2021

	Group			
	6 months ended 31 December 2021 $'000	**6 months ended 31 December 2020 $'000**	**12 months ended 31 December 2021 $'000**	**12 months ended 31 December 2020 $'000**
Profit/(Loss) for the period/year	158,548	(1,878,911)	139,839	(1,878,513)
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Defined benefit plan remeasurements	4,582	(3,810)	4,582	(3,810)
Net change in fair value of equity investments at FVOCI	2,650	(31,730)	3,418	(43,077)
	7,232	(35,540)	8,000	(46,887)
Items that are or may be reclassified subsequently to profit or loss:				
Effective portion of changes in fair value of cash flow hedges	108	2,270	473	(2,952)
Exchange differences on hedges of net investment in foreign operations	(7,943)	9,350	(4,939)	8,665
Exchange differences on monetary items forming part of net investments in foreign operations	(24,828)	(7,772)	(20,494)	14,029
Exchange differences reclassified to profit or loss on disposal of foreign operations	–	2,016	–	2,032
Share of translation differences of equity-accounted investees	9,751	4,405	25,570	13,192
Share of other comprehensive income of equity-accounted investee	2,238	–	4,637	–
Translation differences arising on consolidation of foreign operations	(482)	1,647	(18,698)	62,320
	(21,156)	11,916	(13,451)	97,286
Total other comprehensive income for the period, net of tax	(13,924)	(23,624)	(5,451)	50,399
Total comprehensive income for the period/year	144,624	(1,902,535)	134,388	(1,828,114)
Total comprehensive income attributable to:				
Owners of the Company	76,246	(1,939,338)	50,010	(1,882,242)
Non-controlling interests	68,378	36,803	84,378	54,128
Total comprehensive income for the period/year	144,624	(1,902,535)	134,388	(1,828,114)

Condensed Interim Statements of Financial Position
As at 31 December 2021

	Note	Group		Company	
		31 December 2021 $'000	31 December 2020 $'000	31 December 2021 $'000	31 December 2020 $'000
Non-current assets					
Property, plant and equipment	11	5,361,835	5,525,684	32,543	37,439
Investment properties	12	3,997,169	4,568,697	413,152	424,955
Investments in:					
- subsidiaries		–	–	1,996,087	2,025,019
- associates		816,979	707,699	–	–
- joint ventures	13	1,037,046	1,085,288	37,360	37,360
Financial assets		740,686	736,119	351,438	348,510
Other non-current assets, including derivatives	14	182,557	241,186	6,205,239	6,518,288
		12,136,272	12,864,673	9,035,819	9,391,571
Current assets					
Development properties	15	5,839,471	5,391,055	175,792	180,247
Contract costs		74,996	31,643	–	–
Contract assets		402,330	505,231	–	–
Consumable stocks		10,771	10,511	37	–
Financial assets		26,848	20,048	–	–
Trade and other receivables, including derivatives	16	1,873,414	1,681,218	6,247,402	5,830,508
Cash and cash equivalents		2,083,165	3,126,529	686,322	1,288,914
		10,310,995	10,766,235	7,109,553	7,299,669
Assets held for sale	17	1,445,759	45,884	–	–
		11,756,754	10,812,119	7,109,553	7,299,669
Total assets		23,893,026	23,676,792	16,145,372	16,691,240

Condensed Interim Statements of Financial Position (cont'd)
As at 31 December 2021

		Group		Company	
	Note	**31 December 2021 $'000**	**31 December 2020 $'000**	**31 December 2021 $'000**	**31 December 2020 $'000**
Equity attributable to owners of the Company					
Share capital	18	1,991,397	1,991,397	1,991,397	1,991,397
Reserves		6,422,163	6,510,811	4,341,009	4,458,033
		8,413,560	8,502,208	6,332,406	6,449,430
Non-controlling interests		918,469	740,249	–	–
Total equity		9,332,029	9,242,457	6,332,406	6,449,430
Non-current liabilities					
Interest-bearing borrowings	19	5,952,032	8,756,068	3,937,631	5,780,877
Employee benefits		24,637	30,997	–	–
Lease liabilities		246,003	237,854	9,600	14,152
Other liabilities, including derivatives	20	217,910	243,599	8,387	8,290
Provisions		22,129	24,554	–	–
Deferred tax liabilities		196,068	96,845	18,565	15,644
		6,658,779	9,389,917	3,974,183	5,818,963
Current liabilities					
Trade and other payables, including derivatives	21	1,453,043	1,348,759	2,621,707	2,733,590
Contract liabilities		724,077	267,607	–	–
Interest-bearing borrowings	19	5,187,961	2,798,612	3,200,708	1,671,717
Lease liabilities		19,324	14,187	6,322	5,850
Employee benefits		33,576	32,044	2,960	1,616
Provision for taxation		362,960	276,164	7,086	10,074
Provisions	22	93,928	307,045	–	–
		7,874,869	5,044,418	5,838,783	4,422,847
Liabilities directly associated with the assets held for sale	17	27,349	–	–	–
		7,902,218	5,044,418	5,838,783	4,422,847
Total liabilities		14,560,997	14,434,335	9,812,966	10,241,810
Total equity and liabilities		23,893,026	23,676,792	16,145,372	16,691,240

Condensed Interim Statement of Changes in Equity
Full year ended 31 December 2021

Group	Note	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Hedging reserve $'000	Other reserves $'000	Share option reserve $'000	Foreign currency translation reserve $'000	Accumulated profits $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2021		1,991,397	284,030	(2,421)	(6,642)	23,927	15,318	(79,696)	6,276,295	8,502,208	740,249	9,242,457
Profit for the year		–	–	–	–	–	–	–	97,657	97,657	42,182	139,839
Other comprehensive income for the year, net of tax		–	–	3,418	5,110	–	–	(60,715)	4,540	(47,647)	42,196	(5,451)
Total comprehensive income for the year		–	–	3,418	5,110	–	–	(60,715)	102,197	50,010	84,378	134,388
Transactions with owners, recorded directly in equity												
<u>Distribution to owners</u>												
Capital distribution to non-controlling interests		–	–	–	–	–	–	–	–	–	(11,087)	(11,087)
Liquidation of a subsidiary		–	(3,286)	–	–	–	–	–	3,286	–	–	–
Dividends paid to owners of the Company		–	–	–	–	–	–	–	(148,939)	(148,939)	–	(148,939)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	–	–	(26,291)	(26,291)
Share-based payment transactions		–	–	–	–	–	105	–	–	105	–	105
Total distributions to and contributions by owners		–	(3,286)	–	–	–	105	–	(145,653)	(148,834)	(37,378)	(186,212)
<u>Change in ownership interests in subsidiaries</u>												
Acquisition of subsidiaries with non-controlling interests	24	–	–	–	–	–	–	–	–	–	173,951	173,951
Change of interests in subsidiaries without loss of control		–	10,176	–	–	–	–	–	–	10,176	(42,731)	(32,555)
Total change in ownership interests in subsidiaries		–	10,176	–	–	–	–	–	–	10,176	131,220	141,396
Total transaction with owners		–	6,890	–	–	–	105	–	(145,653)	(138,658)	93,842	(44,816)
Transfer to statutory reserve		–	–	–	–	25	–	–	(25)	–	–	–
At 31 December 2021		1,991,397	290,920	997	(1,532)	23,952	15,423	(140,411)	6,232,814	8,413,560	918,469	9,332,029

Condensed Interim Statement of Changes in Equity (cont'd)
Full year ended 31 December 2021

Group	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Hedging reserve $'000	Other reserves $'000	Share option reserve $'000	Foreign currency translation reserve $'000	Accumulated profits $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2020	1,991,397	280,402	40,932	(3,690)	23,482	15,279	(165,181)	8,337,629	10,520,250	746,306	11,266,556
(Loss)/Profit for the year	–	–	–	–	–	–	–	(1,917,391)	(1,917,391)	38,878	(1,878,513)
Other comprehensive income for the year, net of tax	–	(403)	(43,077)	(2,952)	–	–	85,485	(3,904)	35,149	15,250	50,399
Total comprehensive income for the year	–	(403)	(43,077)	(2,952)	–	–	85,485	(1,921,295)	(1,882,242)	54,128	(1,828,114)
Transactions with owners, recorded directly in equity											
Distribution to owners											
Capital distribution to non-controlling interests	–	–	–	–	–	–	–	–	–	(6,799)	(6,799)
Dividends paid to owners of the Company	–	–	–	–	–	–	–	(139,870)	(139,870)	–	(139,870)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(51,464)	(51,464)
Share based payment transactions	–	–	–	–	–	39	–	–	39	–	39
Total distributions to owners	–	–	–	–	–	39	–	(139,870)	(139,831)	(58,263)	(198,094)
Change in ownership interests in subsidiaries											
Change of interests in a subsidiary with loss of control	–	–	–	–	–	–	–	–	–	2,109	2,109
Change of interests in a subsidiary without loss of control	–	4,031	–	–	–	–	–	–	4,031	(4,031)	–
Total change in ownership interests in subsidiaries	–	4,031	–	–	–	–	–	–	4,031	(1,922)	2,109
Total transaction with owners	–	4,031	–	–	–	39	–	(139,870)	(135,800)	(60,185)	(195,985)
Transfer on conversion of convertible securities held in an associate to investment in an associate	–	–	(276)	–	–	–	–	276	–	–	–
Transfer to statutory reserve	–	–	–	–	445	–	–	(445)	–	–	–
At 31 December 2020	1,991,397	284,030	(2,421)	(6,642)	23,927	15,318	(79,696)	6,276,295	8,502,208	740,249	9,242,457

Condensed Interim Statement of Changes in Equity (cont'd)
Full year ended 31 December 2021

	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Hedging reserve $'000	Accumulated profits $'000	Total equity $'000
Company						
At 1 January 2021	1,991,397	63,743	(33,150)	(448)	4,427,888	6,449,430
Profit for the year	–	–	–	–	28,675	28,675
Other comprehensive income for the year, net of tax	–	–	2,792	448	–	3,240
Total comprehensive income for the year	–	–	2,792	448	28,675	31,915
Transactions with owners, recorded directly in equity						
Distribution to owners						
Dividends	–	–	–	–	(148,939)	(148,939)
Total distributions to owners	–	–	–	–	(148,939)	(148,939)
Total transaction with owners	–	–	–	–	(148,939)	(148,939)
At 31 December 2021	1,991,397	63,743	(30,358)	–	4,307,624	6,332,406
At 1 January 2020	1,991,397	63,743	(4,905)	199	4,556,849	6,607,283
Profit for the year	–	–	–	–	10,909	10,909
Other comprehensive income for the year, net of tax	–	–	(28,245)	(647)	–	(28,892)
Total comprehensive income for the year	–	–	(28,245)	(647)	10,909	(17,983)
Transactions with owners, recorded directly in equity						
Distribution to owners						
Dividends	–	–	–	–	(139,870)	(139,870)
Total distributions to owners	–	–	–	–	(139,870)	(139,870)
Total transaction with owners	–	–	–	–	(139,870)	(139,870)
At 31 December 2020	1,991,397	63,743	(33,150)	(448)	4,427,888	6,449,430

Condensed Interim Consolidated Statement of Cash Flows
Full year ended 31 December 2021

	Group	
	12 months ended 31 December 2021 $'000	**12 months ended 31 December 2020 $'000**
Cash flows from operating activities		
Profit/(Loss) for the year	139,839	(1,878,513)
Adjustments for:		
Depreciation and amortisation	277,545	287,129
Dividend income	(5,175)	(4,784)
Finance income	(36,206)	(139,517)
Finance costs	217,869	262,009
Loss/(Gain) on disposal/liquidation of subsidiaries and dilution of an associate (net)	1,088	(32,166)
Impairment loss on other receivables	6,104	323,942
Impairment loss on debt investment	–	288,000
(Reversal of impairment loss)/Impairment loss on property, plant and equipment and investment properties	(98,791)	99,552
Negative goodwill on acquisition of subsidiaries	(35,553)	–
Profit on sale of property, plant and equipment and investment properties (net)	(35,896)	(133,401)
Property, plant and equipment, investment properties and intangible assets written off	9,216	11,897
Provision for corporate guarantee	–	283,000
Share of after-tax profit of associates	(30,713)	(37,976)
Share of after-tax (profit)/loss of joint ventures	(76,779)	883,752
Tax expense	87,908	87,702
	420,456	300,626
Changes in working capital:		
Development properties	561,336	(210,681)
Contract costs	(42,350)	(5,492)
Contract assets	102,901	(263,183)
Consumable stocks and trade and other receivables	(115,971)	(1,240)
Trade and other payables and provisions	29,585	(157,948)
Contract liabilities	279,674	55,818
Employee benefits	(1,407)	2,177
Cash generated from/(used in) operations	1,234,224	(279,923)
Tax paid	(99,979)	(76,224)
Net cash from/(used in) operating activities	1,134,245	(356,147)

Condensed Interim Consolidated Statement of Cash Flows (cont'd)
Full year ended 31 December 2021

	Note	Group 12 months ended 31 December 2021 $'000	Group 12 months ended 31 December 2020 $'000
Cash flows from investing activities			
Acquisition of subsidiaries (net of cash acquired)	24	(341,747)	–
Dividends received:			
- associates		12,350	24,180
- joint ventures		3,191	13,004
- financial investments		5,175	4,784
Increase in investments in associates		(70,836)	(63,351)
Increase in investments in joint ventures		(1,976)	(886,579)
Return of capital from a joint venture		113,126	73,552
Increase in amounts owing by equity-accounted investees		(183,363)	(295,763)
Interest received		21,513	49,544
Payments for intangible assets		(595)	(355)
Payments for capital expenditure on investment properties		(271,009)	(126,227)
Payments for purchase of property, plant and equipment		(143,148)	(267,244)
Purchase of investment properties		–	(66,492)
Proceeds from sale of property, plant and equipment and investment properties		65,252	421,500
Proceeds from deconsolidation of subsidiaries		–	109,090
Purchase of financial assets (net)		(21,264)	(35,836)
Proceeds from distributions from investments in financial assets		10,333	5,146
Settlement of financial derivatives		(60,409)	(34,994)
Net cash used in investing activities		(863,407)	(1,076,041)
Cash flows from financing activities			
Capital distribution to non-controlling interests (net)		(12,374)	(7,922)
Dividends paid		(173,943)	(190,211)
Payment of lease liabilities and finance lease payables		(21,087)	(21,059)
Interest paid (including amounts capitalised in property, plant and equipment and development properties)		(211,206)	(218,329)
Net increase in amounts owing to related parties and non-controlling interests		36,649	274,573
Net (repayment of)/proceeds from revolving credit facilities and short-term bank borrowings		(378,003)	2,319
Decrease in restricted cash		35,444	12,439
Payment for corporate guarantee		(286,132)	–
Payment of financing transaction costs		(7,214)	(11,855)
Proceeds from bank borrowings		1,789,896	1,561,958
Repayment of bank borrowings		(2,134,997)	(300,515)
Proceeds from issuance of bonds and notes		335,000	898,990
Repayment of bonds and notes		(249,132)	(436,795)
Net cash (used in)/from financing activities		(1,277,099)	1,563,593
Net (decrease)/increase in cash and cash equivalents		(1,006,261)	131,405
Cash and cash equivalents at beginning of the year		2,955,109	2,789,569
Effect of exchange rate changes on balances held in foreign currencies		(4,715)	34,135
Cash and cash equivalents at end of the year		1,944,133	2,955,109

Condensed Interim Consolidated Statement of Cash Flows (cont'd)
Full year ended 31 December 2021

	Note	Group As at 31 December 2021 $'000	 As at 31 December 2020 $'000
Cash and cash equivalents at the end of the year comprises:			
Cash and cash equivalents in the statement of financial position		2,083,165	3,126,529
Restricted deposits included in other non-current assets	14	89,630	110,620
Cash and cash equivalents included in assets held for sale	17	18,166	–
Less: Restricted cash		(246,828)	(282,040)
		1,944,133	2,955,109

Significant non-cash transactions

There were the following significant non-cash transactions during the year:

- Dividends amounting to $1,287,000 (2020: $1,123,000) were paid by a subsidiary to its non-controlling interests in the form of additional shares in that subsidiary.

- During 2021, as part of the Group's disposal of its interest in HCP Chongqing Property Development Co., Ltd (HCP), an offshore investment vehicle that holds an indirect 80.01% equity interest in Chongqing Sincere Yuanchuang Industrial Co., Ltd and its subsidiaries (Sincere Property), the Group entered into various agreements with HCP Group whereby it was agreed that (i) the amount owing to HCP Group of $263.7 million would be set off against the amounts owing by HCP Group; and (ii) the collateral held by the Group in respect of the amounts owing by HCP Group, which relates to shares in a property-owning entity which had been pledged by HCP Group to the Group in 2021, would be transferred to the Group, as settlement of $54.1 million (RMB260.0 million) of the amounts owing by HCP Group.

Notes to the Condensed Interim Financial Statements

1. Corporate Information

City Developments Limited (the Company) is incorporated in the Republic of Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange.

The principal activities of the Company are those of a property developer and owner, and investment holding.

The principal activities of the subsidiaries are those of property developers and owners, hotel owners and operators, a club operator and owner, investment in properties and in shares, property management, project management and provision of consultancy services, procurement services and laundry services.

The condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2021 relate to the Company and its subsidiaries (together referred to as the Group and individually as Group entities) and the Group's interests in associates and joint ventures.

2. Basis of Preparation

The condensed interim financial statements for the six months and full year ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore and IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2020. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020. All references to SFRS(I)s and IFRSs are subsequently referred to as SFRS(I) in the financial statements.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency. All financial information has been rounded to the nearest thousand, unless otherwise stated.

2.1 New and amended standards adopted by the Group

The Group has applied various new accounting standards and interpretations of accounting standards for the first time for the annual period beginning on 1 January 2021. The application of these standards and interpretations did not have a material effect on the condensed interim financial statements.

2.2 Use of judgements and estimates

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those described in the Group's combined financial statements as at and for the year ended 31 December 2020.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a team that regularly reviews significant unobservable inputs and valuation adjustments and reports to the Group Chief Financial Officer who has overall responsibility for all significant fair value measurements. If third party information, such as broker quotes or independent valuers' report, is used to measure fair values, then the team assesses and documents the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit and Risk Committee and Board of Directors.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

3. Seasonal operations

The Group's business are not affected significantly by seasonal or cyclical factors during the financial period, except for the hotel operations. The Group's hotel operations is subject to domestic and international economic conditions and seasonality factors. In addition, the ongoing impact of the outbreak of COVID-19 on travel and tourism in the countries in which the Group operates its hotel operations, could materially affect the Group's hotel operations, financial conditions and results of operations.

4. Segment information

Information reported to the Board of Directors for the purposes of resource allocation and assessment of segment performances is specifically focused on the functionality of services provided. The following summary describes the operations in each of the Group's reportable segments:

- Property development – develops and purchases properties for sale
- Hotel operations – owns and manages hotels
- Investment properties – develops and purchases investment properties for lease

Others comprises mainly investment in shares, management and consultancy services, and provision of laundry services.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

<u>Segment results</u>

	Property development $'000	**Hotel operations $'000**	**Investment properties $'000**	**Total $'000**	**Others $'000**	**Total $'000**
Six months ended 31 December 2021						
Total revenue (including inter-segment revenue)	625,907	562,470	203,802	1,392,179	96,994	1,489,173
Inter-segment revenue	–	(6,345)	(33,597)	(39,942)	(15,567)	(55,509)
External revenue	625,907	556,125*	170,205	1,352,237	81,427	1,433,664
Profit from operating activities	66,305	109,612	66,667	242,584	2,939	245,523
Share of after-tax profit/(loss) of associates and joint ventures	71,490	(16,166)	(11,595)	43,729	12,056	55,785
Finance income	13,219	1,392	1,294	15,905	6,934	22,839
Finance costs	(25,051)	(22,986)	(41,571)	(89,608)	(16,539)	(106,147)
Net finance costs	(11,832)	(21,594)	(40,277)	(73,703)	(9,605)	(83,308)
Reportable segment profit before tax	125,963	71,852	14,795	212,610	5,390	218,000
Six months ended 31 December 2020						
Total revenue (including inter-segment revenue)	502,205	297,838	206,187	1,006,230	95,953	1,102,183
Inter-segment revenue	–	(12,682)	(30,236)	(42,918)	(23,743)	(66,661)
External revenue	502,205	285,156*	175,951	963,312	72,210	1,035,522
(Loss)/Profit from operating activities	(433,580)	(269,578)	(222,905)	(926,063)	12,709	(913,354)
Share of after-tax (loss)/profit of associates and joint ventures	(406,765)	(70,959)	(364,695)	(842,419)	9,200	(833,219)
Finance income	57,573	869	43,037	101,479	(24,196)	77,283
Finance costs	(72,045)	(25,554)	(56,746)	(154,345)	19,029	(135,316)
Net finance costs	(14,472)	(24,685)	(13,709)	(52,866)	(5,167)	(58,033)
Reportable segment (loss)/profit before tax	(854,817)	(365,222)	(601,309)	(1,821,348)	16,742	(1,804,606)

* Revenue from hotel operations includes room revenue of $381.2 million (2H 2020: $165.3 million) for 2H 2021 from hotels that are owned by the Group.

	Property development $'000	**Hotel operations $'000**	**Investment properties $'000**	**Total $'000**	**Others $'000**	**Total $'000**
Full year ended 31 December 2021						
Total revenue (including inter-segment revenue)	1,254,470	883,784	407,155	2,545,409	193,959	2,739,368
Inter-segment revenue	–	(10,666)	(66,037)	(76,703)	(36,812)	(113,515)
External revenue	1,254,470	873,118*	341,118	2,468,706	157,147	2,625,853
Profit from operating activities	203,917	16,299	89,551	309,767	12,105	321,872
Share of after-tax profit/(loss) of associates and joint ventures	114,606	(36,578)	(5,297)	72,731	34,761	107,492
Finance income	22,443	3,153	4,342	29,938	6,268	36,206
Finance costs	(96,201)	(53,922)	(64,285)	(214,408)	(23,415)	(237,823)
Net finance costs	(73,758)	(50,769)	(59,943)	(184,470)	(17,147)	(201,617)
Reportable segment profit/(loss) before tax	244,765	(71,048)	24,311	198,028	29,719	227,747
Full year ended 31 December 2020						
Total revenue (including inter-segment revenue)	965,940	658,669	422,065	2,046,674	183,779	2,230,453
Inter-segment revenue	–	(18,224)	(60,647)	(78,871)	(43,156)	(122,027)
External revenue	965,940	640,445*	361,418	1,967,803	140,623	2,108,426
(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	(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)

* Revenue from hotel operations includes room revenue of $577.0 million (FY 2020: $395.9 million) for FY2021 from hotels that are owned by the Group.

Segment Assets and Liabilities

	Property development $'000	Hotel operations $'000	Investment properties $'000	Total $'000	Others $'000	Total $'000
31 December 2021						
Reportable segment assets	9,802,318	6,071,857	6,620,825	22,495,000	1,324,167	23,819,167
Deferred tax assets						69,302
Tax recoverable						4,557
Total assets						23,893,026
Reportable segment liabilities	6,361,148	3,471,262	3,892,700	13,725,110	276,859	14,001,969
Deferred tax liabilities						196,068
Provision for taxation						362,960
Total liabilities						14,560,997
31 December 2020						
Reportable segment assets	9,380,122	5,827,677	6,794,751	22,002,550	1,654,424	23,656,974
Deferred tax assets						19,818
Total assets						23,676,792
Reportable segment liabilities	7,780,006	2,286,494	3,627,899	13,694,399	366,927	14,061,326
Deferred tax liabilities						96,845
Provision for taxation						276,164
Total liabilities						14,434,335

5. Revenue

Revenue of the Group includes property development income, income from owning and operating hotels, rental income, dividend income and others but excludes intra-group transactions. Property development income consists mainly of sale proceeds of commercial and residential properties. Others include mainly management and consultancy fees, and income from the provision of laundry services.

	Group			
	6 months ended 31 December 2021 $'000	6 months ended 31 December 2020 $'000	12 months ended 31 December 2021 $'000	12 months ended 31 December 2020 $'000
Dividends from investments:				
- fellow subsidiaries				
- quoted equity investments – at FVOCI	408	1,088	1,387	1,088
- unquoted equity investments – at FVOCI	1,654	1,688	1,890	1,688
- others				
- quoted equity investments – at FVOCI	–	–	334	334
- quoted equity investments – mandatorily at FVTPL	374	602	684	844
- unquoted equity investments – at FVOCI	880	830	880	830
Hotel operations	556,125	285,156	873,118	640,445
Development properties for which revenue is:				
- recognised at a point in time	246,614	136,612	417,452	295,195
- recognised over time	379,293	365,593	837,018	670,745
Rental income from investment properties	170,205	175,951	341,118	361,418
Others	78,111	68,002	151,972	135,839
	1,433,664	1,035,522	2,625,853	2,108,426

Disaggregation of revenue

In the following table, revenue is disaggregated by geographical markets and timing of revenue recognition. The total disaggregated revenue of the Group excludes rental income from investment properties and dividend income from investments. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Reportable segments							
	Property development		Hotel operations		Others		Total	
	6 months ended 31 December 2021 $'000	6 months ended 31 December 2020 $'000	6 months ended 31 December 2021 $'000	6 months ended 31 December 2020 $'000	6 months ended 31 December 2021 $'000	6 months ended 31 December 2020 $'000	6 months ended 31 December 2021 $'000	6 months ended 31 December 2020 $'000
Geographical market								
Singapore	388,792	376,580	79,565	72,476	78,049	68,002	546,406	517,058
China	180,487	38,025	13,624	12,813	–	–	194,111	50,838
United States	–	–	175,391	53,763	–	–	175,391	53,763
United Kingdom	16,538	28,889	151,052	28,053	22	–	167,612	56,942
Australasia	40,090	54,174	47,076	44,533	40	–	87,206	98,707
Rest of Asia (excluding Singapore and China)	–	4,537	83,573	72,773	–	–	83,573	77,310
Other countries	–	–	5,844	745	–	–	5,844	745
	625,907	502,205	556,125	285,156	78,111	68,002	1,260,143	855,363
Timing of revenue recognition								
Products and services transferred at a point in time	246,614	136,612	556,125	285,156	1,611	179	804,350	421,947
Products and services transferred over time	379,293	365,593	–	–	76,500	67,823	455,793	433,416
	625,907	502,205	556,125	285,156	78,111	68,002	1,260,143	855,363

	Reportable segments							
	Property development		**Hotel operations**		**Others**		**Total**	
	12 months ended 31 December 2021 $'000	**12 months ended 31 December 2020 $'000**	**12 months ended 31 December 2021 $'000**	**12 months ended 31 December 2020 $'000**	**12 months ended 31 December 2021 $'000**	**12 months ended 31 December 2020 $'000**	**12 months ended 31 December 2021 $'000**	**12 months ended 31 December 2020 $'000**
Geographical market								
Singapore	853,818	715,944	143,878	144,183	151,910	132,446	1,149,606	992,573
China	274,829	72,646	25,662	17,368	–	–	300,491	90,014
United States	–	–	254,997	155,530	–	3,393	254,997	158,923
United Kingdom	21,305	69,296	193,204	85,227	22	–	214,531	154,523
Australasia	104,518	97,968	95,661	87,817	40	–	200,219	185,785
Rest of Asia (excluding Singapore and China)	–	10,086	152,997	146,043	–	–	152,997	156,129
Other countries	–	–	6,719	4,277	–	–	6,719	4,277
	1,254,470	965,940	873,118	640,445	151,972	135,839	2,279,560	1,742,224
Timing of revenue recognition								
Products and services transferred at a point in time	417,452	295,195	873,118	640,445	3,994	3,957	1,294,564	939,597
Products and services transferred over time	837,018	670,745	–	–	147,978	131,882	984,996	802,627
	1,254,470	965,940	873,118	640,445	151,972	135,839	2,279,560	1,742,224

6. Net finance costs

	Group			
	6 months ended 31 December 2021 $'000	**6 months ended 31 December 2020 $'000**	**12 months ended 31 December 2021 $'000**	**12 months ended 31 December 2020 $'000**
Finance income				
Interest income	22,193	41,510	36,240	84,053
Fair value gain on financial assets measured at fair value through profit or loss (net)	666	26,146	–	65,694
Net exchange gain	–	9,645	–	19,140
	22,859	77,301	36,240	168,887
Interest capitalised	(20)	(18)	(34)	(269)
Total finance income	22,839	77,283	36,206	168,618
Finance costs				
Amortisation of transaction costs capitalised	(4,163)	(4,418)	(8,051)	(8,474)
Interest expenses	(115,053)	(105,367)	(231,972)	(220,391)
Fair value loss on financial assets measured at fair value through profit or loss (net)	–	–	(2,852)	–
Fair value loss on financial derivatives	(11,791)	(36,339)	(27,069)	(55,277)
Unwinding of discount on non-current liabilities	(122)	(200)	(276)	(434)
Net exchange loss	(8,715)	–	(18,943)	–
	(139,844)	(146,324)	(289,163)	(284,576)
Finance costs capitalised	33,697	11,008	51,340	22,567
Total finance costs	(106,147)	(135,316)	(237,823)	(262,009)
Net finance costs	(83,308)	(58,033)	(201,617)	(93,391)

7. Profit/(Loss) before tax

Profit/(Loss) before tax included the following:

	Group			
	6 months ended 31 December 2021 $'000	**6 months ended 31 December 2020 $'000**	**12 months ended 31 December 2021 $'000**	**12 months ended 31 December 2020 $'000**
Allowance made for foreseeable loss on development properties	(5,641)	(35,014)	(5,641)	(35,014)
Depreciation and amortisation	(133,477)	(146,585)	(277,545)	(287,129)
Dividend income	3,316	4,208	5,175	4,784
Deposit forfeited on abortive sale of a hotel property	6,119	–	6,119	–
Gain on disposal/liquidation of subsidiaries	881	9,426	914	32,897
Impairment loss on debt investments	–	(288,000)	–	(288,000)
Impairment loss on other receivables	(1,889)	(323,942)	(6,104)	(323,942)
Reversal of impairment loss/(Impairment loss) on trade receivables and bad debts written off	1,279	(10,334)	1,168	(17,393)

	Group			
	6 months ended 31 December 2021 $'000	**6 months ended 31 December 2020 $'000**	**12 months ended 31 December 2021 $'000**	**12 months ended 31 December 2020 $'000**
Reversal of impairment loss/(Impairment loss) on property, plant and equipment (net)	96,197	(53,587)	95,375	(87,517)
Reversal of impairment loss/(Impairment loss) on investment properties (net)	3,416	(12,035)	3,416	(12,035)
Loss on dilution of an associate	(2,002)	–	(2,002)	(731)
Profit on sale of property, plant and equipment and investment properties (net)	21,340	107,028	35,896	133,401
Property, plant and equipment, investment properties and intangible assets written off	(9,148)	(11,771)	(9,216)	(11,897)
Provision for corporate guarantee in relation to an external bank loan obtained by a joint venture	–	(283,000)	–	(283,000)
(Reversal of negative goodwill on acquisition of a joint venture)/Negative goodwill on acquisition of subsidiaries	–	(43,234)	35,553	–

8. Tax expense

Tax expense for the period was 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.

	Group			
	6 months ended 31 December 2021 $'000	**6 months ended 31 December 2020 $'000**	**12 months ended 31 December 2021 $'000**	**12 months ended 31 December 2020 $'000**
Current tax expense				
Current year	65,376	48,649	116,545	98,311
(Over)/Under provision in respect of prior years	(365)	2,962	(8,462)	(12,931)
	65,011	51,611	108,083	85,380
Deferred tax credit				
Movements in temporary differences	(27,127)	19,692	(41,128)	(11,692)
Effects of changes in tax rates and legislation	(6,531)	1	(6,442)	85
Under/(Over) provision in respect of prior years	5,631	(4,157)	2,084	728
	(28,027)	15,536	(45,486)	(10,879)
Land appreciation tax	20,122	6,724	22,482	12,508
Withholding tax	2,346	434	2,829	693
Total tax expense	59,452	74,305	87,908	87,702

9. Earnings per share

Basic earnings per share is calculated based on:

	Group			
	6 months ended 31 December 2021 $'000	**6 months ended 31 December 2020 $'000**	**12 months ended 31 December 2021 $'000**	**12 months ended 31 December 2020 $'000**
Profit/(Loss) attributable to owners of the Company	129,743	(1,920,536)	97,657	(1,917,391)
Less:				
Dividends on non-redeemable convertible non-cumulative preference shares	(6,505)	(6,487)	(12,904)	(12,904)
Profit/(Loss) attributable to ordinary shareholders after adjustment for non-redeemable convertible non-cumulative preference dividends	123,238	(1,927,023)	84,753	(1,930,295)
Weighted average number of ordinary shares				
Weighted average number of ordinary shares during the year	906,901,330	906,901,330	906,901,330	906,901,330
Basic earnings per share	13.6 cents	(212.5) cents	9.3 cents	(212.8) cents

For the six months and full year ended 31 December 2021 and 2020, the diluted earnings per share is the same as basic earnings per share as the conversion of the non-redeemable convertible non-cumulative preference shares was considered anti-dilutive.

10. Net asset value

	Group		Company	
	31 December 2021 $	**31 December 2020 $**	**31 December 2021 $**	**31 December 2020 $**
Net asset value per ordinary share	9.28	9.38	6.98	7.11

11. Property, plant and equipment

During the year ended 31 December 2021, the Group acquired assets amounting to $173.0 million (2020: $334.9 million) and disposed of and wrote off assets amounting to $14.3 million (2020: $12.3 million). The Group also transferred property, plant and equipment with a carrying amount of $315.1 million (2020: $44.9 million) to assets classified as held for sale during the year.

Valuation of property, plant and equipment

The Group's property, plant and equipment (PPE) relates largely to the hotel portfolio and is carried at cost less accumulated depreciation and impairment losses.

The Group undertakes an annual review of the carrying amounts of hotels and property assets for indicators of impairment. Where indicators of impairment were identified, the recoverable amounts were estimated based on internal or external valuations undertaken by the Group. The cash generating units (CGU) are individual hotels.

The recoverable amounts of the individual hotels, being the higher of the fair value less costs to sell and the value-in-use, were predominantly determined using the fair value less costs to sell approach and were estimated using the discounted cash flow method and income capitalisation method, where appropriate. Under this methodology, the fair value measurement reflects current market expectations about the third-party efficient operator's future cash flows, discounted to their present value. It involves each hotel's future cash flows, taking into consideration the assumptions in respect of revenue growth (principally factoring in room rate and occupancy growth) and major expense items for each hotel. The future cash flows are based on assumptions about competitive growth rates for hotels in that area, as well as the internal business plan for the hotel in the relevant market. These plans and forecasts include management's most recent view of trading prospects for the hotel in the relevant market. The capitalisation method capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates.

Where appropriate, the Group relied on valuations by independent external valuers, who have appropriate professional qualifications and recent experience in the location and category of the properties being valued. In relying on the valuation reports, the Group has exercised its judgement and is satisfied that the valuation method and estimates are reflective of current market conditions. Certain valuation reports obtained from the external valuers have highlighted that the real estate sectors in certain jurisdictions are experiencing significantly lower levels of transaction activity and liquidity due to the COVID-19 pandemic. Consequently, less certainty and a higher degree of caution, should be attached to these valuations than would normally be the case. Values may change more rapidly and significantly than during standard market conditions and the external valuers have recommended to keep the valuation of these properties under frequent review.

Based on the above impairment assessment, the Group has reversed impairment loss of $95.4 million for FY 2021 (FY 2020: the Group recognised an impairment loss of $87.5 million).

12. Investment properties

	Note	Group $'000	Company $'000
Cost			
At 1 January 2020		5,518,112	600,422
Deconsolidation of a subsidiary[1]		(64,926)	–
Additions		194,854	3,226
Disposal/Written off		(21,692)	–
Transfers from development properties		57,000	–
Translation differences on consolidation		77,610	–
At 31 December 2020 and 1 January 2021		5,760,958	603,648
Acquisition of subsidiaries	24	341,753	–
Additions		279,723	3,099
Transfer to property, plant and equipment		(60,402)	–
Transfer to assets held for sale		(1,107,138)	–
Disposal/Written off		(59,630)	(797)
Translation differences on consolidation		23,673	–
At 31 December 2021		5,178,937	605,950
Accumulated depreciation and impairment losses			
At 1 January 2020		1,107,851	163,912
Charge for the year		107,541	14,781
Deconsolidation of a subsidiary[1]		(15,160)	–
Disposal/Written off		(21,596)	–
Impairment loss		12,035	–
Translation differences on consolidation		1,590	–
At 31 December 2020 and 1 January 2021		1,192,261	178,693
Charge for the year		99,993	14,886
Transfer to property, plant and equipment		(12,755)	–
Transfer to assets held for sale		(40,216)	–
Disposal/Written off		(51,403)	(781)
Reversal of impairment loss		(3,416)	–
Translation differences on consolidation		(2,696)	–
At 31 December 2021		1,181,768	192,798
Carrying amounts			
At 1 January 2020		4,410,261	436,510
At 31 December 2020		4,568,697	424,955
At 31 December 2021		3,997,169	413,152
Fair value			
At 1 January 2020		8,780,086	1,115,949
At 31 December 2020		8,901,489	1,114,435
At 31 December 2021		9,945,537	1,662,892

[1] Relates to the disposal of Novotel Brisbane by CDL Hospitality Trusts (CDLHT) Group on 30 October 2020.

During the year ended 31 December 2021, the Group transferred two investment properties located in Australia held by CDLHT Group to property, plant and equipment, when CDLHT Group became the owner and operator of the Australia properties.

Valuation of investment properties

The Group's investment properties portfolio 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 the accounting policy to account for its investment properties at cost less accumulated depreciation and impairment losses.

For a majority of the Group's investment properties, the fair values are determined by independent external valuers. The fair values of certain investment properties located in Singapore are based on in-house valuations conducted by a licensed valuer who is also an officer of the Company. The valuers have appropriate recognised professional qualifications and have experience in the location and category of the investment properties being valued.

The valuations were predominantly based on the direct comparison, income capitalisation, standardised land value adjustment, discounted cash flow and residual method. The direct comparison method involves an analysis of comparable sales of similar properties and adjusting the transacted prices to those reflective of the investment properties of the Group. The income capitalisation method capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The standardised land value adjustment method considers the price of standard land in the current situation of development and utilisation, under normal market conditions within legal maximum use term as at a special date, that is assessed and approved by the local government. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The residual method involves deducting the estimated cost to complete as of valuation date and other relevant costs from gross development value of the proposed development assuming satisfactory completion and accounting for developer's profit.

In relying on the valuation reports, the Group has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions. Certain valuation reports obtained from the external valuers also highlighted that real estate sectors in certain jurisdictions are experiencing significantly lower levels of transaction activity and liquidity due to the COVID-19 pandemic. Consequently, less certainty and a higher degree of caution, should be attached to these valuations than would normally be the case. Values may change more rapidly and significantly than during standard market conditions and external valuers have also recommended to keep the valuation of these properties under frequent review.

Based on the above impairment assessment, the Group reversed impairment loss of $3.4 million in FY 2021 (FY 2020: the Group recognised an impairment loss of $12.0 million) on its investment properties.

13. Investments in joint ventures

	Group		Company	
	31 December 2021 $'000	**31 December 2020 $'000**	**31 December 2021 $'000**	**31 December 2020 $'000**
Investments in joint ventures				
Investments in joint ventures	1,037,046	1,891,659	37,360	37,360
Impairment loss	–	(806,371)	–	–
	1,037,046	1,085,288	37,360	37,360

As at 31 December 2021, the Group has no material joint venture. In 2020, the Group's material joint venture related to HCP. As at 31 December 2020, the Group's investment in HCP was fully impaired. HCP was disposed of in 2021 for an aggregate consideration of US$1.

14. Other non-current assets

	Group		Company	
	31 December 2021 $'000	**31 December 2020 $'000**	**31 December 2021 $'000**	**31 December 2020 $'000**
Amounts owing by subsidiaries	–	–	6,205,239	6,517,837
Amount owing by a joint venture	–	95,336	–	–
Deposits	3,395	5,196	–	–
Other receivables	13,307	7,873	–	–
Derivative financial assets	4,762	451	–	451
Restricted bank deposits	89,630	110,620	–	–
	111,094	219,476	6,205,239	6,518,288
Prepayments	282	336	–	–
Intangible assets	1,879	1,556	–	–
Deferred tax assets	69,302	19,818	–	–
	182,557	241,186	6,205,239	6,518,288

15. Development properties

The increase in development properties for the Group for the year ended 31 December 2021 is mainly due to the acquisition of an 84.6% equity interest in Shenzhen Tusincere Technology Park Development Co. Ltd., which accorded the Group an effective 55% equity interest in Shenzhen Longgang Tusincere Tech Park (refer to note 24).

The Group accounts for its development properties at the lower of cost or 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.

Allowance for foreseeable losses is determined by the management after taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing property market conditions. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred.

Based on its assessment, the Group recognised an allowance for foreseeable loss of $5,641,000 (FY 2020: $35,014,000) during the year ended 31 December 2021.

16. Trade and other receivables

		Group		Company	
		31 December 2021 $'000	**31 December 2020 $'000**	**31 December 2021 $'000**	**31 December 2020 $'000**
Trade receivables		184,327	172,285	1,310	2,514
Impairment losses		(17,025)	(25,212)	(135)	(716)
		167,302	147,073	1,175	1,798
Other receivables		544,875	87,108	3,726	2,684
Impairment losses	(a)	(336,476)	(5,129)	(1,116)	(1,129)
		208,399	81,979	2,610	1,555
Accrued rent receivables		41,065	46,857	2,389	1,502
Deposits		11,901	6,485	288	347
Reimbursement assets	(b)	70,773	–	–	–
Amounts owing by:					
- subsidiaries		–	–	5,985,134	5,585,340
- associates		1,142	7,610	3	7
- joint ventures		1,293,186	1,656,635	236,649	234,856
Less: impairment losses	(a)	(4,431)	(328,595)	(5,050)	(5,050)
		1,288,755	1,328,040	231,599	229,806
- fellow subsidiaries		194	534	–	9
		1,789,531	1,618,578	6,223,198	5,820,364
Prepayments		56,476	52,632	2,161	1,322
Grant receivables		1,339	1,887	532	701
Tax recoverable		4,557	–	–	–
Derivative financial assets		21,511	8,121	21,511	8,121
		1,873,414	1,681,218	6,247,402	5,830,508

(a) Impairment losses on other receivables of the Group as at 31 December 2021 relates mainly to impairment loss recognised on amounts owing by HCP Group which was reclassified from amount owing by joint ventures, following the disposal of the Group's investment in HCP during the year.

(b) The reimbursement asset relates to reimbursements from the buyer of Millennium Hilton Seoul for costs that the Group would incur under certain contracts in respect of the hotel arising from the proposed sale of the hotel (note 22).

17. Assets held for sale

At 31 December 2021, assets held for sale and liabilities directly associated with the assets held for sale are in relation to the following proposed divestments:

(a) An indirect subsidiary of the Group, Millennium & Copthorne Hotels Limited (M&C), entered into sale and purchase agreements to sell two hotels, Copthorne Orchid Penang and Millennium Harvest House Boulder (which are in the hotel operations segment), to third parties for sales consideration totalling $121.6 million.

The agreement entered into in the prior year for the sale of Copthorne Orchid Penang was terminated in December 2021 and the Group continues to explore other prospective buyers for the sale of the property.

(b) The Group has applied for an initial public offering (IPO) of a real estate investment trust (REIT) that will own commercial assets located in the United Kingdom (UK). The Group is committed to dispose of subsidiaries which hold two commercial properties in the UK, namely 125 Old Broad Street and Aldgate House to the REIT. The sale is expected to be completed within the next one year.

(c) A wholly-owned subsidiary of the Group, Singapura Developments (Private) Limited, has entered into a share sale agreement to sell its interest in an industrial warehouse in Singapore (which is in investment properties segment) for a sale consideration of $82 million. The sale is expected to be completed in 1H 2022.

(d) M&C entered into a sale and purchase agreement to sell a hotel, Millennium Hilton Seoul, for a sale consideration of KRW1.1 trillion (S$1.25 billion). The sale was completed on 24 February 2022 and the Group is expected to recognise an estimated gain of $499.3 million, net of estimated taxes and related transaction costs in FY 2022.

At 31 December 2020, assets held for sale were related to the following proposed divestments:

(a) The abovementioned proposed divestments of Copthorne Orchid Penang and Millennium Harvest House Boulder by M&C.

(b) M&C, entered into a sale and purchase agreement to sell the land held at the property of Copthorne Hotel Christchurch to a third party for sales consideration of NZ$18.0 million. The sale was completed in May 2021 and the Group recognised a gain of $14.9 million on the sale.

(c) M&C exercised its put option to sell its interest in the Copthorne Hotel Birmingham (which is in hotel operations segment) for a sale consideration of $31.7 million. The sale was completed in 2H 2021 and the Group recognised a gain of $15.6 million on the sale.

	Group	
	31 December 2021 $'000	**31 December 2020 $'000**
Assets held for sale		
Property, plant and equipment	334,190	45,884
Investment properties	1,052,271	–
Trade and other receivables	41,132	–
Cash and cash equivalents	18,166	–
	1,445,759	45,884
Liabilities directly associated with the assets held for sale		
Trade and other payables	16,882	–
Other liabilities	4,381	–
Provision for taxation	5,979	–
Deferred tax liabilities	107	–
	27,349	–

18. Share capital

	Company			
	31 December 2021		**31 December 2020**	
	Number of shares	**$'000**	**Number of shares**	**$'000**
Issued and fully paid ordinary share capital with no par value	906,901,330	1,661,179	906,901,330	1,661,179
Issued and fully paid non-redeemable convertible non-cumulative preference share capital with no par value	330,874,257	330,218	330,874,257	330,218
		1,991,397		1,991,397

As at 31 December 2021, 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 2020: 44,998,898 ordinary shares).

As at 31 December 2021, the Company held 2,400,000 treasury shares (31 December 2020: 2,400,000) which represented 0.26% of the total number of issued shares (excluding treasury shares).

There was no change in the Company's issued share capital and preference share capital during the six months ended 31 December 2021 and 31 December 2020.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the six months ended 31 December 2021 and 31 December 2020.

19. Interest-bearing borrowings

	Group		Company	
	31 December 2021 $'000	**31 December 2020 $'000**	**31 December 2021 $'000**	**31 December 2020 $'000**
Term loans	7,337,272	8,051,428	4,491,409	4,867,371
Bonds and notes	2,811,162	2,743,017	2,070,486	1,851,824
Bank loans	991,559	760,235	576,444	733,399
	11,139,993	11,554,680	7,138,339	7,452,594
Non-current	5,952,032	8,756,068	3,937,631	5,780,877
Current	5,187,961	2,798,612	3,200,708	1,671,717
	11,139,993	11,554,680	7,138,339	7,452,594

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

		Group	
	Note	**31 December 2021 $'000**	**31 December 2020 $'000**
Unsecured			
- repayable within one year		4,358,373	2,613,250
- repayable after one year		5,200,742	7,152,541
		9,559,115	9,765,791
Secured			
- repayable within one year		851,761	200,941
- repayable after one year		1,011,559	1,859,113
		1,863,320	2,060,054
Gross borrowings		11,422,435	11,825,845
Less: cash and cash equivalents as shown in the statement of financial position		(2,083,165)	(3,126,529)
Less: restricted deposits included in other non-current assets		(89,630)	(110,620)
Less: cash and cash equivalents classified under assets held for sale	17	(18,166)	–
Net borrowings		9,231,474	8,588,696

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.

As of 31 December 2021, the Group and the Company have complied with the debt covenants with exception of two debt covenant ratios for which the Group's non-wholly-owned subsidiary, CDLHT has secured waivers prior to the year-end.

20. Other liabilities

	Group		Company	
	31 December 2021 $'000	31 December 2020 $'000	31 December 2021 $'000	31 December 2020 $'000
Deferred income	122,124	122,713	–	–
Rental deposits	49,653	59,381	8,041	7,445
Non-current retention sums payable	26,625	29,032	–	–
Derivative financial liabilities	1,295	14,552	346	845
Miscellaneous (principally deposits received and payables)	18,213	17,921	–	–
	217,910	243,599	8,387	8,290

21. Trade and other payables

	Group		Company	
	31 December 2021 $'000	31 December 2020 $'000	31 December 2021 $'000	31 December 2020 $'000
Trade payables	251,550	91,116	2,032	1,557
Accruals	462,915	446,461	74,507	69,709
Deferred income	40,520	56,951	–	701
Other payables	106,295	63,601	988	877
Rental and other deposits	75,979	89,063	8,813	7,510
Retention sums payable	11,261	3,499	–	–
Amounts owing to:				
- subsidiaries	–	–	2,498,058	2,619,391
- associates	2	887	–	–
- joint ventures	97,902	347,087	22,727	22,727
- fellow subsidiaries	248,648	234,311	–	7
- non-controlling interests	143,389	–	–	–
Derivative financial liabilities	14,582	15,783	14,582	11,111
	1,453,043	1,348,759	2,621,707	2,733,590

22. Provisions

Included under current provisions is an amount of $70,773,000 which relates to the Group's obligations under certain contracts in respect of Millennium Hilton Seoul and represents the estimated costs to be incurred arising from the proposed sale of Millennium Hilton Seoul (note 17). The Group will be fully reimbursed by the buyer of Millennium Hilton Seoul for the amounts incurred in respect of its obligations under the relevant contracts (note 16).

23. Financial assets and financial liabilities

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Trade and other receivables and trade and other payables classified as held for sale are not included in the table below. Further, the fair value disclosure of lease liabilities is also not required.

	Mandatorily at FVTPL $'000	FVOCI – equity investments $'000	Fair value – hedging instruments $'000	Amortised cost $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000
Group									
31 December 2021									
Financial assets measured at fair value									
Unquoted debt investments – mandatorily at FVTPL	175,409	–	–	–	175,409	–	142,486	32,923	175,409
Unquoted equity investments – at FVOCI	–	357,870	–	–	357,870	–	–	357,870	357,870
Unquoted equity investments – mandatorily at FVTPL	130,465	–	–	–	130,465	–	–	130,465	130,465
Quoted equity investments– at FVOCI	–	37,180	–	–	37,180	37,180	–	–	37,180
Quoted equity investments – mandatorily at FVTPL	48,867	–	–	–	48,867	48,867	–	–	48,867
Derivative financial assets	–	–	26,273	–	26,273	–	26,273	–	26,273
	354,741	395,050	26,273	–	776,064				
Financial assets not measured at fair value									
Unquoted debt investments – amortised cost	–	–	–	17,743	17,743				
Other non-current assets^	–	–	–	106,332	106,332				
Trade and other receivables#	–	–	–	1,789,531	1,789,531				
Cash and cash equivalents	–	–	–	2,083,165	2,083,165				
	–	–	–	3,996,771	3,996,771				

	Fair value – hedging instruments $’000	Other financial liabilities $’000	Total carrying amount $’000	Level 1 $’000	Level 2 $’000	Level 3 $’000	Total fair value $’000
Group							
31 December 2021							
Financial liabilities measured at fair value							
Derivative financial liabilities	15,877	–	15,877	–	15,877	–	15,877
Financial liabilities not measured at fair value							
Interest-bearing borrowings	–	11,139,993	11,139,993	–	11,186,537	–	11,186,537
Other liabilities*	–	94,491	94,491				
Trade and other payables*	–	1,397,941	1,397,941				
	–	12,632,425	12,632,425				

^ *Excluding derivative financial assets, prepayments, intangible assets and deferred tax assets*
# *Excluding prepayments, tax recoverable, grant receivables and derivative financial assets*
* *Excluding deferred income and derivative financial liabilities*

	Mandatorily at FVTPL $'000	FVOCI – equity investments $'000	Fair value – hedging instruments $'000	Amortised cost $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000
Group									
31 December 2020									
Financial assets measured at fair value									
Unquoted debt investments – mandatorily at FVTPL	191,926	–	–	–	191,926	–	146,811	45,115	191,926
Unquoted equity investments – at FVOCI	–	356,729	–	–	356,729	–	–	356,729	356,729
Unquoted equity investments – mandatorily at FVTPL	90,073	–	–	–	90,073	–	–	90,073	90,073
Quoted equity investments– at FVOCI	–	34,903	–	–	34,903	34,903	–	–	34,903
Quoted equity investments – mandatorily at FVTPL	65,142	–	–	–	65,142	65,142	–	–	65,142
Derivative financial assets	–	–	8,572	–	8,572	–	8,572	–	8,572
	347,141	391,632	8,572	–	747,345				
Financial assets not measured at fair value									
Unquoted debt investments – amortised cost	–	–	–	17,394	17,394				
Other non-current assets^	–	–	–	219,025	219,025				
Trade and other receivables[#]	–	–	–	1,618,578	1,618,578				
Cash and cash equivalents	–	–	–	3,126,529	3,126,529				
	–	–	–	4,981,526	4,981,526				

	Fair value – hedging instruments $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000
Group							
31 December 2020							
Financial liabilities measured at fair value							
Derivative financial liabilities	30,335	–	30,335	–	30,335	–	30,335
Financial liabilities not measured at fair value							
Interest-bearing borrowings	–	11,554,680	11,554,680	–	11,369,000	–	11,369,000
Other liabilities*	–	106,334	106,334				
Trade and other payables*	–	1,276,025	1,276,025				
	–	12,937,039	12,937,039				

^ *Excluding derivative financial assets, prepayments, intangible assets and deferred tax assets*
\# *Excluding prepayments, grant receivables and derivative financial assets*
* *Excluding deferred income and derivative financial liabilities*

	Mandatorily at FVTPL $'000	Fair value – hedging instruments $'000	Amortised cost $'000	FVOCI – equity investments $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000
Company										
31 December 2021										
Financial assets measured at fair value										
Unquoted equity investments – at FVOCI	–	–	–	327,577	–	327,577	–	–	327,577	327,577
Quoted equity investments – at FVOCI	–	–	–	21,868	–	21,868	21,868	–	–	21,868
Quoted equity investments – mandatorily at FVTPL	1,993	–	–	–	–	1,993	1,993	–	–	1,993
Derivative financial assets	–	21,511	–	–	–	21,511	–	21,511	–	21,511
	1,993	21,511	–	349,445	–	372,949				
Financial assets not measured at fair value										
Other non-current assets^	–	–	6,205,239	–	–	6,205,239				
Trade and other receivables#	–	–	6,223,198	–	–	6,223,198				
Cash and cash equivalents	–	–	686,322	–	–	686,322				
	–	–	13,114,759	–	–	13,114,759				
Financial liabilities measured at fair value										
Derivative financial liabilities	–	14,928	–	–	–	14,928	–	14,928	–	14,928
Financial liabilities not measured at fair value										
Interest-bearing borrowings	–	–	–	–	7,138,339	7,138,339	–	7,162,323	–	7,162,323
Other liabilities*	–	–	–	–	8,041	8,041				
Trade and other payables*	–	–	–	–	2,607,125	2,607,125				
	–	–	–	–	9,753,505	9,753,505				

^ *Excluding derivative financial assets*
# *Excluding prepayments, grant receivables and derivative financial assets*
* *Excluding derivative financial liabilities*

	Mandatorily at FVTPL $'000	Fair value – hedging instruments $'000	Amortised cost $'000	FVOCI – equity investments $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000
Company										
31 December 2020										
Financial assets measured at fair value										
Unquoted equity investments – at FVOCI	–	–	–	324,877	–	324,877	–	–	324,877	324,877
Quoted equity investments – at FVOCI	–	–	–	21,777	–	21,777	21,777	–	–	21,777
Quoted equity investments – mandatorily at FVTPL	1,856	–	–	–	–	1,856	1,856	–	–	1,856
Derivative financial assets	–	8,572	–	–	–	8,572	–	8,572	–	8,572
	1,856	8,572	–	346,654	–	357,082				
Financial assets not measured at fair value										
Other non-current assets^	–	–	6,517,837	–	–	6,517,837				
Trade and other receivables#	–	–	5,820,364	–	–	5,820,364				
Cash and cash equivalents	–	–	1,288,914	–	–	1,288,914				
	–	–	13,627,115	–	–	13,627,115				
Financial liabilities measured at fair value										
Derivative financial liabilities	–	11,956	–	–	–	11,956	–	11,956	–	11,956
Financial liabilities not measured at fair value										
Interest-bearing borrowings	–	–	–	–	7,452,594	7,452,594	–	7,536,764	–	7,536,764
Other liabilities*	–	–	–	–	7,445	7,445				
Trade and other payables*	–	–	–	–	2,721,778	2,721,778				
	–	–	–	–	10,181,817	10,181,817				

^ *Excluding derivative financial assets*
# *Excluding prepayments, grant receivables and derivative financial assets*
* *Excluding deferred income and derivative financial liabilities*

Measurement of fair values

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at Level 3 fair value

Type	Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Unquoted debt investments – mandatorily at FVTPL	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	Discount rate: 31 December 2021: 0% to 11% 31 December 2020: 0% to 15%	The estimated fair value would increase/(decrease) if the discount rate was lower/(higher).
Unquoted equity investments – at FVOCI	The fair value is calculated using the net asset value (NAV) of the investee entity adjusted for the fair value of the underlying properties, where applicable. A discount is applied to take into consideration the non-marketable nature of the investment, where applicable.	NAV	The estimated fair value would increase/(decrease) if the NAV was higher/(lower).
Unquoted equity investments – mandatorily at FVTPL		Discount rate: 31 December 2021: 0% to 30% 31 December 2020: 0% to 30%	The estimated fair value would increase/(decrease) if the discount rate was lower/(higher).
Unquoted equity investments – mandatorily at FVTPL	The fair value is calculated using the market approach which considers weighted price-to-sales multiples of comparable companies. A discount is applied to take into consideration the non-marketable nature of the investment, where applicable.	Price-to-sales multiples: 31 December 2021: 26.5x 31 December 2020: N.A	The estimated fair value would increase/(decrease) if the Price-to-Sales multiplier was higher/(lower).
		Discount rate: 31 December 2021: 30% 31 December 2020: N.A	The estimated fair value would increase/(decrease) if the discount rate was lower/(higher).

<u>Financial instruments measured at Level 2 fair value</u>

Unquoted debt investments – mandatorily at FVTPL

The fair values of unquoted debt investments are calculated based on the present value of the expected future payments, discounted using a risk-adjusted discount rate.

Financial derivatives

The fair values of forward exchange contracts and cross-currency swaps are based on banks' quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

<u>Financial instruments not measured at fair value</u>

Unquoted debt investment at amortised cost

The fair value of unquoted debt investment at amortised cost determined for disclosure purposes are calculated based on the present value of future principal and interest cash flows, discounted at market rate of interest at the reporting date.

Interest-bearing borrowings

The fair value of borrowings which reprice after six months determined for disclosure purposes are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar agreements.

Transfers between levels in the fair value hierarchy

The Group and Company have not reclassified any investments between various levels in the fair value hierarchy during the period.

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	Group			Company
	Unquoted debt investments mandatorily at FVTPL $'000	**Unquoted equity investments at FVOCI $'000**	**Unquoted equity investments mandatorily at FVTPL $'000**	**Unquoted equity investments at FVOCI $'000**
At 1 January 2021	45,115	356,729	90,073	324,877
Additions	–	–	31,652	–
Distribution of income	–	–	(7,393)	–
Return of capital	(419)	–	(2,521)	–
Reclass to investment in an associate	–	–	(436)	–
Redemption on maturity	(10,395)	–	–	–
Reclassification to interest receivable	(1,311)	–	–	–
Total gain recognised in profit or loss				
- finance income	720	–	17,313	–
Total gain for the period included in other comprehensive income				
- net change in fair value of equity investments at FVOCI	–	1,141	–	2,700
Translation differences on consolidation	(787)	–	1,777	–
At 31 December 2021	32,923	357,870	130,465	327,577
At 1 January 2020	582,144	392,395	59,086	350,561
Additions	–	–	35,844	–
Redemption	(575,822)	–	–	–
Distribution of income	–	–	(5,063)	–
Return of capital	–	–	(82)	–
Reclassification from interest receivable	13	–	–	–
Total gain recognised in profit or loss				
- finance income	36,151	–	2,131	–
Total loss for the period included in other comprehensive income				
- net change in fair value of equity investments at FVOCI	–	(35,666)	–	(25,684)
Translation differences on consolidation	2,629	–	(1,843)	–
At 31 December 2020	45,115	356,729	90,073	324,877

24. Acquisition of subsidiaries

In February 2021, the Group acquired a collective interest of 84.6% in Shenzhen Tusincere Technology Park Development Co. Ltd. (Shenzhen Tusincere), which holds 65% equity interest in Shenzhen Longgang District Qidixiexin Science and Technology Development Park Co., Ltd. (Shenzhen Longgang), from Sincere Property , a joint venture of the Group at the point of acquisition, and two third parties, for a consideration of approximately $174 million (RMB850 million), together with the assumption of proportionate existing shareholder loans.

The acquisition provided the Group with an opportunity to enhance its property portfolio in China.

The acquisition was accounted for as a business combination.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

	Note	Recognised amounts $'000
Property, plant and equipment		21,304
Investment properties	12	341,753
Development properties		948,309
Trade and other receivables		17,356
Contract costs		1,003
Cash at bank		5,564
Trade and other payables		(145,525)
Shareholder loans		(297,972)
Contract liabilities		(166,443)
Employee benefits		(813)
Lease liabilities		(2,876)
Provision for tax		(59,567)
Provisions		(4,108)
Interest-bearing borrowings		(194,016)
Deferred tax liabilities		(80,081)
Net identifiable assets acquired		383,888
Cash flows relating to the acquisition		
Consideration for equity interest		174,384
Shareholder loans assumed		172,969
Total consideration		347,353
Less: Cash acquired		(5,564)
Less: Consideration not yet paid		(42)
Total net cash outflow		341,747

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired and liabilities assumed as part of business combinations were as follows:

Assets acquired	Valuation technique
Property, plant and equipment and investment properties	*Direct comparison, income capitalisation, standardised land value adjustment and residual methods:* The direct comparison method involved the analysis of comparable sales of similar assets and adjusting the sale prices to that reflective of the properties. The income capitalisation method capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The standardised land value adjustment method considers the price of standard land in the current situation of development and utilisation, under normal market conditions within legal maximum use term as at a special date, that is assessed and approved by the local government. The residual method involves deducting estimated cost to complete as of valuation date and other relevant costs from gross development value of the proposed development assuming satisfactory completion and accounting for developer profit.
Development properties	*Direct comparison, standardised land value adjustment and residual methods:* The direct comparison method involves the analysis of comparable sales of similar assets and adjusting the sale prices to that reflective of the properties. The standardised land value adjustment method considers the price of standard land in the current situation of development and utilisation, under normal market conditions within legal maximum use term as at a special date, that is assessed and approved by the local government. The residual method involves deducting the estimated cost to complete as of valuation date and other relevant costs from gross development value of the proposed development assuming satisfactory completion and accounting for developer profit.
Interest-bearing borrowings	*Discounted cash flow method:* The fair value of borrowings is estimated as the present value of future principal and interest cash flows, discounted at the market rates of interest at the acquisition date.

Negative goodwill

Negative goodwill arising from the acquisition of Shenzhen Tusincere has been recognised as follows:

	$'000
Consideration transferred	174,384
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	173,951
Fair value of identifiable net assets	(383,888)
Negative goodwill	(35,553)

The negative goodwill arising from the acquisition of Shenzhen Tusincere has been recognised in "other income" in the Group's profit or loss. The negative goodwill was attributed to the competitive pricing negotiated with the joint venture party which was trying to improve its overall liquidity, and two other third parties.

From the date of acquisition to 31 December 2021, Shenzhen Tusincere contributed revenue of $222.8 million and profit before tax of $44.0 million to the Group's results. If the acquisition had occurred on 1 January 2021, management estimated the Group's revenue for the year would have been $2,654.4 million, with no significant change to the Group's profit before tax.

25. Material related party transactions

Other than as disclosed elsewhere in the condensed interim financial statements, the material transactions with related parties based on terms agreed between the parties are as follows:

	Group			
	6 months ended 31 December 2021 $'000	**6 months ended 31 December 2020 $'000**	**12 months ended 31 December 2021 $'000**	**12 months ended 31 December 2020 $'000**
Insurance premium paid and payable to an associate of the ultimate holding company	(60)	(787)	(100)	(1,117)
Management services fees received and receivable from:				
- fellow subsidiaries	1,228	566	2,529	601
- associates	3	579	186	765
- joint ventures	3,987	2,258	6,624	5,249
	5,218	3,403	9,339	6,615
Maintenance services fees received and receivable from:				
- fellow subsidiaries	186	135	355	282
- associates	107	112	214	227
- joint ventures	403	344	893	809
	696	591	1,462	1,318
Rental and rental-related income received and receivable from:				
- a fellow subsidiary	172	167	342	291
- associates	2,758	2,402	2,758	4,952
- joint ventures	950	29	5,943	67
	3,880	2,598	9,043	5,310
Management services fee paid and payable to a fellow subsidiary	(873)	(727)	(1,022)	(1,295)
Rental and rental-related expenses paid and payable to a joint venture	(871)	(886)	(1,739)	(1,756)
Purchase of property, plant and equipment from an associate	(80)	(423)	(88)	(438)

26. Commitments

The Group and the Company have the following commitments as at the reporting date:

	Group		Company	
	31 December 2021 $'000	**31 December 2020 $'000**	**31 December 2021 $'000**	**31 December 2020 $'000**
Development expenditure contracted but not provided for in the financial statements	1,221,021	677,935	–	–
Capital expenditure contracted but not provided for in the financial statements	192,097	66,093	–	–
Commitments in respect of purchase of properties for which deposits have been paid	286,475	55,240	–	–

	Group		Company	
	31 December 2021 $'000	**31 December 2020 $'000**	**31 December 2021 $'000**	**31 December 2020 $'000**
Commitments in respect of investments in a joint venture and associates	70,956	105,223	–	–
Commitments in respect of capital contribution to investments in financial assets in:				
- related parties	36,118	63,499	–	–
- third parties	14,362	18,521	–	–

27. Contingent liabilities

A subsidiary of the Group in China, whose principal activities are the trading of development properties and leasing activities, would in the ordinary course of business act as guarantors for the bank loans taken by the buyers to finance the purchase of properties developed by this subsidiary, covering the period from loan contract date to the property delivery date. As at 31 December 2021, the outstanding notional amount of the guarantees amounted to $21.3 million (2020: $Nil).

28. Subsequent events

The Group completed the divestment of Millennium Hilton Seoul (note 17).

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

Other Information Required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated financial position of the Group as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period and year then ended and certain explanatory notes have not been audited nor reviewed by the auditors.

2. 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 Group reported a return to profitability with net attributable profit after tax and non-controlling interest (PATMI) of $129.7 million for the second half-year 2021 (2H 2021) and $97.7 million for the full year ended 31 December 2021 (FY 2021). In comparison, results for the previous corresponding periods in 2H 2020 and FY 2020 were a net loss after tax and non-controlling interest of S$1.9 billion (same for both periods).

Revenue

Revenue for 2H 2021 increased by 38.4% to $1.4 billion (2H 2020: $1.0 billion) and 24.5% to $2.6 billion for FY 2021 (FY 2020: $2.1 billion). For 2H 2021, the Group saw a jump in revenue contribution from its hotel operations segment across all regions, particularly in the US and Europe, driven by accelerated global vaccine distribution and the gradual relaxation of travel restrictions.

For FY 2021, the property development segment contributed 48% to total revenue, propelled by strong performing Singapore projects such as Whistler Grand, Amber Park, The Tapestry and Irwell Hill Residences, as well as overseas projects, including Shenzhen Longgang Tusincere Tech Park which the Group acquired in February 2021, and contribution from New Zealand land sales.

Profit/Loss Before Tax

The Group recorded a pre-tax profit of $218.0 million for 2H 2021 and $227.7 million for FY 2021 (excluding the losses from Sincere Property Group in 2020, 2H 2020: pre-tax loss of $18 million; FY 2020: pre-tax loss of $14 million).

All segments of the Group, namely property development, hotel operations and investment properties were profitable for 2H 2021. Led by the gradual recovery in the hospitality sector with the easing of COVID-19 restrictions, the hotel operations segment returned to profitability in 2H 2021 compared to the loss in 1H 2021, underpinned by reversals of impairment losses on hotel properties previously made.

For FY 2021, the property development segment continued to be the main contributor to the Group's pre-tax profit.

Capital Position

As at 31 December 2021, the Group has cash reserves of $2.2 billion and maintains a strong liquidity position comprising cash and available undrawn committed bank facilities totalling $3.9 billion.

The Group's capital position is expected to improve significantly with the completion of the sale of Millennium Hilton Seoul and the distribution in specie of CDL Hospitality Trusts (CDLHT) units resulting in the deconsolidation of CDLHT from the Group.

Notably, the Group adopts the policy of stating its investment and hotel properties at cost less accumulated depreciation and impairment losses. Had the Group factored in fair value gains on its investment and hotel properties, its net asset value (NAV) would be as tabled below.

	31 December 2021 $/share	31 December 2020 $/share
NAV	9.28	9.38
Revalued NAV (RNAV)(1)	15.70	14.26
Revalued NAV (RNAV)(2)	18.61	16.88

(1) RNAV factors in the fair value gains on its investment properties.
(2) RNAV factors in the fair value gains on its investment properties and the revaluation surpluses on its hotel properties which are accounted for as property, plant and equipment.

The higher RNAV is attributable to higher fair value gains on its properties. The Group had obtained external valuations for 88% of its investment properties and 63% of its hotel properties.

Dividend and distribution *in specie*

The Board wishes to express its appreciation for shareholders' confidence and continued support during these challenging times.

For FY 2021, the Board is recommending a final ordinary dividend of 8.0 cents per share, as well as a special final dividend of 1.0 cent per share. Additionally, the Board proposes to reward shareholders with a special distribution in specie (Proposed Distribution) of 144,300,000 stapled securities in CDLHT on a *pro rata* basis, estimated to be valued at 19.1 cents per share. Together with the special interim dividend of 3.0 cents per share declared in mid-2021, the total distribution to shareholders is expected to be 31.1 cents per share[1] for FY 2021 (FY 2020: 12.0 cents).

The Proposed Distribution is yet another positive outcome of the Group's holistic review of its hotel operations segment, following its privatisation of Millennium & Copthorne Hotels Limited (M&C) in November 2019. It reflects the Group's commitment towards capital recycling to enhance efficiency and maximise shareholder value.

The Proposed Distribution would result in an accounting deconsolidation of CDLHT from the Group. Following the completion of this exercise, the Group is expected to recognise an estimated gain of approximately $467.5 million on a *pro forma* basis. The Group's net gearing (including fair value of investment properties) would also be expected to improve from 61% to 55% on a *pro forma* basis.

With the deconsolidation, the Group would have the potential to book gains on any future sale of assets from the Group to CDLHT should the transaction value exceed the carrying book value of the assets.

The Group remains fully committed as a sponsor of CDLHT and will continue to be its largest unitholder with an interest of approximately 27% following the Proposed Distribution.

More details on the Proposed Distribution are in the Group's announcement issued on 25 February 2022.

Operational Highlights

Property Development

Singapore

Property sales momentum was resilient in 2021, driven by sustained pent-up demand with many homebuyers seeking better homes and supported by a low interest rate environment.

For FY 2021, the Group and its joint venture (JV) associates sold 2,185 units including Executive Condominiums (ECs), with a total sales value of $4.3 billion – the highest annual property sales achieved in the Group's history (FY 2020: 1,318 units with a total sales value of $1.8 billion). The robust sales performance for the year was largely attributed to the Group's successful launch of two high-profile projects and sustained steady sales of its existing inventory.

In April, the Group launched its 540-unit Irwell Hill Residences, located near the upcoming Great World MRT station. To date, 418 units (77%) have been sold at an average selling price (ASP) of over $2,670 per square foot (psf).

1 Illustrative valuation based on CDLHT unit price of $1.20

In November, the Group and its JV partner CapitaLand Development launched the 696-unit CanningHill Piers, the residential component of its mega integrated project located along the Singapore River. The mixed-use development, directly linked to Fort Canning MRT station, comprises CanningHill Square with F&B and retail outlets, a 475-room Moxy Hotel and a 192-unit Somerset Serviced Residence. The response was overwhelming with 538 units (77%) snapped up over the launch weekend, achieving sales value of $1.18 billion, making CanningHill Piers the best-selling project launch in the Central Area for 2021. The 8,956 sq ft Super Penthouse – the project's sole penthouse unit – was sold for $48 million ($5,360 psf). To date, 595 units (86%) have been sold at an ASP of over $2,990 psf.

Healthy sales were also achieved for its existing inventory, with Piermont Grand EC and Whistler Grand – launched in 2019 and 2018 respectively – now fully sold.

Project	Location	Launched	Total Units	Units Sold#	ASP Achieved
Boulevard 88*	Orchard Boulevard	March 2019	154	127	>$3,770 psf
Amber Park*	Amber Road	May 2019	592	524	>$2,465 psf
Haus on Handy	Handy Road	July 2019	188	51	>$2,800 psf
Piermont Grand EC*	Sumang Walk	July 2019	820	820	$1,109 psf
Nouvel 18+	Anderson Road	July 2019	156	122	>$3,330 psf
Sengkang Grand Residences*	Sengkang Central	November 2019	680	655	>$1,725 psf
Penrose*	Sims Drive	September 2020	566	543	>$1,600 psf

**JV project*
#As of 20 February 2022
+Divested project marketed by CDL

Construction activities in most project sites have gradually improved with the Government's aid to bring in migrant workers more expeditiously amid the severe labour shortage in the sector.

To replenish its landbank, the Group participated in Government Land Sales (GLS) and private tenders. Apart from the two GLS sites acquired in 1H 2021 with its JV partner MCL Land at Northumberland Road and Tengah Garden Walk, the Group entered into an off-market agreement to acquire a 179,007 sq ft residential development parcel at 798 and 800 Upper Bukit Timah Road for $126.3 million. The transaction is expected to complete in Q1 2022. Subject to planning approval, the site will be redeveloped into two 24-storey blocks with over 400 units.

On 16 December 2021, the Government introduced property cooling measures to temper the rising residential property prices and high transaction volumes that could potentially run ahead of market fundamentals. Residential property prices registered an increase of 10.6% in 2021, while transaction volume rose over 30% to 13,027 units year-on-year. Alongside the tightening measures, the Government also boosted supply by increasing the GLS programme for 1H 2022 with five confirmed sites which will yield more than 2,880 units (including ECs), an increase of 39% over 2H 2021.

Following the implementation of the measures, sales are still healthy, though some homebuyers may take more time to assess the situation before committing to a purchase. However, with limited supply of new units in the market, buying interest is expected to remain.

Overseas Markets

Australia

Despite tight COVID-19 restrictions domestically, the Group's residential portfolio continued to see positive uptake.

In New South Wales, the Group's collaboration with Waterbrook Lifestyle for a retirement village project in Bowral has exchanged contracts on all the 77 townhouses launched.

The Marker, a JV project comprising 198 residential units located in West Melbourne, has pre-sold 81% of its apartments. The Group's mixed-use JV development named Fitzroy Fitzroy in Melbourne, launched in October 2021, has pre-sold 24% of its 62 apartments and townhouses.

The 215-unit Brickworks Park located in the prestigious Alderley suburb of North Brisbane has sold 82% of its 151 units released to date. In December 2021, the Group entered a JV with Brisbane-based developer Metro Group to acquire Kenmore Treetops, located in the leafy suburb of Kenmore. The project will comprise 97 units and is slated for launch in 2022.

Japan

The Group continues to hold its sizeable freehold land site in Shirokane, Tokyo, acquired in 2014. Land values have appreciated substantially in Japan and the Group can develop or divest this prime site at the appropriate time to maximise value.

UK

2021 saw the strongest year in real estate price increase in the UK since the Global Financial Crisis. The strong housing demand was driven by the pandemic-fuelled desire for more space as well as the stamp duty holiday, which resulted in high levels of sales activity. Rental growth and demand remain strong.

As more buyers return to the capital, the Group expects the sales for its two prime London developments in Belgravia and Chelsea to pick up in 2022. Marketing activities are ongoing for Teddington Riverside, the Group's 239-unit development in Southwest London, with more than 43% of the units currently occupied.

The Group is on track to submit its revised planning application based on a hybrid scheme for the former Stag Brewery site in Mortlake in 1H 2022, even as it progresses with plans for its other three development projects in London – namely Ransomes Wharf, Development House and 28 Pavilion Road.

China

With the Chinese Government's continued deleveraging efforts, residential price growth slowed in 2021 due to weaker demand. In FY 2021, the Group continued to sell down its existing inventory, with most projects substantially sold.

Hong Leong City Center (HLCC), a mixed-use development in Suzhou Industrial Park, has sold 1,670 (92%) of its 1,813 residential and retail units to date. HLCC's Grade A office tower is now 94% occupied while HLCC mall's occupancy is currently at 87%, and the 295-room five-star M Social Suzhou hotel is expected to open in 2023.

In Chongqing, the completed 126-unit Eling Palace has sold 115 units (91%) to date. In Shanghai, Hongqiao Royal Lake, a luxury development in Qingpu District, has sold 71 out of the 85 villas (84%) to date.

Divestment of Sincere Property Group

In September 2021, the Group announced the divestment of its 50.01% joint controlling interest in Sincere Property Group (Sincere Property) to mitigate being engaged in a long drawn bankruptcy reorganisation of Sincere Property. Concurrently, the Group entered into an agreement for the transfer of 15.4% interest in Shenzhen Tusincere Technology Park Development Co, Ltd., (Shenzhen Tusincere) from Sincere Property as partial repayment for an outstanding loan. Shenzhen Tusincere is the holding company with a 65% equity interest in the Shenzhen Longgang Tusincere Tech Park asset. Shenzhen Tusincere is now a wholly-owned subsidiary of the Group and the Group holds a 65% effective stake in the asset, with direct control over the project's management.

Following the above transactions and based on the estimated fair value of Shenzhen Tusincere, the Group's current financial exposure to Sincere Property is reduced to $82 million. The Group has no stake in Sincere Property and will continue to protect its rights as a creditor in relation to the repayment of outstanding loans extended by the Group.

Investment Properties

Singapore

Despite a challenging economic backdrop, the committed occupancy of the Group's Singapore office portfolio remained resilient at 93.3%, above the island-wide occupancy of 87.2%. Republic Plaza, the Group's flagship Grade A office building, achieved a healthy committed occupancy of 96.4% and registered positive rental reversion in Q4 2021. The tight CBD office supply situation coupled with the improved business outlook are expected to support rental rate growth in the near term.

The Group's retail portfolio was also resilient, with committed occupancy at 93.8%, above the national average of 91.9%. The pandemic has given rise to new lifestyle trends such as athleisure, focusing on wellness and active living. To leverage this growth trend, City Square Mall has rejuvenated its tenant mix and will welcome an athleisure cluster by Q2 2022, which includes an integrated golf flagship store occupying more than 15,000 sq ft under MST Golf Super Store, together with Puma and Adidas.

Overseas Markets

Leasing of the Group's overseas investment properties remained resilient despite lockdowns, imposed COVID-19 restrictions and uncertainties over the Omicron variant infections.

China

In Shanghai, Hong Leong Plaza Hongqiao has leased 76% of its space for serviced apartments, a confinement centre and corporate office use, sustaining stable recurring income as majority of the leases tenures are over 10 years. At Hong Leong Hongqiao Center, the committed occupancy of the office and retail space is maintained at 93%, above the average occupancy level in the Hongqiao area.

Shenzhen Longgang Tusincere Tech Park, a large-scale mixed-use business park development in Shenzhen, of which the Group now owns 65% effective equity interest, has contracted a total of 341 units since March 2021 (post the Group's acquisition) with a sales value of RMB 910.7 million ($193.6 million). After the deduction of contracted sales from the previous period terminated mainly by a third-party office sales agent in August 2021, the net contracted sales value achieved since March 2021 was RMB 611.7 million ($130.0 million). In 2021, the construction of three blocks under Phase 2 of the project was completed and the office units in Block 22, along with the apartments in Block 20, were successfully handed over.

UK

The office market is expected to strengthen in 2022 as pandemic restrictions ease.

Aldgate House and 125 Old Broad Street remain well occupied with stable rent collections. New leases are being entered into alongside ongoing discussions with existing tenants on potential lease renewals and new space requirements.

Redevelopment and Asset Enhancement Initiatives (AEIs)

In line with its focus to unlock value from its asset portfolio, the Group has progressed on its redevelopment plans for its two mature assets in the CBD, 80 Anson Road (former Fuji Xerox Towers) and Central Mall.

The 80 Anson Road site is being redeveloped under the Urban Redevelopment Authority (URA) CBD Incentive Scheme, with Provisional Permission for a 25% uplift in gross floor area (GFA) to approximately 655,000 sq ft obtained in May 2021. The project will comprise a 46-storey mixed-use integrated development with office, retail, serviced apartments and 256 apartments for sale. This project is the first integrated development to achieve the Building and Construction Authority (BCA) Green Mark Platinum Super Low Energy (SLE) certification, with SLE certification for the residential. serviced apartments, office and retail categories. Demolition works have commenced and construction is expected to begin in end-2022.

In December 2021, the Group announced its redevelopment plans for its Central Mall properties into a large-scale mixed-use development following the acquisition of Central Square for a purchase consideration of $315 million. The enlarged site will be redeveloped under URA's Strategic Development Incentive Scheme into a mixed-use development comprising office, retail, hospitality and potentially a residential component. Through the scheme, the redevelopment will yield a significant GFA uplift of about 67% to approximately 735,500 sq ft and transform the precinct into a new and vibrant lifestyle hub.

Apart from its redevelopment projects, the Group has also embarked on AEIs to reposition and refresh its asset portfolio. In Q2 2021, the Group commenced on an AEI for Palais Renaissance to upgrade the common areas and increase its F&B provision. By the end of 2021, more than 90% of the AEI works have been completed, with a unique alfresco dining area created at level 1. With the AEI, committed occupancy for the retail space has improved to above 90%.

In Thailand, the Group will embark on a major AEI of its Jungceylon retail complex in Patong, Phuket to increase the net lettable area with new-to-market concepts and a refreshed experiential trade mix. The enhancement works will be completed in phases, with the reopening of the first phase planned in Q4 2022.

In UK, AEIs at both Aldgate House and 125 Old Broad Street are underway to enhance tenant welfare and these initiatives are expected to bolster rental rates.

Private Rented Sector (PRS)

The PRS continues to outperform many other asset classes despite market volatility stemming from the pandemic. In anticipation of housing supply shortages and elevated property prices, the PRS is projected to be in high demand for renters looking for high-quality and professionally-managed homes.

The Group expanded into the PRS segment in 2019 and now has three projects in the UK with a pipeline of over 1,300 units. This includes a 352-unit forward-funded project in Manchester acquired by CDLHT in August 2021. In Japan, the Group has five PRS projects located in Osaka and Yokohama with 242 units, with another two PRS projects totalling 207 units in Yokohama pending sale completion.

UK

The Junction in Leeds is currently under construction and will complete in phases starting from mid-2022. The project comprises 665 PRS units and 24,000 sq ft of commercial space within the site's attractive heritage arches beneath a viaduct.

In December 2021, the Group acquired a 250-year leasehold PRS site in the heart of Birmingham's Paradise precinct. The 16,760 sq ft site will be developed into Octagon, an iconic 155-metre tower with 370 units, at an estimated total development cost (including land cost of £6.5 million) of around £110 million ($200 million). Completion of the development is expected in 2025 and Octagon will be the world's tallest pure octagonal residential skyscraper.

Japan

The Group's PRS projects in Osaka and Yokohama enjoy stable rent and strong occupancy of above 90%.

In October 2021, the Group entered into a Sale and Purchase Agreement (SPA) for two PRS projects – Tobe Residence (117 residential and 1 retail unit) and LOC's Yokohama Bayside (89 residential units) – in Yokohama City for JPY 4.9 billion ($60.5 million). The transactions are expected to complete in Q2 2022.

Fund Management

With improving sentiments of the UK commercial market, the Group continues to pursue its plan for a Singapore-listed REIT with UK office properties.

The Group remains focused on achieving its US$5 billion in Assets Under Management (AUM) by 2023. In addition to the proposed UK REIT initiative, the Group also has stakes in other fund management platforms. It has a 50% interest in the manager of Singapore-listed IREIT Global and currently holds 21% of the total issued units. This pan-European REIT has an AUM of €889.7 million as at 31 December 2021. Following the Proposed Distribution, the Group will continue to hold approximately 27% interest in CDLHT, one of Asia's leading hospitality trusts with an AUM of about $2.9 billion as at 31 December 2021.

Hotel Operations

While the operating challenges of COVID-19 continued to be felt in 2021 as international travel restrictions were still largely in place, the Group's hospitality business progressed on its road to recovery. Regions with strong domestic markets, like Europe and the US, led the recovery in 2H 2021 with significant improvements in RevPAR and gross operating profit (GOP). The Group expects this trend to continue in 2022.

Key operating statistics for hotels owned by the Group:

	Room Occupancy			Average Room Rate			RevPAR			GOP Margin %		
	2H 2021 %	2H 2020 %	Incr / (Decr) % pts	2H 2021 $	2H 2020 * $	Incr / (Decr) %	2H 2021 $	2H 2020 * $	Incr / (Decr) %	2H 2021 %	2H 2020 %	Incr / (Decr) % pts
Singapore	77.8	89.9	(12.1)	125.9	98.3	28.1	97.9	88.4	10.7	39.1	48.3	(9.2)
Rest of Asia	45.8	31.8	14.0	120.8	115.9	4.2	55.4	36.9	50.1	15.6	49.0	(33.4)
Total Asia	**58.4**	**53.1**	**5.3**	**123.4**	**105.0**	**17.5**	**72.0**	**55.8**	**29.0**	**26.1**	**48.1**	**(22.0)**
Australasia	**42.7**	**45.7**	**(3.0)**	**163.0**	**150.7**	**8.2**	**69.7**	**68.8**	**1.3**	**42.0**	**50.6**	**(8.6)**
London	63.5	10.7	52.8	233.8	133.9	74.6	148.6	14.4	931.9	43.8	(64.0)	107.8
Rest of Europe	65.7	19.7	46.0	168.2	140.2	20.0	110.5	27.6	300.4	31.4	(16.3)	47.7
Total Europe	**64.6**	**15.5**	**49.1**	**200.0**	**138.2**	**44.7**	**129.2**	**21.4**	**503.7**	**38.3**	**(31.5)**	**69.8**
New York	72.4	32.9	39.5	271.1	148.7	82.3	196.2	48.9	301.2	0.6	(193.8)	194.4
Regional US	56.9	34.5	22.4	160.1	116.5	37.4	91.2	40.2	126.9	29.6	13.7	15.9
Total US	**62.8**	**34.0**	**28.8**	**208.6**	**126.6**	**64.8**	**131.0**	**43.0**	**204.7**	**14.0**	**(53.9)**	**67.9**
Total Group	**59.1**	**37.9**	**21.2**	**173.4**	**120.7**	**43.7**	**102.5**	**45.8**	**123.8**	**27.1**	**7.7**	**19.4**

**For comparability, 2H 2020 Average Room Rate and RevPAR had been translated at constant exchange rates (31 December 2021).*

	Room Occupancy			Average Room Rate			RevPAR			GOP Margin %		
	FY 2021 %	FY 2020 %	Incr / (Decr) % pts	FY 2021 $	FY 2020 * $	Incr / (Decr) %	FY 2021 $	FY 2020 * $	Incr / (Decr) %	FY 2021 %	FY 2020 %	Incr / (Decr) % pts
Singapore	74.5	76.7	(2.2)	116.7	110.7	5.4	86.9	84.9	2.4	38.0	39.7	(1.7)
Rest of Asia	41.8	30.6	11.2	120.0	121.7	(1.4)	50.2	37.3	34.6	10.8	1.3	9.5
Total Asia	**54.6**	**48.2**	**6.4**	**118.3**	**115.0**	**2.9**	**64.6**	**55.4**	**16.6**	**22.9**	**19.9**	**3.0**
Australasia	**47.3**	**44.7**	**2.6**	**156.3**	**163.1**	**(4.2)**	**73.9**	**72.9**	**1.4**	**44.4**	**47.8**	**(3.4)**
London	41.9	17.6	24.3	215.1	202.7	6.1	90.1	35.7	152.4	38.1	(14.4)	52.5
Rest of Europe	44.1	23.8	20.3	155.2	140.9	10.1	68.5	33.5	104.5	22.4	(21.9)	44.3
Total Europe	**43.1**	**20.9**	**22.2**	**183.3**	**165.5**	**10.8**	**78.9**	**34.5**	**128.7**	**30.9**	**(18.3)**	**49.2**
New York	63.7	44.2	19.5	228.4	180.4	26.6	145.5	79.8	82.3	(17.3)	(96.1)	78.8
Regional US	50.1	34.7	15.4	143.8	128.9	11.6	72.1	44.7	61.3	26.6	(0.4)	27.0
Total US	**55.0**	**38.1**	**16.9**	**178.9**	**150.0**	**19.3**	**98.4**	**57.1**	**72.3**	**4.9**	**(43.2)**	**48.1**
Total Group	**51.0**	**38.6**	**12.4**	**154.8**	**137.8**	**12.3**	**78.9**	**53.1**	**48.6**	**21.8**	**3.7**	**18.1**

**For comparability, FY 2020 Average Room Rate and RevPAR had been translated at constant exchange rates (31 December 2021).*

<u>Asia</u>

In Singapore, which is highly dependent on international guests, the hotels' performance was partially mitigated by the Stay Home Notice (SHN)/Government Quarantine Facility (GQF) business segment and staycations. Bookings under the SHN/GQF platform have been reducing gradually and are expected to end by 1H 2022. However, the Government is progressively increasing vaccinated travel lanes (VTLs) and streamlining border measures, which bodes well for the sector.

For the rest of Asia, RevPar increased 34.6% year-on-year, with Seoul and Beijing leading the recovery supported by domestic demand.

Australasia

Occupancy levels in 2021 were largely similar to 2020, as New Zealand continued to be solely reliant on the domestic market even as the lockdowns in Auckland impacted revenue in 2H 2021. Both Grand Millennium Auckland and M Social Auckland remain in the Managed Isolation programme and are expected to continue for part of 2022.

Europe

London had significant restrictions in place till May 2021, with guests unable to stay overnight unless travel was deemed essential. The pandemic and trade pressure from Brexit also weighed on the manufacturing sector, impacting corporate travel in the provinces. However, the UK hotels tapped on alternative customer bases such as key workers, housing support, contracts for vulnerable people, and football teams, which helped boost the region's recovery in 2H 2021. VTLs brought overseas travellers into the UK, further improving room occupancy and GOP. The overall performance in Q4 2021 would have been even stronger had it not been for temporary restrictions due to the Omicron surge in December.

Mainland Europe continued to enforce stricter lockdowns than the UK, with restrictions on hotels and dining in place for most of the year. As a result, the European hotels' performance improved albeit at a slower pace than the UK.

US

The US had begun reopening in all states, with most cities practising varying levels of capacity restrictions. Border restrictions for more countries were also lifted, which helped spur international arrivals.

The M Social Hotel Times Square New York opened in May 2021 with a strong performance and the property has been GOP positive since. In January 2022, the Group reflagged the hotel previously known as the Millennium Hilton New York Downtown under the Millennium Downtown New York brand.

Hotel Refurbishments

In Europe, the Group debuted its first M Social in the continent with the M Social Hotel Paris Opera, which opened in September 2021. The Group will continue its rollout of the M Social brand with a second European outpost planned for Spring 2023 in London's Knightsbridge. Situated on majestic Sloan Street, one of the most enviable addresses in the capital, the 222-room hotel brings guests right into the heart of London's most exclusive experiences, such as shopping at Harrods and strolling in leafy Hyde Park.

In Singapore, the Group plans to complete the refurbishments of Studio M which started in 2020 but was subsequently suspended due to the pandemic. The first phase of 146 rooms has been completed and the remaining rooms will complete in Q2 2022. Grand Copthorne Waterfront is planning to commence the refurbishment of its guest rooms and its meeting and events facilities towards the end of 2022, with completion expected in 1H 2023. The Group will also be exploring the refurbishment for the Millennium Resort Patong Phuket, in tandem with the AEI works at the adjoining Jungceylon mall.

In New Zealand, Kingsgate Hotel Greymouth was closed in April 2021 for refurbishment. It will be rebranded to the Copthorne Hotel Greymouth when it reopens in 1H 2022, while refurbishments for two levels of guestrooms at Millennium Hotel Queenstown are ongoing.

Developments

The Group has completed Phase 1 of its redevelopment project in Sunnyvale, California, with the 250-unit residential development ready for lease. The apartments capitalise on Sunnyvale's strategic location as the headquarters of many technology companies. Leasing activity has commenced with a strong take up of over 70% as of end 2021. The remaining phase is a 263-room M Social Sunnyvale hotel.

The Group will also be completing the M Social Suzhou in 2023, located in the heart of Suzhou Industrial Park and adjacent to the beautiful Jinji Lake. The 295-room hotel integrates the traditional local characteristics of Suzhou, combining a modern and creative fashionable design with oriental beauty. This will be the Group's fifth M Social hotel in the world.

Group Divestments

On 10 December 2021, the Group signed a SPA with an entity managed by IGIS Asset Management to divest the Millennium Hilton Seoul and the adjoining land site for KRW 1.1 trillion (approximately $1.25 billion). A deposit of KRW 110 billion was received upon signing and the sale was completed on 24 February 2022 with the balance payment of KRW 990 billion (approximately $1.13 billion) received. The Group expects to recognise a total estimated gain on disposal of $528.83 million, net of taxes and related transaction costs. More details on the completion of this divestment are in the Group's announcement issued on 25 February 2022.

The sale of the Seoul assets marks the Group's third hotel divestment of the M&C portfolio since its privatisation and its largest hotel divestment to date. The previous two M&C hotel divestments completed were Millennium Hotel Cincinnati and Copthorne Hotel Birmingham.

The Group terminated the SPA with Ivory Properties Group Berhad for Copthorne Orchid Hotel & Resort Penang, due to the buyer's failure to pay the balance consideration when the remedy period expired on 17 December 2021. The buyer forfeited the deposit and extension fees paid.

In December 2021, a public tender was launched for the collective sale of Tanglin Shopping Centre, with a guide price of $828 million. Through King's Tanglin Shopping Pte Ltd, a wholly-owned subsidiary of M&C, the Group owns about 34.6% of Share Value and 60.2% of Strata Area in the strata-titled development. The tender closed on 22 February 2022 and received a top bid of $868 million (or $2,769 psf ppr), at a premium of 10% over the reserve price. The Group has held its interest in this freehold office-cum-shopping complex for long-term investment since 1981, as part of its investment properties portfolio. This collective sale exercise will enable the Group to unlock value and realise a significant capital gain from its investment. The sale is subject to approval of Strata Titles Board and other conditions.

Statement of profit or loss

	The Group Half year ended 31 December		Incr/ (Decr)	The Group Full year ended 31 December		Incr/ (Decr)
	2021	**2020**		**2021**	**2020**	
	S$'000	**S$'000**	**%**	**S$'000**	**S$'000**	**%**
Revenue	1,433,664	1,035,522	38.4	2,625,853	2,108,426	24.5
Cost of sales	(872,739)	(653,044)	33.6	(1,648,140)	(1,279,484)	28.8
Gross profit	560,925	382,478	46.7	977,713	828,942	17.9
Other income	31,566	76,505	(58.7)	87,979	171,990	(48.8)
Administrative expenses	(252,191)	(228,516)	10.4	(501,458)	(487,852)	2.8
Other operating expenses	(92,888)	(531,879)	(82.5)	(236,258)	(752,782)	(68.6)
Impairment loss on other receivables	(1,889)	(323,942)	(99.4)	(6,104)	(323,942)	(98.1)
Impairment loss on debt investments	-	(288,000)	(100.0)	-	(288,000)	(100.0)
Profit/(Loss) from operating activities	245,523	(913,354)	NM	321,872	(851,644)	NM
Finance income	22,839	77,283	(70.4)	36,206	168,618	(78.5)
Finance costs	(106,147)	(135,316)	(21.6)	(237,823)	(262,009)	(9.2)
Net finance costs	(83,308)	(58,033)	43.6	(201,617)	(93,391)	NM
Share of after-tax profit of associates	252	17,743	(98.6)	30,713	37,976	(19.1)
Share of after-tax profit/(loss) of joint ventures	55,533	(850,962)	NM	76,779	(883,752)	NM
Profit/(Loss) before tax	218,000	(1,804,606)	NM	227,747	(1,790,811)	NM
Tax expense	(59,452)	(74,305)	(20.0)	(87,908)	(87,702)	0.2
Profit/(Loss) for the period/year	158,548	(1,878,911)	NM	139,839	(1,878,513)	NM
Attributable to:						
Owners of the Company	**129,743**	**(1,920,536)**	NM	**97,657**	**(1,917,391)**	NM
Non-controlling interests	28,805	41,625	(30.8)	42,182	38,878	8.5
Profit/(Loss) for the period/year	158,548	(1,878,911)	NM	139,839	(1,878,513)	NM

Gross profit

Gross profit margin remains relatively constant at 39% for 2H 2021 (2H 2020: 37%) and 37% for FY 2021 (FY 2020: 39%). Lower gross profit was recorded for property development segment despite increase in revenue due to thinner profit margins for Singapore residential projects that are still under construction as compared to those high-end completed projects including Gramercy Park and UK projects which commanded better margins. Notably, while there was revenue contribution from the newly acquired Shenzhen Longgang Tusincere Tech Park, there was minimal profit contribution as these relate largely to presold units at the point of acquisition, which had been taken at fair value upon acquisition during the purchase price allocation exercise, where the Group recognised a $35.6 million negative goodwill. Lower gross profit was also recorded for the investment properties segment, where lower revenue was recognised as a result of rental rebates given to tenants and closure of malls and the demolition of Fuji Xerox Tower for redevelopment.

These were offset by higher gross profit contributed by the hotel operations segment, particularly in 2H 2021. The hotel industry, which has been battered by the COVID-19 outbreak in the past 2 years, is gradually rebounding. Hotel revenue for 2H 2021 and FY 2021 increased by 95.0% and 36.3% respectively and most regions were recording profits or lower losses in FY 2021.

Other income

In 2H 2021, the Group completed the divestments of Copthorne Hotel Birmingham and Mille Malle and recognised divestment gains of $15.6 million and $5.7 million respectively. In addition, the Group also recognised a gain of $6.1 million on the deposit collected for the forfeiture sale of Copthorne Orchid Penang. Other income for the year also includes divestment gain from the disposal of the land held on the property of Copthorne Hotel Christchurch of $14.9 million, and negative goodwill of $35.6 million recognised on the acquisition of 84.6% interest in Shenzhen Tusincere in February 2021 (Refer to note 24 to the condensed interim financial statements for details of the acquisition).

Other income for 2H 2020 comprised mainly divestment gains from disposal of Novotel Clarke Quay to a joint venture consortium and disposal of Novotel Brisbane of $107.9 million and $9.4 million respectively, partially offset by the reversal of negative goodwill of $43.2 million on acquisition of joint controlling interest in Sincere Property, which the Group recognised in 1H 2020.

Other income for FY 2020 also includes 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.

Administrative expenses

Administrative expenses comprised mainly depreciation, hotel administrative expenses and salaries and related expenses. The increase in administrative expenses in 2H 2021 and FY 2021 was largely due to higher hotel administrative expenses and salaries expenses. Hotel administrative expenses and salaries increased as hotels across all region saw significant improvements in turnover, especially in 2H 2021 as countries began reopening, as well as due to lower grant from job support scheme received during the year.

Other operating expenses

Other operating expenses include impairment loss on property, plant and equipment, impairment loss on trade and other receivables, property taxes, insurance and other operating expenses on hotels.

The decrease in other operating expenses for 2H 2021 was mainly attributable to writeback of impairment losses on property, plant and equipment and investment properties vis-a-vis impairment losses provided in prior year, lower provision made on doubtful receivables, as well as lower professional fees incurred.

In FY 2021, the Group reversed impairment loss totalling $95.4 million on 5 hotels in the United States, 2 hotels in Europe, one hotel in New Zealand and 3 hotels in Asia, net of impairment loss made on some fixtures and fittings of a club and restaurant, as outlook for the global tourism and hospitality industry gradually improves. The Group also reversed $3.4 million of impairment loss previously provided on an investment property in Maldives and an investment property in Italy. In contrast, the Group recognised impairment loss of $87.5 million on property plant and equipment and $12.0 million on investment properties in FY 2020. More details on the Group's assessment are detailed in note 11 and 12 to the condensed interim financial statements.

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. In FY 2021, the Group provided impairment loss of $6.1 million on interest income receivables on the aforementioned USD bonds and loans, for which the interest income was recognised during the year.

In FY 2020, the Group also made an allowance for doubtful receivables of $14.8 million mainly for rent receivables from Pullman Hotel Munich which had payment difficulties due to COVID-19, and on aged receivables of several other US and UK hotels.

The Group also incurred lower professional fees during the year as compared to FY 2020, where in FY 2020, the Group incurred professional fees on the acquisition of joint control interest in Sincere Property.

Net finance costs

The increase in net finance costs in 2H 2021 and FY 2021 was mainly due to the following:

(i) Interest income decreased largely due to the lower interest income earned on the US$230 million bond issued by Sincere Property as a large proportion of the bond principal was already impaired by the Group during the financial year ended 31 December 2020. Lower interest income earned from fixed deposits also attributed to the decrease in interest income.

(ii) Fair value loss on financial assets measured at fair value through profit or loss (FVTPL) of $2.9 million in FY 2021 vis-à-vis fair value gain of $65.7 million recognised in FY 2020. This mainly arose from the remeasurement of unquoted debt instruments and investments in equities measured at fair value through profit or loss.

(iii) Net exchange loss of $18.9 million recognised in FY 2021 vis-à-vis net exchange gain of $19.1 million recognised in FY 2020. Net exchange loss for FY 2021 was mainly due to the appreciation of GBP and USD denominated borrowings against SGD, as well as depreciation from EUR denominated receivables against SGD incurred by CDLHT Group.

Net exchange gains for FY 2020 was mainly due to exchange gain from the appreciation of AUD and NZD denominated receivables and cash balances against SGD incurred by CDLHT.

(iv) Fair value loss on financial derivatives decreased by $28.2 million for FY 2021 to $27.1 million (FY 2020: $55.3 million), mainly due to fair value gain recognised in FY 2021 vis-à-vis fair value loss recognised on foreign exchange forward contracts and Euro/United States dollar cross currency interest swap contract entered into by CDLHT.

Fair value loss for FY 2020 and FY 2021 also includes fair value loss on Renminbi/SGD foreign currency exchange swaps, entered by the Group to fund its investment in and loan granted to Sincere Property.

Share of after-tax profit/(loss) of associates and joint ventures

The decrease in share of after-tax profit of associates was mainly attributable to impairment loss recognised on two associates during the year, and the absence of distribution received from Golden Crest arising from the unwinding of the Group's second Profit Participation Structure. The decrease is partially offset by the higher share of contribution from IREIT Global and Suzhou Dragonrise fund.

Share of after-tax profit of joint ventures for 2H 2021 was mainly attributable to contribution from residential projects such as Boulevard 88, South Beach Residences, Sengkang Grand Residences and The Jovell. This was partially offset by losses from hotels such as JW Marriott Hotel Singapore South Beach, JW Marriott Hotel Hong Kong and New World Millennium Hong Kong Hotel, though the share of losses from these hotels has decreased during the current year.

2H 2020 and FY 2020 share of after-tax loss of joint ventures was primarily contributed by Sincere Property and adverse hotel performance from the abovementioned hotels.

Statement of financial position

Investment properties for the Group decreased by $572 million to $3,997 million (As at 31 December 2020: $4,569 million) mainly due to the disposal of Mille Malle in August 2021, transfers of 125 Old Broad Street and Aldgate House to assets held for sale and the transfer of Ibis Perth and Mercure Perth to property, plant and equipment during the year.

Investments in associates at the Group increased by $109 million, mainly attributable to the Group's subscriptions of the Preferential Offering Units issued by IREIT Global in July 2021, additional investments in HThree City Australian Commercial Fund 3 and Suzhou Dragonrise Pan-Artificial Intelligence High-Tech Fund, as well as share of profit for the year contributed from First Sponsor Group Limited (FSGL).

Other non-current assets at the Group decreased by $59 million mainly due to reclassification of loan to a joint venture from non-current to current. The decrease was partially offset by the increase in the deferred tax asset from M&C Group.

Development properties increased by $448 million, mainly due to the acquisition of 84.6% equity interest in Shenzhen Tusincere Technology Park Development Co. Ltd. (Shenzhen Tusincere) which holds 65% equity interest in Shenzhen Longgang District Qidixiexin Science and Technology Development Park Co., Ltd. (Shenzhen Longgang) in February 2021 (Refer to note 24 to the condensed interim financial statements for details of the acquisition). The increase was partially offset by progressive cost recognition for projects under construction such as Whistler Grand and Amber Park as well as the handover of units for completed projects.

Contract assets decreased and contract liabilities increased at the Group due to timing of revenue recognition vis-à-vis progress billings to the purchasers for various projects. The increase in contract liabilities is also attributable to the abovementioned acquisition of Shenzhen Longgang.

Short-term financial assets at the Group increased by $7 million, mainly due to the reclassification of the US$230 million bond issued by Sincere Property which the Group had subscribed to, from non-current to current financial assets in view of its redemption maturity date. The carrying value of the bond was $17.7 million as at 31 December 2021 after impairment recognised by the Group in FY2020. The increase is offset by the redemption of a RMB50 million convertible loan granted to a joint venture, which was accounted for as a financial asset.

Trade and other receivables at the Group increased by $192 million, mainly due to the aforementioned reclassification of a non-current loan to a joint venture from other non-current assets, as well as advances granted to joint ventures to fund the acquisition of a land site at Northumberland Road and the Tengah Garden Walk EC site, and to fund the development of CanningHill Piers and CanningHill Square. The increase was partially offset by the decrease in amount owing by Sincere Property, which has been offset against the $263.7 million amount owing to Sincere Property pursuant to the aforementioned disposal of interest in Sincere Property.

The increase in trade and other receivables at the Company was mainly due to net additional loans granted to subsidiaries to meet their funding requirements, in particular to fund the acquisition and developments cost of several joint venture projects.

Assets held for sale and the liabilities directly associated with the assets held for sale as at 31 December 2021 was in relation to the proposed divestments of Copthorne Orchid Penang, Millennium Harvest House Boulder, Millennium Hilton Seoul, 125 Old Broad Street, Aldgate House and Tagore 23 warehouse. (see note 17 to the condensed interim financial statements for details).

Trade and other payables at the Group increased by $104 million, largely attributable to $143 million owing to the non-controlling interests of Shenzhen Longgang and trade and other payables assumed from the abovementioned acquisition of Shenzhen Tusincere. The increase was partially offset by the decrease in amount owing by Sincere Property of $263.7 million, which has been offset against amount owing by Sincere Property pursuant to the Group's disposal of interest in Sincere Property.

Current provisions decreased by $213 million mainly due to the utilisation of provision for corporate guarantee made by the Group in FY 2020 in connection with a loan taken by HCP Group. During the year, the Group has fully settled the obligation to the financial institution in connection with the financial guarantee. The decrease is partially offset by a provision for estimated costs to be incurred in relation to the Group's obligations arising from the proposed sale of Millennium Hilton Seoul (refer to note 17).

Overall net borrowings of the Group (interest-bearing borrowings net of cash and cash equivalents) increased by $643 million mainly due to payments for the acquisition of Shenzhen Tusincere and the aforementioned settlement of financial guarantee.

Statement of cash flows

The operating cash outflows for FY 2020 were mainly due to payment for land site at Irwell Bank Road of $670 million. Excluding the payment for Irwell land, there would be a net cash inflow from operating activities of $314 million.

Net cash used in investing activities amounted to $863.4 million in FY 2021 (FY 2020: $1,076.0 million).

(i) $341.7 million cash outflows made by the Group to acquire the 84.6% equity interest in Shenzhen Tusincere in February 2021.

(ii) Net cash outflows from increase in investments in associates of $70.8 million for FY 2021 (FY 2020: $63.4 million) were mainly due to payments made by the Group to subscribe for additional units in IREIT Global, and additional investments in HThree City Australian Commercial Fund 3 and Suzhou Dragonrise Pan-Artificial Intelligence High-Tech Fund.

(iii) The net cash inflows from return of capital from a joint venture for FY 2021 and FY 2020 relates to the return of capital from South Beach Consortium.

The net cash outflows from increase in investments in joint ventures for FY 2020 were mainly due to acquisition of 51.01% effective joint controlling interest in Sincere Property.

(iv) Net cash outflows from increase in non-trade amounts owing by equity-accounted investees of $183.4 million was mainly due to advances granted to joint ventures to fund the acquisition of the Tengah Garden Walk EC site and a land site at Northumberland Road and to fund the development of CanningHill Piers and CanningHill Square. The advances were partially offset by repayment of loans from other equity-accounted investees.

Net cash outflows from the increase in non-trade amounts owing by equity-accounted investees for FY 2020 were mainly due to additional loans granted to Sincere Property and advances granted to joint ventures to fund the acquisition of Novotel Clarke Quay and Somerset Liang Court, the remaining two properties located at the Liang Court redevelopment site.

(v) The cash outflows on the payments for purchase of investment properties for FY 2020 were due to the acquisition of City Lux Yokohama, a private rental sector (PRS) project in Yokohama City, Japan, and two PRS projects in Osaka, Japan, namely B-PROUD Tenmabashi and Pregio Miyakojima Hondori.

(vi) The proceeds from deconsolidation of subsidiaries of $109.1 million in FY 2020 relate to the consideration received for the divestment of Novotel Brisbane and the divestment of 75.1% equity interest in SHR.

(vii) The proceeds from the sale of property, plant and equipment for FY 2021 of $65.3 million relate mainly to the proceeds from the disposal of land held at the property of Copthorne Hotel Christchurch, Copthorne Hotel Birmingham and Mille Malle. The $421.5 million proceeds for FY 2020 was mainly attributable to the proceeds received from the divestment of Novotel Singapore Clarke Quay and Millennium Hotel Cincinnati.

The Group had net cash outflows from financing activities of $1,277.1 million for FY 2021 (FY 2020: net cash inflows of $1,563.6 million). The net cash outflows for FY 2021 were largely due to a net repayment of borrowings of $637.2 million, payments for the corporate guarantee in connection with loans taken up by HCP Group and dividends paid during the year. The net cash inflows for FY 2020 were mainly due to a net increase in borrowings of $1,726.0 million, which were raised to provide various funding requirements including the acquisition of 51.01% effective joint controlling interest in Sincere Property, along with loans 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.

3. 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 increased by $123.7 million to $625.9 million (2H 2020: $502.2 million) for 2H 2021 and $288.5 million to $1,254.4 million (FY 2020: $965.9 million) for FY 2021.

This segment reported a pre-tax profit of $125.9 million (2H 2020: pre-tax loss of $854.8 million) for 2H 2021 and a pre-tax gain of $244.7 million (FY 2020: pre-tax loss of $739.8 million) for FY 2021.

Projects that contributed to both revenue and profit in FY 2021 include Whistler Grand, Amber Park, The Tapestry, Irwell Hill Residences, Haus on Handy, Shenzhen Longgang Tusincere Tech Park and Hongqiao Royal Lake, Shanghai, as well as New Zealand land sales. 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 Sengkang Grand Residences 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 increase in revenue for 2H 2021 and FY 2021 was attributable to revenue contribution from Shenzhen Longgang, which the Group acquired in February 2021, and higher progressive contribution from Amber Park, due to higher percentage of completion achieved and units sold.

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. Pre-tax profit for 2H 2021 and FY 2021 were also boosted by contribution from Shenzhen Longgang, along with the negative goodwill recognised by the Group on its acquisition.

Hotel Operations

Revenue for this segment increased $270.9 million to $556.1 million (2H 2020: $285.2 million) for 2H 2021 and $232.7 million to $873.1 million (FY 2020: $640.4 million) for FY 2021.

This segment reported a pre-tax gain of $71.9 million (2H 2020: pre-tax loss of $365.2 million) for 2H 2021 but a pre-tax loss of $71.0 million (FY 2020: pre-tax loss of $573.4 million) for FY 2021.

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 increase in revenue and pre-tax profits is attributable to the recovery of the hospitality sector, backed by improved occupancy and room rates achieved by the Group's hotel portfolio, as governments gradually ease COVID-19 restrictions. Other than the improved hotel performance, the reversal of impairment losses made by the Group of $96.4 million (FY2020: impairment loss of $87.0 million) on its hotel properties during the year also contributed to the lower pre-tax loss this year.

Investment Properties

Revenue for this segment remained relatively constant at $170.2 million (2H 2020: $176.0 million) for 2H 2021 but decreased $20.3 million to $341.1 million (FY 2020: $361.4 million) for FY 2021.

This segment reported a pre-tax gain of $14.8 million (2H 2020: pre-tax loss of $601.3 million) for 2H 2021 and a pre-tax gain of $24.3 million (FY 2020: pre-tax loss of $575.0 million) for FY 2021.

The decrease in revenue for FY 2021 were largely due lower contribution from Jungceylon mall, Patong Phuket, which was closed for a large part of the year, Fuji Xerox Towers which had been vacated for redevelopment and Novotel Brisbane which was divested by the Group in October 2020.

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 2021 declined mainly due to lower divestment gains recognised. In 2H 2021, the Group recognised a divestment gain of $5.7 million on divestment of Mille Malle. In 2H 2020, the Group recognised a gain of $107.9 million on the sale of Novotel Clarke Quay (held through CDLHT Group) to a joint venture consortium and a gain of $9.4 million on the divestment of Novotel Brisbane.

Others

Revenue, comprising mainly income from building maintenance contracts, project management, club operations, laundry services and dividend income, increased by $9.2 million to $81.4 million (2H 2020: $72.2 million) for 2H 2021 and $16.5 million to $157.1 million (FY 2020: $140.6 million) for FY 2021. The increases for 2H 2021 and FY 2021 were due to higher project management fees earned.

Pre-tax profit decreased by $11.3 million to $5.4 million (2H 2020: $16.7 million) for 2H 2021 and $67.7 million to $29.7 million (FY 2020: $97.4 million) for FY 2021.

Despite the increase in revenue, pre-tax profit for 2H 2020 and FY 2021 decreased mainly due to the absence of a $23.5 million divestment gain on SHR which was recognised by the Group in FY 2020 and higher fair value loss recognised on the remeasurement of certain quoted securities held by the Group.

4. 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 was in line with its expectations as disclosed in the announcement of results for the six months ended 30 June 2021.

5. 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

The recent round of property cooling measures has dampened market sentiment as homebuyers assess the impact of the measures. While transaction volume may likely see an impact in the near-term, the Group expects prices to remain stable and well-located projects with strong attributes will continue to be in demand. Residential sales remained stable in January 2022 and with the tight supply, the property market should remain resilient as the economy recovers and unemployment risk is mitigated. The Group is well-positioned to ride the economic recovery, having built a healthy development pipeline through strategic land replenishment and redevelopment strategies.

In January 2022, the Group secured a prime 210,623 sq ft GLS site at Jalan Tembusu for $768 million (or $1,302 psf ppr). Located within close proximity to the upcoming Tanjong Katong MRT station, the site will be developed into a luxury condominium comprising four 20- to 21-storey apartment blocks with about 640 units. Subject to authorities' approval, MCL Land will be taking a 49% stake in the project.

In 1H 2022, the Group intends to launch Piccadilly Grand, its 407-unit JV residential project, at Northumberland Road. The mixed-use development with direct access to the Farrer Park MRT station comprises apartments with commercial space on the ground floor (named Piccadilly Galleria), which will house F&B, shops and a childcare centre. It is located close to City Square Mall, with a host of amenities nearby such as Jalan Besar Sports Centre and Farrer Park Hospital, as well as several popular primary schools.

In 2H 2022, the Group has another two projects slated for launch. The first is a 639-unit JV EC project at Tengah Garden Walk. Located in Tengah New Town, Singapore's first smart and sustainable Forest Town, the project is within walking distance to three upcoming MRT stations and near the Jurong Innovation District. Apart from being the first EC project to be accorded the BCA Green Mark Platinum SLE rating, it is also the first project to qualify for the BCA Built Environment Transformation GFA Incentive Scheme, which provides an additional 2% GFA, subject to certain conditions.

The second project is the residential component of the 80 Anson Road integrated development (formerly known as Fuji Xerox Towers) with 256 units. Located within the CBD, this freehold development is near the Tanjong Pagar MRT station and the upcoming Prince Edward MRT station as well as the Greater South Waterfront, an exciting new gateway to a future-forward live, work and play urban precinct.

During the recent Singapore Budget 2022 statement, the Government announced tax rate hikes for residential properties from 2023. The impact on the residential segment is not expected to be significant as the increase is progressive and depends on the property's annual value and occupation status. The majority of the Group's residential projects have been purchased by buyers for their own occupation.

For the office sector, leasing activity is expected to pick up in tandem with economic recovery as firms re-evaluate their space needs with the phased return of Singapore's workforce to the workplace.

Hotel Operations

The Group will continue to review and optimise its hospitality portfolio by refurbishing its properties, evaluating alternative uses for its sites and executing divestments where appropriate, including being an active sponsor to CDLHT. As an operator, the Group will harness technology and innovation to address labour shortages, improve operational efficiencies and focus on the customer experience and brand promise.

Outlook

The persistent COVID-19 pandemic presents challenges and uncertainties for the global economy. Nevertheless, the overall global outlook remains positive this year, with the resumption of travel, opening of borders and an overall resolution to push ahead to open economies.

Notwithstanding the recent property cooling measures and the increase in property tax for residential properties in Singapore, the Group remains positive of the fundamentals of its core domestic residential property segment. The Group's strategically located and carefully curated residential product offerings are poised to support its growth in the coming years.

The Group's hotel operations segment is also poised for a long-awaited rebound, with international travel on track for a strong recovery from its lows in the last two years, boosted by pent-up demand for tourism and corporate travel.

The Group has continued to step up the execution of its Growth, Enhancement, Transformation (GET) strategy to grow, unlock and enhance value, with the aim of transforming the Group into a sustainable global real estate conglomerate. These initiatives have enabled the Group to improve its competitiveness, strengthen its balance sheet and maximise shareholders' value. With improving macroeconomic conditions ushering in a brighter outlook, the Group has embarked on its growth trajectory with renewed confidence, backed by resiliency and strong fundamentals.

6. Dividend Information

(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").

Name of Dividend	Tax exempt (One-tier) Special Interim Ordinary Dividend	Tax-exempt (One-tier) Preference Dividend	
Date of Payment	14 September 2021	30 June 2021	31 December 2021
Dividend Type	Cash	Cash	Cash
Dividend Amount	$0.03 per Ordinary Share	$0.0193 per Preference Share^	$0.0197 per Preference Share^
Dividend rate (in %)	N.A	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	N.A	From 31 December 2020 to 29 June 2021 (both dates inclusive)	From 30 June 2021 to 30 December 2021 (both dates inclusive)
Issue Price	N.A	$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 365 days.*

Subject to ordinary shareholders' approval at the Annual General Meeting to be held on 28 April 2022, the following dividends have been proposed:

Name of Dividend	Proposed Tax-exempt (One-tier) Final Ordinary Dividend	Proposed Tax-exempt (One-tier) Special Final Ordinary Dividend	Proposed Distribution *in specie* of Units in CDLHT
Dividend Type	Cash	Cash	Distribution *in specie*
Dividend Amount	$0.08 per Ordinary Share	$0.01 per Ordinary Share	0.159 CDLHT unit per Ordinary Share

The distribution *in specie* of units in CDLHT (Proposed Distribution) are subject to and conditional upon, *inter alia*, the following:
(i) the completion of the Restructuring Exercise (as defined in paragraph 4.1 of the announcement issued by the Company on 25 February 2022);
(ii) approval of shareholders by way of an ordinary resolution at the Annual General Meeting; and
(ii) all necessary waivers, consents and approvals from, inter alia, the SGX-ST and other third parties in connection with the Proposed Distribution being obtained.

(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	30 June 2020	31 December 2020
Dividend Type	Cash	Cash
Dividend Amount	$0.0194 per Preference Share^^	$0.0196 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

Name of Dividend	Tax-exempt (One-tier) Final Ordinary Dividend	Tax-exempt (One-tier) Special Final Ordinary Dividend
Date of Payment	21 May 2021	21 May 2021
Dividend Type	Cash	Cash
Dividend Amount	$0.08 per Ordinary Share	$0.04 per Ordinary Shares

^^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.

(c) Date payable

Subject to ordinary shareholders' approval at the Annual General Meeting to be held on 28 April 2022, the proposed final and special final Ordinary dividends for financial year ended 31 December 2021 will be payable on 26 May 2022.

(d) Record Date

5.00 pm on 5 May 2022.

7. Interested Person Transactions

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions conducted in FY 2021 under the IPT 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.	Property-related Transactions Provision to interest persons of housekeeping services for a hospitality development; and lease of premises to interested persons	2,025
		Management and Support Services Provision of management and consultancy services by interested persons	620
		Total:	2,645
Directors and their immediate family members			Nil

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

Total Annual Net Dividend

	Full Year 2021 S$'000	Full Year 2020 S$'000
Ordinary	72,552	72,552
Special	36,276	36,276
Preference	12,904	12,904
Total	**121,732**	**121,732**

The final tax-exempt (one-tier) ordinary dividend and special final tax-exempt (one-tier) ordinary dividend for the year ended 31 December 2021 of 8.0 cents and 1.0 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 2021.

The Proposed Distribution *in specie* of units in CDLHT, which is valued at $0.19 for each CDL share held (illustrative valuation based on CDLHT unit price of $1.20) has not been included in the table above.

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

	2021 S$'000	2020 S$'000	Incr/(Decr) %
a) **Revenue**			
- First half	1,192,189	1,072,904	11.1
- Second half	1,433,664	1,035,522	38.4
	2,625,853	2,108,426	24.5
b) **Operating (loss)/profit after tax before deducting non-controlling interests**			
- First half	(18,709)	398	NM
- Second half	158,548	(1,878,911)	NM
	139,839	(1,878,513)	NM

10. **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.

11. **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	81	Father of Mr Sherman Kwek Eik Tse, Executive Director and Group Chief Executive Officer of CDL.	<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. <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.	No Change

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 Sherman Kwek Eik Tse	45	Son of Mr Kwek Leng Beng, Executive Chairman of CDL.	<u>CDL</u> Appointed Group Chief Executive Officer of the Group in 2018 and Executive Director of CDL on 15 May 2019. 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. <u>CDL China</u> Appointed Executive Chairman of CDL China in 2016, with overall executive responsibility for CDL China's investments and operations.	No Change
Mr Kwek Eik Sheng	40	Nephew of Mr Kwek Leng Beng, Executive Chairman of CDL. Cousin of Mr Sherman Kwek Eik Tse, Executive Director and Group Chief Executive Officer of CDL.	<u>CDL</u> Appointed Group Chief Operating Officer ("**Group COO**") on 1 January 2022. As the Group COO, Mr Kwek is responsible for providing leadership to the Group that aligns with its business plan and strategic vision as endorsed by the Board, working closely with Group Chief Executive Officer and other members of the Management Team to drive operational and financial results. <u>M&C</u> Appointed Executive Director of M&C on 18 November 2019, with executive responsibilities including oversight on: (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.	Appointed as Group COO on 1 January 2022. Mr Kwek had previously held the position of Group Chief Strategy Officer.

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 Vincent Yeo Wee Eng	53	Nephew of Mr Kwek Leng Beng, Executive Chairman of CDL. Cousin of Mr Sherman Kwek Eik Tse, Executive Director and Group Chief Executive Officer of CDL.	M&CREIT/M&CBTM 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.	No change

BY ORDER OF THE BOARD

Yeo Swee Gim, Joanne
Enid Ling Peek Fong
Company Secretaries
25 February 2022

News Release

25 February 2022

CDL RETURNS TO PROFITABILITY WITH PATMI OF S$97.7 MILLION AND 24.5% INCREASE IN REVENUE TO S$2.6 BILLION FOR FY 2021

- **Highest annual property sales in the Group's history for FY 2021; 2,185 residential units sold with total sales value of S$4.3 billion**
- **Hotel operations segment returned to profitability in 2H 2021; hospitality sector rebound imminent**
- **Millennium Hilton Seoul divestment for KRW 1.1 trillion completed – marks the Group's capital recycling focus to unlock latent asset values since its privatisation of Millennium & Copthorne Hotels Limited in November 2019**
- **Proposed distribution of 31.1 cents per share[1] for FY 2021 (FY 2020: 12.0 cents), comprising 12.0 cents in cash and distribution *in specie* of CDL Hospitality Trusts units valued at 19.1 cents per share[1] to reward shareholders**
- **Cash reserves of S$2.2 billion; maintains strong liquidity position**

City Developments Limited (CDL) has returned to profitability with net attributable profit after tax and non-controlling interest (PATMI) of S$129.7 million for its second half (2H 2021) and S$97.7 million for the full year ended 31 December 2021 (FY 2021). In comparison, results for the previous corresponding periods in 2H 2020 and FY 2020 were a net loss after tax and non-controlling interest of S$1.9 billion (same for both periods).

The Group's revenue for 2H 2021 increased by 38.4% to S$1.4 billion (2H 2020: S$1.0 billion) and for FY 2021 increased by 24.5% to S$2.6 billion (FY 2020: S$2.1 billion) as revenue contribution from its hotel operations segment across all regions jumped in 2H 2021, particularly in the US and Europe. For FY 2021, the property development segment contributed 48% to total revenue, propelled by strong performing Singapore projects such as Whistler Grand, Amber Park, The Tapestry and Irwell Hill Residences, as well as overseas projects, including Shenzhen Longgang Tusincere Tech Park, and contribution from New Zealand land sales.

As at 31 December 2021, the Group has cash reserves of S$2.2 billion and a strong liquidity position comprising cash and available undrawn committed bank facilities totalling S$3.9 billion. Net gearing ratio (after factoring in fair value on investment properties) stands at 61%.

For FY 2021, the Board is recommending a final ordinary dividend of 8.0 cents per share, as well as a special final dividend of 1.0 cent per share. Additionally, the Board is also proposing to reward shareholders with a special distribution *in specie* (Proposed Distribution) of 144,300,000 stapled CDL Hospitality Trusts (CDLHT) Units on a *pro rata* basis, estimated to be valued at 19.1 cents per share[1]. Together with the special interim dividend of 3.0 cents per share declared in mid-2021, the total distribution to shareholders is expected to be 31.1 cents per share[1] for FY 2021 (FY 2020: 12.0 cents).

[1] Illustrative valuation based on CDLHT unit price of S$1.20.

Financial Highlights

(S$ million)	FY 2021	FY 2020	% Change	2H 2021	2H 2020	% Change
Revenue	**2,625.9**	2,108.4	24.5	1,433.7	1,035.5	38.4
Profit before tax	**227.7**	(1,790.8)	NM	218.0	(1,804.6)	NM
PATMI	**97.7**	(1,917.4)	NM	129.7	(1,920.5)	NM

Important Notes on Proposed Distribution, Capital Position and Net Asset Value

- The Proposed Distribution is yet another positive outcome of the Group's holistic review of its hotel operations segment, following its privatisation of Millennium & Copthorne Hotels Limited (M&C) in November 2019. It reflects the Group's commitment towards capital recycling to enhance efficiency and maximise shareholder value. The Proposed Distribution would result in an accounting deconsolidation of CDLHT from the Group, allowing the Group the potential to book gains on any future sale of assets from the Group to CDLHT should the transaction value exceed the carrying book value of the assets.

- Following the accounting deconsolidation of CDLHT, the Group is expected to recognise an estimated gain of approximately S$467.5 million on a *pro forma* basis. The Group's net gearing (including fair value of investment properties) would also be expected to improve from 61% to 55% on a *pro forma* basis. The Group remains fully committed as a sponsor of CDLHT and will continue to be its largest unitholder with an interest of approximately 27% following the Proposed Distribution.

- The Group's Net Asset Value (NAV) per share as at 31 December 2021 stands at S$9.28 (31 December 2020: S$9.38). 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 NAV (RNAV) per share would be S$15.70 (2020: S$14.26). The higher RNAV is attributable to higher fair value gains on its properties. The Group had obtained external valuations for 88% of its investment properties and 63% of its hotel properties.

Operations Review and Prospects

Resilient sales performance in Singapore and Overseas Markets

- In **Singapore,** the Group and its joint venture (JV) associates sold 2,185 units including Executive Condominiums (ECs), with a total sales value of S$4.3 billion in FY 2021 – the highest annual property sales achieved in the Group's history[2] (FY 2020: 1,318 units with a total sales value of S$1.8 billion). This was largely attributed to two successful launches in 2021: Irwell Hill Residences (540 units) and CanningHill Piers (696 units), which are 77% and 86% sold to date respectively, as well as sustained steady sales of its existing inventory. Residential projects Piermont Grand EC and Whistler Grand are fully sold.

- In **Australia,** the mixed-use JV development named Fitzroy Fitzroy in Melbourne, launched in October 2021, has pre-sold 24% of its 62 apartments and townhouses. The Marker, a JV project in West Melbourne, has pre-sold 81% of its 198 apartments. In New South Wales, a 135-unit JV retirement village project in Bowral has exchanged contracts on all 77 townhouses launched. In December 2021, the Group entered a JV with Brisbane-based developer Metro Group to acquire Kenmore Treetops, located in the leafy suburb of Kenmore. The project will comprise 97 units and is slated for launch in 2022.

- In **China**, the Group continued to sell down its existing inventory, with most projects substantially sold. Hong Leong City Center (HLCC), a mixed-use development in Suzhou Industrial Park, has sold 92% of its 1,813 residential and retail units to date. Current occupancy at HLCC's Grade A office

[2] The last annual high was achieved in FY 2007 with S$3.4 billion in total sales value with 1,655 units sold.

tower and mall stands at 94% and 87% respectively. In Chongqing, its 126-unit JV project Eling Palace has sold 91% and in Shanghai, Hongqiao Royal Lake, a luxury development in Qingpu District, has sold 84% of the 85 villas.

Project Launch Pipeline for Singapore

- Three residential launches in Singapore are in the pipeline for 2022. First up will be Piccadilly Grand, a 407-unit mixed-use development JV project at Northumberland Road with direct access to the Farrer Park MRT station comprising apartments with commercial space on the ground floor (to house F&B, shops and a childcare centre). This project is slated for launch in 1H 2022.

- In 2H 2022, a 639-unit JV EC project at Tengah Garden Walk located in Tengah New Town within walking distance to three upcoming MRT stations and near the Jurong Innovation District will be launched for sale. In addition, the residential component of the 80 Anson Road integrated development (formerly known as Fuji Xerox Towers) with 256 units will also be launched. Located within the CBD, this freehold development is near the Tanjong Pagar MRT station and the upcoming Prince Edward MRT station as well as the Greater South Waterfront, an exciting new gateway to a future-forward live, work and play urban precinct.

Redevelopment and Portfolio Rejuvenation

- Demolition works for 80 Anson Road (former Fuji Xerox Towers) have commenced and construction is expected to begin in end-2022. This project, under the Urban Redevelopment Authority (URA) CBD Incentive Scheme, is the first integrated development to achieve the Building and Construction Authority (BCA) Green Mark Platinum Super Low Energy (SLE) certification, with SLE certification for the residential, serviced apartment, office and retail categories.

- In December 2021, the Group announced its redevelopment plans for its Central Mall properties into a large-scale mixed-use development following the acquisition of Central Square for S$315 million. The enlarged site, comprising office, retail, hospitality and potentially a residential component, will be redeveloped under URA's Strategic Development Incentive Scheme. It will yield a significant GFA uplift of about 67% to approximately 735,500 sq ft.

Group Divestments and Capital Recycling

- In December 2021, the Group signed a Sale and Purchase Agreement (SPA) with an entity managed by IGIS Asset Management to divest the Millennium Hilton Seoul and the adjoining land site for KRW 1.1 trillion (approximately S$1.25 billion). The sale transaction was completed on 24 February 2022 and the Group expects to recognise a total estimated net gain on disposal of S$528.83 million.

- The public tender (launched in December 2021) for the collective sale of Tanglin Shopping Centre[3] closed on 22 February 2022 with a top bid of S$868 million (or S$2,769 psf ppr). This collective sale exercise will enable the Group to unlock value and realise a significant capital gain from its investment, which it has held since 1981. The sale is subject to the approval of the Strata Titles Board and other conditions.

Further expansion into the Private Rented Sector (PRS)

- In the UK, following the acquisition of a 250-year leasehold site in Birmingham's Paradise precinct in December 2021, the Group has three PRS projects with a pipeline of over 1,300 units. The 16,760 sq ft site in Birmingham will be developed into The Octagon, an iconic 155-metre tower with 370 units, at an estimated total development cost (including land cost of £6.5 million) of around £110 million (S$200 million). Completion is expected in 2025. In August 2021, CDLHT had also acquired a 352-unit forward-funded PRS project in Manchester.

[3] Through King's Tanglin Shopping Pte Ltd, a wholly-owned subsidiary of M&C, the Group owns about 34.6% of Share Value and 60.2% of Strata Area in the freehold strata-titled development.

- In Japan, the Group has five PRS projects located in Osaka and Yokohama with 242 units, and another two PRS projects totalling 207 units in Yokohama pending sale completion.

Mr Kwek Leng Beng, Executive Chairman of CDL, said, "Whilst the COVID-19 pandemic persists and presents uncertainties, the overall global outlook remains positive this year with the resumption of travel, opening of borders and an overall resolution to push ahead to open economies. The Group's hotel operations segment is poised for a long-awaited imminent rebound, boosted by pent-up demand for tourism and corporate travel. The Group will move forward swiftly to execute and deliver on our strategy. We will continue to review and optimise our hospitality portfolio through operational improvements, refurbishments, redevelopments and divestments to extract value. At the same time, to generate sustainable returns for shareholders, we will be agile and opportunistic to redeploy our capital to acquire assets in resilient sectors. The Proposed Distribution demonstrates our commitment and appreciation to our shareholders."

Mr Sherman Kwek, Group Chief Executive Officer of CDL, said, "As we emerge from the aftermath of the COVID-19 disruptions, the Group has progressed with its Growth, Enhancement and Transformation (GET) strategy to expand, unlock value and transform for the future. Our capital recycling initiatives, as demonstrated by the divestment of Millennium Hilton Seoul and Tanglin Shopping Centre as well as the deconsolidation of CDLHT, will enable the Group to strengthen our balance sheet and maximise shareholder value. The Group is well-positioned to redeploy capital to higher growth assets and expand our diversified portfolio in our key markets. With improving macroeconomic conditions ushering in a brighter outlook, the Group resumes its journey with increased confidence, backed by resiliency and strong fundamentals."

Please visit www.cdl.com.sg for CDL's FY 2021 financial statement.

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City Developments Limited

Trusted Since 1963

FY 2021

Results Presentation

25 February 2022

Artist's Impression

CanningHill Piers I Singapore

Agenda

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

Artist's Impression
CanningHill Piers I Singapore

Overview >>>

Key Financial Highlights

FY 2021	Revenue	EBITDA	PBT	PATMI
	$2.6B	**$706.9MM**	**$227.7MM**	**$97.7MM**
FY 2020				
	$2.1B	**($1.4B)** $367MM (exclude Sincere)	**($1.8B)** ($14MM) (exclude Sincere)	**($1.9B)** ($140MM) (exclude Sincere)

For FY 2021, the property development segment contributed 48% to total revenue, propelled by strong performing Singapore projects such as Whistler Grand, Amber Park, The Tapestry and Irwell Hill Residences, as well as overseas projects, including Shenzhen Longgang Tusincere Tech Park which the Group acquired in February 2021, and contribution from New Zealand land sales.

Led by the gradual recovery in the hospitality sector with the easing of COVID-19 restrictions, the hotel operations segment returned to profitability in 2H 2021 compared to the loss in 1H 2021, underpinned by reversals of impairment losses on hotel properties previously made.

The property development segment continued to be the main contributor to the Group's pre-tax profit for FY 2021.

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

Key Financial Highlights

FY 2021

NAV per share

$9.28

▼ 1.1% YoY

FY 2020

$9.38

RNAV per share

$15.70

▲ 10.1% YoY

FY 2020:

$14.26

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

$18.61
If revaluation surpluses of the hotel portfolio had been included (based on 2021 internal & external valuations)

FY 2021

Proposed Distributions

31.1*
cents per share

FY 2020:

12.0 cents

Comprises:

- Dividends
  - Special Interim Dividend: – 3.0 cents
  - Final Dividend: – 8.0 cents
  - Special Final Dividend: – 1.0 cents
- Distribution *in specie* CDLHT share: – estimated value at 19.1 cents*

Share Price Performance

$6.81^

▼ 14.6%

^ As of 31 Dec 2021

* Illustrative valuation based on CDLHT unit price of $1.20

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

Key Financial Highlights – RNAV

Increase in RNAV due to Higher Valuations for Investment Properties and Hotels

$16.6B
Valuation as at 31 Dec 2020

↑ 7%

$17.8B
Valuation as at 31 Dec 2021

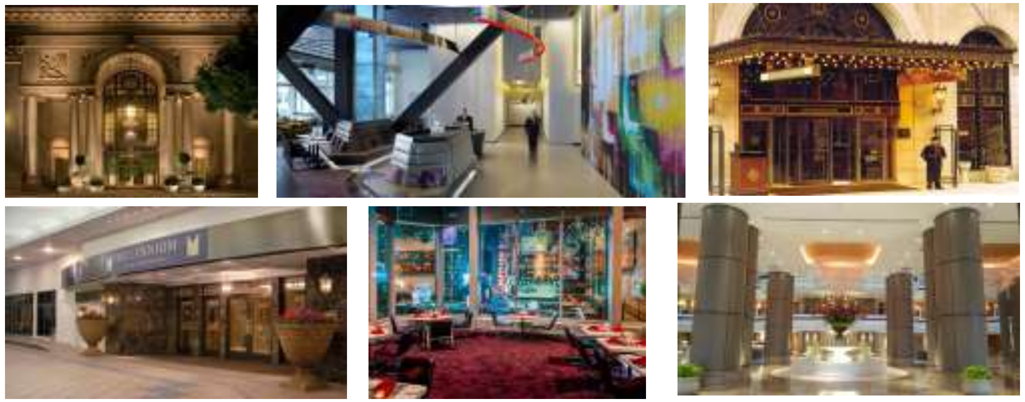
	Valuation as at 31 Dec 2020	Valuation as at 31 Dec 2021	Variance		RNAV/share
	$MM	$MM	$MM	%	$
Investment Properties	8,901	9,946	1,045	12%	▲ 1.54
Hotels	7,710	7,804	94	1%	▲ 0.29
Total	**16,611**	**17,750**	**1,139**	**7%**	**▲ 1.83**

Investment Properties ~ 88% externally valued

→ Conservative valuation by in-house valuers previously

Hotel Properties ~ 63% externally valued

→ Leading indicator of improving hospitality sector



Key Operational Highlights – FY 2021

Property Development	▪ **SINGAPORE:** Sold 2,185 units with record annual total sales value of $4.3B* – 696-unit CanningHill Piers was the best-selling project launch in the Central Area in 2021 ▪ Strategic expansion of Singapore residential land bank with 3 GLS site acquisitions – Piccadilly Grand (Northumberland Road) (407 units) – Tengah Garden Walk EC site (Est 639 units) – Upper Bukit Timah Road site (Est 408 units) ▪ **CHINA:** Existing residential inventory substantially sold – Emerald (100%), HLCC (92%), Eling Palace (91%), Hongqiao Royal Lake (84%) ▪ **AUSTRALIA:** Launched Fitzroy Fitzroy project in Melbourne; pre-sold 24% of 62 apartments and townhouses
Asset Management	▪ **SINGAPORE:** Resilient committed occupancy for core Singapore office & retail portfolio: – **Office**: 93.3% (NLA: 1.7MM sq ft) – **Retail**: 93.8% (NLA: 686,000 sq ft) ▪ **OVERSEAS:** Stable occupancy for office assets in London and China
Hotel Operations	▪ Overall improvements in hotel occupancies with relaxation in border restrictions: – **Global occupancy:** 51.0% (▲ 12.4% pts yoy) – **Global ARR:** $154.80 (▲ 12.3% yoy) – **Global RevPAR:** $78.90 (▲ 48.6% yoy) ▪ Launch of M Social Hotel New York Times Square in end May and M Social Hotel Paris Opera in Sep ▪ Divestment of Millennium Hilton Seoul for KRW 1.1T (approx. $1.25B)
Fund Management	▪ Continue to build pipeline, in active collaboration with capital partners to acquire new AUM – Supported IREIT's acquisition of 27 retail assets from the France Decathlon portfolio through a 10-year sale-and-leaseback arrangement for €110.5MM – Applications made for proposed IPO and listing on SGX-ST of a REIT with UK commercial assets

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

Portfolio Composition by Segment – FY 2021

FY 2021

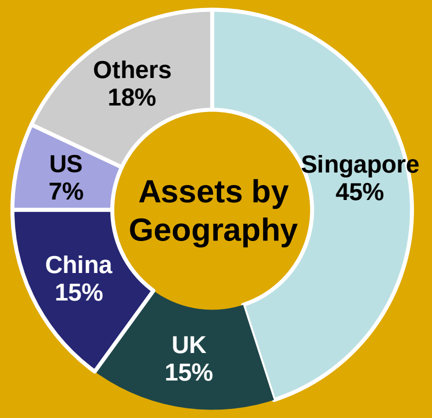
EBITDA *	Segment	Total Assets
$706.9MM		$23.9B
$322.4MM	Property Development	$9.8B
$111.1MM	Hotel Operations	$6.1B
$200.2MM	Investment Properties	$6.6B
$73.2MM	Others	$1.4B

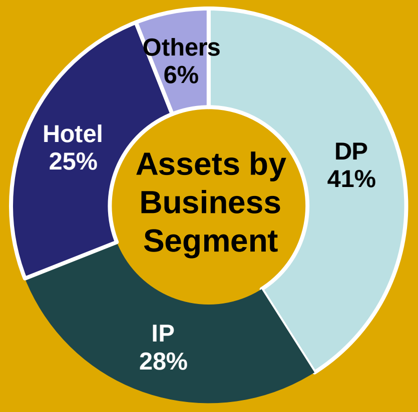
* Earnings before interest, tax, depreciation and amortization

Global Portfolio Overview

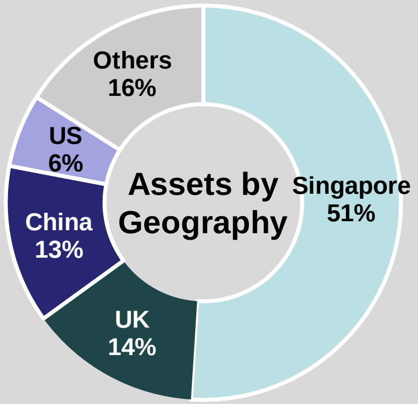
The Group's diversified portfolio enables it to weather cyclical typhoons from time to time

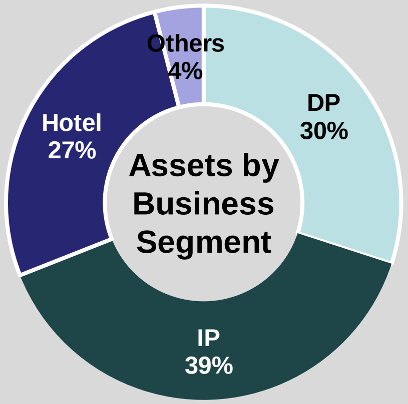
Total Assets:
$23.9B
(Book Value)





Total Assets:
$32.4B
(Fair Value of IP + Hotels)





Strategic Initiatives >>>

GET Strategy

Accelerate Transformation of Asset Portfolio and Business Operations for Growth

Growth
Enhancement
Transformation


Artist's Impression

Growth

- **Build development pipeline & recurring income streams**

Enhancement

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


Artist's Impression

Transformation

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

GET Strategy Execution

Growth

- **3 project launches: Irwell Hill Residences** and **CanningHill Piers** in Singapore, **Fitzroy Fitzroy** in Australia
- **Active land replenishment:**
  - **5 sites in Singapore:** Northumberland Road, Tengah Garden Walk EC, Upper Bukit Timah Road, Central Square and Jalan Tembusu
  - **1 site in Australia: Kenmore** in Brisbane
- **Expand Private Rented Sector (PRS) portfolio**:
  - Acquisition of Octagon site in Birmingham, UK
  - Acquisition of another 2 PRS projects in Yokohama, Japan

Enhancement

- **Asset rejuvenation initiatives:** Redevelopment of **Fuji Xerox Towers** (CBD Incentive Scheme) and **Central Mall** and **Central Square** (Strategic Development Incentive Scheme)
- **Asset Enhancement Initiatives (AEIs)**: **Palais Renaissance, King's Centre and Tower Club** in Singapore and **Jungceylon** in Phuket, Thailand
- **Asset repositioning: Sunnyvale** in California, US and **M Social brand conversions** (launch of rebranded M Social Hotel New York Times Square and M Social Hotel Paris Opera)

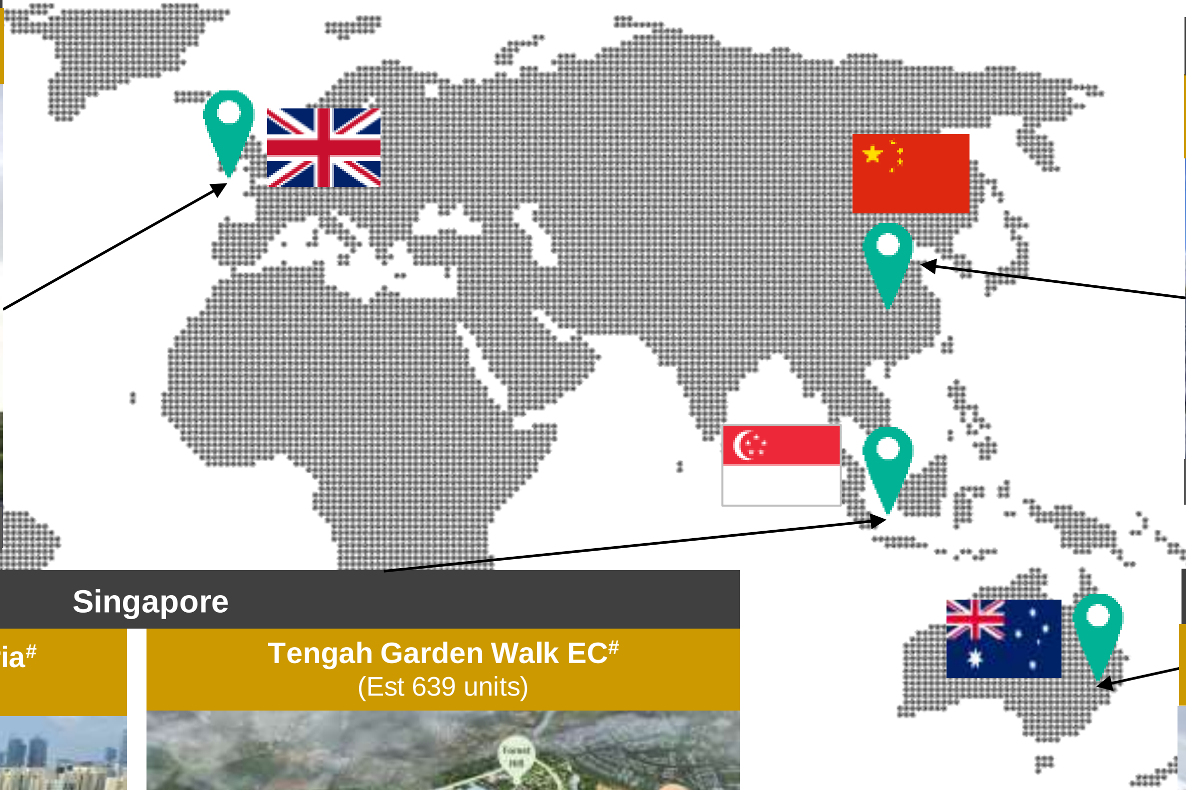
Transformation

- **Progressing with IPO of Singapore-listed REIT** with UK commercial properties
- **Strategic review of M&C and hospitality portfolio** – Focus on capital recycling to unlock value
- **Innovation & venture capital**

Growth

- Build development pipeline & recurring income streams

Completed Strategic Acquisitions & Investments – FY 2021



United Kingdom

Octagon, Birmingham
(370 units)

£6.5MM ($11.9MM)

China

65% effective stake in Shenzhen Longgang Tusincere Tech Park

RMB 1.1B ($228MM)[@]

Singapore

Piccadilly Grand & Galleria[#]
(407 units)

$445.9MM

Tengah Garden Walk EC[#]
(Est 639 units)

$400.3MM

Australia

Kenmore Treetops, Brisbane[#]
(Est 97 units)

A$16.2MM ($16.4MM)

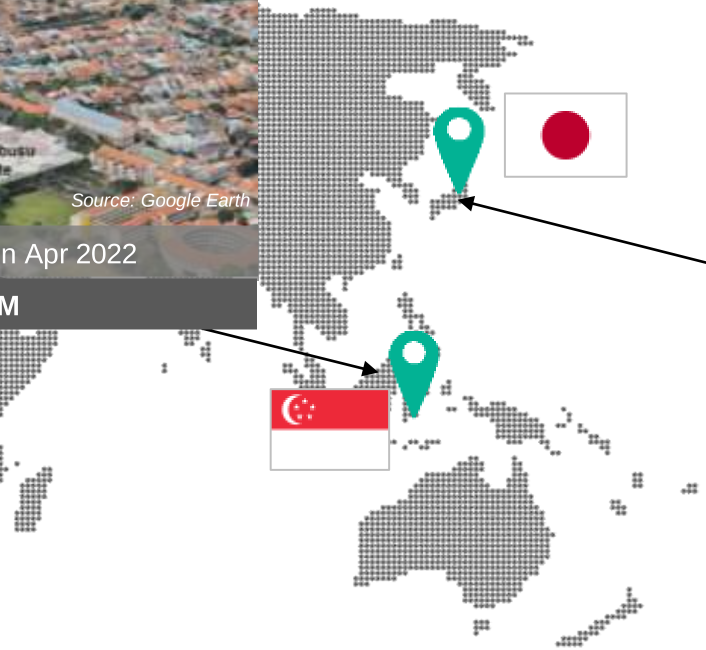
[#] JV project – CDL owns 50% attributable share

[@] Equity price for 65% effective stake, excludes proportionate share of existing shareholder loans

Committed Strategic Acquisitions & Investments

GROWTH

Pending Completion in FY 2022



Singapore

Upper Bukit Timah Road
(Est 408 units)

Est. completion in Mar 2022

$126.3MM

Jalan Tembusu#
(Est 640 units)

Source: Google Earth

Est. completion in Apr 2022

$768MM

Central Square

Est. completion in Mar 2022

$315MM

Japan

Tobe Residence
(117 residential + 1 retail units)

LOC's Yokohama Bayside
(89 residential units)

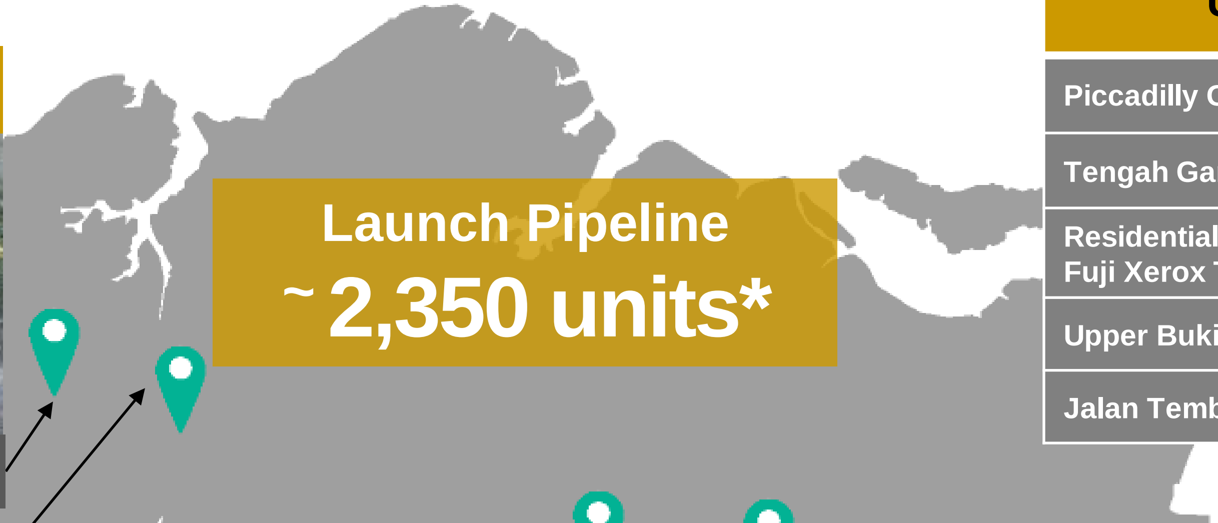
Est. completion in Apr 2022

JPY 4.9B ($60.5MM)

JV project

Singapore Residential Launch Pipeline

Diversified pipeline ranging from Mass Market to High-end projects



Launch Pipeline

~ 2,350 units*

Tengah Garden Walk EC^#
(Est 639 units)

Land cost: **$400.3MM**
($603 psf ppr)

Upper Bukit Timah Road # ~
(Est 408 units)

Land cost: **$126.3MM**

Redevelopment of Fuji Xerox Towers#
(Est 256 units)

Piccadilly Grand & Galleria^
(407 units)

Land cost: **$445.9MM**
($1,129 psf ppr)

Jalan Tembusu^# ~
(Est 640 units)

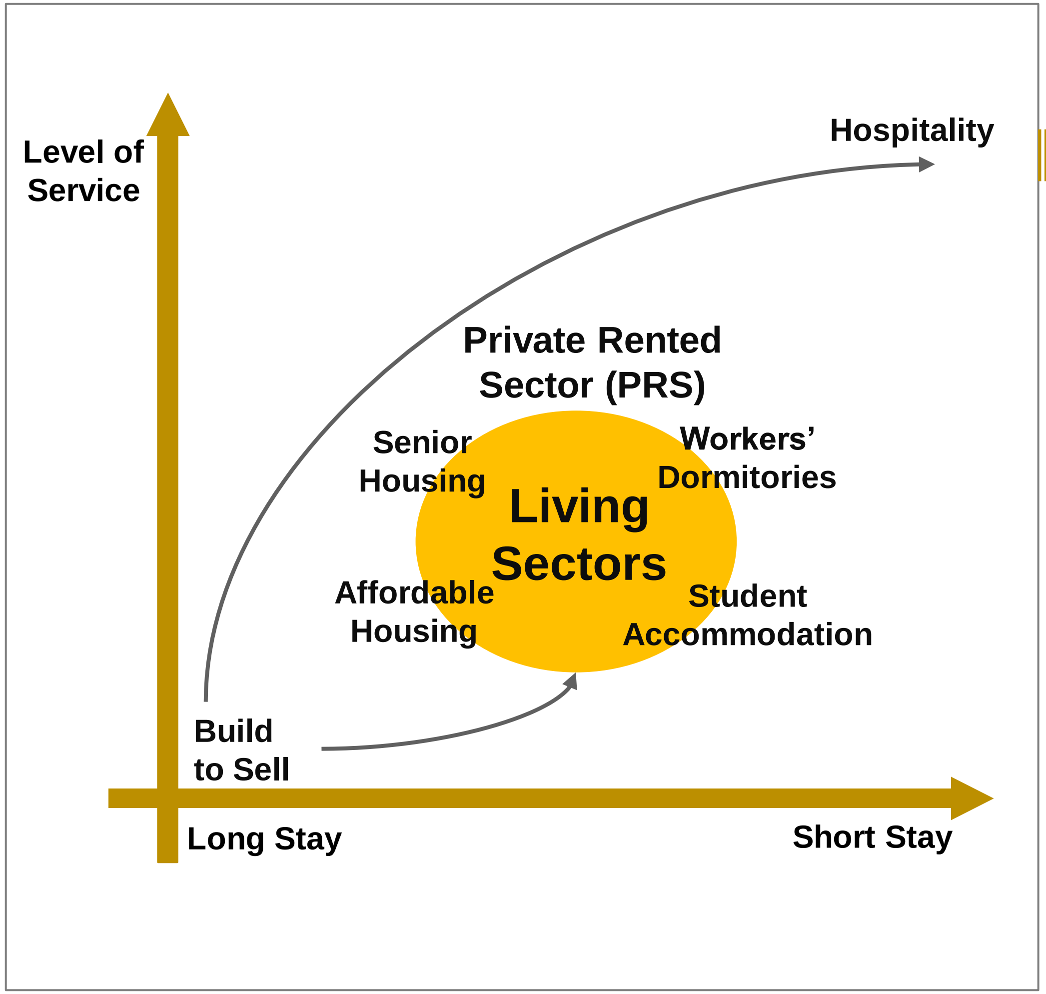
Land cost: **$768.0MM**
($1,302 psf ppr)

Upcoming Launches	
Piccadilly Grand & Galleria^	1H 2022
Tengah Garden Walk EC^#	2H 2022
Residential component of Fuji Xerox Towers redevelopment #	2H 2022
Upper Bukit Timah Road # ~	1H 2023
Jalan Tembusu^ # ~	1H 2023

* Includes JV partners share. ^ JV project.

~ Pending sale completion # Subject to Authorities' Approval.

Living Sectors Complement CDL's Expertise



- CDL's core competence and skill sets allow us to maintain flexibility in calibrating our strategy for living assets
- Our track record and inherent expertise in property development, asset management as well as hospitality will make the living sectors a natural fit for CDL as an investor, an asset owner and an operator

GROWTH

Total PRS Portfolio

Operational

S/N	Project name	Total No. of Units	Occupancy
	United States		
1	1250 Lakeside (Sunnyvale)	250	82%
	Sub-total	**250**	
	Japan		
1	Horie Lux	34	100%
2	Pregio Joto Chuo	48	98%
3	B-Proud Tenmabashi	26	96%
4	Pregio Miyakojima Hondori	56	89%
5	City Lux Yokohama	78	98%
	Sub-total	**242**	
	TOTAL	**492**	

Pipeline

S/N	Project name	Total No. of Units
	Japan	
1	Tobe Residence	118
2	LOC's Yokohama Bayside	89
	Sub-total	**207**
	United Kingdom	
1	The Junction (2022/23)	665
2	Octagon (2025)	370
	Sub-total	**1,035**
	TOTAL	**1,242**

Overall: 1,734 units (operational and pipeline)

Overview of PRS Portfolio: A Growing Footprint in UK

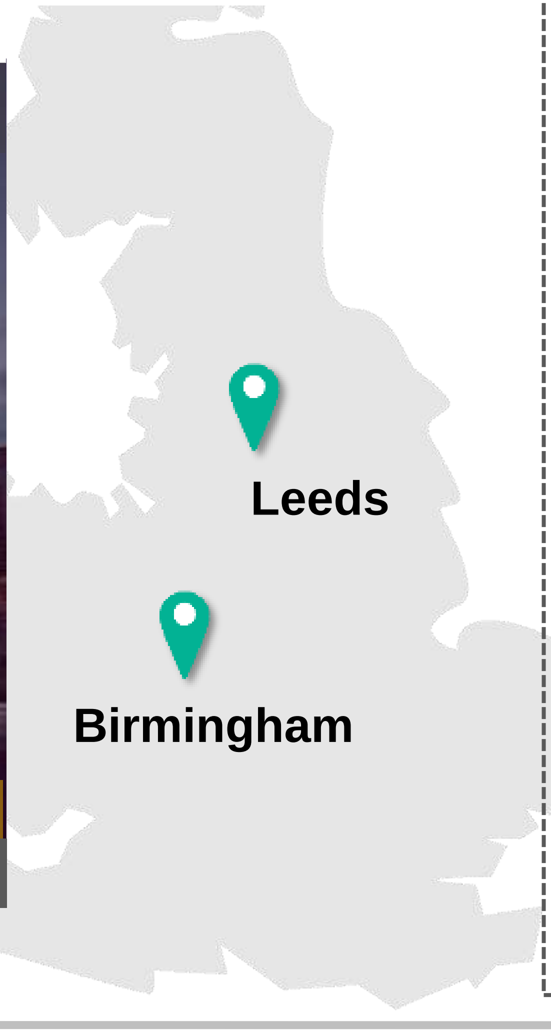
PRS assets comprising **1,035 units** in Leeds and Birmingham with **total TDC** of **£247.6MM ($450.2MM)**

Site acquired in 2019

The Junction, Leeds
665 residential units

Practical Completion from Q3 2022 to Q3 2023

Land cost: £15.4MM ($27.5MM)



Site acquired in Dec 2021

Octagon, Birmingham
370 residential units

Practical Completion est. in Q3 2025

Land cost: £6.5MM ($11.9MM)

Currency exchange rate: S$1 = £0.55

GROWTH

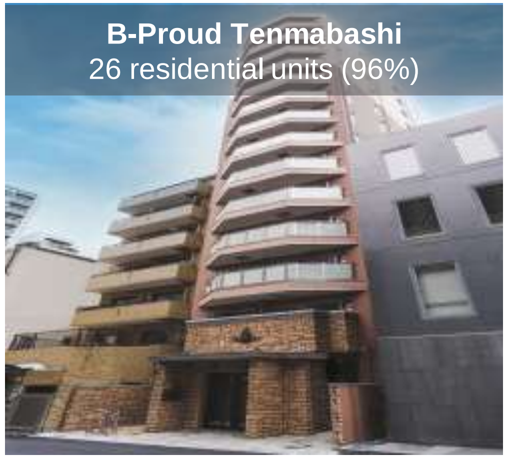
Overview of PRS Portfolio: A Growing Footprint in Japan

PRS assets comprising **449 units** in Osaka and Yokohama with **total AUM** of **¥12.7B ($165.1MM)**

Freehold residential properties acquired in 2019 / 2020

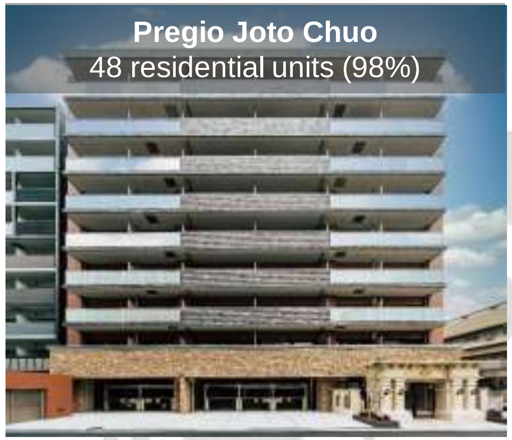
Horie Lux
29 residential + 5 retail units (100%)

B-Proud Tenmabashi
26 residential units (96%)



Pregio Miyakojima Hondori
56 residential units (89%)

Pregio Joto Chuo
48 residential units (98%)



New acquisition, estimated completion in Apr 2022

Tobe Residence
117 residential + 1 retail unit

TOP estimated in March 2022

LOC's Yokohama Bayside
89 residential units (99%)

TOP obtained in March 2021

Freehold apartment acquired in 2020

City Lux Yokohama
78 residential units (98%)

Currency exchange rate: S$1 = ¥76.9

Occupancy as at 31 Jan 2022

Enhancement

- Enhance asset portfolio
- Drive operational efficiency

Artist's Impression

80 Anson Road I Singapore

Enhancing 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

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**

ENHANCEMENT

Asset Rejuvenation & Redevelopment to Unlock Value

80 Anson Road
(former Fuji Xerox Towers)

Proposed Redevelopment Under CBD Incentive Scheme*:

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

Residential	Serviced Apartments	Commercial
35% (256 units^)	**25%** (197 rooms^)	**40%**

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

Central Mall & Central Square

Proposed Redevelopment Under Strategic Development Incentive Scheme*:

20-storey freehold mixed-use
integrated development comprising
office, retail, hotel and serviced apartments

**Potential uplift in GFA by 67%
to approximately 735,500 sq ft**

Change of Use

Commercial / Hotel Assets

Current & past projects include:

- **Boulevard 88 / The Singapore EDITION** (former Boulevard Hotel)
- **The Glyndebourne** (former Copthorne Orchid Hotel)
- **One Shenton** (former Robina House)
- **The Equatorial** (former Equatorial Hotel)

Other Potential Assets

City House
Potential redevelopment under CBD Incentive Scheme

* Subject to authorities' approval | ^ Planned number of units / rooms (subject to authorities' approval)

ENHANCEMENT

Redevelopment of Central Mall & Central Square

Rejuvenation of Singapore River Precinct with Strategic Acquisition of Central Square

Enlarged site to be redeveloped into an iconic mixed-use development

ENHANCEMENT

Enhancement of Existing Assets in Singapore

Asset Rejuvenation to Unlock Value and Strengthen Recurring Income Streams

Tower Club – Ba Xian Dining

Target Completion: 1H 2022

Work scope:

Interior refresh for Ba Xian's main dining, private dining and restrooms, including new furniture and furnishing

King's Centre

Target Completion: 1H 2022

Artist's Impression

Work scope:

Enlarge main lobby and upgrade common areas

Palais Renaissance

Work scope:

Create a wider and more inviting main entrance with alfresco F&B area; upgrade common areas including lobbies and restrooms

Target Completion: 1H 2022

Insta-worthy Feature Wall at Basement
Artist's Impression

ENHANCEMENT

Ongoing Asset Enhancement Initiative (AEI) – Jungceylon

- **Timely AEI to rejuvenate mall which opened in 2006**
- **Increase NLA, enhance shoppers' experience with new-to-market concepts & refreshed experiential trade mix**

Design Inspiration From Tropical Garden & Eco-Sanctuary

The planned works will be completed in phases, with the **first phase opening in Q4 2022. On completion in Q4 2023, Jungceylon is projected to strengthen its foothold as a shopping paradise in Patong, Phuket.**

Millennium Resort Patong Phuket will also be undertaking AEIs to rebrand both lakeside and beachside hotels to M Social Phuket.

ENHANCEMENT

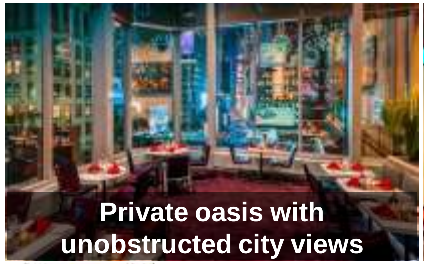
M&C – Completed Hotel Asset Repositioning in 2021

Opening of M Social New York (May 2021)

First M Social Property in US

480-room hotel located in the heart of Times Square

- Located in the heart of Manhattan, in the Times Square Theater district, the hotel is within walking distance to New York's best attractions, including Theatre District, Central Park and Fifth Avenue



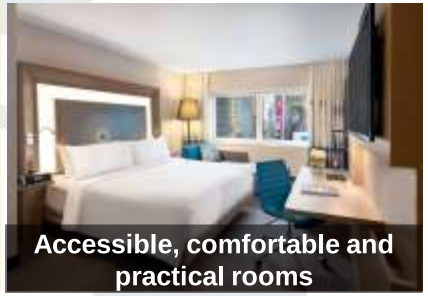
Private oasis with unobstructed city views

Artistically infused lobby

MSOCIAL

M Social Hotel New York Times Square

M Social Hotel Paris Opera



Accessible, comfortable and practical rooms

Opening of M Social Paris Opera (Sep 2021)

First M Social Property in Europe

163-room hotel on Boulevard Haussmann

- New lifestyle rebranding merged the elegance of the historical Parisian DNA with contemporary design, vibrant art and inviting rooms
- Walking distance to some of the city's most famous landmarks including the Louvre, the Sacré-Cœur and the Moulin Rouge

Signature Room

La Sweetie

La Grande Sweetie

M&C – Ongoing Hotel Asset Development

ENHANCEMENT

1250 Lakeside (Sunnyvale, California)

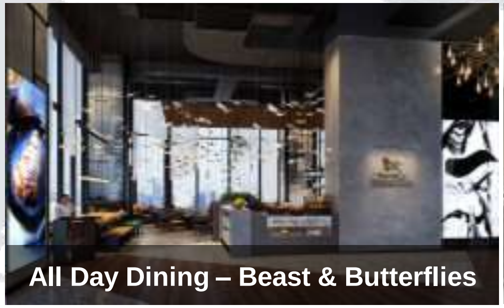
MSOCIAL

M Social Brand Conversion 2022/2023

- NEW YORK DOWNTOWN
- LONDON (First M Social in England)
- PHUKET (First M Social in Thailand)
- SUZHOU (First M Social in China)

M Social Suzhou

Ballroom



All Day Dining – Beast & Butterflies

Autumn Scheme
Standard Guestroom

ENHANCEMENT

ESG Achievements

Ranked on 13 Leading Global Sustainability Ratings and Rankings

LATEST ESG MILESTONES

Bloomberg Gender-Equality Index 2022	GLOBAL 100 2022 — Rose to 5th from 40th	CDP A LIST 2021 CLIMATE WATER; CDP SUPPLIER ENGAGEMENT LEADER 2021	TERRA CARTA
Only Singapore real estate company listed since 2018	- World's top real estate company for 2 consecutive years, - Top Singapore company - 1st & only Singapore company listed for 13 consecutive years	Only company in Southeast Asia & Hong Kong to achieve double 'A' honour for both climate change & water security for 3rd consecutive year	One of 45 companies globally and the only Singapore company to receive the Seal from His Royal Highness (HRH) The Prince of Wales

Ranked #4 Singapore Governance and Transparency Index 2021

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 Real Estate sector leader 2021 — Since 2017

Corporate ESG Performance Prime, Rated by ISS ESG — Rated Prime Since 2018

STOXX Member 2021/2022 ESG Leaders Indices — Since 2014

Euronext Vigeo Eiris Indices World 120 — Since 2018

Sustainalytics ESG Global 50 Top Rated; Sustainalytics ESG Industry Top Rated — Since 2020

SGX iEdge SG ESG Indices — Since 2016

ENHANCEMENT

Embedding Strategic ESG Initiatives

Driving Business Transformation through Climate Ambitions

Committed to Net Zero Carbon Operations

- Feb 2021 – Pledged to achieve net zero operational carbon by 2030 for CDL's new and 13 existing wholly-owned assets under our direct management and operational control
- Nov 2021 – Joined 44 pioneering companies to pledge for whole life carbon reduction. Maximise reduction in embodied carbon and compensate residual upfront emissions via offsetting for new developments by 2030. Advocate for all buildings to be net zero carbon by 2050.
- Renewed SBTi-validated GHG emissions reduction targets to align with COP26-advocated 1.5ºC warmer scenario
- More stringent and aspirational goals by shifting baseline year from 2007 to 2016
- Reduction of Scope 1 and 2 GHG emissions by 63% by 2030 with renewed baseline year of 2016
- Wider commitment to reduce Scope 3 GHG emissions from embodied carbon of building materials (by 41%) and from investments (by 58.8%)

WORLD GREEN BUILDING COUNCIL

ADVANCING NET ZERO

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

2021 Highlight: "Change the Present, Save the Future" Exhibition at CDL Green Gallery

- Jointly organised with NParks, the exhibition focuses on building climate resilience through global collaboration
- Reinforces collaborative efforts between private and public sectors in support of the Ministry of Sustainability and the Environment's (MSE) Climate Action Week 2021 and the Singapore Green Plan 2030
- Net zero-certified exhibition leverages energy-efficient fittings, on-site solar generation and off-site renewable energy

The exhibition launch was graced by Ms Grace Fu, Minister for Sustainability and the Environment (2nd from left)

Strategic Focus on Green Financing Streams

Enhancing Linkage between Capital Markets and Sustainability Performance

>$3B
Sustainable financing secured since 2017

Green Bonds & Loans

Apr 2017: $100MM

1st Green Bond issued by a Singapore company

Apr 2019: $500MM

1st Green Loan for New Property Developments

Dec 2020: $470MM

Green Revolving Credit Facility

Apr 2021: $1.22B

South Beach Consortium 5-year Green Loan for South Beach*

Aug 2021: $847MM

Green loans for 2 newly-acquired GLS sites at Northumberland Road* and Tengah Garden Walk*

Sustainability Innovation

Sep 2019: $250MM

SDG Innovation Loan

- First-of-its-kind sustainability-linked loan connected to innovation and SDGs
- **Aug 2021: Secured interest rate discount** based on successful pilot of DigiHUB by CBM (CDL's FM subsidiary) at Republic Plaza
- It has scaled up and is applied to properties of CDL and other buildings

A SMART enterprise platform for building performance management developed by CBM to achieve manpower and resource efficiencies

* JV project

Transformation

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

View from 125 Old Broad Street | London

Transforming Business Through Diversified Platforms

Platform Initiatives

Fund Management

AUM Target:
US$5B by 2023

Strategic Investments

MILLENNIUM HOTELS AND RESORTS

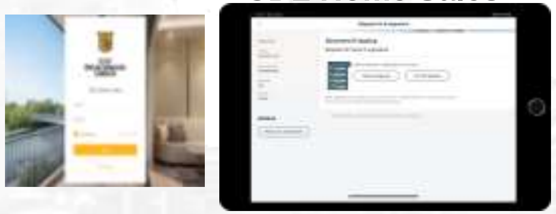
Privatisation to achieve synergies, cost efficiencies and drive profitability

Innovation & Venture Capital

CITYNEXUS

digiHUB

CDL Home Sales



CDL's in-house proprietary Home Sales and e-Balloting Systems

Transforming Business Through Diversified Platforms

Platform Initiatives

Fund Management

**AUM Target:
US$5B by 2023**

Strategic Investments

MILLENNIUM HOTELS AND RESORTS

Privatisation to achieve synergies, cost efficiencies and drive profitability

Innovation & Venture Capital

CITYNEXUS

digiHUB

CDL Home Sales

CDL's in-house proprietary Home Sales and e-Balloting Systems

Fund Management: Two-Pronged Strategy

Organic Growth

Target AUM
US$5B AUM by 2023

Merger & Acquisitions

Listed

Core

- **Build out platform for core real estate**
- **Investors: Institutional investors, high net worth individuals and retail investors**

- Invest in listed space
- New listings/IPO

- Establish partnerships and set up private platforms
- Divest core assets to listed platforms with significant premium, creating a virtuous cycle in support of capital recycling strategy

- **Non-listed space will focus on value-add opportunities to provide pipeline assets for core/listed platform**
- **Investors: Institutional investors and ultra high net worth individuals**

Non-Listed

Value-Add

IREIT Global

76% Growth in AUM

Since investment in Apr 2019, **AUM grew from €504.9MM ($813.0MM) to €889.7MM ($1.4B)**

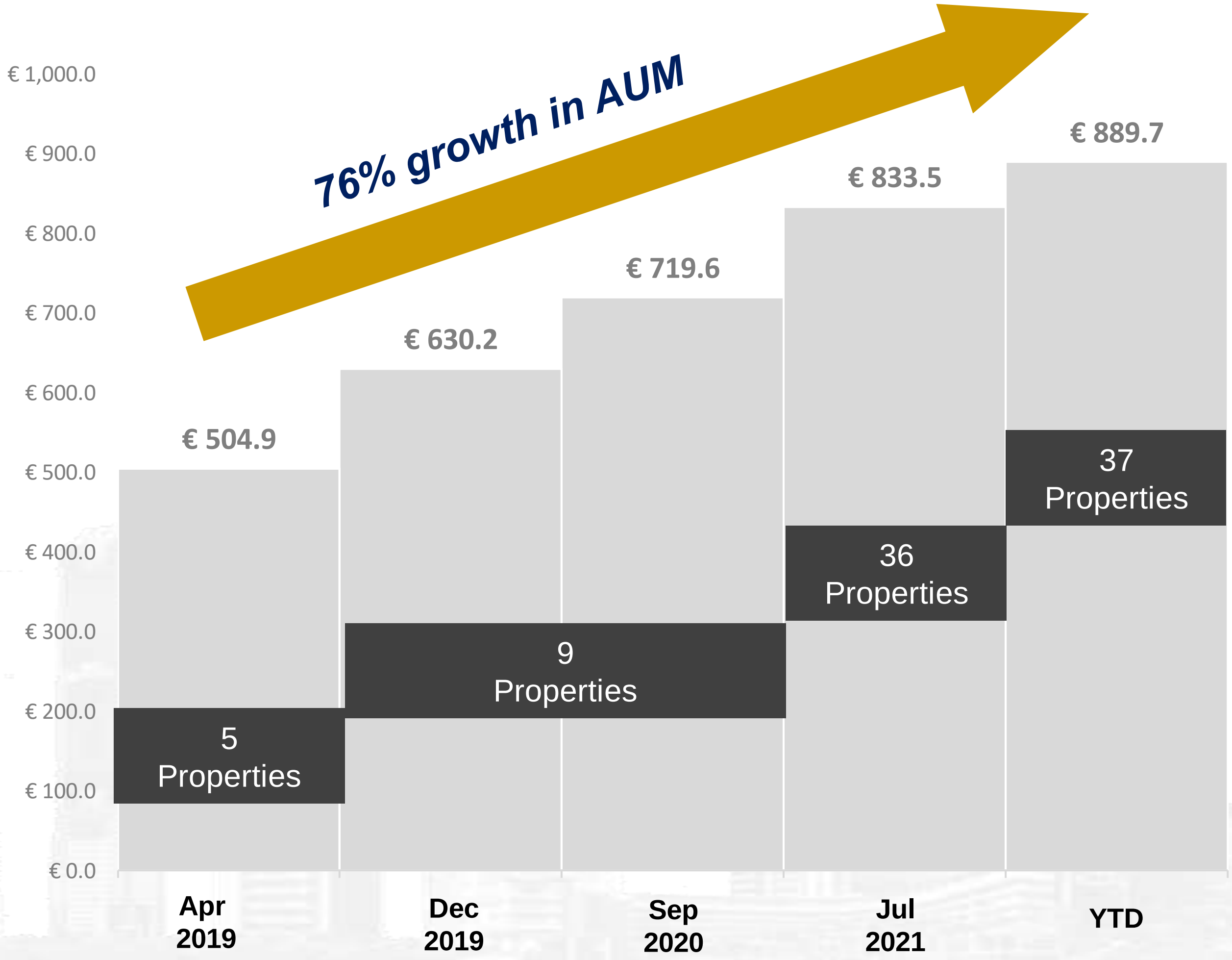
Acquired a total of 21% stake in IREIT Global's units and 50% stake in REIT Manager:

- 12.5% in 2019
- 8.4% in Apr 2020

Successful Equity Fund Raising Exercise

- **Oct 2020**: recorded a successful fund-raising exercise of $143MM which was 1.66x oversubscribed
- **Jul 2021**: another successful fund-raising exercise of $127MM which was 1.51x oversubscribed

IREIT AUM (€MM)



Transforming Business Through Diversified Platforms

Platform Initiatives

Fund Management

AUM Target:
US$5B by 2023

Strategic Investments

MILLENNIUM HOTELS AND RESORTS

Privatisation to achieve synergies, cost efficiencies and drive profitability

Innovation & Venture Capital

CITYNEXUS

digiHUB

CDL Home Sales

CDL's in-house proprietary Home Sales and e-Balloting Systems

Strategic Review of Hospitality Portfolio

Active Asset Portfolio Rebalancing Initiatives following M&C Privatisation in 2019

Capital Recycling

Streamline portfolio though **opportunistic asset divestments** to unlock value and reallocate capital for growth

Portfolio Restructuring & Asset Repositioning

Enhance portfolio and investment structures to improve asset performance and returns

Drive Operational Efficiency

Reap synergies and economies of scale through **reorganisation of structures and processes**

Strategic asset divestments post privatisation – Millennium Cincinnati, Copthorne Hotel Birmingham, Millennium Hilton Seoul and Tanglin Shopping Centre

MILLENNIUM HOTELS AND RESORTS

CDL HOSPITALITY TRUSTS

Rebalance portfolio to unlock value

Improving productivity by harnessing technology and digital transformation

Active Capital Recycling Focus

Significant Divestments of M&C-owned Assets

- Execution of strategic divestments to enhance efficiency and maximise shareholder value
- Unlock deep value of investment assets held at low book value

Millennium Hilton Seoul and adjoining land site

Signed SPA Date:	10 December 2021
Site Area:	219,058 sq ft
Site Tenure:	Freehold
Sale Price:	KRW 1.1 trillion (approximately $1.25B)
Group's Equity Stake:	100%
Sale Completion Date:	24 February 2022

Total est gain*
$528.83MM

Tanglin Shopping Centre – collective sale by public tender^

Tender Close Date:	22 February 2022 (launched on 14 December 2021)
Site Area:	68,512 sq ft
Site Tenure:	Freehold
Sale Price:	$868MM ($2,769 psf ppr)
Group's Equity Stake:	34.6% of share value in strata-titled development 60.2% of strata area
Sale Completion Date:	2022

Significant capital gain to be realised upon completion
Held for long-term investment since 1981

* Net of taxes and related transaction costs ^ Sale subject to approval of Strata Titles Board and other conditions

Proposed Distribution *in specie* (DIS) of Units in CDL Hospitality Trusts (CDLHT) >>>

Background on CDLHT – Overview

CDL HOSPITALITY TRUSTS

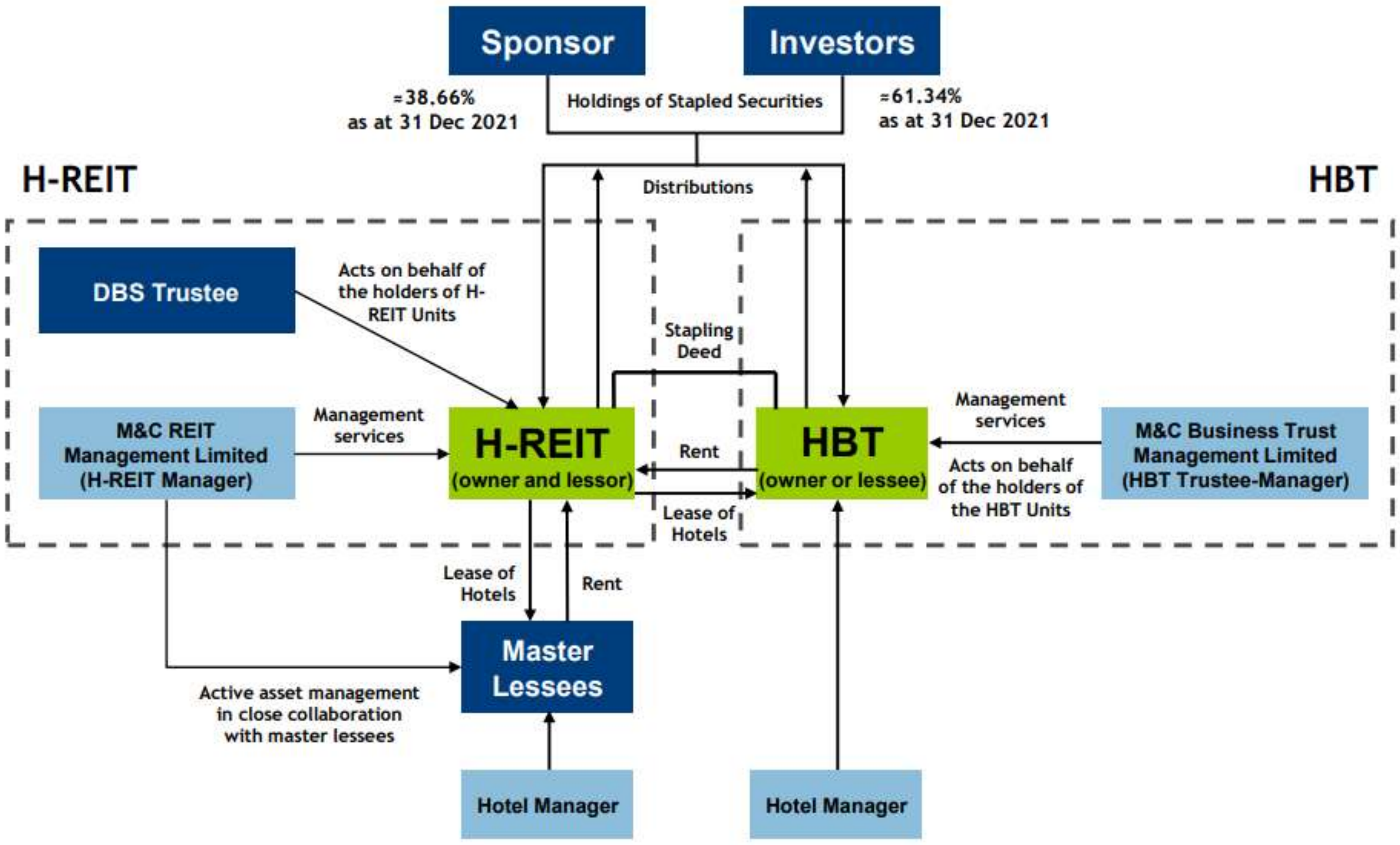
- IPO on 19 Jul 2006
- Listed on SGX Mainboard
- Sponsored by Millennium & Copthorne Hotels Limited (M&C)
- First hotel REIT in Asia ex Japan
- Constituent of FTSE EPRA Nareit Global Index

Market Capitalisation

$1.4B

as of 24 Feb 2022

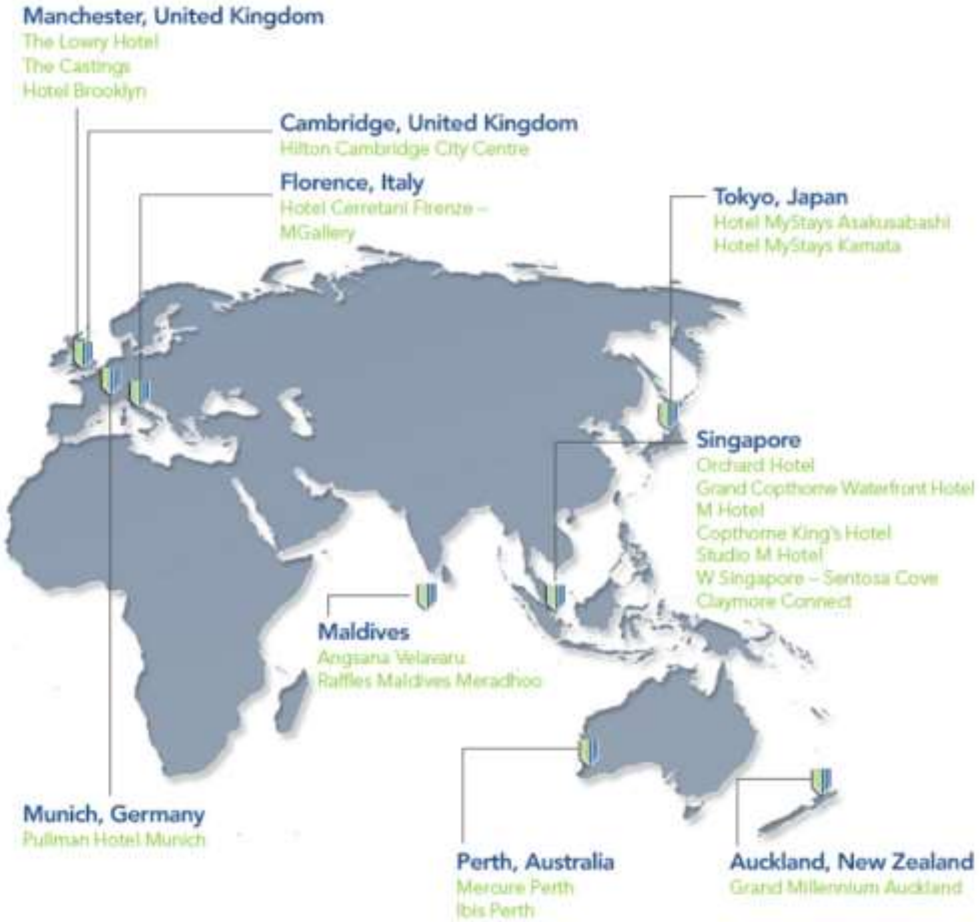
Structure



Note: For simplicity, the diagram does not include the relationships in relation to Claymore Connect. The H-REIT Manager manages Claymore Connect directly, hence the various tenants of the retail units at Claymore Connect make rental payments directly to H-REIT under the terms of their respective leases.

Background on CDLHT – Asset Portfolio

Global portfolio with 19 operational properties (with 4,820 rooms and a retail mall) and one build-to-rent project in the pipeline with 352 apartment units



(1) Residential Build-to-Rent under development through a forward-funding scheme

Transaction Summary

Proposed Distribution

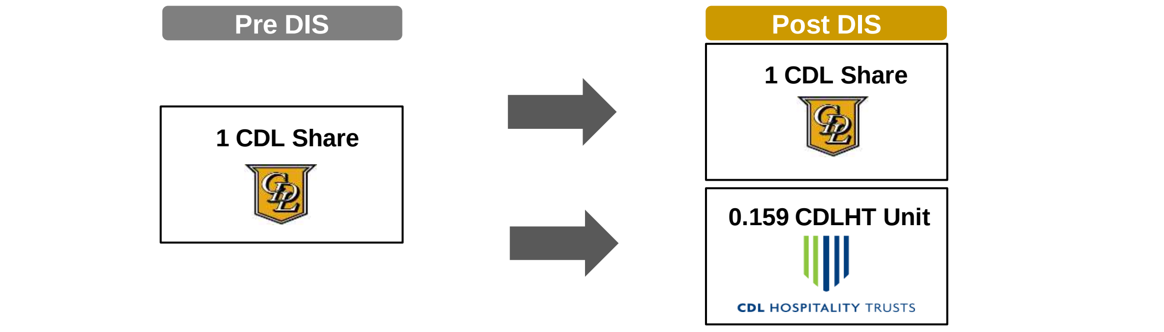
- **Distribution *in specie* (DIS)** of CDL Hospitality Trusts (CDLHT) Units to CDL Shareholders
- Comprises **distribution of 144,300,000 stapled CDLHT Units** to CDL Shareholders on a *pro rata* basis

Conditions

- Completion of the Restructuring Exercise
- Shareholders' approval at a General Meeting by way of Ordinary Resolution:
  - Simple majority (> 50%) required
- Waivers, consents and approvals from SGX-ST and other third parties in connection with the Proposed Distribution

Distribution Ratio

- Eligible Shareholders will receive 0.159 CDLHT Unit (valued at $0.19[1]) for each CDL Share held as at Record Date



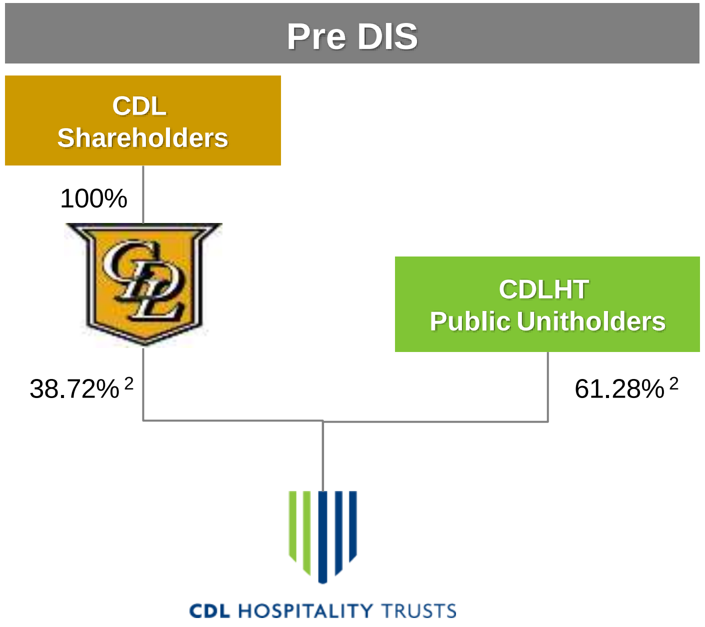
Estimated Timelines

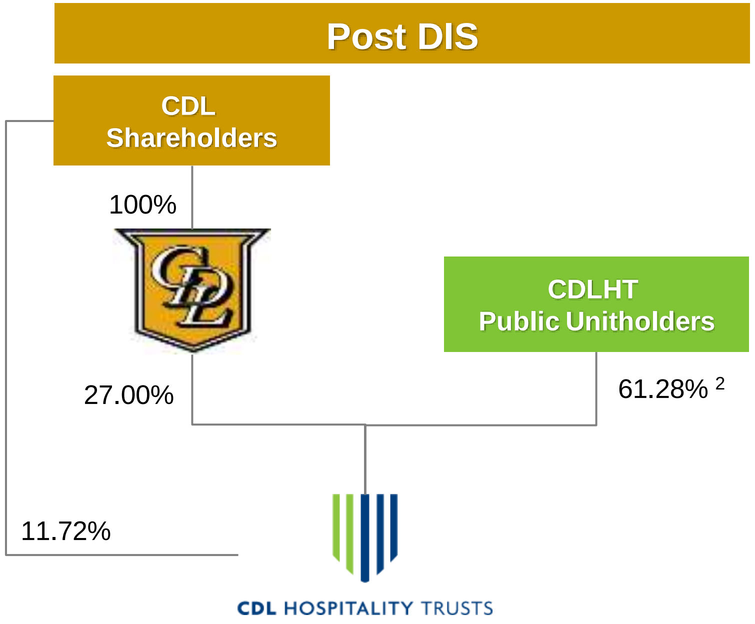
➢ **Announcement of Proposed Distribution**	25 Feb 2022
➢ **Despatch of Circular / Proxy Forms to Shareholders**	End Mar 2022
➢ **General Meeting**	At a General Meeting or at the Annual General Meeting to be held on 28 Apr 2022
➢ **Record Date / Completion Date for the Proposed Distribution**	To be announced

[1] Illustrative valuation based on CDLHT unit price of $1.20

Distribution Overview

Proposed Distribution *in specie* (DIS) of 144,300,000 CDLHT Units to Eligible CDL Shareholders [1] as at Record Date





Pre-DIS Restructuring Exercise:

- CDL will enter into a sale and purchase agreement with Hospitality Holdings Pte. Ltd.[3] to acquire 144,300,000 CDLHT Units (11.72% of CDLHT's issued units)

At DIS:

- CDL will distribute 11.72% of CDLHT Units to Eligible CDL Shareholders
- Eligible CDL Shareholders will receive 0.159 CDLHT Unit for each CDL Share held

- Following the proposed DIS, the Group will continue to be the largest unitholder of CDLHT with an approximate interest of **27%** and remains fully committed as a sponsor of CDLHT
- No change in the Managers of CDLHT

1 Shareholders who hold CDL Shares as at a Record Date to be determined by CDL
2 Estimated ownership percentages as at 25 February 2022
3 CDL's indirect wholly-owned subsidiary

Transaction Rationale

Reward shareholders

- Reward shareholders for their unwavering support of the Group
- Via a flexible investment initiative that comes at no cost to shareholders

Capitalise on improving hospitality industry outlook

- Opportune time to unlock value for shareholders
- The hospitality industry is making steady progress in its recovery and is well-positioned for growth
- Provides opportunity for shareholders to participate in the hospitality industry's growth trajectory

Strengthen the Group's financials and unlock value

With the accounting deconsolidation following the Proposed Distribution, the Group is expected to:

- Recognise an estimated gain of approx. $467.5MM[1] on a pro forma basis [2]
- Improve its net gearing (including fair values of investment properties) from 61% to 55% on a pro forma basis [2] as at 31 Dec 2021
- Be well positioned to unlock further value from its hospitality portfolio through value accretive future transactions with CDLHT

Strategic alignment and continued proactive support for CDLHT

- Strategic alignment with CDLHT's broadened investment mandate which includes more asset types such as Private Rented Sector (PRS) assets
- Allows for synergies to be reaped with the Group's diversified portfolio which includes PRS assets in the UK and Japan

1 The estimated gain arising from the accounting deconsolidation of CDLHT is purely for illustrative purposes only, and is arrived at based on several assumptions set out in paragraph 5 of the announcement dated 25 February 2022 released by CDL in relation to the Proposed Distribution, including but not limited to, the CDLHT unit price of $1.20 per CDLHT Unit, the number of CDLHT Units in issue as at 25 February 2022, and is based on the unaudited financial positions of CDL and CDLHT as at 31 December 2021. In addition, the estimated gain does not include any adjustment to the Group's estimated retained interest of 27% in CDLHT that may arise from the measurement of the net identifiable assets and liabilities of CDLHT at Completion Date. The actual gain upon completion of the Proposed Distribution may differ from the estimated gain

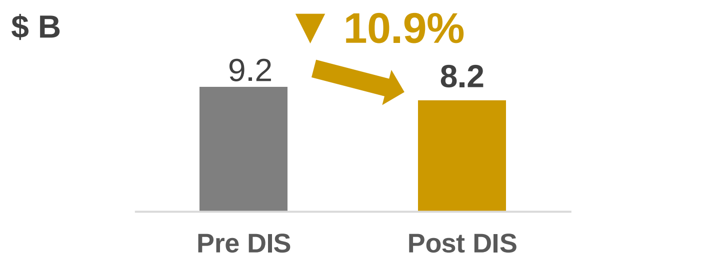
2 Please refer to paragraph 5 of the announcement dated 25 February 2022 released by CDL in relation to the Proposed Distribution, for further information on the bases and assumptions of the pro forma financial effects of the Proposed Distribution

Pro Forma Financial Effects* of Proposed DIS (for illustration only)

- CDL Shareholders will receive 0.159 CDLHT Unit (valued at $0.19[1]) for each CDL Share held as at Record Date
- At no cost to Shareholders

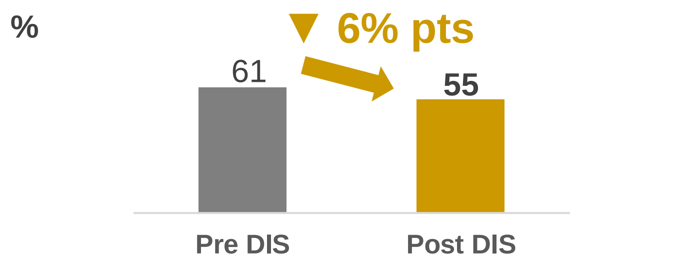
These pro forma financial effects are purely for illustrative purposes only and do not reflect the future actual financial position of the Group following the completion of the Proposed Distribution

Net Borrowings

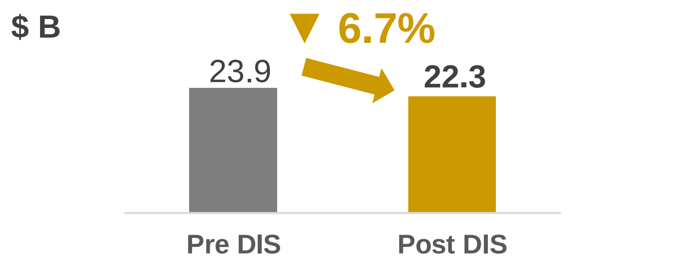


Net Gearing

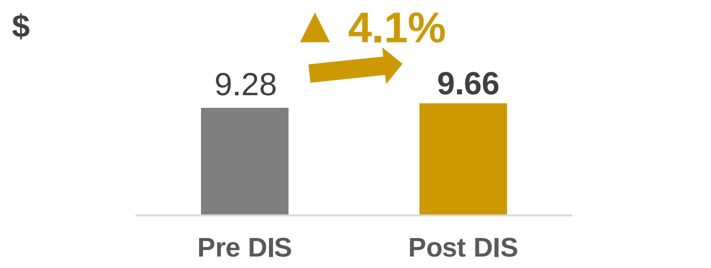
(including the fair value of investment properties)



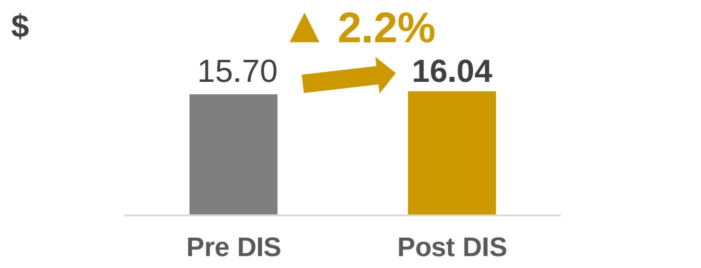
Total Assets



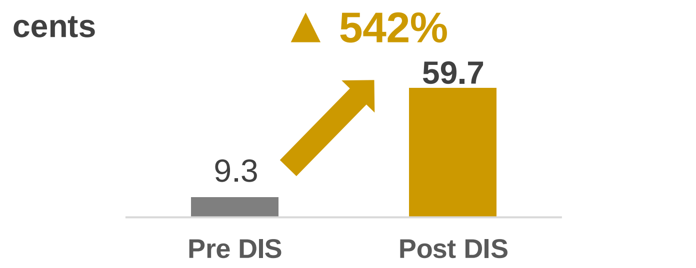
NAV per share



RNAV[2] per share



EPS



1 Illustrative valuation based on CDLHT unit price of $1.20

2 RNAV includes the fair value of investment properties and its share of the fair value of the investment properties of its equity-accounted investees

* - Assume net borrowings, net gearing, NAV, RNAV and total assets are prepared on the assumption that the Proposed Distribution had been completed on 31 December 2021
- Assume the EPS had been prepared on the assumption that the Proposed Distribution had been completed on 1 January 2021
- Please refer to paragraph 5 of the announcement dated 25 February 2022 released by CDL in relation to the Proposed Distribution for further information on the bases and assumptions of the pro forma financial effects of the Proposed Distribution

Financial Highlights >>>

Financial Highlights

Property Development

	FY 2021	FY 2020
Revenue	$1,255MM	$966MM
PBT	$245MM	($740MM)
PBT (exclude Sincere in 2020)	$245MM	$220MM

- **Increase in revenue and PBT mainly due to timing of revenue recognition**
  - ✓ FY 2021 contribution largely from The Tapestry, Whistler Grand, Amber Park, Irwell Hill Residences, Shenzhen Longgang Tusincere Tech Park and New Zealand property sales
  - ✓ FY 2020 contributions largely from The Tapestry, Whistler Grand, Amber Park, Gramercy Park, Hongqiao Royal Lake Shanghai, Sydney Street, Chelsea (UK), Teddington Riverside(UK) and New Zealand property sales
  - ✓ Boosted by negative goodwill of $26MM was recognised for Shenzhen Longgang Tusincere Tech Park
- **Lower allowance for foreseeable losses** were made in FY 2021 (FY 2001: $6MM vs FY 2020: $36MM) also attributed to the increase

Hotel Operations

	FY 2021	FY 2020
Revenue	$873MM	$640MM
PBT	($71MM)	($573MM)
PBT (exclude Sincere in 2020)	($71MM)	($467MM)

- **This segment continued to be impacted** by the prolonged COVID-19 pandemic but showed green shoots of recovery in 2H 2021 on the back of accelerated vaccine distribution and the gradual relaxation of travel restriction
- **Increase in revenue and lower losses** was due to :
  - ✓ Global RevPAR increased by 49% as compared to last year driven by 12% increase in average room rate and 12% increase in occupancy
  - ✓ Lower losses for FY 2021 underpinned by write-back of impairment losses of $96MM vis-à-vis impairment losses of $87MM was provided in FY 2020

Investment Properties

	FY 2021	FY 2020
Revenue	$341MM	$361MM
PBT	$24MM	($575MM)
PBT (exclude Sincere in 2020)	$24MM	$136MM

- **Decrease in revenue and PBT** mainly due to:
  - ✓ **Lower divestment gain** in FY 2021 of $5.7MM for Mille Malle (FY 2020: $117.1MM for Novotel Clarke Quay and Novotel Brisbane)
  - ✓ **Lower revenue and profit contribution from Jungceylon Retail Mall, Phuket** by $16.5MM and $12.2MM respectively as the mall was closed since March 2021 with the lockdown of Phuket
  - ✓ **Lower contribution from Fuji Xerox Towers** as all tenants vacated the building by 1H 2021 in preparation of redevelopment

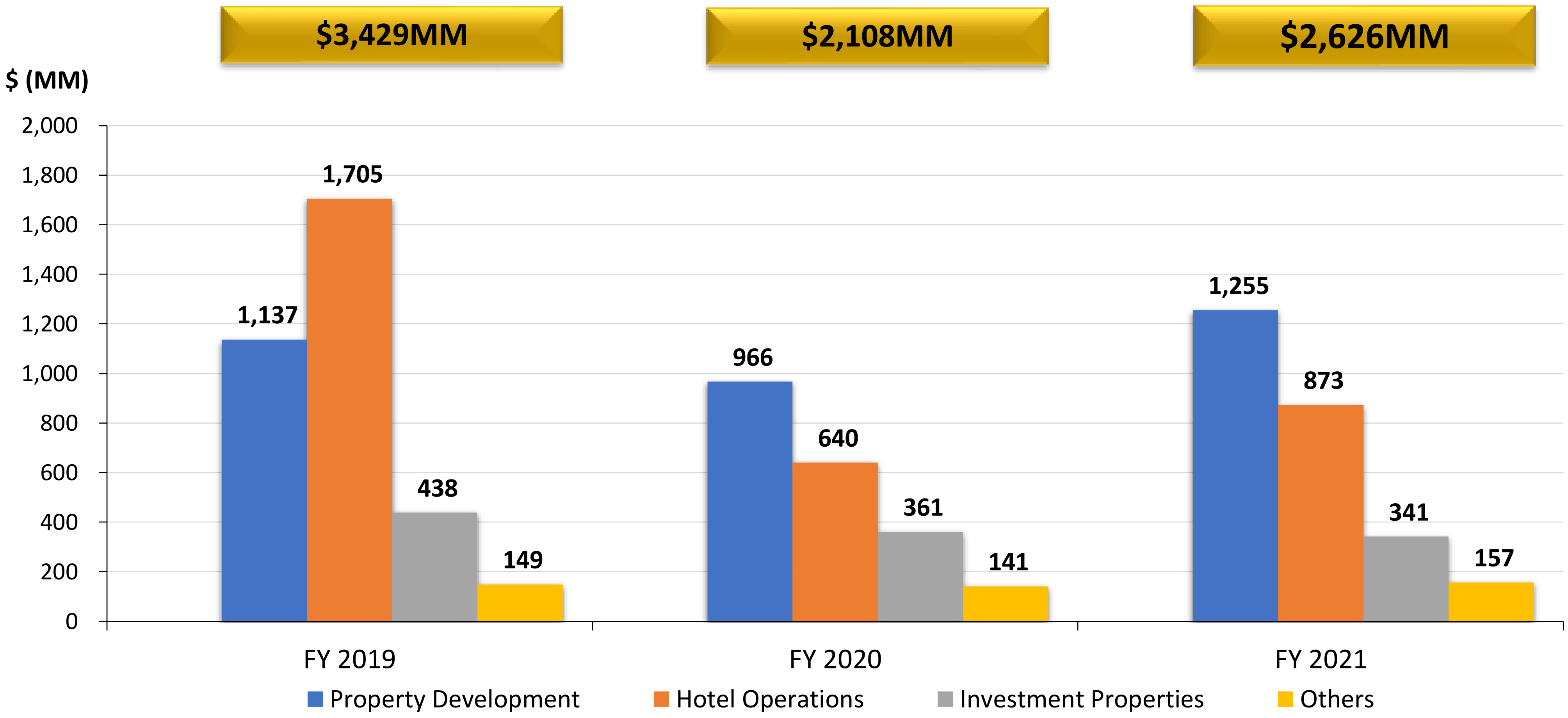
Others

	FY 2021	FY 2020
Revenue	$157MM	$141MM
PBT	$30MM	$97MM
PBT (exclude Sincere in 2020)	$30MM	$97MM

- **PBT decrease** due to :
  - ✓ **Absence of divestment gain** in FY 2021. Included in FY 2020 was divestment gains of $26MM largely due to the disposal of Sceptre Hospitality Resource
  - ✓ **Lower contribution from CBM** mainly due to lower grants received from job support scheme given by Singapore government (FY 2021: $6MM; FY 2020: $20MM)

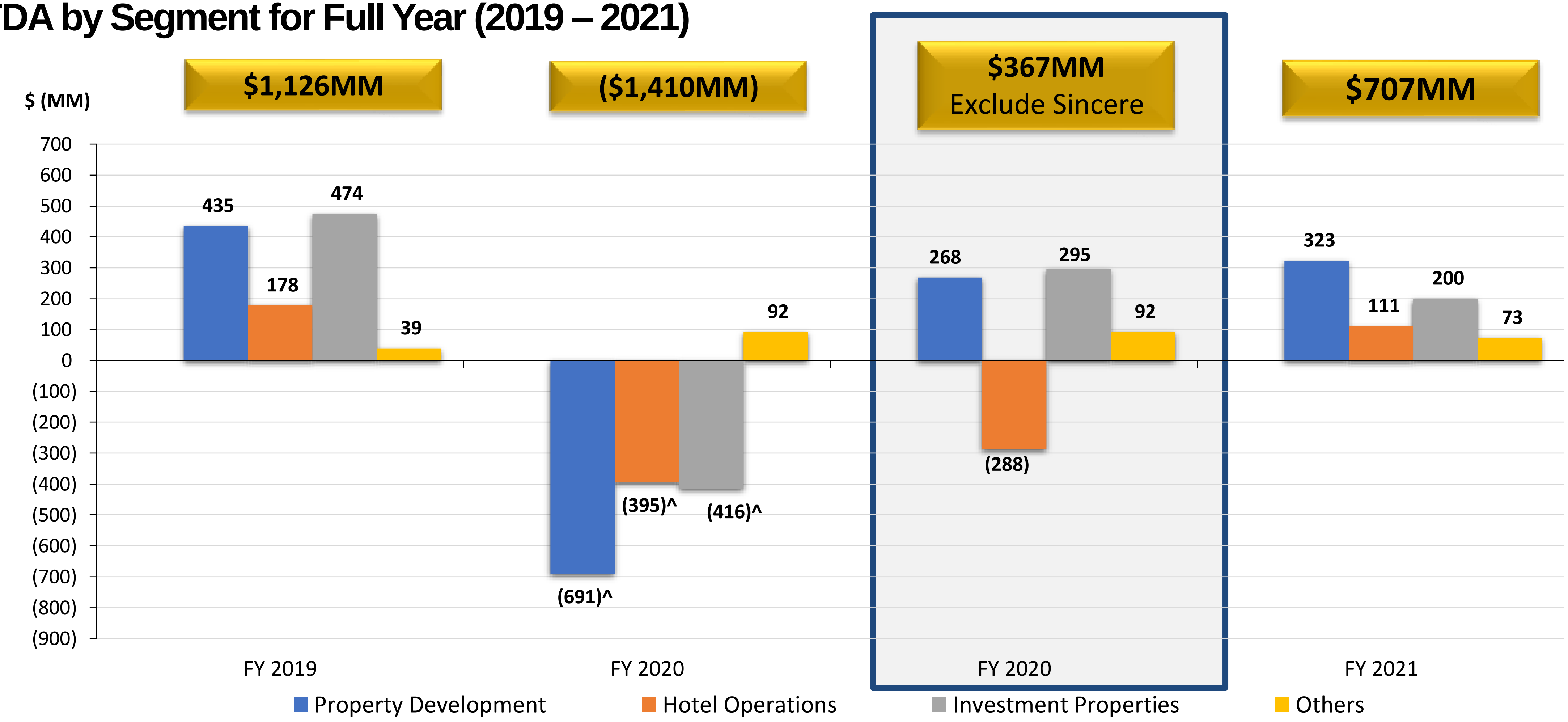
Financial Highlights

Revenue by Segment for Full Year (2019 – 2021)



Financial Highlights

EBITDA by Segment for Full Year (2019 – 2021)

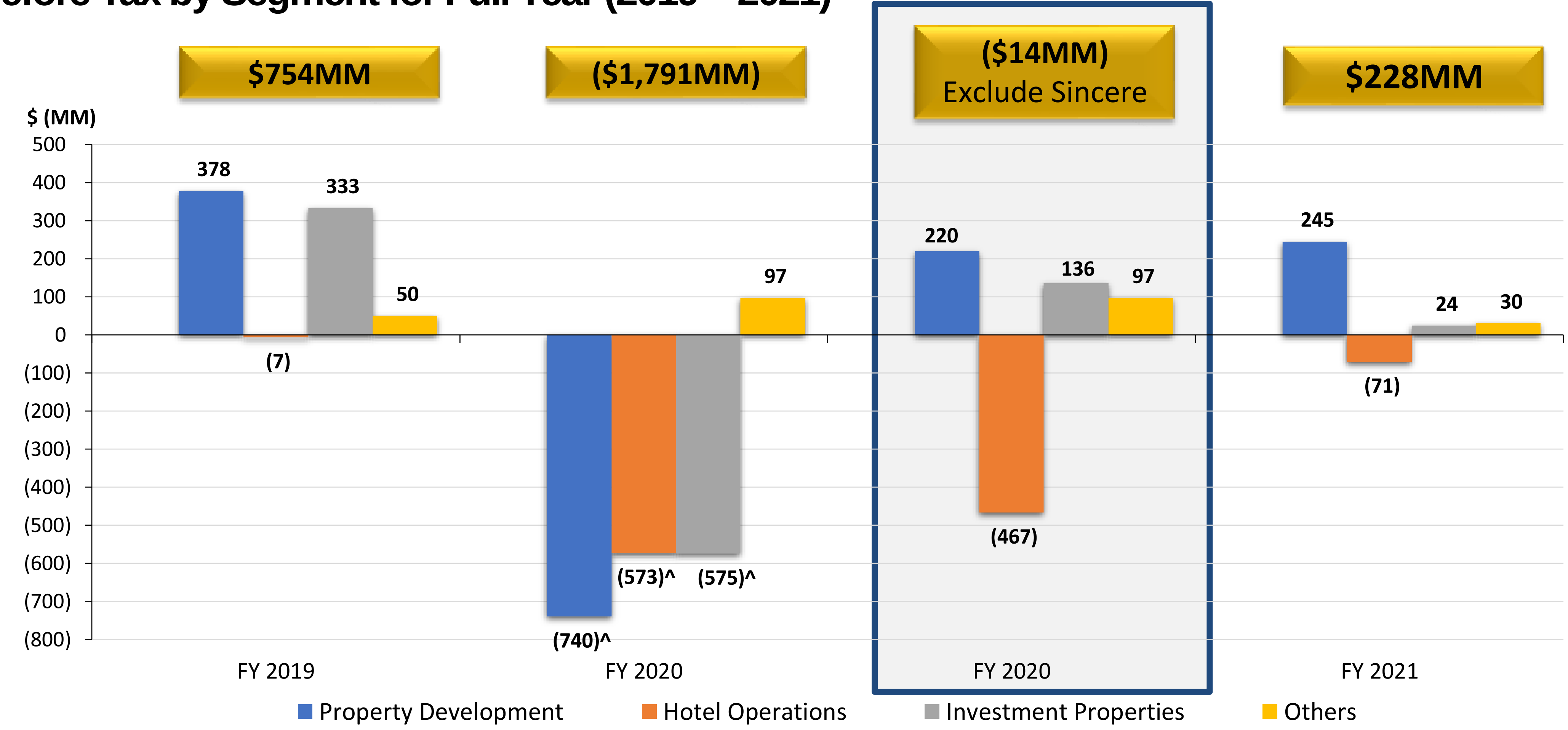


^ Include net loss from Sincere of $1.78B

– Property Development	$0.96B
– Hotel Operations	$0.11B
– Investment Properties	$0.71B

Financial Highlights

Profit Before Tax by Segment for Full Year (2019 – 2021)



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

Financial Highlights

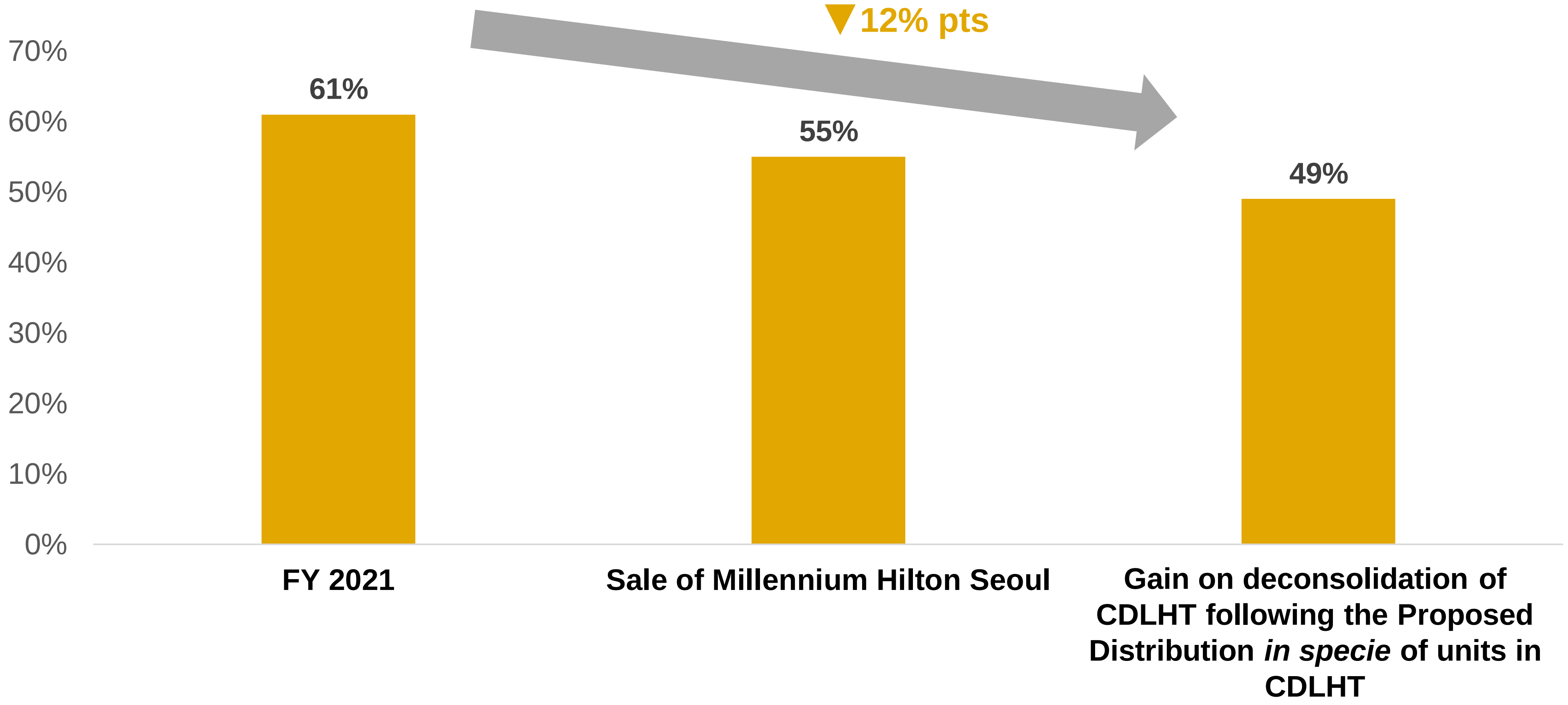
Strong Balance Sheet & Liquidity Position

Gearing	Sufficient Liquidity	Financing Flexibility	Balanced Debt Profile
Net Gearing	Total Cash	Interest Cover Ratio [1]	% of Fixed Rate Debt
99%	$2.2B	3.0x	34%
FY 2020: 93%	FY 2020: $3.2B	FY 2020: 3.4x	FY 2020: 34%
Net Gearing [2] (include fair value)	Cash and Available Committed Credit Facilities	Average Borrowing Cost	Average Debt Maturity
61%	$3.9B	1.7%	1.9 years
FY 2020: 62%	FY 2020: $5.2B	FY 2020: 1.8%	FY 2020: 2.3 years

1 Exclude non-cash net reversals of impairment losses on investment properties and property, plant and equipment, and associates, and net loss from Sincere
2 After taking in fair value on investment properties

Net Gearing (Including the Fair Value of Investment Properties)

Pro forma net gearing will ↓ from 61% to 49% (assuming the transactions took place on 31 December 2021)

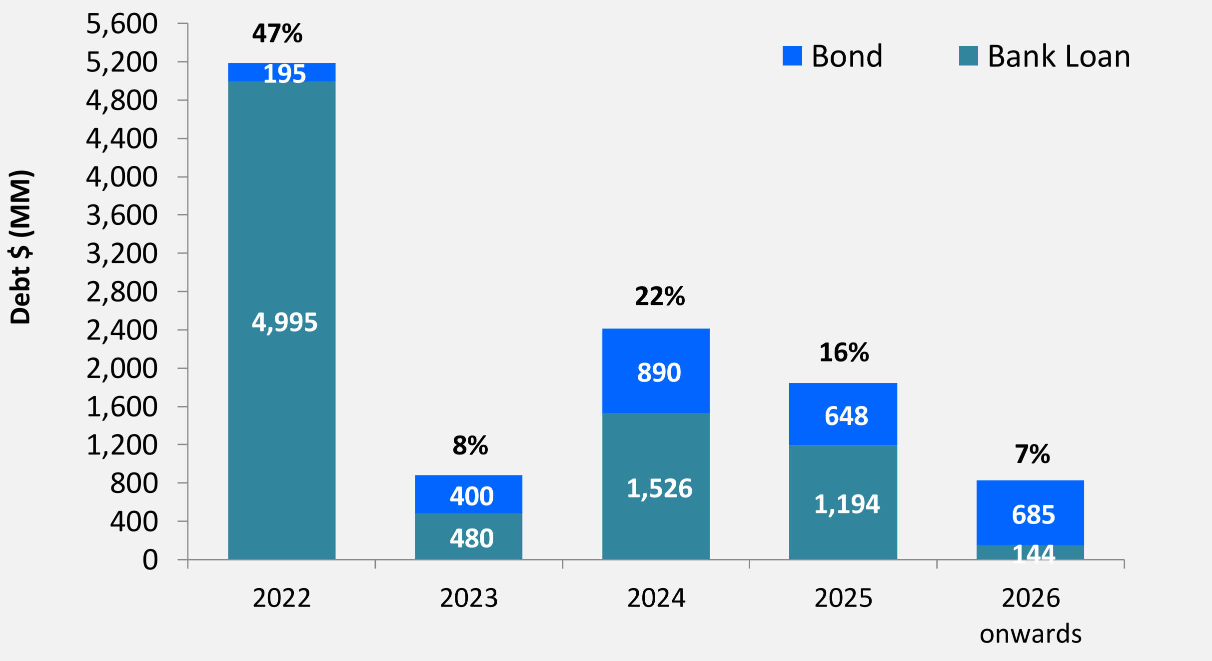


Financial Highlights

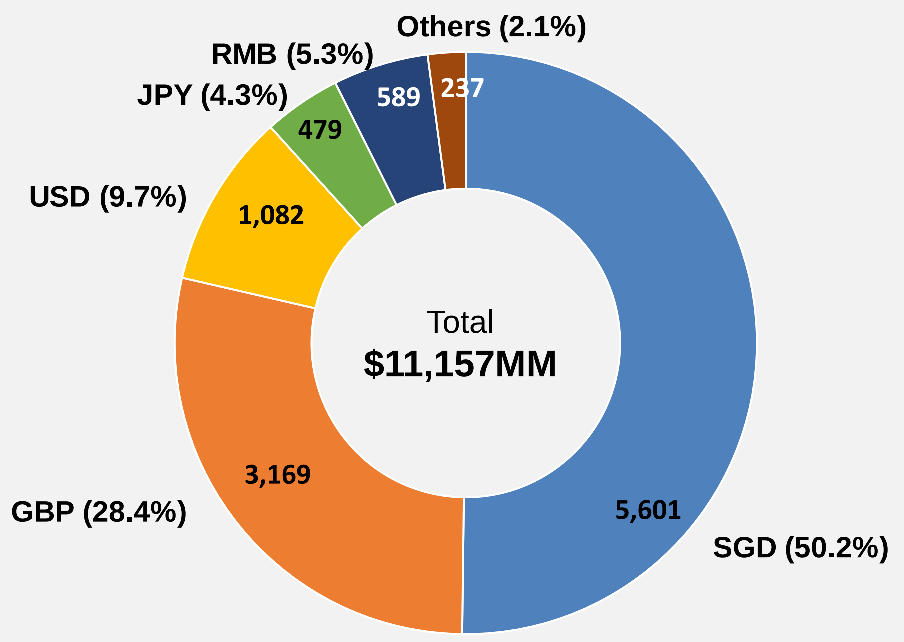
Prudent Capital Management

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

Well-Spread Debt Maturity Profile



Debt Currency Mix ($MM)



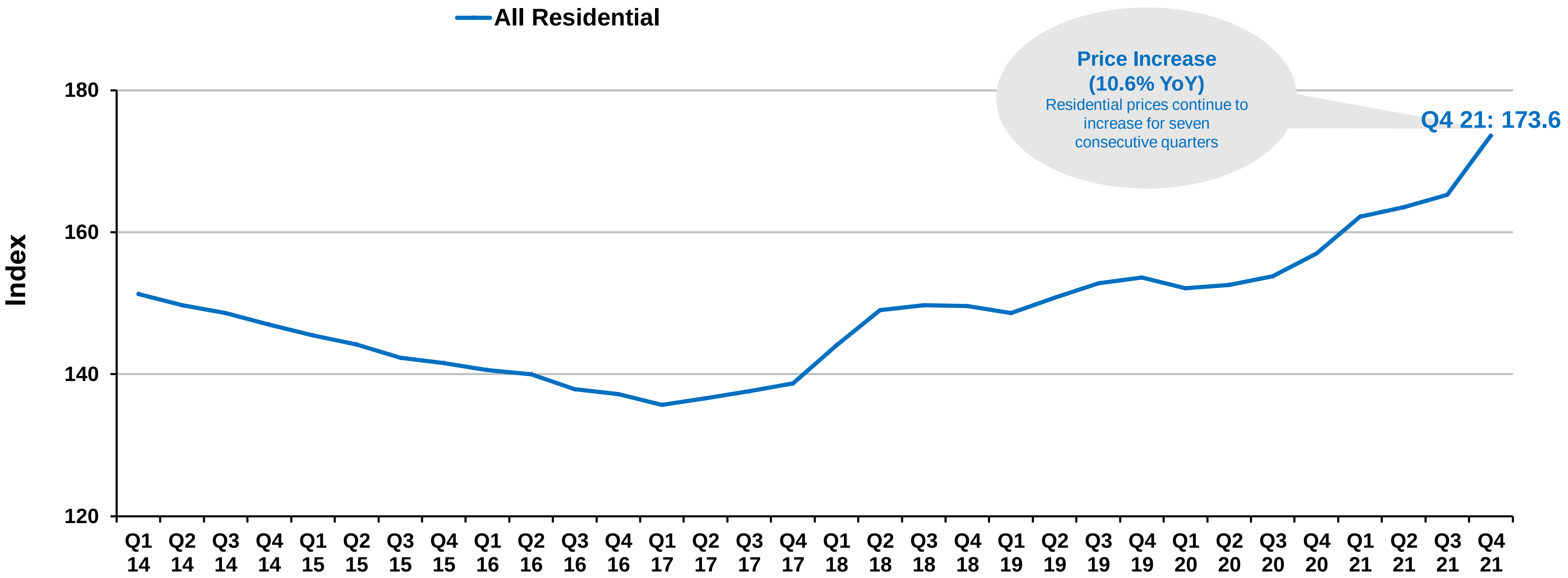
Operations Review >>>

Singapore Operations >>>

Property Development

Singapore Property Market

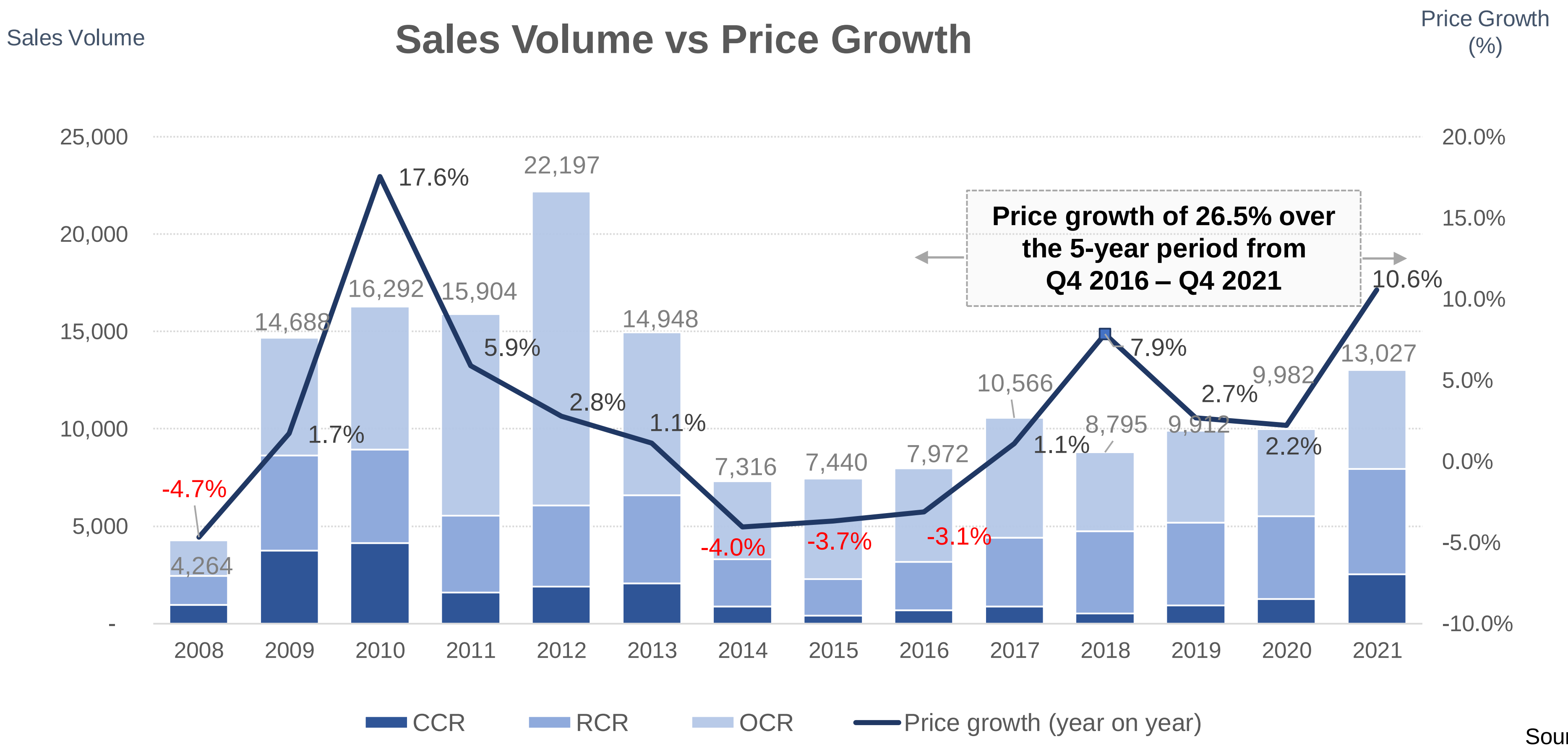
Property Price Index – Residential (2014 – 2021)



Source: URA, Q4 2021

Singapore Property Market

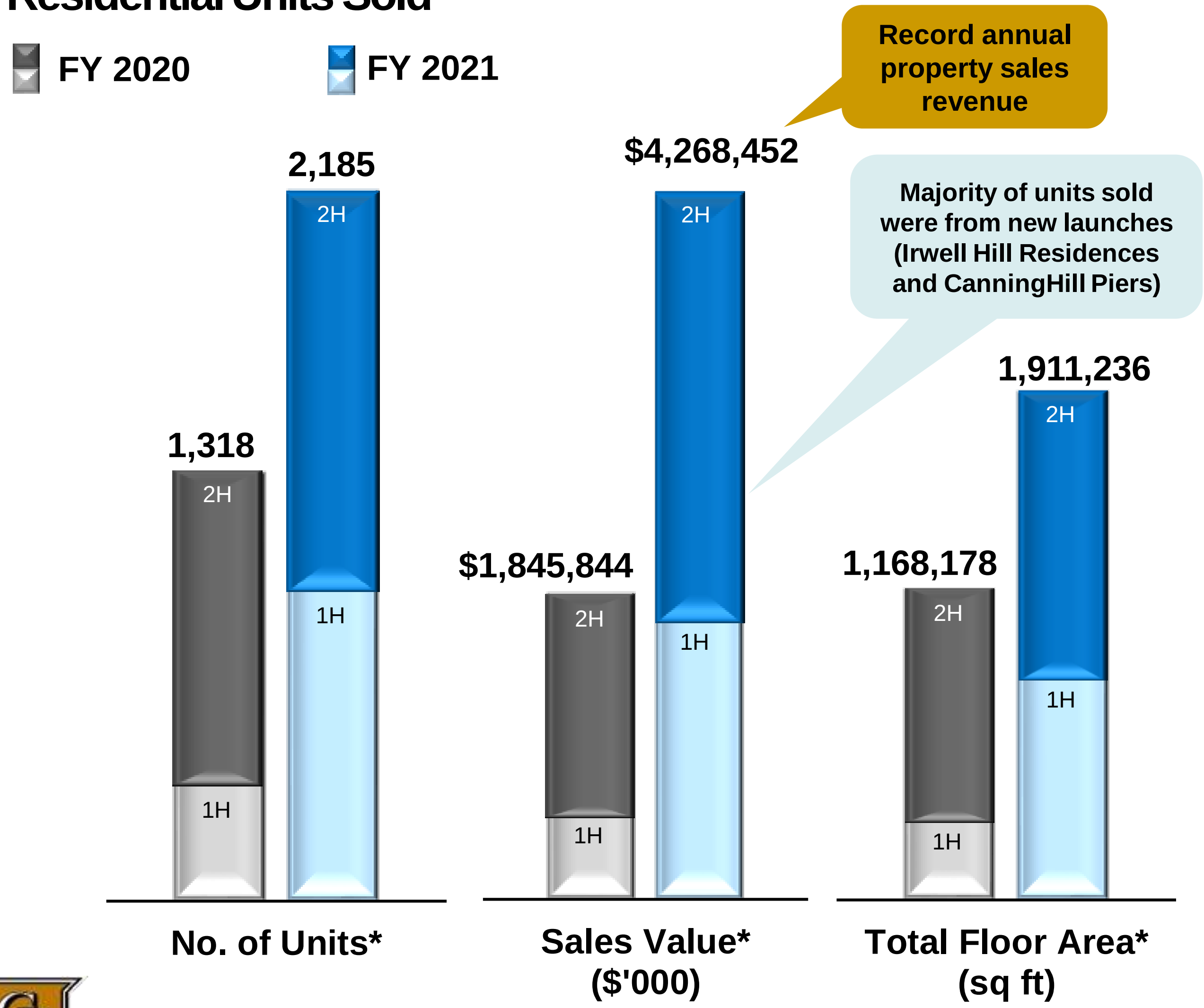
- Private residential market continues to show signs of recovery with URA Private Residential Property Price Index registering a 5.0% increase in Q4 2021 from the previous quarter. Cumulatively, prices have risen 10.6% in 2021.
- Robust primary home sales in Q4 2021 with 3,018 units sold registering a 15.9% increase as compared to Q4 2020. Developers sold a total of 13,027 private homes in the whole of 2021, marking a 30.5% increase compared to the previous year.



Source: URA Statistics

Singapore Property Development

Residential Units Sold



Sales Value ⬆ **131.2%** yoy

Units Sold ⬆ **65.8%** yoy

FY 2021 Highlights

- Highest annual property sales achieved in the Group's history^ (FY 2020: 1,318 units sold with sales value of $1.8B)
- Stronger performance in 2H:
  - Sales value increased by almost 50% in 2H 2021
  - Driven by launch of CanningHill Piers in Nov and good uptake of existing inventory

Units Sold	**1H**	971 units	**Units sold and sales value for 2H 2021 were almost 1.5 times that of 1H 2021**
	2H	1,214 units	
Sales Value	**1H**	$1.716B	
	2H	$2.553B	

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

^ The last annual high was achieved in FY 2007: $3.4B in total sales value with 1,655 units sold

Singapore Property Development

Resilient / Strong Sales Performance for FY 2021 Amid Pandemic

➢ Sold 2,185 units with **record total sales value of $4.3B** for FY 2021^

Steady Sales for Launches from 2018 – 2021

Launch Year	Project	Location	Tenure	Total Units	Total Units Sold*	% Sold*	Achieved Average Selling Price (ASP)*
2021	**CanningHill Piers**	River Valley Road / Tan Tye Place / Clarke Quay	99 years	696	595	86%	>$2,990 psf
	Irwell Hill Residences	Irwell Bank Road	99 years	540	418	77%	>$2,670 psf
2020	**Penrose**	Sims Drive	99 years	566	543	96%	>$1,600 psf
2019	**Boulevard 88**	Orchard Boulevard	Freehold	154	127	83%	>$3,770 psf
	Amber Park	Amber Road	Freehold	592	524	89%	>$2,465 psf
	Haus on Handy	Handy Road	99 years	188	51	27%	>$2,800 psf
	Piermont Grand	Sumang Walk	99 years	820	820	Fully sold	$1,109 psf
	Sengkang Grand Residences	Sengkang Central	99 years	680	655	96%	>$1,725 psf
	Nouvel 18~	Anderson Road	Freehold	156	122	78%	>$3,330 psf
2018	**New Futura**	Leonie Hill Road	Freehold	124	124	Fully sold	$3,530 psf
	The Tapestry	Tampines Ave 10	99 years	861	861	Fully sold	$1,339 psf
	South Beach Residences	Beach Road	99 years	190	190	Fully sold	$3,337 psf
	The Jovell	Flora Drive	99 years	428	422	99%	>$1,300 psf
	Whistler Grand	West Coast Vale	99 years	716	716	Fully sold	$1,411 psf


CanningHill Piers


Irwell Hill Residences


Penrose


Sengkang Grand Residences


Piermont Grand


Amber Park


Boulevard 88


Whistler Grand

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

* As at 20 Feb 2022

~ Divested project marketed by CDL

Singapore Property Development

Inventory of Launched Residential Projects – As at 31 Dec 2021

Project	Equity Stake	Total Units	Units Sold	Total Unsold Inventory	CDL's Share of Unsold Inventory
St. Regis Residences	33%	173	161	12	4.0
One Shenton	100%	341	329	12	12.0
Cliveden at Grange**	100%	110	44	66	66.0
UP@Robertson Quay	100%	70	61	9	9.0
Boulevard 88	40%	154	126	28	11.2
Amber Park	80%	592	501	91	72.8
Haus on Handy	100%	188	48	140	140.0
Sengkang Grand Residences	50%	680	641	39	19.5
Irwell Hill Residences	100%	540	409	131	131.0
CanningHill Piers	50%	696	574	122	61.0
The Jovell	33%	428	409	19	6.3
Penrose	40%	566	527	39	15.6
TOTAL:		**4,538**	**3,830**	**708**	**~548**

Excludes Cuscaden Residences – 1 unit unsold, The Oceanfront @ Sentosa Cove – 1 unit unsold, The Venue Residences – 1 unit unsold

The Venue Shoppes – sold 16 out of 28 units; 12 unsold units are fully leased

** Leasing strategy implemented

Upcoming Launch in 1H 2022

Piccadilly Grand – Integrated City Fringe Living with Enhanced Connectivity

Location	Tenure	Equity Stake	Total Units	Site Area (sq ft)	Total Saleable Area (sq ft)
Northumberland Road	99-year	50%	407	94,000	Est. 384,576

- Mixed-use development with 407 residential apartments at up to 23 storeys high, offering a good selection of units ranging from 1- to 5-Bedroom Premium apartments above a 2,000 sqm ground level commercial space (Piccadilly Galleria) that comprises F&B and retail amenities and a 500 sqm childcare centre
- Conveniently located within prime city fringe, with a direct link to Farrer Park MRT station on the North-East MRT line (NEL) which is just two stops to Dhoby Ghaut MRT Interchange along Orchard Road
- A short drive to the CBD and Singapore Sports Hub with easy access to major expressways such as the CTE and PIE
- Close to amenities such as City Square Mall, Connexion, Mustafa Centre, Centrium Square, Jalan Besar Sports Centre, numerous F&B establishments, as well as seven primary schools (within 2km), including St. Joseph's Institution Junior and Anglo-Chinese School (Junior)
- Recreation and lifestyle facilities across three levels, with five curated zones including three Clubhouses, Botanical Spa Pool, Co-work Lounge and Multipurpose Court

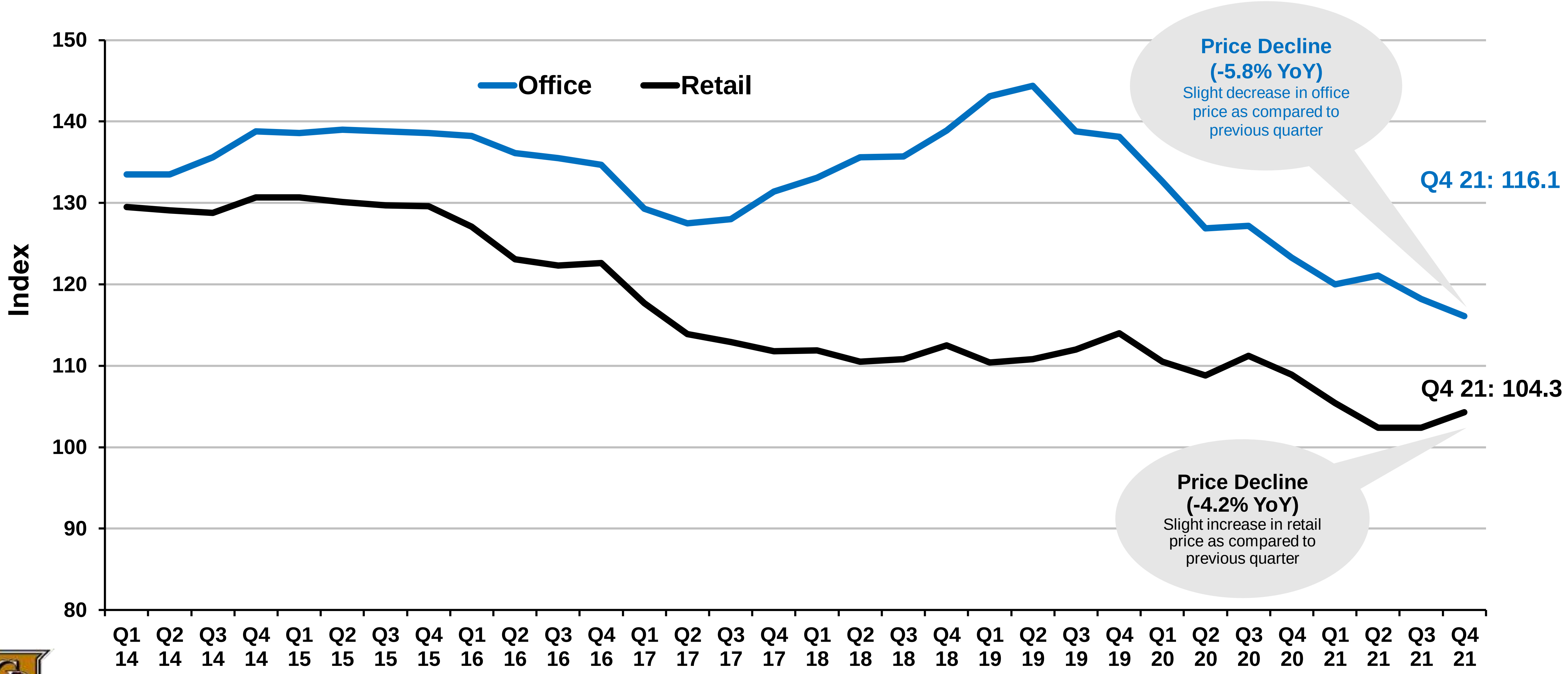
Preliminary Artist's Impression

Singapore Operations >>>

Asset Management

Singapore Commercial Market

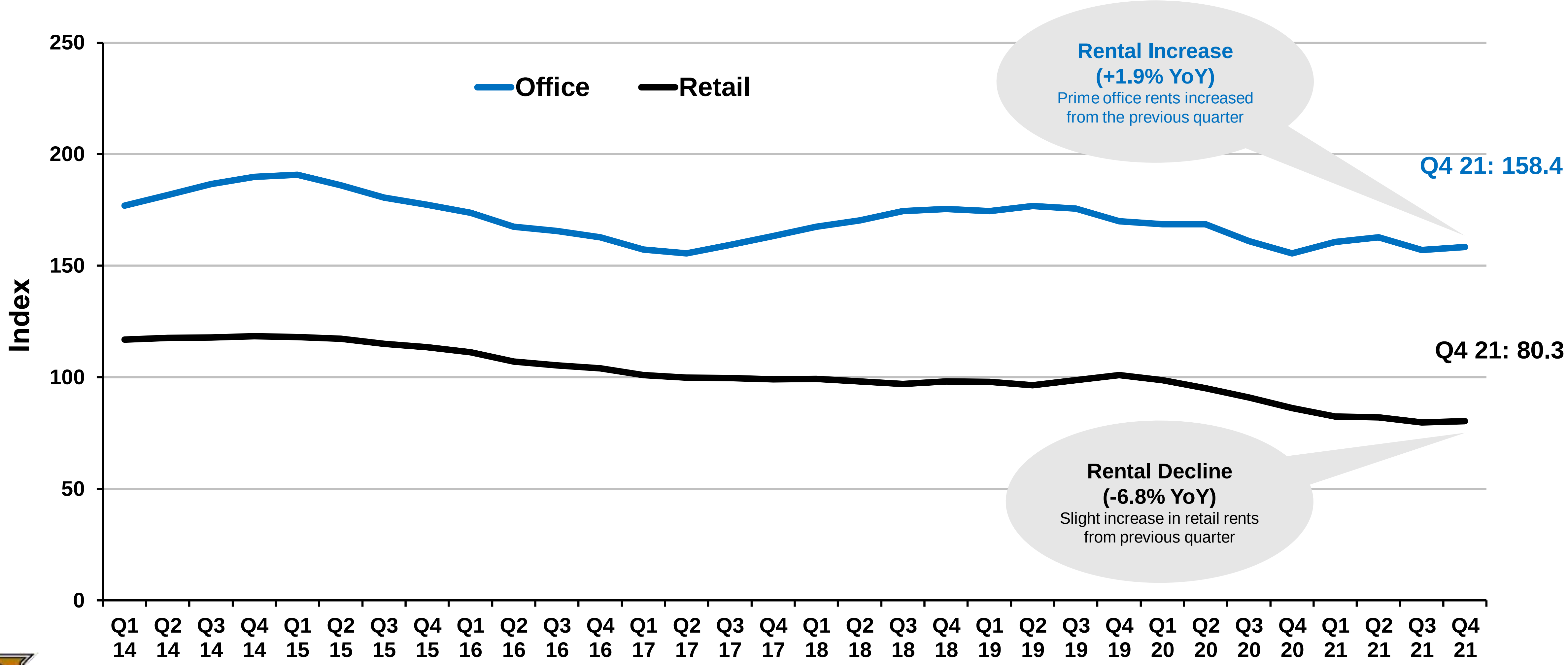
Property Price Index – Commercial (2014 – 2021)



Source: URA, Q4 2021

Singapore Commercial Market

Property Rental Index – Commercial (2014 – 2021)



Source: URA, Q4 2021

Singapore Commercial Portfolio

Strong Committed Occupancy for Office and Retail Portfolio (As at 31 Dec 2021) *

Office

11 properties

93.3%

Committed Occupancy

1.7MM sq ft

Net Lettable Area

Retail

8 properties

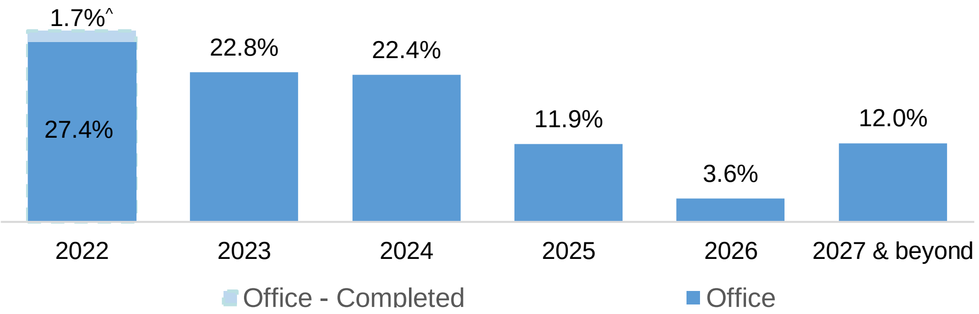
93.8%

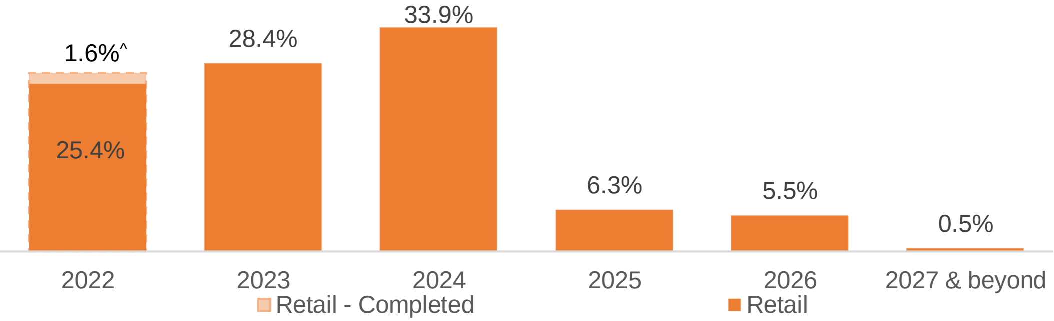
Committed Occupancy

686,000 sq ft

Net Lettable Area

Lease Expiry Profile by % of NLA





Well-spread lease expiry profile with tenants being actively engaged well ahead.

Forward lease renewals concluded for some leases expiring in 2022 as part of risk management.

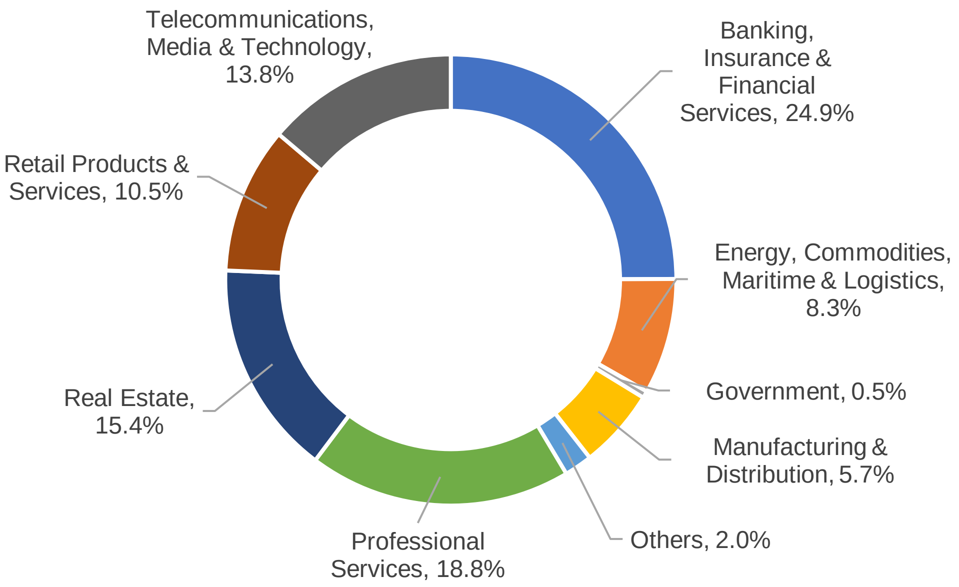
* Includes all Singapore assets under management (including South Beach which is a joint venture project) in accordance with CDL's proportionate ownership. Excludes Fuji Xerox Towers, Central Mall Office Tower and Central Mall Conservation Unit which are under planning for redevelopment.

^ Refers to expiring leases that have been renegotiated

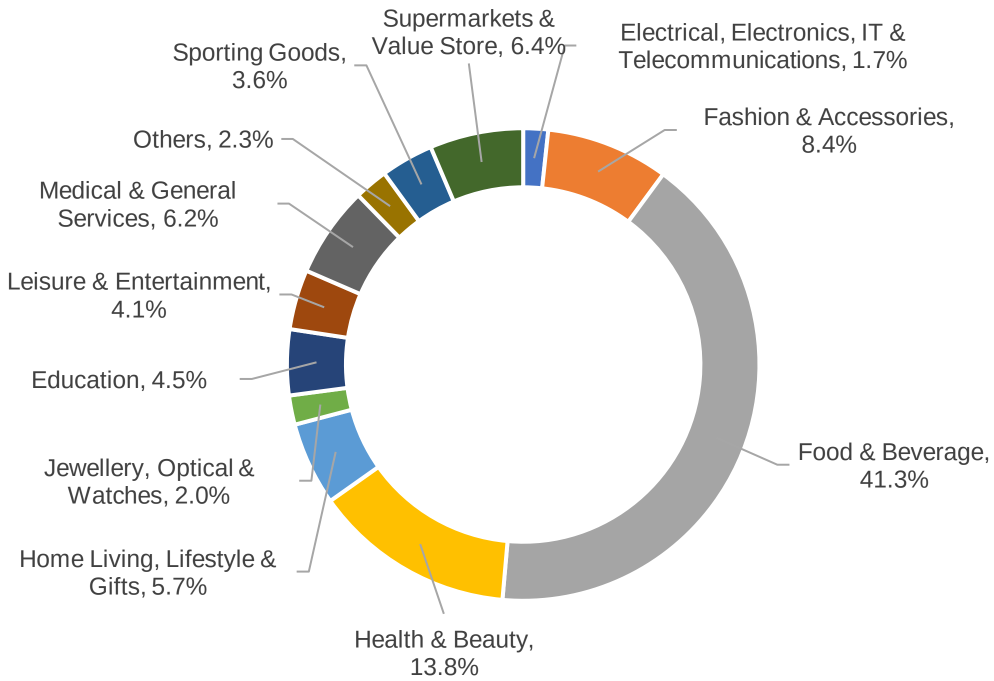
Singapore Commercial Portfolio

Trade Mix of Office & Retail Space by % of Total Gross Rental Income (As at 31 Dec 2021)*

Office



Retail



- **Diverse and well-spread tenant mix across both office and retail segments:**
  - **Office**: Q-o-Q increase largely attributable by FIs and wealth management companies. Trade mix remains stable.
  - **Retail**: Increase in Food & Beverage with new dining concepts in Palais Renaissance as part of the AEI.

* Includes all Singapore assets under management (including South Beach which is a joint venture project) in accordance with CDL's proportionate ownership. Excludes Fuji Xerox Towers, Central Mall Office Tower and Central Mall Conservation Unit which are under planning for redevelopment.

International Operations >>>

International Operations – Australia

Focus on Developments across Eastern Seaboard of Australia

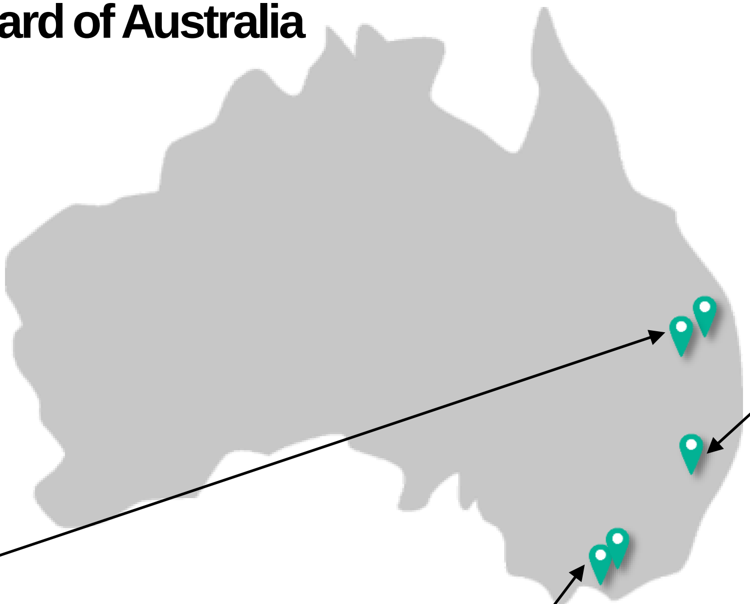
Queensland

Brickworks Park (Residential)

- Launched 215-unit development consisting of apartments and townhouses located in the prestigious Alderley suburb in North Brisbane and sold 82% units of 151 released. Construction has commenced in 2021.

Kenmore Treetops (Residential)

- Acquired a freehold site 10km West of Brisbane CBD to develop 96 townhouses and 1 house



New South Wales

Waterbrook Bowral

- Waterbrook Bowral, a 135-unit retirement housing project, has pre-sold 100% of the available villas (first phase) and construction is in progress.

Victoria

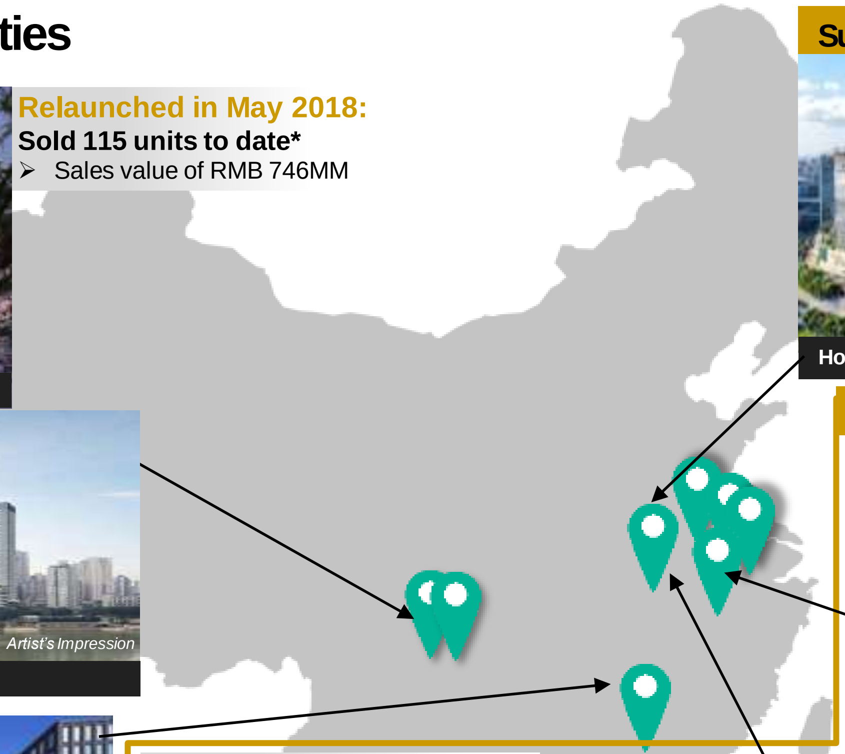
Fitzroy Fitzroy (Mixed-Use)

The Marker (Mixed-Use)

- The Marker has pre-sold 81% of the total 198 units, construction is underway with the project on track to complete in 2022.
- Fitzroy Fitzroy has pre-sold 24% of the total 62 units.

International Operations – China

Focus on Tier 1 and Tier 2 Cities



Chongqing (重庆)

Eling Palace (鹅岭峯)

Relaunched in May 2018:

Sold 115 units to date*

- Sales value of RMB 746MM

Emerald (翡翠都会)

Handover since end 2020:

Sold 877 units to date*

- Sales value of RMB 2.53B

Shenzhen (深圳)

Shenzhen Longgang Tusincere Tech Park (深圳龙岗区启迪协信科技园)

Increased effective stake from 55% to 65% in Sep 2021:

- Took over the operation from ex-shareholder to have better control over the project
- Since Mar 2021, total contracted sales of RMB 611.7MM achieved to date*

Suzhou (苏州)

Hong Leong City Center (丰隆城市中心)

Continued Sales Momentum:

Total sales of RMB 4.04B generated for 92% of 1,813 units to date*^

- Phase 1 – 100% sold
- Phase 2 – 67% sold
- HLCC Plaza, a 32,101 sqm Grade A office tower is 94% occupied
- HLCC mall is 87% occupied
- Hotel expected to open in 2023

Shanghai (上海)

Hong Leong Hongqiao Center (丰隆虹桥中心)

Stable Occupancy

- As at 20 Feb 2022, committed occupancy for office and retail reached 93%
- Average occupancy of serviced apartments remained stable at around 67% in 2021

Yaojiang International (耀江国际)

Asset enhancement:

- Operational since Jan 2019

Good Uptake post-COVID:

71 villas sold to date*

- Sales value of RMB 1.68B

Hongqiao Royal Lake (御湖)

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 32,182sqm
- 76% of total NLA leased out for serviced apartments, a confinement centre and corporate office use; majority of leases for 15-year term

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

* As at 20 Feb 2022

International Operations – Japan

Focus on Growing our Japan PRS Footprint

Freehold residential properties acquired in 2019 / 2020 in Osaka

Horie Lux
(29 residential + 5 retail units)

Pregio Joto Chuo
(48 residential units)

B-Proud Tenmabashi
(26 residential units)

Pregio Miyakojima Hondori
(56 residential units)

Development Site:

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

Freehold site in Shirokane

Two freehold residential properties in Yokohama^ (pipeline)

Tobe Residence
(117 residential + 1 retail units)

LOC's Yokohama Bayside
(89 residential units)

Freehold residential asset acquired in 2020 in Yokohama

City Lux Yokohama
(78 residential units)

^ Pending sale completion est. April 2022

International Operations – UK Residential

Strengthening our Presence

31 & 33 Chesham Street | **100 Sydney Street**

Freehold developments consisting of 15 units# across 2 properties in Prime Central London

Teddington Riverside

Freehold development consisting of 239 apartments and houses^ in Teddington, London

The Junction

Construction in progress for a 665-unit Build-to-Rent (BTR) development in Leeds

Octagon

Acquired a 250-year leasehold site to develop 370-unit BTR development in Birmingham

Ransomes Wharf

Planning approvals obtained for a 122-unit development in Battersea, London

Stag Brewery

Planning in progress for the former Stag Brewery site in Mortlake, London

14 apartments and 1 retail unit

^ Includes 15 affordable housing apartments

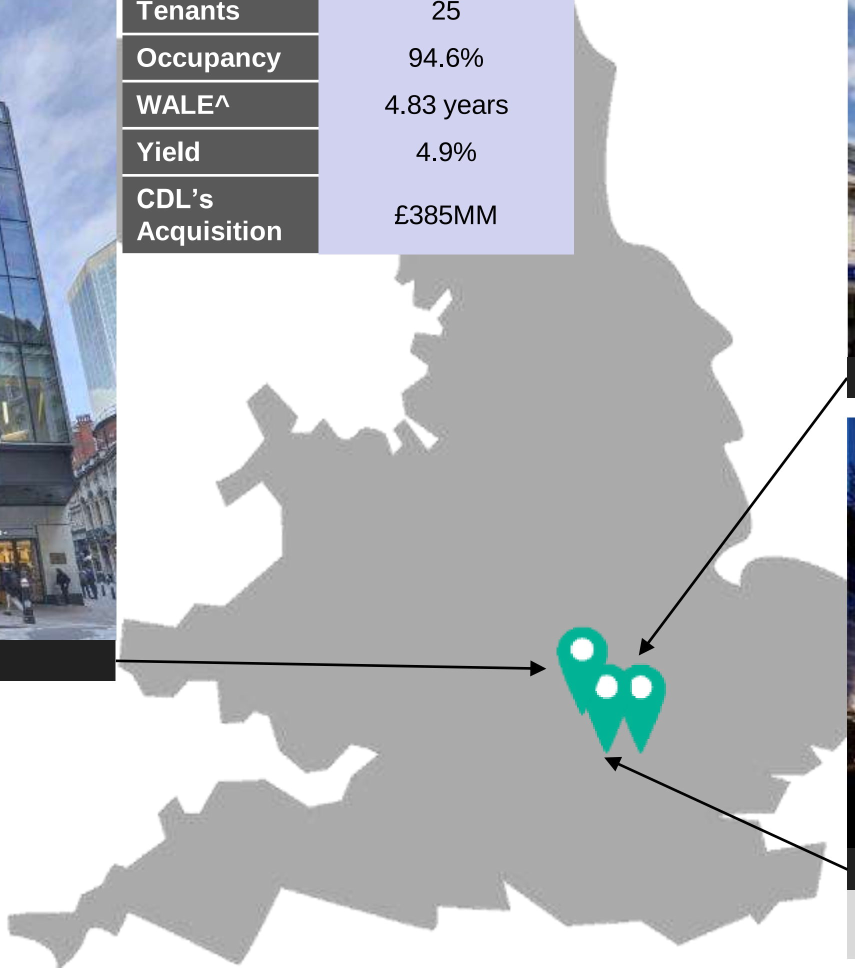
* As at 20 Feb 2022

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
Yield	4.9%
CDL's Acquisition	£385MM



Aldgate House

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

Development House

Planning approval obtained for a 10-storey office building in Shoreditch

^ *WALE to expiry based on NLA*

* As at 20 Feb 2022

Hospitality >>>

Hotel Operations

Trading Performance

	FY 2021 $MM	FY 2020 $MM	Change %
Revenue	**873.1**	640.4	**36.3**
Profit Before Tax (PBT)	**(71.0)**	(573.4)	**NM**
EBITDA	**111.1**	(201.5)	**NM**

Group RevPAR : ↑ 49.1% in FY 2021 (reported currency)
↑ 48.6% in FY 2021 (constant currency)

Revenue, PBT and EBITDA increased mainly due to:

- Significant recovery in the hospitality sector, picking up in Q2 and Q3 2021 although this was somewhat dampened by the global emergence of the Omicron variant in Nov 2021.
- Hotels continue to make use of government support, cost saving measures, quarantine business and staycation demand to bolster revenues.

M Social's First Outpost in Europe and United States

THE BILTMORE | GRAND MILLENNIUM | MILLENNIUM | MSOCIAL | STUDIO M HOTEL | M HOTEL | Copthorne | Kingsgate | MILLENNIUM HOTELS AND RESORTS

NM Not meaningful

Hotel Operations (2H 2021 vs 2H 2020)

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

	Room Occupancy			Average Room Rate			RevPAR			GOP Margin %		
	2H 2021 %	2H 2020 %	Incr / (Decr) % pts	2H 2021 S$	2H 2020 * S$	Incr / (Decr) %	2H 2021 S$	2H 2020 * S$	Incr / (Decr) %	2H 2021 %	2H 2020 %	Incr / (Decr) % pts
Singapore	77.8	89.9	(12.1)	125.9	98.3	28.1	97.9	88.4	10.7	39.1	48.3	(9.2)
Rest of Asia	45.8	31.8	14.0	120.8	115.9	4.2	55.4	36.9	50.1	15.6	49.0	(33.4)
Total Asia	**58.4**	**53.1**	**5.3**	**123.4**	**105.0**	**17.5**	**72.0**	**55.8**	**29.0**	**26.1**	**48.1**	**(22.0)**
Australasia	**42.7**	**45.7**	**(3.0)**	**163.0**	**150.7**	**8.2**	**69.7**	**68.8**	**1.3**	**42.0**	**50.6**	**(8.6)**
London	63.5	10.7	52.8	233.8	133.9	74.6	148.6	14.4	931.9	43.8	(64.0)	107.8
Rest of Europe	65.7	19.7	46.0	168.2	140.2	20.0	110.5	27.6	300.4	31.4	(16.3)	47.7
Total Europe	**64.6**	**15.5**	**49.1**	**200.0**	**138.2**	**44.7**	**129.2**	**21.4**	**503.7**	**38.3**	**(31.5)**	**69.8**
New York	72.4	32.9	39.5	271.1	148.7	82.3	196.2	48.9	301.2	0.6	(193.8)	194.4
Regional US	56.9	34.5	22.4	160.1	116.5	37.4	91.2	40.2	126.9	29.6	13.7	15.9
Total US	**62.8**	**34.0**	**28.8**	**208.6**	**126.6**	**64.8**	**131.0**	**43.0**	**204.7**	**14.0**	**(53.9)**	**67.9**
Total Group	**59.1**	**37.9**	**21.2**	**173.4**	**120.7**	**43.7**	**102.5**	**45.8**	**123.8**	**27.1**	**7.7**	**19.4**

* For comparability, 2H 2020 Average Room Rate and RevPAR have been translated at constant exchange rates (31 Dec 2021)

Hotel Operations (FY 2021 vs FY 2020)

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

	Room Occupancy			Average Room Rate			RevPAR			GOP Margin %		
	FY 2021 %	FY 2020 %	Incr / (Decr) % pts	FY 2021 S$	FY 2020 * S$	Incr / (Decr) %	FY 2021 S$	FY 2020 * S$	Incr / (Decr) %	FY 2021 %	FY 2020 %	Incr / (Decr) % pts
Singapore	74.5	76.7	(2.2)	116.7	110.7	5.4	86.9	84.9	2.4	38.0	39.7	(1.7)
Rest of Asia	41.8	30.6	11.2	120.0	121.7	(1.4)	50.2	37.3	34.6	10.8	1.3	9.5
Total Asia	**54.6**	**48.2**	**6.4**	**118.3**	**115.0**	**2.9**	**64.6**	**55.4**	**16.6**	**22.9**	**19.9**	**3.0**
Australasia	**47.3**	**44.7**	**2.6**	**156.3**	**163.1**	**(4.2)**	**73.9**	**72.9**	**1.4**	**44.4**	**47.8**	**(3.4)**
London	41.9	17.6	24.3	215.1	202.7	6.1	90.1	35.7	152.4	38.1	(14.4)	52.5
Rest of Europe	44.1	23.8	20.3	155.2	140.9	10.1	68.5	33.5	104.5	22.4	(21.9)	44.3
Total Europe	**43.1**	**20.9**	**22.2**	**183.3**	**165.5**	**10.8**	**78.9**	**34.5**	**128.7**	**30.9**	**(18.3)**	**49.2**
New York	63.7	44.2	19.5	228.4	180.4	26.6	145.5	79.8	82.3	(17.3)	(96.1)	78.8
Regional US	50.1	34.7	15.4	143.8	128.9	11.6	72.1	44.7	61.3	26.6	(0.4)	27.0
Total US	**55.0**	**38.1**	**16.9**	**178.9**	**150.0**	**19.3**	**98.4**	**57.1**	**72.3**	**4.9**	**(43.2)**	**48.1**
Total Group	**51.0**	**38.6**	**12.4**	**154.8**	**137.8**	**12.3**	**78.9**	**53.1**	**48.6**	**21.8**	**3.7**	**18.1**

* For comparability, FY 2020 Average Room Rate and RevPAR have been translated at constant exchange rates (31 Dec 2021)

CDL Hospitality Trusts

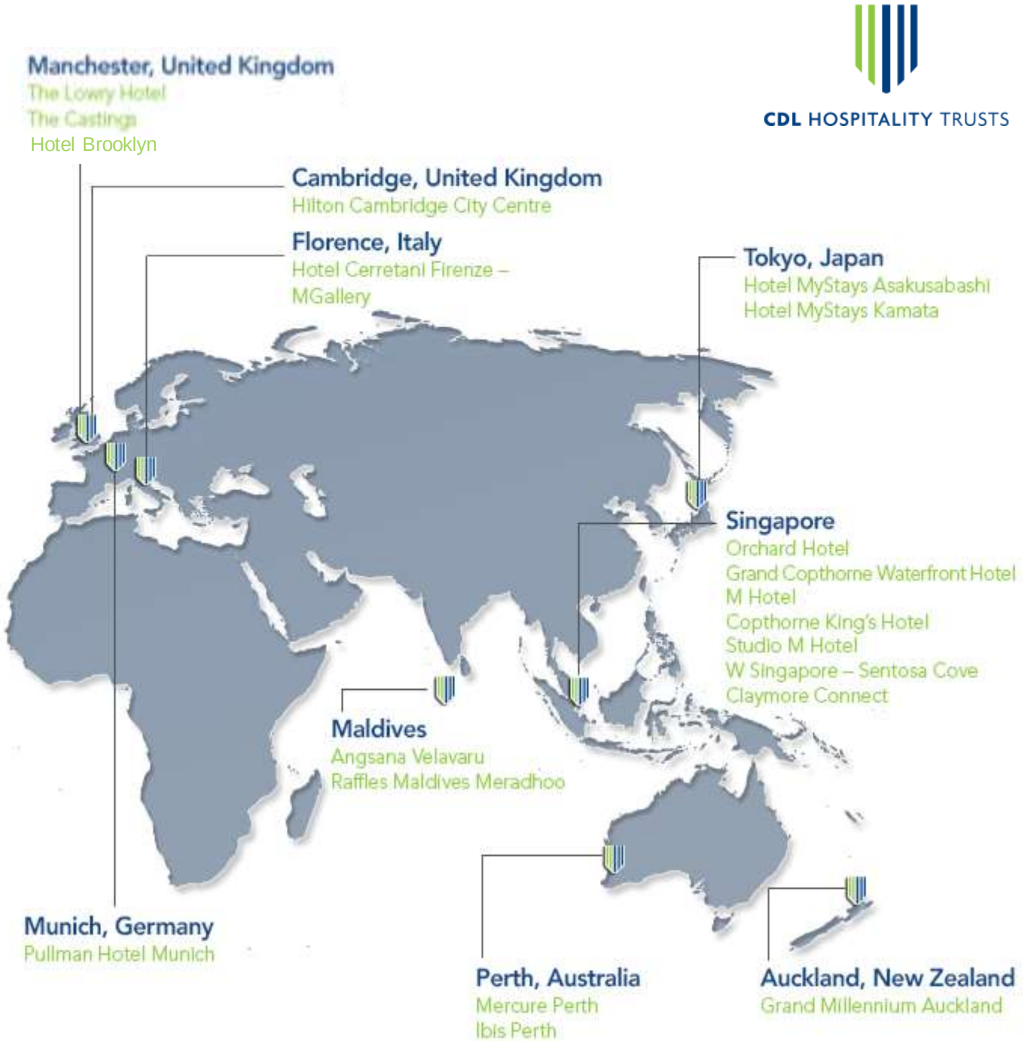
Trading Performance

	FY 2021 $MM	FY 2020 $MM	Change %
Gross Revenue	**157.72**	117.56	39.7
Net Property Income (NPI)	**86.11**	69.33	24.1

Accelerated vaccine distribution and gradual, if somewhat uneven relaxation of travel restrictions imposed by governments have led to varying degrees of recovery in CDLHT's portfolio markets.

Overall, NPI contribution increased across all markets except Singapore and Australia (due to lost contribution from the divestments of Novotel Clarke Quay and Novotel Brisbane respectively).

CDLHT continues to look beyond the near-term impact of COVID-19 uncertainty and take a long-term view to position its portfolio to optimise the recovery trajectory upon the reopening of borders and return of travel confidence globally.



CDL Hospitality Trusts

Country	YoY change in RevPAR (%)	Remarks
Singapore[1]	1.0	Occupancy supported by continued demand for dedicated isolation facilities, staycations and from long-stay foreign workers. Postponement/cancellation of MICE events continue to weigh on performance. Inbound arrivals began recovering only from Nov 2021 with the opening of Vaccinated Travel Lanes.
Maldives	N.M.	Strong recovery seen in 2H 2021 totalling 96.9% of pre-pandemic visitor arrivals. 2022 promotions of Maldives' golden jubilee year of tourism are expected to boost arrival numbers this year.
New Zealand	20.9	Higher room utilisation from managed isolation business from the government. This is expected to continue into Q2 2022 as border reopening plans have been delayed.
Germany	4.9	For Germany and Italy, each country's domestic market is expected to lead recovery in 2022, especially if restrictions are eased and large-scale events are allowed to continue.
Italy	50.9	
Japan	(6.1)	The emergence of the Omicron variant forced borders to close, and strict border restrictions remain in place. In the meantime, hotel performance will be pegged to domestic travel.
United Kingdom	78.4	Pent-up domestic leisure travel boosted demand since restrictions were eased in mid-July 2021. Corporate demand, recreational events and long-stay demand also bolstered performance. Notwithstanding the spread of the Omicron variant, inbound arrivals are expected to increase into 2022.

[1] Including W Singapore – Sentosa Cove hotel

CDL Hospitality Trusts

Expansion in the United Kingdom

The Castings, Manchester
352 units

Aug 2021
Acquired Build-To-Rent (BTR) residential property for **£73.3MM** ($136MM)

Manchester

Hotel Brooklyn, Manchester*
189 rooms

Feb 2022
Acquired a 4-star Hotel for **£24.1MM** ($43.8MM)

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

Key Financial Highlights

2H 2021	Revenue	EBITDA	PBT	PATMI
	$1.4B	$434.8MM	$218.0MM	$129.7MM
2H 2020				
	$1.0B	($1.6B) $187MM (exclude Sincere)	($1.8B) ($18MM) (exclude Sincere)	($1.9B) ($134MM) (exclude Sincere)

Increase in revenue largely due to higher revenue from hotel operations across all regions, particularly in US and Europe.

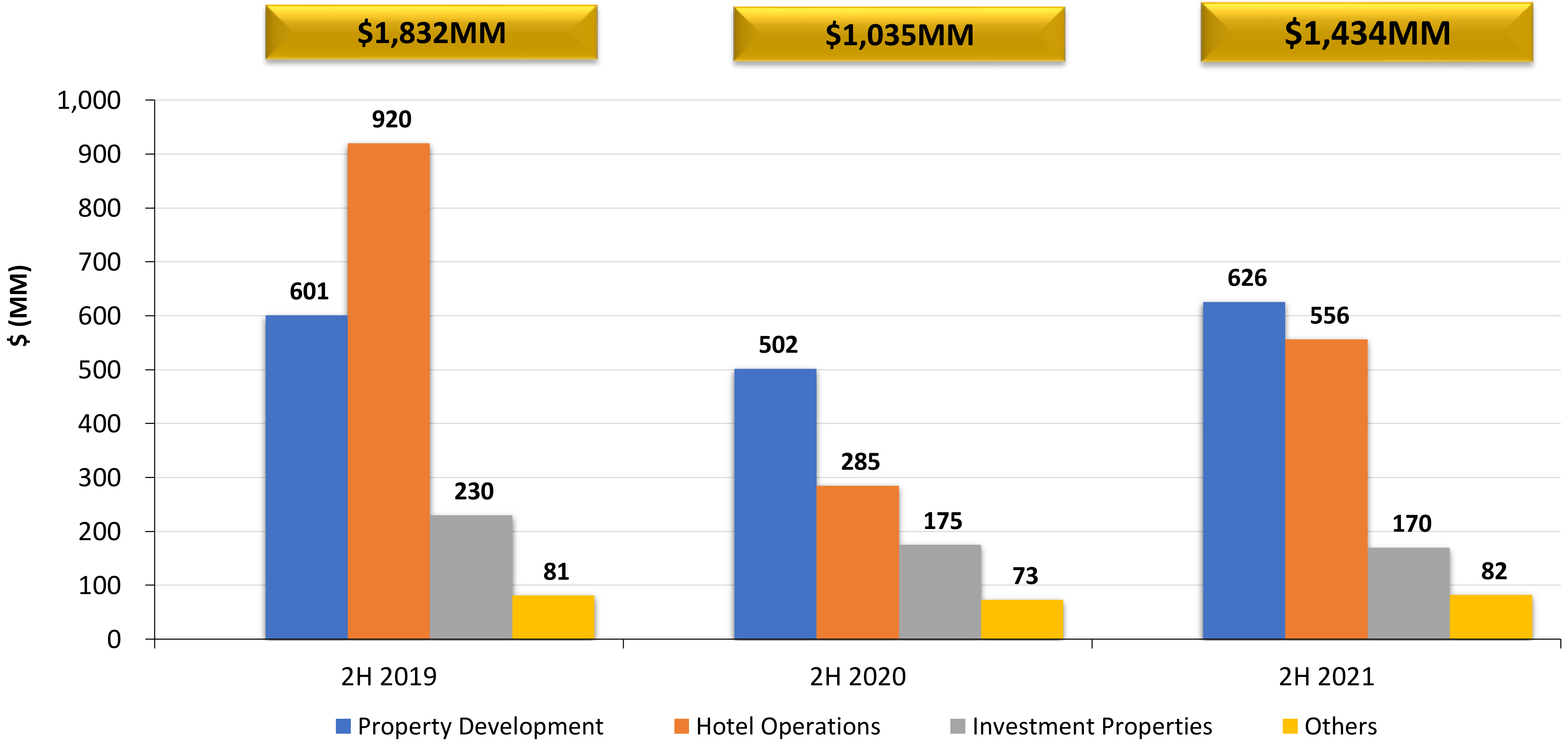
Increase in profit underpinned by reversals of impairment losses for hotels of $96.4MM for 2H 2021 vis-à-vis impairment losses of $53.1MM for 2H 2020.

Resilient EBITDA of $434.8MM.

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

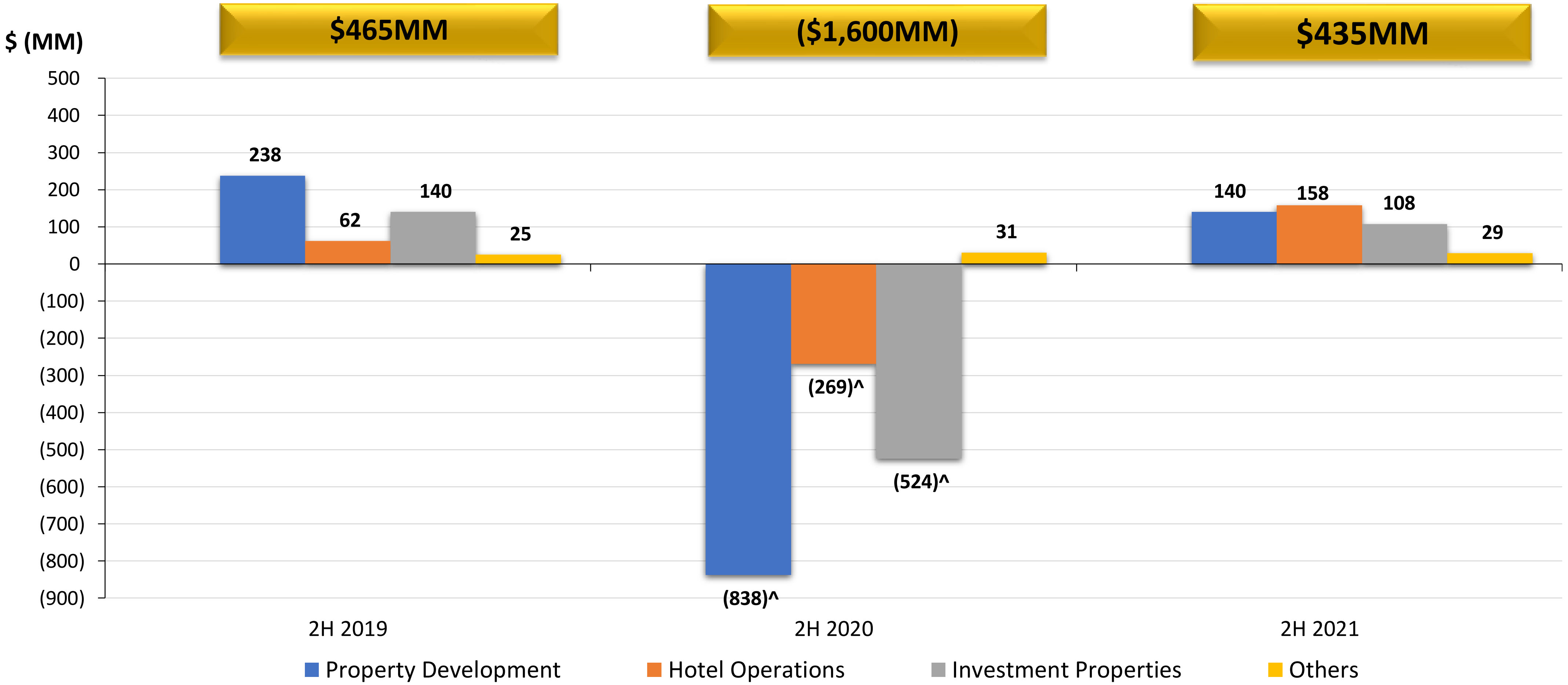
Financial Highlights

Revenue by Segment for 2H (2019 – 2021)



Financial Highlights

EBITDA by Segment for 2H (2019 – 2021)

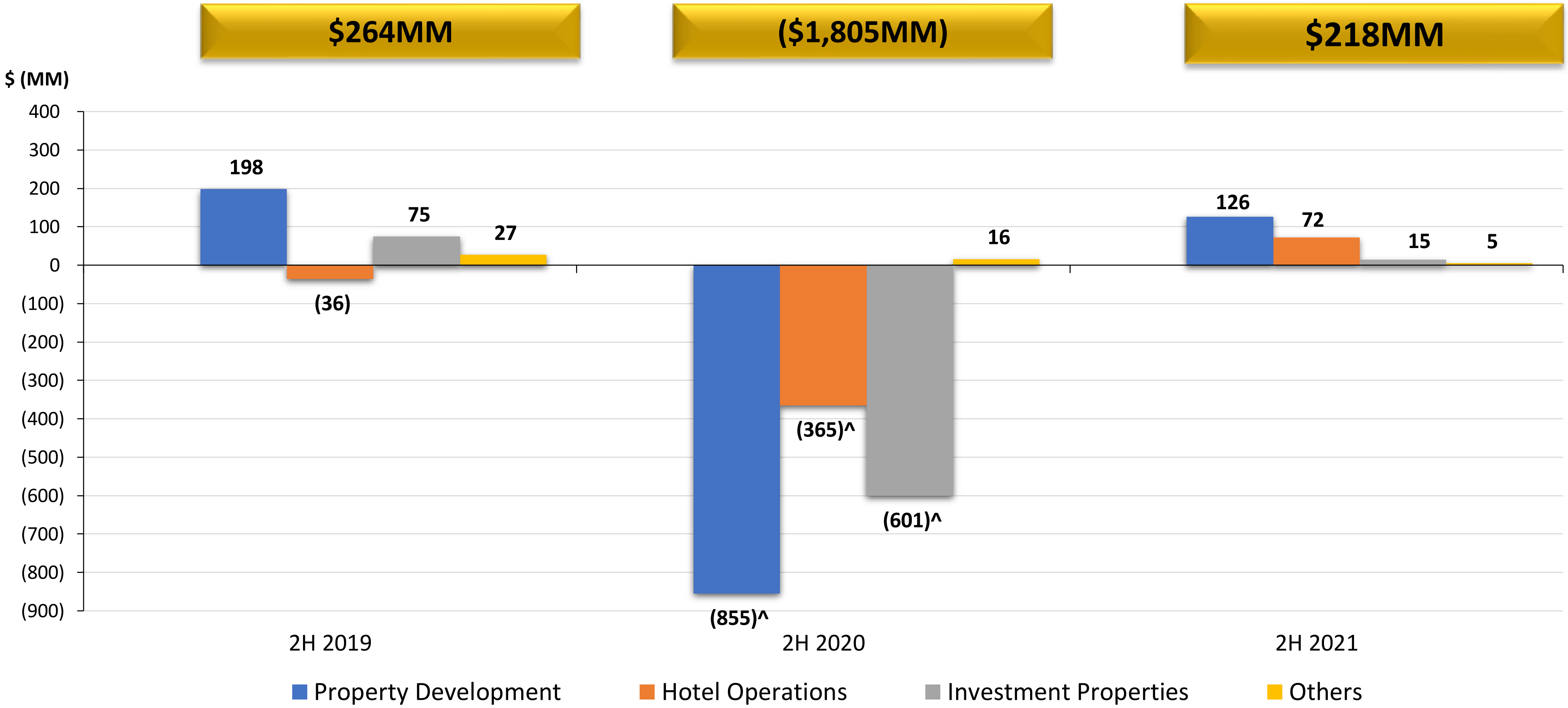


^ Include net loss from Sincere of $1.79B

– Property Development	$0.96B
– Hotel Operations	$0.11B
– Investment Properties	$0.72B

Financial Highlights

Profit Before Tax by Segment for 2H (2019 – 2021)



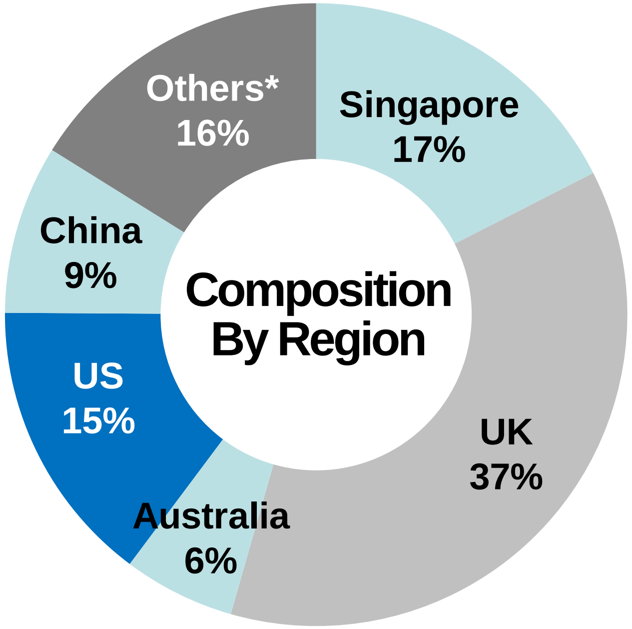
^	Include net loss from Sincere of $1.79B	– Property Development	$0.96B
		– Hotel Operations	$0.11B
		– Investment Properties	$0.72B

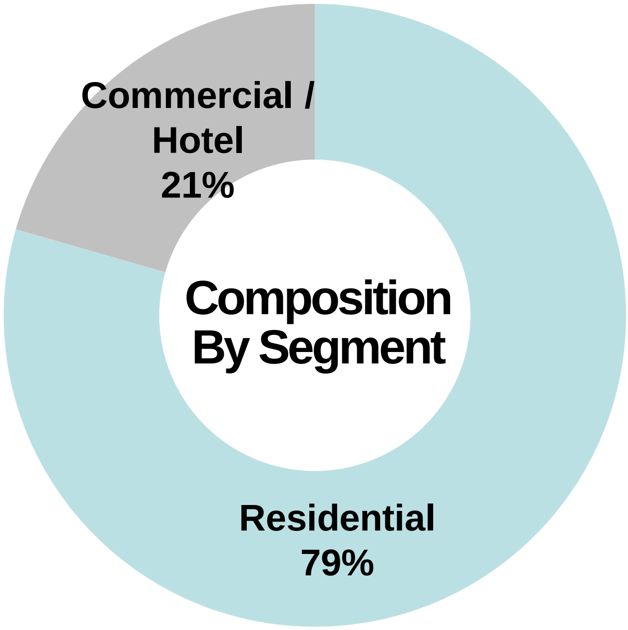
Diversified Land Bank

Land Area (as at 31 Dec 2021) – CDL's Attributable Share

Type of Development	Land Area (sq ft)			
	Singapore	International	Total	%
Residential	463,529	2,159,685	2,623,214	79
Commercial / Hotel	113,753	564,437	678,190	21
Total	**577,282**	**2,724,122**	**3,301,404**	**100**

Total Land Area[1] – 3.3MM sq ft





* Includes Japan, Korea and Malaysia
[1] Including M&C and its subsidiaries, exclude CDL New Zealand