

HALF YEAR FINANCIAL REPORT

1 Jan – 30 Jun 2015

13 August 2015
ANALYST / MEDIA BRIEFING



Artist's Impression of The Brownstone

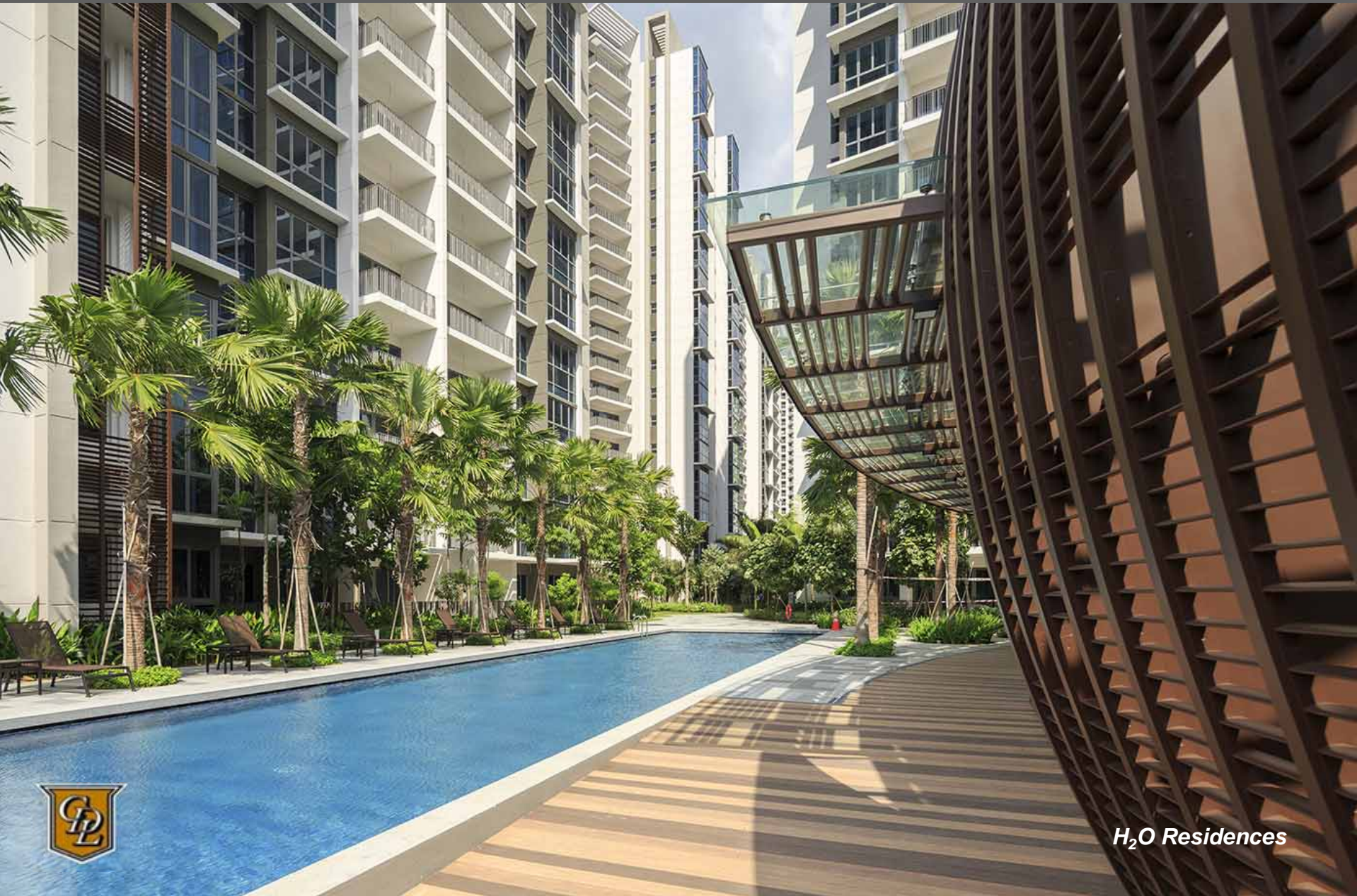
AGENDA

1. FINANCIAL HIGHLIGHTS
2. SINGAPORE PROPERTY MARKET
3. OPERATIONS REVIEW
4. HOTEL OPERATIONS & CDLHT
5. STRATEGIC PLATFORMS



Artist's Impression of Gramercy Park

FINANCIAL HIGHLIGHTS



H₂O Residences

KEY FINANCIAL HIGHLIGHTS

- Achieved credible PATMI of \$133.5m and \$256.5m for Q2 2015 and 1H 2015 respectively, propelled by robust core earnings from both property development and hotel operations business segments.
- No revaluation surpluses on investment properties and hotels (including CDL Hospitality Trusts).
- Strong balance sheet with Group cash and cash equivalents of \$3.7 billion as at 30 Jun 2015.
- Healthy net gearing ratio of 28% (without factoring any fair value gains in investment properties) and interest cover at 10.5 times for 1H 2015.
- Under the prevailing accounting standards, revenue and profit for Executive Condominium are recognised based on completion of contract (COC) method. The Rainforest, a joint venture which obtained Temporary Occupation Permit in Q1 2015, recognised its profit in entirety in 2015. Another fully sold EC, Lush Acres, will recognise its entire profits upon TOP, expected in 2016.
- Special interim ordinary dividend of 4.0 cents per ordinary share.



SUMMARY OF FINANCIAL HIGHLIGHTS

	Q2 2015	Q2 2014	% Change	1H 2015	1H 2014	% Change
Revenue (\$m)	825	861	(4.2)	1,640	1,595	2.8
PATMI (\$m)	133	138	(3.2)	257	258	(0.4)
Basic Earnings Per Share (cents)	14.0	14.5	(3.4)	27.5	27.6	(0.4)
NAV Per Share (\$)				9.36	8.67	8.0

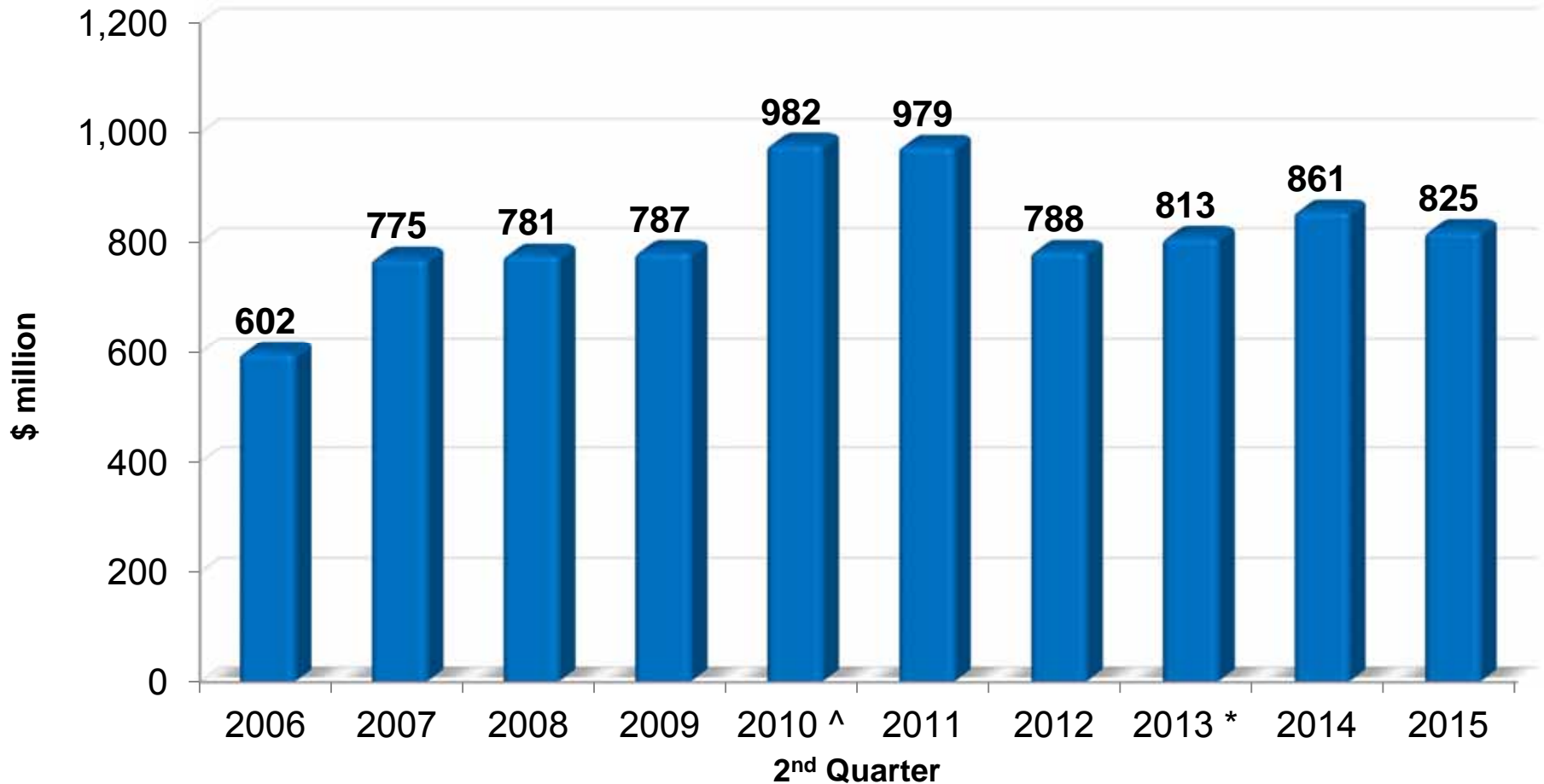
No fair value adopted on investment properties.

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



FINANCIAL HIGHLIGHTS

Revenue for the 2nd Quarter (2006 – 2015)



[^] Restated due to the adoption of INT FRS 115 for 2010 only.

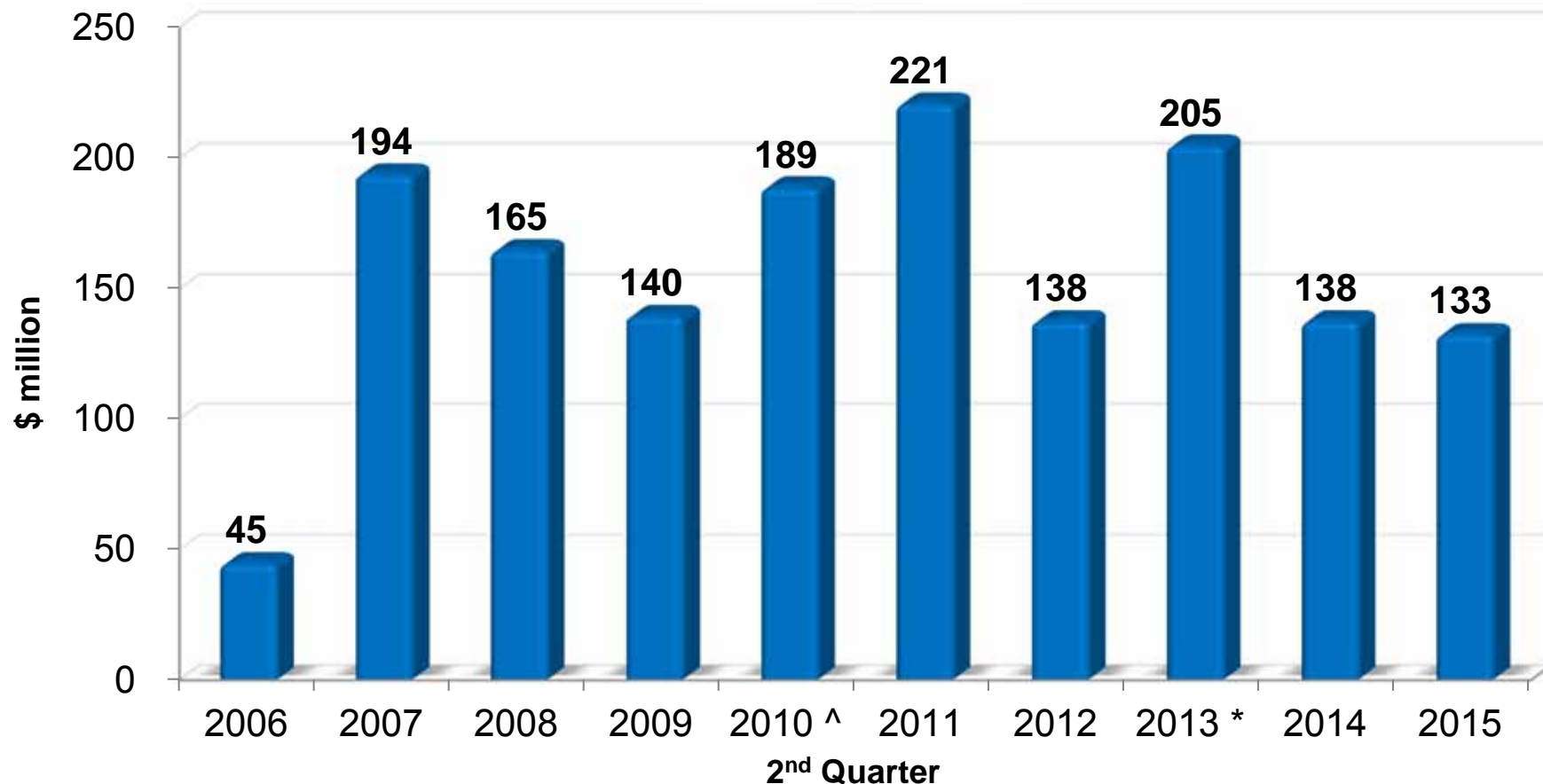
^{*} Restated due to the adoption of FRS 110 for 2013 only.

Note: The above financial information is extracted from 2nd quarter announcement of respective years.



FINANCIAL HIGHLIGHTS

PATMI for 2nd Quarter (2006 – 2015)



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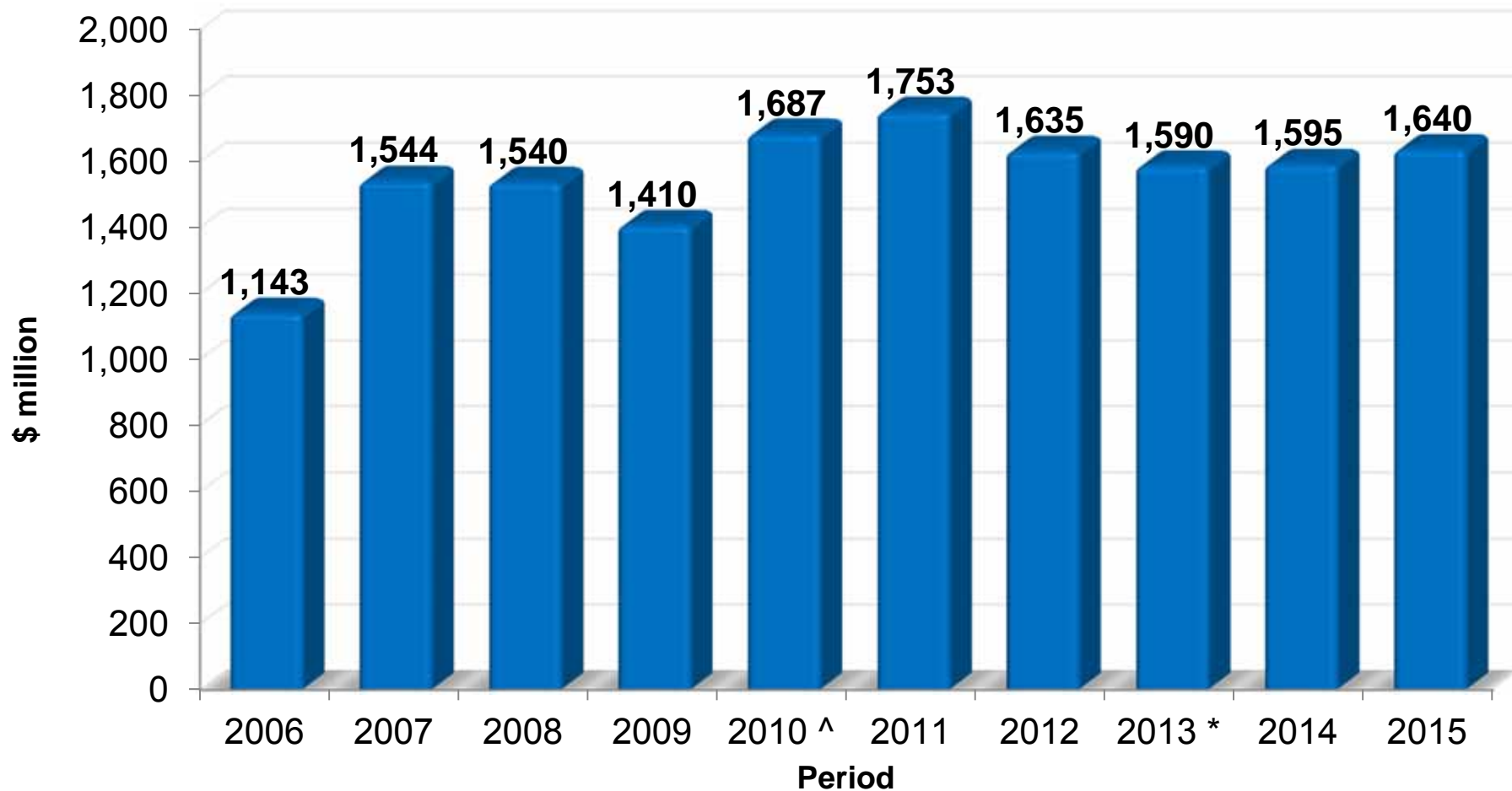
Note: The above financial information is extracted from 2nd quarter announcements of respective years.

The Group adopted FRS 40 cost model whereby its investment properties continue to be stated at cost less accumulated depreciation and accumulated impairment losses with effect from 1 Jan 2007.



FINANCIAL HIGHLIGHTS

Revenue for the Period Ended 30 Jun (2006 – 2015)



^ Restated due to the adoption of INT FRS 115 for 2010 only.

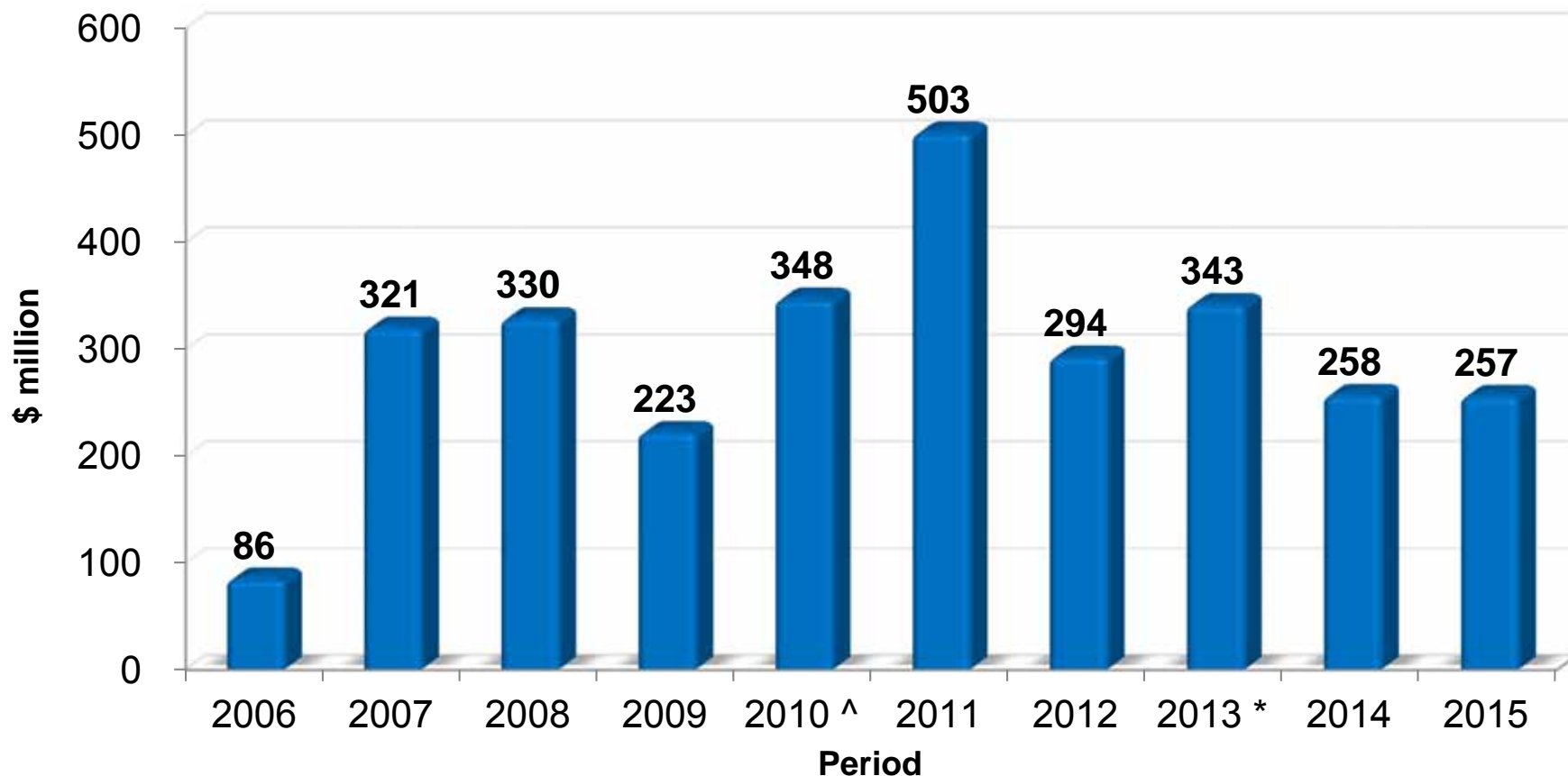
* Restated due to the adoption of FRS 110 for 2013 only.

Note: The above financial information is extracted from half-yearly announcements of respective years.



FINANCIAL HIGHLIGHTS

PATMI for the Period Ended 30 Jun (2006 – 2015)



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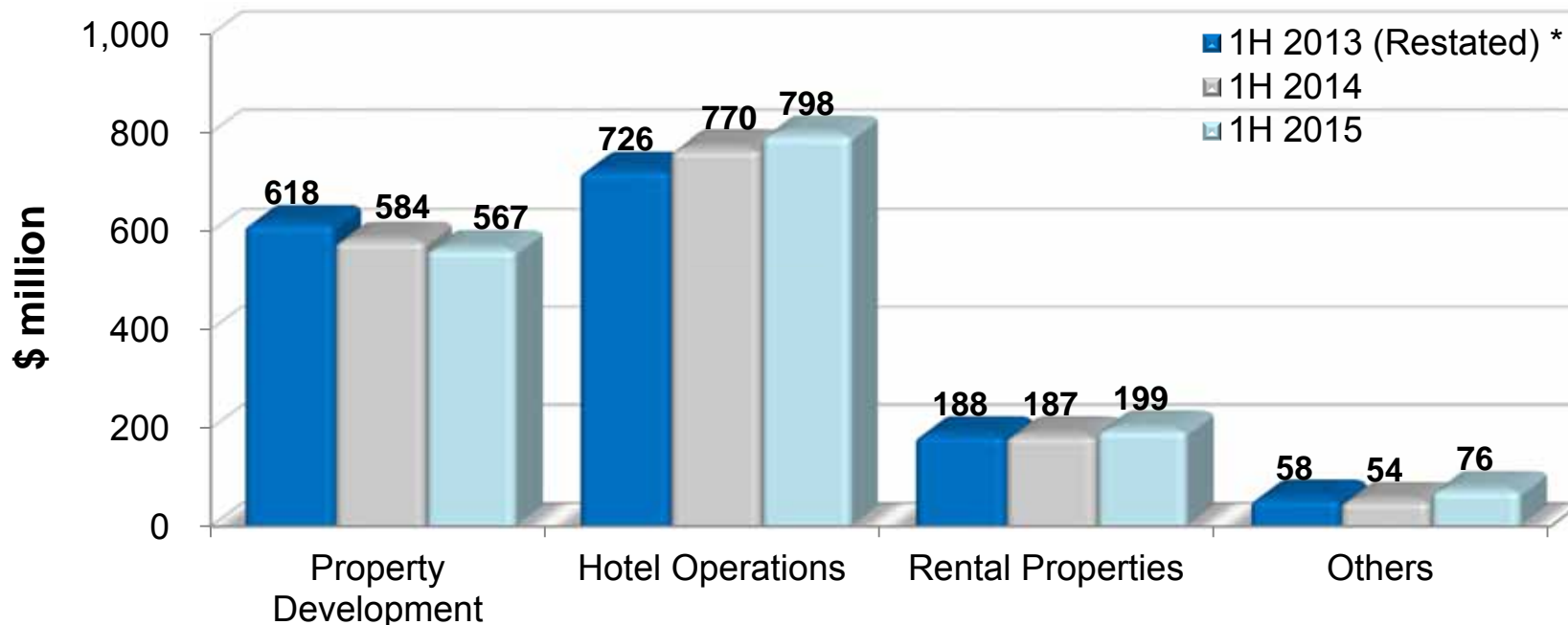
Note: The above financial information is extracted from half-yearly announcements of respective years.

The Group adopted FRS 40 cost model whereby its investment properties continue to be stated at cost less accumulated depreciation and accumulated impairment losses with effect from 1 Jan 2007.



FINANCIAL HIGHLIGHTS

Revenue by Segment – 1H 2015 vs 1H 2014 & 1H 2013



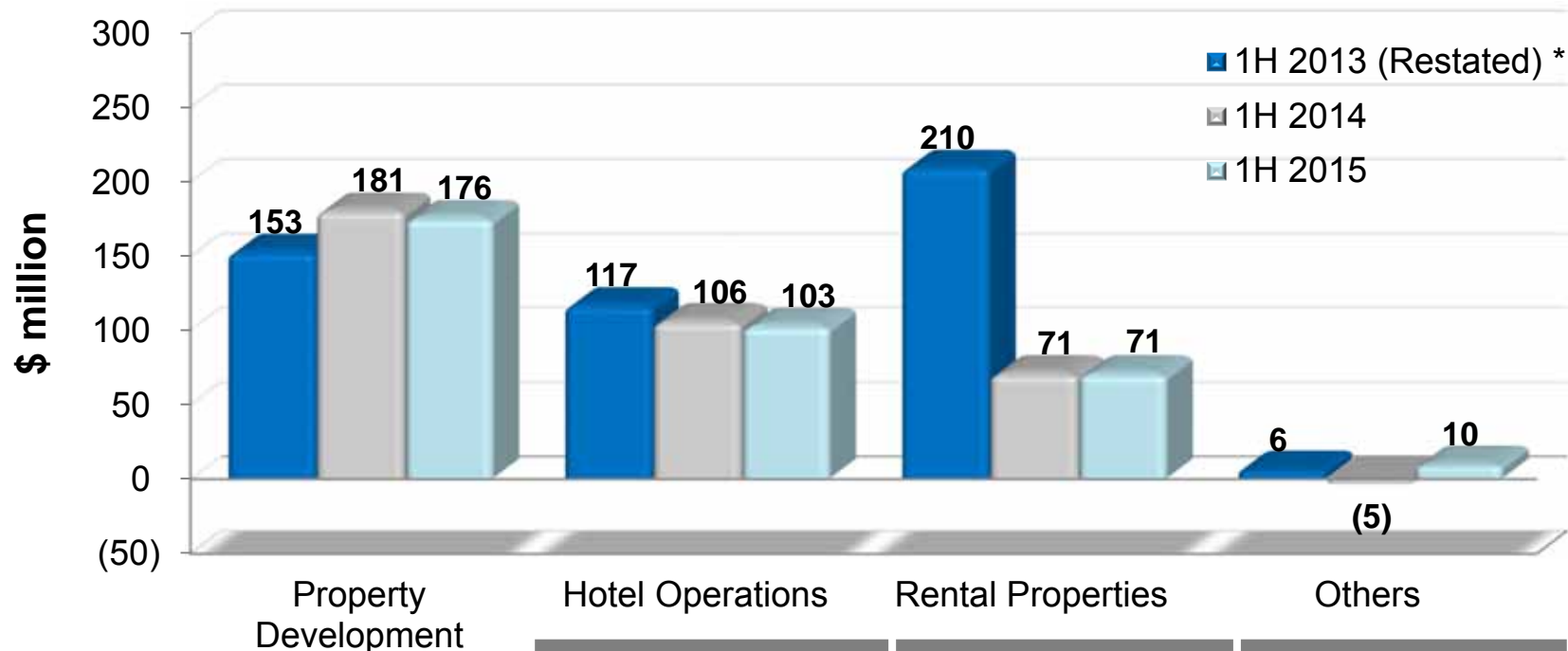
	1H 2015	1H 2014	1H 2013 (Restated) *
Property Development	35%	37%	39%
Hotel Operations	49%	48%	45%
Rental Properties	12%	12%	12%
Others	4%	3%	4%

* Restated due to the adoption of FRS 110 for 2013.



FINANCIAL HIGHLIGHTS

Profit before Tax by Segment – 1H 2015 vs 1H 2014 & 1H 2013



	1H 2015	1H 2014	1H 2013 (Restated) *
Property Development	49%	51%	32%
Hotel Operations	29%	30%	24%
Rental Properties	19%	20%	43%
Others	3%	(1%)	1%

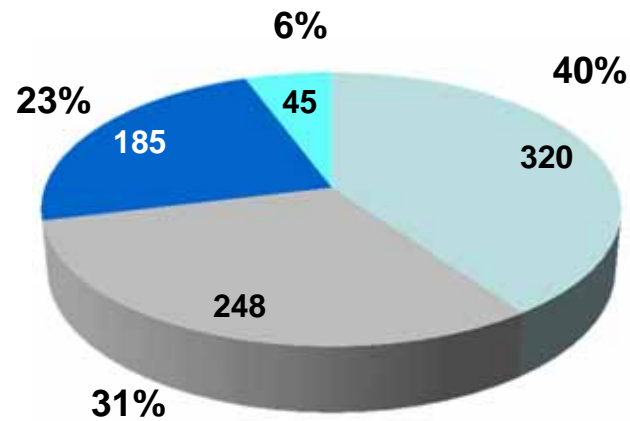
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FINANCIAL HIGHLIGHTS

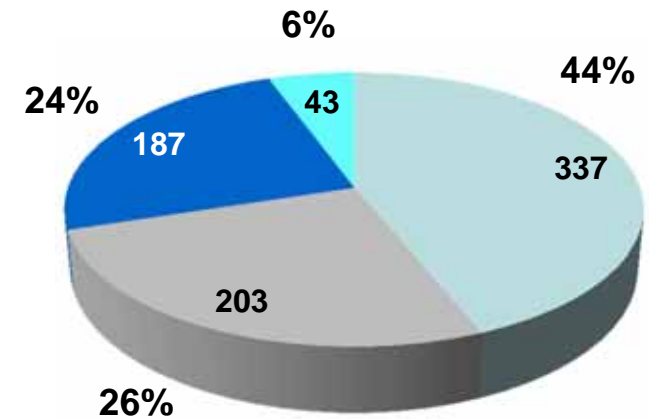
Hotel Revenue by Region

1H 2015



\$798m *

1H 2014



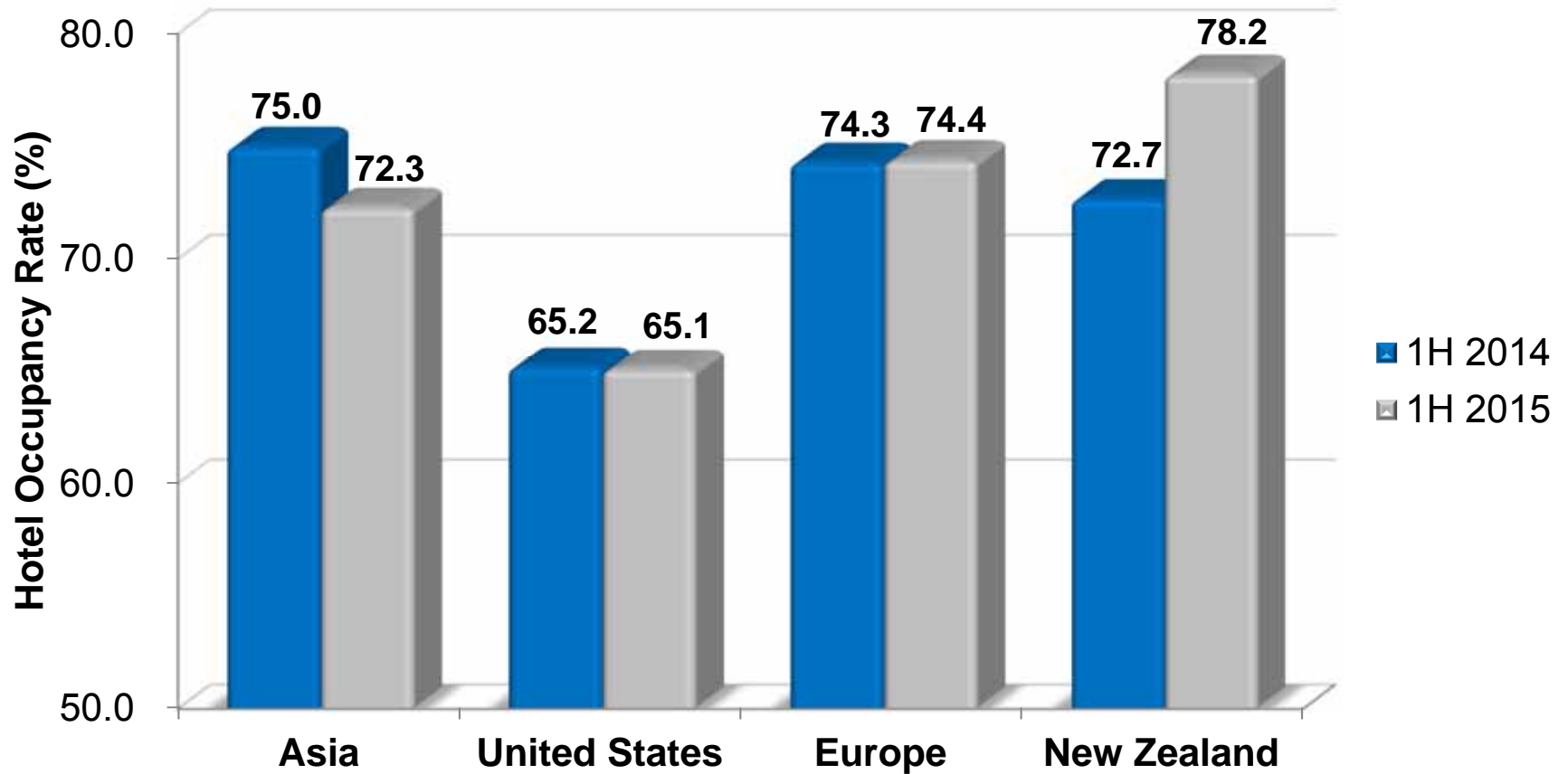
\$770m *

* Includes room revenue of \$517.9m (1H 2014: \$494.4m) for 1H 2015.



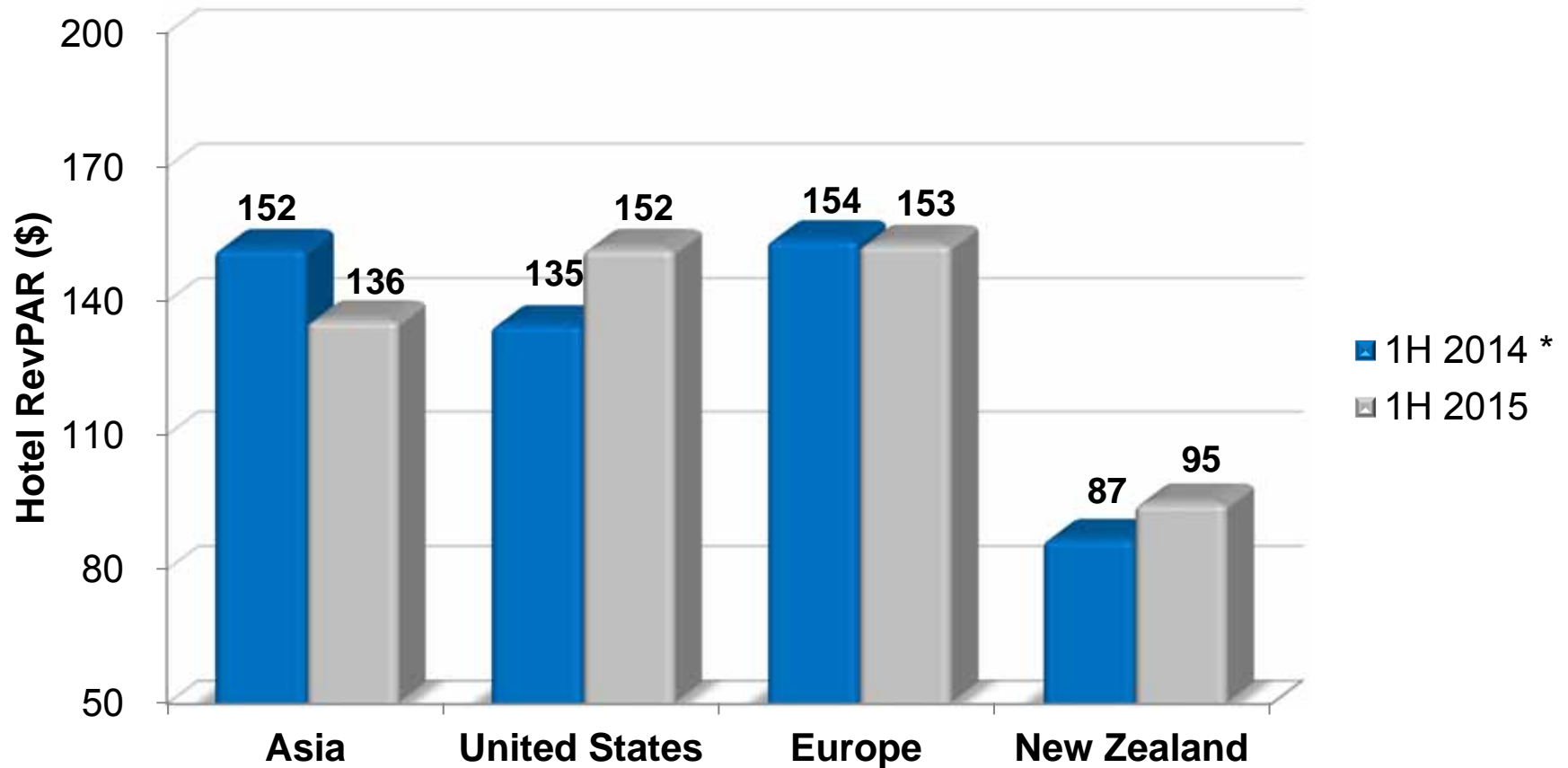
FINANCIAL HIGHLIGHTS

Hotel Occupancy by Region



FINANCIAL HIGHLIGHTS

Hotel Revenue Per Available Room at Constant Currency



* For comparability, 1H 2014 RevPAR has been translated at constant exchange rates (30 Jun 2015).

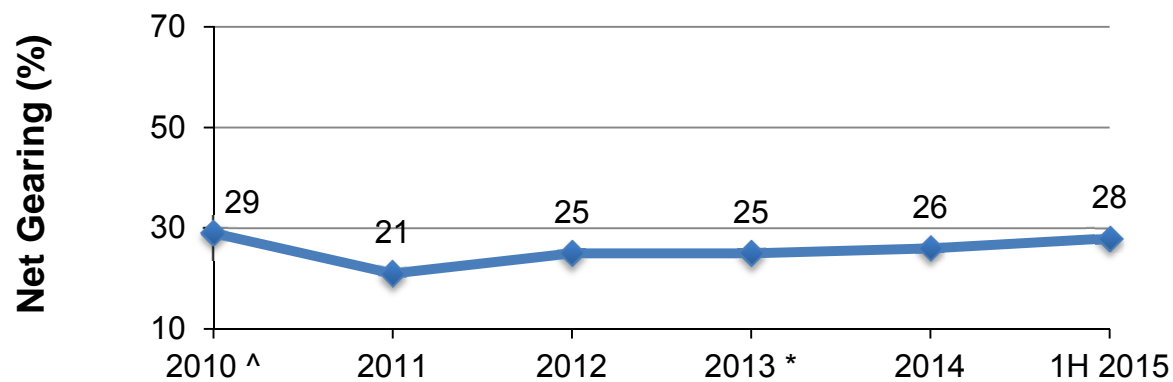


FINANCIAL HIGHLIGHTS

Capital Management

CDL Group Total	As at 30/06/15	As at 31/12/14	As at 30/06/14
Net Borrowings	\$2,962m	\$2,820m	\$3,145m
Interest Cover Ratio	10.5 x	12.1 x	10.7 x
Cash and cash equivalents	\$3,690m	\$3,898m	\$3,350m
Gearing ratio without taking in fair value gains on investment properties	28%	26%	33%

CDL's Net Gearing (%) (2010 – 1H 2015)



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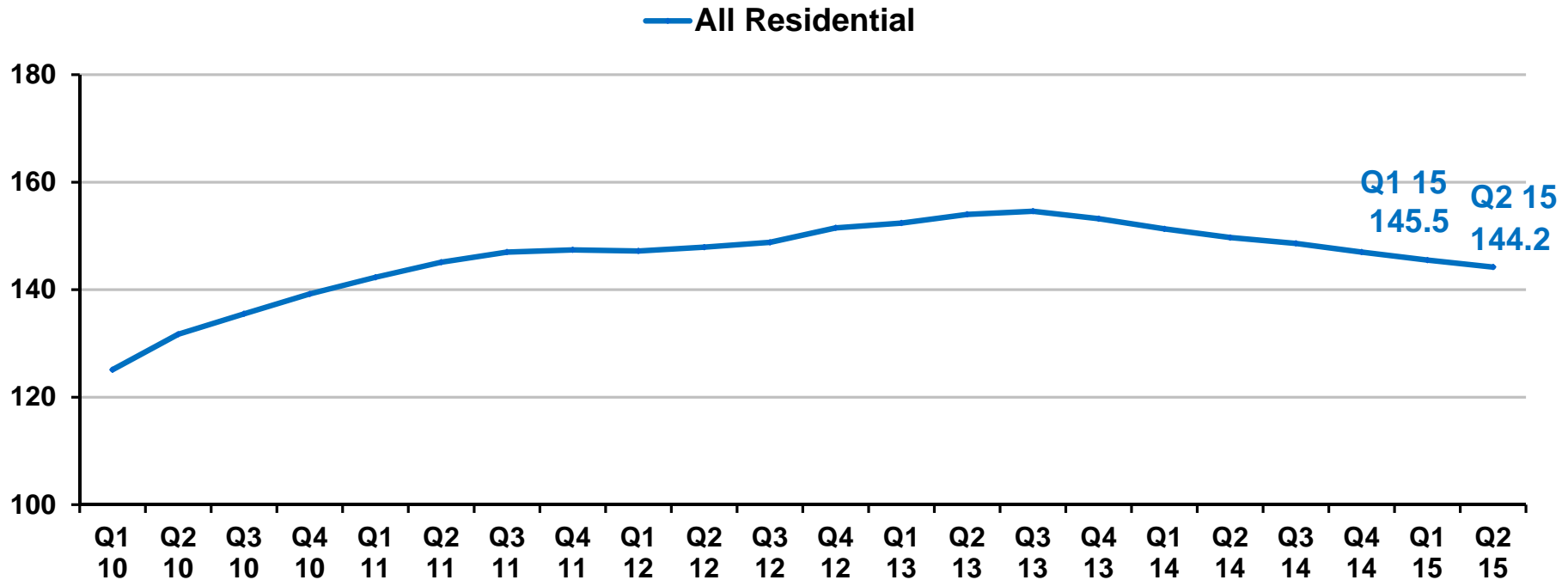
SINGAPORE PROPERTY MARKET



*Gramercy Park
For Illustration Only*

SINGAPORE PROPERTY MARKET

Property Price Index – Residential (2010 – 1H 2015)



Source : URA, Q2 2015

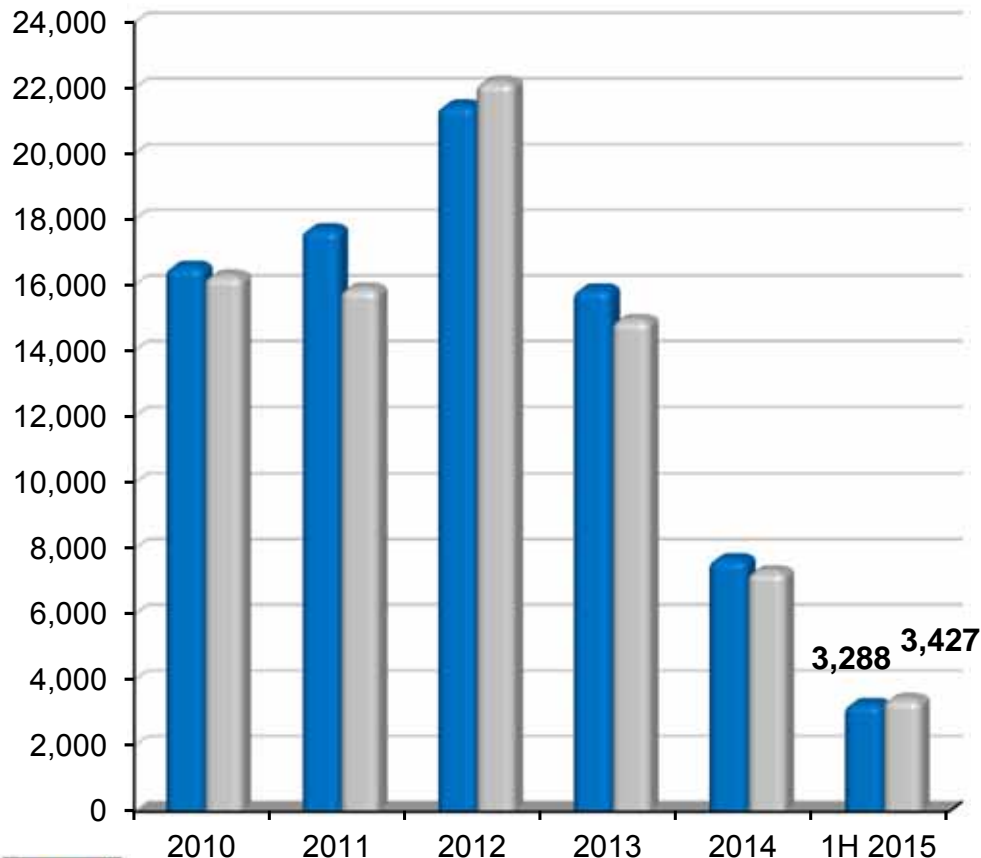
Based on Revised PPI



SINGAPORE PROPERTY MARKET

No. of New Private Residential Units Launched vs Units Sold (Projects under Construction) (2010 – 1H 2015)

■ New Units Launched ■ New Units Sold (Projects Under Construction)



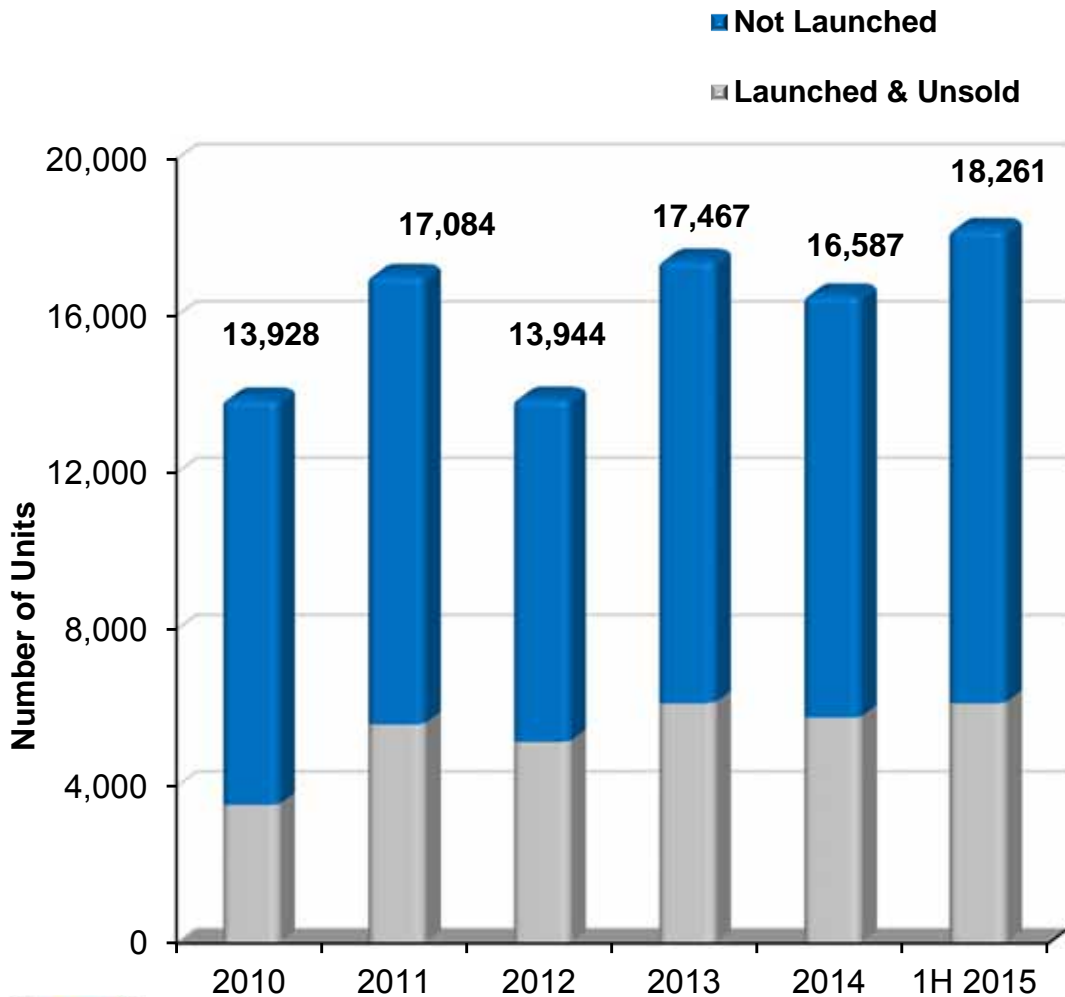
	<u>New Units Launched</u> (excl. EC units)	<u>New Units Sold Directly By Developers</u> (excl. EC units)
2010	16,575	16,292
2011	17,710	15,904
2012	21,478	22,197
2013	15,885	14,948
2014	7,693	7,316
1H 2015	3,288	3,427



Source : URA, Q2 2015

SINGAPORE PROPERTY MARKET

No. of Uncompleted Private Residential Units Available (2010 – 1H 2015)



	<u>Launched & Unsold</u>	<u>Not Launched*</u>	<u>Total</u>
2010	3,528	10,400	13,928
2011	5,584	11,500	17,084
2012	5,137	8,807	13,944
2013	6,124	11,343	17,467
2014	5,750	10,837	16,587
1H 2015	6,122	12,139	18,261

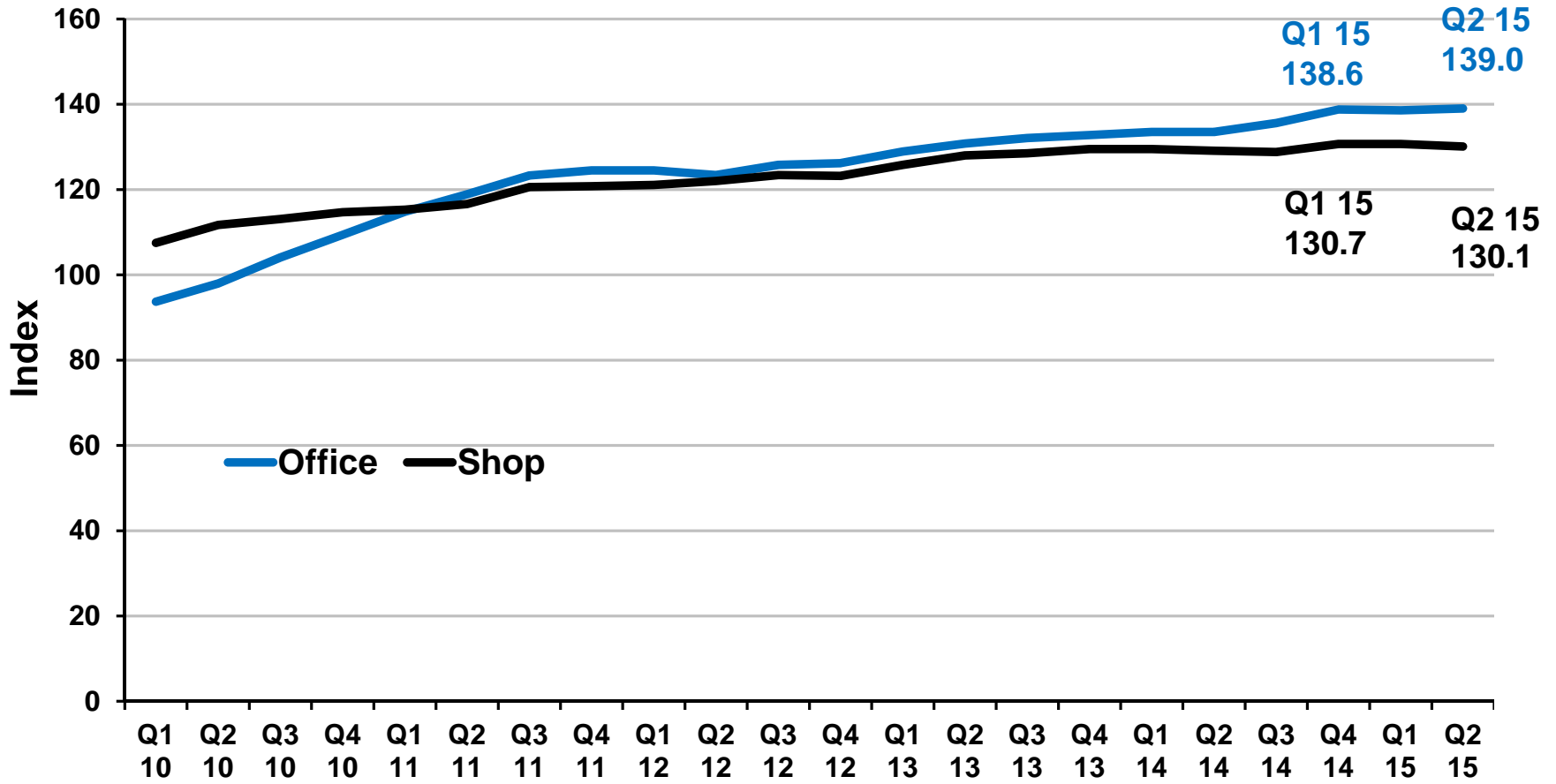
Source : URA, Q2 2015

*Launch timing unknown and may not materialise



SINGAPORE PROPERTY MARKET

Property Price Index – Commercial (2010 – 1H 2015)

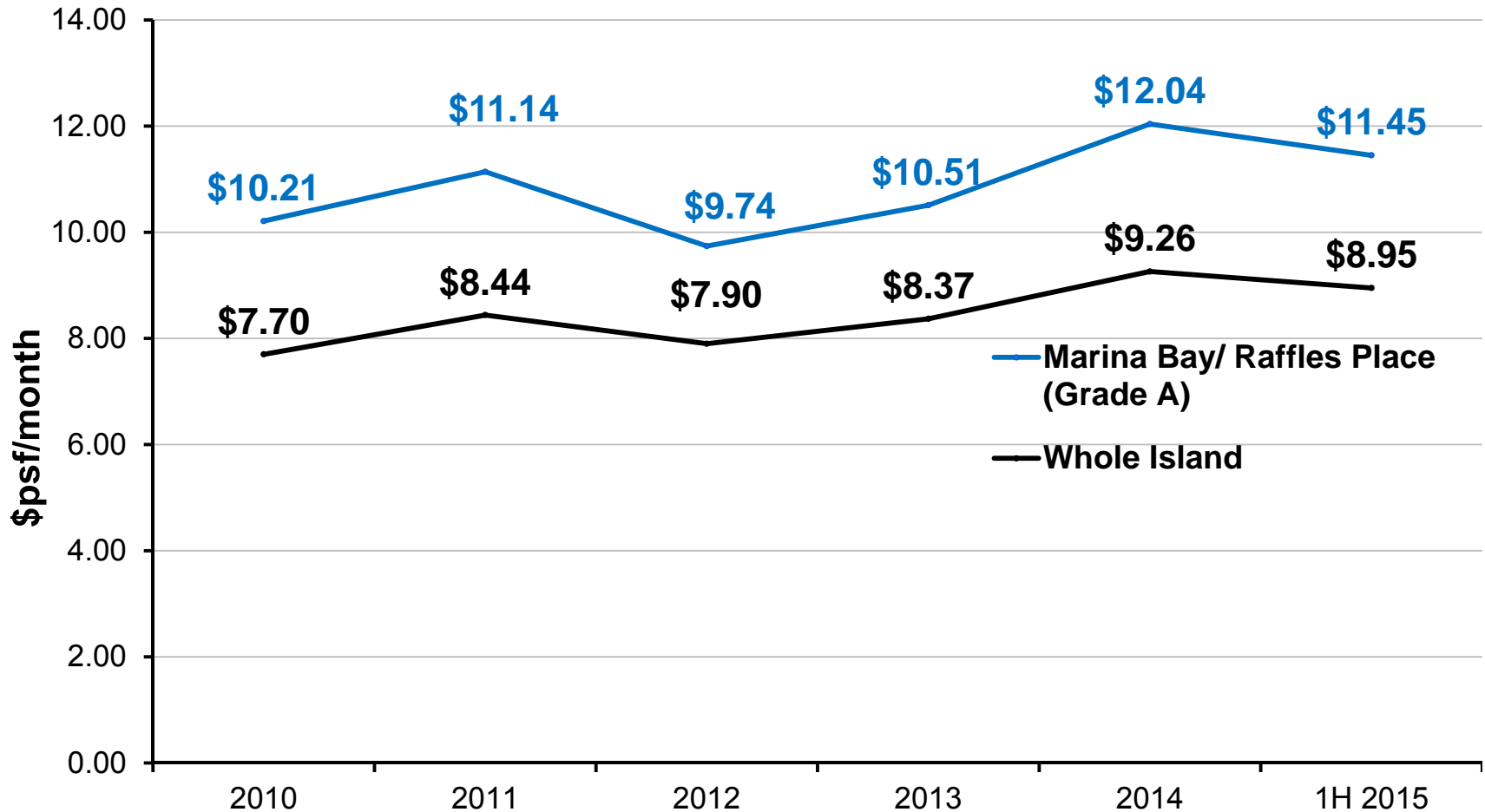


Source : URA, Q2 2015



SINGAPORE PROPERTY MARKET

Average Office Rental in CBD (2010 – 1H 2015)



Source : JLL Research, Q2 2015



OPERATIONS REVIEW



Artist's Impression of The Brownstone

OPERATIONS REVIEW

Property Development – Units Booked / Sold

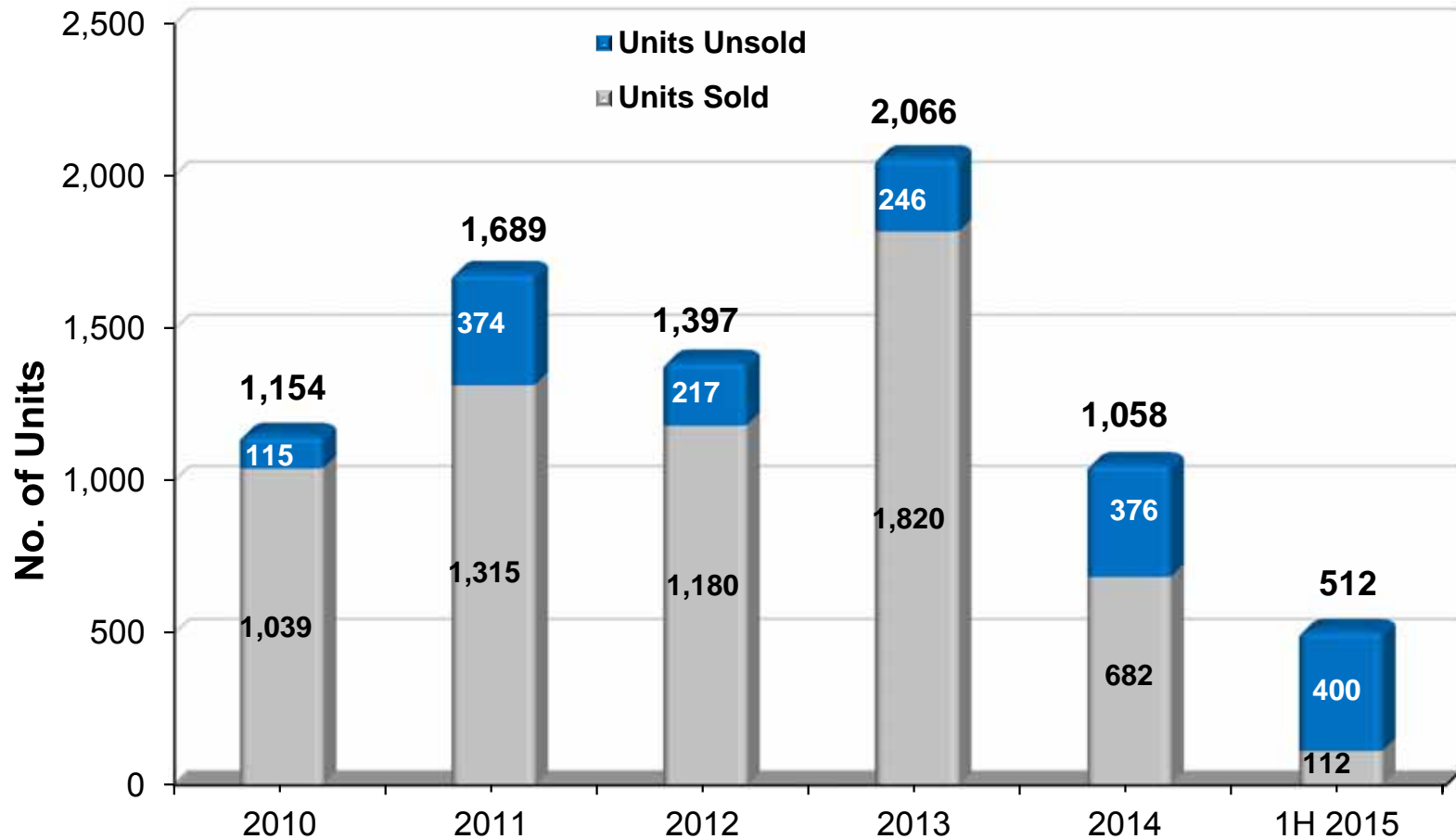
	Sales Value* \$'000	No. of Units*	Total Floor Area* (sq ft)
1H 2015	\$ 224,012	178	193,969
1H 2014	\$ 1,070,978	1,115	912,754

* Includes share of JV partners & ECs



SINGAPORE PROPERTY MARKET

CDL's Residential Units Launched and Available vs Units Sold (2010 – 1H 2015)



JV projects: Exclude share of partners & The Brownstone EC launched in July



OPERATIONS REVIEW

Completed Residential Projects Handed Over to Purchasers in 1H 2015



The Rainforest Executive Condominium

Location: Choa Chu Kang Avenue 3
Number of units: 466



H₂O Residences

Location: Fernvale Link
Number of units: 521



OPERATIONS REVIEW

Residential Project Launch in 2H 2015



The
Brownstone

Luxury Executive Condominium

Location: Canberra Drive
Number of units: 638

- Located within Sembawang New Town
- Next to future Canberra MRT station
- Sales booking commenced on 25 July; 195 units sold to date



OPERATIONS REVIEW

Upcoming Residential Project Launches
(subject to market conditions)



Artist's Impression (Design Reference)

THE Criterion

LUXURY EXECUTIVE CONDOMINIUM

Location: Yishun Street 51
Number of units: 505

- Near established Yishun and Woodlands residential estates
- Comprises 2- to 5-bedroom apartments and Penthouses, with flexi-unit options for selected types



OPERATIONS REVIEW

Upcoming Residential Project Launches
(subject to market conditions)

GRAMERCY P A R K



Artist's Impression of Fitness Studio

Location: Grange Road
Number of units: 174

- Freehold project, located in prime District 10
- Designed by world renowned architecture firm NBBJ of New York
- Minutes away from Orchard Road and the CBD



OPERATIONS REVIEW

South Beach Tower – 90% Leased



South Beach Tower (Office)

- 34-storey North Tower – over 510,000 sq ft Grade A office space
- 90% leased, with another 6% confirmed (pending documentation)
- Advanced negotiations underway for remaining 4% space



OPERATIONS REVIEW

The South Beach – Soft Opening in September 2015 (in phases)



The South Beach (Hotel)

- A **Hotel of Design** – interior design by Philippe Starck
- 654 rooms including 49 suites
- Large ballroom and meeting rooms within conservation block
- Soft opening in September 2015, in phases



OPERATIONS REVIEW

South Beach Quarter – New-to-Market F&B Concepts



South Beach Quarter

- Another conservation block – 13,000 sq ft over two-storeys
- Housing 4 exciting new-to-market F&B concepts
- Opening in phases in September 2015



OPERATIONS REVIEW

South Beach Club – Exclusive Private Membership Club



Artist's Impression

South Beach Club

- Offers members' exclusive access to a privileged lifestyle through unique fine-dining concepts and social spaces
- Located within the former Non-Commissioned Officers (NCO) Club
- Planned launch in Q4 2015



OPERATIONS REVIEW

South Beach Residences – Completion in Q2 2016



South Beach Residences

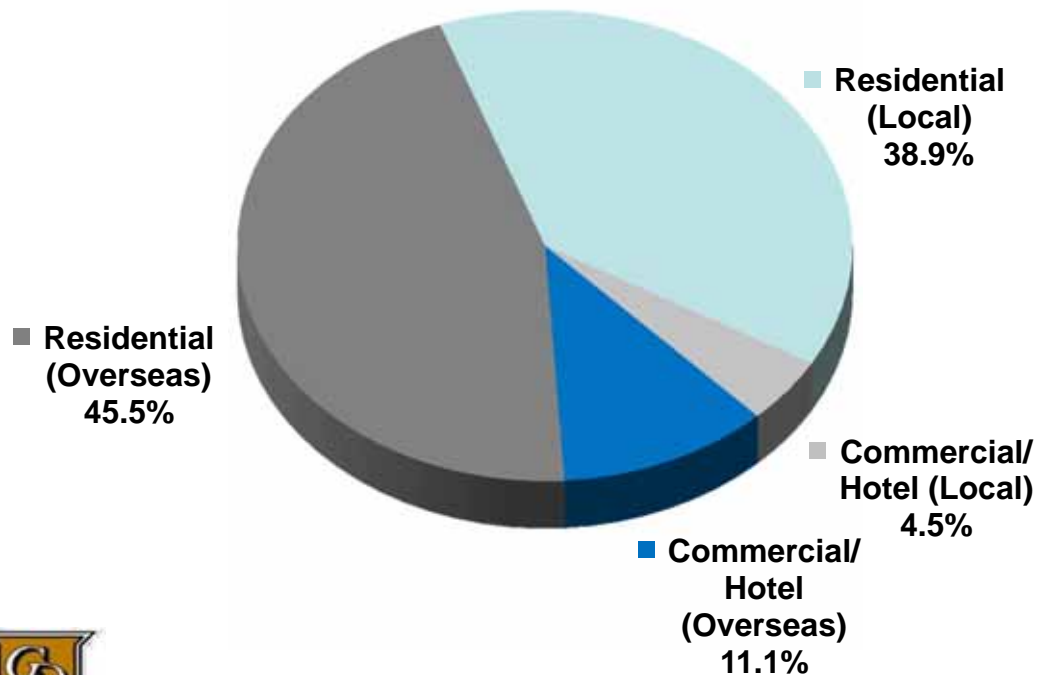
- 190 luxury apartments with 360 degree panoramic views of Marina Bay, CBD skyline and Orchard area
- Expected completion by Q2 2016



OPERATIONS REVIEW

Land Bank by Sector (as at 30 June 2015) – CDL's Attributable Share

Type of Development	Land Area (Sq ft)			
	Local	Overseas	Total (Local & Overseas)	%
Residential	1,030,395	1,204,066	2,234,461	84.3%
Commercial / Hotel	120,189	294,619	414,808	15.7%
Total	1,150,584	1,498,685	2,649,269	100%



Proposed GFA –

- (a) Singapore – 2.57 million sq ft
 - (b) CDL China – 3.91 million sq ft
 - (c) Overseas – 0.88 million sq ft (UK/Japan/Malaysia)
- | | |
|--------------|----------------------------------|
| Total | <u>7.36 million sq ft</u> |
|--------------|----------------------------------|



HOTEL OPERATIONS & CDLHT



HOTEL OPERATIONS

M&C Group

Good Trading Performance

- Increase in hotel revenue due to improvement in RevPAR (in reported currency) driven mainly by higher average room rate, coupled with contributions from recent acquisitions, improved performance in New Zealand, Rest of Europe and Regional US, and favourable exchange movements.

	RevPAR	
1H 2015	£68.28	↑ 4.0%
Q2 2015	£74.91	↑ 2.8%



The Chelsea Harbour Hotel – London's Only All-Suite Hotel

- RevPAR growth for 1H 2015 driven by:
 - US 16.2%
 - Europe 1.1%
 - Australasia 10.7%



HOTEL OPERATIONS

M&C Group – Hotel Room Count and Pipeline

	Hotels		Rooms	
	30 Jun 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014
<u>Hotel and Room Count</u>				
By region:				
• New York	4	4	2,238	2,238
• Regional US	15	15	4,463	4,463
• London	8	8	2,651	2,651
• Rest of Europe	16	16	2,560	2,560
• Middle East *	22	17	6,446	5,123
• Singapore	6	6	2,716	2,716
• Rest of Asia	26	26	9,427	9,431
• Australasia	27	28	4,077	4,185
Total:	124	120	34,578	33,367

Pipeline

By region:				
• Middle East *	16	15	4,669	4,300
• Rest of Asia	3	3	1,676	1,676
Total:	19	18	6,345	5,976

* Mainly management contracts



Millennium Bostonian Hotel



Millennium Hotel Minneapolis



HOTEL OPERATIONS

Millennium Mitsui Garden Hotel Tokyo

Strong Performance Since Opening in December 2014

- M&C's first hotel in Japan with 329 rooms
- Strategically located in the heart of Tokyo's Ginza 4-Chome district
- Over 80% average occupancy rate, and rising room rates



HOTEL OPERATIONS

M&C Group – Assets Enhancement (In Progress)



Millennium Bailey's Hotel London

- Refurbishments is scheduled to complete in Oct 2015.



HOTEL OPERATIONS

M&C Group – Assets Enhancement (In Progress)



Millennium Biltmore Hotel Los Angeles

- Refurbishments is scheduled to complete in late 2016.



ONE UN New York

- Refurbishments of the East Tower is scheduled to complete in Apr 2016.



HOTEL OPERATIONS

M&C Group – Assets Enhancement (In Progress)



Grand Hyatt Taipei

- Refurbishments is scheduled to complete by end 2015.



Millennium Seoul Hilton

- Refurbishments is scheduled to complete in Oct 2015.



HOTEL OPERATIONS

M&C Group – New Development Adjacent to Millennium Seoul Hilton



Artist's Impression

New Hospitality Facility in Seoul

- Acquired land parcel in April 2013.
- Proposed 306-room business lifestyle hotel and 229-room service apartment complex.



Artist's Impression



Artist's Impression



HOTEL OPERATIONS

M&C Group – Assets Enhancement (In Progress)



Millennium Hotel Buffalo

- Refurbishments is scheduled to complete in Q4 2015.



Millennium Hotel Durham

- Refurbishments is scheduled to complete in Q1 2016.



Copthorne Hotel Harbour City Auckland

- Closed in Jul 2015 for major refurbishment.
- Target to complete in early 2017.



HOTEL OPERATIONS

M&C Group – Assets Enhancement (Completed)

- Refurbishment has been completed for all 248 guestrooms and common parts of Millennium Alaskan Hotel Anchorage, which has been re-branded as **The Lakefront Anchorage**.



HOTEL OPERATIONS

Hard Days Night Hotel, Liverpool – New Strategic Acquisition

Expected Completion by 19 August 2015

- Acquisition announced by M&C on 7 Aug for £13.8 million
- The Beatles-inspired hotel with 110 guest rooms and suites
- Located in popular Cavern Quarter
- Property has a remaining lease of over 113 years



CDL HOSPITALITY TRUSTS (CDLHT)

Trading Performance

S\$'000	1H 2015	1H 2014	Change
Gross Revenue	81,213	81,605	(0.5%)
Net Property Income	66,118	68,056	(2.8%)



Hotel MyStays Asakusabashi

- Gross revenue decrease mainly due to lower gross revenue from Singapore hotels, partially mitigated by \$4.8m contribution from its Japan Hotels, Hotel MyStays Asakusabashi and Hotel MyStays Kamata in Tokyo, which was acquired on 19 December 2014. Japan is spurred by government initiatives to boost tourism coupled with the spending latitude offered by the weakened Yen, the Japan hotels recorded a commendable performance.

Singapore hotels' performance was affected by:

- Weaker demand due to the softening of the economic environment and the price competition amidst the increased supply of hotel rooms.
- Relatively strong Singapore dollar, which had affected key visitor arrival source markets around the region.



STRATEGIC PLATFORMS



Artist's Impression of Hong Leong City Center, Suzhou

CHINA

Eling Residences 鹅岭峰 – Chongqing, China

Sales Launch – Targeted in Q4 2015

- Exclusive 126-unit luxury residence
- Sited at the peak of Eling Hill in Yuzhong district
- All structural works completed; site inspection by authorities to commence soon
- Expected sales launch in Q4 2015
- Expected project completion in 2016



CHINA

Huang Huayuan – Chongqing, China

Undergoing Review of the Unit Mix

- Mixed-use riverside development with 3 high-rise residential towers, 150-room hotel and mall
- Prime location beside Jialing River in Yuzhong district
- Unit mix being revised, exploring smaller units
 - May affect the building design
- Substructure works put on hold temporarily



CHINA

Hong Leong City Center 丰隆城市中心 – Suzhou, China

Bestselling Luxury Residential Project in Suzhou Industrial Park for 2015

- Mixed-use waterfront development at Jinji Lake, in Suzhou Industrial Park
 - Phase 1 – Tower 1: 462-unit residential block
 - Tower 3: 899-unit SOHO block
 - Phase 2 – Tower 2: 362-unit residential block, 30,000 sqm office tower, 56,000 sqm retail mall & 286-room luxury hotel
- Phase 1 – structures topped off
 - 281 units in Tower 1 sold ahead of official launch (*as at 7 August 2015*)
- Phase 2 – excavation and retaining wall works completed in June 2015



CHINA

Shanghai Luxury Residential Project

Project Relaunch Planned

- Acquired residential developer Shanghai Jingwen Zhaoxiang Real Estate Limited in Shanghai in December 2014
- Completed luxury residential project in 2013 with 120 residences (85 unsold units)
- Project is strategically located in the affluent Qingpu District
- Complete overhaul with major renovations and landscape enhancements; enhancement of clubhouse and common facilities
- New show flats to be ready by Q4 2015



UK

Teddington – Freehold Riverside Site

Acquisition Completion in Q4 2015

- Prime 18,211 sqm freehold land parcel on the banks of River Thames in south-west London
- Design improvements on-going
- Revised scheme well-received at public consultation
- Marketing of 213 residential units to begin upon approval of improved scheme
- Official launch planned for Spring 2016



Teddington

Broom Road, Teddington Lock
Middlesex TW11 9NT



UK

Reading – 82-unit Hanover House Residential Project

Positive Market Interest

- 42 units reserved (out of 49 units from initial phased release)



Hanover House
202 Kings Road
Reading RG1 4NN



UK

Central London – Freehold Residential Projects in Belgravia, Knightsbridge & Chelsea

Planning Permissions Secured

- Building works have commenced
- Target for sale close to completion



Knightsbridge
32 Hans Road
London SW3 1RW

Belgravia

31/35 Chesham Street
London SW1X 8NQ



Chelsea

90-100 Sydney Street
London SW6NJ

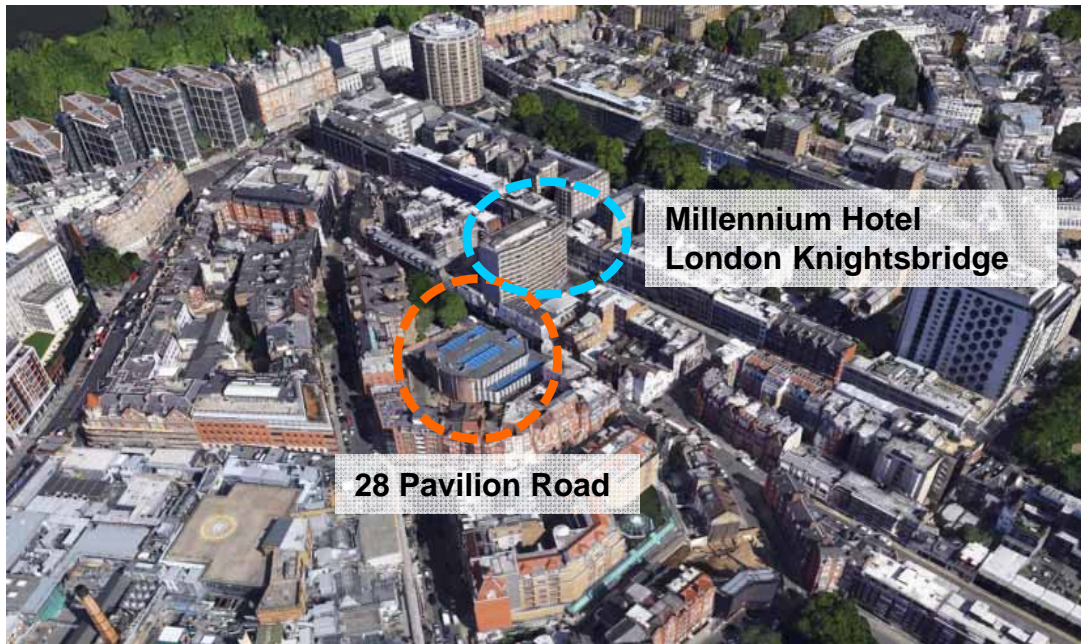


UK

Freehold Projects in Knightsbridge & Croydon

Securing Planning Approval

- Schemes are close to approval



Millennium Hotel
London Knightsbridge

28 Pavilion Road



Emerald House
15 Lansdowne Road
Croydon, CRO 2BX

Knightsbridge
28 Pavilion Road
London SW1X 0HH



JAPAN

Freehold Development Site in Shirokane – Tokyo, Japan

Design Scheme Revisions in Progress

- Freehold 16,815 sqm land site with 1,340 sqm mansion in Tokyo's affluent Minato ward
- Site acquired in September 2014
- Optimisation of design scheme with architects and consultants in progress
- Project team in close discussions with municipality on design scheme that will complement Shirokane's high-end residential character
- Luxury condominium will include provision of a public park and open space for the local community



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.



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