FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL 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
26-Feb-2020 07:37:32

Status
New

Announcement Sub Title
Full Yearly Results

Announcement Reference
SG200226OTHRA6XR

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 attached documents:
1. Unaudited Fourth Quarter and Full Year Financial Statement for the year ended 31 December 2019;
2. News Release titled "CDL Achieves 12.5% Increase in Profit of S$87.7 million for Q4 2019 and a Resilient PATMI of S$564.6 million for FY 2019 "; and
3. CDL FY 2019 Results Presentation.

Additional Details

For Financial Period Ended
31/12/2019

Attachments

- [CDL%20FY19%20Results.pdf]
- [CDL%20News%20Release%20Q4%20and%20FY%202019%20Results.pdf]
- [CDL%20FY%202019%20Results%20Presentation.pdf]

Total size =3657K MB

CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 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 Fourth Quarter Ended 31 December		Incr/ (Decr)	The Group Full Year ended 31 December		Incr/ (Decr)
	2019	2018		2019	2018	
	S$'000	S$'000	%	S$'000	S$'000	%
Revenue [(1)]	946,899	788,314	20.1	3,428,725	4,222,563	(18.8)
Cost of sales	(521,227)	(351,717)	48.2	(1,790,239)	(2,308,489)	(22.4)
Gross profit [(2)]	425,672	436,597	(2.5)	1,638,486	1,914,074	(14.4)
Other income [(3)]	1,790	640	NM	175,210	45,567	NM
Administrative expenses [(4)]	(165,843)	(140,220)	18.3	(591,093)	(528,835)	11.8
Other operating expenses [(5)]	(159,161)	(206,653)	(23.0)	(568,669)	(526,231)	8.1
Profit from operating activities	102,458	90,364	13.4	653,934	904,575	(27.7)
Finance income	28,520	26,416	8.0	108,527	62,825	72.7
Finance costs	(64,240)	(48,362)	32.8	(204,691)	(156,765)	30.6
Net finance costs [(6)]	(35,720)	(21,946)	62.8	(96,164)	(93,940)	2.4
Share of after-tax profit of associates [(7)]	30,285	20,643	46.7	98,539	38,831	NM
Share of after-tax profit of joint ventures [(8)]	11,238	21,534	(47.8)	97,768	26,072	NM
Profit before tax	108,261	110,595	(2.1)	754,077	875,538	(13.9)
Tax expense [(9)]	(13,412)	(38,214)	(64.9)	(140,716)	(214,760)	(34.5)
Profit for the period/year	94,849	72,381	31.0	613,361	660,778	(7.2)
Attributable to:						
Owners of the Company	**87,655**	**77,947**	12.5	**564,576**	**557,330**	1.3
Non-controlling interests	7,194	(5,566)	NM	48,785	103,448	(52.8)
Profit for the period/year	94,849	72,381	31.0	613,361	660,778	(7.2)
Earnings per share						
- basic	9.0 cents	7.9 cents	13.9	60.8 cents	59.9 cents	1.5
- diluted	9.0 cents	7.9 cents	13.9	59.3 cents	58.4 cents	1.5

NM: not meaningful

Notes to the Group's Income Statement:

(1) The variances in revenue for Q4 2019 and FY 2019 were primarily attributable to the property development segment due to the timing of revenue recognition for development projects.

Q4 2019 revenue from property development segment included contributions from The Tapestry, Whistler Grand and Amber Park, which were recognised progressively based on their stages of construction of sold units, and fully-sold units in 32 Hans Road, located in United Kingdom (UK). Comparatively, Q4 2018 revenue was recognised largely from New Futura, a completed project.

For FY 2019, revenue from property development segment was recognised mainly from abovementioned Singapore projects that are still under construction and balance units in Gramercy Park, New Futura, Hong Leong City Center (HLCC), Suzhou and Hongqiao Royal Lake, Shanghai.

Included in FY 2018 revenue was substantial contribution from several completed projects in Singapore and overseas. In Singapore, these completed projects included New Futura, Gramercy Park and The Criterion Executive Condominium (EC) while overseas projects comprised largely Park Court Aoyama The Tower, Tokyo and HLCC. Revenue from overseas projects was recognised only upon handover of units. Revenue from The Criterion EC was recognised in entirety upon receiving its Temporary Occupation Permit (TOP) in Q1 2018.

Items 14 and 15 of this announcement further analyse the performance by business segments.

(2) Gross profit margin achieved for Q4 2019 was 45%, lower than the comparative period of 55%. This was due to lower profit margins for recently launched Singapore residential projects vis-à-vis higher contribution by high margin projects, of which revenue was fully recognised on handover in Q4 2018.

For FY 2019, the lower gross profit was due to the property development segment, in tandem with lower revenue. However, the gross profit margin remained relatively constant as The Criterion EC dampened the gross profit margin in FY 2018.

(3) Other income for FY 2019 comprised a gain of $10.5 million on sale of a vacant land parcel at Jervois Road in July 2019, as well as substantial gains recognised from the partial unwinding of the Group’s Profit Participation Securities (PPS) 1 and the unwinding of PPS 2.

<u>PPS 1</u>

In April 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 with 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>PPS 2</u>

In FY 2019, the Group realised deferred gains of $144.3 million and $9.6 million from the divestment of Manulife Centre and 7 & 9 Tampines Grande respectively, from the Group’s PPS 2 structure established in 2015. 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.

Additionally, the Group received distribution of $52.6 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.

Other income for FY 2018 relates mainly to a gain of $12.4 million on disposal of a vacant shophouse plot at Jalan Besar, together with a gain of $29 million on the divestment of Mercure Brisbane and Ibis Brisbane by CDL Hospitality Trusts (CDLHT), an indirect subsidiary of the Group.

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

The increase in administrative expenses for Q4 2019 and FY 2019 was primarily due to depreciation of right-of-use assets following the adoption of SFRS(I) 16 *Leases* on 1 January 2019 (as detailed in Item 5). Additionally, full quarter/year depreciation of investment properties added to the Group’s portfolio in later part of FY 2018 which included Aldgate House, 125 Old Broad Street, Central Mall Office Tower, Le Grove Serviced Residences (reopened in July 2018) and HLCC retail mall (opened in June 2018) also contributed to the higher depreciation for Q4 2019 and FY 2019.

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 administrative expenses for the current quarter and year.

(5) Other operating expenses included impairment losses recognised/reversed on investment properties and property, plant and equipment, property taxes, other operating expenses on hotels and professional fees.

The increase in other operating expenses for FY 2019 was largely attributable to higher hotel operating expenses due to the addition of W Singapore – Sentosa Cove to the Group's portfolio in April 2019, as well as one-off costs incurred for the successful privatisation of the Group's previously 65% owned subsidiary, Millennium & Copthorne Hotels plc (M&C) in October 2019. The increase was partially offset by lower impairment loss recognised by the Group in FY 2019.

In Q3 2019, the Group recognised impairment loss of $36.9 million on Millennium Hilton Seoul and Millennium Hilton New York One UN Plaza, owned by M&C. In Q4 2019, additional impairments were made for Millennium Hilton New York One UN Plaza and CDLHT hotels, primarily Raffles Maldives Meradhoo. The total impairment losses on property, plant and equipment in FY 2019 amounted to $60.4 million (FY 2018: $94.1 million).

(6) Net finance costs comprised the following:

		The Group Fourth Quarter Ended 31 December		Incr/	The Group Full Year Ended 31 December		Incr/
	Note	2019	2018	(Decr)	2019	2018	(Decr)
		S$'000	S$'000	%	S$'000	S$'000	%
Finance income							
Interest income	(i)	28,706	17,654	62.6	79,259	56,798	39.5
Fair value gain on financial derivatives	(ii)	-	4,062	NM	11,936	6,091	96.0
Fair value gain on financial assets measured at fair value through profit or loss (net)	(iii)	-	4,703	NM	17,572	-	NM
Less: finance income capitalised		(186)	(3)	NM	(240)	(64)	NM
		28,520	26,416	8.0	108,527	62,825	72.7
Finance costs							
Amortisation of transaction costs capitalised		(2,159)	(1,549)	39.4	(7,960)	(5,493)	44.9
Interest expenses	(iv)	(58,355)	(39,680)	47.1	(208,993)	(136,288)	53.3
Fair value loss on financial derivatives	(ii)	(3,347)	-	NM	-	-	NM
Fair value loss on financial assets measured at fair value through profit or loss (net)	(iii)	(7,161)	-	NM	-	(5,004)	NM
Net exchange loss	(v)	(3,351)	(10,481)	(68.0)	(14,034)	(18,242)	(23.1)
Unwinding of discount on non-current liabilities		(127)	(388)	(67.3)	(575)	(1,723)	(66.6)
Less: finance costs capitalised		10,260	3,736	NM	26,871	9,985	NM
		(64,240)	(48,362)	32.8	(204,691)	(156,765)	30.6
Net finance costs		**(35,720)**	**(21,946)**	62.8	**(96,164)**	**(93,940)**	2.4

NM: not meaningful

(i) The increase in interest income for Q4 2019 and FY 2019 was mainly due to interest income earned on a US$230 million bond issued by Sincere Property Group, a real estate developer in China which the Group intends to take an approximately 24% equity stake in the developer when relevant conditions, including regulatory approvals, are met.

(ii) Fair value gain/loss on financial derivatives for FY 2019 relates mainly to the net effect arising from the re-measurement of foreign exchange forward contracts and Euro/United States dollar cross-currency interest rate swap contract (CCS) entered into by CDLHT, Sterling Pound/Singapore dollar, Japanese Yen/Singapore dollar, Euro/Singapore dollar and Renminbi/Singapore dollar CCS, foreign currency exchange swap and floating-for-fixed Singapore dollar interest rate swaps entered into by the Company.

Fair value gain for FY 2019 relates mainly to the $12.7 million gain recognised on Renminbi/Singapore dollar foreign currency exchange swap entered by the Group in connection with loan granted to Sincere Property Group.

(iii) This mainly arose from the remeasurement of unquoted debt instruments and investments in equities and funds measured at fair value through profit or loss. The substantial gain for FY 2019 was largely a result of net fair value gain on the abovementioned Renminbi loan granted to Sincere Property Group, which is classified as an unquoted debt instrument measured at fair value through profit or loss. Fair value gain on this debt instrument for FY 2019 includes interest income of $49.5 million and a translation loss from the depreciation of Renminbi against Singapore dollar. The gain was partially reduced by fair value loss on remeasurement of certain quoted equities.

The loss for Q4 2019 was attributable to translation loss on the abovementioned Renminbi loan granted to Sincere Property Group which had more than offset its interest income component, and fair value loss on remeasurement on certain quoted equities.

(iv) The increase in interest expenses for Q4 2019 and FY 2019 was mainly due to the Group's higher borrowings to provide various funding requirements including the subscription of US dollar bond issued by Sincere Property Group, along with loan granted to them, acquisition and development of land sites/properties in Singapore and overseas, and acquisition of shares in M&C that the Group did not own.

(v) Net exchange loss for Q4 2019 and FY 2019 was mainly due to the translation loss from the weakening of USD denominated intercompany loan receivables and bank deposits. Net exchange loss for FY 2019 was also attributed to translation loss from the depreciation of Australian dollar and Euro denominated receivables and cash balances against Singapore dollar.

The net exchange loss in Q4 2018 and FY 2018 resulted mainly from exchange losses from weakening of Renminbi denominated intercompany loan receivable against Hong Kong dollar and strengthening of United States dollar (USD) denominated bank borrowings against Singapore dollar, as well as depreciation of Australian dollar denominated receivables against Singapore dollar, partially reduced by exchange gains recognised from USD denominated bank deposits held by the Group.

(7) The increase in share of after-tax profit of associates for Q4 2019 and FY 2019 was due to the progressive share of distribution from Golden Crest of $9.3 million and $52.6 million respectively, arising from the unwinding of PPS 2 structure in May 2019.

In addition, higher contribution from First Sponsor Group Limited (FSGL), following the commencement of handover of units in the Star of East River project in Dongguan, in which FSGL has a 30% stake and recognition of a gain on divestment of Oliphant office property in Amsterdam to its 33% owned equity investee in November 2019 also contributed to the increase.

(8) The significant increase in share of after-tax profit of joint ventures for FY 2019 was 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 Brisbane, Australia.

The decrease in share of after-tax profit of joint ventures for Q4 2019 was due to lower contribution from South Beach joint venture and Forest Woods as well as higher share of loss from the Group's investment in Shanghai Distrii Technology Development Co, Ltd, a leading operator of co-working spaces in China, resulted from the effect of adoption of SFRS(I) 16 in which depreciation and interest costs were recognised which were higher than the otherwise operating lease expense. This was partially reduced by contribution from Boulevard 88.

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

	The Group Fourth Quarter Ended 31 December		The Group Full Year Ended 31 December	
	2019	2018	2019	2018
The tax charge relates to the following:	S$'m	S$'m	S$'m	S$'m
Profit for the period/year	23.1	21.8	144.1	160.1
(Over provision of land appreciation tax (LAT))/LAT	(5.0)	11.2	9.7	57.8
(Over)/Under provision in respect of prior periods/years	(4.7)	5.2	(13.1)	(3.1)
	13.4	38.2	140.7	214.8

(10) Profit before tax included the following:

	The Group Fourth Quarter Ended 31 December		The Group Full Year Ended 31 December	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Allowance written back/(made) for doubtful receivables and bad debts written off	1,121	(3,844)	(6,643)	(4,310)
Allowance written back/(made) for foreseeable loss on development properties	4,742	(20,100)	6,524	(19,256)
Dividend income	888	836	5,559	6,071
Depreciation and amortisation	(77,870)	(59,818)	(275,987)	(218,840)
Gain on remeasurement of previously held interest in an associate which became a subsidiary	-	-	6,608	-
Impairment loss on property, plant and equipment	(23,526)	(94,099)	(60,386)	(94,099)
Impairment loss written back on investment properties	2,414	-	2,414	-
Impairment loss on investment in an associate	(3,000)	-	(3,000)	-
Loss on liquidation of subsidiaries (net)	-	(6)	(79)	(41)
Loss on dilution of an associate	-	-	(39)	-
Profit/(Loss) on sale of property, plant and equipment and investment properties (net)	12	(50)	164,988	41,735

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

	The Group			
	Fourth Quarter Ended 31 December		Full Year Ended 31 December	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Profit for the period/year	94,849	72,381	613,361	660,778
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Change in fair value of equity instruments measured at fair value through other comprehensive income	65,531	(32,632)	66,786	(34,427)
Defined benefit plan remeasurements	(2,634)	6,948	(2,634)	6,948
Items that are or may be reclassified subsequently to profit or loss:				
Effective portion of changes in fair value of cash flow hedges	(2,966)	(886)	(2,997)	(2,399)
Exchange differences on hedges of net investment in foreign operations	12,952	(699)	7,526	(5,414)
Exchange differences on monetary items forming part of net investment in foreign operations	13,129	(12,042)	15,627	(3,460)
Exchange differences reclassified to profit or loss on liquidation/cessation of business of foreign operations	-	-	58	850
Share of translation differences of equity-accounted investees	3,356	(435)	(11,530)	(8,639)
Translation differences arising on consolidation of foreign operations	(22,783)	(7,612)	(85,908)	(41,590)
Total other comprehensive income for the period/year, net of tax	**66,585**	**(47,358)**	**(13,072)**	**(88,131)**
Total comprehensive income for the period/year	**161,434**	**25,023**	**600,289**	**572,647**
Attributable to:				
Owners of the Company	**149,051**	**27,557**	**579,159**	**498,405**
Non-controlling interests	12,383	(2,534)	21,130	74,242
Total comprehensive income for the period/year	**161,434**	**25,023**	**600,289**	**572,647**

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 31.12.2019 S$'000	As at 31.12.2018 S$'000	As at 31.12.2019 S$'000	As at 31.12.2018 S$'000
Non-current assets					
Property, plant and equipment	(1)	5,462,367	5,013,300	43,677	13,994
Investment properties	(1)	4,410,261	3,741,327	436,510	452,217
Lease premium prepayment	(1)	-	101,349	-	-
Investments in subsidiaries		-	-	2,024,934	2,067,869
Investments in associates	(2)	562,876	427,852	-	-
Investments in joint ventures	(3)	1,192,456	1,307,639	37,360	37,360
Financial assets	(4)	1,060,292	884,476	375,964	352,831
Other non-current assets	(5)	677,732	310,496	5,134,558	3,620,324
		13,365,984	**11,786,439**	**8,053,003**	**6,544,595**
Current assets					
Lease premium prepayment		-	3,752	-	-
Development properties	(6)	5,155,642	5,703,910	181,735	182,833
Contract costs		26,151	12,156	-	-
Contract assets	(7)	242,048	107,241	-	42,921
Consumable stocks		16,650	13,254	-	-
Financial assets	(8)	562,681	14,203	-	-
Assets held for sale	(9)	211,375	-	-	-
Trade and other receivables	(10)	822,074	955,490	5,521,625	4,426,381
Cash and cash equivalents		2,797,652	2,289,247	1,269,235	727,373
		9,834,273	**9,099,253**	**6,972,595**	**5,379,508**
Total assets		**23,200,257**	**20,885,692**	**15,025,598**	**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		8,528,853	8,049,300	4,615,886	4,706,110
		10,520,250	10,040,697	6,607,283	6,697,507
Non-controlling interests	(11)	746,306	2,233,243	-	-
Total equity		**11,266,556**	**12,273,940**	**6,607,283**	**6,697,507**
Non-current liabilities					
Interest-bearing borrowings*	(12)	7,673,152	5,068,840	4,211,386	2,192,985
Employee benefits		28,662	26,392	-	-
Lease liabilities	(1)	189,448	-	20,003	-
Other liabilities	(13)	130,825	262,242	9,912	8,847
Provisions		26,809	36,719	-	-
Deferred tax liabilities		107,592	113,778	21,242	17,561
		8,156,488	**5,507,971**	**4,262,543**	**2,219,393**
Current liabilities					
Trade and other payables	(14)	1,198,907	1,293,336	2,799,268	2,510,898
Lease liabilities		17,752	-	5,769	-
Contract liabilities	(7)	209,503	104,007	-	-
Interest-bearing borrowings*	(12)	2,037,999	1,258,412	1,341,294	437,525
Employee benefits		27,495	26,562	2,364	2,562
Provision for taxation		249,506	385,393	7,077	56,218
Provisions		28,471	36,071	-	-
		3,769,633	**3,103,781**	**4,155,772**	**3,007,203**
Liabilities directly associated with the assets held for sale	(9)	**7,580**	**-**	**-**	**-**
Total liabilities		**11,933,701**	**8,611,752**	**8,418,315**	**5,226,596**
Total equity and liabilities		**23,200,257**	**20,885,692**	**15,025,598**	**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 are presented within property, plant and equipment while right-of-use assets that relate to investment properties are 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.

   Furthermore, the Group consolidated the performance of W Singapore – Sentosa Cove with effect from April 2019 following its acquisition of the remaining PPS instruments under PPS 1 structure, in connection with 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, the hotel and retail property are now consolidated in property, plant and equipment and investment properties respectively.

   In addition, the Group completed the acquisition of 100% interests in subsidiaries which own Shanghai Hongqiao Sincere Centre (Phase 2) from Sincere Property Group in Q4 2019, contributing to the increase in investment properties of the Group for the year. Aside from this, the Group also expanded its investment properties portfolio by entering into the fast-growing UK Private Rented Sector, through the acquisition of 100% interests in subsidiaries which own a freehold site located at Monk Bridge in Leeds, UK in Q1 2019, as well as acquiring two freehold residential developments slated for lease in Osaka in Q2 2019 and Q3 2019.

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 FSGL, to its ordinary shares in Q2 2019. PCCS 1 was previously accounted for 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.

   In addition, the Group acquired 12.5% stake in IREIT Global during the year for a consideration of approximately $60 million.

3) The decrease in investment in joint ventures at the Group was mainly due to return of capital from the mixed-use South Beach development, partially offset with share of profits for the year.

4) The increase 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.

5) The increase in other non-current assets at the Group was largely due to advances granted to equity-accounted investees to finance the acquisition of Liang Court retail mall and land site at Sims Drive respectively. 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 the acquisition of 12.5% stake in IREIT Global and 50% stake in IREIT Global Group Pte. Ltd. (the trust manager of IREIT Global), subscription of the aforementioned bond issued by Sincere Property Group as well as advancement of loan to a subsidiary to fund the acquisition of the remaining non-controlling stake in M&C in October 2019. This was partially reduced by repayment of certain existing loans owing by subsidiaries.

6) The movement in development properties was due to development costs incurred, progressive cost recognition for projects under construction as well as the handover of units for completed projects. The decrease in development properties was due to sold units from completed projects including Park Court Aoyama The Tower, Phase 2 of HLCC, Gramercy Park and New Futura being handed over, along with progressive sales recognised for The Tapestry, Amber Park and Whistler Grand. This was partially reduced by additional development costs incurred in 2019 on Whistler Grand, Piermont Grand, Amber Park, Haus on Handy and UK development properties.

7) Contract assets and liabilities at the Group increased due to timing of revenue recognition vis-à-vis progress billings to the purchasers.

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

8) Short-term financial assets at the Group increased significantly in FY 2019 due to the aforementioned loan granted to Sincere Property Group in January 2019, being reclassified from trade and other receivables to unquoted debt instrument measured at fair value through profit or loss.

9) Assets held for sale and the liabilities directly associated to the assets held for sale relate to the proposed divestments of Novotel Singapore Clarke Quay, Millennium Hotel Cincinnati and Sceptre Hospitality Resources (SHR).

On 21 November 2019, CDLHT announced its proposed divestment of Novotel Singapore Clarke Quay to a consortium in which the Group has a 50% interest for a consideration of S$375.9 million. The divestment is expected to complete in Q2 2020.

The Group had the intention to sell its entire 75.1% interest in the common units and voting interest in SHR based on an offer received from a third party during the year for a total consideration of US$47.6 million. The sale is expected to complete in 1H 2020.

During the year, M&C entered into a sales and purchase agreement to sell Millennium Hotel Cincinnati to a third party for a consideration of US$36 million. The sale was completed on 14 February 2020.

Accordingly, their related assets and liabilities were reclassified to assets and liabilities held for sale.

10) The decrease in trade and other receivables at the Group was mainly due to the decrease in loans owing by joint ventures following their progressive repayments.

Trade and other receivables at the Company increased mainly due to advances extended to subsidiaries to provide funding for the Group's share of contribution towards the acquisition of land site at Sims Drive and Liang Court retail mall as well as to fund the loan granted to Sincere Property Group.

11) The substantial decrease in non-controlling interests was a result of the buyout of minority interests' 35% stake in M&C upon the privatisation of this subsidiary.

12) The overall increase in interest-bearing borrowings (current and non-current portion) at the Group and Company was mainly due to loans taken up and new medium term notes issued to meet several funding requirements including the subscription of the US dollar bond issued by Sincere Property Group, along with loan granted to them, acquisition of a 100% stake in subsidiaries which own Shanghai Hongqiao Sincere Centre (Phase 2) from Sincere Property Group, acquisition of shares in M&C that the Group did not already own pursuant to the privatisation exercise as well as acquisition and development of land sites/properties both in Singapore and overseas.

Further, the Group also consolidated the existing borrowings of Shanghai Hongqiao Sincere Centre (Phase 2) upon its acquisition.

13) The decrease in other liabilities at the Group was mainly 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.

14) The increase in trade and other payables at the Company was mainly due to advances granted primarily from a wholly-owned subsidiary via proceeds from a bond issuance 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 31.12.2019 S$'000	As at 31.12.2018 S$'000
Unsecured			
- repayable within one year		1,827,113	1,011,789
- repayable after one year		6,027,540	3,644,924
	(a)	7,854,653	4,656,713
Secured			
- repayable within one year		229,583	247,209
- repayable after one year		1,850,621	1,438,724
	(b)	2,080,204	1,685,933
Gross borrowings	(a) + (b)	9,934,857	6,342,646
Less: cash and cash equivalents as shown in the statement of financial position		(2,797,652)	(2,289,247)
Less: restricted deposits included in other non-current assets		(284,691)	(222,979)
Less: cash and cash equivalents classified under assets held for sale		(1,429)	-
Net borrowings		6,851,085	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 foreign subsidiaries; and
- statutory preferred right over the assets of a foreign subsidiary.

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.

	Fourth Quarter Ended 31 December		Full Year Ended 31 December	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities				
Profit for the period/year	94,849	72,381	613,361	660,778
Adjustments for:				
Depreciation and amortisation	77,870	59,818	275,987	218,840
Dividend income	(888)	(836)	(5,559)	(6,071)
Equity settled share-based transactions	-	(994)	-	636
Finance costs	44,773	27,373	190,657	124,818
Finance income	(6,142)	(26,416)	(107,633)	(62,825)
Loss on liquidation of subsidiaries/dilution of an associate (net)	-	6	118	41
Impairment loss on investment properties and property, plant and equipment (net)	21,112	94,099	57,972	94,099
Impairment loss on investment in an associate	3,000	-	3,000	-
Gain on remeasurement of previously held interest in an associate which became a subsidiary	-	-	(6,608)	-
(Profit)/Loss on sale of property, plant and equipment and investment properties (net)	(12)	50	(164,988)	(41,735)
Property, plant and equipment and investment properties written off	778	2,772	3,469	4,007
Share of after-tax profit of associates	(30,285)	(20,643)	(98,539)	(38,831)
Share of after-tax profit of joint ventures	(11,238)	(21,534)	(97,768)	(26,072)
Tax expense	13,412	38,214	140,716	214,760
Operating profit before working capital changes	207,229	224,290	804,185	1,142,445
Changes in working capital				
Development properties	146,340	16,693	382,624	(1,362,237)
Consumable stocks and trade and other receivables	55,672	168,415	15,745	101,426
Contract costs	(9,677)	(12,065)	(13,995)	611
Contract assets	(81,332)	26,730	(134,807)	201,186
Trade and other payables	(75,304)	(65,855)	(77,463)	(223,122)
Contract liabilities	29,485	(74,219)	103,711	(252,110)
Employee benefits	2,893	580	303	2,858
Cash generated from/(used in) from operations	275,306	284,569	1,080,303	(388,943)
Tax paid	(10,616)	(5,620)	(243,915)	(210,689)
Net cash from/(used in) operating activities (1)	**264,690**	**278,949**	**836,388**	**(599,632)**
Cash flows from investing activities				
Acquisition of subsidiaries (net of cash acquired) (2)	(152,253)	(981,427)	(244,298)	(1,309,243)
Repayment of advances/(Advances granted) to a real estate developer in China (3)	105,653	-	(552,200)	-
Capital expenditure on investment properties	(40,229)	(24,133)	(88,920)	(60,016)
Dividends received				
- an associate	10,364	1,630	63,035	6,747
- financial investments	888	836	5,559	6,071
- joint ventures	10,087	-	35,628	33,383
Increase in amounts owing by equity-accounted investee (non-trade) (4)	(58,149)	(172,685)	(297,083)	(187,984)
Increase in investments in associates (5)	-	(373)	(64,917)	(15,185)
Decrease in investments in joint ventures (6)	123,774	-	167,031	8,146
Interest received	32,615	13,521	77,388	49,712
Payment for intangible assets	(524)	(34)	(524)	(38)
Payments for purchase of property, plant and equipment	(53,036)	(69,141)	(218,405)	(201,087)
Purchase of investment properties (7)	(15,579)	-	(41,760)	(30,726)
Purchase of financial assets (net) (8)	(10,697)	(37,951)	(408,728)	(122,748)
Proceeds from distribution from investments in financial assets (9)	45,486	639	180,920	1,332
Proceeds from sale of property, plant and equipment and investment properties (10)	1,069	208	14,157	94,736
Settlement of financial derivatives	5,183	-	22,873	(1,827)
Cash flows from/(used in) investing activities	**4,652**	**(1,268,910)**	**(1,350,244)**	**(1,728,727)**

CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

	Fourth Quarter Ended 31 December		Full Year Ended 31 December	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Cash flows from financing activities				
Acquisition of non-controlling interests	(1,330,014)	(1,142)	(1,330,014)	(1,208)
Capital contribution from/(distribution to) non-controlling interests	-	506	(9,829)	(2,605)
Decrease in deposits pledged to financial institutions	28,516	8,971	58,251	43,076
Dividends paid	(7,086)	(10,507)	(268,671)	(285,308)
Repayment of lease liabilities and finance lease payable	(6,827)	(24)	(17,022)	(142)
Increase in restricted cash	(4,560)	(188)	(4,093)	(59)
Increase/(Decrease) in other long-term liabilities	-	2,589	-	(1,318)
Interest paid (including amounts capitalised in investment properties, property, plant and equipment and development properties)	(60,457)	(41,009)	(187,100)	(127,817)
Net (repayment to)/advances from related parties (non-trade)	(104,706)	1,741	29,116	105,298
Net proceeds from revolving credit facilities and short-term bank borrowings	270,795	864,013	1,183,133	857,047
Payment of issue expenses by a subsidiary	(230)	-	(230)	(30)
Payment of financing transaction costs	(542)	(3,505)	(11,632)	(8,071)
Proceeds from borrowings	1,269,029	91,269	2,059,709	1,172,543
Proceeds from issuance of bonds and notes	-	61,000	900,000	79,300
Purchase of treasury shares	-	(5,774)	-	(21,442)
Repayment of bank borrowings	(257,385)	(320,614)	(856,975)	(582,528)
Repayment of bonds and notes	(2,714)	-	(395,275)	(329,150)
Cash flows (used in)/from financing activities [11]	**(206,181)**	**647,326**	**1,149,368**	**897,586**
Net increase/(decrease) in cash and cash equivalents	**63,161**	**(342,635)**	**635,512**	**(1,430,773)**
Cash and cash equivalents at beginning of the period/year	2,726,845	2,501,125	2,162,373	3,599,044
Effect of exchange rate changes on balances held in foreign currencies	(437)	3,883	(8,316)	(5,898)
Cash and cash equivalents at end of the period/year	**2,789,569**	**2,162,373**	**2,789,569**	**2,162,373**
Cash and cash equivalents comprise:-				
Cash and cash equivalents as shown in the statement of financial position	2,797,652	2,289,247	2,797,652	2,289,247
Restricted deposits included in other non-current assets	284,691	222,979	284,691	222,979
Cash and cash equivalents included in assets held for sale	1,429	-	1,429	-
Less: Deposits pledged to financial institutions	(288,807)	(348,515)	(288,807)	(348,515)
Less: Restricted cash	(5,395)	(1,338)	(5,395)	(1,338)
Less: Bank overdrafts	(1)	-	(1)	-
	2,789,569	**2,162,373**	**2,789,569**	**2,162,373**

Notes to the statement of cash flows

(1) The cash outflows for FY 2018 were due to the payment for land sites at Handy Road, West Coast Vale and Sumang Walk, as well as the collective en bloc acquisition of Amber Park.

(2) The cash outflows for Q4 2019 were mainly due to the payment for the acquisition of 100% stake in subsidiaries which own Shanghai Hongqiao Sincere Centre (Phase 2). Cash outflows for FY 2019 also included payments made to acquire the remaining PPS 1 instruments issued by Sunbright, in connection to the non-residential components of the Quayside Collection which the Group did not own and the acquisition of 100% interest in subsidiaries which own a freehold site located at Monk Bridge in Leeds, UK.

The cash outflows for Q4 2018 and FY 2018 relate mainly to the payment for the acquisition of subsidiaries which own 125 Old Broad Street, Central Mall Office Tower and Hotel Cerretani Firenze. For FY 2018, it also included the consideration paid for the acquisition of 100% interest in subsidiaries which own Aldgate House, London in Q3 2018.

(3) The cash outflows for FY 2019 were in relation to the loan granted to Sincere Property Group. In Q4 2019, part of the advances granted to Sincere were repaid upon the completion of the acquisition of 100% stake in subsidiaries which own Shanghai Hongqiao Sincere Centre (Phase 2).

(4) The cash outflows for Q4 2019 were mainly due to advances granted to IREIT Global, an associate acquired by the Group during the year. FY 2019 cash outflows also included advances granted to equity-accounted investees to fund the acquisition of a land site at Sims Drive and Liang Court retail mall.

(5) The cash outflows for FY 2019 were largely due to the Group's acquisition of 12.5% stake in IREIT Global. The cash outflows for FY 2018 relate primarily to the Group's investment in Suzhou Dragonrise Pan-Artificial Intelligence High-Tech Fund.

(6) The net cash inflows for Q4 2019 and FY 2019 were mainly due to the return of capital from South Beach Consortium (SBC). The cash inflows for FY 2019 were partially reduced by cash outflows for investment in 50% stake in IREIT Global Group Pte. Ltd. (the trust manager for IREIT Global) as well as additional investment in Shanghai Distrii Technology Development Co., Ltd.

The net cash inflows for FY 2018 relate mainly to the return of principal of the Group's investment via preferred equity interest in a joint development of a prime residential land site in Brisbane, partially reduced by the progressive investment in SBC.

(7) The cash outflows for Q4 2019 were due to the acquisition of Pregio Joto Chuo, a freehold residential project in Osaka, Japan. Included in the cash outflows for FY 2019 was the consideration paid for the acquisition of Horie Lux, a 34-unit freehold residential property, which is also in Osaka. The cash outflows for FY 2018 were in relation to the acquisition of an office block within the Yaojiang International Complex in Shanghai's prime North Bund Business District.

(8) The significant cash outflows for FY 2019 were largely due to the Group's subscription of a US$230 million bond issued by Sincere Property Group. The cash outflows for Q4 2019 were mainly due to additional investment in Real Estate Capital Asia Partners V, a private real estate fund and Corsair V Financial Services Capital Partners, a private investment fund.

(9) The cash inflows for Q4 2019 relate largely to interest income received from the aforementioned loan granted to Sincere Property Group. The significant cash inflows for FY 2019 also included proceeds from the redemption of bonds issued by In-V Asset Holding Pte. Ltd., a financing vehicle under the PPS 2 platform for which the Group subscribed to previously.

(10) The proceeds from the sale of property, plant and equipment and investment properties for FY 2019 relate largely to the proceeds received from the divestment of a vacant land parcel at Jervois Road in July 2019. The FY 2018 proceeds relate mainly to proceeds received from the disposal of a vacant shophouse plot at Jalan Besar in Q3 2018 and the divestment of Mercure Brisbane and Ibis Brisbane by CDLHT in Q1 2018.

(11) The Group had net cash outflows from financing activities of $206.2 million (Q4 2018: net cash inflows of $647.3 million) for Q4 2019 and net cash inflows of $1,149.4 million (FY 2018: $897.6 million) for FY 2019.

The net cash outflows for Q4 2019 were resulted from payment made for the acquisition of shares in M&C that the Group did not already own pursuant to the privatisation exercise in October 2019 and increase in advances to related parties. This was largely offset with a net increase in borrowings of $1,279.7 million.

For FY 2019, the net cash inflows were largely due to net increase in borrowings of $2,890.6 million which were raised to provide various funding requirements including subscription of the bond issued by Sincere Property Group and loan granted to them, abovementioned acquisition of shares in M&C, as well as acquisition/development of land sites/properties in Singapore and overseas. This was offset by payment made for the acquisition of shares in M&C and dividends paid during the year.

The net cash inflows for Q4 2018 were mainly due to increase in borrowings of $695.7 million to finance the purchase of overseas and local properties. For FY 2018, the net cash inflows were due to increase in borrowings of $1,197.2 million primarily used for the purchase of Amber Park and Sumang Walk land site which the Group has 80% and 60% interest respectively, and advances from fellow subsidiaries for their share of contribution towards the acquisition of these 2 land sites. The above cash inflows were partially offset by cash outflows arising from dividends paid and purchase of the Company's shares.

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.

	Attributable to Owners of the Company							
The Group	**Share Capital S$m**	**Cap. Res. S$m**	**Other Res.* S$m**	**Exch. Fluct. Res. S$m**	**Accum. Profits S$m**	**Total S$m**	**Non-controlling Interests S$m**	**Total Equity S$m**
At 1 January 2019	1,991.4	185.9	16.6	(119.5)	7,966.3	10,040.7	2,233.2	12,273.9
Profit for the year	-	-	-	-	564.6	564.6	48.8	613.4
Other comprehensive income for the year, net of tax	-	(0.2)	58.1	(45.6)	2.3	14.6	(27.7)	(13.1)
Total comprehensive income for the year	-	(0.2)	58.1	(45.6)	566.9	579.2	21.1	600.3
Transactions with owners, recorded directly in equity								
<u>Contributions by and distributions to owners</u>								
Capital distribution to non-controlling interests (net)	-	-	-	-	-	-	(9.4)	(9.4)
Dividends	-	-	-	-	(194.3)	(194.3)	(74.8)	(269.1)
Issue expenses of a subsidiary	-	(0.1)	-	-	-	(0.1)	(0.1)	(0.2)
Transfer to statutory reserve	-	-	1.2	-	(1.2)	-	-	-
Total contributions by and distributions to owners	-	(0.1)	1.2	-	(195.5)	(194.4)	(84.3)	(278.7)
<u>Changes in ownership interests in subsidiaries</u>								
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	1.0	1.0
Change of interests in subsidiaries without loss of control	-	94.7	-	-	-	94.7	(1,424.7)	(1,330.0)
Total change in ownership interests in subsidiaries	-	94.7	-	-	-	94.7	(1,423.7)	(1,329.0)
Total transactions with owners	-	94.6	1.2	-	(195.5)	(99.7)	(1,508.0)	(1,607.7)
At 31 December 2019	**1,991.4**	**280.3**	**75.9**	**(165.1)**	**8,337.7**	**10,520.2**	**746.3**	**11,266.5**

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

The Group	Share Capital S$m	Cap. Res. S$m	Other Res.* S$m	Exch. Fluct. Res. S$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	42.6	(95.4)	7,633.7	9,754.4	2,254.8	12,009.2
Profit for the year	-	-	-	-	557.3	557.3	103.4	660.7
Other comprehensive income for the year, net of tax	-	-	(39.3)	(24.1)	4.5	(58.9)	(29.2)	(88.1)
Total comprehensive income for the year	-	-	(39.3)	(24.1)	561.8	498.4	74.2	572.6
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital distribution to non-controlling interests (net)	-	-	-	-	-	-	(2.1)	(2.1)
Dividends	-	-	-	-	(194.7)	(194.7)	(91.1)	(285.8)
Purchase of treasury shares	-	-	-	-	(21.4)	(21.4)	-	(21.4)
Share-based payment transactions	-	-	0.2	-	-	0.2	0.1	0.3
Transfer to statutory reserve	-	-	13.1	-	(13.1)	-	-	-
Total contributions by and distributions to owners	-	-	13.3	-	(229.2)	(215.9)	(93.1)	(309.0)
Changes in ownership interests in subsidiaries								
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	2.3	2.3
Change of interests in subsidiaries without loss of control	-	3.8	-	-	-	3.8	(5.0)	(1.2)
Total change in ownership interests in subsidiaries	-	3.8	-	-	-	3.8	(2.7)	1.1
Total transactions with owners	-	3.8	13.3	-	(229.2)	(212.1)	(95.8)	(307.9)
At 31 December 2018	**1,991.4**	**185.9**	**16.6**	**(119.5)**	**7,966.3**	**10,040.7**	**2,233.2**	**12,273.9**

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

CITY DEVELOPMENTS LIMITED
(REG. NO. 196300316Z)

The Company	Share Capital S$m	Capital Reserve S$m	Other 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 year	-	-	-	79.8	79.8
Total other comprehensive income for the year, net of tax	-	-	24.3	-	24.3
Total comprehensive income for the year	-	-	24.3	79.8	104.1
Transaction with owners, recorded directly in equity					
Contributions by and distributions to owners					
Dividends	-	-	-	(194.3)	(194.3)
Total contributions by and distributions to owners	-	-	-	(194.3)	(194.3)
Total transactions with owners	-	-	-	(194.3)	(194.3)
At 31 December 2019	**1,991.4**	**63.7**	**(4.7)**	**4,556.9**	**6,607.3**
At 1 January 2018	**1,991.4**	**63.7**	**14.1**	**4,755.8**	**6,825.0**
Profit for the year	-	-	-	131.7	131.7
Total other comprehensive income for the year, net of tax	-	-	(43.1)	-	(43.1)
Total comprehensive income for the year	-	-	(43.1)	131.7	88.6
Transaction with owners, recorded directly in equity					
Contributions by and distributions to owners					
Purchase of treasury shares	-	-	-	(21.4)	(21.4)
Dividends	-	-	-	(194.7)	(194.7)
Total contributions by and distributions to owners	-	-	-	(216.1)	(216.1)
Total transactions with owners	-	-	-	(216.1)	(216.1)
At 31 December 2018	**1,991.4**	**63.7**	**(29.0)**	**4,671.4**	**6,697.5**

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

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

Ordinary share capital

There was no change in the Company's issued share capital during the three months ended 31 December 2019.

Preference share capital

There was no change in the Company's issued preference share capital during the three months ended 31 December 2019.

As at 31 December 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 (31 December 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 31 December 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 31 December 2019 and 31 December 2018 was 330,874,257.

Treasury Shares

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

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the three months ended 31 December 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 Item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the Group's most recently audited financial statements for the year ended 31 December 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.

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 was recognised as an adjustment to the opening balance of accumulated 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	260,970
Increase in investment properties	43,861
Decrease in lease premium prepayment	(105,101)
Increase in lease liabilities	(204,439)
Decrease in trade and other receivables	(1,522)
Decrease in other liabilities	6,476
Increase in trade and other payables	(245)

As a result of initially applying SFRS(I) 16, in relation to the leases that were previously classified as operating leases, the Group recorded right-of-use assets of $297.9 million and lease liabilities of $207.1 million as at 31 December 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 year ended 31 December 2019, the Group recognised depreciation charge of $23.5 million and interest costs of $8.4 million from these leases.

The Group had also early applied Amendments to SFRS(I) 3: *Definition of a Business* which is effective on 1 January 2020.

Amendments to SFRS(I) 3: *Definition of a Business*

The Accounting Standards Council (ASC) has issued amendments to the guidance in SFRS(I) 3, '*Business Combinations'*, that revises the definition of a business.

The new guidance provides a framework to evaluate when an input and a substantive process are present (including for early stage companies that have not generated outputs). To be a business without outputs, there will now need to be an organised workforce. The definition of the term 'outputs' is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

An entity can apply a 'concentration test' that, if met, eliminates the need for further assessment. Under this optional test, where substantially all the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business.

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.

	Fourth Quarter Ended 31 December		Full Year Ended 31 December	
	2019	2018	2019	2018
Basic Earnings per share (cents)	9.0	7.9	60.8	59.9
Diluted Earnings per share (cents)	9.0	7.9	59.3	58.4
Earnings per share is calculated based on:				
a) Profit attributable to owners of the Company (S$'000) (*)	81,185	71,477	551,672	544,426
b) Profit used for computing diluted earnings per share (S$'000)	81,185	71,477	564,576	557,330
c) Weighted average number of ordinary shares in issue:				
- basic	906,901,330	907,002,417	906,901,330	908,581,604
- diluted (**)	906,901,330	907,002,417	951,900,228	953,580,502

* *After deducting preference dividends of $6,470,000 paid in Q4 2019 (Q4 2018: $6,470,000) and in full year 2019 of $12,904,000 (FY 2018: $12,904,000).*

** *For computation of diluted earnings per share, the weighted average number of ordinary shares has been adjusted for any dilutive effect of potential ordinary shares arising from the conversion of all preference shares. For the fourth quarter ended 31.12.2019 and 31.12.2018, the preference shares were antidilutive and therefore excluded from the computation of diluted earnings per share.*

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

	The Group		The Company	
	31.12.2019 S$	31.12.2018 S$	31.12.2019 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 31 December 2019 (906,901,330 ordinary shares (excluding treasury shares) as at 31 December 2018)	11.60	11.07	7.29	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

The Group delivered a resilient performance despite the challenging macroeconomic environment. For the fourth quarter ended 31 December 2019 (Q4 2019), net attributable profit after tax and non-controlling interests (PATMI) increased by 12.5% to $87.7 million (Q4 2018: $77.9 million). PATMI for the year ended 31 December 2019 (FY 2019) increased 1.3% to $564.6 million (FY 2018: $557.3 million).

Q4 2019

Revenue for Q4 2019 rose 20.1% to $946.9 million (Q4 2018: $788.3 million) with increased contribution across all business segments. Property development segment was backed by several Singapore projects including The Tapestry, Whistler Grand and Amber Park, as well as the fully sold 32 Hans Road project in the UK. The inclusion of W Singapore – Sentosa Cove into the Group's hotel portfolio in Q2 2019 bolstered the increase for the hotel operations segment. Furthermore, the acquisition of UK's Aldgate House and 125 Old Broad Street (OBS) in late 2018 boosted the investment properties segment for Q4 2019 revenue.

Gross profit margin was lower due to compressed profit margins for the Singapore projects that contributed to this segment in Q4 2019, vis-à-vis New Futura – a completed high-end luxury project which was the main contributor for Q4 2018, as well as the write-back of provisions following finalisation of costs for main contractors of a few projects which contributed favourably to Q4 2018.

In terms of profit before tax (PBT), the property development segment was the main contributor, making up 80.7% of the Group's pre-tax profits, followed by investment properties segment. The hotel operations segment recorded lower impairment losses in Q4 2019 vis-à-vis Q4 2018.

Basic earnings per share for Q4 2019 increased by 13.9% to 9.0 cents (Q4 2018: 7.9 cents).

FY 2019

Revenue for FY 2019 was $3.4 billion (FY 2018: $4.2 billion). The decline was due to the timing of revenue recognition for the property development segment as the revenue for certain overseas projects, and Singapore Executive Condominium (EC) projects cannot be recognised progressively but only upon completion in entirety. The main contributing projects to revenue for FY 2019 were The Tapestry and Whistler Grand, for which the revenue and profits were recognised progressively based on their stage of construction, along with the sale of balance units in completed projects including Gramercy Park, New Futura, Suzhou Hong Leong City Center (HLCC) and Shanghai Hongqiao Royal Lake. Comparatively, revenue in FY 2018 was boosted primarily from completed projects including New Futura, Gramercy Park, and The Criterion EC in which its entire revenue was recognised upon TOP, as well as substantial revenue from overseas projects including HLCC and Park Court Aoyama The Tower, Tokyo upon handover of units following their completion.

Despite lower revenue in FY 2019, the Group's PATMI remained relatively constant when compared with FY 2018. This was bolstered by substantial gains from the unwinding of the Group's second Profit Participation Securities (PPS 2) structure which included the realisation of pre-tax deferred gains of $153.9 million from the divestment of Manulife Centre and 7 & 9 Tampines Grande and a pre-tax $52.6 million gain from the Group's stake in PPS 2. Additionally, the contributions from Aldgate House, 125 OBS, Le Grove Serviced Residences and Central Mall Office Tower were added to the Group's portfolio at various timings in 2018 which also contributed positively to PATMI. While revenue for joint venture (JV) development projects are not included in revenue, the profit contribution from these under JV/associates including South Beach Residences, Boulevard 88, Brisbane's Ivy and Eve project, as well as Star of East River project, Dongguan (held under First Sponsor Group Limited) also contributed to the resilient PBT and PATMI.

For the hotel operations segment, a loss of $6.6 million was reported for FY 2019 due to several factors, including impairment losses of $58.2 million (FY 2018: $94.1 million) made on hotels in US, Europe and Asia; transaction costs for the M&C privatisation; disruptions to operations following the closure of Millennium Hotel London Mayfair and Dhevanafushi Maldives Luxury Resort in 2018 for repositioning; and refurbishment works at Orchard Hotel Singapore. The Biltmore Mayfair contributed an operating loss of $21 million, which adversely impacted the performance of this segment.

Basic earnings per share for FY 2019 stands at 60.8 cents (FY 2018: 59.9 cents).

Capital Position

As at 31 December 2019, the Group has strong cash reserves of $3.1 billion.

The Net Asset Value (NAV) per share as at 31 December 2019 stands at $11.60. Notably, the Group adopts the policy of stating investment properties at cost less accumulated depreciation and impairment losses. Had the Group factored in fair value gains on its investment properties, the Revalued Net Asset Value (RNAV) per share would be $16.46.

Net gearing ratio (including fair value gains on investment properties), post privatisation of M&C in October 2019, is 43%. If the fair value on investment properties were excluded, net gearing would increase to 61%. Interest cover remains healthy at 14.0 times (FY 2018: 14.9 times).

Dividends

In addition to the final ordinary dividend of 8.0 cents per share, the Board is also recommending a special final ordinary dividend of 6.0 cents per share. Considering the special interim ordinary dividend of 6.0 cents per share paid in September 2019, the total dividends for FY 2019 amounts to 20.0 cents per share (FY 2018: 20.0 cents).

PROPERTY

Singapore

For FY 2019, the Group and its JV associates sold 1,554 units including ECs with a total sales value of $3.3 billion (FY 2018: 1,113 residential units with a total sales value of $2.2 billion).

The Group launched a record number of six projects in 2019, emerging as one of the top-selling private sector developers in Singapore.

Project	Location	Launched	Total Units	Units Sold#	ASP achieved
Boulevard 88*	Orchard Boulevard	March	154	91	>$3,790 psf
Amber Park*	Amber Road	May	592	202	>$2,480 psf
Haus on Handy	Handy Road	July	188	32	>$2,870 psf
Piermont Grand*	Sumang Walk	July	820	484	>$1,090 psf
Nouvel 18~	Anderson Road	July	156	27	>$3,460 psf
Sengkang Grand Residences*	Sengkang Central	November	680	237	>$1,730 psf

**JV project*
#As of 23 February 2020
~ Divested project under PPS 3, marketed by CDL

Projects launched in 2018 continued to register strong sales. 132 of the 190-unit JV South Beach Residences have been sold. The Group's 861-unit The Tapestry and the 716-unit Whistler Grand have sold 712 and 475 units respectively.

Profits for Q4 2019 were booked in from The Tapestry, Amber Park and Whistler Grand as well as from JV projects such as South Beach Residences, Boulevard 88, Forest Woods and The Jovell.

In November 2019, the Group and its JV partner CapitaLand Limited announced its plan to redevelop Liang Court site into an integrated development following the proposed sale by CDL Hospitality Trusts (CDLHT) of its total interest in Novotel Singapore Clarke Quay, which was approved by CDLHT's unitholders at its EGM in January 2020. Concurrently, Ascott Reit will sell part of its interest in Somerset Liang Court Singapore to the Group. Subject to approval from the relevant authorities, the proposed development with a total GFA of 100,263 square metres (sq m) will comprise two residential towers offering around 700 apartment units, a commercial component, a hotel and a serviced residence with a hotel licence. The 50:50 CDL-CapitaLand JV entities will own the residential and commercial components while Ascott Reit will own the 192-unit serviced residence with a hotel licence. CDLHT will own the hotel which will have about 460-475 rooms under a forward purchase agreement with the Group. The hotel will operate under the Moxy brand by Marriott International while the serviced residence will retain its Somerset brand. The proposed integrated development is targeted to open in phases from 2024.

The Group's office portfolio remains resilient with a committed occupancy of 89.8% as at 31 December 2019, on par with the island-wide occupancy rate of 89.5%.

Overseas Markets

Property Development

Australia

The 476-unit Ivy and Eve, the Group's JV residential project with ASX-listed Abacus Property Group (Abacus) in Brisbane, is now fully sold and all settlements achieved.

In 1H 2019, the Group acquired Abacus' residential development division for A$25.9 million ($25 million) which included a portfolio of three prime freehold mixed development sites – two in Melbourne and one in Brisbane. The Marker, a JV project comprising 195 residential units, several retail units and a supermarket located on Spencer Street, West Melbourne, has to date sold over 60% of the apartments. The two other development sites are in the planning and design stages.

The Group purchased another JV mixed-use site located at Macaulay Road, North Melbourne for A$18.5 million ($17.4 million), near the future North Melbourne Station.

Meanwhile, the Group's collaboration with Waterbrook Lifestyle for the 135-unit retirement village project in Bowral commenced pre-sales towards the end of 2019. Over 50% of the initial 52 units launched received reservations.

Japan

The Group's prime 180,995 sq ft freehold site in the prestigious Shirokane residential enclave within central Tokyo remains in its land bank, while 154 (96%) out of 160 units at Park Court Aoyama The Tower in Tokyo, a JV residential project, have been handed over to buyers as at 31 December 2019.

UK

Residential buyers and investors remain cautious amid Brexit-related uncertainties and global growth concerns. Despite the UK's subdued property market, the Group managed to move some residential inventory in 2019.

100 Sydney Street in Chelsea (eight apartments and a retail unit) has sold three units to date. Chesham Street (six units) in Belgravia has sold one unit, with three units leased. Teddington Riverside, the 239-unit development in Teddington, South West London, is expected to be completed in Q2 2020. Phase 1 comprises two blocks with 76 units. To date, over 30 units have been sold or leased. The Group believes that sales will progress with increased political stability in the UK.

At end January 2020, the Group received planning consent from the Planning Committee of the London Borough of Richmond for a major mixed-use scheme on its 22-acre site at the former Stag Brewery in Mortlake, South West London – the largest development in the Borough. The scheme proposes 663 residential units and a care village. It has flexible use floorspace for various commercial, community and leisure purposes which includes a hotel, cinema, gym, bars and restaurants. There will also be a new secondary school with a full-sized football pitch, multi-use games area and play space. The finalised scheme is expected to be determined by Q2 2020.

China

In FY 2019, the Group's wholly-owned subsidiary CDL China Limited and its JV associates sold 526 residential units and four villas in China, achieving sales value of RMB 1.81 billion (approximately $350 million) (FY 2018: Sold 259 residential units and 18 villas with total sales value of RMB 1.32 billion (approximately $269 million)).

The mixed-use development – HLCC in Suzhou has to date sold 1,651 (92%) of its 1,804 residential units. Operational since June 2019, HLCC's Grade A office tower is now about 70% occupied. Occupancy of the HLCC mall is currently at 82% and the 295-room five-star M Social Hotel is slated to open in 2021.

In Chongqing, CDL China's JV project Emerald, an 820-unit luxury development has sold 473 (58%) units and the completed 126-unit Eling Palace has sold 80 units (64%) to date.

Hongqiao Royal Lake in Shanghai has sold 56 (66%) out of the 85 villas to date. As landed developments are no longer permitted in China, the project has strong potential for capital appreciation given the scarcity. Notably, the Group has already achieved breakeven based on the completed sales.

Investment Properties

Japan

In 2019, the Group acquired four rental apartment projects in Osaka, including three forward funded projects. One of the forward funded projects, Pregio Joto Chuo which was completed in September 2019, has achieved better-than-expected occupancy of 95% within three months of completion. The remaining forward funded projects are expected to be completed by Q1 2020.

The four freehold projects will benefit from the strong leasing market in Osaka. The Group's total rentable assets in Japan is JPY 5.46 billion (approximately $69.3 million).

UK Office

The Group's two freehold commercial buildings in Central London acquired in 2018 – Aldgate House and 125 OBS, have already shown significant positive rental reversions post-acquisition. In 2019, the Group embarked on several asset enhancement initiatives and feasibility studies on these office assets, enhancing the potential for higher rental upside.

On 31 January 2020, 23:00 GMT, the UK formally left the European Union (EU) and entered an 11-month transition period until 31 December 2020. After nearly three years of uncertainty, the transition period provides long-awaited clarity on Brexit and paves the way for what is expected to be a more stable future. The Group remains a long-term investor in the UK and has confidence in the fundamentals of the UK economy.

The Group does not expect the Brexit impact to be prolonged as there is still pent-up investment demand from the international community. The outlook for Central London's office market is positive with rental growth expected through 2021, bolstered by low unemployment, currency advantage and tight Grade A office supply, likely resulting in upward pressure on prime rents.

UK Private Rented Sector (PRS)

In March 2019, the Group acquired a £15.4 million (approximately $27.5 million) freehold site in Leeds that will yield 664 residential units with retail space located within the site's attractive heritage arches beneath a viaduct. The PRS sector is driven fundamentally by domestic demand and is expected to be insulated from the impact of Brexit. The development is slated for completion in 2023.

China Office

The Group completed its 100% stake acquisition in Shanghai's Hongqiao Sincere Centre (Phase 2) in November 2019 for a total purchase price of RMB 1.75 billion (approximately $344 million). To date, occupancy for office and serviced apartment is around 50% and 70% respectively.

Hong Leong Plaza Hongqiao, Shanghai has leased three out of five towers (equivalent to 71% of its NLA) to a serviced apartment operator and a postnatal confinement centre.

Fund Management

The Group has been actively building its pipeline and is in active collaborations with capital partners to acquire new AUM. It is on track to hit its target of US$5 billion by 2023.

In April 2019, the Group acquired a 50% stake in IREIT Global Group Pte. Ltd., the manager of Singapore-listed IREIT Global, and currently owns approximately 12.5% of the total issued units in IREIT Global. Besides being earnings accretive with immediate contribution to recurring income through management fees and attractive yields, the investment also strengthens the Group's fund management expertise and establishes its track record.

Hotels

2019 marked a significant milestone as the Group privatised M&C which was listed on the London Stock Exchange since 1996.

As at 31 December 2019, the Group has 156 hotels under its portfolio, of which 71 hotels (46%) are owned by the Group, 19 hotels (12%) are operated under JV arrangements or under CDLHT, and the balance (42%) are managed or franchised hotels. Notably, the CDLHT hotels are under a master lease arrangement and classified as investment properties.

Key operating statistics for hotels owned by the Group:

	Room Occupancy			Average Room Rate			RevPAR		
	FY **2019** **%**	FY **2018** **%**	**Incr / (Decr)** **%**	FY **2019** **$**	FY **2018 *** **$**	**Incr / (Decr)** **%**	FY **2019** **$**	FY **2018 *** **$**	**Incr / (Decr)** **%**
Singapore	86.2	83.7	2.5	186.9	175.0	6.8	161.2	146.6	10.0
Rest of Asia	70.5	68.9	1.6	158.5	163.2	(2.9)	111.8	112.5	(0.6)
Total Asia	**76.4**	**74.3**	**2.1**	**170.4**	**168.0**	**1.4**	**130.1**	**124.8**	**4.2**
New Zealand	**82.4**	**82.5**	**(0.1)**	**154.7**	**154.1**	**0.4**	**127.4**	**127.2**	**0.2**
London	79.1	80.1	(1.0)	240.3	221.7	8.4	190.1	177.6	7.0
Rest of Europe	69.6	71.2	(1.6)	131.5	137.1	(4.1)	91.5	97.6	(6.3)
Total Europe	**74.2**	**75.6**	**(1.4)**	**187.8**	**181.4**	**3.5**	**139.3**	**137.1**	**1.6**
New York	86.6	86.3	0.3	344.1	349.3	(1.5)	298.2	301.5	(1.1)
Regional US	58.0	57.6	0.4	186.1	188.5	(1.3)	108.0	108.6	(0.6)
Total US	**67.5**	**67.1**	**0.4**	**253.2**	**256.8**	**(1.4)**	**170.9**	**172.2**	**(0.8)**
Total Group	**73.7**	**73.1**	**0.6**	**196.7**	**196.8**	**(0.1)**	**145.0**	**143.9**	**0.8**

	Room Occupancy			Average Room Rate			RevPAR		
	Q4 **2019** **%**	Q4 **2018** **%**	**Incr / (Decr)** **%**	Q4 **2019** **$**	Q4 **2018 *** **$**	**Incr / (Decr)** **%**	Q4 **2019** **$**	Q4 **2018 *** **$**	**Incr / (Decr)** **%**
Singapore	85.6	81.3	4.3	203.1	176.8	14.9	173.9	143.7	21.0
Rest of Asia	78.7	72.6	6.1	158.6	177.1	(10.4)	124.8	128.6	(3.0)
Total Asia	**81.3**	**75.7**	**5.6**	**176.5**	**177.0**	**(0.3)**	**143.5**	**134.0**	**7.1**
New Zealand	**86.4**	**86.1**	**0.3**	**160.9**	**159.7**	**0.8**	**139.0**	**137.6**	**1.0**
London	75.0	86.9	(11.9)	257.6	229.9	12.0	193.3	199.8	(3.3)
Rest of Europe	65.5	68.5	(3.0)	130.2	138.7	(6.1)	85.3	95.0	(10.2)
Total Europe	**70.4**	**77.2**	**(6.8)**	**199.3**	**187.4**	**6.4**	**140.3**	**144.7**	**(3.0)**
New York	91.5	89.8	1.7	381.3	394.8	(3.4)	348.8	354.4	(1.6)
Regional US	52.3	51.0	1.3	169.6	185.0	(8.3)	88.6	94.4	(6.1)
Total US	**65.2**	**63.8**	**1.4**	**267.8**	**282.5**	**(5.2)**	**174.6**	**180.4**	**(3.2)**
Total Group	**74.4**	**73.3**	**1.1**	**205.5**	**212.0**	**(3.1)**	**152.8**	**155.5**	**(1.7)**

** For comparability, FY 2018 Average Room Rate and RevPAR had been translated at constant exchange rates (31 Dec 2019).*

In constant currency, global revenue per available room (RevPAR) for FY 2019 increased by 0.8% to $145.0 (FY 2018: $143.9) but decreased by 1.7% to $152.8 for Q4 2019 (Q4 2018: $155.5).

Asia

Asia RevPAR for FY 2019 increased by 4.2% to $130.1 (FY 2018: $124.8).

Singapore RevPAR rose 10.0% to $161.2 (FY 2018: $146.6) due to the inclusion of W Singapore – Sentosa Cove to the Group's portfolio in Q2 2019, coupled with healthy visitor arrivals and strong convention business.

New Zealand (NZ)

NZ RevPAR increased marginally at 0.2% to $127.4 (FY 2018: $127.2). Notably, NZ contributions have increased steadily over the years with more NZ hotels and a rise in tourist arrivals. However, the market softened in 2019 with competition from new hotel inventory in the Auckland and Queenstown regions.

Europe

London RevPAR grew by 7.0% to $190.1 (FY 2018: $177.6). All London hotels recorded positive RevPAR growth, partly due to rate-driven initiatives in the middle of the year offsetting a drop in Q1 2019. The weaker pound continues to support London as an attractive destination for inbound tourists. However, the bottom line was impacted by The Biltmore Mayfair's £12 million ($21 million) loss for FY 2019 due to pre-opening costs and higher depreciation.

RevPAR for Rest of Europe was down by 6.3%. Decreases were recorded in Millennium Hotel Paris Opera where phased refurbishment is still on-going as well as transport strikes in Paris since December 2019, causing significant business travel disruption.

US

US RevPAR for FY 2019 decreased by 0.8% to $170.9 (FY 2018: $172.2). Q1 2019 demand was impacted due to the shut-down of the federal government and extreme cold weather arising from the polar vortex.

New York RevPAR decreased by 1.1% to $298.2 (FY 2018: $301.5). Revenue recovery strategy for Millennium Times Square New York includes joining Hilton as an affiliate with access to its reservation channels and loyalty programme to enhance contribution. This hotel, and Millennium Hilton One UN Plaza, continue to be loss-making primarily due to high labour costs as a result of labour union, whilst the US regional hotels remained profitable collectively.

Refurbishments

The Group's refurbished Mayfair property in London – rebranded as The Biltmore Mayfair – reopened on 9 September 2019 after a £60 million ($106 million) makeover. Hilton manages it under its luxury LXR Hotels and Resorts brand – the first in Europe.

The Group also completed major refurbishment for Orchard Hotel Singapore. Phased renovations for the Millennium Hotel Paris Opera, Millennium Gloucester Hotel London Kensington and Copthorne King's Hotel in Singapore have commenced and are expected to complete over the course of 2020/2021.

Developments

The construction cost of the Sunnyvale California project, comprising of a 263-room hotel (planned for an M Social) and a 250-unit residential apartment block is estimated at US$180 million ($244 million). Project is expected to complete in the next two years.

The Group continues to study alternative options for its development site in Yang Dong, Seoul adjacent to its Millennium Hilton Seoul and does not expect construction to commence in 2020.

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 third quarter and nine months ended 30 September 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.

Singapore

Singapore economy grew at a decade-low of 0.7% in 2019, down from 3.4% in 2018. The Ministry of Trade and Industry has forecasted economic growth for 2020 to be within a range of between -0.5% and 1.5% amid concerns of the ongoing COVID-19 (coronavirus) outbreak, signalling the possibility of a technical recession.

Based on URA's data for FY 2019, prices of private residential properties increased by 2.7%, compared with a 7.9% increase in 2018. The decline in price growth can be attributed to a slowing economy and property cooling measures implemented in July 2018. Private home sales rose 13% as developers sold 10,104 units (excluding ECs) in 2019 compared with 9,912 units in 2018, reflecting Singapore's resilient housing market and healthy home demand from first-time buyers and upgraders.

While a sizeable supply is expected to come onstream in 2020 (due to the heightened collective sales fever in 2017/8), residential prices are likely to remain competitive with developers curating relevant unit mixes and pricing to suit homebuyers' expectations.

In response to the slowing economic growth, substantial supply of residential units and a moderation of demand following the July 2018 property market cooling measures, the Government has moderated its 2019 and 1H 2020 Government Land Sales (GLS) programme.

In January 2020, the Group successfully tendered for Irwell Bank Road – the year's first GLS site. This prime 137,634 sq ft site, won at $583.9 million or $1,515 psf ppr, was a thin winning margin of only 4.2% above the next highest bidder. Located along River Valley Road in District 9, this site is within walking distance to Great World City mall and the upcoming Great World MRT station. The Group plans to develop a condominium comprising two 36-storey towers with about 580 units and a basement carpark.

Subject to market conditions, the Group's 60% JV partner Hong Leong Holdings Limited is preparing to launch its 566-unit residential project at Sims Drive in 1H 2020. The site is near Aljunied MRT station.

The Group is actively studying the feasibility of redeveloping its eligible assets such as Fuji Xerox Towers under the CBD Incentive scheme, which offers an avenue to rejuvenate its sites and replenish its development land bank.

On 6 February 2020, the Ministry of Law announced that it will allow the exemption from the Qualifying Certificate (QC) regime for publicly listed housing developers with a substantial connection to Singapore. This change has been long-awaited as the QC policy places listed developers who are locally controlled (like the Group) to be in a disadvantaged position as it is subject to double penalties of QC and additional buyer's stamp duty (ABSD) on land. This revision offers more flexibility as the Group can consider both GLS and en bloc sites for land replenishment, without the QC penalty for the latter. Notably, the onerous ABSD penalty and the tight 5-year timeline remain a hefty consideration for developers. In view of the current subdued market sentiment and the challenging economic outlook, the Group hopes that the Government will continue to review market conditions and make further policy tweaks.

Strategic Investment in Sincere Property Group (China)

In May 2019, the Group entered into a strategic partnership with Sincere Property Group (Sincere), a real estate developer in China. The proposed total investment of RMB 5.5 billion (approximately $1.1 billion) represents a 24% effective equity stake in Sincere and an interest-bearing loan extended to Sincere. The transaction is being renegotiated and the exact terms will be shared once finalised.

Despite the COVID-19 crisis, the Group continues to hold a long-term view of its China investments and remains confident of China's strong fundamentals and its ability to rebound. The Chinese government has provided several support policies and liquidity to stabilise its economy. During this short-term challenge posed by the virus outbreak, it offers a window opportunity to assess real estate investments with an attractive valuation.

Hotels

With M&C's privatisation, the Group is focused on achieving synergies, cost efficiencies and driving profitability by tapping onto the wider Group's capabilities. This will be achieved by driving revenues via rate optimisation, customer segmentation, enhancing M&C's digital marketing strategies and most importantly, improving customer experience.

The Group is also taking a holistic review of its enlarged hotel portfolio to drive synergies. It assumes a more proactive stance as a sponsor to M&C's listed REIT associate, CDLHT, with its 37.8% effective interest. CDLHT unitholders approved its acquisition of the W Singapore – Sentosa Cove hotel from the Group for $324 million or $1.35 million per key at its EGM held in January 2020. The injection of this hotel into CDLHT's portfolio is an extension of the Group's commitment to seed suitable hotel assets to support the REIT's expansion plans.

M&C's 2020 Capex programme is expected at around $140 million. Millennium Hilton New York Downtown plans to undergo a phased refurbishment over 2020/2021 for an estimated US$37 million ($50 million). In Singapore, there are planned refurbishments for Grand Copthorne Waterfront and Studio M. These renovations will be phased to minimise impact to profits.

The divestment of Millennium Cincinnati was completed on 14 February 2020 and a profit of $24 million will be recognised in Q1 2020. The Group will continue to evaluate divestment opportunities in M&C's portfolio where appropriate. However, its priority is to improve M&C's hotel performance and to explore alternative uses that complement the Group's real estate capabilities so as to build a stronger recurring income base.

Group Prospects

2020 has been laden with several unprecedented events which have severely dampened market sentiments. Besides geopolitical tensions and a weakening global economy, there is a thick cloud of uncertainty over the biggest disruptor – the COVID-19 outbreak, placing the global economic and social resilience to the test.

The Group welcomes the swift response of fiscal and business relief measures offered by the Government in its $4 billion Stabilisation and Support Package announced at Budget 2020 to help companies ride out the economic downturn. The Group views the outlook for 2020 with an optimistic prism. It believes that with collective efforts from government, businesses and individuals, the situation will stabilise and recover in time. It is heartened that the Government has indicated that it will consider further relief measures should the situation warrant.

The Group is closely tracking its operations and the impact from COVID-19 on its businesses, operations and supply chains. The virus outbreak is a fitting reminder that with globalisation and the Group's scale, as part of its risk management, it cannot be overly reliant on a specific geography or asset class.

The Group's underlying fundamentals remain solid with a geographically diversified portfolio and strong balance sheet. It will press on with its GET (Growth, Enhancement and Transformation) strategy, focusing on execution and bringing its targets to fruition. It is confident in managing the headwinds with tenacity, clear-mindedness, cost control and tight discipline.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

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

Name of Dividend	Tax exempt (One-tier) Special Interim Ordinary Dividend	Tax exempt (One-tier) Preference Dividend	
Date of Payment	12 September 2019	1 July 2019	31 December 2019
Dividend Type	Cash	Cash	Cash
Dividend Amount (in cents)	6.0 cents per Ordinary Share	1.94 cents per Preference Share^	1.96 cents per Preference Share^
Dividend rate (in %)	N.A.	3.9% per annum on the issue price of each Preference Share	3.9% per annum on the issue price of each Preference Share
Dividend Period	N.A.	From 31 December 2018 to 30 June 2019 (both dates inclusive)	From 1 July 2019 to 30 December 2019 (both dates inclusive)
Issue Price	N.A.	$1.00 per Preference Share	$1.00 per Preference Share

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

Subject to ordinary shareholders' approval at the Annual General Meeting to be held on 28 April 2020, the following Ordinary dividend has been proposed:

Name of Dividend	Proposed Tax-exempt (One-tier) Final Ordinary Dividend	Proposed Tax-exempt (One-tier) Special Final Ordinary Dividend
Dividend Type	Cash	Cash
Dividend Amount (in cents)	8.0 cents per Ordinary Share	6 cents per Ordinary Share

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of Dividend	Tax exempt (One-tier) Preference Dividend	
Date of payment	2 July 2018	31 December 2018
Dividend type	Cash	Cash
Dividend amount (in cents)	1.94 cents per Preference Share^^	1.96 cents per Preference Share^^
Dividend rate (in %)	3.9% per annum on the issue price of each Preference Share	3.9% per annum on the issue price of each Preference Share
Dividend period	From 31 December 2017 to 30 June 2018 (both dates inclusive)	From 1 July 2018 to 30 December 2018 (both dates inclusive)
Issue price	$1.00 per Preference Share	$1.00 per Preference Share

Name of Dividend	Tax-exempt (One-tier) Special Interim Ordinary Dividend	Tax-exempt (One-tier) Final Ordinary Dividend	Tax-exempt (One-tier) Special Final Ordinary Dividend
Date of payment	12 September 2018	23 May 2019	23 May 2019
Dividend Type	Cash	Cash	Cash
Dividend Amount (in cents)	6.0 cents per Ordinary Share	8.0 cents per Ordinary Share	6.0 cents per Ordinary Share

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

(c) Date payable

Subject to ordinary shareholders' approval at the Annual General Meeting to be held on 28 April 2020, the proposed final and special final Ordinary dividends for financial year ended 31 December 2019 will be payable on 21 May 2020.

(d) Record Date

5.00pm on 5 May 2020.

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

Not applicable.

13. Interested Person Transactions

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)	$'000
Subsidiaries of Hong Leong Investment Holdings Pte. Ltd.	Hong Leong Investment Holdings Pte. Ltd. is a controlling shareholder of the Company. Its subsidiaries are interested persons being associates of a controlling shareholder.	<u>Property-related</u> (a) Provision to interested persons of housekeeping services for a hospitality development; and (b) Lease of premises to interested persons	8,325
		<u>Management and support services</u> Provision of management and consultancy services by interested persons	449
		Total:	8,774
Directors and their immediate family members			Nil

14. Segment Reporting

By Business Segments

	The Group			
	Fourth Quarter Ended 31 December		**Full Year Ended 31 December**	
	2019	**2018**	**2019**	**2018**
	S$'000	**S$'000**	**S$'000**	**S$'000**
<u>Revenue</u>				
Property Development	310,490	196,915	1,136,730	2,045,309
Hotel Operations*	473,824	452,864	1,705,015	1,679,418
Investment Properties	119,455	102,835	438,143	358,234
Others	43,130	35,700	148,837	139,602
	946,899	**788,314**	**3,428,725**	**4,222,563**
<u>Profit/(Loss) before tax</u>**				
Property Development	87,361	103,103	378,075	623,358
Hotel Operations	(8,196)	(53,154)	(6,576)	39,977
Investment Properties	34,490	57,968	332,906	189,002
Others	(5,394)	2,678	49,672	23,201
	108,261	**110,595**	**754,077**	**875,538**

***** *Revenue from hotel operations includes room revenue of $1,154.2 million (FY 2018: $1,136.9 million) for FY 2019 from hotels that are owned by the Group.*

****** *Includes share of after-tax profit of associates and joint ventures.*

Segmental results for full year ended 31 December

	Property Development S$'000	Hotel Operations S$'000	Investment Properties S$'000	Total S$'000	Others S$'000	Total S$'000
2019						
External revenue	**1,136,730**	**1,705,015**	**438,143**	**3,279,888**	**148,837**	**3,428,725**
Results						
Profit from operating activities	277,154	60,698	311,630	649,482	4,452	653,934
Share of after-tax profit/(loss) of associates and joint ventures	153,643	(16,758)	45,790	182,675	13,632	196,307
Finance income	38,125	8,815	10,657	57,597	50,930	108,527
Finance costs	(90,847)	(59,331)	(35,171)	(185,349)	(19,342)	(204,691)
Net finance (costs)/income	(52,722)	(50,516)	(24,514)	(127,752)	31,588	(96,164)
Reportable segment profit/(loss) before tax	**378,075**	**(6,576)**	**332,906**	**704,405**	**49,672**	**754,077**
2018						
External revenue	**2,045,309**	**1,679,418**	**358,234**	**4,082,961**	**139,602**	**4,222,563**
Results						
Profit from operating activities	619,829	73,870	197,928	891,627	12,948	904,575
Share of after-tax profit of associates and joint ventures	37,405	1,227	11,048	49,680	15,223	64,903
Finance income	28,217	15,422	14,392	58,031	4,794	62,825
Finance costs	(62,093)	(50,542)	(34,366)	(147,001)	(9,764)	(156,765)
Net finance costs	(33,876)	(35,120)	(19,974)	(88,970)	(4,970)	(93,940)
Reportable segment profit before tax	**623,358**	**39,977**	**189,002**	**852,337**	**23,201**	**875,538**

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 increased by $113.6 million to $310.5 million (Q4 2018: $196.9 million) for Q4 2019 but decreased by $908.6 million to $1,136.7 million (FY 2018: $2,045.3 million) for FY 2019.

Pre-tax profit decreased by $15.7 million to $87.4 million (Q4 2018: $103.1 million) for Q4 2019 and $245.3 million to $378.1 million (FY 2018: $623.4 million) for FY 2019.

Projects that contributed to both revenue and profit in FY 2019 include Whistler Grand, The Tapestry, Gramercy Park, New Futura, HLCC, Hongqiao Royal Lake, Park Court Aoyama The Tower, Hans Road project in Knightsbridge, Phase 1 of Teddington Riverside in Borough of Richmond upon Thames and Chesham Street project in Belgravia. Sales of residential properties in New Zealand and units in Zenith Residences by M&C Group also contributed to the Group's revenue and pre-tax profit for this segment. In accordance with the Group's policy of equity accounting for the results of its joint ventures, whilst revenue from joint venture developments such as South Beach Residences, Boulevard 88, The Jovell and Forest Woods had not been consolidated into the Group's total revenue, the Group's share of profit arising from these joint venture developments had been included in pre-tax profit.

The increase in revenue for Q4 2019 and decrease for FY 2019 was largely due to the timing of revenue recognition. Contribution from EC is recognised in entirety upon completion for sold units whilst overseas projects are recognised upon unit handover. For Singapore private residential units, there is progressive recognition of profit based on the stages of construction and sales status. The increase in revenue for Q4 2019 was mainly attributable to higher progressive contribution from Whistler Grand and The Tapestry due to higher percentage of completion achieved, as well as contribution from 32 Hans Road project which was fully sold.

In contrast, revenue declined for FY 2019, as FY 2018 revenue was powered by strong contribution from New Futura (sale launch in Q1 2018), and The Criterion EC, coupled with contribution from Phase 2 of HLCC and Park Court Aoyama The Tower following their completion in 2018 in which sold units were handed over to buyers in that same year.

Despite the increase in revenue for Q4 2019, pre-tax profit for this segment declined as profit was largely recognised from The Tapestry and Whistler Grand, which have thinner margin as compared to Q4 2018, where profit was largely contributed by New Futura, a high margin project where revenue was fully recognised upon sale completion. For FY 2019, the lower gross profit was in line with the lower revenue achieved. The decrease in pre-tax profit for FY 2019 was partially mitigated by share of profit contributed by two well-sold joint venture projects, South Beach Residences and Boulevard 88, along with returns recognised from the sale of units in the Ivy and Eve project in Australia, as well as higher share of contribution from FSGL following the commencement of hand over of units in its Star of East River project in Dongguan and gain recognised from divestment of its Oliphant office building to its 33% equity-accounted investee.

Hotel Operations

Revenue for this segment increased $20.9 million to $473.8 million (Q4 2018: $452.9 million) for Q4 2019 and $25.6 million to $1,705.0 million (FY 2018: $1,679.4 million) for FY 2019.

This segment reported a pre-tax loss of $8.2 million (Q4 2018: $53.2 million) for Q4 2019 and a pre-tax loss of $6.6 million (FY 2018: pre-tax profit of $40.0 million) for FY 2019.

The increase in revenue for Q4 2019 and FY 2019 was mainly contributed by the addition of W Singapore - Sentosa Cove to the Group's hotel portfolio in April 2019.

This segment recorded a lower pre-tax loss in Q4 2019, mainly due to lower impairment loss recognised in the current quarter as compared to Q4 2018. In Q4 2019, the Group recognised an additional $21.3 million impairment loss on top of the $36.9 million already provided in Q3 2019. On the other hand, the total impairment loss of $94.1 million for FY 2018 was recognised entirely in Q4 2018. The lower impairment loss was partially offset by a higher share of loss from FSGL, resulting mainly from higher impairment loss recognised for Crowne Plaza Chengdu Wenjiang and the adjoining hotspring.

The pre-tax loss of $6.6 million recorded in FY 2019 was attributable to a myriad of factors including one-off costs incurred for the successful privatisation of M&C Group in October 2019 and impairment loss made on several hotels, albeit a lower impairment loss as compared to FY 2018. Further, the closure of Biltmore Mayfair since July 2018 and Raffles Maldives Meradhoo since June 2018 for enhancement and rebranding works had also negatively impacted the Group's performance. Both hotels re-opened in September 2019.

Investment Properties

Revenue for this segment increased by $16.7 million to $119.5 million (Q4 2018: $102.8 million) for Q4 2019 and $79.9 million to $438.1 million (FY 2018: $358.2 million) for FY 2019.

Pre-tax profit decreased by $23.5 million to $34.5 million (Q4 2018: $58.0 million) for Q4 2019 but increased by $143.9 million to $332.9 million (FY 2018: $189.0 million) for FY 2019.

The increase in revenue for both Q4 2019 and FY 2019 were largely contributed by the full contributions from Aldgate House (London), 125 Old Broad Street (London) and Central Mall Office Tower, which were acquired in late 2018. In addition, the increase in revenue for FY 2019 was also contributed by Le Grove Serviced Residences, which re-opened in July 2018 following a major revamp, and HLCC retail mall, which opened in June 2018.

Despite the increase in revenue, pre-tax profit for Q4 2019 declined as the Group received a lower $9.3 million income distributed by Golden Crest Group in Q4 2019 in accordance to the stipulated waterfall structure under PPS 2 platform, as compared to Q4 2018, where the Group wrote back $19.3 million of the provision for bond interest support under the same PPS 2 platform, following the redemption of the said bonds.

Pre-tax profit for FY 2019 soared due to divestment gains recognised. In 1H 2019, the Group successfully unwound its PPS 2 platform and realised deferred gains on the sale of investment properties of $153.9 million, in addition to receiving a total $52.6 million distribution from Golden Crest. The Group also recognised a $10.5 million gain from the divestment of a vacant land parcel at Jervois Road in July 2019.

Other than the abovementioned release of provision for bond support, included in FY 2018 pre-tax profit was a gain on divestment of Mercure Brisbane and Ibis Brisbane by CDLHT of $29 million and another gain on disposal of a vacant shophouse plot at Jalan Besar of $12.4 million.

Others

Revenue, comprising mainly income from building maintenance contracts, project management, club operations, laundry services and dividend income, increased by $7.4 million to $43.1 million (Q4 2018: $35.7 million) for Q4 2019 and $9.2 million to $148.8 million (FY 2018: $139.6 million) for FY 2019. The increases for Q4 2019 and FY 2019 were due to higher project management fees earned.

This segment reported a pre-tax loss of $5.4 million (Q4 2018: pre-tax profit of $2.7 million) for Q4 2019 but pre-tax profit increased by $26.5 million to $49.7 million (FY 2018: $23.2 million) for FY 2019. The pre-tax loss for Q4 2019 was mainly attributable to the mark-to-market loss recognised on remeasurement of certain quoted securities held by the Group vis-à-vis a mark-to market gain recognised in Q4 2018.

The substantial increase in pre-tax profit for FY 2019 was largely due to interest income earned on loan granted to and bonds issued by Sincere Property Group. This was partially offset by the mark-to-market loss recognised on certain quoted securities held by the Group.

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

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

	Full Year 2019 S$'000	Full Year 2018 S$'000
Ordinary	72,552	72,552
Special	108,942	108,942
Preference	12,904	12,904
Total	**194,398**	**194,398**

The final tax-exempt (one-tier) ordinary dividend and special final tax-exempt (one-tier) ordinary dividend for the year ended 31 December 2019 of 8.0 cents and 6 cents respectively per ordinary share are subject to the approval of ordinary shareholders at the forthcoming Annual General Meeting and the dividend amounts are based on the number of issued ordinary shares as at 31 December 2019.

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

	2019 S$'000	2018 S$'000	Incr/(Decr) %
a) **Revenue**			
- First half	1,596,528	2,417,370	(34.0)
- Second half	1,832,197	1,805,193	1.5
	3,428,725	4,222,563	(18.8)
b) **Operating profit after tax before deducting non-controlling interests**			
- First half	394,216	389,462	1.2
- Second half	219,145	271,316	(19.2)
	613,361	660,778	(7.2)

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.

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

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

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

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr Kwek Leng Beng	79	Cousin of Mr Kwek Leng Peck, non-executive Director of CDL. Father of Mr Sherman Kwek Eik Tse, Executive Director and Group Chief Executive Officer of CDL.	<u>CDL</u> Executive Chairman of CDL since 1 January 1995, having overall executive responsibility to provide leadership and vision in the Board of Directors' review and development of the business direction and strategies for the sustainable growth of the CDL group of companies. <u>M&C</u> Appointed Executive Chairman of M&C on 18 November 2019 with executive responsibility to lead and drive M&C's performance, with the assistance of the management team of M&C, and through better synergies from integration with CDL following the privatisation of M&C.	Mr Kwek was appointed the Executive Chairman of M&C on 18 November 2019, after the privatization of M&C.
Mr Sherman Kwek Eik Tse	43	Son of Mr Kwek Leng Beng, Executive Chairman of CDL. Nephew of Mr Kwek Leng Peck, non-executive Director of CDL.	<u>CDL</u> Appointed Chief Executive Officer of the Group in 2018. As Executive Director and Group Chief Executive Officer, Mr Sherman Kwek is responsible for setting and implementing the business strategies and decisions for the Group as endorsed by the Board, providing leadership to drive the pursuit of the Group's strategic objectives, and having overall executive responsibility for the Group. <u>CDL China</u> Appointed Executive Chairman of CDL China in 2016, with overall executive responsibility for CDL China's investments and operations.	Mr Kwek was appointed Executive Director of CDL with effect from 15 May 2019.

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr Kwek Eik Sheng	38	Nephew of Mr Kwek Leng Beng, Executive Chairman of CDL, and Mr Kwek Leng Peck, non-executive Director of CDL. Cousin of Mr Sherman Kwek Eik Tse, Executive Director and Group Chief Executive Officer of CDL.	CDL Appointed Chief Strategy Officer of CDL in 2014. In his current position as Group Chief Strategy Officer, Mr Kwek Eik Sheng supports the Group Chief Executive Officer of CDL in investment analysis and formulation of business strategies to explore new sectors for growth and to drive increased corporate efficiency and innovation. M&C Appointed Executive Director of M&C on 18 November 2019, with executive responsibilities including oversight on: (i) investment management, including reviewing opportunities for mergers & acquisitions and asset disposals; (ii) capital planning, including capital expenditure planning, treasury matters and corporate finance and financial planning; and (iii) development projects for the M&C group and strategic corporate planning, including the spearheading the integration between M&C and CDL.	Mr Kwek was appointed Executive Director of M&C on 18 November 2019.
Mr Vincent Yeo Wee Eng	51	Nephew of Mr Kwek Leng Beng, Executive Chairman of CDL, and Mr Kwek Leng Peck, non-executive Director of CDL. Cousin of Mr Sherman Kwek Eik Tse, Executive Director and Group Chief Executive Officer of CDL.	M&CREIT/M&CBTM Director and Chief Executive Officer of M&CREIT (as manager of H-REIT) and M&CBTM (as trustee-manager of HBT) with effect from 17 May 2006 and 19 July 2006 respectively. Responsible for working within the M&CREIT and M&CBTM Boards and as CEO of M&CREIT and M&CBTM to develop and implement the overall business, investment and operational strategies for H-REIT and HBT.	No change.

BY ORDER OF THE BOARD

Shufen Loh @ Catherine Shufen Loh
Company Secretary
26 February 2020

News Release

26 February 2020

CDL ACHIEVES 12.5% INCREASE IN PROFIT OF S$87.7 MILLION FOR Q4 2019 AND A RESILIENT PATMI OF S$564.6 MILLION FOR FY 2019

- *Sold 1,554 residential units in Singapore with sales value of S$3.3 billion in 2019*
- *Successful privatisation of Millennium & Copthorne Hotels Limited (M&C) marks a transformative milestone to drive synergies, raise operational efficiencies and processes*
- *Strong cash reserves of S$3.1 billion*
- *Total dividends for 2019 amounts to 20 cents per share (FY 2018: 20 cents)*

Despite a challenging macroeconomic environment, City Developments Limited (CDL) delivered a resilient performance. PATMI for Q4 2019 rose 12.5% to S$ 87.7 million (Q4 2018: S$77.9 million). Revenue increased 20.1% to S$946.9 million (Q4 2018: S$788.3 million) with positive contributions across all its core business segments.

PATMI for FY 2019 was S$564.6 million (FY 2018: S$557.3 million), supported by a portfolio with diversified income streams and boosted by the substantial gains from the successful unwinding of CDL's second Profit Participation Securities (PPS 2) structure with the divestment of Manulife Centre and 7 & 9 Tampines Grande.

Revenue for FY 2019 amounted to S$3.4 billion (FY 2018: S$4.2 billion) due to the timing of profit recognition for the property development segment. The Tapestry and Whistler Grand were the main contributing projects where revenue and profits were recognised progressively based on their stage of construction, along with the sale of balance units in completed projects including Gramercy Park, New Futura, Hong Leong City Center (HLCC) in Suzhou and Hongqiao Royal Lake in Shanghai. Comparatively, revenue in FY 2018 was boosted primarily from completed projects including New Futura, Gramercy Park and also The Criterion Executive Condominium (EC) in which its entire revenue was recognised upon obtaining its Temporary Occupation Permit, as well as substantial revenue from overseas projects including HLCC and Park Court Aoyama The Tower in Tokyo.

As at 31 December 2019, the Group has strong cash reserves of S$3.1 billion. Post M&C privatisation, the net gearing ratio (including fair value gains on investment properties) is 43% while interest cover stands at 14.0 times.

In addition to the final ordinary dividend of 8.0 cents per share, the Board is also recommending a special final ordinary dividend of 6.0 cents per share. Considering the special interim ordinary dividend of 6.0 cents per share paid in September 2019, the total dividends for FY 2019 amounts to 20.0 cents per share (FY 2018: 20.0 cents).

Financial Highlights

(S$ million)	FY 2019	FY 2018	% Change	Q4 2019	Q4 2018	% Change
Revenue	3,428.7	4,222.6	(18.8)	946.9	788.3	20.1
EBITDA	1,126.2	1,188.3	(5.2)	221.9	192.4	15.3
Profit before tax	754.1	875.5	(13.9)	108.3	110.6	(2.1)
PATMI	564.6	557.3	1.3	87.7	77.9	12.5

Important Notes on Q4 2019 PATMI and Revenue

- The revenue from the property development segment was backed by several Singapore projects including The Tapestry, Whistler Grand and Amber Park, as well as the fully sold 32 Hans Road project in the UK. The inclusion of W Singapore – Sentosa Cove into the Group's hotel portfolio in Q2 2019 bolstered the increase for the hotel operations segment. Furthermore, the acquisition of UK's Aldgate House and 125 Old Broad Street (OBS) in late 2018 boosted the investment properties segment for Q4 2019 revenue.

- In terms of profit before tax (PBT), the property development segment was the main contributor, making up 80.7% of the Group's pre-tax profits, followed by the investment properties segment. The hotel operations segment recorded lower impairment losses in Q4 2019 vis-à-vis Q4 2018.

Operations Review and Prospects

Healthy Residential Sales in Singapore, China and other Overseas Markets

- In Singapore, the Group and its joint venture (JV) associates sold 1,554 units including ECs with a total sales value of S$3.3 billion in FY 2019 – a notable 40% increase in units sold and a 49% increase in sales value achieved (FY 2018: 1,113 residential units with a total sales value of S$2.2 billion).

- The Group launched a record number of six residential projects in 2019, emerging as one of the top-selling private sector developers in Singapore:

Project	Location	Launched	Total Units	Units Sold#	ASP achieved
Boulevard 88*	Orchard Boulevard	March	154	91	>S$3,790 psf
Amber Park*	Amber Road	May	592	202	>S$2,480 psf
Haus on Handy	Handy Road	July	188	32	>S$2,870 psf
Piermont Grand*	Sumang Walk	July	820	484	>S$1,090 psf
Nouvel 18~	Anderson Road	July	156	27	>S$3,460 psf
Sengkang Grand Residences*	Sengkang Central	November	680	237	>S$1,730 psf

**JV project*
#As of 23 February 2020
~Divested project under PPS 3, marketed by CDL

- In **China**, the Group's wholly-owned subsidiary CDL China Limited and its JV associates sold 526 residential units and four villas in China, achieving sales value of RMB 1.81 billion (approximately S$350 million) in FY 2019 – a notable two-fold increase of units sold with a 37% increase in sales value (FY 2018: Sold 259 residential units and 18 villas with total sales value of RMB 1.32 billion, (approximately S$269 million)).

- In **Australia,** the Group sold over 60% of its JV 195-unit freehold residential project The Marker in West Melbourne. In addition, the Group's collaboration with Waterbrook Lifestyle Resorts for the 135-unit retirement village project in Bowral commenced pre-sales towards the end of 2019. Over 50% of the initial 52 units launched received reservations.

Upcoming Launch in Singapore

- The Group's residential GLS site at Sims Drive is being developed by its JV partner, Hong Leong Holdings Limited, and slated for sales launch in 1H 2020. Located near Aljunied MRT station and within an established residential estate, this residential project will comprise 566 units.

Enhancing Recurring Income

- In **Japan**, the Group acquired four freehold rental apartment projects in Osaka for JPY 5.46 billion (approximately S$69.3 million), three of which are forward funded. One of the forward funded projects, Pregio Joto Chuo, was completed in September 2019 and has achieved a better-than-expected occupancy of 95% within three months of completion. The remaining forward funded projects are expected to be completed in Q1 2020.

- In **China**, the Group completed its 100% stake acquisition in Shanghai's Hongqiao Sincere Centre (Phase 2) in November 2019 for a total purchase price of RMB 1.75 billion (approximately S$344 million). The occupancy for the office and serviced apartment components is currently around 50% and 70% respectively.

- In **UK**, the Group's two freehold commercial buildings in Central London – Aldgate House and 125 OBS, have already shown significant positive rental reversions post-acquisition. The Group has also embarked on several asset enhancement initiatives (AEIs) and feasibility studies on these office assets, enhancing the potential for higher rental upside.

Hotels

- 2019 marked a significant milestone with the S$1.3 billion successful privatisation of M&C. As at 31 December 2019, the Group has 156 hotels under its portfolio, of which 71 hotels (46%) are owned by the Group, 19 hotels (12%) are operated under JV arrangements or under CDL Hospitality Trusts, and the balance (42%) are managed or franchised hotels.

Mr Kwek Leng Beng, Executive Chairman of CDL, said, "CDL delivered a resilient set of results amidst a challenging macroeconomic environment. The privatisation of M&C in 2019 is a transformative milestone for CDL and in line with our focus to enhance recurring income. The roadmap for M&C is being formalised with priority initiatives to drive operational efficiency, sustainable hotel performance and integration with the Group. These initiatives will take time to materialise but the efforts lay the foundation for CDL's growth.

The COVID-19 outbreak is one of the biggest disruptors that has created a thick cloud of uncertainty, placing the global economic and social resilience to the test. The situation remains fluid and the full impact on businesses, operations and supply chains is still unknown. Nevertheless, we view the outlook for 2020 with an optimistic prism. With the collective efforts from government, businesses and individuals, the situation will stabilise and recover in time.

CDL's underlying fundamentals remain solid with a geographically diversified portfolio and a strong balance sheet. We are confident to manage the headwinds with tenacity, clear-mindedness, cost control and tight discipline."

Mr Sherman Kwek, Group Chief Executive Officer of CDL, said, "2019 has been a bumper year for CDL with a record of six residential project launches in Singapore that registered healthy sales. We completed around S$2.3 billion of acquisitions and investments both in Singapore and our key overseas markets, including the successful takeover and privatisation of M&C. On the asset management front, Republic Plaza's AEI achieved positive rental reversions and we are progressing forward with other AEIs in order to derive greater value from our assets.

The virus outbreak is a fitting reminder that with globalisation and CDL's scale, we cannot be overly reliant on a specific geography or asset class. We will continue to build a diversified portfolio, enabling us to tap on various sustainable income streams to withstand cyclical headwinds and market shifts."

Please visit www.cdl.com.sg for CDL's FY 2019 financial statement.

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

For media enquiries, please contact CDL Corporate Communications:

Belinda Lee
Head, Investor Relations and
Corporate Communications
T: +65 6877 8315
E: belindalee@cdl.com.sg

Eunice Yang
Vice President
T: +65 6877 8338
E: eunicey@cdl.com.sg

Dominic Seow
Manager
T: +65 6877 8369
E: dominicseow@cdl.com.sg

Jill Tan
Assistant Manager
T: +65 6877 8484
E: jilltan@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

FY 2019 Results Presentation

26 February 2020

Agenda |

- General Overview & Strategic Initiatives
- Financial Highlights
- Singapore Operations

- International Operations
- Hospitality

General Overview

Key Financial Highlights – Q4 2019

Revenue	EBITDA	PATMI	Basic EPS
$946.9 million	**$221.9** million	**$87.7** million	**9.0** cents
▲ **20.1%**	▲ **15.3%**	▲ **12.5%**	▲ **13.9%**
Q4 2018			
$788.3 million	**$192.4 million**	**$77.9 million**	**7.9 cents**

- The Group delivered a resilient performance in view of the challenging macro economic environment.
- The better results for Q4 2019 is largely due to lower impairment losses for hotels made in Q4 2019 of $21.3 million vis-à-vis $94 million for Q4 2018.

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

Key Financial Highlights – FY 2019

Revenue	EBITDA	PATMI	Basic EPS
$3.43 billion ▼ **18.8%**	**$1.13** billion ▼ **5.2%**	**$564.6** million ▲ **1.3%**	**60.8** cents ▲ **1.5%**
FY 2018			
$4.22 billion	**$1.19 billion**	**$557.3 million**	**59.9 cents**

- Decrease in revenue due to recognition timing for property development:

FY 2019	FY 2018
The Tapestry and Whistler Grand	New Futura, Gramercy Park, The Criterion and HLCC in China

- Strong EBITDA of $1.13 billion despite a sizable decline in revenue
- Resilient PATMI supported by a portfolio with diversified income streams, boosted by the substantial PPS 2 gains

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

Key Financial Highlights – FY 2019

NAV per share	RNAV per share	ROE
$11.60 ▲ 4.8% YoY	**$16.46** ▲ 4.7%	**5.4%** ▼ 0.2 pts YoY
FY 2018		
$11.07	**$15.72**	**5.6%**

Proposed Dividend

20.0
cents per share
-

FY 2018:

20.0 cents

Comprises:
- **Special Final Dividend:** – 6.0 cents
- **Final Dividend:** – 8.0 cents
- **Special Interim Dividend** – 6.0 cents *(paid out in Sep 2019)*

Share Price Performance

$10.95^
▲ **34.9%**

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

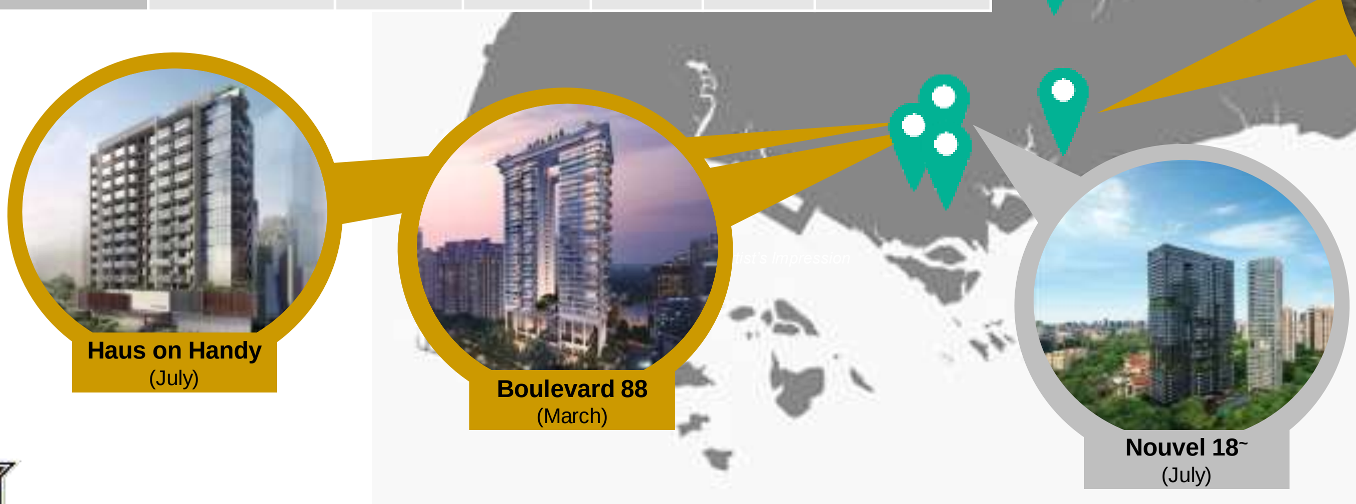
^ As of 31 Dec 2019

Key Operational Highlights – FY 2019

PROPERTY DEVELOPMENT – SINGAPORE

- Sold 1,554 units with total sales value of $3.3 billion^
- Record Number of Projects Launched (6):

Project	Location	Tenure	Equity Stake	Total Units	Units Sold*	Ave. Selling Price (ASP)
Boulevard 88	Orchard Boulevard	Freehold	40%	154	91	>$3,790 psf
Amber Park	Amber Road	Freehold	80%	592	202	>$2,480 psf
Haus on Handy	Handy Road	99 years	100%	188	32	>$2,870 psf
Piermont Grand	Sumang Walk	99 years	60%	820	484	>$1,090 psf
Sengkang Grand Residences	Sengkang Central	99 years	50%	680	237	>$1,730 psf
Nouvel 18~	Anderson Road	Freehold	-	156	27	>$3,460 psf



Launched ^
2,434 units

Sold ^*
43%

** As of 23 Feb 2020*

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

~ Divested project marketed by CDL

Key Operational Highlights – FY 2019

PROPERTY DEVELOPMENT – OVERSEAS

- **CHINA:** Sold 530 units with total sales value of RMB 1.81 billion ($350 million)

Hong Leong City Center, Suzhou
(1,804 units)

Sold: 1,651 units^

Eling Palace, Chongqing#
(126 units)

Sold: 80 units^

Emerald, Chongqing#
(820 units)

Sold: 473 units^

Hongqiao Royal Lake, Shanghai
(85 villas)

Sold: 56 villas^

- **AUSTRALIA:** Sold over 60% of 195-unit The Marker project in Melbourne since launch in May

The Marker#
(195 units)

JV project ^ As of 23 Feb 2020

Key Operational Highlights – FY 2019

ASSET MANAGEMENT – SINGAPORE

- Strong committed occupancy for core Singapore office & retail portfolio as of 31 Dec 2019:

	Office (13 properties)	**Retail** (9 properties)
Committed Occupancy	89.8%	94.7%
Net Lettable Area	2.2 million sq ft	733,000 sq ft

- Completed $70 million Asset Enhancement Initiative (AEI) for Republic Plaza

ASSET MANAGEMENT – OVERSEAS

- **UK:** Strong occupancy for two prime freehold Central London office assets
  - ➢ Positive rental reversions since acquisition in 2018

125 Old Broad Street	
NLA	**328,819 sq ft**
Occupancy	94%
WALE	5.5
Yield	4.75%

Aldgate House	
NLA	**210,504 sq ft**
Occupancy	86%
WALE	6.9
Yield	5.3%

Key Operational Highlights – FY 2019

HOTEL OPERATIONS

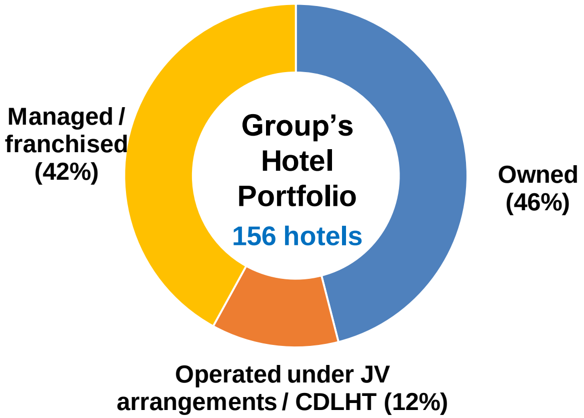
- **Successful M&C privatisation**:
  - 11 Oct: De-listed from trading on London Stock Exchange
  - 4 Nov: Re-registered as Millennium & Copthorne Hotels Limited (a private company)
  - 19 Nov: M&C became a wholly-owned subsidiary of the Group, following the compulsory acquisition of remaining M&C shares under the Final Offer

- **Performance impacted by:**
  - Impairment losses made on hotels in US, Europe and Asia
  - Transaction costs for M&C privatisation
  - Closure of the Millennium Hotel London Mayfair and Dhevanafushi Maldives Luxury Resort for repositioning as well as the refurbishment of Orchard Hotel Singapore

- **Hotel portfolio growth & enhancement**:
  - M&C's global portfolio comprises 150 hotels with 43,500 rooms
  - Completed major refurbishments for The Biltmore Mayfair (former Mayfair property) and Orchard Hotel Singapore

The Biltmore Mayfair

Orchard Hotel Singapore



Key Operational Highlights – FY 2019

Concor Park, Germany

FUND MANAGEMENT

- **Strategic investment in IREIT Global**:
  - $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
- **On track to achieve AUM target of US$5 billion by 2023 through**:
  - Pipeline building, e.g. strategic acquisition of seed assets
  - Active collaborations with capital partners to acquire new AUM, e.g. participated in IREIT's proposed acquisition of Spanish asset portfolio (4 freehold office buildings) valued at €138.3 million

TOTAL ASSETS

- **Grew total assets by 11.5% to $23.2 billion**
- **Completed $2.3 billion in strategic acquisitions and investments^, including:**
  - **UK:** M&C Privatisation – £774 million ($1.3 billion)
  - **China**: Shanghai Hongqiao Sincere Centre in Shanghai – RMB 1.75 billion ($344 million)
  - **Japan:** Four freehold rental apartment projects in Osaka – ¥5.46 billion ($69.3 million)
  - **Australia:** Abacus Property Group's residential development division with portfolio of three mixed development sites – A$25.9 million ($25 million) and North Melbourne mixed-use site acquisition for A$18.5 million ($17.4 million)

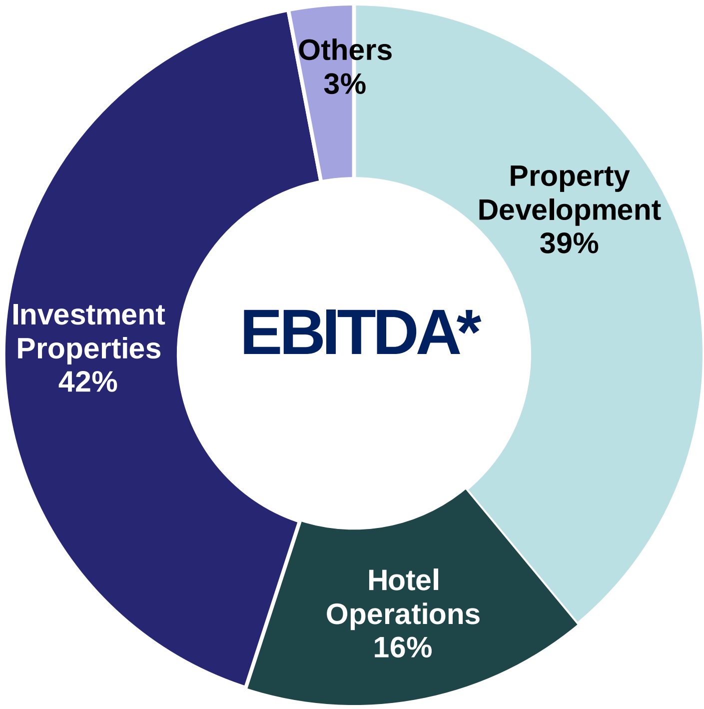
Shanghai Hongqiao Sincere Centre, China

* Increased stake to 12.5%, as of 31 Dec 2019

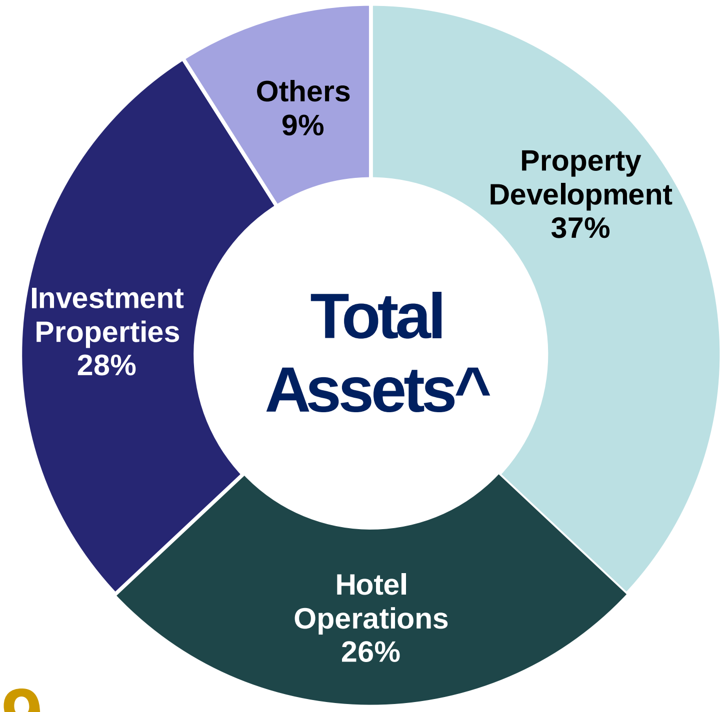
^ Refers to CDL's attributable share

Portfolio Composition by Segment

$1.1 billion



$23.2 billion



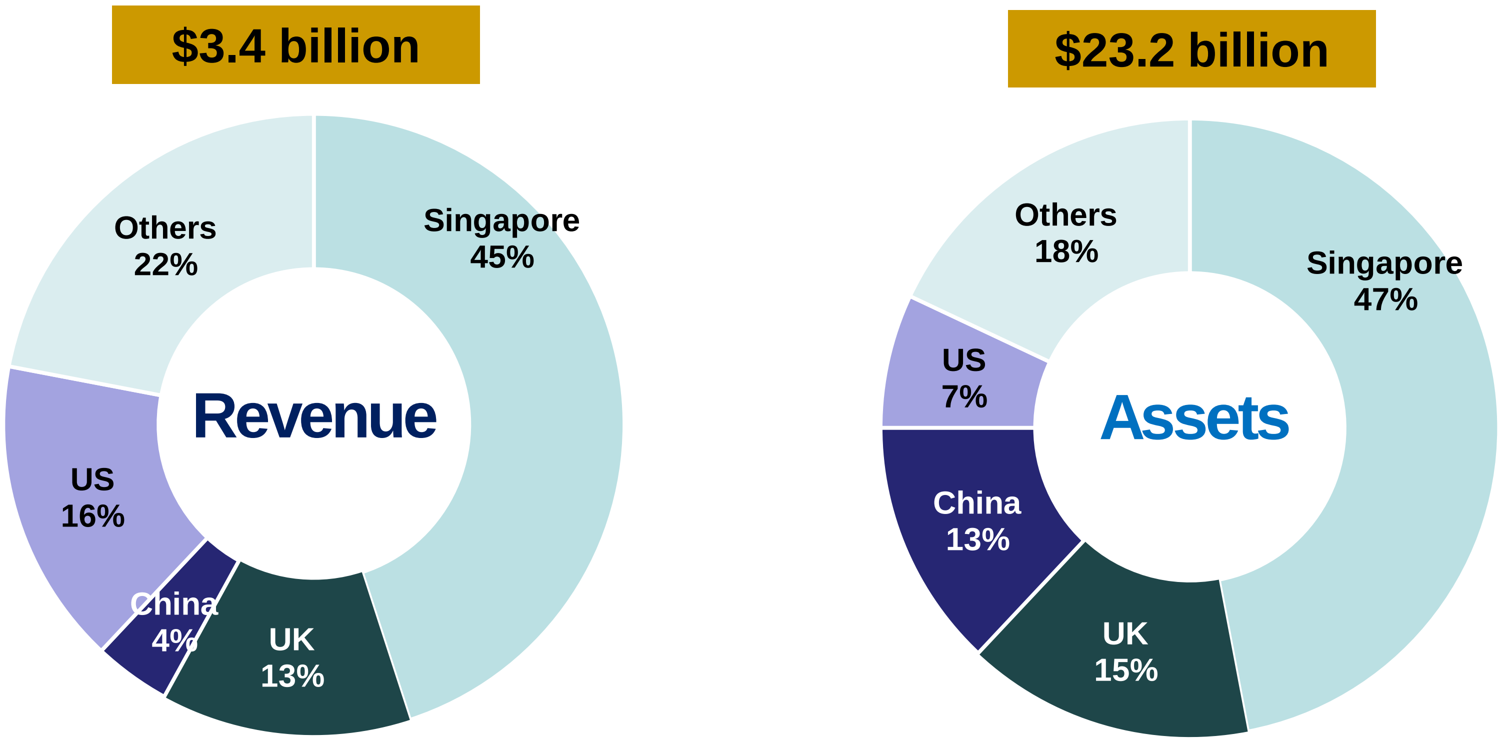
FY 2019

* 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



FY 2019

Sustainability Focus & Performance Highlights

2020 Theme: Changing The Climate. Changing The Future.

1. **Committed to fostering climate action and SDGs via strategic engagements & 3P partnerships globally & locally**

2. **Strengthened alignment of sustainability commitment with capital markets:**

LATEST GREEN FINANCING MILESTONES

$500 million
Green Loan
Secured Singapore's first green loans for new property developments

Pioneered
$250 million
SDG Innovation Loan
First-of-its-kind green financing concept to accelerate innovative solutions

3. **Amongst pioneer batch of 87 global companies pledged to support UN Global Compact's "Business Ambition for 1.5°C" campaign**

Completed 2nd Climate Change scenario analysis – raised bar to 1.5°C and 2°C warmer scenarios

2019 Environmental Performance Highlights

Achieved energy savings of
$28 million
for **8 CDL commercial properties from 2012 to 2019**

38%
reduction in **Carbon Emissions Intensity** from 2007 levels*

110 Green Mark
developments and office interiors
Highest amongst local developers

*On track to achieving enhanced carbon emissions intensity reduction target of 59% reduction by 2030

Sustainability & ESG Milestones

Ranked on 12 Leading Global Sustainability Indices

LATEST ESG MILESTONES

Bloomberg Gender-Equality Index 2020	CDP A List 2019 Climate / CDP A List 2019 Water	Global 100 2020 – Most Sustainable Corporations in the World
Only real estate company listed for 3rd consecutive year	Only company in Southeast Asia and Hong Kong to achieve this double 'A' honour for both climate change and water security	Ranked world's top real estate, top Singapore company, and 1st & only Singapore company listed on Global 100 for 11 consecutive years

Member of Dow Jones Sustainability Indices In Collaboration with RobecoSAM

MSCI 'AAA' since 2010 – 2019 Constituent MSCI ESG Leaders Indexes

FTSE4Good Since 2002

GRESB Sector Leader 2019 Since 2017

Corporate Responsibility Prime rated by oekom research

STOXX ESG Leaders Indices Member 2019/2020

Euronext Vigeo Eiris Indices

SGX Sustainability Indices

Sustainalytics

Operating Challenges from COVID-19 Outbreak

Precautionary Measures Implemented – Impact assessment ongoing

KEY MEASURES IMPLEMENTED AT SITES & PROPERTIES

- **Stepped up awareness & cleaning efforts**
- **Standardised preventive measures adopted across managed properties**
- **Plans & protocols to manage suspected cases**

PROPERTY DEVELOPMENT

Impact assessment for development projects in progress:

- Working with builders on supply chain, construction schedule and productivity impact
- Most projects in early or advanced stages of construction

ASSET MANAGEMENT

Retail sector hardest hit, particularly China:

- Schemes to support tenants rolled out:
  - Shorter operating hours
  - Mall-wide marketing campaigns
  - Customised schemes to alleviate tenants' cash flow issues

HOSPITALITY

Sector severely impacted:

- Loss of revenue from travel cancellations, postponement of accommodation and events, reduced F&B spend
- Contingency plans being explored to manage cost

CORPORATE

Precautionary measures implemented:

- Health and temperature screening for employees and visitors
- Regular briefings and updates to employees
- BCP preparedness & testing: Split team and telecommuting

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

FY 2019:
~$2.3 billion^
Acquisitions & investments

UK & Europe

M&C Privatisation


The Biltmore Mayfair, London

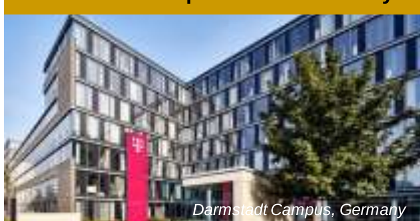
£774 million ($1.3 billion)

Monk Bridge, Leeds


Artist's Impression

£15.4 million ($27.5 million)

Singapore-listed IREIT Global with freehold office portfolio in Germany


Darmstadt Campus, Germany

$77.8 million

China

Shanghai Hongqiao Sincere Centre (Phase 2), Shanghai

RMB 1.75 billion ($344 million)

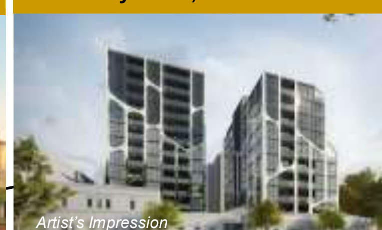
Australia

Abacus Property Group's residential development arm with portfolio of 3 freehold mixed development sites


Artist's Impression
Spencer Street, Melbourne

A$25.9 million ($25 million)

Macaulay Road, North Melbourne


Artist's Impression

A$18.5 million ($17.4 million)

Japan

Horie Lux, Osaka

¥2.01 billion ($25 million)

Portfolio with 3 freehold residential properties, Osaka

¥3.45 billion ($44.3 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

^ Refers to CDL's attributable share

GROWTH

Acquisition of Irwell Bank Road GLS

Top Bidder for Prime Site at Irwell Bank Road

Location	Tenure	Equity Stake	Total Units
Irwell Bank Road	99-year leasehold	100%	Est. 580

Site Information	
Site Area	12,787 sqm
Maximum GFA	35,803 sqm
Land Price	$583.89 million / $1,515 psf ppr

Top Bid Placed for Government Land Sales (GLS) programme site, tender closed on 9 Jan 2020:

- Strategic top bid of $583.89 million placed by CDL
  - Site drew healthy number of bidders (seven bids)
  - 4.2% margin over the second highest bid
- Proposed scheme: Two 36-storey blocks with around 580 residential units
- Excellent connectivity to the upcoming Great World MRT station situated a mere 200 metres away
- Within walking distance to Great World City and a short drive to the Central Business District and Orchard Road

GROWTH

Redevelopment of Liang Court

Redevelopment of Liang Court site into an Integrated Riverfront Development


Existing Liang Court

- Planned redevelopment announced in Nov 2019 by CDL and JV partner CapitaLand Limited, following the proposed sale by CDL Hospitality Trusts (CDLHT) of its total interest in Novotel Singapore Clarke Quay*
- Concurrently, Ascott Residence Trust will sell part of its interest in Somerset Liang Court Singapore to CDL
- **Proposed integrated development is targeted to open in phases from 2024**

Site Information

Location	River Valley Road / Tan Tye Place / Clarke Quay (near Fort Canning and Clarke Quay MRT stations)
Site Area	12,925.4 sqm
Land tenure	Leasehold expiring 1 May 2077 ^ (around 57 years remaining)

Proposed New Integrated Development

Asset Type	Est No of Units	Est GFA (sqm)	Owner/ Developer
Residential	700 apartments	60,158	CDL & CapitaLand in 50-50 JV
Commercial (retail)	-	11,530	
Hotel (Moxy brand)	460 – 475 keys	15,541	CDL / CDLHT
Serviced residence (with hotel licence)	192 rooms	13,034	Ascott Residence Trust
TOTAL		**100,263 sqm**	

^ In-principle approval has been obtained for lease top-up to a fresh 99 years.

*Approved by CDLHT's unitholders at its EGM in Jan 2020

Recurring Income Assets Acquired in 2019

(1) Horie Lux

(2) Pregio Joto Chuo

(3) B-Proud Tenmabashi

(4) Miyakojima Hondori

Osaka Rental Apartments

4 rental apartment projects in Osaka

Acquisition Price:
JPY 5.46 billion ($69.3 million)

Shanghai Hongqiao Sincere Centre Phase 2

11 blocks comprising office space, a 132-room serviced apartment, and a basement carpark

Acquisition Price:
RMB 1.75 billion ($344 million)

Divestment of W Singapore – Sentosa Cove

Injection of 240-room hotel into CDL Hospitality Trusts' (CDLHT) Portfolio

- Divestment of W Singapore – Sentosa Cove hotel to CDLHT – M&C's listed REIT associate – for $324 million ($1.35 million per key)*
- The injection of the hotel into CDLHT's portfolio is an extension of the Group's commitment to seed suitable hotel assets to support the REIT's expansion plans.
- Est. transaction completion in Q2 2020

Revamped WOOBAR

The Kitchen Table

Artist Impression

*Approved by CDLHT's unitholders at its EGM in Jan 2020

Improve Asset Positioning & Relevance

Palais Renaissance: Mall Revitalisation


Frontage
Artist Impression

Planned Works

- Activate frontage with a wider mall entrance, attractive F&B offerings and improved aesthetics.
- Refresh the interiors, enhance shopper experience and improve the trade-mix.

Target Timeline: Completion by Q1 2021

(Works scheduling will be planned to minimise inconvenience to shoppers and tenants)

REVAMPED INTERIORS

Atrium
Artist Impression


Top floor of mall
Artist Impression

ENHANCEMENT

Improve Asset Positioning & Relevance

Jungceylon (Phuket) – Mall Revitalisation

Frontage

Planned Works

- Enhance the main building entrances, facades and outdoor areas with modern, inviting concept.
- Refresh the interiors, enhance shopper experience and improve the trade-mix.
- Convert basement to 24 hours zone to cater to night activities demand.

Target Timeline: Commencement in 2H 2020

(Works will be phased to minimise inconvenience)

Outdoor area

Circulation area

ENHANCEMENT

Improve Asset Positioning & Relevance

City Industrial Building and Cideco Industrial Complex: Functional Upgrade

City Industrial Building


Artist Impression


Artist Impression


Artist Impression


Artist Impression


Artist Impression

Planned Works

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

Target Timeline: Completion by Q4 2020

Cideco Industrial Complex


Artist Impression


Artist Impression


Artist Impression


Artist Impression

ENHANCEMENT

The Biltmore Mayfair – LXR Hotels & Resorts


The Biltmore Mayfair

Key Dates:

£60 million refurbishment started in Nov 2017
Fully closed in July 2018
Re-opened on 9 September 2019

Re-branded as ‘The Biltmore Mayfair’

The hotel re-opened as a 5-star deluxe property; as LXR Hotels & Resorts’ first UK property, following an agreement between Hilton and M&C.

- 256 luxurious guest rooms (plus 51 designer suites).
- a 500 sqm ballroom (with capacity of up to 700 guests).
- a prestigious new London restaurant led by celebrity chef Jason Atherton.

REVAMPED INTERIORS

TRANSFORMATION

Platform Initiatives

Transform Business via New Platforms

Strategic Investments

M&C Privatisation

- **Focus on achieving synergies, cost efficiencies and driving profitability** by tapping onto the Group's wider capabilities
- **Holistic review of enlarged hotel portfolio –** e.g. more proactive stance as a sponsor to M&C's listed REIT associate (CDLHT) to support its expansion plans

Investment in Sincere Property Group (China)

- **Transaction is being renegotiated**

Fund Management

AUM Target: US$5 billion by 2023

- **Accelerate growth** by setting up a private fund and/or REIT*
- **Continue to actively build pipeline** and **collaborate with capital partners** to acquire new AUM
- **Strengthen fund management expertise and track record through strategic investments** – e.g. in IREIT Global

*Capital Markets Services (CMS) Licence has been obtained from the Monetary Authority of Singapore

Financial Highlights

Financial Highlights

Property Development

	Q4 2019	FY 2019
Revenue	▲ $114M	▼ $909M
PBT	▼ $16M	▼ $245M

- Decrease in YTD revenue and PBT due to timing of profit recognition:
  - ✓ 2019 contributions largely from The Tapestry and Whistler Grand and JV projects including Boulevard 88 and Forest Woods, which are recognised progressively, and the completed South Beach Residences Vis-à-vis
  - ✓ 2018 contribution boosted by high margin projects recognised in entirety including New Futura, Gramercy Park and HLCC
  - ✓ The Criterion EC TOP in Q1 2018 boosted FY 2018 revenue
- Q4 2019 PBT decline despite an increase in revenue due to:
  - ✓ Thinner profit margins for development projects recognised in Q4 2019 vs Q4 2018
  - ✓ Finalisation of costs for main contractors which contributed favourably to Q4 2018

Hotel Operations

	Q4 2019	FY 2019
Revenue	▲ $21M	▲ $26M
PBT	▲ $45M	▼ $47M

- Revenue boosted by contribution from W Singapore – Sentosa Cove, consolidated since Apr 2019.
- This segment generated a loss for both Q4 2019 and FY 2019
- Improved Q4 2019 performance due to less impairments made in Q4 2019 of $21.3m versus $94m in Q4 2018
- FY 2019 PBT impacted by:
  - ✓ Impairment losses of $58m for FY 2019
  - ✓ Transaction costs for M&C privatisation of $26.2m
  - ✓ Loss making US region
  - ✓ Disruptions to operations following the closure of Millennium Hotel London Mayfair and Dhevanafushi Maldives Luxury Resort in 2018 for repositioning and refurbishment works at Orchard Hotel
  - ✓ The Biltmore Mayfair contributed an operating loss of $21m

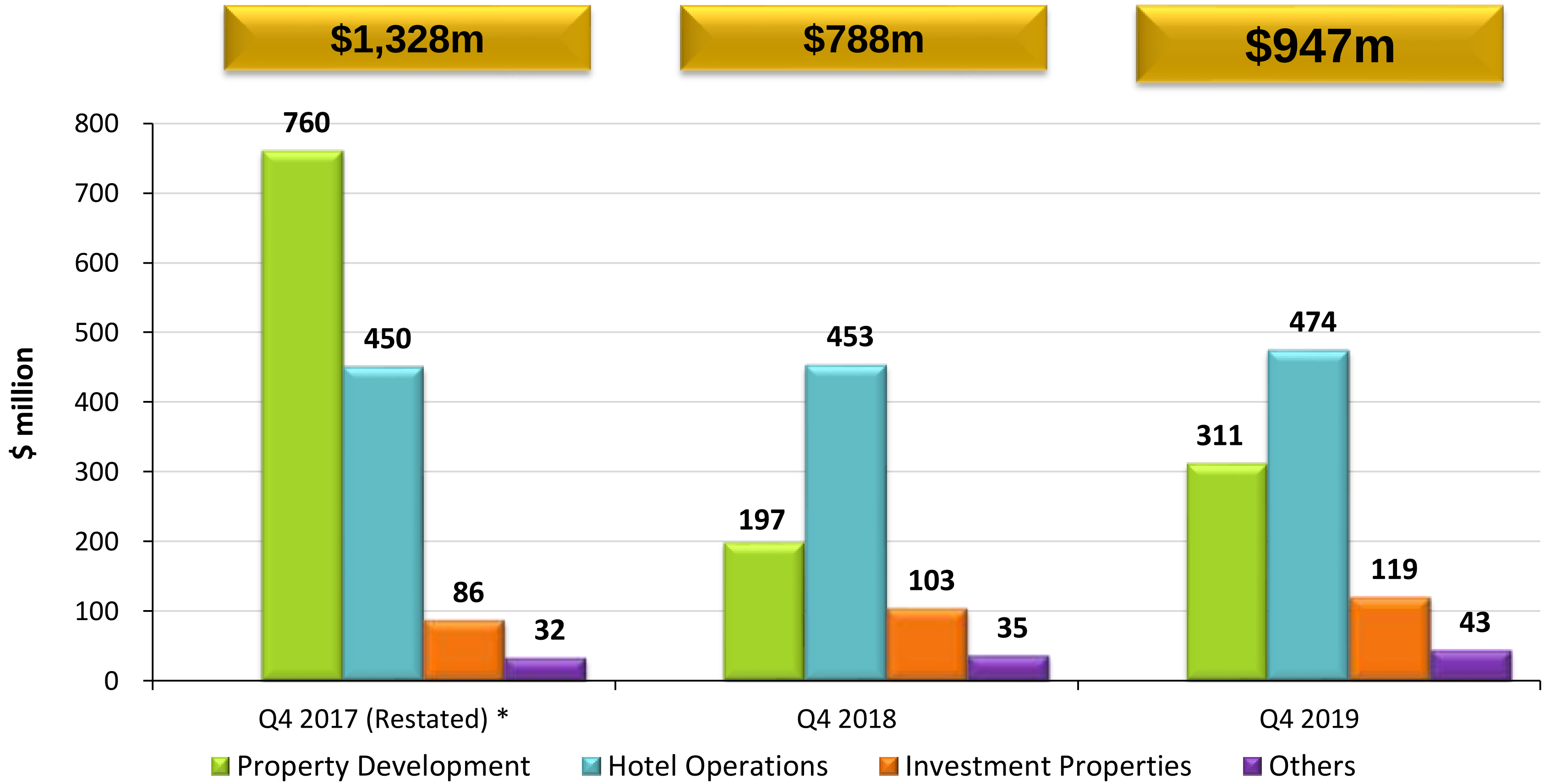
Investment Properties

	Q4 2019	FY 2019
Revenue	▲ $17M	▲ $80M
PBT	▼ $23M	▲ $144M

- Revenue boosted by UK properties (Aldgate House and 125 OBS) and Central Mall Office Tower acquired in late 2018, as well as Le Grove Serviced Residences which reopened in Jul 2018
- Q4 2019 PBT decline despite increase in revenue due to a strong Q4 2018 driven by partial gains from PPS 2 and significant contributions from FSGL
- PBT for FY 2019 boosted by substantial gains from unwinding of PPS 2 with the sale of Manulife Centre and Tampines Grande

Financial Highlights

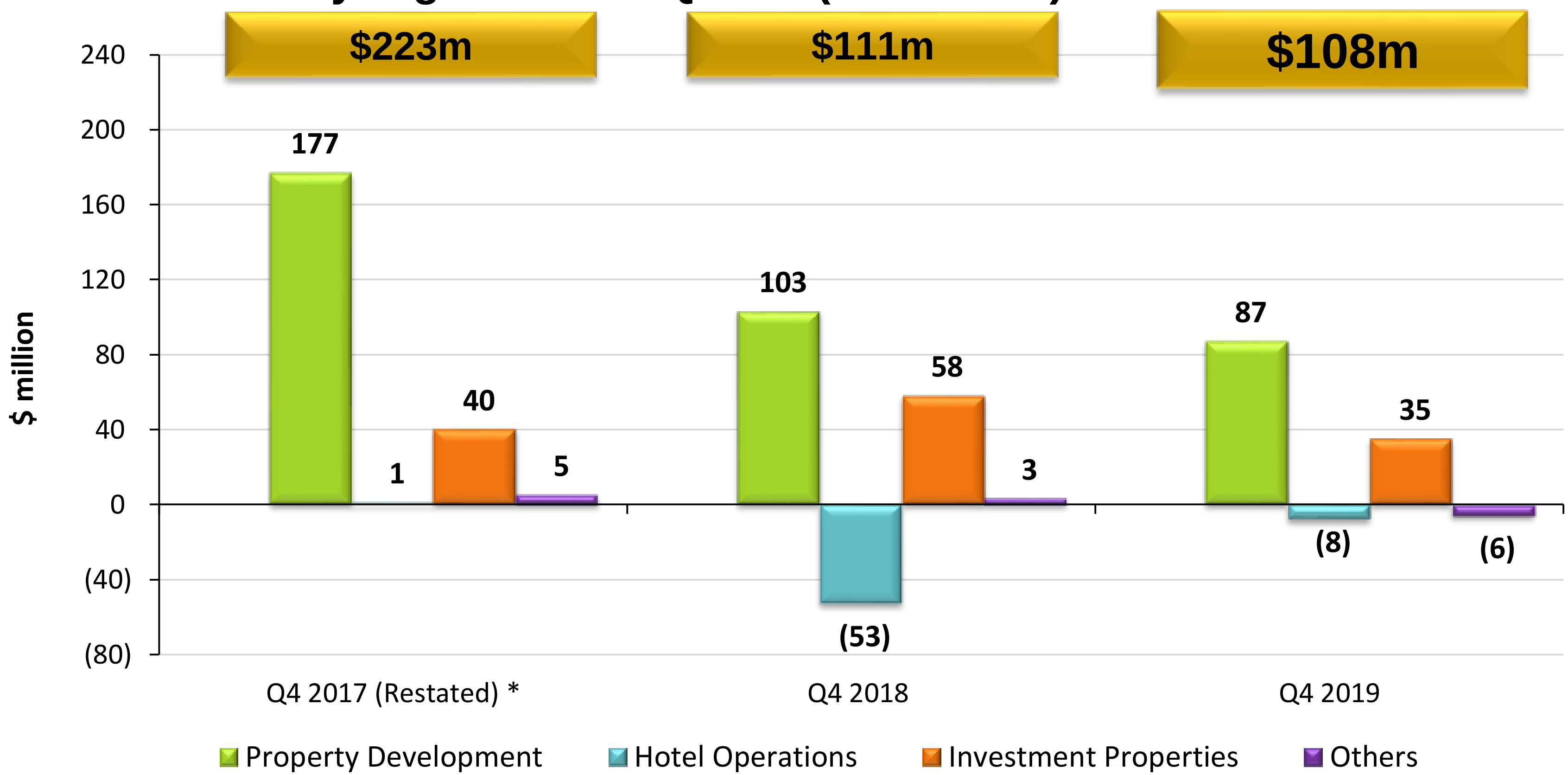
Revenue by Segment for 4th Quarter (2017 – 2019)



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

Financial Highlights

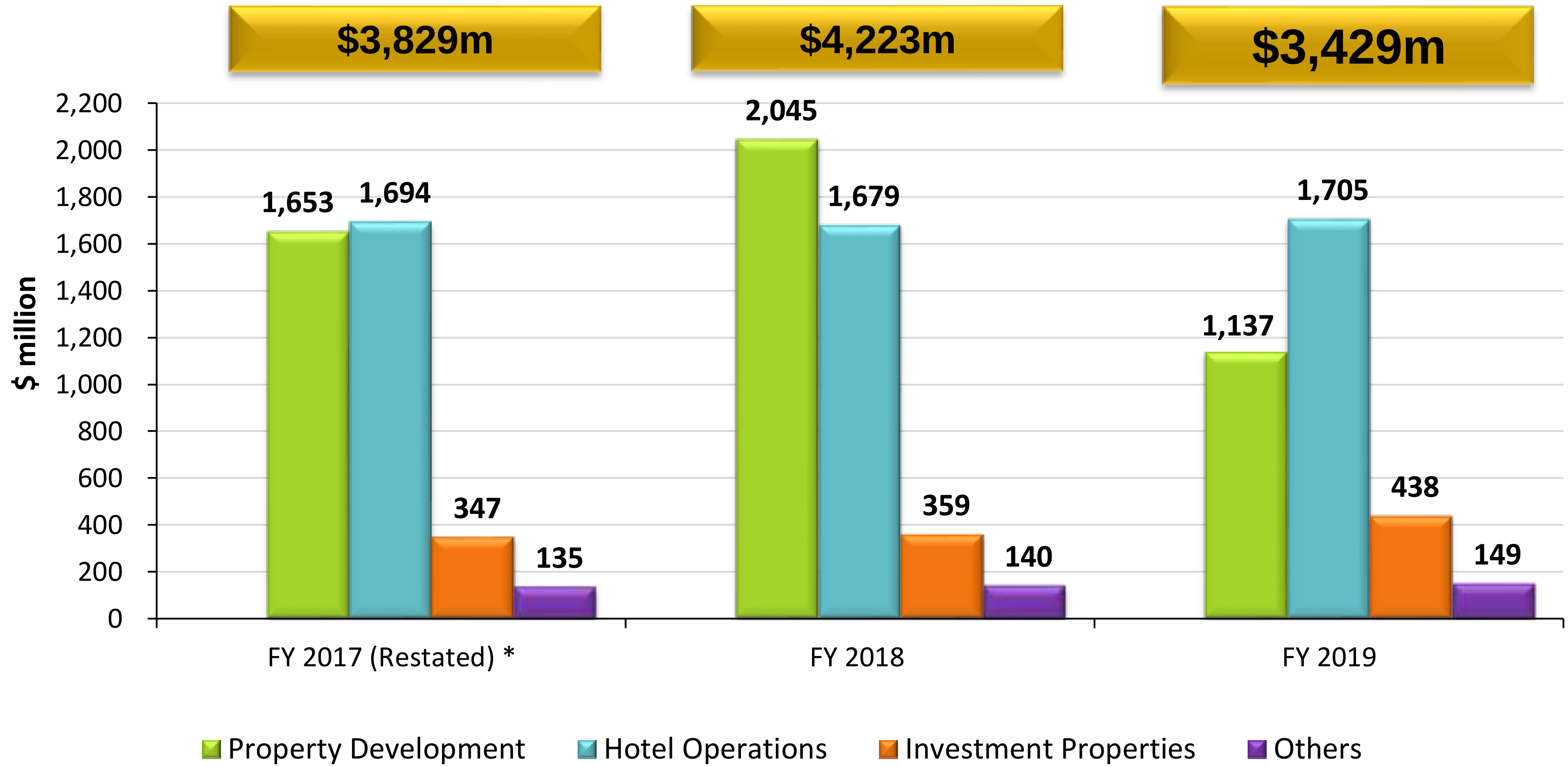
Profit Before Tax by Segment for 4th Quarter (2017 – 2019)



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

Financial Highlights

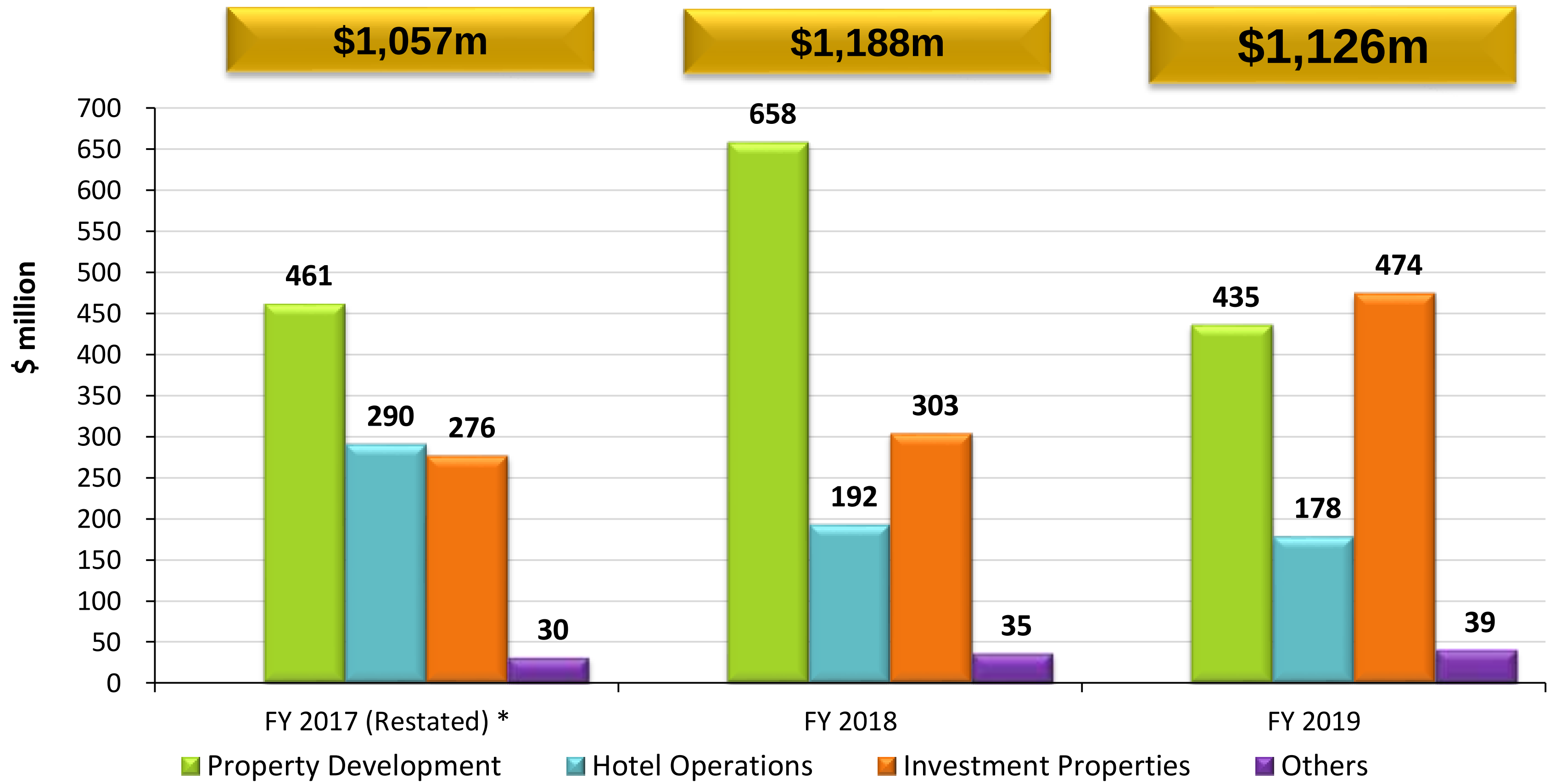
Revenue by Segment for Full Year (2017 – 2019)



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

Financial Highlights

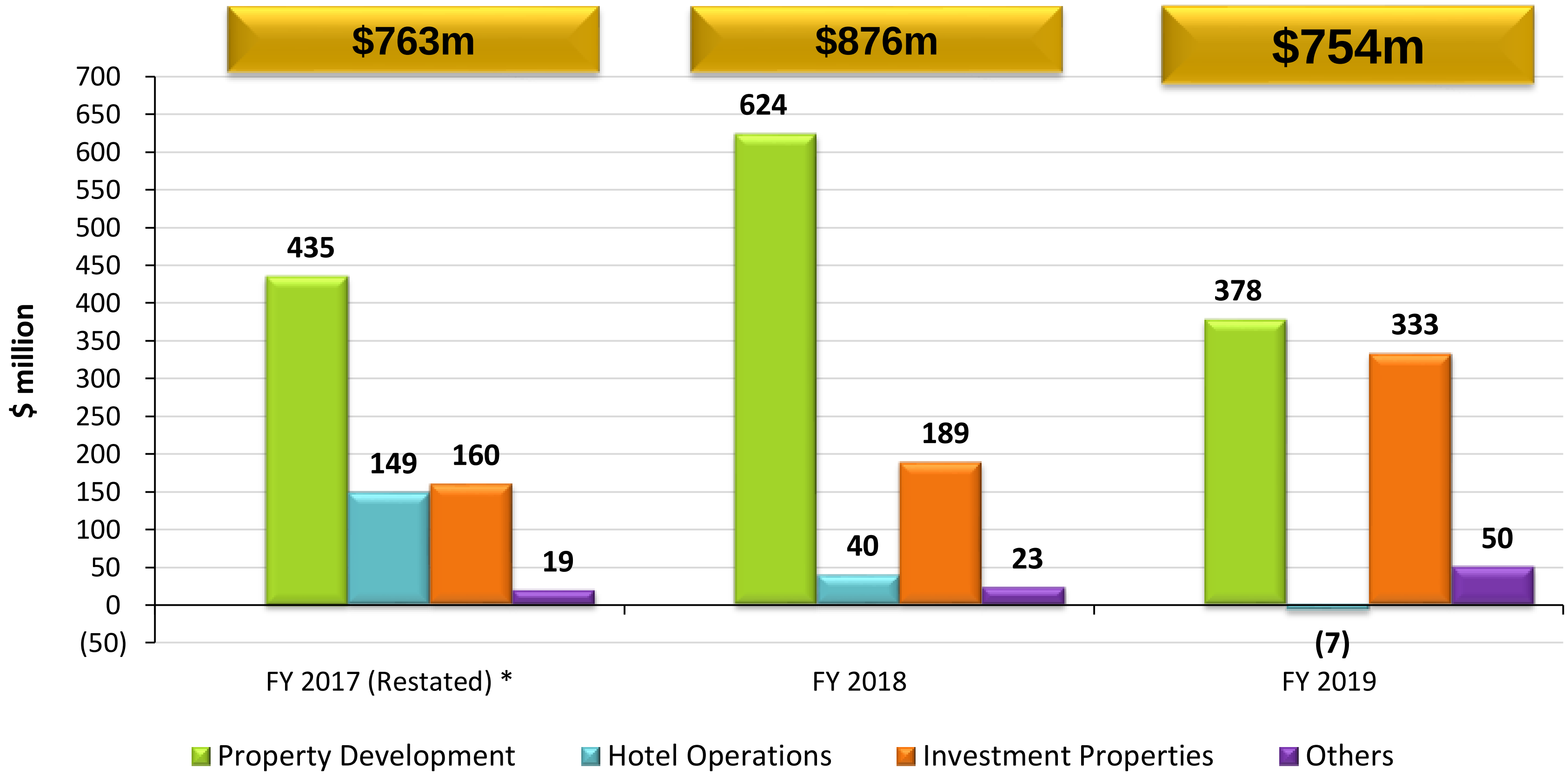
EBITDA by Segment for Full Year (2017 – 2019)



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

Financial Highlights

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



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

Financial Highlights

Strong Balance Sheet & Liquidity Position

Net Gearing

61%

31% in FY 2018

Net Gearing [1] (include fair value)

43%

23% in FY 2018

Interest Cover Ratio

14.0x

14.9x in FY 2018

% of Fixed Rate Debt

40%

45% in FY 2018

Ave Borrowing Cost

2.4%

2.3% in FY 2018

% Secured Borrowings

21%

27% in FY 2018

1 After taking in fair value on investment properties

Financial Highlights

	As at 31/12/19	As at 31/12/18
Gross borrowings	**$9,728m**	$6,342m
Lease liabilities	**$207m**	-
Cash and bank balances ^	**($3,084m)**	($2,512m)
Net borrowings	**$6,851m**	$3,830m

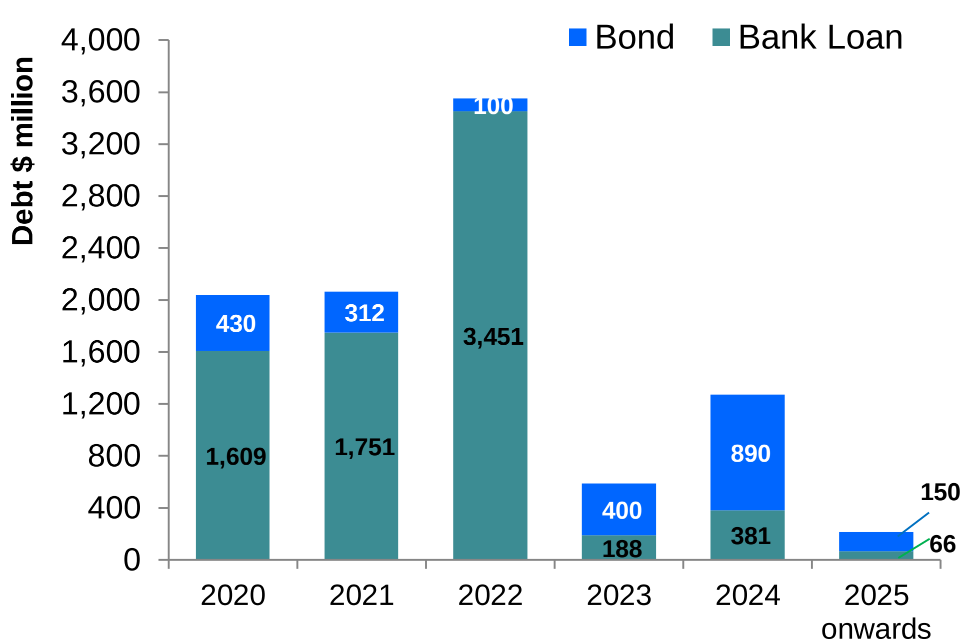
^ Include restricted deposits of $284m (2018: $223m) classified as non-current assets

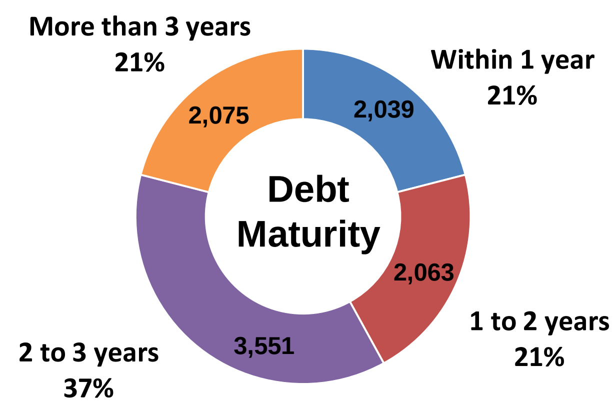
Financial Highlights

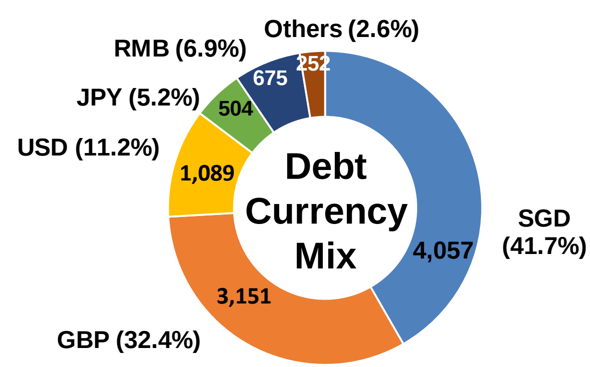
CDL Group – Prudent Capital Management

- 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







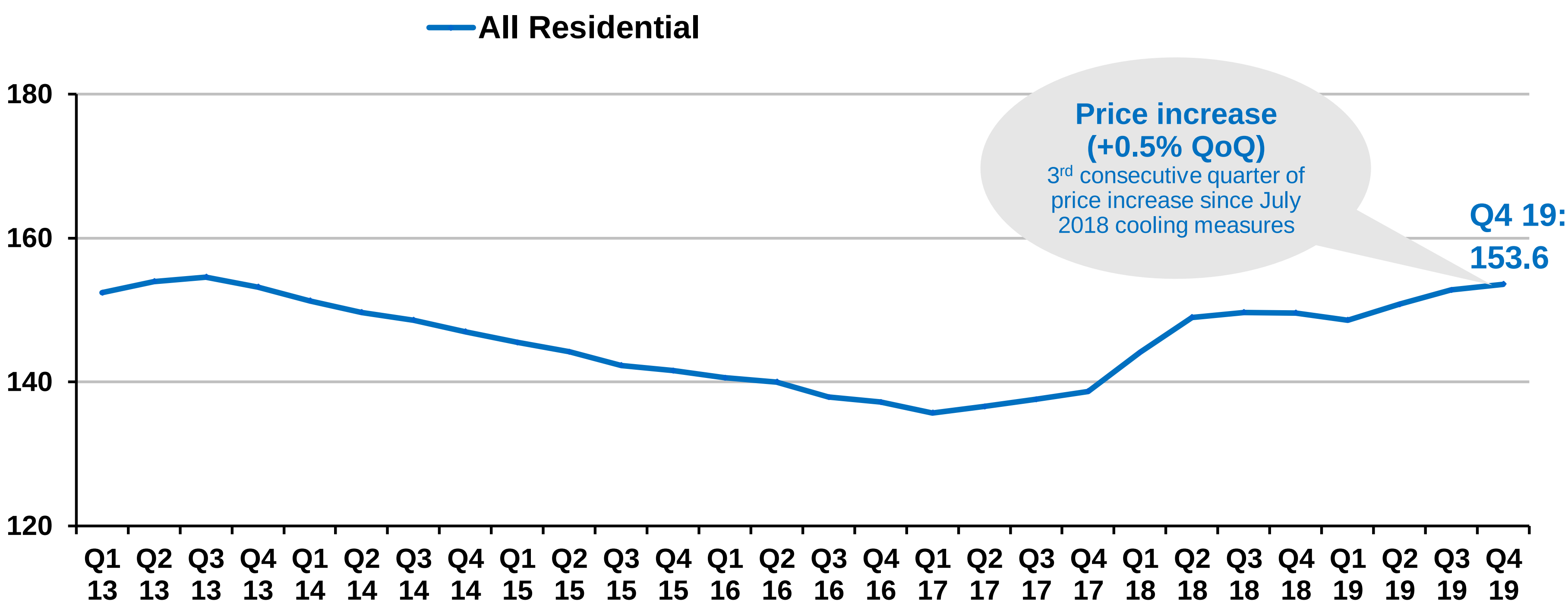
$9,728m

Singapore Operations

Property Development

Singapore Property Market

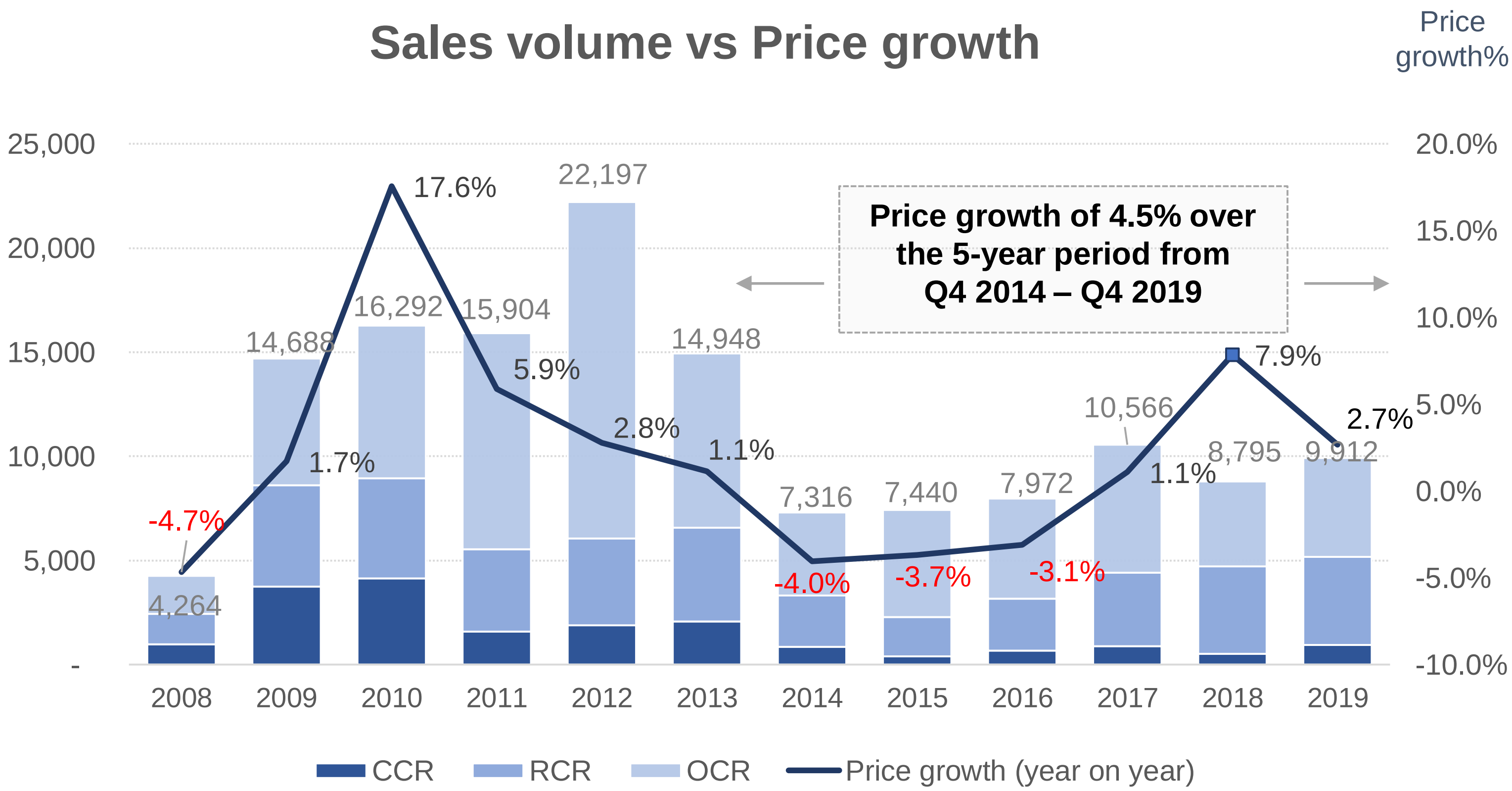
Property Price Index – Residential (2013 –2019)



Source : URA, Q4 2019

Singapore Property Market

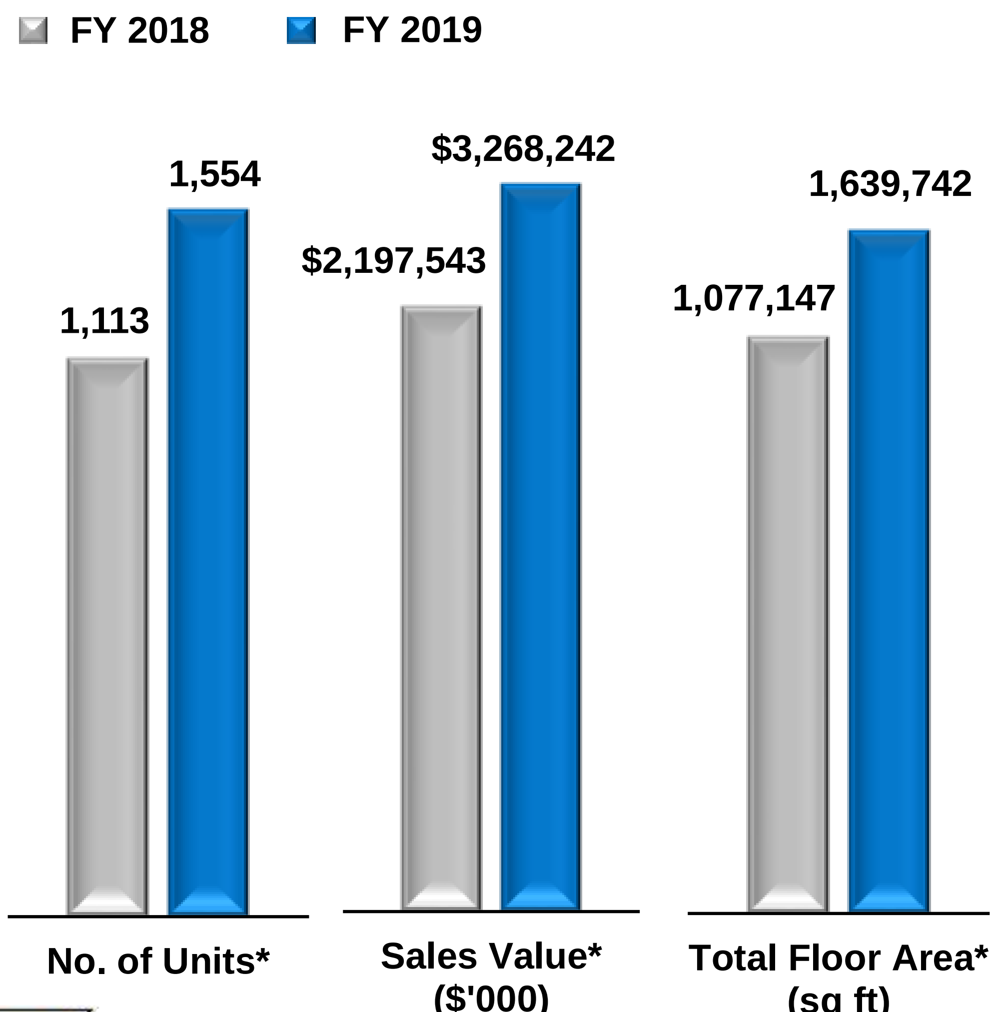
- Private residential prices increased by 0.5% in Q4 2019. Cumulatively, prices have risen 2.7% in the whole of the year.
- Primary home sales remained healthy in Q4 2019, a total of 2,443 units were sold. Developers moved a total of 9,912 private homes in the whole of 2019.



Source : URA Statistics

Singapore Property Development

Residential Units Sold by CDL



Sales Value
↑ 49% yoy

Units Sold
↑ 40% yoy

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

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 TOP
New Futura	Leonie Hill Road	Freehold	100%	124	124 (Fully Sold)	>$3,500 psf	248,199	Completed Aug 2017
The Tapestry	Tampines Ave 10	99-year leasehold	100%	861	712 (750 released)	$1,340 psf	652,950	2021
Whistler Grand	West Coast Vale	99-year leasehold	100%	716 + 2 shops	475 (500 released)	$1,360 psf	603,016	2021
South Beach Residences	Beach Road	99-year leasehold	50.1%	190	132 (135 released)	>$3,400 psf	347,510	Completed Dec 2016
The Jovell	Flora Drive	99-year leasehold	33%	428	112 (250 released)	$1,250 – $1,300 psf	324,000	2023

New Futura

Sold: 124 units (Fully Sold)

The Tapestry

Sold: 712 units

Whistler Grand

Sold: 475 units

South Beach Residences

Sold: 132 units

** As of 23 Feb 2020*

Residential Launch in Q1 2019

Boulevard 88 – Sales value of over $750 million*

Location	Tenure	Equity Stake	Total Units	Units Released	Total Units Sold*	Total Saleable Area (sq ft)	Expected TOP
Orchard Boulevard	Freehold	40%	154	100	91	316,844	2022

Artist's Impression

Boulevard 88

154-unit Freehold Luxury Residences in District 10

- 91 units including all four penthouses (out of 100 released) sold at ASP of over $3,790 psf*
  - Good take-up across all unit types, in particular 4-bedroom units
  - 29% of the buyers are Singaporean, remaining 71% 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 of 23 Feb 2020*

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	220	202	604,006	2023

Best-selling Freehold Property Launch in District 15:

- To date, 202 units have been sold*
  - Total sales value of around $457 million
  - ASP of over $2,480 psf
  - 79% 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 of 23 Feb 2020*

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	40	32	120,791	2023

Haus on Handy

Club Lounge (within Club Haus)

Exclusive Condo in Prime Orchard Road Area:

- 32 units of 40 released units sold*:
  - ASP of over $2,870 psf
  - Prices start from $1.188 million for 1-bedroom, $1.668 million for 2-bedroom and $2.708 million for 3-bedroom
  - About 70% of buyers are Singaporeans while the rest are from China, HK, Australia, India and Switzerland
- 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

** As of 23 Feb 2020*

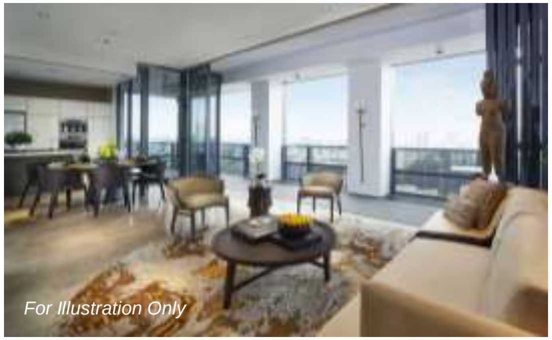
Residential Launch in Q3 2019

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	27	351,054	2014

Iconic Luxury Residence in the Ardmore & Anderson Residential Enclaves

- 27 units of 30 released units sold*
  - ASP of over $3,460 psf
  - Most of units sold were 3-bedroom + Study and 4-bedroom types
  - 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 92% 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
  - Comprises eight sky gardens housing many recreational and entertainment amenities for personal indulgence



** As of 23 Feb 2020*

^ Divested PPS 3 project marketed by CDL

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	484	908,804	2023

Best-selling Property Launch in 2019
375 units (46%) sold on launch weekend

820-unit Waterfront EC in Transformative Punggol District:

- To date, 484 units sold:
  - ASP of over $1,090 psf
  - Apartment sizes: from 840 sq ft for a 3-bedroom to 1,701 sq ft for a 5-bedroom premium penthouse
  - Prices start from $900,000 for a 3-bedroom unit
- 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 of 23 Feb 2020*

Residential Launch in Q4 2019

Sengkang Grand Residences – Integrated Development with Seamless Connectivity

Location	Tenure	Equity Stake	Total Units	Units Released	Total Units Sold*	Total Saleable Area (sq ft)	Expected TOP
Sengkang Central	99-year	50%	680	280	237	550,728	2022

Integrated Development at the heart of Sengkang Central:

- To date, 237 units have been sold:
  - ASP of over $1,730 psf
  - About 93% of buyers are Singaporeans, remaining comprise PRs and foreigners mainly from China, Malaysia, Indonesia, India and Philippines
  - Prices start from $816,000 for a 1-bedroom plus study unit
  - Apartment sizes: from 474 sq ft for a 1-bedroom plus study to 1,324 sq ft for a 4-bedroom premium plus flexi unit
- 680-unit residential development is part of integrated development with a retail mall, community club, hawker centre, community plaza, childcare centre, Buangkok MRT Station and bus interchange
- Located at the heart of Sengkang Central with excellent connectivity:
  - Seamless connectivity to Buangkok MRT Station and bus interchange
  - Convenient access to 3-storey Sengkang Grand Mall spanning over 160,000 sq ft
  - Easy access to Central Expressway (CTE) and Kallang-Paya Lebar Expressway (KPE)
  - Near Seletar Aerospace Park and upcoming Punggol Digital District

Artist's Impression

Sengkang Grand Residences

Best-selling Integrated Project Launch in 2019
216 units (out of 280 released) sold on launch weekend

* As of 23 Feb 2020

Singapore Property Development

Inventory of Launched Residential Projects – As of 23 Feb 2020

Project	Equity Stake	Total Units	Units Sold	Total Unsold Inventory	CDL's Share of Unsold Inventory
Cuscaden Residences	25%	75	74	1	0.3
St. Regis Residences	33%	173	161	12	4.0
The Oceanfront @ Sentosa Cove	50%	264	263	1	0.5
One Shenton	100%	341	327	14	14.0
Cliveden at Grange**	100%	110	43	67	67.0
UP@Robertson Quay	100%	70	61	9	9.0
Echelon	50%	508	506	2	1.0
The Venue Residences	60%	266	265	1	0.6
Coco Palms	51%	944	940	4	2.0
Forest Woods	50%	519	516	3	1.5
New Futura	100%	124	124	0	0.0
The Tapestry	100%	861	712	149	149.0
Whistler Grand	100%	716	475	241	241.0
Boulevard 88	40%	154	91	63	25.2
Amber Park	80%	592	202	390	312.0
Haus on Handy	100%	188	32	156	156.0
Piermont Grand	60%	820	484	336	201.6
Sengkang Grand Residences	50%	680	237	443	221.5
South Beach Residences	50%	190	132	58	29.1
The Jovell	33%	428	112	316	104.3
TOTAL:		**8,023**	**5,757**	**2,266**	**~1,540**

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

Diversified Residential Launch Pipeline

SG Pipeline comprises Mass Market and Mid-Tier segments

Launch Pipeline

1,146 units*

Upcoming Launches

Sims Drive^	1H 2020
Irwell Bank Road	TBC

Sims Drive^
(566 units)

Land cost: **$383.5 million***
($732 psf ppr)

GLS site near Aljunied MRT awarded in Apr 2019

Irwell Bank Road
(Est 580 units)

Land cost: **$583.9 million**
($1,515 psf ppr)

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

Top bidder for Government Land Sales (GLS) site

- **Site area:** 137,634 sq ft
- **Excellent connectivity**
  - Site is located just 200 metres from the upcoming Great World MRT station
  - Within walking distance to Great World City
  - Short drive to the Central Business District and Orchard Road

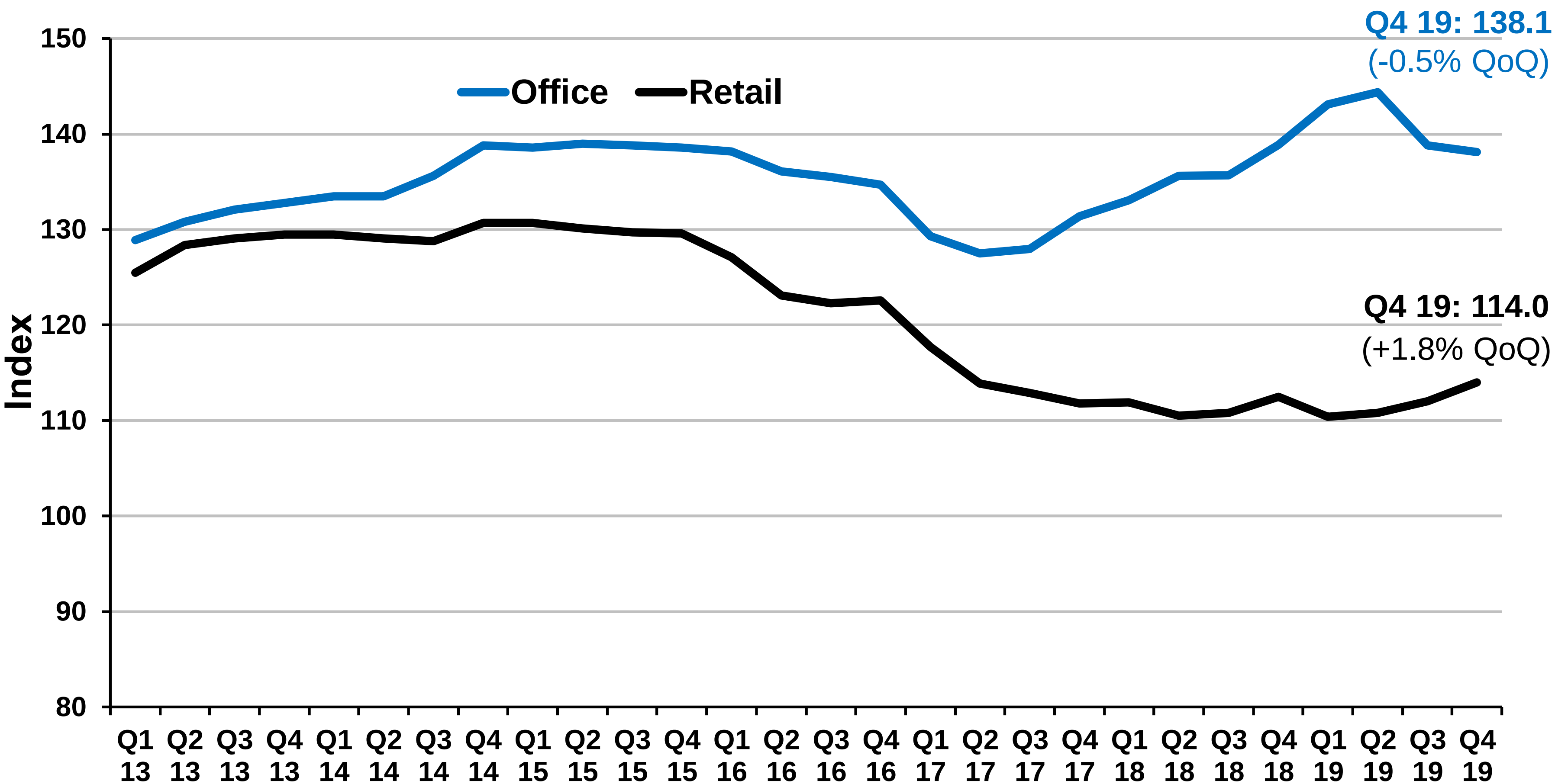
** Includes JV partners share ^ JV project*

Singapore Operations

Asset Management

Singapore Commercial Market

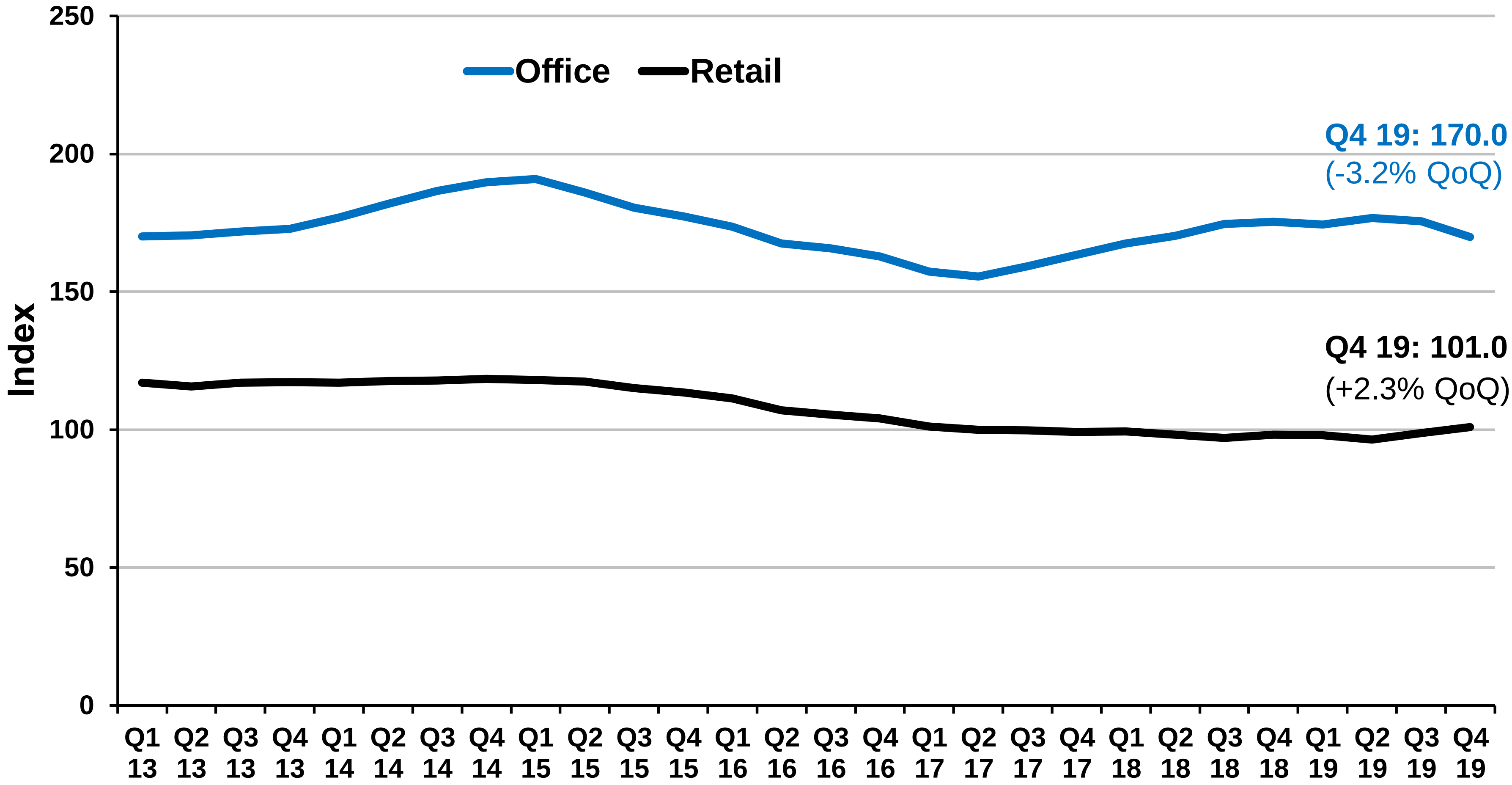
Property Price Index – Commercial (2013 – 2019)



Source : URA, Q4 2019

Singapore Commercial Market

Property Rental Index – Commercial (2013 – 2019)



Source : URA, Q4 2019

Singapore Commercial Portfolio

Strong Committed Occupancy and Positive Rental Reversion for Office & Retail Portfolio (As at 31 December 2019) [1]

Office

13 properties

89.8%

Committed Occupancy

2.2 million sq ft

Net Lettable Area

Retail

9 properties

94.7%

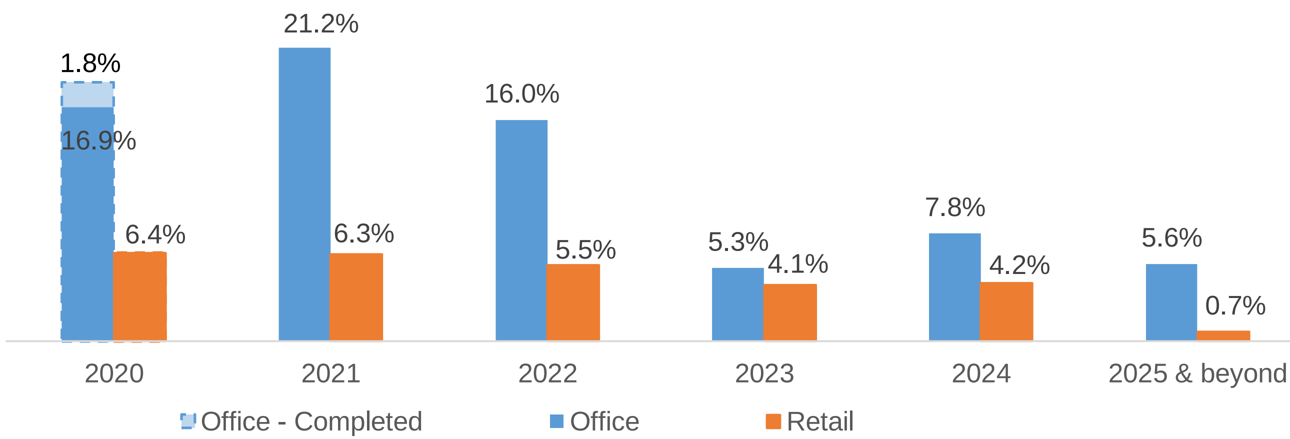
Committed Occupancy

733,000 sq ft

Net Lettable Area

Lease Expiry Profile by % of NLA

- Income stability from well-spread lease expiry profile
- Discussions on renewal of leases expiring in 2020 on-going.

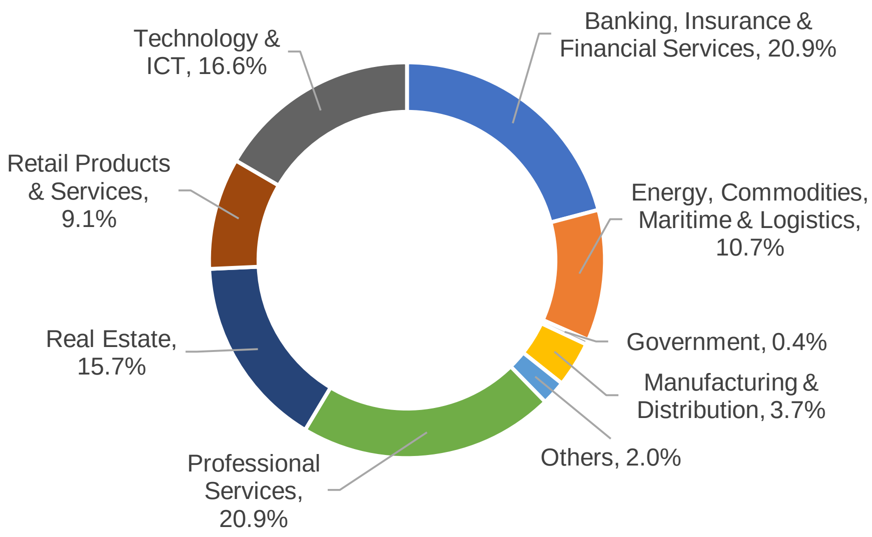


(1) Includes all Singapore assets under management (including JV project South Beach), in accordance to CDL's proportionate ownership.

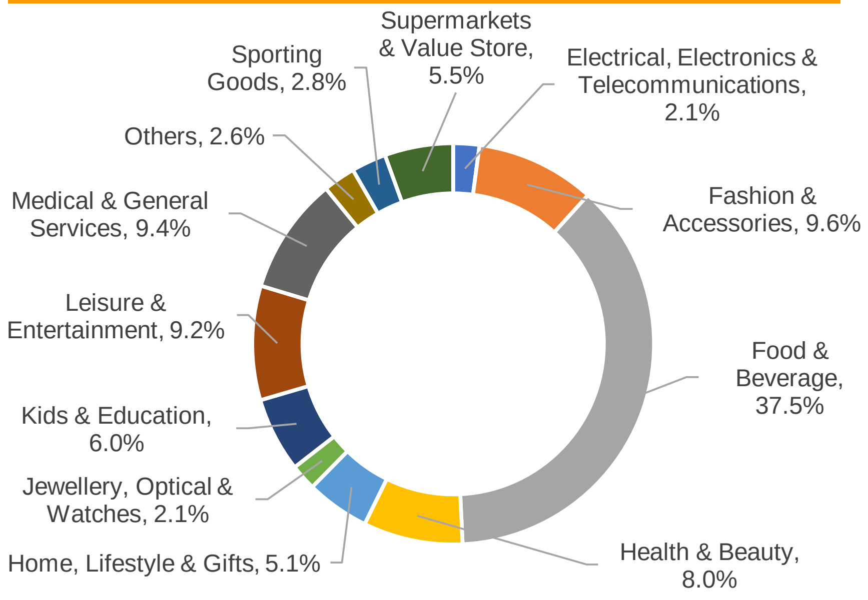
Singapore Commercial Portfolio

Trade Mix of Office & Retail Space by % of Total Gross Rental Income (As at 31 December 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 Professional Services and Banking, Insurance and Financial Services.
  - **Retail**: Active management of trade-mix to refresh and future-proof malls' relevance.

* Includes all Singapore assets under management (including JV project South Beach), in accordance to CDL's proportionate ownership and excludes retail gross turnover rent.

International Operations

International Operations – Australia

Focus on Increasing Exposure in Australia

Bowral

Waterbrook Bowral

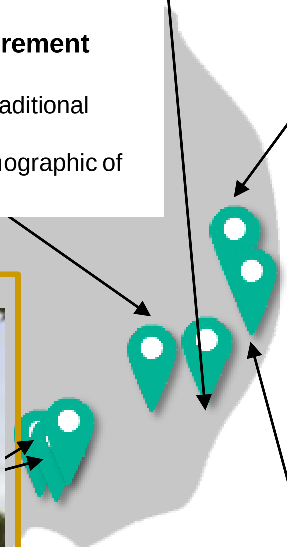
Sydney

Waterbrook Bayview

Luxury Retirement Housing Projects:

Collaboration with Waterbrook Lifestyle Resorts on 2 Freehold Luxury Retirement Housing Projects in Sydney

- Proposed developments offer a high-end hospitality experience that differs from the traditional retirement village model
- Positive on luxury retirement sector due to strong unmet demand from a growing demographic of well-heeled retirees



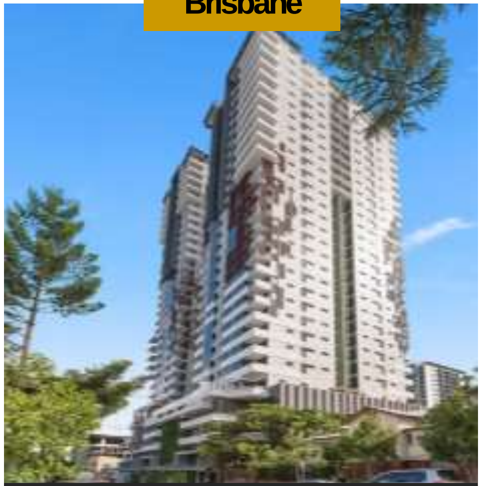
Melbourne

Project on Fitzroy (Mixed Use)

The Marker (Mixed Use)

North Melbourne (Mixed Use)

Brisbane



Ivy and Eve (Residential)

Completed in Feb 2018:

- All 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 80 units to date*
- Sales value of RMB 449 million

Emerald (翡翠都会)

Phase 3 sales launched in May 2019:
Sold 473 units to date*
- Sales value of RMB 1.5 billion
- Expected completion by end 2020

Suzhou (苏州)

Hong Leong City Center (丰隆城市中心)

Continued Sales Momentum:
Total sales of RMB 3.97 billion generated for 92% of 1,804 units to date*^
- Phase 1 – 99% sold
- Phase 2 – 67% sold
- 32,101 sqm Grade A office tower is about 70% occupied and operational since June 2019
- HLCC mall is 82% occupied; hotel expected to open in 2021

Shanghai (上海)

Acquired Prime Asset in Shanghai – Shanghai Hongqiao Sincere Centre:
11 blocks comprising office, a 132-room serviced apartment, retail on ground floor and carpark

Good Uptake:
56 villas sold to date*
- Sales value of RMB 1.24 billion

Hongqiao Royal Lake (御湖)

Hong Leong Plaza Hongqiao (虹桥丰隆广场)

Stable income stream:
- Comprises 5 office towers with 2 levels of basement carparks with GFA of 32,182 sqm
- 3 office towers (71% of total NLA) are leased out as serviced apartment and confinement centre

Yaojiang International (耀江国际)

Asset enhancement:
- Operational since Jan 2019
- Exterior works expected completion by 1H 2020

*As of 23 Feb 2020

* As of 20 February 2020 ^ Excludes 143 units transferred to CDL's wholly-owned subsidiary for investment purpose.

International Operations – Japan

Four freehold rental apartment projects in Osaka added to the Japan portfolio in 2019

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 – 154 units handed over*

Freehold site in Shirokane

Development Site:

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

Horie Lux, Osaka

Freehold residential asset to strengthen recurring income: consisting of 29 residential units and 5 retail units across 14-storeys

Pregio Joto Chuo

B-Proud Tenmabashi

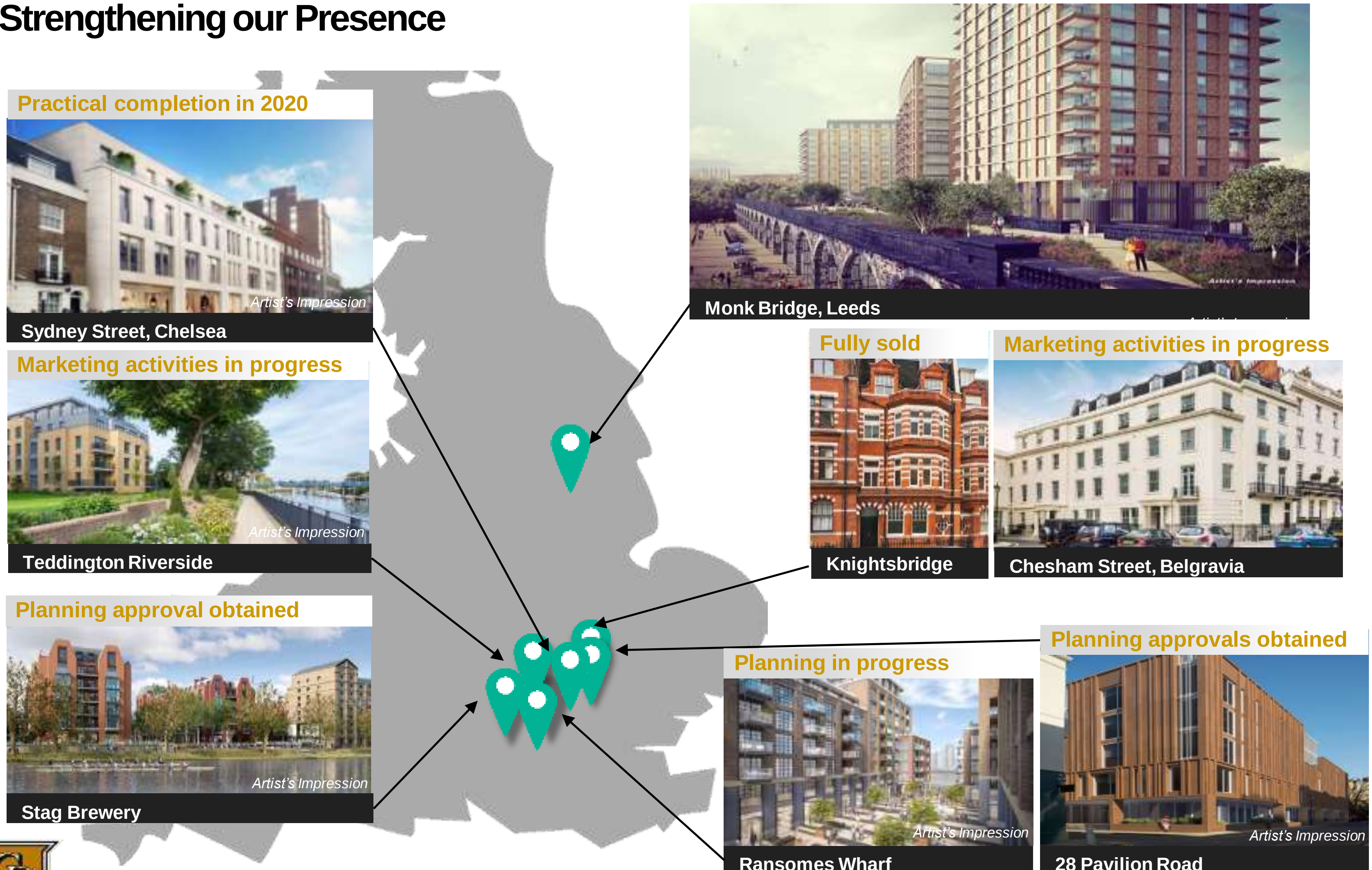
Miyakojima Hondori

Freehold residential properties consisting of 130 units

**As of December 2019*

International Operations – UK Residential

Strengthening our Presence



International Operations – UK Commercial

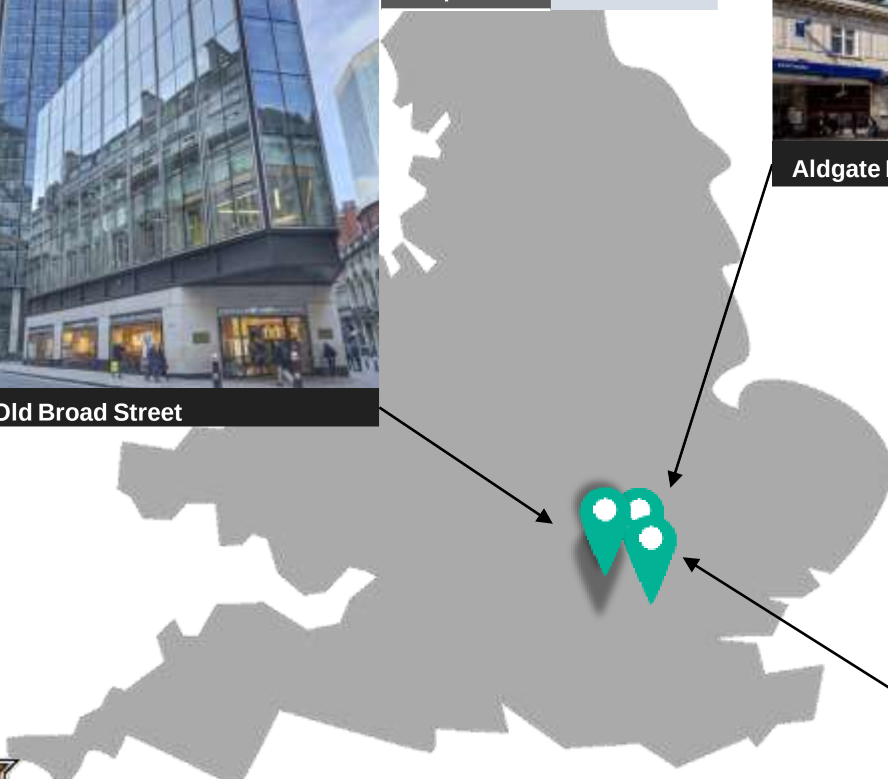
Strengthening our Presence in London

NLA	**328,819**
Occupancy	94%
WALE	5.5
Yield	4.75%
CDL's Acquisition	£385m

125 Old Broad Street

NLA	**210,504**
Occupancy	86%
WALE	6.9
Yield	5.3%
CDL's Acquisition	£183m

Aldgate House



Planning approval obtained

Development House

Hospitality

Hotel Operations

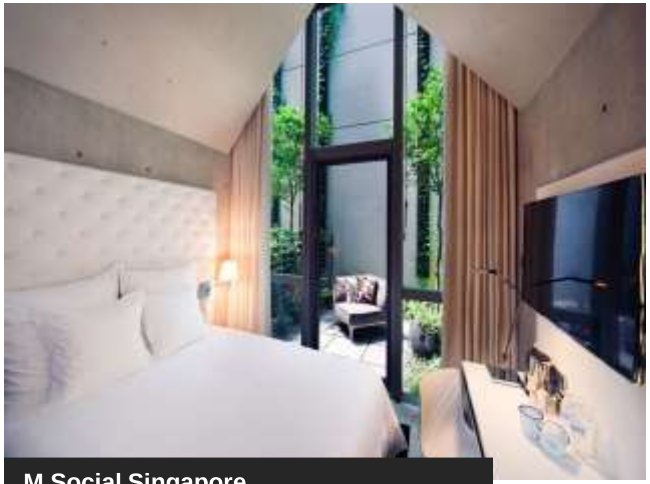
Trading Performance

	FY 2019 $m	FY 2018 $m	Change %
Revenue	**$1,705.0**	$1,679.4	+ 1.5%
Profit Before Tax	**($6.6)**	$40.0	NM *
EBITDA	**$178.3**	$192.1	- 7.2%

Group RevPAR : ↑ 0.9% in YTD Dec 2019 (reported currency)
↑ 0.8% in YTD Dec 2019 (constant currency)

Revenue – increase mainly contributed by the addition of W Singapore – Sentosa Cove to the Group's hotel portfolio in April 2019 and resilient RevPAR for FY 2019

Pre-tax loss of $6.6m recorded in FY 2019 was attributed to:
- One-off costs of $26m for the successful privatisation of M&C Group
- Closure of Millennium Hotel London Mayfair and Dhevanafushi Maldives Luxury Resort in 2018 for refurbishment.
- Due to pre-opening costs and higher depreciation.
- Loss making US region
- Impairment loss of $58m for hotels (FY 2018: $94m)


M Social Singapore


Millennium Hilton New York One UN Plaza

* NM: Not meaningful

Hotel Operations Performance

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

	Room Occupancy			Average Room Rate			RevPAR		
	FY 2019 %	FY 2018 %	Incr / (Decr) % pts	FY 2019 S$	FY 2018 * S$	Incr / (Decr) %	FY 2019 S$	FY 2018 * S$	Incr / (Decr) %
Singapore	86.2	83.7	2.5	186.9	175.0	6.8	161.2	146.6	10.0
Rest of Asia	70.5	68.9	1.6	158.5	163.2	(2.9)	111.8	112.5	(0.6)
Total Asia	**76.4**	**74.3**	**2.1**	**170.4**	**168.0**	**1.4**	**130.1**	**124.8**	**4.2**
New Zealand	**82.4**	**82.5**	**(0.1)**	**154.7**	**154.1**	**0.4**	**127.4**	**127.2**	**0.2**
London	79.1	80.1	(1.0)	240.3	221.7	8.4	190.1	177.6	7.0
Rest of Europe	69.6	71.2	(1.6)	131.5	137.1	(4.1)	91.5	97.6	(6.3)
Total Europe	**74.2**	**75.6**	**(1.4)**	**187.8**	**181.4**	**3.5**	**139.3**	**137.1**	**1.6**
New York	86.6	86.3	0.3	344.1	349.3	(1.5)	298.2	301.5	(1.1)
Regional US	58.0	57.6	0.4	186.1	188.5	(1.3)	108.0	108.6	(0.6)
Total US	**67.5**	**67.1**	**0.4**	**253.2**	**256.8**	**(1.4)**	**170.9**	**172.2**	**(0.8)**
Total Group	**73.7**	**73.1**	**0.6**	**196.7**	**196.8**	**(0.1)**	**145.0**	**143.9**	**0.8**

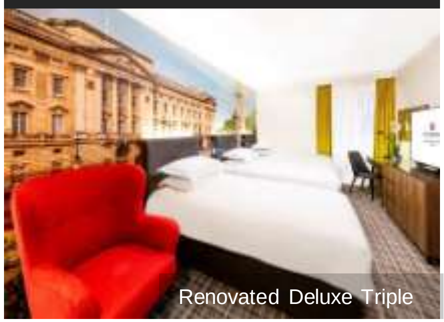
* For comparability, YTD FY2018 Average Room Rate and RevPAR had been translated at constant exchange rates (31 Dec 19).

Asset Enhancement Plans

M&C's 2020 Capex Programme – $140 million

Ongoing Phased Works
– Expected completion in 2020 / 2021

Millennium Hotel Gloucester London Kensington


Renovated Deluxe Triple

Millennium Hotel Paris Opera


Renovated Club Room

Copthorne King's Hotel


Renovated Signature Queen Room


Renovated Signature Studio

Planned Phased Works

Millennium Hilton New York Downtown

US$37 million ($50 million) phased refurbishment works over 2020 / 2021

Grand Copthorne Waterfront Hotel

Studio M Hotel

CDL Hospitality Trusts

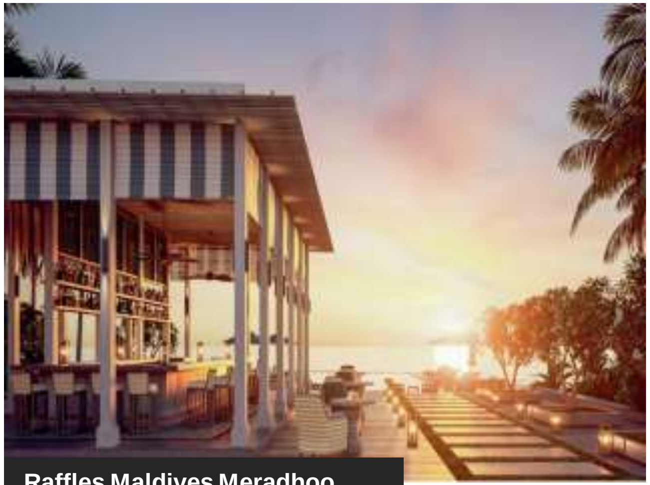
Trading Performance

	FY 2019 $m	FY 2018 $m	Change %
Gross Revenue	**196.9**	**201.8**	-2.4
Net Property Income (NPI)	**141.2**	**146.1**	-3.3

Gross Revenue and NPI decreased mainly due to:

- Decreased revenue contribution of **S$7.9m year-on-year** from CDLHT properties excluding Hotel Cerretani Firenze.
- Major asset enhancement works at Raffles Maldives Meradhoo, Orchard Hotel and Angsana Velavaru.
- In 2018, CDLHT recognised a gain on disposal of Mercure Brisbane and Ibis Brisbane of **S$5.4m** – no such gain in 2019.
- Exchange losses of approx. **S$4.7m** due to depreciation of AUD and EUR denominated receivables and cash balances against SGD.
- Higher loan interest expense (~**S$2.5m**) due to acquisitions and asset enhancements.

Resolution for the divestment of Novotel Singapore Clarke Quay, as part of proposed redevelopment transaction, and the acquisition of W Singapore – Sentosa Cove approved at EGM on 23 Jan 2020.


Raffles Maldives Meradhoo


W Hotel

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.

Artist's impression
Amber Park, Singapore

Appendix

Portfolio Composition – FY 2019

$ million	Property Development	Recurring Income Segments			Total
		Hotel Operations	Investment Properties	Others	
EBITDA *					
Local	297	95	361	33	786
Overseas	138	83	113	6	340
	435	**178**	**474**	**39**	**1,126**
Total Assets ^					
Local	5,694	1,017	3,549	710	10,970
Overseas	2,864	4,916	3,013	1,414	12,207
	8,558	**5,933**	**6,562**	**2,124**	**23,177**

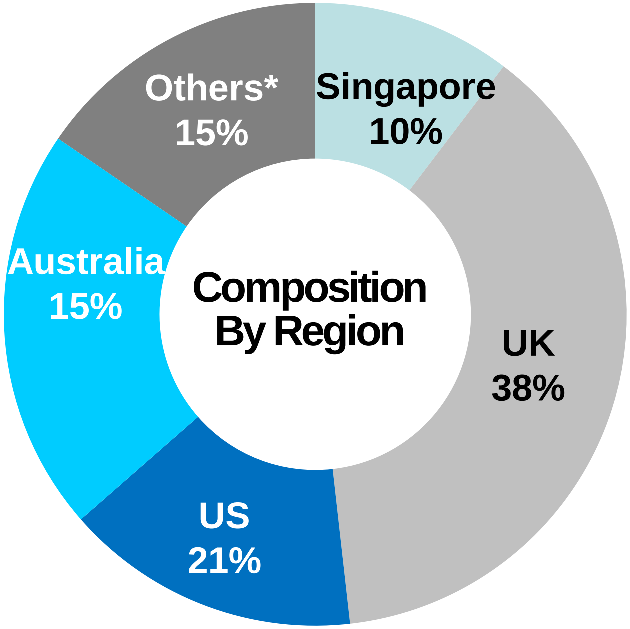
* Earnings before interest, tax, depreciation and amortisation.
^ Excludes tax recoverable and deferred tax asset.

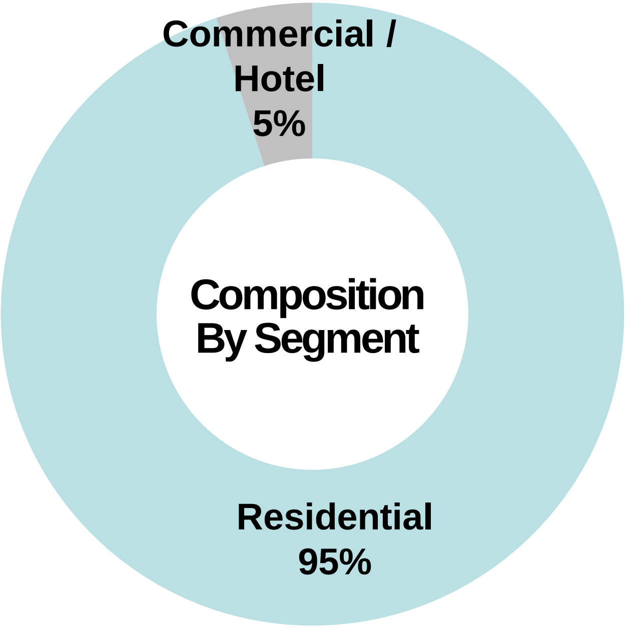
Diversified Land Bank

Land Area (as of 31 Dec 2019) – CDL's Attributable Share

Type of Development	Land Area (sq ft)			
	Singapore	International	Total	%
Residential	335,572	2,938,797	3,274,369	95
Commercial / Hotel	20,886	150,947	171,833	5
Total	**356,458**	**3,089,744**	**3,446,202**	**100**

Total Land Area[1] – 3.4 million sq ft





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

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%	195	174,048	Q4 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	439,596	Completed
Hongqiao Royal Lake	Shanghai	100%	85	385,394	Completed
Eling Palace	Chongqing	50%	126	325,854	Completed
Emerald	Chongqing	30%	820	1,116,076	Q4 2020
Japan					
Park Court Aoyama The Tower	Tokyo	20%	160	180,060	Completed
UK					
Hans Road, Knightsbridge	London	100%	3	5,166	Completed
Chesham Street, Belgravia	London	100%	6	12,375	Completed
Teddington Riverside	London	100%	239^	233,870	Q2 2020
Sydney Street, Chelsea	London	100%	9	15,991	Q1 2020

 # Effective economic interest is ~49%
^ Includes 15 affordable apartments

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						
28 Pavilion Road	London	Freehold	100%	TBC	116,573^*	TBC
Ransomes Wharf	London	Freehold	100%	118	249,323^	TBC
Stag Brewery	London	Freehold	100%	663~	994,585+	TBC
Japan						
Shirokane	Tokyo	Freehold	100%	TBC	180,995+	TBC
Australia						
Mina Parade	Brisbane	Freehold	100%	222	502,345+	2023
Fitzroy	Melbourne	Freehold	50%	TBC	19,590+	2024
North Melbourne	Melbourne	Freehold	50%	180	33,024+	2022

**Based on a 120-room hotel scheme*

~Excludes 150 flexible assisted living / residential units and a care home with 80 ensuite rooms

Australia – Property Development

The Marker, Melbourne

Tenure	Equity Stake	Est. Total Saleable Area (sq ft)	Total Units	Expected Completion
Freehold	50%	174,048	195	4Q21

- Launched for pre-sales in May 19

Site in Fitzroy, Melbourne

Tenure	Equity Stake	Est. Total Saleable Area (sq ft)	Total Units	Expected Completion
Freehold	50%	TBC		2Q24

- Project currently in planning stages

Site in Mina Parade, Brisbane

Tenure	Equity Stake	Est. Total Saleable Area (sq ft)	Total Units	Expected Completion
Freehold	100%	216,126	222	1Q23

- Project expected to launch in 2020


The Marker *Artist's Impression*


Project in Fitzroy *Artist's Impression*


Project in Mina Parade *Artist's Impression*

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 80 units with sales value of RMB 449 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 473 units with sales value of RMB 1.5 billion*^

Eling Palace, Chongqing

Emerald, Chongqing

Artist's Impression

** As of 23 February 2020*

^ 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	1,651^	92	Completed (Phase 1 & 2~)

- Total sales of RMB 3.97 billion generated to date:
  - Phase 1 – 99% sold
  - Phase 2 – 67% sold
- Phase 1: Tower 1 (462-unit residential) & Tower 3 (912-unit SOHO)
- Phase 2: Tower 2 (430-unit residential), 32,101 sqm office tower, 56,000 sqm retail mall & 32,600 sqm hotel
- HLCC mall started operation in June 2018 and is 82% occupied.
- M Social hotel expected to open by 1H 2021
- HLCC's 32,101 sqm premium Grade A office tower is about 70% occupied and operational since June 2019

** As of 23 February 2020*
^ 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

- Operational since Q4 2019
- Three office tower (71% of total NLA) has been leased out as serviced apartment and confinement centre

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 1H 2020
- Operational since January 2019

Yaojiang International, Shanghai

* With effect from 10 April 2002

UK – Property Development

UK – Planning Approvals Obtained

28 Pavilion Road

Tenure	Equity Stake	Est. Total Gross Floor Area (sq ft)
Freehold	100%	116,573*

- Planning approvals granted for a 28-unit residential scheme and a mixed-use scheme with 24 residential units and a health club
- In-principle approval obtained for a 120-room hotel scheme

**Based on a 120-room hotel scheme*


28 Pavilion Road *Artist's Impression*

Stag Brewery

Tenure	Equity Stake	Site Area (sq ft)
Freehold	100%	994,585

- The largest redevelopment area in the borough
- Planning approval obtained for a mega mixed-use scheme consisting of 663 residential units, a care village, floor space for community, recreational and commercial uses


Stag Brewery *Artist's Impression*

Development House

Tenure	Equity Stake	Est. Total Gross Floor Area (sq ft)
Freehold	100%	111,440

- Planning approval granted for a 10-storey office building with flexible retail space


Development House *Artist's Impression*

UK – Property Development

UK – Projects under Construction

Teddington Riverside

Tenure	Equity Stake	Est. Total Saleable Area (sq ft)	Total Units	Units Released	Expected Completion
Freehold	100%	233,870	224^	76	Q2 2020

- Phase 1, Carlton House and Shepperton House (76 apartments in total), is ready for occupation
- Sales and leasing activities in progress

^ excludes 15 affordable housing units

Teddington Riverside *Artist's Impression*

Sydney Street, Chelsea

Tenure	Equity Stake	Est. Total Saleable Area (sq ft)	Total Units	Expected Completion
Freehold	100%	15,991	9^{+}	Q1 2020

- Preview in May 2019
- Marketing activities in progress

$^{+}$8 residential units + 1 retail unit

Sydney Street, Chelsea *Artist's Impression*

UK – Property Development

UK – Completed Projects

Hans Road, Knightsbridge

Tenure	Equity Stake	Est. Total Saleable Area (sq ft)	Total Units	Expected Completion
Freehold	100%	5,116	3	Completed

- Fully sold in 2019 with an average selling price at £4,176 psf


Hans Road, Knightsbridge

Chesham Street, Belgravia

Tenure	Equity Stake	Est. Total Saleable Area (sq ft)	Total Units	Expected Completion
Freehold	100%	12,375	6	Completed

- Fully-fitted apartments are available for sale and lease


Chesham Street, Belgravia