FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

CITY DEVELOPMENTS LIMITED

Securities

CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09

Stapled Security

No

Announcement Details

Announcement Title

Financial Statements and Related Announcement

Date &Time of Broadcast

12-Aug-2021 07:08:43

Status

New

Announcement Sub Title

Half Yearly Results

Announcement Reference

SG210812OTHRDZKL

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) Condensed Interim Financial Statements for the six months ended 30 June 2021;
2) News Release titled "CDL reports loss of S$32.1 million for 1H 2021 due to higher tax expenses and impact from the prolonged COVID-19 pandemic"; and
3) 1H 2021 Results Presentation.

A results briefing will be held at 10.00 a.m. for the invited analysts and the media on 12 August 2021. A live webcast will be available for viewing at www.cdl.com.sg/1h2021 at the same time.

Additional Details

For Financial Period Ended

30/06/2021

Attachments

1H_2021_Condensed_Interim_Financial_Statements.pdf

CDL_News_Release_1H_2021_Results.pdf

CDL_1H_2021_Results_Presentation.pdf

Total size =3980K MB

City Developments Limited and its subsidiaries

Registration Number: 196300316Z

Condensed Interim Financial Statements

For the six months ended 30 June 2021

Condensed Interim Consolidated Statement of Profit or Loss
Six months ended 30 June 2021

	Note	Group 6 months ended 30 June 2021 $'000	 6 months ended 30 June 2020 $'000
Revenue	5	1,192,189	1,072,904
Cost of sales		(775,401)	(626,440)
Gross profit		416,788	446,464
Other income		56,413	95,485
Administrative expenses		(249,267)	(259,336)
Other operating expenses		(147,585)	(220,903)
Profit from operating activities		76,349	61,710
Finance income		14,033	91,335
Finance costs		(132,342)	(126,693)
Net finance costs	6	(118,309)	(35,358)
Share of after-tax profit of associates		30,461	20,233
Share of after-tax profit/(loss) of joint ventures		21,246	(32,790)
Profit before tax	7	9,747	13,795
Tax expense	8	(28,456)	(13,397)
(Loss)/Profit for the period		(18,709)	398
Attributable to:			
Owners of the Company		(32,086)	3,145
Non-controlling interests		13,377	(2,747)
(Loss)/Profit for the period		(18,709)	398
Earnings per share			
- Basic	9	(4.2) cents	(0.4) cents
- Diluted	9	(4.2) cents	(0.4) cents

Condensed Interim Consolidated Statement of Comprehensive Income
Six months ended 30 June 2021

	Group	
	6 months ended 30 June 2021 $'000	**6 months ended 30 June 2020 $'000**
(Loss)/Profit for the period	(18,709)	398
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Net change in fair value of equity investments at FVOCI	768	(11,347)
	768	(11,347)
Items that are or may be reclassified subsequently to profit or loss:		
Effective portion of changes in fair value of cash flow hedges	2,764	(5,222)
Exchange differences on hedges of net investment in foreign operations	3,004	(685)
Exchange differences on monetary items forming part of net investments in foreign operations	4,334	21,801
Exchange differences reclassified to profit or loss on deconsolidation of a foreign operation	–	16
Share of translation differences of equity-accounted investees	15,819	8,787
Translation differences arising on consolidation of foreign operations	(18,216)	60,673
	7,705	85,370
Total other comprehensive income for the period, net of tax	8,473	74,023
Total comprehensive income for the period	(10,236)	74,421
Total comprehensive income attributable to:		
Owners of the Company	(26,236)	57,096
Non-controlling interests	16,000	17,325
Total comprehensive income for the period	(10,236)	74,421

Condensed Interim Statements of Financial Position
As at 30 June 2021

		Group		Company	
	Note	**30 June 2021 $'000**	**31 December 2020 $'000**	**30 June 2021 $'000**	**31 December 2020 $'000**
Non-current assets					
Property, plant and equipment	11	5,597,244	5,525,684	33,519	37,439
Investment properties	12	3,911,585	4,568,697	418,065	424,955
Investments in:					
- subsidiaries		–	–	2,025,398	2,025,019
- associates		750,969	707,699	–	–
- joint ventures	13	1,051,193	1,085,288	37,360	37,360
Financial assets		726,579	736,119	349,213	348,510
Other non-current assets, including derivatives	14	211,363	241,186	6,586,864	6,518,288
		12,248,933	12,864,673	9,450,419	9,391,571
Current assets					
Development properties	15	6,110,361	5,391,055	180,247	180,247
Contract costs		53,073	31,643	–	–
Contract assets		436,737	505,231	–	–
Consumable stocks		10,047	10,511	44	–
Financial assets		37,618	20,048	–	–
Trade and other receivables, including derivatives	16	1,856,700	1,681,218	5,718,447	5,830,508
Cash and cash equivalents		2,651,396	3,126,529	986,430	1,288,914
		11,155,932	10,766,235	6,885,168	7,299,669
Assets held for sale	17	1,144,235	45,884	–	–
		12,300,167	10,812,119	6,885,168	7,299,669
Total assets		24,549,100	23,676,792	16,335,587	16,691,240

Condensed Interim Statements of Financial Position (cont'd)
As at 30 June 2021

		Group		Company	
	Note	**30 June 2021 $'000**	**31 December 2020 $'000**	**30 June 2021 $'000**	**31 December 2020 $'000**
Equity attributable to owners of the Company					
Share capital	18	1,991,397	1,991,397	1,991,397	1,991,397
Reserves		6,371,378	6,510,811	4,358,178	4,458,033
		8,362,775	8,502,208	6,349,575	6,449,430
Non-controlling interests		900,840	740,249	–	–
Total equity		9,263,615	9,242,457	6,349,575	6,449,430
Non-current liabilities					
Interest-bearing borrowings	19	7,602,784	8,756,068	4,585,303	5,780,877
Employee benefits		32,003	30,997	–	–
Lease liabilities		250,871	237,854	11,704	14,152
Other liabilities, including derivatives	20	231,491	243,599	7,563	8,290
Provisions		23,351	24,554	–	–
Deferred tax liabilities		232,129	96,845	17,657	15,644
		8,372,629	9,389,917	4,622,227	5,818,963
Current liabilities					
Trade and other payables, including derivatives	21	1,733,493	1,348,759	2,744,789	2,733,590
Contract liabilities		586,662	267,607	–	–
Interest-bearing borrowings	19	3,890,548	2,798,612	2,603,687	1,671,717
Lease liabilities		19,419	14,187	6,074	5,850
Employee benefits		33,070	32,044	2,818	1,616
Provision for taxation		317,772	276,164	6,417	10,074
Provisions		305,854	307,045	–	–
		6,886,818	5,044,418	5,363,785	4,422,847
Liabilities directly associated with the assets held for sale	17	26,038	–	–	–
		6,912,856	5,044,418	5,363,785	4,422,847
Total liabilities		15,285,485	14,434,335	9,986,012	10,241,810
Total equity and liabilities		24,549,100	23,676,792	16,335,587	16,691,240

Condensed Interim Statement of Changes in Equity
Six months ended 30 June 2021

Group	Note	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Hedging reserve $'000	Other reserves $'000	Share option reserve $'000	Foreign currency translation reserve $'000	Accumulated profits $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2021		1,991,397	284,030	(2,421)	(6,642)	23,927	15,318	(79,696)	6,276,295	8,502,208	740,249	9,242,457
(Loss)/Profit for the period		–	–	–	–	–	–	–	(32,086)	(32,086)	13,377	(18,709)
Other comprehensive income for the period, net of tax		–	–	768	2,764	–	–	2,318	–	5,850	2,623	8,473
Total comprehensive income for the period		–	–	768	2,764	–	–	2,318	(32,086)	(26,236)	16,000	(10,236)
Transactions with owners, recorded directly in equity												
Distribution to owners												
Capital distribution to non-controlling interests		–	–	–	–	–	–	–	–	–	(11,039)	(11,039)
Dividends paid to owners of the Company		–	–	–	–	–	–	–	(115,227)	(115,227)	–	(115,227)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	–	–	(16,300)	(16,300)
Share-based payment transactions		–	–	–	–	–	9	–	–	9	–	9
Total distributions to owners		–	–	–	–	–	9	–	(115,227)	(115,218)	(27,339)	(142,557)
Change in ownership interests in subsidiaries												
Acquisition of subsidiaries with non-controlling interests	23	–	–	–	–	–	–	–	–	–	173,951	173,951
Change of interests in a subsidiary without loss of control		–	2,021	–	–	–	–	–	–	2,021	(2,021)	–
Total change in ownership interests in subsidiaries		–	2,021	–	–	–	–	–	–	2,021	171,930	173,951
Total transaction with owners		–	2,021	–	–	–	9	–	(115,227)	(113,197)	144,591	31,394
Transfer to statutory reserves		–	–	–	–	100	–	–	(100)	–	–	–
At 30 June 2021		1,991,397	286,051	(1,653)	(3,878)	24,027	15,327	(77,378)	6,128,882	8,362,775	900,840	9,263,615

Condensed Interim Statement of Changes in Equity (cont'd)
Six months ended 30 June 2021

Group	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Hedging reserve $'000	Other reserves $'000	Share option reserve $'000	Foreign currency translation reserve $'000	Accumulated profits $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2020	1,991,397	280,402	40,932	(3,690)	23,482	15,279	(165,181)	8,337,629	10,520,250	746,306	11,266,556
Profit/(Loss) for the period	–	–			–	–	–	3,145	3,145	(2,747)	398
Other comprehensive income for the period, net of tax	–	–	(11,347)	(5,222)	–	–	70,520	–	53,951	20,072	74,023
Total comprehensive income for the period	–	–	(11,347)	(5,222)	–	–	70,520	3,145	57,096	17,325	74,421
Transactions with owners, recorded directly in equity											
Distribution to owners											
Capital distribution to non-controlling interests	–	–	–	–	–	–	–	–	–	(6,799)	(6,799)
Dividends paid to owners of the Company	–	–	–	–	–	–	–	(6,417)	(6,417)	–	(6,417)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(35,695)	(35,695)
Share based payment transactions	–	–	–	–	–	10	–	–	10	–	10
Total distributions to owners	–	–	–	–	–	10	–	(6,417)	(6,407)	(42,494)	(48,901)
Change in ownership interests in subsidiaries											
Change of interests in a subsidiary with loss of control	–	–	–	–	–	–	–	–	–	(1,113)	(1,113)
Change of interests in a subsidiary without loss of control	–	812	–	–	–	–	–	–	812	(812)	–
Total change in ownership interests in subsidiaries	–	812	–	–	–	–	–	–	812	(1,925)	(1,113)
Total transaction with owners	–	812	–	–	–	10	–	(6,417)	(5,595)	(44,419)	(50,014)
At 30 June 2020	1,991,397	281,214	29,585	(8,912)	23,482	15,289	(94,661)	8,334,357	10,571,751	719,212	11,290,963

Condensed Interim Statement of Changes in Equity (cont'd)
Six months ended 30 June 2021

	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Hedging reserve $'000	Accumulated profits $'000	Total equity $'000
Company						
At 1 January 2021	1,991,397	63,743	(33,150)	(448)	4,427,888	6,449,430
Profit for the period	–	–	–	–	14,575	14,575
Other comprehensive income for the period, net of tax	–	–	457	340	–	797
Total comprehensive income for the period	–	–	457	340	14,575	15,372
Transactions with owners, recorded directly in equity						
Distribution to owners						
Dividends	–	–	–	–	(115,227)	(115,227)
Total distributions to owners	–	–	–	–	(115,227)	(115,227)
Total transaction with owners	–	–	–	–	(115,227)	(115,227)
At 30 June 2021	1,991,397	63,743	(32,693)	(108)	4,327,236	6,349,575
At 1 January 2020	1,991,397	63,743	(4,905)	199	4,556,849	6,607,283
Profit for the period	–	–	–	–	9,788	9,788
Other comprehensive income for the period, net of tax	–	–	(1,646)	(601)	–	(2,247)
Total comprehensive income for the period	–	–	(1,646)	(601)	9,788	7,541
Transactions with owners, recorded directly in equity						
Distribution to owners						
Dividends	–	–	–	–	(6,417)	(6,417)
Total distributions to owners	–	–	–	–	(6,417)	(6,417)
Total transaction with owners	–	–	–	–	(6,417)	(6,417)
At 30 June 2020	1,991,397	63,743	(6,551)	(402)	4,560,220	6,608,407

Condensed Interim Consolidated Statement of Cash Flows
Six months ended 30 June 2021

	Group	
	6 months ended 30 June 2021 $'000	**6 months ended 30 June 2020 $'000**
Cash flows from operating activities		
(Loss)/Profit for the period	(18,709)	398
Adjustments for:		
Depreciation and amortisation	144,068	140,544
Dividend income	(1,859)	(576)
Finance income	(14,033)	(81,840)
Finance costs	130,535	125,980
Gain on deconsolidation/liquidation of subsidiaries and dilution of an associate (net)	(33)	(22,525)
Impairment loss on other receivables	4,215	–
Impairment loss on property, plant and equipment	822	33,930
Negative goodwill on acquisition of subsidiaries/ a joint venture	(35,553)	(43,234)
Profit on sale of property, plant and equipment and investment properties (net)	(14,556)	(26,373)
Property, plant and equipment, investment properties and intangible assets written off	68	126
Share of after-tax profit of associates	(30,461)	(20,233)
Share of after-tax (profit)/loss of joint ventures	(21,246)	32,790
Tax expense	28,456	13,397
	171,714	152,384
Changes in working capital:		
Development properties	277,028	(434,755)
Contract costs	(20,427)	(2,350)
Contract assets	68,494	(122,488)
Consumable stocks and trade and other receivables	(52,531)	23,110
Trade and other payables and provisions	50,163	(138,156)
Contract liabilities	152,425	26,657
Employee benefits	811	1,008
Cash generated from/(used in) operations	647,677	(494,590)
Tax paid	(51,430)	(31,325)
Net cash from/(used in) operating activities	596,247	(525,915)

Condensed Interim Consolidated Statement of Cash Flows (cont'd)
Six months ended 30 June 2021

	Note	Group 6 months ended 30 June 2021 $'000	 6 months ended 30 June 2020 $'000
Cash flows from investing activities			
Acquisition of subsidiaries (net of cash acquired)	23	(331,574)	–
Dividends received:			
- associates		4,226	10,270
- joint ventures		2,781	9,099
- financial investments		1,859	576
Increase in investments in associates		(1,455)	(31,968)
Return of capital by/(Increase in investments in) joint ventures		51,007	(812,853)
(Increase)/Decrease in amounts owing by equity-accounted investees (non-trade)		(58,584)	408,343
Interest received		13,426	38,016
Payments for intangible assets		(558)	(181)
Payments for capital expenditure on investment properties		(100,931)	(53,004)
Payments for purchase of property, plant and equipment		(38,787)	(46,819)
Purchase of investment properties		–	(32,721)
Proceeds from sale of property, plant and equipment and investment properties		18,738	48,711
Proceeds from deconsolidation of subsidiaries		–	44,719
Purchase of financial assets (net)		(16,070)	(18,373)
Proceeds from distributions from investments in financial assets		5,828	3,833
Settlement of financial derivatives		(23,758)	(17,938)
Net cash used in investing activities		(473,852)	(450,290)
Cash flows from financing activities			
Capital distribution to non-controlling interests (net)		(12,374)	(7,922)
Dividends paid		(130,192)	(40,989)
Payment of lease liabilities and finance lease payables		(9,382)	(9,143)
Interest paid (including amounts capitalised in property, plant and equipment and development properties)		(106,802)	(109,886)
Net increase in amounts owing to related parties and non-controlling interests (non-trade)		18,932	18,811
Net repayment of revolving credit facilities and short-term bank borrowings		(140,917)	(2,448)
Decrease/(Increase) in deposits pledged to financial institutions		3,572	(2,160)
Decrease in restricted cash		97	724
Payment of financing transaction costs		(3,541)	(4,356)
Proceeds from bank borrowings		1,697,385	566,596
Repayment of bank borrowings		(2,122,948)	(60,363)
Proceeds from issuance of bonds and notes		335,000	529,000
Repayment of bonds and notes		(115,000)	(311,805)
Net cash (used in)/from financing activities		(586,170)	566,059
Net decrease in cash and cash equivalents		(463,775)	(410,146)
Cash and cash equivalents at beginning of the period		2,955,109	2,789,569
Effect of exchange rate changes on balances held in foreign currencies		2,467	12,601
Cash and cash equivalents at end of the period		2,493,801	2,392,024

Condensed Interim Consolidated Statement of Cash Flows (cont'd)
Six months ended 30 June 2021

		Group	
	Note	**30 June 2021 $'000**	**30 June 2020 $'000**
Cash and cash equivalents at the end of the period comprises:			
Cash and cash equivalents in the statement of financial position		2,651,396	2,401,671
Restricted deposits included in other non-current assets	14	104,122	286,529
Cash and cash equivalents included in assets held for sale	17	16,752	–
Less: Deposits pledged to financial institutions		(272,612)	(291,072)
Less: Restricted cash		(5,857)	(4,838)
Less: Bank overdrafts		–	(266)
		2,493,801	2,392,024

Significant non-cash transaction

Dividends amounting to $1,335,000 (six months ended 30 June 2020: $1,123,000) were paid by a subsidiary to its non-controlling interests in the form of additional shares in that subsidiary.

Notes to the Condensed Interim Financial Statements

1. Corporate Information

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

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

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

The condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 relate to the Company and its subsidiaries (together referred to as the Group and individually as Group entities) and the Group's interests in associates and joint ventures.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore and IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2020. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020. All references to SFRS(I)s and IFRSs are subsequently referred to as SFRS(I) in the financial statements.

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

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

2.1 New and amended standards adopted by the Group

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

2.2 Use of judgements and estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

Measurement of fair values

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

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

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

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

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

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

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

3. Seasonal operations

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

4. Segment information

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

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

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

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

Segment results

	Property development $'000	Hotel operations $'000	Investment properties $'000	Total $'000	Others $'000	Total $'000
Six months ended 30 June 2021						
Total revenue (including inter-segment revenue)	628,563	321,314	203,353	1,153,230	96,965	1,250,195
Inter-segment revenue	–	(4,321)	(32,440)	(36,761)	(21,245)	(58,006)
External revenue	628,563	316,993*	170,913	1,116,469	75,720	1,192,189
Profit/(Loss) from operating activities	137,606	(93,314)	22,889	67,181	9,168	76,349
Share of after-tax profit/(loss) of associates and joint ventures	43,122	(20,411)	6,293	29,004	22,703	51,707
Finance income	9,224	1,761	3,048	14,033	–	14,033
Finance costs	(71,150)	(30,936)	(22,714)	(124,800)	(7,542)	(132,342)
Net finance costs	(61,926)	(29,175)	(19,666)	(110,767)	(7,542)	(118,309)
Reportable segment profit/(loss) before tax	118,802	(142,900)	9,516	(14,582)	24,329	9,747
Six months ended 30 June 2020						
Total revenue (including inter-segment revenue)	463,735	360,831	215,878	1,040,444	87,826	1,128,270
Inter-segment revenue	–	(5,542)	(30,411)	(35,953)	(19,413)	(55,366)
External revenue	463,735	355,289*	185,467	1,004,491	68,413	1,072,904
Profit/(Loss) from operating activities	144,123	(167,506)	51,040	27,657	34,053	61,710
Share of after-tax profit/(loss) of associates and joint ventures	1,851	(27,406)	(2,933)	(28,488)	15,931	(12,557)
Finance income	19,108	9,191	4,910	33,209	58,126	91,335
Finance costs	(50,109)	(22,450)	(26,710)	(99,269)	(27,424)	(126,693)
Net finance (costs)/ income	(31,001)	(13,259)	(21,800)	(66,060)	30,702	(35,358)
Reportable segment profit/(loss) before tax	114,973	(208,171)	26,307	(66,891)	80,686	13,795

***** Revenue from hotel operations includes room revenue of $195.8 million (six months ended 30 June 2020: $230.6 million) for the six months ended 30 June 2021 from hotels that are owned by the Group.

Segment Assets and Liabilities

	Property development $'000	Hotel operations $'000	Investment properties $'000	Total $'000	Others $'000	Total $'000
30 June 2021						
Reportable segment assets	10,261,410	5,825,397	7,019,825	23,106,632	1,351,107	24,457,739
Deferred tax assets						91,361
Total assets						24,549,100
Reportable segment liabilities	9,281,437	2,142,988	3,011,847	14,436,272	299,312	14,735,584
Deferred tax liabilities						232,129
Provision for taxation						317,772
Total liabilities						15,285,485
31 December 2020						
Reportable segment assets	9,380,122	5,827,677	6,794,751	22,002,550	1,654,424	23,656,974
Deferred tax assets						19,818
Total assets						23,676,792
Reportable segment liabilities	7,780,006	2,286,494	3,627,899	13,694,399	366,927	14,061,326
Deferred tax liabilities						96,845
Provision for taxation						276,164
Total liabilities						14,434,335

5. Revenue

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

	Group	
	6 months ended 30 June 2021 $'000	**6 months ended 30 June 2020 $'000**
Dividends from investments:		
- fellow subsidiaries		
- quoted equity investments – at FVOCI	979	–
- unquoted equity investments – at FVOCI	236	–
- others		
- quoted equity investments – at FVOCI	334	334
- quoted equity investments – mandatorily at FVTPL	310	242
Hotel operations	316,993	355,289
Development properties for which revenue is:		
- recognised over time	457,725	305,152
- recognised at a point in time	170,838	158,583
Rental income from investment properties	170,913	185,467
Others	73,861	67,837
	1,192,189	1,072,904

Disaggregation of revenue

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

	Reportable segments							
	Property development		**Hotel operations**		**Others***		**Total**	
	6 months ended 30 June 2021 $'000	**6 months ended 30 June 2020 $'000**	**6 months ended 30 June 2021 $'000**	**6 months ended 30 June 2020 $'000**	**6 months ended 30 June 2021 $'000**	**6 months ended 30 June 2020 $'000**	**6 months ended 30 June 2021 $'000**	**6 months ended 30 June 2020 $'000**
Geographical market								
Singapore	465,025	339,364	64,313	71,707	73,861	64,398	603,199	475,469
China	94,343	34,621	12,038	4,555	–	–	106,381	39,176
United States	–	–	79,606	101,767	–	3,439	79,606	105,206
United Kingdom	4,767	40,407	42,152	57,174	–	–	46,919	97,581
Australasia	64,428	43,794	48,585	43,284	–	–	113,013	87,078
Rest of Asia (excluding Singapore and China)	–	5,549	69,424	73,270	–	–	69,424	78,819
Other countries	–	–	875	3,532	–	–	875	3,532
	628,563	463,735	316,993	355,289	73,861	67,837	1,019,417	886,861
Timing of revenue recognition								
Products and services transferred at a point in time	170,838	158,583	316,993	355,289	2,383	3,778	490,214	517,650
Products and services transferred over time	457,725	305,152	–	–	71,478	64,059	529,203	369,211
	628,563	463,735	316,993	355,289	73,861	67,837	1,019,417	886,861

* Excluding dividend income.

6. Net finance costs

	Group	
	6 months ended 30 June 2021 $'000	6 months ended 30 June 2020 $'000
Finance income		
Interest income	14,047	42,543
Fair value gain on financial assets measured at fair value through profit or loss (net)	–	39,548
Net exchange gain	–	9,495
	14,047	91,586
Interest capitalised	(14)	(251)
Total finance income	14,033	91,335
Finance costs		
Amortisation of transaction costs capitalised	(3,888)	(4,056)
Interest expenses	(116,919)	(115,024)
Fair value loss on financial assets measured at fair value through profit or loss (net)	(3,518)	–
Fair value loss on financial derivatives	(15,278)	(18,938)
Unwinding of discount on non-current liabilities	(154)	(234)
Net exchange loss	(10,228)	–
	(149,985)	(138,252)
Finance costs capitalised	17,643	11,559
Total finance costs	(132,342)	(126,693)
Net finance costs	(118,309)	(35,358)

7. Profit before tax

Profit before tax included the following:

	Group	
	6 months ended 30 June 2021 $'000	6 months ended 30 June 2020 $'000
Impairment loss on trade receivables and bad debts written off	(111)	(7,059)
Impairment loss on other receivables – Sincere Property Group	(4,215)	–
Dividend income	1,859	576
Depreciation and amortisation	(144,068)	(140,544)
Gain on deconsolidation/liquidation of subsidiaries	33	23,471
Impairment loss on property, plant and equipment	(822)	(33,930)
Loss on dilution of an associate	–	(946)
Profit on sale of property, plant and equipment and investment properties (net)	14,556	26,373
Negative goodwill on acquisition of subsidiaries/ a joint venture	35,553	43,234

8. Tax expense

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

	Group	
	6 months ended 30 June 2021 $'000	**6 months ended 30 June 2020 $'000**
Current tax expense		
Current year	51,169	49,662
Over provision in respect of prior years	(8,097)	(15,893)
	43,072	33,769
Deferred tax credit		
Movements in temporary differences	(14,001)	(31,384)
Effects of changes in tax rates and legislation	89	84
(Over)/Under provision in respect of prior years	(3,547)	4,885
	(17,459)	(26,415)
Land appreciation tax	2,360	5,784
Withholding tax	483	259
Total tax expense	28,456	13,397

9. Earnings per share

Basic earnings per share is calculated based on:

	Group	
	6 months ended 30 June 2021 $'000	**6 months ended 30 June 2020 $'000**
(Loss)/Profit attributable to owners of the Company	(32,086)	3,145
Less:		
Dividends on non-redeemable convertible non-cumulative preference shares	(6,399)	(6,417)
Loss attributable to ordinary shareholders after adjustment for non-redeemable convertible non-cumulative preference dividends	(38,485)	(3,272)
Weighted average number of ordinary shares		
Weighted average number of ordinary shares during the year	906,901,330	906,901,330
Basic earnings per share	(4.2) cents	(0.4) cents

For the period ended 30 June 2021 and 2020, the diluted earnings per share is the same as basic earnings per share as the conversion of the non-redeemable convertible non-cumulative preference shares was considered anti-dilutive.

10. Net asset value

	Group		Company	
	30 June 2021	**31 December 2020**	**30 June 2021**	**31 December 2020**
	$	**$**	**$**	**$**
Net asset value per ordinary share	9.22	9.38	7.00	7.11

11. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to $62.0 million (six months ended 30 June 2020: $46.3 million) and disposed of assets amounting to $4.4 million (six months ended 30 June 2020: $0.1 million).

Valuation of property, plant and equipment

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

In line with accounting standards, the Group assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group will estimate the recoverable amount of the asset. Due to the geographical distribution of the hotels, the Group typically conducts external valuations for hotels that it considers have a risk of impairment loss at year end.

For the six months ended 30 June 2021 (1H 2021), the Group focused its impairment assessment on the hotels with 20% or less headroom to its last available valuations. The recoverable amounts of these hotels, being the higher of the fair value less costs to sell and the value-in-use, were predominantly determined using the fair value less costs to sell approach and were estimated using the discounted cash flow method. These valuations were performed in-house. This exercise excluded hotels owned under CDL Hospitality Trusts (CDLHT) and M&C Hotels New Zealand Limited (MCHNZ), both of which are separately listed.

CDLHT and MCHNZ are listed on the Singapore Exchange Securities Trading Limited (SGX) and New Zealand Stock Exchange (NZX), respectively. In the SGX announcement issued by CDLHT on 30 July 2021 on its unaudited financial statements for the half year ended 30 June 2021, CDLHT had indicated that the valuations of its properties as at 30 June 2021 remain substantially unchanged from those as at 31 December 2020 except to the extent of capital expenditure incurred during the six-month period ended 30 June 2021. (The carrying amounts of CDLHT's investment properties were based on independent valuations by professional valuers.) Similarly for MCHNZ, in its NZX announcement issued on the 2 August 2021, MCHNZ had indicated that given that the entire portfolio of its 14 hotels were subjected to external professional valuations as at 31 December 2020, its next external and internal reviews will be at the next reporting date.

Whilst the pandemic is still creating uncertainties for the hospitality market, there was evident recovery in the sector in 1H 2021. Despite tepid growth in global air travel, pent-up demand and accelerated vaccine programs in many markets have led to recovery in hotel occupancies. Global hotel occupancy recovered to two-thirds of pre-pandemic levels in April 2021. The Group's hotels which were reviewed for impairment experienced uneven recovery in performance in 1H 2021.

The in-house valuations conducted by the Group for selected properties considered the underlying cash flows and assumptions regarding projection of future cash flows and the operations of the hotels. The key inputs and assumptions that require significant judgement include the expected rate of recovery in revenue, projected occupancy and average room rates, operational and maintenance expenditure profiles, and discount rates and capitalisation rates, which are not expected to differ from that adopted for 31 December 2020 valuations.

Based on the above impairment assessment, the Group is of view that there is no impairment loss for 1H 2021 (1H 2020: the Group recognised a $33.9 million impairment loss). The Group maintains its long-term view on its hotel portfolio and will continue to monitor the performance of the hotels.

<u>Sensitivity analysis</u>

A decline of between 5% to 20% (at increments of 5%) in the most recent valuations of the Group's hotel portfolio would have the following estimated impact on the Group's profit before tax (PBT) and profit after tax and non-controlling interests (PATMI) as shown below:

	Decrease by			
	5%	10%	15%	20%
PBT ($'m)	(51.6)	(116.8)	(193.5)	(280.0)
PATMI ($'m)	(37.4)	(87.6)	(142.0)	(209.0)

12. Investment properties

	Note	Group $'000	Company $'000
Cost			
At 1 January 2020		5,518,112	600,422
Deconsolidation of a subsidiary[1]		(64,926)	–
Additions		194,854	3,226
Disposal/Written off		(21,692)	–
Transfers from development properties		57,000	–
Translation differences on consolidation		77,610	–
At 31 December 2020 and 1 January 2021		5,760,958	603,648
Acquisition of subsidiaries	23	341,753	–
Additions		99,048	477
Transfer to property, plant and equipment		(61,425)	–
Transfer to assets held for sale		(1,071,256)	–
Disposal/Written off		(17,896)	–
Translation differences on consolidation		36,883	–
At 30 June 2021		5,088,065	604,125
Accumulated depreciation and impairment losses			
At 1 January 2020		1,107,851	163,912
Charge for the year		107,541	14,781
Deconsolidation of a subsidiary[1]		(15,160)	–
Disposal/Written off		(21,596)	–
Impairment loss		12,035	–
Translation differences on consolidation		1,590	–
At 31 December 2020 and 1 January 2021		1,192,261	178,693
Charge for the period		54,736	7,367
Transfer to property, plant and equipment		(12,974)	–
Transfer to assets held for sale		(39,999)	–
Disposal/Written off		(17,830)	–
Translation differences on consolidation		286	–
At 30 June 2021		1,176,480	186,060

[1] Relates to the disposal of Novotel Brisbane by CDLHT Group on 30 October 2020.

	Group $'000	Company $'000
Carrying amounts		
At 1 January 2020	4,410,261	436,510
At 31 December 2020	4,568,697	424,955
At 30 June 2021	3,911,585	418,065
Fair value		
At 1 January 2020	8,780,086	1,115,949
At 31 December 2020	8,901,489	1,114,435
At 30 June 2021	8,245,054	1,113,450

During the period ended 30 June 2021, the Group transferred two investment properties located in Australia held by CDLHT Group to property, plant and equipment, when the CDL Hospitality Business Trust became the master lessee and operator of the Australia properties.

Valuation of investment properties

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

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

In arriving at the fair value of the commercial portfolio, the Group had carried out in-house valuations for its Singapore properties. The overseas properties and hotels held by CDLHT that are classified as investment properties are based on valuations as at 31 December 2020. The valuations were based on the direct comparison and income capitalisation methods. The direct comparison method involves an analysis of comparable sales of similar properties and adjusting the transacted prices to those reflective of the investment properties of the Group. The income capitalisation method capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates.

The Group has considered the headroom over fair value for most assets in the commercial portfolio and is of the view that there is no impairment loss as at 30 June 2021 for its investment properties.

Sensitivity analysis

A decline of between 5% to 20% (at increments of 5%) in the most recent valuations of the Group's investment properties would have the following estimated impact on the Group's PBT and PATMI as shown below:

	Decrease by			
	5%	10%	15%	20%
PBT ($'m)	(33.3)	(66.6)	(112.2)	(167.5)
PATMI ($'m)	(23.1)	(48.0)	(85.2)	(132.0)

13. Investments in joint ventures

	Group		Company	
	30 June 2021 $'000	**31 December 2020 $'000**	**30 June 2021 $'000**	**31 December 2020 $'000**
Investments in joint ventures				
Investments in joint ventures	1,857,564	1,891,659	37,360	37,360
Impairment loss	(806,371)	(806,371)	–	–
	1,051,193	1,085,288	37,360	37,360

14. Other non-current assets

	Group		Company	
	30 June 2021 $'000	**31 December 2020 $'000**	**30 June 2021 $'000**	**31 December 2020 $'000**
Amounts owing by subsidiaries	–	–	6,586,864	6,517,837
Amount owing by a joint venture	–	95,336	–	–
Deposits	6,105	5,196	–	–
Other receivables	7,488	7,873	–	–
Derivative financial assets	–	451	–	451
Restricted bank deposits	104,122	110,620	–	–
	117,715	219,476	6,586,864	6,518,288
Prepayments	309	336	–	–
Intangible assets	1,978	1,556	–	–
Deferred tax assets	91,361	19,818	–	–
	211,363	241,186	6,586,864	6,518,288

15. Development properties

The increase in development properties for the Group for the six months period ended 30 June 2021 is mainly due to the acquisition of an 84.6% equity interest in Shenzhen Tusincere Technology Park Development Co. Ltd., during the period, which accorded the Group an effective 55% equity interest in Shenzhen Longgang Tusincere Tech Park (refer to note 23).

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

The Group had reviewed the estimated selling prices of its development properties and is of the view that no further allowance for foreseeable losses is considered necessary as at 30 June 2021.

16. Trade and other receivables

		Group		Company	
		30 June 2021 $'000	**31 December 2020 $'000**	**30 June 2021 $'000**	**31 December 2020 $'000**
Trade receivables		142,891	172,285	1,981	2,514
Impairment losses		(19,387)	(25,212)	(246)	(716)
		123,504	147,073	1,735	1,798
Other receivables		92,746	87,108	2,095	2,684
Impairment losses		(5,162)	(5,129)	(1,112)	(1,129)
		87,584	81,979	983	1,555
Accrued rent receivables		40,298	46,857	2,159	1,502
Deposits		5,180	6,485	293	347
Amounts owing by:					
- subsidiaries		–	–	5,471,567	5,585,340
- associates		1,105	7,610	–	7
- joint ventures		1,838,168	1,656,635	236,098	234,856
Less: impairment losses	(a)	(333,129)	(328,595)	(5,050)	(5,050)
		1,505,039	1,328,040	231,048	229,806
- fellow subsidiaries		791	534	4	9
		1,763,501	1,618,578	5,707,789	5,820,364
Prepayments		87,580	52,632	5,203	1,322
Grant receivables		665	1,887	532	701
Derivative financial assets		4,954	8,121	4,923	8,121
		1,856,700	1,681,218	5,718,447	5,830,508

(a) Impairment loss on amount owing by joint ventures of the Group relates mainly to impairment loss recognised on amounts owing by Sincere Property Group.

17. Assets held for sale

At 30 June 2021, assets held for sale and liabilities directly associated with the assets held for sale are in relation to the following proposed divestments:

(a) An indirect subsidiary of the Group, Millennium & Copthorne Hotels Limited (M&C), entered into sale and purchase agreements to sell two hotels, Copthorne Orchid Penang and Millennium Harvest House Boulder (which are in the hotel operation segment), to third parties for sales consideration totalling $120 million. The sales are expected to be completed in second half of 2021 and 2022.

(b) M&C exercised its put option to sell its interest in the Copthorne Hotel Birmingham (which is in hotel segment) for a sale consideration of $31.7 million. The sale is expected to be completed in second half of 2021.

(c) M&C had listed for sale, the land held at Wynfield Inn, Westwood (which is in hotel segment) at market consideration. The sale is expected to be completed within the next twelve months.

(d) An indirect subsidiary of the Group, Phuket Square Company Limited, has entered into a sale and purchase agreement to sell Mille Malle retail mall (which is in the investment properties segment) to a third party for a sale consideration of THB 350 million (approximately S$15 million). The sale is expected to be completed in second half of 2021.

(e) The Group has applied for an initial public offering (IPO) of a real estate investment trust (REIT) that will own commercial assets located in the UK. The Group is committed to dispose subsidiaries which hold two commercial properties in the UK, namely 125 Old Broad Street and Aldgate House to the REIT.

The proposed initial public offering and listing of the REIT on the SGX-ST is subject to market conditions and the requisite regulatory and other approvals.

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

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

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

	Group	
	30 June 2021 $	**31 December 2020 $**
Assets held for sale		
Property, plant and equipment	50,604	45,884
Investment properties	1,031,068	–
Trade and other receivables	45,811	–
Cash and cash equivalents	16,752	–
	1,144,235	45,884
Liabilities directly associated with the assets held for sale		
Trade and other payables	16,437	–
Other liabilities	4,053	–
Provision for taxation	5,548	–
	26,038	–

18. Share capital

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

As at 30 June 2021, the maximum number of ordinary shares that may be issued upon full conversion of all of the non-redeemable convertible non-cumulative preference shares of the Company ("Preference Shares") at the sole option of the Company is 44,998,898 ordinary shares (31 December 2020: 44,998,898 ordinary shares).

As at 30 June 2021, the Company held 2,400,000 treasury shares (31 December 2020: 2,400,000) which represented 0.26% of the total number of issued shares (excluding treasury shares).

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the six months ended 30 June 2021.

19. Interest-bearing borrowings

	Group		Company	
	30 June 2021 $'000	**31 December 2020 $'000**	**30 June 2021 $'000**	**31 December 2020 $'000**
Term loans	7,970,478	8,051,428	4,648,338	4,867,371
Bonds and notes	2,949,633	2,743,017	2,069,693	1,851,824
Bank loans	573,221	760,235	470,959	733,399
	11,493,332	11,554,680	7,188,990	7,452,594
Non-current	7,602,784	8,756,068	4,585,303	5,780,877
Current	3,890,548	2,798,612	2,603,687	1,671,717
	11,493,332	11,554,680	7,188,990	7,452,594

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

		Group	
	Note	**30 June 2021 $'000**	**31 December 2020 $'000**
Unsecured			
- repayable within one year		3,645,098	2,613,250
- repayable after one year		5,999,804	7,152,541
		9,644,902	9,765,791
Secured			
- repayable within one year		267,404	200,941
- repayable after one year		1,869,572	1,859,113
		2,136,976	2,060,054
Gross borrowings		11,781,878	11,825,845
Less: cash and cash equivalents as shown in the statement of financial position		(2,651,396)	(3,126,529)
Less: restricted deposits included in other non-current assets		(104,122)	(110,620)
Less: cash and cash equivalents classified under assets held for sale	17	(16,752)	–
Net borrowings		9,009,608	8,588,696

Where secured, borrowings are collateralised by:

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

As of 30 June 2021, the Group and the Company have complied with the debt covenants with exception of two debt covenant ratios where the Group's non-wholly owned subsidiary, CDLHT, has received waiver to defer.

20. Other liabilities

	Group		Company	
	30 June 2021 $'000	31 December 2020 $'000	30 June 2021 $'000	31 December 2020 $'000
Deferred income	122,417	122,713	–	–
Rental deposits	54,596	59,381	7,529	7,445
Non-current retention sums payable	30,304	29,032	–	–
Derivative financial liabilities	6,193	14,552	34	845
Miscellaneous (principally deposits received and payables)	17,981	17,921	–	–
	231,491	243,599	7,563	8,290

21. Trade and other payables

	Group		Company	
	30 June 2021 $'000	31 December 2020 $'000	30 June 2021 $'000	31 December 2020 $'000
Trade payables	210,087	91,116	1,075	1,557
Accruals	489,851	446,461	70,758	69,709
Deferred income	44,412	56,951	131	701
Other payables	80,393	63,601	880	877
Rental and other deposits	100,900	89,063	9,157	7,510
Retention sums payable	3,310	3,499	–	–
Amounts owing to:				
- subsidiaries	–	–	2,617,860	2,619,391
- associates	882	887	–	–
- joint ventures	418,194	347,087	22,727	22,727
- fellow subsidiaries	240,520	234,311	–	7
- non-controlling interests	122,743	–	–	–
Derivative financial liabilities	22,201	15,783	22,201	11,111
	1,733,493	1,348,759	2,744,789	2,733,590

22. Financial assets and financial liabilities

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

	Mandatorily at FVTPL $'000	FVOCI – equity investments $'000	Fair value – hedging instruments $'000	Amortised cost $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000
Group									
30 June 2021									
Financial assets measured at fair value									
Unquoted debt investments – mandatorily at FVTPL	189,695	–	–	–	189,695	–	144,770	44,925	189,695
Unquoted equity investments – at FVOCI	–	356,620	–	–	356,620	–	–	356,620	356,620
Unquoted equity investments – mandatorily at FVTPL	109,306	–	–	–	109,306	–	–	109,306	109,306
Quoted equity investments– at FVOCI	–	35,780	–	–	35,780	35,780	–	–	35,780
Quoted equity investments – mandatorily at FVTPL	55,402	–	–	–	55,402	55,402	–	–	55,402
Derivative financial assets	–	–	4,954	–	4,954	–	4,954	–	4,954
	354,403	392,400	4,954	–	751,757				
Financial assets not measured at fair value									
Unquoted debt investments – amortised cost	–	–	–	17,394	17,394				
Other non-current assets^	–	–	–	117,715	117,715				
Trade and other receivables[#]	–	–	–	1,763,501	1,763,501				
Cash and cash equivalents	–	–	–	2,651,396	2,651,396				
	–	–	–	4,550,006	4,550,006				

	Fair value – hedging instruments $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000
Group							
30 June 2021							
Financial liabilities measured at fair value							
Derivative financial liabilities	28,394	–	28,394	–	28,394	–	28,394
Financial liabilities not measured at fair value							
Interest-bearing borrowings	–	11,493,332	11,493,332	–	11,563,741	–	11,563,741
Other liabilities*	–	102,881	102,881				
Trade and other payables*	–	1,666,880	1,666,880				
	–	13,263,093	13,263,093				

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

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

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

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

	Mandatorily at FVTPL $'000	Fair value – hedging instruments $'000	Amortised cost $'000	FVOCI – equity investments $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000
Company										
30 June 2021										
Financial assets measured at fair value										
Unquoted equity investments – at FVOCI	–	–	–	324,877	–	324,877	–	–	324,877	324,877
Quoted equity investments – at FVOCI	–	–	–	22,234	–	22,234	22,234	–	–	22,234
Quoted equity investments – mandatorily at FVTPL	2,102	–	–	–	–	2,102	2,102	–	–	2,102
Derivative financial assets	–	4,923	–	–	–	4,923	–	4,923	–	4,923
	2,102	4,923	–	347,111	–	354,136				
Financial assets not measured at fair value										
Other non-current assets^	–	–	6,586,864	–	–	6,586,864				
Trade and other receivables#	–	–	5,707,789	–	–	5,707,789				
Cash and cash equivalents	–	–	986,430	–	–	986,430				
	–	–	13,281,083	–	–	13,281,083				
Financial liabilities measured at fair value										
Derivative financial liabilities	–	22,235	–	–	–	22,235	–	22,235	–	22,235
Financial liabilities not measured at fair value										
Interest-bearing borrowings	–	–	–	–	7,188,990	7,188,990	–	7,236,210	–	7,236,210
Other liabilities*	–	–	–	–	7,529	7,529				
Trade and other payables*	–	–	–	–	2,722,457	2,722,457				
	–	–	–	–	9,918,976	9,918,976				

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

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

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

Measurement of fair values

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at Level 3 fair value

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

Financial instruments measured at Level 2 fair value

Unquoted debt investments – mandatorily at FVTPL

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

Financial derivatives

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

Financial instruments not measured at fair value

Unquoted debt investment at amortised cost

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

Interest-bearing borrowings

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

Transfers between levels in the fair value hierarchy

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

Level 3 fair values

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

	Group			Company
	Unquoted debt investments mandatorily at FVTPL $'000	**Unquoted equity investments at FVOCI $'000**	**Unquoted equity investments mandatorily at FVTPL $'000**	**Unquoted equity investments at FVOCI $'000**
At 1 January 2021	45,115	356,729	90,073	324,877
Additions	–	–	16,071	–
Distribution of income	–	–	(2,903)	–
Return of capital	(426)	–	(2,499)	–
Reclassification to investment in associates	–	–	(436)	–
Reclassification to interest receivable	(788)	–	–	–
Total gain recognised in profit or loss				
- finance income	526	–	7,952	–
Total loss for the period included in other comprehensive income				
- net change in fair value of equity investments at FVOCI	–	(109)	–	–
Translation differences on consolidation	498	–	1,048	–
At 30 June 2021	44,925	356,620	109,306	324,877
At 1 January 2020	582,144	392,395	59,086	350,561
Additions	–	–	35,844	–
Redemption	(575,822)	–	–	–
Distribution of income	–	–	(5,063)	–
Return of capital	–	–	(82)	–
Reclassification from interest receivable	13	–	–	–
Total gain recognised in profit or loss				
- finance income	36,151	–	2,131	–
Total loss for the period included in other comprehensive income				
- net change in fair value of equity investments at FVOCI	–	(35,666)	–	(25,684)
Translation differences on consolidation	2,629	–	(1,843)	–
At 31 December 2020	45,115	356,729	90,073	324,877

23. Acquisition of subsidiaries

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

The acquisition provided the Group an opportunity to enhance its properties portfolio in China as it lay its first footprint into Shenzhen, a Special Economic Zone and one of the fastest growing real estate markets in China.

The acquisition was accounted for as a business combination.

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

	Note	**Recognised amounts $'000**
Property, plant and equipment		21,304
Investment properties	12	341,753
Development properties		948,309
Trade and other receivables		17,356
Contract costs		1,003
Cash at bank		5,564
Trade and other payables		(443,497)
Contract liabilities		(166,443)
Employee benefits		(813)
Lease liabilities		(2,876)
Provision for tax		(59,567)
Provisions		(4,108)
Interest-bearing borrowings		(194,016)
Deferred tax liabilities		(80,081)
Net identifiable assets acquired		383,888
Cash flows relating to the acquisition		
Consideration for equity interest		174,384
Shareholder loans assumed		172,969
Total consideration		347,353
Less: Cash acquired		(5,564)
Less: Consideration not yet paid		(10,215)
Total net cash outflow		331,574

Measurement of fair values

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

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

Negative goodwill

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

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

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

From the date of acquisition to 30 June 2021, Shenzhen Tusincere contributed revenue of $53.9 million and loss before tax of $1.6 million to the Group's results. If the acquisition had occurred on 1 January 2021, management estimated the Group's revenue for the period would have been $1,220.4 million, with no significant change to the Group's profit before tax.

24. Material related party transactions

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

	Group	
	6 months ended 30 June 2021 $'000	**6 months ended 30 June 2020 $'000**
Insurance premium paid and payable to an associate of the ultimate holding company	(40)	(330)
Management services fees received and receivable from:		
- fellow subsidiaries	1,301	35
- associates	183	186
- joint ventures	2,637	2,991
	4,121	3,212
Maintenance services fees received and receivable from:		
- fellow subsidiaries	169	147
- associates	107	115
- joint ventures	490	465
	766	727
Rental and rental-related income received and receivable from:		
- a fellow subsidiary	170	124
- an associate	2,715	2,550
- joint ventures	2,278	38
	5,163	2,712
Management services fee paid and payable to a fellow subsidiary	(149)	(568)
Rental and rental-related expenses paid and payable to a joint venture	(868)	(870)

25. Commitments

The commitments of the Group as at 30 June 2021 are not significantly different from its commitments as at 31 December 2020.

26. Contingent liabilities

A subsidiary of the Group in China, whose principal activities are the trading of development properties and leasing activities, would in the ordinary course of business act as guarantors for the bank loans taken by the buyers to finance the purchase of properties developed by this subsidiary, covering the period from loan contract date to the property delivery date. As at 30 June 2021, the outstanding notional amount of the guarantees amounted to $28.3 million (31 December 2020: $Nil)

27. Subsequent events

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

Other Information Required by Listing Rule Appendix 7.2

1. **Review**

The condensed consolidated financial position of the Group as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited nor reviewed by the auditors.

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

(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

<u>Group Performance</u>

The Group's performance for the half year ended 30 June 2021 (1H 2021) continues to be impacted by the prolonged COVID-19 pandemic.

The Group reported a loss after tax and minority interest of $32.1 million for 1H 2021 (1H 2020: PATMI of $3.1 million) largely due to higher tax expenses as there was an absence of a substantial deferred tax credit of $17.6 million recognised in 1H 2020, which was part of the New Zealand government's COVID-19 Business Continuity Package.

<u>Revenue</u>

Revenue for 1H 2021 increased by 11.1% to $1.2 billion (1H 2020: $1.1 billion), boosted by the buoyant property development segment. Revenue from this segment increased by 35.5%. Projects like Whistler Grand, Amber Park and The Tapestry accounted for 70% of the revenue. There was also minor revenue contribution from the Group's overseas projects, including Shenzhen Longgang Tusincere Tech Park which the Group acquired in February 2021.

The Group's hotel operations segment registered a 10.8% decline in revenue as this segment continued to grapple with the severe impact of COVID-19, with travel restrictions still largely in place for most countries. The Group's hotels registered weak occupancies and depressed room rates with RevPAR declining 10.1% year-on-year in 1H 2021.

Due to the tightened COVID-19 curbs which were implemented at different phases in 1H 2021, the Group's investment properties segment also generated lower rental income, impacted by decreased footfalls and sustained rental rebates given to its retail tenants. There was significantly lower contribution from its Jungceylon mall in Phuket, which has been temporarily closed since March 2021 as Phuket had shut its borders to international travellers.

<u>Profit Before Tax (PBT)</u>

Pre-tax profit for the Group declined to $9.7 million (1H 2020: $13.8 million), mainly due to higher net financing costs, foreign exchange losses and lower divestment gains. There was an unfavourable exchange position reflecting an exchange loss of $10.2 million in 1H 2021 vis-à-vis an exchange gain of $9.5 million in 1H 2020. There was also an absence of interest income from loans extended to and bonds issued by Sincere Property Group, which the Group had substantially impaired in 2020.

In February 2021, the Group completed its acquisition of 84.6% equity interest in Shenzhen Tusincere Technology Park Development Co. Ltd., which accorded the Group an effective 55% equity interest in Shenzhen Longgang Tusincere Tech Park. Based on the completed purchase price allocation, the Group recognised a negative goodwill of $35.6 million in 1H 2021.

All business segments of the Group are in positive territory except for the hotel operations segment which reported an operational loss. This segment reported a lower pre-tax loss for 1H 2021 as compared with 1H 2020, due to absence of impairment losses in 1H 2021, coupled with improved performance from the Asia and New Zealand hotels. Notably, hotel occupancies across all regions are improving and the Group expects this segment to bounce back strongly by end-2021/2022, as border restrictions are starting to ease.

<u>Capital Position</u>

Despite the challenging environment, the Group's financial position remains robust with sufficient liquidity to meet its operational needs and financial commitments. As at 30 June 2021, the Group had cash reserves of $2.8 billion. It maintains a strong liquidity position comprising cash and available undrawn committed bank facilities totalling $4.4 billion. Net gearing ratio after factoring in fair value on investment properties stands at 65%.

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

	30 June 2021 $/share	**31 December 2020 $/share**
NAV	9.22	9.38
Revalued NAV (RNAV)(1)	14.22	14.26
Revalued NAV (RNAV)(2)	17.00	16.88

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

Amid the challenges, the Board wishes to express its appreciation to shareholders for their confidence and support. It is pleased to declare payment of a tax-exempt (one-tier) special interim dividend of 3.0 cents per ordinary share.

Operational Highlights

Property Development

Singapore

The property market remained resilient in 1H 2021. The Group and its joint venture (JV) associates sold 971 residential units including Executive Condominiums (ECs) with a total sales value of $1.7 billion. This reflects an almost three-fold increase in the number of units sold and an over three times increase in sales value year-on-year (1H 2020: 356 units with total sales value of $514.7 million). The strong sales were largely attributed to the Group's launch of Irwell Hill Residences in April and the steady sales of other projects, including Amber Park and Sengkang Grand Residences.

Over 50% of the Group's 540-unit Irwell Hill Residences was sold on its launch weekend in April, at an average price of $2,700 per square foot (psf). This project is located near the upcoming Great World MRT Station in District 9 and within walking distance to the Orchard Road shopping belt. To date, 347 units (64%) have been sold.

The Group continued to register healthy sales on its existing inventory:

Project	**Location**	**Launched**	**Total Units**	**Units Sold#**	**ASP achieved**
Boulevard 88*	Orchard Boulevard	March 2019	154	118	>$3,770 psf
Amber Park*	Amber Road	May 2019	592	446	>$2,460 psf
Haus on Handy	Handy Road	July 2019	188	39	$2,840 psf
Piermont Grand*	Sumang Walk	July 2019	820	802	>$1,100 psf
Nouvel 18+	Anderson Road	July 2019	156	105	>$3,310 psf
Sengkang Grand Residences*	Sengkang Central	November 2019	680	551	$1,720 psf

**JV project*
#As at 8 August 2021
+Divested project under PPS 3, marketed by CDL

In February, The Tapestry, the Group's fully sold 861-unit project at Tampines Avenue 10, obtained its Temporary Occupation Permit (TOP).

While construction activities have resumed at all development sites, they have yet to return to pre-Covid levels mainly due to labour and resource shortages and cross-border restrictions that have disrupted business activities. The Government has provided some assistance to mitigate the delays and is also actively seeking ways to resolve the labour shortage issue and reduce constraints faced by the industry. Although most of the Group's projects currently under construction have encountered delays to some extent, it does not have any projects due for completion and handing over to purchasers this year. It will continue to work closely with its builders, stakeholders and industry bodies to manage development timelines.

The Group has been actively participating in Government Land Sales (GLS) tenders to replenish its land bank. In 1H 2021, the Group and its JV partner MCL Land (CDL-MCL JV) successfully tendered for two GLS sites, which will yield over 1,030 residential units in total.

In May, the CDL-MCL JV emerged as the highest bidder with $445.9 million (or $1,129 psf per plot ratio) for a 94,000 sq ft GLS site at Northumberland Road (bounded by Gloucester Road and Race Course Road). As the first GLS tender for 2021, this site was hotly contested with 10 bids and the CDL-MCL JV won by a margin of only 5.7% over the second-highest bid. This city fringe site will be developed into a mixed-use development comprising around 407 residential apartments with commercial retail space on the ground floor, with direct access to Farrer Park MRT station.

In June, the CDL-MCL JV secured an EC site at Tengah Garden Walk for $400.3 million (or $603 psf per plot ratio). The tender attracted seven bids and the CDL-MCL JV won by a razor-thin margin of 0.03% versus the next bidder. The 237,032 sq ft site, which will yield around 628 units, is located at Tengah New Town – earmarked to be Singapore's first smart and sustainable Forest Town. It is within walking distance to three upcoming MRT stations (a rare attribute for EC developments) and close to the future Jurong Innovation District and Jurong Lake District, with easy access to a host of amenities and numerous schools.

<u>Overseas Markets</u>

<u>Australia</u>

Despite the pandemic, domestic buyers have shown increased confidence in the property market. In 1H 2021, the Group and its JV associates sold 96 residential units with a total sales value of A$79.9 million ($81.4 million)

The Group's projects, which primarily target local buyers, have experienced improved demand in 1H 2021. The Marker, a 198-unit JV residential project located on Spencer Street, West Melbourne, has pre-sold 81% of units and construction is on track for completion in 2022. Brickworks Park, comprising 222 apartments and townhouses located in Alderley, North Brisbane, has achieved pre-sales on 58% of 151 released units since its launch in 2H 2020. Construction for the project commenced in 2021.

In New South Wales, the Group's collaboration with Waterbrook Lifestyle for a 135-unit retirement village project in Bowral has also seen positive response, with 99% of the 77 townhouses launched in the first phase of the project pre-sold. Construction is in progress.

<u>Japan</u>

In 2014, the Group acquired a sizeable land site in Shirokane, one of the wealthiest neighbourhoods in Tokyo, and is currently holding it as land bank. Land values have appreciated substantially in Japan and this bodes well for the site, which can be developed or divested.

<u>UK</u>

The UK residential market remains active in 1H 2021 with the extended stamp duty holiday and the low interest rate environment. The rental market has been trending upwards over the past 18 months, supported by the shortage of rental properties and the demand for space due to lockdowns.

Despite travel restrictions, enquiries have been received from local and international buyers for the Group's prime London developments. Chesham Street, a six-unit luxury project in Belgravia, has sold one unit with four units leased. Four out of the eight units at 100 Sydney Street in Chelsea have been sold. Activities for sales and letting of Teddington Riverside, a 239-unit development in Richmond, are ongoing and more than 30% of the units have been sold or leased.

The Group is reassessing its options for the former Stag Brewery site in Mortlake, as its latest planning scheme was rejected by the London mayor in July 2021. Meanwhile, it will focus on its other development projects – Ransomes Wharf, Development House and 28 Pavilion Road – that are currently in the planning stage.

<u>China</u>

In 1H 2021, the Group and its JV associates sold 179 residential and retail units in China, achieving a sales value of RMB 502 million (approximately $103.1 million).

Hong Leong City Center (HLCC), a mixed-use development in Suzhou Industrial Park, has sold 1,670 (92%) of its 1,813 residential and retail units to date. HLCC's Grade A office tower is now 86% occupied, above market occupancy. HLCC mall's occupancy is currently at 93% and the 295-room five-star M Social Hotel is expected to open in Q2 2022.

In Chongqing, Emerald, an 869-unit JV residential and commercial project, is now fully sold. The project has been handed over to purchasers since end-2020. The completed 126-unit Eling Palace has sold 111 (88%) units to date.

Hongqiao Royal Lake, a luxury development in the prime residential enclave of Qingpu District, Shanghai, has sold 67 (79%) out of the 85 villas to date.

In February 2021, the Group announced its acquisition of a majority effective stake of 55% in the Shenzhen Longgang Tusincere Tech Park. The transaction, completed in February 2021, involved the acquisition from Sincere Property and two entities of China Ping An totalling 55% effective interest in a Shenzhen Tech Park developer for RMB 850 million ($174 million), with the Group also assuming its proportionate share of shareholders' loans. Phase 1 and part of Phase 2 of the project are completed. The remaining of Phase 2 and Phase 3 are currently under construction and are expected to be completed progressively between Q4 2021 to Q4 2022. Phase 4 (comprising office and retail) has not yet commenced construction. Since March 2021 (post the Group's acquisition), 196 units have been contracted with a sales value of RMB 409.4 million ($84.1 million) to date.

Investment in Sincere Property Group

The Group's JV unit, Sincere Property Group (Sincere Property), like many other China real estate developers, continues to be challenged by debt and liquidity issues following regulatory tightening and systemic changes on financing imposed by the Chinese government, such as cooling measures on the China real estate market.

As previously announced, the Group is aware of the bankruptcy claim filed by a creditor against Sincere Property in Chongqing No. 5 Intermediate People's Court (Chongqing Court). The claim is filed for reorganisation on Sincere Property and a hearing of the case was held on 11 August 2021 in the Chongqing Court.

Following the hearing, the Group understands that the Chongqing Court will deliver its decision in due course. The Group will continue to follow up closely with Sincere Property on this legal case and the Chongqing Court's decision.

As announced on 8 July 2021, the Group reiterates its stance that it has ring-fenced its current financial exposure to its investment in Sincere Property and will continue to strenuously protect its position and interests. The Group has no intention to further support the financial obligations of Sincere Property. It will continue to monitor the situation closely and embark on the appropriate corporate and legal action as an investor and creditor of Sincere Property.

In FY 2020, the Group decided to impair $1.78 billion, effectively impairing 93% of its total investment in Sincere Property, which is equity accounted as a JV. Having recognised the substantial impairment in FY 2020, the current financial exposure to Sincere Property stands at $117 million as at 30 June 2021.

Investment Properties

Singapore

The Group's office portfolio remained resilient with committed occupancy at 90.6% as at 30 June 2021, higher than the national average of 87.4%. For 1H 2021, CDL's office portfolio registered positive rental reversion, supported by its Grade A office assets. Republic Plaza, the Group's flagship Grade A office building in Raffles Place, has a committed occupancy of 94.4%.

Grade A office rental is expected to improve by the end of 2021, supported by the tight office supply in the next two years and the redevelopment of several office buildings which will further reduce the supply. New demand is being driven by technology, digital banks, family offices and wealth management companies.

In the retail sector, the optimism in the economy's recovery in early 2021 took a hit when the COVID-19 heightened alert restrictions were implemented from 16 May through 13 June 2021, resulting in lower footfall and reduced gross turnover (GTO) in the malls. The Group proactively provided rental, operational and marketing support to tenants adversely impacted by the stricter measures. Despite continual challenges impacting the retail sector, the Group's committed occupancy remains relatively resilient at 93.8%, above the national average of 91.5%. As the pandemic continues to evolve and affect retail sales and the tightening labour market, the Group has selectively transitioned to lower base rent structures to attract strong concepts and increase the risk-reward sharing with retailers, compensated by a higher percentage of GTO.

Redevelopment and Asset Enhancement Initiatives (AEIs)

As part of the Group's enhancement initiatives to unlock the value of existing assets, it is progressing with plans to redevelop its Fuji Xerox Towers at 80 Anson Road under the CBD Incentive Scheme. In May 2021, the Group obtained Provisional Permission for a 25% uplift in gross floor area (GFA) to approximately 655,000 sq ft. The proposed redevelopment will comprise a 46-storey mixed-use integrated project. Subject to authorities' approval, 40% will be dedicated for office and retail purposes, 25% for serviced apartments and the remaining 35% for residential use, with about 256 units for sale. This prime freehold site is within walking distance to Tanjong Pagar MRT station and the upcoming Prince Edward MRT station, and in the heart of the Greater Southern Waterfront comprehensive masterplan. All tenanted units at Fuji Xerox Towers have been vacated as at 1 July 2021 and the Group is in the midst of decommissioning the building in preparation for redevelopment works. It plans to launch the residential component in 2H 2022.

In Q2 2021, the Group commenced on an AEI for Palais Renaissance to upgrade the common areas including lift lobbies, restrooms and an increase in F&B provision. The Group has received keen interest from F&B operators for these newly created units. At King's Centre, planned rejuvenation works include lobby and lift upgrading, enhancement of the common areas, restrooms and floor layout. Enhancement works for these two projects are expected to complete by 1H 2022.

In Thailand, the Group will embark on improvement works to prepare Jungceylon, its major shopping mall in Phuket for its reopening, as Phuket ramps up its vaccination rate to welcome more tourists. Phuket is a highly popular holiday destination and heavily reliant on tourism. Through this asset refurbishment, the Group is well positioned to capitalise on its growth recovery.

Overseas Markets

China

Hong Leong Plaza Hongqiao, comprising five office towers in Shanghai's Hongqiao CBD, has leased 75% of its space for serviced apartments, a confinement centre and corporate office use. Stable recurring income is expected as majority of the leases are for a 15-year term.

The committed occupancy for office space at Hong Leong Hongqiao Center has reached 100%. Including its retail units, the property has an overall committed occupancy of 96%. The serviced apartments are also relatively resilient despite the pandemic.

UK

The Group's AEIs have resulted in enhanced income and profile of its London office properties.

Throughout the pandemic, both Aldgate House and 125 Old Broad Street remained open for business. They are well occupied and the rent collection has remained strong. A proactive management regime focusing on health and wellness with enhanced cleaning, increased air circulation, and improved access control systems have provided sufficient comfort for tenants returning to the offices in increasing numbers since the easing of lockdowns in the UK.

Private Rented Sector (PRS)

The PRS has proven to be a secure and resilient market segment despite the pandemic. With the housing supply shortage and rising property prices, the PRS is expected to be in high demand for renters looking for high-quality and professionally managed homes. The Group continues to focus on enhancing recurring income and leverage on the rising demand for rental accommodation.

UK

The Group's PRS project in Leeds, named The Junction (the former Monk Bridge steelworks site), is currently under construction and will complete in phases starting from mid-2022. The Junction will provide 665 build-to-rent apartments and 24,000 sq ft of commercial space within the site's attractive heritage architecture.

Japan

Since 2019, the Group expanded into Japan's PRS sector to enhance its recurring income streams. It currently has five residential projects in Osaka and Yokohama totalling 237 apartments and five shop units for lease. The portfolio continues to enjoy stable rent and occupancy levels of over 90%.

Fund Management

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

The Group holds 21% of the total issued units in Singapore-listed IREIT Global, a pan-European real estate investment trust. In July 2021, it supported IREIT's fund-raising exercise to acquire a portfolio of 27 retail properties located across France. In addition, the Group currently has a 50% stake in the REIT manager. IREIT's AUM grew 71% from €504.9 million (approximately $808.7 million) (at the point of investment by the Group in April 2019) to €861.2 million (approximately $1.4 billion) as at 30 June 2021. It remains confident about the long-term fundamentals of the established European economies.

The Group is progressing with its plans to establish a Singapore-listed REIT with UK commercial assets. In June 2021, the Group announced that it had made relevant applications to the various regulatory authorities, including the SGX-ST and Monetary Authority of Singapore. The proposed initial public offering and listing is subject to, among others, market conditions, the requisite regulatory and other approvals being obtained and the execution of definitive agreements by the relevant parties.

Hotel Operations

The prolonged impact of COVID-19 continues to be felt as restrictions on international travel are still largely in place and the resurgence of COVID-19 cases continues to impact recovery.

Notwithstanding the prevailing challenges, the Group notes that its hospitality business has begun to show green shoots of recovery from Q2 2021 onwards.

Key operating statistics for hotels owned by the Group for 1H 2021:

	Room Occupancy			Average Room Rate			RevPAR		
	1H 2021 %	1H 2020 %	Incr / (Decr) % pts	1H 2021 $	1H 2020* $	Incr / (Decr) %	1H 2021 $	1H 2020* $	Incr / (Decr) %
Singapore	71.1	65.5	5.6	105.8	125.6	(15.8)	75.3	82.2	(8.4)
Rest of Asia	37.7	29.4	8.3	118.1	127.6	(7.4)	44.5	37.6	18.4
Total Asia	**50.8**	**43.7**	**7.1**	**111.4**	**126.4**	**(11.9)**	**56.6**	**55.2**	**2.5**
Australasia	**52.1**	**45.9**	**6.2**	**149.0**	**176.2**	**(15.4)**	**77.7**	**80.8**	**(3.8)**
London	19.9	24.6	(4.7)	152.7	232.4	(34.3)	30.3	57.1	(46.9)
Rest of Europe	24.1	27.9	(3.8)	121.1	140.2	(13.6)	29.1	39.1	(25.6)
Total Europe	**22.1**	**26.3**	**(4.2)**	**134.5**	**180.1**	**(25.3)**	**29.7**	**47.4**	**(37.3)**
New York	53.1	53.3	(0.2)	155.2	195.3	(20.5)	82.4	104.1	(20.8)
Regional US	43.2	34.9	8.3	120.7	140.9	(14.3)	52.2	49.1	6.3
Total US	**46.5**	**41.9**	**4.6**	**134.0**	**166.0**	**(19.3)**	**62.3**	**69.5**	**(10.4)**
Total Group	**42.6**	**39.4**	**3.2**	**126.9**	**152.8**	**(17.0)**	**54.1**	**60.2**	**(10.1)**

* *For comparability, 1H 2020 Average Room Rate and RevPAR had been translated at constant exchange rates (30 June 2021).*

Hotel occupancies generally improved in 1H 2021, though rates remained subdued due to the impact of the COVID-19 resurgence.

Asia

Singapore hotels continue to be impacted by restrictions on travel, though partially mitigated by the Government quarantine business and local demand for staycations.

RevPAR in 1H 2021 increased by 18.4% for hotels in the rest of Asia, driven mainly by the increase from Beijing's performance but offset by the lockdown in Taipei.

Australasia

In New Zealand, occupancies continue to be similar to last year despite disruption and impact from changes to Alert levels over the past six months. There is growth in the domestic corporate and conference markets as confidence returns to these sectors, but staff shortages remain a challenge for the Group and the industry. The Grand Millennium Auckland and M Social Auckland are managing the isolation facility business and will likely continue for the remainder of the year.

Europe

The Group’s London hotels have been focused on securing key worker business and alternative customer base during the lockdown period in 1H 2021. Following the lifting of travel restrictions on 17 May 2021, the regional UK hotels saw strong occupancies, particularly on weekends, though weekday stays remained challenging. The Group was able to secure government quarantine business for four of its UK hotels from May and June onwards, which helped to anchor and stabilise the UK base performance.

The Group’s hotels in Paris have remained closed due to government restrictions but results were partially mitigated by government funding and support for the hotel sector.

US

The Group’s US hotels have reopened in all states and cities, with around half of the population fully vaccinated. Restrictions have started to relax, such as in New York, which recently eliminated quarantine restrictions for domestic and international travel. Weekend leisure continues to drive demand, with New York hotel occupancies crossing over 80% on weekends.

Refurbishments

In the US, the Group welcomed its first M Social property in New York. The former Novotel Times Square, which was closed since 25 March 2020, re-opened as the M Social New York on 27 May 2021. The property is within walking distance to New York’s best attractions, including Broadway, the Theatre District, Central Park and Fifth Avenue. In the first full month of operation in June, the hotel registered a healthy occupancy of 87%.

In Europe, works are ongoing at the Millennium Opera Paris. The 163-room hotel is expected to reopen in September 2021 and be rebranded as the M Social Paris Opera – the Group’s first M Social in Europe. The new lifestyle hotel will merge the elegance of the historical Parisian DNA with contemporary design, vibrant art and inviting rooms to create an enchanting retreat for guests. Located at Boulevard Haussmann, in the heart of the Opéra district, the hotel is within walking distance to famous landmarks including the Louvre, the Sacré-Cœur and the Moulin Rouge, as well as major shopping, art and cultural attractions.

Staged refurbishment works for the Millennium Hotel Queenstown have commenced and are expected to complete by the end of Q4 2021. Works will begin at Millennium Hotel Rotorua, while Kingsgate Hotel Greymouth was closed in April 2021 for refurbishment and will be rebranded to a Copthorne hotel when it reopens in Q4 2021.

Developments

The Group’s redevelopment project in Sunnyvale, California, which comprises a 263-room M Social hotel and a 250-unit residential development, is progressing well. The apartments will be the Group’s first PRS project in the US. It hopes to capitalise on Sunnyvale’s strategic location as the headquarters of many technology companies. Leasing activity has commenced and the apartment project is expected to receive its temporary completion certificate in Q3 2021.

Divestments

In December 2013, due to a compulsory purchase order by the Birmingham City Council for the Copthorne Hotel Birmingham, the Group entered into various commercial arrangements with Birmingham City Council and Paradise Circus Limited Partnership (PCLP), the developer of Birmingham’s Paradise Circus redevelopment scheme. The Group will be exercising its put option to sell the existing site to PCLP for £17.2 million ($31.7 million) and expects to complete this in August 2021, with a pre-tax gain on disposal of around $15.5 million.

The Group entered into a Sale and Purchase Agreement in December 2020 to sell Copthorne Orchid Hotel & Resort Penang in Malaysia for RM 75 million ($24.4 million), with a pre-tax gain on disposal of around $9.7 million once the deal is completed.

Statement of profit or loss

	The Group Half year ended 30 June		Incr/ (Decr)
	2021	**2020**	
	S$'000	**S$'000**	**%**
Revenue	1,192,189	1,072,904	11.1
Cost of sales	(775,401)	(626,440)	23.8
Gross profit	416,788	446,464	(6.6)
Other income	56,413	95,485	(40.9)
Administrative expenses	(249,267)	(259,336)	(3.9)
Other operating expenses	(147,585)	(220,903)	(33.2)
Profit from operating activities	76,349	61,710	23.7
Finance income	14,033	91,335	(84.6)
Finance costs	(132,342)	(126,693)	4.5
Net finance costs	(118,309)	(35,358)	NM
Share of after-tax profit of associates	30,461	20,233	50.6
Share of after-tax profit/(loss) of joint ventures	21,246	(32,790)	NM
Profit before tax	9,747	13,795	(29.3)
Tax expense	(28,456)	(13,397)	NM
(Loss)/Profit for the period	(18,709)	398	NM
Attributable to:			
Owners of the Company	**(32,086)**	**3,145**	NM
Non-controlling interests	13,377	(2,747)	NM
(Loss)/Profit for the period	(18,709)	398	NM

Gross profit

Gross profit margin declined to 35% for 1H 2021 (1H 2020: 42%). This was due to thinner profit margins for Singapore residential projects that are still under construction as compared to those high-end completed projects including Gramercy Park and UK projects which commanded better margins. Notably, while there was revenue contribution from the newly acquired Shenzhen Longgang Tusincere Tech Park, there was minimal profit contribution as these relate largely to presold units at the point of acquisition, which had been taken at fair value upon acquisition during the purchase price allocation exercise, where the Group recognised a $35.6 million negative goodwill. The lower revenue contribution from the investment properties segment, which is the result of rental rebates given to its tenants, also contributed to the Group's lower gross profit margin.

Other income

Other income for 1H 2021 comprised mainly divestment gain from the disposal of the land held on the property of Copthorne Hotel Christchurch of $14.9 million, and negative goodwill of $35.6 million recognised on the acquisition of 84.6% interest in Shenzhen Tusincere in February 2021. (Refer to note 23 to the condensed interim financial statements for details of the acquisition.)

Other income for 1H 2020 comprised mainly divestment gains from disposal of Millennium Hotel Cincinnati of $26.4 million and equity stake in Sceptre Hospitality Resources (SHR) of $23.5 million, as well as a negative goodwill of $43.2 million on acquisition of an effective 51.01% joint controlling interest in Sincere Property.

Administrative expenses

Administrative expenses comprised mainly depreciation, hotel administrative expenses and salaries and related expenses. The decrease in administrative expenses in 1H 2021 was largely due to lower hotel administrative expenses and salaries expenses, which was a result of cost containment measures undertaken by the hotels.

Other operating expenses

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

The decrease in other operating expenses for 1H 2021 was mainly attributable to lower hotel operating expenses as a result of extensive cost containment measures implemented, lower impairment loss on trade and other receivables and lower impairment loss recognised on hotel properties.

In 1H 2020, as a result of the unprecedented COVID-19 outbreak, the Group recognised an impairment loss of $33.9 million on six hotels in the United States of America (US), one hotel in the United Kingdom (UK) and one hotel in Europe. Based on the Group's assessment as at 30 June 2021, the Group had not recognised any impairment loss on its hotel properties, other than a $0.8 million impairment on certain furniture, fittings and equipment of a club and a restaurant. More details on the Group's assessment are detailed in note 11 and 12 to the condensed interim financial statements.

In 1H 2021, the Group recognised an impairment loss on interest receivables amounting to $4.2 million on the USD bonds issued by and loans granted to Sincere Property which was recognised during the period. For 1H 2020, whilst no impairment on the interest was provided, the Group made an allowance for doubtful receivables of $7.0 million mainly for rent receivables from Pullman Hotel Munich and Hotel Cerretani Firenze which had payment difficulties due to COVID-19, and on aged receivables of several other US and UK hotels.

Net finance costs

The increase in net finance costs in 1H 2021 was mainly due to the following:

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

(ii) Fair value loss on financial assets measured at fair value through profit or loss (FVTPL) of $3.5 million in 1H 2021 vis-à-vis fair value gain of $39.5 million recognised in 1H 2020.

    The loss for 1H 2021 was largely attributable to fair value loss recognised on warrants issued by an associate of the Group, First Sponsor Group Limited (FSGL), and loss on a remeasurement of certain quoted equities investments, partially offset by gains on remeasurement of a real estate fund investment.

    On the other hand, the gain for 1H 2020 was largely attributable to net fair value gain on the Renminbi loan granted to Sincere Property, which was classified as an unquoted debt instrument measured at fair value through profit or loss. Fair value gain on this debt instrument included interest income of $15.5 million and a translation gain of $19.8 million from the appreciation of Renminbi against Singapore dollar (SGD).

(iii) Net exchange loss of $10.2 million recognised in 1H 2021 vis-à-vis net exchange gain of $9.5 million recognised in 1H 2020.

    Net exchange loss for 1H 2021 was mainly attributable to the translation loss recognised by CDLHT Group, arising from the appreciation of Sterling Pound (GBP) and US dollar (USD) denominated borrowings against SGD, and the depreciation of Euro denominated receivables against SGD. The Group also recognised translation loss on intercompany loans due to the weakening of GBP against the USD.

    Net exchange gain for 1H 2020 related mainly to translation gain on the US$230 million bond issued by Sincere Property following the strengthening of USD against SGD, and strengthening of Australian dollar, USD and Euro denominated receivables and bank deposits against SGD.

(iv) Fair value loss on financial derivatives of $15.3 million for 1H 2021 was mainly due to $27.2 million loss recognised on Renminbi/SGD foreign currency exchange swap entered by the Group. The fair value loss for 1H 2021 was partially offset by fair value gain on foreign exchange forward contacts and Euro/United States dollar cross-currency interest swap contract entered into by CDLHT.

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

The increase in share of after-tax profit of associates was mainly attributable to the higher share of contribution from IREIT Global, FSGL and Suzhou Dragonrise fund.

Share of after-tax profit of joint ventures for 1H 2021 was mainly attributable to contribution from residential projects such as Boulevard 88, South Beach Residences and The Jovell, partially offset by losses from hotels such as JW Marriott Hotel Singapore South Beach, St Regis Hotel, JW Marriott Hotel Hong Kong and New World Millennium Hong Kong Hotel, which were adversely impacted by the current pandemic.

1H 2020 share of after-tax loss of joint ventures was primarily contributed by Sincere Property and adverse hotel performance from the abovementioned hotels.

Statement of financial position

Investment properties for the Group decreased by $657 million to $3,912 million (As at 31 December 2020: $4,569 million) mainly due to the transfers of 125 Old Broad Street, Aldgate House and Mille Malle to assets held for sale and the transfer of Ibis Perth and Mercure Perth to property, plant and equipment during the financial period.

Investments in associates at the Group increased by $43 million, mainly attributable to share of profit for the period contributed from FSGL.

Other non-current assets at the Group decreased by $30 million mainly due to reclassification of loan to a joint venture from non-current to current as repayment of the loan is envisaged in the short term, in view that the joint venture project was launched and was selling well. The decrease was partially offset by the increase in the deferred tax asset from M&C Group.

Development properties increased by $719 million, mainly due to the acquisition of 84.6% equity interest in Shenzhen Tusincere Technology Park Development Co. Ltd. (Shenzhen Tusincere) which holds 65% equity interest in Shenzhen Longgang District Qidixiexin Science and Technology Development Park Co., Ltd. (Shenzhen Longgang) in February 2021. (Refer to note 23 to the condensed interim financial statements for details of the acquisition). The increase was partially offset by progressive cost recognition for projects under construction such as Whistler Grand and Amber Park as well as the handover of units for completed projects.

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

Short-term financial assets at the Group increased by $18 million, mainly due to the reclassification of the US$230 million bond issued by Sincere Property which the Group had subscribed to, from non-current to current financial assets in view of its redemption maturity date. The carrying value of the bond was $17.4 million as at 30 June 2021 after impairment recognised by the Group in FY2020.

Trade and other receivables at the Group increased by $175 million, mainly due to the aforementioned reclassification of a non-current loan to a joint venture from other non-current assets, as well as advances granted to joint ventures to fund the acquisition of a land site at Northumberland Road and the Tengah Garden Walk EC site.

Assets held for sale and the liabilities directly associated with the assets held for sale as at 30 June 2021 was in relation to the proposed divestments of Copthorne Orchid Penang, Copthorne Hotel Birmingham, Millennium Harvest House Boulder, land held at the Wynfield Inn site, Mille Malle, 125 Old Broad Street and Aldgate House. (see note 17 to the condensed interim financial statements for details).

Trade and other payables at the Group increased by $385 million, largely attributable to $122 million owing to the non-controlling interests of Shenzhen Longgang and trade and other payables assumed from the abovementioned acquisition of Shenzhen Tusincere.

Overall net borrowings of the Group (interest-bearing borrowings net of cash and cash equivalents) increased by $421 million due to payments for the acquisition of Shenzhen Tusincere.

Statement of cash flows

The operating cash outflows for 1H 2020 were mainly due to payment for land site at Irwell Bank Road of $636 million. Excluding the payment for Irwell land, there was a net cash inflow from operating activities of $110 million.

Net cash used in investing activities amounted to $473.9 million in 1H 2021 (1H 2020: $450.3 million).

(i) $331.6 million cash outflows made by the Group to acquire the 84.6% equity interest in Shenzhen Tusincere in February 2021.

(ii) Net cash outflows from increase in non-trade amounts owing by equity accounted investees of $58.6 million was mainly due to advances granted to joint ventures to fund the acquisition of the Tengah Garden Walk EC site and a land site at Northumberland Road. The advances were partially offset by repayment of loans from other equity accounted investees.

Net cash inflows from the decrease in non-trade amounts owing by equity-accounted investees for 1H 2020 were mainly due to repayment of the loans granted to Sincere Property.

(iii) Net cash outflows from increase in investments in associates of $1.5 million for 1H 2021 (1H 2020: $32.0 million) were mainly due to payments made by the Group to acquire additional units in IREIT Global.

(iv) $51.0 million net cash inflows from decrease in investments in joint ventures for 1H 2021 were mainly due to the return of capital from South Beach Consortium (SBC). The net cash outflows for 1H 2020 were mainly due to acquisition of 51.01% effective joint controlling interest in Sincere Property, partially offset by cash inflows arising from the return of capital from SBC.

(v) The cash outflows on the payments for purchase of investment properties for 1H 2020 were due to the acquisition of two private rental sector (PRS) projects in Osaka, Japan.

(vi) The proceeds from deconsolidation of subsidiaries of $44.7 million in 1H 2020 relate to the consideration received for divestment of 75.1% equity interest in SHR.

(vii) The proceeds from the sale of property, plant and equipment for 1H 2021 of $18.7 million relate mainly to the proceeds from the disposal of land held at the property of Copthorne Hotel Christchurch. The $48.7 million proceeds for 1H 2020 was mainly attributable to the proceeds received from the divestment of Millennium Hotel Cincinnati.

The Group had net cash outflows from financing activities of $586.2 million for 1H 2021 (1H 2020: net cash inflows of $566.1 million). The net cash outflows for 1H 2021 were largely due to a net repayment of borrowings of $346.5 million and dividends paid during the period. The net cash inflows for 1H 2020 were mainly due to a net increase in borrowings of $721.0 million, which were raised to provide various funding requirements including the acquisition of 51.01% effective joint controlling interest in Sincere Property, along with loan granted to them, and acquisition/development of land sites/properties both in Singapore and overseas. This was partially offset by dividends paid during the period.

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

The Group's performance for the period under review was in line with its expectations as disclosed in the announcement of results for the full year ended 31 December 2020, and the announcement of profit guidance on the unaudited financial results for the half year ended 30 June 2021.

4. 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.

<u>Singapore</u>

The Singapore residential property market is expected to remain resilient despite minor setbacks caused by COVID-19 disruptions. As a result of genuine demand and an expected economic recovery, the volume of new home sales for 2021 is expected to be similar to that of 2020.

The Government has cautiously increased the GLS land supply for 2H 2021 with four confirmed sites and nine reserved sites. Land is the raw material for developers and bids for strategic sites will be well contested as developers remain hungry for land bank. The Group has taken a disciplined approach in replenishing its land bank. It currently has a launch pipeline of close to 2,000 residential units via four upcoming launches, from EC, mass market to high-end projects.

In Q4 2021, the Group and its JV partner, CapitaLand Limited, will launch CanningHill Piers, the residential component of the mixed-use development. This integrated project will comprise a 48-storey and a 24-storey residential component with 696 units, a 21-storey Moxy Hotel with 475 keys, a 20-storey serviced residence with 192 keys and a two-storey commercial podium. This prime waterfront site next to Clarke Quay boasts a coveted dual-frontage which faces the iconic Singapore River and Fort Canning Park and has direct access to the Fort Canning MRT station.

In 2022, the Group plans to launch its JV developments at Northumberland Road and Tengah Garden Walk, as well as the residential component of the Fuji Xerox Towers redevelopment project.

For the office sector, although overall sentiment has been affected by the pandemic, the Group is optimistic about the economy's gradual recovery. On the retail front, the Group continues to render the necessary support to its tenants. Close to 90% of CDL's retail tenants have received rental assistance. From 10 August 2021, the Group's retail tenants will see some reprieve with the exit from Phase 2 (Heightened Alert) restrictions, which will be supported by the expected phased return of the workforce to the office.

Hotel Operations

The Delta variant of the COVID-19 virus continues to disrupt and delay the reopening plans for many countries. However, the Group is confident that with the vaccine rollout, COVID-19 will become endemic and quarantine-free travel will start to open. The Group views these as catalysts for the hospitality sector's recovery which is already gaining traction and is optimistic of a stronger rebound by the end of 2021/early 2022. The Group anticipates strong latent demand for travel domestically and regionally, as evidenced in the US and Europe when measures started to relax. Further upside is expected once international travel is allowed, such as in the UK which has allowed quarantine-free travel for fully vaccinated travellers from the US and European Union since 2 August 2021.

The Group will continue to push ahead with its digitalisation initiatives, asset enhancements and streamlining of cost structures.

Outlook

The impact of COVID-19 on global economies, businesses and communities has been unrelenting. Much of 1H 2021 was spent tackling the ever-changing landscape and operational challenges. All of the Group's business segments have been affected to varying degrees. However, the Group is optimistic that there will be an economic rebound in the near-term given higher global vaccination rates and a universal resolve to open economies.

The Group is heartened by the Government's recent announcement of its road map to transition Singapore towards a COVID-19 resilient nation. This is a positive step forward and augurs well for business and consumer confidence. Businesses and value chains that have seen adverse impact to their operations from changing restrictions will be able to formulate their longer-term growth strategy alongside the nation's phased economic reopening.

The Group will continue to execute on its Growth, Enhancement and Transformation (GET) strategy while placing a strong emphasis on capital recycling. This will ensure that capital is efficiently deployed while gearing is kept to optimal levels. With grit and determination, the Group is steadfast in its commitment to continuously innovate and emerge stronger from the challenging times it has experienced, with the key objective of creating shareholder value while being a good corporate citizen. While the road to recovery remains uneven, the accelerated vaccine deployment across the globe and the gradual easing of border restrictions offer light at the end of the tunnel. Going forward, the Group is confident of a steady recovery and better growth trajectory.

5. Dividend Information

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

The Company had on 19 May 2021 declared a tax-exempt (one-tier) non-cumulative preference dividend to holders of City Developments Limited Preference Shares of 1.93 cents per Preference Share, calculated at the dividend rate of 3.9% per annum of the issued price of $1.00 for each Preference Share, for the dividend period from 31 December 2020 to 29 June 2021. The said preference dividend was paid on 30 June 2021.

On 11 August 2021, the Board of Directors declared a tax-exempt (one-tier) special interim ordinary dividend of $0.03 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	30 June 2020
Dividend Type	Cash
Dividend Amount (in cents)	1.94 cents per Preference Share^
Dividend rate (in %)	3.9% per annum on the issue price of each Preference Share
Dividend Period	From 31 December 2019 to 29 June 2020 (both dates inclusive)
Issue Price	$1.00 per Preference Share

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

(c) Date payable

The tax-exempt (one-tier) special interim ordinary dividend will be paid on 14 September 2021.

(d) Record Date

5.00 pm on 24 August 2021.

6. Interested Person Transactions

No interested person transactions ("IPTs") were conducted for the six months ended 30 June 2021 under the Company's IPT Mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than $100,000).

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

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

BY ORDER OF THE BOARD

Yeo Swee Gim, Joanne
Enid Ling Peek Fong
Company Secretaries
12 August 2021

CONFIRMATION BY THE BOARD

The Directors of the Company hereby confirm, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the Group's unaudited condensed interim consolidated financial statements to be false or misleading in any material respect.

On behalf of the Board of Directors

Kwek Leng Beng	**Sherman Kwek Eik Tse**
Executive Chairman	Executive Director

Singapore, 12 August 2021

News Release

12 August 2021

CDL REPORTS LOSS OF S$32.1 MILLION FOR 1H 2021 DUE TO HIGHER TAX EXPENSES AND IMPACT FROM THE PROLONGED COVID-19 PANDEMIC

- **All business segments of the Group in positive territory except for hotel operations; hospitality business has begun to show green shoots of recovery evident from Q2 2021**
- **Property development segment marked over three-fold increase with sales value of S$1.7 billion and 971 residential units sold in Singapore**
- **Launch pipeline of close to 2,000 residential units**
- **The Group continues to execute on its Growth, Enhancement and Transformation (GET) strategy with a strong emphasis on capital recycling**
- **Financial position remains robust with strong cash reserves of S$2.8 billion**
- **Special interim dividend of 3.0 cents per share declared**

For the half-year ended 30 June 2021 (1H 2021), City Developments Limited (CDL) reported a net loss after tax and minority interest of S$32.1 million (1H 2020: PATMI of S$3.1 million) largely due to higher tax expenses as there was an absence of a substantial deferred tax credit of S$17.6 million recognised in 1H 2020, which was part of the New Zealand government's COVID-19 Business Continuity Package.

The Group's revenue for 1H 2021 increased by 11.1% to S$1.2 billion (1H 2020: S$1.1 billion), boosted by the property development segment, which saw an increase of 35.5% compared with 1H 2020. With travel restrictions still largely in place for most countries, its hotel operations segment registered a 10.8% decline in revenue, with RevPAR declining 10.1% year-on-year in 1H 2021. The Group's investment properties segment also generated lower rental income, impacted by decreased footfalls, sustained rental rebates given to its retail tenants and significantly lower contribution from its Jungceylon mall in Phuket. The mall has been temporarily closed since March 2021 as Phuket had shut its borders to international travellers.

The Group registered a pre-tax profit of S$9.7 million (1H 2020: S$13.8 million), mainly impacted by higher net financing costs, foreign exchange losses and lower divestment gains compared with the previous corresponding period. All its business segments are in positive territory except for the hotel operations segment which reported an operational loss, albeit a lower pre-tax loss in 1H 2021 compared with 1H 2020. Notably, hotel occupancies across all regions are improving and the Group expects this segment to bounce back strongly by end-2021/2022, as border restrictions are starting to ease.

As at 30 June 2021, the Group's balance sheet remained robust, with cash reserves of S$2.8 billion. It maintains a strong liquidity position comprising cash and available undrawn committed bank facilities totalling S$4.4 billion. Net gearing ratio (after factoring in fair value on investment properties) stands at 65%.

Amid the challenges, the Board wishes to express its appreciation to shareholders for their confidence and support. It is pleased to declare payment of a tax-exempt (one-tier) special interim dividend of 3.0 cents per ordinary share.

Financial Highlights

(S$ million)	1H 2021	1H 2020	% Change
Revenue	**1,192.2**	1,072.9	11.1%
Profit before tax	**9.7**	13.8	(29.3)
PATMI	**(32.1)**	3.1	NM

Important Notes on 1H 2021 Profit Before Tax

- In February 2021, the Group completed its acquisition of an 84.6% equity interest in Shenzhen Tusincere Technology Park Development Co. Ltd., which accorded it an effective 55% equity interest in Shenzhen Longgang Tusincere Tech Park. Based on the completed purchase price allocation, the Group recognised a negative goodwill of S$35.6 million in 1H 2021.

Operations Review and Prospects

Resilient Residential Sales in Singapore, China and other Overseas Markets

- In **Singapore,** the Group and its joint venture (JV) associates sold 971 residential units including Executive Condominiums (ECs), with total sales of S$1.7 billion (1H 2020: S$514.7 million comprising 356 units). This reflects an over three times increase in sales value year-on-year with an almost three-fold increase in the number of units sold. The strong sales were largely attributed to the Group's launch of Irwell Hill Residences in April, with 347 out of 540 units sold to date, and the steady sales of other projects, including Amber Park and Sengkang Grand Residences.

- In **Australia,** the Group has pre-sold 81% of its JV 198-unit freehold residential project The Marker located on Spencer Street, West Melbourne and construction is on track for completion in 2022. Brickworks Park, comprising 222 apartments and townhouses located in Alderley, North Brisbane, has achieved pre-sales on 58% of 151 released units since its launch in 2H 2020. The Group's collaboration with Waterbrook Lifestyle for a 135-unit retirement village project in Bowral, New South Wales, has also seen positive response, with 99% of the 77 townhouses launched in the first phase of the project pre-sold.

- In **China**, the Group has sold 1,670 (92%) out of 1,813 residential and retail units of Hong Leong City Center (HLCC), an integrated mixed-use development in Suzhou. Current occupancy at HLCC's Grade A office tower and mall stands at 86% and 93% respectively. Emerald, its 869-unit JV residential and commercial project in Chongqing is now fully sold. The completed 126-unit Eling Palace in Chongqing has sold 111 (88%) units to date. Since March 2021, 196 units at Shenzhen Longgang Tusincere Tech Park have been contracted with a sales value of RMB 409.4 million (S$84.1 million) to date.

Project Launch Pipeline

- With a disciplined approach in replenishing its land bank, the Group currently has a launch pipeline of close to 2,000 residential units via four upcoming launches, from EC, mass market to high-end projects.

- In Q4 2021, the Group and its JV partner, CapitaLand Limited, will launch CanningHill Piers, the residential component of the mixed-use development. This integrated project will comprise a 48-storey and a 24-storey residential component with 696 units, a 21-storey Moxy Hotel with 475 keys and a 20-storey serviced residence with 192 keys and a two-storey commercial podium. This prime waterfront site next to Clarke Quay boasts a coveted dual-frontage which faces the iconic Singapore River and Fort Canning Park and has direct access to the Fort Canning MRT station.

- In 2022, the Group plans to launch its JV developments at Northumberland Road and Tengah Gardens Walk EC, as well as the residential component of the Fuji Xerox Towers redevelopment project.

Driving Growth and Recurring Income through Portfolio Rejuvenation, the Private Rented Sector and Fund Management

Redevelopment & Portfolio Rejuvenation

- In May 2021, the Group obtained Provisional Permission under the CBD Incentive Scheme for a 25% uplift in gross floor area (GFA) to approximately 655,000 sq ft on its redevelopment plans for Fuji Xerox Towers, a freehold office building. The proposed redevelopment will comprise a 46-storey mixed-use integrated project. Subject to authorities' approval, 40% will be dedicated for office and retail purposes, 25% for serviced apartments and the remaining 35% for residential use, with about 256 units for sale. All tenanted units at Fuji Xerox Towers have been vacated as at 1 July 2021 and the Group is in the midst of decommissioning the building in preparation for redevelopment works.

- In Q2 2021, the Group commenced on an Asset Enhancement Initiative (AEI) for Palais Renaissance to upgrade the common areas, including an increase in F&B provision. At King's Centre, there are also planned rejuvenation works to enhance its common areas and floor layout. These AEIs are expected to complete by 1H 2022.

Private Rented Sector (PRS)

- The PRS has proven to be a secure and resilient market segment despite the pandemic. With the housing supply shortage and rising property prices, the PRS is expected to be in high demand for renters looking for high-quality and professionally managed homes. The Group continues to focus on enhancing recurring income and leverage on the rising demand for rental accommodation.

- The Group's PRS project in Leeds, UK, named The Junction, is currently under construction and will complete in phases starting from mid-2022. It will provide 665 build-to-rent apartments and 24,000 sq ft of commercial space within the site's attractive heritage architecture.

- Since 2019, the Group expanded into Japan's PRS sector. It currently has five residential projects in Osaka and Yokohama totalling 237 apartments and five shop units for lease. The portfolio continues to enjoy stable rent and occupancy levels of over 90%.

Fund Management

- In June 2021, the Group announced that it had made relevant applications to the various regulatory authorities, including the SGX-ST and Monetary Authority of Singapore, to establish a Singapore-listed REIT with UK commercial assets. The proposed initial public offering and listing is subject to, among others, market conditions, the requisite regulatory and other approvals being obtained and the execution of definitive agreements by the relevant parties.

Mr Kwek Leng Beng, Executive Chairman of CDL, said, "The impact of the prolonged COVID-19 pandemic and the resurgence of infections led by the Delta variant have been detrimental to the Group's business segments to varying degrees. Despite the circumstances, all business segments have delivered a resilient 1H 2021 performance and are in positive territory apart from hotel operations, which continues to bear the brunt of travel and border restrictions. Vaccination rates and quarantine-free travel have been the catalysts for the hospitality sector's recovery which is already gaining traction. We are optimistic of a stronger rebound by the end of 2021/early 2022 and expect strong latent demand for travel domestically and regionally, with further upside once international travel is allowed.

Going forward, we look confidently towards a steady economic recovery and better growth trajectory in the near-term horizon given a universal resolve to open economies."

Mr Sherman Kwek, Group Chief Executive Officer of CDL, said, "The Group has remained steadfast in the execution of our Growth, Enhancement and Transformation (GET) strategy, and will continue to do so while placing a strong emphasis on capital recycling. This will ensure that capital is efficiently deployed while gearing is kept to optimal levels. There remains deep value in our asset portfolio to be unearthed.

While the road to recovery remains uneven, the accelerated vaccine deployment across the globe and the gradual easing of border restrictions offer light at the end of the tunnel. With resilience, agility, determination and innovation, we will continue to forge ahead with our plans so as to emerge stronger from these challenging times, with the key objective of maximising shareholder value while being a good corporate citizen."

Please visit www.cdl.com.sg for CDL's 1H 2021 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/citydevelopments
Twitter: @CityDevLtd / twitter.com/citydevltd

Artist's Impression
Irwell Hill Residences I Singapore

City Developments Limited | Trusted Since 1963

1H 2021 Results Presentation

12 August 2021

Agenda |

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

Overview

Key Financial Highlights – 1H 2021

1H 2021	Revenue	EBITDA	PBT	PATMI
	$1.2B	$272.1MM	$9.7MM	($32.1MM)
1H 2020				
	$1.1B	$189.7MM	$13.8MM	$3.1MM

Increase in revenue is due to a steady increase in property development segment boosted by Whistler Grand, Amber Park and The Tapestry which accounted for 70% of the revenue from the property development segment in 1H 2021.

Resilient EBITDA of $272.1MM.

Profit before tax declined to $9.7MM (1H 2020: $13.8MM) mainly due to higher net financing costs and lower divestment gains.

PATMI loss driven by higher tax expenses due to an absence of a substantial deferred tax credit recognised in 1H 2020 which was part of the New Zealand government's COVID-19 Business Continuity Package.

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

Key Financial Highlights – 1H 2021

1H 2021

NAV per share

$9.22

▼ 1.7%

FY 2020:

$9.38

RNAV per share

$14.22

▼ 0.3%

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

$17.00

If revaluation surpluses of the hotel portfolio had been included (based on 2020/2021 internal & external valuations)

FY 2020:

$14.26

1H 2021

Proposed Dividend

3.0

cents per share

1H 2020:

-

Share Price Performance

$7.29^

▼ 8.53%

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

^ As of 30 Jun 2021

Key Operational Highlights – 1H 2021

Performance Summary

Property Development	▪ **SINGAPORE:** Sold 971 units with total sales value of $1.7B* ▪ Strategic expansion of Singapore residential land bank with 2 GLS site acquisitions in 1H 2021: – Northumberland Road site (Est 407 units) – Tengah Garden Walk EC site (Est 628 units) ▪ **CHINA:** Sold 179 units with total sales value of RMB 502MM^ ($103.1MM) ▪ **AUSTRALIA:** Sold 96 residential units with total sales value of A$79.9MM^ ($81.4MM)
Asset Management	▪ **SINGAPORE:** Resilient committed occupancy for core Singapore office & retail portfolio: – **Office**: 90.6% (NLA: 1.7MM sq ft) – **Retail**: 93.8% (NLA: 686,000 sq ft) ▪ **OVERSEAS:** Stable occupancy for office assets in London and China
Hotel Operations	▪ Overall improvements in hotel occupancies, though rates remained subdued due to COVID-19 resurgence: – **Global occupancy:** 42.6% (▲ 3.2% pts YoY) – **Global RevPAR:** $54.1 (▼ 10.1% YoY) – **Global ARR:** $126.9 (▼ 17.0% YoY) ▪ Launch of M Social New York in end May, with healthy occupancy of 87% achieved in June 2021
Fund Management	▪ Continue to build pipeline, in active collaboration with capital partners to acquire new AUM – Supported IREIT's acquisition of 27 retail assets from the France Decathlon portfolio through a 10-year sale-and-leaseback arrangement for €110.5MM – Applications made for proposed IPO and listing on SGX-ST of a REIT with UK commercial assets

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

^ Includes share of JV associates

Portfolio Composition by Segment – 1H 2021

EBITDA *
$272.1MM

1H 2021

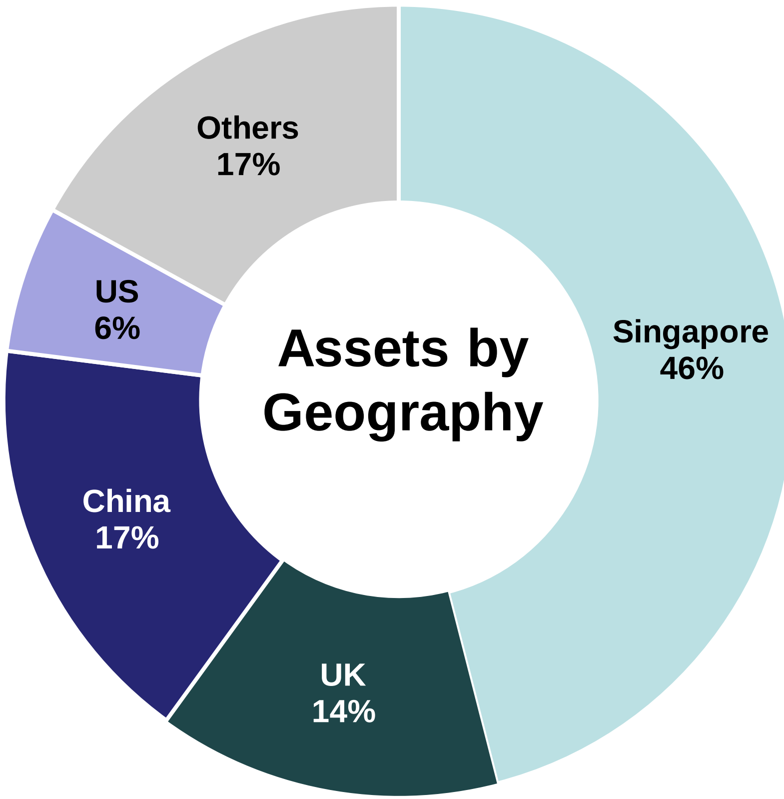
Total Assets ^
$24.5B

EBITDA *	Segment	Total Assets ^
$182.3MM	Property Development	$10.3B
($47.2MM)	Hotel Operations	$5.8B
$92.3MM	Investment Properties	$7.0B
$44.7MM	Others	$1.4B

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

Global Portfolio Overview

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



Total Assets ^:
$24.5B

^ Excludes tax recoverable and deferred tax asset.

As at 30 Jun 2021

Strategic Initiatives

GET Strategy

Accelerate Transformation of Asset Portfolio and Business Operations for Growth

Growth
Enhancement
Transformation

Artist's Impression
Irwell Hill Residences I Singapore

Growth

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

Enhancement

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

Artist's Impression
Shenzhen Longgang Tusincere Tech Park I China

Transformation

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

G.E.T Strategy & Focus 2021

Growth

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

- Launched **Irwell Hill Residences** in April and launching **CanningHill Piers** in Q4 2021 (Liang Court redevelopment project)
- **Active land replenishment of 2 GLS sites:** Northumberland Road and Tengah Garden Walk

Irwell Hill Residences Artist's Impression

Enhancement

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

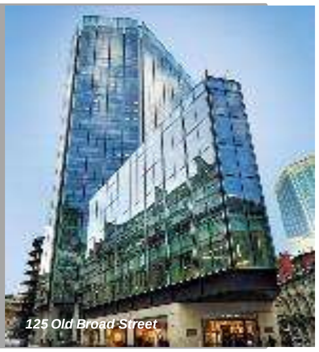
- Asset enhancement initiatives for **Palais Renaissance, King's Centre, Tower Club and Jungceylon**
- Redevelopment of **Fuji Xerox Towers** (CBD Incentive Scheme) and **Central Mall** (Strategic Development Incentive Scheme)
- Repositioning of hotels: **M Social Times Square NY** and **M Social Paris Opera**

Fuji Xerox Towers redevelopment Preliminary Artist's Impression

Transformation

- **Via new platforms:** Fund Management, Investments, Innovation & Venture Capital

- **Strategic review of M&C portfolio**
- **Fund management:** Application of **IPO for the listing of REIT on SGX-ST** with UK commercial assets



125 Old Broad Street

Artist's Impression

Irwell Hill Residences I Singapore

Growth

- Build development pipeline & recurring income streams

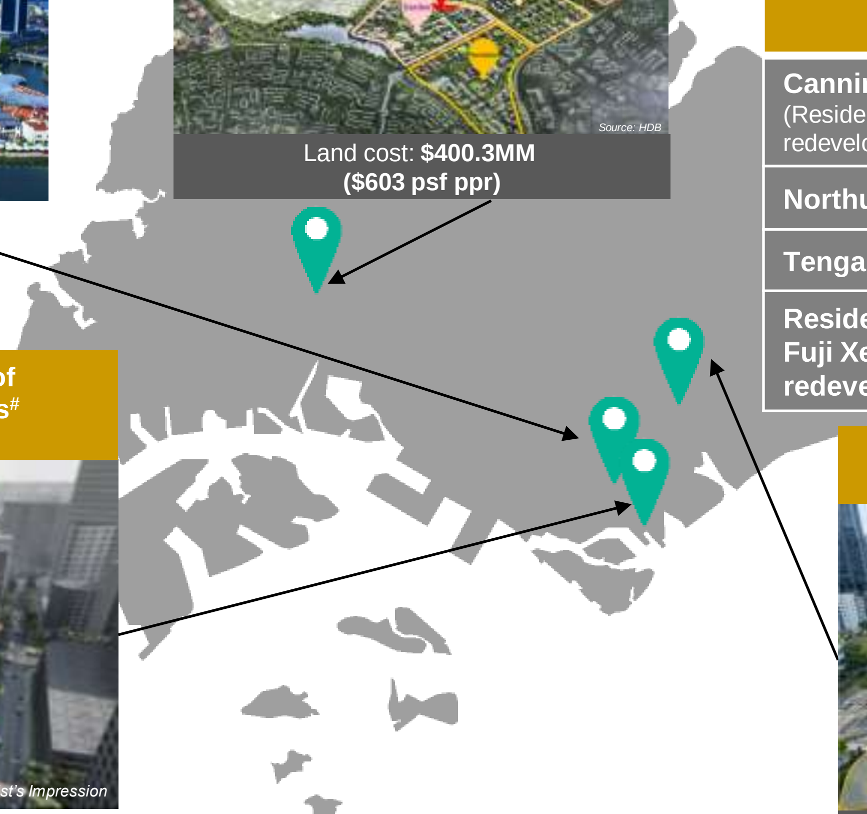
Diversified Residential Launch Pipeline

Singapore Pipeline ranges from Mass Market to High-end Projects

CanningHill Piers^
(696 units)

Tengah Garden Walk EC^
(Est 628 units)

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



Redevelopment of Fuji Xerox Towers#
(Est 256 units)

Launch Pipeline

~ 2,000 units*

Upcoming Launches

CanningHill Piers^ (Residential component of Liang Court redevelopment)	Q4 2021
Northumberland Road^	1H 2022
Tengah Garden Walk EC^	2H 2022
Residential component of Fuji Xerox Towers redevelopment #	2H 2022

Northumberland Road^
(Est 407 units)

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

* Includes JV partners share. ^ JV project. # Subject to Authorities' Approval.

GROWTH

Upcoming Launch in Q4 2021

CanningHill Piers – A New Landmark Residence Nestled between Fort Canning Hill and Singapore River, by renowned Danish architecture firm Bjarke Ingels Group

Location	Tenure	Equity Stake	Total Units	Site Area (sq ft)	Est Total Saleable Area (sq ft)
River Valley Road / Tan Tye Place / Clarke Quay	99-year	50%	696	139,128*	614,089

Singapore's only hill and river dual-frontage residential development in District 6, a 50-50 JV with CapitaLand

- Comprises a 48-storey (180 metres) and a 24-storey (100 metres) residential tower with exclusive units ranging from 1- to 5-Bedroom Premium apartments, Sky Suites and a Super Penthouse. Both towers are connected by a sky bridge at Level 24
- Part of an integrated development that includes a 21-storey Moxy hotel, a 20-storey Somerset serviced residence and a 2-storey commercial podium (CanningHill Square)
- Excellent connectivity with a direct link to Fort Canning MRT station and a mere eight-minute walk to Clarke Quay MRT station, and with convenient access to the CBD and CTE
- Enjoys views of Fort Canning Hill, Singapore River, CBD, Marina Bay and beyond from a wide range of lifestyle facilities such as Sky Gym, Infinity Lap Pool, Sky Gourmet, Flexi Lounge, Function Room, Sky Bridge on Level 24, and panoramas of Marina Bay from the luxurious Sky Club on Level 45

** For entire integrated development*

Active Land Replenishment

Strategic Acquisition of District 8 Site at Northumberland Road

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

Top bid placed for first Government Land Sales (GLS) tender in 2021 – Tender closed on 27 April 2021

- Strategic top bid of $445.888MM placed by CDL and JV partner MCL Land
  - ➢ Coveted city fringe site drew 10 bids
  - ➢ 5.7% margin over the second highest bid
- Proposed scheme: Mixed-use project with 407 residential apartments of up to 23 storeys and commercial retail space (including infant care and childcare centre) on ground floor
- Excellent connectivity with direct access to Farrer Park MRT station, short drive to the CBD and Singapore Sports Hub with easy access to major expressways (e.g. CTE and PIE)
- Site is close to amenities such as City Square Mall, Connexion, Farrer Park Hospital, Centrium Square, Jalan Besar Sports Centre, numerous F&B establishments, as well as seven primary schools (within 2km), including St. Joseph's Institution Junior and Anglo-Chinese School (Junior)

Site Information	
Site Area	8,732.9 sqm
Maximum GFA	36,679 sqm
Land Price	$445.888MM / $1,129 psfppr

Active Land Replenishment

Strategic Acquisition of Prime Tengah Garden Walk EC Site

Location	Tenure	Equity Stake	Total Units	Site Area (sq ft)
Tengah Garden Walk	99-year	50%	Est 628	237,032

Top bid placed for prized EC site in Tengah New Town – Tender closed on 25 May 2021

- Strategic top bid of $400.318MM placed by CDL and JV partner MCL Land
  - Hotly contested site drew 7 bids; won by the narrowest of margins at 0.03% over the second highest bid
- Proposed scheme: an EC project with 12 blocks of up to 14 storeys with around 628 residential units
- Exceptional convenience:
  - Within walking distance of three MRT stations on the upcoming Jurong Region Line – 500 metres to Tengah MRT station and 600 metres to Hong Kah MRT station and Tengah Plantation MRT station
  - Less than a 30-minute drive to the CBD and Orchard Road via major arterial roads and the PIE
- Site is close to Jurong Innovation District, Jurong Lake District, Tengah's future Town Centre, Tengah New Town, as well as Primary Schools (within 2km), including Shuqun Primary School and Princess Elizabeth Primary School, and Secondary Schools, including River Valley High School, Dulwich College (Singapore) and Canadian International School (Lakeside Campus)

Site Information	
Site Area	22,020.8 sqm
Maximum GFA	61,659 sqm
Land Price	$400.318MM / $603 psfppr

Republic Plaza I Singapore

Enhancement

- Enhance asset portfolio
- Drive operational efficiency

ENHANCEMENT

Focus on Asset & Operational Efficiency

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

Asset Rejuvenation and Redevelopment

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

Asset Enhancement Initiatives (AEI)

Rejuvenating existing assets to unlock value and strengthen recurring income streams

Operational Efficiency

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

ENHANCEMENT

Embedding Strategic ESG Initiatives

Driving Business Transformation through Strong Sustainability Focus

Environmental Performance

- First Singapore real estate conglomerate in Southeast Asia to sign **WorldGBC's Net Zero Carbon Buildings Commitment** – pledging net zero operational carbon for all wholly-owned assets and developments under direct operational and management control by 2030
- **5-year $1.22B Green Loan** secured by South Beach Consortium – one of Singapore's largest green loans
- **Accelerated renewable energy deployment** and **innovative circularity solutions**; **active R&D pilots**, e.g. acoustic friendly ventilation window, bifacial BIPV panels, 3D printed vertical farming system
- Raised the bar for **prompt and transparent ESG reporting** in scope and depth via digital format; advanced CDL's pioneering sustainability reporting framework to harmonise leading standards and frameworks including GRI, SASB, IIRC, CDP, SDG, TCFD, and CDSB

1H 2021 Highlight: "Change the Present, Save the Future" Exhibition at CDL Green Gallery

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

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

ENHANCEMENT

Strategic Focus on Green Financing Streams

Enhancing Linkage between Capital Markets and Sustainability Performance

>$2.5B
Sustainable financing secured since 2017

Green Bonds & Loans

Apr 2017: $100MM

1st Green Bond issued by a Singapore company

Apr 2019: $500MM

1st Green Loan for New Property Developments

Dec 2020: $470MM

Green Revolving Credit Facility

Apr 2021: $1.22B

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

Sustainability Innovation & New Developments

Sep 2019: $250MM – SDG Innovation Loan

Innovation project: digiHUB

Secured interest rate discount with digiHUB innovation, a SMART enterprise platform that centralises portfolio building management developed by CBM (CDL's facilities management subsidiary)

- digiHUB provides macro and micro views of building performance to management
- The platform targets to use AI technologies to predict maintenance issues

* JV project

ENHANCEMENT

ESG Achievements

Ranked on 13 Leading Global Sustainability Ratings and Rankings

LATEST ESG MILESTONES

Bloomberg Gender-Equality Index 2021	CDP A LIST 2020 CLIMATE / CDP A LIST 2020 WATER	CDP SUPPLIER ENGAGEMENT LEADER 2020	Most Sustainable Corporations in the World GLOBAL 100 2021
Only Singapore real estate company listed for 4th consecutive year	**Only company in Southeast Asia & Hong Kong to achieve double 'A' honour for both climate change & water security for 2nd consecutive year**	**Top 7% of CDP participants, assessed for supplier engagement on climate change**	**Ranked world's top real estate company, top Singapore company, and 1st & only Singapore company listed on Global 100 for 12 consecutive years**

Ranked #4
out of 519 companies
Singapore Governance and Transparency Index 2021

Member of Dow Jones Sustainability Indices, Powered by the S&P Global CSA	MSCI ESG RATINGS AAA	FTSE4Good	GRESB Real Estate Sector Leader 2020	Corporate ESG Performance, Rated by ISS ESG, Prime
Since 2011	'AAA' since 2010	Since 2002	Since 2017	Rated Prime Since 2018

STOXX Member 2020/2021 ESG Leaders Indices	EURONEXT vigeo eiris Indices WORLD 120	Sustainalytics ESG Global 50 Top Rated / Sustainalytics ESG Industry Top Rated	SGX iEdge SG ESG Indices	Singapore Governance and Transparency Index (SGTI)
Since 2014	Since 2018	Since 2020	Since 2016	Ranked #3 out of 577 companies in 2020

ENHANCEMENT

Asset Enhancement Initiatives (AEI)

Palais Renaissance

Mall Entrance

Scope

- Widen main entrance and create alfresco F&B area
- Revamp of common areas
- Addition of an escalator to the basement

Target Completion:

1H 2022

Design Inspiration From Traditional French 'Savoir Faire'

Atrium & Concierge


Commercial Office Podium Lift Lobby @ L1, L2, L3


Insta-worthy Feature Wall at Basement

ENHANCEMENT

Asset Enhancement Initiatives (AEI)

King's Centre

Main Entrance

Scope
• Revamp main lobby and common areas like lift lobbies, lift interiors and restrooms • Reconfigure existing floor layout for efficiency • Air-conditioning system upgrade for energy efficiency
Target Completion:
1H 2022

Design Inspiration From Imperial Gardens and Classical Orders

Main Lobby

Basement Lift Lobby

Typical Floor Lift Lobby

Asset Enhancement Initiatives (AEI)

Tower Club Ba Xian Restaurant


Main Dining Hall

Scope

- Increase functional space by slabbing over void space in the middle of the restaurant and creating flexible spaces for hosting of events/banquets
- Revamp of main dining hall, private dining rooms and restrooms

Target Completion:

Q4 2021

Design Inspiration from the silk road and the elegance of the ancient commodity


Main Entrance


Private Dining Room


Restroom

ENHANCEMENT

Asset Enhancement Initiatives (AEI)

Jungceylon, Phuket

Functional Upgrade

- Refurbishment of the Port Zone: Replacement of canopy, flooring, and cables, and water fountain repair works
- Functional repair works for restrooms
- Revamp of 4 sets of passenger lifts
- Facade painting and repair works

Target Completion:

Q2 2022

ENHANCEMENT

Asset Repositioning – M Social New York

Opening of M Social New York in May 2021 – First M Social Property in US

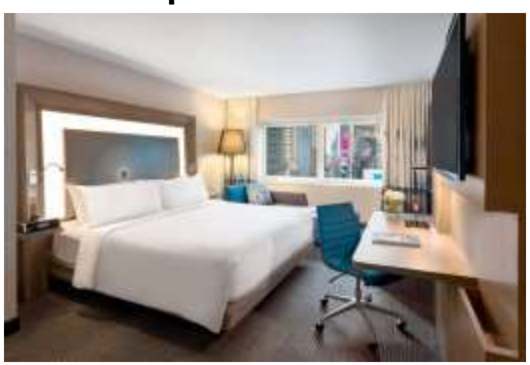
480-room hotel located in the heart of Times Square

Debut in Times Square, New York on 27 May

New lifestyle offering will merge the energy of Times Square with contemporary design, vibrant art and inviting rooms to create an engaging retreat for guests to gather, work and discover the city

Walking distance to New York's best attractions, including Broadway, the Theatre District, Central Park and Fifth Avenue

Accessible, comfortable and practical rooms



Private oasis with unobstructed city views

Artistically infused

ENHANCEMENT

Asset Repositioning – M Social Paris

Opening of M Social Paris Opera in Sep 2021 – First M Social Property in Europe

163-room hotel located on Boulevard Haussmann in the Opera district

Works are ongoing to re-brand Millennium Opera Paris as M Social Paris Opera – the Group's first M Social in Europe

New lifestyle rebranding will merge the elegance of the historical Parisian DNA with contemporary design, vibrant art and inviting rooms

Walking distance to some of the city's most famous landmarks including the Louvre, the Sacré-Cœur and the Moulin Rouge

Refurbished rooms

Signature Room

La Sweetie

La Grande Sweetie

ENHANCEMENT

Asset Rejuvenation to Unlock Value

Redevelopment of Existing Assets – Realise GFA uplift from Incentive Schemes

Fuji Xerox Towers


Preliminary Artist's Impression

Proposed redevelopment under CBD Incentive Scheme*:

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

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

- **Provisional Permission obtained in May 2021:** **GFA uplift by 25%** to approx. 655,000 sq ft
- **Building decommissioning** in progress; all tenanted units vacated as at 1 July 2021

Central Mall


Preliminary Artist's Impression

Proposed redevelopment under Strategic Development Incentive Scheme*:

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

Commercial Use	Hotel & Serviced Apartments Use
70%	**30%**

Potential uplift in GFA

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


125 Old Broad Street | London, UK

Transformation

- ➢Via new platforms

Fund Management

TWO-PRONGED STRATEGY

Leverage CDL's core capabilities to drive scale and maximise business returns	Accelerate growth of **Fund Management** business through acquisitions

Singapore-listed REIT platform with UK commercial assets

- Relevant applications made to various regulatory authorities
- Proposed IPO and listing is subject to market conditions, requisite regulatory and other approvals obtained, and execution of definitive agreements

IREIT GLOBAL

Expansion into Private Rented Sector

IREIT Global

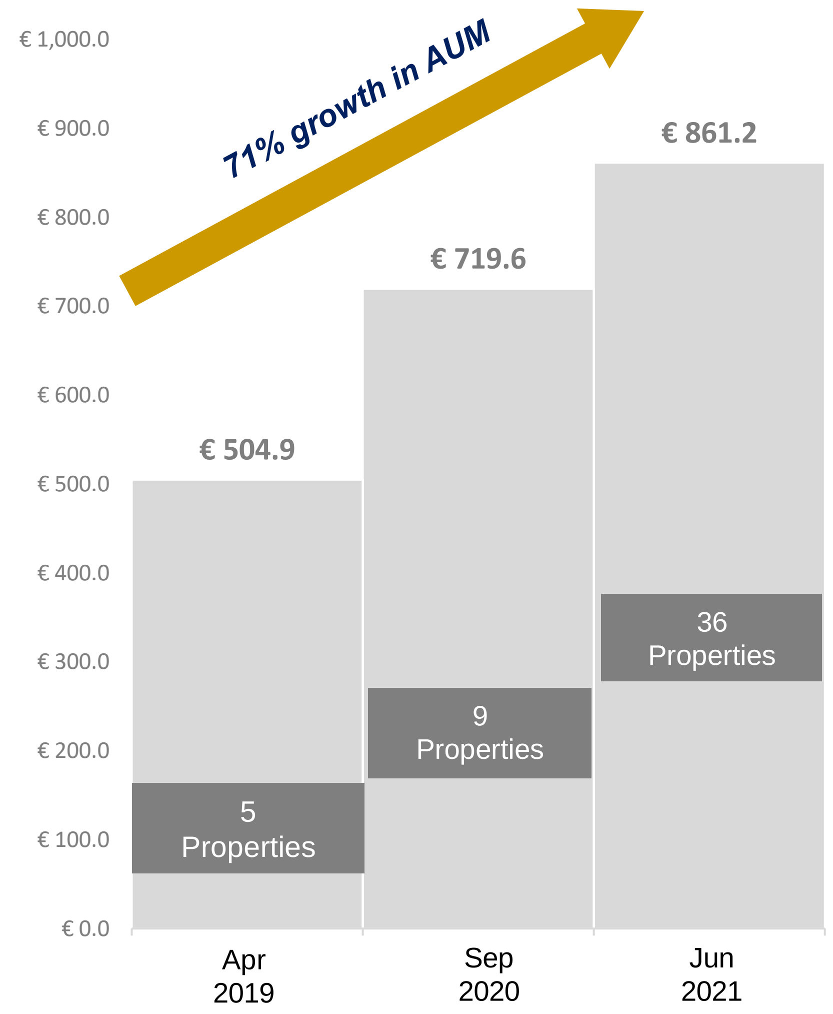
71% Growth in AUM

Since investment in Apr 2019, AUM grew from €504.9MM ($808.7MM) to €861.2MM ($1.38B)*

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

- 12.5% in 2019
- 8.4% in April 2020

IREIT AUM (€MM)



Successfully Equity Fund Raising Exercise

1. Oct 2020: recorded a successful fund-raising exercise of $143MM which was 1.66x oversubscribed
2. July 2021: another successful fund-raising exercise of $127MM which was 1.51x oversubscribed

* As at June 2021

Financial Highlights

Financial Highlights

Property Development

	1H 2021	1H 2020
Revenue	$628MM	$464MM
PBT	$119MM	$115MM

- **Increase in revenue mainly due to timing of revenue recognition**
  - ✓ 1H 2021 contribution largely from The Tapestry, Whistler Grand, Amber Park, Hongqiao Royal Lake Shanghai, Shenzhen Longgang Tusincere Tech Park and New Zealand property sales
  - ✓ 1H 2020 contributions largely from The Tapestry, Whistler Grand, Amber Park, Gramercy Park, Hongqiao Royal Lake Shanghai and New Zealand property sales
- **PBT increase is:**
  - ✓ Boosted by negative goodwill of $36MM was recognised for Shenzhen Longgang Tusincere Tech Park
  - ✓ Excluding the negative goodwill of Shenzhen, this segment would have registered a $36MM decrease in PBT due to
    - higher financing cost expensed off for new projects
    - lower profit margins for the development projects with profit recognition in 1H 2021
    - slower recognition of profits progressively for projects due to slower construction progress due to COVID-19

Hotel Operations

	1H 2021	1H 2020
Revenue	$317MM	$355MM
PBT	($143MM)	($208MM)

- **This segment continued to be impacted** by the prolonged COVID-19 pandemic which affected the global hospitality sector with travel restrictions and steep reduction in F&B spend
  - ✓ **Global RevPAR declined 10%** driven by decline in average room rate. Green shoots of recovery seen towards end of June 2021
  - ✓ **Lower losses for 1H 2021** mainly due to absence of impairment losses (1H 2020:$34MM). This was partially offset by lower divestment gains in 1H 2021 (1H 2021: $15MM for Christchurch Land; 1H 2020: $26MM for Cincinnati Hotel)

Investment Properties

	1H 2021	1H 2020
Revenue	$171MM	$186MM
PBT	$10MM	$26MM

- **Decrease in revenue and PBT** was mainly due to
  - ✓ **Lower contribution from Jungceylon Retail Mall, Phuket** by $12.1MM as the mall was closed since March 2021 with the lockdown of Phuket and extensive rebates was given to tenants in 1H 2021
  - ✓ **Lower rental from CDLHT hotels** accounted for as investment properties due to disposal of Novotel Clarke Quay and Novotel Brisbane in 2020
  - ✓ **Lower contribution from Fuji Xerox** as most of the tenants vacated the building in 2021. The building will be demolished in 2H 2021

Others

	1H 2021	1H 2020
Revenue	$76MM	$68MM
PBT	$24MM	$81MM

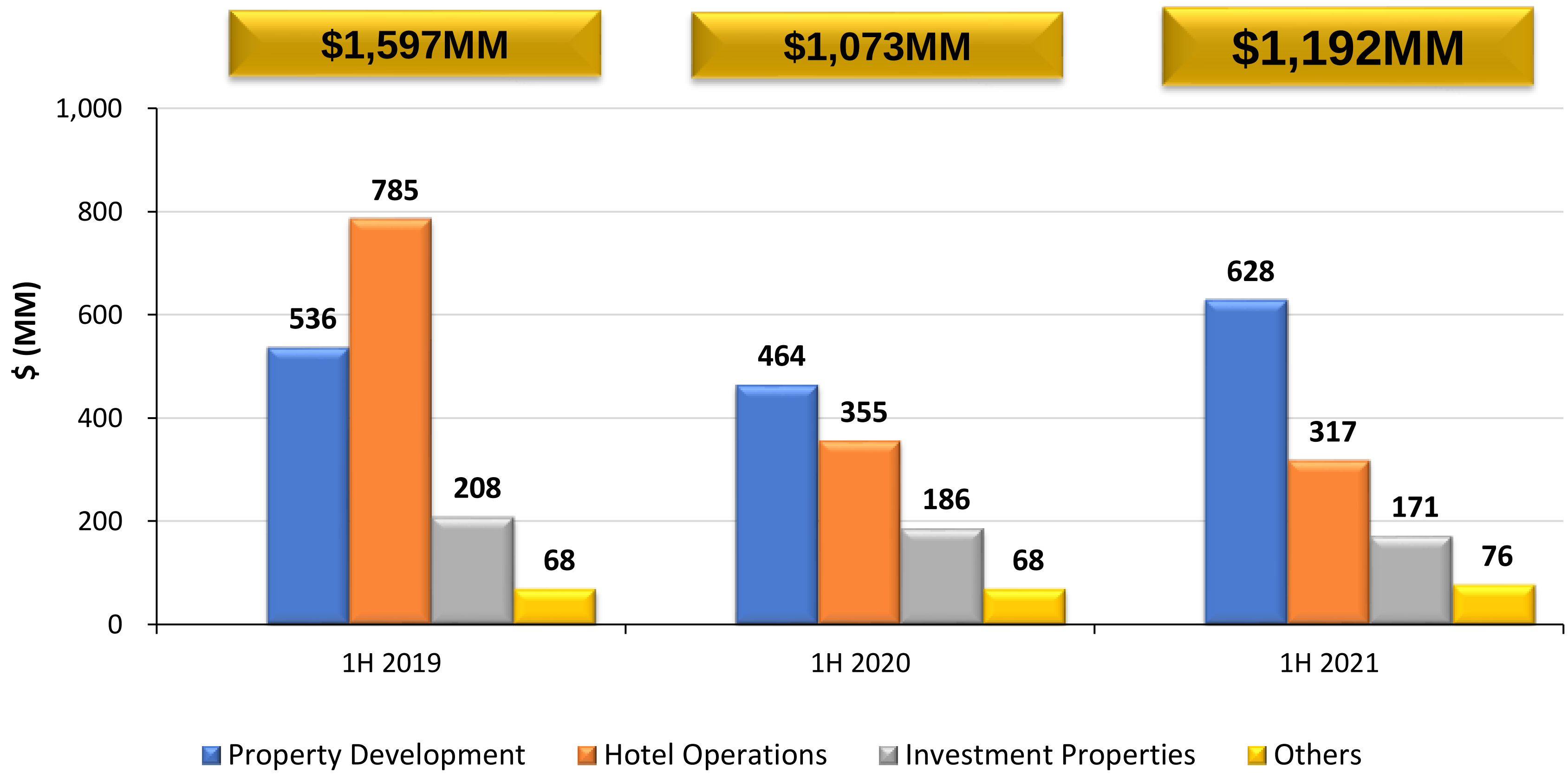
- **PBT decrease** was due to:

  Included in 1H 2020 was
  - ✓ Contribution from Sincere of $34MM comprising mainly interest income in relation to Sincere loan and bond
  - ✓ Divestment gains of $26MM largely due to the disposal of Sceptre Hospitality Resources

  Excluding the above, this segment would have registered a $4MM increase in PBT, in line with the increase in revenue

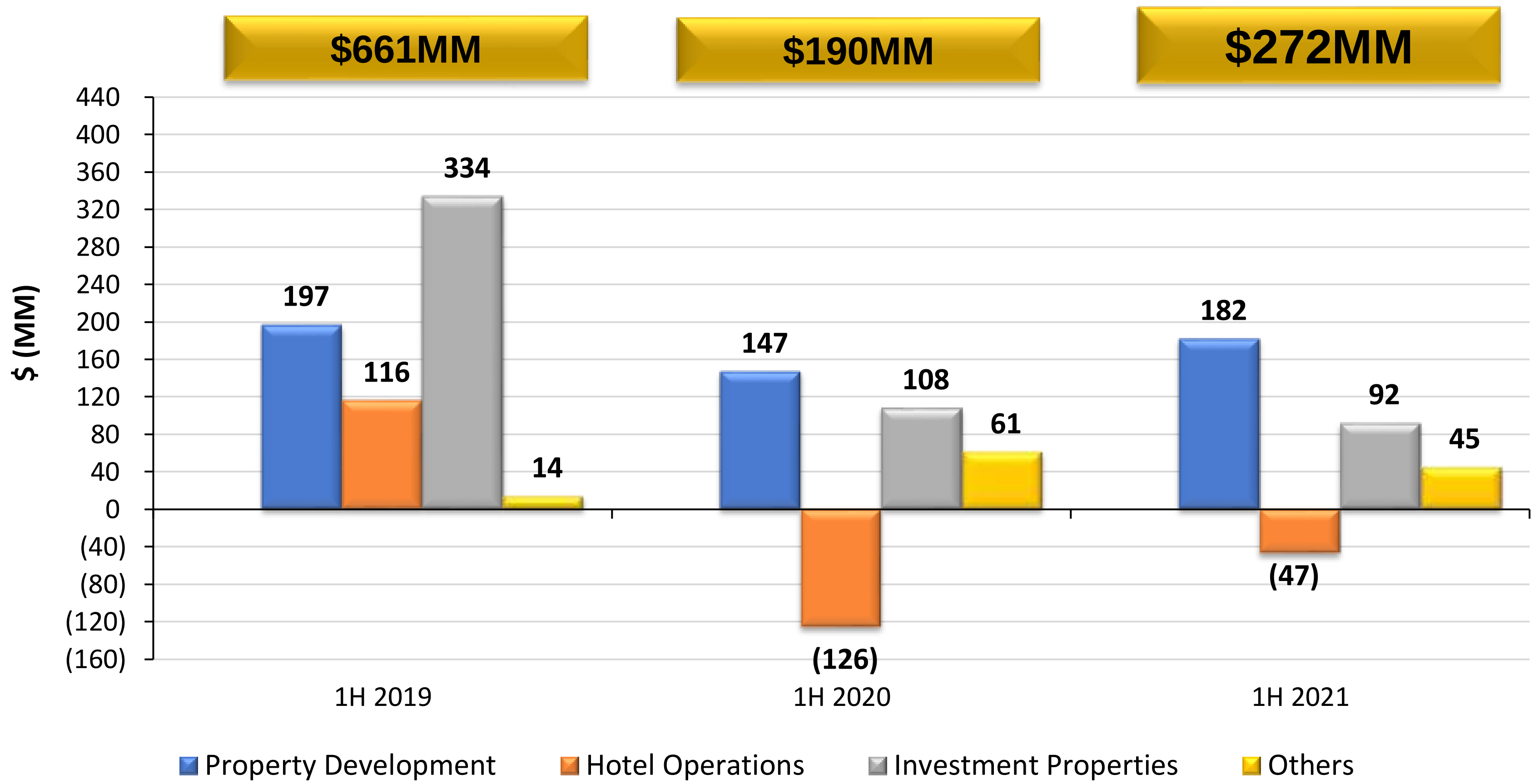
Financial Highlights

Revenue by Segment for Half Year (2019 – 2021)



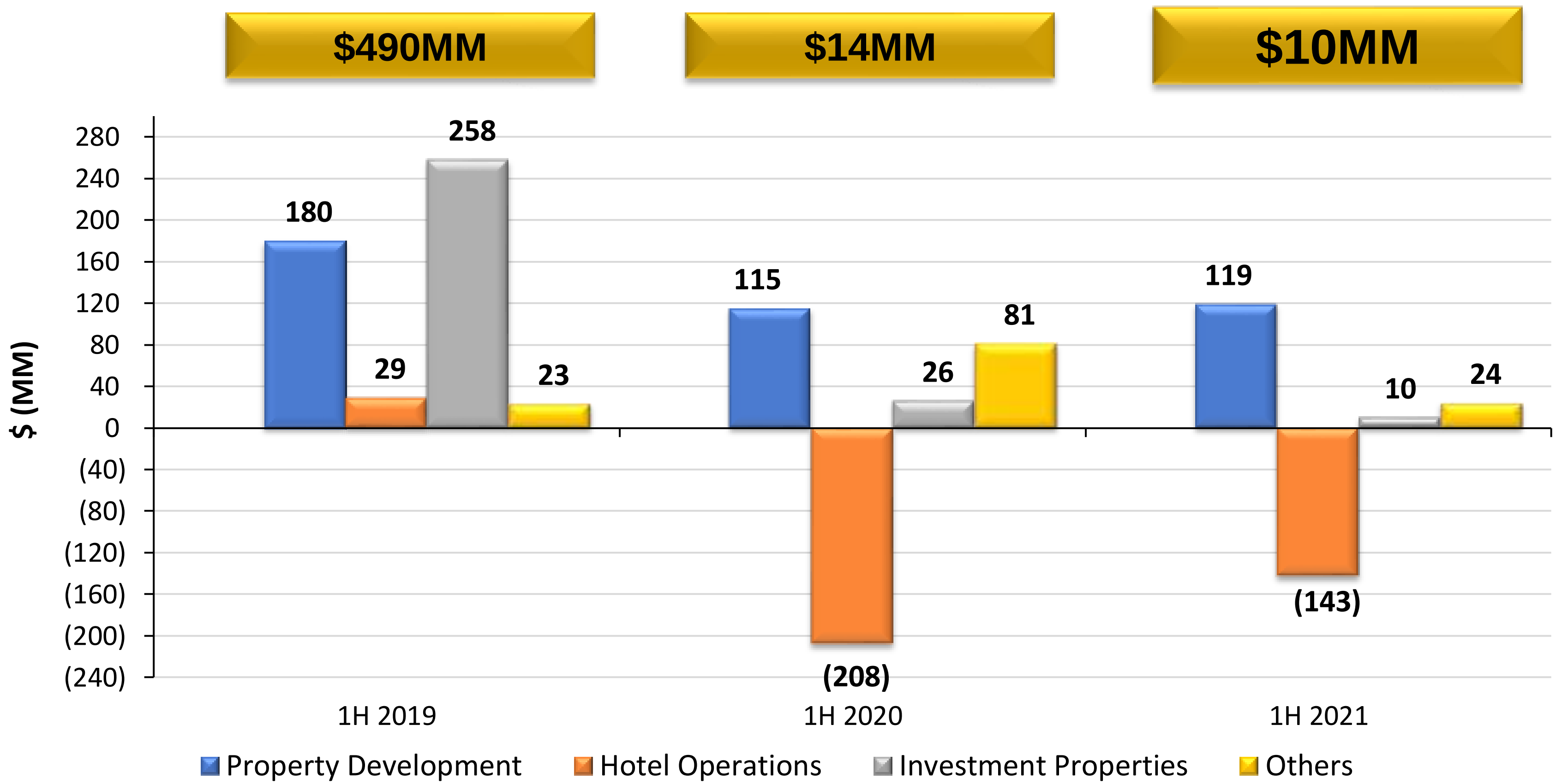
Financial Highlights

EBITDA by Segment for Half Year (2019 – 2021)



Financial Highlights

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



Financial Highlights

Strong Balance Sheet & Liquidity Position

Gearing	Sufficient Liquidity	Financing Flexibility	Balanced Debt Profile
Net Gearing	Total Cash	Interest Cover Ratio [1]	% of Fixed Rate Debt
97%	$2.8B	2.5x	33%
FY 2020: 93%	FY 2020: $3.2B	FY 2020: 3.4x	FY 2020: 34%
Net Gearing [2] (include fair value)	Cash and Available Committed Credit Facilities	Average Borrowing Cost	Average Debt Maturity
65%	$4.4B	1.7%	2.0 years
FY 2020: 62%	FY 2020: $5.2B	FY 2020: 1.8%	FY 2020: 2.3 years

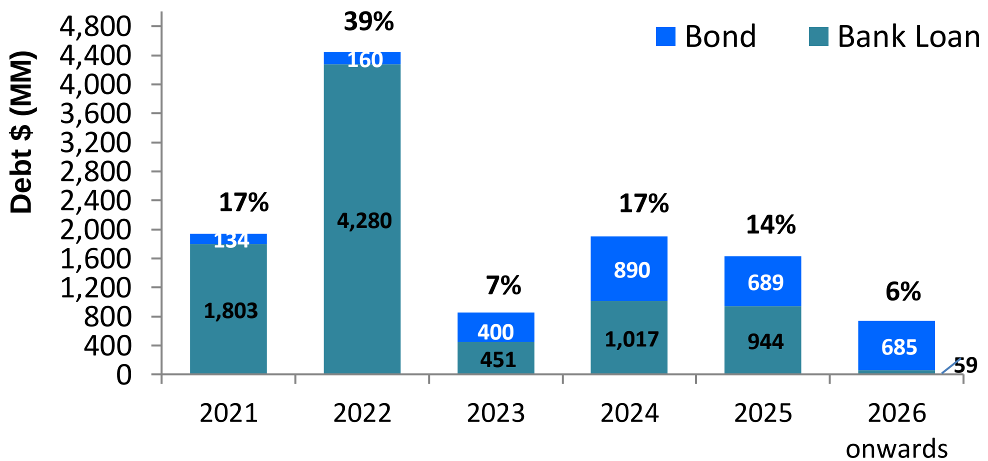
1 Excludes non-cash impairment losses on investment properties and property, plant and equipment, net loss from Sincere and negative goodwill
2 After taking in fair value on investment properties

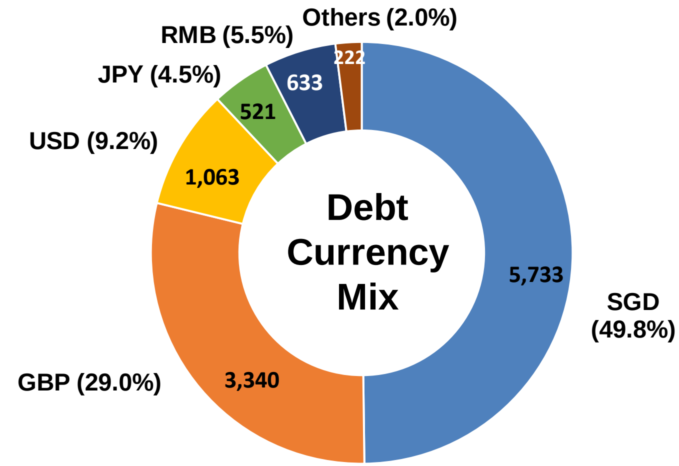
Financial Highlights

Prudent Capital Management

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

Well-Spread Debt Maturity Profile





$11,512MM

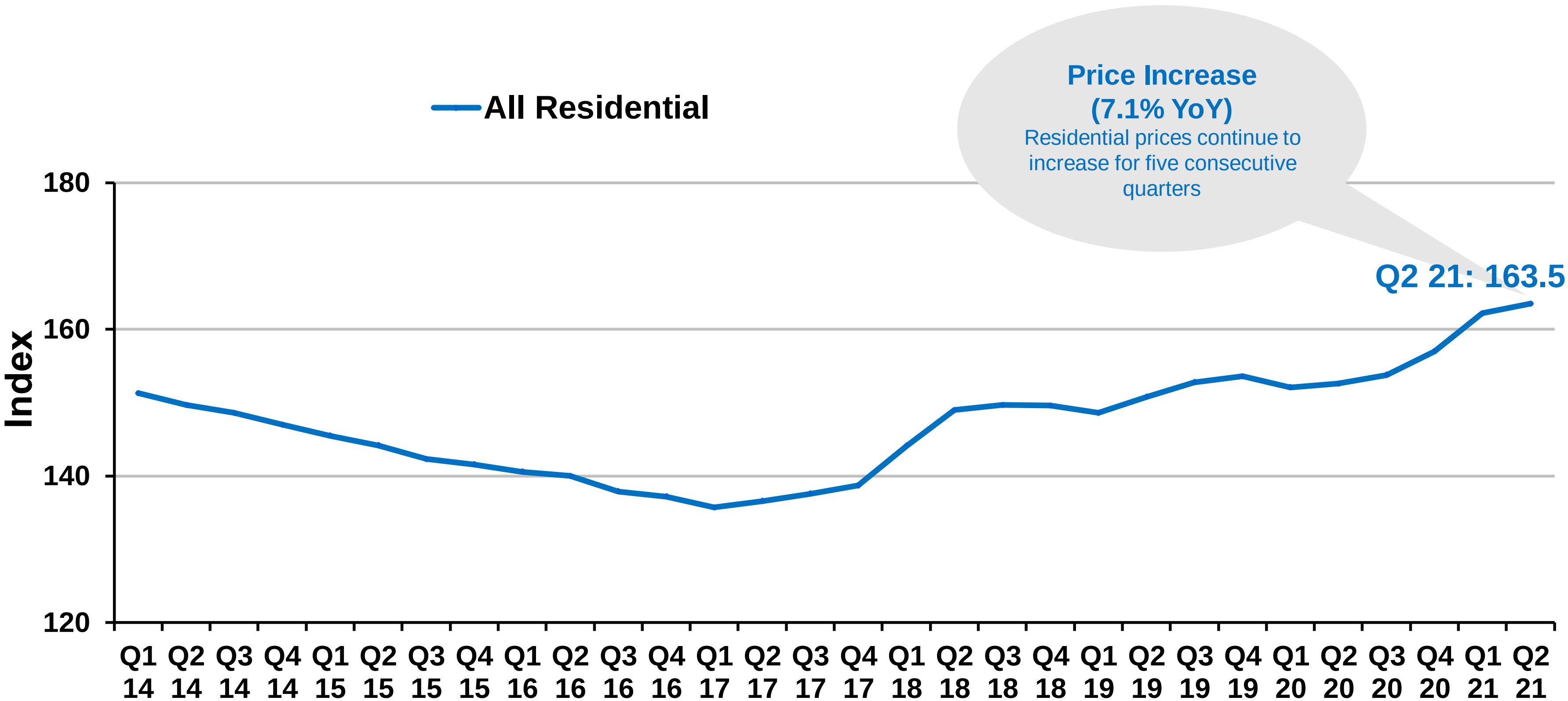
Operations Review

Singapore Operations

Property Development

Singapore Property Market

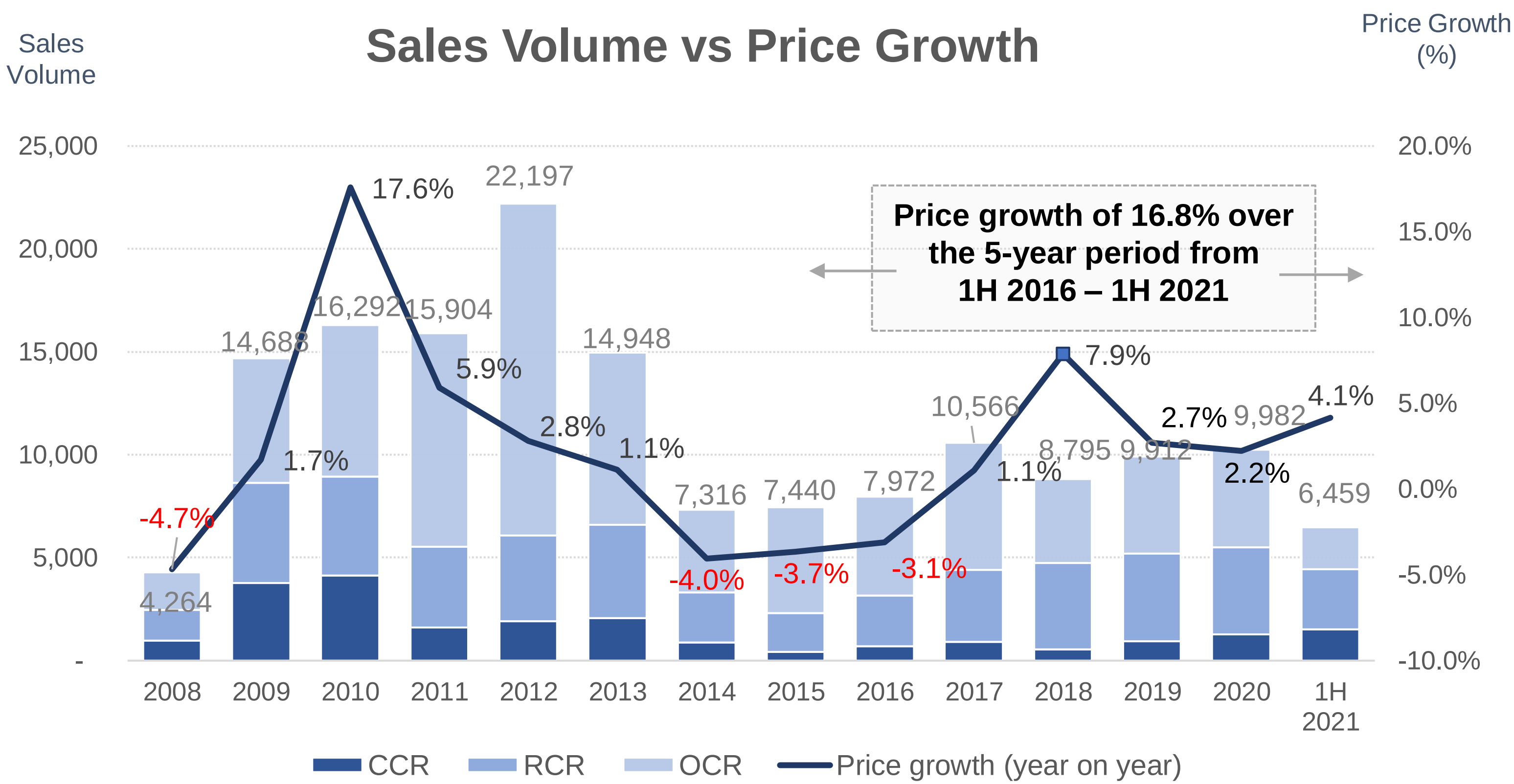
Property Price Index – Residential (2014 – Q2 2021)



Source: URA, Q2 2021

Singapore Property Market

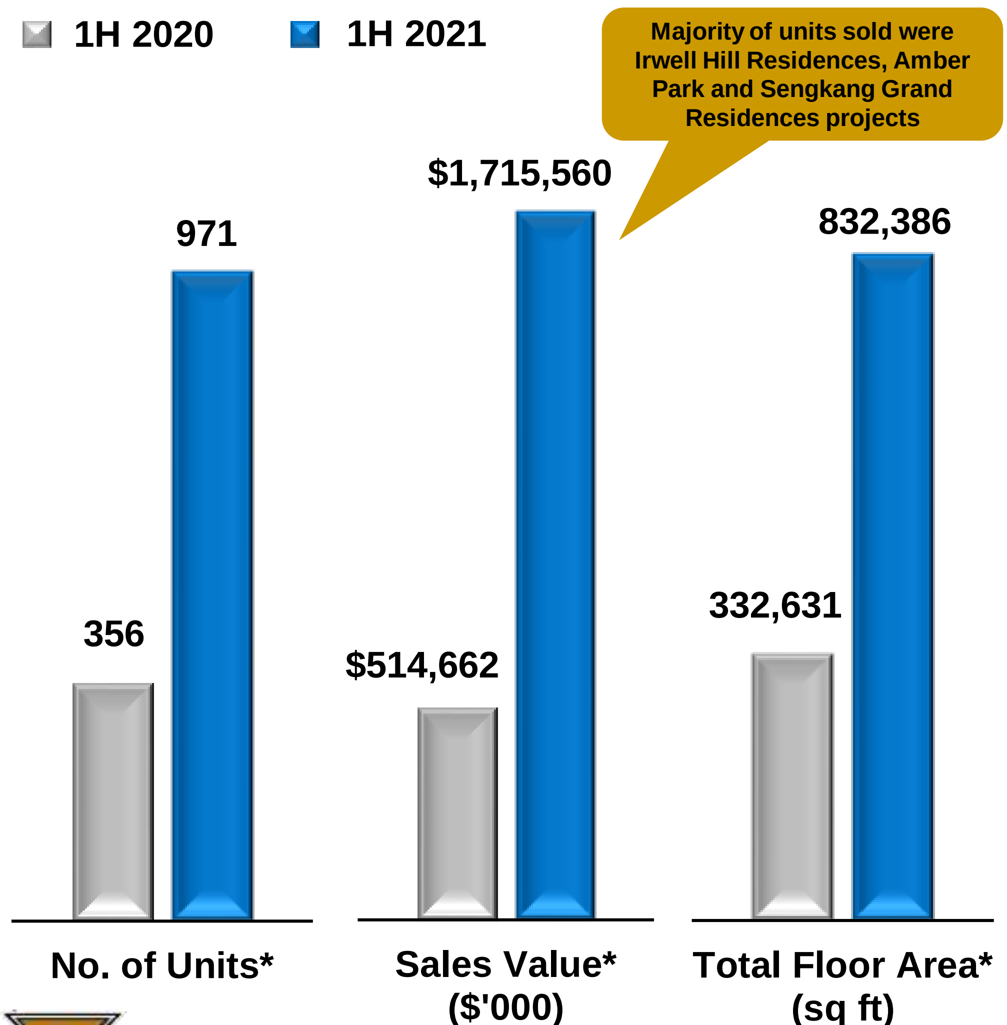
- Private residential market continues to show signs of recovery with URA Private Residential Property Price Index registering a 4.1% increase in 1H 2021 as compared to end 2020.
- Robust primary home sales in 1H 2021 with 6,459 units sold registering a 67.2% increase as compared to 1H 2020.



Source: URA Statistics

Singapore Property Development

Residential Units Sold by CDL



Sales Value

↑ 233.3% YoY

Units Sold

↑ 172.8% YoY

1H 2021
Mainly luxury projects sold

Period	Project	Market Segment	Units Sold
1H 2021	Irwell Hill Residences	Luxury	332
	Amber Park	Luxury	172
	Sengkang Grand Residences	Mass	124
1H 2020	The Tapestry	Mass	105
	Whistler Grand	Mass	78
	Piermont Grand	Mass	92

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

Singapore Property Development

Resilient / Strong Sales Performance for 1H 2021 Amid Pandemic

- Sold 971 units with total sales value of $1.7B for 1H 2021^

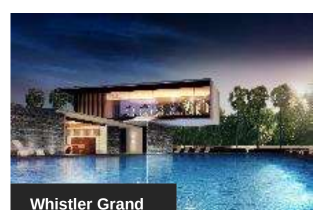
Steady Sales for Launches from 2018 – 2021

Launch Year	Project	Location	Tenure	Total Units	Total Units Sold*	% Sold*	Achieved Average Selling Price (ASP)*
2021	**Irwell Hill Residences**	Irwell Bank Road	99-year	540	347	64%	>$2,640 psf
2020	**Penrose**	Sims Drive	99 years	566	488	86%	$1,589 psf
2019	**Boulevard 88**	Orchard Boulevard	Freehold	154	118	77%	>$3,770 psf
	Amber Park	Amber Road	Freehold	592	446	75%	>$2,460 psf
	Haus on Handy	Handy Road	99 years	188	39	21%	$2,840 psf
	Piermont Grand	Sumang Walk	99 years	820	802	98%	>$1,100 psf
	Sengkang Grand Residences	Sengkang Central	99 years	680	551	81%	$1,720 psf
	Nouvel 18~	Anderson Road	Freehold	156	105	67%	>$3,310 psf
2018	**New Futura**	Leonie Hill Road	Freehold	124	124	Fully sold	$3,530 psf
	The Tapestry	Tampines Ave 10	99 years	861	861	Fully sold	>$1,330 psf
	South Beach Residences	Beach Road	99 years	190	182	96%	$3,340 psf
	The Jovell	Flora Drive	99 years	428	310	72%	$1,270 psf
	Whistler Grand	West Coast Vale	99 years	716	714	99%	$1,410 psf

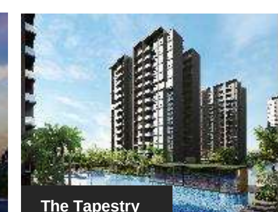
* As at 8 Aug 2021


Irwell Hill Residences


Piermont Grand


Whistler Grand


Boulevard 88


The Tapestry

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

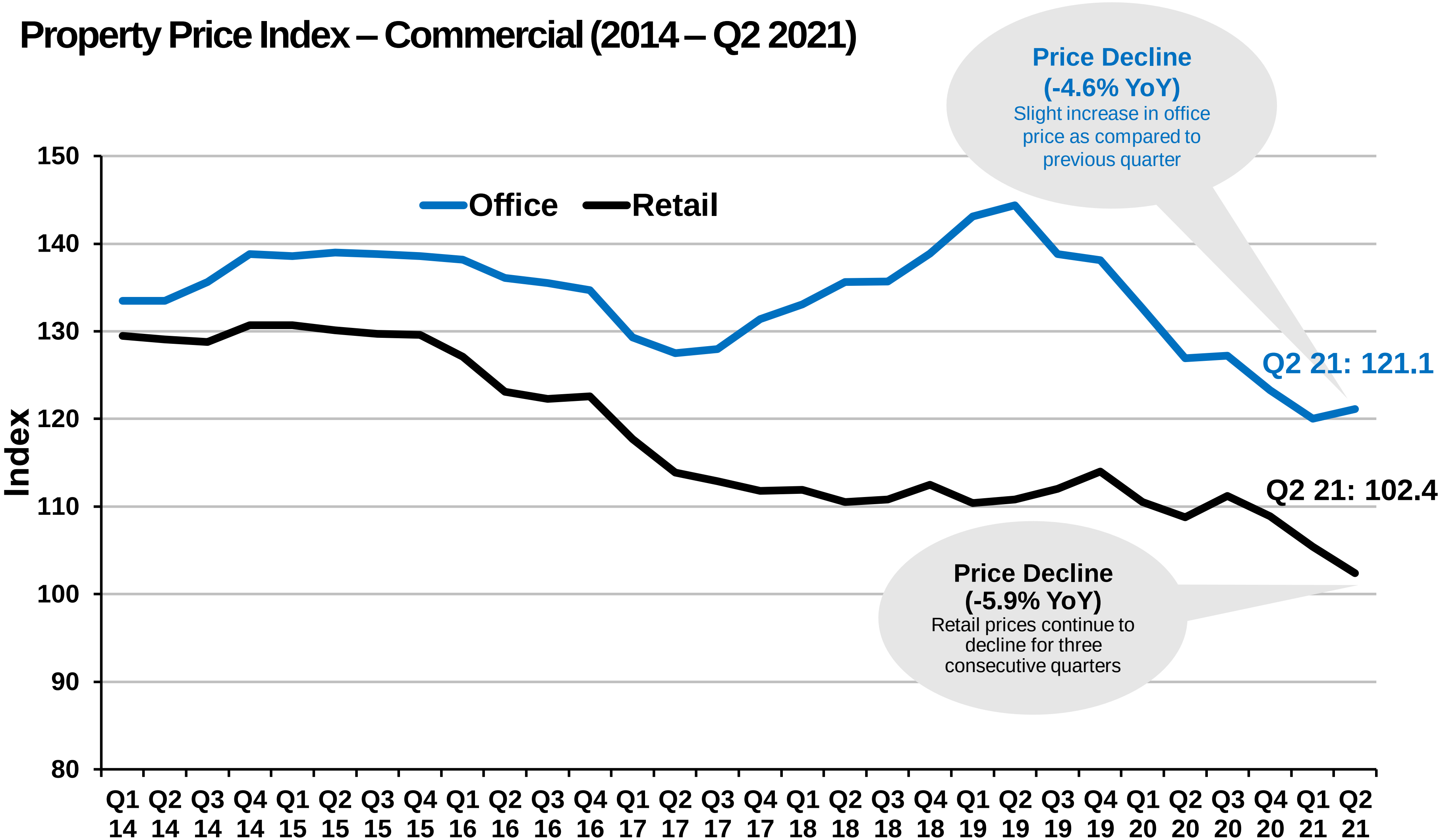
~ Divested project marketed by CDL

Singapore Operations

Asset Management

Singapore Commercial Market

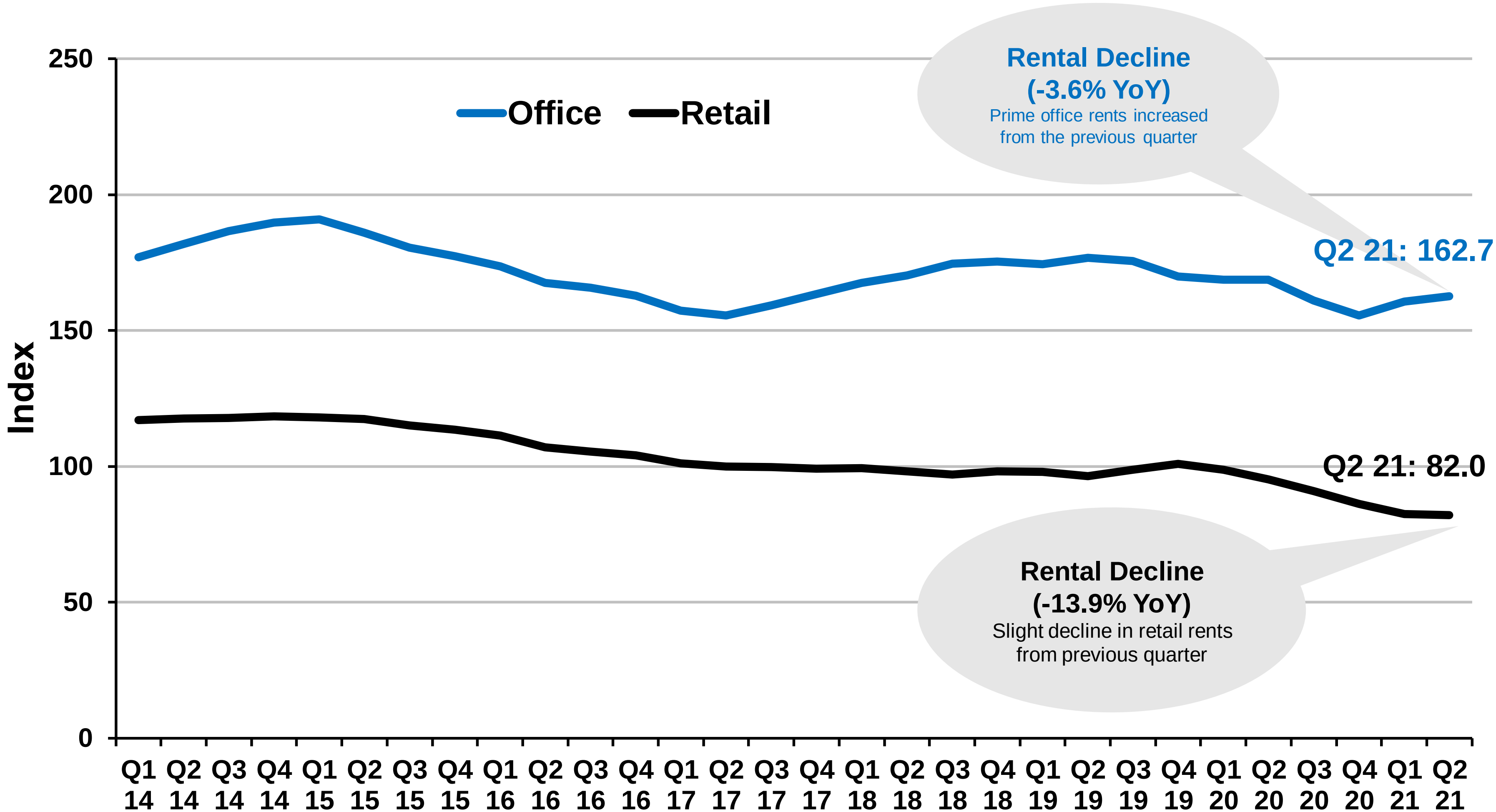
Property Price Index – Commercial (2014 – Q2 2021)



Source: URA, Q2 2021

Singapore Commercial Market

Property Rental Index – Commercial (2014 – Q2 2021)



Source: URA, Q2 2021

Singapore Commercial Portfolio

Strong Committed Occupancy and Positive Rental Reversion for Office Portfolio (As at 30 June 2021) *

Office

11 properties

90.6%

Committed Occupancy

1.7MM sq ft

Net Lettable Area

Retail

8 properties

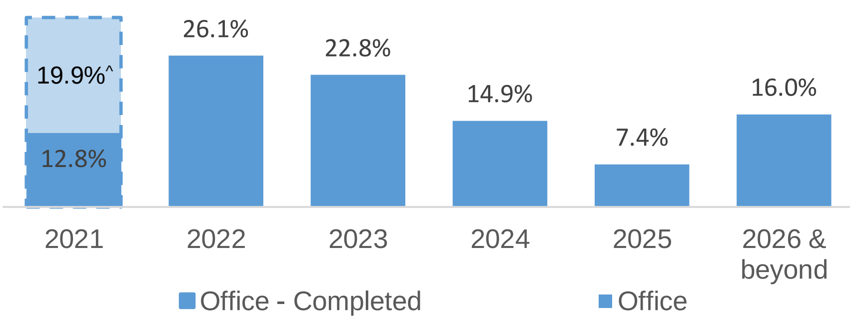
93.8%

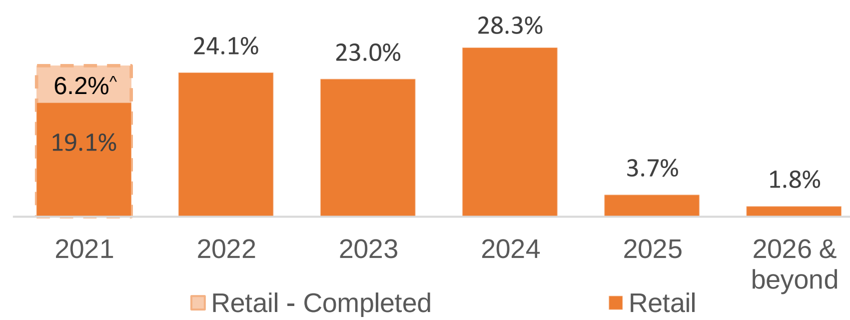
Committed Occupancy

686,000 sq ft

Net Lettable Area

Lease Expiry Profile by % of NLA





Active tenant engagement of office tenants resulted in renewals ahead of expiries.

Proactive engagement with retail tenants as country rolls out an endemic roadmap with step-by-step re-opening.

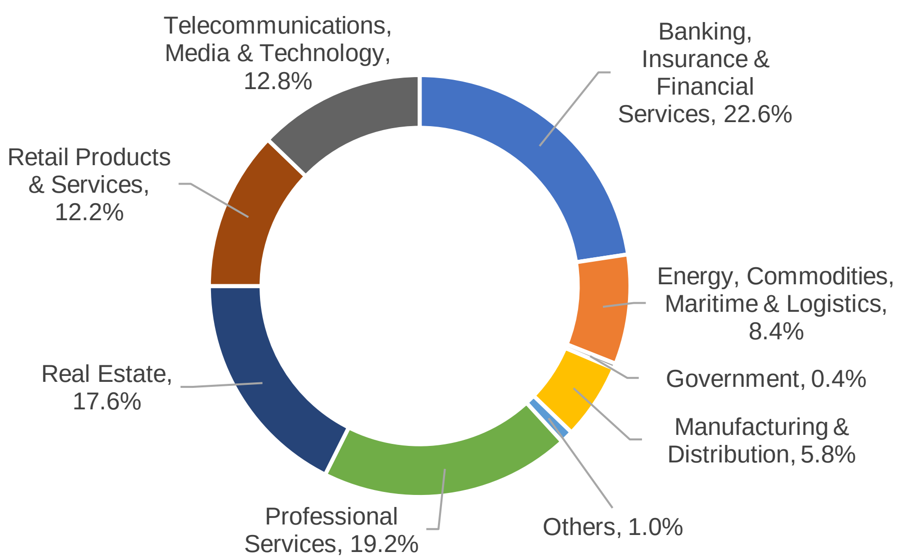
* Includes all Singapore assets under management (including South Beach which is a joint venture project) in accordance with CDL's proportionate ownership. Excludes Fuji Xerox Towers, Central Mall Office Tower and Central Mall Conservation Unit which are under planning for redevelopment.

^ Refers to expiring leases that have been renegotiated

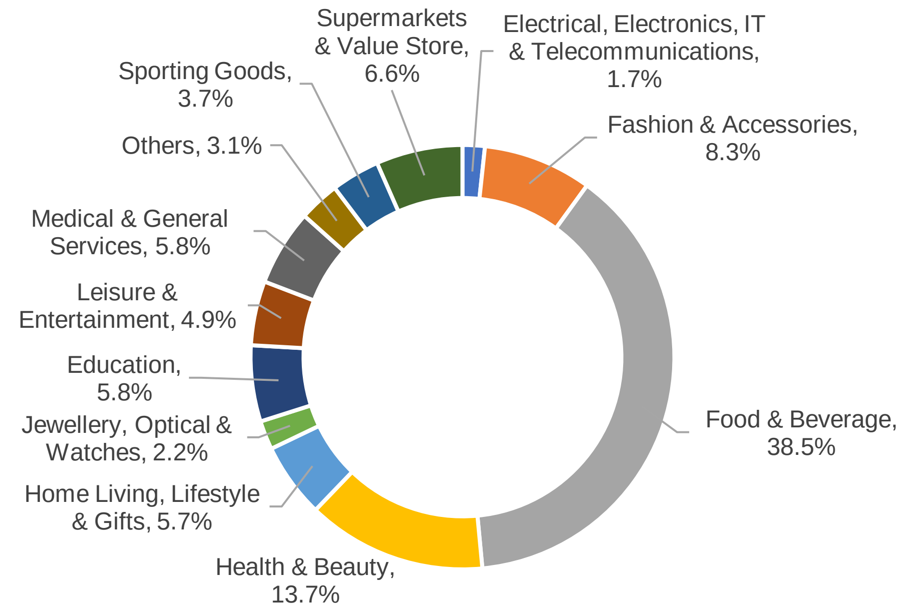
Singapore Commercial Portfolio

Trade Mix of Office & Retail Space by % of Total Gross Rental Income (As at 30 June 2021) *

Office



Retail



- **Diverse and well-spread tenant mix across both office and retail segments:**
  - **Office**: Demand largely coming from wealth management, family office and technology companies. Trade mix remains largely stable.
  - **Retail**: Largely stable. Targeted support for tenants in trade-mix affected by COVID-19 restrictions.

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

Singapore Office Market Outlook

Grade A office rental rose 1.0% q-o-q to $10.50 psf per month in Q2 2021, the first rental growth since Q4 2019 despite the emergence of COVID-19 clusters which led to the tightening of measures in May 2021. Grade A market outlook expected to remain positive in the medium-term, but possibly a longer recovery for Grade B market.

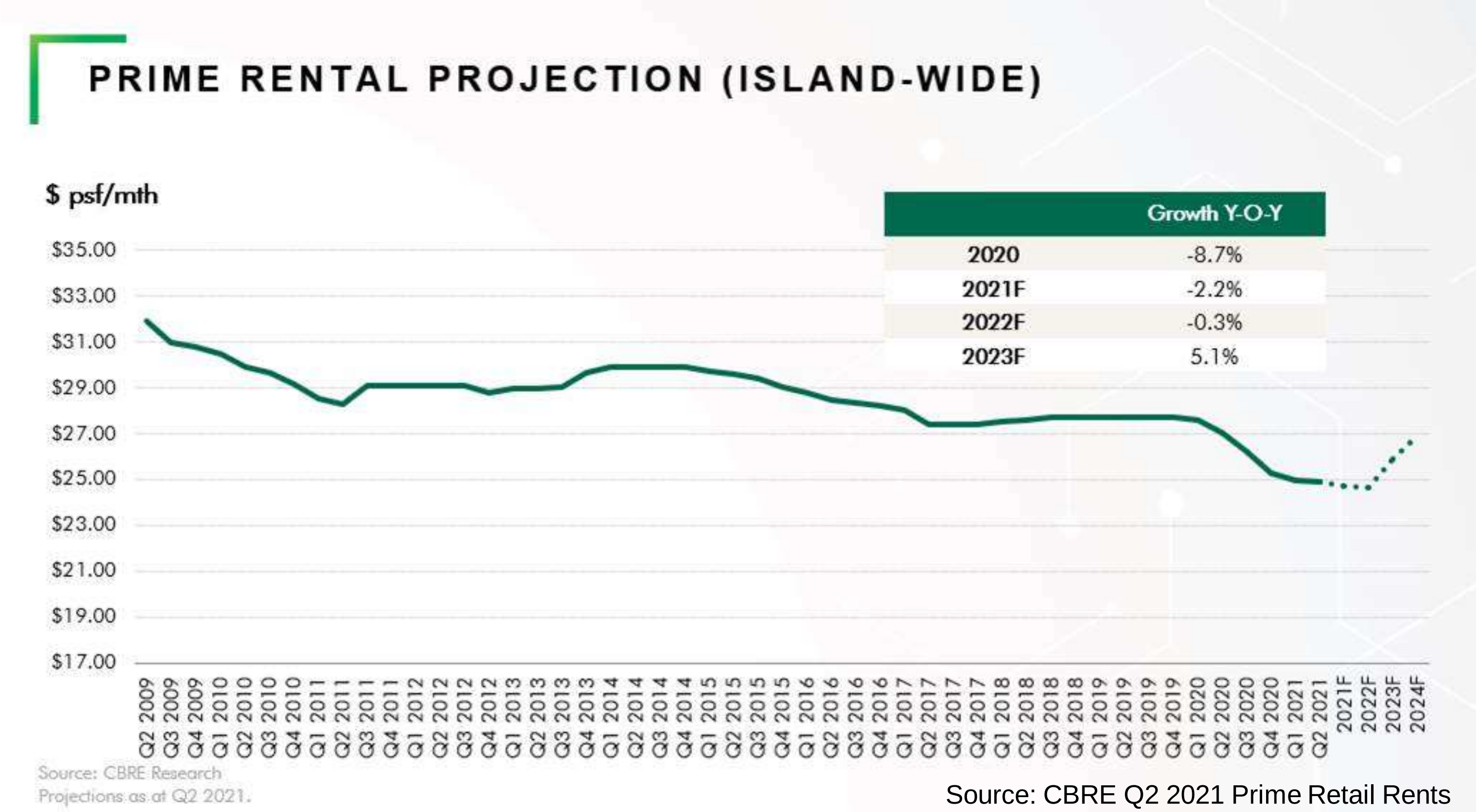
CBD CORE OFFICE RENTAL PROJECTIONS

	Grade A	Growth Y-O-Y	Grade B	Growth Y-O-Y
End 2019	$11.55	6.9%	$8.70	4.8%
End 2020	$10.40	-10.0%	$7.90	-9.2%
Q2 2021	$10.50	1.0%*	$7.75	-1.9%*
End 2021 (F)	$10.80	3.8%	$7.90	0.0%
End 2022 (F)	$11.35	5.1%	$8.10	2.5%
End 2023 (F)	$11.75	3.5%	$8.25	1.9%

Source: CBRE Research

Singapore Retail Market Outlook

Average prime island-wide retail rents declined by 0.4% q-o-q in Q2 2021. The retail sector remained challenged with another round of stricter measures during Phase 2 (Heightened Alert), coupled with default work from home arrangements and closure of tourism borders. Nonetheless, the retail market is expected to recover from improvement in economic activity and consumer sentiment on the back of the Singapore government's road map to transition Singapore towards a COVID-19 resilient nation.



Source: CBRE Q2 2021 Prime Retail Rents

COVID-19 Support for Retail Tenants

Supporting tenants impacted by Phase 2 (Heightened Alert)

- **Committed over $40MM in property tax and rental rebates to tenants in Singapore and overseas since the beginning of COVID-19 in 2020**

Singapore

First Phase 2 (Heightened Alert): 16 May to 13 June 2021

- Proactively provided targeted rental support, including rental waiver for tenants under mandated closure and who cannot operate online within the period.
- Close to 90% of CDL's retail tenants have received rental assistance.

Return of Phase 2 (Heightened Alert): 22 July to 18 August 2021

- Will comply with necessary regulations on rental support once announced by the authorities.
- Rent restructuring to selected tenants whose businesses continue to be badly affected by COVID-19.
- Rental payment flexibility for those facing severe cash flow issues.

During both periods of Phase 2 (Heightened Alert):

- Extension of carpark grace period to 30 minutes for all vehicles at City Square Mall to support F&B tenants for both delivery and takeaway orders.
- Absorption of all onboarding costs, commissions and all delivery charges for retailers on CDL eMall* up till end August 2021.

* CDL's online retail and F&B sales and delivery platform for its malls featuring more than 2,000 offerings from over 40 retailers and F&B outlets.

International Operations

International Operations – Australia

Focus on Developments across Eastern Seaboard of Australia

Queensland

Brickworks Park (Residential)

- Launched 222-unit development consisting of apartments and townhouses located in the prestigious Alderley suburb in North Brisbane and sold 58% units of 151 released. Construction has commenced in 2021.

New South Wales

Waterbrook Bayview

Waterbrook Bowral

- Waterbrook Bowral, a 135-unit retirement housing project, has pre-sold 99% of the available villas (first phase) and construction is in progress.

Victoria

Project on Fitzroy (Mixed-Use)

The Marker (Mixed-Use)

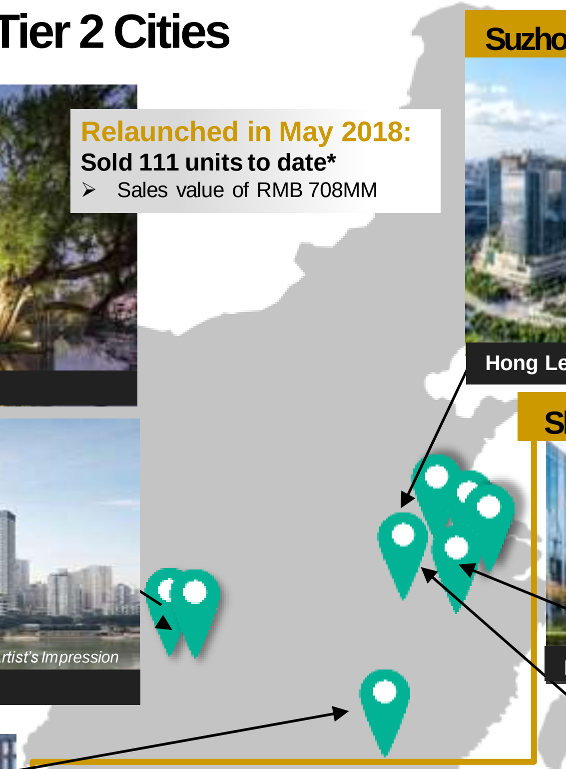
Arco (Mixed-Use)

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

* As at 8 Aug 2021

International Operations – China

Focus on Tier 1 and Tier 2 Cities



Chongqing (重庆)

Eling Palace (鹅岭峯)

Relaunched in May 2018:
Sold 111 units to date*
- Sales value of RMB 708MM

Handover since end 2020:
Fully sold (869 units)
- Sales value of RMB 2.52B to date*
- Remaining retail units will launch in Sep 2021

Emerald (翡翠都会)

Suzhou (苏州)

Hong Leong City Center (丰隆城市中心)

Continued Sales Momentum:
Total sales of RMB 4.04B generated for 92% of 1,813 units to date*^
- Phase 1 – 99% sold
- Phase 2 – 67% sold
- HLCC Plaza, a 32,101 sqm Grade A office tower is 86% occupied
- HLCC mall is 93% occupied
- Hotel expected to open in Q2 2022

Shanghai (上海)

Hong Leong Hongqiao Center (丰隆虹桥中心)

Asset rebranding completed:
- Renamed as Hong Leong Hongqiao Center – formerly known as Shanghai Hongqiao Sincere Centre (Phase 2)
- As at 30 Jun 2021, committed occupancy for office reached 100% and serviced apartments remain stable at around 66%

Yaojiang International (耀江国际)

Asset enhancement:
- Operational since Jan 2019

Stable income stream:
- Comprises 5 office towers with 2 levels of basement carpark with GFA of 32,182 sqm
- 75% of total NLA leased out for serviced apartments, a confinement centre and corporate office use; majority of leases for 15-year term

Good Uptake post-COVID:
67 villas sold to date*
- Sales value of RMB 1.54B

Hongqiao Royal Lake (御湖)

Hong Leong Plaza Hongqiao (虹桥丰隆广场)

Shenzhen (深圳)

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

Completed acquisition in Feb 2021:
- Acquisition of 55% effective stake in the project located in China's "Silicon Valley" for RMB 850MM
- Since Mar 2021, 196 units contracted with sales value of RMB 409.4MM to date*

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

* As at 8 Aug 2021

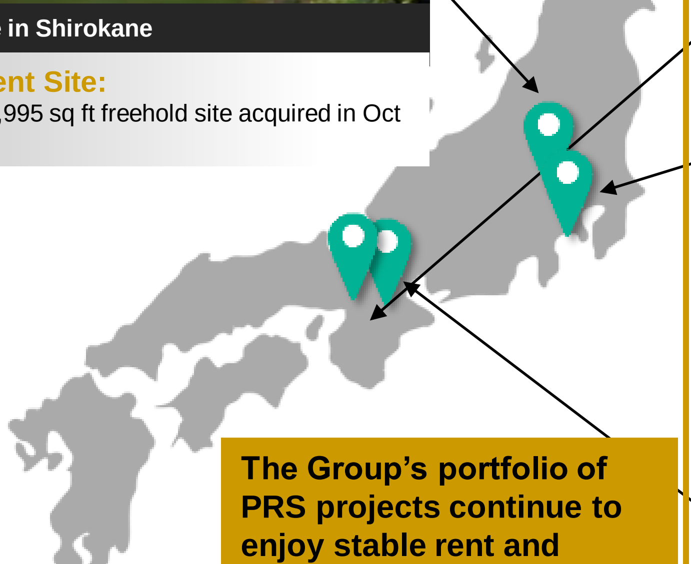
International Operations – Japan

Presence in 3 Cities – Tokyo, Osaka and Yokohama

Land Bank

Freehold site in Shirokane

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



The Group's portfolio of PRS projects continue to enjoy stable rent and occupancy of above 90%

PRS

Horie Lux, Osaka

Freehold residential asset comprising 29 residential units & 5 retail units across 14-storeys

City Lux Yokohama

Freehold residential asset consisting of 78 units

B-Proud Tenmabashi

Pregio Joto Chuo

Pregio Miyakojima Hondori

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

International Operations – UK Residential

Strengthening our Presence

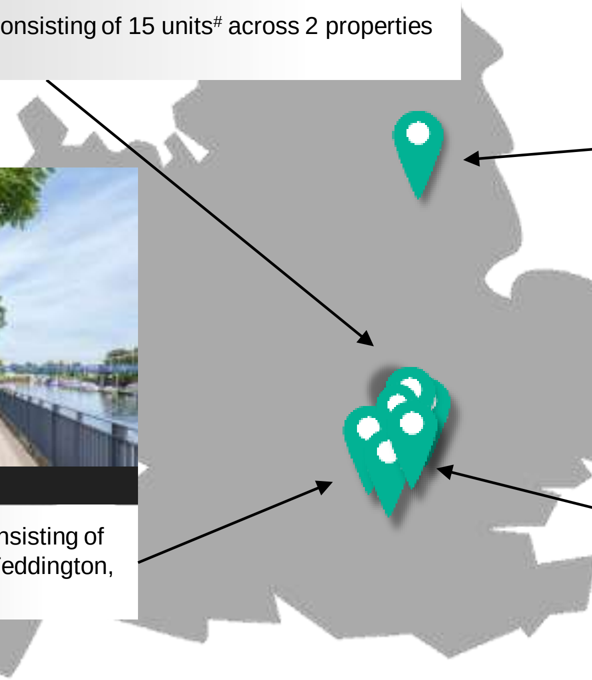
31 & 33 Chesham Street

100 Sydney Street

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

Monk Bridge, Leeds

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



Teddington Riverside

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

Ransomes Wharf

Planning approvals obtained for a 122-unit development in Battersea

Stag Brewery

Reassessment in progress for the former Stag Brewery site in Mortlake, South West London

 # 14 apartments and 1 retail unit

^ Includes 15 affordable housing apartments

UK – Recurring Income Projects

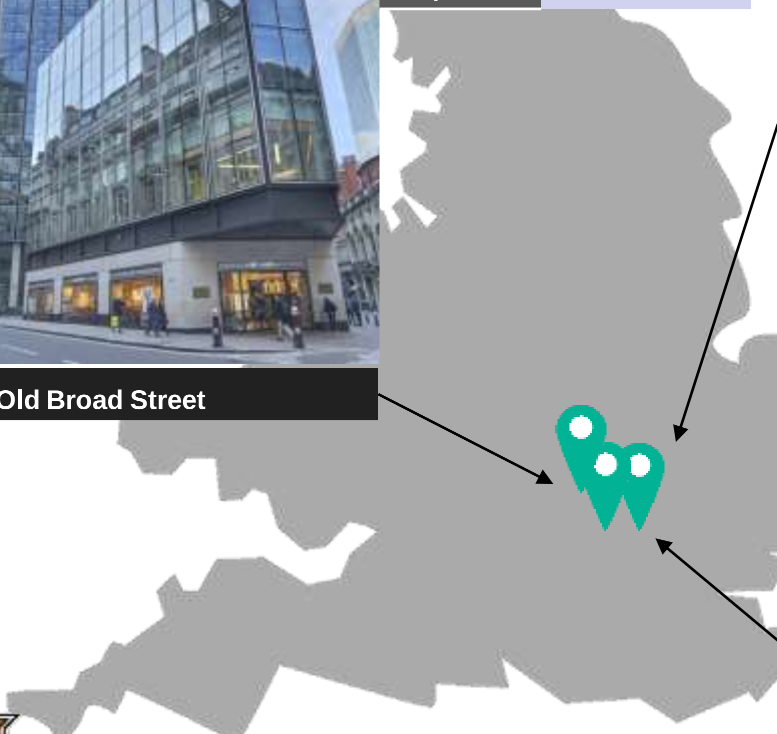
Strengthening our Presence in London

125 Old Broad Street

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

Aldgate House

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



Artist's Impression

Development House

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

^ *WALE to expiry based on NLA*

Hospitality

Hotel Operations

Trading Performance

	1H 2021 $MM	1H 2020 $MM	Change %
Revenue	**317.0**	**355.3**	**(10.8)**
Profit Before Tax (PBT)	**(142.9)**	**(208.2)**	**NM^**
Adjusted EBITDA	**(47.2)**	**(126.0)**	**NM^**

Grand Copthorne Waterfront Hotel Singapore

Group RevPAR : ↓ 10.3% in 1H 2021 (reported currency)
↓ 10.1% in 1H 2021 (constant currency)

Revenue declined, but PBT and EBITDA decreases mitigated:

- The prolonged impact of COVID-19 continues to be felt as restrictions on international travel are still largely in place, and resurgence of COVID-19 cases resulted in intermittent lockdowns in respective regions. However, vaccination efforts are promising and have helped certain markets to open up faster.
- Hotels continue to drive cost saving measures, as well as seek quarantine-related businesses and alternative customer base to shore up revenues. The Group will also continue to push ahead with digitalisation and asset enhancement initiatives.
- Q2 2021 performance against Q2 2020 shows green shoots of recovery and all regions were able to record positive GOP for June 2021.

^NM: Not meaningful

Hotel Operations (Q2 2021 vs Q2 2020)

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

	Room Occupancy			Average Room Rate			RevPAR		
	Q2 2021 %	Q2 2020 %	Incr / (Decr) % pts	Q2 2021 $	Q2 2020 * $	Incr / (Decr) %	Q2 2021 $	Q2 2020 * $	Incr / (Decr) %
Singapore	71.6	74.3	(2.7)	108.8	87.5	24.3	77.9	65.1	19.7
Rest of Asia	40.9	15.5	25.4	109.5	86.2	27.0	44.8	13.4	234.3
Total Asia	**52.9**	**40.2**	**12.7**	**109.1**	**87.2**	**25.1**	**57.8**	**35.1**	**64.7**
Australasia	**53.7**	**14.6**	**39.1**	**137.6**	**154.7**	**(11.1)**	**73.9**	**22.5**	**228.4**
London	30.3	1.9	28.4	162.9	145.7	11.8	49.4	2.7	NM
Rest of Europe	35.0	5.3	29.7	130.3	108.5	20.1	45.6	5.7	NM
Total Europe	**32.8**	**3.7**	**29.1**	**144.5**	**117.5**	**23.0**	**47.4**	**4.3**	**NM**
New York	60.8	48.0	12.8	174.0	162.4	7.1	105.8	78.0	35.6
Regional US	49.4	21.2	28.2	130.5	105.7	23.5	64.4	22.4	187.5
Total US	**53.3**	**31.4**	**21.9**	**147.7**	**138.6**	**6.6**	**78.8**	**43.5**	**81.1**
Total Group	**48.2**	**26.7**	**21.5**	**131.2**	**108.7**	**20.7**	**63.2**	**29.0**	**117.9**

* For comparability, Q2 2020 Average Room Rate and RevPAR have been translated at constant exchange rates (30 Jun 2021).

Hotel Operations (1H 2021 vs 1H 2020)

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

	Room Occupancy			Average Room Rate			RevPAR		
	1H 2021 %	1H 2020 %	Incr / (Decr) % pts	1H 2021 $	1H 2020 * $	Incr / (Decr) %	1H 2021 $	1H 2020 * $	Incr / (Decr) %
Singapore	71.1	65.5	5.6	105.8	125.6	(15.8)	75.3	82.2	(8.4)
Rest of Asia	37.7	29.4	8.3	118.1	127.6	(7.4)	44.5	37.6	18.4
Total Asia	**50.8**	**43.7**	**7.1**	**111.4**	**126.4**	**(11.9)**	**56.6**	**55.2**	**2.5**
Australasia	**52.1**	**45.9**	**6.2**	**149.0**	**176.2**	**(15.4)**	**77.7**	**80.8**	**(3.8)**
London	19.9	24.6	(4.7)	152.7	232.4	(34.3)	30.3	57.1	(46.9)
Rest of Europe	24.1	27.9	(3.8)	121.1	140.2	(13.6)	29.1	39.1	(25.6)
Total Europe	**22.1**	**26.3**	**(4.2)**	**134.5**	**180.1**	**(25.3)**	**29.7**	**47.4**	**(37.3)**
New York	53.1	53.3	(0.2)	155.2	195.3	(20.5)	82.4	104.1	(20.8)
Regional US	43.2	34.9	8.3	120.7	140.9	(14.3)	52.2	49.1	6.3
Total US	**46.5**	**41.9**	**4.6**	**134.0**	**166.0**	**(19.3)**	**62.3**	**69.5**	**(10.4)**
Total Group	**42.6**	**39.4**	**3.2**	**126.9**	**152.8**	**(17.0)**	**54.1**	**60.2**	**(10.1)**

* For comparability, 1H 2020 Average Room Rate and RevPAR have been translated at constant exchange rates (30 Jun 2021).

CDL Hospitality Trusts

Trading Performance

	1H 2021 $MM	1H 2020 $MM	Change %
Gross Revenue	**66.2**	**52.1**	**27.2**
Net Property Income (NPI)	**37.0**	**29.7**	**24.4**

Although the impact of the pandemic continues to weigh on demand in the hospitality sector, widespread vaccination efforts have helped to improve the business climate versus one year ago.

There were substantive contributions from SG, NZ and Maldives (which together total more than 70% of gross revenue).

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

CDLHT continues to work with operators and lessees to ride on the recovery, while maintaining tight costs and measures to protect the bottom line.

W Hotel, Singapore

Raffles Maldives Meradhoo, Maldives

CDL Hospitality Trusts

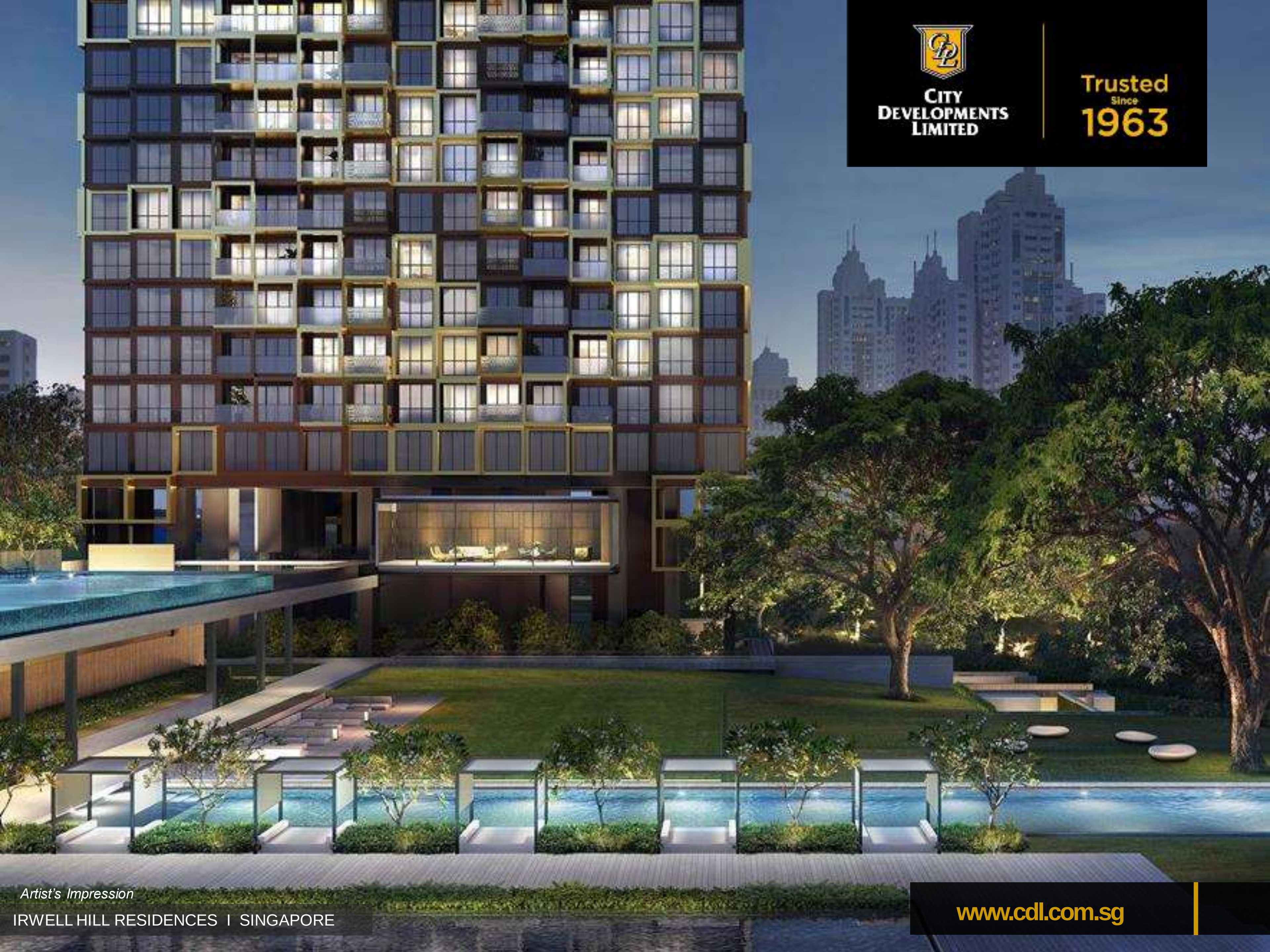
Trading Performance

Country	% Change in RevPAR	Remarks
Singapore[1]	(9.5)	Occupancy supported by continued demand for dedicated isolation facilities. Postponement/cancellation of MICE events, continued border closure and the ongoing moratorium on social functions continues to weigh on performance.
Maldives	N.M. [2]	Both hotels benefited significantly from lifting of the blanket suspension on visas-on-arrival implemented in March 2020 in response to the pandemic.
New Zealand	31.8	Managed isolation business from the government continued to support occupancy through 1H 2021.
Germany	(61.2)	Adverse impact from prohibition of non-essential travel till May 2021. Rental agreement with lessee of Germany hotel was restructured.
Italy	(84.4)	Reopening of Hotel Cerretani Firenze on 26 May 2021 following easing of restrictions including lifting the ban on inter-regional travel.
Japan	(27.9)	Tokyo remained largely under a state of emergency, with reduced operating hours for some businesses and capacity limits. Visitor arrivals plunged by 97.6% for YTD June 2021.
United Kingdom	(21.8)	National lockdown and intermittent closures in 1H 2021 impacted hotel contributions. Implementation of flexible furlough helped hotels ramp up manning during peak periods while tightly managing operating expenses.

[1] 6 SG Hotels (including W Hotel)
[2] N.M.: Not Meaningful

Disclaimer:

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


City Developments Limited
Trusted Since 1963
Artist's Impression
IRWELL HILL RESIDENCES I SINGAPORE
www.cdl.com.sg

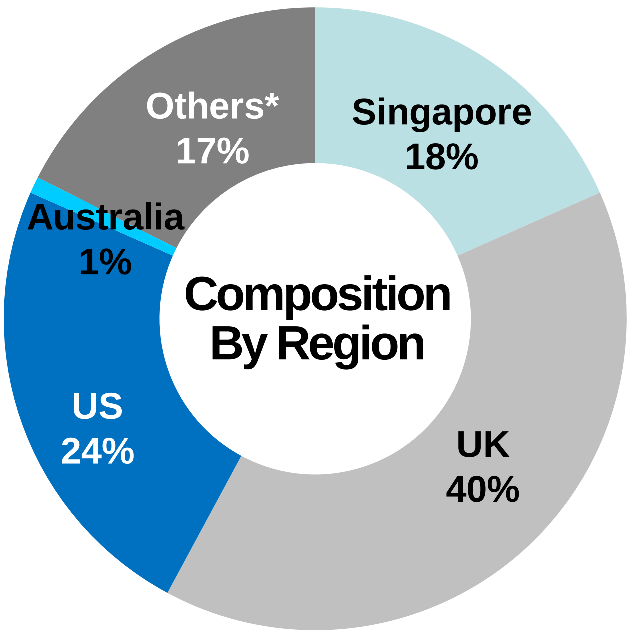
Appendix

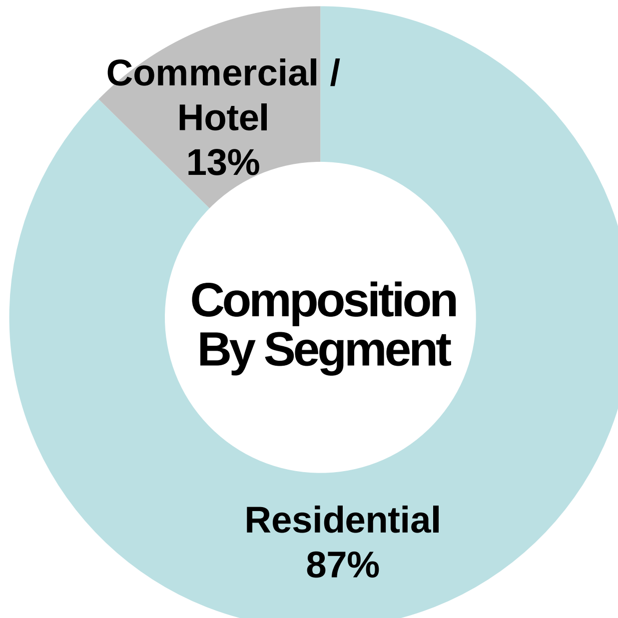
Diversified Land Bank

Land Area (as at 30 June 2021) – CDL's Attributable Share

Type of Development	Land Area (sq ft)			
	Singapore	International	Total	%
Residential	470,987	2,188,671	2,659,657	87
Commercial / Hotel	87,990	296,552	384,542	13
Total	**558,977**	**2,485,223**	**3,044,199**	**100**

Total Land Area[1] – 3.0MM sq ft





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