FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::SECOND QUARTER AND/ OR HALF YEARLY RESULTS

Issuer & Securities

Issuer/ Manager
CITY DEVELOPMENTS LIMITED

Securities
CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09

Stapled Security
No

Announcement Details

Announcement Title
Financial Statements and Related Announcement

Date &Time of Broadcast
08-Aug-2019 07:42:07

Status
New

Announcement Sub Title
Second Quarter and/ or Half Yearly Results

Announcement Reference
SG190808OTHRXH9B

Submitted By (Co./ Ind. Name)
Enid Ling Peek Fong

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 following attached documents:
1) Unaudited Second Quarter and Half Year Financial Statement for the period ended 30 June 2019;
2) News Release titled "CDL Posts 18.3% Increase in Profit to S$362 Million for 1H2019"; and
3) 1H 2019 Results Presentation.

A results briefing will be held at 10.00 a.m. for invited analysts and the media on 8 August 2019 and a live webcast will be available for viewing at www.cdl.com.sg/1h2019 at the same time.

Additional Details

For Financial Period Ended
30/06/2019

Attachments

0808_CDL_Q22019_ResultsAnnouncement.pdf

0808_CDL_NewsRelease.pdf

0808_CDL1H2019-ResultsPresentation.pdf

Total size =6567K MB

CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2019

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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

These figures have not been audited.

	The Group Second quarter ended 30 June		Incr/ (Decr)	The Group Half year ended 30 June		Incr/ (Decr)
	2019	2018 (Restated) *		2019	2018 (Restated) *	
	S$'000	S$'000	%	S$'000	S$'000	%
Revenue (1)	850,364	1,359,541	(37.5)	1,596,528	2,417,370	(34.0)
Cost of sales	(431,092)	(756,037)	(43.0)	(825,122)	(1,443,603)	(42.8)
Gross profit (2)	419,272	603,504	(30.5)	771,406	973,767	(20.8)
Other operating income (3)	16,918	693	NM	161,620	31,918	NM
Administrative expenses (4)	(143,316)	(126,167)	13.6	(282,207)	(251,066)	12.4
Other operating expenses (5)	(122,460)	(111,153)	10.2	(227,176)	(209,772)	8.3
Profit from operating activities	170,414	366,877	(53.6)	423,643	544,847	(22.2)
Finance income	40,545	18,634	NM	58,346	27,814	NM
Finance costs	(52,684)	(46,626)	13.0	(98,227)	(69,248)	41.8
Net finance costs (6)	(12,139)	(27,992)	(56.6)	(39,881)	(41,434)	(3.7)
Share of after-tax profit of associates (7)	51,665	3,877	NM	58,288	9,668	NM
Share of after-tax profit/(loss) of joint ventures (8)	14,715	(1,498)	NM	48,248	1,264	NM
Profit before tax	224,655	341,264	(34.2)	490,298	514,345	(4.7)
Tax expense (9)	(41,948)	(91,017)	(53.9)	(96,082)	(124,883)	(23.1)
Profit for the period	182,707	250,247	(27.0)	394,216	389,462	1.2
Attributable to:						
Owners of the Company	**162,397**	**220,748**	(26.4)	**361,961**	**306,090**	18.3
Non-controlling interests	20,310	29,499	(31.2)	32,255	83,372	(61.3)
Profit for the period	182,707	250,247	(27.0)	394,216	389,462	1.2
Earnings per share						
- basic	17.2 cents	23.6 cents	(27.1)	39.2 cents	33.0 cents	18.8
- diluted	17.1 cents	23.1 cents	(26.0)	38.0 cents	32.1 cents	18.4

NM: not meaningful

* The 2018 comparative figures have been restated to take into account the retrospective adjustments on adoption of the Agenda Decision issued by the IFRS Interpretation Committee (IFRIC) as detailed in item 5 of this announcement.

Notes to the Group's Income Statement:

(1) The decrease in revenue for Q2 2019 and 1H 2019 was primarily attributable to the property development segment due to timing of profit recognition for development projects.

In Q2 2019, revenue was largely recognised from The Tapestry, Gramercy Park, Hongqiao Royal Lake, Whistler Grand and Suzhou Hong Leong City Center (HLCC). Included in Q2 2018 was the maiden contribution from New Futura, Park Court Aoyama The Tower in Tokyo and HLCC.

Included in 1H 2018 was a significant contribution from The Criterion Executive Condominium (EC), where its revenue was recognised in entirety upon receiving its Temporary Occupation Permit (TOP) in Q1 2018, as well as from Park Court Aoyama The Tower and HLCC. Further, unit sales recognised from completed projects including New Futura and Gramercy Park also boosted revenue for 1H 2018.

Items 14 and 15 further analyse the performance by segments.

(2) The decrease for Q2 2019 and 1H 2019 was largely due to lower gross profit generated by the property development segment. Nevertheless, the gross profit margin for 1H 2019 was 48%, higher than the 40% achieved in 1H 2018, as profit margin for The Criterion EC was more compressed despite its significant revenue contribution in 2018.

(3) Other operating income comprised mainly management fee, miscellaneous income, and profit on sale of investment properties and property, plant and equipment.

In 1H 2018, a gain of $29 million was recognised on divestment of Mercure Brisbane and Ibis Brisbane by CDL Hospitality Trusts (CDLHT). Other operating income for Q2 2019 and 1H 2019 related largely to the unwinding of PPS 1 and PPS 2.

<u>Profit Participation Securities 1 (PPS 1)</u>

In Q2 2019, the Group acquired the remaining PPS instruments issued by Sunbright Holdings Limited (Sunbright), an associate of the Group, which was established in 2014 under the Group's PPS 1 structure, in connection to the non-residential components of the Quayside Collection, an integrated development comprising W Singapore – Sentosa Cove hotel and Quayside Isle, a waterfront F&B and retail property, that the Group did not own. With these acquisitions, the Group gained full control of the two properties. As part of the purchase price allocation exercise, a net gain of about $7 million was recorded due to remeasurement of its existing stake in these properties at fair value.

<u>Profit Participation Securities 2 (PPS 2)</u>

In Q2 2019, the Group realised a deferred gain of $9.6 million from the divestment of 7 & 9 Tampines Grande in relation to the Group's PPS 2 structure established in 2015. This was in addition to a $144.3 million gain realised in Q1 2019 from the divestment of Manulife Centre. These were gains on the sale of the two properties in 2015 to Golden Crest Holdings (Golden Crest), an associate of the Group established under the PPS 2 platform and were previously deferred to the extent of the Group's retained interest in Golden Crest. Following the divestment of these two properties by Golden Crest to external parties in January 2019 and May 2019 respectively, the deferred gains were realised by the Group.

In addition, the Group also received distribution of $43.3 million from Golden Crest for its 40% investment in PPS 2 in accordance with the stipulated waterfall distribution. This was accounted under share of after-tax profit of associates.

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

The increase in administrative expenses in Q2 2019 and 1H 2019 was largely due to depreciation accounted on the right-of-use assets following the adoption of SFRS(I) 16 *Leases* on 1 January 2019 (as detailed in Item 5), as well as full quarter/ period depreciation from investment properties that were recently added to the Group's portfolio in 2018 including Aldgate House, 125 Old Broad Street, Central Mall Office Tower, Le Grove Serviced Residences (reopened in July 2018) and Suzhou HLCC retail mall (opened in June 2018). In addition, the Group's acquisition of W Singapore – Sentosa Cove and Quayside Isle in Q2 2019 via the abovementioned PPS 1 financial instruments also contributed to the increase in depreciation expenses for the current quarter.

(5) Other operating expenses comprised mainly property taxes and insurance on hotels, other operating expenses on hotels and professional fees. Increase in Q2 2019 was mainly due to higher other operating expenses on hotels, contributed by W Singapore – Sentosa Cove, which the Group had consolidated with effect from April 2019, as well as higher professional fees incurred.

(6) Net finance costs comprised the following:

	Note	The Group Second quarter ended 30 June 2019 S$'000	2018 (Restated) S$'000	Incr/ (Decr) %	The Group Half year ended 30 June 2019 S$'000	2018 (Restated) S$'000	Incr/ (Decr) %
Finance income							
Interest income	(i)	27,538	12,691	NM	49,426	26,294	88.0
Fair value gain on financial derivatives	(ii)	11,340	5,943	90.8	8,922	-	NM
Fair value gain on financial assets measured at fair value through profit or loss	(iii)	1,668	-	NM	-	-	NM
Net exchange gain	(iv)	-	-	NM	-	1,581	NM
Finance income capitalised		(1)	-	NM	(2)	(61)	(96.7)
		40,545	18,634	NM	58,346	27,814	NM
Finance costs							
Amortisation of transaction costs capitalised		(2,268)	(1,326)	71.0	(3,911)	(2,603)	50.2
Interest expenses	(v)	(51,685)	(31,560)	63.8	(95,518)	(60,666)	57.4
Fair value loss on financial derivatives	(ii)	-	-	-	-	(342)	NM
Fair value loss on financial assets measured at fair value through profit or loss	(iii)	-	(4,499)	NM	(5,191)	(7,077)	(26.6)
Net exchange loss	(iv)	(4,656)	(10,110)	(53.9)	(5,182)	-	NM
Unwinding of discount on non-current provisions		(147)	(451)	(67.4)	(305)	(922)	(66.9)
Finance costs capitalised		6,072	1,320	NM	11,880	2,362	NM
		(52,684)	(46,626)	13.0	(98,227)	(69,248)	41.8
Net finance costs		**(12,139)**	**(27,992)**	(56.6)	**(39,881)**	**(41,434)**	(3.7)

NM: not meaningful

(i) The increase in interest income in Q2 2019 and 1H 2019 was largely due to loans granted to Sincere Property Group, an established real estate developer in China which the Group intends to take an approximately 24% equity stake in the company when relevant conditions, including regulatory approvals, are met, and to acquire one of its office projects located in Shanghai, held by the subsidiaries in the Sincere Property Group.

(ii) Fair value gain/(loss) on financial derivatives related mainly to the remeasurement of foreign exchange forward contracts, cross-currency and interest rate swaps that the Group entered into.

(iii) This mainly arose from remeasurement of unquoted debt instruments and investments in equities and funds to their fair values at the reporting date.

(iv) The net exchange loss in 1H 2019 was mainly attributable to the weakening of the Sterling Pound against Singapore dollar which led to translation loss of a Sterling Pound denominated loan granted to a subsidiary.

The net exchange loss in Q2 2018 mainly relate to translation loss from CDLHT, an indirect subsidiary of the Group, arising from its United States dollar denominated bank loans as well as the depreciation of Australian dollar receivables and cash balances against Singapore dollar.

(v) The increase in interest expenses in Q2 2019 and 1H 2019 was mainly attributable to the Group's higher borrowings.

(7) The increase in share of after-tax profit of associates was mainly attributable to the share of distribution from Golden Crest arising from the unwinding of PPS 2 structure.

(8) The increase for Q2 2019 and 1H 2019 was mainly due to contribution from South Beach Residences and Boulevard 88 which were launched for sale in Q3 2018 and Q1 2019 respectively, along with returns recognised from the sale of units in the Ivy and Eve project in Australia.

(9) 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.

	The Group Second quarter ended 30 June		The Group Half year ended 30 June	
	2019	**2018 (Restated)**	**2019**	**2018 (Restated)**
The tax charge relates to the following:	**S$'m**	**S$'m**	**S$'m**	**S$'m**
Profit for the period	40.8	62.7	88.6	90.8
Land appreciation tax	5.5	32.4	11.6	37.4
Overprovision in respect of prior periods	(4.4)	(4.1)	(4.1)	(3.3)
	41.9	91.0	96.1	124.9

(10) Profit before tax includes the following:

	The Group Second quarter ended 30 June		The Group Half year ended 30 June	
	2019	**2018 (Restated)**	**2019**	**2018 (Restated)**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Allowance made for doubtful receivables and bad debts written off	(199)	(159)	(270)	(126)
Allowance written back for foreseeable loss on development properties	-	-	1,782	-
Dividend income	1,505	1,347	1,746	1,590
Depreciation and amortisation	(67,283)	(54,417)	(131,252)	(104,489)
Profit on sale of property, plant and equipment and investment properties (net)	9,558	71	153,893	29,378
Gain on remeasurement of previously held interest in an associate	6,608	-	6,608	-

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

	The Group Second quarter ended 30 June		The Group Half year ended 30 June	
	2019	2018 (Restated)	2019	2018 (Restated)
	S$'000	S$'000	S$'000	S$'000
Profit for the period	182,707	250,247	394,216	389,462
Other comprehensive income:				
Item that will not be reclassified to profit or loss:				
Change in fair value of equity instruments measured at fair value through other comprehensive income	678	(830)	2,408	(1,341)
Items that are or may be reclassified subsequently to profit or loss:				
Effective portion of changes in fair value of cash flow hedges	(5,012)	(591)	(4,739)	(4,896)
Exchange differences on hedges of net investment in foreign operations	(4,763)	(14,740)	1,330	(5,490)
Exchange differences on monetary items forming part of net investment in foreign operations	(12,137)	(961)	(5,192)	10,200
Exchange differences reclassified to profit or loss on liquidation/cessation of business of foreign operations	-	(81)	-	760
Share of translation differences of equity-accounted investees	(10,061)	2,762	(5,931)	8,140
Translation differences arising on consolidation of foreign operations	(49,499)	5,558	(46,976)	11,667
Total other comprehensive income for the period, net of tax	**(80,794)**	**(8,883)**	**(59,100)**	**19,040**
Total comprehensive income for the period	**101,913**	**241,364**	**335,116**	**408,502**
Attributable to:				
Owners of the Company	**103,184**	**202,720**	**326,641**	**345,584**
Non-controlling interests	(1,271)	38,644	8,475	62,918
Total comprehensive income for the period	**101,913**	**241,364**	**335,116**	**408,502**

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

	Note	The Group		The Company	
		As at 30.06.2019 S$'000	As at 31.12.2018 S$'000	As at 30.06.2019 S$'000	As at 31.12.2018 S$'000
Non-current assets					
Property, plant and equipment	(1)	5,555,250	5,013,300	44,275	13,994
Investment properties	(1)	3,896,340	3,741,327	445,348	452,217
Lease premium prepayment	(1)	-	101,349	-	-
Investments in subsidiaries		-	-	2,067,849	2,067,869
Investments in associates	(2)	544,006	427,852	-	-
Investments in joint ventures		1,312,177	1,307,639	37,360	37,360
Financial assets	(3)	1,025,497	884,476	354,124	352,831
Other non-current assets	(4)	624,739	310,496	4,501,113	3,620,324
		12,958,009	**11,786,439**	**7,450,069**	**6,544,595**
Current assets					
Lease premium prepayment		-	3,752	-	-
Development properties		5,516,174	5,703,910	182,478	182,833
Contract costs		10,176	12,156	-	-
Contract assets	(5)	94,439	107,241	-	42,921
Asset classified as held for sale	(6)	1,517	-	1,517	-
Consumable stocks		12,061	13,254	-	-
Financial assets		18,358	14,203	-	-
Trade and other receivables	(7)	1,617,956	955,490	5,071,231	4,426,381
Cash and cash equivalents		2,963,550	2,289,247	1,354,490	727,373
		10,234,231	**9,099,253**	**6,609,716**	**5,379,508**
Total assets		**23,192,240**	**20,885,692**	**14,059,785**	**11,924,103**
Equity attributable to Owners of the Company					
Share capital		1,991,397	1,991,397	1,991,397	1,991,397
Reserves		8,244,047	8,049,300	4,652,723	4,706,110
		10,235,444	10,040,697	6,644,120	6,697,507
Non-controlling interests		2,188,727	2,233,243	-	-
Total equity		**12,424,171**	**12,273,940**	**6,644,120**	**6,697,507**
Non-current liabilities					
Interest-bearing borrowings*	(8)	6,500,337	5,068,840	3,201,569	2,192,985
Employee benefits		24,665	26,392	-	-
Lease liabilities	(1)	180,543	-	22,907	-
Other liabilities	(9)	124,760	262,242	8,887	8,847
Provisions		36,830	36,719	-	-
Deferred tax liabilities		117,248	113,778	17,053	17,561
		6,984,383	**5,507,971**	**3,250,416**	**2,219,393**
Current liabilities					
Trade and other payables	(10)	1,271,346	1,293,336	2,899,876	2,510,898
Lease liabilities	(1)	13,669	-	5,689	-
Contract liabilities		160,589	104,007	-	-
Interest-bearing borrowings*	(8)	1,988,069	1,258,412	1,225,849	437,525
Employee benefits		29,119	26,562	2,586	2,562
Provision for taxation		296,917	385,393	31,249	56,218
Provisions		23,977	36,071	-	-
		3,783,686	**3,103,781**	**4,165,249**	**3,007,203**
Total liabilities		**10,768,069**	**8,611,752**	**7,415,665**	**5,226,596**
Total equity and liabilities		**23,192,240**	**20,885,692**	**14,059,785**	**11,924,103**

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

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

1) Following the adoption of SFRS(I) 16 *Leases* on 1 January 2019, the Group and the Company recognised right-of-use assets (the right to use leased assets) and lease liabilities (its obligations to make lease payments) in relation to its existing operating lease arrangements. Right-of-use assets that relate to property, plant and equipment have been presented within property, plant and equipment while right-of-use assets that relate to investment properties have been presented within investment properties. The Group also reclassified lease premium prepayment (both current and non-current portion) to property, plant and equipment and investment properties. Refer to Item 5 for more details.

   Further, the Group consolidated the performance of W Singapore – Sentosa Cove in Q2 2019 following its acquisition of the remaining PPS instruments under PPS 1 structure, in connection to the non-residential components of the Quayside Collection, an integrated development comprising W Singapore – Sentosa Cove hotel and Quayside Isle that it did not own. Accordingly, this hotel is now consolidated in property, plant and equipment.

2) The increase in investments in associates at the Group was mainly due to conversion of series 1 perpetual convertible capital securities (PCCS 1), issued in 2018 by First Sponsor Group Limited (FSGL), an associate of the Group, to ordinary shares in FSGL during the current quarter. PCCS 1 was previously accounted as financial assets measured at fair value through other comprehensive income under other non-current assets. With the conversion, the carrying value of PCCS 1 was reclassified to investments in associates. The Group also acquired 12.5% stake in IREIT Global in Q2 2019 for a consideration of approximately $60 million.

3) The increase in investments in financial assets at the Group was mainly due to the subscription of a US$230 million bond issued by Sincere Property Group and series 2 of PCCS issued by FSGL. This was partially reduced by full redemption of bonds that the Group previously subscribed for under PPS 2 structure following the divestments of underlying properties in the structure, coupled with the conversion of PCCS 1 disclosed in Note (2) above.

4) The increase in other non-current assets at the Group was largely due to advances granted to joint ventures to finance the acquisition of Liang Court retail mall and land site at Sims Drive. The increase was also attributable to the reclassification of restricted deposits from cash and cash equivalents to other non-current assets following the refinancing of the related bank borrowings for which the deposits were being pledged.

   The increase in other non-current assets at the Company was mainly due to additional loans granted to subsidiaries to meet several funding requirements including subscription of bond issued by Sincere Property Group, along with loans granted to them as well as the potential acquisition of shares in M&C that the Group does not own pursuant to the proposed privatisation exercise.

5) Contract assets for the Company as at 31 December 2018 related to unbilled receivables on the unit sales of Coco Palms and D'Nest in 2018. The amounts were subsequently billed in 2019.

6) Asset classified as held for sale at the Group and Company related to the carrying amount of a vacant land parcel at Jervois Road for which the Company had issued an option to purchase to an external party to sell this investment property. The sale was completed in July 2019.

7) The increase in trade and other receivables at the Group was mainly due to the aforementioned loans granted to Sincere Property Group.

   The increase in trade and other receivables at the Company was mainly due to additional advances extended to subsidiaries to provide funding for the Group's share of contribution towards the acquisition of land site at Sims Drive, Liang Court retail mall, 12.5% stake in IREIT Global and 50% stake in IREIT Global Group Pte.Ltd. (manager of IREIT Global).

8) The overall increase in interest-bearing borrowings (current and non-current portion) at the Group and Company was mainly due to loans taken up to provide several funding requirements including the subscription of US dollar bond issued by Sincere Property Group, along with loans granted to them, potential acquisition of shares in M&C that the Group does not own pursuant to the proposed privatisation exercise, and acquisition of land sites/properties both in Singapore and overseas.

9) The decrease in other liabilities at the Group was due to realisation of a deferred gain of $153.9 million following the divestment of Manulife Centre and 7 & 9 Tampines Grande to external parties in relation to the Group's PPS 2 structure.

10) The increase in trade and other payables at the Company was mainly due to advances granted primarily from a wholly-owned subsidiary via the proceeds from issuance of bonds by that subsidiary.

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

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

		As at 30.06.2019 S$'000	As at 31.12.2018 S$'000
Unsecured			
- repayable within one year		1,844,014	1,011,789
- repayable after one year		4,779,389	3,644,924
	(a)	6,623,403	4,656,713
Secured			
- repayable within one year		159,032	247,209
- repayable after one year		1,918,667	1,438,724
	(b)	2,077,699	1,685,933
Gross borrowings	(a) + (b)	8,701,102	6,342,646
Less: cash and cash equivalents as shown in the statement of financial position		(2,963,550)	(2,289,247)
Less: restricted deposits included in other non-current assets		(305,623)	(222,979)
Net borrowings		5,431,929	3,830,420

Details of any collateral

Where secured, borrowings are collateralised by:

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

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

	Second Quarter Ended 30 June		Half Year Ended 30 June	
	2019	2018 (Restated)	2019	2018 (Restated)
	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities				
Profit for the period	182,707	250,247	394,216	389,462
Adjustments for:				
Depreciation and amortisation	67,283	54,417	131,252	104,489
Dividend income	(1,505)	(1,347)	(1,746)	(1,590)
Equity settled share-based transactions	(531)	544	-	1,095
Finance costs	37,587	30,573	93,045	69,248
Finance income	(38,044)	(13,636)	(59,931)	(27,345)
Tax expense	41,948	91,017	96,082	124,883
Gain on liquidation of subsidiaries	-	(71)	-	(71)
Net fair value gain on remeasurement of previously held interest in an associate	(6,608)	-	(6,608)	-
Profit on sale of property, plant and equipment and investment properties	(9,558)	(71)	(153,893)	(29,378)
Property, plant and equipment and investment properties written off	2,328	83	2,435	354
Share of after-tax profit of associates	(51,665)	(3,877)	(58,288)	(9,668)
Share of after-tax (profit)/loss of joint ventures	(14,715)	1,498	(48,248)	(1,264)
Operating profit before working capital changes	209,227	409,377	388,316	620,215
Changes in working capital				
Development properties	74,033	(1,608,460)	149,770	(1,461,999)
Consumable stocks and trade and other receivables	91,647	186,485	(34,969)	9,670
Contract costs	(3,859)	3,184	1,980	5,121
Contract assets	(57,358)	130,022	12,802	115,974
Trade and other payables	(475)	8,646	(33,983)	(88,226)
Contract liabilities	2,216	(88,412)	69,449	(168,273)
Employee benefits	1,615	1,402	1,735	1,647
Cash generated from/(used in) operations	317,046	(957,756)	555,100	(965,871)
Tax paid	(118,219)	(84,202)	(142,564)	(112,939)
Net cash from/(used in) operating activities [1]	**198,827**	**(1,041,958)**	**412,536**	**(1,078,810)**
Cash flows from investing activities				
Acquisition of subsidiaries (net of cash acquired) [2]	(63,891)	(800)	(92,045)	(800)
Advances granted to a real estate developer in China [3]	-	-	(657,853)	-
Capital expenditure on investment properties	(15,301)	(16,300)	(29,935)	(28,462)
Dividends received:				
- associates	47,211	2,791	47,211	2,791
- joint ventures	4,083	14,100	23,231	21,300
- financial investments	1,505	1,347	1,746	1,590
(Increase)/Decrease in amounts owing by equity-accounted investees (non-trade) [4]	(241,958)	35,954	(214,796)	(18,266)
Increase in investments in associates [5]	(59,826)	(2,494)	(59,826)	(2,494)
Decrease/(Increase) in investments in joint ventures [6]	40,820	(10,059)	38,304	(18,325)
Interest received	16,577	12,993	30,836	23,865
Purchase of property, plant and equipment	(43,237)	(33,880)	(95,270)	(87,592)
Proceeds from sale of property, plant and equipment and investment properties [7]	440	122	456	80,697
Purchase of financial assets (net) [8]	(378,869)	(43,192)	(379,341)	(45,045)
Return of capital from financial assets	54,012	249	134,812	683
Proceeds from distributions from financial assets	434	316	434	420
Settlement of financial derivatives	11,682	-	13,777	(1,827)
Cash flows used in investing activities	**(626,318)**	**(38,853)**	**(1,238,259)**	**(71,465)**

	Second quarter ended 30 June		Half year ended 30 June	
	2019	2018 (Restated)	2019	2018 (Restated)
	S$'000	S$'000	S$'000	S$'000
Cash flows from financing activities				
Capital contribution from/(distribution to) non-controlling interests	12	1,552	(5,644)	(592)
Dividends paid	(145,973)	(150,034)	(179,238)	(184,345)
Repayment of lease liabilities and finance lease payable	(1,668)	(47)	(4,825)	(93)
(Increase)/Decrease in restricted cash	(403)	(335)	(16)	137
Decrease in deposits pledged to financial institutions	33,392	5,824	41,313	12,674
Interest paid (including amounts capitalised in investment properties, property, plant and equipment and development properties)	(50,357)	(32,712)	(83,981)	(56,949)
(Repayment of advances)/Advances from related parties (non-trade)	(19,363)	145,465	20,178	139,132
Proceeds from/(Repayments of) revolving credit facilities and short-term bank borrowings	964,209	(146,862)	1,115,024	(231,170)
Payment of financing transaction costs	(6,197)	(1,686)	(8,805)	(2,905)
Increase/(Decrease) in other long-term liabilities	140	(3,634)	6,911	(3,914)
Proceeds from borrowings	498,219	1,000,860	663,188	1,019,022
Proceeds from issuance of bonds and notes	600,000	-	850,000	18,300
Repayment of bank borrowings	(361,150)	(155,769)	(532,551)	(245,521)
Repayment of bonds and notes	(150,045)	(120,000)	(255,580)	(220,000)
Cash flows from financing activities [9]	**1,360,816**	**542,622**	**1,625,974**	**243,776**
Net increase/(decrease) in cash and cash equivalents	**933,325**	**(538,189)**	**800,251**	**(906,499)**
Cash and cash equivalents at beginning of the period	2,029,297	3,240,893	2,162,373	3,599,044
Effect of exchange rate changes on balances held in foreign currencies	(3,392)	764	(3,394)	10,923
Cash and cash equivalents at end of the period	**2,959,230**	**2,703,468**	**2,959,230**	**2,703,468**
Cash and cash equivalents comprise:-				
Cash and cash equivalents as shown in the statement of financial position	2,963,550	2,711,843	2,963,550	2,711,843
Restricted deposits included in other non-current assets	305,623	371,098	305,623	371,098
Less: Deposits pledged to financial institutions	(305,857)	(378,332)	(305,857)	(378,332)
Less: Restricted cash	(1,376)	(1,141)	(1,376)	(1,141)
Less: Bank overdrafts	(2,710)	-	(2,710)	-
	2,959,230	**2,703,468**	**2,959,230**	**2,703,468**

Notes to the statement of cash flows

(1) The cash outflows for Q2 2018 and 1H 2018 were due to the progress payment for land sites at Handy Road, West Coast Vale, Sumang Walk and Amber Park (via collective enbloc sale) which the Group acquired.

(2) The cash outflows for Q2 2019 was due to the acquisition of the remaining cashflow participation financial instruments issued by Sunbright, in connection to the non-residential components of the Quayside Collection integrated development, under PPS 1 structure. Included in 1H 2019 was also the payment for the acquisition of 100% interest in a freehold site located at Monk Bridge in Leeds, United Kingdom. The cash flows for Q2 2018 and 1H 2018 were in relation to the acquisition of The Lowry Hotel by CDLHT in May 2017.

(3) The cash outflows for 1H 2019 was in relation to the loans granted to Sincere Property Group.

(4) The cash outflows for Q2 2019 and 1H 2019 were due to advances granted to joint ventures to fund the acquisition of Liang Court retail mall and a land site at Sims Drive.

(5) The cash outflows for Q2 2019 and 1H 2019 were in relation to the Group's acquisition of 12.5% stake in IREIT Global.

(6) The net cash inflows for Q2 2019 and 1H 2019 were due to the return of capital from South Beach Consortium, partially offset by cash outflows for investment in 50% stake in IREIT Global Group Pte. Ltd. (the trust manager for IREIT Global) as well as additional investment in Shanghai Distrii Technology Development Co., Ltd, a leading operator of co-working spaces in China.

(7) The proceeds from sale of property, plant and equipment and investment properties for 1H 2018 related mainly to the proceeds received from the divestment of Mercure Brisbane and Ibis Brisbane by CDLHT in Q1 2018.

(8) The cash outflows for Q2 2019 and 1H 2019 were mainly due to the Group's subscription of a US$230 million bond issued by Sincere Property Group.

(9) The Group had net cash inflows from financing activities of $1,360.8 million (Q2 2018: $542.6 million) for Q2 2019 and $1,626.0 million (1H 2018: $243.8 million) for 1H 2019.

The increase for Q2 2019 and 1H 2019 was mainly due to net increase in borrowings of $1,551.2 million and $1,840.1 million respectively, which were raised to provide various funding requirements including subscription of bond issued by Sincere Property Group, in addition to the loans granted to them in Q1 2019, potential acquisition of shares in M&C that the Group does not own pursuant to the proposed privatisation exercise, and acquisition of land sites/properties in Singapore and overseas. This was partially offset by dividend paid during the current period.

The net cash inflows for Q2 2018 and 1H 2018 were mainly due to net increase in borrowings of $578.2 million and $340.6 million respectively, arising from the purchase of the land sites of Amber Park and Sumang Walk which the Group has 80% and 60% interest respectively and advances from fellow subsidiaries for their share of contribution towards these acquisitions. These were partially offset by the dividend paid.

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

The Group	Share Capital S$m	Cap. Res. S$m	Other Res.* S$m	Foreign Curr Trans Res. S$m	Accum. Profits S$m	Total S$m	Non-controlling Interests S$m	Total Equity S$m
	Attributable to owners of the Company							
At 1 January 2019	1,991.4	185.9	16.6	(119.5)	7,966.3	10,040.7	2,233.2	12,273.9
Profit for the period	-	-	-	-	199.6	199.6	11.9	211.5
Other comprehensive income for the period, net of tax	-	-	2.2	21.7	-	23.9	(2.2)	21.7
Total comprehensive income for the period	-	-	2.2	21.7	199.6	223.5	9.7	233.2
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital distribution to non-controlling interests	-	-	-	-	-	-	(5.6)	(5.6)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(33.2)	(33.2)
Share-based payment transactions	-	-	0.3	-	-	0.3	0.2	0.5
Total contributions by and distributions to owners	-	-	0.3	-	-	0.3	(38.6)	(38.3)
Change in ownership interests in subsidiaries								
Change of interests in a subsidiary without loss of control	-	0.1	-	-	-	0.1	(0.1)	-
Total change in ownership interests in subsidiaries	-	0.1	-	-	-	0.1	(0.1)	-
Total transactions with owners	-	0.1	0.3	-	-	0.4	(38.7)	(38.3)
At 31 March 2019	**1,991.4**	**186.0**	**19.1**	**(97.8)**	**8,165.9**	**10,264.6**	**2,204.2**	**12,468.8**
Profit for the period	-	-	-	-	162.4	162.4	20.3	182.7
Other comprehensive income for the period, net of tax	-	-	(8.3)	(55.8)	4.8	(59.3)	(21.5)	(80.8)
Total comprehensive income for the period	-	-	(8.3)	(55.8)	167.2	103.1	(1.2)	101.9
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Dividends paid to owners of the Company	-	-	-	-	(133.5)	(133.5)	-	(133.5)
Dividends paid to non-controlling interests							(12.5)	(12.5)
Share-based payment transactions	-	-	(0.3)	-	-	(0.3)	(0.2)	(0.5)
Total contributions by and distributions to owners	-	-	(0.3)	-	(133.5)	(133.8)	(12.7)	(146.5)
Change in ownership interests in subsidiaries								
Change of interests in a subsidiary without loss of control	-	1.6	-	-	-	1.6	(1.6)	-
Total change in ownership interests in subsidiaries	-	1.6	-	-	-	1.6	(1.6)	-
Total transactions with owners	-	1.6	(0.3)	-	(133.5)	(132.2)	(14.3)	(146.5)
At 30 June 2019	**1,991.4**	**187.6**	**10.5**	**(153.6)**	**8,199.6**	**10,235.5**	**2,188.7**	**12,424.2**

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

CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

The Group	Share Capital S$m	Cap. Res. S$m	Other Res.* S$m	Foreign Curr Trans Res. S$m	Accum. Profits S$m	Total S$m	Non-controlling Interests S$m	Total Equity S$m
	Attributable to Owners of the Company							
At 1 January 2018	1,991.4	182.1	42.2	(95.4)	7,271.0	9,391.3	2,254.8	11,646.1
Adjustment on initial application of SFRS(I) 9 (net of tax)	-	-	0.4	-	362.7	363.1	-	363.1
Adjusted balance at 1 January 2018	1,991.4	182.1	42.6	(95.4)	7,633.7	9,754.4	2,254.8	12,009.2
Profit for the period, restated	-	-	-	-	85.3	85.3	53.9	139.2
Other comprehensive income for the period, net of tax	-	-	(3.3)	60.8	-	57.5	(29.6)	27.9
Total comprehensive income for the period	-	-	(3.3)	60.8	85.3	142.8	24.3	167.1
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital distribution to non-controlling interests	-	-	-	-	-	-	(2.1)	(2.1)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(34.3)	(34.3)
Share-based payment transactions	-	-	0.4	-	-	0.4	0.1	0.5
Total contributions by and distributions to owners	-	-	0.4	-	-	0.4	(36.3)	(35.9)
Change in ownership interests in subsidiaries								
Change of interests in subsidiaries without loss of control	-	1.5	-	-	-	1.5	(1.5)	-
Total change in ownership interests in subsidiaries	-	1.5	-	-	-	1.5	(1.5)	-
Total transactions with owners	-	1.5	0.4	-	-	1.9	(37.8)	(35.9)
At 31 March 2018	**1,991.4**	**183.6**	**39.7**	**(34.6)**	**7,719.0**	**9,899.1**	**2,241.3**	**12,140.4**
Profit for the period, restated	-	-	-	-	220.8	220.8	29.5	250.3
Other comprehensive income for the period, net of tax	-	-	(1.2)	(16.8)	-	(18.0)	9.1	(8.9)
Total comprehensive income for the period	-	-	(1.2)	(16.8)	220.8	202.8	38.6	241.4
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital contribution from non-controlling interests	-	-	-	-	-	-	1.6	1.6
Dividends paid to owners of the Company	-	-	-	-	(133.7)	(133.7)	-	(133.7)
Dividends paid to non-controlling interests							(16.3)	(16.3)
Share-based payment transactions	-	-	0.3	-	-	0.3	0.2	0.5
Transfer to statutory reserve	-	-	1.3	-	(1.3)	-	-	-
Total contributions by and distributions to owners	-	-	1.6	-	(135.0)	(133.4)	(14.5)	(147.9)
Changes in ownership interests in subsidiaries								
Change of interests in subsidiaries without loss of control	-	1.3	-	-	-	1.3	(1.3)	-
Total change in ownership interests in subsidiaries	-	1.3	-	-	-	1.3	(1.3)	-
Total transactions with owners	-	1.3	1.6	-	(135.0)	(132.1)	(15.8)	(147.9)
At 30 June 2018	**1,991.4**	**184.9**	**40.1**	**(51.4)**	**7,804.8**	**9,969.8**	**2,264.1**	**12,233.9**

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

CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

The Company	Share Capital S$m	Capital Reserve S$m	Fair Value Reserve S$m	Accumulated Profits S$m	Total S$m
At 1 January 2019	1,991.4	63.7	(29.0)	4,671.4	6,697.5
Profit for the period	-	-	-	77.0	77.0
Other comprehensive income					
Change in fair value of equity investments measured at fair value through other comprehensive income	-	-	1.7	-	1.7
Total other comprehensive income for the period, net of tax	-	-	1.7	-	1.7
Total comprehensive income for the period	-	-	1.7	77.0	78.7
At 31 March 2019	**1,991.4**	**63.7**	**(27.3)**	**4,748.4**	**6,776.2**
Profit for the period /Total comprehensive income for the period	-	-	-	1.4	1.4
Transaction with owners, recorded directly in equity					
Contributions by and distributions to owners					
Dividends	-	-	-	(133.5)	(133.5)
Total contributions by and distributions to owners	-	-	-	(133.5)	(133.5)
Total transactions with owners	-	-	-	(133.5)	(133.5)
At 30 June 2019	**1,991.4**	**63.7**	**(27.3)**	**4,616.3**	**6,644.1**
At 1 January 2018	1,991.4	63.7	14.6	4,389.7	6,459.4
Adjustment on initial application of SFRS(I) 9 (net of tax)	-	-	(0.5)	366.1	365.6
At 1 January 2018	1,991.4	63.7	14.1	4,755.8	6,825.0
Profit for the period	-	-	-	65.8	65.8
Total other comprehensive income for the period, net of tax	-	-	(0.4)	-	(0.4)
Total comprehensive income for the period	-	-	(0.4)	65.8	65.4
At 31 March 2018	**1,991.4**	**63.7**	**13.7**	**4,821.6**	**6,890.4**
Profit for the period	-	-	-	1.0	1.0
Total other comprehensive income for the period, net of tax	-	-	(0.5)	-	(0.5)
Total comprehensive income for the period	-	-	(0.5)	1.0	0.5
Transaction with owners, recorded directly in equity					
Contributions by and distributions to owners					
Dividends	-	-	-	(133.7)	(133.7)
Total contributions by and distributions to owners	-	-	-	(133.7)	(133.7)
Total transactions with owners	-	-	-	(133.7)	(133.7)
At 30 June 2018	**1,991.4**	**63.7**	**13.2**	**4,688.9**	**6,757.2**

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

Ordinary share capital

There was no change in the Company's issued share capital during the three months ended 30 June 2019.

Preference share capital

There was no change in the Company's issued preference share capital during the three months ended 30 June 2019.

As at 30 June 2019, 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 (30 June 2018: 44,998,898 ordinary shares).

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

Ordinary share capital

As at 30 June 2019, the total number of issued ordinary shares (excluding treasury shares) was 906,901,330 (31 December 2018: 906,901,330).

Preference share capital

The total number of issued Preference Shares as at 30 June 2019 and 31 December 2018 was 330,874,257.

Treasury Shares

As at 30 June 2019, the Company held 2,400,000 treasury shares (31 December 2018: 2,400,000) which represented 0.26% of the total number of issued shares (excluding treasury shares).

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the three months ended 30 June 2019.

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

Not applicable.

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

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

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

Not applicable.

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

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the Group's most recently audited financial statements for the year ended 31 December 2018.

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

Following the Agenda Decision issued by the IFRS Interpretation Committee (IFRIC) in Q4 2018 relating to the capitalisation of borrowing costs for the construction of a residential multi-unit estate development where revenue is recognised over time, the Group had ceased capitalisation of borrowing costs on development properties where revenue is recognised over time.

In addition, with effect from Q3 2018, the Group had reclassified certain expenses including net exchange gain/(loss) between administrative expenses, other operating expenses and net finance income/(cost) to better reflect the nature of the transactions. Accordingly, the prior period comparatives have been restated to conform to such presentation.

Impact on Q2 2018 and 1H 2018

Income Statement

	Second quarter ended 30 June 2018 $'000	Half year ended 30 June 2018 $'000
Decrease in cost of sales	22,357	29,484
Decrease in administrative expenses	3,237	3,237
Increase in other operating expenses	(3,237)	(3,245)
Increase in finance income	55	1,614
Increase in finance costs	(6,043)	(8,692)
Decrease in share of after-tax profit of joint ventures	(469)	(819)
Increase in tax expense	(661)	(1,027)
Decrease in non-controlling interests	715	715
Increase in profit attributable to owners of the Company	15,954	21,267
Increase in basic earnings per share (cents)	1.8	2.4

The new/revised SFRS(I)s applicable for the financial period beginning 1 January 2019 are as follows:

SFRS(I) 16 *Leases*
SFRS(I) INT 23 *Uncertainty over Income Tax Treatment*
Long-term Interests in Associates and Joint Ventures (Amendments to SFRS(I) 1-28)
Prepayment Features with Negative Compensation (Amendments to SFRS(I) 9)
Previously Held Interest in a Joint Operation (Amendments to SFRS(I) 3 and 11)
Income Tax Consequences of Payments on Financial Instruments Classified as Equity (Amendments to SFRS(I) 1-12)
Borrowing Costs Eligible for Capitalisation (Amendments to SFRS(I) 1-23)
Plan Amendment, Curtailment or Settlement (Amendments to SFRS(I) 1-19)

SFRS(I) 16

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its rights to use the underlying asset and a lease liability representing its obligation to make lease payments. Remaining lease payments under the operating leases will be recognised at their present value discounted using an appropriate discount rate and the nature of expenses will now change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of ROU assets and interest expense on lease liabilities.

As a lessee, the Group had adopted SFRS(I) 16 using the modified retrospective approach. Therefore, the cumulative effect of adoption SFRS(I) 16 will be recognised as an adjustment to the opening balance of accumulative profits at 1 January 2019, with no restatement of comparative information. The Group had applied the practical expedient to grandfather the definition of a lease on transition and the practical expedient to recognise ROU assets equal to its lease liabilities as at 1 January 2019.

The adoption of SFRS(I) 16 resulted in adjustments to the statement of financial position of the Group as at 1 January 2019.

Statement of financial position

	1.1.2019 $'000
Increase in property, plant and equipment	265,185
Increase in investment properties	42,471
Decrease in lease premium prepayment	(105,101)
Increase in lease liabilities	(200,785)
Decrease in trade and other receivables	(1,523)
Increase in trade and other payables	(247)
	-

As a result of initially applying SFRS(I) 16, in relation to the leases that were previously classified as operating leases, the Group recognised right-of-use assets of $296.3 million and lease liabilities of $194.2 million as at 30 June 2019.

In relation to those leases under SFRS(I) 16, the Group has recognised depreciation and interest costs, instead of operating lease expense. During the half year ended 30 June 2019, the Group recognised depreciation charge of $10.0 million and interest costs of $4.1 million from these leases.

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

	Second quarter ended 30 June		Half year ended 30 June	
	2019	2018 (Restated)	2019	2018 (Restated)
Basic Earnings per share (cents)	17.2	23.6	39.2	33.0
Diluted Earnings per share (cents)	17.1	23.1	38.0	32.1
Earnings per share is calculated based on:				
a) Profit attributable to owners of the Company (S$'000) (*)	155,963	214,314	355,527	299,656
b) Profit used for computing diluted earnings per share (S$'000)	162,397	220,748	361,961	306,090
c) Weighted average number of ordinary shares in issue:				
- basic	906,901,330	909,301,330	906,901,330	909,301,330
- diluted (**)	951,900,228	954,300,228	951,900,228	954,300,228

* *After deducting preference dividends of $6,434,000 paid in Q2 2019 (Q2 2018: $6,434,000 paid).*

** *For computation of diluted earnings per share, the weighted average number of ordinary shares has been adjusted for any dilutive effect of potential ordinary shares arising from the conversion of all preference shares.*

7. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares (excluding treasury shares) of the issuer at the end of the: -
(a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group		The Company	
	30.06.2019 S$	31.12.2018 S$	30.06.2019 S$	31.12.2018 S$
Net Asset Value per ordinary share based on the number of issued 906,901,330 ordinary shares (excluding treasury shares) as at 30 June 2019 (906,901,330 ordinary shares (excluding treasury shares) as at 31 December 2018)	11.29	11.07	7.33	7.39

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

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

Group Performance

For the half year ended 30 June 2019 (1H 2019), the Group delivered an 18.3% increase in net attributable profit after tax and minority interests (PATMI) of $362.0 million (Restated 1H 2018: $306.1 million). The increase was underpinned by the successful unwinding of the Group's second Profit Participation Securities (PPS 2) structure, which achieved pre-tax deferred gains totalling $153.9 million from the divestment of Manulife Centre and 7 & 9 Tampines Grande and a gain of $43.3 million from the Group's stake in PPS 2. Profit from two very well-received JV projects, South Beach Residences and Boulevard 88, also contributed to the positive results.

Due to the timing of profit recognition for the property development segment, revenue for 1H 2019 decreased 34.0% to $1.6 billion (1H 2018: $2.4 billion). This segment tends to be lumpy since profits from some projects cannot be recognised progressively but only upon completion. The revenue in 1H 2018 registered a very strong performance which saw substantial contribution from various projects like New Futura, Gramercy Park, The Criterion EC obtaining its Temporary Occupation Permit (TOP) and the handover of units at overseas projects such as Phase 2 of Hong Leong City Center (HLCC) in Suzhou and Park Court Aoyama The Tower in Tokyo.

In terms of 1H 2019 pre-tax profit by segment, investment properties segment took the lead by contributing 52.7%, propelled by the gains from unwinding the PPS 2 structure. Property development and hotel operations segments were next in line respectively. Hotel operations, primarily from Millennium & Copthorne Hotels plc, the Group's 65.2% subsidiary, was negatively impacted by the refurbishments at Millennium Hotel London Mayfair and Orchard Hotel Singapore. The Mayfair hotel has been closed since July 2018 whilst Orchard Hotel has been closed on phased basis since Q4 2018. Impact on hotel revenue from Mayfair's closure and Orchard Hotel's refurbishment was £5 million and £2 million respectively.

For Q2 2019, the Group reported revenue of $850.4 million (Q2 2018: $1.4 billion) and PATMI of $162.4 million (Restated Q2 2018: $220.7 million) with progressive contributions from The Tapestry and Whistler Grand. As described above, the decline in earnings is largely attributable to the timing of profit recognition for the property development segment.

Basic earnings per share stood at 17.2 cents for Q2 2019 (Restated Q2 2018: 23.6 cents) and 39.2 cents for 1H 2019 (Restated 1H 2018: 33.0 cents).

As at 30 June 2019, the Group's balance sheet remained robust, with cash reserves of $3.3 billion and a net gearing ratio without factoring any revaluation surplus from investment properties of 44%. The interest cover for 1H 2019 was 14.4 times.

The Board is pleased to declare payment of a tax-exempt (one-tier) special interim dividend of 6.0 cents per ordinary share.

Property (Singapore)

Urban Redevelopment Authority (URA) data indicated that private residential property prices rose 1.5% in Q2 2019, a reversal of the 0.7% decline in the previous quarter, lifted by apartments in prime and city-fringe locations. This marks a five-year high after two consecutive quarters of price declines resulting from the harsh property curbs released in July 2018.

In Q2 2019, developers sold 2,350 private residential units (excluding ECs), higher than the 1,838 units sold in Q1 2019. For 1H 2019, developers sold 4,188 units compared with the 3,947 units in 1H 2018, an increase of 6.1%.

For 1H 2019, the Group and its JV associates, sold 505 units including ECs, with total sales amounting to $1.55 billion (1H 2018: 651 units with total sales value of $1.29 billion). Profits were booked in from New Futura, The Tapestry and Whistler Grand as well as from JV projects like South Beach Residences, Boulevard 88 and Forest Woods.

Boulevard 88, the ultra-luxurious 154-unit JV condominium along Orchard Boulevard which was launched in March 2019, has sold 69 units to date including all four penthouses, achieving an average selling price (ASP) of over $3,800 per square foot (psf). This freehold project, which was part of the Group's legacy landbank, is not subject to time pressures. Hence, the Group will manage the release of the remaining units depending on market conditions. Integrated with the first EDITION hotel in Singapore, Boulevard 88 has several strong attributes, including six basement car park levels with 322 lots. This provision will be increasingly rare as new private developments will have fewer parking spaces as Singapore progresses with its car-lite ambitions.

In May 2019, the Group launched Amber Park, its iconic freehold 592-unit JV project, located in the East Coast, a mere three-minute walk to the upcoming Tanjong Katong MRT station. The launch was very successful with around 80% of the 150 units released for sale snapped up during the first weekend. To date, 166 units have been sold at an ASP of over $2,450 psf.

Riding on the strong sales trend for its launched projects, the Group previewed its 188-unit Haus on Handy development in end June 2019. Located in prime District 9 and within a three-minute walk to Plaza Singapura shopping mall and Dhoby Ghaut MRT station, the project is home to a rare three-storey conservation heritage bungalow built in 1892 which will be converted into a luxurious clubhouse. To date, 25 units of the 30 released have been sold at an ASP of over $2,850 psf. As new commercial developments in the vicinity such as the redeveloped former Park Mall building will be completed later in the year, Haus on Handy offers a compelling investment opportunity with strong rental potential.

Projects launched by the Group in 2018 continue to witness healthy sales this year. The 716-unit Whistler Grand at West Coast Vale is now more than 50% (371 units) sold at an ASP of over $1,350 psf, while at The Tapestry, an 861-unit condominium at Tampines Avenue 10, 644 units have been sold at an ASP of over $1,340 psf. The prestigious 190-unit South Beach Residences JV project, which sits on top of the swanky JW Marriott Hotel Singapore South Beach, is now 50% sold (95 units) at an ASP of over $3,400 psf. The Jovell, a 428-unit JV project at Upper Changi, sold 90 units to date at an ASP of between $1,250 and $1,300 psf.

New Futura, the Group's 124-unit freehold development at Leonie Hill Road, launched in 2018, is now 100% sold, achieving an ASP of over $3,500 psf.

Prices for office spaces increased by 0.9% in Q2 2019 following the 3% increase in the previous quarter based on URA's data. Overall rental for office space in the central region also increased by 1.3% in Q2 2019, compared with the 0.6% decline in Q1 2019 aided by limited new supply in the near-term. Though demand remains healthy, the office market could be impacted by the uncertain economic climate and volatile geo-political situations. Rental increases are thus expected to moderate in the upcoming quarters. However, the Group's office portfolio continued to maintain a high occupancy rate of 92.1% as at end Q2 2019, compared with the island-wide occupancy rate of 88.5%.

On 31 May 2019, the Group and its 50% JV partner CapitaLand Limited completed the acquisition of the 447,406 sq ft Liang Court retail mall for $400 million. The mall is located on River Valley Road, at the fringe of the CBD and in the heart of buzzing Clarke Quay, with the Fort Canning MRT station at its doorstep. The JV partners will explore opportunities to rejuvenate the property in the Singapore River planning area to complement the revitalisation of the precinct aimed at attracting more visitors.

Overseas Markets

China

CDL China Limited

In 1H 2019, the Group's wholly-owned subsidiary, CDL China Limited and its JV associates sold 347 residential units in China, achieving a total sales value of RMB 1.08 billion (approximately $213 million).

HLCC in Suzhou Industrial Park has sold 1,626 (about 90%) of its 1,804 residential units to date, achieving total sales value of RMB 3.91 billion (about $769 million). Operational since June 2019, HLCC's 30,000 sqm premium Grade A office tower is now more than 50% leased up. Occupancy of the HLCC mall is currently at 87% and the 295-room five-star M Social Hotel is slated to open in Q3 2020.

In Chongqing, CDL China's JV project Emerald, an 820-unit luxury development, has sold 337 units with a sales value of RMB 1.07 billion (about $211 million). The project is expected to be completed by end 2020. The completed 126-unit Eling Palace has sold 67 units to date with a sales value of RMB 363 million (about $71 million).

Strategic Investment in Sincere Property Group

In May 2019, the Group entered into a strategic partnership with Sincere Property Group (Sincere), an established real estate developer in China. Regulatory reviews and approvals have been progressing smoothly and the Group's total investment of RMB 5.5 billion (approximately $1.1 billion) for an approximately 24% effective equity stake in Sincere is expected to be completed by Q4 2019.

The Board has also decided to increase the Group's intended stake in Sincere's Shanghai Hongqiao Sincere Centre (Phase 2) from 70% to 100% for a total purchase price of RMB 1.75 billion (approximately $344 million), to secure full control of the asset and increase its recurring income. Spreading across 11 blocks, this prime commercial property has a GFA of 35,739 sqm comprising office, serviced apartments, a retail component and a basement car park. The acquisition is expected to complete by Q3 2019. Given the limited supply in Hongqiao CBD and the strong tenant demand, the occupancy rate continues to increase coupled with rental growth.

The prolonged US-China trade tensions impact currency movements and the Group continues to adopt a "natural hedge" strategy by matching the exposure of asset purchases to loan borrowings or other instruments such as cross currency swaps to manage its foreign exchange exposure. For its investments into China, the foreign exchange exposure is managed using bank borrowings and cross currency swaps into RMB, coupled with the recycling of proceeds from the Group's China investments.

UK

The Group previewed its central London project, 100 Sydney Street in Chelsea (nine units), in May 2019. Located opposite the renowned Chelsea Farmer's Market, the development is near educational institutions like Imperial College London, and award-winning restaurants, bars and boutiques for which the area is well-known. To date, one unit has been reserved and the project is targeted for completion by Q3 2019. The Group's other central London projects have progressed with their leasing efforts. All six units at Chesham Street in Belgravia as well as one out of three units at Hans Road in Knightsbridge have been leased.

Leasing and sales activities continue for Teddington Riverside, the Group's 240-unit development in the Borough of Richmond Upon Thames. Phase 1, comprising a total of 76 apartments in Carlton House (57 units) and Shepperton House (19 units) is now completed. To date, 19 units have been leased and eight units have been sold at an ASP of about £1,370 psf. The full completion of this development is expected by Q1 2020.

The Group believes that sentiments in the UK residential sales market will improve when the Brexit issue is resolved.

The Group's Grade A trophy office building, 125 Old Broad Street, has shown positive rental reversions. To date, 65% of the leases have been renewed at an average rent that is 35% above the outgoing rents.

Several AEI initiatives are being explored for the Aldgate House Grade A commercial property to provide greater amenities such as a gym and F&B offerings as well as to potentially increase the lettable area.

Japan

To date, 152 units (95%) out of 160 units at Park Court Aoyama The Tower in Tokyo, a JV residential project in which the Group holds a 20% interest, have been handed over to the buyers.

In May 2019, the Group entered into an agreement to acquire a 34-unit freehold residential project named Horie Lux in Osaka City for JPY 2.01 billion (approximately $25 million). Completed on 26 July 2019, this acquisition is in line with the Group's strategy to diversify its income streams and is targeted at the strong Osaka rental market.

The asset is well-located in Nishi-ku, Central Osaka, and in proximity to four train stations. It is also near many amenities in the principal shopping districts of Dotonbori and Shinsaibashi which are a short 1 km away. This investment will provide the Group with an entry net yield of 4.5% per annum. Given that the units are currently under-rented, there is potential to increase the value of the property via rental uplift and to experience even greater capital appreciation if Osaka is selected as one of the three Integrated Resorts locations.

Australia

Following the successful collaboration with ASX-listed Abacus Property Group (Abacus) on the 476-unit Ivy and Eve condominium in South Brisbane, with majority of the units sold and settlements achieved, the Group entered into an agreement with Abacus in Q2 2019 to acquire a portfolio of three prime freehold mixed development projects in Brisbane and Melbourne for A$25.9 million (approximately $25 million).

The three projects are in various stages of planning and have the potential to yield over 600 residential units and 4,800 square metres (sqm) of commercial/retail space.

The Group is optimistic about the medium to longer-term prospects for the residential market in Brisbane and Melbourne given the sustained population growth, low unemployment rate and low residential vacancies in these cities. In addition, the removal of uncertainty surrounding the national elections, loosening of credit restrictions and interest rate cuts by the Reserve Bank of Australia should help to boost near-term sentiments.

Fund Management

The Group will continue to use its strong balance sheet to strategically acquire investment properties in its key markets (Singapore, UK, China, Australia and Japan) and grow its recurring income base. In addition, the Group is exploring the setting up of a private fund and/or REIT.

Organic Growth Strategy

In Q1 2019, the Group secured a mandate with an Australian trustee to jointly manage an office asset in Australia. Located at the fridge of Sydney's CBD, the A$305 million office building is 100% leased to a single tenant. Leveraging its real estate expertise, the Group is working with various stakeholders to maximise the site's potential.

Acquisition of Platforms

In April 2019, the Group acquired a 50% stake in IREIT Global Group Pte. Ltd., the manager of Singapore-listed IREIT Global, and approximately 12.4% of the total issued units in IREIT Global for about $77.8 million. In June 2019, the Group increased its stake to 12.5% of the issued units. IREIT Global's current portfolio, which comprises five freehold office properties in Germany, is valued at €504.9 million (about $800 million).

IREIT Global is undertaking various initiatives to enhance its existing properties and aims to further diversify and strengthen its portfolio with new acquisitions. The short-term target is to achieve a portfolio value of at least $1 billion.

Profit Participation Securities (PPS)

In Q2 2019, in connection with the non-residential components comprising W Singapore – Sentosa Cove and Quayside Isle valued at $393 million, the Group acquired the remaining instruments from the investors of PPS 1. The Government has announced that it is developing comprehensive plans to reshape the entire Sentosa Island with new attractions and investments. It is also drawing up development plans for the adjacent Pulau Brani and the upcoming Greater Southern Waterfront. This provides exciting opportunities to develop new tourism attractions and anchor this precinct as the Southern Gateway of Asia. These long-term plans auger well for Sentosa and the Group will explore ways to enhance and create more value for its two newly acquired assets. In view of the subdued residential market conditions in Sentosa, plans are underway to refinance The Residences at W Singapore –Sentosa Cove.

In April 2019, the Group, together with Alpha Investment Partners, divested 7 & 9 Tampines Grande, the last asset under PPS 2 for $395 million.

In July 2019, the Group soft launched Nouvel 18, a luxury residential development on Anderson Road which is the sole asset of PPS 3. To date, 18 out of the 30 units released have been sold and have achieved an ASP of above $3,300 psf.

<u>Hotels</u>

M&C's performance continued to be impacted by refurbishment at the Mayfair property and Orchard Hotel Singapore. For Q2 2019 and 1H 2019, M&C achieved PATMI of £21 million (Q2 2018: £20 million) and £22 million (1H 2018: £28 million) respectively. In addition, REIT profit contributions decreased, impacted by the closure of Raffles Maldives Meradhoo due to refurbishment works.

In constant currency terms, hotel revenue for 1H 2019 decreased by 1.9% to £408 million (1H 2018: £416 million) which includes a £5 million impact from the Mayfair hotel closure and £2 million impact from the Orchard Hotel refurbishment. Property revenue for 1H 2019 also decreased, falling 21.4% to £33 million (1H 2018: £42 million) due to lower sales of residential sections in New Zealand. Total revenue decreased by 3.9% to £472 million (1H 2018: £491 million). In reported currency, hotel revenue increased by 1.0%, while total revenue for 1H 2019 fell by 1.0% (1H 2018: £477 million).

Global revenue per available room (RevPAR) in constant currency for 1H 2019 increased by 0.2% to £77.82 (1H 2018: £77.68) and by 1.1% to £85.55 for Q2 2019 (Q2 2018: £84.63). On a like-for-like basis (excluding the impact of the Mayfair hotel since July 2018 and the Millennium New Plymouth New Zealand which was acquired in February 2018), RevPAR decreased by 0.3%.

In constant currency terms, RevPAR for M&C's London hotels for 1H 2019 was up 12.8% to £97.11 (1H 2018: £86.06 million) and Australasia was up 0.7% to £75.71 (1H 2018: £75.20). However, US continued to underperform. Its RevPAR for 1H 2019 fell 0.7% to £88.18 (1H 2018: £88.79), affected solely by New York which fell 1.5% to £147.82 (1H 2018: £150.01). Rest of Europe RevPAR also fell 5.9% to £51.40 (1H 2018: £54.61) and Asia RevPAR fell 1.5% to £70.33 (1H 2018: £71.41) with decreases in average room rates and occupancy.

The refurbished Mayfair hotel is expected to re-open in September 2019 as The Biltmore, Mayfair – a 5-star deluxe property with 257 luxurious guest rooms and 51 designer suites as well as a prestigious new London restaurant led by celebrity chef Jason Atherton. The revamped hotel will initially be managed as a Biltmore Hotel under a manchise model by Hilton's LXR Hotels & Resorts – the first-of-its-kind in Europe. Apart from enhancing M&C's London revenue stream, the repositioned property offers M&C the valuable opportunity over the medium-term to develop its management expertise in the five-star deluxe segment. Refurbishment works to the public areas and guestrooms at Orchard Hotel in Singapore have been completed, with guestrooms re-opened from early July 2019.

<u>Recommended Pre-conditional Final Cash Offer for M&C</u>

On 7 June 2019, in accordance with the UK Takeover Code, the Boards of CDL and Agapier Investments Limited (Bidco), and M&C's independent non-executive directors jointly made a Rule 2.7 Announcement on the London Stock Exchange on the terms of a recommended pre-conditional final cash offer (the Offer) for approximately 34.8% shares in M&C which the Group and its concert parties do not currently own. The Offer is recommended by M&C's independent non-executive directors and CDL has received irrevocable undertakings from key minority shareholders which represent approximately 43.48% of M&C shares not already owned by the Group and its concert parties as at 20 June 2019.

Under the Offer, M&C shareholders will be entitled to receive 685 pence for each M&C share in cash, representing a premium of approximately 37.0% to M&C's closing price of 500 pence per M&C share on 6 June 2019. It is also an increase of 65 pence per M&C share from the previously recommended final cash offer of 620 pence per M&C share (inclusive of a special dividend of 20 pence per share) made to M&C shareholders on 21 December 2017. The previous offer lapsed on 26 January 2018 because the Group did not satisfy the minimum acceptance condition of more than 50% of M&C's shares that it did not already own.

The Offer values the entire issued and to be issued ordinary share capital of M&C at approximately £2.23 billion (approximately $3.86 billion). The cash consideration payable by Bidco amounts to approximately £776 million (approximately $1.34 billion) which will be funded through internal cash resources as well as funds made available under a credit facility.

The Offer is subject to a NZ Overseas Investment Office (OIO) pre-condition relating to the granting of consent and/or receipt of applicable exemptions under the NZ Overseas Investment Act 2005 and the NZ Overseas Investment Regulations 2005 for the indirect acquisition of interests in sensitive land and significant business assets in NZ that would occur if the Offer takes place and is successful. Following the satisfaction of the OIO Pre-Condition (or waiver by Bidco, if permitted by the UK Panel on Takeovers and Mergers), the making of the Offer by the publication of the Offer document shall take place as soon as possible and in any event within 28 days. When the Offer becomes wholly unconditional, M&C will apply for de-listing from the Official List of the UK Financial Conduct Authority. Announcements relating to the Offer can be found at*:* *www.cdl.com.sg/Millennium-Offer.*

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

The Group's performance for the period under review is in line with its expectations as disclosed in the announcement of results for the first quarter ended 31 March 2019.

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

Property

Due to the imbalance between demand and supply which increased substantially because of the active enbloc transactions in 2017 and 1H 2018, the outlook for Singapore's private residential property market is expected to remain challenging. Market sentiments are likely to remain cautious and many developers are pacing their launches to potentially avoid an oversupply situation. However, the luxury segment continues to remain resilient for well-located projects with superior design and quality.

Several new projects from successful enbloc sites are expected to enter the market within these two years. The Group hopes that the Government can also explore ways to further pace out the release of these new units to mitigate the risk of flooding the marketplace.

The residential leasing market is likely to stabilise moving forward as owners displaced by collective sales seek alternative interim accommodation. In addition, the expansion of the two integrated resorts in Singapore could increase job creation and boost the rental market.

On 12 July 2019, a two-week e-application process began for the Group's highly-anticipated Piermont Grand – the first and likely sole EC project to be launched this year. This luxurious 820-unit waterfront EC, overlooking My Waterway@Punggol, is a three-minute walk to Sumang and Nibong LRT stations which are connected to the Punggol MRT station and bus interchange. It is also near to the upcoming Punggol Digital District which is poised to be Singapore's Silicon Valley. Bookings started on 27 July 2019 and the response was very good during the launch weekend, with 375 units snapped up at an ASP of $1,080 psf. Eligible second-time buyers accounted for about 65% of the units sold. To date, 379 units have been sold.

In view of the large potential pipeline, the industry welcomed the Government's move to reduce the new land supply in its 2H 2019 Government Land Sales (GLS) Programme.

Going forward, prices for private residential homes are expected to move within a narrow range though this may vary across market segments. Nonetheless, Singapore continues to attract investors and buyers looking for wealth preservation because of its reputation, transparency and stability as Asia's premier financial centre. Buyers are likely to continue seeking choice private residential properties.

As part of the Government's plans to rejuvenate the city centre, the Group is among a handful of property owners that could benefit from the recently implemented CBD Incentive Scheme to encourage the conversion of existing office buildings to mixed-use developments incorporating residential or hospitality components. The Group is evaluating various options available for its prime office assets such as Fuji Xerox Towers and City House.

The Group plans to launch the 680-unit Sengkang Grand Residences, a JV project located at Sengkang Central in Q4 2019. The distinctive mixed-use integrated development, clinched via the two-envelope URA tender system, will seamlessly integrate with Buangkok MRT station and a new bus interchange. The residences spread across nine towers are conveniently located above a three-storey mall comprising shops, a supermarket, a hawker centre and a community club with a childcare facility.

Another JV residential project in the pipeline is located at Sims Drive. Won through a URA tender in April 2019, the 16,225 sqm site is well-located near Aljunied MRT station and within an established residential estate. The JV will explore a residential development with several mid-rise blocks comprising around 560 units.

Amid growing trade conflicts and slower global economic growth, Singapore's economy is expected to undergo a challenging period and this may impact the office sector. However, limited new supply of office space will likely keep vacancy tight and ensure healthy demand for prime spaces. The take-up is expected to be driven by technology firms as well as flexible workspaces managed by co-working operators. The latter has accounted for a significant proportion of net absorption since 2018 due to their scalable space concept that appeals to both MNCs and smaller firms. As a policy, the Group embraces a diverse and well-spread tenant mix across varied industries to achieve stability for its office portfolio.

Hotels

Despite the operational challenges and headwinds impacting the hospitality industry, M&C's global RevPAR increased by 1.6% for the first three weeks of July 2019. Pending the outcome of the conditional Offer by the Group, M&C will continue to operate on 'business-as-usual' mode.

Group Prospects

The Group holds the view that the outcome of Brexit is less worrying than the unresolved US-China trade tensions which continue to severely dampen market sentiments globally. Until a deal is struck between the world's two largest economies, global markets will continue to succumb to trade jitters. Singapore, like many other economies, will be seriously affected by the escalating dispute. Agility, discipline and experience are critical attributes that will enable the Group to navigate through these persistent headwinds in today's dynamic, disruptive and unpredictable landscape.

Growing recurring income is a key priority and the Group has accelerated its efforts to achieve this through acquisitions, asset enhancement initiatives and a fund management strategy. The takeover bid for M&C, the acquisition of good yielding assets with potential asset enhancement opportunities and investments in listed/unlisted platforms like IREIT and Sincere, are all aligned with this strategic objective. The Group believes that the sum of all these parts will set a strong foundation to grow its recurring income base.

While Singapore will always remain the Group's main source of income, it must continue to grow and transform its business to create value. Transformation requires the Group to diversify and mitigate its risks, grow its footprint, create new products and forge new alliances so as to unlock market opportunities and boost the Group's growth potential and sustainability in the longer term.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

The Company had on 14 May 2019 declared a tax-exempt (one-tier) non-cumulative preference dividend to holders of City Developments Limited Preference Shares of 1.94 cents per Preference Share, calculated at the dividend rate of 3.9% per annum of the issued price of $1.00 for each Preference Share, for the dividend period from 31 December 2018 to 30 June 2019. The said preference dividend was paid on 1 July 2019.

On 7 August 2019, the Board of Directors declared a tax-exempt (one-tier) special interim ordinary dividend of 6.0 cents per ordinary share.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of Dividend	Tax-exempt (One-tier) Special Interim Ordinary Dividend	Tax-exempt (One-tier) Preference Dividend
Date of Payment	12 September 2018	2 July 2018
Dividend Type	Cash	Cash
Dividend Amount (in cents)	6.0 cents per Ordinary Share	1.94 cents per Preference Share^
Dividend rate (in %)	N.A.	3.9% per annum on the issue price of each Preference Share
Dividend Period	N.A.	From 31 December 2017 to 30 June 2018 (both dates inclusive)
Issue Price	N.A.	$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.*

(c) Date payable

The tax-exempt (one-tier) special interim ordinary dividend will be paid on 12 September 2019.

(d) Books Closure Date

5pm on 26 August 2019.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. Interested Person Transactions

Interested Persons	Aggregate value of all interested person transactions conducted in the second quarter ended 30 June 2019 under the IPT Mandate pursuant to Rule 920 (excluding transactions less than $100,000)	
Hong Leong Investment Holdings Pte. Ltd. group of companies	Property-related Provision to interested persons of housekeeping services for a hospitality development	$584,232.00
	Total:	$584,232.00
Directors and their immediate family members		Nil

14. Segment Reporting

By Business Segments

	The Group			
	Second quarter ended 30 June		Half year ended 30 June	
	2019	2018 (Restated)	2019	2018 (Restated)
	S$'000	S$'000	S$'000	S$'000
Revenue				
Property Development	286,514	818,676	536,000	1,381,881
Hotel Operations*	425,088	420,711	785,281	798,471
Investment Properties	104,259	84,540	207,508	168,756
Others	34,503	35,614	67,739	68,262
	850,364	**1,359,541**	**1,596,528**	**2,417,370**
Profit before tax**				
Property Development	100,284	270,835	179,620	357,323
Hotel Operations	31,453	35,636	29,512	56,446
Investment Properties	77,780	25,986	258,427	87,077
Others	15,138	8,807	22,739	13,499
	224,655	**341,264**	**490,298**	**514,345**

***** *Revenue from hotel operations includes room revenue of $529.7 million (1H 2018: $536.6 million) for 1H 2019 from hotels that are owned by the Group.*

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

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

Property Development

Revenue decreased by $532.2 million to $286.5 million (Q2 2018: $818.7 million) for Q2 2019 and $845.9 million to $536.0 million (1H 2018: $1,381.9 million) for 1H 2019.

Pre-tax profit decreased by $170.5 million to $100.3 million (Restated Q2 2018: $270.8 million) for Q2 2019 and $177.7 million to $179.6 million (Restated 1H 2018: $357.3 million) for 1H 2019.

Projects that contributed to both revenue and profit in 1H 2019 include Whistler Grand, The Tapestry, Gramercy Park, New Futura, Park Court Aoyama The Tower, Teddington Riverside, Hongqiao Royal Lake and Suzhou HLCC. 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 and Forest Woods had not been consolidated into the Group's total revenue, the Group's share of profit arising from joint venture developments had been included in pre-tax profit.

The decrease in revenue for Q2 2019 was mainly due to timing of profit recognition. For Q2 2019, the Group recognised progressive contributions from The Tapestry and Whistler Grand based on their stages of construction and sales status, vis-à-vis in Q2 2018, it was largely made up of higher profit margins from completed projects such as New Futura, Phase 2 of HLCC and Park Court Aoyama The Tower, which was recognised in entirety in that quarter.

The significant decrease in 1H 2019 revenue was largely due to the timing of recognition. Earnings for EC and overseas projects are largely recognised in their entirety upon completion, whereas progressive recognition of profits is applied for Singapore private residential units depending on the stage of construction and sales progress. Included in 1H 2018 revenue was the substantial contribution from The Criterion EC, which obtained TOP in Q1 2018, as well as from overseas projects, particularly HLCC and Park Court Aoyama The Tower. Revenue for 1H 2018 was further boosted by sales from New Futura and Gramercy Park.

The decrease in pre-tax profit for Q2 2019 and 1H 2019 was in tandem with the decrease in revenue. The decrease was however partially mitigated by profit contributed by two well-sold joint venture projects, namely, South Beach Residences and Boulevard 88, along with returns recognised from the sale of units in the Ivy and Eve project in Australia.

Hotel Operations

Revenue for this segment recorded a marginal increase of $4.4 million to $425.1 million (Q2 2018: $420.7 million) for Q2 2019 but decreased by $13.2 million to $785.3 million (1H 2018: $798.5 million) for 1H 2019.

Pre-tax profit decreased by $4.1 million to $31.5 million (Q2 2018: $35.6 million) for Q2 2019 and $26.9 million to $29.5 million (1H 2018: $56.4 million) for 1H 2019.

The increase in revenue for Q2 2019 was contributed by W Singapore – Sentosa Cove, which the Group had consolidated its performance with effect from April 2019. The increase was partially reduced by lower hotel income achieved by M&C Group.

The performance of M&C was impacted by a myriad of factors, including ongoing refurbishment works for Millennium Hotel London Mayfair (this hotel was in full closure since July 2018) in London and Orchard Hotel in Singapore, closure of Dhevanafushi Maldives Luxury Resort in Maldives for rebranding, lacklustre performance across Asia hotels, and continued loss-making of US hotels.

Investment Properties

Revenue for this segment increased by $19.8 million to $104.3 million (Q2 2018: $84.5 million) for Q2 2019 and $38.7 million to $207.5 million (1H 2018: $168.8 million) for 1H 2019.

Pre-tax profit increased by $51.8 million to $77.8 million (Q2 2018: $26.0 million) for Q2 2019 and $171.3 million to $258.4 million (1H 2018: $87.1 million) for 1H 2019.

The increase in revenue for Q2 2019 and 1H 2019 was largely due to full quarter/period contributions from Aldgate House (London), 125 Old Broad Street (London) and Central Mall Office Tower, which were acquired in 2H 2018. In addition, contributions were also received from Le Grove Serviced Residences, which reopened in July 2018 following a major revamp, and Suzhou HLCC retail mall, which opened in June 2018.

The substantial increase in pre-tax profit for Q2 2019 and 1H 2019 was attributable to the aforementioned gains recognised in relation to the Group's successful unwinding of PPS 2. In 1H 2019, the Group realised deferred gain on sale of investment properties of $153.9 million, in addition to receiving $43.3 million income distributed by Golden Crest in accordance to the stipulated waterfall structure under PPS 2.

Included in 1H 2018 pre-tax profit was a gain on divestment of Mercure Brisbane and Ibis Brisbane by CDLHT.

Others

Revenue, comprising mainly income from building maintenance contracts, project management, club operations, laundry services and dividend income, remained relatively flat at $34.5 million (Q2 2018: $35.6 million) for Q2 2019 and $67.7 million (1H 2018: $68.3 million) for 1H 2019.

Notwithstanding the stable revenue, pre-tax profit increased by $6.3 million to $15.1 million (Q2 2018: $8.8 million) for Q2 2019 and $9.2 million to $22.7 million (1H 2018: $13.5 million) for 1H 2019, mainly contributed by the interest income earned on loans granted to Sincere Property Group. The increase was partially mitigated by lower share of profit from FSGL's property financing business, lower interest income earned on loans extended to an associate as the related loan was repaid in Q1 2019, and higher mark-to-market loss recognised on remeasurement of certain quoted securities.

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

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

	Full Year 2018 S$'000	**Full Year 2017 S$'000**
Ordinary	72,552	72,744
Special	108,942	90,930
Preference	12,904	12,904
Total	**194,398**	**176,578**

The tax-exempt (one-tier) final ordinary dividend and tax-exempt (one-tier) special final ordinary dividend for the year ended 31 December 2018 of 8.0 cents and 6.0 cents respectively per ordinary share had been approved by the ordinary shareholders at the Annual General Meeting held on 26 April 2019 and the dividend amounts are based on the number of issued ordinary shares as at 2 May 2019.

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

Not applicable.

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

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

BY ORDER OF THE BOARD

Shufen Loh @ Catherine Shufen Loh
Company Secretary
8 August 2019

CONFIRMATION BY THE BOARD

The Directors of the Company hereby confirm, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the Group's unaudited financial results for the second quarter and the half year ended 30 June 2019 to be false or misleading in any material respect.

On behalf of the Board of Directors

Kwek Leng Beng
Executive Chairman

Sherman Kwek Eik Tse
Executive Director

Singapore, 8 August 2019

CITY DEVELOPMENTS LIMITED

News Release

8 August 2019

CDL POSTS 18.3% INCREASE IN PROFIT TO S$362 MILLION FOR 1H 2019

- **Sold 505 residential units in Singapore with sales value of S$1.55 billion**
- **Sold 347 residential units in China with sales value of RMB 1.08 billion (approximately S$213 million)**
- **Driving growth and recurring income through takeover bid for Millennium & Copthorne Hotels plc, transformational partnership with Sincere Property Group, investment in IREIT Global and acquisition of prime properties in China, Japan and Australia as well as non-residential components of Profit Participation Securities 1**

For the half year ended 30 June 2019 (1H 2019), City Developments Limited (CDL) delivered an 18.3% increase in net attributable profit after tax and minority interests (PATMI) of S$362.0 million (Restated 1H 2018: S$306.1 million). The increase was underpinned by the successful unwinding of the Group's second Profit Participation Securities (PPS 2) structure, which achieved pre-tax deferred gains totalling S$153.9 million from the divestment of Manulife Centre and 7 & 9 Tampines Grande and a gain of S$43.3 million from the Group's stake in PPS 2. Profit from two very well-received joint venture (JV) projects, South Beach Residences and Boulevard 88, also contributed to the positive results.

As at 30 June 2019, the Group's balance sheet remained robust, with cash reserves of S$3.3 billion and a net gearing ratio without factoring any revaluation surplus from investment properties of 44%. The interest cover for 1H 2019 was 14.4 times.

The Board is pleased to declare payment of a tax-exempt (one-tier) special interim dividend of 6.0 cents per ordinary share.

<u>Financial Highlights</u>

(S$ million)	Q2 2019	Q2 2018	% Change	1H 2019	1H 2018	% Change
Revenue	850.4	1,359.5	(37.5)	1,596.5	2,417.4	(34.0)
Profit before tax	224.7	341.3*	(34.2)	490.3	514.3*	(4.7)
PATMI	162.4	220.7*	(26.4)	362.0	306.1*	18.3

* Restated

<u># Important Note on Q2 2019 Revenue and PATMI</u>

- The decrease in earnings is largely attributable to the timing of profit recognition for the property development segment. This segment tends to be lumpy since profits from some projects cannot be recognised progressively but only upon completion.

<u>Operations Review and Prospects</u>

Healthy residential sales in Singapore and China

- In Singapore, the Group and its JV associates sold 505 units including Executive Condominiums (EC), with total sales amounting to S$1.55 billion in 1H 2019 (1H 2018: 651 units with total sales value of S$1.29 billion).

  - Boulevard 88, an ultra-luxurious freehold 154-unit JV condominium along Orchard Boulevard launched in March 2019, has sold 69 units to date including all four penthouses, achieving an average selling price (ASP) of over S$3,800 per square foot (psf).

  - Launched in May 2019, Amber Park, an iconic freehold 592-unit JV project in the East Coast, has sold 166 units to date at an ASP of over S$2,450 psf.

  - New Futura, the Group's 124-unit freehold development at Leonie Hill Road, launched in 2018, is now 100% sold, achieving an ASP of over S$3,500 psf.

  - The prestigious 190-unit South Beach Residences JV project, which sits on top of the JW Marriott Hotel Singapore South Beach, is now 50% sold (95 units) at an ASP of over S$3,400 psf.

  - Whistler Grand, a 716-unit condominium at West Coast Vale, is now more than 50% (371 units) sold at an ASP of over S$1,350 psf.

  - The Tapestry, an 861-unit condominium at Tampines Avenue 10, has sold 644 units at an ASP of over S$1,340 psf.

- In China, the Group's wholly-owned subsidiary CDL China Limited and its JV associates sold 347 residential units in 1H 2019, achieving a total sales value of RMB 1.08 billion (approximately S$213 million).

Upcoming launch in Singapore for 2019

- The Group plans to launch the 680-unit Sengkang Grand Residences, a JV project located at Sengkang Central in Q4 2019. The distinctive mixed-use integrated development will seamlessly integrate with Buangkok MRT station and a new bus interchange. The residences are conveniently located above a three-storey mall comprising shops, a supermarket, a hawker centre and a community club with a childcare facility.

<u>Driving Growth and Recurring Income through Strategic Acquisitions and Investments</u>

Takeover offer for Millennium & Copthorne Hotels plc

- In line with the Group's strong focus on boosting recurring income, it launched a takeover offer for Millennium & Copthorne Hotels plc (M&C), supported by irrevocable undertakings from key minority shareholders. The offer values the entire issued and to be issued ordinary share capital of M&C at approximately £2.23 billion (approximately S$3.86 billion).

Transformational partnership with Sincere

- The Group entered into a strategic partnership with Sincere Property Group (Sincere), an established real estate developer in China. The Group's total investment of RMB 5.5 billion (approximately S$1.1 billion) for an approximately 24% effective equity stake in Sincere is expected to be completed by Q4 2019. The investment expands CDL's geographical presence in China from three to 20 cities and provides CDL access to a substantial landbank of 12.6 million square metres (sqm) GFA across 70 development projects. It also broadens CDL's asset classes in China to include business parks and serviced apartments.

Investment in IREIT Global to grow fund management

- To grow its fund management business, the Group acquired a 50% stake in IREIT Global Group Pte. Ltd., the manager of Singapore-listed IREIT Global, and approximately 12.4% of the total issued units in IREIT Global for about S$77.8 million in April 2019. In June 2019, the Group increased its stake to 12.5% of the issued units.

Profit Participation Securities (PPS) 1

- In connection with the non-residential components comprising W Singapore – Sentosa Cove and Quayside Isle valued at S$393 million, the Group acquired the remaining instruments from the investors of PPS 1. The Government's plans to reshape Sentosa and develop the adjacent Pulau Brani and the upcoming Greater Southern Waterfront auger well for Sentosa. The Group will explore ways to enhance and create more value for its two newly acquired assets.

Acquisition of prime properties in Australia, China and Japan

- In Australia, the Group entered into an agreement with ASX-listed Abacus Property Group to acquire a portfolio of three prime freehold mixed development projects in Brisbane and Melbourne for A$25.9 million (approximately S$25 million). The three projects are in various stages of planning and have the potential to yield over 600 residential units and 4,800 sqm of commercial/retail space.

- In China, the Group will increase its intended stake in Shanghai Hongqiao Sincere Centre (Phase 2) from 70% to 100% for a total purchase price of RMB 1.75 billion (approximately S$344 million). Spread across 11 blocks, this prime commercial property has a GFA of 35,739 sqm comprising office, serviced apartments and a retail component. Given the limited supply in Hongqiao Central Business District and the strong tenant demand, the occupancy rate continues to increase coupled with rental growth.

- In Japan, the Group entered into an agreement to acquire a 34-unit freehold residential project named Horie Lux in Osaka City for JPY 2.01 billion (approximately S$25 million). The asset is well-located in Nishi-ku, Central Osaka, and in proximity to four train stations. Targeted at the strong Osaka rental market, this acquisition is in line with the Group's strategy to diversify its income streams and will provide an entry net yield of 4.5% per annum.

Mr Kwek Leng Beng, Executive Chairman of CDL, said, "US-China trade tensions continue to severely dampen market sentiments globally. Until a deal is struck between the world's two largest economies, global markets will continue to succumb to trade jitters. Many economies, including Singapore, will be seriously affected by the escalating dispute. Agility, discipline and experience are critical attributes that will enable the Group to navigate through these persistent headwinds in today's dynamic, disruptive and unpredictable landscape."

Mr Sherman Kwek, Group Chief Executive Officer of CDL, said, "We have focused on executing our GET strategy of Growth, Enhancement and Transformation. By creating strong value propositions and timing our launches strategically, we have achieved healthy sales for our residential projects in Singapore. At the same time, we have further diversified overseas through transformational initiatives such as our partnership with Sincere to expand CDL's presence in China and achieve sustainable growth there. Increasing recurring income via acquisitions, asset enhancement initiatives and our fund management strategy is another priority. We will continue to grow, diversify, innovate, transform as well as forge new alliances."

Please visit www.cdl.com.sg for CDL's Q2 and 1H 2019 financial statement.

For media enquiries, please contact:

Belinda Lee
Head, Investor Relations and
Corporate Communications
City Developments Limited
(Regn No: 196300316Z)

Tel: (65) 6877 8315
Email: belindalee@cdl.com.sg

Tan Hock Lee
Assistant Vice President
Corporate Communications
City Developments Limited

Tel: (65) 6877 8369
Email: hocklee@cdl.com.sg

Follow CDL on social media:

Instagram: @citydevelopments / instagram.com/citydevelopments
LinkedIn: linkedin.com/company/city-developments-limited
Twitter: @CityDevLtd / twitter.com/citydevltd

City Developments Limited

Trusted Since 1963

1H 2019 Results Presentation

8 August 2019

Agenda |

- Overview &
  Strategic Initiatives
- Financial Highlights
- Singapore Operations
- International Operations
- Fund Management
- Hospitality

Overview

Key Financial Highlights – Q2 2019

Revenue	EBITDA	PATMI	Basic EPS
$850.4 million	**$304.1** million	**$162.4** million	**17.2** cents
▼ **37.5%**	▼ **28.2%**	▼ **26.4%**	▼ **27.1%**
Q2 2018 (Restated) *:			
$1.4 billion	**$423.7 million**	**$220.7 million**	**23.6 cents**

- PATMI decline mainly due to the timing of profit recognition for property development segment.
- For Q2 2019, the Group recognised progressive contributions from The Tapestry and Whistler Grand based on their stages of construction and sales status, vis-à-vis in Q2 2018, it was largely made up of completed projects with higher profit margins such as New Futura and Gramercy Park, and overseas projects including Hong Leong City Center and Park Court Aoyama The Tower, which were recognised in entirety in Q2 2018 upon handover.

No fair values adopted on investment properties.
Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.
* Restated due to expensing off interest costs for development projects under POC method on adoption of Agenda Decision issued by IFRIC.

Key Financial Highlights – 1H 2019

Revenue	EBITDA	PATMI	Basic EPS
$1.6 billion	**$661.4** million	**$362.0** million	**39.2** cents
▼ **34.0%**	▲ **0.2%**	▲ **18.3%**	▲ **18.8%**
1H 2018 (Restated) *:			
$2.4 billion	**$660.3 million**	**$306.1 million**	**33.0 cents**

NAV per share

$11.29

▲ **2.0% YoY**

FY 2018 :

$11.07

- Increase in PATMI boosted by the successful unwinding of the Group's PPS 2 structure:
  - Realisation of pre-tax gains of $153.9 million from Manulife Centre and 7 & 9 Tampines Grande
  - $43.3 million gain from the Group's stake in PPS 2
- Decrease in revenue due to the timing of profit recognition for property development with the significant contributors in 1H 2018 from:
  - The Criterion EC (TOP in Q1 2018)
  - Overseas projects including Hong Leong City Center in Suzhou and Park Court Aoyama The Tower in Tokyo
  - Completed projects in Singapore including New Futura and Gramercy Park

No fair values adopted on investment properties.
Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.
* Restated due to expensing off interest costs for development projects under POC method on adoption of Agenda Decision issued by IFRIC.

Key Financial Highlights – 1H 2019

Special Interim Dividend

6.0

cents per share

-- *(unchanged)*

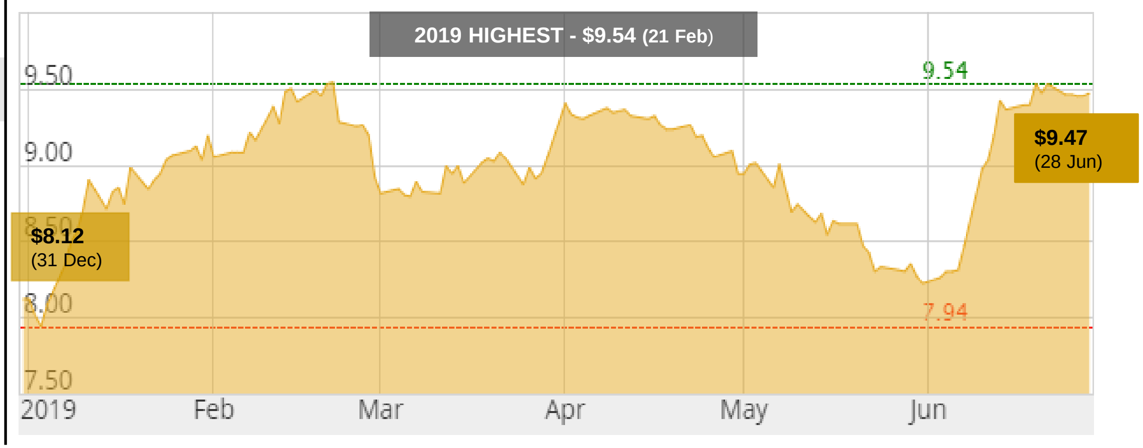
1H 2018:
6.0 cents

Share Price Performance

$9.47^

16.6%

New YTD 2019 high of $9.83 on 30 Jul



^ As at 30 Jun 2019

Key Operational Highlights

PROPERTY DEVELOPMENT

- **SINGAPORE:**
  - Launched two projects in 1H 2019:

	Boulevard 88#	Amber Park#
Total Units	154	592
Launch Date	8 March	4 May
Units sold in 1H 2019	62	157
Units sold to date^	69	166
ASP	> $3,800 psf	> $2,450 psf

  - Sold 505 units with total sales value of $1.55 billion* in 1H 2019

- **CHINA:** Sold 347 units with total sales value of RMB 1.08 billion ($213 million) in 1H 2019

ASSET MANAGEMENT

- Strong committed occupancy for Singapore office & retail portfolio (as at 30 June 2019):

	Office (15 properties)	Retail (19 properties)
Committed Occupancy	92.1%	95.1%
Net Lettable Area	2.1 million sq ft	745,000 sq ft

* Includes Executive Condominiums (ECs) and share of JV partners   # JV project   ^ As at 4 Aug 2019

Key Operational Highlights

HOTEL OPERATIONS

- **Launched takeover offer for M&C in June 2019**:
  - Supported by Irrevocable Undertakings from key minority shareholders – representing 43.48% of shares not already held by CDL
  - Recommended Pre-conditional Final Cash Offer comprises 685 pence (cash) per M&C share – for remaining 34.8% of M&C shares not already held by CDL
  - Deal values M&C at approx. £2.23 billion ($3.86 billion)


The Biltmore, Mayfair

FUND MANAGEMENT

- **Partial unwinding of Profit Participation Securities (PPS) 1 structure:**
  - In connection with the non-residential components comprising **W Singapore – Sentosa Cove** and **Quayside Isle** valued at $393 million, the Group acquired the remaining instruments from the PPS 1 investors
- **Successful unwinding of PPS 2 structure:**
  - Realisation of $153.9 million pre-tax deferred gains from divestment of **Manulife Centre** and **7 & 9 Tampines Grande**
- **PPS 3 – Soft launched Nouvel 18 for sale on 18 July 2019:**
  - Sold 18 out of 30 units released with ASP of over $3,300 psf
- **AUM Growth to US$500 million:**
  - **$77.8 million investment in Singapore-listed IREIT Global with US$285 million Germany asset portfolio in April 2019:**
    - **REIT Manager:** 50% stake for $18.4 million
    - **REIT Units:** 12.4% stake* for $59.4 million
  - Previously secured mandate to jointly manage A$305 million (US$215 million) office asset in Sydney


Nouvel 18

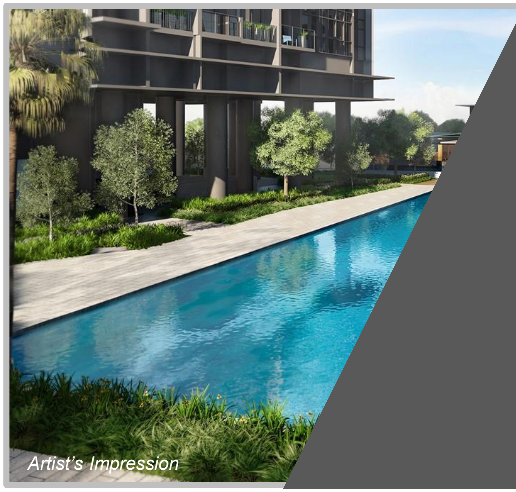
* Increased stake to 12.5% in June 2019

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**

Transformation

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

GROWTH

Completed Strategic Acquisitions & Investments

YTD 2019*:

~$587 million^

Acquisitions & investments

UK & Europe

Monk Bridge, Leeds

£15.4 million ($27.5 million)

Singapore-listed IREIT Global with freehold office portfolio in Germany

$77.8 million

Japan

Horie Lux, Osaka

¥2.01 billion ($25 million)

Singapore

Sims Drive GLS site

$153.4 million^

Liang Court

$200 million^

W Singapore – Sentosa Cove & Quayside Isle (PPS 1)

Valued at $393 million

Australia

Acquisition of Abacus Property Group – 3 freehold mixed development sites

A$25.9 million ($25 million)

^ Refers to CDL's attributable share

* As of 4 Aug 2019

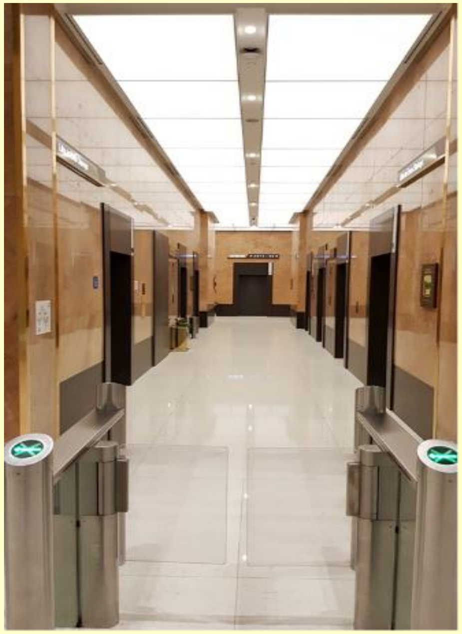
ENHANCEMENT

Improve Asset Positioning & Relevance

Republic Plaza – Enhanced Common Areas Complemented with Technology Solutions for Better User Experience

Ongoing works at Republic Plaza:

- Lift interior upgrading
- Lift lobby upgrading
- Turnstiles with QR code
- Common corridor enhancement



ENHANCEMENT

Improve Asset Positioning & Relevance

Republic Plaza – Refreshed retail podium featuring various "new-to-RP" concepts

- Committed 99% occupancy (37 tenants)
- All retail and F&B units will be fully operational by end Sep 2019
- Increased convenience with online pre-ordering through CityNexus (App) with "Order, Pay, Collect" feature

SACRED GROUNDS DIMBULAH MOUNTAIN ESTATE COFFEE

Café Amazon

Cedele

MOS BURGER

鼎泰豐 DIN TAI FUNG

ENHANCEMENT

CityNexus Mobile App

Smart Building App – Technology Solution to Bring Convenience to Republic Plaza Tenants & Visitors

Order, Pay, Collect F&B
Skip the queue at participating food outlets

Book Meeting Rooms
Within company premises and at Distrii

Easy Access
Direct turnstile access

Lift destination control

Newsfeed
Receive the latest promotions and notifications

Parking Convenience
Car locator

Purchase parking coupons

Book dedicated lots for VIPs

Building Feedback
Notify building management easily on issues

Aircon extension
Reduce administrative hassle

- Optimise your time at Republic Plaza
- Simplify your work experience at a touch of a button
- Get rewarded for usage of app

Refresh Shopper Experience

Jungceylon – Asset Enhancement with Experiential Retail & New F&B Concepts

- Designed by well-known Thai architect, URBAN ARCHITECTS
- Phase 1 of project to commence in Q4 2019 and complete by Q2 2020

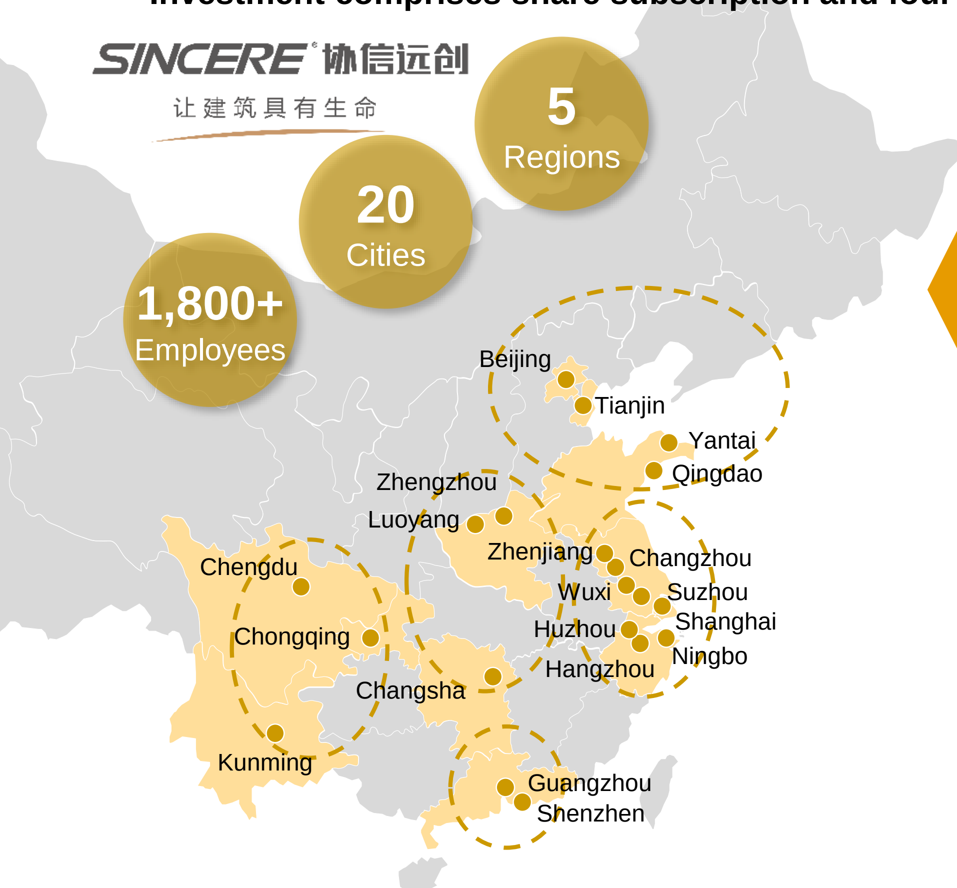
SHIMA JAPANESE RESTAURANT

THE ALLEY

Strategic Investment in Sincere Property Group

Entered into Agreement to Invest RMB 5.5 billion ($1.1 billion) in a China Real Estate Developer

- **Upon completion, CDL will indirectly hold ~24% equity interest and be 2nd largest shareholder after Sincere's Founder and Chairman**
- **Investment comprises share subscription and four-year interest bearing loan**



Top 100
China Real Estate Developer

Top 50
China Commercial Real Estate Developers

Top 10
China Business Park Developer & Operator

RMB 21.3 billion
(S$4.3 billion)
2018 Contracted Sales

12.6 million sqm
Development Properties Land Bank

Comprehensive Capabilities across multiple asset types

Sincere's Portfolio

Development properties	70	projects		
Investment Properties[1]	14	retail	10	office[2]
	5	hotels	2	serviced apartments

Notes: Data as of 31 Dec 2018
1. Includes both in operation and under development
2. Includes 2 self-use offices in Shanghai and Chongqing

Acquisition of Shanghai Hongqiao Sincere Centre (Phase 2)

100% Stake in Prime Commercial Property for RMB 1.75 billion ($344 million)
(To increase intended stake from 70% as previously announced)

Synergistic with Group's Focus on Expanding Recurring Income Portfolio in Global Gateway Cities

- In addition to its strategic investment into Sincere Property Group, CDL has decided to increase its intended stake in Sincere's prime commercial asset in Shanghai, from 70% to 100%
- Strategically located in the heart of Hongqiao CBD and within 10 minutes' drive to the Hongqiao Transportation Hub (comprising an international airport, railway and subway stations)
- The acquisition is expected to complete by Q3 2019

Shanghai Hongqiao Sincere Centre (Phase 2)

RMB 1.75 billion ($344 million) / RMB 49,000 per sqm

Description & Location	Prime commercial asset in Shanghai Hongqiao CBD with 11 blocks comprising office, serviced apartments and retail component
GFA	35,739 sqm
Stabilised NOI Yield	Approximately 4%

Profit Participation Securities (PPS)

The Group currently acts as Asset Manager for all the PPS structures:

PPS 1 – Dec 2014

$1.5 billion comprising the Quayside Collection in Sentosa:

- Acquired the remaining instruments from the investors of PPS 1 for the non-residential components (W Singapore – Sentosa Cove and Quayside Isle) valued at $393 million.

PPS 2 – Dec 2015

$1.07 billion portfolio of three office properties successfully divested at $1.2 billion:

Central Mall (Office Tower)	• Re-acquired remaining 60% stake from Alpha in **Dec 2018**
Manulife Centre	• Asset sold to ARA & Chelsfield Asia for $555.5 million in **Jan 2019**
7 & 9 Tampines Grande	• Asset sold to Evia & Metro Holdings for $395 million ($1,373 psf) in **Apr 2019**

PPS 3 – Oct 2016

$1.0 billion comprising Nouvel 18, a 156-unit luxury residential development at Anderson Road

- Sales launch took place on 18 July 2019
- 18 units (out of 30 units released) have been sold* at ASP of over $3,300 psf.

*As at 4 Aug 2019

M&C Takeover Offer

Launched Renewed Privatisation Bid for UK-listed Hotel Subsidiary in June 2019

Supported by Irrevocable Undertakings from Key Minority Shareholders

Recommended Pre-conditional Final Cash Offer	
Cash Consideration	685 pence in cash per M&C share *represents a premium of approx. 37.0% to M&C's closing price[1]*
Valuation	Approx. £2.23 billion (approx. $3.86 billion) *for M&C's entire issued ordinary share capital*
CDL's Equity Interest in M&C	65.2%[2] *(M&C shares not held by CDL = 34.8%)*
Maximum Cash Consideration Payable by CDL	£776.29 million (approx. $1.34 billion)[3]

The Biltmore, Mayfair, London

Bid is aligned with CDL's strong focus on boosting recurring income and enhancing underperforming assets

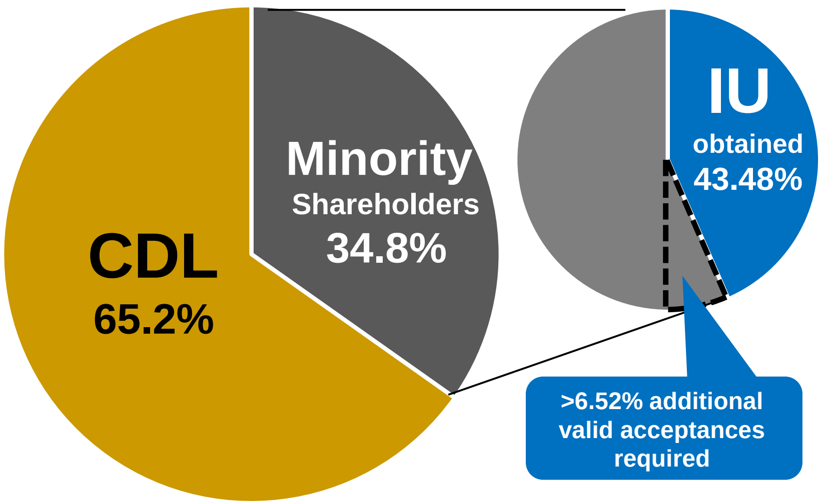
- A privatised M&C will be in the best position to navigate the increasingly challenging and competitive global hospitality landscape with agility and nimbleness
- Pre-conditional final cash offer[4] for the remaining 34.8% of M&C shares not already held by CDL, at 685 pence for each M&C share, is final and will not be increased
- Final Offer Consideration represents an increase of 65 pence from the previous cash offer of 620 pence per M&C share (which included a special dividend of 20 pence per share), made to M&C shareholders on 21 December 2017, which lapsed on 26 January 2018 as it had not met the acceptance condition for the offer to become unconditional

[1] Closing price of 500 pence based on the closing middle market price of a M&C share on 6 June 2019
[2] As at 6 June 2019
[3] Based on an exchange rate of $1.7317 to £1 as at 6 June 2019
[4] Final Offer is subject to a New Zealand Overseas Investment Office (OIO) Pre-Condition

M&C Takeover Offer

Irrevocable Undertakings (IU) from Key Minority Shareholders – Represent 43.48% of shares not already held by CDL*

M&C's
Shareholdings Overview



What has changed? 2019 Offer vs 2017's Lapsed Offer

2019	2017
• IUs obtained from M&C's key minority shareholders • IUs: **43.48%** *(of M&C's shares not already held by CDL)*	• Lapsed having not met Acceptance Condition for Offer to become unconditional • Valid acceptances: **47.14%** *(of M&C's shares not already held by CDL)*

Approvals & Next Steps

NZ OIO Pre-Condition
Obtain New Zealand Overseas Investment Office (OIO) Pre-Condition

Within 28 days of Satisfying OIO Pre-Condition

Final Offer
Publication of Offer Document

Acceptance Condition
Valid acceptances of >50% of M&C's issued share capital not already owned by CDL

Offer Conditions Satisfied

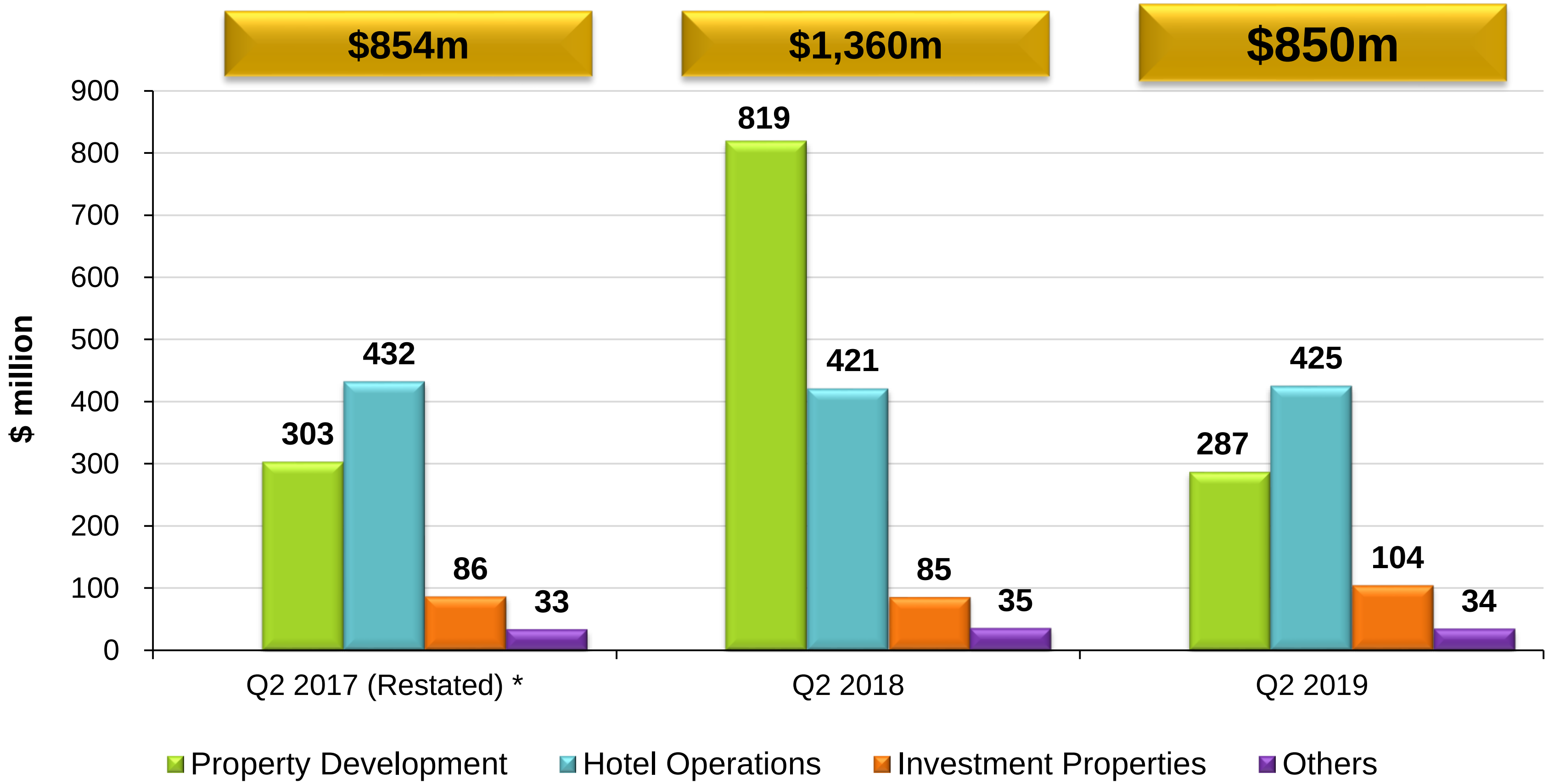
Final Offer becomes Unconditional
M&C will apply for de-listing from Official List of the UK Financial Conduct Authority

*As at 20 June 2019. Full details of the terms of the irrevocable undertakings, and the conditions to the Final Offer, are set out in the offer announcement dated 7 June 2019.

Financial Highlights

Financial Highlights

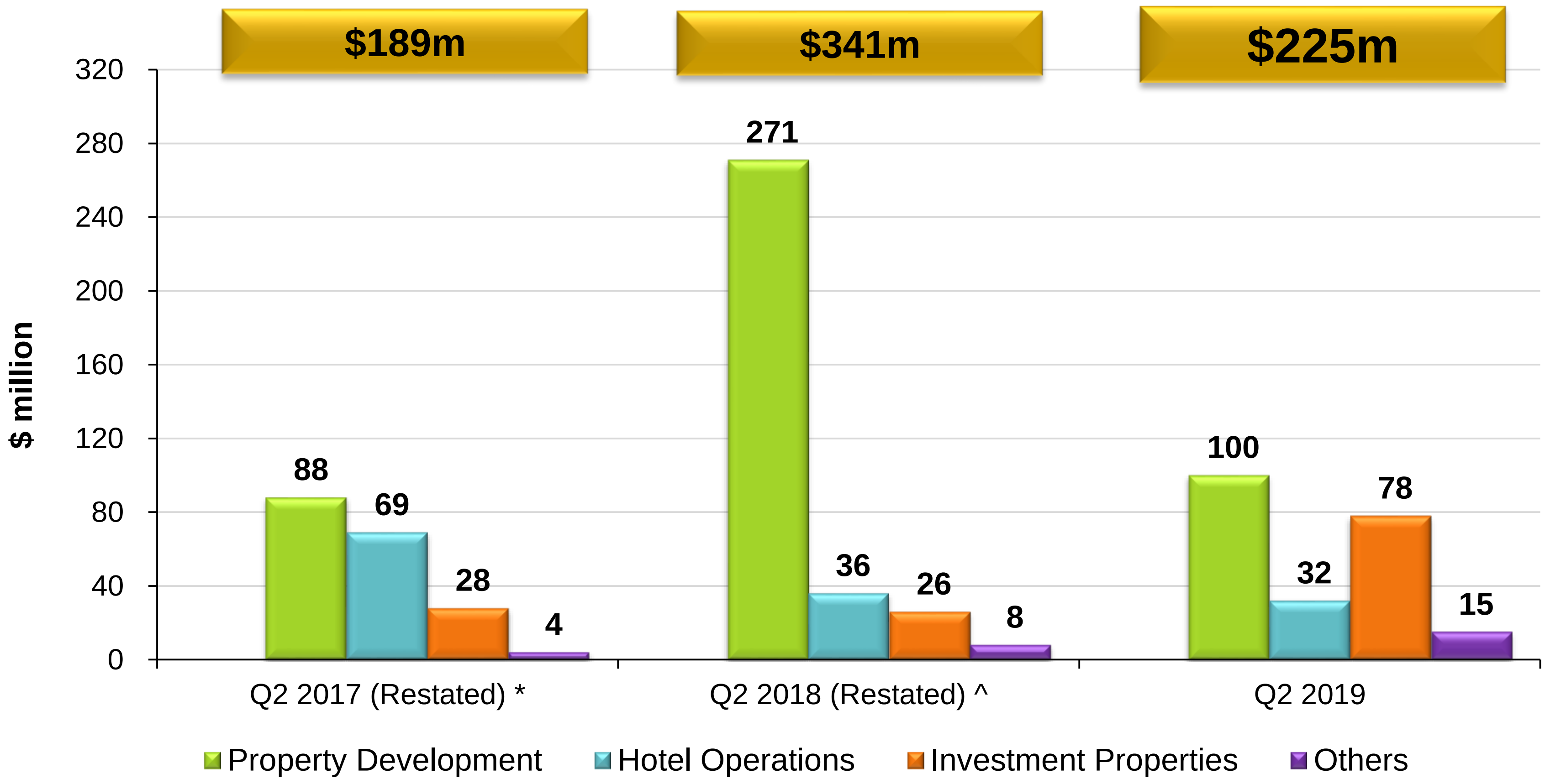
Revenue by Segment for 2nd Quarter (2017 – 2019)



* *Restated due to adoption of SFRS(I) 1 & 15 for 2017 only.*

Financial Highlights

Profit Before Tax by Segment for 2nd Quarter (2017 – 2019)

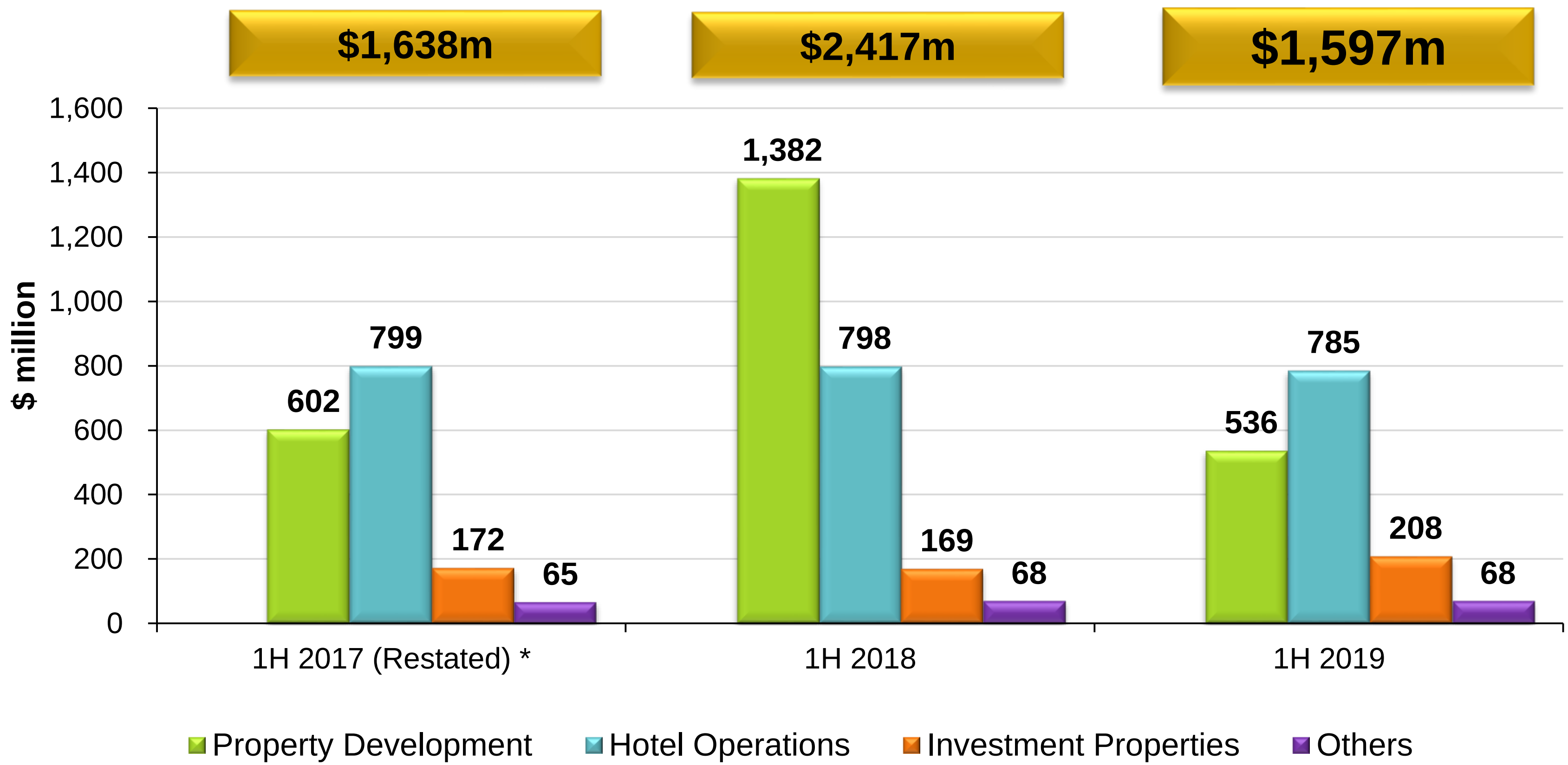


* *Restated due to adoption of SFRS(I) 1 & 15 for 2017 only.*

^ *Restated due to expensing off interest costs for development projects under POC method on adoption of Agenda Decision issued by IFRIC.*

Financial Highlights

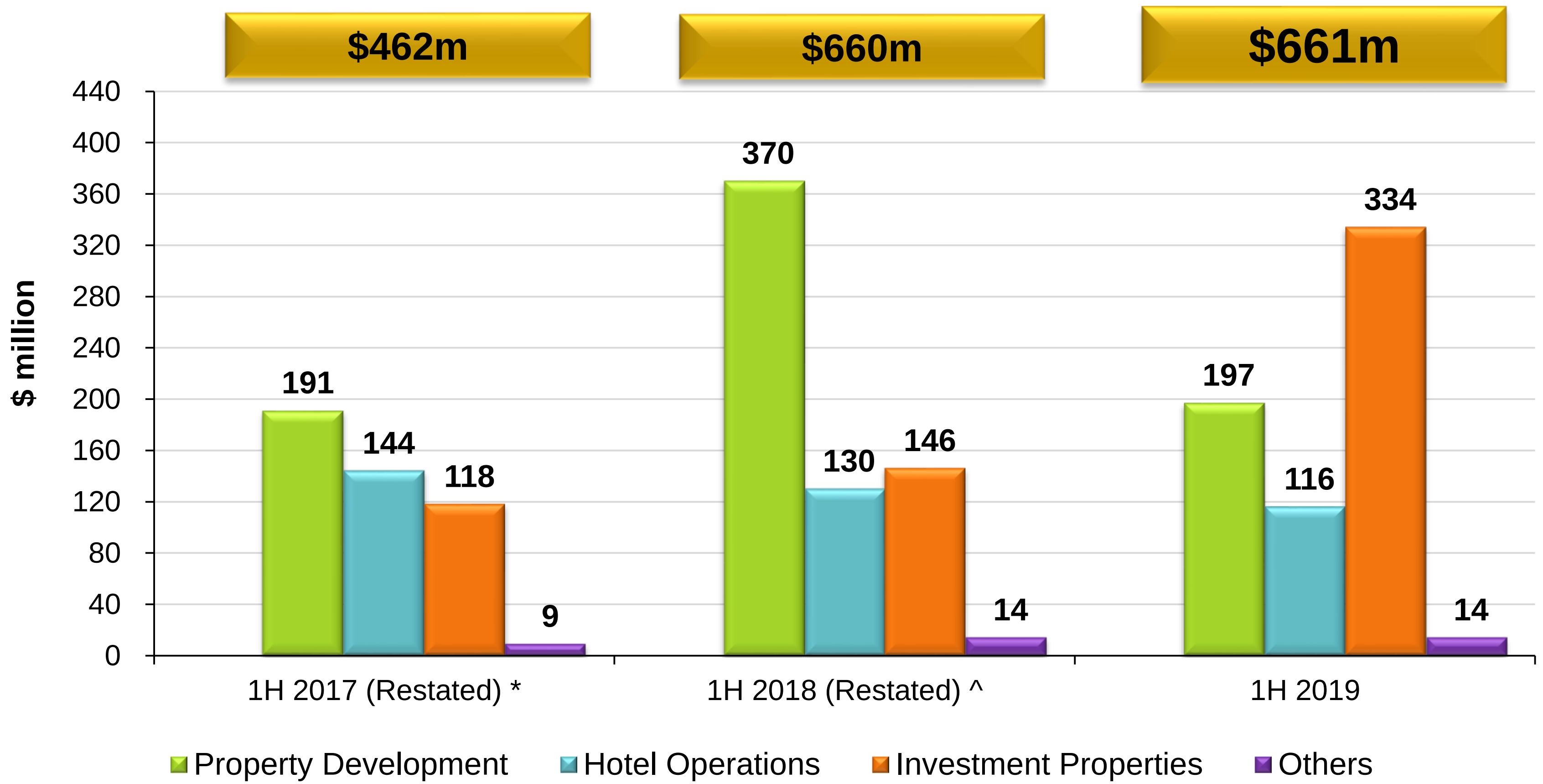
Revenue by Segment for Half Year (2017 – 2019)



* Restated due to adoption of SFRS(I) 1 & 15 for 2017 only.

Financial Highlights

EBITDA by Segment for Half Year (2017 – 2019)

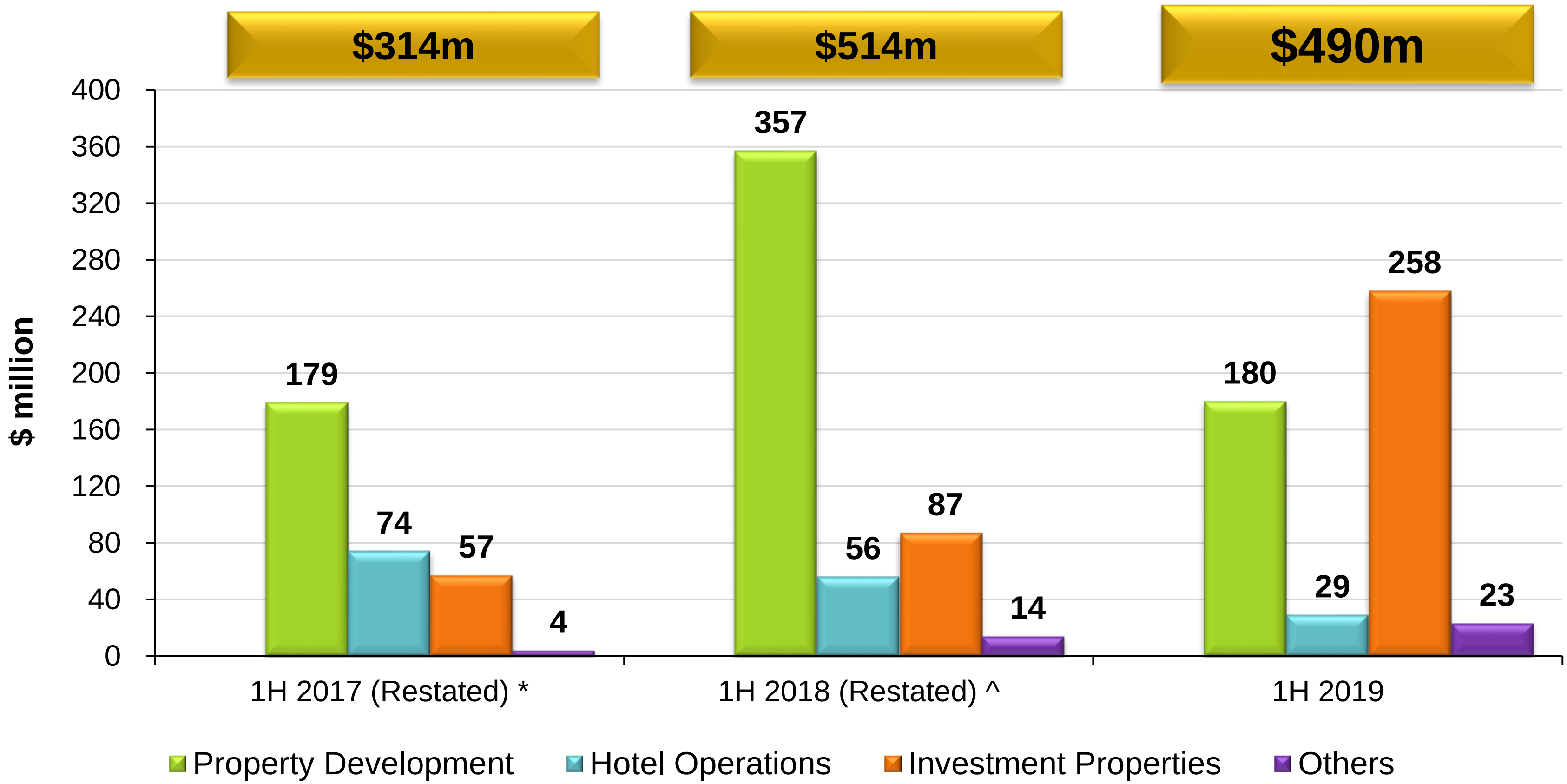


* *Restated due to adoption of SFRS(I) 1 & 15 for 2017 only.*

^ *Restated due to expensing off interest costs for development projects under POC method on adoption of Agenda Decision issued by IFRIC.*

Financial Highlights

Profit Before Tax by Segment for Half Year (2017 – 2019)



* *Restated due to adoption of SFRS(I) 1 & 15 for 2017 only.*

^ *Restated due to expensing off interest costs for development projects under POC method on adoption of Agenda Decision issued by IFRIC.*

Financial Highlights

	As at 30/06/19	As at 31/12/18
Gross borrowings	**$8,507m**	$6,342m
Lease liabilities	**$194m**	**-**
Cash and bank balances ^	**($3,269m)**	($2,512m)
Net borrowings	**$5,432m**	$3,830m
Net gearing ratio without taking in fair value gains on investment properties	**44%**	31%
Net gearing ratio after taking in fair value gains on investment properties	**32%**	23%
Interest cover ratio	**14.4 x**	14.9 x

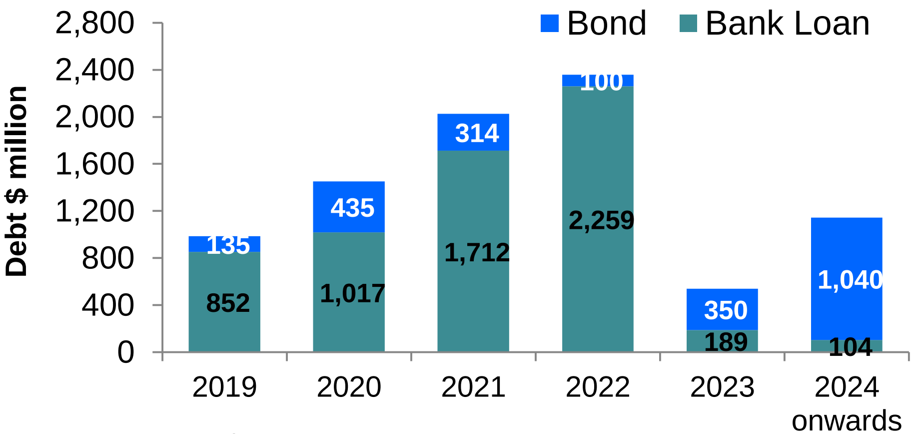
^ Include restricted deposits of $306m (2018: $223m) classified as non-current assets

Financial Highlights

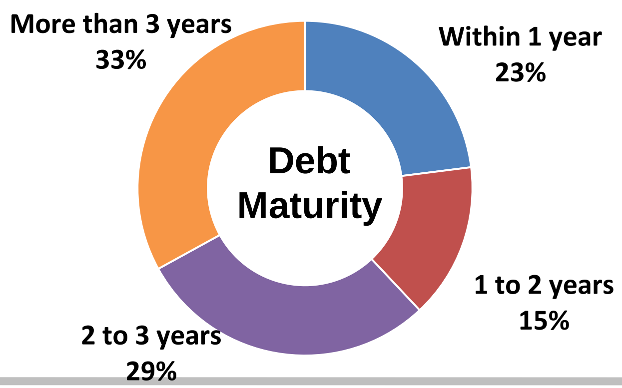
CDL Group – Prudent Capital Management

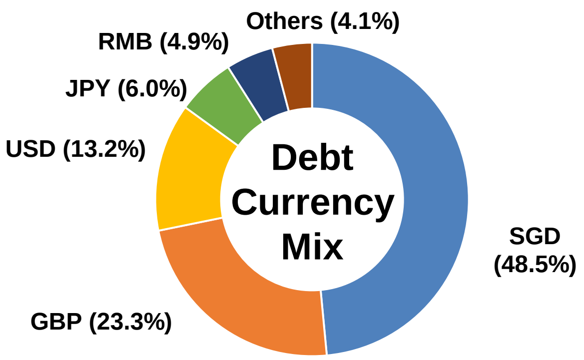
- Balanced debt expiry profile
- Balanced debt currency mix – adopting a natural hedging strategy
- Average borrowing cost kept low
- Balance of fixed rate borrowings to mitigate rate hikes

Debt Expiry Profile



	30/06/2019	31/12/2018
Average Borrowing Cost	2.4%	2.3%
% Secured Borrowings	24%	27%
% Fixed Rate Debt	43%	45%



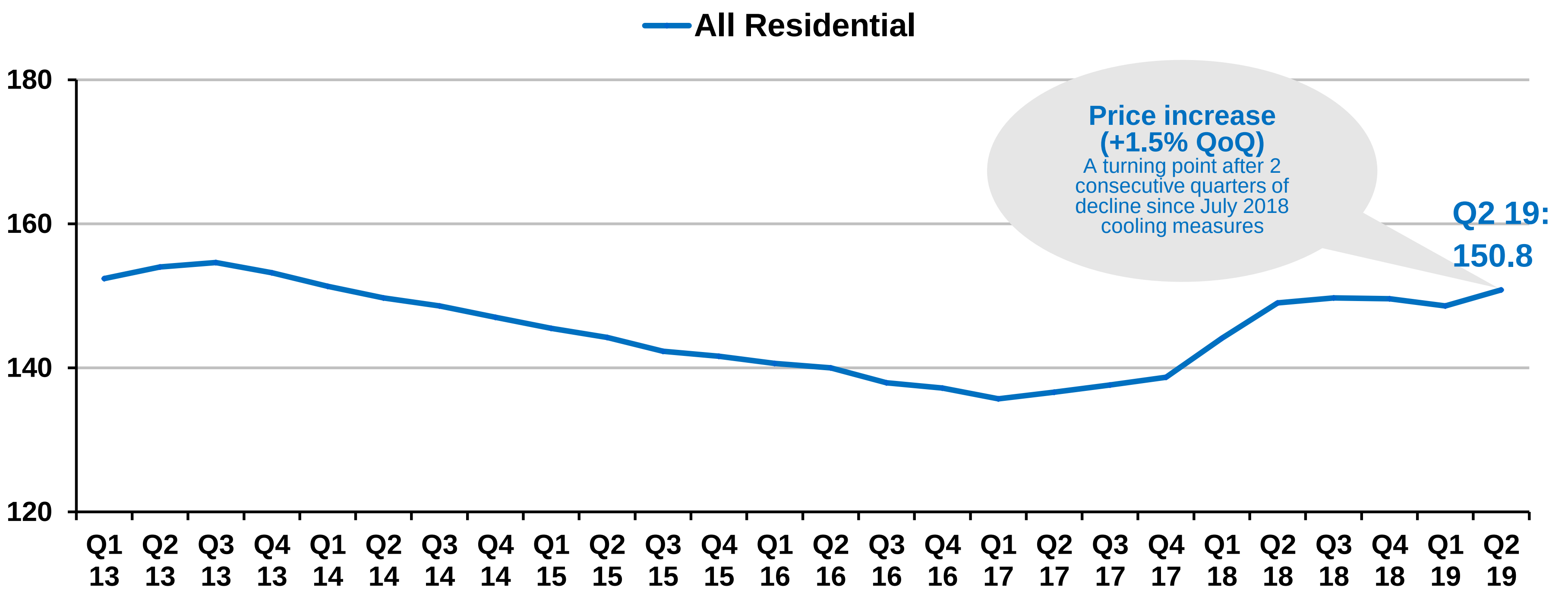


Singapore Operations

Property Development

Singapore Property Market

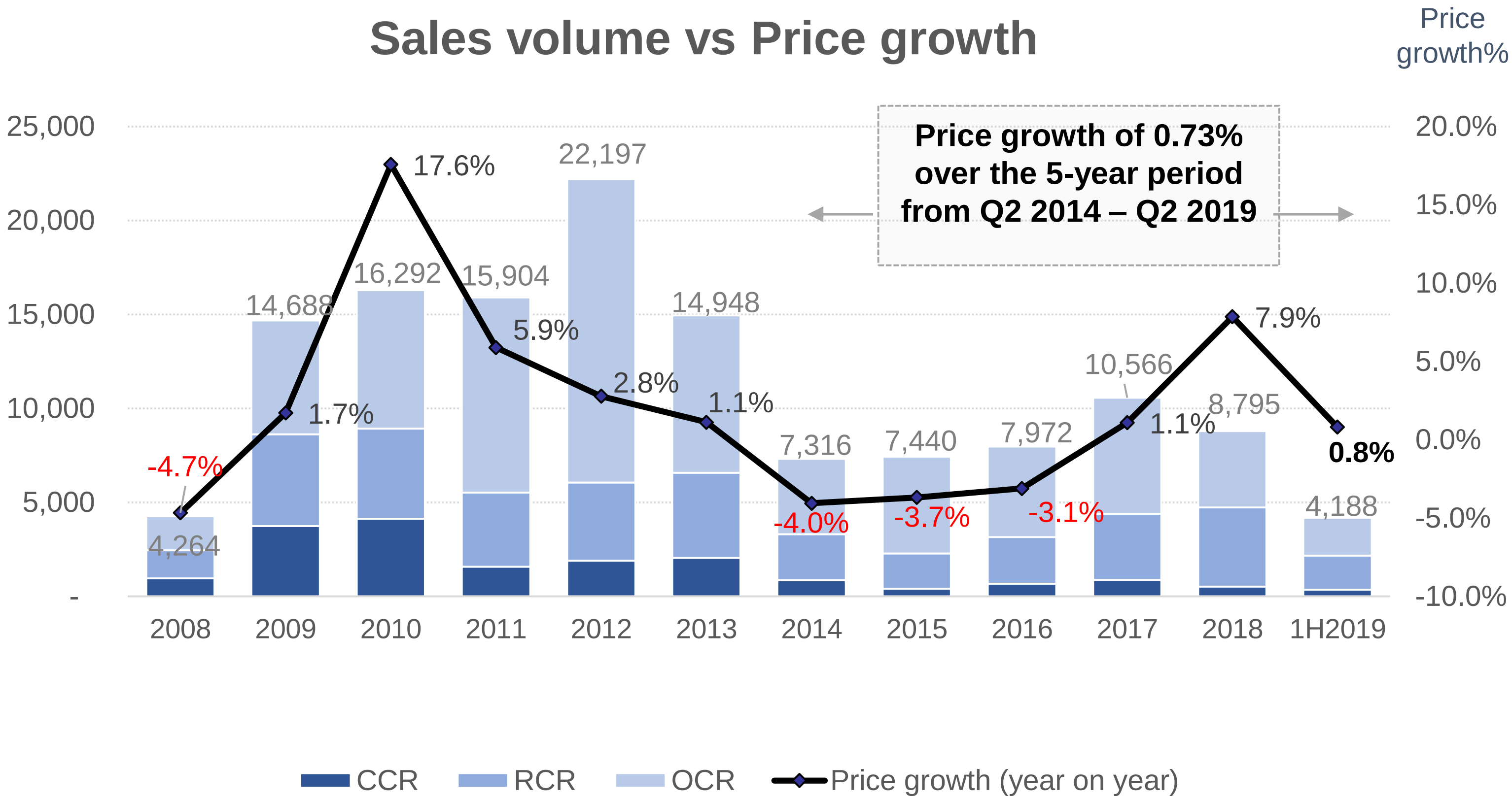
Property Price Index – Residential (2013 – Q2 2019)



Source : URA, Q2 2019

Singapore Property Market

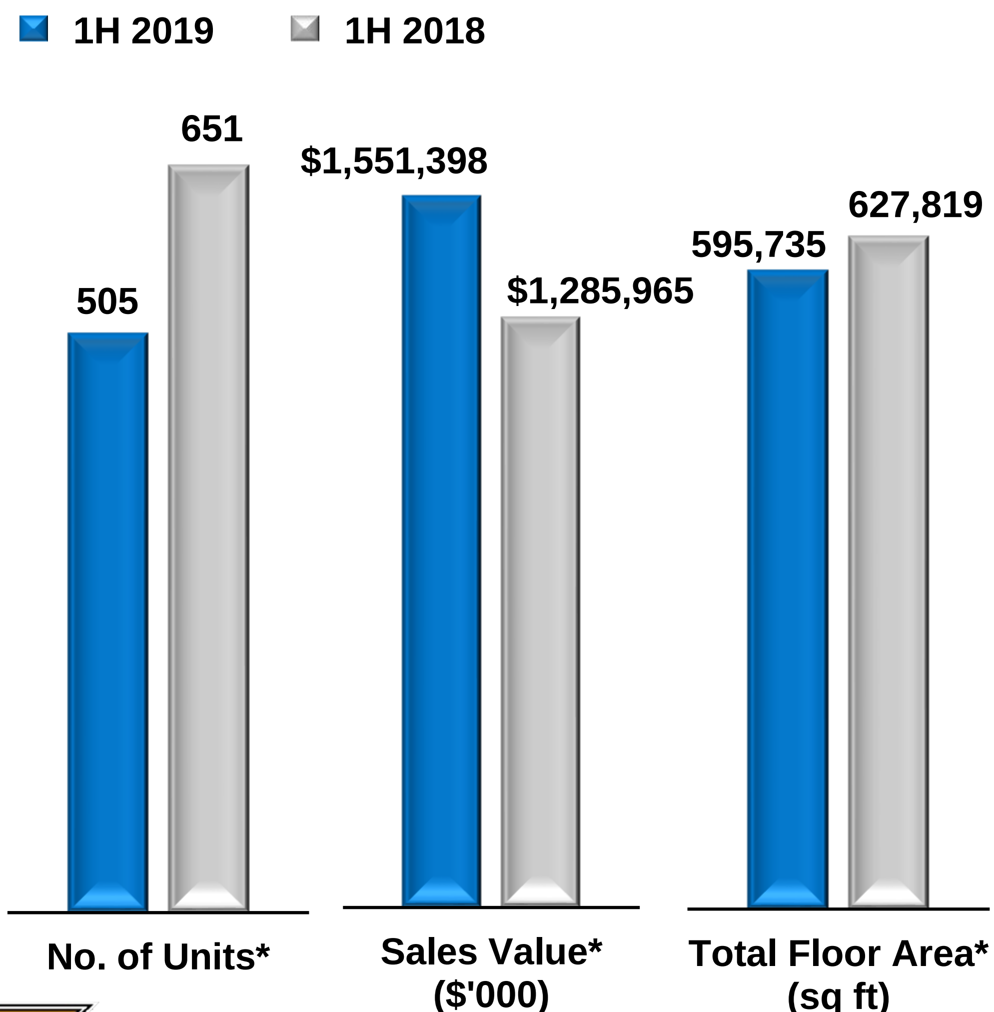
- Private residential prices improved marginally by 0.8% for 1H 2019 as compared to 2018. On a q-o-q basis, prices improved by 1.5% in Q2 2019.
- Developer's sales remained healthy in 1H 2019 totaling 4,188 units and registered a 6.1% growth as compared to the same period in 1H 2018.
- In Q2 2019, developers clocked in sales of 2,350 units, higher than the 1,838 units sold in Q1 2019.



Source : URA Statistics

Singapore Property Development

Residential Units Sold by CDL



Sales Value

⬆20.6% yoy

Units Sold

⬇22.4% yoy

Project Launches (1H 2019 vs 1H 2018)

Launch Period	Project	Market Segment	Total Units
1H 2019	Boulevard 88	High-end	154
	Amber Park	High-end	592
1H 2018	New Futura	High-end	124
	The Tapestry	Mass market	861

* Includes share of JV partners

Singapore Property Development

Steady Sales for 2018 Launched Projects

Project	Location	Tenure	Equity Stake	Total Units	Total Units Sold*	Ave. Selling Price (ASP)	Total Saleable Area (sq ft)	Expected Completion
New Futura	Leonie Hill Road	Freehold	100%	124	124	>$3,500 psf	248,199	Completed Aug 2017
The Tapestry	Tampines Ave 10	99-year leasehold	100%	861	644 (750 released)	>$1,340 psf	652,950	2021
Whistler Grand	West Coast Vale	99-year leasehold	100%	716 + 2 shops	371 (400 released)	>$1,350 psf	602,392	2021
South Beach Residences	Beach Road	99-year leasehold	50.1%	190	95 (100 released)	>$3,400 psf	347,510	Completed Dec 2016
The Jovell	Flora Drive	99-year leasehold	33%	428	90 (250 released)	$1,250 – $1,300 psf	324,000	2023

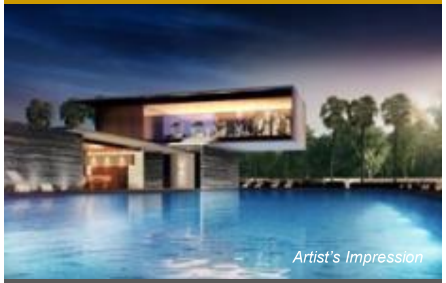
New Futura

Sold: 124 units

The Tapestry

Sold: 644 units

Whistler Grand



Sold: 371 units

South Beach Residences

Sold: 95 units

** As at 4 Aug 2019*

Residential Launch in Q1 2019

Boulevard 88 – Sales value of over $630 million*

Location	Tenure	Equity Stake	Total Units	Units Released	Total Units Sold*	Total Saleable Area (sq ft)	Expected TOP
Orchard Boulevard	Freehold	40%	154	80	69	316,844	2022

154-unit Freehold Luxury Residences in District 10

- 69 units including all four penthouses (out of 80 released) sold at ASP of over $3,800 psf*
  - Good take-up across all unit types, in particular 4-bedroom units
  - 36% of the buyers are Singaporean, remaining 64% comprise Singapore PRs and Foreigners *mainly from Indonesia, China and Hong Kong)
- Two 28-storey residential towers sit atop the luxury 204-room The Singapore EDITION Hotel – a unique lifestyle hotel designed by Ian Schrager in partnership with Marriott International
- A few minutes' walk to the Orchard Road shopping belt and future Orchard Boulevard MRT station

** As at 4 Aug 2019*

Residential Launch in Q2 2019

Amber Park – Iconic Freehold Residence in East Coast

Location	Tenure	Equity Stake	Total Units	Units Released	Total Units Sold*	Total Saleable Area (sq ft)	Expected TOP
Amber Road	Freehold	80%	592	180	166	604,006	2023

Best-selling Freehold Property Launch in District 15:

- To date, 166 units have been sold*
  - Total sales value of around $381 million
  - ASP of over $2,450 psf
  - 86% of buyers are Singaporeans
- Rare expansive freehold site of over 213,000 sq ft in District 15 with iconic design by award-winning SCDA architect Chan Soo Khian
- Excellent location and connectivity:
  - One of East Coast's most desirable addresses
  - Surrounded by an array of famed restaurants and cafes
  - Mere 3-min walk to the upcoming Tanjong Katong MRT station
- Iconic architectural design featuring The Stratosphere, a rooftop recreational deck on Level 22, 235 feet above sea level, that connects the three residential towers and houses facilities such as a 600-metre jogging track, gourmet dining and gymnasium

** As at 4 Aug 2019*

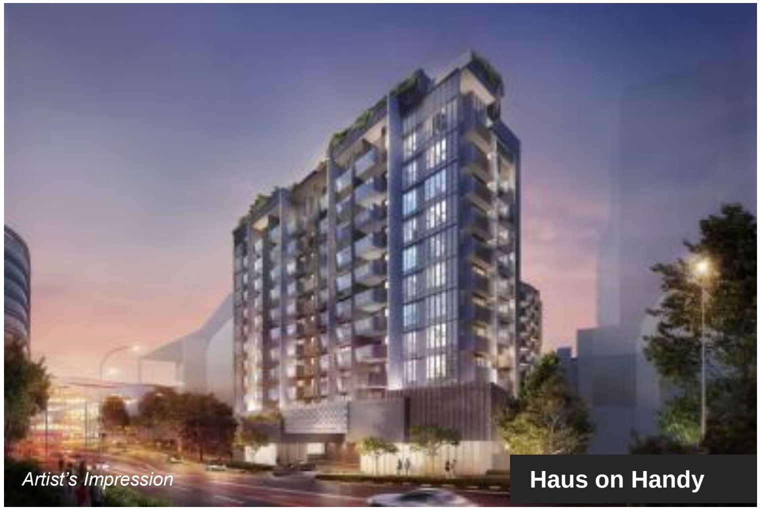
Residential Launch in Q3 2019

Haus on Handy – Exclusive Condo in Prime District 9

Location	Tenure	Equity Stake	Total Units	Units Released	Total Units Sold*	Total Saleable Area (sq ft)	Expected TOP
Handy Road	99-year	100%	188	30	25	120,791	2023

Exclusive Condo in Prime Orchard Road Area:

- 25 units of 30 released units sold*:
  - ASP of over $2,850 psf
  - Prices start from $1.188 million for 1-bedroom, $1.668 million for 2-bedroom and $2.708 million for 3-bedroom
  - Buyers are primarily Singaporeans
- Unbeatable location and connectivity:
  - 2-min walk to triple-line Dhoby Ghaut MRT interchange (North-South, North-East and Circle lines)
  - Close to Plaza Singapura shopping mall and a wide array of F&B and entertainment options
  - Compelling investment opportunity with strong rental potential
- Development houses over 30 facilities including Club Haus (conserved heritage bungalow) which houses a Heritage Alley, Gym Studio, Freeform Studio, Power Studio and Club Lounge


Artist's Impression
Haus on Handy


Artist's Impression
Club Lounge (within Club Haus)

** As at 4 Aug 2019*

Residential Launch in Q3 2019

Nouvel 18 – A Freehold Masterpiece by Jean Nouvel

Location	Tenure	Equity Stake	Total Units	Units Released	Total Units Sold*	Total Saleable Area (sq ft)	Completion
Anderson Road	Freehold	--^	156	30	18	351,054	2014

Nouvel 18

The Epitome of Luxury Living in the Ardmore & Anderson Residential Enclaves

- 18 units of 30 released units sold*
  - ASP of over $3,300 psf
  - Most of units sold were the 4-bedroom+study type
  - Prices start from $4.016 million for 2-bedroom+study, $4.88 million for 3-bedroom, $5.28 million for 3-bedroom+study and $7.632 million for 4-bedroom+Study
  - About 90% of the buyers are foreigners
- Rare freehold site of over 350,000 sq ft in District 10 design by award-winning French architect, Jean Nouvel
- Unbeatable location and connectivity:
  - 3 minutes' walk to Orchard Road
  - Be spoilt for choice by the eight sky gardens, which blossom with many recreational and entertainment amenities for personal indulgence
  - A privileged lifestyle that complement blissful tranquility with luxurious city living

^ *Divested PPS 3 project marketed by CDL*   * *As at 4 Aug 2019*

Latest Residential Launch in Q3 2019

Piermont Grand Executive Condominium (EC) – Luxurious Waterfront EC

Location	Tenure	Equity Stake	Total Units	Units Released	Total Units Sold*	Total Saleable Area (sq ft)	Expected TOP
Sumang Walk	99-year	60%	820	820	379	908,804	2023

Best-Selling Property Launch in 2019 – 46% sold on Launch Weekend:

- 375 units sold on launch weekend
  - ASP of $1,080 psf
  - Eligible second-time buyers accounted for 65% of units sold
  - 1,796 e-applications received (2.2x over-subscribed)
- 820-unit luxurious waterfront EC in transformative Punggol district:
  - Apartment sizes: from 840 sq ft for a 3-bedroom to 1,701 sq ft for a 5-bedroom premium penthouse
  - Prices start from $888,000 for 3-bedroom, $1.34 million for 4-bedroom premium, $1.508 million for 5-bedroom premium
- Overlooks My Waterway@Punggol with convenient access to comprehensive amenities, schools and recreational facilities, including upcoming Punggol Town Hub
- Excellent location and connectivity:
  - 3-min walk to Sumang and Nibong LRT stations, that connect to Punggol MRT station and bus interchange
  - 10-min walk to Waterway Point shopping mall
  - Easy access to Tampines Expressway (TPE) and Kallang-Paya Lebar Expressway (KPE)
  - Near upcoming Punggol Digital District, JTC business parks and new Singapore Institute of Technology campus

** As at 4 Aug 2019*

Singapore Property Development

Limited Inventory of Launched Residential Projects – As of 30 June 2019

Project	Equity Stake	Total Units	Units Sold	% Sold	Total Unsold Inventory	CDL's Share of Unsold Inventory
Cuscaden Residences	25%	75	74	99%	1	0.3
St. Regis Residences	33%	173	161	93%	12	4.0
The Oceanfront @ Sentosa Cove	50%	264	263	99%	1	0.5
One Shenton	100%	341	327	96%	14	14.0
Cliveden at Grange**	100%	110	43	39%	67	67.0
UP@Robertson Quay	100%	70	61	87%	9	9.0
Echelon	50%	508	506	99%	2	1.0
The Venue Residences	60%	266	265	99%	1	0.6
Coco Palms	51%	944	939	99%	5	2.6
Forest Woods	50%	519	512	99%	7	3.5
New Futura	100%	124	123	99%	1	1.0
The Tapestry (750 units released)	100%	861	631	^84%	^119	^119.0
Whistler Grand (400 units released)	100%	716	343	^86%	^57	^57.0
Boulevard 88 (70 units released)	40%	154	62	^89%	^8	^3.2
Amber Park (160 units released)	80%	592	157	^98%	^3	^2.4
South Beach Residences (100 units released)	50%	190	89	^89%	^11	^5.5
The Jovell (250 units released)	33%	428	84	^34%	^166	^54.8
TOTAL:		**6,335**	**4,640**		**484**	**345**

^ Based on no. of units released

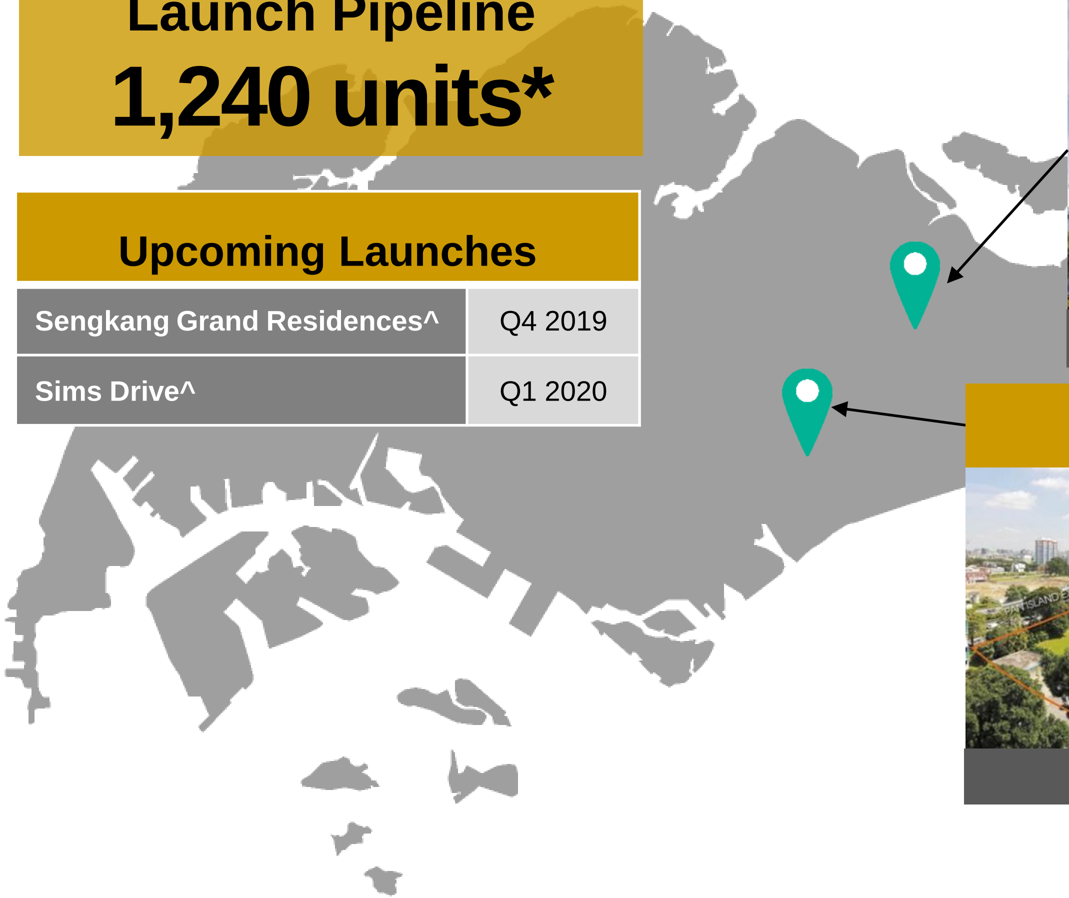
** Leasing strategy implemented

The Venue Shoppes – 16 units out of 28 units sold

Limited Inventory of Launched Projects

Diversified Residential Launch Pipeline

SG Pipeline comprises Mass Market and Mid-Tier segments



Launch Pipeline

1,240 units*

Upcoming Launches

Sengkang Grand Residences^	Q4 2019
Sims Drive^	Q1 2020

Sengkang Grand Residences^
(680 units)

Land cost: **$777.8 million***

Sims Drive^
(Est 560 units)

Land cost: **$383.5 million***

GLS site near Aljunied MRT awarded in Apr 2019

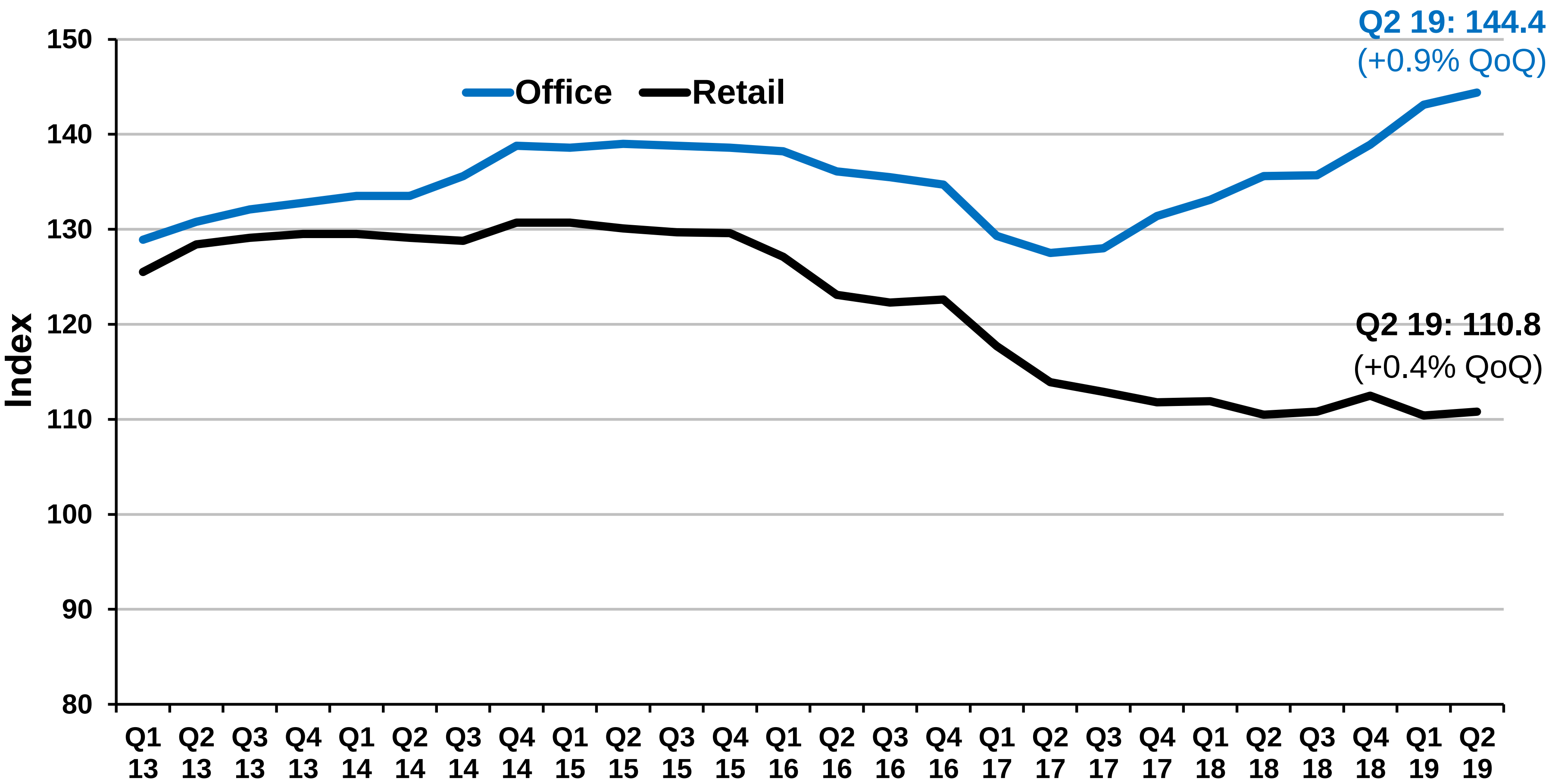
** Includes JV partners share ^ JV project*

Singapore Operations

Asset Management

Singapore Commercial Market

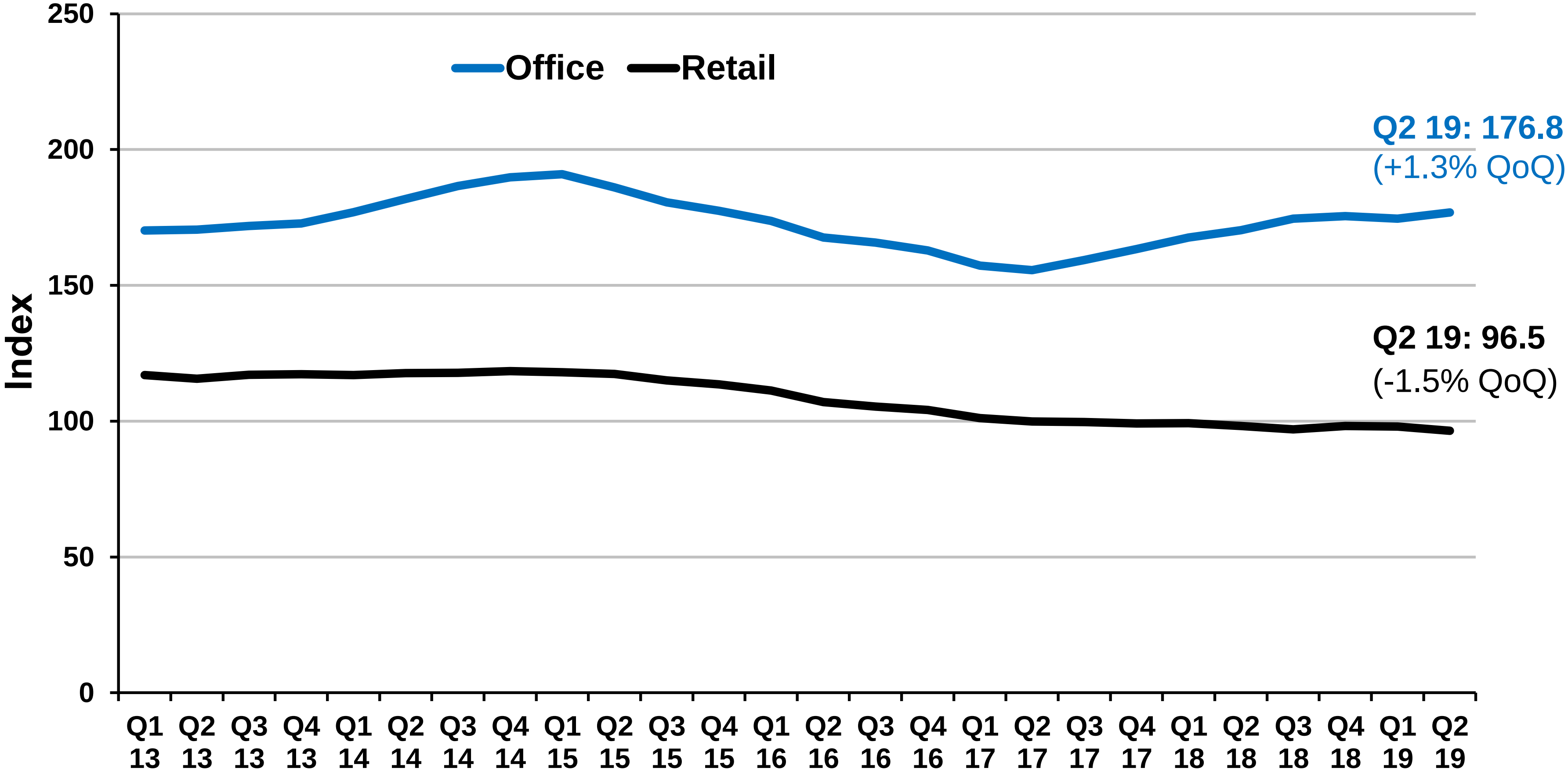
Property Price Index – Commercial (2013 – Q2 2019)



Source : URA, Q2 2019

Singapore Commercial Market

Property Rental Index – Commercial (2013 – Q2 2019)



Source : URA, Q2 2019

Singapore Commercial Portfolio

Strong Committed Occupancy for Office & Retail Portfolio (As at 30 June 2019) (1)

Office

15 properties

92.1%

Committed Occupancy

2.1 million sq ft

Net Lettable Area (2)

Retail

19 properties

95.1%

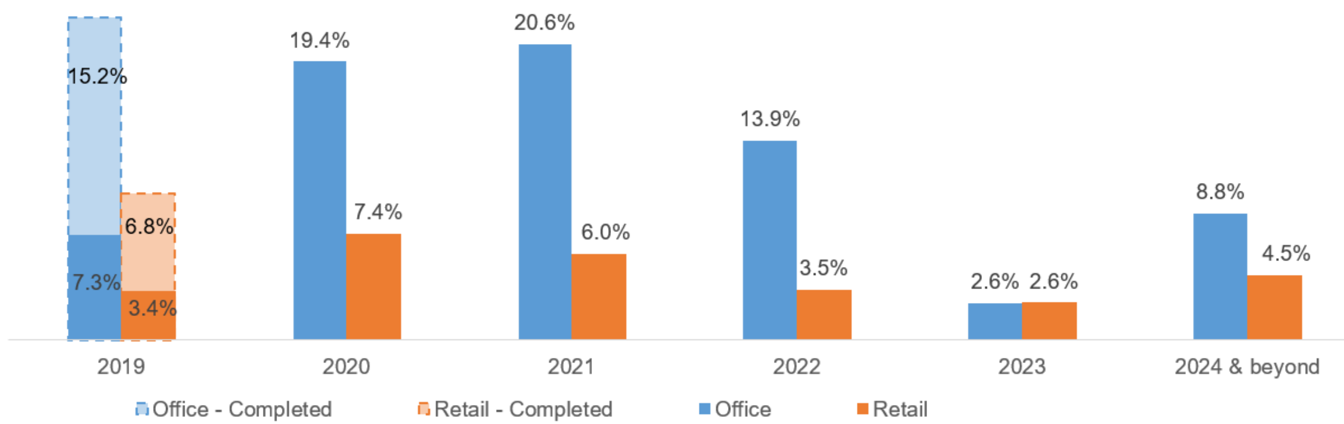
Committed Occupancy

745,000 sq ft

Net Lettable Area (3)

Lease Expiry Profile by % of NLA

- Income stability from well-spread lease expiry profile
- High retention of existing office tenants.
- Continued positive rental reversion.

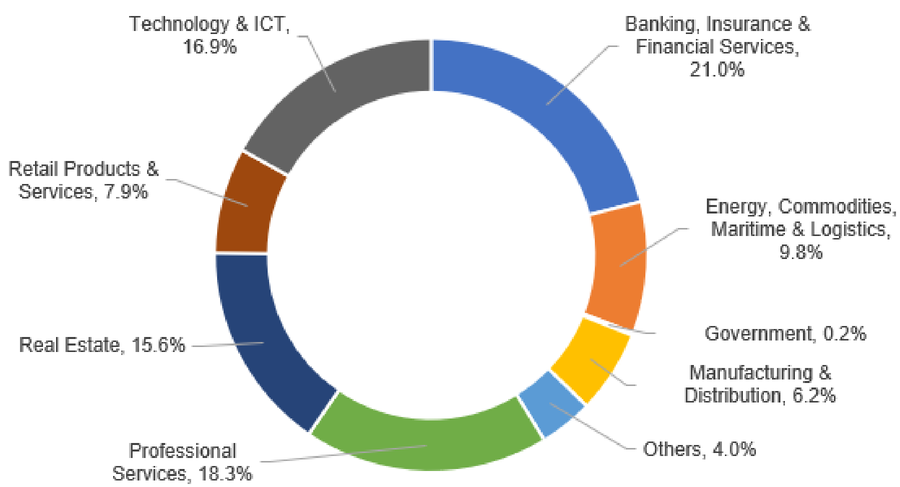


(1) Includes all Singapore assets under management (including JV project South Beach), in accordance to CDL's proportionate ownership.
(2) 7 & 9 Tampines Grande is excluded as it has been divested. (3) Some units at City Square Mall have been reclassified as office use.

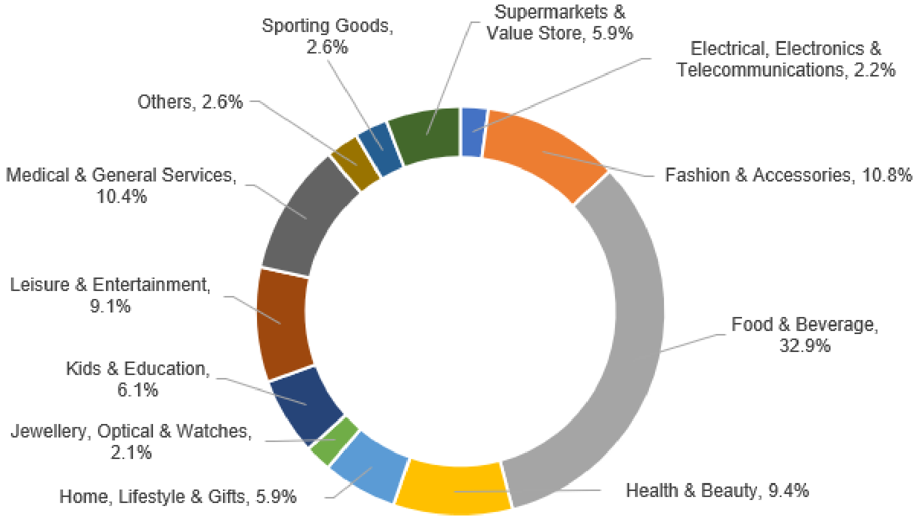
Singapore Commercial Portfolio

Trade Mix of Office & Retail Space by % of Total Gross Rental Income (As at 30 June 2019)*

Office



Retail



- **Diverse and well-spread tenant mix across both office and retail segments:**
  - **Office**: Representation across varied industries provide stability. Demand sustained by energy companies and shared space operators.
  - **Retail**: Active management of trade-mix to drive shoppers' footfall and ensure shoppers' interest.

* Includes all Singapore assets under management (including JV project South Beach), in accordance to CDL's proportionate ownership and excludes retail gross turnover rent. 7 & 9 Tampines Grande is excluded as it has been divested. Some units at City Square Mall have been reclassified as office use.

International Operations

International Operations – Australia

Focus on Increasing Exposure in Australia

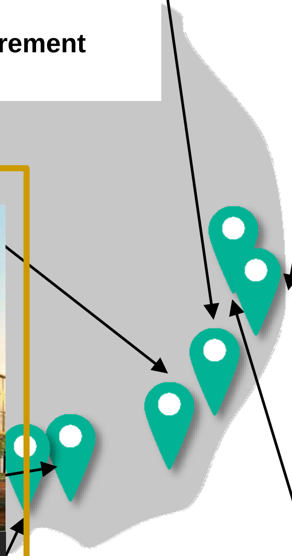
Bowral

Waterbrook Bowral

Sydney

Waterbrook Bayview

Luxury Retirement Housing Projects:
Collaboration with Waterbrook Lifestyle Resorts on 2 Freehold Luxury Retirement Housing Projects in New South Wales

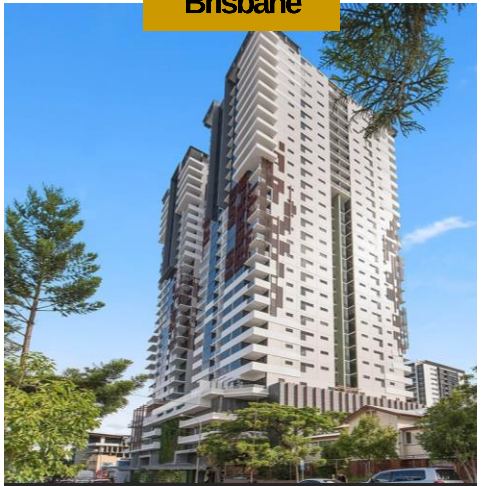


Melbourne

Project on Fitzroy (Mixed Use)

The Marker (Mixed Use)

Brisbane



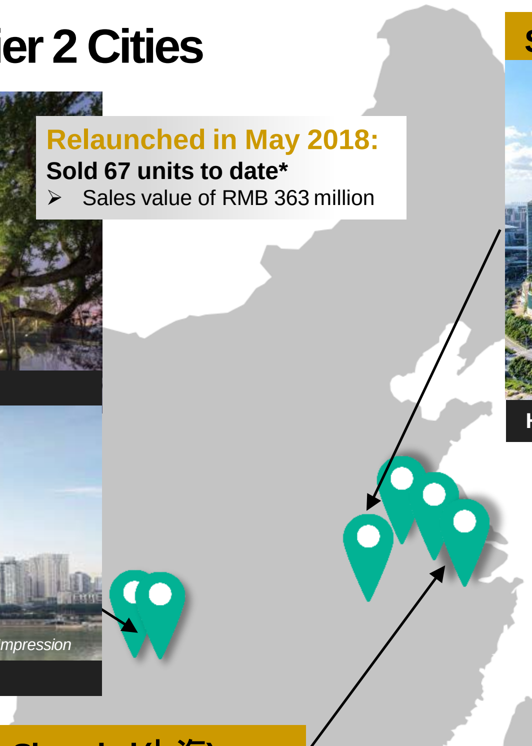
Ivy and Eve (Residential)

Completed in Feb 2018:
- Majority of units have been sold and settlement achieved

Project on Mina Parade (Residential)

International Operations – China

Focus on Tier 1 and Tier 2 Cities



Chongqing (重庆)

Eling Palace (鹅岭峯)

Relaunched in May 2018:

Sold 67 units to date*

- Sales value of RMB 363 million

Phase 3 sales launched in May 2019:

Sold 337 units to date*

- Sales value of RMB 1.07 billion
- Expected completion by end 2020

Emerald (翡翠都会)

Suzhou (苏州)

Hong Leong City Center (丰隆城市中心)

Continued Sales Momentum:

Total sales of RMB 3.91 billion generated for 90% of 1,804 units to date*^

- Phase 1 – 97% sold
- Phase 2 – 67% sold
- 30,000 sqm Grade A office tower is over 50% leased and operational since June 2019
- HLCC mall is 87% occupied; hotel expected to open by Q3 2020

Shanghai (上海)

Hongqiao Royal Lake (御湖)

Good Uptake:

54 villas sold to date*

- Sales value of RMB 1.20 billion

Hong Leong Plaza Hongqiao (虹桥丰隆广场)

In operation by Q4 2019:

- Comprises 5 office towers with 2 levels of basement carparks with GFA of 32,182 sqm
- 1 office tower (20% of total NLA) is leased to a serviced apartment operator, expected to open in Q4 2019

Yaojiang International (耀江国际)

Asset enhancement:

- Operational since Jan 2019
- Exterior works expected completion by Q3 2019

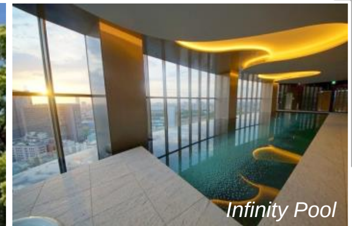
** As at 4 August 2019*

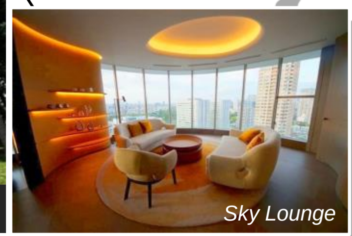
^ Excludes 143 units transferred to CDL's wholly-owned subsidiary for investment purpose.

International Operations – Japan

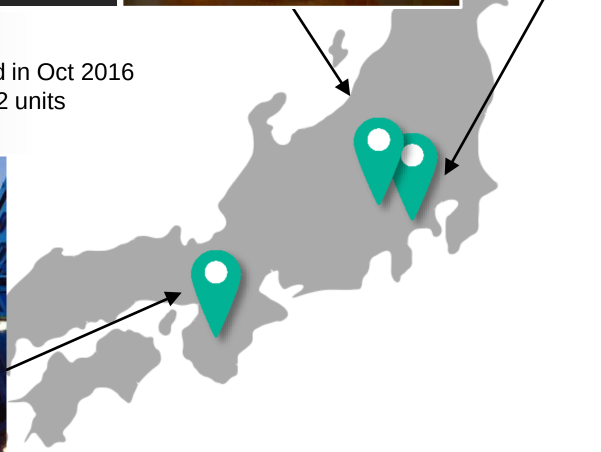
New Acquisition of Prime Freehold Residential Project in Osaka


Park Court Aoyama The Tower


Infinity Pool


Sky Lounge

Completed in Q1 2018:
- 160-unit freehold JV residential project launched in Oct 2016
- Units are progressively being handed over – 152 units handed over*




Freehold site in Shirokane

Development Site:
- Prime 180,995 sq ft freehold site acquired in Sep 2014

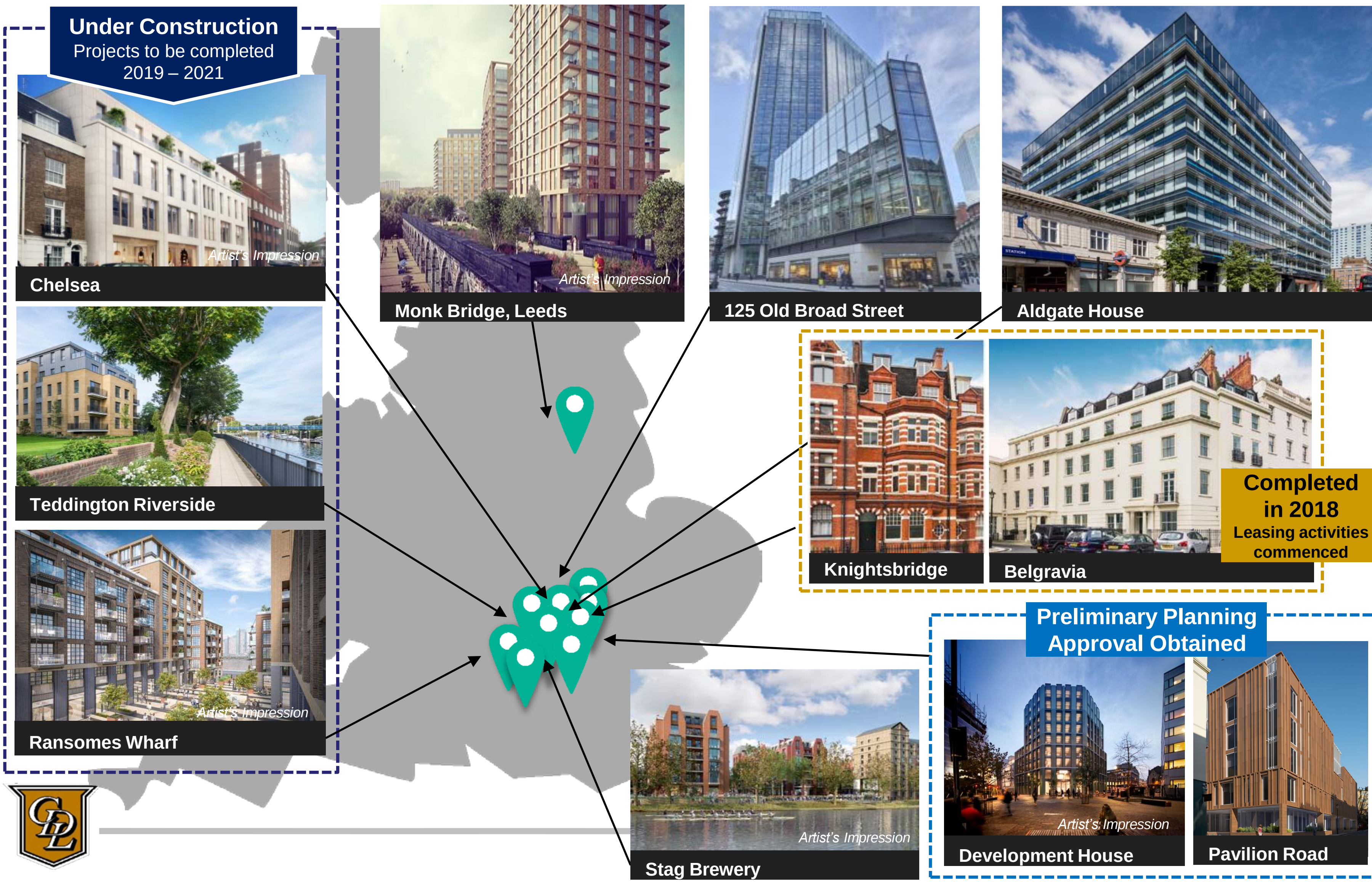

Horie Lux, Osaka

Acquired in May 2019:
- 34-unit freehold residential project in Osaka CIty

As at 4 August 2019

International Operations – UK

Strengthening Presence in Greater London



Fund Management

IREIT Global – Focus on AUM Growth

Key Near Term Strategies

1. Raising the profile of IREIT
2. Growing of IREIT through acquisitions
3. Diversify investors' base

Darmstradt Campus, Darmstradt

Bonn Campus, Bonn

Berlin Campus, Berlin

Münster Campus, Munster

Concor Park, Munich

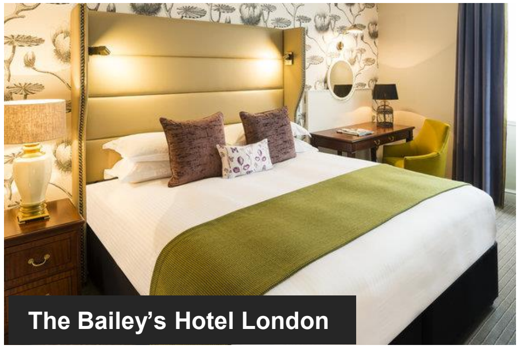
Hospitality

M&C Hotel Operations

Trading Performance

		Reported Currency		Constant Currency	
	1H 2019	1H 2018	Change	1H 2018	Change
Revenue	**£472m**	£477m	(1.0%)	£491m	(3.9%)
Revenue (hotel)	**£408m**	£404m	1.0%	£416m	(1.9%)
Profit before tax	**£46m**	£65m	(29.2%)	£67m	(31.3%)
PATMI	**£22m**	£28m	(21.4%)		

- Group RevPAR: ↑ 3.4% in 1H 2019 (reported currency)
  ↑ 0.2% in 1H 2019 (constant currency)
  ↓ 0.3% in 1H 2019 (like-for-like)
- In constant currency, total revenue decreased by 3.9% and pre-tax profit decreased by 31.3%:
  - Impact of closure of Mayfair Hotel and refurbishment of Orchard Hotel
  - Lower sales of residential section in New Zealand
- Pre-tax profit was partially offset by a fair value gain of £2m from FSGL's Perpetual Convertible Capital Securities (PCCS) and warrants. During the same period last year, pre-tax profit included £3m gain from CDLHT's disposal of its two Australian hotels, the Mercure Brisbane and Ibis Brisbane.


The Bailey's Hotel London


Millennium Hilton New York ONE UN Plaza

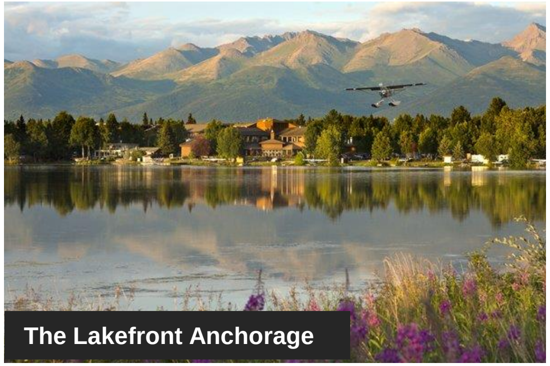
M&C Hotel Operations

Trading Performance

- RevPAR in reported currency and constant currency was up by 3.4% and 0.2% respectively for 1H 2019 as compared to the same period last year;

	1H 2019	Reported Currency	Constant Currency
New York	£147.82	↑ 4.8%	↓ 1.5%
Regional US	£58.73	↑ 6.3%	-
Total US	**£88.18**	**↑ 5.6%**	**↓ 0.7%**
London	£97.11	↑ 12.8%	↑ 12.8%
Rest of Europe	£51.40	↓ 6.0%	↓ 5.9%
Total Europe	**£73.08**	**↑ 3.3%**	**↑ 3.3%**
Singapore	£82.57	↑ 2.4%	↓ 1.4%
Rest of Asia	£62.60	↓ 0.2%	↓ 1.6%
Total Asia	**£70.33**	**↑ 0.9%**	**↓ 1.5%**
Australasia	£75.21	↑ 1.4%	↑ 0.7%
Total Group	**£77.82**	**↑ 3.4%**	**↑ 0.2%**


M Social Auckland


The Lakefront Anchorage

M&C Hotel Operations

Asset Enhancement

Orchard Hotel Singapore

- The refurbishment work of the public areas and guestrooms has been completed, with the final phase of work on the Orchard Wing guestrooms having finished and the rooms having re-opened in early Jul 2019.

Millennium Hotel London Mayfair

- The Mayfair hotel is currently closed for refurbishment pending its re-opening in Sep 2019 as The Biltmore, Mayfair.
- The hotel will initially be managed by Hilton under its LXR Hotels & Resorts brand – its first in Europe, with 257 luxurious guestrooms and 51 designer suites as well as a prestigious new London restaurant led by celebrity chef Jason Atherton.

CDL Hospitality Trusts

Trading Performance

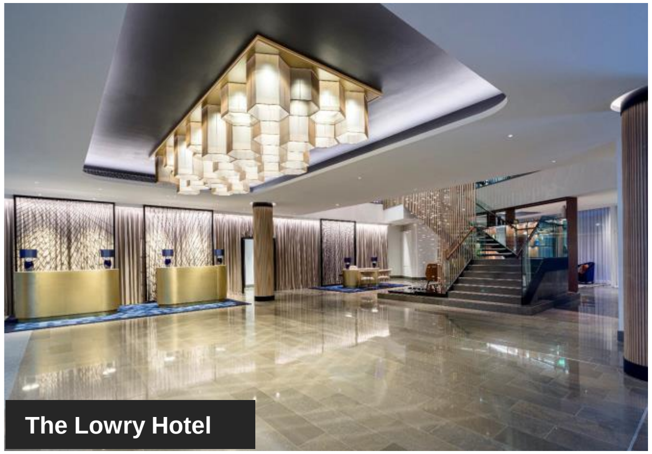
	1H 2019 $m	1H 2018 $m	Change %
Gross Revenue	**93,767**	99,508	(5.8)
Net Property Income (NPI)	**67,529**	71,416	(5.4)

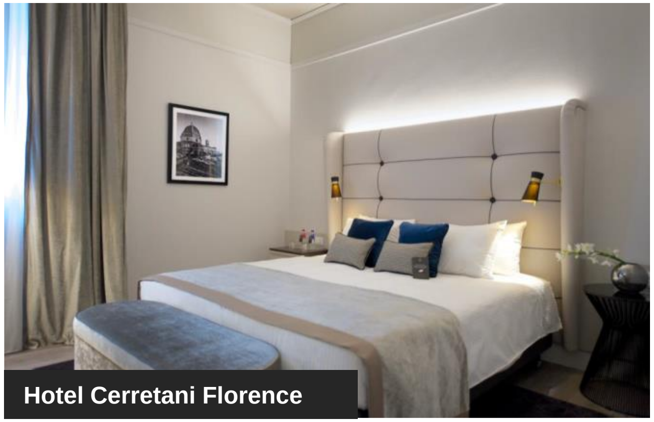
Gross Revenue and NPI decreased mainly due to :

- Closure of Raffles Maldives Meradhoo for renovation since Jun 2018, whereby the full opening of the resort is expected in later part of 2019.
- Extensive enhancement works at Orchard Hotel and absence of two major biennial events, a series of meetings/events for ASEAN Chairmanship in 2018 and softer overall demand for Singapore market.
- Lower contribution from New Zealand and Japan due to competitive trading conditions.

This was partially offset by :

- Improved performance of Pullman Hotel and UK Hotels (despite a weaker EUR and GBP); inorganic contribution from Hotel Cerretani Florence (acquired on 27 Nov 2018).


The Lowry Hotel


Hotel Cerretani Florence

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.

CITY DEVELOPMENTS LIMITED

Trusted Since 1963

Artist's impression

Amber Park, Singapore

Appendix

Portfolio Composition – 1H 2019

		Recurring Income Segments			
$ million	Property Development	Hotel Operations	Investment Properties	Others	Total
EBITDA *					
Local	135	41	271	13	460
Overseas	62	75	63	1	201
	197	**116**	**334**	**14**	**661**
Total Assets ^					
Local	5,936	1,017	3,572	648	11,173
Overseas	3,420	4,977	2,651	947	11,995
	9,356	**5,994**	**6,223**	**1,595**	**23,168**

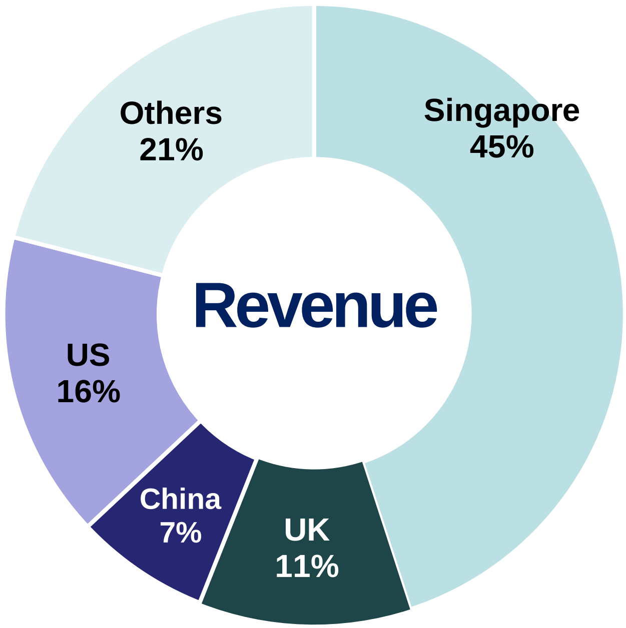
* Earnings before interest, tax, depreciation and amortisation.
^ Excludes tax recoverable and deferred tax asset.

Diversified Global Portfolio

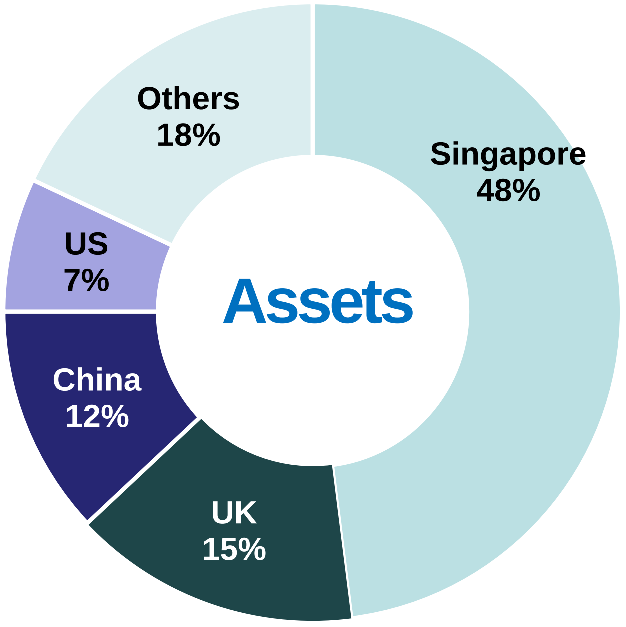
Deepening Presence in Key Markets

➢ Geographical diversification allows flexibility to capitalise on opportunities

$1.6 billion



$23.2 billion



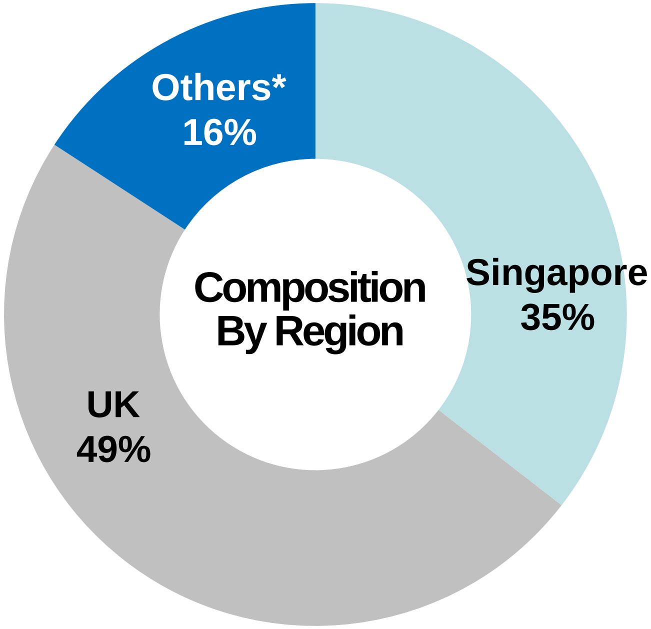
1H 2019

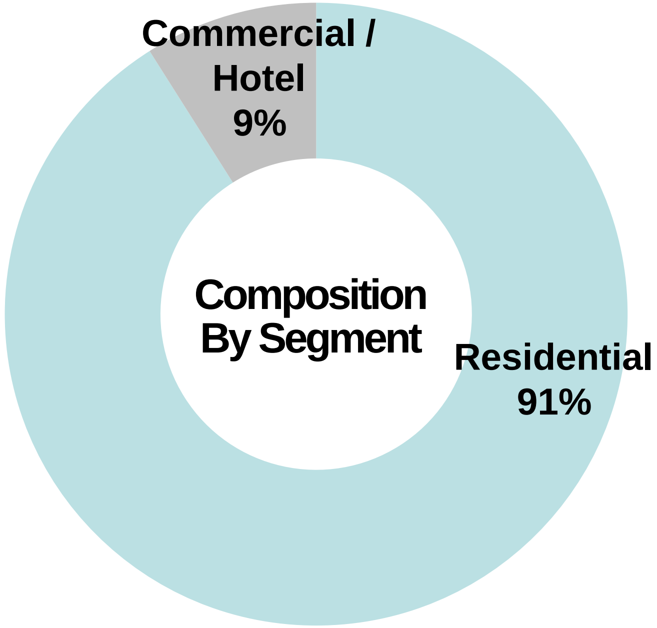
Diversified Land Bank

Land Area (as of 30 Jun 2019) – CDL's Attributable Share

Type of Development	Land Area (sq ft)			
	Singapore	International	Total	%
Residential	716,931	1,638,190	2,355,121	93
Commercial / Hotel	66,401	116,244	182,645	7
Total	**783,332**	**1,754,434**	**2,537,766**	**100**

Total Proposed GFA – 4.2 million sq ft





* Includes Japan and Malaysia

International Property Development

Residential Projects Launched To Date

Project	City	Equity Stake	Total Units	Est. Total Saleable Area (sq ft)	Expected Completion
Australia					
Ivy and Eve	Brisbane	33%#	476	348,678	Completed
The Marker	Melbourne	50%	186	143,000	2021
China					
Hong Leong City Center (Phase 1)	Suzhou	100%	1,374	1,378,891	Completed
Hong Leong City Center (Phase 2 – T2)	Suzhou	100%	430	439,716	Completed
Hongqiao Royal Lake	Shanghai	100%	85	385,394	Completed
Eling Palace	Chongqing	50%	126	325,854	Completed
Emerald	Chongqing	30%	820	1,118,638	Q4 2020
Japan					
Park Court Aoyama The Tower	Tokyo	20%	160	184,959	Completed
UK					
Teddington Riverside	London	100%	240^	233,552	Q1 2020
Belgravia	London	100%	6	12,375	Completed
Knightsbridge	London	100%	3	5,193	Completed
Chelsea	London	100%	9	16,143	Q3 2019

Effective economic interest is ~49%   ^ Includes 15 affordable units

International Property Development

Unlaunched Residential Projects

Project	City	Tenure	Equity Stake	Total Units	Est. Total Saleable Area / GFA^ / Site Area+ (sq ft)	Expected Completion
UK						
Knightsbridge (Pavilion Road)	London	Freehold	100%	24	135,379^	TBC
Stag Brewery, Mortlake	London	Freehold	100%	667	1,000,000^	TBC
Ransomes Wharf, Battersea	London	Freehold	100%	123	249,323^	TBC
Japan						
Shirokane	Tokyo	Freehold	100%	TBC	180,995+	TBC

China – Project Development

China – Chongqing JV Projects

Eling Palace (鹅岭峯) and Emerald (翡翠都会)

Project	Tenure	Equity Stake	Total Units	Expected Completion
Eling Palace	50 years	50%	126	Completed
Emerald	50 years (Residential) / 40 years (Commercial)	30%	820	2020

- Eling Palace:
  - ➢ Sold 67 units with sales value of RMB 363 million*^ since relaunch in May 2018

- Emerald:
  - ➢ Tower 3 with 191 units was launched in Dec 2018
  - ➢ Tower 1 with 230 units was launched in Mar 2019
  - ➢ Tower 2 with 252 units was launched in May 2019
  - ➢ Sold 337 units with sales value of RMB 1.07 billion*^


Eling Palace, Chongqing


Emerald, Chongqing

Artist's Impression

*As at 4 August 2019

^ JV entity will manage project sales & marketing

China – Development / Recurring Income Projects

Suzhou Mixed-use Waterfront Project


Hong Leong City Center, Suzhou


HLCC mall, Suzhou

Hong Leong City Center (丰隆城市中心)

Tenure	Equity Stake	Total Units	Total Units Sold*	% Sold*	Expected Completion
70 years (Residential) / 40 years (Commercial)	100%	1,804	1,626^	90	Completed (Phase 1 & 2~)

- Total sales of RMB 3.91 billion generated to date:
  - Phase 1 – 97% sold
  - Phase 2 – 67% sold
- Phase 1: Tower 1 (462-unit residential) & Tower 3 (912-unit SOHO)
- Phase 2: Tower 2 (430-unit residential), 30,000 sqm office tower, 56,000 sqm retail mall & hotel
- HLCC mall started operation in June 2018 and is 87% occupied. Successfully attracted Hai Di Lao (海底捞)
- M Social Hotel expected to open by Q3 2020
- HLCC's 30,000 sqm premium Grade A office tower is over 50% leased up and operational since June 2019

** As at 4 August 2019*
^ Excludes 143 units transferred to CDL's wholly-owned subsidiary for investment purpose
~Phase 2 completion excludes hotel component

China – Recurring Income Projects

Hong Leong Plaza Hongqiao, Shanghai

Hong Leong Plaza Hongqiao, Shanghai

Tenure	Equity Stake	Est. Total GFA (sqm)
50-year lease	100%	32,182

- Operations to begin by Q4 2019
- One office tower (20% of total NLA) has been leased out to a serviced apartment operator, expected to open in Q4 2019
- Prospects in the pipeline include serviced apartment operator, co-working space operator, medical services provider

Yaojiang International, Shanghai

Tenure	Equity Stake	Est. Total GFA (sqm)
50-year lease*	100%	4,000

- Exterior works including facade and logo installation are expected to be completed by Q3 2019
- Operational since January 2019


Yaojiang International, Shanghai

** With effect from 10 April 2002*

UK – Property Development

UK – Planning Approvals Obtained

28 Pavilion Road, Knightsbridge, London

Tenure	Equity Stake	Est. Total Saleable Area (sq ft)	Total Units	Expected Completion
Freehold	100%	135,379	24	TBC

- Currently a freehold car park site of 102,000 sq ft. It has obtained planning approval to be converted into a mixed use scheme of 135,379 sq ft GFA.
- The mixed use scheme will consist of a restaurant and a health club on the ground and basement levels with 24 private residential units on the upper floor.

28 Pavilion Road *Artist's Impression*

Development House, Leonard Street, Shoreditch

Tenure	Equity Stake	Net Lettable Area (sq ft)	Expected Completion
Freehold	100%	72,592	TBC

- To be redeveloped into a new 9-storey office building consisting of:
  - Approximately 2,024 sq ft of retail
  - 7,147 sq ft of affordable office
  - 63,421 sq ft of office

Development House *Artist's Impression*

UK – Property Development

UK – Projects under Construction

Teddington Riverside, Broom Road, Teddington

Tenure	Equity Stake	Est. Total Saleable Area (sq ft)	Total Units	Units Released	Expected Completion
Freehold	100%	233,552	225^	76	Q1 2020

- Phase One of the project, five-storey Carlton House (57 units) and seven-storey Shepperton House (19 units), is now ready for occupation
- One to three-bedroom apartments are available for sale and lease.

^ excludes 15 affordable housing units

Sydney Street, Chelsea

Tenure	Equity Stake	Est. Total Saleable Area (sq ft)	Total Units	Expected Completion
Freehold	100%	16,143	9	Q3 2019

- Preview in May 2019 with a fully-fitted 3-bedroom show unit

UK – Property Development

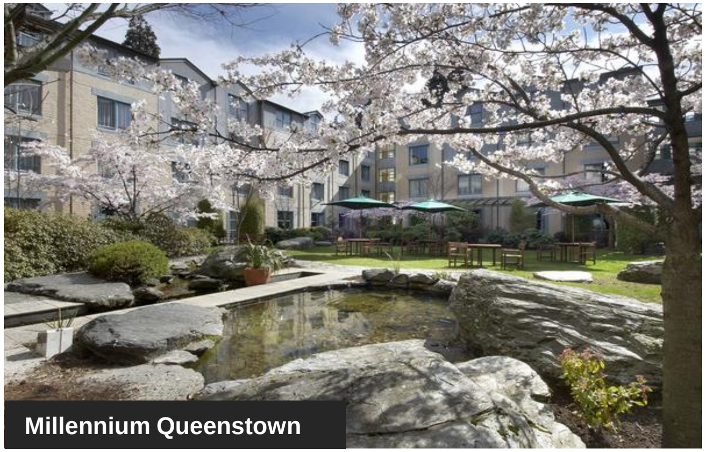
UK – Completed Projects

	Chesham Street, Belgravia	Hans Road, Knightsbridge
Est. Total Saleable Area (sq ft)	12,375	5,193
Equity Stake	100%	100%
Total Units	6 units	3 units
Tenure	Freehold	Freehold
Status	All apartments are fully-fitted and marketed by local agencies for sale and lease	

M&C Hotel Operations

Hotel Room Count and Pipeline

	Hotels		Rooms	
Hotel and Room Count	30 Jun 2019	31 Dec 2018	30 Jun 2019	31 Dec 2018
By region:				
● New York	4	4	2,238	2,238
● Regional US	15	15	4,533	4,559
● London	7	7	2,266	2,266
● Rest of Europe	24	23	4,081	3,741
● Middle East *	39	36	13,614	11,980
● Singapore	7	7	3,011	3,011
● Rest of Asia	27	23	9,742	9,006
● Australasia	24	24	3,522	3,522
Total:	**147**	**139**	**43,007**	**40,323**
Pipeline				
By region:				
● Middle East *	13	17	5,969	8,181
● Asia	2	6	837	1,770
● Regional US	1	1	263	263
● London	1	1	308	308
● Rest of Europe	3	1	680	318
Total:	**20**	**26**	**8,057**	**10,840**


Millennium Queenstown


Grand Hyatt Taipei

* Mainly franchise contracts