ANNUAL REPORTS AND RELATED DOCUMENTS::

Issuer & Securities

Issuer/ Manager
CITY DEVELOPMENTS LIMITED

Securities
CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09

Stapled Security
No

Announcement Details

Announcement Title
Annual Reports and Related Documents

Date &Time of Broadcast
15-Apr-2021 07:00:46

Status
New

Report Type
Annual Report

Announcement Reference
SG210415OTHR9TWS

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) Annual Report for the financial year ended 31 December 2020; and
(2) Letter to Shareholders dated 15 April 2021.

Additional Details

Period Ended
31/12/2020

Attachments

CDL_AR2020.pdf

Letter_to_Shareholders_FY2020.pdf

Total size =14095K MB

G·E·T RENEWED

CITY DEVELOPMENTS LIMITED

ANNUAL REPORT 2020

OVERVIEW

12 2020 Highlights
13 5-Year Financial Highlights
14 Chairman's Statement
16 Group CEO's Statement
18 Corporate Network
19 Corporate Structure
20 Highlights of the Year
22 Awards & Accolades
23 Corporate Directory

CORPORATE GOVERNANCE

24 Board of Directors
30 Key Management
32 Corporate Governance
59 Risk Management
65 Investor Relations
66 Calendar of Financial Events

SUSTAINABILITY

67 Sustainability Board Statement

BUSINESS OVERVIEW

80 Financial Review
82 Operations and Market Review

PROPERTY PORTFOLIO

88 Property Portfolio Analysis
91 Major Properties

FINANCIALS

101 Statutory Reports and Accounts

OTHER INFORMATION

273 Statistics of Ordinary Shareholdings
275 Statistics of Preference Shareholdings
276 Share Transaction Statistics
277 Notice of Annual General Meeting
286 Additional Information on Directors Seeking Re-Election
Proxy Form

Cover and Inside Front Cover: Republic Plaza, Singapore

GET RENEWED

2020 was the year when the COVID-19 pandemic crisis left an indelible mark on global economies, businesses and communities. It was a season of reflection, filled with much uncertainty and punctuated with full-stops. Agility to adapt and grit to persevere became our ethos as we faced ever-evolving, uncharted circumstances. Despite the challenges and the financial impact of the epidemic, we embrace disruption as it redefines our competitive edge, unlocks new perspectives and accelerates transformation. Standing together, we worked with our stakeholders to overcome the odds and pave the way ahead, with a renewed focus to build a resilient future in this new normal.

CORPORATE PROFILE

City Developments Limited (CDL) is a leading global real estate company with a network spanning 112 locations in 29 countries and regions. Listed on the Singapore Exchange, the Group is one of the largest companies by market capitalisation. Its income-stable and geographically-diverse portfolio comprises residences, offices, hotels, serviced apartments, shopping malls and integrated developments.

With a proven track record of over 55 years in real estate development, investment and management, the Group has developed over 47,000 homes and owns over 23 million square feet of gross floor area in residential, commercial and hospitality assets globally. Its diversified global land bank offers 3.5 million square feet of land area.

Along with its wholly-owned hotel subsidiary, Millennium & Copthorne Hotels Limited (M&C), the Group has 152 hotels and 44,000 rooms worldwide, many in key gateway cities.

Leveraging its deep expertise in developing and managing a diversified asset base, the Group is focused on enhancing the performance of its portfolio and strengthening its recurring income streams to deliver long-term sustainable value to shareholders. The Group is also developing a fund management business and targets to achieve US$5 billion in Assets Under Management (AUM) by 2023.

GET IN GEAR

FUTURE-PROOFING OUR BUSINESS

Digital transformation is our key to business continuity. By stepping up our digital marketing efforts with virtual showflat tours and online sales presentations to navigate mandated closures of sales galleries and safe management measures, we were able to achieve resilient sales performance in our core Singapore market.

To boost recurring income, we also expanded our Private Rented Sector (PRS) footprint in Japan with the acquisition of City Lux Yokohama, a forward-funded rental apartment project in Yokohama. To date, we have a portfolio of five PRS projects in Japan totaling approximately 242 units.

ACQUISITIONS & INVESTMENTS
~$1.52 BILLION
IN SINGAPORE & KEY MARKETS

NEW LAUNCH
OVER 60%
OF 566-UNIT PENROSE SOLD DURING VIRTUAL LAUNCH WEEKEND

PROPERTY DEVELOPMENT SINGAPORE
SOLD
1,318 UNITS
WITH SALES VALUE OF
$1.8 BILLION

OVERSEAS
EXPANDED PRS FOOTPRINT
¥2.4 BILLION
ACQUISITION OF RENTAL APARTMENT PROJECT IN YOKOHAMA, JAPAN

Republic Plaza, Singapore

ENHANCEMENT

GET IN SHAPE

REPOSITIONING OUR ASSETS

As part of our active asset management strategy, we focus on portfolio enhancement and rejuvenation initiatives to unlock value. Beyond infrastructure, we have implemented innovative enhancements at our properties to cater to a post-COVID reality.

We launched a first-of-its-kind contactless lift eCall solution at Republic Plaza, our flagship building in Raffles Place. It is the first building globally to use Otis' eCall Application Programming Interface contactless lift call solution. Integrated with our smart building app CityNexus, tenants can call for lifts from their smartphones, allowing a quicker and contactless passenger experience. We also launched the CDL eMall, an online retail and F&B sales and delivery platform to provide our retail tenants with an alternative sales channel.

GLOBAL PORTFOLIO

>23 MILLION SQ FT

TOTAL GROSS FLOOR AREA OF OFFICE, INDUSTRIAL, RETAIL, RESIDENTIAL AND HOTEL SPACE

DIVERSIFIED GLOBAL LAND BANK

3.5 MILLION SQ FT

ASSET REJUVENATION WITH THE REDEVELOPMENT OF

FUJI XEROX TOWERS

(CBD INCENTIVE SCHEME)

CENTRAL MALL

(STRATEGIC DEVELOPMENT INCENTIVE SCHEME)

TRANSFORMATION

GET ON BOARD

WORKING TOWARDS A COMMON GOAL

To reposition our business for the future, we have embarked on transformative initiatives to expand our footprint in key markets. In 2020, we acquired an effective 51.01% joint controlling interest in China's Sincere Property Group. To drive business improvements, we have embarked on a strategic review of this platform investment.

We continue to capitalise on new economy and technology ventures that will revolutionise our product offerings and strengthen our value proposition. These new initiatives, together with our fund management platform, will steer our business transformation into the future.

GROUP'S TOTAL ASSETS
$23.7 BILLION

FUND MANAGEMENT
US$5 BILLION
AUM TARGET BY 2023

STRATEGIC INVESTMENT IN REIT PLATFORM
21%
INTEREST IN SINGAPORE-LISTED IREIT GLOBAL UNITS
(8.4% INCREASE YOY)

Shenzhen Longgang Tusincere Tech Park, China
Artist's Impression

TRANSFORMATION<

GET ON TRACK

ENHANCING THE VALUE OF OUR HOSPITALITY PORTFOLIO

2020 was a year of unprecedented challenges for the hospitality industry amid global lockdowns, border closures and travel restrictions.

To navigate the disruption, our wholly-owned hotel subsidiary, Millennium & Copthorne Hotels Limited (M&C) scaled up digital marketing efforts to focus on domestic travellers, while repurposing its spaces to cater to new business segments. In Singapore and London, our hotels such as Orchard Hotel were repurposed for pay-per-use co-working spaces.

Against an uncertain recovery timeframe, we continue to focus on repositioning our hotel portfolio, by unlocking value through strategic asset divestments and driving operational efficiency.

GLOBAL HOSPITALITY PORTFOLIO

152 HOTELS
44,000 ROOMS

HOSPITALITY ASSETS

$6 BILLION

UNLOCKING VALUE

4 HOTEL ASSETS DIVESTED IN MALAYSIA, SINGAPORE, THE UK AND THE US

Orchard Hotel, Singapore

GET INVOLVED

CULTIVATING A GREENER FOOTPRINT

Sustainability integration is fundamental in our strategy to create long-term value and future-proof our business for our stakeholders.

Our early adoption and longstanding conviction to Environmental, Social and Governance (ESG) integration has enabled us to remain steadfast as a responsible business while advancing our greater purpose to drive value beyond profit.

Despite a challenging year, ESG integration has remained a fundamental aspect of our business strategy and we will continue to drive sustainability to build resilience for a greener and healthier recovery. We will focus on creating impactful collaborations by engaging on issues that matter, driving long-term sustainability and value creation for our business and stakeholders, and building resilience against future crises.

LISTED ON 12 GLOBAL SUSTAINABILITY RATINGS, RANKINGS AND INDICES INCLUDING:

RANKED WORLD'S TOP REAL ESTATE COMPANY, TOP SINGAPORE COMPANY, AND ONLY SINGAPORE COMPANY LISTED ON GLOBAL 100 FOR 12 CONSECUTIVE YEARS

ONLY COMPANY IN SOUTHEAST ASIA AND HONG KONG TO MAINTAIN DOUBLE 'A'S FOR CLIMATE CHANGE (SINCE 2018) AND WATER SECURITY (SINCE 2019)

SUSTAINALYTICS, ESG GLOBAL 50 TOP RATED AND ESG INDUSTRY TOP RATED IN 2020

NET ZERO
OPERATIONAL CARBON BY 2030
FIRST SINGAPORE REAL ESTATE DEVELOPER TO SIGN WORLDGBC'S NET ZERO CARBON BUILDINGS COMMITMENT

ACHIEVED ENERGY SAVINGS OF
>$30 MILLION
FROM ALL MANAGED PROPERTIES FROM 2012 TO 2020

44% REDUCTION
IN CARBON EMISSIONS INTENSITY FROM 2007 LEVELS

$470 MILLION
GREEN REVOLVING CREDIT FACILITY
TO REFINANCE REPUBLIC PLAZA AND OTHER GREEN PROJECTS

110 BCA GREEN MARK
CERTIFICATIONS FOR ITS DEVELOPMENTS AND OFFICE INTERIORS
MOST AWARDED BCA GREEN MARK PLATINUM AMONGST PRIVATE DEVELOPERS

SINGAPORE GOVERNANCE AND TRANSPARENCY INDEX 2020
#3
OUT OF 577 COMPANIES

50 SUSTAINABILITY & CLIMATE LEADERS

A CAMPAIGN RECOGNISING BUSINESSES ALIGNED TO THE SDGS HOSTED BY BLOOMBERG

Haus on Handy, Singapore

2020 HIGHLIGHTS

REVENUE	ADJUSTED EBITDA^	PATMI
$2.1 BILLION $3.4 BILLION IN 2019	$466 MILLION $1.2 BILLION IN 2019	($1.9) BILLION $564.6 MILLION IN 2019 ($140) MILLION (EXCLUDE SINCERE PROPERTY GROUP)
TOTAL ASSETS	**NET ASSET VALUE PER SHARE**	**REVALUED NAV (RNAV) PER SHARE**
$23.7 BILLION $23.2 BILLION IN 2019	$9.38 $11.60 IN 2019	$14.26 $16.46 IN 2019
NET GEARING RATIO*	**INTEREST COVER^**	**CASH AND AVAILABLE COMMITTED CREDIT FACILITIES**
62% 43% IN 2019	3.4X 9.1X IN 2019	$5.2 BILLION $5.6 BILLION IN 2019
BASIC EARNINGS PER SHARE	**ORDINARY DIVIDENDS PER SHARE**	**CLOSING SHARE PRICE**
(212.8) CENTS 60.8 CENTS IN 2019	12 CENTS 20 CENTS IN 2019	$7.97 DECREASED 27.2% YOY

* Including only fair value gains on investment properties.
^ Excluding impairment losses on investment properties and property, plant and equipment, and net loss from Sincere Property Group.

5-YEAR FINANCIAL HIGHLIGHTS

Year	2016	2017 [1]	2018	2019	2020
For the financial year ($'million)					
Revenue	3,905	3,829	4,223	3,429	**2,108**
Profit before tax	914	763	876	754	**(1,791)**
Profit for the year attributable to owners of the Company (PATMI)	653	522	557	565	**(1,917)**
At 31 December ($'million)					
Property, plant and equipment	5,136	4,999	5,013	5,462	**5,526**
Investment properties	2,346	2,449	3,741	4,410	**4,569**
Development properties	5,209	4,308	5,704	5,156	**5,391**
Cash and bank balances (including restricted deposits in other non-current assets and bank balances in assets held for sale)	3,887	3,990	2,512	3,084	**3,237**
Other assets	3,219	3,618	3,916	5,088	**4,954**
Total assets	19,797	19,364	20,886	23,200	**23,677**
Equity attributable to owners of the Company	9,294	9,391	10,041	10,520	**8,502**
Non-controlling interests	2,115	2,255	2,233	746	**740**
Borrowings	5,738	5,022	6,327	9,711	**11,555**
Other liabilities	2,650	2,696	2,285	2,223	**2,880**
Total equity and liabilities	19,797	19,364	20,886	23,200	**23,677**
Per share					
Basic earnings (cents)	70.4	56.0	59.9	60.8	**(212.8)**
Net asset value ($)	10.22	10.33	11.07	11.60	**9.38**
Dividends (cents)					
a) Ordinary dividend (gross)					
– final	8.0	8.0	8.0	8.0	**8.0** [2]
– special interim	4.0	4.0	6.0	6.0	**–**
– special final	4.0	6.0	6.0	6.0	**4.0** [2]
b) Preference dividend (net)	3.9	3.9	3.9	3.9	**3.9**
Financial ratios					
Return on equity (%)	7.0	5.6	5.6	5.4	**(22.5)**
Net gearing ratio (%) [3]	16	9	31	61	**93**
Net gearing ratio if fair value gains on investment properties are taken into consideration (%)	12	7	23	43	**62**
Interest cover ratios (times)	12.5	13.5	14.9	14.0	**3.4** [4]

Notes:

[1] 2017 comparative figures were adjusted to take into account retrospective adjustments arising from the adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards framework as well as SFRS(I)9 - *Financial Instruments* and SFRS(I)15 - *Revenue from Contracts with Customers*.

[2] Final and special final tax-exempt (one-tier) ordinary dividends proposed for financial year ended 31 December 2020 will be subject to the approval of the ordinary shareholders at the forthcoming Annual General Meeting.

[3] Excludes fair value gains on investment properties as the Group's accounting policy is to state its investment properties at cost less accumulated depreciation and accumulated impairment losses.

[4] Excluding non-cash impairment losses on investment properties and property, plant and equipment, and net loss from Sincere Property Group.

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

2020 was a year unlike any other. The magnitude and severity of the protracted COVID-19 pandemic induced an unimaginable economic crisis that impacted countries, economies, businesses, operations, and livelihoods worldwide.

CDL was not spared. The Group reported a net loss of $1.9 billion principally due to a one-off impairment of $1.8 billion on Sincere Property Group (Sincere Property) – our joint venture (JV) investment in China. This translates to 93% of our total investment in this JV. This investment was envisaged to be our strategic platform in the world's second largest economy. Unfortunately, several factors hindered the progress. These included the challenges imposed by the pandemic; China's unprecedented "three red lines" policy to cap borrowings by real estate developers placed further strain on liquidity; the partnership also experienced differences in processes and operations.

With travel restrictions, border closures and a subdued outlook, the Group made impairment losses on hotels and investment properties; and allowance for foreseeable losses for development projects.

Excluding these impairments and foreseeable losses, the Group would have registered a profit before tax of $120.8 million for FY 2020.

The unprecedented write-downs underscore our prudent approach to ensure that the CDL Group is unimpeded as we chart a post-COVID-19 corporate recovery.

In 2021, the Board and Management will adjust our strategies and evaluate each opportunity to overcome the challenges in this fast-evolving macro environment. With the Group's solid underlying fundamentals, a geographically diversified portfolio and a healthy balance sheet, we aim to turnaround our Group's performance going forward.

Through every crisis in the past 58 years, the Group has responded to disruptions with agility, recovered and emerged stronger. This storm is no exception, and we endeavour to sustain our track record.

RENEWAL: FORGING OUR NEXT CHAPTER OF GROWTH

The start of 2021 has brought a cautious optimism with the global rollout of vaccines and signs of improvement in pandemic containment. Cities are attempting to resume a gradual process to normalcy. Even as the full impact on recovery unfolds, our current priority is to reposition and grow our business.

While Singapore will always be our home ground for investments, we must build a geographically diversified portfolio to weather cyclical changes and structural shifts to remain relevant. We have expanded into China (since 2010), UK (since 2013), Japan (since 2014), Australia (since 2015) and Vietnam (since 2019) for property development. We will continue to evaluate each market closely and seize opportunities as they arise. We have amassed a global portfolio with total assets amounting to $23.7 billion, with 50% of the assets in Singapore and the remaining spread across overseas markets.

We remain a sizeable owner and operator of hotels worldwide. With good progress on the vaccine programme and effective implementation of surveillance and control measures, I believe we will see the turnaround of the hospitality sector with the return of international travel. There is pent-up demand as people are eager to regain their freedom to travel. Our Millennium & Copthorne Hotels Limited (M&C) hotels are also beginning to see green shoots in the UK, US, China and Australasia markets. Following the privatisation of M&C in late 2019 and the COVID-19 economic downturn, we restructured M&C, streamlined our operations and will continue to strengthen our management team in 2021. M&C is poised for a post-COVID recovery of its hotel operations.

> **"EVEN AS THE FULL IMPACT ON RECOVERY UNFOLDS, OUR CURRENT PRIORITY IS TO REPOSITION AND GROW OUR BUSINESS, BY SEIZING THE RIGHT OPPORTUNITIES."**

M&C's privatisation has allowed us greater flexibility to holistically review M&C's portfolio to unlock value at the right time. While the Group is under no pressure to divest any of our hotels, we receive unsolicited offers for our assets from time to time. Some of these assets can potentially be redeveloped into alternative uses and can result in a significant gain on disposal due to the Group's generally low book costs. In the same vein, we will also continue to seek expansion opportunities in markets where we would like to establish a presence. As part of our capital recycling initiatives, the Group will explore these divestment and acquisition opportunities as they arise to enhance shareholder value.

Going forward, we will also continue to remain prudent with our non-cash and non-recurring impairments. The pandemic and unprecedented structural shifts and policy changes in China have adversely impacted Sincere Property, which continues to face liquidity challenges. A special working group, formed in December 2020, is diligently exploring all options to restructure the platform and address the liquidity issues as a priority without further financial exposure to the Group. The Board also engaged Deloitte China to assist this special task force.

In February 2021, we acquired a majority stake in Shenzhen Longgang Tusincere Tech Park in China's high-growth "Silicon Valley", a heavily negotiated deal that required much time and effort. This marked the first corporate action by the special working group. The situation remains fluid and much work is still ongoing as China's property tightening measures remain stringent.

APPRECIATION

COVID-19 has shaken the world and reshaped our business. Our strength and growth would not have been possible without the trust and support of all our stakeholders. On behalf of the Board, I would like to thank all our shareholders, customers, business associates and partners and look forward to your continued support in our journey as we navigate through these unprecedented times.

During the year, we bade farewell to our outgoing Directors, Mr Kwek Leng Peck, Ms Tan Yee Peng and Mr Koh Thiam Hock. We also renewed our board bench by welcoming five new Independent Non-Executive Directors – Mr Colin Ong, Mr Daniel Desbaillets, Mr Chong Yoon Chou, Ms Carol Fong and Mr Philip Lee. Each of them brings to the table different skill sets and industry experience. To our new fellow Directors, I am grateful for your strong and effective stewardship, counsel, and guidance in our endeavours to grow our Group to its fullest potential.

To our shareholders, we appreciate your confidence and support amid these challenging times. Although the Group did not declare a mid-year dividend as part of our cash preservation focus, the Board has recommended a final ordinary dividend of 8.0 cents per share as well as a special final ordinary dividend of 4.0 cents per share, bringing the total full-year dividend to 12.0 cents per share.

Finally, to the Management and staff, thank you for your unwavering dedication, hard work and commitment in the past year. You have shown resilience and tenacity in navigating the unexpected business disruption. As our Group continues to expand our global footprint, we must adopt fresh perspectives, change our mindsets and harness knowledge to meet new business requirements in a globalised economy.

We have dealt with numerous challenges over the past decades. Together, I am confident that we will steer through this storm. We will glean from the lessons learnt and embrace new opportunities to emerge as an even stronger company.

KWEK LENG BENG
Executive Chairman

GROUP CEO'S STATEMENT

DEAR SHAREHOLDERS,

2020 was an extraordinary year for the CDL Group. In the fight against the COVID-19 pandemic, we were forced out of our comfort zone to adapt to the new business environment. It was a trying time but one in which we also demonstrated our resilience in the way we embraced digitalisation and seized growth opportunities.

Amid the unprecedented disruption, we maintained business continuity in moving residential inventory in Singapore and abroad as well as ensured strength in our core property development and asset management divisions. We continue to build a globally diversified portfolio, enabling us to be more resilient against future storms and market shifts while tapping on various sustainable income streams to ensure strong growth prospects.

G.E.T. RENEWED

Since 2018, the CDL Group has focused on shaping renewal and transformation, by repositioning our business, sharpening our value proposition and expanding our asset portfolio to deliver greater performance and superior outcomes.

Even in the face of massive disruption in 2020, we continued to build on our **G.E.T.** (**G**rowth, **E**nhancement and **T**ransformation) strategy to enhance value and drive growth through initiatives such as land replenishment, portfolio enhancement and fund management.

While our financial performance in 2020 has been negatively skewed by non-recurring impairment costs, these figures do not reflect the reality of what the team at CDL has pulled together to achieve during an unprecedented time in modern history.

Strengthening our Pipeline

In 2020, we completed around $1.5 billion of strategic acquisitions and investments in Singapore and our key overseas markets. In Singapore, we successfully bid for a prime Government Land Sales (GLS) residential site at Irwell Bank Road in District 9, in January. The acquisition is in line with our selective land replenishment strategy and will allow us to further strengthen our presence of iconic residences within the River Valley and Grange Road area. The exclusive 540-unit luxury development named Irwell Hill Residences, designed by world-renowned architects MVRDV and ADDP, includes features and flexible spaces to cater to home-based work, reflecting the Group's agility to continually adapt our design to suit market trends.

The Group will continue to actively replenish our land bank through the GLS programme or selective private acquisitions to ensure a stable launch pipeline, while strengthening our recurring income streams through strategic acquisitions of commercial assets or Private Rented Sector (PRS) projects.

Portfolio Enhancement Strategy

Asset rejuvenation and portfolio enhancement are key pillars of our G.E.T. strategy. The Group is tirelessly exploring ways to derive more value from our substantial asset portfolio, including asset repositioning, divestment, Asset Enhancement Initiatives (AEIs) as well as suitable redevelopment opportunities.

One example of asset repositioning is the $70 million AEI of Republic Plaza (RP), our flagship commercial property. Apart from infrastructural upgrades, which included a substantial makeover of RP's main lobby with a 1,800 sq ft digital wall, a refreshed retail enclave housing close to 40 F&B and retail outlets and innovative features such as the CityNexus smart building mobile app in 2019, we introduced a first-of-its-kind contactless lift eCall solution in 2020. We also completed a functional upgrade of City Industrial Building last year and have embarked on upgrading works for Cideco Industrial Complex, which is slated for completion in 2021. These AEIs drive operational efficiency and strengthen recurring incomes.

The Singapore Government is implementing efforts to rejuvenate the city centre, providing enhanced plot ratios for older assets in the Central Business District (CBD). The depth of our commercial property portfolio – carried at low historical costs – provides unparalleled opportunities for us to replenish our land bank and reimagine the cityscape.

The Group is progressing with plans to redevelop Fuji Xerox Towers and Central Mall assets under the CBD Incentive Scheme and Strategic Development Incentive Scheme respectively to unlock value in these assets.

GROWTH
Build a development pipeline and recurring income streams

ENHANCEMENT
Enhance asset portfolio and drive operational efficiency

TRANSFORMATION
Transform business via new platforms

The proposed redevelopment of Fuji Xerox Towers – into a 47-storey mixed-used integrated project with office, retail, residential and serviced apartments – can yield a potential uplift in the Gross Floor Area (GFA) by 25% to approximately 655,000 square feet (sq ft). Similarly, we plan to redevelop Central Mall into a mixed-use development comprising office, retail, serviced apartments and hotel components to realise a potential increase in GFA.

The Next Chapter of Transformation

To keep pace with macroeconomic changes and stay relevant, we must continue to expand our horizons and transform our business. Since we privatised Millennium & Copthorne Hotels Limited (M&C) in late 2019, the hotel group has enjoyed greater flexibility in navigating the changes to the hospitality sector. This has been especially evident given the challenges posed by the pandemic. M&C's focus has been to improve operations and efficiency via better management of hotels as well as the repositioning of assets to unlock value.

In 2020, the Group divested three non-core hotel assets – Millennium Cincinnati in the US, Copthorne Hotel Birmingham in the UK and Copthorne Orchid Hotel & Resort Penang in Malaysia – which brought a combined sales value of $104.8 million and pre-tax divestment gains for CDL of $50.3 million. The divestments are in line with the Group's strategy to extract value from non-core hotel assets, streamline our portfolio and recycle capital, especially after the onset of the pandemic.

Apart from the disposal of non-core hotel assets, the Group's strategies to unlock value also include the option to facilitate the acquisition of hotels by CDL Hospitality Trusts, such as the divestment of W Singapore – Sentosa Cove for $324 million in 2020.

In 2020, we made a painful decision to substantially write-down our strategic investment in Sincere Property, which severely distorted our financial results for the year. Although the terms were favourable at the point when we entered in the deal, circumstances changed significantly thereafter, triggered principally by the prolonged pandemic and unprecedented policy shifts in China. These adversely impacted Sincere Property's operating conditions. Despite the challenges, we must continue to focus on our path of recovery.

The Group is well-positioned to address near-term challenges and opportunities following the COVID-19 crisis. One such recent initiative saw us acquiring a business park under development in Shenzhen from Sincere Property to improve the liquidity of our joint venture investment in China. We are also constantly refining our strategy, reinforcing our frameworks and future-proofing our business.

The pandemic has transformed the way we live, work, play and interact. Homes must be multifunctional and conducive to working and studying while workspaces must be adaptive to accommodate safe distancing requirements. To cater to various needs under the new norm, we have been designing our spaces with greater flexibility, efficiency and wellness in mind.

STANDING TOGETHER

Amid the tough times, we provided support for our tenants, vulnerable individuals, families and communities affected by the pandemic. To help our tenants tide through the crisis in Singapore and overseas in 2020, we provided rental relief totalling over $40 million in property tax and rental rebates. For the community, CDL, together with contributions from our entire Board and the Executive team, donated $400,000 to The Invictus Fund administered by Singapore's Community Chest. We also made a donation to migrant workers at our local development projects, in a dollar-for-dollar match for contributions made by CDL employees, to provide them with necessities during the circuit breaker period in Singapore.

On the hospitality front, M&C rolled out support programmes to public health authorities and frontline personnel in the UK, US, China, New Zealand and Singapore. M&C's "We Clean. We Care. We Welcome." global campaign also included initiatives to ensure guests enjoy a pleasant and safe hospitality experience.

While recovery from this crisis is likely to remain patchy with resurgence of infections around the world and concerns about imported cases, we will continue to keep a strong, positive and resilient mindset.

APPRECIATION

On behalf of Senior Management, I wish to express our heartfelt gratitude to our shareholders, customers, business associates and partners for your unwavering support throughout the harsh year. We are also thankful to our Board of Directors for their invaluable guidance and counsel.

To our employees, your tireless dedication and efforts amid the challenges of COVID-19 while executing our strategic initiatives have helped the Group to overcome unprecedented market turbulence and fortified our foundations for sustained growth and recovery in the years ahead. Thank you for standing together during this difficult period.

As we continue to push hard, innovate and deliver value to all our stakeholders, we will strengthen our operational resilience and together, we are confident of emerging stronger.

SHERMAN KWEK
Group Chief Executive Officer

CORPORATE NETWORK

AS AT 28 FEBRUARY 2021

6
COMPANIES LISTED ON STOCK EXCHANGES
IN SINGAPORE, NEW ZEALAND AND PHILIPPINES

GLOBAL NETWORK OVER
600
SUBSIDIARIES & ASSOCIATED COMPANIES

RESIDENTIAL

DEVELOPED OVER
47,000
LUXURIOUS RESIDENCES GLOBALLY

COMMERCIAL

OWNS OVER
23 MILLION SQ FT
OF GROSS FLOOR AREA OF OFFICE, INDUSTRIAL, RETAIL, RESIDENTIAL AND HOTEL SPACE GLOBALLY

HOTELS

GLOBAL FOOTPRINT OF
152
HOTELS,
44,000
ROOMS

FUND MANAGEMENT

TARGETS
US$5 BILLION
IN ASSETS UNDER MANAGEMENT (AUM) BY 2023

112 LOCATIONS IN 29 COUNTRIES & REGIONS

ASIA

CHINA
- Beijing
- Changsha
- Changzhou
- Chengdu
- Chongqing
- Dongguan
- Fujian
- Fuqing
- Guizhou
- Hangzhou
- Hong Kong
- Kunming
- Ningbo
- Qingdao
- Shanghai
- Shenzhen
- Suzhou
- Tianjin
- Wenjiang
- Wuxi
- Xiamen
- Yantai
- Zhengzhou
- Zhenjiang

INDONESIA
- Jakarta

JAPAN
- Tokyo
- Osaka
- Yokohama

MALAYSIA
- Cameron Highlands
- Johor Bahru
- Kuala Lumpur
- Malacca

MALDIVES
- Meradhoo Island
- Velavaru Island

SINGAPORE
- Singapore

SOUTH KOREA
- Seoul

TAIWAN
- Taichung
- Taipei

THAILAND
- Bangkok
- Phuket

PHILIPPINES
- Manila

AUSTRALASIA

AUSTRALIA
- Brisbane
- Melbourne
- Perth

NEW ZEALAND
- Auckland
- Bay of Islands
- Dunedin
- Greymouth
- Masterton
- New Plymouth
- Paihia
- Palmerston North
- Queenstown
- Rotorua
- Taupo
- Te Anau
- Wanganui
- Wellington

MIDDLE EAST

IRAQ
- Sulaymaniyah

JORDAN
- Amman

KUWAIT
- Al Jahra
- Al Kuwayt
- Al Salmiya

OMAN
- Muscat
- Mussanah
- Salalah

PALESTINE
- Ramallah

QATAR
- Doha

SAUDI ARABIA
- Ha'il
- Madinah
- Makkah
- Tabouk

TURKEY
- Istanbul

UNITED ARAB EMIRATES
- Abu Dhabi
- Dubai
- Sharjah

EUROPE

FRANCE
- Paris

GEORGIA
- Tbilisi

GERMANY
- Munich

ITALY
- Rome
- Florence

RUSSIA
- Moscow

THE NETHERLANDS
- Amsterdam
- Utrecht

UNITED KINGDOM
- Aberdeen
- Birmingham
- Cambridge
- Cardiff
- Dudley
- Gatwick
- Glasgow
- Leeds
- Liverpool
- London
- Manchester
- Newcastle
- Plymouth
- Slough-Windsor

NORTH AMERICA

UNITED STATES
- Anchorage
- Avon
- Boston
- Buffalo
- Chagrin Falls
- Chicago
- Durham
- Kissimmee
- Los Angeles
- Minneapolis
- Nashville
- New York
- Scottsdale
- Sunnyvale

CORPORATE STRUCTURE

AS AT 28 FEBRUARY 2021

HONG LEONG GROUP SINGAPORE

~49%
CITY DEVELOPMENTS LIMITED*

248	64	11	7
SUBSIDIARY COMPANIES	ASSOCIATES AND JOINT VENTURES@	TRUSTS	LIMITED PARTNERSHIPS

100%
MILLENNIUM & COPTHORNE HOTELS LIMITED

ASIA

- 53 Subsidiary Companies
- 12 Associated Companies

GRAND PLAZA HOTEL CORPORATION* (66%)
- 1 Associated Company

CDL HOSPITALITY TRUSTS* (38%)
- 42 Subsidiary Companies
- 5 Trusts

FIRST SPONSOR GROUP LIMITED* (36%)
- 48 Subsidiary Companies (include a private trust)
- 54 Associated Companies (include a private trust)
- 5 Joint Ventures
- 1 Joint Venture Partnership

NEW ZEALAND / AUSTRALIA

- 3 Subsidiary Companies

MILLENNIUM & COPTHORNE HOTELS NEW ZEALAND LIMITED* (76%)
- 18 Subsidiary Companies

CDL INVESTMENTS NEW ZEALAND LIMITED* (66%)
- 1 Subsidiary Company

EUROPE

- 41 Subsidiary Companies
- 1 General Partnership

NORTH AMERICA

- 34 Subsidiary Companies
- 18 Limited Liability Companies
- 12 Limited Partnerships
- 1 General Partnership

* Listed Companies/Trust.
@ Include HCP Chongqing Property Development Co Ltd, a jointly controlled entity of the Group, which in turn holds an indirect interest of 80.01% in Sincere Property Group (Sincere). The Sincere group of companies have not been included in the Corporate Structure.

HIGHLIGHTS OF THE YEAR

1ST QUARTER
(JANUARY – MARCH)

- In January, CDL successfully tendered for a 99-year leasehold site at **Irwell Bank Road** in prime District 9 through a Government Land Sales tender for $583.9 million (or $1,515 psf per plot ratio). Located near the upcoming Great World MRT station, the site will be developed into a 540-unit luxury residential project, **Irwell Hill Residences**, designed by acclaimed Dutch concept architect MVRDV.

- CDL emerged the world's top real estate company and top-ranked Singapore company in the **2020 Global 100 Most Sustainable Corporations in the World** by Corporate Knights, the first and only Singapore company listed for 11 consecutive years. It also maintained its listing on the **Bloomberg Gender-Equality Index 2020** for the third consecutive year – and was the only Singapore real estate company listed.

2ND QUARTER
(APRIL – JUNE)

- In April, CDL acquired an effective 51.01% joint controlling interest in **Sincere Property Group (Sincere Property; 协信远创)**, an established real estate developer in China, for RMB 4.39 billion (approximately $0.88 billion).

- In April, the Group acquired an additional 8.4% stake in Singapore-listed **IREIT Global**, a pan-European REIT, increasing its stake to 20.9% of the total issued units. The Group continues to hold a 50% stake in the REIT manager, IREIT Global Group Pte. Ltd..

- In Japan, CDL expanded its Private Rented Sector (PRS) portfolio with the acquisition of two residential projects in Osaka: **B-PROUD Tenmabashi** (26 units) and **Pregio Miyakojima Hondori** (56 units).


Irwell Hill Residences, Singapore
Artist's Impression

3RD QUARTER
(JULY – SEPTEMBER)

- In July, CDL and its joint venture (JV) partner, CapitaLand Limited, completed the acquisition of the **Liang Court** site. The CDL-CapitaLand JV, together with Ascott Residence Trust, will redevelop the site into an integrated mixed-use development comprising 696 apartment units, a commercial component, a hotel and a serviced residence with a hotel licence.

- CDL commenced the unwinding of its Profit Participation Securities (PPS) 1 platform in July, with the completion of the **W Singapore – Sentosa Cove** hotel divestment to its REIT associate, CDL Hospitality Trusts (CDLHT) for $324 million.

- In the UK, CDL's freehold PRS site in **Monk Bridge, Leeds**, began main construction works in August 2020 for a 665-unit build-to-rent residential project with 24,100 sq ft of lettable commercial space. The project is slated for completion in 2023.


W Singapore – Sentosa Cove, Singapore

- In Japan, CDL added to its PRS portfolio with the acquisition of **City Lux Yokohama**, a 78-unit residential development in Yokohama City. The project was completed in August 2020.

- In September, CDL and its 60% JV partner, Hong Leong Holdings Limited (HLHL), launched the 566-unit **Penrose** at Sims Drive, near Aljunied MRT station. On its virtual launch weekend, Penrose sold 341 units (60.3%), making it Singapore's best-selling property launch for Q3 2020.


Penrose, Singapore
Artist's Impression

4TH QUARTER
(OCTOBER – DECEMBER)

- In November, the Group appointed **Deloitte & Touche Financial Advisory Services Pte. Ltd.** as its External Financial Advisor to assist in further evaluating and reviewing its 51.01% JV equity investment in Sincere Property.

- **Forest Woods** obtained its Temporary Occupation Permit (TOP) in November. Located near Serangoon MRT station, the 519-unit condominium is jointly developed by CDL, HLHL and TID Pte. Ltd..

- CDL launched a first-of-its-kind **contactless lift eCall solution** at Republic Plaza (RP), its flagship property in Raffles Place, using its proprietary smart building app, CityNexus. RP is the world's first office building to use Otis' eCall Application Programming Interface (API) contactless lift call solution.

- In December, CDL maintained double 'A's for the **CDP A List 2020 for corporate climate action** and **water security** for the second consecutive year. It was the only company in Southeast Asia and Hong Kong to achieve double 'A's on the CDP A List 2019, which was announced earlier in January.

- In Malaysia, CDL entered into a Sale and Purchase Agreement to divest the 318-room **Copthorne Orchid Hotel & Resort Penang** to Bursa-listed Ivory Properties for RM 75 million, in line with the Group's strategy to extract value from its non-core hotel assets, streamline its portfolio and recycle capital.

- CDL secured a **$470 million green revolving credit facility** for the refinancing of RP and on-lending to other eligible green projects.

- During the quarter, the Group announced the **appointments of four new Independent Non-Executive Directors**, Mr Colin Ong, Mr Daniel Desbaillets, Mr Chong Yoon Chou and Ms Carol Fong. Mr Kwek Leng Peck, Non-Independent, Non-Executive Director, and Mr Koh Thiam Hock and Ms Tan Yee Peng, both Independent Non-Executive Directors resigned from its Board.

Republic Plaza Contactless Lift eCall Solution, Singapore

AWARDS & ACCOLADES

BUSINESS & PERFORMANCE*

- **Bloomberg Gender-Equality Index (GEI) 2020**
- **Euromoney Real Estate Survey 2020**
  - Best Developer in the Residential Sector (Singapore), Ranked #1
  - Best Developer in the Innovative Green Development Sector (Singapore), Ranked #1
  - Best Overall Developer (Singapore), Ranked #2
  - Best Developer in Mixed Sector (Singapore), Ranked #3
  - Best Developer in Retail / Shopping Sector (Singapore), Ranked #3
- **HR Asia Best Companies to Work for in Asia 2020**
- **IR Magazine Awards – South East Asia 2020**
  - Best ESG Materiality Reporting
- **Singapore Governance and Transparency Index (SGTI) 2020**
  - #3 out of 577 companies
- **The Asset Triple A Awards (Treasury, Trade, SSC and Risk Management Awards 2020)**
  - Digital Solutions – Best Payments and Collections Solution, Real Estate (for City Nexus app)

PRODUCT*

- **Building and Construction Authority (BCA) Awards 2020**
  - Quality Excellence Award – Quality Champion (Platinum)
  - Construction Excellence Award – Excellence
    Coco Palms
    The Criterion
  - Green Mark Award – Platinum
    M Social Singapore (Recertification)
  - Green Mark Award – GoldPlus
    Haus on Handy
  - Universal Design Mark Award - GoldPlus (Design)
    Sengkang Grand Mall & Residences
  - Universal Design Mark Award – Gold (Design)
    Haus on Handy
    The Tapestry
  - Universal Design Mark Award - Gold
    The Venue Residences and Shoppes
- **BCI Awards**
  - Top 10 Developer Awards
- **EdgeProp Singapore Excellence Awards 2020**
  - Top Developer
  - Top Development
    Amber Park
    Sengkang Grand Residences
  - Top Executive Condo
    The Criterion
  - Innovation Excellence
    Sengkang Grand Residences
  - Sustainability Excellence
    Amber Park
    Piermont Grand
- **Urban Land Institute (ULI) Asia Pacific Awards for Excellence 2020**
  - New Futura (Winner)

Amber Park, Singapore
Artist's Impression

SUSTAINABILITY^

- **Asia Sustainability Reporting Awards**
  - Asia's Best Integrated Report Award (Gold)
  - Best Carbon Disclosure (Gold)
  - Best Sustainability Report, Digital (Gold)
  - Best Sustainability Report, Design (Silver)
- **CDP**
  - A List for corporate climate action
  - A List for water security
- **Champions of Good 2020**
- **Dow Jones Sustainability Indices (World and Asia Pacific) 2020**
- **FTSE4Good Index Series**
- **Global 100 Most Sustainable Corporations in the World 2020**
- **Global Real Estate Sustainability Benchmark (GRESB) 2020**
  - Global Sector Leader (Diversified-Office/Retail-Listed)
  - Overall Regional Sector Leader (Diversified)
- **MSCI ESG Leaders Indexes 2020**
  - 'AAA' rating
- **Patron of the Arts Award 2020**
- **RICS Awards 2020 South East Asia**
  - Sustainability Award (Winner)
- **Royal Society for the Prevention of Accidents (RoSPA) Awards 2020**
  - Order of Distinction
- **Singapore Environmental Achievement Award**
  - Singapore Environment Council 20th Anniversary Sustained Impact Achievement Award
- **STOXX® Global ESG Leaders Indices 2020**
- **Sustainalytics**
  - ESG Global 50 Top Rated and ESG Industry Top Rated in 2020
- **Workplace Safety and Health Awards 2020**
  - Safety and Health Award Recognition for Projects (SHARP) Award (Winner)
    Amber Park
    Forest Woods
- **World Finance's Sustainability Awards 2020**
  - Most Sustainable Real Estate Company

* Not exhaustive. For a full listing of CDL corporate and project awards, please refer to www.cdl.com.sg.
^ Not exhaustive. For a full listing of CDL sustainability awards, please refer to www.cdlsustainability.com.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Executive Directors
Kwek Leng Beng, *Executive Chairman*
Sherman Kwek Eik Tse, *Group Chief Executive Officer*

Lead Independent Director
Lim Yin Nee Jenny

Non-Executive Directors
Philip Yeo Liat Kok, *Independent*
Tan Poay Seng, *Independent*
Ong Lian Jin Colin, *Independent*
Daniel Marie Ghislain Desbaillets, *Independent*
Chong Yoon Chou, *Independent*
Chan Swee Liang Carolina (Carol Fong), *Independent*
Lee Jee Cheng Philip, *Independent*

BOARD COMMITTEE
Kwek Leng Beng, *Chairman*
Sherman Kwek Eik Tse
Lim Yin Nee Jenny
Chan Swee Liang Carolina (Carol Fong)
Daniel Marie Ghislain Desbaillets

AUDIT & RISK COMMITTEE
Lim Yin Nee Jenny, *Chairman*
Chong Yoon Chou
Lee Jee Cheng Philip

NOMINATING COMMITTEE
Philip Yeo Liat Kok, *Chairman*
Kwek Leng Beng
Lim Yin Nee Jenny
Ong Lian Jin Colin
Lee Jee Cheng Philip

REMUNERATION COMMITTEE
Lim Yin Nee Jenny, *Chairman*
Ong Lian Jin Colin
Chan Swee Liang Carolina (Carol Fong)
Lee Jee Cheng Philip

BOARD SUSTAINABILITY COMMITTEE
Sherman Kwek Eik Tse, *Chairman*
Philip Yeo Liat Kok
Tan Poay Seng
Daniel Marie Ghislain Desbaillets

COMPANY SECRETARIES
Shufen Loh @ Catherine Shufen Loh
Enid Ling Peek Fong

SHARE REGISTRAR & SHARE TRANSFER OFFICE
M & C Services Private Limited
112 Robinson Road, #05-01
Singapore 068902
Tel : +65 6227 6660
Fax : +65 6225 1452
Email : shareregistry@mncsingapore.com

REGISTERED OFFICE
9 Raffles Place
#12-01 Republic Plaza
Singapore 048619
Tel : +65 6877 8228
Fax : +65 6223 2746
Email : enquiries@cdl.com.sg

INVESTOR RELATIONS
Belinda Lee
Head, Investor Relations & Corporate Communications
Email : belindalee@cdl.com.sg

AUDITORS
KPMG LLP
Public Accountants and Chartered Accountants, Singapore
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
(Partner-in-charge: Lo Mun Wai, appointment commenced from the audit of the financial statements for the year ended 31 December 2020)

PRINCIPAL BANKERS
Agricultural Bank of China
Bank of America Merrill Lynch
Bank of China Limited
Bank of Communications Co., Ltd
BNP Paribas
China Construction Bank
Crédit Agricole Corporate & Investment Bank
Crédit Industriel et Commercial
DBS Bank Ltd.
Hang Seng Bank Limited
Industrial and Commercial Bank of China Limited
Malayan Banking Berhad
Mizuho Bank, Ltd.
MUFG Bank, Ltd.
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
Sumitomo Mitsui Banking Corporation
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

BOARD OF DIRECTORS

KWEK LENG BENG
EXECUTIVE CHAIRMAN

SHERMAN KWEK EIK TSE
EXECUTIVE DIRECTOR
GROUP CHIEF EXECUTIVE OFFICER

LIM YIN NEE JENNY
INDEPENDENT NON-EXECUTIVE DIRECTOR (LEAD)

PHILIP YEO LIAT KOK
INDEPENDENT NON-EXECUTIVE DIRECTOR

TAN POAY SENG
INDEPENDENT NON-EXECUTIVE DIRECTOR

ONG LIAN JIN COLIN
INDEPENDENT NON-EXECUTIVE DIRECTOR

DANIEL MARIE GHISLAIN DESBAILLETS
INDEPENDENT NON-EXECUTIVE DIRECTOR

CHONG YOON CHOU
INDEPENDENT NON-EXECUTIVE DIRECTOR

CHAN SWEE LIANG CAROLINA (CAROL FONG)
INDEPENDENT NON-EXECUTIVE DIRECTOR

LEE JEE CHENG PHILIP
INDEPENDENT NON-EXECUTIVE DIRECTOR

KWEK LENG BENG, 80
EXECUTIVE CHAIRMAN

First appointment as Director
1 October 1969

Appointment as Executive Chairman
1 January 1995

Last re-election as Director
24 June 2020

Board committees
- Board Committee (Chairman)
- Nominating Committee (Member)

Present directorships in other listed companies* and principal commitments
- Hong Leong Finance Limited* (Chairman/Managing Director)
- Hong Leong Investment Holdings Pte. Ltd. (Executive Chairman)
- Millennium & Copthorne Hotels Limited (Executive Chairman)

Other appointments
- Singapore Hotel Association (Member)
- Singapore Institute of Directors (Fellow)

Past directorships in other listed companies* and principal commitments held in the preceding five years
- City e-Solutions Limited* (Chairman/Managing Director)
- Hong Leong Asia Ltd.* (Non-Executive Chairman)
- Millennium & Copthorne Hotels plc* (Non-Executive Chairman) *(delisted and privatised in 2019 and now known as Millennium & Copthorne Hotels Limited)*

Mr Kwek has extensive experience in the real estate business, having joined City Developments Limited (CDL) in the late 1960s and since then has contributed significantly to building CDL's more than five decades of track record. He grew the Group's hospitality arm and has been actively involved in its development into Singapore's largest international hotel group and one of the largest hotel owners and operators in the world.

He also has extensive experience in the finance business, having grown from day one with the original Hong Leong Finance Limited which has since merged its finance business with Singapore Finance Limited (now known as Hong Leong Finance Limited). He is also experienced in the trading and manufacturing sectors.

Mr Kwek has received numerous accolades. In 1997, he was named "Businessman of the Year 1996" by Singapore Business Awards, organised by The Business Times and DHL. In 2012, he was jointly awarded the "Partners in the Office of the CEO" award in the Brendan Wood International – Securities Investors Association Singapore (SIAS) TopGun CEO Designation Award with the late Mr Kwek Leng Joo (former Deputy Chairman of CDL). This award is given to CEOs who are best in class as rated by shareholders. In 2014, he received the inaugural Real Estate Developers' Association of Singapore (REDAS) Lifetime Achievement Award which honours a pioneering group of real estate leaders.

He received the Singapore Chinese Chamber of Commerce and Industry (SCCCI) SG50 Outstanding Chinese Business Pioneers Award in 2015. The award honours the Republic's outstanding Chinese business pioneers and their exemplary contributions to nation-building. That same year, he was accorded the Lifetime Achievement Award from Hotel Investment Conference Asia Pacific (HICAP). This accolade honours exceptional individuals who have distinguished themselves through accomplishments and contributions to the hotel industry.

In 2017, he was presented the Lifetime Achievement Award at the Asia Pacific Entrepreneurship Awards organised by Enterprise Asia, a regional non-governmental organisation for entrepreneurship. The award was in recognition of outstanding achievements, visionary leadership and steadfast dedication that led to the successful growth of the Hong Leong Group for over five decades. That same year, he clinched the inaugural Global Blue Ocean Shift Award, given at the Global Entrepreneurship Community Summit in Kuala Lumpur. Mr Kwek was awarded the Singapore Tatler Diamond Award (Lifetime Achievement) 2018, in recognition of his exceptional leadership that led Hong Leong Group to grow into a globally diversified enterprise.

In 2020, Mr Kwek received on behalf of Hong Leong Group, the EY Family Business Award of Excellence. It celebrated the Group's successful, sustainable and long-term oriented strategy, effective and transparent corporate governance approach, and significant socio-economic contributions.

Mr Kwek holds a law degree, LL.B. (London) and is also a fellow of The Institute of Chartered Secretaries and Administrators. He was also conferred an Honorary Doctorate of Business Administration in Hospitality from Johnson & Wales University (Rhode Island, US) and an Honorary Doctorate from Oxford Brookes University (UK).

Note:
Hong Leong Investment Holdings Pte. Ltd. is the immediate and ultimate holding company of CDL. Hong Leong Finance Limited and Hong Leong Asia Ltd. are related companies under the Hong Leong Group of companies. Millennium & Copthorne Hotels Limited and CDL China Limited are subsidiaries of CDL.

BOARD OF DIRECTORS

SHERMAN KWEK EIK TSE, 45
EXECUTIVE DIRECTOR
GROUP CHIEF EXECUTIVE OFFICER

First appointment as Director
15 May 2019

Last re-election as Director
24 June 2020

Board committees
- Board Sustainability Committee (Chairman)
- Board Committee (Member)

Present directorships in other listed companies* and principal commitments
- CDL China Limited (Executive Chairman) (non-listed)

Other appointments
- Singapore Chinese Chamber of Commerce and Industry (SCCCI) (Council Member)
- SCCCI - Youth Business Affairs Committee (Chairman)
- Business China (Board Member)
- Chinese Development Assistance Council (Member of Board of Trustees)

Past directorships in other listed companies* and principal commitments held in the preceding five years
Nil

Mr Kwek assumed his current role as Group Chief Executive Officer in January 2018, responsible for setting and implementing the business direction and strategies for the CDL Group as endorsed by the Board, providing leadership to drive the pursuit of the Group's strategic objectives, and having overall management oversight of the Group's performance. He has held the position of Executive Chairman of CDL China Limited since 2016.

Prior to joining CDL, Mr Kwek was the CEO of City e-Solutions Limited (now known as China Tian Yuan Healthcare Group Limited), a Hong Kong-listed company that was formerly a subsidiary of the Group and engaged in the provision of hotel management and electronic distribution services to the global hospitality industry. It was divested by CDL in 2016.

Mr Kwek has been a Council member of the Singapore Chinese Chamber of Commerce and Industry (SCCCI) since 2013. He was appointed by the SCCCI as the Chairman of the Youth Business Affairs Committee, which is tasked with promoting the Chinese entrepreneurial spirit, managing succession planning and nurturing future business leaders. He is a board member of Business China, which aims to nurture an inclusive bilingual and bicultural group of Singaporeans, so as to sustain Singapore's multi-cultural heritage and develop a cultural and economic bridge linking the world and China.

In June 2020, he was appointed as a member of the Board of Trustees of the Chinese Development Assistance Council, a non-profit self-help group for the Chinese community.

He was formerly a member of the Council for Board Diversity which advocates greater gender diversity on the boards of listed companies and was also a board member of the Building and Construction Authority (BCA), a statutory board that plays a key role in shaping the built environment in Singapore. He relinquished both appointments on 31 December 2020 and 31 March 2021 respectively.

He graduated from Boston University, USA with a Bachelor of Science in Business Administration, majoring in Finance and Marketing with a minor in Psychology.

LIM YIN NEE JENNY, 67
INDEPENDENT NON-EXECUTIVE DIRECTOR (LEAD)

First appointment as Director
22 June 2018

Last re-election as Director
26 April 2019

Board committees
- Audit & Risk Committee (Chairman)
- Remuneration Committee (Chairman)
- Nominating Committee (Member)
- Board Committee (Member)

Present directorships in other listed companies* and principal commitments
- Viriya Community Services (Treasurer)

Other appointments
Nil

Past directorships in other listed companies* and principal commitments held in the preceding five years
- M&C REIT Management Limited, the manager of CDL Hospitality Real Estate Investment Trust (Independent Non-Executive Director)
- M&C Business Trust Management Limited, the trustee-manager of CDL Hospitality Business Trust (Independent Non-Executive Director)

Ms Lim was admitted as a partner of KPMG in 1983. She started her career with KPMG, first in audit and subsequently specialised in taxation. Prior to her retirement from professional practice on 31 December 2001, she was the Head of KPMG's Tax Practice and a member of KPMG's International Tax Committee. She remained as an Advisor to KPMG until 31 January 2004.

Ms Lim stepped down as President of Viriya Community Services at the last Annual General Meeting held on 24 March 2021 and was elected as the Treasurer.

Ms Lim is a retired fellow member of the Association of Chartered Certified Accountants, UK (ACCA). She was previously ACCA's examiner for both the Taxation and Advanced Taxation papers, an adjunct professor with the Singapore Management University, a facilitator with the Tax Academy of Singapore and a board member of Raffles Institution.

PHILIP YEO LIAT KOK, 74
INDEPENDENT NON-EXECUTIVE DIRECTOR

First appointment as Director
11 May 2009

Last re-election as Director
26 April 2019
(Will be seeking re-election at the 2021 Annual General Meeting)

Board committees
- Nominating Committee (Chairman)
- Board Sustainability Committee (Member)

Present directorships in other listed companies* and principal commitments
- Kerry Logistics Network Limited* (Independent Director)
- Sunway Berhad* (Independent Director)
- Economic Development Innovations Singapore Private Limited (EDIS) (Chairman)
- Accuron Technologies Limited (Chairman)
- Advanced MedTech Holdings Pte. Ltd. (Chairman)

Other appointments
Nil

Past directorships in other listed companies* and principal commitments held in the preceding five years
- Hitachi Ltd* (Independent Director)

Mr Yeo is the Chairman of Economic Development Innovations Singapore Pte Ltd (EDIS) which provides strategic advice and undertakes the development and management of integrated industrial and urban areas with an emphasis on job creation and industrial cluster development.

Mr Yeo received the Order of the Rising Sun, Gold and Silver Star from the Government of Japan (2007) and the Distinguished Service (Star) award from the Singapore Labour Movement, National Trade Union Congress (2008).

Mr Yeo holds a Bachelor of Applied Science (Industrial Engineering), an honorary Doctorate in Engineering from the University of Toronto, Canada, an honorary Doctorate in Medicine from the Karolinska Institutet, Sweden, a Master of Science (Systems Engineering) from the University of Singapore, a Master of Business Administration from Harvard University, USA, a Doctor of Science from Imperial College, London, an honorary Doctor of Letters from National University of Singapore and an honorary Doctor of Law from Monash University of Australia.

TAN POAY SENG, 54
INDEPENDENT NON-EXECUTIVE DIRECTOR

First appointment as Director
2 February 2012

Last re-election as Director
26 April 2019
(Will not be seeking re-election at the 2021 Annual General Meeting)

Board committees
- Board Sustainability Committee (Member)

Present directorships in other listed companies* and principal commitments
- Magni-Tech Industries Berhad* (Managing Director)
- Coronation Springs (M) Sdn. Bhd. (Managing Director)
- South Island Garment Sdn Bhd (Managing Director)

Other appointments
Nil

Past directorships in other listed companies* and principal commitments held in the preceding five years
Nil

Currently the Managing Director of Magni-Tech Industries Berhad, an investment holding company listed on the Main Market of Bursa Securities Malaysia Berhad (Bursa Malaysia), and Coronation Springs (M) Sdn. Bhd., a niche property development company, Mr Tan has more than 30 years of experience in various business sectors which include manufacturing, housing development, marketing, retailing and healthcare services. He was named as one of the best CEOs of companies listed in nine sectors on Bursa Malaysia in 2016. Mr Tan holds a diploma in Hotel Management, Switzerland.

ONG LIAN JIN COLIN, 52
INDEPENDENT NON-EXECUTIVE DIRECTOR

First appointment as Director
7 October 2020

Last re-election as Director
N.A.
(Will be seeking re-election at the 2021 Annual General Meeting)

Board committees
- Nominating Committee (Member)
- Remuneration Committee (Member)

Present directorships in other listed companies* and principal commitments
- Great Eastern Financial Advisers (Executive Senior Director)

Other appointments
Nil

Past directorships in other listed companies* and principal commitments held in the preceding five years
Nil

Mr Ong is the Founder of Advisors' Clique and Executive Senior Director of Great Eastern Financial Advisers, a position he has held since 2011. A veteran in the financial services industry with more than 28 years of experience, he has achieved the Million Dollar Round Table (MDRT) 25 times since 1993, achieved the Top of the Table in 2020 and is a member of its prestigious MDRT Quarter Century Club.

Mr Ong was a recipient of the Centennial Award by Great Eastern Life in 2008, an accolade awarded during its 100th anniversary in recognition of his contributions to the company.

He was conferred the IBF Fellow award from the Institute of Banking and Finance and was named Asia's Inspirational Leader of the Year by the Asia Insurance Review in 2015.

BOARD OF DIRECTORS

Mr Ong holds a Bachelor of Arts & Social Sciences from the National University of Singapore. He is also a Chartered Life Underwriter and Chartered Financial Consultant.

DANIEL MARIE GHISLAIN DESBAILLETS, 71

INDEPENDENT NON-EXECUTIVE DIRECTOR

First appointment as Director
20 November 2020

Last re-election as Director
N.A.
(Will be seeking re-election at the 2021 Annual General Meeting)

Board committees
- Board Sustainability Committee (Member)
- Board Committee (Member)

Present directorships in other listed companies* and principal commitments
- FreshCreation Holdings Pte. Ltd. (Executive Chairman)
- Salad Stop Pte. Ltd. (Executive Chairman)

Other appointments
Nil

Past directorships in other listed companies* and principal commitments held in the preceding five years
- Millennium & Copthorne Hotels plc* (Independent Non-Executive Director) *(delisted and privatised in 2019 and now known as Millennium & Copthorne Hotels Limited)*
- M&C REIT Management Limited, the manager of CDL Hospitality Real Estate Investment Trust (Independent Non-Executive Director)
- M&C Business Trust Management Limited, the trustee-manager of CDL Hospitality Business Trust (Independent Non-Executive Director)

Mr Desbaillets has an extensive portfolio in the hospitality industry with 42 years of experience. Mr Desbaillets was appointed to the board of Millennium & Copthorne Hotels plc (prior to its privatisation) in 2016 as an Independent Non-Executive Director and had served in the Audit & Risk, Remuneration and Risk Committees. In 2010, he was the Independent Non-Executive Director of M&C REIT Management Limited, the manager for CDL Hospitality Real Estate Investment Trust (H-REIT) and also of M&C Business Trust Management Limited, the trustee-manager for CDL Hospitality Business Trust (HBT) and had served in their Nominating and Remuneration Committees. Both H-REIT and HBT are comprised as a stapled group in CDL Hospitality Trusts, which is listed on Singapore Exchange Securities Trading Limited.

Since 1973, he has held senior positions with international hotel chains including InterContinental Hotel Group, Hilton, Shangri-La, Millennium & Copthorne Hotels Group, Fullerton Hotels and Resorts and TCC Hotels Thailand. His responsibilities in the Corporate offices included regional hotel operations, finance, marketing, human resource, food & beverage (F&B) and asset management. Currently, Mr Desbaillets is the Executive Chairman of family-owned businesses in the F&B industry, FreshCreation Holdings Pte. Ltd. and Salad Stop Pte. Ltd., which have 65 outlets in Singapore, Malaysia, Indonesia, Philippines, Hong Kong, Japan, South Korea, Vietnam and Spain that are owned, franchised and under joint ventures.

He holds a diploma in Commercial Studies from Ecole Benedict Geneva, Switzerland and a Certificate with Distinction in Service, Food Production and Administration from Lausanne Hotel School, Switzerland.

CHONG YOON CHOU, 53

INDEPENDENT NON-EXECUTIVE DIRECTOR

First appointment as Director
20 November 2020

Last re-election as Director
N.A.
(Will be seeking re-election at the 2021 Annual General Meeting)

Board committees
- Audit & Risk Committee (Member)

Present directorships in other listed companies* and principal commitments
- Leanne Capital Pte. Ltd. (Founder/ Director)

Other appointments
Nil

Past directorships in other listed companies* and principal commitments held in the preceding five years
- Ostrum Asset Management Asia Ltd. (Chief Investment Officer, Equities)
- Aberdeen Standard Investments (Asia) Limited (Investment Director)

Mr Chong started his career at Aberdeen Standard Investments (Asia) Limited in 1994 as an analyst and fund manager on Asian equities. He was later transferred to Sydney as Head of Australian Equities in 2001. Subsequently, he held roles in London, Edinburgh and Philadelphia as Head of Pan-European Equities and Head of Developed Markets ex-Asia, before returning to Singapore in 2008 as Investment Director where he co-managed a team of 40 investment managers in seven investment offices. He was also the Managing Director of Aberdeen Asset Management Malaysia.

Throughout his stint with the company, Mr Chong was involved in many restructuring initiatives in Australia and Europe whilst spearheading investment teams in various M&A projects such as the acquisition of Edinburgh Fund Managers in 2005, Deutsche Asset Management UK in 2006, Philadelphia Nationwide Financial Service US in 2007 and Credit Suisse Asset Management in 2009. He was also responsible for setting up the group's research systems and led in transition projects during Europe's implementation of Markets in Financial Instruments Directive II (MiFID II). Mr Chong's 27 years of extensive experience in managing assets and funds also included his management of Asian and Emerging market equities at Ostrum Asset Management Asia Ltd, part of the Natixis Investment Management group with USD 1 trillion of funds under management.

Mr Chong graduated from the London School of Economics with a Bachelor of Science (Economics) in Accounting & Finance, a Master of Science in Finance and a Master of Science in Information Systems. He is also a Chartered Financial Analyst and has Leadership Development certifications at Harvard Business School and INSEAD.

CHAN SWEE LIANG CAROLINA (CAROL FONG), 59

INDEPENDENT NON-EXECUTIVE DIRECTOR

First appointment as Director
29 December 2020

Last re-election as Director
N.A.
(Will be seeking re-election at the 2021 Annual General Meeting)

Board committees
- Remuneration Committee (Member)
- Board Committee (Member)

Present directorships in other listed companies* and principal commitments
- CGS-CIMB Securities (Singapore) Pte Ltd (Group Chief Executive Officer)
- Genting Singapore Limited* (Independent Non-Executive Director)

Other appointments
- Leukemia and Lymphoma Foundation (Board Member and Honorary Treasurer)
- Singapore Exchange Securities Advisory Committee (Chairman)

Past directorships in other listed companies* and principal commitments held in the preceding five years
Nil

Ms Chan has more than 30 years of experience in investment banking and financial markets. Currently the Group Chief Executive Officer of CGS-CIMB Securities, she is responsible for the overall management and financial performance of the CGS-CIMB Securities group's equities business, a regional franchise covering Asia Pacific (ex-Japan), as well as offices in London and New York. Ms Chan is also a non-executive director of Leukemia & Lymphoma Foundation.

Before this, she was the Singapore country Investment Banking CEO of CIMB Group, where she was responsible for building up their investment banking business and management of key client and regulator relationships in Singapore.

Ms Chan's career began at Oversea-Chinese Banking Corporation and she has since held several senior managerial positions in various stockbroking firms. She is also currently the Chairman of the Singapore Exchange Securities Advisory Committee and is also appointed as an Independent Director of mainboard-listed Genting Singapore.

Ms Chan was conferred the IBF Distinguished Fellow award in 2016. The IBF Distinguished Fellow is a significant role model who serves as a beacon of excellence for the financial industry.

She holds a Bachelor of Arts degree from the National University of Singapore and a Diploma in Personnel Management. Ms Chan also obtained the Executive Diploma in Directorship from Singapore Management University - Singapore Institute of Directors in 2018.

LEE JEE CHENG PHILIP, 61

INDEPENDENT NON-EXECUTIVE DIRECTOR

First appointment as Director
4 January 2021

Last re-election as Director
N.A.
(Will be seeking re-election at the 2021 Annual General Meeting)

Board committees
- Audit & Risk Committee (Member)
- Nominating Committee (Member)
- Remuneration Committee (Member)

Present directorships in other listed companies* and principal commitments
Nil

Other appointments
- Singapore Agro-Food Enterprises Federation Limited (Governing Council Member)

Past directorships in other listed companies* and principal commitments held in the preceding five years
- KPMG LLP (Partner)

Mr Lee has 35 years of experience in accounting and finance. He was admitted into the partnership of KPMG Singapore in 1995 where he served until his retirement in September 2018. During his time at KPMG, Mr Lee had served on the leadership team in KPMG Singapore and on the executive team at KPMG Asia Pacific. In addition, he was the Head of Real Estate and the Head of an Audit Business Unit. He was also the Head of People and led KPMG to various HR Awards.

His experience include accounting and auditing, evaluation of controls and compliance, transaction services and assisting companies in preparing for and raising funds from the capital markets. Currently, he serves as a member of the Governing Council of Singapore Agro-Food Enterprises Federation Limited.

Mr Lee is a fellow member of the Association of Chartered Certified Accountants, UK and a Fellow Chartered Accountant of Singapore.

KEY MANAGEMENT

Left to right:
Kwek Eik Sheng, Yiong Yim Ming, Sherman Kwek, Chia Ngiang Hong, Frank Khoo

SHERMAN KWEK
GROUP CHIEF EXECUTIVE OFFICER

Mr Sherman Kwek assumed his role as CDL's Group Chief Executive Officer (CEO) in January 2018 after serving as the CEO-designate from August 2017. He was appointed an Executive Director in May 2019 and concurrently holds the position of Executive Chairman of CDL China Limited since April 2016. He was previously the Deputy CEO and Chief Investment Officer of CDL. He has been spearheading the Group's expansion in China, Japan and Australia for over a decade and in recent years has also broadened the Group's presence in Singapore and the UK.

Under his leadership, the Group embarked on a Growth, Enhancement and Transformation (GET) strategy to expand its presence, enhance its existing portfolio, strengthen recurring income streams, develop a fund management business and enable significant transformation through strategic investments and innovation, all of which with the ultimate goal of driving strong performance and creating lasting value for all shareholders.

Throughout his career, Mr Kwek has held various senior management roles including serving as the CEO of Hong Kong-listed City e-Solutions Limited and the Chief Operating Officer of Singapore-listed Thakral Corporation Ltd. He also worked at RECAP Investments Limited, a real estate private equity fund.

Mr Kwek started his career in New York in venture capital and investment banking before eventually joining the US division of Millennium & Copthorne Hotels Limited. He has experience in the areas of investments, mergers and acquisitions, real estate, hospitality and technology, and has worked in New York, Hong Kong, Shanghai and Singapore.

He graduated from Boston University with a Bachelor of Science in Business Administration, majoring in Finance and Marketing with a minor in Psychology.

CHIA NGIANG HONG
GROUP GENERAL MANAGER

Mr Chia Ngiang Hong joined CDL in 1981 and has more than 40 years of experience in the real estate industry in Singapore and the region. A much-respected industry veteran, Mr Chia is the President of the Real Estate Developers' Association of Singapore, Board Member of the Institute of Real Estate and Urban Studies, and Honorary Advisor of the Singapore Green Building Council. He is also a Fellow of the Institute of Surveyors and Valuers.

He presently chairs the Advisory Committee to the National University of Singapore's School of Design and Environment and is a member of the Department Consultative Committee.

Beyond his contributions to the building and construction industry, Mr Chia is also active in community and grassroots activities and serves as a Justice of the Peace.

He holds a Bachelor of Science in Estate Management (Honours) from the University of Singapore and a Master in Business Administration (Distinction) from the University of Hull, UK.

KWEK EIK SHENG
GROUP CHIEF STRATEGY OFFICER

Mr Kwek Eik Sheng joined CDL in 2009, covering Business Development for overseas projects before being appointed as Head of Corporate Development.

Mr Kwek assumed his role as Chief Strategy Officer in 2014 and was additionally appointed Head, Asset Management in April 2016. He was re-designated to Group Chief Strategy Officer on 1 February 2018.

Prior to joining CDL, he was with the Hong Leong Group of companies in Singapore specialising in corporate finance roles since 2006.

Mr Kwek was appointed an Executive Director of CDL's principal subsidiary, Millennium & Copthorne Hotels Limited (M&C) – formerly known as Millennium & Copthorne Hotels plc – in November 2019, having previously been appointed a Non-Executive Director of M&C from April 2008 to October 2019. He is a Non-Executive Director of Millennium & Copthorne Hotels New Zealand Limited and CDL Investments New Zealand Limited, both of which are listed on New Zealand's Exchange. He is also Chairman of Grand Plaza Hotel Corporation listed on the Philippine Stock Exchange.

He holds a Bachelor of Engineering in Electrical and Electronics Engineering from Imperial College of Science, Technology and Medicine and a Master of Philosophy in Finance from Judge Business School, Cambridge University.

FRANK KHOO
GROUP CHIEF INVESTMENT OFFICER

Mr Frank Khoo joined CDL as Group Chief Investment Officer in February 2018 to source and execute new investment opportunities, and also establish a dedicated fund management platform.

With over 20 years of international experience in fund management, private equity, acquisition of real estate assets and the repositioning and restructuring of real estate businesses, Mr Khoo has an extensive network of investors, ranging from insurance companies, pension funds, sovereign wealth funds and high net worth individuals across Asia and Europe.

Previously, Mr Khoo was the Global Head of Asia of AXA Investment Manager – Real Assets (AXA IM Real Assets) where he oversaw all real estate activities for AXA IM Real Assets in Asia, including investment, transaction, fund and asset management, capital raising and finance. He has also held various executive positions in Pacific Star Fund Management Pte Ltd, Guthrie GTS Ltd, Phileoland Bhd and Kestral Capital Partners.

Mr Khoo holds a Master of Business Administration from Nanyang Technological University of Singapore, as well as Bachelor of Engineering (Honours) and Bachelor of Science degrees from University of Queensland, Australia. He is also a Chartered Accountant in Singapore.

YIONG YIM MING
GROUP CHIEF FINANCIAL OFFICER

Ms Yiong Yim Ming was appointed CDL's Chief Financial Officer in April 2016 and was re-designated to Group Chief Financial Officer on 1 February 2018.

An executive of the Company since 2007, she has extensive knowledge on CDL Group's financial and operation matters, both domestically and overseas, covering property development, investment properties and hotels.

She has strong technical competencies, specialising in the real estate sector, harnessed through 12 years of audit experience. Prior to joining CDL, she served a 10-year stint in KPMG Singapore and a two-year engagement with Ernst & Young Singapore.

Ms Yiong is a Council Member of the Institute of Singapore Chartered Accountants and is also a Member of the Board of Trustees for the Singapore University of Social Sciences.

She holds a Bachelor of Accountancy degree from Nanyang Technological University.

SENIOR MANAGEMENT

GOH ANN NEE
Chief Transformation Officer, Executive Chairman's Office

YVONNE ONG
Chief Executive Officer, Commercial

LEE MEI LING
Executive Vice President & Head, Property Development

ESTHER AN
Chief Sustainability Officer

IVAN NG
Chief Technology Officer

STEVEN TAN
Chief Human Resource Officer

CORPORATE GOVERNANCE

City Developments Limited ("CDL" or the "Company") is committed to upholding a high standard of corporate governance and business integrity in all its business activities, which is essential for the long-term sustainability of the Group's businesses and the enhancement of shareholders' value.

To demonstrate its commitment towards excellence in corporate governance, CDL had, since 2010, joined the Securities Investors Association Singapore ("SIAS") and its partners in making the following public Statement of Support at the annual Singapore Corporate Governance Week (organised by SIAS):

"As an Organisation, we are committed to uphold high standards of corporate governance to enhance shareholder value. We believe good corporate governance is central to the health and stability of our financial markets and economy."

CORPORATE GOVERNANCE ACCOLADES

- In its journey to uphold the highest standards of corporate governance, CDL has further improved its ranking on the Singapore Governance and Transparency Index (SGTI) from the 5th position in 2019 to the 3rd position in 2020. The SGTI is aimed at assessing companies on their corporate governance disclosure and practices, as well as the timeliness, accessibility and transparency of their financial results announcements.

- In recognition of its commitment to transparency in gender reporting and advancing gender diversity in the workplace, CDL continued to be listed in the Bloomberg Gender-Equality Index (GEI) in 2020. The sector-neutral Bloomberg GEI is a reference index which measures gender equality across five pillars: female leadership and talent pipeline; equal pay and gender pay parity; inclusive culture; sexual harassment policies; and pro-women brand. CDL is the only Singapore real estate company to be listed on the Bloomberg GEI for three consecutive years.

- CDL has been placed on the SGX Fast Track programme since April 2018. This programme was launched by Singapore Exchange Regulation (SGX RegCo) in recognition of listed companies which have maintained good corporate governance standing and compliance track record. Companies under this programme will receive prioritised clearance on selected corporate action submissions to SGX RegCo.

The Company has complied with Listing Rule 710 by describing in this report its corporate governance practices with specific reference to the updated principles and provisions in the Code of Corporate Governance 2018 ("2018 Code"). Where the Company's practices differ from the principles and provisions under the 2018 Code, the Company's position and reasons in respect of the same are explained in this report.

The Company's significant listed subsidiaries, CDL Hospitality Trusts (a Singapore Exchange listed hospitality trust) and Millennium & Copthorne Hotels New Zealand Limited and CDL Investments New Zealand Limited, both of which are listed on the New Zealand Stock Exchange, have independent boards and board committees which are responsible for upholding high standards of corporate governance and oversee the effectiveness of their internal controls and risk management systems. Further information on the governance regime, corporate governance practices, and the assurances on the adequacy and effectiveness of the internal controls and risk management systems of these listed subsidiaries can be found in their respective corporate governance statements as published in their annual reports.

Our Governance Framework

Board	
• Kwek Leng Beng, Executive Chairman • Sherman Kwek Eik Tse, Executive Director and Group Chief Executive Officer • Lim Yin Nee Jenny, Lead Independent Director • Philip Yeo Liat Kok, Independent Director • Tan Poay Seng, Independent Director • Ong Lian Jin Colin, Independent Director • Daniel Marie Ghislain Desbaillets, Independent Director • Chong Yoon Chou, Independent Director • Chan Swee Liang Carolina, Independent Director • Lee Jee Cheng Philip, Independent Director	• ***Key Objectives***: Provides leadership by setting the strategic objectives of the Company together with the Key Management team to achieve long-term success for the Company and its subsidiaries (the "Group") through value creation, innovation and sustainability. Oversees the performance of the Group for accountability to shareholders by ensuring that necessary financial, operational and human resources are in place for the Company to meet its strategic objectives, which are supported by an adequate and effective system of internal controls and risk management.

Committees	Composition	
Audit & Risk Committee	• Lim Yin Nee Jenny, Chairman (ID) • Chong Yoon Chou (ID) • Lee Jee Cheng Philip (ID)	• ***Key Objectives***: Assists the Board in the discharge of statutory and other responsibilities relating to the integrity of the financial statements of the Group, and reviews the adequacy and effectiveness of the internal controls and risk management system. Considers the key risks of the Group under a risk management framework which takes into account the strategic objectives and risk appetite of the Group.
Nominating Committee	• Philip Yeo Liat Kok, Chairman (ID) • Kwek Leng Beng (non-ID) • Lim Yin Nee Jenny (ID) • Ong Lian Jin Colin (ID) • Lee Jee Cheng Philip (ID)	• ***Key Objectives***: Assists the Board in its succession plan through the review of board size and composition and the recommendations on the independence of directors, appointment, re-nomination and retirement of Directors. Assists the Board in the evaluation of the performance of the Board, the Board Committees and the Directors.
Remuneration Committee	• Lim Yin Nee Jenny, Chairman (ID) • Ong Lian Jin Colin (ID) • Chan Swee Liang Carolina (ID) • Lee Jee Cheng Philip (ID)	• ***Key Objectives***: Oversees the remuneration of the Board and the Key Management Personnel, including setting appropriate remuneration frameworks, including aligning with talent management framework, and policies to reflect a performance-based remuneration system that is balanced between the current and long-term objectives of the Company.
Board Sustainability Committee	• Sherman Kwek Eik Tse, Chairman (non-ID) • Philip Yeo Liat Kok (ID) • Tan Poay Seng (ID) • Daniel Marie Ghislain Desbaillets (ID)	• ***Key Objectives***: Assists the Board in the review of the Company's sustainability issues and approach to sustainability reporting, reviews the Company's environmental, social and governance (ESG) framework, key ESG targets and long-term sustainability and contributing to the Company's performance, and reputation as a global corporate citizen.
Board Committee	• Kwek Leng Beng, Chairman (non-ID) • Sherman Kwek Eik Tse (non-ID) • Lim Yin Nee Jenny (ID) • Chan Swee Liang Carolina (ID) • Daniel Marie Ghislain Desbaillets (ID)	• ***Key Objectives***: Assists the Board in the approval of matters which include, routine banking-related matters and release of non price-sensitive announcements.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Primary Functions of the Board

The Board oversees the Company's business and its performance under its collective responsibility and provides leadership by setting the strategic objectives of the Company together with Key and Senior Management, to achieve long-term success for the Group through value creation, innovation and sustainability. The Board sets broad policies, provides guidance on and approves strategic objectives, ensures that necessary financial, operational and human resources are in place for the Company to meet its objectives, reviews the performance of the Group and Management's performance, and satisfies itself as to the adequacy and effectiveness of the framework and processes for internal controls (including financial, operational, compliance and information technology ("IT") controls) and risk management for the safeguarding of shareholders' interests and the Group's assets.

The Board also assumes responsibility for good corporate governance and is responsible for setting the right 'tone at the top' in its policies and decisions to ensure that the Company's corporate values and ethical standards are observed and there is proper accountability throughout the Group and obligations to its shareholders and other stakeholders are clearly understood and met.

The Board is also committed to the Company's strategic approach to integrating sustainability in key aspects of its business and operations and to advance the Company's sustainability efforts and achievements.

Directors' Objective Discharge of Duties and Declaration of Interests (Provision 1.1)

All Directors, being fiduciaries, are required to objectively discharge their duties and responsibilities in the best interests of the Company. This ability to exercise objectivity is one of the assessment criteria in the Nominating Committee's ("NC") annual evaluation of the Directors.

CORPORATE GOVERNANCE

Directors, who are in any way, directly or indirectly, interested in a transaction or proposed transaction, declare the nature of their interests in accordance with the provisions of the Companies Act, Chapter 50, and in the case of any conflicts of interests, abstain from participating in the deliberation and decision making on such transactions, with abstention duly recorded within the minutes and/or the resolutions of the Board and/or the Committees.

Accountability of the Board and Management (Provision 1.1)
The Board and Management are committed to conducting business with integrity, consistent with high standards of business ethics, and in compliance with all applicable laws and regulatory requirements. The Company has established various corporate policies as necessary which provide a communicable and understandable framework for employees to observe the Company's principles on honesty, integrity, responsibility and accountability at all levels of the organisation and in the conduct of the Company's business in their relationships with the Company's stakeholders, including customers, suppliers and employees. Further details of these policies are described in the segment entitled "Corporate Values and Conduct of Business" at the end of this report.

Board Orientation and Training (Provision 1.2)
Each newly appointed Director receives a formal letter, setting out his general duties and obligations as a Director pursuant to the relevant legislations and regulations. The new Director will also receive an electronic induction pack containing information and documents relating to the roles, duties and responsibilities of a director (and where applicable, as a member of the Committees), the Group's principal businesses, the Company's Board processes and corporate governance practices, relevant Company policies and procedures as well as a board meeting calendar for the year with a brief of the routine agenda for each meeting of the Board and where applicable, the Committees.

The Company also conducts a comprehensive induction programme for newly appointed Directors and for existing Directors pursuant to their appointments to any of the Committees, which seeks to familiarise Directors with the Group's principal businesses, the Company's governance practices and processes, internal controls and risk management systems, their responsibilities as directors and in the case of appointments to any of the Committees, the roles and areas of responsibilities of such Committees. The induction programme includes meetings with various key executives of the Management to allow the new Directors to be acquainted with the Management team and to facilitate their independent access to the Management team in future. The programme also includes briefings by the Management team on key areas of the Company's operations.

For a first-time Director who has no prior experience as a director of a listed company, in addition to the induction as detailed above, he or she will be required to also attend certain specific modules of the Listed Entity Director ("LED") Programme conducted by the Singapore Institute of Directors ("SID") in order to acquire relevant knowledge of what is expected of a listed company director, this being a mandatory requirement under the SGX-ST Listing Rules. Completion of the LED Programme, which focuses on comprehensive training of company directors on compliance, regulatory and corporate governance matters, should provide the first-time Director with a broad understanding of the roles and responsibilities of a director of a listed company under the requirements of the Companies Act, Chapter 50, the Listing Manual of SGX-ST ("Listing Manual") and the 2018 Code.

Three Directors resigned from the Board in 2020, namely Mr Kwek Leng Peck, a non-executive non-independent Director, and Mr Koh Thiam Hock and Ms Tan Yee Peng, both independent Directors. Between October 2020 and January 2021, five new independent non-executive Directors ("INEDs"), namely Mr Ong Lian Jin Colin, Mr Daniel Marie Ghislain Desbaillets, Mr Chong Yoon Chou, Ms Chan Swee Liang Carolina and Mr Lee Jee Cheng Philip, were appointed.

The Directors are also provided with updates and/or briefings from time to time by professional advisers, auditors, the Management and the Company Secretaries in areas such as directors' duties and responsibilities, corporate governance practices, relevant legislations and regulations, risk management and financial reporting standards. The Directors are also regularly kept informed by the Company Secretaries of the availability of appropriate courses, conferences and seminars including those conducted by the SID, and the Directors are encouraged to attend such training at the Company's expense. The NC and the Board are kept informed of the trainings attended by the Directors during the year. As part of the NC's annual assessment of the skills set of the Board and the Committees, the NC will also recommend further training for the Directors in specific areas, if so required, to supplement the regular updates/briefings provided to the Directors from time to time.

During the year, some of the trainings attended by the Directors included the ACRA-SGX-SID Audit Committee Seminar 2020, SID Directors Conference 2020, SID Corporate Governance Roundup 2020, briefings by SID, audit professionals and other consultants in relation to audit committee matters, remuneration committee matters, risk management matters, and topics relating to data protection and cyber security.

In addition, in-house seminars were also organised in 2020 and conducted by invited external speakers on the following topics:

1. Emerging Technology: Innovation, future of work and cyber
2. Geopolitical Risk Landscape
3. ESG Integration: A Pathway to Business Resilience

Members of the Audit & Risk Committee ("ARC") were also provided with regular briefings from the Company's external auditors on applicable Accounting Standards and Tax Updates during the year.

In addition to the training courses/programmes and briefing updates, Directors are also at liberty to approach Management should they require any further information or clarification concerning the Company's operations.

83.33% of the Board attended various training seminars and workshops in 2020	=	**Accounted for more than 86.55 training hours in aggregate**

Board Approval (Provision 1.3)
Key matters which are specifically reserved for approval by the Board include the decisions over the strategic direction, plans and performance objectives of the Group (including its risk appetite); the Group's financial objectives and annual budget; decisions to commence, discontinue or modify significantly any business activity or to enter into or withdraw from a particular market sector which have or may have material impact on the profitability or performance of the Group; corporate or financial restructuring; major funding and investment proposals; decisions over new borrowings or significant amendments to the terms and conditions of existing borrowings other than in the ordinary course of business; adoption of key corporate policies and corporate governance practices and any other matters which require the Board's approval as prescribed under the relevant legislations and regulations as well as the provisions of the Company's Constitution. All issuance of the Group's financial results requires the approval of the Board, including decisions with regard to the Company's dividend policy and payouts.

Aligned with the Company's strategy to develop growth platforms in Singapore and key international markets, the Board has put in place an approval matrix with established authority limits in connection with the acquisitions and divestments of the Group's investments for its property development, property investment, asset management and fund management platforms. The approved matrix is revised and updated when necessary, in line with the Group's strategic objectives.

Management is fully apprised of such matters which require the approval of the Board or the Committees. For operational efficiency, the Company also has a structured approval limits matrix which sets out the delegated authority to various levels of Management to approve operating expenditure below the thresholds requiring the Board's approval.

Delegation by the Board (Provision 1.4)
The primary functions of the Board are either carried out directly by the Board or delegated to the Committees with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The Committees established by the Board are the ARC, the NC, the Remuneration Committee ("RC"), the Board Sustainability Committee ("BSC") and the Board Committee ("BC"), all collectively referred to hereafter as the "Committees".

Each Committee reports key matters to the Board at Board Meetings and submit its report at least on an annual basis.

All terms of reference for the Committees are approved by the Board and reviewed annually to ensure their continued relevance, taking into account the changes in the governance and legal environment.

The delegation of authority by the Board to the Committees enables the Board to achieve operational efficiency by empowering these Committees to decide, review and make recommendations on matters within their respective written terms of reference and/or limits of delegated authority, without abdicating the Board's overall responsibility.

The BC comprises five Directors with the majority of its members being non-executive. The BC's principal responsibility is to assist the Board in the discharge of its duties which include, in particular, routine and operational matters, namely assisting the Board in approving banking-related matters such as the opening, closing and maintenance of banking accounts of the Company and the acceptance of up to certain limits of banking facilities extended to the Company, operational matters relating to property development activities and other matters determined by the Board from time to time.

Please refer to the sections on Principles 4, 5, 6, 7 and 10 in this report for further information on the activities of the NC, RC and ARC. Information on the activities of the BSC can be found under the "Sustainability" segment towards the end of this report.

Board and Board Committees Meetings (Provision 1.5)
Meetings of the Board and Committees are held regularly, with the Board meeting no less than four times a year. Nine Board meetings were held in 2020. At the regular Board meetings,

CORPORATE GOVERNANCE

the Board agenda includes updates by the Management on the Group's strategic initiatives and implementation status, updates on the Group's investments and developments in Singapore and overseas, and the review of the Group's financial and operational performance. Of the four scheduled meetings, two are half-yearly Board meetings, and two are scheduled primarily for the Board to focus on the review of the Company's strategic direction, including specific business strategies, business segmental and geographical allocation of assets, and risk appetite and tolerance limits, where applicable.

One meeting of the non-executive Directors ("NEDs") and two meetings of the Independent Directors ("IDs"), duly chaired by the Lead Independent Director ("Lead ID"), were held in 2020. Meetings of the NEDs and IDs are convened as often as may be warranted by circumstances. The IDs also meet regularly under the various Committees and the Lead ID is a member in some of these Committees.

The proposed meetings for the Board and all Committees for each new calendar year are set out in a schedule of meetings, which is notified to all Board members before the start of that calendar year. Additional meetings are convened as and when circumstances warrant. Records of all such meetings, including discussions on key deliberations and decisions taken, are maintained by the Company Secretaries. The Company's Constitution allows for the meetings of its Board and the Committees to be held via teleconferencing and videoconferencing. The Board and the Committees may also make decisions by way of circulating written resolutions.

The attendance of the Directors at the Annual General Meeting of the Company ("AGM") and meetings of the Board and the Committees, as well as the frequency of such meetings in 2020, is disclosed in the table below. Directors who were unable to attend any meetings of the Board or the Committees, were provided with the meeting materials and encouraged to raise discussion points or queries with the Board Chairman or respective Committee chairman or the Management. Nonetheless, the Board is of the view that the contribution of each Director should not be focused solely on his/her attendance at meetings of the Board and/or the Committees. A Director's contribution should also extend beyond the confines of the formal environment of such meetings, through the sharing of views, advice, experience and strategic networking relationships which would further the interests of the Company. The Directors also, whether individually or collectively, engage with the Management, heads of the Group's business units and departments and the Group's external consultants in order to better understand the challenges faced by the Group and the input of the Directors, through such engagement, provide invaluable perspective to the Management.

Directors' Attendance at the AGM, and Meetings of the Board, the Committees, the IDs and the NEDs in 2020 (Provision 1.5)

	Board	ARC	NC	RC	BSC	NEDs	IDs	AGM
Number of meetings held in 2020	9	10	4	3	2	1	2	1
Name of Directors	Number of meetings attended in 2020							
Kwek Leng Beng[1]	9/9	N.A.	4/4	N.A.	N.A.	N.A.	N.A.	1/1
Kwek Leng Peck[4]	6/7[4]	N.A.	N.A.	N.A.	N.A.	1/1	N.A.	1/1
Sherman Kwek Eik Tse	9/9	N.A.	N.A.	N.A.	2/2	N.A.	N.A.	1/1
Lim Yin Nee Jenny[1]	9/9	10/10	4/4	3/3	N.A.	1/1	2/2	1/1
Philip Yeo Liat Kok[1]	8/9[2]	N.A.	4/4	3/3	2/2	1/1	1/2[3]	1/1
Tan Poay Seng	9/9	N.A.	N.A.	N.A.	2/2	1/1	2/2	1/1
Ong Lian Jin Colin[7]	3/3[7]	N.A.	N.A.	N.A.[7]	N.A.	N.A.[7]	1/1[7]	N.A.[7]
Daniel Marie Ghislain Desbaillets[8]	1/1[8]	N.A.	N.A.	N.A.	N.A.	N.A.[8]	1/1[8]	N.A.[8]
Chong Yoon Chou[9]	1/1[9]	N.A.[9]	N.A.	N.A.	N.A.	N.A.[9]	1/1[9]	N.A.[9]
Chan Swee Liang Carolina[10]	N.A.[10]	N.A.	N.A.	N.A.[10]	N.A.	N.A.[10]	N.A.[10]	N.A.[10]
Tan Yee Peng[1][6]	9/9	10/10	4/4	N.A.	2/2	1/1	2/2	1/1
Koh Thiam Hock[5]	9/9	10/10	N.A.	3/3	N.A.	1/1	2/2	1/1

Notes:

[1] All Directors, including Mr Kwek Leng Beng (the Chairman of the Board), Ms Lim Yin Nee Jenny (the chairman of the ARC and RC), Mr Philip Yeo Liat Kok (the chairman of the NC) and Ms Tan Yee Peng (then chairman of the BSC), were in attendance at the AGM in 2020 together with the Key Management Personnel and the Company's external auditors. The AGM was held via electronic means.

[2] Mr Philip Yeo Liat Kok was unable to attend one Board meeting for medical reasons.

[3] Mr Philip Yeo Liat Kok was unable to attend one IDs' Meeting as he had prior engagement.

[4] Mr Kwek Leng Peck resigned as a Director on 19 October 2020.

[5] Mr Koh Thiam Hock resigned as a Director on 28 December 2020.

[6] Ms Tan Yee Peng resigned as a Director on 30 December 2020.

[7] Mr Ong Lian Jin Colin was appointed as a Director on 7 October 2020 and a member of the RC on 29 December 2020.

[8] Mr Daniel Marie Ghislain Desbaillets was appointed as a Director on 20 November 2020.

[9] Mr Chong Yoon Chou was appointed as a Director on 20 November 2020 and a member of the ARC on 29 December 2020. He was invited to attend one ARC meeting prior to his appointment to the ARC.

[10] Ms Chan Swee Liang Carolina was appointed as a Director and a member of the RC on 29 December 2020.

Directors' Multiple Board Representations and Time Commitments (Provision 1.5)

When considering the re-nomination of Directors for re-election, the NC considers the competing time commitments faced by Directors with multiple board representations and/or other principal commitments. An analysis of the directorships (which includes directorships by groups and executive appointments) held by the Directors is reviewed annually by the NC. Each Director is also required to confirm annually to the NC as to whether he or she has any issue with competing time commitments which may impact his or her ability to provide sufficient time and attention to his or her duties as a Director of the Company. Based on the analysis, the Directors' annual confirmation and the Directors' commitments and contributions to the Company which are also evident in their level of attendance and participation at Board and Committee meetings, the NC is satisfied that all Directors are able to carry out and have been adequately carrying out their duties as a Director of the Company.

The NC noted that, excluding the directorship held in the Company, the number of listed company board representations currently held by each of the Directors ranged from one to three in number and those held by Mr Kwek Leng Beng are on the boards of the related companies of the Company. The NC has recommended that the maximum number of listed company board representations which each Director of the Company may hold be set at six (6), with a view to providing a guide to address potential competing time commitments that may be faced by Directors serving on multiple listed company boards. The NC may review this guideline from time to time and will also consider the circumstances of individual Directors or potential candidates with multiple listed company directorships above the recommended number to determine their capacity to participate and contribute effectively to the Board.

A policy has also been put in place for Directors to consult the Board Chairman or the chairman of the NC with regard to accepting any new listed company board appointment or principal commitment and notifying the Board of any changes in their external appointments. This would allow the Director to review his or her time commitments with the proposed new appointment and in the case of an independent Director, to also ensure that his or her independence would not be affected.

Complete, Adequate and Timely Information (Provision 1.6)

Prior to each meeting, members of the Board and the Committees are provided with the meeting agenda and the relevant papers submitted by the Management, containing complete, adequate and timely information to enable full deliberation on the issues to be considered at the respective meetings. The Management is in attendance at such meetings, whilst the Company's auditors and professional advisers who can provide additional insight into the matters for discussion are invited from time to time to attend the relevant meetings. The Management also provides all Directors with monthly updates on the Company's financial performance including an analysis of the same, with material variances between the comparative periods disclosed and explained. Where the Board's or a Committee's approval is sought, relevant background and explanatory information on the specific matter is provided to enable Directors to understand the issues and to request for further information, as necessary.

Draft agendas for Board and Committee meetings are circulated in advance to the Board Chairman and the Committee Chairman respectively, for them to review and suggest items for the agenda. The Board and the Committees are also furnished routine reports, where applicable, from the Management. The Chairman of the ARC, NC, RC and BSC provides an annual report of the respective Committees' activities during the year under review to the Board. The minutes of meetings of the Committees are circulated to all Board members.

Access to Management, Company Secretaries and Independent Professional Advice (Provision 1.7)

All Directors have direct and independent access to the Management. To facilitate this access, all Directors are provided the contact details of the Key Management Personnel and other senior management team members. The contact details of the heads of internal audit and risk management are also provided to the ARC.

The Directors, whether as a group or individually, are entitled to take independent professional advice at the expense of the Company, in furtherance of their duties and where circumstances warrant the same. The Company has in place internal guidelines allowing the Directors to seek such independent professional advice.

The Company Secretaries, whose appointment and removal are subject to the Board's approval, attend all meetings of the Board and the Committees to provide guidance for Board procedures to be followed. The Company Secretaries, together with the Management, also ensure that the Company complies with applicable statutory and regulatory rules. Together with the Management, the Company Secretaries also advise the Board Chairman, the Board and the Committees on corporate governance matters and assist to implement and strengthen corporate governance practices and processes, including ensuring good information flow within the Board and the Committees and between the Directors and Management, facilitating the induction for newly appointed Directors and newly appointed Committee members, and assisting in the

CORPORATE GOVERNANCE

continuing training and development programme for the Directors. On an on-going basis, the Directors have separate and independent access to the Company Secretaries.

Principle 2: Board Composition and Guidance

Board Independence (Provisions 2.1, 2.2 and 2.3)

The Board currently comprises ten members. All members of the Board, except for the Board Chairman and the Group CEO, are INEDs. Based on the NC's recommendation, the Board has determined eight of them, being more than half of the Board, to be independent ("8 IDs"), thus providing for a strong and independent element on the Board capable of exercising objective judgement on the corporate affairs of the Company. No individual or small group of individuals dominate the Board's decision-making. No alternate Directors have been appointed in respect of any of the Directors.

When reviewing the independence of the 8 IDs, the NC has considered the applicable SGX Listing Rule 210(5)(d) and the guidelines for independence set out in Provision 2.1 of the 2018 Code. As part of the consideration, the NC also took into account the 8 IDs' other directorships, annual declarations regarding their independence, disclosures of interest in transactions in which they have a direct/indirect interest, their ability to avoid any apparent conflicts of interests especially by abstaining from deliberation on such transactions and their ability to maintain objectivity in their conduct as Directors of the Company.

The 8 IDs are Ms Lim Yin Nee Jenny, Mr Philip Yeo Liat Kok, Mr Tan Poay Seng, Mr Ong Lian Jin Colin, Mr Daniel Marie Ghislain Desbaillets, Mr Chong Yoon Chou, Ms Chan Swee Liang Carolina and Mr Lee Jee Cheng Philip. In accordance with SGX Listing Rule 210(5)(d), none of the 8 IDs are currently employed or have been employed at any time during the past three financial years by the Company or any of its related corporations. None of the 8 IDs have immediate family members who are currently employed or have been employed at any time during the past three financial years by the Company or any of its related corporations, and whose remuneration is determined by the RC. For purposes of determining independence, the 8 IDs have also provided confirmation that they are not related to the Directors or to any shareholders holding 5% interest in the Company. The NC is satisfied that there is no other relationship which could affect their independence. The Directors undertook a review of their independence, with each ID abstaining from participating in his/her own review by the Board and had concurred with the NC's determination of the independence of the 8 IDs.

Mr Philip Yeo Liat Kok and Mr Tan Poay Seng would be due to retire by rotation at the forthcoming AGM to be held in April 2021 ("2021 AGM"). Both Mr Yeo and Mr Tan have served more than nine years on the Board since their appointments as Directors on 11 May 2009 and 2 February 2012 respectively. Mr Tan has informed the Board of his intention to step down as Director upon the conclusion of the 2021 AGM. The Board extends its appreciation to Mr Tan for his dedicated service and contribution to the Board. As recommended by the NC and approved by the Board, with Mr Yeo abstaining from voting at the NC and Board, Mr Yeo has agreed to stay on as an ID until no later than 31 December 2021 and will accordingly seek re-election at the 2021 AGM. This is to maintain a balance of current IDs and the new IDs on the Board.

Board Composition, Size and Diversity (Provision 2.4)

Board Diversity Pledge

The Board welcomes the push for greater diversity in the boardroom which can provide a more diverse approach to business decision-making and the Company had, on 28 August 2015, supported the Board Diversity Pledge initiated by SID and SGX-ST where the Company pledged its commitment to promote "diversity as a key attribute of a well-functioning and effective Board" and shared the view "that a diverse Board will enhance decision making by harnessing the variety of skills, industry and business experiences, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service, and other distinguishing qualities of the members of the Board."

The NC reviews the size and composition mix of the Board and the Committees annually. At the recommendation of the NC, the Board had already adopted in 2017 a formal Board Diversity Policy, setting out its policy and framework for promoting diversity on the Board. The Board Diversity Policy is available on the Company's corporate website. The Board recognises that a diverse Board is an important element which will better support the Company's achievement of its strategic objectives for sustainable development by enhancing the decision-making process of the Board through the perspectives derived from the various skills, business experience, industry discipline, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service and other distinguishing qualities of the Directors.

When reviewing and assessing the composition of the Board and making recommendations to the Board for the appointment of Directors, the NC will consider all aspects of diversity in order to arrive at an optimum balanced composition of the Board.

The Board has adopted the NC's initial recommended target to achieve a level of at least 20% female representation on its Board by 2020. With Ms Lim Yin Nee Jenny and Ms Chan Swee Liang Carolina on the Board, it has continued to achieve its target of 20% female representation.

The NC noted the recommendation of the Council for Board Diversity for listed companies to have 25% female representation on their boards by 2025 and 30% by 2030. In this regard, the NC will try to ensure that:

(a) if external search consultants are used to search for candidates for Board appointments, the brief will include a requirement to present female candidates;

(b) when seeking to identify a new Director for appointment to the Board, the NC will request female candidates to be fielded for consideration;

(c) female representation on the Board be continually improved over time based on the set objectives of the Board; and

(d) at least one female Director continues to be appointed to the NC.

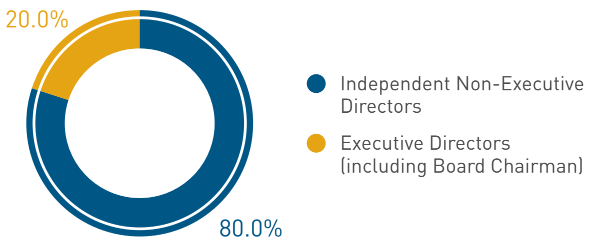
The final decision on the selection of Directors will be based on merits against objective criteria that complement and expand the skills and experience of the Board as a whole, and having regard to the overall balance and effectiveness of a diverse Board.

The Board currently comprises business leaders and professionals with real estate, hospitality, financial (including audit, accounting, tax and investment), legal, risk management, fund management and business management qualifications and backgrounds. When reviewing candidates for future Board appointment, the NC will be considering candidates from other disciplines e.g. legal, private equity and information technology, in order to provide more diverse viewpoints and introduce additional skills set to the Board.

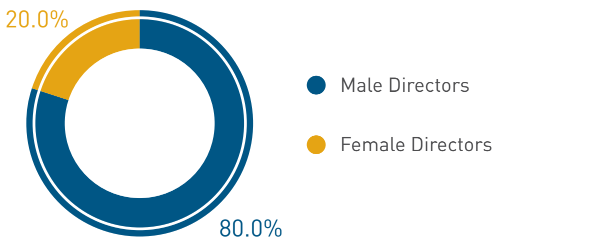
The Board has two female members, and Directors with ages ranging from early-50s to 80 years old, who have served on the Board for different tenures. The members of the Board with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Group's business and direction. Further information on the individual Directors' background, experience and skills can be found in the 'Board of Directors' section in the Annual Report 2020 ("AR").

Board Composition, Diversity and Balance

Independence

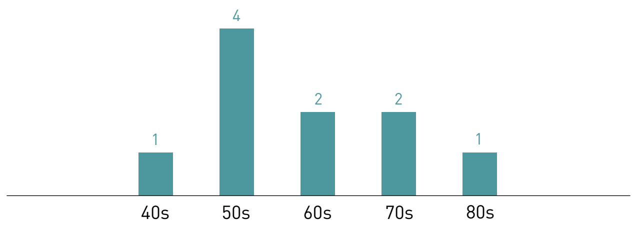


Gender Diversity



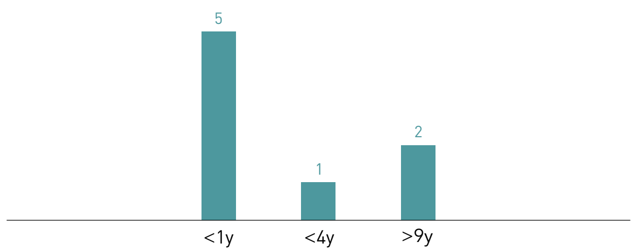
Directors' Age Group

As of 7 April 2021



Independent Directors' Length of Service

As of 7 April 2021



CORPORATE GOVERNANCE

Board Skill Sets	
Industry Expertise	Specific Expertise
• Real estate development • Real estate investment • Hospitality • Fund management	• Business entrepreneurship and management • Strategic planning • Audit and tax • Accounting and financial management • Risk management • Legal

Having considered the scope and nature of the operations of the Group, the Board is satisfied that the current composition mix and size of the Board provide for diversity and allow for informed and constructive discussion and effective decision-making at meetings of the Board and Committees. The Board will however continue to review opportunities to refresh the Board with a view to expanding the skills, experience and diversity of the Board as a whole.

NEDs' Participation (Provision 2.5)

NEDs are encouraged to participate actively at Board meetings in the development of the Company's strategic plans and direction, and in the review and monitoring of Management's performance against targets. To facilitate this, they are kept informed of the Company's businesses and performance through monthly reports from the Management and have unrestricted access to the Management. They also sit on various Committees established by the Board to provide unbiased and independent views, constructive input and the independent review and monitoring of performance of the Company and Management. One meeting of the NEDs and two meetings of the IDs, chaired by the Lead ID, were held in 2020 without the presence of Management. The NEDs/IDs would also confer among themselves without the presence of Management as and when the need arose. The Lead ID collates the feedback from the NEDs/IDs and communicates the same to the Board and/or the Board Chairman as appropriate.

Principle 3: Chairman and Chief Executive Officer

Roles of the Executive Chairman and the Group Chief Executive Officer (Provisions 3.1 and 3.2)

The roles of Chairman of the Board and the Group CEO are separate to ensure a clear division of responsibilities and increased accountability.

The Chairman of the Board, Mr Kwek Leng Beng, is also the Executive Chairman. Mr Kwek Leng Beng plays an instrumental role in providing the Company with strong leadership and vision, leading the Board in its review of the Group's strategies for sustainable growth. As the Board Chairman with written terms of reference approved by the Board, Mr Kwek Leng Beng also promotes and leads the Group in its commitment to achieve and maintain high standards of corporate governance. He bears primary responsibility for the workings of the Board, by ensuring effectiveness in all aspects of its role including setting the agenda for Board meetings with input from Management, ensuring sufficient allocation of time for thorough discussion of key agenda items at Board meetings, promoting an open environment within the Boardroom for constructive debate, encouraging the NEDs to speak freely and contribute effectively, and exercising control over the quality, quantity and timeliness of information flow between the Board and Management. At AGMs and other shareholders' meetings, he plays a pivotal role in fostering constructive dialogue between shareholders, the Board and Management.

As Executive Chairman, he is the most senior executive in the Company and bears overall executive responsibility for the Group's business. Mr Kwek Leng Beng is assisted by the Group CEO, Mr Sherman Kwek. The Group CEO leads the members of the Management team and is responsible for implementing and reviewing the business direction and strategies for the Group as endorsed by the Board, and for operational performance and organisational excellence. He is the elder son of the Executive Chairman.

The Board has considered Mr Kwek Leng Beng's role as an Executive Board Chairman and the strengths he brings to such a role by virtue of his stature and experience. Through the establishment of various Committees with power and authority to perform key functions without the undue influence from the Board Chairman, and the putting in place of internal controls for proper accountability and to allow for effective oversight by the Board of the Company's business, the Board ensures that there is appropriate balance of power which allows the Board to exercise objective decision-making in the best interests of the Company. The Board is of the view that Mr Kwek Leng Beng's role as an Executive Board Chairman would continue to facilitate the Group's decision-making and implementation process without diminishing the capacity of the Board for independent decision-making.

Lead Independent Director (Provision 3.3)

Taking cognisance that the Board Chairman is an Executive Director and thus not independent, the Board has designated a Lead Independent Director who serves as a sounding board for the Board Chairman and also as an intermediary between the NEDs/IDs and the Board Chairman. The current Lead ID is Ms Lim Yin Nee Jenny. The role of the Lead ID is set out in the written terms of reference for the Lead ID, which have been approved by the Board. The Lead ID is available to shareholders should they have concerns which cannot be resolved or are inappropriate to raise through the normal communication channels of the Board Chairman or the Management. No query or request on any matter which requires the Lead ID's attention was received from shareholders in 2020. Under the chairmanship of the Lead ID, a meeting of the NEDs and two meetings of the IDs were convened in 2020 without the presence of Management or the Board Chairman, and the views expressed by the NEDs and IDs at these meetings were communicated by the Lead ID to the Board Chairman and the Management, as appropriate.

Principle 4: Board Membership

NC Composition and Role (Provisions 4.1 and 4.2)

Four out of the five members of the NC, including the NC chairman, are independent Directors. The Lead ID is one of the independent members of the NC.

The NC's responsibilities as set out in its written terms of reference approved by the Board, are to examine Board size, review all Board and Committees composition and membership, board succession plans for the Directors (including the Board Chairman) and the Key Management Personnel, determine each Director's independence annually and as and when circumstances require, evaluate performance of the Board as a whole, its Committees and the individual Directors, review appointments and re-appointment of Directors (including alternate directors, if any) and the reasons for resignations of Directors, review appointments and the reasons for resignations and terminations of the Executive Chairman and the Key Management Personnel which includes the Group CEO, the Group General Manager ("Group GM"), the Group Chief Strategy Officer ("Group CSO"), the Group Chief Investment Officer ("Group CIO") and the Group Chief Financial Officer ("Group CFO"), review and confirm the induction programmes for newly appointed Directors and for existing Directors in respect of their appointments to any of the Committees and review the training and continuous professional development programme for the Directors. Four NC meetings were held in 2020. The Company Secretaries maintain records of all NC meetings including records of discussions on key deliberations and decisions taken.

For the financial year under review, the NC conducted a self-assessment of its own effectiveness in the discharge of its roles and responsibilities, which was facilitated through the use of a self-assessment checklist ("NC Self-Assessment Checklist"). The NC Self-Assessment Checklist covered, *inter alia*, the responsibilities of the NC under its terms of reference and considered also the contributions of NC members to the deliberation and decision-making process at NC meetings. Based on the self-assessment, the NC is of the view that it has fulfilled its responsibilities and discharged its duties as set out in its terms of reference.

Re-Nomination of Directors and Determination of Independence (Provisions 4.3 and 4.4)

The NC reviews annually the nomination of the relevant Directors for re-election as well as the independence of Directors. When considering the nomination of Directors for re-election, the NC takes into account their contribution to the effectiveness of the Board (which includes their participation and candour at Board and Committee meetings) as well as their time commitment especially for Directors who have multiple board representations and/or other principal commitments, and also reviews their independence having regard to the provisions in the applicable SGX Listing Rule 210(5)(d) and Provision 2.1 of the 2018 Code. The recommendation of the NC on the annual nomination of the Directors for re-election is submitted to the Board for decision and thereafter tabled at the AGM of the Company for consideration and approval by shareholders.

The Constitution of the Company provides that not less than one-third of the Directors for the time being, shall retire as Directors at each AGM. All new Directors appointed by the Board shall hold office until the next AGM and are eligible for re-election at the said AGM.

In accordance with the Constitution of the Company, Mr Philip Yeo Liat Kok and Mr Tan Poay Seng are due to retire by rotation at the 2021 AGM. Mr Tan had indicated that he will not be seeking re-election at the 2021 AGM. Mr Yeo agreed to offer himself for re-election at the 2021 AGM but would step down as a Director no later than 31 December 2021. Mr Ong Lian Jin Colin, Mr Daniel Marie Ghislain Desbaillets, Mr Chong Yoon Chou, Ms Chan Swee Liang Carolina and Mr Lee Jee Cheng Philip, being Directors who were appointed by the Board prior to the 2021 AGM ("New Directors") , will also retire and have offered themselves for re-election at the 2021 AGM. The NC has considered the contribution and performance of Mr Yeo and the New Directors and recommended to the Board to nominate their re-election at the 2021 AGM.

Criteria and Process for Nomination and Selection of New Directors (Provision 4.3)

The NC interviews shortlisted candidates before formally considering and recommending them for appointment to the Board and where applicable, to the Committees. Searches for potential candidates generally take into account recommendations from the Directors and various other sources, including candidates which may be suggested by SID, the Council for Board Diversity and other relevant organisations. Should it be necessary, the NC may consider

CORPORATE GOVERNANCE

the use of external search firms to find appropriate candidates. Shortlisted candidates would be required to furnish their curriculum vitae containing information on their academic/professional qualification, work experience, employment history and experience (if any) as directors of listed companies.

In reviewing and recommending to the Board any new Director appointments, the NC considers:

(a) the candidate's track record, experience and capabilities or such other factors including age and gender, as may be determined by the NC to be relevant and which would contribute to the Board's collective skills;

(b) any competing time commitments if the candidate has multiple listed company board representations and/or other principal commitments;

(c) the candidate's independence, in the case of the appointment of an independent NED; and

(d) the composition requirements for the Board and Committees after matching the candidate's skills set to the requirement of the relevant Committees (if the candidate is proposed to be appointed to any of the Committees).

Key Information on Directors (Provision 4.5)
Please refer to the 'Board of Directors' section in the AR for key information on the Directors, including their date of first appointment and latest re-appointment to the Board, their academic/professional qualification, major appointments/principal commitments, directorships held in listed companies both currently and in the preceding five years, and other relevant information; Additional Information on Directors seeking re-election at the 58th Annual General Meeting'; and the Notice of AGM for information on Directors proposed for re-election at the 2021 AGM.

Succession Planning for the Board, the Board Chairman and Key Management Personnel (Provision 4.1)
The Board believes in carrying out succession planning for itself, the Board Chairman and the Key Management Personnel to ensure continuity of leadership. Board renewal is a continuing process and in this regard, the NC reviews annually the composition of the Board and Committees, which includes size and mix, and recommends to the Board the selection and appointment of new Directors, whether in addition to the existing Board members or as replacement of retiring Board members, with a view to identifying any gaps in the Board's skills set taking into account the Group's strategy and business operations. The Board will be able to function smoothly notwithstanding any resignation or retirement of any Director given the present number of members and mix of competencies on the Board.

Board Development (Provision 4.5)
The NC reviews the training and development of the Directors to ensure that Directors receive appropriate development on a continuing basis, to perform their roles on the Board and where applicable, the Committees. The Directors are provided with updates and/or briefings to assist them to properly discharge their duties. The briefings are conducted either internally with invited speakers, or externally, at the Company's expense. A separate programme is established for new Directors, details of which together with details of the internal briefing and updates provided to the Directors in 2020 are set out in the paragraph under the subject heading "Board Orientation and Training" in this report.

The Board is kept apprised twice yearly on the list of training programmes attended by the Directors during the year.

Principle 5: Board Performance
Board Evaluation Process (Provision 5.1)
The Company has in place a formal process for assessment of the effectiveness of the Board as a whole, the various Committees and the contribution by each Director towards the effectiveness of the Board and the Committees. No external facilitator has been used. The NC assesses the Board's performance as a whole annually, using objective and appropriate criteria which were recommended by the NC and approved by the Board. When assessing the overall Board performance, the NC takes into consideration the feedback from individual Directors on areas relating to the Board's role on strategy and performance, the Board's process and governance (including oversight on internal controls and risk management), the Board's competencies and effectiveness and the effectiveness of the Board Chairman. The results of the overall evaluation of the Board by the NC, including its recommendation, if any, for improvements, are presented to the Board.

The NC also undertook an evaluation of the performance of the Committees, specifically the ARC, the RC and the BSC with the assistance of self-assessment checklists completed by these Committees.

The annual evaluation process for the Board Chairman's and the individual Director's performance comprises two parts: (a) review of background information concerning the Director including his attendance records at Board and Committee meetings; and (b) NC's evaluation based on certain assessment parameters, which were recommended by the NC and approved by the Board.

When deliberating on the performance of a particular Director who is also a member of the NC, that member abstains from the discussions in order to avoid any conflict of interests.

The results of the individual evaluation of the Directors are also used by the NC, in its consultation with the Board Chairman (who is also a member of the NC), to review, where appropriate, the composition of the Board and Committees, and to support its proposals, if any, for appointment of new members and its recommendations for the re-election of retiring Directors. The Board Chairman, as a member of the NC, is fully apprised of the results of the performance evaluation for the individual Directors and would take into consideration such evaluation and act as appropriate on the recommendations of the NC. Comments from the Directors, if any, concerning the Board as a whole and the general performance of the Directors, are also presented to the Board.

Board Evaluation Criteria (Provision 5.2)
The qualitative criteria used by the NC to evaluate the Board covers six key areas relating to Board composition, Board independence, Board's review of the Company's strategy and performance, Board's oversight on the Company's governance, including risk management and internal controls, and the effectiveness of the Board Chairman and Board processes.

The quantitative criteria used to evaluate the overall Board performance comprises performance indicators which include a comparison of the Group's performance (including segmental performance) for the financial period under review against the Group's performance for the corresponding period in previous years, and other indicators such as the Company's share price performance over a historical period.

Individual Director Evaluation Criteria (Provision 5.2)
Factors taken into account in the assessment of a Director's performance include his abilities and competencies, his objectivity and the level of participation at Board and Committee meetings including his knowledge and contribution to Board processes and the business strategies and performance of the Group. The performance evaluation of each Director is taken into account in the NC's consideration with regard to their re-election as Director.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies
RC Composition and Role (Provisions 6.1, 6.2, 6.3 and 6.4)
The RC comprises four NEDs, all of whom including the chairman of the RC, are independent. The RC's principal responsibilities, as set out in its written terms of reference approved by the Board, are to review and recommend, for the endorsement of the Board, a framework of remuneration for Board and Board Committees' fees and the specific remuneration packages for the Executive Directors and the Company's Key Management Personnel ("KMP"). Further, in consultation with the NC and the Management, the RC also considers the talent management framework so as to align with its review of the overall remuneration framework.

The Company has in place a remuneration framework (which covers all aspects of remuneration) for the Directors and the KMP. The Company has currently identified the Group CEO, the Group GM, the Group CSO, the Group CIO and the Group CFO, who are the most senior members of the Management team as its KMPs. With the privatisation of M&C, the Company has also included M&C's Executive Directors and the position of the M&C Group Chief Executive Officer as its KMPs. On an annual basis, the RC reviews and recommends the specific remuneration packages for the Directors and the KMPs including the annual increments, year-end variable bonuses to be granted to the Executive Chairman and the KMPs for approval by the Board. The RC also considers the contracts of employment of the KMPs to ensure that they do not contain any unfair or unreasonable termination clauses.

In 2020, Willis Towers Watson, external remuneration consultants, provided benchmarking data on the remuneration for top executives in regional listed real estate companies of comparable size to the Company and in the top listed companies in Singapore across all industries to help the RC in its consideration and proposal of the appropriate level of remuneration for the Company's KMPs to attract, retain and motivate for sustained performance and value creation. The RC deliberated and in view of the COVID-19 pandemic which significantly affected the performance of the Group, it decided not to adjust the KMPs' remuneration packages for FY 2020. The Company has no relationship with the appointed remuneration consultants other than their engagement to provide such benchmarking data, which could affect the said consultants' independence.

The Company Secretaries maintain records of all RC meetings including records of discussions on key deliberations and decisions taken. Three meetings of the RC were held in 2020.

For the financial year under review, the RC conducted a self-assessment of its own effectiveness in the discharge of its roles and responsibilities, which was facilitated through the use of a self-assessment checklist ("RC Self-Assessment Checklist"). The RC Self-Assessment Checklist covered, *inter alia*, the responsibilities of the RC under its terms of reference and considered also the contribution of RC members to the deliberation and decision-making process at RC meetings.

CORPORATE GOVERNANCE

Based on the self-assessment, the RC is of the view that it has fulfilled its responsibilities and discharged its duties as set out in its terms of reference.

Principle 7: Level and Mix of Remuneration
Remuneration of Directors and KMPs (Provisions 7.1, 7.2 and 7.3)

The Company's remuneration policy for Directors comprises the following distinct objectives:

- to ensure that the procedure for determining remuneration for Directors is formal and transparent;
- to ensure that the level of remuneration is sufficient (without being excessive) to attract and retain Directors to exercise oversight responsibility over the Company; and
- to ensure that no Director is involved in deciding on his own remuneration.

In reviewing the remuneration packages of the Executive Chairman and the KMPs, the RC, with the assistance of external remuneration consultants, considers the level of remuneration based on the Company's remuneration policy which comprises the following distinct objectives:

- to reward employees for achieving corporate and individual performance targets in a fair and equitable way; and
- to ensure that the remuneration reflects employees' duties and responsibilities.

The Company advocates a performance-based remuneration system that is flexible and responsive to the market, and the performance of the Group's business units and individual employees. In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between the current and longer term objectives of the Company. In its review of the KMPs' remuneration, the RC links the KMPs' key performance indicators against pre-set targets of the "Growth" and "Enhancement" strategies with short-term incentive plan, and against pre-set targets of the "Transformation" strategy with its long-term incentive plan.

Based on the Remuneration Framework, the remuneration packages for the Executive Chairman and KMPs comprise a fixed component (which includes a 13th month Annual Wage Supplement) and a variable component (which currently comprises short-term incentives in the form of variable bonuses) and, where applicable, fixed allowances and benefits-in-kind determined by the Company's Human Resource policies which apply to all employees. When determining the fixed and variable components for a KMP, the KMP's individual performance is taken into consideration and remuneration recommendations are reviewed in the light of any guidance from the National Wages Council, competitive market practices and information gathered from market surveys conducted by the Company's Human Resource department with input from external remuneration consultants.

This is further reviewed along with the Group's performance, taking into consideration specific key performance indicators (involving financial and non-financial indicators) tracked over time using the Company's balanced scorecard system that sets out the targets to be achieved by the Company based on its short and long term objectives, which are cascaded down to the various business units. The Company exercises its discretion and independent judgement in ensuring that the amount and mix of compensation are aligned with the interests of shareholders and promote the long-term success of the Company. The overall level of remuneration is not considered to be at a level which is likely to promote behaviour contrary to the Group's risk profile.

The Company currently does not discourage Directors from holding shares in the Company but note that there is no requirement under the Company's Constitution for Directors to hold shares in order to be qualified to act as a Director.

When reviewing the structure and level of Directors' fees, which comprise base director's fee and additional fees for services rendered on Committees, the RC takes into consideration the Directors' respective roles and responsibilities in the Board and Committees and the changes in the business, corporate governance practices and regulatory rules. The RC also compared the Company's fee structure against industry practices. Other factors taken into consideration in the fee review include the frequency of Board and Committee meetings, corporate performance for the financial year under review as well as the corporate and economic outlook in the new financial year, and the interval since the last fee review. The RC is mindful that the remuneration for IDs should not be excessive so as to compromise or reasonably be perceived to compromise their independence. No Director is involved in deciding his or her own remuneration.

Each of the Directors receives a base Director's fee. The Lead ID also receives an additional fee to reflect her expanded responsibility. Directors who serve on the various Committees (other than the BC) also receive additional fees in respect of each Committee that they serve on, with the chairmen of the Committees (other than the BC) receiving a higher fee in respect of their service as chairman of the respective Committees.

The structure of the fees payable to Directors of the Company for FY 2020 is as follows:

Appointment	Per annum
Board of Directors – Base fee	$52,500*
Audit & Risk Committee	
– ARC Chairman's fee	$90,000
– ARC Member's fee	$70,000
Nominating Committee	
– NC Chairman's fee	$22,000
– NC Member's fee	$15,000
Remuneration Committee	
– RC Chairman's fee	$22,000
– RC Member's fee	$15,000

Appointment	Per annum
Board Sustainability Committee	
– BSC Chairman's fee	$8,000
– BSC Member's fee	$5,000
Lead Independent Director's fee	$12,000
Attendance fee payable for attendance in person or via teleconference or video conference at each meeting of the Board or Committee in consultation with the RC and the respective Committee chairman	**Per meeting** $5,000

* The Board, on the recommendation of the RC, agreed to a 25% reduction on the Directors' base fee of $70,000 for FY 2020.

Principle 8: Disclosure of Remuneration
Disclosure of Remuneration (Provisions 8.1(a) and 8.3)

The compensation packages for employees including the Executive Chairman and the KMPs, based on the Company's Remuneration Framework, also takes into account amongst other factors, the individual's performance, the performance of the Group and industry practices.

During the year, there was no termination, retirement or post-employment benefits granted to any Director or KMP.

Directors' and Group CEO's remuneration for FY 2020, rounded off to the nearest thousand dollars including a breakdown in percentage terms of the components of the remuneration, is set out below:

	Fixed Salary*	Variable Bonuses*	Board/ Committee Fees**	Other Benefits	Total
	%	%	%	%	$'000
Executive Directors					
Kwek Leng Beng^	80	–	10	10	1,634
Sherman Kwek Eik Tse^	85	–	11	4	1,015
Non-executive Directors					
Kwek Leng Peck[1]^	–	–	100	–	84
Lim Yin Nee Jenny	–	–	100	–	282
Philip Yeo Liat Kok	–	–	100	–	154
Tan Poay Seng	–	–	100	–	108
Tan Yee Peng[3]	–	–	100	–	235
Koh Thiam Hock[2]	–	–	100	–	221
Ong Lian Jin Colin[4]	–	–	100	–	27
Daniel Marie Ghislain Desbaillets[5]	–	–	100	–	11
Chong Yoon Chou[6]	–	–	100	–	12
Chan Swee Liang Carolina[7]	–	–	100	–	1

Notes:

* The fixed salary (inclusive of Annual Wage Supplement) and variable bonuses are inclusive of employer's central provident fund contributions.

** These fees comprise Board and Committee fees as well as meeting attendance fees for FY 2020, which are subject to approval by shareholders as a lump sum at the 2021 AGM.

^ Remuneration of these Directors includes remuneration paid or payable by subsidiaries of the Company.

[1] Mr Kwek Leng Peck resigned as a Director of the Company on 19 October 2020 and the Board fee payable to him is pro-rated for FY 2020.

[2] Mr Koh Thiam Hock resigned as a Director of the Company on 28 December 2020 and the Board and Committee fees payable to him are pro-rated for FY 2020.

[3] Ms Tan Yee Peng resigned as a Director of the Company on 30 December 2020 and the Board and Committee fees payable to her are pro-rated for FY 2020.

[4] Mr Ong Lian Jin Colin was appointed as a Director of the Company with effect from 7 October 2020 and the Board and Committee fees payable to him are pro-rated for FY 2020.

[5] Mr Daniel Marie Ghislain Desbaillets was appointed as a Director of the Company with effect from 20 November 2020 and the Board fee payable to him is pro-rated for FY 2020.

[6] Mr Chong Yoon Chou was appointed as a Director of the Company with effect from 20 November 2020 and the Board and Committee fees payable to him are pro-rated for FY 2020.

[7] Ms Chan Swee Liang Carolina was appointed as a Director of the Company with effect from 29 December 2020 and the Board and Committee fees payable to her are pro-rated for FY 2020.

CORPORATE GOVERNANCE

Remuneration of Key Management Personnel (KMP) (Provisions 8.1(b) and 8.3)
For FY 2020, the KMPs (who are not Directors or the Group CEO) have been identified as follows:

1. Mr Chia Ngiang Hong, Group General Manager
2. Mr Kwek Eik Sheng, Group Chief Strategy Officer and also Executive Director of M&C
3. Mr Frank Khoo, Group Chief Investment Officer
4. Ms Yiong Yim Ming, Group Chief Financial Officer

The aggregate remuneration paid to all of the above top KMPs of the Company in FY 2020, including the Group CEO, is $3,596,000 which amount included directors' fees paid or payable by subsidiaries of the Group. This represents a reduction of approximately 62% from the FY 2019 aggregate remuneration (including directors' fees paid or payable by subsidiaries of the Group). The Executive Chairman and the KMPs had requested to forgo their bonus for FY 2020 in view of the Group's overall poor financial performance and the continued challenges faced by the two big acquisitions under the Transformation initiative, namely Sincere Property Group and Millennium & Copthorne Hotels Limited. The RC accepted their request to forgo their FY 2020 bonus and acknowledged their time and efforts in steering the Group through the extraordinary times.

As set out above, the Company has taken the further step to identify its KMPs and provided disclosure of the aggregate remuneration paid to these KMPs for FY 2020. The Company however maintains its view that it is not in its interest to disclose the remuneration of each of its KMP, whether in bands of $250,000 or to the nearest thousand dollars. Having considered the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Company's business activities, such disclosure of specific remuneration information may give rise to recruitment and talent retention issues. There would be negative impact to the Company if members of the experienced and qualified senior management team are poached, which may affect the ability to both nurture a sustainable talent pool and ensure the smooth continuity in leadership critical for the achievement of the strategic objectives of the Company. The Company believes that shareholders' interest will not be prejudiced as a result of such non-disclosure of the remuneration for each of the Company's KMP, and with the Company's disclosure on the aggregate remuneration of the identified KMPs, shareholders are provided an insight into the level of remuneration paid to the identified KMPs.

Remuneration of Directors' Immediate Family Members for FY 2020 (Provision 8.2)
There are no other employees of the Company who are substantial shareholders of the Company or immediate family members of a Director or the Group CEO, and whose remuneration exceeds $100,000 during the year.

Share Option Schemes (Provision 8.3)
Whilst the Company currently does not have a share option or long-term incentive scheme in place, it will consider the establishment of other forms of longer term incentive as and when appropriate. When such long-term incentive scheme is established in due course with the assistance of external advisers, the Company will consider the inclusion of claw-back provisions within the scheme which would give the right to the Company to reclaim incentive components from participants in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss to the Company.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Company maintains an adequate and effective system of internal controls (including financial, operational, compliance and information technology (IT) controls) and risk management systems to safeguard stakeholders' interests and the Company's assets. The Board has overall responsibility for the governance of risk, including determining the risk strategy, risk appetite and risk limits, as well as the risk policies.

The boards and their board committees, comprising a majority of independent directors, of the Group's separately listed subsidiaries are responsible for the oversight of their respective groups' corporate governance, and to ensure the adequacy and effectiveness of their respective groups' internal controls and risk management systems. The Directors of the Company therefore rely on these boards and board committees to ensure that steps are taken for adoption and implementation of appropriate corporate governance practices, internal controls and risk management systems within their respective groups. Further information on the corporate governance practices, internal controls and risk management systems of the Group's listed subsidiaries can be found in the corporate governance statements of these public listed subsidiaries as published in their respective annual reports.

Oversight of Risk Management (Provision 9.1)
The ARC assists the Board in carrying out the Board's responsibility of overseeing the Company's risk management framework and policies and ensuring that Management maintains a sound system of internal controls and risk management.

The Company's Enterprise Risk Management ("ERM") Framework is undertaken by the Risk Management Committee ("RMC"), chaired by Group CEO and comprising the Senior Management team, key functional leaders and heads of business divisions.

The ARC receives regular reports on the risk management activities of the Company and progress on the ERM framework. Key risks including Tier 1 risks are reviewed and refreshed to ensure relevant emerging risks are being considered and included for proper assessment, monitoring and reporting as appropriate. Based on the reports of the RMC, the ARC is satisfied that significant risks identified are assessed, managed and monitored adequately within the Company's ERM Framework. The ERM Framework includes a periodic review of the risk appetite statements and risk appetite and tolerance limits for these key risks, which statements and limits are considered and endorsed by the ARC and the Board.

Having regard to the risks to which the Company is exposed, the likelihood of such risks occurring and the risk tolerance accepted by the Company, an internal controls structure has been designed and put in place by the Management to provide reasonable assurance against material financial misstatements, for the safeguarding of assets, for the maintenance of proper accounting records, on the reliability, relevance and integrity of the information (including financial information).

The Company's approach to risk management is set out in the "Risk Management" section on pages 59 to 64 of this AR.

As part of the internal and external audit programmes, the internal and external auditors report to the ARC any audit findings relating to internal controls, and the ARC reviews the adequacy of the actions taken by Management to address the recommendations of the internal and external auditors.

The ARC also receives regular reports, briefings and updates from the RMC, the Chief Technology Officer, the internal and external auditors and the Management team during its meetings to help the ARC to review the adequacy and effectiveness of the Group's material internal controls that address the Group's financial, operational, compliance and IT controls.

Assurances from the Key Management Personnel (Provision 9.2)
In relation to Provision 9.2 of the CG Code and SGX Listing Rule 1207(10), the ARC received:

(i) written assurance from the Group CEO and the Group CFO that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(ii) written assurance from the Group CEO and the KMPs that the Group's risk management and internal controls systems in place were adequate and effective to address the principal risks (including financial, operational, compliance and IT risks) within the current scope of the Group's business operations for FY 2020.

The above written assurances on the Group's internal controls and risk management systems are provided half yearly and are supported by similar written assurances provided by the heads of the Group's key operating divisions/functions and key operating subsidiaries.

The Group's separately listed subsidiaries have respective boards who are responsible for the oversight of their respective groups' internal controls and risk management systems. Written assurance is received from the senior management team of these listed subsidiaries, on the adequacy and effectiveness of the internal controls and risk management systems of their respective groups.

The integration process with M&C to ensure that key aspects of M&C's governance regime, internal controls and risk management systems to substantially align with those of the Company is still in progress.

The process of reviewing and strengthening the Group's control environment is an evolving process. When controls should be enhanced, the Board and Management take action to rectify and strengthen the internal controls and risk management systems. The Board and Management will continue to devote resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance against poor judgement in decision-making, human errors, losses, fraud and other irregularities.

Based on the work performed by Internal Auditors, the external auditors and the periodic reports from the RMC and Management, as well as the written assurances from the Executive Committee to support the opinion to be given

CORPORATE GOVERNANCE

by the ARC and the Board, the Board with the concurrence of the ARC, is of the opinion that the internal controls and risk management in place as at 31 December 2020 are adequate and effective to address principal risks (including financial, operational, compliance and IT risks) within the current scope of the Group's business operations.

Principle 10: Audit & Risk Committee

Composition of the ARC (Provisions 10.2 and 10.3)

The ARC comprises three NEDs, all of whom including the chairman of the ARC are independent. During the year, Mr Koh Thiam Hock and Ms Tan Yee Peng stepped down from the ARC following their respective resignations from the Board of the Company. The chairman of the ARC, Ms Lim Yin Nee Jenny, together with a newly appointed ARC member, Mr Lee Jee Cheng Philip, being the majority of the ARC, possess the relevant audit, accounting or related financial management and risk management expertise and experience, whilst the remaining newly appointed member of the ARC, Mr Chong Yoon Chou, has financial and risk management background.

With the current composition, the ARC is of the opinion that it has the relevant accounting and related financial management expertise and experience to discharge its functions within its written terms of reference which has been approved by the Board.

Based on the terms of reference of the ARC, a former partner or director of the Company's existing auditing firm or auditing corporation should not act as a member of the ARC: (a) within a period of two years commencing on the date of his or her ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as he or she has any financial interest in the auditing firm or auditing corporation. Although two of the ARC members, namely Ms Lim Yin Nee Jenny and Mr Lee Jee Cheng Philip, were previously partners of the Company's existing auditors, KPMG LLP, they have ceased to be partners more than 20 years and 2 years ago respectively, and confirmed that they do not have any financial interest in KPMG LLP. The remaining ARC member does not have any relationship with the Company's existing auditors.

Powers and Duties of the ARC (Provision 10.1)

The ARC is authorised by the Board to review or investigate any matters it deems appropriate within its terms of reference and has direct and unrestricted access to the external and internal auditors. It may invite any Director, Management, officer or employee of the Company to attend its meetings. It is also authorised to engage any firm of accountants, lawyers or other professionals as it sees fit to provide independent counsel and advice to assist in the review or investigation on such matters within its terms of reference as it deems appropriate at the Company's expense.

The principal responsibility of the ARC is to assist the Board in maintaining a high standard of corporate governance, particularly by providing an independent review of the adequacy and effectiveness of the Group's financial reporting process (including reviewing the accounting policies and practices of the Company and the Group on a consolidated basis) and key internal controls, including financial, operational, compliance, IT and risk management controls. Other duties within its written terms of reference include:

- to review with Management and, where appropriate, with the external auditors the significant financial reporting issues and judgements so as to ensure the integrity of the half yearly and full year financial statements of the Group to be issued by the Company before their submission to the Board and any other announcements relating to the Group's financial performance;
- to review annually the scope and results of the external audit and the independence and objectivity of the external auditors, and in this regard to also review the nature and extent of any non-audit services provided by the external auditors to the Group;
- to make recommendations to the Board on the nomination for the appointment, re-appointment and removal of external auditors, and to approve the remuneration and terms of engagement of the external auditors;
- to assess the role and effectiveness of the internal audit ("IA") function in the overall context of the Group's internal controls and risk management systems, and to consider the results of their review and evaluation of the Group's internal controls, including financial, operational, compliance and IT controls, and risk management policies and systems;
- to approve the appointment, resignation or dismissal of the Head of IA;
- to review interested person transactions falling within the scope of Chapter 9 of the Listing Manual; and
- to oversee the establishment and operation of the Company's whistle-blowing policy and arrangements put in place for raising concerns about possible improprieties on matters of financial reporting or any other matters.

In the review of the financial statements for the year ended 31 December 2020, the ARC has discussed with both the Management and the external auditors the impact of the COVID-19 pandemic and its effects on the business segments in which the Group operates, and the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The following significant matters impacting the financial statements were discussed with Management and the external auditors:

Significant Matters	How the ARC reviewed these matters and what decisions were made
Accounting for the Group's investment in HCP Chongqing Property Development Co Ltd and its subsidiaries ("HCP Group")	**Accounting for the Group's acquisition of HCP Group** The Group acquired a 63.75% equity interest in HCP, an investment holding company for approximately \$0.9 billion. This gives the Group an indirect 51.01% ownership in Chongqing Sincere Yuanchuang Industrial Co., Ltd. ("Sincere Property"). The Group had accounted for the investment in HCP as a business combination and an investment in a joint venture. Where an acquisition is accounted for as a business combination, the purchase price is allocated to the fair value of the identifiable assets acquired and liabilities assumed, including any contingent liabilities (purchase price allocation or "PPA"). Significant judgement is involved in estimating the fair value of the identifiable assets acquired and liabilities assumed. The ARC reviewed the approach and methodology applied in the PPA exercise and the key assumptions adopted in arriving at the fair value of assets acquired and liabilities assumed, including contingent liabilities. The ARC took into account Management's reliance on the valuation reports of the independent valuers to determine the fair values of the underlying properties held by HCP Group as well as Management's assessment based on available information, of the significant estimates including the recoverability of receivables and contingent liabilities. The ARC also considered the findings of the external auditors on the PPA assessment performed by Management, including their assessment of the appropriateness of valuation methodologies and underlying key estimates and assumptions applied in estimating the fair value of the identifiable assets acquired and liabilities assumed of HCP Group. The ARC was satisfied with the accounting treatment of the acquisition of HCP Group as a joint venture, and the PPA approach, including the valuation methodology and estimates used for the PPA assessment, were considered appropriate and reasonable. **Accounting for the Group's impairment of equity investment in HCP Group** The ARC noted that the PPA exercise gave rise to a resultant goodwill of \$0.9 billion and the Group impaired the investment in HCP Group fully as at 31 December 2020. The ARC reviewed Management's assessment of the recoverable amount and any consequential loss on the equity investment in HCP. The review included the review of the financial position of HCP Group, which took into consideration the fair values of the underlying assets and liabilities of HCP Group, the challenging macro-economic environment posed by the COVID-19 pandemic, the credit tightening measures imposed on China's real estate sector and the liquidity challenges faced by Sincere Property. The ARC also discussed Management's assessment of the impairment in HCP Group with the external auditors. The ARC was satisfied with the impairment assessment undertaken by Management in impairing the equity investment in HCP Group fully.

CORPORATE GOVERNANCE

Significant Matters	How the ARC reviewed these matters and what decisions were made
Accounting for the Group's investment in HCP Chongqing Property Development Co Ltd and its subsidiaries ("HCP Group") (continued)	**Impairment of investment in bonds issued by Sincere Property and loans to Sincere Property** The ARC noted that the Group had assessed that the investment in bonds issued by Sincere Property and loans to Sincere Property were credit impaired, and recognised an impairment for its investment in bonds issued by Sincere Property and loans to Sincere Property totalling $0.6 billion. The ARC reviewed Management's assessment of the amounts recoverable from the HCP Group, taking into consideration past repayment trends, debt maturity profile of HCP Group, non-repayment of certain loans and bonds upon maturity post 31 December 2020 by Sincere Property, and the credit downgrade of Sincere Property amid the liquidity challenges faced by Sincere Property. The ARC also reviewed Management's assumptions in estimating the expected credit losses, taking into account the adjusted financial position (including the estimated recoverable values of HCP Group's assets) of the HCP Group, and the value of collateral that the Group holds. The ARC also discussed the impairment assessment with the external auditors. The ARC was satisfied with the assessment adopted by Management in recognising the impairment losses on its investment in bonds issued by Sincere Property and loans to Sincere Property. **Provision for corporate guarantee issued by the Group** The ARC noted that the Group had issued a corporate guarantee of $0.3 billion to a financial institution in connection with a loan taken up by HCP Group. The Group had considered the probability that the corporate guarantee would be enforced and recognised a provision for the full amount of the guarantee. The ARC reviewed Management's assessment of the probability of the guarantee being enforced, taking into consideration the financial position of HCP Group, the non-repayment of certain loans and bonds upon maturity post 31 December 2020 by Sincere Property, and the liquidity challenges faced by Sincere Property. The ARC was satisfied with the assessment adopted by Management in recognising a provision for the full amount of the guarantee. The accounting for the Group's investment in HCP Group was also an area of focus for the external auditors. The external auditors have included these matters as a key audit matter in their audit report for the financial year ended 31 December 2020. Refer to pages 108 to 111 of the AR.
Valuation of hotel assets classified as property, plant and equipment	The ARC reviewed the selection criteria used by the Management in identifying hotel assets for impairment assessment. The ARC reviewed the Management's approach and methodology applied in assessing the valuation of the hotel assets conducted by external valuers, except for M Social Hotel which was valued by an internal valuer. The review included the review of the key assumptions applied in the valuation of hotel assets such as forecasted cashflows, occupancy rates, average room rate growth, discount rates and terminal rates in the valuation model. The ARC noted that the valuation reports obtained from the external valuers for certain hotels also highlighted that as a result of the COVID-19 pandemic, giving rise to an unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. Although there are signs of improvement and the availability of the COVID-19 vaccines, the pandemic continues to significantly impact the hospitality sector. Continued uncertainty of the tourism industry and the on-going travel restrictions are expected to prolong the recovery of the accommodation sector. The external valuers have therefore also recommended to keep the valuation of these properties under frequent review.

Significant Matters	How the ARC reviewed these matters and what decisions were made
Valuation of hotel assets classified as property, plant and equipment (continued)	The ARC was satisfied with the valuation process and the valuers are members of recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies used are in line with generally accepted market practices and the key assumptions used are comparable to the range of market data, taking into consideration the uncertainty arising from the COVID-19 pandemic. The valuation of the hotel assets was also an area of focus for the external auditors. The external auditors have included this item as a key audit matter in their audit report for the financial year ended 31 December 2020. Refer to page 112 of the AR.
Valuation of development properties	The ARC noted the COVID-19 pandemic has increased uncertainty over the global economic outlook, government policies and market sentiments, which might exert downward pressure on property prices in countries where the Group holds development properties for sale. These factors could lead to future trends in these markets departing from known trends from past experience, thereby resulting in a significant impact on the future selling price estimates. Consequently, there is a risk that the carrying values of unsold development properties could exceed the actual selling prices, resulting in unforeseen losses when these properties are sold. The ARC considered the approach and methodology applied in assessing the net realisable values of development properties, especially for development properties with low profit margins. Where appropriate, the ARC inquired of Management the basis of valuation and the strategy to sell the unsold units. The ARC reviewed the Management's and/or the valuers' underlying assumptions of the estimated future selling prices by comparing these to recent transacted prices or prices of comparable properties located in the vicinity of the Group's development projects. The ARC also took into account the historical reliability of Management's estimate of future selling prices in assessing the reasonableness of the estimated future selling prices. However, due to the unknown future impact that the pandemic may have on the real estate market, the external valuers have also recommended to keep the valuation of these properties under frequent review. The ARC was satisfied with the approach and assessment adopted by Management in arriving at the net realisable value of the development properties as at 31 December 2020. The valuation of the development properties was also an area of focus for the external auditors. The external auditors have included this item as a key audit matter in their audit report for the financial year ended 31 December 2020. Refer to page 113 of the AR.

Internal Audit (Provision 10.4)
The IA function is independent of the activities it audits. The Head of IA's primary reporting line is to the ARC. The appointment, resignation and dismissal of the Head of IA is reviewed and approved by the ARC. The ARC also provides input on the annual performance appraisal of the Head of IA and reviews his compensation within the compensation policies of the Company. The ARC meets the Head of IA at least once annually without the presence of Management. The Head of IA has unfettered access to the ARC, the Board and Management as well as the Group's documents, records, properties and personnel relevant for the performance of audits.

IA operates within the framework stated in its IA Charter which is approved and reviewed by the ARC on an annual basis. The standards of the IA Charter are consistent with the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors (IIA), an international professional association with global headquarters in United States of America. The Head of IA is a Certified Internal Auditor and the IA function is a corporate member of the Institute of Internal Auditors Singapore (IIAS), an affiliate of the IIA. Processes are in place to ensure that the professional competence of the IA staff is maintained and upgraded through continuing professional education programmes which comprises technical and non-technical training for the development of the IA staff.

CORPORATE GOVERNANCE

Role and Activities of IA

The primary role of IA is to assist the Board to evaluate the reliability, adequacy and effectiveness of the internal controls and risk management processes of the Company, reviewing the internal controls of the Company to ensure prompt and accurate recording of transactions and proper safeguarding of assets and reviewing the Company's compliance with the relevant laws, regulations and policies of the Company.

The ARC approved the annual IA plan and received regular reports during 2020 on the progress of the audit work under the IA plan. All IA reports are given to a designated member of the ARC, the KMPs and the Heads of the relevant business divisions, with a summary report provided to the ARC at the ARC meetings. IA observations on internal control, operational and human lapses and recommendations to address them were also reviewed and discussed at ARC meetings. The ARC was satisfied that recommendations made were dealt with by the Management in a timely and appropriate manner, with outstanding exceptions or recommendations being closely monitored and reported back to the ARC.

The ARC reviewed the effectiveness and adequacy of the IA function through a review of the IA activities on a regular basis as well as its annual assessment of the IA function. The assessment was adapted from the framework recommended in the Guidebook for Audit Committees in Singapore - Singapore Edition, issued in 2014. The evaluation framework is comprehensive and covers IA organisation, resources and continuing training, audit plans work scope, quality of reports and recommendations, IA Charter and IA internal control assessment. Based on the assessment, the ARC is satisfied with the quality and effectiveness of the IA function and that the IA function is currently adequately resourced and has appropriate independent standing within the Group to perform its functions effectively.

Provision 10.5

The ARC held ten meetings during the year and carried out its duties as set out within its terms of reference. The Company Secretaries maintain records of all ARC meetings including records of discussions on key deliberations and decisions taken. The ARC meets with the internal and external auditors, each separately without the presence of Management, annually.

The ARC members keep themselves abreast of changes to accounting standards and tax and other issues which may have a material impact on financial statements. These included the following trainings attended in 2020:

- ACRA-SGX-SID Audit Committee Seminar 2020: Looking Beyond the Veneer of Numbers
- KPMG Singapore Budget 2020 Business Leaders Forum
- AC Chapter Pit-Stop Series: Managing Risks in a Digital World – The New Corporate Headache
- AC Chapter Pit-Stop Series: The Approaching Storm – Know your Sea Worthiness
- AC Chapter Pit-Stop Series: Into the Storm – Minimise and Repair the Damage
- AC Chapter Pit-Stop Series: Leveraging Analytics & Technology for Internal Control and Fraud Prevention
- AC Chapter Pit-Stop Series: Reviewing Financial Statements and Selecting Auditors
- SID Audit Committee Chairmen's Conversation
- SID Virtual Conference 2020
- Cyber Security & Data Protection First Aid Kit
- COVID-19 Embedding Resilence Webinar: Navigating Liquidity
- COVID-19 Embedding Resilence Webinar: Risk Management (With a Focus on Fraud and Cyber Risks)

For the financial year under review, the ARC conducted a self-assessment of its own effectiveness in the discharge of its roles and responsibilities, which was facilitated through the use of a self-assessment checklist ("ARC Self-Assessment Checklist").

The ARC Self-Assessment Checklist covered, *inter alia*, the responsibilities of the ARC under its terms of reference, and also considered the contribution of ARC members to the ARC's deliberation and decision-making process.

Based on the self-assessment, the ARC is of the view that it has fulfilled its responsibilities and discharged its duties as set out in its terms of reference.

EXTERNAL AUDITORS

Taking cognisance that the external auditors should be free from any business or other relationships with the Group that could materially interfere with their ability to act with integrity and objectivity, the ARC undertook a review of the independence of KPMG LLP ("KPMG") and gave careful consideration to the Group's relationships with them during 2020. In determining the independence of KPMG, the ARC reviewed all aspects of the Group's relationships with them including the policies, processes and safeguards adopted by the Group and KPMG to protect and preserve audit independence. The ARC also considered the nature and volume of the provision of the non-audit services in 2020 and the corresponding fees to ensure that such non-audit fees did not impair or threaten the audit independence. It was noted that the fees for non-audit services did not exceeded 50% of the aggregate amount of all fees paid/payable to KPMG in 2020. Based on the review, the ARC is of the opinion that KPMG is, and is perceived to be, independent for the purpose of the Group's statutory financial audit.

Details of the fees paid and/or payable by the Group in respect of audit and non-audit services for FY 2020 are set out below:

	$'million
Audit fees paid to:	
- auditors of the Company	3.2
- other auditors	6.1
Non-audit fees paid to:	
- auditors of the Company	1.6
- other auditors	1.8

In reviewing the nomination of KPMG for re-appointment for the financial year ending 31 December 2021, the ARC had considered the adequacy of the resources and experience of KPMG and the audit engagement partners assigned to the audit, the size and complexity of the audit exercise for the Group, and the number and experience of the supervisory and professional staff assigned to the Group's audit through a review of the curriculum vita of the KPMG audit team. The ARC had also considered the quality of discussions with the findings raised by KPMG, including the Audit Quality Indicators presented. Ms Lo Mun Wai was appointed the Group's engagement partner-in-charge from the audit of the financial statements for the year ended 31 December 2020.

KPMG has confirmed that they are registered with ACRA. The Company is thus in compliance with Rule 712 and Rule 715 (read with Rule 716) of the Listing Manual in relation to the appointment of its auditors.

On the basis of the above, the ARC has recommended to the Board the nomination of KPMG for re-appointment as external auditors at the 2021 AGM.

Whistle-blowing Policy (Provision 10.1(F))

CDL has in place a whistle-blowing policy and procedure where employees of the Company can raise in confidence, whether anonymously or otherwise, concerns on possible improprieties relating to accounting, financial reporting, internal controls and auditing matters or other matters without fear of reprisals in any form. The ARC has the responsibility of overseeing this policy which is properly administered with the assistance of the Head of IA. Under these procedures, arrangements are in place for independent investigation of such matters raised and for appropriate follow-up action to be taken.

The Company is committed to maintaining procedures for the confidential submission of reports and the identity of the whistle-blower concerned will not be disclosed if so requested by the whistle-blower who lodged the report. Investigations of such reports will be handled on a confidential basis to the extent permissible or deemed appropriate under the circumstances and involve persons who need to be involved in order to properly carry out the investigation and will, on a best efforts basis, be carried out in a timely manner.

In order to facilitate and encourage the reporting of such matters, the whistle-blowing policy, together with the dedicated whistle-blowing communication channels (email and postal address as well as toll-free telephone contact numbers in various countries) are available on the Company's website and intranet and is easily accessible by all employees.

The whistle-blowing policy and procedures are reviewed by the ARC from time to time to ensure that they remain current.

For more information on the said policy and procedures, please refer to the Company's website at www.cdl.com.sg.

INTERESTED PERSON TRANSACTIONS

The Company had obtained shareholders' approval at its Annual General Meeting held on 24 June 2020 ("2020 AGM") for the Company, its subsidiaries and its associated companies not listed on SGX-ST or an approved exchange, over which the Company, its subsidiaries and/or interested persons have control, to enter into transactions within the categories of Interested Person Transactions set out in the Company's Letter to Shareholders dated 26 March 2020, with such persons within the class or classes of Interested Persons as described in the said circular, provided that such transactions are entered into in accordance with the review procedures set out in the said circular (the "IPT Mandate"). The IPT Mandate is subject to annual renewal by the shareholders. Given that such Interested Person Transactions are expected to occur with some degree of frequency and may arise at any time, and to allow the Group to undertake such transactions in an expeditious manner, shareholders' approval will be sought at the 2021 AGM of the Company for the renewal of the IPT Mandate.

The ARC has confirmed that an independent financial adviser's opinion is not required for the renewal of the IPT Mandate as the methods or procedures for determining the transaction prices of the IPTs conducted under the IPT Mandate have remained appropriate since shareholders approved the renewal of the IPT Mandate at the 2020 AGM, and the methods or procedures continue to be sufficient to ensure that these IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

CORPORATE GOVERNANCE

Particulars of interested person transactions required to be disclosed under Rule 907 of the Listing Manual are as follows:

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions in FY 2020 (excluding transactions less than $100,000 and transactions conducted under the IPT Mandate pursuant to Rule 920)	$'000	Aggregate value of all interested person transactions conducted in FY 2020 under the IPT Mandate pursuant to Rule 920 (excluding transactions less than $100,000)	$'000
Subsidiaries of Hong Leong Investment Holdings Pte. Ltd.	Hong Leong Investment Holdings Pte. Ltd. is a controlling shareholder of the Company. Its subsidiaries are interested persons being associates of a controlling shareholder.	Joint Venture Shareholders' Loans	20,519*	Provision of management and consultancy services by interested persons	741
		Provision of corporate secretarial services to interested persons	1,344		
Directors and their immediate family members and relatives			Nil		Nil

Note:
* The figure comprises the aggregate value of shareholders' loans extended to joint venture companies involving interested persons, and where applicable, interest accrued on shareholders' loans, in FY 2020, which were announced on 22 February 2021 pursuant to Rule 916(3) of the Listing Manual. The shareholders' loans referred herein have been extended by all the joint venture parties or shareholders in proportion to their respective equity interest in the joint venture and on the same terms and conditions, including the interest rate, if any, accrued or to be accrued on the shareholders' loans.

The above interested person transactions were carried out on normal commercial terms and were not prejudicial to the interests of the Company and its minority shareholders.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

Being committed to good corporate practices, the Company treats all shareholders fairly and equitably. To facilitate the exercise of shareholders' rights, the Company ensures that all material information relating to the Company and its financial performance is disclosed in an accurate and timely manner via SGXNET and uploaded at the Company's corporate website.

General Meetings (Provisions 11.1, 11.2, 11.3)

All shareholders are entitled to attend and vote at general meetings in person or by proxy. The rules for the appointment of proxies, including information that voting will be conducted by way of poll, are set out in the notice of general meetings. In accordance with the Constitution of the Company, shareholders who are not relevant intermediaries may appoint not more than two proxies to attend, speak and vote at general meetings in their absence, and shareholders who are relevant intermediaries may appoint more than two proxies to attend, speak and vote at general meetings. The proxy forms must be deposited at such place or places specified in the notice or document accompanying the notice convening the general meetings at least seventy-two hours before the time set for the general meetings.

The Company provides for separate resolutions at general meetings on each substantial issue, including treating the re-election of each Director as a separate subject matter. Detailed information on each item in the AGM agenda is provided in the explanatory notes to the notice of AGM in the AR.

At general meetings of the Company, shareholders are given the opportunity to communicate their views and are encouraged to ask the Directors and the Management questions regarding matters affecting the Company.

2020 AGM and 2021 AGM

In view of the COVID-19 situation, the 2020 AGM was convened and held by electronic means on 24 June 2020 pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order").

Alternative Arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via 'live' audio-visual webcast or 'live' audio only stream), submission of questions to the Chairman of the Meeting in advance of the 2020 AGM, addressing of substantial and relevant questions prior to the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, were put in place for the 2020 AGM. The mode of the convening and conduct of the 2021 AGM are dependent on the COVID-19 situation in Singapore nearer the date of the 2021 AGM. Shareholders would be notified by the Company in advance of the 2021 AGM.

The Board Chairman and the chairmen of the ARC, NC, RC and BSC and the external auditors were present virtually at the 2020 AGM.

Voting at General Meetings (Provision 11.4)

Shareholders are given the opportunity to vote at general meetings either in person or in absentia by way of appointed proxy (proxies). However, as the authentication of shareholder identity information and other related integrity issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by electronic means.

Pursuant to Rule 730A(2) of the Listing Manual, all resolutions to be proposed at the 2021 AGM and at any adjournment thereof shall be put to the vote by way of poll.

In support of greater transparency and to allow for a more efficient voting system, the Company has been conducting electronic poll voting instead of voting by show of hands since the 2012 AGM and will continue to do so in respect of all resolutions proposed at the 2020 AGM. With electronic poll voting, shareholders present in person or represented by proxy at the meeting will be entitled to vote on a 'one-share, one-vote basis. The voting results of all votes cast in respect of each resolution will also be instantaneously displayed on screen at the meeting. The detailed results setting out the number of votes cast for and against each resolution and the respective percentages will be announced via SGXNET after the 2021 AGM. An external firm is appointed as scrutineers for the AGM voting process, which is independent of the firm appointed to undertake the electronic poll voting process.

Minutes of General Meetings (Provision 11.5)

The Company also maintains minutes of its general meetings, which include the key comments and queries raised by shareholders and the responses from the Board, Management and/or the external auditors. The minutes of the general meetings are available on the Company's corporate website, and the Company will also furnish the general meeting minutes to any shareholder upon request.

Dividend Policy (Provision 11.6)

The Company has formalised its dividend policy which aims to provide a return to shareholders at least once a year through the payment of dividends, after taking into account the Group's financial performance, short and long term capital requirements, future investment plans, general global and business economic conditions and any regulatory factors. The Board endeavours to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend policy. The Board will review the dividend policy from time to time and reserves the right to modify, amend and update the policy.

Principle 12: Engagement with Shareholders

The Company notifies its investors in advance of the date of release of its financial results via SGXNET. For FY 2020, results for the half year were released via SGXNET within 45 days of the end of 30 June 2020 whilst the full year results were released within 60 days from the financial year end. In presenting the Group's financial results, the Board aims to provide investors with a balanced and understandable assessment of the Group's performance and financial position with a commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which it operates.

For the financial year under review, the Group CEO and the Group CFO provided assurance to the ARC and the Board on the integrity of the half year unaudited financial statements and the Board in turn provided a negative assurance confirmation in respect of the unaudited financial statements for the half year in accordance with the regulatory requirements.

The Company ensures that investors are notified of all material information in an accurate and timely manner. Should there be an inadvertent disclosure made to a select group, the Company will release the same information as promptly as possible via SGXNET. The financial statements and other presentation materials presented at the Company's general meetings, including material and price-sensitive information, are disseminated and publicly released via SGXNET on a timely basis.

CORPORATE GOVERNANCE

In 2020, the following documents were made available to shareholders solely by electronic means via publication on the (i) Company's corporate website and (ii) SGXNET:

- Notice of the Company's 2020 AGM;
- Proxy Form for 2020 AGM;
- Annual Report 2019 (and updated shareholding statistics as at 15 May 2020); and
- Letter to Shareholders dated 2 June 2020, in relation to the proposed renewal of the (a) share purchase mandate; and (b) IPT mandate for interested person transactions.

Shareholder Communication (Provision 12.1)
Shareholders and investors can contact the Company or access information on the Company at its website at www.cdl.com.sg which has a dedicated "Investor Relations" link that provides, *inter alia*, information on the Board of Directors, Management team, the Company's Corporate Governance Reports, Sustainability Reports, Annual Reports, Corporate Policies, Announcements, Press Releases and Financial Results as released by the Company on SGXNET, and other information which may be relevant to investors. In addition, the Company leverages on other communication platforms such as its e-publication, City News (www.cdl.com.sg/citynews) and social media channels (LinkedIn, Twitter and Instagram) to provide latest updates on the Group's business and performance milestones. Investors can subscribe to email alerts on the CDL website or follow its social media channels to receive updates on its latest news.

From time to time, the Board Chairman and the Company's Management hold briefings with analysts and the media to coincide with the release of the Group's half-year and full-year financial results. Media presentation slides are also released on SGXNET and on the Company's website. A live video webcast was arranged for investors at the analysts/media briefing for the full year 2020 results in February 2021. In addition, the Management takes an active role in investor relations, meeting local and foreign fund managers regularly as well as participating in investor roadshows and conferences both locally and overseas. The Head, Investor Relations & Corporate Communications, is responsible for managing the Group's investor relations programmes, including the communications with the financial community, research analysts and relevant stakeholders.

Investor Relations Policy (Provisions 12.2 and 12.3)
The Company is committed to building investor confidence and trust through effective open, two-way communication with shareholders and the investment community. The Company's Investor Relations (IR) Policy, available on the CDL corporate website (www.cdl.com.sg), sets out the process and mechanism to engage its stakeholders, including the channel of communication through which shareholders and investors may pose queries and through which the Company may respond. The IR Policy outlines the principles and framework in which the Company communicates and engages with investors, analysts and other IR stakeholders to provide balanced, clear and pertinent information. To provide investors with a better understanding of the Group's business and growth drivers, regular updates on the Group's strategies, operations and financial performance are available across multiple platforms.

Further information on the Company's investor relations policy and activities can be found on pages 65 and 66 of the AR.

Principle 13: Engagement with Stakeholders
The Company undertakes a comprehensive materiality assessment every two years, which is facilitated by a third party, to determine the key economic, environmental, social and governance issues ("EESG") that are important to the Company's stakeholders. A validation of the key EESG issues is performed between each study. These issues form the materiality matrix upon which targets, metrics, initiatives and progress are reviewed by the Management team, reported to the BSC and the Board for approval, before they are published annually in the Company's Integrated Sustainability Report ("ISR").

While the last comprehensive study was conducted in 2019, CDL recognised the need to conduct a special assessment in 2020 with more extensive scope and depth to identify the shifting priorities and expectations of its stakeholders in the "new normal" caused by the COVID-19 pandemic.

The process started with an extensive macro scanning exercise to determine the list of material risks and opportunities relevant to CDL's business for sustained growth. Engagement with internal and external stakeholders were then conducted through online surveys, followed by interviews with selected senior-level stakeholders to extract deeper insights, such as their perspectives on how COVID-19 has impacted them, the relevance of sustainability to business resilience, and how CDL can continue to remain competitive and sustainable in the post-COVID environment.

With the fast-changing business landscape and externalities, the latest materiality assessment will help to sharpen CDL's sustainability strategy and focus resources on areas that are deemed most material to its business. The findings are important to support the scope of the Company's ISR.

On a quarterly basis, CDL publishes an online Sustainability Report on its microsite at www.cdlsustainability.com. This voluntary initiative that started in July 2017 updates stakeholders of CDL's progress towards key goals and targets set under its Future Value 2030 sustainability blueprint, and sets benchmarks for the transparency and timeliness of ESG disclosures to investors and stakeholders.

The BSC assists the Board in the review and consideration of the Company's sustainability issues and approach to sustainability reporting. The BSC comprises four Directors, with the Group CEO in the chair and three other independent Directors. The BSC's terms of reference sets out, *inter alia*, the objectives, roles and responsibilities of the BSC. It also includes the BSC's purview over matters relating to the Company's ESG strategy, ESG targets, the sustainability reporting framework and also the Company's policies, practices and performance on its material ESG factors which are significant and contribute to the Company's performance, business activities, and/or reputation as a global corporate citizen.

The annual ISR provides a comprehensive account of CDL's ESG strategy, and performance. It is dedicated to reporting on CDL's sustainability efforts that address the social and environmental impacts pertinent to the Company's business and operations. CDL's ISRs are prepared in accordance with the Global Reporting Initiative (GRI) Standards, Comprehensive option since ISR 2017. Previous ISRs were aligned with GRI's G4 Guidelines. To address the more demanding and diverse expectation of stakeholders, CDL has embraced the International Integrated Reporting Council's ("IIRC") Integrated Reporting approach since 2015, SDG Reporting since 2016, Task Force on Climate-related Financial Disclosures ("TCFD") framework since 2018, and Sustainability Accounting Standards Board (SASB) Standards for Real Estate Sector since 2020. For ISR 2021, CDL has added the Climate Disclosures Standards Board ("CDSB") framework to CDL's unique blended reporting framework. This aims to report the Company's climate strategy and efforts to strengthen its natural capital. The Company will be issuing its ISR 2021 concurrently with AR 2020. These ISRs are available on both CDL's corporate website and the dedicated sustainability microsite.

Further information on the Company's approach to stakeholder engagement and its materiality assessment can be found on pages 67 to 79 of the AR.

CORPORATE VALUES AND CONDUCT OF BUSINESS
The Board and Management are committed to conducting business with integrity and consistent with high standards of business ethics, and in compliance with all applicable laws and regulatory requirements. The Company has in place an internal code of business and ethical conduct crystallising the Company's business principles and practices with respect to matters which may have ethical implications.

The code, which provides a communicable and understandable framework for employees to observe the Company's principles such as honesty, integrity, responsibility and accountability at all levels of the organisation and in the conduct of the Company's business in their relationships with customers, suppliers and amongst employees, is available on the Company's intranet and is easily accessible by all employees.

The code provides guidance on issues such as:

- conflicts of interest and the appropriate disclosures to be made;
- the Company's stance against corruption and bribery;
- compliance with applicable laws and regulations including those relating to the protection of the environment and the conservation of energy and natural resources;
- compliance with the Company's policies and procedures, including those on internal controls and accounting;
- safeguarding and proper use of the Company's assets, confidential information and intellectual property rights, including the respect of the intellectual property rights of third parties; and
- competition and fair dealing in the conduct of the Company's business, in its relationships with customers, suppliers, competitors and towards its employees.

In line with the Board's commitment to maintain high ethical standards which are integral to its corporate identity and business, the Company has the following three key corporate policies in place:

(i) Anti-Corruption Policy & Guidelines which sets out the responsibilities of the Group companies and of each employee in observing and upholding CDL's 'zero-tolerance' position against all forms of corruption, bribery and extortion and provides information and guidance to employees on how to recognise, address, resolve, avoid and prevent instances of corruption, bribery and extortion which may arise in the course of their work.

CORPORATE GOVERNANCE

(ii) Fraud Policy & Guidelines which provides guidance on actions which may constitute fraudulent conduct and highlights the importance of the implementation, maintenance and compliance with the internal controls framework of the Group and its policies and procedures.

(iii) Competition Policy & Guidelines which states the Company's policy to compete fairly and ethically in the conduct of business in all its markets and provides direction and guidance to employees in their relationships and communications with competitors and customers.

These policies are available on the Company's corporate website, intranet and have also been disseminated to officers and employees of the Group's key subsidiaries. These policies have been translated into Mandarin and Thai for dissemination to employees of the Group in the People's Republic of China and in Thailand.

The Company's policy on how it manages and protects personal data in accordance with the applicable regulatory requirements are set out in the CDL Personal Data Policy.

The Company has also set out the following sustainability policies which are available on the Company's corporate website:

- *Environmental, Health & Safety (EHS) Policy* – Established in 2003, the EHS Policy sets the strategic direction for all departments and employees towards creating a "Safe & Green" corporate culture by adhering to regulatory compliance, reducing environmental impact, and ensuring a safe, fair and inclusive workplace.

- *Human Rights Policy* – Sets out the Company's commitment in upholding fundamental principles of human and workplace rights in places where the Company operates. Beyond compliance to the local government's policies and regulations in protecting human rights, CDL is committed to respecting human rights in all aspects of its stakeholder engagement such as equitable employment practices, non-discrimination, welfare and fair compensation, as well as workplace health and safety within its developments.

- *Climate Change Policy* – In line with CDL's corporate social responsibility strategy and commitment to "Conserving as We Construct" since 1995, the Company is dedicated to achieving low carbon operations. Since 2018, CDL has set a Science Based Targets initiative ("SBTi")-validated carbon emissions reduction target of 59% by 2030, against baseline of 2007, to limit global temperature rise below 2°C. Raising the bar on the Company's decarbonisation efforts, CDL became the first real estate developer in Singapore and the first real estate conglomerate in Southeast Asia to sign on to the WorldGBC's Net Zero Carbon Buildings Commitment in February 2021, committing to achieving net zero operational carbon by 2030 for its new and existing wholly-owned assets and developments under its direct operational and management control. Recognising that a sizeable proportion of the Company's carbon footprint extends beyond its business operations and direct control, the Company actively engages its supply chain and stakeholders to mitigate climate impact and to add value to the communities in which it operates.

- *Green Building Policy* – CDL is committed to incorporating decarbonisation, innovation, inclusivity, and health and well-being into the design and operation of its buildings. To provide a safe, healthy and inclusive environment for its employees, customers, and workers, it is crucial to proactively adopt smart and sustainable building technologies. The 3S Framework built on the three thrusts - Smart, Sustainable, Super Low Energy - will drive CDL's commitment to reduce its carbon footprint and environmental impact to help achieve the Paris Agreement global climate targets.

- *Biodiversity Policy – CDL supports Singapore's "City in Nature*" vision towards higher living standards while co-existing with flora and fauna. The Company aims to minimise and mitigate the impacts of its developments on natural habitats and to protect wildlife biodiversity.

INTERNAL CODE ON DEALINGS IN SECURITIES

The Company has in place an internal code on securities trading which sets out the implications of insider trading and provides guidance and internal regulation with regard to dealings in the Company's securities by its Directors and employees. These guidelines prohibit dealing in the Company's securities (a) on short-term considerations, (b) while in possession of unpublished material price-sensitive information in relation to such securities, and (c) during the "closed period", which will be one month before the date of announcement of the Company's half year and full-year financial results, and ending on the date of the announcement of the relevant results. The Directors and employees of the Company are notified in advance of the commencement of each "closed period" relating to dealing in the Company's securities. The internal code on securities trading is available on the Company's intranet and is easily accessible by all employees.

RISK MANAGEMENT

MANAGING RISKS TO REDUCE UNCERTAINTIES AND MAXIMISE OPPORTUNITIES

Managing risk is an integral part of the Group's business and we continually strive towards having the best risk management practices appropriate for our business. The Group's risk management framework provides the principles and guidance for the Group's risk management activities.

CDL's ERM Framework

Four (4) key pillars that serve as the foundation of ERM execution and implementation

Risk Strategy	Risk Culture	Risk Appetite	Risk Governance

A top-down and bottom-up approach to manage and report risk throughout the Group

Risk Identification	Risk Assessment	Risk Response	Risk Monitoring

During the year, the Group's Enterprise Risk Management (ERM) function implemented several initiatives targeted at strengthening the aspects of people and process which are key elements to our risk management framework. Some of the notable initiatives include:

- Enhanced and continued to conduct compliance training sessions covering anti-money laundering / counter-terrorism financing, cyber threat and data privacy, to raise the level of awareness and understanding, as well as improve the capabilities of our first line of defence against such risks.

- Completion of a Group-wide fraud risk assessment and review exercise, which involves reviewing the robustness of our internal controls in mitigating the Group's exposure to fraud risks, and enhancing the Group's Fraud Policy and Guidelines.

- Enhancement of the data handling and protection policies, and tightening the controls and security measures, in line with the amendments to the Personal Data Protection Act.

- Updated the control self-assessment programme, with the assessment focusing on risk drivers of identified key risks, to facilitate early identification of control gaps and areas for improvement.

- Proactive monitoring and response to developments related to the impact of the COVID-19 outbreak, including adapting our business continuity plans and measures appropriately to minimise any operational disruptions as well as safety of our stakeholders.

The Group's ERM Framework and initiatives are also rolled out to subsidiary companies and affiliates to ensure that risk management practices are aligned, and all material risk factors are duly considered and adequately addressed. The Group's ERM function facilitates the alignment process and provides guidance through training and knowledge-sharing sessions to raise employees' risk awareness and embrace the Group's risk culture.

RISK STRATEGY

Our risk strategy is based on the belief that risk management is the responsibility of all employees and that it must be integrated into strategy formulation, capital allocation, decision making, and day-to-day operations. The fostering of strong and sustainable 'self-driven' risk culture is guided by defined principles that underpin the ERM operating model.

Guiding Principles

- Line managers are to own risks and be accountable.
- Risk management activities are to hinge not only on processes and systems, but equally on a right mindset and attitude.
- Risk management is to be benchmarked against global best practices.

RISK CULTURE

With the belief that effective risk management requires a strong 'risk aware' culture to reinforce 'doing the right thing' naturally, our Management is fully committed to fostering a strong risk-centric culture through setting the appropriate tone at the top and demonstrating strong support for risk management. Risk awareness and accountability are embedded in our culture through our governance structure that ensures appropriate oversight and accountability for effective management of risks throughout the Group, further supported by risk management principles that are embedded in all our decision-making and business processes.

RISK APPETITE

The risk appetite set defines the extent of risks the Group is able and willing to take on to achieve our strategic and business objectives. The purpose of establishing a risk appetite framework is not to limit risk-taking, but to ensure that the Group's risk profile remains within tolerable boundaries as opportunities are maximised. The risk appetite statements, along with the accompanying risk tolerance limits in both quantitative and/or qualitative terms, are reviewed annually.

The Board has approved the following risk appetite statements:

- The Group will continue to focus on business activities in identified core markets. Apart from the core markets, the Group will otherwise not be overly exposed to any other single country.

RISK MANAGEMENT

- The Group is prepared to undertake new investment and innovation initiatives commensurate to expected returns, and/or are in line with the Group's core strength and strategic objectives. From acquisition to divestment, all investments undertaken should not have potential loss exposure that could significantly threaten the Group's going concern assumption.
- The Group will avoid any situations and/or actions that may result in negative impact on our reputation and branding. Should such situations arise, they will be managed aggressively to preserve our reputation and brand image.
- The Group will maintain adequate liquid assets to cover planned cash outflows and will not take speculative positions on interest rates and foreign exchange.
- The Group strives to maintain a 'zero-tolerance' position in relation to environmental, health and safety breaches or lapses, non-compliance with laws and regulations, as well as criminally dishonest acts such as fraud, corruption, bribery and extortion.
- The Group will minimise operational and IT risk, subject to cost-benefit trade-off.

The Management Risk Committee monitors the Group's risk profiles and regulatory compliance status on a quarterly basis.

RISK GOVERNANCE

The Group's risk governance structure comprises three lines of defence that illustrates how specific duties related to risk and controls are assigned and coordinated within the Group, to facilitate timely risk identification, escalation, and provision of Board assurance.

First Line of Defence
– Risk Owners –

The line managers of respective business and support functions are accountable and responsible for implementing and executing effective controls to manage the risks arising from their business activities. This includes establishing adequate managerial and supervisory controls to ensure compliance with policies, risk appetite, threshold limits and effective risk controls, and to highlight gaps, inadequacy of processes and unexpected risk events.

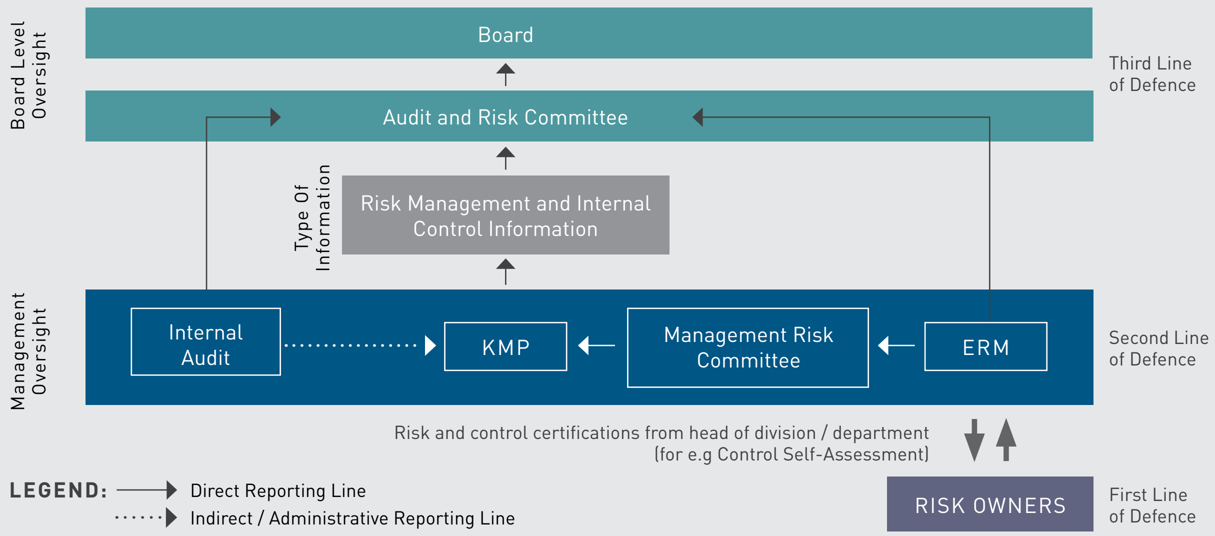
Second Line of Defence
– ERM & Internal Audit –

The ERM function is responsible for designing, implementing and improving the risk management framework as part of the ERM and control assurance programme. The Internal Audit department provides independent assurance on the adequacy and effectiveness of the internal controls and risk management framework. Both functions are also responsible for the independent review and monitoring of the Group's risk profile and for highlighting any significant gaps and risk issues to the Management Risk Committee.

Third Line of Defence
– Board Oversight –

The Board is responsible for the governance of risk across the Group, while ensuring that Management maintains a sound system of risk management and internal controls. The Audit and Risk Committee (ARC) assists the Board in carrying out the Board's responsibility of overseeing the Group's risk management framework and policies. The Risk Management Committee surfaces significant risk issues for discussion with the ARC and the Board, to keep them fully informed in a timely and accurate manner. All ARC members, including the Chairman of the ARC, are independent non-executive directors.

Risk Governance Structure



RISK MANAGEMENT PROCESS

The Group adopts an integrated top-down and bottom-up risk review process that enables systematic identification and prioritisation of all material risks. An integral part of the process towards effective risk management is the continuous communication and consultation with internal and external stakeholders. This enables the Group to understand the importance of risk management, to appreciate the decisions that are taken within the Group, and to implement the best policies and practices necessary for the benefit of the Group.

MATERIAL RISKS TO THE GROUP

The Group categorises its risk profiles into four key areas: Strategic, Treasury and Financial, Operational and Compliance, and Information Technology. These risks vary widely, with many being beyond the Group's control. The Group is committed to mitigate risk exposure through appropriate risk management strategies and adequate internal controls. Close monitoring and control processes, including the use of appropriate key risk and key performance indicators, are implemented to ensure the risk profiles are managed within the Group's risk appetite and tolerance limits.

Strategic Risk

A large part of the Group's strategic risks comprise market-driven forces, evolving business landscapes, changing customer demands and disruptive innovations. The Group remains vulnerable to uncertainties in the major economies, the looming impact of COVID-19, implications from geopolitical developments, keen competition and pressure in the real estate and hospitality industry.

Market and Competition

Given the geographical diversity of our business, the Group is exposed to various levels of event risks in major economies, as well as in key financial and property markets. The Group's principal business operations, comprising property development, property investment and hotel operations, face significant competition across the diverse markets in which they operate, and the failure to compete effectively in terms of price, market positioning, product quality, and levels of service could adversely affect the Group's financial condition and results of operations.

We manage this risk by:

a) Monitoring macroeconomic trends, market conditions, and developments, and formulating responses and pre-emptive strategies accordingly.
b) Leveraging on our market analytics and project delivery expertise to introduce quality products and innovative solutions to meet the evolving customer demands.
c) Strengthening our brand and competitiveness through product differentiation, market positioning, operational efficiency, transformation through innovation and creating new revenue generating platforms, as well as leveraging on a portfolio of distribution channel partners.
d) Diversifying portfolio across geographies, focusing on core markets and cities where the Group has operational scale, and where underlying economic fundamentals are more robust.
e) Distinguishing the quality, value, and efficiency of our lodging products and services by focusing on delivering a seamless customer experience, including our loyalty programme, direct booking channels, and consumer-facing technology platforms and services, from the competition.

Brand and Reputation

The Group's reputation is one of its most valuable assets, playing a major part in the continued success of the business. The assessment of reputational risk, due to the nature of this type of risk, is constantly evolving and dependent on numerous factors at any given point in time. It is therefore impossible to define all matters and circumstances which may pose reputational risk, or to set out all the considerations which should be applied as part of the decision-making process.

We manage this risk by:

a) Undertaking active monitoring of both traditional and social media platforms, aggressively and promptly responding to and managing any undesirable situation(s) that may arise.
b) Raising the profile of our brands through marketing campaigns and strategic partnership to build brand equity.
c) Focusing on a customer-centric approach, and monitoring customer satisfaction closely through surveys, gathering of feedback, inspections and other forms of engagement.
d) Establishing brand standards that are designed to maintain a level of product consistency based on the brand collection to which a hotel belongs, whilst allowing flexibility in order to maintain the personality of the property.
e) Striving to avoid any situations and/or actions that could result in a negative impact on our reputation and brand.

Climate Change

The Group recognises climate change as one of the long-term key global risks that can potentially impact its assets, revenue, operations, supply chain, product design and stakeholder engagement, and investor communication. Aside from physical risks arising from climate change, regulatory transition risks can result in stricter emission standards, increased carbon tax and water pricing, and stricter building design requirements. The Group prioritises ESG communication and reporting to proactively manage rising stakeholder capitalism, investor and consumer activism. In the face of climate change, climate-proofing its buildings for a low-carbon future is key to the Group's growth strategy.

We manage this risk by:

a) Implementing robust climate mitigation and adaptation strategies to accelerate efforts towards a low-carbon business model, such as setting validated carbon emissions reduction targets by the Science Based Targets initiative (SBTi) and pledging net zero operational carbon for CDL's managed buildings in Singapore by 2030.
b) Pushing the envelope in innovative green building technologies to enhance the resilience of our portfolio of assets against physical and transition risks posed by climate change. The Group continues to explore new frontiers in innovation and sustainable investing.
c) Disclosing CDL's management of climate-related risks using internationally recognised frameworks/ assessments, such as the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and Carbon Disclosure Project (CDP) guidance documentation.
d) Completing two climate change scenario analyses in 2019 and 2020 as a means of testing the Group's strategic resilience against different plausible and science-based climate scenarios (4°C vs 2°C and 2°C vs 1.5°C).
e) Conducting a Supply Chain Risk study in 2019, and subsequently expanding it in 2020, to better prepare for the increasing physical and social challenges impacting the Group's supplies of materials and workers.
f) Raising the bar on proactive, transparent and prompt ESG communication and reporting via digital platforms.

RISK MANAGEMENT

Regulatory Changes	
The Group operates in many jurisdictions and is exposed to various levels of political and policy risks such as political uncertainties, introduction or change in public policies, statutory and regulatory requirements.	We manage this risk by: a) Actively engaging with regulatory bodies and professional firms on updates to laws and regulations. b) Continuous monitoring and assessment of impact arising from regulatory changes, observing market reactions, and formulating our strategies accordingly.

Treasury and Financial Risk

Given the Group's diversified global businesses, the Group is exposed to market concentration, liquidity, interest rate and foreign currency risks. We have established policies, guidelines and control procedures to manage and report exposure of such risks.

Market Concentration	
The risk of a significant loss as a result of the poor performance of a single exposure (or group or related exposure).	We manage this risk by: a) Monitoring and maintaining our geographical and asset concentration exposure in accordance with our risk appetite and tolerance. b) Active management of our portfolio of assets, investments and businesses through diversification against the systemic risks of operating in a specific geography.
Liquidity	
The Group's ability to meet short-term financial obligations.	We manage this risk by: a) Monitoring and maintaining a level of cash and cash equivalents and credit facilities. b) Having in place Medium-Term Note (MTN) programmes to provide a further avenue to support planned growth and investment opportunities. c) Maintaining a healthy gearing ratio.
Interest Rate	
The interest rate risk carried by the Group relates primarily to interest-bearing financial assets and debt obligations.	We manage this risk by: a) Maintaining a balanced debt portfolio with both fixed and floating rates of interest. b) Leveraging on interest rate derivatives to hedge against interest rate exposure for specific underlying debt obligations after considering prevailing market conditions.
Foreign Exchange	
The Group is exposed to foreign currency fluctuations arising from sales, purchases and borrowings that are denominated in a currency other than the respective functional currency of the Group's entities.	We manage this risk by: a) Pursuing 'natural hedges' by matching receipts and payments and making asset purchases and borrowings in each individual currency, where possible. b) Leveraging on forward foreign exchange contracts or cross-currency swaps to manage foreign exchange exposure. c) Monitoring foreign exchange risk on a continual basis.

For more information on the Group's Financial Risk Management, please refer to the Financial Risk Management section on page 220 of this annual report.

Operational and Compliance Risk

The Group's operations are exposed to a variety of operational risks relating to project management, environment, health and safety human capital, data privacy, legal and compliance management.

Project Management	
The Group continues to remain vigilant against project risks such as schedule delay, cost overrun, quality, contractor's capability and performance, as well as contract disputes, that will affect our reputation and sales.	We manage this risk by: a) Allocating appropriate attention to technically challenging and high-value projects. b) Adopting a systematic assessment and monitoring process to identify and manage the key risks for each project. The Group adopts a rigorous project management process to ensure that project cost, quality and time objectives are met, and also has in place stringent pre-qualification and tendering procedures to appoint well-qualified vendors. Regular site visits are also conducted to closely monitor the progress of projects and manage potential risks of delays, poor workmanship and cost overruns. c) Benchmarking our quality assurance processes against all industry standards. We voluntarily subscribe to the BCA Construction Quality Assessment System (CONQUAS) and Quality Mark (QM) Assessment System.

Environment, Health and Safety (EHS)	
The Group is committed to be a socially and environmentally responsible organisation that advocates a 'Safe and Green' corporate culture. In this regard, it is of paramount importance that we maintain high environment, health and safety standards across the Group, particularly at the ground level.	We manage this risk by: a) Recognising customer and guest safety with the utmost priority. b) Maintaining an integrated ISO 14001 and ISO 45001 EHS Management System (EHSMS) across our operations in Singapore (corporate office, managed buildings and construction sites), to manage the environmental impact of our operations and the safety, health and well-being of employees and workers. The hotel operations, where possible, also align its policies and procedures with the requirements of best practice accredited systems. c) Monitoring contractors' onsite EHS performance, where reasonably possible, through use of an independent audit tool – CDL 5-Star EHS Assessment. d) Practising responsible supply chain sourcing as part of our commitment to reduce the Group's environmental footprint. e) Cultivating an EHS-centric culture amongst internal and external stakeholders through periodic workshops and trainings as well as regular communications to ensure that they are kept updated on safety best practices.
Human Capital	
As we seek new avenues of growth, a key differentiator alongside access to innovation will be the ability to attract and retain talent, including new skills and capabilities to stay future-ready. The loss of some or all our key executives or the inability to attract or retain the right people, could materially and adversely affect our business in the medium to long-term.	We manage this risk by: a) Benchmarking and reviewing the competitiveness of our remuneration package on a timely basis. b) Investing in human capital development of our existing workforce, as well as current and emerging capabilities through professional hires and targeted recruitment. c) Leveraging on our Enterprise Innovation Committee (EIC) to continuously promote cross-department engagement, empower our employees to be innovative and share their ideas through in-house programmes to yield an agile and adaptable workforce in support our vision and mission. d) Conducting Employee Engagement Surveys, to help enhance existing policies, better address employee concerns, and introduce targeted initiatives to make CDL a better workplace. e) Rolling out leadership development programmes to groom talent and have succession planning in place for key positions.
Data Privacy	
The Group recognises that data privacy breaches may undermine customer confidence and result in litigation from customers and/or regulatory fines and penalties.	We manage this risk by: a) Adopting a pragmatic 'Data-light, Data-tight' approach in our business conduct. b) Adopting a risk-based approach to data protection. c) Conducting awareness training to ensure that employees who directly and/or indirectly handle personal data in the course of their work are cognisant of data protection principles and are equipped with the right knowledge to carry out good data protection practices in their day-to-day activities. d) Ensuring compliance of data protection requirements by our data processors. For more information on how we manage personal data, please refer to our data privacy policy on our websites. **Group Data Privacy Policy** https://www.cdl.com.sg/index.php/privacy-policy **Millennium and Copthorne Hotels Limited** https://www.millenniumhotels.com/en/utilities/privacy-and-cookie-policy/privacy-and-cookie-policy/
Compliance	
The Group operates in many jurisdictions and is subject to applicable laws and regulations of the markets in which we operate in, such as anti-bribery, corruption, money laundering, terrorism financing, competition and data privacy, along with all other laws and regulations applicable to licensing and conducting of sales, leasing, construction, property development, asset management and hotel operations. In addition, various aspects of hotel operations are required to achieve compliance with the Payment Card Industry Data Security Standards ('PCI-DSS'), and failure to do so could result in penalties and/or withdrawal of credit card payment facilities.	We manage this risk by: a) Maintaining a zero-tolerance policy and 'tone from the top' towards compliance, including that of fraud, bribery and corruption. The Group currently benchmarks our practices against SS ISO 37001 to ensure that gaps are minimised, and our practices are in accordance with industry standards. b) Conducting training sessions and adopting e-learning modules to raise awareness and train employees on ways to avoid or prevent non-compliant behaviour. An annual e-declaration exercise is to be completed by all employees, to acknowledge that they have read and understood, and agree to abide by, the Group's policies. c) Maintaining effective whistleblowing reporting and communication channels for employees, contractors, customers and stakeholders of the Group to report any unethical, fraudulent or corrupt practices, in good faith, without fear of retaliation, for investigation and action subject to applicable laws. d) Reviewing existing platforms and establishing new platforms and channels to proactively monitor and identify applicable laws and regulatory obligations and embed compliance into policies and operating procedures. e) Aligning our policies and procedures as reasonable and practical with the requirements of best practices accredited frameworks, systems and industry standards.

RISK MANAGEMENT

Legal	
The Group is exposed to legal and reputational damage resulting from breach of law or civil suits.	We manage this risk by: a) Monitoring and reporting significant litigation and disputes to the Management and Board. b) Working with external legal counsel for advice when necessary. c) Reviewing and maintaining the necessary liability insurance coverage.
Investment/Divestment Risk	
The Group is exposed to the risk of deployment of capital into investments that fail to meet target returns, due to inadequate planning or errors in underlying assumptions	We manage this risk by: a) Conducting a comprehensive analysis including due diligence and feasibility studies to evaluate investment and divestment decisions. b) Reviewing investment thresholds and parameters regularly and updating them , in line with changing strategies and business environment. c) Close monitoring of portfolio performance to ensure that it is on track to meet set targets.
Post-Merger and Acquisition	
The Group is exposed to liquidity and operational challenges arising from integrating newly acquired platforms	We manage this risk by: a) Having special working groups to review and improve the liquidity, operations and profitability of our investment in new platforms. b) Leveraging on expertise of professional external consultants.

Information Technology Risk
With the increased reliance on information systems and technology as a business enabler across our businesses, a service disruption of critical Information Technology (IT) systems or malicious and deliberate attempts of hackers to breach our IT systems could adversely affect the Group's business continuity and reputation.

Cyber Threat	
The Group recognises that cyber threat remains a key concern as attackers have become increasingly creative with attack methods and increasingly destructive payloads that better target system vulnerabilities.	We manage this risk by: a) Maintaining an IT security framework that addresses evolving IT security threats such as hacking, malware, mobile threats and loss of data. There are measures and considerations to safeguard against loss of information, data security, and prolonged service disruption of critical IT systems. b) Dedicating IT expertise to keep abreast of the latest developments, innovation and threats in technology and assessing their impact and risks. c) Conducting Vulnerability and Penetration Testing (VAPT) and guided self-assessments to identify IT security gaps. d) Leveraging on threat intelligence and advanced security analytics to detect potential breaches. e) Conducting of training, including assessment exercises, to educate and heighten our users' awareness to cyber threats. f) Maintaining a cyber threat incident response protocol and disaster recovery plan. The Group carries out disaster recovery plan testing at least once annually.

INVESTOR RELATIONS

We are committed to building investor confidence and trust through open dialogue with our shareholders and the investment community. Our Investor Relations (IR) Policy, on the CDL website (cdl.com.sg), outlines the principles and framework in which we communicate and engage with investors, analysts and stakeholders to provide timely and clear disclosure of pertinent information.

COMMUNICATION CHANNELS

To provide investors with a better understanding of the Group's business strategy and performance, regular updates are available across multiple platforms.

The Group's financial results, investor presentations, annual and sustainability reports, media statements and other material announcements, are disseminated on SGXNet (sgx.com) and published on the 'Investor Relations' section of our website. In addition, our website and social media channels (LinkedIn, Twitter and Instagram) highlight latest updates on the Group's business milestones. Investors can subscribe to email alerts on the CDL website or follow our social media channels.

ACTIVE ENGAGEMENT

The CDL senior management and IR team engage regularly with the investment community through various platforms such as Annual General Meeting (AGM), post-results luncheons, conferences, meetings and site visits. To update the market on our financial performance, we hold biannual results briefings for covering analysts and media. Investors can also attend these briefings via 'live' webcasts.

In 2020, due to the global pandemic, in-person conferences and meetings were largely cancelled or rescheduled in a virtual format. We also held our inaugural virtual AGM in June and 1H 2020 financial results briefing in August.

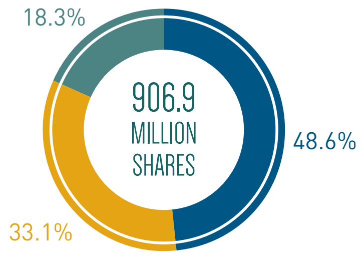
Throughout the year, we connected with around 100 investors. In addition, we hosted virtual tours of our residential showflats, showcasing our digital marketing capabilities to navigate safe management requirements and for business continuity.

Apart from facilitating corporate access for investors, the IR team also maintains regular communication with over 20 sell-side equity research analysts that cover our stock.

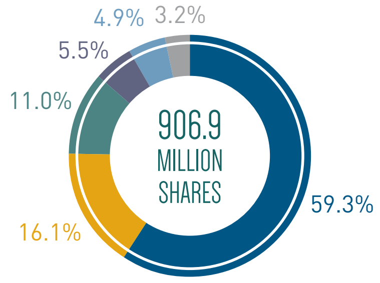
While CDL had ceased its quarterly reporting following the amendments to Rule 705(2) of the Listing Manual of Singapore Exchange Securities Trading Limited which took effect from 7 February 2020, the Group continued to provide quarterly updates and profit guidance (when needed) to promptly inform shareholders of our operational status. We also kept shareholders informed of material developments relating to the Company in our announcements. This proactive approach has been a critical aspect in our IR engagement, especially in 2020 - a year fraught by unprecedented operating challenges on a global scale and the Group's response to the evolving landscape.

SHARE OWNERSHIP^

Investor Type



Geographic Distribution



Note: Excludes treasury shares
* Including shares held by brokers and undisclosed holdings
^ As at 31 December 2020

2020 SHARE PRICE PERFORMANCE

CDL	FTSE ST All-Share	Straits Times Index
▼27.2%	▼11.6%	▼11.8%

Equity markets traded with volatility weighed down by the economic impact of the COVID-19 outbreak. CDL's share price closed at $7.97 on 31 December 2020 – a 27.2% decrease. This is a 28.5% recovery from its lowest share price of $6.20 in November 2020. Taking into account the total dividend of 12.0 cents per share declared for FY 2020, CDL's Total Shareholder Return (TSR) for the year was -26.1%.

INVESTOR RELATIONS

2020 INVESTOR RELATIONS CALENDAR

1st Quarter (Jan-Mar)	DBS Vickers Pulse of Asia Conference CDL FY 2019 Financial Results Briefing to Media & Analyst – Live Webcast Post FY 2019 Results Luncheon hosted by Bank of America-Merrill Lynch
2nd Quarter (Apr-Jun)	Conference Call with Investors hosted by Bank of America-Merrill Lynch CDL 57th Annual General Meeting (Virtual) Morgan Stanley Virtual ASEAN BEST Conference Credit Suisse The Next Horizon Series: ESG Virtual Day
3rd Quarter (Jul-Sep)	CDL 1H 2020 Financial Results Briefing to Media & Analyst – Live Webcast Post 1H 2020 Results Meeting (Virtual) hosted by Citibank CLSA Investors' Forum (Virtual) JPMorgan Virtual SG Conference UBS OneASEAN Virtual Conference 2020 SGX-Credit Suisse Real Estate Virtual Corporate Day CIMB The Cooler Earth Sustainability Summit 2020 (Virtual)
4th Quarter (Oct-Dec)	Bank of America-Merrill Lynch Asia Pacific Property Week: Virtual Tour

CALENDAR OF FINANCIAL EVENTS

FINANCIAL YEAR ENDED 31 DECEMBER 2020

Date	Event
	Announcement of Results:
13 August 2020	Announcement of First Half Year Results
26 February 2021	Announcement of Second Half Year and Full Year Results
	Record and Dividend Payment Dates:
9 June 2020	Record date for Preference Dividend^
30 June 2020	Payment of Preference Dividend^
9 December 2020	Record date for Preference Dividend^
31 December 2020	Payment of Preference Dividend^
6 May 2021	Record date for proposed 2020 Final and Special Final Ordinary Dividends*
21 May 2021	Proposed payment of 2020 Final and Special Final Ordinary Dividends*
	Shareholders' Meeting:
30 April 2021	58th Annual General Meeting

Notes:

^ The Preference Dividend is paid semi-annually in arrears.

* The declaration and payment of the 2020 Final and Special Final Ordinary Dividends are subject to the approval of Ordinary shareholders at the 58th Annual General Meeting.

FINANCIAL YEAR ENDING 31 DECEMBER 2021

Date	Event
	Announcement of Results:
August 2021	Proposed Announcement of First Half Year Results
February 2022	Proposed Announcement of Second Half Year and Full Year Results
	Shareholders' Meeting:
April 2022	59th Annual General Meeting

SUSTAINABILITY BOARD STATEMENT

2020 was a true test of business and human resilience. While infectious diseases topped the chart in the World Economic Forum's Global Risks Report 2021, climate change related crises—to which no one is immune—remain as catastrophic threats to humanity.[1]

Globally, COVID-19 has accelerated the trend towards a more sustainable approach to investing. With Environmental, Social and Governance (ESG) indices and funds outperforming their peers, companies with strong ESG performances are proven to be better prepared to survive, adapt and thrive. Corporate boards and management are expected to intensify their focus on ESG issues as more investors are allocating capital with an ESG lens.

Amidst the unprecedented disruptions posed by the pandemic, CDL's early integration of ESG best practices has served as a strong foundation for the Company to recover better and stronger.

Recognised as a global sustainability leader and green building pioneer in Singapore's real estate sector, CDL has continued to raise the bar on ESG practices to be more resilient and future ready. Major disruptions such as a pandemic can hit companies with little lead time, and the ability to anticipate and tackle change is critical for survival and sustained growth. CDL's Integrated Sustainability Report 2021, aptly titled "Advancing Change Resilience", will be substantiated with the Company's concrete actions taken in 2020 and its strategic plan moving forward.

2020 IN REVIEW — ADVANCING CHANGE RESILIENCE

Standing Together with Stakeholders through COVID-19

CDL's tenants in Singapore and overseas were significantly impacted by COVID-19, facing operating challenges and cash flow constraints. To help them tide over this difficult period, CDL committed over $40 million in property tax and rental rebates. Tenants facing severe cash flow issues were also offered more flexibility in rental payments. As CDL's valued partners, the Company will continue to engage them closely to help support and sustain their businesses.

To support vulnerable communities during the onset of COVID-19, CDL launched several community initiatives, including donating more than $400,000 to The Invictus Fund administered by Singapore's Community Chest. Through an internal fundraiser, CDL raised $88,000 for close to 1,500 migrant workers at its development projects, to provide them with necessities during Circuit Breaker.

Creating Safe and Healthy Spaces

With increased demands for safety and wellness by its building users, CDL implemented robust safety measures across its managed properties, complementing governmental guidelines when Singapore entered Circuit Breaker in April 2020.

Besides conducting regular compliance checks on safe management measures across its properties, CDL has also deployed various technologies, including autonomous Ultraviolet-C (UVC) disinfection robots, automated thermal scanners, and indoor air quality sensors to create healthier and smarter buildings.

This has helped create a safe environment for building occupants while increasing operational efficiency and minimising exposure risk for frontline cleaning staff. In December 2020, CDL launched the first-of-its-kind contactless lift eCall solution at Republic Plaza using its proprietary smart building app, CityNexus, in collaboration with Otis Singapore.

More Robust ESG Policies and Guidelines for Greater Alignment in the Value Chain

CDL's existing Human Rights Policy, Environmental, Health and Safety (EHS) Policy, and Supplier Code of Conduct have been enhanced to align with the heightened standards and expectations of organisational practices within the Company and its suppliers. Building upon CDL's long-established EHS policy and green procurement guidelines, the Company formalised a Green Building Policy to provide greener, safer, healthier and more inclusive environments for its building users.

CDL also strengthened its longstanding commitment to biodiversity protection and urban greenery—including voluntarily conducting biodiversity impact assessment (BIA) on greenfield sites before construction since 2010—by formulating a dedicated Biodiversity Policy in 2020 that takes reference from National Parks Board's (NParks) and Urban Redevelopment Authority's (URA) new BIA guidelines.

Continued Recognition by Prominent Sustainability Rankings and Awards

CDL's effective ESG integration has achieved a strong track record in leading global sustainability ratings and rankings. These include its longstanding inclusion in FTSE4Good Index Series (since 2002), MSCI ESG Leaders Indexes (since 2009 and 'AAA' rating since 2010), and Dow Jones Sustainability Indices (since 2011).

The Company's continued progress in 2020 is widely recognised by prominent global rankings, including the Global 100 Most Sustainable Corporations in the World by Corporate Knights, of which CDL was ranked the world's top real estate company for two consecutive years in 2020 and 2021. It was also accorded Global Sector Leader (Diversified-Office/Retail-Listed)

[1] The Global Risks Report 2021 is based on the Global Risks Perception Survey 2020 and completed by over 840 members of the World Economic Forum's diverse leadership communities.

SUSTAINABILITY BOARD STATEMENT

and Overall Regional Sector Leader (Diversified) in the Global Real Estate Sustainability Benchmark (GRESB), and included for the fourth consecutive year in the Bloomberg Gender-Equality Index, as announced in 2021.

Amongst the distinguished accolades, CDL maintained double 'A's in the 2020 CDP Global A List for corporate climate action and water security. This makes CDL the only company in Southeast Asia and Hong Kong to score 'A' for corporate climate action for three consecutive years and water security for two consecutive years. Additionally, CDL was named one of the world's 50 Sustainability & Climate Leaders in a documentary hosted by Bloomberg.

Singapore Sustainability Academy - A Hub for Sustainable Development Advocacy

Conceptualised and developed by CDL, the Singapore Sustainability Academy (SSA) is the first ground-up initiative and zero-energy facility in Singapore dedicated to advocacy and capacity building for climate action and the collective achievement of the United Nations (UN) Sustainable Development Goals (SDGs). An extensive partnership involving six government agencies and 15 industry and non-governmental organisation partners, the SSA has become a hallmark of CDL's community engagement, and is recognised as Singapore's leading knowledge and networking hub for sustainable development.

Due to COVID-19, the SSA has gone virtual since April 2020 to continue promoting sustainable lifestyle practices through various workshops and forums open to Singapore and beyond. Last year, the Virtual SSA platform reached out to over 1,200 participants from over 25 countries, including Malaysia, Nigeria, Switzerland, Thailand, and the United States.

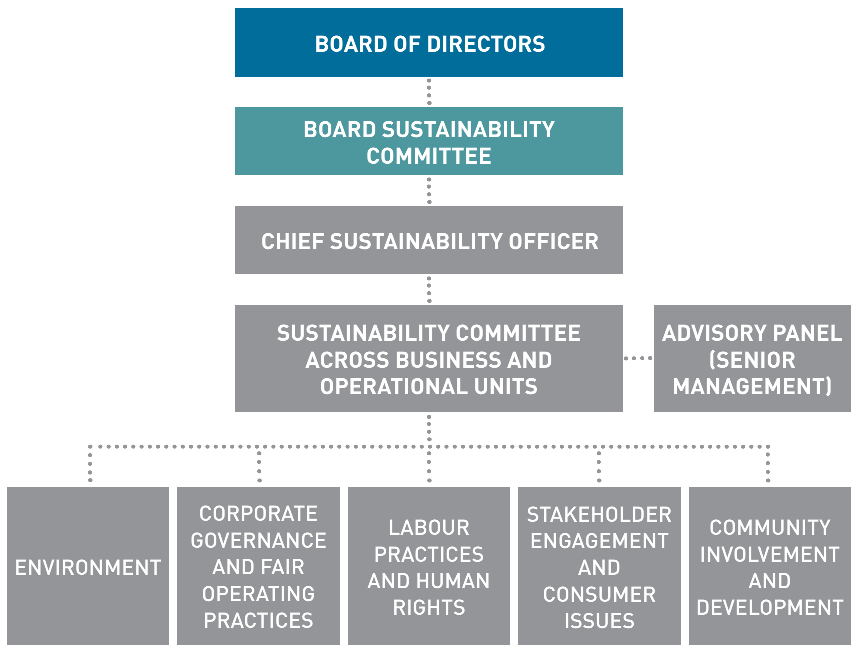
STRONG LEADERSHIP COMMITMENT TO SUSTAINABILITY

CDL has established the longest history amongst Singapore companies to have a dedicated Sustainability department, headed by the Chief Sustainability Officer (CSO). The CSO reports directly to the Board Sustainability Committee (BSC), which comprises three independent directors, and CDL's Executive Director and Group CEO. The BSC has direct advisory supervision on CDL's sustainability strategy, material ESG issues, workplans and performance targets. It convenes at least twice annually to discuss CDL's sustainability plans and review its performance. Throughout the year, the CSO updates the BSC on global and local ESG trends and CDL's ESG initiatives. The BSC is promptly updated on CDL's ESG performance through quarterly reports from the management.

The CSO chairs the Sustainability Committee, which comprises members across all departments and operational units in CDL. Heads of departments and their line managers are held accountable for their ESG performances, which are linked to their remuneration and appraisal.

In addition to annual sustainability reporting, CDL publishes an online quarterly sustainability report at **www.cdlsustainability.com**. This voluntary disclosure, since July 2017, has set benchmarks for the transparency and timeliness of ESG disclosures to investors and stakeholders.

SUSTAINABILITY GOVERNANCE STRUCTURE



STRATEGIC MANAGEMENT OF TOP 15 MATERIAL ESG ISSUES

To address changing stakeholder expectations and to future-proof its business, CDL conducted a comprehensive materiality study in 2020 ahead of schedule (the last biennial study was conducted in 2019). Given the significant impact of COVID-19 on the real estate industry as well as its value chain and consumers, the assessment aims to achieve greater alignment of ESG focus between CDL, as the reporter, and its stakeholders.

The table outlines CDL's actions in addressing risks and capturing opportunities related to CDL's top 15 material ESG issues. It is mapped to 14 relevant SDGs and the four pillars of the Task Force on Climate-related Financial Disclosures (TCFD) framework. CDL's disclosures on the Sustainability Accounting Standards Board (SASB) Real Estate Sector Standards, TCFD recommendations, and Climate Disclosure Standards Board (CDSB) framework can be found in CDL's Integrated Sustainability Report 2021.

Legend for TCFD Pillars: Governance Strategy Risk Management Metrics & Targets

CDL's Top Material ESG Issues	Risks/Opportunities	CDL's Responses and Achievements
Occupational Health, Safety and Well-being Supporting SDGs: 3 Good Health and Well-being; 8 Decent Work and Economic Growth; 16 Peace, Justice and Strong Institutions TCFD Pillars:	Most activities at CDL's construction sites and managed buildings are carried out by the Company's appointed contractors. Safety lapses by its contractors can expose CDL to reputation and regulatory risks. In the wake of COVID-19, safe management measures need to be effectively enforced to prevent transmission at CDL's construction sites and managed buildings. Failure to enforce the measures may lead to regulatory fines and/or disruptions to CDL's operations. Anticipating and controlling workplace hazards that could impair CDL employees' physical and mental health and well-being is vital to the Company.	The safety, health and wellness of CDL's employees and contractors' workers have always been CDL's priorities. In 2020, CDL completed the migration from OHSAS 18001 Occupational Health and Safety Assessment Series to ISO 45001 Occupational Health and Safety for all its key operations in Singapore, to effectively manage the safety, health and well-being of its employees and workers, directly or indirectly hired. Established since the early 2000s, CDL's EHS Policy and CDL 5-Star EHS Assessment have been continually enhanced in standard and scope, working closely with the appointed contractors, where possible, to ensure migrant workers' work and living conditions are in line with national guidelines. With the announcement of the new dormitories standards in June 2020, CDL enhanced its CDL 5-Star EHS Assessment to ensure, where possible, migrant workers' living conditions are improved. Since the start of Phase 1 of the post-circuit breaker period on 2 June 2020, CDL's EHS team regularly conducted compliance checks on the implementation of safe management measures across all its managed properties to deter any transgression. Strict monitoring and response procedures were put in place to address any reported cases of COVID-19 infections amongst CDL's employees, workers and building users.
Innovation Supporting SDGs: 3 Good Health and Well-being; 7 Affordable and Clean Energy; 9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities; 13 Climate Action; 15 Life on Land; 17 Partnerships for the Goals TCFD Pillars:	To build value in a pandemic-inflicted economy, it is important to innovate and evolve swiftly to changes. Innovative real estate business models, such as providing safe and healthy spaces as a service, are gaining traction in response to COVID-19's impact on changing customer demands. By investing in green building technologies and adapting to new business models, CDL can ensure that its products and services operate at the highest efficiency, and remain relevant and resilient against impending disruptions.	Innovation has been a top priority in CDL's growth and investment strategy. The Company's pipeline of innovation projects in green buildings and digitalisation is growing and will generate environmental and social benefits. In adjusting to the 'new normal', CDL deployed various technologies including autonomous UVC disinfection robots, automated thermal scanners, indoor air quality sensors, and anti-microbial disposable films, to create safer and healthier environments for its building users. CDL also launched the first-of-its kind contactless lift eCall solution at Republic Plaza using its proprietary smart building app, CityNexus, in collaboration with Otis Singapore. In 2020, the NUS-CDL Smart Green Home developed, amongst others, an Acoustic Friendly Ventilation Window (AFVW) prototype to achieve better noise reduction and ventilation. The AFVW prototype was installed at Irwell Hill Residences' showflat in March 2021.
Product/Service Quality and Responsibility Supporting SDGs: 9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities; 12 Responsible Consumption and Production; 15 Life on Land TCFD Pillars:	As the impact of COVID-19 on the construction sector has a cascading effect on the value chain, the relief provided by the Singapore government[2] allowed CDL to focus on delivering safe and high-quality products and services, particularly for its residential and commercial projects. As a landlord, CDL also has the responsibility of ensuring a safe and healthy environment for all its building users, by preventing the spread of COVID-19.	To ensure compliance and prevent latent defects, CDL implemented a robust process guided by the Design for Safety regulations to identify design risks and assess the severity of EHS impacts throughout the construction stages of its developments. In anticipation of social distancing due to COVID-19, CDL piloted the Virtual Unit Handover initiative at Forest Woods, as an option for vacant possession of strata units, upon obtaining its Temporary Occupation Permit (TOP) in November 2020. This allowed homeowners to opt for a virtual walkthrough, led by CDL's Customer Service Officer. Potential homebuyers are also treated to 3D virtual tours of CDL's showflats as well as online sales presentations in the comfort of their homes. On a global scale, CDL made further headway towards digitalisation and launched more virtual tours of its Singapore and UK properties. The CDL eMall platform was launched to support tenants from City Square Mall, Palais Renaissance and Republic Plaza by providing them with an online sales channel complete with end-to-end fulfilment services.

[2] To provide relief to the construction industry due to COVID-19, all construction deadlines between developers and main contractors were extended by four months, as legislated by the Singapore government in November 2020 under the COVID-19 (Temporary Measures) Act.

SUSTAINABILITY BOARD STATEMENT

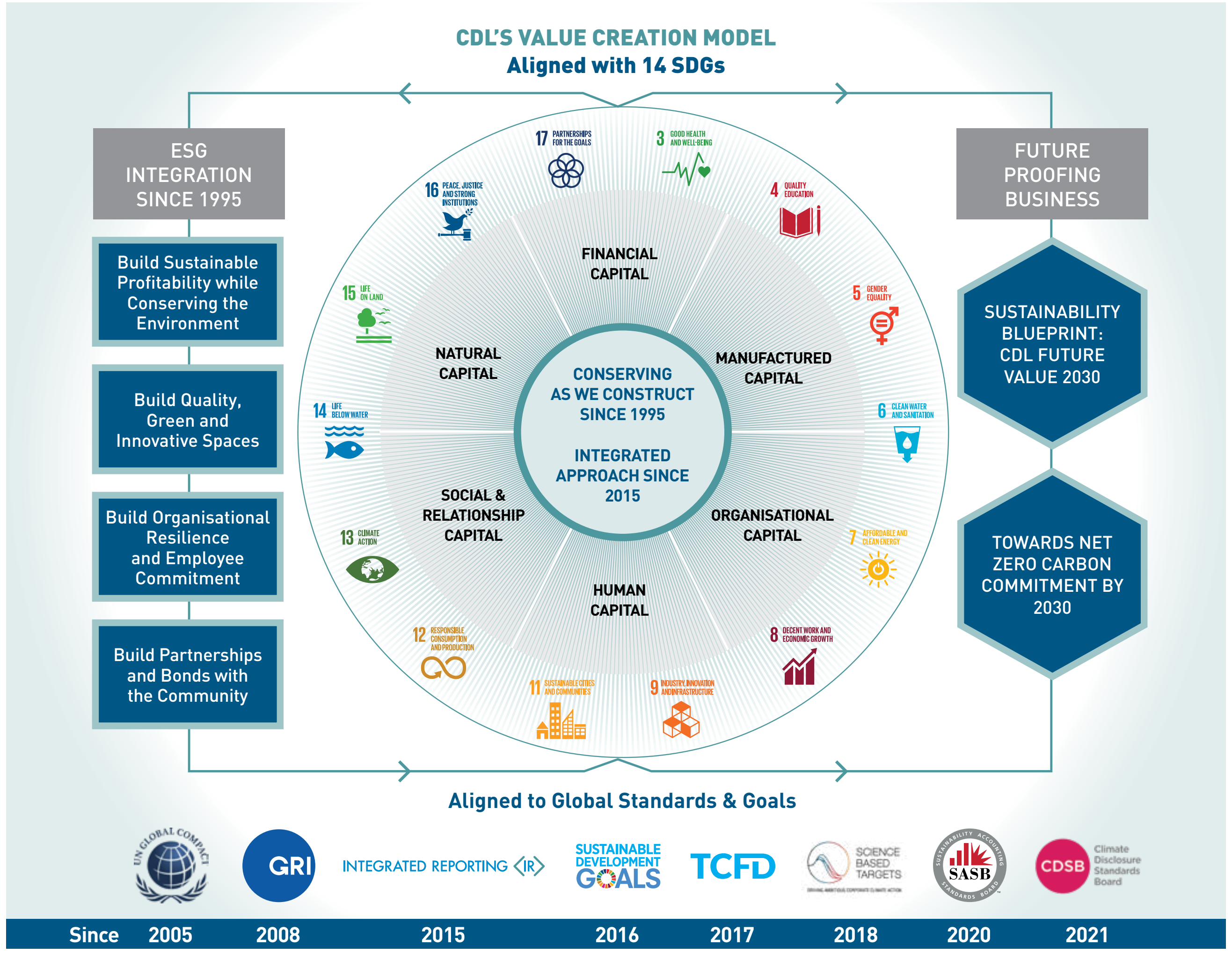
CDL's Top Material ESG Issues	Risks/Opportunities	CDL's Responses and Achievements
Economic Contribution to Society Supporting SDGs: 8, 16 TCFD Pillars:	CDL's financial performance impacts the vested interests of its employees, shareholders, investors and supply chain.	As CDL remains resilient against the prolonged impacts of the COVID-19 pandemic, the Company continues to uphold high standards of ethical business practices, maintain strong branding and deliver quality products in order to return profits and provide optimum returns for investors in its fiduciary duty as stewards of capital, creating value for its stakeholders. CDL committed over $40 million in property tax rebates and rental relief to its Singapore and overseas retail and commercial tenants to tide over this difficult period. This includes passing on the full quantum of property tax rebates from the Singapore government to local tenants. Tenants facing severe cash flow issues were also offered more flexibility in rental payments.
Energy Efficiency and Adoption of Renewables Supporting SDGs: 7, 9, 12, 13 TCFD Pillars:	Globally, there is increased pressure for businesses to accelerate the transition towards a low-carbon economy. More stringent regulations on energy performance of buildings and rising carbon tax are also expected with the launch of the Singapore Green Plan 2030 in February 2021. As energy consumption contributes to a significant portion of CDL's building's operating expenses and carbon footprint, CDL needs to implement robust low-carbon strategies for its managed buildings, to maintain its leadership as a green developer.	Through robust resource management and regular asset upgrading and enhancement efforts, CDL has been maintaining good energy performance for its existing commercial properties. Since 2004, CDL has retrofitted all its existing managed buildings. From 2012 to 2020, CDL achieved savings of more than $30 million in energy expenses across all of its commercial properties. Together with the Solar Energy Research Institute of Singapore (SERIS) in 2020, CDL jointly applied for a Solar Competitive Research Programme and built a PV-integrated modular pod at Central Mall to develop suitable solar modules for building-integrated photovoltaics (BIPV) integration. CDL and SERIS also piloted printed bifacial BIPV panels at City Square Mall, as a testbed for innovative solar integration solutions. 100% of CDL's office and retail tenants are subscribed to the Company's Green Lease Partnership Programme, which guides them on energy-saving fittings and measures. Plans are currently underway to roll out the Building and Construction Authority (BCA) Super Low Energy (SLE)-certified buildings in Singapore by 2023.
Stakeholder Impact and Partnerships Supporting SDGs: 4, 5, 11, 12, 13, 14, 15, 17 TCFD Pillars:	Building goodwill in the community provides CDL with a strong social license to operate. Through working with like-minded partners, CDL has pioneered partnerships that create multiplier effects on outreach and impact. Taking action during COVID-19 requires understanding of how CDL's community and key stakeholders have been affected so that the Company can provide immediate responses, where relevant.	To support vulnerable communities during the onset of COVID-19, CDL donated more than $400,000 to The Invictus Fund. Through an internal fundraiser, CDL raised $88,000 for close to 1,500 workers at its development projects, to provide them with necessities during Circuit Breaker. CDL raised funds for Assisi Hospice, one of its longstanding community partners, for the annual Assisi Hospice Fun Day 2020, which involved stakeholders such as staff and like-minded business partners and associates. While some of CDL's community programmes were postponed due to COVID-19, the Company furthered its initiatives virtually, including events at the SSA, amplifying positive impact throughout CDL's community while adhering to safe management measures.
Climate Resilience Supporting SDGs: 7, 9, 13 TCFD Pillars:	The built sector contributes to some 40% of global energy-related carbon emissions and is heavily reliant on natural resources for operations. Regulatory transition risks such as carbon tax, water pricing, and potentially stricter building design requirements will pose challenges to maintain profitability and sustained growth. Extreme weather patterns can lead to stranded assets and affect the well-being of building occupants. In the face of climate change, climate-proofing the Company's buildings for a low-carbon future is key to CDL's growth strategy.	CDL recognises climate change as a material strategic risk under CDL's risk assessment framework. The Company is committed to implementing mitigation and adaptation measures to combat the effects of climate change on its portfolio of assets. For close to a decade, CDL has been achieving its voluntary target of at least Green Mark Gold^PLUS certification for all new developments, two tiers above mandatory requirement. To date, 85% of CDL's portfolio of owned and managed buildings, based on gross floor area, are rated Green Mark Gold^PLUS or Platinum—the highest tier certification. In February 2021, CDL pledged support to the World Green Building Council's (WorldGBC) Net Zero Carbon Buildings Commitment to achieve net zero operational carbon by 2030 for its new and existing wholly-owned assets and developments under its direct operational and management control. CDL is reviewing its Science Based Targets initiative (SBTi)-validated GHG reduction targets to align with a 1.5°C warmer scenario-compliant business model.
Healthy Buildings (NEW) Supporting SDGs: 3, 9, 11 TCFD Pillars:	Building occupants are paying more attention to attributes of a healthy environment in buildings that can contribute to their health, well-being and productivity. Buildings with poor indoor air quality (IAQ) and sanitisation practices are susceptible to viral transmissions.	CDL designs and manages its buildings with the health and wellness of its building occupants in mind, including factoring in acoustic comfort, natural ventilation, thermal comfort and biophilic design. In 2020, CDL developed a Smart, Sustainable and Super Low Energy (3S) Green Building Framework, a holistic framework that is aligned with BCA SLE buildings requirements and international standards for advancing health and well-being in buildings. Since August 2020, Republic Plaza tenants can view IAQ indicators such as temperature, humidity, PM2.5, carbon dioxide and volatile organic compounds levels through the CityNexus app. In 2020, CDL supported a collaboration between the University of California, Berkeley, Center for the Built Environment and SinBerBEST, which was funded by the National Research Foundation, to benchmark CDL's indoor environmental quality (IEQ) responses to similar commercial buildings in Singapore. While overall staff satisfaction was high, the study identified further areas for improvement, such as privacy, noise level of work space and office dress code.

CDL's Top Material ESG Issues	Risks/Opportunities	CDL's Responses and Achievements
Cyber-readiness, Security and Data Privacy Supporting SDGs: 16 TCFD Pillars:	Strengthening CDL's capabilities to protect itself and recover from cyber-attacks is vital to preventing data theft, financial loss, and disruption of operations. Given rising data privacy concerns both locally and globally, CDL needs to be mindful of compliance requirements for international and local data privacy protection laws. Globally, cybersecurity threats (e.g. phishing and malware) are occurring more frequently due to work-from-home (WFH) arrangements and COVID-19-themed lures.	Besides establishing holistic IT governance structures and developing robust detection and mitigation measures to protect CDL's critical business systems and data, the Company's response plans are tested by independent external and internal auditors, and benchmarked against industry best practices. CDL's risk assessment framework has identified data privacy as a key risk, given recent developments in data privacy regulations and the increasing impact of potential data privacy breaches. In response, CDL has been carrying out various mitigating measures including staff awareness training, as well as monitoring of local and international data privacy developments relevant to its business.
Responsible Supply Chain Supporting SDGs: 8, 12, 13, 14, 15, 16, 17 TCFD Pillars:	The procurement of unsustainable building materials and unfair labour practices that go against human rights can negatively impact CDL's ESG performance and reputation. Usage of toxic building materials can also harm the health of building users and workers.	For more than a decade, CDL has been implementing guidelines that contain clear specifications for responsible sourcing along its supply chain. This includes the implementation of the Responsible Procurement Guidelines[3] since 2008, and the Green Procurement Guideline for property developments since 2009. In line with CDL's corporate EHS Policy introduced in 2003, these guidelines encourage the use of eco-friendly and recycled materials that have been certified by approved local certification bodies, such as Singapore Green Building Council and Singapore Environment Council. All suppliers are required to sign a Supplier Code of Conduct (introduced in 2015), which provides comprehensive guiding principles for the Company's vendors and suppliers to comply with CDL's expectations, including environment, health, safety, and ethical employment. CDL completed a supply chain segmentation study in 2020, where environmental (e.g. embodied carbon intensity) and social risks (e.g. forced or child labour) were assessed for its top suppliers and building materials procured for its developments. The results were shared with the BSC in late 2020 and will be communicated to relevant business units through a workshop in 2021 to develop strategies specific to their operations.
Ethical and Transparent Business Supporting SDGs: 16 TCFD Pillars:	Bribery and corruption are amongst the highest risks for businesses that could lead to financial and reputational loss. Legal non-compliances can lead to the erosion of trust by CDL's stakeholders, causing CDL to lose its social license to operate. By taking a firm stance on its zero-tolerance policy towards fraud, bribery and corruption, CDL can influence its value chain and provide strong assurance to its stakeholders, including investors and customers.	CDL benchmarks its practices with the voluntary SS ISO 37001 Anti-bribery Management Systems to minimise gaps. The Company operates in accordance with industry standards. Anti-money laundering workshops are conducted annually for its employees. CDL implements clear and transparent policies, risk management systems, and ESG disclosures to continuously monitor and validate business processes. Within CDL's robust EHS Management System, applicable legal requirements are regularly monitored and evaluated for compliance. Incentives and penalties are also implemented to improve and tighten contractors' site management. CDL adopts fair marketing practices to reinforce customer's trust in how CDL-branded properties are marketed.
Future-ready Workforce Supporting SDGs: 4, 8 TCFD Pillars:	A workforce that is ill-prepared to keep up with industry developments, knowledge and technological trends will negatively impact human capital, operational efficiency, and sustained growth. In reacting to the pandemic, businesses had a short lead time to transition their workforce and IT infrastructure for WFH arrangements. A workforce that is not agile to adapt to such sudden disruptions will threaten its business continuity.	Building a workforce with skill sets that contribute to future-proofing CDL's business in a fast-changing and uncertain global economy is a priority. The Company actively fosters a culture of continuous learning in its workforce, enabling employees to acquire holistic skills and competency to stay relevant and adapt effectively to changing job demands. In complementing WFH arrangements, CDL stepped up on virtual learning and development offerings for its employees. Topics covered include leadership building, digital working tools, sustainability, occupational health and safety, and cultivation of healthy lifestyles and mental resilience.
Sustainable Finance Supporting SDGs: 9 TCFD Pillars:	The rise of ESG investing and responsible banking has unlocked alternative financing streams that can lower CDL's borrowing costs, and expand its pool of ESG-centric investors and lenders. Sustainable financing mechanisms also help drive companies' sustainability strategies and targets.	In 2020, CDL secured a $470 million green revolving credit facility for the refinancing of Republic Plaza and other eligible projects set out in the CDL Sustainable Finance Framework. The framework allows CDL to be well prepared for opportunities where sustainable financing can be used to fund green projects that support CDL's business strategy and vision. Since April 2017, CDL has secured more than $1.3 billion of sustainable finance, including a green bond, green loans and a sustainability-linked loan.

[3] Renamed from Green Procurement Guidelines in 2020.

SUSTAINABILITY BOARD STATEMENT

CDL's Top Material ESG Issues	Risks/Opportunities	CDL's Responses and Achievements
Human Rights and Labour Conditions Supporting SDGs: TCFD Pillars:	Respecting and promoting the rights and dignity of employees, workers and communities help to build a more resilient supply chain, which is expected from a responsible business. Creating a workplace that provides a decent work environment, fair remuneration, security in the workplace, freedom of expression, work-life balance, and career growth, is key in building a sustainable workforce. This allows CDL to strengthen employee loyalty, increase work productivity, strengthen teamwork, and increase creativity.	CDL engages its contractors and suppliers to abide by CDL's policies and guidelines such as the EHS Policy, Supplier Code of Conduct and Human Rights Policy. Since 2001, the CDL 5-Star EHS Assessment—an independent audit tool to assess, measure, and improve the main contractors' EHS management and performance, has been in place to ensure a comprehensive, audited, and appraised approach. The spread of COVID-19 amongst workers could be exacerbated by their living conditions at commercially run dormitories. During the lockdown of foreign worker dormitories to combat the outbreak of COVID-19, CDL enhanced its CDL 5-Star EHS Assessment audit standards in line with the national improved standards for the living conditions of migrant workers. CDL fully supports the Singapore government's enhanced living standards for purpose-built dormitories, and is committed to work closely with its main contractors on this issue. CDL provided timely updates of the COVID-19 situation to its workforce and rolled out WFH arrangements swiftly. This ensured that all employees were equipped with essential digital tools to facilitate communication and work flow under new work conditions.
Water and Waste Management Supporting SDGs: TCFD Pillars:	Prudent water usage can help to lower operational costs of managed buildings and conserve water, which is a precious natural resource. Waste management is a growing concern in Singapore as the country is expected to run out of landfill space by 2035. As such, more stringent regulations to manage various waste streams can be anticipated.	CDL's developments are designed with a lifecycle approach to water sustainability and sound waste management. CDL adopts technologies to raise water efficiency and manage waste, such as rainwater harvesting and twin-chute pneumatic waste disposal system, which are implemented at many of its commercial and residential developments. CDL achieved the 2020 CDP A List in water security, an affirmation of CDL's robust water management strategy. CDL was the only Singapore company to score an A in the 2020 assessment, and the only company in Southeast Asia and Hong Kong to remain listed on the CDP A List for water security for two consecutive years.



CDL FUTURE VALUE 2030 GOALS, TARGETS AND PROGRESS

Legend: Progress Tracking
- ○○● Meeting interim targets, maintain performance towards meeting 2030 targets.
- ○●○ Falling short of interim target for one year, review current practices.
- ●○○ Falling short of interim target for more than two years, review and revise targets (if necessary).

Note: For this section, CDL's operations cover corporate office, managed buildings and construction sites in Singapore, and exclude hotel properties.

Future Value 2030 Goals	2030 Targets	Interim 2020 Annual Targets	FY2020 Performance
Goal 1: Building Sustainable Cities and Communities	Achieve Green Mark certification for **90%** of CDL owned and/or managed buildings[4]	**≥85%**	○○● **85%** achieved
	Maintain **100%** retail and office tenant participation in CDL Green Lease Partnership Programme	Achieve **100%**	○○● **100%** maintained
	Maintain high level of commitment to adopt innovations and technology of green buildings	Average of two innovation and technology applications per year	○○● 1. Contactless eCall lift solution 2. UVC disinfection robots to autonomously disinfect areas with high traffic and touch points
	Maintain a high level of sustainability engagements and advocacy activities	Average of ≥**36** engagement and advocacy initiatives and activities per quarter Target revised due to COVID-19	○○● Average of **42** engagement and advocacy initiatives and activities per quarter
Goal 2: Reducing Environmental Impact	Achieve science-based target of reducing carbon emissions intensity by **59%** from 2007 levels[5]	**40%** reduction	○○● **44%** reduction
	Asset Management (AM) - Office & Industrial[5]:		
	Reduce energy use intensity by **45%** from 2007 levels	Energy use intensity: **37%** reduction	○○● Energy use intensity: **48%** reduction
	Reduce water use intensity by **50%** from 2007 levels[6]	Water use intensity: **46%** reduction	○○● Water use intensity: **69%** reduction
	Reduce waste intensity by **16%** from 2016 levels[6,7]	Waste intensity: **14%** reduction	○○● Waste intensity: **27%** reduction
	Asset Management (AM) - Retail[5]:		
	Reduce energy use intensity by **18%** from 2010 levels	Energy use intensity: **13%** reduction	○○● Energy use intensity: **30%** reduction
	Reduce water use intensity by **9%** from 2010 levels	Water use intensity: **8%** reduction	○○● Water use intensity: **43%** reduction
	Reduce waste intensity by **12%** from 2016 levels[7]	Waste intensity: **11%** reduction	○●○ Waste intensity: **2%** increase Waste intensity increased when normalised against footfall, which was significantly reduced due to COVID-19.

4 Calculated based on % of total gross floor area (aligned with BCA's calculation of green buildings).
5 Intensity figures calculated based on per unit net lettable floor area.
6 Water use and waste intensities include water use and waste disposed of by CDL Corporate Office.
7 Waste intensity figures are for non-recyclable waste.

SUSTAINABILITY BOARD STATEMENT

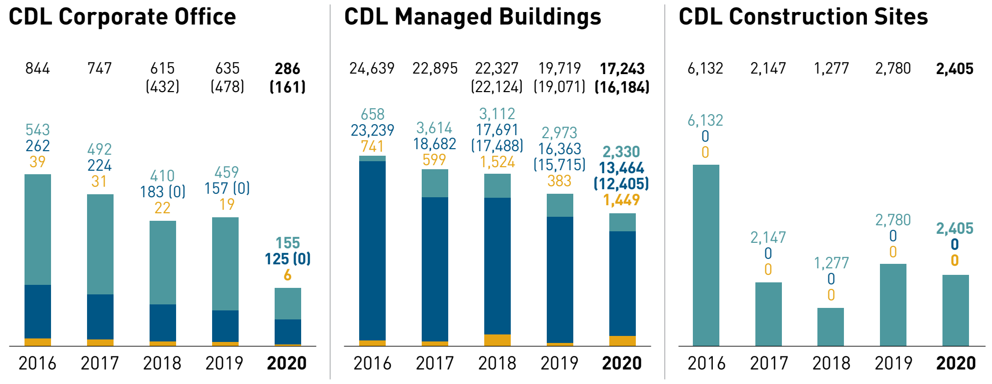
Future Value 2030 Goals	2030 Targets	Interim 2020 Annual Targets	FY2020 Performance
Goal 2: Reducing Environmental Impact (continued) 	**Corporate Office:**		
	Reduce energy use intensity by **31%** from 2007 levels	Energy use intensity: **28%** reduction	Energy use intensity: **41%** reduction
	Property Development (PD)[8]:		
	Achieve an energy use intensity of **95 kWh/m^2**	Energy use intensity: **≤105 kWh/m^2**	Energy use intensity: **82.12 kWh/m^2**
	Achieve a water use intensity of **1.54 m^3/m^2[9]**	Water use intensity: **≤1.75 m^3/m^2**	Water use intensity: **0.78 m^3/m^2**
	Achieve a waste intensity of **40 kg/m^2[7,9]**	Waste intensity: **≤50 kg/m^2**	Waste intensity: **53.66 kg/m^2** More waste generated at Forest Woods during construction from 2017 to Nov 2020 due to modification works to meet regulatory compliance.
	Ensure **100%** of appointed suppliers[10] are certified by recognised EHS standards	**≥85%** of suppliers appointed by AM; **100%** of main contractors and **≥85%** of key consultants appointed by PD	**93%** of suppliers appointed by AM; **100%** of main contractors and **100%** of key consultants appointed by PD
	Reduce embodied carbon of building materials by **24%** compared to their conventional equivalents	**7%** reduction for new projects awarded from 2018 onwards	Performance is on track to meet target. Data will be reported at end 2022[11] when projects obtain TOP.
Goal 3: Ensuring Fair, Safe and Inclusive Workplace 	Maintain **zero** corruption and fraud incidents across CDL's operations	**Zero**	**Zero** corruption and fraud incident
	Maintain **zero** fatality across CDL's operations and direct suppliers in Singapore	**Zero**	**Zero** fatality
	Maintain **zero** occupational disease across CDL's operations and direct suppliers in Singapore	**Zero**	**Zero** occupational disease
	Maintain a **Major Injury Rate (Major IR)[12] of 10.0** across CDL's operations and direct suppliers in Singapore	≤17.5	**Zero** Major IR
	Maintain a **Minor Injury Rate (Minor IR)[12] of 250.0** across CDL's operations and direct suppliers in Singapore	≤361.0	**225.3** Minor IR

7 Waste intensity figures are for non-recyclable waste.
8 For projects that obtained TOP status for the reporting year.
9 Target revised in March 2021 as CDL has more mixed developments in the pipeline in the coming years, effecting greater water usage and waste generation.
10 These refer to suppliers appointed by AM, and main contractors and key consultants (architects, civil and structural engineers, mechanical and electrical engineers) appointed by PD.
11 Based on the lifecycle of CDL's project developments, embodied carbon data for building materials is only available three or four years after a project has been awarded. Data reporting has been restated from end-2021 to end-2022 due to delay in construction activities caused by COVID-19.
12 Major and Minor IR refer to the number of major and minor workplace injuries per 100,000 persons employed, respectively. For the definition of Major and Minor IR, please refer to the **Ministry of Manpower's (MOM) website**.

ENVIRONMENTAL IMPACT AND PERFORMANCE

CDL effectively enhances its natural capital by implementing robust policies and practices to mitigate its environmental impact. Under the company-wide Sustainability Committee, the Environment Sub-Committee identifies significant environmental aspects and manages impact that results from CDL's corporate operations, property development and facilities management activities. The Company continually tracks its material environmental aspects, which include carbon emissions, energy use, water use, and waste and resource management. The following charts detail CDL's environmental performance of its operations in Singapore excluding hotel properties, unless otherwise stated. Figures stated in the charts may not add up due to rounding of decimals.

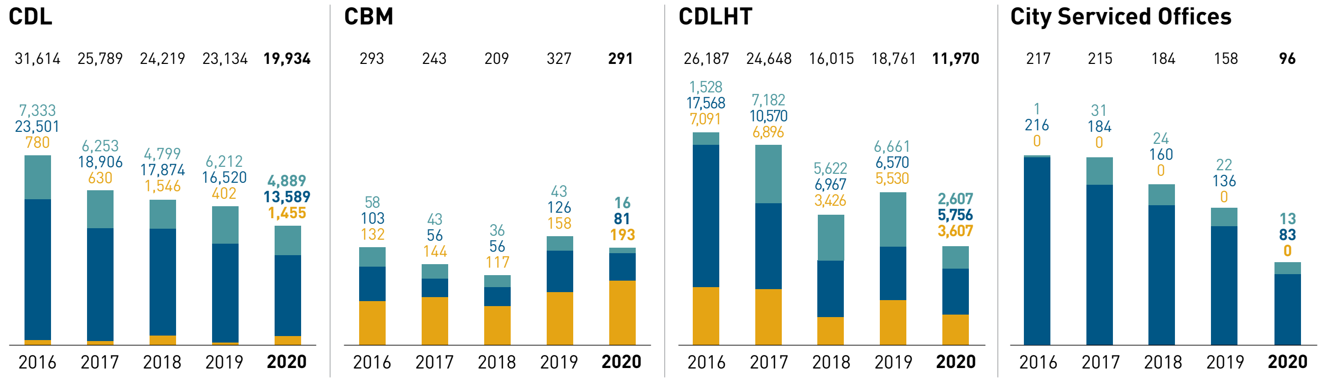
Total Carbon Emissions from CDL's Operations in Singapore: Corporate Office, Managed Buildings and Construction Sites (Tonnes CO_2e)

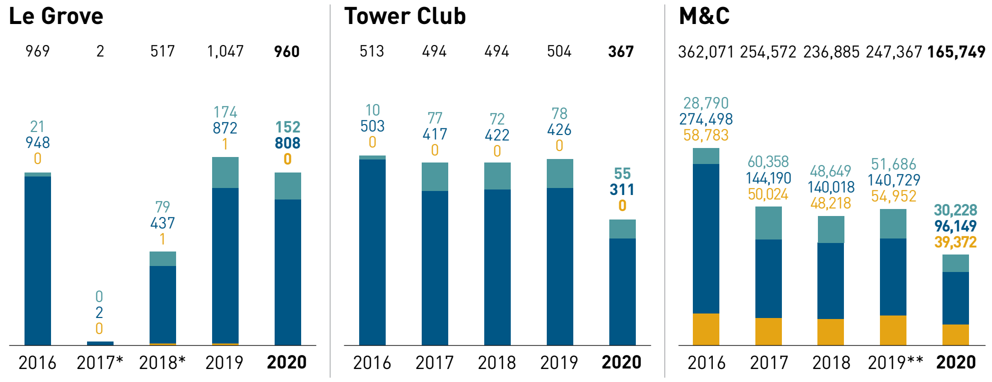


Notes:
In accordance with Greenhouse Gas (GHG) Protocol, Scope 2 emissions are calculated using both location-based and market-based methods. The figures shown in brackets represent calculations using a market-based method and includes the reduction in emissions from the purchase of renewable energy certificates (RECs).

Scope 3
Scope 2
Scope 1

Total Carbon Emissions from CDL's Operations in Singapore and Six Key Subsidiaries (Tonnes CO_2e)



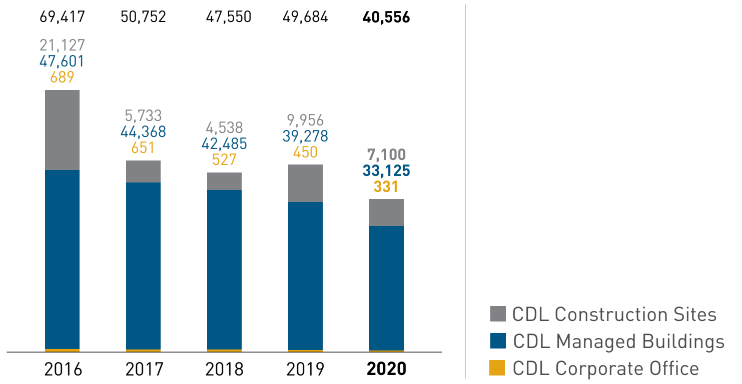


Notes:
* Data represents Le Grove Office only. Le Grove Serviced Residences was closed for renovation from December 2016 to July 2018.
** Data for M&C excludes carbon emissions from franchised hotels as they are managed by third party operators and CDL does not have direct operational control over them. The figure for 2019 has been restated in this regard.

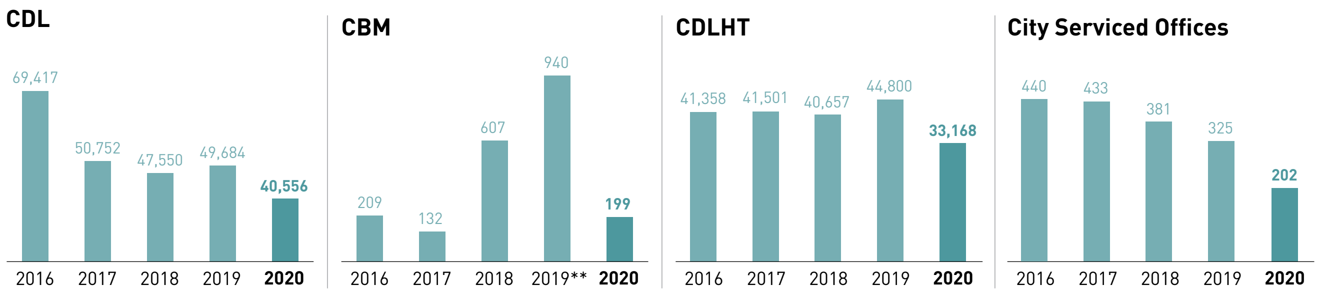
Scope 3
Scope 2
Scope 1

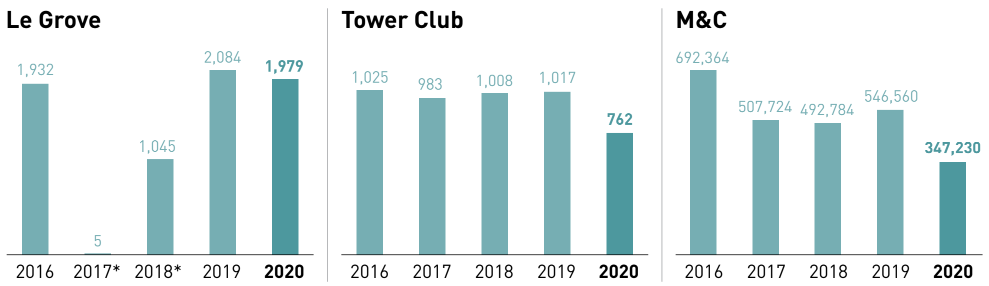
SUSTAINABILITY BOARD STATEMENT

Total Energy used by CDL's Operations in Singapore: Corporate Office, Managed Buildings, and Construction Sites (MWh)



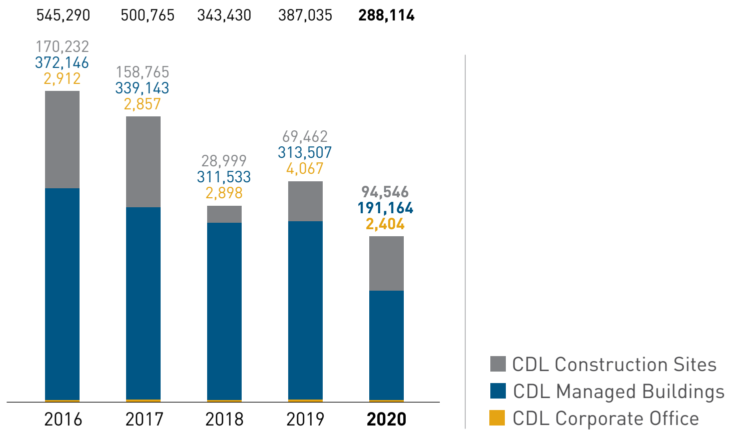
Total Energy used by CDL's Operations in Singapore and Six Key Subsidiaries (MWh)



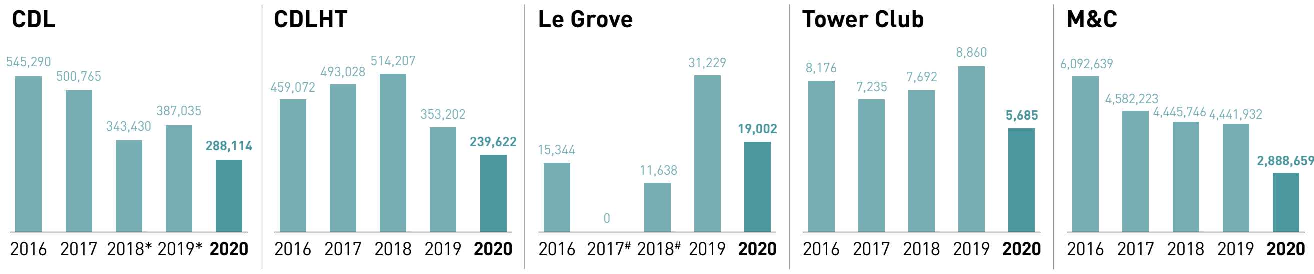


Notes:
From 2018, energy from fuel consumption has been included in data reported for CBM, CDLHT and Le Grove.
* Data represents Le Grove Office only. Le Grove Serviced Residences was closed for renovation from December 2016 to July 2018.
** Operations of Ingensys was added upon acquisition by CBM in 2019.

Total Water used by CDL's Operations in Singapore: Corporate Office, Managed Buildings, and Construction Sites (m^3)



Total Water used by CDL's Operations in Singapore and Six Key Subsidiaries (m^3)



Notes:
CBM and City Serviced Offices are not represented here as they are tenants within a building and do not have separate meters to track respective water usage within their facilities.
Le Grove Serviced Residences was closed for renovation from December 2016 to July 2018.
* Figures for CDL have been restated to include water consumption from Corporate Office pantries.

SUSTAINABLE COMMUNITIES AND SOCIAL IMPACT

Human Capital

CDL is strongly committed to be an employer of choice where its people can build fulfilling careers and develop professionally in a conducive and inclusive working environment. As affirmation of CDL's proactive human resource policies and practices, CDL was named one of the "Best Companies to Work for in Asia" in 2020 by Business Media International's human resources publication, HR Asia.

As one of Singapore's earliest corporate signatories to pledge support to the UN Global Compact (UNGC), CDL has been upholding the principles on human rights and labour in its human resource practices. In addition, CDL has been a signatory of the Employers' Pledge of Fair Employment Practices with the Tripartite Alliance for Fair and Progressive Employment Practices since 2008.

Occupational Health and Safety

The occupational health and well-being of CDL employees, as well as workers at construction sites and managed properties, is vital for CDL's long-term business viability.

As a result of various safety initiatives and engagement programmes with its builders and their workers, major and minor incident rates at CDL's managed buildings and construction sites remained well below the industry average in 2020.

In 2020, there was zero reportable injury[13], fatality, and occupational disease involving employees at CDL's corporate office.

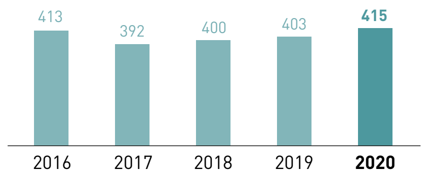
Job Creation and Employment

As of 31 December 2020, CDL hired a total of 415 employees for its operations headquartered in Singapore where most of its business in property development and asset management is based, excluding hotel properties.

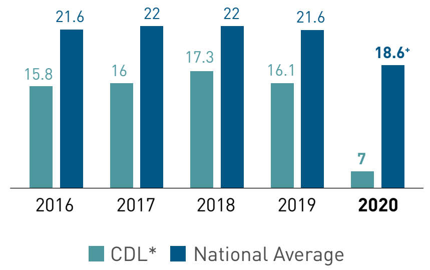
Employee Retention

CDL's successful employee engagement is evident from its employees' length of service. The average tenure of CDL Corporate Office's employees is about 8.8 years and more than 54% of its employees have been with CDL for over five years. CDL Corporate Office's employee resignation rate of 7% continued to remain significantly lower than the national average of 18% in 2020. CDL experienced an involuntary turnover rate of about 4.1%, of which 1.2% is due to retirement.

Total Number of Employees at CDL's Corporate Office



Employee Turnover Rate (%) at CDL's Corporate Office



* Computation of annual employee turnover is based on cumulative monthly attrition rate derived from the number of resignations for the month / headcount for the month.
\+ Extrapolated from MOM's website.

Training and Development

In 2020, CDL invested over $450,000 in training and development for its Corporate Office, more than 2.5 times the amount spent in 2019, and over 16,800 training hours were clocked. An average of 5.8 training days was achieved across the workforce. Due to WFH arrangements, CDL expanded its suite of online learning offerings for its workforce.

Diversity and Inclusion

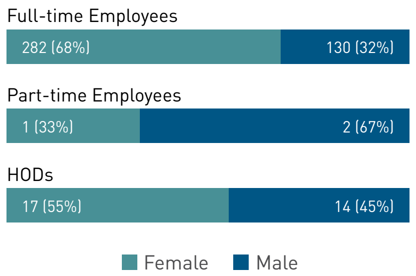
CDL is committed to providing equal opportunities throughout employment. Its recruitment process adheres to strict guidelines on non-discrimination and fair treatment, regardless of gender, ethnicity, religion, or age. Women made up a significant 68% of CDL Corporate Office's workforce and 55% of department heads. The internal

[13] CDL maintains the definition of reportable injury as any injury that results in more than three days of MC or 24 hours of hospitalisation, or fatality, based on MOM's guidelines before changes made in September 2020.

SUSTAINABILITY BOARD STATEMENT

Diversity and Inclusion Task Force was formed in 2017 to promote diversity and inclusion within the workplace and the wider community.

Gender Diversity at CDL's Corporate Office



Community Investments

CDL's community outreach initiatives are aligned with SDG 11 (Sustainable Cities and Communities) and SDG 17 (Partnerships for the Goals). The Company has been actively initiating and providing sustained support to programmes that deliver lasting and positive impact, focusing on these key themes:

- Promoting Environmental Awareness and Zero Waste
- Advocating Best Practices in Sustainability
- Empowering Youths and Women as Sustainability Champions
- Supporting Singapore's Arts Scene
- Caring for the Less Fortunate

Employee Volunteerism

Since 1999, CDL's dedicated employee-led volunteering body, City Sunshine Club (CSC), has actively reached out to the less fortunate and underprivileged. CSC organises festive outings for its adopted beneficiaries, as well as monthly food distribution drives where employees distribute household necessities to low-income elderly living in rental flats. In 2020, the pandemic made it challenging to organise and participate in outreach events. Nonetheless, while adhering to social distancing measures, CDL employees achieved a participation rate of 28.4% and clocked more than 320 volunteer manhours.

LOOKING AHEAD

With climate risk taking prominence in the market and the pandemic sparking renewed interest in ESG-focused companies, investors are pivoting to conscious investing. Of note, in January 2021, BlackRock vowed to support the goal of net zero emissions by 2050 and sooner, issuing a blunt warning to 1,000 global chief executives of carbon-intensive companies to lift their carbon game or be divested[14]. This followed its December 2020 announcement that it will come down even more harshly on climate offenders from 2021, as seen in BlackRock's new investment stewardship document.

As the world navigates uncharted waters in the wake of the pandemic and climate crisis, the Singapore government announced its enhanced 2030 Nationally Determined Contribution and its Long-Term Low-Emissions Development Strategy to secure Singapore's future as a climate-resilient nation. Businesses are expected to play their part, and CDL certainly aims to intensify its climate action in 2021 to help achieve both global and national goals.

In the global race to a low-carbon future, CDL will remain steadfast in fulfilling its commitment to Decarbonisation, Digitalisation & Innovation, and Disclosure.

Decarbonisation — Commitment to Green Buildings and a Low-Carbon Economy

In 2021, CDL was the first real estate developer in Singapore and the first major real estate conglomerate in Southeast Asia to sign the WorldGBC's Net Zero Carbon Buildings Commitment. By joining the Commitment, the Company is dedicated to achieving net zero operational carbon by 2030 for its new and existing wholly-owned assets and developments under its direct operational and management control.

To achieve this ambitious goal, CDL will strive to reduce its carbon emissions, including retrofitting its managed buildings to further enhance energy efficiency and accelerating the transition to renewable energy. Plans are currently underway to roll out BCA Green Mark SLE-certified buildings in Singapore by 2023.

In deepening its ambitious decarbonisation goals, CDL is reviewing its SBTi-validated GHG reduction targets to align with a 1.5°C warmer scenario-compliant business model. This complements CDL's pledge of support to the Business Ambition for 1.5°C led by the UNGC, SBTi and We Mean Business coalition, of which CDL was one of the pioneering 87 companies to sign on to the campaign in September 2019.

As a signatory to the WorldGBC's Net Zero Carbon Buildings Commitment, CDL is also a member of EP100, pledging to improve its energy productivity by deploying energy efficient technologies and practices.

Complementing CDL's target to achieve net zero for its buildings by 2030, a new Smart, Sustainable and Super Low Energy (3S) Green Building Framework was established. An expansion of CDL's green procurement guidelines, this holistic framework is aligned with the BCA SLE building requirements, as well as international standards for advancing health and well-being in buildings.

To accelerate the sustainability agenda in Singapore, the Singapore Green Plan was unveiled on 10 February 2021. It entails a multi-ministry and 3P effort to drive ambitious and collective action through interventions such as increased carbon tax, stricter green building, energy efficiency and waste reduction policies. CDL has been a staunch supporter of the Singapore government's green initiatives. The Company will continue to work closely with like-minded partners as Singapore ramps up its sustainability drive.

[14] BlackRock issues ultimatum on net zero, 27 January 2021. Financial Review.

Digitalisation & Innovation — Driving Cutting-edge Green Building Technology Applications

Riding on CDL's firm commitment to technological advancement and its recognition of innovation as one of the Company's top-voted material ESG issues since 2017, a dedicated Green Building & Technology Application team was set up in 2020. This aims to support the Company's intensifying efforts in the search and application of innovative solutions.

Working together with the Enterprise Innovation Committee, the team will contribute to the Company's strategy to apply cutting-edge technology to reduce its carbon footprint in the way it designs, builds, and manages assets. CDL is also set to advance circularity solutions in the years ahead, including studying the feasibility of adopting carbon-absorbing construction materials, as part of the Company's efforts to reduce embodied carbon.

Accelerating Healthy, Green and Smart Buildings

Today, incorporating health considerations in a building's design is not just a luxury, but also a necessity. In 2020, "Healthy Buildings" emerged as a new material issue and "Occupational Health, Safety and Well-being" was rated as the top material issue for CDL.

Through CDL's Green Building Policy, CDL will continue to place a strong focus on the health performance of its buildings by designing buildings with the following thrusts: (i) create liveable and healthy buildings through thoughtful and intentional spaces by placing health and wellness at the centre of design and construction; (ii) develop healthy and low-carbon buildings using materials that are safe and made with low embodied carbon; (iii) promote biophilic design by increasing connectivity to the natural environment through more exposure to greenery and nature; and (iv) create safe and accessible spaces for users of all abilities, which puts users' needs as a priority.

Disclosures — Unlocking Financial Value with Global Growth of ESG Investing

The asset management industry weathered the COVID-19 crisis stronger than many in 2020. Assets under management worldwide rose to USD110 trillion. The robust performance of ESG funds and indices have fuelled the shift towards ESG investing stronger than ever. At the start of 2021, three quarters of institutional investors in Europe declared their plan to boycott non-ESG products within the next two years. One third of all assets under management in the US were held in sustainable investments[15].

Given CDL's strong commitment to ESG integration for over two decades and its proven track record in sustainability, the Company is in a strong position to benefit from the fast-growing global sustainable investment and finance. Over the last six to nine months, engagement with sustainable investors and asset managers was exceptionally active. The trend is expected to continue. CDL looks forward to interacting with more investors to share CDL's ambitious ESG goals and business strategies set under the CDL Future Value 2030 sustainability blueprint.

Sustainable finance is seeing rapid growth in Asia over the last few years. Since April 2017, CDL has secured more than $1.3 billion worth of sustainable finance including a green bond as well as various green loans and a sustainability-linked loan. As interest in ESG investing expands, momentum will continue to build across the world and region. CDL will continue to tap on the fast-expanding sustainable finance to accelerate potential green building development and sustainable investment opportunities.

Recovering Stronger and More Sustainably through Collaboration and Thought Leadership

No single entity can change the present to save the future. A firm advocate for capacity building, knowledge sharing and partnership, CDL will continue engaging all stakeholders in its ecosystem. The Company is on track to build sustainable communities, given its active collaboration with its extensive network, which includes UN agencies, government, academia, NGOs, and industry organisations such as the WorldGBC, Urban Land Institute, Global Reporting Initiative, Asia Pacific Real Estate Association, and Singapore Green Building Council.

Creating positive social and economic impacts aligned with the UN SDGs will remain a key focus of CDL's ESG strategy and business. The Company will continue to deploy novel modes of community engagement and collaboration, without letting its guard down from the pandemic.

The health of the planet is interlinked with and interdependent on people and the economy. The world is seeing the increasing convergence of global, national and business goals and commitment to tackle climate and health challenges, that will augur well for greater collaboration across borders and sectors.

As a global sustainability leader, CDL will stay the course to raise the awareness and adoption of sustainability amongst its diverse stakeholders. With greater interaction and collaboration, ideas will spark, and actions will amplify to build a more resilient future for all.

(More information on CDL's sustainability efforts can be found in CDL's Integrated Sustainability Report 2021 and **www.cdlsustainability.com**.)

[15] Institutional Asset Manager Global Outlook 2021, 26 January 2021.

FINANCIAL REVIEW

With the protracted COVID-19 global pandemic adversely impacting its business and operations and a challenging operating real estate environment in China, the Group reported a loss after tax and non-controlling interest of $1.9 billion for FY 2020 (FY 2019: PATMI of $564.6 million). Excluding one-off, non-cash impairments of $1.78 billion for losses attributable to its joint venture (JV) investment in Sincere Property Group (Sincere Property) in China, impairment losses for CDL's hotels and investment properties of $99.5 million and allowance for foreseeable losses for development projects of $35.0 million, the Group would have registered a profit before tax of $120.8 million for FY 2020 (FY 2019: $805.5 million).

Revenue for FY 2020 declined by 38.5% to $2.1 billion (FY 2019: $3.4 billion). While all segments were impacted, the Group's hotel operations segment accounted for 81% of the decline, as the pandemic continued to spread with resurgence in some cities even amid border restrictions, lockdowns and other measures to contain the spread of the virus.

The Group registered a pre-tax loss of $1.8 billion for FY 2020 (FY 2019: Pre-tax profit of $754.1 million), largely attributable to its $1.8 billion investment in and loans to Sincere Property, which distorted the Group's FY 2020 results.

PROPERTY DEVELOPMENT

Revenue decreased by $170.8 million to $965.9 million for FY 2020 (FY 2019: $1,136.7 million). This segment reported a pre-tax loss of $739.8 million for FY 2020 (FY 2019: pre-tax gain of $378.1 million).

Projects that contributed to both revenue and profit in FY 2020 include Whistler Grand, The Tapestry, Amber Park, Gramercy Park, New Futura, Hong Leong City Center (HLCC), Hongqiao Royal Lake, Park Court Aoyama The Tower, Phase 1 of Teddington Riverside in Borough of Richmond upon Thames and 100 Sydney Street project in Chelsea. Sales of residential properties in New Zealand and units in Zenith Residences by M&C also contributed to the Group's revenue and pre-tax profit for this segment. In accordance with the Group's policy of equity accounting for the results of its JVs, whilst revenue from JV developments such as South Beach Residences, Boulevard 88, The Jovell and Forest Woods had not been consolidated into the Group's total revenue, the Group's share of profit arising from these JV developments had been included in pre-tax profit.

The decrease in revenue for FY 2020 was attributable to lower recognition of profits progressively for projects due to the slower construction progress due to COVID-19, and FY 2019 contribution included a larger contribution from high-end projects which commanded higher profit margins such as New Futura and Gramercy Park. The decrease is slightly offset by higher progressive contribution from Whistler Grand and Amber Park due to higher percentage of completion achieved, higher contribution from the Teddington Riverside and maiden contribution from 100 Sydney Street in London, UK.

The substantial pre-tax loss recognised for FY 2020 was due to losses attributable to the Group's investment in Sincere Property. Excluding the impact of Sincere Property, this segment would have reported a pre-tax gain of $219.8 million for FY 2020.

The decrease in pre-tax profit for FY 2020 (excluding the impact of Sincere Property) was in tandem with the decrease in revenue, coupled with thinner margins for The Tapestry, Whistler Grand and Amber Park, the main contributors for FY 2020. In addition, there was lower share of profit from South Beach Residences, a joint venture project due to lower sales volume, and lower returns recognised from the sales of units in the Ivy and Eve project in Australia which was fully sold in 2019. In addition, the Group made an allowance for foreseeable losses of $35.0 million on its development properties, vis-à-vis a $6.5 million write-back in FY 2019.

HOTEL OPERATIONS

Revenue for this segment decreased $1,064.6 million to $640.4 million for FY 2020 (FY 2019: $1,705.0 million). This segment reported a pre-tax loss of $573.4 million for FY 2020 (FY 2019: $6.6 million).

Excluding the impact of Sincere Property, this segment would have reported a pre-tax loss of $466.8 million for FY 2020.

The prolonged COVID-19 pandemic continues to have a profound impact on the Group's hotel operations. Widespread travel restrictions and lockdowns of cities since March 2020 had resulted in an unprecedented collapse in global tourism and travel. In the second half of the year, while some nations see recovery in the hospitality sector due to gradual lifting of travel restrictions and implementation of domestic travel initiatives, others such as the United States and United Kingdom experience a resurgence of the outbreak, triggering second and subsequent lockdowns. The hotels results were also impacted by the civil unrest in the United States regarding racial injustice and travel strikes in Paris.

Impairment losses made by the Group of $87.0 million (FY 2019: $58.2 million) on its hotel properties during the year also contributed to the loss for this segment.

INVESTMENT PROPERTIES

Revenue for this segment decreased by $76.7 million to $361.4 million for FY 2020 (FY 2019: $438.1 million). This segment reported a pre-tax loss of $575.0 million for FY 2020 (FY 2019: pre-tax gain of $332.9 million).

The decrease in FY 2020 revenue was largely due to rental rebates provided to retail tenants, as well as lower revenue for hotels under the master lease structure for CDLHT Group, where operations were severely impacted by the pandemic.

The substantial pre-tax loss recognised for FY 2020 was due to losses attributable to the Group's investment in Sincere Property. Excluding the impact of Sincere Property, this segment would have reported a pre-tax profit of $135.8 million for FY 2020.

Excluding the loss attributable to Sincere Property, pre-tax profit for this segment for FY 2020 declined mainly due to lower divestment gains recognised, impairment losses recognised on investment properties and higher financing cost incurred. In July 2020, the Group (through CDLHT Group) completed the sale of Novotel Clarke Quay to a joint venture consortium held by the Group and CapitaLand Limited and recognised a gain of $107.9 million on the sale. The Group also recognised a gain of $9.4 million on the divestment of Novotel Brisbane in October 2020. Divestment gains in FY 2019 was higher where the Group realised deferred gain on sale of investment properties of $153.9 million and $52.6 million of distributions from Golden Crest upon the successful unwinding of the PPS 2 platform. The Group also recognised a $10.5 million gain from the divestment of a vacant land parcel at Jervois Road in July 2019.

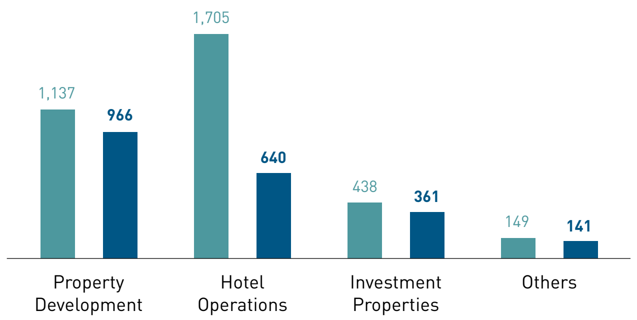
During the year, based on assessment done by external valuers, the Group recognised an impairment loss of $12.0 million on two investment properties located in Italy and the Maldives. On the other hand, the Group wrote back $2.4 million of impairment loss on two investment properties located in the Maldives in FY 2019.

OTHERS

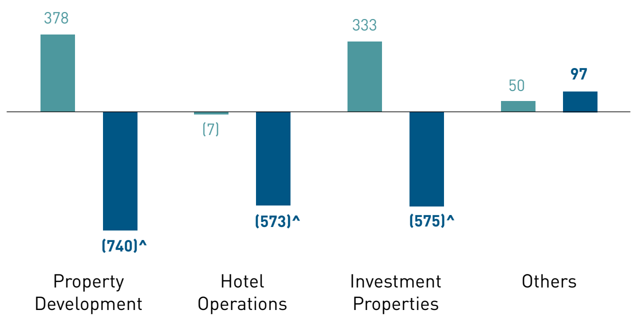
Revenue, comprising mainly income from building maintenance contracts, project management, club operations, laundry services and dividend income, decreased by $8.2 million to $140.6 million for FY 2020 (FY 2019: $148.8 million). The decrease was due to lower project management fees and club income earned.

Pre-tax profit increased $47.7 million to $97.4 million for FY 2020 (FY 2019: $49.7 million). Despite a marginal decrease in revenue, pre-tax profit for FY 2020 increased mainly due to higher contribution derived from FSGL's property financing business, backed by higher income from refinancing loans. In addition, the Group also recognised a $23.5 million divestment gain on Sceptre Hospitality Resources and lower mark-to-market loss on certain quoted securities held by the Group.

Revenue by Business Segment ($ Million)



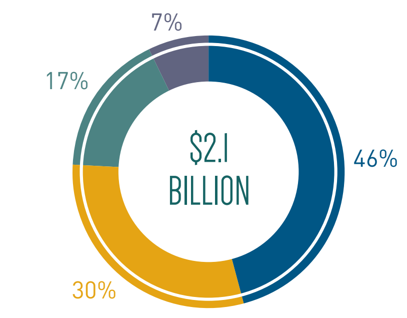
Profit Before Tax by Business Segment* ($ Million)



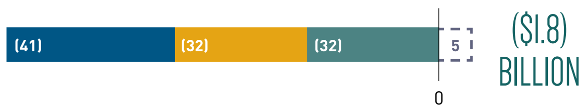
* Includes share of after-tax profit/(loss) of associates and joint ventures.
^ Include net loss from Sincere of $1.78 billion
– Property Development $0.96 billion
– Hotel Operations $0.11 billion
– Investment Properties $0.71 billion

2019 2020

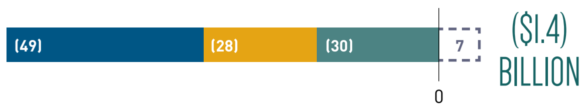
Revenue By Business Segment



Profit Before Tax by Business Segment* (%)



EBITDA by Business Segment (%)



Property Development Investment Properties
Hotel Operations Others

OPERATIONS AND MARKET REVIEW

2020 was a tumultuous year, ravaged by the COVID-19 pandemic, which paralysed many global economies. Asymptomatic in nature yet lethal in its impact, the pandemic was a rude awakening as governments and businesses grappled with relentless challenges on public health and safety, protecting the social fabric while also trying to revitalise an ailing economy laden with deep uncertainties. The magnitude and ferocity of the impact were unprecedented.

The Group had to embrace these disruptions and swiftly adapt to the changes. From the mobilisation of evolving safe distancing measures, strengthening its digital platforms, helping its stakeholders tide over this challenging period, to pivoting new ways of doing business – the Group worked diligently to reposition its business model.

Beyond the pandemic, 2020 posed other unprecedented structural and policy challenges beyond the Group's control. Two of the Group's largest investments – its Sincere Property Group (Sincere Property) joint venture (JV) and wholly-owned hospitality subsidiary, Millennium & Copthorne Hotels Limited (M&C) – bore the brunt of the combined impact, affecting their liquidity and operations, respectively.

PROPERTY DEVELOPMENT

Singapore

Singapore's economy contracted by 5.4% in 2020, a reversal from the 1.3% growth recorded in 2019. The Ministry of Trade and Industry (MTI) has forecasted a gradual recovery for the Singapore economy, although the outlook remains uneven across sectors. Singapore's economic growth for 2021 is expected to be within a range of between 4% and 6%, against the backdrop of external uncertainties and risks. The hardest hit sectors such as aviation and tourism-related trades are expected to continue to see contraction due to global travel restrictions and weak external demand.

Notwithstanding the challenging environment, the residential market remained relatively resilient, registering a price increase of 2.2% for 2020, based on data from the Urban Redevelopment Authority (URA). This was largely due to pent-up demand, following the lifting of Circuit Breaker movement restrictions, and supported by a low interest rate environment.

For the whole of 2020, private home sales increased slightly by 0.7% as developers sold a total of 9,982 units (excluding Executive Condominiums or ECs), compared with 9,912 units sold in 2019.

In 2020, the Group and its JV associates sold 1,318 residential units including ECs, with a total sales value of $1.8 billion (FY 2019: 1,554 units with a total sales value of $3.3 billion).

Overall, the sales are comparable with 2019, despite the challenges posed by the pandemic in 1H 2020. The lower sales value was due to more upgrader and mid-segment projects like Whistler Grand, Piermont Grand and Penrose sold, compared to sales from higher-end projects like New Futura, Boulevard 88 and Amber Park in the previous year.

For the year under review, the Group launched Penrose, a 566-unit JV project located at Sims Drive, near Aljunied MRT station, in September. The response was overwhelming, with over 60% of the units sold during the launch weekend, making it one of the best-selling launches in 2020. The project is now 74% sold at an average selling price (ASP) of over $1,570 per square foot (psf)*. Projects launched in 2019 also continued to sell well.

Forest Woods, the Group's 519-unit JV project located near Serangoon MRT station, obtained its Temporary Occupation Permit (TOP) in November 2020. This project is now fully sold.

To replenish its land bank, in January 2020, the Group successfully tendered for a 137,634 square feet (sq ft) Government Land Sales (GLS) prime site at Irwell Bank Road for $583.9 million (or $1,515 psf per plot ratio).

Healthy Uptake for Existing Inventory of Projects Launched in 2019

Project	Boulevard 88#	Amber Park#	Haus on Handy	Piermont Grand#	Nouvel 18~	Sengkang Grand Residences#
Location	Orchard Boulevard	Amber Road	Handy Road	Sumang Walk	Anderson Road	Sengkang Central
Tenure	Freehold	Freehold	99 years	99 years	Freehold	99 years
Equity Stake (%)	40%	80%	100%	60%	–	50%
Units	154	592	188	820	156	680
Units Sold*	107	265	39	714	71	358
ASP*	>$3,770 psf	>$2,470 psf	>$2,840 psf	>$1,100 psf	>$3,380 psf	$1,730 psf

* As at 21 February 2021
\# JV project
~ Divested project marketed by CDL

Forest Woods, Singapore

Singapore's residential market continues to show signs of recovery. New private home sales in January 2021 surged to their highest for the month in eight years, as developers successfully rolled out several new launches. To ensure that the Group has sufficient stock in the pipeline, it is preparing to launch two new projects this year.

The first is Irwell Hill Residences, conveniently located near Great World shopping mall and the upcoming Great World MRT station. This prime District 9 development will comprise two elegant 36-storey towers with a total of 540 units. It is expected to be launched in Q2 2021.

The second project slated for launch in 2H 2021 is the residential component of the Liang Court JV redevelopment project with a 48-storey and a 24-storey tower with a total of 696 units (CanningHill Piers). The mixed-used integrated development will also comprise a 21-storey Moxy hotel (475 keys), a 20-storey Somerset serviced residence (192 keys) and a 2-storey commercial podium (CanningHill Square). Located in the heart of Clarke Quay, the site has a coveted dual frontage facing the Singapore River and Fort Canning Hill. When completed, the development will have a direct connection to the Fort Canning MRT station of the Downtown line. The timely redevelopment of this mature asset and rejuvenation of the river promenade beside it will complement the revitalisation of the Singapore River planning area.

To capitalise on the Government's initiatives to rejuvenate older assets in the CBD with enhanced plot ratios, the Group is progressing with plans to redevelop its Fuji Xerox Towers with a potential uplift of 25% GFA. Located near Tanjong Pagar MRT station and the upcoming Prince Edward MRT station, the proposed redevelopment will comprise a 47-storey mixed-use integrated development with residential, office, retail and serviced apartment uses. The asset offers great potential, stemming from its prime location at the gateway to the Greater Southern Waterfront masterplan by the Government.

INTERNATIONAL

Australia

The Group's Brickworks Park development, consisting of 222 units of apartments and townhouses located in Alderley, North Brisbane, will be launched in two stages. Stage 1 was soft launched in September 2020. To date, 35 units out of the 132 released have been sold*.

The Marker, a 198-unit JV residential project located on Spencer Street, West Melbourne, has exchanged contracts on 77% of the apartments.

Meanwhile, the Group's collaboration with Waterbrook Lifestyle for a retirement village project in Bowral in New South Wales, has exchanged contracts on 74% of the 77 townhouses launched.

Japan

All 160 units at Park Court Aoyama The Tower in Tokyo, a freehold JV residential project, have been handed over to buyers as at 31 December 2020.

UK

Expanding into UK's Private Rented Sector (PRS) sector, the Group has obtained full planning permission for its freehold site in Leeds. It plans to develop a 665-unit for-rent residential project with retail space located within the site's attractive heritage arches beneath a viaduct. Construction has commenced and expected to complete in 2023.

Fuji Xerox Towers, Singapore
Preliminary Artist's Impression

OPERATIONS AND MARKET REVIEW

China

In FY 2020, the Group's wholly-owned subsidiary, CDL China Limited, and its JV associates sold 441 units in China, achieving a sales value of RMB 1.48 billion (approximately $284 million).

Hong Leong City Center (HLCC), a mixed-use development in Suzhou Industrial Park, has sold 1,668 (92%) of its 1,813 residential units to date*. Despite the sluggish office rental market in Suzhou, HLCC's Grade A office tower is now 75% occupied. The HLCC mall's occupancy is currently at 89%, and the 295-room five-star M Social Hotel is expected to open in Q1 2022.

In Chongqing, Emerald, the 869-unit JV project is almost fully sold, with 1 unit remaining to date*; and the project was handed over since end-2020. The completed 126-unit Eling Palace has sold 105 (83%) units to date*.

Hongqiao Royal Lake, a luxury development in the prime residential enclave of Qingpu District, Shanghai, has sold 65 (76%) out of the 85 villas to date*.

Shenzhen Longgang Tusincere Tech Park, Shenzhen
Artist's Impression

Strategic Investment in Sincere Property Group

In April 2020, the Group acquired an effective 51.01% joint controlling interest in Sincere Property via an offshore investment vehicle (HCP Cayman) for $882 million (RMB 4.39 billion). HCP Cayman holds a 100% equity interest in HCP HK, which in turn holds an 80.01% interest in Sincere Property. This represented the Group's expansion into the China property market as the Group continues to hold a long-term view of its investments in the People's Republic of China (PRC) and remains confident of the PRC's strong fundamentals and ability to rebound.

This followed the initial strategic investment in Sincere Property announced in May 2019 for RMB 5.5 billion, comprising a 24% stake and interest-bearing loans. The Group's intention to invest Sincere Property started back in 2019 with the engagement of HSBC as financial advisors for this investment. The Group also appointed legal advisors and a reputable accounting firm for the legal, tax and financial due diligence of the significant companies within the Sincere Property Group as part of its due diligence process.

In June 2019, the Group subscribed for US$230 million ($305 million) of USD bonds issued by Sincere Property. The bonds have a 3-year term maturing on 27 June 2022.

Given the adverse impact of the COVID-19 crisis and the global uncertainty, CDL took the opportunity to renegotiate the terms for its investment into Sincere Property in April 2020 and the purchase consideration of $882 million (RMB 4.39 billion) was based on an agreed valuation of Sincere Property at RMB 8.6 billion. In addition, the Group has a call option to acquire an additional 9.0% effective equity interest in Sincere Property, which is exercisable at the Group's discretion within a 6-month period commencing on the later of the first business day after the expiry of 18 months from acquisition completion of the acquisition price payment date or 1 July 2022, at the same valuation of RMB 8.6 billion.

The unaudited financial statements of Sincere Property prepared under PRC GAAP as at 30 April 2020 reported a Net Asset Value (NAV) of RMB 15.4 billion (Audited NAV under PRC GAAP as of 31 December 2019: RMB 16.0 billion).

In 1H 2020, the Group carried out a preliminary purchase price allocation (PPA) (prior to the completion of the audit of the acquisition balance sheet of HCP Cayman). The Revalued Net Asset Value (RNAV) of the net identifiable assets of HCP Cayman were valued at RMB 9 billon based on Sincere Property's unaudited April 2020 financial statements adjusted for valuations of its properties based on draft valuation reports by Cushman and Wakefield. Accordingly, the Group recognised the following in 1H 2020:

- $43.2 million of negative goodwill for its 51.01% effective joint controlling interest in Sincere Property in 1H 2020.
- a mark to market fair value gain on the call option of $7.7 million.
- share of loss of $41 million arising from equity accounting Sincere Property.

In June 2020, the Group advanced a RMB 650 million working capital ($132 million) loan to Sincere Property.

On 2 July 2020, the joint venture holding company of Sincere Property, HCP HK, took a loan from a financial institution of RMB 1.5 billion ($283 million). Both the ultimate shareholders of HCP HK, being the Group and the founder of Sincere Property, provided guarantees and securities for this loan.

In September 2020, the Group provided a liquidity support undertaking for a tranche of Sincere Property bonds due in October 2020. The total amount of the bonds principal and interest due was RMB 1.512 billion, for which the full amount was called upon in October 2020. RMB 0.19 billion was subsequently repaid by Sincere Property, leaving the balance owing at RMB 1.322 billion ($269 million).

In addition, the Group further equity accounted for another $35 million share of loss arising from Sincere Property in Q3 2020.

Accordingly, the share of loss that was equity accounted by the Group up to YTD September 2020 amounted to $76 million.

In December 2020, the Group provided a short term RMB 18.8 million loan ($4 million) to Sincere Property which was repaid on 24 February 2021.

Since the onset of the pandemic, Sincere Property has faced immense liquidity headwinds, exacerbated by the "three red lines" policy announced by Chinese authorities to curb lending to real estate developers. Since late 2020, the Group has commenced a strategic review which involves restructuring the platform. The Group's special working group will work with Sincere Property, with the assistance of Deloitte China, to improve liquidity and restructure its existing loans and liabilities. The operating environment remains volatile and fluid. The special working group is exploring all options in formulating its recovery plan while limiting any additional financial exposure by the Group.

On 22 February 2021, the Group announced its first major corporate action to improve the liquidity of Sincere Property: the acquisition of equity interests in a Shenzhen technology park project, Shenzhen Longgang Tusincere Tech Park (深圳龙岗区启迪协信科技园), which provides the Group with a combined 55% effective interest in this large-scale development in China's high-growth "Silicon Valley". The site comprises offices (about 70%), SOHO apartments (about 20%), 4,887 carpark lots and retail/others (about 10%). The project is being developed in four phases, of which Phase 1 is completed while Phase 2 and 3 are under construction with expected completion in April 2022. Phase 4 (self-held office block) has not yet commenced construction.

For this transaction, the Group acquired a total of 84.6% equity interest in the project from Sincere Property and two entities of China Ping An (Ping An; 中国平安) in Shenzhen Tusincere Technology Park Development Co. Ltd. (the Holdco; 深圳启迪协信科技园发展有限公司) for RMB 850 million (approximately $174 million) and will assume its proportionate share of existing shareholders' loans. The Holdco controls 65% interest in the project, which was valued at RMB 8.8 billion (approximately $1.81 billion) by independent valuer, Cushman & Wakefield. The remaining 35% equity interest in the project is held by Shenzhen Longgang District state-owned enterprise (深圳龙岗区商业服务集团有限公司).

* As at 21 February 2021

OPERATIONS AND MARKET REVIEW

INVESTMENT PROPERTIES

Singapore

Majority of the Group's rental income is from its office portfolio, supported by medium to long-term leases with a diversified pool of mainly blue-chip MNCs. With pro-active leasing and tenant retention, committed occupancy of the Group's office portfolio – comprising 11 properties with Net Lettable Area (NLA) of 1.7 million sq ft – improved to 92.2% as at 31 December 2020, higher than the national average of 88.2%. The Group's flagship office building Republic Plaza has a committed occupancy of above 96%.

Occupancy for the Group's retail portfolio remains resilient at 92.2%. Despite the lower footfall in the malls, the full year Gross Turnover (GTO) of the Group's malls managed to narrow the decline to approximately 15% drop y-o-y by end-2020. This is largely contributed by the strong performance of the F&B outlets in Palais Renaissance and Quayside Isle, which achieved full year GTO increases of over 10% despite the two-month Circuit Breaker closure (April to May 2020). To provide tenants with an alternative sales channel, CDL eMall, an online retail and F&B sales and delivery platform, was launched in December 2020.

INTERNATIONAL

Japan

In September 2020, the Group acquired a forward-funded rental apartment PRS project – a 78-unit property named City Lux Yokohama. The property was completed in August 2020 and achieved a 61.5% occupancy rate within three months of completion.

The Group's remaining four PRS projects in Osaka Japan, have achieved an average occupancy rate of 98%.

UK

In 2020, the Group embarked on several asset enhancement initiatives (AEIs) and feasibility studies on its UK assets located in Central London. For Aldgate House, these involved repurposing the basement and mezzanine spaces into a basement gym completed in Q2 2020. Leasing of this basement gym space (10,084 sq ft) is in progress. The formalising planning consent for the proposed restaurant use on the ground floor is expected by Q1 2021. From a long-term perspective, studies have also been undertaken to explore increasing the property's NLA by expanding offices to the rear and new retail frontage. The property is currently well occupied at 86.8% and has strong potential for positive rental reversions.

For 125 Old Broad Street, initial feasibility studies have been carried out to significantly enhance the end of trip facilities, increasing the potential for reduced void periods and strong long-term rental growth, which have already been boosted by the ongoing refurbishment of the vacant offices.

China

The Group has two commercial properties in Hongqiao, Shanghai. Hong Leong Plaza Hongqiao, a five-tower office building, has fully leased its office space for use as serviced apartments, a confinement centre and aesthetic clinic with long leases to generate stable recurring income. Hong Leong Hongqiao Center's office space is about 63% occupied. The serviced apartments are also relatively resilient despite the pandemic.

HOSPITALITY

The magnitude of the COVID-19 crisis on the hospitality industry, compounded by a severe global economic downturn is unprecedented, and the Group's hospitality portfolio – which comprises mainly assets owned and managed by M&C – remains vulnerable to the evolving situation. The Group's focus has been to manage prudently near-term operational and cashflow requirements to fund its operations and ride out this crisis.

As at 31 December 2020, the Group's hospitality portfolio comprises 152 hotels, of which 68 hotels (45%) are owned by the Group, 19 hotels (12%) are operated under JV arrangements or under its REIT associate, CDL Hospitality Trusts (CDLHT), and the balance (43%) are managed or franchised hotels.

The Group's hospitality portfolio was significantly impacted by global lockdowns and ongoing border closures and travel restrictions over the past year. In constant currency, global revenue per available room (RevPAR) for FY 2020 fell 64.5% to $52.9 (FY 2019: $149.1), while room occupancy fell 35.7% to 38.6% (FY 2019: 74.3%). For Asia, RevPAR for FY 2020 was $55.4 (FY 2019: $135.1), while RevPAR for Europe and US was $33.1 (FY 2019: $147.9) and $58.7 (FY 2019: $173.5) respectively. Australasia showed the most resilience with domestic travel in focus, with RevPAR at $72.9 (FY 2019: $129.4).

With minimal inbound business, occupancies in most Singapore and New Zealand (NZ) hotels were partially mitigated by Government quarantine business and local government contracts for isolation programme respectively. Demand for the North Asia hotels has started to recover in domestic and retail markets as cities gradually lift national and regional travel restrictions.

In the second half of 2020, regional UK started to recover ahead of London, but was subsequently impacted again by the second and third waves of COVID-19 infections. The Group's hotels in Paris and Rome remained closed since March 2020.

The US continues to be the hardest hit, with the greatest number of infection cases and continuing restrictions on travel and business openings, compounded by civil and political unrest in many cities.

New York (NY) hotel occupancies were severely impacted with approximately 40% of the Group's hotels closed. Novotel Times Square was closed on 25 March 2020. The Group's other three NY hotels secured medical-related business as well as served essential workers to mitigate the losses.

In 1H 2020, Copthorne King's Hotel in Singapore completed the renovation of 142 rooms at the Tower Wing. After completing refurbishment, Copthorne Hotel and Resort Queenstown Lakefront, New Zealand, reopened in Q4 2020.

The Group is progressing with its plans to develop the Sunnyvale California project comprising a 263-room M Social hotel and a 250-unit residential block. It hopes to capitalise on Sunnyvale's strategic location as the headquarters of many technology companies and California's high-tech area of Silicon Valley. Construction for the apartment block has commenced and completion is expected in 2022.

To unlock value from its hotel portfolio, the Group had also embarked on four asset divestments in Malaysia, Singapore, the UK and the US for the year under review. The sale of Millennium Cincinnati was completed on 14 February 2020 for US$36 million (approximately $49 million) with a disposal gain of $26.0 million. The sale of W Singapore – Sentosa Cove hotel to CDLHT for $324 million was completed on 16 July 2020.

In December 2013, as a result of 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 ($30.8 million) and expects to complete this in Q3 2021.

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 (approximately $25 million), with a pre-tax gain on disposal of $9.2 million. The deal is expected to close in Q2 2021.

Looking ahead, we will continue to evaluate divestment opportunities in M&C's portfolio where appropriate. However, our priority is to improve M&C's hotel performance and to explore alternative uses that complement the Group's real estate capabilities, so as to build a stronger recurring income base.

Signature Studio Room, Copthorne King's Hotel Singapore

FUND MANAGEMENT

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

In April 2020, the Group acquired an additional 8.4% stake in Singapore-listed IREIT Global, a pan-European real estate investment trust listed in Singapore. In October 2020, it supported IREIT's fund-raising exercise, increasing its stake to 21% of the total issued units. The Group currently has a 50% stake in the REIT manager. IREIT's AUM grew 43% from €504.9 million (approximately $813.0 million) (at the point of investment by the Group in April 2019) to €719.6 million (approximately $1.1 billion) as at 31 December 2020. It remains confident about the long-term fundamentals of the established European economies.

The Group is accelerating its plans to establish a Singapore-listed REIT with UK commercial assets. Discussions with banks, partners and various stakeholders are at an advanced stage. Details such as the properties to be injected and the size of the offering are being deliberated. The timeline is subject to market conditions.

GETTING RENEWED

Over the decades, the Group has recovered from each crisis and emerged stronger than before. Its balance sheet and financial health remain strong.

Moving into 2021, it will continue to display resilience, management expertise and its proven ability to seize opportunities. On the back of global vaccine deployment, and collective efforts to reopen some borders, the Group remains optimistic that there is light at the end of this storm, and it will recover from this one-off dislocation.

As the global economy recovers from the effects of the pandemic, the Group will continuously tweak and execute on its Growth, Enhancement and Transformation (GET) strategy to propel recovery and accelerate growth.

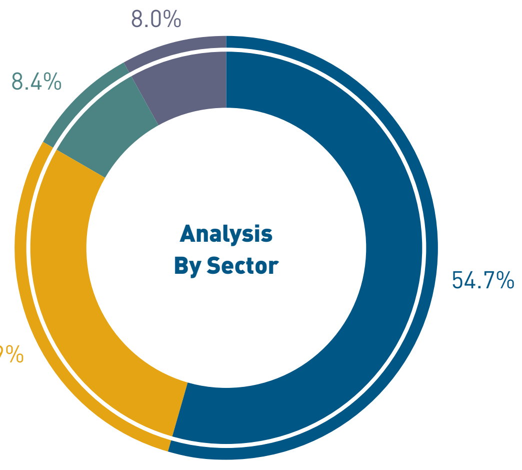
PROPERTY PORTFOLIO ANALYSIS

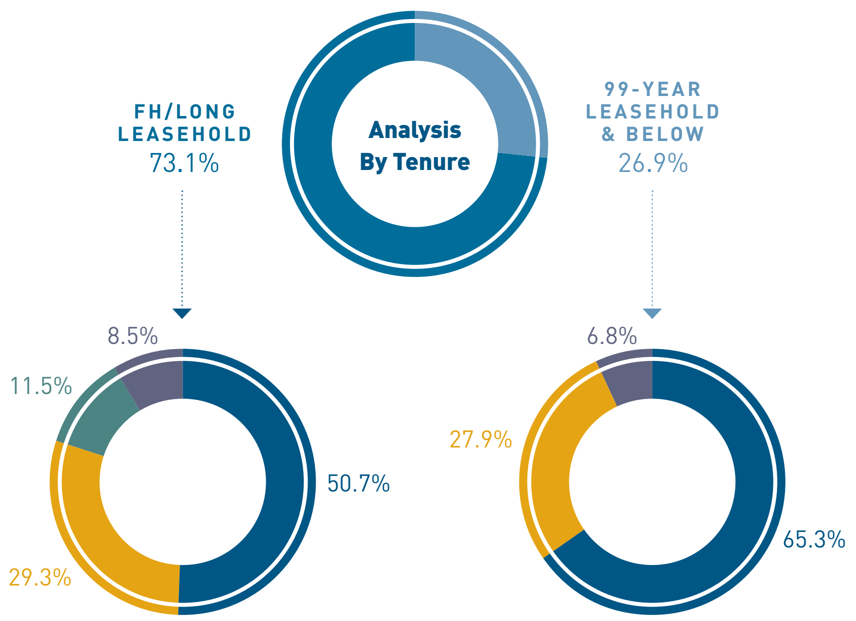
CDL GROUP'S ATTRIBUTABLE SHARE
AS AT 31 DECEMBER 2020

INVESTMENT PROPERTIES - COMMERCIAL & RESIDENTIAL

Total Lettable/ Strata Area:

6.7 MILLION SQ FT





FH/LONG LEASEHOLD BREAKDOWN BY SECTOR
TOTAL LETTABLE/STRATA AREA:
4.9 MILLION SQ FT

99-YEAR LEASEHOLD & BELOW BREAKDOWN BY SECTOR
TOTAL LETTABLE/STRATA AREA:
1.8 MILLION SQ FT

Office | Retail | Industrial | Residential

PROPERTY PORTFOLIO ANALYSIS

CDL GROUP'S ATTRIBUTABLE SHARE
AS AT 31 DECEMBER 2020

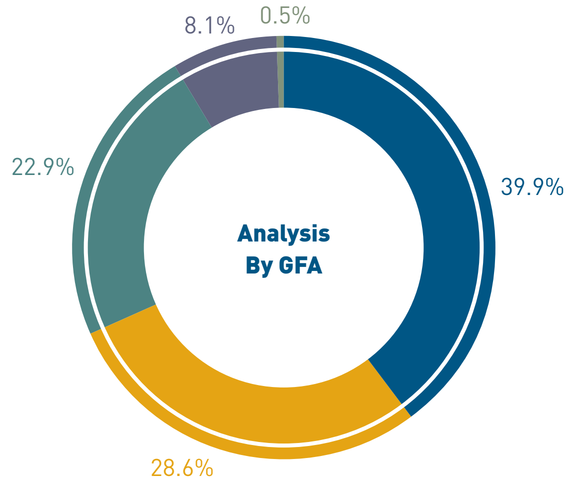
INVESTMENT PROPERTIES - HOTELS ~

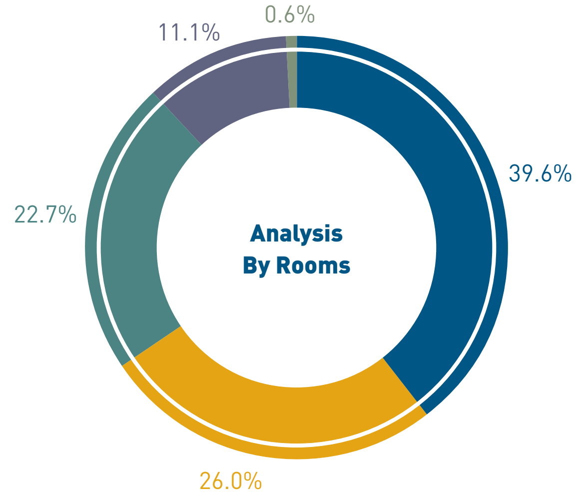
Total Gross Floor Area (GFA):

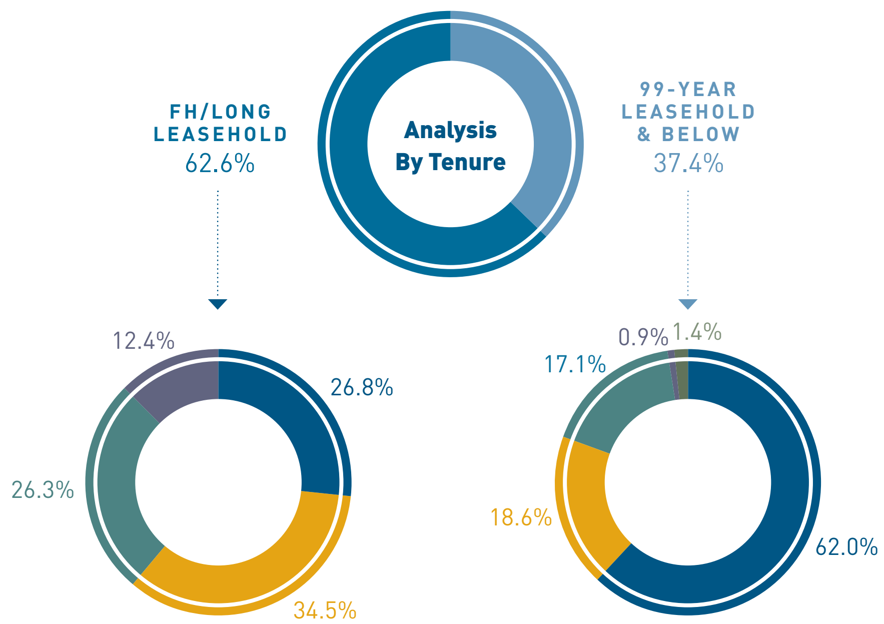
16.4 MILLION SQ FT

Total Number of Hotel Rooms:

24,643







FH/LONG LEASEHOLD BREAKDOWN BY SECTOR
TOTAL GROSS FLOOR AREA (GFA):
10.3 MILLION SQ FT

99-YEAR LEASEHOLD & BELOW BREAKDOWN BY SECTOR
TOTAL GROSS FLOOR AREA (GFA):
6.1 MILLION SQ FT

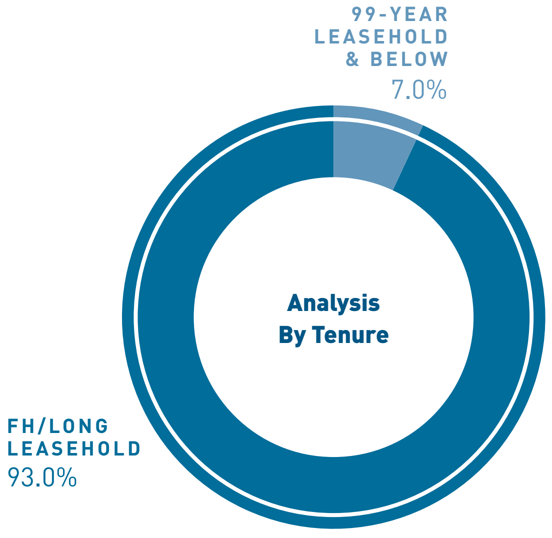
~ Refers to hotels that are owned by CDL Group or under CDL Hospitality Trusts, as listed in the Major Properties section found on pages 91 to 100 of the Annual Report.

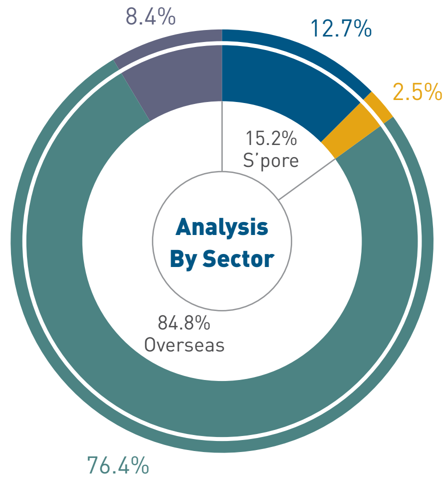
Asia | United States | Europe | Australasia | Maldives

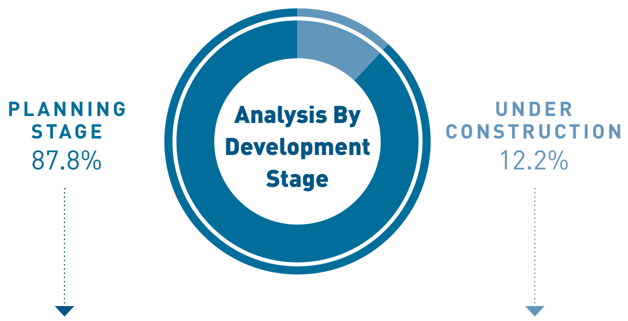
PROPERTY PORTFOLIO ANALYSIS – LAND BANK

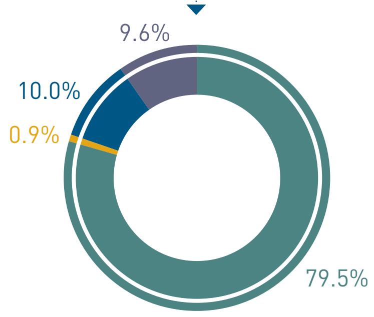
CDL GROUP'S ATTRIBUTABLE SHARE*
AS AT 31 DECEMBER 2020

Total Land Area:
3.5 MILLION SQ FT

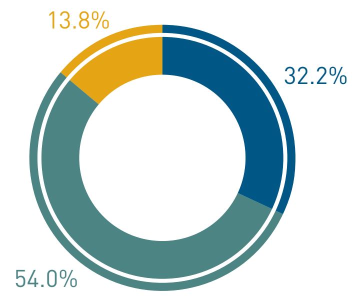








PLANNING STAGE BREAKDOWN BY SECTOR
TOTAL LAND AREA:
3.1 MILLION SQ FT



UNDER CONSTRUCTION BREAKDOWN BY SECTOR
TOTAL LAND AREA:
0.4 MILLION SQ FT

*Excludes M&C's listed subsidiaries and associates.

● Residential ● Residential - Overseas ● Commercial and Hotel Projects ● Commercial and Hotel Projects - Overseas

MAJOR PROPERTIES

AS AT 31 DECEMBER 2020

Commercial Properties	Tenure	Approximate Site Area (Sq. Ft)	Approximate Lettable/ Strata Area (Sq. Ft)	Effective Group Interest[1] (%)
Singapore - Office & Retail				
Republic Plaza, the flagship of CDL, is a 66-storey state-of-the-art intelligent office tower at Raffles Place, in the heart of Singapore's financial district.	999 years	72,809	774,422	100
South Beach is a mixed-use development located on Beach Road, comprising a 34-storey office tower (South Beach Tower) and a 45-storey hotel-cum-residential tower, along with retail (South Beach Avenue).	99 years wef 10.12.2007	376,295[2]	508,417 (Office) 30,054 (Retail) 560,240[3] (Hotel)	50.1
Fuji Xerox Towers is a part 15-storey/part 38-storey commercial office building situated at the intersection of Anson Road, Keppel Road, Tanjong Pagar Road and Bernam Street, near the western fringe of the Central Business District.	Freehold	58,061	352,944	100
City House is a 23-storey office building situated at Robinson Road/Cross Street within the Central Business District.	999 years	14,021	157,913	100
Central Mall (Office Tower) is a 7-storey office-cum-retail building located at Havelock Road/Magazine Road.	Freehold	30,148	131,465	100
Central Mall comprises a cluster of conservation shophouses at Havelock Road/Magazine Road.	99 years wef 15.05.1993	51,514	55,165	100
Palais Renaissance is a 16-storey retail-cum-office complex with 3 basements located at Orchard Road.	Freehold	29,180	110,889	100
11 Tampines Concourse is a 3-storey office building located at Tampines Ave 5. It is the first CarbonNeutral® development in Singapore and Asia Pacific.	15 years wef 18.02.2008	124,012	104,324	100
King's Centre is an 8-storey office-cum-retail waterfront development located at Havelock Road, along the Singapore River.	99 years wef 09.02.1984	55,822	89,526	100
City Square Mall is an 11-storey shopping mall located at the junction of Serangoon and Kitchener Roads.	Freehold	157,365	443,595	100
Quayside Isle is a 2-storey F&B and retail waterfront development located next to W Singapore – Sentosa Cove.	99 years wef 31.10.2008	89,683	44,121	100
Katong Shopping Centre is a 7-storey office-cum-shopping complex situated along Mountbatten Road. The Group owns 61 out of 425 strata-titled lots.	Freehold	86,925	84,662	100
Delfi Orchard is an 11-storey commercial-cum-residential complex located at Orchard Road. The Group owns 125 out of 150 strata-titled lots.	Freehold	20,264	68,177	100
Tanglin Shopping Centre is an office-cum-shopping complex situated at Tanglin Road, within the Orchard Road tourist district. The Group owns 85 out of 363 strata-titled lots.	Freehold	68,511	64,784	100

Notes:
[1] For strata-titled properties, this % refers to the Group's effective interest in the strata-titled units owned by the Group.
[2] Refers to the full development site, which comprises the hotel, office, retail and residential components.
[3] Refers to the Gross Floor Area of the 634-room JW Marriott Hotel Singapore South Beach.

MAJOR PROPERTIES

AS AT 31 DECEMBER 2020

Commercial Properties	Tenure	Approximate Site Area (Sq. Ft)	Approximate Lettable/ Strata Area (Sq. Ft)	Effective Group Interest[1] (%)
Singapore - Office & Retail (Cont'd)				
The Arcade is a 20-storey office-cum-shopping complex situated at Collyer Quay within the Central Business District. The Group owns 19 out of 127 strata-titled units.	999 years	21,909	43,534	100
Singapore - Industrial				
Cideco Industrial Complex is an 8-storey industrial building located at Genting Lane.	Freehold	58,972	135,268	100
Tagore 23 Warehouse is a 4-storey warehouse located at Tagore Lane.	Freehold	79,843	129,878	100
City Industrial Building is an 11-storey flatted factory building at Tannery Lane.	Freehold	33,908	125,834	100
Citilink Warehouse Complex is an 8-storey warehouse located at Pasir Panjang Road. The Group owns 62 out of 180 strata titled units.	Freehold	146,104	103,299	100
Cititech Industrial Building is an 8-storey industrial building located at 629 Aljunied Road. The Group owns 44 out of 144 strata-titled units.	Freehold	118,645	69,373	100
Singapore - Serviced Apartments				
Le Grove is the Group's first serviced apartments project located at Orange Grove Road, off Orchard Road.	Freehold	63,410	88,415	100
Overseas				
Biltmore Court & Tower (US) is located at 500/520 South Grand Avenue, Los Angeles, CA 90071, comprising the Court which has 22,133 sq. metres of Class "B" lettable office space within the Biltmore hotel structure and the Tower which has 12,116 sq. metres of Class "A" office space.	Freehold	53,293	377,723	100
125 Old Broad Street (UK) is a Grade A office tower located in the heart of London and within the main financial district, comprising of 30,547 sq. metres spread over 26 floors with panoramic views of the city and three basement levels.	Freehold	31,366	328,806	100
Aldgate House (UK) is located in the heart of Aldgate, one of London's most vibrant districts, comprising of 19,496 sq. metres Grade A office, retail and ancillary spaces over two basements, ground, mezzanine and eight upper floors.	Freehold	34,445	209,860	100
Hong Leong Plaza Hongqiao (China) is located in Shanghai Hongqiao CBD. The property comprises 5 office towers, sunken retail plaza and 2 levels of basement carpark.	Office: Leasehold to year 2061 Retail: Leasehold to year 2051	173,204	345,229 (Office) 41,771 (Retail)	100

Notes:
[1] For strata-titled properties, this % refers to the Group's effective interest in the strata-titled units owned by the Group.

MAJOR PROPERTIES

AS AT 31 DECEMBER 2020

Commercial Properties	Tenure	Approximate Site Area (Sq. Ft)	Approximate Lettable/ Strata Area (Sq. Ft)	Effective Group Interest[1] (%)
Overseas (Cont'd)				
Hong Leong Hongqiao Center (China) is located in Shanghai Hongqiao CBD. The property comprises office space, retail units, a 132-room serviced apartment and a basement carpark.	Office: Leasehold to year 2065 Retail: Leasehold to year 2055	190,313	244,793 (Office) 16,274 (Retail) 123,628 (Serviced Apartment)	100
HLCC mall (China) is a 6-storey retail mall within a mixed development project located at Jinji Lake within Suzhou Industrial Park.	Leasehold to year 2052	68,850	324,938	100
Yaojiang International (China) is an 8-storey building offering co-working space and is located in Shanghai's prime North Bund Business District.	Leasehold to year 2052	5,705	42,881	100
Jungceylon Shopping Mall and Millennium Resort Patong Phuket (Thailand) is a mixed development comprising a 4-storey retail mall and a 418-room hotel, located in the commercial area of Patong, Phuket Island.	Freehold	905,414	714,695 (Retail) 481,592 (Hotel)	49
Mille Malle (Thailand) is a 4-storey retail mall located in the prime residential and commercial district at Sukhumvit Road, Bangkok.	Freehold	20,667	32,807	49
Horie Lux (Japan) is a 14-storey development with 29 apartments and 5 retail units located in Central Osaka.	Freehold	4,810	27,719	100
Pregio Joto Chuo (Japan) is located in Joto Ward, Osaka city. The 9-storey residential development comprises 48 apartments.	Freehold	5,762	16,938	100
B-Proud Tenmabashi (Japan) is a 14-storey residential building with 26 apartments located in Central Osaka.	Freehold	2,293	14,622	100
Pregio Miyakojima Hondori (Japan) is located in Miyakojima Ward, Osaka City. The 15-storey residential building comprises 56 apartments.	Freehold	6,426	18,940	100
City Lux Yokohama (Japan) is a 10-storey residential building with 78 apartments located in Minami Ward, Yokohama City.	Freehold	8,364	32,208	100

Notes:
[1] For strata-titled properties, this % refers to the Group's effective interest in the strata-titled units owned by the Group.

MAJOR PROPERTIES

AS AT 31 DECEMBER 2020

Hotels	Tenure	Approximate Site Area (Sq. Ft)	Number of Rooms	Effective Group Interest (%)
Directly Owned By CDL Group				
Asia				
The St. Regis Singapore 29 Tanglin Road, Singapore	999 years	71,881	299	33
M Social Singapore 90 Robertson Quay, Singapore	99 years wef 07.06.2011	48,631	293	100
Millennium Hilton Bangkok 123 Charoen Nakhon Rd, Khlong Ton Sai, Khlong San, Bangkok 10600, Thailand	Freehold	108,758	543	57.5
Europe				
Holiday Inn Moscow - Seligerskaya Korovinskoye Shosse, 10, Moscow, Russia	Leasehold to year 2055	287,550	201	50
Owned By Millennium & Copthorne Hotels Limited				
Asia				
Grand Millennium Beijing Fortune Plaza, 7 Dongsanhuan Middle Road, Chaoyang District, Beijing 100020 China	Leasehold to year 2046 (hotel) Leasehold to year 2056 (underground carpark)	99,760	517	70
JW Marriott Hotel Hong Kong Pacific Place, 88 Queensway, Hong Kong	75 years from 18.04.1985 and may be renewable for a further term of 75 years	115,066	608	26
New World Millennium Hong Kong Hotel 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong	75 years from 28.11.1984 and may be renewable for a further term of 75 years	30,677	463	50
Millennium Hotel Sirih Jakarta Jalan Fachrudin 3, Jakarta 10250, Indonesia	The title is held under a Hak Guna Bangunan (i.e. Right to Build) and a 40-year lease wef 14.04.1984 and 22.01.1986 for approximate site area of 7,084 sq. metres and 212 sq. metres respectively	78,534	401	100
Milllennium Mitsui Garden Hotel Tokyo 5-11-1 Ginza, Chuo-Ku Tokyo 104-0061, Japan	Freehold/ Leasehold - 30 years from 25.03.2009	11,194	329	100
Millennium Hilton Seoul 50 Sowol-ro, Jung-gu, Seoul, South Korea 100-802	Freehold	202,221	680	100
Grand Millennium Kuala Lumpur 160 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia	Freehold	82,559	468	100
The Heritage Hotel Manila Roxas Boulevard at corner of EDSA Pasay City, Metropolitan Manila, Philippines	Fee Simple	106,433	450	66
Grand Hyatt Taipei 2, Songshou Road Taipei, Taiwan, 11051	50 years from 07.03.1990. The lease agreement is extendable for another 30 years.	152,772	850	84

MAJOR PROPERTIES

AS AT 31 DECEMBER 2020

Hotels	Tenure	Approximate Site Area (Sq. Ft)	Number of Rooms	Effective Group Interest (%)
Europe				
Millennium Hotel Paris Charles de Gaulle Zone Hoteliere, Allée du Verger, 95700 Roissy-en-France, France	Freehold	125,475	239	100
Millennium Hotel Paris Opéra 12 Boulevard Haussmann, 75009 Paris, France	Freehold	11,765	163	100
Grand Hotel Palace Rome Via Veneto, 70, Rome, 00187, Italy	Freehold	8,622	86	100
Copthorne Tara Hotel London Kensington Scarsdale Place, Kensington, London W8 5SY, England	Freehold	81,106	833	100
Millennium Gloucester Hotel London Kensington Harrington Gardens, London SW7 4LH, England	Freehold	68,329	610	100
The Biltmore, Mayfair - LXR Hotels & Resorts 44 Grosvenor Square, Mayfair, London W1K 2HP, England	Leasehold to year 2096	45,854	308	100
Copthorne Hotel London Gatwick Copthorne Way, Copthorne, West Sussex RH10 3PG, England	Freehold	4,356,086	227	100
Millennium Hotel London Knightsbridge 17 Sloane Street, Knightsbridge, London SW1X 9NU, England	Leasehold to year 2091	8,708	222	100
Copthorne Hotel Slough-Windsor Cippenham Lane, Slough, Berkshire SL1 2YE, England	Freehold	74,056	219	100
The Bailey's Hotel London 140 Gloucester Road, London SW7 4QH, England	Freehold	20,699	212	100
Copthorne Hotel Birmingham Paradise Circus, Birmingham B3 3HJ, England	Freehold	23,551	211	100
Copthorne Hotel Manchester Clippers Quay, Salford Quays, Manchester M50 3SN, England	Leasehold to year 2135	105,486	166	100
The Chelsea Harbour Hotel Chelsea Harbour, London, SW10 0XG, England	Leasehold to year 2112	27,566	158	100
Copthorne Hotel Newcastle The Close, Quayside, Newcastle upon Tyne NE1 3RT, England	Freehold	99,028	156	96
Copthorne Hotel Merry Hill-Dudley The Waterfront, Level Street, Brierley Hill, Dudley, West Midlands DY5 1UR, England	Freehold	147,831	138	100
Copthorne Hotel Cardiff -Caerdydd Copthorne Way, Culverhouse Cross, Cardiff CF5 6DH, Wales	Freehold	283,144	135	100

MAJOR PROPERTIES

AS AT 31 DECEMBER 2020

Hotels	Tenure	Approximate Site Area (Sq. Ft)	Number of Rooms	Effective Group Interest (%)
Europe (Cont'd)				
Copthorne Hotel Plymouth Armada Way, Plymouth PL1 1AR, England	Leasehold to year 2110	19,946	135	100
Copthorne Hotel Effingham Gatwick West Park Road, Copthorne, West Sussex RH10 3EU, England	Freehold	1,742,439	122	100
Hard Days Night Hotel Liverpool Central Buildings North John Street Liverpool, L2 6RR, England	Leasehold to year 2129	56,780	110	100
Copthorne Hotel Aberdeen 122 Huntly Street, Aberdeen AB10 1SU, Scotland	Freehold	14,015	87	83
Millennium Hotel Glasgow George Square, Glasgow G2 1DS, Scotland	Leasehold to year 2109	63,787	61	100
North America				
Millennium Biltmore Los Angeles 506 South Grand Avenue, Los Angeles, CA 90071, USA	Freehold	121,686	683	100
Millennium Broadway New York Times Square 145 West 44th Street, New York, NY 10036, USA	Freehold	18,966	626	100
Millennium Hilton New York Downtown 55 Church Street, New York, NY 10007, USA	Freehold	18,083	569	100
Novotel New York Times Square 226W 52nd Street, New York, NY 10019, USA	Fee simple estate, a leasehold interest, and a leased fee interest	21,280	480	100
Maingate Lakeside Resort 7769 W Irlo Bronson Memorial Highway, Kissimmee, FL 34747, USA	Freehold	1,009,611	475	100
Millennium Hilton New York One UN Plaza 1 UN Plaza, 44th Street at 1st Avenue, New York, NY 10017, USA	East tower freehold/ West tower leasehold to year 2079	49,019	439	100
Millennium Minneapolis 1313 Nicollet Mall, Minneapolis, MN 55403, USA	Leasehold to year 2030	48,836	321	100
Millennium Knickerbocker Hotel Chicago 163 East Walton Place, Chicago, IL 60611, USA	Freehold	21,603	306	100
Millennium Buffalo 2040 Walden Avenue, Buffalo, NY 14225, USA	Leasehold to year 2022 (with one 10-year option)	341,528	301	100
Millennium Durham 2800 Campus Walk Avenue, Durham, NC 27705, USA	Freehold	460,846	290	100

MAJOR PROPERTIES

AS AT 31 DECEMBER 2020

Hotels	Tenure	Approximate Site Area (Sq. Ft)	Number of Rooms	Effective Group Interest (%)
North America (Cont'd)				
Millennium Maxwell House Nashville 2025 Rosa L. Parks Boulevard, Nashville, TN 37228, USA	Leasehold to year 2030 (with two 10-year options)	184,493	287	100
The Lakefront Anchorage 4800 Spenard Road, Anchorage, AK 99517, USA	Hotel Lease: Freehold Dock Lease: Leasehold to 2040	152,406	248	100
The Bostonian Boston 26 North Street, At Faneuil Hall Marketplace, Boston, MA 02109, USA	Freehold	29,805	204	100
Comfort Inn Near Vail Beaver Creek 161 West Beaver Creek Boulevard, Avon, CO 81620, USA	Freehold	120,653	146	100
The McCormick Scottsdale 7421 North Scottsdale Road, Scottsdale, AZ 85208, USA	Leasehold to year 2033 (with two 10-year options)	353,260	125	100
Millennium Premier New York Times Square 133 West 44th Street, New York NY 10036, USA	Freehold	3,875	124	100
Pine Lake Trout Club 17021 Chillicothe Road, Chagrin Falls, OH 44023, USA	Freehold	3,563,647	6	100
Novotel Penthouse 1651-65 Broadway, New York, NY 10019, USA	Leasehold to year 2080	3,305	NA	100
Millennium Hotel St. Louis (Closed) 200 South 4th Street, St. Louis, MO 63102, USA	Freehold	183,342	780	100
Australasia				
Copthorne Hotel & Resort Queenstown Lakefront Corner Adelaide Street & Frankton Road, Queenstown, New Zealand	Freehold	201,382	240	76
Millennium Hotel Rotorua Corner Eruera & Hinemaru Streets, Rotorua, New Zealand	Freehold/Perpetual leasehold land	108,812	227	76
Millennium Hotel Queenstown Corner Frankton Road & Stanley Street, Queenstown, New Zealand	Freehold	80,223	220	76
M Social Auckland 196-200 Quay Street, Auckland, New Zealand	Freehold	25,909	190	76
Copthorne Hotel & Resort Bay of Islands Tau Henare Drive, Paihia, New Zealand	Leasehold land to year 2021 (renewal option to May 2087)	676,339	180	37

MAJOR PROPERTIES

AS AT 31 DECEMBER 2020

Hotels	Tenure	Approximate Site Area (Sq. Ft)	Number of Rooms	Effective Group Interest (%)
Australasia (Cont'd)				
Copthorne Hotel Rotorua Fenton Street, Rotorua, New Zealand	Freehold	386,801	136	76
Copthorne Hotel Palmerston North 110 Fitzherbert Avenue, Palmerston North, New Zealand	Freehold	101,127	89	76
Copthorne Hotel Wellington Oriental Bay 100 Oriental Parade, Wellington, New Zealand	Freehold	42,022	118	76
Copthorne Hotel Auckland City 150 Anzac Avenue, Auckland, New Zealand	Perpetual leasehold land	26,856	110	76
Kingsgate Hotel Greymouth 32 Mawhera Quay, Greymouth, New Zealand	Freehold/Perpetual leasehold land	30,214	64	76
Kingsgate Hotel Te Anau 20 Lakefront Drive, Te Anau, New Zealand	Freehold	94,927	94	76
Copthorne Hotel & Apartments Queenstown Lakeview 88 Frankton Road, Queenstown, New Zealand	Freehold/Strata title	50,730	85	76
Kingsgate Hotel Dunedin 10 Smith Street, Dunedin, New Zealand	Freehold	23,605	55	76
Millennium Hotel New Plymouth, Waterfront 1 Egmont Street, New Plymouth 4310, New Zealand	Freehold	12,368	42	76
Owned By CDL Hospitality Trusts				
Asia				
Orchard Hotel# 442 Orchard Road, Singapore	75-year leasehold interest commencing from 19.07.2006	92,440@	656	38
Claymore Connect# 442 Orchard Road, Singapore	75-year leasehold interest commencing from 19.07.2006		NA	38
Grand Copthorne Waterfront Hotel# 392 Havelock Road, Singapore	75-year leasehold interest commencing from 19.07.2006	116,896+	574	38
M Hotel# 81 Anson Road, Singapore	75-year leasehold interest commencing from 19.07.2006	22,970	415	38
Studio M Hotel 3 Nanson Road, Singapore	99-year leasehold interest commencing from 26.02.2007	31,560	360	38
W Singapore - Sentosa Cove 21 Ocean Way, Singapore	99 years wef 31.10.2006	183,159	240	38

Notes:
The Group has freehold reversionary interest of the property at the expiry of the 75-year lease.
@ Including Claymore Connect.
+ Including adjoining Waterfront Plaza.

MAJOR PROPERTIES

AS AT 31 DECEMBER 2020

Hotels	Tenure	Approximate Site Area (Sq. Ft)	Number of Rooms	Effective Group Interest (%)
Asia (Cont'd)				
Copthorne King's Hotel 403 Havelock Road, Singapore	99-year leasehold interest commencing from 01.02.1968	60,676	311	38
Hotel MyStays Asakusabashi 1-5-5 Asakusabashi, Taito-ku, Tokyo 111-0053, Japan	Freehold	6,071	139	38
Hotel MyStays Kamata 5-46-5 Kamata, Ota-ku, Tokyo 144-0052, Japan	Freehold	5,350	116	38
Europe				
Pullman Hotel Munich Theodor-Dombart-Strasse 4, Munich, 80805, Germany	Freehold	88,146	337	36
Hotel Cerretani Firenze - MGallery Via de' Cerretani 68, 50123 Florence, Italy	Freehold	14,531	86	36
Hilton Cambridge City Centre 20 Downing Street, Cambridge, CB2 3DT England	125-year leasehold interest commencing from 25.12.1990 and extendable for a further 50 years	38,750	198	38
The Lowry Hotel 50 Dearmans Place, Salford, Manchester, M3 5LH England	150-year leasehold interest commencing from 18.03.1997	23,681	165	38
Australasia				
Mercure Perth 10 Irwin Street, Perth, Western Australia, Australia	Strata freehold	8,148	239	38
Ibis Perth 334 Murray Street, Perth, Western Australia, Australia	Freehold	15,931	192	38
Grand Millennium Auckland 71-87, Mayoral Drive, Auckland, New Zealand	Freehold	63,615	452	38
Maldives				
Angsana Velavaru Velavaru Island, South Nilandhe Atoll, Republic of Maldives	50-year leasehold interest commencing from 26.08.1997	728,899	113	38
Raffles Maldives Meradhoo Meradhoo Island, Gaafu Alifu Atoll, Republic of Maldives	50-year leasehold interest commencing from 15.06.2006	576,687	38	38

MAJOR PROPERTIES

AS AT 31 DECEMBER 2020

FOR DEVELOPMENT AND/OR RESALE

Description & Location	Site Area (Sq. Metres)	Tenure	Effective Group Interest (%)
Residential			
15, 19 & 21 Swiss Club Road, Singapore	20,014	Freehold	100
Tampines Road/Upper Changi Road North, Singapore	14,013	Freehold	33
Project on Mina Parade, Brisbane, Australia	46,669	Freehold	100
The Marker, Melbourne, Australia	4,246	Freehold	50
Project on Macaulay, Melbourne, Australia	3,068	Freehold	50
Project on Fitzroy, Melbourne, Australia	1,820	Freehold	50
Prime freehold site in Shirokane, Tokyo, Japan	16,815	Freehold	100
Jalan Kolam Ayer, Johor Bahru, Malaysia	24,739	Freehold	100
Jalan Waspada, Johor Bahru, Malaysia	6,368	Freehold	100
The Stag Brewery, Mortlake, London, UK	77,000	Freehold	100
Ransomes Wharf, Battersea, London, UK	6,243	Freehold	100
Commercial			
The Stag Brewery, Mortlake, London, UK	8,842	Freehold	100
Development House, Leonard Street, Shoreditch, London, UK	1,240	Freehold	100
Hotel			
Land Site at Chung-gu, Namdaeumro, Seoul, South Korea	1,564	Freehold	100
Land Site at 28 Pavilion Road, Knightsbridge, London, UK	1,660	Freehold	100
Land Site at Orlando Florida Land, US	21,287	Freehold	100
Land Site at Centennial Colorado Land, US	10,198	Freehold	100

IN THE COURSE OF DEVELOPMENT

Description	Location	Site Area (Sq. Metres)	Gross Floor Area (Sq. Metres)	Tenure	Effective Group Interest (%)	Approximate Percentage Completion (%)	Expected Completion
Residential							
The Tapestry	Tampines Ave 10	21,718	60,810	99 years	100	98	2021
Whistler Grand	West Coast Vale	19,591	56,021	99 years	100	75	2022
Haus on Handy	Handy Road	4,796	11,446	99 years	100	15	2022
Piermont Grand	Sumang Walk	27,056	83,604	99 years	60	32	2022
The Marker	Spencer Street	4,246	33,836	Freehold	50	10	2022
Amber Park	Amber Road	19,850	55,582	Freehold	80	21	2023
Monk Bridge	Whitehall Road, Leeds	16,750	53,167	Freehold	100	15	2023
Penrose	Sims Drive	16,225	52,337	99 years	40	*	2024
Irwell Hill Residences	Irwell Bank Road	12,787	35,802	99 years	100	*	2025
Mixed Development							
Sunnyvale California	1250 Lakeside Drive, Sunnyvale CA 84085	35,733	24,223 (Apartments) 14,953 (Hotel)	Freehold	100	70 (Apartment) * (Hotel)	2021
Hong Leong City Center (Hotel)	Suzhou Jinji Lake, SIP District, China	45,455	33,131 (Hotel)	40 years (Hotel)	100	95	2022
Boulevard 88 / The Singapore EDITION	Cuscaden Road / Orchard Boulevard	12,127	56,050	Freehold	40	24	2022
Sengkang Grand Residences / Sengkang Grand Mall	Sengkang Central	37,255	65,621	99 years	50	15	2023
Redevelopment of Liang Court	River Valley Road	12,925	100,263	99 years	51	*	2025

Notes:

* Work is less than 10% completed. For Sunnyvale California, hotel work is currently on-hold and commencement is depending on the recovery of the hospitality business (due to COVID-19) in the near future.

STATUTORY REPORTS AND ACCOUNTS

FINANCIAL CONTENTS

102 Directors' Statement
108 Independent Auditors' Report
116 Statements of Financial Position
118 Consolidated Statement of Profit or Loss
119 Consolidated Statement of Comprehensive Income
120 Consolidated Statement of Changes in Equity
124 Consolidated Statement of Cash Flows
127 Notes to the Financial Statements

DIRECTORS' STATEMENT

Year ended 31 December 2020

The directors are pleased to present their statement to the members of City Developments Limited (the "Company") together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2020.

In our opinion:

(a) the financial statements set out on pages 116 to 272 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act"), Singapore Financial Reporting Standards (International) and International Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors in office at the date of this statement are as follows:

Kwek Leng Beng	(Executive Chairman)
Sherman Kwek Eik Tse	(Executive Director)
Lim Yin Nee Jenny	
Philip Yeo Liat Kok	
Tan Poay Seng	
Ong Lian Jin Colin	(Appointed on 7 October 2020)
Daniel Marie Ghislain Desbaillets	(Appointed on 20 November 2020)
Chong Yoon Chou	(Appointed on 20 November 2020)
Chan Swee Liang Carolina (Carol Fong)	(Appointed on 29 December 2020)
Lee Jee Cheng Philip	(Appointed on 4 January 2021)

DIRECTORS' INTERESTS

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants and/or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year. The directors of the Company consider Hong Leong Investment Holdings Pte. Ltd. to be the immediate and ultimate holding company of the Company.

According to the register of directors' shareholdings kept by the Company under Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year (including those of their spouses and children below 18 years of age) in shares and/or share options of the Company and in related corporations are as follows:

DIRECTORS' STATEMENT

Year ended 31 December 2020

DIRECTORS' INTERESTS (CONT'D)

	Holdings in which the director, his spouse and children below 18 years of age have a direct interest	
	At beginning of the year	**At end of the year**
The Company		
Ordinary Shares		
Kwek Leng Beng	397,226	397,226
Preference Shares		
Kwek Leng Beng	144,445	144,445
Immediate and Ultimate Holding Company		
Hong Leong Investment Holdings Pte. Ltd. Ordinary Shares		
Kwek Leng Beng	2,320	2,320
Sherman Kwek Eik Tse	1,174	1,174
Subsidiary Corporation		
Millennium & Copthorne Hotels New Zealand Limited Ordinary Shares		
Kwek Leng Beng	906,000	906,000
Redeemable Non-voting Preference Shares		
Kwek Leng Beng	453,000	453,000
Related Corporations		
Hong Leong Finance Limited Ordinary Shares		
Kwek Leng Beng	6,618,607	6,618,607

DIRECTORS' STATEMENT

Year ended 31 December 2020

DIRECTORS' INTERESTS (CONT'D)

	Holdings in which the director, his spouse and children below 18 years of age have a direct interest	
	At beginning of the year	At end of the year
Related Corporations (cont'd)		
Hong Leong Finance Limited (cont'd) **Options to subscribe for ordinary shares under the Hong Leong Finance Share Option Scheme 2001**		
Kwek Leng Beng	1,051,960	814,960
Hong Leong Holdings Limited **Ordinary Shares**		
Kwek Leng Beng	259,000	259,000
Hong Leong Asia Ltd. **Ordinary Shares**		
Kwek Leng Beng	660,000	660,000
Hong Realty (Private) Limited **Ordinary Shares**		
Kwek Leng Beng	1,110	1,110
Sun Yuan Holdings Pte Ltd **Ordinary Shares**		
Kwek Leng Beng	15,000,000	15,000,000

	Other holdings in which the director is deemed to have an interest	
	At beginning of the year	At end of the year
Immediate and Ultimate Holding Company		
Hong Leong Investment Holdings Pte. Ltd. **Ordinary Shares**		
Kwek Leng Beng	40,744	40,744

The directors' interests in the Company as disclosed above remained unchanged as at 21 January 2021.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangements whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

Year ended 31 December 2020

SHARE OPTIONS

By the Company

During the financial year, there were:

(a) no options granted by the Company to any person to take up unissued shares of the Company; and

(b) no shares issued by virtue of any exercise of options to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under options.

By Subsidiary Corporation

Millennium & Copthorne Hotels Limited (M&C)

The M&C Group used to operate a number of share option schemes, a majority of which were designed to link remuneration to the future performance of the M&C Group. In accordance with the M&C Group's accounting policy on share-based payment transactions, the fair value of share options and long-term incentive awards is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the share options and long-term incentive awards. The charge to the statement of profit or loss for the year was £nil (2019: £nil).

The M&C Group has applied IFRS 2 to its active employee share-based payment arrangements from 1 January 2005 except for arrangements granted before 7 November 2002.

There were no options granted by M&C during 2020 in line with the recommended final cash offer (Final Offer) made by the Company in 2019 and any outstanding options are to close out per the final vesting dates.

(i) 2006 and 2016 Sharesave Schemes

There were no options outstanding at the end of the current or previous year in line with the Final Offer executed by the Company in 2019.

(ii) 2006 and 2016 Long-Term Incentive Plan (LTIP)

There were no options outstanding at the end of the current or previous year in line with the Final Offer executed by the Company in 2019.

(iii) Annual Bonus Plan

Under the Annual Bonus Plan, deferred share awards were granted annually to selected employees of the M&C Group. Shares in M&C (now a cash settlement made by M&C subsequent to delisting) are transferred to participants as follows if they continue to be employed by the M&C Group:

- 25% after years one and two; and
- 50% after three years

DIRECTORS' STATEMENT

Year ended 31 December 2020

SHARE OPTIONS (CONT'D)

By Subsidiary Corporation (cont'd)

Milennium & Copthorne Hotels Limited (M&C) (cont'd)

(iii) Annual Bonus Plan (cont'd)

Date of award	Balance at beginning of year	Awards made during the year	Awards vested during the year	Awards expired/ forfeited during the year	Balance at end of year	Vesting date
13.05.2016	196	–	–	–	196	13.05.2017/18/19
14.06.2017	3,337	–	(2,909)	(428)	–	14.06.2018/19/20
14.12.2018	23,901	–	(8,306)	(2,605)	12,990	14.12.2019/20/21
13.08.2019	31,814	–	(10,392)	(3,871)	17,551	13.08.2020/21/22
	59,248	–	(21,607)	(6,904)	30,737	

(iv) Executive Share Plan

The Executive Share Plan was approved by M&C on 18 February 2016 to replace participation in the LTIP by senior executive management. These awards will vest over a three-year period (25% after years one and two, 50% after three years), subject to the rules of the Executive Share Plan.

Date of award	Balance at beginning of year	Awards made during the year	Awards vested during the year	Awards expired/ forfeited during the year	Balance at end of year	Vesting date
15.08.2017	3,363	–	(3,363)	–	–	15.08.2018/19/20
04.12.2018	11,672	–	(1,526)	(2,805)	7,341	04.12.2019/20/21
09.08.2019	15,784	–	(3,764)	(2,653)	9,367	09.08.2020/21/22
	30,819	–	(8,653)	(5,458)	16,708	

AUDIT & RISK COMMITTEE

The Audit & Risk Committee comprises three non-executive members of the Board, all of whom are independent. The members of the Audit & Risk Committee at the date of this statement are:

Lim Yin Nee Jenny (Chairman)
Chong Yoon Chou
Lee Jee Cheng Philip

The Audit & Risk Committee performs the functions of an audit & risk committee under its terms of reference including those specified in Section 201B of the Act, the Listing Manual of Singapore Exchange Securities Trading Limited ("Listing Manual") and the Code of Corporate Governance 2018.

The Audit & Risk Committee met ten times during the financial year ended 31 December 2020. In performing its functions, the Audit & Risk Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and their evaluation of the Group's system of internal controls.

DIRECTORS' STATEMENT

Year ended 31 December 2020

AUDIT & RISK COMMITTEE (CONT'D)

The Audit & Risk Committee also reviewed, *inter alia*, the following:

- assistance provided by the Company's officers to the internal and external auditors;
- half-yearly and annual consolidated financial statements of the Group prior to their submission to the Board of Directors of the Company for approval; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual).

The Audit & Risk Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer or third party advisor to attend its meetings. The Audit & Risk Committee also recommends the appointment of the external auditors and reviews the nature and level of audit and non-audit fees.

The Audit & Risk Committee further reviewed the independence of the auditors, KPMG LLP, as required under Section 206(1A) of the Act, and determined that the auditors were independent in carrying out their audit of the financial statements. Accordingly, they have recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing the auditors for the Company, its subsidiaries and significant associates and joint ventures, the Company has complied with Rules 712 and 715 of the Listing Manual.

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Kwek Leng Beng
Executive Chairman

Sherman Kwek Eik Tse
Executive Director

7 April 2021

INDEPENDENT AUDITORS' REPORT

Members of the Company
City Developments Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of City Developments Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 116 to 272.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act), Singapore Financial Reporting Standards (International) (SFRS(I)s) and International Financial Reporting Standards (IFRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for the Group's investment in HCP Chongqing Property Development Co., Ltd

a) Accounting for the acquisition of HCP Chongqing Property Development Co., Ltd ("HCP") and impairment of equity investment in HCP
(Refer to note 9 to the financial statements)

Risk

In April 2020, the Group acquired an equity interest of 63.75% in HCP, an investment holding company which indirectly owns Chongqing Sincere Yuanchuang Industrial Co., Ltd. ("Sincere Property Group"), a real estate developer in China, for an aggregate consideration of approximately $0.9 billion. This acquisition represents a significant transaction for the Group and was accounted for as a business combination and an investment in a joint venture.

There is judgement involved in determining whether the acquisition is a business combination or asset acquisition. Where an acquisition is accounted for as a business combination, the purchase price is allocated to the fair value of the identifiable assets acquired and liabilities assumed, including any contingent liabilities (purchase price allocation or "PPA"). Significant judgement is involved in estimating the fair value of the identifiable assets acquired and liabilities assumed and the resultant goodwill.

INDEPENDENT AUDITORS' REPORT

The Group engaged an independent valuer to determine the fair values of the underlying properties held by HCP and its subsidiaries ("HCP Group"). A significant portion of the purchase price was allocated to HCP Group's underlying property portfolio comprising development properties, property, plant and equipment and investment properties, based on the valuation amounts in the independent valuation reports. The valuation of development properties is critically dependent upon the estimated future selling prices. The valuation of property, plant and equipment and investment properties involves significant judgement in determining both the valuation methods to be used and the key assumptions to be applied. The valuations are sensitive to the key assumptions applied and a change in assumptions may have a significant impact on the valuations.

In addition, included in the assets of HCP Group were amounts due from related parties of HCP Group at the acquisition completion date. The valuation of these amounts due from related parties of HCP Group, which takes into consideration the amounts that will be recoverable from the related parties, involves significant judgement.

Judgement is also involved in estimating the fair value of contingent liabilities (mainly financial guarantees issued to lenders for credit facilities granted to HCP Group's related parties) recognised as part of the PPA, which takes into consideration the probability that the HCP Group will have to fulfil its obligations under the financial guarantees.

The PPA exercise indicated that the Group's cost of investment in HCP of $0.9 billion represents goodwill.

Subsequent to the acquisition, the Group identified indicators of impairment on its equity investment in HCP arising from the challenging macro-economic environment posed by the Coronavirus Disease 2019 ("COVID-19") pandemic, the credit tightening measures imposed on China's real estate sector and the liquidity challenges faced by Sincere Property Group. Accordingly, the Group undertook an assessment of the recoverable amount of the investment in HCP. Judgement is involved in estimating the recoverable amount and any consequential impairment loss on the equity investment in HCP. In estimating the recoverable amount of the investment, the Group had considered the financial position of the HCP Group which took into consideration the fair values of its underlying assets and liabilities.

Taking into account the above considerations and developments and based on the assessment undertaken, the Group impaired the equity investment in HCP fully.

Our response

We reviewed the sale and purchase agreements and related transaction documents to understand the terms of the acquisition to determine if the acquisition is a business combination. Together with our valuation specialist, we discussed with management their basis for identifying the assets and liabilities acquired and valuing the identified assets and liabilities, including contingent liabilities.

In respect of the valuation of the property portfolio, we inspected the valuation reports prepared by the independent valuers. We considered the valuation methodologies used against generally accepted market practices for similar property types. For development properties, we focused our work on projects with slower-than-expected sales or with low or negative margins. We evaluated the estimated future selling prices by comparing to recent transacted prices for the relevant properties and prices of comparable properties located in the same vicinity, where available. For property, plant and equipment and investment properties, we evaluated the key assumptions applied in the valuations by comparing them against historical rates and available industry data, taking into consideration comparability and market factors.

In respect of the valuation of the amounts due from related parties of the HCP Group, we considered the repayment patterns as well as the settlement arrangements agreed between the HCP Group and its related parties.

In respect of the valuation of contingent liabilities, we assessed the basis for the assumptions applied by management in estimating the fair values through enquiries with management, and reviewing their assessment of the probability of the financial guarantees being invoked as well as the supporting calculations for the amounts recognised.

We reviewed the Group's estimate of the recoverable amount of its investment in HCP, taking into consideration the financial position of HCP Group and the other indicators identified by management.

INDEPENDENT AUDITORS' REPORT

Our findings

The judgment exercised by the Group in accounting for the acquisition as a business combination, was supported by the terms in the sales and purchase agreement and related transaction documents and facts and circumstances.

The valuation methodologies used by the independent valuers were in line with generally accepted market practices and the key assumptions and estimates applied in the valuation of the property portfolio were comparable to currently observable market data, taking into account macroeconomic and real estate price trend information, and in the case of development properties, HCP Group's selling plans.

The valuation of the amounts due from related parties of the HCP Group was supported by subsequent repayments and settlement plans. A fair value adjustment was made for the remaining amount where recoverability could not be reasonably ascertained.

The fair values of the contingent liabilities were estimated by the Group taking into consideration the available information on the financial positions of the parties for which financial guarantees were issued and applying a probability of default based on empirical studies.

The impairment of the equity investment in HCP was based on available financial and market information on the HCP Group.

b) Impairment of investment in bonds issued by Sincere Property Group and loans to HCP
(Refer to notes 9 and 10 to the financial statements)

Risk

As at 31 December 2020, the Group has:

(i) an investment in a bond issued by Sincere Property Group, amounting to $0.3 billion (the "Sincere Bond"); and

(ii) loans extended to and interest receivable from HCP Group, amounting to $0.4 billion (the "HCP Loans").

As set out in notes 9 and 10 to the financial statements, the Group assessed that the Sincere Bond and the HCP Loans were credit-impaired, having considered past repayment trends, the debt maturity profile of Sincere Property Group, the default risk on the Sincere Bond and the HCP Loans and the liquidity challenges faced by Sincere Property Group.

In estimating the expected credit losses to be recognised on the investment in the Sincere Bond and HCP Loans, the Group considered the adjusted financial position of Sincere Property Group (taking into account the estimated recoverable amounts of the properties held by Sincere Property Group and its associates and joint ventures and potential additional costs to be incurred on borrowings of Sincere Property Group), the debt profile of Sincere Property Group, the value of collateral that the Group holds and certain amounts owing by the Group to HCP Group.

The Group recorded total expected credit losses of $0.6 billion on the investment in the Sincere Bond and the HCP Loans.

The expected credit losses recognised on the Sincere Bond and the HCP Loans require the Group to make its best estimate of the amounts recoverable from the HCP Group which involves significant judgement and subjectivity. Changes to the estimates applied in deriving the expected credit losses may impact the amount of such losses being recognised.

INDEPENDENT AUDITORS' REPORT

Our response

Together with our valuation specialist, we independently assessed the reasonableness of the expected credit losses recognised on the Sincere Bond and the HCP Loans, taking into consideration the yields on other bonds issued by Sincere Property Group.

We also evaluated the discounts applied on the properties held by Sincere Property Group and its associates and joint ventures in deriving the adjusted financial position of Sincere Property Group by comparing to market data, where available. In addition, we assessed the interest rate assumptions made in relation to potential additional interest costs to be incurred on the borrowings of Sincere Property Group based on the underlying agreements, where appropriate. In respect of the HCP Loans, we also assessed the reasonableness of the fair value of the collateral held by the Group by comparing to the recently transacted price for the collateral.

Our findings

The impairment losses recorded on the Sincere Bond and the HCP Loans did not differ materially from our assessment of the estimated impairment losses, based on the prevailing circumstances and available market data at the date of issuance of the financial statements.

c) Provision for financial guarantee issued
(Refer to notes 9 and 28 to the financial statements)

Risk

During 2020, the Group had issued a financial guarantee of approximately $0.3 billion to a financial institution in connection with a loan taken up by the HCP Group. The Group has considered the probability that the financial guarantee will be invoked and recognised a provision for the full amount of the guarantee, taking into account the available financial information of HCP Group, Sincere Property Group not repaying the principal amounts of certain bonds on their maturities post 31 December 2020, the liquidity challenges faced by Sincere Property Group and legal advice received.

Our response

We evaluated the Group's basis for the provision on the financial guarantee based on the available evidence, including evidence provided by events after the reporting date and legal advice received by the Group.

Our findings

The carrying value of the provision for the financial guarantee is reasonable.

INDEPENDENT AUDITORS' REPORT

Valuation of hotel assets
(Refer to note 4 to the financial statements)

Risk

The Group has significant hotel assets classified as property, plant and equipment which are carried at cost less accumulated depreciation and impairment losses, and are subject to an annual assessment for impairment indicators. In identifying such properties, the Group takes into consideration the global economic outlook, market sentiments and trading performance of the properties. The identified properties are then subjected to a detailed impairment review whereby their recoverable amounts are estimated.

The Group uses a combination of internal and external valuations to estimate the recoverable amount of its properties identified as at risk of being impaired, which is determined to be the higher of the fair value less costs to sell and value-in-use of these properties. The valuations are sensitive to key assumptions applied and a change in the assumptions may have an impact on the recoverable amounts.

The valuation reports obtained from the external valuers for certain hotels also highlighted that arising from the COVID-19 pandemic giving rise to an unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. Due to the uncertainty that the pandemic may have on the real estate market, the external valuers have also recommended to keep the valuation of these properties under frequent review.

Our response

Our procedures included challenging the Group's assessment of the properties at risk of being impaired. These include comparing the actual asset performance to previous forecasts and to market data, and assessing the quantum of available headroom from previous valuations. For a sample of properties selected for a detailed impairment review, we considered the valuation method used against those applied by valuers for similar property types. We evaluated the key assumptions applied in the internal and external valuations, particularly those assumptions relating to occupancy rates, average room rate growth, discount rates and terminal rates, by comparing them to available industry data, taking into consideration comparability and market factors. Where the assumptions applied are outside the expected range, we held discussions with the valuers to understand the effect of additional factors considered. We also discussed with the valuers how they have considered the impact of the COVID-19 pandemic and market uncertainty in the valuations.

Our findings

The Group has a structured and comprehensive process in identifying hotel assets with impairment indicators. We found that the valuation method used in the valuations was in in line with generally accepted market practices and the key assumptions applied were comparable to currently observable market data, taking into consideration the uncertainty arising from the COVID-19 pandemic.

INDEPENDENT AUDITORS' REPORT

Valuation of development properties
(Refer to note 12 to the financial statements)

Risk

The Group has significant residential development properties held for sale in Singapore, China and the United Kingdom (UK). Development properties held for sale are stated at the lower of cost and net realisable values. The determination of the estimated net realisable value is highly dependent on the Group's expectations of future selling prices of unsold development properties.

The COVID-19 pandemic has increased uncertainty over the global economic outlook, government policies and market sentiments, which might exert downward pressure on property prices in countries where the Group holds development properties for sale. These factors could lead to future trends in these markets departing from known trends from past experience, thereby resulting in a significant impact on the future selling price estimates. Consequently, there is a risk that the carrying values of unsold development properties could exceed the actual selling prices, resulting in unforeseen losses when these properties are sold.

In estimating the future selling prices of unsold development properties, the Group has taken into account real estate price trend information, its sale strategy for the properties and selling prices estimated by external valuers when necessary.

The valuation reports obtained from the external valuers for certain properties have highlighted that as a result of the COVID-19 pandemic, giving rise to an the unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. Due to the uncertainty that the pandemic may have on the real estate market, the external valuers have also recommended to keep the valuations of these properties under frequent review.

Our response

We focused our work on development properties with low margins.

In assessing the reasonableness of the Group's estimated future selling prices for its development projects, we considered recently transacted prices of units under development sold and prices of comparable properties located in the vicinity of these development projects, taking into account the prevailing market trends and the Group's selling plans for these properties. We made enquiries of the external valuers to understand the approach adopted in estimating the future selling prices of the development properties.

Our findings

In making its estimates of future selling prices, the Group takes into account market data including the macroeconomic factors and real estate price trends of the markets in which the properties are located, its sales strategy and the selling prices for certain development projects provided by the independent external valuers. The Group performs a regular review of its estimates of future selling prices of development projects and revises them when necessary.

We found the Group's estimated future selling prices, which are used in determining the net realisable values and the resultant allowance for foreseeable losses on its development projects, have taken into consideration currently available market data and prevailing market conditions.

INDEPENDENT AUDITORS' REPORT

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Lo Mun Wai.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
7 April 2021

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Non-current assets					
Property, plant and equipment	4	**5,525,684**	5,462,367	**37,439**	43,677
Investment properties	5	**4,568,697**	4,410,261	**424,955**	436,510
Investments in:					
– subsidiaries	7	**–**	–	**2,025,019**	2,024,934
– associates	8	**707,699**	562,876	**–**	–
– joint ventures	9	**1,085,288**	1,192,456	**37,360**	37,360
Financial assets	10	**736,119**	1,060,292	**348,510**	375,964
Other non-current assets, including derivatives	11	**241,186**	677,732	**6,518,288**	5,134,558
		12,864,673	13,365,984	**9,391,571**	8,053,003
Current assets					
Development properties	12	**5,391,055**	5,155,642	**180,247**	181,735
Contract costs	13	**31,643**	26,151	**–**	–
Contract assets	14	**505,231**	242,048	**–**	–
Consumable stocks		**10,511**	16,650	**–**	–
Financial assets	10	**20,048**	562,681	**–**	–
Trade and other receivables, including derivatives	15	**1,681,218**	822,074	**5,830,508**	5,521,625
Cash and cash equivalents	17	**3,126,529**	2,797,652	**1,288,914**	1,269,235
		10,766,235	9,622,898	**7,299,669**	6,972,595
Assets held for sale	6	**45,884**	211,375	**–**	–
		10,812,119	9,834,273	**7,299,669**	6,972,595
Total assets		**23,676,792**	23,200,257	**16,691,240**	15,025,598

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Equity attributable to owners of the Company					
Share capital	18	**1,991,397**	1,991,397	**1,991,397**	1,991,397
Reserves	19	**6,510,811**	8,528,853	**4,458,033**	4,615,886
		8,502,208	10,520,250	**6,449,430**	6,607,283
Non-controlling interests		**740,249**	746,306	**–**	–
Total equity		**9,242,457**	11,266,556	**6,449,430**	6,607,283
Non-current liabilities					
Interest-bearing borrowings	21	**8,756,068**	7,673,152	**5,780,877**	4,211,386
Employee benefits	25	**30,997**	28,662	**–**	–
Lease liabilities	26	**237,854**	189,448	**14,152**	20,003
Other liabilities, including derivatives	27	**243,599**	130,825	**8,290**	9,912
Provisions	28	**24,554**	26,809	**–**	–
Deferred tax liabilities	29	**96,845**	107,592	**15,644**	21,242
		9,389,917	8,156,488	**5,818,963**	4,262,543
Current liabilities					
Trade and other payables, including derivatives	30	**1,348,759**	1,198,907	**2,733,590**	2,799,268
Contract liabilities	14	**267,607**	209,503	**–**	–
Interest-bearing borrowings	21	**2,798,612**	2,037,999	**1,671,717**	1,341,294
Lease liabilities	26	**14,187**	17,752	**5,850**	5,769
Employee benefits	25	**32,044**	27,495	**1,616**	2,364
Provision for taxation		**276,164**	249,506	**10,074**	7,077
Provisions	28	**307,045**	28,471	**–**	–
		5,044,418	3,769,633	**4,422,847**	4,155,772
Liabilities directly associated with the assets held for sale	6	**–**	7,580	**–**	–
		5,044,418	3,777,213	**4,422,847**	4,155,772
Total liabilities		**14,434,335**	11,933,701	**10,241,810**	8,418,315
Total equity and liabilities		**23,676,792**	23,200,257	**16,691,240**	15,025,598

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2020

	Note	Group 2020 $'000	Group 2019 $'000
Revenue	31	**2,108,426**	3,428,725
Cost of sales		**(1,279,484)**	(1,790,239)
Gross profit		**828,942**	1,638,486
Other income	32	**171,990**	175,210
Administrative expenses		**(487,852)**	(591,093)
Impairment loss on other receivables	9	**(323,942)**	–
Impairment loss on debt investment	10	**(288,000)**	–
Other operating expenses		**(752,782)**	(568,669)
(Loss)/Profit from operating activities		**(851,644)**	653,934
Finance income		**168,618**	108,527
Finance costs		**(262,009)**	(204,691)
Net finance costs	32	**(93,391)**	(96,164)
Share of after-tax profit of associates		**37,976**	98,539
Share of after-tax (loss)/profit of joint ventures		**(883,752)**	97,768
(Loss)/Profit before tax		**(1,790,811)**	754,077
Tax expense	33	**(87,702)**	(140,716)
(Loss)/Profit for the year	32	**(1,878,513)**	613,361
(Loss)/Profit attributable to owners of the Company:			
– Ordinary shareholders		**(1,930,295)**	551,672
– Preference shareholders		**12,904**	12,904
		(1,917,391)	564,576
Non-controlling interests		**38,878**	48,785
(Loss)/Profit for the year		**(1,878,513)**	613,361
Earnings per share			
– Basic	34	**(212.8) cents**	60.8 cents
– Diluted	34	**(212.8) cents**	59.3 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

	Note	Group 2020 $'000	Group 2019 $'000
(Loss)/Profit for the year		**(1,878,513)**	613,361
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Defined benefit plan remeasurements		**(3,810)**	(2,634)
Net change in fair value of equity investments at FVOCI		**(43,077)**	66,786
		(46,887)	64,152
Items that are or may be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of cash flow hedges		**(2,952)**	(2,997)
Exchange differences on hedges of net investment in foreign operations		**8,665**	7,526
Exchange differences on monetary items forming part of net investments in foreign operations		**14,029**	15,627
Exchange differences reclassified to profit or loss on loss of control/ liquidation and cessation of business of foreign operations		**2,032**	58
Share of translation differences of equity-accounted investees		**13,192**	(11,530)
Translation differences arising on consolidation of foreign operations		**62,320**	(85,908)
		97,286	(77,224)
Total other comprehensive income for the year, net of tax	33	**50,399**	(13,072)
Total comprehensive income for the year		**(1,828,114)**	600,289
Total comprehensive income attributable to:			
Owners of the Company		**(1,882,242)**	579,159
Non-controlling interests		**54,128**	21,130
Total comprehensive income for the year		**(1,828,114)**	600,289

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2020

	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
Group												
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
Total comprehensive income for the year												
(Loss)/Profit for the year		–	–	–	–	–	–	–	(1,917,391)	(1,917,391)	38,878	(1,878,513)
Other comprehensive income												
Defined benefit plan remeasurements		–	–	–	–	–	–	–	(3,904)	(3,904)	94	(3,810)
Changes in fair value of equity investments at FVOCI		–	–	(43,077)	–	–	–	–	–	(43,077)	–	(43,077)
Effective portion of changes in fair value of cash flow hedges		–	–	–	(2,952)	–	–	–	–	(2,952)	–	(2,952)
Exchange differences on hedges of net investment in foreign operations		–	–	–	–	–	–	11,544	–	11,544	(2,879)	8,665
Exchange differences on monetary items forming part of net investments in foreign operations		–	–	–	–	–	–	10,037	–	10,037	3,992	14,029
Exchange differences reclassified to profit or loss on cessation of business of foreign operations		–	–	–	–	–	–	2,032	–	2,032	–	2,032
Share of translation differences of equity-accounted investees		–	(403)	–	–	–	–	13,595	–	13,192	–	13,192
Translation differences arising on consolidation of foreign operations		–	–	–	–	–	–	48,277	–	48,277	14,043	62,320
Total other comprehensive income		–	(403)	(43,077)	(2,952)	–	–	85,485	(3,904)	35,149	15,250	50,399
Total comprehensive income for the year		–	(403)	(43,077)	(2,952)	–	–	85,485	(1,921,295)	(1,882,242)	54,128	(1,828,114)
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Capital distribution to non-controlling interests (net)		–	–	–	–	–	–	–	–	–	(6,799)	(6,799)
Dividends paid to owners of the Company	35	–	–	–	–	–	–	–	(139,870)	(139,870)	–	(139,870)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	–	–	(51,464)	(51,464)
Transfer to statutory reserve		–	–	–	–	445	–	–	(445)	–	–	–
Share-based payment transactions		–	–	–	–	–	39	–	–	39	–	39
Total contributions by and distributions to owners		–	–	–	–	445	39	–	(140,315)	(139,831)	(58,263)	(198,094)
Changes in ownership interests in subsidiaries												
Changes in interests in subsidiaries with loss of control		–	–	–	–	–	–	–	–	–	2,109	2,109
Changes in interests in subsidiaries without loss of control	39	–	4,031	–	–	–	–	–	–	4,031	(4,031)	–
Total changes in ownership interests in subsidiaries		–	4,031	–	–	–	–	–	–	4,031	(1,922)	2,109
Total transactions with owners		–	4,031	–	–	445	39	–	(140,315)	(135,800)	(60,185)	(195,985)
Transfer on conversion of convertible securities held in an associate to investment in associate		–	–	(276)	–	–	–	–	276	–	–	–
At 31 December 2020		1,991,397	284,030	(2,421)	(6,642)	23,927	15,318	(79,696)	6,276,295	8,502,208	740,249	9,242,457

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2020

	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
Group												
At 1 January 2019		1,991,397	185,990	(21,036)	135	22,262	15,258	(119,583)	7,966,274	10,040,697	2,233,243	12,273,940
Total comprehensive income for the year												
Profit for the year		–	–	–	–	–	–	–	564,576	564,576	48,785	613,361
Other comprehensive income												
Defined benefit plan remeasurements		–	–	–	–	–	–	–	(2,577)	(2,577)	(57)	(2,634)
Changes in fair value of equity investments at FVOCI		–	–	66,828	–	–	–	–	–	66,828	(42)	66,786
Effective portion of changes in fair value of cash flow hedges		–	–	–	(3,825)	–	–	–	–	(3,825)	828	(2,997)
Exchange differences on hedges of net investment in foreign operations		–	–	–	–	–	–	10,950	–	10,950	(3,424)	7,526
Exchange differences on monetary items forming part of net investments in foreign operations		–	–	–	–	–	–	17,416	–	17,416	(1,789)	15,627
Exchange differences reclassified to profit or loss on cessation of business of foreign operations		–	–	–	–	–	–	9	–	9	49	58
Share of translation differences of equity-accounted investees		–	(245)	–	–	–	–	(7,506)	–	(7,751)	(3,779)	(11,530)
Translation differences arising on consolidation of foreign operations		–	–	–	–	–	–	(66,467)	–	(66,467)	(19,441)	(85,908)
Total other comprehensive income		–	(245)	66,828	(3,825)	–	–	(45,598)	(2,577)	14,583	(27,655)	(13,072)
Total comprehensive income for the year		–	(245)	66,828	(3,825)	–	–	(45,598)	561,999	579,159	21,130	600,289
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Capital distribution to non-controlling interests (net)		–	–	–	–	–	–	–	–	–	(9,369)	(9,369)
Dividends paid to owners of the Company	35	–	–	–	–	–	–	–	(194,284)	(194,284)	–	(194,284)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	–	–	(74,847)	(74,847)
Issue expenses of a subsidiary		–	(85)	–	–	–	–	–	–	(85)	(145)	(230)
Transfer to statutory reserve		–	–	–	–	1,220	–	–	(1,220)	–	–	–
Share-based payment transactions		–	–	–	–	–	21	–	–	21	–	21
Total contributions by and distributions to owners		–	(85)	–	–	1,220	21	–	(195,504)	(194,348)	(84,361)	(278,709)
Changes in ownership interests in subsidiaries												
Acquisition of subsidiaries with non-controlling interests	39	–	–	–	–	–	–	–	–	–	1,050	1,050
Changes in interests in subsidiaries without loss of control	39	–	94,742	–	–	–	–	–	–	94,742	(1,424,756)	(1,330,014)
Total changes in ownership interests in subsidiaries		–	94,742	–	–	–	–	–	–	94,742	(1,423,706)	(1,328,964)
Total transactions with owners		–	94,657	–	–	1,220	21	–	(195,504)	(99,606)	(1,508,067)	(1,607,673)
Transfer on conversion of convertible securities held in an associate to investment in associate		–	–	(4,860)	–	–	–	–	4,860	–	–	–
At 31 December 2019		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

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Group 2020 $'000	2019 $'000
Cash flows from operating activities		
(Loss)/Profit for the year	**(1,878,513)**	613,361
Adjustments for:		
Depreciation and amortisation	**287,129**	275,987
Dividend income	**(4,784)**	(5,559)
Finance income	**(139,517)**	(107,633)
Finance costs	**262,009**	190,657
Gain on remeasurement of previously held interest in an associate which became a subsidiary	**–**	(6,608)
(Gain on loss of control in subsidiaries)/Loss on liquidation of subsidiaries and dilution of an associate (net)	**(32,166)**	118
Impairment loss on investment in an associate	**–**	3,000
Impairment loss on other receivables	**323,942**	–
Impairment loss on debt investment	**288,000**	–
Impairment losses on investment properties and property, plant and equipment (net)	**99,552**	57,972
Profit on sale of property, plant and equipment and investment properties (net)	**(133,401)**	(164,988)
Property, plant and equipment, investment properties and intangible assets written off	**11,897**	3,469
Provision for financial guarantee	**283,000**	–
Share of after-tax profit of associates	**(37,976)**	(98,539)
Share of after-tax loss/(profit) of joint ventures	**883,752**	(97,768)
Tax expense	**87,702**	140,716
	300,626	804,185
Changes in working capital:		
Development properties	**(210,681)**	382,624
Contract costs	**(5,492)**	(13,995)
Contract assets	**(263,183)**	(134,807)
Consumable stocks and trade and other receivables	**(1,240)**	15,745
Trade and other payables and provisions	**(157,948)**	(77,463)
Contract liabilities	**55,818**	103,711
Employee benefits	**2,177**	303
Cash (used in)/generated from operations	**(279,923)**	1,080,303
Tax paid	**(76,224)**	(243,915)
Net cash (used in)/from operating activities*	**(356,147)**	836,388

* The net cash outflow for operating activities in 2020 was attributable to the payment for the acquisition of land site (including stamp duty) at Irwell Bank Road amounting to $670 million.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Note	Group 2020 $'000	2019 $'000
Cash flows from investing activities			
Acquisition of subsidiaries (net of cash acquired)	39	**–**	(244,298)
Advances granted to a real estate developer in China		**–**	(552,200)
Dividends received:			
– an associate		**24,180**	63,035
– joint ventures		**13,004**	35,628
– financial investments		**4,784**	5,559
Increase in investments in associates		**(63,351)**	(64,917)
(Increase)/Decrease in investments in joint ventures		**(813,027)**	167,031
Increase in amounts owing by equity-accounted investees (non-trade)		**(295,763)**	(297,083)
Interest received		**49,544**	77,388
Payments for intangible assets		**(355)**	(524)
Payments for capital expenditure on investment properties		**(126,227)**	(88,920)
Payments for purchase of property, plant and equipment		**(267,244)**	(218,405)
Purchase of investment properties		**(66,492)**	(41,760)
Proceeds from sale of property, plant and equipment and investment properties		**421,500**	14,157
Proceeds from loss of control in subsidiaries	39	**109,090**	–
Purchase of financial assets (net)		**(35,836)**	(408,728)
Proceeds from distributions from investments in financial assets		**5,146**	180,920
Settlement of financial derivatives		**(34,994)**	22,873
Net cash used in investing activities		**(1,076,041)**	(1,350,244)
Cash flows from financing activities			
Acquisition of non-controlling interests	39	**–**	(1,330,014)
Capital distribution to non-controlling interests (net)		**(7,922)**	(9,829)
Dividends paid		**(190,211)**	(268,671)
Payment of lease liabilities and finance lease payables		**(21,059)**	(17,022)
Interest paid (including amounts capitalised in property, plant and equipment and development properties)		**(218,329)**	(187,100)
Net increase in amounts owing to related parties (non-trade)		**274,573**	29,116
Net proceeds from revolving credit facilities and short-term bank borrowings		**2,319**	1,183,133
Decrease in deposits pledged to financial institutions		**13,104**	58,251
Increase in restricted cash		**(665)**	(4,093)
Cash flows used in financing activities carried forward		**(148,190)**	(546,229)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Note	Group 2020 $'000	2019 $'000
Cash flows used in financing activities brought forward		**(148,190)**	(546,229)
Payment of financing transaction costs		**(11,855)**	(11,632)
Payment of issue expenses by a subsidiary		**–**	(230)
Proceeds from bank borrowings		**1,561,958**	2,059,709
Repayment of bank borrowings		**(300,515)**	(856,975)
Proceeds from issuance of bonds and notes		**898,990**	900,000
Repayment of bonds and notes		**(436,795)**	(395,275)
Net cash from financing activities		**1,563,593**	1,149,368
Net increase in cash and cash equivalents		**131,405**	635,512
Cash and cash equivalents at beginning of the year		**2,789,569**	2,162,373
Effect of exchange rate changes on balances held in foreign currencies		**34,135**	(8,316)
Cash and cash equivalents at end of the year	17	**2,955,109**	2,789,569

Significant non-cash transaction

Dividends amounting to $1,123,000 (2019: $460,000) were paid by a subsidiary to its non-controlling interests in the form of additional shares in that subsidiary.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 7 April 2021.

1 DOMICILE AND ACTIVITIES

City Developments Limited (the Company) is incorporated in the Republic of Singapore and has its registered office at 9 Raffles Place, #12-01 Republic Plaza, Singapore 048619.

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 consolidated financial statements for the year ended 31 December 2020 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.

The directors consider the immediate and ultimate holding company to be Hong Leong Investment Holdings Pte. Ltd., a company incorporated in the Republic of Singapore.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)s) and International Financial Reporting Standards (IFRSs). SFRS(I)s, issued by the Accounting Standards Council (ASC), comprises standards and interpretations that are equivalents to IFRSs as issued by the International Accounting Standards Board (IASB). All references to SFRS(I)s and IFRSs are subsequently referred to as SFRS(I) in the financial statements. The changes to significant accounting policies are described in note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is described in the following notes:

Note 3.1(i)	Accounting for acquisitions as business combinations or asset acquisitions
Notes 3.1(iv), 43 and 44	Assessment of ability to control or exert significant influence over partly owned investments

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is described in the following notes:

Note 3.19	Estimation of provisions for current and deferred taxation
Notes 4 and 5	Measurement of recoverable amounts of property, plant and equipment, and investment properties
Note 7	Measurement of recoverable amounts of investments in subsidiaries and expected credit losses on balances with subsidiaries
Note 9	Measurement of recoverable amounts of investments in joint ventures and expected credit losses on balances with joint ventures
Notes 9 and 28	Estimate of provision for financial guarantee
Note 10	Measurement of expected credit losses on financial assets – unquoted debt investment at amortised cost
Note 12	Measurement of realisable amounts of development properties
Note 25	Valuation of defined benefit obligations

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).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

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.

Further information about assumptions made in measuring fair values is included in the following notes:

Note 5	Investment properties
Note 9	Acquisition of joint venture
Note 25	Share-based payment arrangements
Note 39	Acquisition of subsidiaries
Note 41	Financial instruments

2.5 Changes in accounting polices

New standards and amendments

The Group has applied the following amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2020:

- *Amendments to References to Conceptual Framework in SFRS(I) Standards*
- *Definition of Material* (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8)

In addition to the above, the Group has early adopted the following amendments to standards which are effective for annual periods beginning after 1 January 2020 with earlier application permitted:

- *COVID-19-Related Rent Concessions* (Amendment to SFRS(I) 16)
- *Classification of Liabilities as Current or Non-current* (Amendments to SFRS(I) 1-1)

COVID-19-Related Rent Concessions Amendment to SFRS(I) 16 was issued on 28 May 2020 and introduces an optional practical expedient for leases in which the Group is a lessee – i.e. for leases to which the Group applies the practical expedient, the Group is not required to assess whether eligible rent concessions that are a direct consequence of the COVID-19 coronavirus pandemic are lease modifications. The Group has applied the amendment retrospectively. The amendment has no impact on accumulated profits at 1 January 2020.

Under existing SFRS(I) 1-1 requirements, the Group classifies a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, Amendments to SFRS(I) 1-1 has removed the requirement for a right to be unconditional and instead, requires that a right to defer settlement to have substance and exist at the end of the reporting period. With these amendments, it is now clarified that a right to defer exists only if the Group complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date. The Group classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period.

The application of these amendments to standards and interpretations did not have a material effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Acquisitions from 1 January 2017

For acquisitions from 1 January 2017, the Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests (NCI) in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(i) Business combinations (cont'd)

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on a transaction-by-transaction basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. Any difference between the adjustment to non-controlling interests and the fair value of consideration paid is recognised directly in equity and presented as part of equity attributable to owners of the Company.

Acquisitions before 1 January 2017

As part of transition to SFRS(I), the Group elected not to restate those business combinations that occurred before the date of transition to SFRS(I), i.e. 1 January 2017. Goodwill arising from acquisitions before 1 January 2017 has been carried forward from the previous FRS framework as at the date of transition.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv) Investments in associates and joint ventures (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(iv) Investments in associates and joint ventures (equity-accounted investees) (cont'd)

Associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income (OCI) of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of that interest, together with any long-term interests that, in substance, form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(v) Joint operations

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

The Group is a 51% (2019: 51%) partner in Hong Realty (Private) Limited – Pasir Ris Joint Venture (the Pasir Ris Joint Venture), a joint arrangement formed with two fellow subsidiaries, whose principal activity is that of a property developer and the place of business is in Singapore. The Group is also a 20% (2019: 20%) partner in Park Court Aoyama The Tower, a joint arrangement formed with a third party, whose principal activity is that of a property developer and the place of business is in Japan. The Group has classified both joint arrangements as joint operations as the joint venture partners control the joint arrangements collectively and the joint arrangements are not structured through separate legal vehicles.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investee are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) Subsidiaries and joint ventures in the separate financial statements

Investments in subsidiaries and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currencies at the exchange rates at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currencies (cont'd)

(i) Foreign currency transactions (cont'd)

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currencies at the exchange rates at the dates that the fair values were determined. Non-monetary items in foreign currencies that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions. Foreign currency differences arising on translation are recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- differences arising on the translation of monetary items that in substance form part of the Group's net investment in a foreign operation;
- an investment in equity securities designated at fair value through other comprehensive income (FVOCI);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI. However, if the foreign operation is a non wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of the Group's net investment in the foreign operation are recognised in OCI, and are presented within equity in the foreign currency translation reserve.

3.3 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (cont'd)

(i) Recognition and measurement (cont'd)

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is recognised net in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

No depreciation is provided on freehold land (including 999-year leasehold land). For freehold and leasehold properties under development and renovation-in-progress, no depreciation is provided until these items have been completed.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (cont'd)

(iii) Depreciation (cont'd)

The estimated useful lives for the current and comparative years are as follows:

Freehold and leasehold land and buildings	
• Core component of hotel buildings	– 50 years, or lease term if shorter
• Surface, finishes and services of hotel buildings	– 30 years, or lease term if shorter
• Leasehold land	– Lease term
Furniture, fittings, plant and equipment and improvements	– 3 to 20 years

Residual values ascribed to the core component of hotel buildings depend on the nature, location and tenure of each hotel property. No residual values are ascribed to surface, finishes and services of hotel buildings and right-of-use assets in respect of leases where the Group is a lessee.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.4 Investment properties

(i) Recognition and measurement

Investment properties are properties held either to earn rental income or capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes.

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

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. Costs of self-constructed investment properties include costs of materials and direct labour, any other costs directly attributable to bringing the investment properties to a working condition for their intended use and capitalised borrowing costs.

Gains and losses on disposal of investment properties (calculated as the difference between the net proceeds from disposal and the carrying amounts of the investment properties) are recognised in profit or loss.

(ii) Depreciation

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an investment property. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

No depreciation is provided on freehold land (including 999-year leasehold land) included in the investment properties.

The estimated useful lives for the current and comparative years are as follows:

Freehold and leasehold properties	– 50 years, or lease term if shorter
Leasehold land	– Lease term ranging from 50 to 96 years
Furniture, fittings, plant and equipment and improvements	– 3 to 20 years

Depreciation methods and useful lives are reviewed, and adjusted as appropriate, at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases (cont'd)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

COVID-19-related rent concessions

The Group has early adopted *COVID-19-Related Rent Concessions* – Amendment to SFRS(I) 16. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease (see note 3.11(i)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets (cont'd)

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (cont'd)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred, or the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of ownership of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or when they expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, pledged deposits, deposits charged and restricted cash are excluded whilst bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included in cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

(vi) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Hedges directly affected by interest rate benchmark reform

For the purpose of evaluating whether there is an economic relationship between the hedged item(s) and the hedging instrument(s), the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform.

The Group will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument (i) to a hedged item or hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the respective item or instrument or (ii) when the hedging relationship is discontinued. For its highly probable assessment of the hedged item, the Group will no longer apply the specific policy when the uncertainty arising from interest rate benchmark reform about the timing and the amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The amount accumulated in the hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

(vi) Derivative financial instruments and hedge accounting (cont'd)

Cash flow hedges (cont'd)

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve are immediately reclassified to profit or loss.

Net investment hedges

The Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation, respectively.

(vii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Preference shares

The Group's non-redeemable convertible non-cumulative preference shares are classified as equity, because they bear discretionary dividends, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variable number of the Group's equity instruments. Dividends thereon are recognised as distributions within equity.

3.7 Development properties

Development properties are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs (applicable to construction of a development for which revenue is to be recognised at a point in time) and other costs directly attributable to the development activities.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. The write-down to net realisable value is presented as allowance for foreseeable losses.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Contract costs

Incremental costs of obtaining a contract for the sale of a development property are capitalised as contract costs only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue on the contract. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

3.9 Contract assets and liabilities

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on construction of development properties. Contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

Contract liabilities primarily relate to:

- advance consideration received from customers; and
- progress billings issued in excess of the Group's rights to the consideration.

3.10 Consumable stocks

Consumable stocks comprise principally food and beverage and other hotel related consumable supplies. Stocks are valued at the lower of cost and net realisable value. Cost is determined based on the weighted average cost method and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value represents the estimated selling price in the ordinary course of business, less the estimated cost of completion and cost necessary to make the sale.

3.11 Impairment

(i) Non-derivative financial assets and contract assets

The Group recognises loss allowances for expected credit losses (ECL) on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI;
- contract assets (as defined in SFRS(I) 15) and
- lease receivables.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECL: these are ECL that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECL: these are ECL that result from all possible default events over the expected life of a financial instrument or contract asset.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Impairment (cont'd)

(i) Non-derivative financial assets and contract assets (cont'd)

Simplified approach

The Group applies the simplified approach to provide for ECL for all trade receivables (including lease receivables) and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECL.

General approach

The Group applies the general approach to provide for ECL on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECL.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Impairment (cont'd)

(i) Non-derivative financial assets and contract assets (cont'd)

Presentation of ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Associates and joint ventures

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(iii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than development properties, contract costs, contract assets, consumable stocks and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Impairment (cont'd)

(iii) Non-financial assets (cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate or a joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or a joint venture may be impaired.

3.12 Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, classified as held for sale are generally measured at the lower of their carrying amount and fair value less cost to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to financial assets and deferred tax assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment and investment property once classified as held for sale are not depreciated.

3.13 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit post-employment plans, including pension plans, is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised immediately as an expense in profit or loss.

The Group recognises remeasurement gains or losses within the consolidated statement of comprehensive income in the period in which they occur.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Employee benefits (cont'd)

(ii) Defined benefit plans (cont'd)

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

(iii) Other long-term service benefits

The Group's net obligation in respect of long-term service benefits, other than defined contribution and defined benefit plans, is the amount of future benefit that employees have earned in return for their service in current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any plan assets is deducted.

(iv) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(v) Share-based payment transactions

The grant date fair value of equity-settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment arrangements in which the Group receives goods or services as consideration for its equity instruments of the Group entities are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employees as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Levies

A provision for levies is recognised when the condition that triggers the payment of the levy as specified in the relevant legislation is met. If a levy obligation is subject to a minimum activity threshold so that the obligating event is reaching a minimum activity, then a provision is recognised when that minimum activity threshold is reached.

3.15 Financial guarantee contracts

Financial guarantees are financial instruments issued by the Group that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees contracts are accounted for as insurance contracts. A provision is recognised based on the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

3.16 Revenue recognition

(i) Development properties for sale

The Group develops and sells residential and mixed development projects to customers through fixed-price contracts. Revenue is recognised when the control over a development property has been transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the residential project over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

Where a development property has no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment for performance completed to date arising from the contractual terms, revenue is recognised over time by reference to the Group's progress towards completing the construction of the development property. The measure of progress is determined based on the stage of completion of construction certified by quantity surveyors. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

In respect of contracts where the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised only when the completed property is delivered to the customer and the customer has accepted it in accordance with the sales contract.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Revenue recognition (cont'd)

(i) Development properties for sale (cont'd)

Under certain payment schemes, the time when payments are made by the buyer and the transfer of control of the property to the buyer do not coincide and where the difference between the timing of receipt of the payments and the satisfaction of a performance obligation is 12 months or more, the Group adjusts the transaction price with its customer and recognises a financing component. In adjusting for the financing component, the Group uses a discount rate that would reflect that of a separate financing transaction between the Group and its customer at contract inception. A finance income or finance expense will be recognised depending on the arrangement. The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of goods or services to a customer and the payment date is 12 months or less.

Revenue is measured at the transaction price agreed under the contract entered into with customers. Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The customer is invoiced based on a payment schedule which is typically triggered upon achievement of specified construction milestones. If the value of the goods transferred by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised. The accounting policy for contract assets and contract liabilities is set out in note 3.9.

(ii) Rental income

Rental income (net of any lease incentives) is recognised on a straight-line basis over the lease term. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period in which it is earned and the amount can be reliably measured.

(iii) Hotel income

Revenue from hotel operations is recognised at the point when the accommodation and related services are rendered.

(iv) Management services, consultancy services and laundry services

Management and consultancy fees and laundry services are recognised at the point when such services are rendered.

(v) Dividends

Dividend income is recognised in profit or loss when the shareholder's right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Government grants

Government grants are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

3.18 Finance income and costs

The Group's finance income and costs include:

- interest income on amounts owing by fellow subsidiaries, associates, joint ventures, debt investment and funds invested;
- interest expense on borrowings, financial derivatives and lease liabilities;
- the fair value gains or losses on financial derivatives;
- the net gains or losses on financial assets at FVTPL;
- the foreign currency gains or losses on financial assets and financial liabilities;
- hedge ineffectiveness recognised in profit or loss; and
- unwinding of discount on non-current liabilities.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 Tax

Tax expense comprises current and deferred tax. Tax expense is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets.*

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the consequences that follow the manner in which the Group expects, at the reporting date, to recover the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 Tax (cont'd)

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.20 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, for the dilutive effect arising from the conversion of the non-redeemable convertible non-cumulative preference shares.

3.21 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Board of Directors and Group Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's Board of Directors and Group CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly tax assets and liabilities.

3.22 New standards and interpretations not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted. Except as disclosed in note 2.5, the Group has not early adopted the new or amended standards in preparing these financial statements.

The Group is in the process of assessing the impact of the new standards and amendments to standards on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4 PROPERTY, PLANT AND EQUIPMENT

	Note	Freehold land and buildings $'000	Leasehold land and buildings $'000	Freehold and leasehold properties under development $'000	Furniture, fittings, plant and equipment and improvements $'000	Renovation-in-progress $'000	Right-of-use assets $'000	Total $'000
Group								
Cost								
At 1 January 2019		4,225,527	1,370,894	25,415	1,737,825	105,548	260,970	7,726,179
Acquisition of subsidiaries	39	–	313,856	–	6,737	–	–	320,593
Additions		11,784	9,358	5,888	114,951	82,760	22,694	247,435
Disposal/Written off		(388)	–	–	(40,760)	–	(195)	(41,343)
Reclassifications		19,951	59,178	9,511	48,000	(136,640)	–	–
Transfer from development properties		–	–	72,014	–	–	–	72,014
Transfer to assets held for sale		(78,774)	(90,301)	–	(80,557)	(12,132)	(2,616)	(264,380)
Translation differences on consolidation		(22,565)	(650)	(2,062)	(5,748)	280	(3,389)	(34,134)
At 31 December 2019		4,155,535	1,662,335	110,766	1,780,448	39,816	277,464	8,026,364
At 1 January 2020		4,155,535	1,662,335	110,766	1,780,448	39,816	277,464	8,026,364
Additions		5,385	3,301	185,697	63,883	15,439	61,174	334,879
Disposal/Written off		(26,844)	–	–	(4,069)	–	(797)	(31,710)
Reclassifications		9,182	(1,769)	(607)	19,686	(26,492)	–	–
Transfer to assets held for sale		(89,109)	–	–	(18,959)	(647)	–	(108,715)
Translation differences on consolidation		35,709	8,596	3,355	23,645	532	6,499	78,336
At 31 December 2020		4,089,858	1,672,463	299,211	1,864,634	28,648	344,340	8,299,154
Accumulated depreciation and impairment losses								
At 1 January 2019		980,086	344,776	3,693	1,123,354	–	–	2,451,909
Charge for the year		27,264	24,044	–	106,459	–	20,758	178,525
Disposal/Written off		(26)	–	–	(36,576)	–	(195)	(36,797)
Reclassifications		(167)	167	–	–	–	–	–
Transfer to assets held for sale		(6,100)	(16,488)	–	(57,162)	–	(38)	(79,788)
Impairment losses		38,357	9,871	–	11,551	–	607	60,386
Translation differences on consolidation		(3,605)	(431)	24	(5,329)	–	(897)	(10,238)
At 31 December 2019		1,035,809	361,939	3,717	1,142,297	–	20,235	2,563,997
At 1 January 2020		1,035,809	361,939	3,717	1,142,297	–	20,235	2,563,997
Charge for the year		27,877	25,891	–	107,280	–	22,164	183,212
Disposal/Written off		(15,238)	–	–	(3,418)	–	(742)	(19,398)
Reclassifications		(13,764)	13,805	–	(41)	–	–	–
Transfer to assets held for sale		(53,506)	–	–	(10,305)	–	–	(63,811)
Impairment losses		82,168	22,733	–	5,677	–	752	111,330
Reversal of impairment losses		(23,813)	–	–	–	–	–	(23,813)
Translation differences on consolidation		6,288	(3,148)	(75)	17,769	–	1,119	21,953
At 31 December 2020		1,045,821	421,220	3,642	1,259,259	–	43,528	2,773,470
Carrying amounts								
At 1 January 2019		3,245,441	1,026,118	21,722	614,471	105,548	260,970	5,274,270
At 31 December 2019		3,119,726	1,300,396	107,049	638,151	39,816	257,229	5,462,367
At 31 December 2020		3,044,037	1,251,243	295,569	605,375	28,648	300,812	5,525,684

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land $'000	Furniture, fittings and equipment $'000	Right-of-use assets $'000	Total $'000
Company				
Cost				
At 1 January 2019	2,570	29,599	32,293	64,462
Additions	–	7,255	–	7,255
Disposal/Written off	–	(2,443)	–	(2,443)
At 31 December 2019	2,570	34,411	32,293	69,274
At 1 January 2020	2,570	34,411	32,293	69,274
Additions	–	3,615	–	3,615
Disposal/Written off	–	(429)	–	(429)
At 31 December 2020	2,570	37,597	32,293	72,460
Accumulated depreciation				
At 1 January 2019	–	18,175	–	18,175
Charge for the year	–	3,725	6,132	9,857
Disposal/Written off	–	(2,435)	–	(2,435)
At 31 December 2019	–	19,465	6,132	25,597
Charge for the year	–	3,716	6,132	9,848
Disposal/Written off	–	(424)	–	(424)
At 31 December 2020	–	22,757	12,264	35,021
Carrying amounts				
At 1 January 2019	2,570	11,424	32,293	46,287
At 31 December 2019	2,570	14,946	26,161	43,677
At 31 December 2020	2,570	14,840	20,029	37,439

Right-of-use assets classified within property, plant and equipment

	Leasehold land and buildings $'000	Furniture, fittings, plant and equipment and improvements $'000	Total $'000
Group			
Balance at 1 January 2019	253,725	7,245	260,970
Depreciation charge for the year	(19,323)	(1,435)	(20,758)
Additions to right-of-use assets	22,382	312	22,694
Impairment loss	(607)	–	(607)
Transfer to assets held for sale	(2,578)	–	(2,578)
Translation differences on consolidation	(2,420)	(72)	(2,492)
Balance at 31 December 2019	251,179	6,050	257,229

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Right-of-use assets classified within property, plant and equipment (cont'd)

	Leasehold land and buildings $'000	Furniture, fittings, plant and equipment and improvements $'000	Total $'000
Group			
Balance at 1 January 2020	251,179	6,050	257,229
Depreciation charge for the year	(20,691)	(1,473)	(22,164)
Additions to right-of-use assets	60,884	290	61,174
Impairment loss	(752)	–	(752)
Disposal/Written off	(50)	(5)	(55)
Translation differences on consolidation	5,437	(57)	5,380
Balance at 31 December 2020	296,007	4,805	300,812

	Buildings $'000
Company	
Balance at 1 January 2019	32,293
Depreciation charge for the year	(6,132)
Balance at 31 December 2019	26,161
Balance at 1 January 2020	26,161
Depreciation charge for the year	(6,132)
Balance at 31 December 2020	20,029

(a) Included in property, plant and equipment are certain hotel properties of the Group with carrying amount totalling $518,149,000 (2019: $498,004,000) which are mortgaged to certain financial institutions to secure credit facilities (refer to notes 22 and 23 for more details of the facilities).

(b) The transfer from development properties to property, plant and equipment during 2019 related to reclassification of a hotel in Suzhou, as a hotel management agreement was signed in respect of that property during that year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

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

Where appropriate, the Group sought guidance on the fair values of the hotels from independent external valuers with appropriate professional qualifications and recent experience in the location and category of the properties being valued. In relying on the valuation reports, the Group has exercised its judgement and is satisfied that the valuation method and estimates are reflective of current market conditions. The valuation reports obtained from external valuers of certain hotels have highlighted that as a result of the COVID-19 pandemic, giving rise to an unprecedented set of circumstances on which to base a judgement, less certainty and a higher degree of caution, should be attached to their valuations than would normally be the case. Due to the unknown future impact that the pandemic may have on the real estate market, the external valuers have recommended to keep the valuations of these properties under frequent review.

In 2020, the Group recognised a net impairment loss of $87,517,000 on its hotel properties, comprising impairment losses of $111,330,000 on eight hotels in United States of America (US), four hotels in Europe, and two hotels in Asia, net of impairment losses reversed of $23,813,000 in respect of two hotels in US, five hotels in Europe, and a hotel in Asia. The estimated total recoverable amounts of the properties on which impairment losses were recognised during the year were $1,041,634,000 as at 31 December 2020. The impairment losses were a result of the challenging operating performance of these hotels and the subdued outlook for these hotels as a result of the COVID-19 pandemic. The impairment losses reversed during the year mainly arose from the improved trading performances of certain hotel properties since the last external valuations performed. The estimated total recoverable amounts of the hotel properties on which impairment losses were reversed during the year were $365,413,000 as at 31 December 2020.

In 2019, an impairment loss of $58,236,000 was recognised on one hotel in the US, one hotel in Europe and two hotels in Asia, all of which are held by certain subsidiaries of M&C. The estimated total recoverable amounts of the said impaired properties were $593,093,000 as at 31 December 2019. The impairment losses were a result of the challenging hospitality market in these regions, affecting the operating performance of these hotels. In particular, the room rates achieved by these hotels were lower than expected.

The fair value measurement was categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Impairment losses recognised or reversed were included in "other operating expenses" in the consolidated statement of profit or loss and the hotel operations segment.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The key assumptions used in estimating the recoverable amounts are set out below:

	US	Europe	Asia
Occupancy rate			
2020	37.0% to 96.0%	37.0% to 86.0%	20.0% to 70.0%
2019	90.0% to 92.0%	85.0%	50.0% to 77.0%
Average room rate growth			
2020	1.7% to 19.0%	1.1% to 12.7%	2.0% to 16.5%
2019	3.0% to 7.0%	2.0% to 3.1%	2.4% to 33.4%
Discount rate			
2020	7.5% to 12.8%	7.0% to 11.3%	6.5% to 12.0%
2019	7.3% to 7.8%	8.0%	7.8% to 12.0%
Terminal rates			
2020	5.5% to 11.0%	4.0% to 6.5%	4.5% to 9.0%
2019	5.3% to 5.8%	6.0%	5.8% to 9.0%

The forecasts cover a five to ten years period, and cash flows beyond this period are extrapolated using a growth rate ranging between 1.1% and 5.0% (2019: 1.5% and 3.0%), which is based upon the expected trading growth for each hotel and inflation in the country in which the hotel is located.

Sensitivity analysis

The Group's impairment review is sensitive to changes in the key assumptions used. An increase in occupancy rate and/or average room rate growth in isolation would result in a higher recoverable amount. An increase in discount rate or terminal rate in isolation would result in a lower recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

5 INVESTMENT PROPERTIES

	Note	Group $'000	Company $'000
Cost			
At 1 January 2019		4,797,841	600,812
Acquisition of subsidiaries	39	446,772	–
Additions		136,079	1,127
Disposal/Written off		(1,944)	(1,517)
Transfers from development properties		136,683	–
Translation differences on consolidation		2,681	–
At 31 December 2019		5,518,112	600,422
At 1 January 2020		5,518,112	600,422
Loss of control in subsidiaries		(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		5,760,958	603,648
Accumulated depreciation and impairment losses			
At 1 January 2019		1,012,653	148,595
Charge for the year		96,711	15,317
Reversal of impairment loss		(2,414)	–
Translation differences on consolidation		901	–
At 31 December 2019		1,107,851	163,912
At 1 January 2020		1,107,851	163,912
Charge for the year		107,541	14,781
Loss of control in subsidiaries		(15,160)	–
Disposal/Written off		(21,596)	–
Impairment loss		12,035	–
Translation differences on consolidation		1,590	–
At 31 December 2020		1,192,261	178,693
Carrying amounts			
At 1 January 2019		3,785,188	452,217
At 31 December 2019		4,410,261	436,510
At 31 December 2020		4,568,697	424,955
Fair value			
At 1 January 2019		7,919,056	1,122,087
At 31 December 2019		8,780,086	1,115,949
At 31 December 2020		8,901,489	1,114,435

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

5 INVESTMENT PROPERTIES (CONT'D)

Investment properties comprise commercial, residential, hotel and industrial properties that are leased to external customers. Generally, each of the leases is fixed for a period of 1 to 29 years (2019: 1 to 29 years), and subsequent renewals are negotiated at prevailing market rates and terms.

During the year, the Group's transfers from development properties to investment properties relate to two office buildings in Shanghai which were completed and commenced leasing activities during the year. In 2019, the Group's transfers from development properties to investment properties related to several office buildings in Shanghai which were completed and commenced leasing activities in that year.

As at 31 December 2020, investment properties of the Group with a total carrying amount of $1,464,268,000 (2019: $1,382,003,000) were mortgaged to certain financial institutions to secure credit facilities (refer to notes 22 and 23 for more details of the facilities).

The management undertook their annual review of the carrying amounts of investment properties for indicators of impairment. Where indicators of impairment were identified, the recoverable amounts were estimated based on internal or external valuations undertaken.

The recoverable amounts of the investment properties, being the higher of the fair value less costs to sell and value-in-use, were predominantly determined using the fair value less costs to sell approach, and were estimated using discounted cash flow, direct comparison and income capitalisation methods.

Based on the impairment assessment undertaken in 2020, the Group recognised impairment loss of $12,035,000 on one hotel in the Maldives and one hotel in Italy, both of which are held by the Group's non wholly-owned subsidiary, CDL Hospitality Trusts (CDLHT). The impairment loss was a result of the challenging operating performance of these hotels and the subdued outlook for these hotels as a result of the COVID-19 pandemic. The impairment loss was recognised in "other operating expenses" and the investment properties segment. In 2019, the Group reversed impairment loss of $2,414,000 on one hotel in Germany and one hotel in the Maldives, both of which were held by CDLHT. The reversal of impairment loss was recognised in "other operating expenses" in the consolidated statement of profit or loss and the investment properties segment.

The key assumptions used in estimating the recoverable amounts are set out below:

	Maldives	Italy
Occupancy rate		
2020	28.0% to 67.0%	50.0% to 82.0%
2019	–	–
Average room rate growth		
2020	3.7%	2.3%
2019	–	–
Discount rate		
2020	12.0%	6.8%
2019	–	–
Terminal rates		
2020	9.0%	4.9%
2019	–	–

The forecasts cover a five to ten years period, and cash flows beyond this period are extrapolated using a growth rate ranging between 1.8% and 3.0% (2019: Nil), which is based upon the expected trading growth for each hotel and inflation in the country in which the hotel is located.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

5 INVESTMENT PROPERTIES (CONT'D)

Sensitivity analysis

The Group's impairment review is sensitive to changes in the key assumptions used. An increase in occupancy rate and/or average room rate growth in isolation would result in a higher recoverable amount. An increase in discount rate or terminal rate in isolation would result in a lower recoverable amount.

Determination of fair value

The fair value disclosure for the investment properties for the Group and the Company of $8,901,489,000 (2019: $8,780,086,000) and $1,114,435,000 (2019: $1,115,949,000) respectively has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The 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.

For a majority of investment properties located in Singapore, the fair values are based on in-house valuations conducted by a licensed appraiser who is also an officer of the Company. The licensed appraiser has appropriate recognised professional qualifications and has experience in the location and category of the investment properties being valued. The fair values of investment properties located overseas and other investment properties in Singapore are determined by independent licensed appraisers who have appropriate recognised professional qualifications and recent experience in the location and category of the investment properties being valued.

In relying on the valuation reports, the Group has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions. The valuation reports obtained from external valuers of certain hotels have highlighted that as a result of the COVID-19 pandemic, giving rise to an unprecedented set of circumstances on which to base a judgement, less certainty and a higher degree of caution, should be attached to their valuations than would normally be the case. Due to the unknown future impact that the pandemic may have on the real estate market, the external valuers have recommended to keep the valuations of these properties under frequent review.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

6 ASSETS HELD FOR SALE

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

(a) An indirect subsidiary of the Group, M&C, entered into sale and purchase agreements to sell the land held at the property of Copthorne Hotel Christchurch and two hotels, Copthorne Orchid Penang and Millennium Harvest House Boulder (which are in the hotel operation segment), to third parties for sales consideration totalling $137.1 million. The sales are expected to be completed in 2021.

(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 $31.0 million. The sale is expected to be completed in 2021.

At 31 December 2019, assets held for sale and the liabilities directly associated with the assets held for sale related to the following divestments:

(a) M&C entered into a sale and purchase agreement to sell a hotel, Millennium Hotel Cincinnati (which is in the hotel operation segment), to a third party for a consideration of US$36.0 million. The sale was completed on 14 February 2020.

(b) CDLHT would divest one of its properties, Novotel Singapore Clarke Quay (which is in the hotel operation segment), to a consortium in which the Group has a 50% interest for a consideration of $375.9 million. The divestment was completed on 15 July 2020.

(c) Following the acquisition of Sceptre Hospitality Resources LLC (SHR) (which is in other segment) (see note 39), the Group received an offer from a third party and committed to dispose of its entire 75.1% interest in SHR for a sale consideration of US$47.6 million (approximately $64.5 million). The sale was completed on 6 March 2020.

	2020	2019
	$	$
Assets held for sale		
Property, plant and equipment	**45,884**	186,538
Goodwill	**–**	19,516
Other non-current assets	**–**	28
Trade and other receivables	**–**	3,864
Cash and cash equivalents	**–**	1,429
	45,884	211,375
Liabilities directly associated with the assets held for sale		
Trade and other payables	**–**	(3,539)
Other liabilities	**–**	(4,041)
	–	(7,580)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

7 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES

	Note	Company	
		2020	2019
		$'000	$'000
Investments in subsidiaries			
Unquoted shares, at cost		**2,058,682**	2,056,870
Impairment losses		**(33,663)**	(31,936)
		2,025,019	2,024,934
Balances with subsidiaries			
Amounts owing by subsidiaries:			
– trade		**18,777**	18,383
– non-trade, interest-free		**5,945,358**	4,467,988
– non-trade, interest-bearing		**6,264,642**	6,028,660
		12,228,777	10,515,031
Impairment losses		**(125,600)**	(104,804)
		12,103,177	10,410,227
Receivable:			
– Within 1 year	15	**5,585,340**	5,281,144
– After 1 year	11	**6,517,837**	5,129,083
		12,103,177	10,410,227
Amounts owing to subsidiaries:			
– trade		**3,589**	4,566
– non-trade, interest-free		**2,163,953**	2,210,578
– non-trade, interest-bearing		**451,849**	458,029
		2,619,391	2,673,173
Repayable:			
– Within 1 year	30	**2,619,391**	2,673,173

The Company assessed the carrying amount of its investments in subsidiaries for indicators of impairment. Based on the assessment, the Company recognised an impairment loss of $1,727,000 (2019: $Nil) on its investment in a wholly-owned subsidiary. The recoverable amount of the subsidiary was estimated taking into consideration the fair values of the underlying assets and the liabilities of the company. The fair value measurement was categorised as a Level 3 in the fair value hierarchy based on the inputs in the valuation techniques used.

The non-trade amounts owing by and to subsidiaries are unsecured. In respect of interest-bearing amounts owing by and to subsidiaries, interest was charged at rates ranging from 0.32% to 3.95% (2019: 0.20% to 4.35%) per annum and at rates ranging from 2.74% to 3.00% (2019: 2.58% to 3.25%) per annum respectively. The non-trade balances with subsidiaries that are presented as receivable or repayable within one year are receivable or repayable on demand.

The non-trade amounts owing by subsidiaries receivable after one year are loans to subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, a part of the Company's net investments in subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

7 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES (CONT'D)

Impairment losses

The movements in impairment losses in respect of investments in subsidiaries and amounts owing by subsidiaries during the year are as follows:

	Company	
	2020 **$'000**	2019 $'000
At 1 January	**136,740**	175,622
Impairment loss made	**22,523**	–
Impairment loss utilised	**–**	(38,882)
At 31 December	**159,263**	136,740

Further details regarding the Group's subsidiaries are set out in note 43.

8 INVESTMENTS IN AND BALANCES WITH ASSOCIATES

		Group		Company	
	Note	**2020** **$'000**	2019 $'000	**2020** **$'000**	2019 $'000
Investments in associates		**707,699**	562,876	**–**	–
Balances with associates					
Amounts owing by associates:					
– trade		**28**	1,105	**7**	11
– non-trade, interest-bearing		**1,057**	137,691	**–**	–
– non-trade, interest free		**6,525**	–	**–**	–
		7,610	138,796	**7**	11
Receivable:					
– Within 1 year	15	**7,610**	1,105	**7**	11
– After 1 year	11	**–**	137,691	**–**	–
		7,610	138,796	**7**	11
Amount owing to an associate payable within 1 year:					
– non-trade, interest-free	30	**887**	2,628	**–**	–

The non-trade amounts owing by associates are unsecured. In respect of interest-bearing amounts owing by associates, interest of 6.00% (2019: 2.00% to 3.88%) per annum was charged by the Group. The non-trade amounts owing by associates after one year are loans to associates for which settlement is neither planned nor likely to occur in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

8 INVESTMENTS IN AND BALANCES WITH ASSOCIATES (CONT'D)

The non-trade amount owing to an associate is unsecured, interest-free and repayable on demand.

Included in the Group's investments in associates are investments in two associates (2019: two) which are listed on the Mainboard of Singapore Exchange Securities Trading Limited. As at the reporting date, the aggregate carrying amount of these investments were $690.7 million (2019: $550.8 million) and the fair values based on the published price quotation (Level 1 in the fair value hierarchy) was $554.9 million (2019: $460.1 million). In respect of one associate whose carrying and fair values were $575.0 million (2019: $493.8 million) and $427.4 million (2019: $396.8 million) respectively, management had assessed the recoverable amount of the investment and determined that as its net asset value based on the latest available audited financial statements of the associate is higher than the carrying amount as at the reporting date, no impairment loss for this investment is considered necessary.

Immaterial associates

The Group has interests in a number of individually immaterial associates. The following table summarises, in aggregate, the Group's share of profit and other comprehensive income of these immaterial associates that are accounted for using the equity method:

	Group	
	2020 **$'000**	2019 $'000
Carrying amount of interests in individually immaterial associates	**707,699**	562,876
Group's share of:		
– profit from continuing operations	**37,976**	98,539
– other comprehensive income	**13,192**	(11,530)
– total comprehensive income	**51,168**	87,009

Financial guarantees

A wholly-owned subsidiary of the Group had entered into a deed of guarantee in favour of Sunbright Holdings Limited (Sunbright), an associate of the Group, in relation to the residential properties owned by Sunbright. The maximum exposure of the Group under the deed of guarantee at the reporting date is approximately $24.2 million (2019: $40.0 million).

Management do not consider it probable that a claim will be made against the Group under the financial guarantee.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

9 INVESTMENTS IN AND BALANCES WITH JOINT VENTURES

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Investments in joint ventures					
Investments in joint ventures		**1,891,659**	1,192,456	**37,360**	37,360
Impairment loss		**(806,371)**	–	**–**	–
		1,085,288	1,192,456	**37,360**	37,360
Balances with joint ventures					
Amounts owing by joint ventures:					
– trade		**2,943**	2,738	**61**	37
– non-trade, interest-bearing		**986,742**	441,261	**–**	10,525
– non-trade, interest-free		**762,286**	262,764	**234,795**	221,590
		1,751,971	706,763	**234,856**	232,152
Impairment losses		**(328,595)**	(4,431)	**(5,050)**	(5,050)
		1,423,376	702,332	**229,806**	227,102
Receivable:					
– Within 1 year	15	**1,328,040**	496,335	**229,806**	227,102
– After 1 year	11	**95,336**	205,997	**–**	–
		1,423,376	702,332	**229,806**	227,102
Amounts owing to joint ventures payable within 1 year:					
– trade		**331**	31	**–**	–
– non-trade, interest-free		**346,756**	60,460	**22,727**	22,727
	30	**347,087**	60,491	**22,727**	22,727

(a) At the reporting date, included in the carrying amount of the Group's investments in joint ventures is goodwill amounting to $30.4 million (2019: $29.6 million) relating to the Group's interests in four (2019: three) joint ventures. This amount is stated net of the goodwill and the related impairment loss recognised during 2020 associated with the Group's investment in HCP Chongqing Property Development Co., Ltd ("HCP"), as detailed under "Material joint venture" below.

(b) The movement in impairment losses in respect of investments in joint ventures are as follows:

	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
At 1 January	–	–	–	–
Impairment loss recognised	806,371	–	–	–
At 31 December	806,371	–	–	–

The impairment loss recognised during 2020 relates to the impairment loss recognised on the investment in HCP. Details are set out under "Material joint venture" below.

Impairment loss recognised was included in "Share of after-tax (loss)/profit of joint ventures" in the consolidated statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

9 INVESTMENTS IN AND BALANCES WITH JOINT VENTURES (CONT'D)

(c) The non-trade amounts owing by joint ventures are unsecured. In respect of interest-bearing amounts owing by joint ventures, interest at rates ranging from 0.06% to 10.0% (2019: 1.37% to 7.50%) per annum and Nil% (2019: 1.50%) per annum were charged by the Group and the Company, respectively.

The non-trade amount owing by a joint venture after one year is a loan to a joint venture for which settlement is neither planned nor likely to occur in the foreseeable future.

The non-trade amounts presented as receivable within one year are receivable on demand.

Included in the amounts owing by joint ventures is an amount of $359.7 million (net of impairment losses) due from HCP and its subsidiaries ("HCP Group"). Further details are set out under "Investment in and balances with HCP Group – Impairment of amounts owing by HCP Group" below.

(d) The movements in impairment losses in respect of balances with joint ventures are as follows:

	Group Lifetime ECL 2020 $'000	Group Lifetime ECL 2019 $'000	Company Lifetime ECL 2020 $'000	Company Lifetime ECL 2019 $'000
At 1 January	4,431	13,559	5,050	14,909
Impairment loss recognised/ (reversed)	323,942	–	–	(9,859)
Impairment loss utilised	–	(9,128)	–	–
Translation differences	222	–	–	–
At 31 December	328,595	4,431	5,050	5,050

The impairment loss recognised by the Group during 2020 relates to the impairment loss recognised on the amounts owing by HCP Group. Impairment losses recognised were included on the face of consolidated statement of profit or loss. Details are set out under "Material joint venture" below.

(e) The non-trade amounts owing to joint ventures are unsecured and repayable on demand.

Included in the amounts owing to joint ventures is an amount of $264.3 million owing to HCP Group.

Material joint venture

The Group's material joint venture relates to HCP. HCP is an unlisted joint venture in which the Group has joint control via an investor rights agreement and a 63.75% ownership interest. HCP, which is incorporated in Cayman Islands, is an investment holding company that holds an indirect 80.01% equity interest in Chongqing Sincere Yuanchuang Industrial Co., Ltd ("Sincere Property Group"), a real estate developer in the People's Republic of China (PRC). Approximately 13.1% and 48.9% of the shares held by HCP Group in Sincere Property Group are pledged to the Group and other parties, respectively.

This investment offers the Group the opportunity to partner with Sincere Property Group and to acquire a meaningful stake in platform which will allow a sizeable expansion of the Group's footprint in the PRC.

The Group has a call option to acquire an additional 11.25% equity interest in HCP, which is exercisable at the Group's discretion within a 6-month period commencing on 1 July 2022 for a consideration of approximately $157.3 million (RMB774.1 million). As at 31 December 2020, the fair value of this call option is nil.

HCP is structured as a separate vehicle and the Group has residual interest in its net assets. Accordingly, the Group has classified its interest in HCP as a joint venture, which is equity accounted.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

9 INVESTMENTS IN AND BALANCES WITH JOINT VENTURES (CONT'D)

Investment in and balances with HCP Group

(a) Accounting for acquisition of HCP Group

In April 2020, the Group acquired an equity interest of 63.75% in HCP for an aggregate consideration of approximately $0.9 billion. The Group accounted for the acquisition of HCP as a business combination, which requires the purchase price to be allocated to the fair value of the identifiable assets acquired and liabilities assumed, including any contingent liabilities (purchase price allocation or "PPA").

The fair values of assets and liabilities, which involve significant judgement and estimates, have been determined as follows:

- The fair values of the underlying properties held by HCP Group were determined based on external independent valuations undertaken.

  A significant portion of the purchase price was allocated to HCP Group's underlying property portfolio comprising development properties, property, plant and equipment and investment properties, based on the valuation amounts in the independent valuation reports. The valuation of development properties is critically dependent upon the estimated future selling prices. The valuation of property, plant and equipment and investment properties involves significant judgement in determining both the valuation methods to be used and the key assumptions to be applied. The valuations are sensitive to the key assumptions applied and a change in assumptions may have a significant impact on the valuations.

- The fair values of the amounts due from related parties of HCP Group were estimated, taking into consideration the repayment patterns and the settlement arrangements agreed between the HCP Group and its related parties.

- The fair values of contingent liabilities relating to financial guarantees issued by HCP Group for credit facilities granted to the related parties of HCP Group involve making estimates of the guarantees being invoked.

- The fair value of a put option granted by HCP Group to a non-controlling shareholder of Sincere Property Group (the "Put Option") for the latter to sell its 19.99% of shares in Sincere Property Group was estimated based on the present value of the exercise price of the put option.

- The fair value of indemnities provided by the joint venture partner and its related parties in relation to the liabilities associated with the Put Option and contingent liabilities arising from the guarantees issued by Sincere Property Group to the joint venture partner and its related parties, was estimated to be nil, having considered the Group's ability to recover these indemnity assets.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

9 INVESTMENTS IN AND BALANCES WITH JOINT VENTURES (CONT'D)

Investment in and balances with HCP Group (cont'd)

(a) Accounting for acquisition of HCP Group (cont'd)

Measurement of fair values

The valuation techniques used for measuring the fair values of the underlying significant assets and liabilities were as follows:

Assets acquired and liabilities assumed	Valuation technique
Property, plant and equipment and investment properties	*Direct comparison, discounted cash flow, income capitalisation, cost 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 discounted cash flow method involved forecasting the properties' income stream and discounting the income stream at the market rate of interest at the acquisition date. The income capitalisation method capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The cost method considers the current replacement cost of creating a comparable property. 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.
Development properties	*Direct comparison, income capitalisation, cost 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 income capitalisation method capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The cost method considers the current replacement cost of creating a comparable property. 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.
Amounts due from related parties	*Discounted cash flow method:* The fair value is estimated as the present value of the expected future payments, discounted at the market rate of interest at the acquisition date.
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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

9 INVESTMENTS IN AND BALANCES WITH JOINT VENTURES (CONT'D)

Investment in and balances with HCP Group (cont'd)

(a) Accounting for acquisition of HCP Group (cont'd)

Measurement of fair values (cont'd)

Assets acquired and liabilities assumed	Valuation technique
Contingent liabilities – financial guarantees issued	*Probability adjusted expected value method:* The fair value is estimated based on the exposure amount that the HCP Group is obliged to pay in the event of a default by the entity for the financial guarantee is issued, adjusted for the probability of default.
Put Option	*Discounted cash flow method:* The fair value is estimated as the present value of the expected future payments, discounted at the market rate of interest at the acquisition date.

In relying on the valuation reports for the property, plant and equipment, investment properties and development properties, the Group has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions. The valuation reports obtained from external valuer of the properties have highlighted that as a result of the COVID-19 pandemic, giving rise to an unprecedented set of circumstances on which to base a judgement, less certainty and a higher degree of caution, should be attached to the valuations than would normally be the case. Due to the uncertainty that the pandemic may have on the real estate market, the external valuer has recommended to keep the valuations of these properties under frequent review.

The fair value measurements were categorised as Level 3 in the fair value hierarchy based on the inputs in the valuation techniques used.

The PPA exercise indicated that the Group's cost of investment in HCP of $0.9 billion represents goodwill. Impairment of the Group's investment in HCP is set out below.

(b) Impairment of the equity investment in HCP Group

Subsequent to the acquisition, the Group identified indicators of impairment on its equity investment in HCP Group arising from the challenging macro-economic environment posed by the COVID-19 pandemic, the credit tightening measures imposed on China's real estate sector and the liquidity challenges faced by Sincere Property Group. The Group assessed the recoverable amount of the investment using the fair value less costs to sell approach which is based on the financial position of the HCP Group, which took into consideration the fair values of the joint venture's underlying assets and liabilities. Based on the assessment undertaken, the recoverable amount was estimated to be nil. Accordingly, an impairment loss of $806.4 million was recognised, after taking into account the Group's share of HCP Group's loss of $75.8 million recognised. The impairment loss is included as part of "Share of after-tax (loss)/profit of joint ventures" in the consolidated statement of profit or loss, and in the property development ($435.4 million), hotel operations ($48.4 million) and investment properties ($322.6 million) segments.

As the Group's cost of investment in HCP Cayman has been reduced to nil, the Group has discontinued equity accounting for further losses of HCP Group as the Group has no obligation to fund HCP Group's operations or make payments on behalf of HCP Group (other than the financial guarantee that the Group has issued in relation to a loan undertaken by HCP Group for which a provision has been made for the full guarantee amount (refer to "Financial guarantee issued" below).

The fair value measurement was categorised as Level 3 in the fair value hierarchy based on the inputs in the valuation technique used.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

9 INVESTMENTS IN AND BALANCES WITH JOINT VENTURES (CONT'D)

Investment in and balances with HCP Group (cont'd)

(b) Impairment of the equity investment in HCP Group (cont'd)

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
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.	NAV	The estimated fair value would increase/(decrease) if the NAV was higher/(lower).

(c) Impairment of amounts owing by HCP Group

As at 31 December 2020, the Group had gross amounts owing by HCP Group of $683.6 million (2019: $Nil) and amounts owing to HCP Group of $264.3 million (2019: $Nil). The Group undertook an impairment assessment of the amounts owing from HCP Group. The Group assessed that the amounts owing by HCP Group were credit-impaired, having considered past repayment trends, the debt maturity profile of Sincere Property Group, the default risk on the amounts owing by Sincere Property Group and the liquidity challenges faced by Sincere Property Group.

At the reporting date, the Group determined the lifetime expected credit losses ("ECL") to be recognised based on the present value of all cash shortfalls (i.e. the difference between the cash flows due from the HCP Group in accordance with the contract and the cash flows that the Group expects to receive), discounted at the effective interest rate of the amounts owing by HCP Group. The ECL takes into account the adjusted financial position of Sincere Property Group (taking into account the estimated recoverable amounts of the properties held by Sincere Property Group and its associates and joint ventures, and potential additional costs to be incurred on borrowings of Sincere Property Group), the debt profile of Sincere Property Group, the value of collateral that the Group holds and certain amounts owing by the Group to HCP Group.

The key parameters applied in estimating the ECL to be recognised include assuming a discount of up to 50% on the properties held by Sincere Property Group and the carrying values of investments in associates and joint ventures and additional costs including potential penalty interest of approximately 30% on borrowings. The discount assumptions used to estimate the difference between the fair value of the underlying properties and the expected sales price under a forced sale scenario are based on market data available. The Group also considered the value of the collateral held, which relates to shares in a property-owing entity which has been pledged by HCP Group to the Group, based on the recently transacted price of the shares.

Based on the assessment undertaken, the Group recognised an impairment loss of $323.9 million on the amounts owing by HCP Group. At the reporting date, the Group had amounts owing by HCP Group of $359.7 million (net of impairment loss recognised) (2019: $Nil) and amounts owing to HCP Group of $264.3 million (2019: $15.0 million).

Changes to circumstances and estimates may impact the amount of expected credit losses recognised on the amounts owing by HCP Group. The expected credit losses on the amounts owing by HCP Group can be sensitive to the assumptions used. An increase in the discount adjustment on the properties held by the Group and the carrying values of investments in associates and joint ventures and additional costs including potential penalty interest on borrowings in isolation would result in a lower recoverable amount. A lower discount adjustment on the properties held by HCP Group and the carrying values of investments in associate and joint ventures and lower additional costs including potential penalty interest on borrowings in isolation would result in a higher recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

9 INVESTMENTS IN AND BALANCES WITH JOINT VENTURES (CONT'D)

Investment in and balances with HCP Group (cont'd)

(d) Financial information of HCP Group

	Group 2020 $'000	2019 $'000
Group's interest in net assets of investee at beginning of the year:	–	–
Investment during the year	882,141	–
Share of after-tax loss		
- share of total comprehensive income	(75,770)	–
- impairment of goodwill	(806,371)	–
	(882,141)	–
Carrying amount of interest in investee at end of the year	–	–

The challenging macro-economic environment posed by the COVID-19 pandemic, the credit tightening measures imposed on China's real estate sector and the ongoing uncertainty have disrupted and negatively impacted HCP Group's operations and performance. Furthermore, weak market conditions have derailed the intended divestment plan for some of HCP Group's properties to reduce its debt, exacerbating the liquidity challenges that it faces. Subsequent to 31 December 2020, the credit ratings of certain of HCP Group's bonds were downgraded and the HCP Group did not repay the principal amounts of certain bonds on their maturities. Arising from these key events and the evolving developments within the HCP up to the date of the Group's issuance of these financial statements, the basis of accounting for HCP Group's key assets and liabilities as at 31 December 2020 would have to be re-assessed. Accordingly, management considers that the financial information of HCP Group as at 31 December 2020 would not faithfully represent HCP Group's financial position and would not be relevant to users of these financial statements. The Group does not have financial information of HCP Group that has been updated for events and circumstances described above.

The main business activities of HCP Group relate to the real estate business derived primarily from Sincere Property Group, which is an issuer of several domestic corporate bonds listed on the Shanghai Stock Exchange. As long as the listed bonds of Sincere Property Group remain outstanding, Sincere Property Group is required to abide by the regulations of China Securities Regulatory Commission (CSRC). Under the regulations of CSRC, any material information in relation to Sincere Property Group needs to be announced by Sincere Property Group in China no later than the announcement of the same elsewhere in the world, failing which Sincere Property Group and its controlling equity holder(s) could be liable under PRC laws. Sincere Property Group, which is required to announce its annual financial statements within 4 months from each financial year end is expected to announce its financial results for year ended 31 December 2020 in late April 2021. Accordingly, before Sincere Property Group announces its 2020 financial information in China, the Group is unable to disclose any financial information of HCP Group.

As a result of the above and the uncertainties surrounding the outcome of the matters highlighted, the summarised financial information of HCP Group as at 31 December 2020 and the Group's unrecognised share of losses, commitments and contingent liabilities in relation to the HCP Group have not been presented in these financial statements.

The evolving developments within the HCP Group may result in additional liabilities (whether actual or contingent). The Group has ring-fenced its financial exposure to its investment in HCP and the Group has no obligation to fund HCP Group's operations or make payments on behalf of HCP Group, except as described in "Financial guarantee issued" below.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

9 INVESTMENTS IN AND BALANCES WITH JOINT VENTURES (CONT'D)

Investment in and balances with HCP Group (cont'd)

(e) Financial guarantee issued

During 2020, the Group has issued a financial guarantee of approximately $283.0 million (2019: $Nil) to a financial institution in connection to loan taken by the HCP Group. In addition, the Group has pledged an investment property with a carrying value of $359.8 million as at 31 December 2020 (2019: $Nil) under a second mortgage to the bank.

At the reporting date, the Group has considered that the probability that the financial guarantee will be invoked and recognised a provision for the full amount of the guarantee (see note 28), taking into consideration the available financial information of HCP Group, Sincere Property Group not repaying the principal amounts of certain bonds on their maturities post 31 December 2020, the liquidity challenges faced by Sincere Property Group and legal advice received.

Subsequent to the reporting date, an event of default has been triggered under the terms of the loan agreement. At the date of issuance of these financial statements, the Group is in discussion with the lender on the financial guarantee issued.

Immaterial joint ventures

The Group has interests in a number of individually immaterial joint ventures. The following table summarises, in aggregate, the share of profit and other comprehensive income of these immaterial joint ventures that are accounted for using the equity method:

	Group 2020 $'000	2019 $'000
Carrying amount of interests in individually immaterial joint ventures	**1,085,288**	1,192,456
Group's share of:		
– (loss)/profit from continuing operations/total comprehensive income	**(1,611)**	97,768

The Group's share of the joint ventures' commitments and contingent liabilities (excluding HCP) is as follows:

	Group 2020 $'000	2019 $'000
Commitments		
Development expenditure contracted but not provided for in the financial statements	**325,766**	277,385
Capital expenditure contracted but not provided for in the financial statements	**42,884**	47,822
Non-cancellable operating lease receivable	**84,422**	90,121

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

10 FINANCIAL ASSETS

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Non-current investments				
Unquoted debt investments mandatorily at FVTPL				
– non-related companies	**181,202**	174,237	**–**	–
Unquoted debt investment at amortised cost				
– a non-related company	**305,394**	311,604	**–**	–
Impairment loss	**(288,000)**	–	**–**	–
	17,394	311,604	**–**	–
Unquoted equity investments at FVOCI				
– fellow subsidiaries	**324,877**	350,561	**324,877**	350,561
– non-related companies	**31,852**	41,834	**–**	–
Unquoted equity investments mandatorily at FVTPL				
– other related parties	**47,407**	33,257	**–**	–
– non-related companies	**42,666**	25,829	**–**	–
	446,802	451,481	**324,877**	350,561
Quoted equity investments at FVOCI				
– fellow subsidiaries	**25,897**	28,944	**21,777**	24,339
– an associate	**–**	53,423	**–**	–
– non-related companies	**9,006**	10,507	**–**	–
Quoted equity investments mandatorily at FVTPL				
– an associate	**33,848**	6,933	**–**	–
– non-related companies	**21,970**	23,163	**1,856**	1,064
	90,721	122,970	**23,633**	25,403
Total non-current financial assets	**736,119**	1,060,292	**348,510**	375,964
Current investments				
Quoted equity investments mandatorily at FVTPL				
– non-related companies	**9,324**	12,456	**–**	–
Unquoted debt investments mandatorily at FVTPL				
– a joint venture	**10,724**	9,675	**–**	–
– a non-related company	**–**	540,550	**–**	–
Total current financial assets	**20,048**	562,681	**–**	–
Total financial assets	**756,167**	1,622,973	**348,510**	375,964

(a) Unquoted debt investments mandatorily at FVTPL with total carrying amount of $157,536,000 (2019: $692,543,000) bear interest at 2.46% to 8.00% (2019: 2.46% to 10.00%) per annum and mature within 1 to 3 (2019: 1 to 4) years.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

10 FINANCIAL ASSETS (CONT'D)

(b) Included in the unquoted debt investments mandatorily at FVTPL were the following:

i) $146,812,000 (2019: $142,318,000) relating to the Group's investment in a note due 2023 issued by Summervale Properties Pte. Ltd. (Summervale) for Nouvel 18, a 156-unit luxury freehold residential development on Anderson Road, Singapore. In October 2016, the Group established its third Profit Participation Securities (PPS) by entering into an investment agreement, and an asset management and marketing agreement with an unrelated party, Green 18 Pte. Ltd. (Green 18), to exit its entire interest in Summervale. As part of the investment agreement, the Group subscribed for a note of $140 million issued by Summervale. According to the asset management and marketing agreement, Summervale appointed Trentwell Management Pte. Ltd. (Trentwell), a wholly-owned subsidiary of the Group, as the asset manager and marketing agent of Summervale to manage and lease out Nouvel 18, as well as to market and divest units in Nouvel 18 for a period of five years (with an option to extend to seven years).

ii) $34,390,000 (2019: $31,919,000) relating to the Group's investment in property-linked notes issued for the development of a luxury retirement village in New South Wales.

iii) $10,724,000 (2019: $9,675,000) relating to a convertible loan granted to a joint venture.

iv) $540,550,000 as at 31 December 2019 relating to a loan granted to Sincere Property Group, a real estate developer in China. The loan was repaid during 2020 following the Group's acquisition of a 63.75% equity interest in HCP.

(c) Unquoted debt investment at amortised cost with gross carrying amount of $305,394,000 (US$230 million) (2019: $311,604,000 (US$230 million)) relates to the Group's investment in a US$ bond issued by Sincere Property Group. The bond bears interest at 10% (2019: 10%) per annum and matures within 2 (2019: 3) years. An impairment loss of $288,000,000 (2019: $Nil) was recognised on the bond. The Group has no collateral in respect of this investment.

The movement in the allowance for impairment for debt investments at amortised cost during the year was as follows:

	Lifetime ECL credit -impaired $'000
Balance as at 1 January	–
Impairment loss recognised	288,000
Balance as at 31 December	288,000

The impairment loss recognised was included in the consolidated statement of profit or loss.

The Group undertook an impairment assessment of the investment in the bond. The Group assessed that the investment in the bond was credit-impaired, having considered past repayment trends, the debt maturity profile of Sincere Property Group, the default risk on the amounts owing by Sincere Property Group and the liquidity challenges faced by Sincere Property Group.

At the reporting date, the Group determined the lifetime expected credit losses ("ECL") to be recognised based on the present value of all cash shortfalls (i.e. the difference between the cash flows due from the investment in the bond in accordance with the contract and the cash flows that the Group expects to receive), discounted at the effective interest rate of the investment in the bond, which takes into account the adjusted financial position of Sincere Property Group (taking into account the estimated recoverable amounts of the properties held by Sincere Property Group and its associates and joint ventures, and potential additional costs to be incurred on borrowings of Sincere Property Group) and the debt profile of the Sincere Property Group.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

10 FINANCIAL ASSETS (CONT'D)

The key parameters applied in estimating the ECL to be recognised include assuming a discount of up to 50% on the properties held by Sincere Property Group and the carrying values of investments in associates and joint ventures and additional costs including potential penalty interest of approximately 30% on borrowings. The discount assumptions used to estimate the difference between the fair value of the underlying properties and the expected sales price under a forced sale scenario are based on the market data available.

Based on the assessment undertaken, the Group recognised an impairment loss of $288 million on the investment in the bond. At the reporting date, the carrying value of the bond was $17.4 million (net of impairment loss) (2019: $311.6 million).

Changes to circumstances and estimates may impact the expected credit losses on the investment in the bond recognised. The expected credit losses on the investment in the bond can be sensitive to the assumptions used. An increase in the discount adjustment on the properties held by Sincere Property Group and the carrying value of investments in associates and joint ventures and additional costs including potential penalty interest on borrowings in isolation would result in a lower recoverable amount. A lower discount adjustment on the properties held by Sincere Property Group and the carrying value of investments in associates and joint ventures and lower additional costs including potential penalty interest on borrowings in isolation would result in a higher recoverable amount.

Further details regarding the Group's debt investments are set out in note 41.

(d) Equity investments designated at FVOCI

The Group designated the equity investments shown below as equity investments at FVOCI because these equity investments represent investments that the Group intends to hold for the long-term for strategic purposes.

	Group		Company	
	Fair value at 31 December 2020 $'000	Dividend income recognised during the year $'000	Fair value at 31 December 2020 $'000	Dividend income recognised during the year $'000
Unquoted investment in a fellow subsidiary:				
– Hong Leong Holdings Limited	**324,877**	**1,688**	**324,877**	**1,688**
Unquoted investment in a non-related company:				
– Singapore-Suzhou Township Development Pte. Ltd.	**31,852**	**830**	**–**	**–**
Quoted investment in a fellow subsidiary:				
– Hong Leong Finance Limited	**25,897**	**1,088**	**21,777**	**915**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

10 FINANCIAL ASSETS (CONT'D)

	Group		Company	
	Fair value at 31 December 2019 $'000	Dividend income recognised during 2019 $'000	Fair value at 31 December 2019 $'000	Dividend income recognised during 2019 $'000
Unquoted investment in a fellow subsidiary:				
– Hong Leong Holdings Limited	350,561	2,025	350,561	2,025
Unquoted investment in a non-related company:				
– Singapore-Suzhou Township Development Pte. Ltd.	41,834	135	–	–
Quoted investment in a fellow subsidiary:				
– Hong Leong Finance Limited	28,944	1,632	24,339	1,372
Quoted investment in an associate:				
– First Sponsor Group Limited (perpetual convertible capital securities)	53,423	–	–	–

During 2020, the Group's investment in the perpetual convertible capital securities issued by its associate, First Sponsor Group Limited (FSGL), was converted into ordinary shares of FSGL and recognised as part of the Group's investments in associates.

The other equity investments designated at FVOCI not included in the table above are insignificant to the Group and the Company. No strategic investments were disposed of during 2020 and 2019, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

Information about the Group's and the Company's exposures to credit and market risks, and fair value measurement, is included in note 41.

11 OTHER NON-CURRENT ASSETS

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Amounts owing by subsidiaries	7	**–**	–	**6,517,837**	5,129,083
Amounts owing by associates	8	**–**	137,691	**–**	–
Amount owing by a joint venture	9	**95,336**	205,997	**–**	–
Deposits		**5,196**	3,641	**–**	–
Other receivables		**7,873**	9,236	**–**	–
Derivative financial assets		**451**	11,638	**451**	5,475
Restricted bank deposits	17	**110,620**	284,691	**–**	–
		219,476	652,894	**6,518,288**	5,134,558
Prepayments		**336**	371	**–**	–
Intangible assets		**1,556**	1,416	**–**	–
Deferred tax assets	29	**19,818**	23,051	**–**	–
		241,186	677,732	**6,518,288**	5,134,558

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

12 DEVELOPMENT PROPERTIES

	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Properties under development, for which revenue is to be recognised over time	**2,198,310**	1,897,466	**–**	–
Properties under development, for which revenue is to be recognised at a point in time	**1,999,105**	2,131,048	**–**	–
Completed units	**1,255,737**	1,152,162	**180,247**	180,247
	5,453,152	5,180,676	**180,247**	180,247
Allowance for foreseeable losses	**(62,097)**	(26,512)	**–**	–
	5,391,055	5,154,164	**180,247**	180,247
Share of joint operations				
Completed units	**–**	1,478	**–**	1,488
Total development properties	**5,391,055**	5,155,642	**180,247**	181,735

(i) Allowance for foreseeable losses

Movements in allowance for foreseeable losses are as follows:

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
At 1 January		**26,512**	33,406	**–**	–
Allowance made/(reversed)	32	**35,014**	(6,524)	**–**	–
Allowance utilised		**–**	(160)	**–**	–
Translation differences on consolidation		**571**	(210)	**–**	–
At 31 December		**62,097**	26,512	**–**	–

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

(ii) Development properties of the Group recognised as cost of sales, excluding allowance for foreseeable losses, amounted to $663,251,000 (2019: $733,940,000) for the year.

(iii) Development properties of the Group with carrying amounts of $1,639,992,000 (2019: $1,763,006,000) are mortgaged to financial institutions to secure credit facilities (refer to note 22).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

13 CONTRACT COSTS

The amount relates to commission fees paid to property agents for securing sale contracts for the Group's development properties. During the year, $24,556,000 (2019: $29,279,000) of commission fees paid were capitalised as contract costs.

Capitalised commission fees are amortised when the related revenue is recognised. During the year, $19,100,000 (2019: $14,612,000) was amortised. There is no impairment loss in relation to such costs capitalised.

14 CONTRACT ASSETS/(LIABILITIES)

	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Contract assets	**505,231**	242,048	**–**	–
Contract liabilities	**(267,607)**	(209,503)	**–**	–

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

	Group 2020 $'000	Group 2019 $'000
Contract liabilities at the beginning of the year recognised as revenue during the year	**112,355**	85,318
Increases due to cash received, excluding amounts recognised as revenue during the year	**(170,587)**	(193,375)
Contract assets reclassified to trade receivables	**(242,048)**	(107,241)
Changes in measurement of progress	**505,231**	242,048

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

15 TRADE AND OTHER RECEIVABLES

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Trade receivables		**172,285**	171,570	**2,514**	719
Impairment losses		**(25,212)**	(14,301)	**(716)**	(7)
		147,073	157,269	**1,798**	712
Other receivables		**87,108**	61,060	**2,684**	4,045
Impairment losses		**(5,129)**	(5,291)	**(1,129)**	(1,129)
		81,979	55,769	**1,555**	2,916
Accrued rent receivables		**46,857**	29,617	**1,502**	1,823
Deposits		**6,485**	7,672	**347**	349
Amounts owing by:					
– subsidiaries	7	**–**	–	**5,585,340**	5,281,144
– associates	8	**7,610**	1,105	**7**	11
– joint ventures		**1,656,635**	500,766	**234,856**	232,152
Less: Impairment losses		**(328,595)**	(4,431)	**(5,050)**	(5,050)
	9	**1,328,040**	496,335	**229,806**	227,102
– fellow subsidiaries	16	**534**	247	**9**	81
		1,618,578	748,014	**5,820,364**	5,514,138
Prepayments		**52,632**	67,066	**1,322**	1,315
Grant receivables		**1,887**	–	**701**	–
Derivative financial assets		**8,121**	6,994	**8,121**	6,172
		1,681,218	822,074	**5,830,508**	5,521,625

The grant receivables as at 31 December 2020 relate to property tax rebates and other cash grants as part of the COVID-19 relief measures.

16 AMOUNTS OWING BY AND TO FELLOW SUBSIDIARIES

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Amounts owing by fellow subsidiaries:					
– trade	15	**534**	247	**9**	81
Amounts owing to fellow subsidiaries:					
– trade		**17**	108	**7**	–
– non-trade, interest-bearing		**234,294**	225,451	**–**	–
	30	**234,311**	225,559	**7**	–

Fellow subsidiaries are subsidiaries of the immediate holding company. The non-trade amounts owing to fellow subsidiaries are unsecured and repayable on demand. In respect of interest-bearing amounts owing to fellow subsidiaries, interest was charged at 2.00% (2019: 2.00%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

17 CASH AND CASH EQUIVALENTS

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Fixed deposits		**1,987,111**	1,999,127	**1,153,978**	1,175,716
Cash at banks and in hand*		**1,139,418**	798,525	**134,936**	93,519
Cash and cash equivalents in the statements of financial position		**3,126,529**	2,797,652	**1,288,914**	1,269,235
Restricted deposits included in other non-current assets	11	**110,620**	284,691		
Cash and cash equivalents included in assets held for sale		**–**	1,429		
	18	**3,237,149**	3,083,772		
Restricted deposits		**(276,030)**	(288,807)		
Restricted cash		**(6,010)**	(5,395)		
Bank overdrafts	21	**–**	(1)		
Cash and cash equivalents in the consolidated statement of cash flows		**2,955,109**	2,789,569		

* Includes cash pool overdrafts

As at 31 December 2020, cash and cash equivalents of $180,085,000 (2019: $123,955,000) of the Group were held under project accounts and withdrawals from which are restricted to payments for expenditure incurred on the Group's development projects.

Interest on cash at banks and fixed deposits for the Group and Company ranges from 0.01% to 6.70% (2019: 0.05% to 6.70%) and 0.02% to 2.63% (2019: 0.90% to 3.20%) per annum respectively during the year.

As at 31 December 2020, cash and cash equivalents of the Group included an amount of $3,535,000 (2019: $7,069,000) which was held in escrow accounts for payments to third party investors.

	Note	Group 2020 $'000	Group 2019 $'000
Restricted deposits:			
– Current		**165,410**	4,116
– Non-current	11	**110,620**	284,691
		276,030	288,807

Restricted deposits comprise deposits pledged to financial institutions as collateral for credit facilities granted (see note 22) and guarantees given in connection with the Group's continuing involvement in various Profit Participation Securities (notes 10 and 44) .

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

18 SHARE CAPITAL

	Company 2020 Number of shares	2020 $'000	2019 Number of shares	2019 $'000
Issued and fully paid ordinary share capital with no par value:				
At 1 January and 31 December	**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:				
At 1 January and 31 December	**330,874,257**	**330,218**	330,874,257	330,218
		1,991,397		1,991,397

At the reporting date, the Company held 2,400,000 (2019: 2,400,000) ordinary shares as treasury shares.

Ordinary share capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at General Meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Preference share capital

The Company has in issue 330,874,257 (2019: 330,874,257) non-redeemable convertible non-cumulative preference shares (Preference Shares), listed on the Official List of Singapore Exchange Securities Trading Limited. The Preference Shares are convertible only at the option of the Company, into fully-paid ordinary shares of the Company at the conversion ratio of 0.136 ordinary share for each Preference Share.

In the event the Company exercises its right of conversion, the Company shall pay to preference shareholders a one-off preference cash dividend at the fixed rate of 64% (net) of the issue price for each Preference Share (Additional Preference Dividend) and any preference dividend accrued but unpaid.

As at 31 December 2020, a maximum number of 44,998,898 (2019: 44,998,898) ordinary shares are issuable upon full conversion at the sole option of the Company of all the Preference Shares.

Holders of Preference Shares have no voting rights, except under certain circumstances provided for in the Singapore Companies Act and as set out in the Company's Constitution.

The Preference Shares rank:

(i) *pari passu* without any preference or priority among themselves; and

(ii) in priority over the ordinary shares (a) in respect of payment of the preference dividend (when, as and if declared) and the Additional Preference Dividend; and (b) in the event of a winding-up of or return of capital by the Company, payment of any preference dividend that has accrued to holders of Preference Shares and is unpaid, the Additional Preference Dividend (whether or not then due) as well as the amount paid up on the Preference Shares (including the premium paid thereon).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

18 SHARE CAPITAL (CONT'D)

Capital management policy

The Group's primary objective in capital management is to maintain a strong capital base so as to maintain investor, creditor and market confidence, and to continue to maintain the future development and growth of the business.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. For this purpose, the Group defines "capital" as including all components of equity, including non-controlling interests. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares or other financial instruments.

The Group monitors capital using a net debt equity ratio, which is defined as net borrowings divided by total capital employed.

	Note	2020 $'000	2019 $'000
Gross borrowings		**11,825,845**	9,934,857
Cash and bank balances (including restricted deposits classified as other non-current assets and cash and cash equivalents included in assets held for sale)	17	**(3,237,149)**	(3,083,772)
Net debt		**8,588,696**	6,851,085
Total capital employed		**9,242,457**	11,266,556
Net debt equity ratio		**0.93**	0.61

No changes were made to the above objectives, policies and processes during the years ended 31 December 2020 and 2019.

The Group derives income from its investments in the PRC. The conversion of the Chinese Renminbi is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

The Group has a subsidiary, CDL Hospitality Real Estate Investment Trust (H-REIT), which is part of CDL Hospitality Trusts (CDLHT), a stapled group comprising H-REIT and CDL Hospitality Business Trust (HBT), a business trust. H-REIT is subject to the aggregate leverage limit as defined in the Property Funds Appendix of the Code on Collective Investment Schemes (CIS Code) issued by the Monetary Authority of Singapore (MAS). The CIS Code stipulates that the total borrowings and deferred payments (together the Aggregate Leverage) of a property fund should not exceed 50.0% of its Deposited Property under a single-tier leverage limit.

For this financial year, H-REIT has a credit rating of BB+ (2019: BBB-) from Fitch Ratings. The Aggregate Leverage of H-REIT as at 31 December 2020 was 36.2% (2019: 34.3%) of H-REIT's Deposited Property. This complied with the aggregate leverage limit as described above.

Except for the above, neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

19 RESERVES

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Capital reserve	**284,030**	280,402	**63,743**	63,743
Fair value reserve	**(2,421)**	40,932	**(33,150)**	(4,905)
Hedging reserve	**(6,642)**	(3,690)	**(448)**	199
Other reserves	**23,927**	23,482	**–**	–
Share option reserve	**15,318**	15,279	**–**	–
Foreign currency translation reserve	**(79,696)**	(165,181)	**–**	–
Accumulated profits	**6,276,295**	8,337,629	**4,427,888**	4,556,849
	6,510,811	8,528,853	**4,458,033**	4,615,886

The capital reserve comprises mainly:

(a) negative goodwill on the consolidation of subsidiaries which arose prior to 1 January 2017 under the previous accounting standards adopted;

(b) issue expenses; and

(c) reserves arising from the Group's acquisition of non-controlling interests in subsidiaries.

The fair value reserve comprises the cumulative net change in the fair value of equity instruments designated at FVOCI.

The hedging reserve comprises the effective portion of the cumulative net changes in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred (net of tax).

Other reserves comprise mainly reserves set aside by certain subsidiaries in compliance with the relevant regulations in the People's Republic of China and share of other reserves of associates and joint ventures.

The share option reserve comprises the cumulative value of employee services received for the issue of share options of a subsidiary and a joint venture.

The foreign currency translation reserve comprises mainly:

(a) foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Company;

(b) the gain or loss on financial instruments used to hedge the Group's net investment in foreign operations that are determined to be effective hedges; and

(c) exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

20 EQUITY COMPENSATION BENEFITS

By a subsidiary

Millennium & Copthorne Hotels Limited (M&C)

The M&C Group used to operate a number of share option schemes, a majority being designed to link remuneration to the future performance of M&C Group. In accordance with the M&C Group's accounting policy on share-based payment transactions, the fair value of share options and long-term incentive awards is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the share options and long-term incentive awards. The charge to the statement of profit or loss for the year was £nil (2019: £nil).

M&C Group has applied IFRS 2 to its active employee share-based payment arrangements from 1 January 2005 except for arrangements granted before 7 November 2002.

There were no options granted by M&C Group during 2020 in line with the Final Offer made by the Company in 2019 and any outstanding options are to close out per the final vesting dates.

(i) 2006 and 2016 Sharesave Schemes

There were no options outstanding at the end of the current or previous year in line with the Final Offer executed by the Company in 2019.

(ii) 2006 and 2016 Long-Term Incentive Plan (LTIP)

There were no options outstanding at the end of the current or previous year in line with the Final Offer executed by the Company in 2019.

(iii) Annual Bonus Plan

Under the Annual Bonus Plan, deferred share awards were granted annually to selected employees of the M&C Group. Shares in M&C (now a cash settlement made by M&C subsequent to delisting) are transferred to participants as follows if they continue to be employed by the M&C Group:

- 25% after years one and two; and
- 50% after three years

(iv) Executive Share Plan

The Executive Share Plan was approved by M&C on 18 February 2016 to replace participation in the LTIP by senior executive management. These awards will vest over a three-year period (25% after years one and two, 50% after three years), subject to the rules of the Executive Share Plan.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

20 EQUITY COMPENSATION BENEFITS (CONT'D)

Details of the options granted under the M&C Group option schemes on the unissued ordinary shares of £0.30 each in M&C Group, as at the end of the financial year, presented in Sterling Pound, are as follows:

(i) 2006 and 2016 Sharesave Scheme

Date of grant of options	Exercise price per share £	Options outstanding as at 1 January 2019	Options granted during the year	Options exercised during the year	Options forfeited during the year	Options outstanding as at 31 December 2019	Options exercisable as at 31 December 2019	Exercise period
2019								
19.04.2013	4.4800	2,008	–	–	(2,008)	–	–	01.08.2018 – 31.01.2019
06.05.2014	4.4600	941	–	(672)	(269)	–	–	01.08.2019 – 31.01.2020
14.04.2015	4.6900	1,456	–	(383)	(1,073)	–	–	01.08.2018 – 31.01.2019
14.04.2015	4.6900	4,732	–	(3,547)	(1,185)	–	–	01.08.2020 – 31.01.2021
12.04.2016	3.3000	101,374	–	(99,794)	(1,580)	–	–	01.08.2019 – 31.01.2020
12.04.2016	3.3000	909	–	(606)	(303)	–	–	01.08.2021 – 31.01.2022
11.04.2017	3.6600	37,704	–	(24,218)	(13,486)	–	–	01.08.2020 – 31.01.2021
11.04.2017	3.6600	2,458	–	(382)	(2,076)	–	–	01.08.2022 – 31.01.2023
05.06.2018	4.3600	56,180	–	(21,654)	(34,526)	–	–	01.08.2021 – 31.01.2022
05.06.2018	4.3600	1,582	–	(238)	(1,344)	–	–	01.08.2023 – 31.01.2024
09.04.2019	3.7500	–	93,436	(9,886)	(83,550)	–	–	01.08.2022 – 31.01.2023
09.04.2019	3.7500	–	1,040	(53)	(987)	–	–	01.08.2024 – 31.01.2025
		209,344	94,476	(161,433)	(142,387)	–	–	

(ii) 2006 and 2016 Long-Term Incentive Plan

Date of award	Balance at beginning of year	Awards awarded during the year	Awards vested during the year	Awards forfeited during the year	Balance at end of year	Vesting date
2019						
03.08.2015	36,761	–	–	(36,761)	–	03.08.2018
29.03.2016	37,128	–	(4,401)	(32,727)	–	29.03.2019
	73,889	–	(4,401)	(69,488)	–	

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

20 EQUITY COMPENSATION BENEFITS (CONT'D)

(iii) Annual Bonus Plan

Date of award	Balance at beginning of year	Awards made during the year	Awards vested during the year	Awards forfeited during the year	Balance at end of year	Share price prevailing on date of grant £	Fair value £	Vesting date
2019								
08.09.2015	1,530	–	(1,530)	–	–	5.55	5.55	08.09.2018
13.05.2016	17,009	–	(15,346)	(1,467)	196	4.40	4.40	13.05.2017/18/19
12.08.2016	1,188	–	(1,188)	–	–	4.21	4.21	12.08.2017/18/19
09.11.2016	488	–	(488)	–	–	4.40	4.40	09.11.2017/18/19
14.06.2017	27,122	–	(20,030)	(3,755)	3,337	4.62	4.62	14.06.2018/19/20
14.12.2018	57,358	–	(25,409)	(8,048)	23,901	4.68	4.48 to 4.61	14.12.2019/20/21
13.08.2019	–	35,724	(2,800)	(1,110)	31,814	6.80	6.85	13.08.2020/21/22
	104,695	35,724	(66,791)	(14,380)	59,248			
2020								
13.05.2016	**196**	**–**	**–**	**–**	**196**	4.40	4.40	13.05.2017/18/19
14.06.2017	**3,337**	**–**	**(2,909)**	**(428)**	**–**	4.62	4.62	14.06.2018/19/20
14.12.2018	**23,901**	**–**	**(8,306)**	**(2,605)**	**12,990**	4.68	4.48 to 4.61	14.12.2019/20/21
13.08.2019	**31,814**	**–**	**(10,392)**	**(3,871)**	**17,551**	6.80	6.85	13.08.2020/21/22
	59,248	**–**	**(21,607)**	**(6,904)**	**30,737**			

Under the Annual Bonus Plan (ABP), deferred share awards are granted annually to selected employees of M&C Group. Shares in M&C Group are transferred to participants over three years (25% after years one and two, 50% after year three) if they continue to be employed.

The fair values for the deferred share awards were determined using the market price of the shares at the date of grant. The weighted average share price for deferred share awards granted in 2019 was £6.80.

Following the cancellation of M&C Group's ordinary shares on the London Stock Exchange's main market for listed securities on 11 October 2019 (Delisting), the shares awarded under the ABP will be cash settled at a fixed price of £6.85 in line with the final cash offer by the Company to acquire the remaining interest in M&C Group at £6.85.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

20 EQUITY COMPENSATION BENEFITS (CONT'D)

(iv) *Executive Share Plan*

Date of award	Balance at beginning of year	Awards awarded during the year	Awards vested during the year	Awards forfeited during the year	Balance at end of year	Share price prevailing on date of grant £	Fair value £	Vesting date
2019								
29.03.2016	16,310	–	(16,310)	–	–	4.13	3.94 to 4.07	29.03.2017/18/19
15.08.2017	42,627	–	(25,694)	(13,570)	3,363	4.65	4.42 to 4.57	15.08.2018/19/20
04.12.2018	65,649	–	(20,103)	(33,874)	11,672	4.66	4.47 to 4.60	04.12.2019/20/21
09.08.2019	–	30,151	(1,577)	(12,790)	15,784	6.80	6.85	09.08.2020/21/22
	124,586	30,151	(63,684)	(60,234)	30,819			
2020								
15.08.2017	**3,363**	**–**	**(3,363)**	**–**	**–**	4.65	4.42 to 4.57	15.08.2018/19/20
04.12.2018	**11,672**	**–**	**(1,526)**	**(2,805)**	**7,341**	4.66	4.47 to 4.60	04.12.2019/20/21
09.08.2019	**15,784**	**–**	**(3,764)**	**(2,653)**	**9,367**	6.80	6.85	09.08.2020/21/22
	30,819	**–**	**(8,653)**	**(5,458)**	**16,708**			

The Executive Share Plan (ESP) was approved by M&C Group on 18 February 2016 to replace participation in the LTIP by its senior executive management. These awards will vest over three years (25% after years one and two, 50% after year three), subject to the rules of the ESP.

The fair values for the awards were determined using the market price of the shares at the date of grant. The weightage average share price for awards granted in 2019 was £6.80.

Following the Delisting, the shares awarded under the ESP will be cash settled at a fixed price of £6.85 in line with the final cash offer by the Company to acquire the remaining interest in M&C Group at £6.85.

The variables used in estimating the fair value of options and awards granted under the M&C Group option schemes, presented in Sterling Pound, are as follows:

	Date of grant	Awards/ options granted – Directors	Awards/ options granted – Non-directors	Share price prevailing on date of grant	Exercise price	Fair value	Expected term (years)	Expected volatility	Expected dividend yield	Risk-free interest rate
2019										
Executive Share Plan	09.08.2019	–	7,538	6.80	–	6.85	1.00	–	–	–
Executive Share Plan	09.08.2019	–	7,538	6.80	–	6.85	2.00	–	–	–
Executive Share Plan	09.08.2019	–	15,075	6.80	–	6.85	3.00	–	–	–
Sharesave Scheme (3 year)	09.04.2019	–	93,436	4.44	3.75	1.11	3.31	26.0%	0.95%	0.72%
Sharesave Scheme (5 year)	09.04.2019	–	1,040	4.44	3.75	1.28	5.31	26.0%	0.95%	0.82%
Deferred Share Awards	13.08.2019	–	8,931	6.80	–	6.85	1.00	–	–	–
Deferred Share Awards	13.08.2019	–	8,931	6.80	–	6.85	2.00	–	–	–
Deferred Share Awards	13.08.2019	–	17,862	6.80	–	6.85	3.00	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

21 INTEREST-BEARING BORROWINGS

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Term loans	22	**8,051,428**	6,885,922	**4,867,371**	3,591,776
Bonds and notes	23	**2,743,017**	2,279,281	**1,851,824**	1,463,606
Bank loans	24	**760,235**	545,947	**733,399**	497,298
Bank overdrafts	17	**–**	1	**–**	–
		11,554,680	9,711,151	**7,452,594**	5,552,680
Non-current		**8,756,068**	7,673,152	**5,780,877**	4,211,386
Current		**2,798,612**	2,037,999	**1,671,717**	1,341,294
		11,554,680	9,711,151	**7,452,594**	5,552,680

Market and liquidity risks

Information about the Group's and the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 41.

22 TERM LOANS

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Secured		**1,293,546**	1,443,429	**–**	–
Unsecured		**6,757,882**	5,442,493	**4,867,371**	3,591,776
	21	**8,051,428**	6,885,922	**4,867,371**	3,591,776

The term loans are obtained from banks and financial institutions.

The secured term loans are generally secured by:

- mortgages on the borrowing subsidiaries' property, plant and equipment, investment properties and development properties (see notes 4, 5 and 12);
- assignment of all rights and benefits to sale, lease and insurance proceeds in respect of hotels, investment and development properties; and
- pledge on cash deposits of $115.0 million (2019: $112.6 million).

The Group's secured term loans bore interest at rates ranging from 0.71% to 5.70% (2019: 1.93% to 6.42%) per annum during the year.

The Group's unsecured term loans bore interest at rates ranging from 0.34% to 3.16% (2019: 0.35% to 4.03%) per annum during the year. The Company's unsecured term loans bore interest at rates ranging from 0.71% to 2.78% (2019: 1.35% to 4.03%) per annum during the year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

23 BONDS AND NOTES

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Secured		**758,486**	630,393	**–**	–
Unsecured		**1,984,531**	1,648,888	**1,851,824**	1,463,606
	21	**2,743,017**	2,279,281	**1,851,824**	1,463,606

Secured bonds and notes comprise the following:

(i) A $40 million (2019: $39 million) bond issued by an indirectly owned subsidiary of CDLHT. The bond bore interest at a rate of 0.71% (2019: 0.66%) per annum during the year. CDLHT's interest in 2 Japan hotels is held through a Tokutei Mokutei Kaisha (TMK) structure, and such TMK structures are required to issue bonds to fund the acquisition of assets.

The bondholders have a statutory preferred right, under Article 128 of the Japan Asset Liquidation Law, to receive payment of all obligations under the bond prior to other creditors out of the assets of the TMK. Such right shall be junior to the priority of the general statutory lien under the Japan Civil Code. While the assets of the TMK are subject to a statutory preferred right, it is not considered a mortgage under Japan laws.

Unless previously redeemed or purchased and cancelled, the bond is redeemable at its principal amount on its maturity date in September 2025.

(ii) $128 million (2019: $130 million) bonds comprising 2 tranches issued by a subsidiary, which holds a Japan hotel through a TMK structure. The bonds bore interest at rates ranging from 0.31% to 0.47% (2019: 0.16% to 0.58%) per annum during the year.

The bondholders, under Article 128 of the Japan Asset Liquidation Law, are under a statutory lien to receive payment of their claims under the bonds prior to other creditors out of the assets of the TMK. The order of priority of such statutory lien shall be immediately after the general statutory liens under the Japan Civil Code.

Unless previously redeemed or purchased and cancelled, the bond is redeemable at its principal amount on its maturity date in March 2025.

(iii) $530 million (2019: $400 million) medium term notes (MTNs) which comprise 2 series (2019: 1 series) of notes issued by a subsidiary as part of a $700 million secured MTN programme established in 2001. The MTNs bore interest at rates ranging from 1.65% to 2.96% (2019: 2.96%) per annum during the year and are secured by a mortgage over an investment property as well as rental and insurance proceeds to be derived from the said property.

Unless previously redeemed or purchased and cancelled, the MTNs are redeemable at their principal amounts on their respective maturity dates from May 2024 to December 2025 (2019: May 2024).

(iv) $64 million (2019: $62 million) bond issued by a subsidiary, which holds a Japan development property through a TMK structure. The bond bore interest at rates ranging from 0.34% to 0.39% (2019: 0.35% to 0.38%) per annum during the year.

Unless previously redeemed or purchased and cancelled, the bond is redeemable at its principal amount on its maturity date in March 2021. Subsequent to the reporting date, the maturity date was extended to March 2022.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

23 BONDS AND NOTES (CONT'D)

(v) $1 million bond as at 31 December 2019, issued by a subsidiary which holds a Japan development property through a TMK structure. The bond bore interest at a rate of 0.37% per annum. The bond was redeemed in March 2020.

Unsecured bonds and notes comprise the following:

(i) $1,855 million (2019: $1,465 million) medium term notes (MTNs) which comprise 11 series (2019: 12 series) of notes issued by the Company at various interest rates as part of a $5.0 billion unsecured MTN programme established in 1999. The MTNs bore interest at rates ranging from 2.00% to 3.90% (2019: 2.80% to 3.90%) per annum during the year.

Unless previously redeemed or purchased and cancelled, the MTNs are redeemable at their principal amounts on their respective maturity dates from March 2021 to June 2026 (2019: April 2020 to June 2026).

(ii) $133 million (2019: $136 million) MTNs which comprise 1 series (2019: 1 series) of notes issued by a subsidiary as part of a $1.0 billion unsecured MTN programme established in 2002. The MTNs bore interest at a rate of 3.98% (2019: 3.98%) per annum during the year.

Unless previously redeemed or purchased and cancelled, the MTNs are redeemable at their principal amounts in August 2021 (2019: August 2021).

(iii) $50 million Islamic Trust Certificates (Certificates) as at 31 December 2019, which comprise 1 series of certificates issued by a subsidiary (Issuer) under the Shariah financing principle of Ijarah as part of a $1.0 billion unsecured Islamic Trust Certificate Programme established in 2008. Ijarah financing is a scheme of financing using the leasing concept. The Issuer purchases investment properties and development properties from certain Group entities and provides these assets on leases. The Group accounted for the transactions as a financing arrangement. The Group's properties under Ijarah financing continued to be accounted for as investment properties and development properties. The amounts paid to the Certificate holders had been recorded as finance costs in profit or loss. The Certificates bore a coupon rate of 2.75% per annum. The Certificates were redeemed in April 2020.

24 BANK LOANS

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Bank loans repayable within 1 year					
– secured		**3,467**	3,182	**–**	–
– unsecured		**756,768**	542,765	**733,399**	497,298
	21	**760,235**	545,947	**733,399**	497,298

The Group's secured bank loans bore interest at rates ranging from 1.26% to 3.70% (2019: 3.02% to 4.50%) per annum during the year.

The Group's and the Company's unsecured bank loans bore interest at rates ranging from 0.32% to 3.95% (2019: 0.20% to 4.35%) per annum during the year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

25 EMPLOYEE BENEFITS

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Net liability for:				
– defined benefit obligations	**30,139**	27,814	**–**	–
– short-term accumulating compensated absences	**31,562**	26,883	**1,616**	2,364
– long service leave	**1,340**	1,460	**–**	–
	63,041	56,157	**1,616**	2,364
Non-current	**30,997**	28,662	**–**	–
Current	**32,044**	27,495	**1,616**	2,364
	63,041	56,157	**1,616**	2,364

	Group	
	2020 $'000	2019 $'000
Net liability for defined benefit obligations		
Present value of unfunded obligations	**7,276**	9,266
Present value of funded obligations	**158,782**	149,146
Fair value of plan assets	**(135,919)**	(130,598)
Liability for defined benefit obligations	**30,139**	27,814
Changes in the present value of defined benefit obligations		
Defined benefit obligations at 1 January	**158,412**	144,420
Remeasurements:		
– Experience adjustment	**(3,779)**	(358)
– Actuarial loss/(gain) from changes in demographic assumptions	**306**	(3,755)
– Actuarial loss from changes in financial assumptions	**14,085**	18,344
Benefits paid	**(9,127)**	(7,277)
Interest cost	**2,937**	3,881
Current service costs	**1,370**	1,624
Past service costs	**–**	205
Translation differences on consolidation	**1,854**	1,328
Defined benefit obligations at 31 December	**166,058**	158,412
Changes in the fair value of plan assets		
Fair value of plan assets at 1 January	**130,598**	118,937
Return on plan assets, excluding interest income	**7,165**	11,594
Contributions by employees	**234**	471
Contributions by employer	**1,145**	2,757
Benefits paid	**(9,127)**	(7,277)
Interest income	**2,338**	3,156
Translation differences on consolidation	**3,566**	960
Fair value of plan assets at 31 December	**135,919**	130,598

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

25 EMPLOYEE BENEFITS (CONT'D)

The fair values of plan assets in each category are as follows:

	Group	
	2020 $'000	2019 $'000
Equity	**26,088**	44,046
Bonds	**16,999**	16,131
Cash	**92,832**	70,421
Fair value of plan assets	**135,919**	130,598
Expenses recognised in profit or loss		
Current service costs	**1,370**	1,624
Past service costs	**–**	205
Net interest costs	**599**	725
Defined benefit obligation expenses	**1,969**	2,554

The expenses are recognised in the following line items in profit or loss:

	Note	Group	
		2020 $'000	2019 $'000
Cost of sales		**847**	1,032
Administrative expenses		**934**	1,324
Other operating expenses		**188**	198
Defined benefit obligation expenses	32	**1,969**	2,554

The life expectancies underlying the value of the accrued liabilities for the UK Plan, based on retirement age of 65, are as follows:

	2020 Years	2019 Years
Males	**22**	22
Females	**24**	24

The weighted average duration of the defined benefit obligations as at 31 December 2020 was 17 years (2019: 18 years).

The Group expects £1 million (approximately $2 million) (2019: £2 million (approximately $4 million)) contributions to be paid to the defined benefit plans in 2021 (2019: 2020).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

25 EMPLOYEE BENEFITS (CONT'D)

The Group operates various funded pension schemes which are established in accordance with local conditions and practices within the countries concerned. The most significant funds are described below:

United Kingdom (UK)

The Group makes contributions to a pension scheme for its UK employees, which was set up in 1993. The plan operates a funded defined benefit arrangement together with a defined contribution plan, both with different categories of membership. The defined benefit section of the plan was closed to new entrants in 2001 and at the same time, rights to a guaranteed minimum pension (GMP) under the defined contribution scheme also ceased. The plan entitles a retired employee to receive an annual pension payment.

The contributions required are determined by a qualified actuary on the basis of triennial valuations using the projected unit credit method. The last full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 5 April 2017 and this has been updated on an approximate basis to 31 December 2020. The contributions of the Group during the year were about 11% (2019: 11%) of pensionable salary.

As the defined benefit section is closed to new entrants, the current service cost, as a percentage of pensionable payroll is likely to increase as the membership ages, although it will be applied to a decreasing pensionable payroll. The assumptions which have the most significant effect on the results of the valuation are those relating to the discount rate and the rates of increase in salaries and pensions.

South Korea

The Group makes contributions to a defined benefit pension plan for its employees in South Korea. The contributions required are determined by an external qualified actuary using the projected unit credit method. The most recent valuation was carried out on 31 December 2020. The assumptions which have the most significant effect on the results of the valuations are those relating to the discount rate and the rate of increase in salaries.

Taiwan

The Group makes contributions to a defined benefit pension plan for its employees in Taiwan. The contributions required are determined by an external qualified actuary using the projected unit credit method. The most recent valuation was carried out on 31 December 2020. The contributions of the Group were no less than 6% (2019: 6%) of the employees' earnings. The assumptions which have the most significant effect on the results of the valuations are those relating to the discount rate and the rate of increase in salaries.

The defined benefit plans are administered by pension funds that are legally separated from the Group. The boards of the pension funds are required by law to act in the best interests of the plan participants.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market investment risk.

The above plans are substantially funded by the Group's subsidiaries. The funding requirements are based on pension funds' actuarial measurement framework set out in the funding policies of the plans.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

25 EMPLOYEE BENEFITS (CONT'D)

The assets of each scheme have been taken at market value and the liabilities have been calculated using the following principal assumptions:

	2020 UK	**2020 South Korea**	**2020 Taiwan**	**2019 UK**	**2019 South Korea**	**2019 Taiwan**
Inflation rate	**3.0%**	**2.0%**	**–**	3.0%	2.0%	–
Discount rate	**1.3%**	**2.0%**	**0.5%**	1.9%	2.0%	0.8%
Rate of salary increase	**3.5%**	**–**	**3.0%**	3.5%	3.0%	3.0%
Rate of pension increases	**2.9%**	**–**	**–**	2.9%	–	–
Rate of revaluation	**2.5%**	**–**	**–**	2.2%	–	–

The methodology for computing the discount rate is the yield range method.

The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions, which due to the timescale covered, may not be necessarily be borne out in practice. The present values of the schemes' liabilities are derived from cash flow projections over long periods and are inherently uncertain.

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have increased/(decreased) as a result of a change in one of the relevant actuarial assumptions by one percent, holding other assumptions consistent.

	Defined benefit obligation	
	1 percent increase $'000	**1 percent decrease $'000**
Group		
2020		
Discount rate	**(23,130)**	**28,312**
Rate of salary increase	**1,806**	**(1,664)**
2019		
Discount rate	(23,038)	23,259
Rate of salary increase	2,695	(2,490)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

26 LEASE LIABILITIES

	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Lease liabilities	**252,041**	207,200	**20,002**	25,772
Non-current	**237,854**	189,448	**14,152**	20,003
Current	**14,187**	17,752	**5,850**	5,769
	252,041	207,200	**20,002**	25,772

The incremental borrowing rates of the Group's and the Company's lease liabilities ranges from 0.90% to 14.55% (2019: 0.90% to 14.55%) per annum during the year.

Information about the Group's and the Company's exposure to foreign currency and liquidity risk is included in note 41.

27 OTHER LIABILITIES

	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Deferred income	**122,713**	17,634	**–**	–
Rental deposits	**59,381**	69,411	**7,445**	9,912
Non-current retention sums payable	**29,032**	20,524	**–**	–
Derivative financial liabilities	**14,552**	4,722	**845**	–
Miscellaneous (principally deposits received and payables)	**17,921**	18,534	**–**	–
	243,599	130,825	**8,290**	9,912

Deferred income includes the following:

(i) $7,030,000 (2019: $7,030,000) relating to the deferred gain on the sale of cash flows as disclosed in footnote (a) of note 44; and

(ii) $6,635,000 (2019: $6,635,000) relating to the deferred gain arising from the Group's exit of its entire interest in Summervale, an indirect wholly-owned subsidiary of the Group in October 2016. Although the Group lost control in Summervale, the Group assessed that it maintains some continuing involvement through its investment in secured fixed rate notes issued by Summervale (note 10). Accordingly, a portion of the gain on disposal of Summervale by reference to the extent of the amount of continuing involvement retained in Summervale is deferred.

(iii) $105,406,000 (2019: $Nil) relating to the deferred gain arising from the sale of Novotel Singapore Clarke Quay to a joint venture.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

28 PROVISIONS

	Beijing indemnity $'000	Capital expenditure $'000	Legal provisions $'000	Cash flow support $'000	Interest support $'000	Financial guarantee $'000	Others $'000	Total $'000
Group								
At 1 January 2020	**16,257**	**611**	**4,878**	**3,479**	**30,055**	**–**	**–**	**55,280**
Provision made	**–**	**17**	**–**	**–**	**–**	**283,000**	**314**	**283,331**
Provision utilised	**–**	**–**	**–**	**–**	**(6,998)**	**–**	**–**	**(6,998)**
Unwinding of discount	**–**	**–**	**–**	**–**	**412**	**–**	**–**	**412**
Translation differences on consolidation	**(324)**	**(11)**	**(97)**	**–**	**–**	**–**	**6**	**(426)**
At 31 December 2020	**15,933**	**617**	**4,781**	**3,479**	**23,469**	**283,000**	**320**	**351,599**
Non-current								**24,554**
Current								**307,045**
								331,599

	Beijing indemnity $'000	Capital expenditure $'000	Legal provisions $'000	Cash flow support $'000	Interest support $'000	Bond interest support $'000	Total $'000
Group							
At 1 January 2019	16,448	686	2,562	9,179	43,858	57	72,790
Provision (written back)/made	–	(70)	2,349	–	–	(57)	2,222
Provision utilised	–	–	–	(5,700)	(14,367)	–	(20,067)
Unwinding of discount	–	–	–	–	564	–	564
Translation differences on consolidation	(191)	(5)	(33)	–	–	–	(229)
At 31 December 2019	16,257	611	4,878	3,479	30,055	–	55,280
Non-current							26,809
Current							28,471
							55,280

The provision for Beijing indemnity relates to tax indemnity provided to the former shareholders of Grand Millennium Beijing in which the Group acquired an additional 40% interest in 2010.

The provision for capital expenditure relates to the Group's obligations to incur capital expenditure under the terms of certain hotel operating agreements.

The legal provisions relate to provisions made in relation to disputes in several hotels.

The provision for cash flows support relates to the Group's obligation to Sunbright, to fund any shortfall for interest payments and/or annual/daily operational costs.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

28 PROVISIONS (CONT'D)

The bond interest support relates to the Group's obligation to fund the 5% interest payment on the fixed rate bonds subscribed by a third party investor through In-V which provided funding to the Group's associate, Golden Crest Holdings Pte. Ltd. and its subsidiaries (Golden Crest Group), to finance its acquisition of certain investment properties from the Group.

The interest support relates to the Group's obligation as the asset manager of Summervale to provide support for the coupon payments on fixed rate notes subscribed by third party investors and the Group as well as interest payments for bank borrowings taken up by Summervale (note 10).

The provision for financial guarantee relates to the Group's financial guarantee extended to a financial institution in connection with the loan taken up by the HCP Group (note 9).

29 DEFERRED TAX LIABILITIES

Movements in deferred tax assets and liabilities of the Group (prior to offsetting of balances) during the year are as follows:

	At 1 January 2019 $'000	Recognised in profit or loss (note 33) $'000	Recognised in the statement of comprehensive income (note 33) $'000	Acquisition of subsidiaries (note 39) $'000	Translation differences on consolidation $'000	At 31 December 2019 $'000
Group						
Deferred tax liabilities						
Property, plant and equipment	179,618	(15,199)	–	–	(2,124)	162,295
Investment properties	32,834	2,121	–	296	99	35,350
Development properties	5,150	18,264	–	–	–	23,414
Unremitted earnings	30,981	6,725	–	–	(4)	37,702
Others	10,311	8,011	–	72	(35)	18,359
	258,894	19,922	–	368	(2,064)	277,120
Deferred tax assets						
Property, plant and equipment	(29,568)	29,567	–	(54)	(1)	(56)
Tax losses	(107,286)	(15,382)	–	–	(2,830)	(125,498)
Development properties	(43,482)	864	–	–	701	(41,917)
Employee benefits	(9,759)	–	(3)	–	(102)	(9,864)
Trade and other payables	(9,165)	(3,989)	–	–	–	(13,154)
Others	(2,264)	325	–	–	(151)	(2,090)
	(201,524)	11,385	(3)	(54)	(2,383)	(192,579)
Total	57,370	31,307	(3)	314	(4,447)	84,541

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

29 DEFERRED TAX LIABILITIES (CONT'D)

	At 1 January 2020 $'000	Recognised in profit or loss (note 33) $'000	Recognised in the statement of comprehensive income (note 33) $'000	Translation differences on consolidation $'000	At 31 December 2020 $'000
Group					
Deferred tax liabilities					
Property, plant and equipment	162,295	(6,860)	–	412	155,847
Investment properties	35,350	(1,665)	–	180	33,865
Development properties	23,414	17,794	–	–	41,208
Employee benefits	–	879	–	16	895
Unremitted earnings	37,702	18,164	–	42	55,908
Others	18,359	(4,410)	–	256	14,205
	277,120	23,902	–	906	301,928
Deferred tax assets					
Property, plant and equipment	(56)	(4,763)	–	–	(4,819)
Tax losses	(125,498)	(37,790)	–	3,886	(159,402)
Development properties	(41,917)	4,009	–	(1,084)	(38,992)
Employee benefits	(9,864)	9,918	363	(417)	–
Trade and other payables	(13,154)	(3,368)	–	–	(16,522)
Others	(2,090)	(2,787)	–	(289)	(5,166)
	(192,579)	(34,781)	363	2,096	(224,901)
Total	84,541	(10,879)	363	3,002	77,027

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

29 DEFERRED TAX LIABILITIES (CONT'D)

	At 1 January 2019 $'000	Recognised in profit or loss $'000	At 31 December 2019 $'000	Recognised in profit or loss $'000	At 31 December 2020 $'000
Company					
Deferred tax liabilities					
Property, plant and equipment	763	422	1,185	(1,185)	–
Investment properties	11,202	(416)	10,786	862	11,648
Unremitted earnings	14,082	(2)	14,080	(3)	14,077
	26,047	4	26,051	(326)	25,725
Deferred tax assets					
Property, plant and equipment	–	–	–	(4,819)	(4,819)
Development properties	(2,835)	47	(2,788)	(74)	(2,862)
Others	(5,651)	3,630	(2,021)	(379)	(2,400)
	(8,486)	3,677	(4,809)	(5,272)	(10,081)
Total	17,561	3,681	21,242	(5,598)	15,644

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The amounts, determined after appropriate offsetting, are as follows:

		Group		Company	
	Note	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Deferred tax assets	11	**19,818**	23,051	**–**	–
Deferred tax liabilities		**(96,845)**	(107,592)	**(15,644)**	(21,242)
		(77,027)	(84,541)	**(15,644)**	(21,242)

Deferred tax assets have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom:

	Group	
	2020 $'000	2019 $'000
Deductible temporary differences	**143,085**	141,009
Tax losses	**593,221**	321,083
	736,306	462,092

The deductible temporary differences do not expire under current tax legislation. The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

29 DEFERRED TAX LIABILITIES (CONT'D)

The tax losses with expiry dates are as follows:

	Group	
	2020 $'000	2019 $'000
Expiry dates		
– Within 1 to 5 years	**182,644**	107,772
– After 5 years	**48,172**	24,562
	230,816	132,334

At 31 December 2020, a deferred tax liability of $35,816,000 (2019: $33,888,000) in respect of temporary differences of $532,886,000 (2019: $383,582,000) related to the withholding tax on the distributable profits of the Group's subsidiaries was not recognised because the Group controls whether the liability will be incurred and it is satisfied that it will not be incurred in the foreseeable future.

Under SFRS(I) 1-12 *Income Taxes*, deferred tax is not recognised for temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting or taxable profit or loss. As at 31 December 2020, the Group have not recognised deferred tax liabilities of $31.0 million (2019: $27.9 million) relating to temporary differences on the initial recognition of assets and liabilities of the subsidiaries acquired.

30 TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Trade payables		**91,116**	165,165	**1,557**	2,779
Accruals		**446,461**	485,709	**69,709**	89,979
Deferred income		**56,951**	61,819	**701**	1
Other payables		**63,601**	82,699	**877**	867
Rental and other deposits		**89,063**	100,769	**7,510**	6,567
Retention sums payable		**3,499**	11,419	**–**	713
Amounts owing to:					
– subsidiaries	7	**–**	–	**2,619,391**	2,673,173
– associates	8	**887**	2,628	**–**	–
– joint ventures	9	**347,087**	60,491	**22,727**	22,727
– fellow subsidiaries	16	**234,311**	225,559	**7**	–
Derivative financial liabilities		**15,783**	2,649	**11,111**	2,462
		1,348,759	1,198,907	**2,733,590**	2,799,268

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

31 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	
	2020	**2019**
	$'000	**$'000**
Dividends from investments:		
– fellow subsidiaries		
– quoted equity investments – at FVOCI	**1,088**	1,632
– unquoted equity investments – at FVOCI	**1,688**	2,025
– others		
– quoted equity investments – at FVOCI	**334**	334
– quoted equity investments – mandatorily at FVTPL	**844**	1,434
– unquoted equity investments – at FVOCI	**830**	134
Hotel operations	**640,445**	1,705,015
Development properties for which revenue is:		
– recognised over time	**670,745**	573,708
– recognised at a point in time	**295,195**	563,022
Rental income from investment properties	**361,418**	438,143
Others	**135,839**	143,278
	2,108,426	3,428,725

As at 31 December 2020, the Group has property development income of $579,998,000 (2019: $855,009,000) which is expected to be recognised over the next three years (2019: four years) as construction of the development properties progresses.

The Group has applied the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, and it recognises revenue in that amount.

Included in rental income from investment properties for the year ended 31 December 2020 were rental rebates granted of approximately $29.2 million (2019: $Nil) to eligible tenants to cushion the impact of the COVID-19 pandemic.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

31 REVENUE (CONT'D)

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	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Geographical market								
Singapore	**715,944**	857,202	**144,183**	288,810	**132,446**	141,418	**992,573**	1,287,430
China	**72,646**	101,733	**17,368**	43,127	**–**	–	**90,014**	144,860
United States	**–**	–	**155,530**	543,239	**3,393**	1,496	**158,923**	544,735
United Kingdom	**69,296**	74,108	**85,227**	318,743	**–**	–	**154,523**	392,851
Australasia	**97,968**	93,862	**87,817**	148,659	**–**	–	**185,785**	242,521
Rest of Asia (excluding Singapore and China)	**10,086**	9,825	**146,043**	334,497	**–**	364	**156,129**	344,686
Other countries	**–**	–	**4,277**	27,940	**–**	–	**4,277**	27,940
	965,940	1,136,730	**640,445**	1,705,015	**135,839**	143,278	**1,742,224**	2,985,023
Timing of revenue recognition								
Products and services transferred at a point in time	**295,195**	563,022	**640,445**	1,705,015	**3,957**	3,700	**939,597**	2,271,737
Products and services transferred over time	**670,745**	573,708	**–**	–	**131,882**	139,578	**802,627**	713,286
	965,940	1,136,730	**640,445**	1,705,015	**135,839**	143,278	**1,742,224**	2,985,023

* Excluding dividend income.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

32 (LOSS)/PROFIT FOR THE YEAR

The following items have been included in arriving at (loss)/profit for the year:

	Note	Group 2020 $'000	Group 2019 $'000
Other income			
Gain on loss of control in subsidiaries	39	**32,897**	–
Gain on remeasurement of previously held interest in an associate which became a subsidiary		**–**	6,608
Management fees and miscellaneous income		**5,692**	3,614
Profit on sale of property, plant and equipment and investment properties		**133,401**	164,988
		171,990	175,210
Staff costs			
Contributions to defined contribution plans		**37,769**	55,322
Increase in liability for defined benefit plans	25	**1,969**	2,554
Increase in liability for short-term accumulating compensated absences		**5,052**	423
Wages and salaries		**567,230**	832,808
		612,020	891,107
Less:			
Staff costs capitalised in:			
– development properties		**(6,809)**	(3,722)
– property, plant and equipment		**–**	(345)
Wage grant^		**(88,336)**	–
		516,875	887,040
Other expenses			
Amortisation of intangible assets		**162**	751
Audit fees paid to:			
– auditors of the Company		**3,221**	3,175
– other auditors		**6,149**	3,802
Non-audit fees:			
– auditors of the Company		**1,587**	1,677
– other auditors		**1,753**	1,496
Depreciation of:			
– property, plant and equipment*		**179,426**	178,525
– investment properties	5	**107,541**	96,711
Direct operating expenses arising from investment properties which are not leased		**3**	5
Direct operating expenses arising from rental of investment properties (excluding depreciation)		**107,330**	125,041
Allowance made/(reversed) for foreseeable losses on development properties (net)	12	**35,014**	(6,524)

^ Relates to wage grants received or receivable by the Group under the wage subsidy programmes introduced by various governments in the countries where the Group operates, in response to the COVID-19 pandemic.

* Included grant income of $3,786,000 (2019: $Nil) deducted against depreciation of right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

32 (LOSS)/PROFIT FOR THE YEAR (CONT'D)

	Note	Group 2020 $'000	Group 2019 $'000
Other expenses			
Impairment losses recognised/(reversed) on:			
– investment in an associate		**–**	3,000
– property, plant and equipment	4	**87,517**	60,386
– investment properties	5	**12,035**	(2,414)
– trade receivables		**11,222**	6,547
Loss on liquidation of subsidiaries		**–**	79
Loss on dilution of an associate		**731**	39
Intangible assets written off		**55**	–
Property, plant and equipment and investment properties written off		**11,842**	3,469
Provisions made	28	**283,331**	2,222
Finance income			
Interest income under the effective interest method:			
– amounts owing by fellow subsidiaries at amortised cost		**31**	36
– amounts owing by associates at amortised cost		**1,706**	1,161
– amounts owing by joint ventures at amortised cost		**20,294**	8,921
– unquoted debt investment at amortised cost		**31,321**	15,993
– cash and cash equivalents		**24,265**	43,093
– others		**6,436**	10,055
Fair value gains on financial derivatives designated at FVTPL (net)		**–**	11,936
Fair value gains on financial assets mandatorily measured at FVTPL		**65,694**	17,572
Net exchange gain		**19,140**	–
		168,887	108,767
Finance income capitalised in development properties		**(269)**	(240)
Total finance income		**168,618**	108,527
Finance costs			
Amortisation of transaction costs capitalised		**8,474**	7,960
Interest expense:			
– term loans and bank loans		**128,933**	131,175
– bonds and notes		**71,327**	63,508
– amounts owing by fellow subsidiaries		**4,583**	4,484
– financial derivatives at FVTPL		**6,300**	1,380
– lease liabilities		**8,962**	8,420
– others		**286**	26
Fair value losses on financial derivatives designated at FVTPL (net)		**55,277**	–
Net exchange loss		**–**	14,034
Unwinding of discount on non-current liabilities		**434**	575
		284,576	231,562
Finance costs capitalised in:			
– development properties*		**(21,134)**	(22,433)
– property, plant and equipment		**(1,433)**	(4,438)
Total finance costs		**262,009**	204,691
Net finance costs		**93,391**	96,164

* Relates to development properties for which revenue is recognised at a point in time. Borrowing costs on development properties where revenue is recognised over time is charged to profit or loss, as incurred.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

32 (LOSS)/PROFIT FOR THE YEAR (CONT'D)

	Group 2020 $'000	Group 2019 $'000
The above finance income and finance costs (including amounts capitalised) include the following interest income and expenses in respect of assets and liabilities not at FVTPL:		
– total interest income on financial assets	**78,157**	70,230
– total finance costs on financial liabilities	**182,562**	172,340

During the year, net finance costs of the Group have been capitalised at rates ranging from 0.34% to 5.00% (2019: 0.35% to 5.00%) per annum for development properties and 1.00% to 1.50% (2019: 1.50% to 5.61%) per annum for property, plant and equipment.

Grant related income and expense

For year ended 31 December 2020, grant income and corresponding grant expense of $18.8 million (2019: $Nil) have been recognised in relation to the rental relief for eligible tenants from the Singapore government as part of the COVID-19 relief measures.

33 TAX EXPENSE

	Note	Group 2020 $'000	Group 2019 $'000
Current tax expense			
Current year		**98,311**	111,425
Over provision in respect of prior years		**(12,931)**	(19,190)
		85,380	92,235
Deferred tax (credit)/expense			
Movements in temporary differences		**(11,692)**	25,225
Effect of changes in tax rates and legislation		**85**	181
Under provision in respect of prior years		**728**	5,901
	29	**(10,879)**	31,307
Land appreciation tax		**12,508**	9,678
Withholding tax		**693**	7,496
Total tax expense		**87,702**	140,716

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

33 TAX EXPENSE (CONT'D)

Tax recognised in other comprehensive income

	2020 Before tax $'000	2020 Tax expense (note 29) $'000	2020 Net of tax $'000	2019 Before tax $'000	2019 Tax credit (note 29) $'000	2019 Net of tax $'000
Group						
Defined benefit plan remeasurements	**(3,447)**	**(363)**	**(3,810)**	(2,637)	3	(2,634)
Net change in fair value of equity investments measured at FVOCI	**(43,077)**	**–**	**(43,077)**	66,786	–	66,786
Effective portion of changes in fair value of cash flow hedges	**(2,952)**	**–**	**(2,952)**	(2,997)	–	(2,997)
Exchange differences on hedges of net investments in foreign operations	**8,665**	**–**	**8,665**	7,526	–	7,526
Exchange differences on monetary items forming part of net investments in foreign operations	**14,029**	**–**	**14,029**	15,627	–	15,627
Exchange differences reclassified to profit or loss on liquidation and cessation of business of foreign operations	**2,032**	**–**	**2,032**	58	–	58
Share of translation differences of equity-accounted investees	**13,192**	**–**	**13,192**	(11,530)	–	(11,530)
Translation differences arising on consolidation of foreign operations	**62,320**	**–**	**62,320**	(85,908)	–	(85,908)
	50,762	**(363)**	**50,399**	(13,075)	3	(13,072)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

33 TAX EXPENSE (CONT'D)

Reconciliation of effective tax rate

	Group 2020 $'000	2019 $'000
(Loss)/Profit before tax	**(1,790,811)**	754,077
Tax using the Singapore tax rate of 17% (2019: 17%)	**(304,438)**	128,193
Income not subject to tax	**(103,288)**	(84,570)
Expenses not deductible for tax purposes:		
– expenses	**429,219**	80,078
– write-back	**(4,024)**	(4,426)
Effect of changes in tax rates and legislation	**85**	181
Effect of different tax rates in other countries	**(4,662)**	(3)
Effect of share of results of associates and joint ventures	**6,699**	5,028
Land appreciation tax	**12,508**	9,678
Effect of tax deduction on land appreciation tax	**(3,129)**	(2,420)
Unrecognised deferred tax assets	**77,866**	14,666
Tax effect of losses not allowed to be set off against future taxable profits	**903**	5,506
Tax incentives	**(366)**	(1,525)
Utilisation of previously unrecognised deferred tax assets	**(8,161)**	(3,877)
Withholding taxes	**693**	7,496
Over provision in respect of prior years	**(12,203)**	(13,289)
	87,702	140,716

34 EARNINGS PER SHARE

Basic earnings per share is calculated based on:

	Group 2020 $'000	2019 $'000
(Loss)/Profit attributable to owners of the Company	**(1,917,391)**	564,576
Less:		
Dividends on non-redeemable convertible non-cumulative preference shares	**(12,904)**	(12,904)
(Loss)/Profit attributable to ordinary shareholders after adjustment for non-redeemable convertible non-cumulative preference dividends	**(1,930,295)**	551,672

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

34 EARNINGS PER SHARE (CONT'D)

	Group 2020 Number of shares	2019 Number of shares
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	**(212.8) cents**	60.8 cents

Diluted earnings per share is based on:

	2020 $'000	2019 $'000
(Loss)/Profit attributable to ordinary shareholders after adjustment for non-redeemable convertible non-cumulative preference dividends	**(1,930,295)**	551,672
Add:		
Dividends on non-redeemable convertible non-cumulative preference shares	**–**	12,904
Net (loss)/profit used for computing diluted earnings per share	**(1,930,295)**	564,576

For the purpose of calculating the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the conversion of the non-redeemable convertible non-cumulative preference shares, with the potential ordinary shares weighted for the period outstanding.

The effect of the potential ordinary shares on the weighted average number of ordinary shares in issue is as follows:

	Group 2020 Number of shares	2019 Number of shares
Weighted average number of ordinary shares issued used in the calculation of basic earnings per share	**906,901,330**	906,901,330
Potential ordinary shares issuable under non-redeemable convertible non-cumulative preference shares	**–**	44,998,898
Weighted average number of ordinary shares issued and potential shares assuming full conversion of preference shares	**906,901,330**	951,900,228
Diluted earnings per share	**(212.8) cents**	59.3 cents

For the year ended 31 December 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

35 DIVIDENDS

	Company	
	2020 $'000	2019 $'000
Final tax exempt (one-tier) ordinary dividend paid of 8.0 cents (2019: 8.0 cents) per ordinary share in respect of the previous financial year	**72,552**	72,552
Special final tax exempt (one-tier) ordinary dividend paid of 6.0 cents (2019: 6.0 cents) per ordinary share in respect of the previous financial year	**54,414**	54,414
Special interim tax exempt (one-tier) ordinary dividend paid of Nil cents (2019: 6.0 cents) per ordinary share in respect of the current financial year	**–**	54,414
Non-cumulative tax exempt (one-tier) preference dividend paid of 1.94 cents (2019: 1.94 cents) per preference share	**6,417**	6,434
Non-cumulative tax exempt (one-tier) preference dividend paid of 1.96 cents (2019: 1.96 cents) per preference share	**6,487**	6,470
	139,870	194,284

After the respective reporting dates, the directors proposed the following ordinary dividends, which have not been provided for:

	Company	
	2020 $'000	2019 $'000
Final tax exempt (one-tier) ordinary dividend of 8.0 cents (2019: 8.0 cents) per ordinary share	**72,552**	72,552
Special final tax exempt (one-tier) ordinary dividend of 4.0 cents (2019: 6.0 cents) per ordinary share	**36,276**	54,414
	108,828	126,966

36 LEASES

Leases as lessee

The Group leases hotel properties and office facilities. The leases of hotel properties and office facilities run for periods ranging from 2 to 136 years, with options to renew after lease expiry dates. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

The hotel properties leases were entered into many years ago as combined leases of land and buildings.

The Group also leases IT equipment and motor vehicles under a number of leases.

Amounts recognised in profit or loss

	2020 $'000	2019 $'000
Interest on lease liabilities	**8,962**	8,420
Income from sub-leasing right-of-use assets presented in 'revenue'	**1,676**	1,738
Expenses relating to short-term leases	**2,377**	3,275
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	**426**	942

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

36 LEASES (CONT'D)

Amounts recognised in statement of cash flows

	2020 $'000	2019 $'000
Payment of lease liabilities	**21,059**	16,923
Interest expenses	**8,962**	8,420
Total cash outflow for leases	**30,021**	25,343

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of $41.6 million (2019: $40.4 million).

Leases as lessor

The Group leases out its investment properties consisting of its owned properties as well as leased properties (see note 5). All leases are classified as operating leases from a lessor perspective.

Operating lease

The Group and the Company lease out some of their investment properties and development properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 5 sets out information about the operating leases of investment properties.

Rental income from investment properties and property subleases recognised by the Group during 2020 was $348,906,000 (2019: $423,093,000).

The following table sets out a maturity analysis of lease rental receivables, showing the undiscounted lease payments to be received after the reporting date.

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Less than one year	292,113	304,368	47,328	52,392
One to two years	224,177	220,921	30,434	38,634
Two to three years	149,880	154,703	16,904	23,977
Three to four years	106,910	111,971	6,376	12,740
Four to five years	89,320	136,484	678	6,084
More than five years	348,620	347,499	–	678
Total	1,211,020	1,275,946	101,720	134,505

Contingent rents, generally determined based on a percentage of tenants' revenue, of $6,666,000 (2019: $7,208,000) has been recognised as revenue by the Group, in profit or loss during the year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

36 LEASES (CONT'D)

Included in the non-cancellable operating lease rental receivables above are commitments with related parties which are set out below.

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Non-cancellable operating lease rentals receivable from:				
– joint ventures	**39,182**	44,583	**–**	–
– a fellow subsidiary	**270**	600	**270**	600
– subsidiaries	**–**	–	**3,299**	6,176
	39,452	45,183	**3,569**	6,776

37 COMMITMENTS

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

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Development expenditure contracted but not provided for in the financial statements	**677,935**	612,732	**–**	–
Capital expenditure contracted but not provided for in the financial statements	**66,093**	90,184	**–**	–
Commitments in respect of purchase of properties for which deposits have been paid	**55,240**	14,120	**–**	–
Commitments in respect of investments in a joint venture and associates	**105,223**	83,705	**–**	–
Commitment in respect of an investment in a real estate developer in China*	**–**	532,125	**–**	–
Commitments in respect of capital contribution to investments in financial assets in:				
– related parties	**63,499**	77,337	**–**	–
– third parties	**18,521**	15,463	**–**	–

* The commitment represented the consideration payable for a 24% effective equity stake in Sincere Property Group (note 10), net of a loan already extended to Sincere Property Group. The consideration was paid in April 2020 when the Group acquired an equity stake in Sincere Property Group and accounted for it as an investment in joint venture.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

38 RELATED PARTIES

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

	Group	
	2020 $'000	2019 $'000
Insurance premium paid and payable to an associate of the ultimate holding company	**(1,117)**	(1,440)
Management services fees received and receivable from:		
– fellow subsidiaries	**601**	1,188
– associates	**765**	803
– joint ventures	**5,249**	8,751
	6,615	10,742
Maintenance services fees received and receivable from:		
– fellow subsidiaries	**282**	279
– associates	**227**	337
– joint ventures	**809**	2,167
	1,318	2,783
Rental and rental-related income received and receivable from:		
– fellow subsidiaries	**291**	322
– an associate	**4,952**	5,349
– an associate of the ultimate holding company	**–**	188
– joint ventures	**67**	79
	5,310	5,938
Management services fees paid and payable to a fellow subsidiary	**(1,295)**	(2,167)
Rental and rental-related expenses paid and payable to a joint venture	**(1,756)**	(1,727)
Purchase of property, plant and equipment from an associate	**(438)**	(711)
Compensation paid and payable to key management personnel:		
– short-term employee benefits	**15,641**	31,885
– other long-term benefits	**205**	559
	15,846	32,444

During 2019, certain key management personnel (including close family members) had entered into and subsequently exercised option to purchase agreements with a joint venture of the Group to purchase residential properties with total sales value amounting to $14,131,900. Revenue from the sales will be recognised by the Group progressively based on percentage of completion of the residential project.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

39 ACQUISITION OF AND LOSS OF CONTROL IN SUBSIDIARIES, AND CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL

(I) Loss of control in subsidiaries

2020

(a) On 6 March 2020, the Group sold its 75.1% equity interest in Sceptre Hospitality Resources LLC (SHR) for a sale consideration of $64.5 million (US$47.6 million).

(b) On 30 October 2020, the Group, through its indirect, non-wholly-owned subsidiary, CDLHT, sold Novotel Brisbane to a third party for a total consideration of $65.3 million (A$68.0 million).

(c) On 19 November 2020, the Group, through its indirect wholly-owned subsidiary, CDL China (Shanghai) Consulting Co., Ltd, sold its 100% equity interest in Chongqing Jungao Enterprise Management Co., Ltd., (Chongqing Jungao) for a consideration of $13.8 million (RMB67.9 million).

The Group recognised a total gain on the above transactions of approximately $32.9 million.

The net cash inflow to the Group arising from the above transaction was approximately $109.1 million.

(II) Acquisition of subsidiaries

2019

(a) In February 2019, the Group through its two indirect wholly-owned subsidiaries known as Highline Holdings Limited (Highline) and Whitehall Holdings Limited (Whitehall), acquired all units in ART Resi Unit Trust, which was subsequently renamed Highline Resi Unit Trust (Unit Trust) and 100% of the shares and voting interest in ART PRS Leeds GP Ltd, which was subsequently renamed Highline Investment GP Limited (Highline GP), for a total consideration of $27.5 million (£15.4 million). The Unit Trust, together with Highline GP, hold a 100% interest in ART Investments 2 Limited Partnership (which was subsequently renamed Highline Investments LP) which in turn owns a freehold site located at Monk Bridge in Leeds, United Kingdom.

The acquisition was accounted for as an acquisition of assets.

(b) In April 2019, the Group through its indirect wholly-owned subsidiary, Astoria Holdings Limited, acquired the remaining 34.25% of the PPS that related to the non-residential properties owned by Sunbright, comprising W Hotel and Quayside Isle (Non-Residential Component) for a total consideration of S$77.9 million. Following the acquisition, the Group's effective interest in the Non-Residential Component increased from 65.75% to 100%. The Non-Residential Component was previously accounted for by the Group as an investment in associate, see note 44(a) for further information.

The acquisition provided the Group with the opportunity to enhance and create more value for its hotel operations as the properties are located on Sentosa Island which is poised to undertake new tourism attractions and improvements to its connectivity and attractiveness.

The acquisition was accounted for as a business combination.

From the date of acquisition to 31 December 2019, the Non-Residential Component contributed revenue of $38.8 million and loss before tax of $1.8 million to the Group's results. If the acquisition had occurred on 1 January 2019, management estimated the Group's revenue for the year would have been $3,441 million, with no significant change to the Group's profit before tax.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

39 ACQUISITION OF AND LOSS OF CONTROL IN SUBSIDIARIES, AND CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL (CONT'D)

(II) Acquisition of subsidiaries (cont'd)

2019 (cont'd)

(c) On 22 October 2019, the Group through its indirect wholly-owned subsidiary, City Sceptre Holdings Limited, acquired 51% of the common units in Sceptre Hospitality Resources (SHR) for a total consideration of S$4.5 million (US$3.3 million) (Acquisition). On 28 November 2019, pursuant to the exercise of the conversion rights embedded in the convertible loans granted by the Group to a third party (Conversion), the convertible loans were converted into 24.1% of the common units in SHR.

As a consequence of the Conversion and the Acquisition, the Group owned 75.1% of the common units in SHR which became a subsidiary of the Group. The acquisition provided the Group with the opportunity to enhance its capability in providing customised solutions for the hospitality industry.

The acquisition was accounted for as a business combination.

The contribution of SHR to the Group's revenue and profit before tax for the period from the date of acquisition to 31 December 2019, and for the year had it been acquired on 1 January 2019, was insignificant.

As at 31 December 2019, the Group was committed to divest its investment in SHR, following an offer received from a third party. Accordingly, the assets and liabilities of SHR had been classified as "assets held for sale" and "liabilities directly associated with the assets held for sale" (see note 6).

(d) In November 2019, the Group through its two indirect wholly-owned subsidiaries known as CDL China (Shanghai) Consulting Co., Ltd. (CDL China) and Bridge North Limited (Bridge North), acquired 100% of the shares and voting interest in Chongqing Jungao Enterprise Management Co., Ltd. (Chongqing Jungao) and Shanghai Yulan Real Estate Development Co., Ltd (Shanghai Yulan), respectively for a total consideration of approximately $195 million (RMB1,005 million). Shanghai Yulan owns a commercial property known as Shanghai Hongqiao Sincere Centre (Phase 2) located in Shanghai's Hongqiao Central Business District.

The acquisition was accounted for as an acquisition of assets.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

39 ACQUISITION OF AND LOSS OF CONTROL IN SUBSIDIARIES, AND CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL (CONT'D)

(II) Acquisition of subsidiaries (cont'd)

2019 (cont'd)

Identifiable assets acquired and liabilities assumed

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

	Note	Business combinations $'000	Acquisition of assets $'000	Recognised amounts $'000
Property, plant and equipment	4	320,586	7	320,593
Investment properties	5	75,000	371,772	446,772
Deferred tax assets	29	–	54	54
Other non-current assets		3,944	–	3,944
Development properties		–	23,956	23,956
Consumable stocks		156	–	156
Trade and other receivables		9,989	7,317	17,306
Cash at bank		14,905	44,046	58,951
Trade and other payables		(6,157)	(27,867)	(34,024)
Contract liabilities		(8,830)	–	(8,830)
Employee benefits		(289)	–	(289)
Provision for tax		(618)	(371)	(989)
Other non-current liabilities		(3,245)	(27,966)	(31,211)
Interest-bearing borrowings		(299,559)	(167,831)	(467,390)
Deferred tax liabilities	29	(72)	(296)	(368)
Non-controlling interests		(1,095)	45	(1,050)
Net identifiable assets acquired		104,715	222,866	327,581
Cash flows relating to the acquisitions				
Total consideration		99,349	222,866	322,215
Less: Cash acquired		(14,905)	(44,046)	(58,951)
Less: Consideration set off against convertible loans held		(21,448)	–	(21,448)
Add: Consideration paid for prior year's acquisition		–	2,482	2,482
Total net cash outflow		62,996	181,302	244,298

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

39 ACQUISITION OF AND LOSS OF CONTROL IN SUBSIDIARIES, AND CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL (CONT'D)

(II) Acquisition of subsidiaries (cont'd)

2019 (cont'd)

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	*Comparative and discounted cash flow methods:* The comparative method involved the analysis of comparable sales of similar assets and adjusting the sale prices to that reflective of the commercial properties. The discounted cash flow method involved forecasting the commercial properties' income stream for 10 years and discounting the income stream at 6.75%.
Interest-bearing borrowings	The fair value of term loans is estimated as the present value of future principal and interest cash flows, discounted at market rate of interest at the acquisition date.

Goodwill

Goodwill arising from the acquisitions of the Non-Residential Component and SHR has been recognised as follows:

	Non-Residential Component $'000	SHR $'000	Total $'000
Total consideration transferred	77,901	21,448	99,349
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	–	1,095	1,095
Fair value of the Group's existing 65.75% interest in the associate	23,512	–	23,512
Fair value of identifiable net assets	(101,413)	(4,397)	(105,810)
Goodwill	–	18,146	18,146

The remeasurement to fair value of the Group's existing 65.75% interest in the Non-Residential Component resulted in a gain of $6,608,000 which has been recognised in "other income" in the Group's profit or loss.

The goodwill arising from the acquisition of SHR is attributable mainly to synergies expected to be achieved from integrating the subsidiary into the Group's existing hotel operations. None of the goodwill recognised is expected to be deductible for tax purposes. The goodwill arising from the acquisition of SHR has been classified as "assets held for sale" as at 31 December 2019 (see note 6).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

39 ACQUISITION OF AND LOSS OF CONTROL IN SUBSIDIARIES, AND CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL (CONT'D)

(III) Changes in interests in subsidiaries without loss of control

There were the following changes in interests in subsidiaries without loss of control during the year:

2020

(a) A subsidiary of M&C, M&C REIT Management Limited (M&C REIT), being a REIT manager for CDLHT, received 8,464,229 units in CDLHT in lieu of management and performance fee income during the year. There was no significant change to the Group's effective interest in CDLHT.

(b) A subsidiary of M&C, M&C Business Trust Management Limited (MBTM), being a trustee manager for HBT, received 450,802 units in CDLHT in lieu of management fee income during the year. There was no significant change to the Group's effective interest in CDLHT.

(c) CDL Investments New Zealand Limited (CDLI), an indirect subsidiary of M&C, declared dividend in specie to its minority shareholders. There was no significant change to the Group's effective interest.

2019

(a) The Group's indirect wholly-owned subsidiary, Agapier Investments Limited, acquired the remaining interests in M&C for a cash consideration of £778.9 million (approximately $1.33 billion), increasing its effective interest from 65% to 100%.

(b) M&C REIT received 6,799,933 units in CDLHT in lieu of management and performance fee income during the year. There was no significant change to the Group's effective interest in CDLHT.

(c) MBTM received 318,401 units in CDLHT in lieu of management fee income during the year. There was no significant change to the Group's effective interest in CDLHT.

(d) The Group's indirect wholly-owned subsidiary, CBM Solutions Pte Ltd, acquired the remaining interest in Ingensys Pte. Ltd. for a cash consideration of $2,000,000, increasing its effective interest from 70% to 100%.

The following summarises the effect of changes in the Group's ownership interests in the above subsidiaries:

	2020 $'000	2019 $'000
Consideration paid for acquisition of non-controlling interests	**–**	(1,330,014)
Net decrease in equity attributable to non-controlling interests	**4,031**	1,424,756
Net increase in equity attributable to owners of the Company	**4,031**	94,742
Represented by:		
Increase in capital reserve	**4,031**	94,742

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

40 RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Liabilities						
	Interest-bearing borrowings (note 21) $'000	Interest payable* $'000	Other liabilities** $'000	Non-trade amounts owing to fellow subsidiaries* $'000	Non-trade amounts owing to associates* $'000	Non-trade amounts owing to joint ventures* $'000	Lease liabilities (note 26) $'000
Balance at 1 January 2019	6,327,252	25,267	23,079	233,028	–	22,727	–
Financing cash flows	2,879,886	(178,680)	(926)	(12,061)	2,628	38,549	(25,442)
Non-cash changes							
Changes arising from acquisition of subsidiaries	467,390	461	–	–	–	–	–
Effect of changes in foreign exchange rates	26,836	(3,727)	(441)	–	–	(816)	(564)
Liability-related							
New leases	–	–	–	–	–	–	227,122
Interest expense/ capitalised	–	196,089	–	4,484	–	–	8,420
Others	9,787	(1,273)	2,768	–	–	–	(2,336)
Total non-cash changes	504,013	191,550	2,327	4,484	–	(816)	232,642
Balance at 31 December 2019	9,711,151	38,137	24,480	225,451	2,628	60,460	207,200
Balance at 1 January 2020	9,711,151	38,137	24,480	225,451	2,628	60,460	207,200
Financing cash flows	1,714,102	(209,367)	–	4,260	(1,741)	272,054	(30,021)
Non-cash changes							
Effect of changes in foreign exchange rates	120,042	(3,484)	(59)	–	–	6,800	1,842
Liability-related							
New leases	–	–	–	–	–	–	64,058
Interest expense/ capitalised	–	206,846	–	4,583	–	–	8,962
Others	9,385	–	(2,159)	–	–	7,442	–
Total non-cash changes	129,427	203,362	(2,218)	4,583	–	14,242	74,862
Balance at 31 December 2020	11,554,680	32,132	22,262	234,294	887	346,756	252,041

* Included in "trade and other payables"
** Included in "trade and other payables" and "other liabilities"

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management is responsible for developing and monitoring the Group's risk management policies. Management reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Group has a system of controls in place to maintain an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit & Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. It is, and has been throughout the current and previous financial years, the Group's policy that no derivatives shall be undertaken for speculative purposes except for its use as hedging instruments where appropriate and cost efficient.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and debt investments.

As at 31 December 2020, the Group had gross amounts owing by HCP Group of $683.6 million (note 9) and subscribed for bonds of $305.4 million issued by Sincere Property Group (note 10). Impairment losses of $323.9 million (note 9) and $288.0 million (note 10) have been recognised on the amounts owing by HCP Group and the bonds, respectively. As at 31 December 2019, the Group had loans due from Sincere Property Group of $540.6 million (note 9) and subscribed for bonds of $311.6 million (note 10) issued by Sincere Property Group, which collectively represent 14% of the Group's financial assets. In addition, the amounts owing by subsidiaries and joint ventures represent 88% (2019: 87%) of the Company's financial assets. Except as disclosed, there is no significant concentration of credit risk for the Group and the Company. The carrying amounts of financial assets and contract assets represent the Group's and the Company's maximum exposures to credit risk, before taking into account any collateral held.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk (cont'd)

Impairment losses on trade and other receivables and debt investment recognised in profit or loss were as follows:

	Note	Group 2020 $'000	Group 2019 $'000
Other receivables	9	323,942	–
Debt investment	10	288,000	–
Trade receivables		11,222	6,547
		623,164	6,547

Trade and other receivables and contract assets

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of these financial assets.

The Group limits its exposure to credit risk from trade receivables by collecting deposits as collateral, where possible. For trade receivables and contract assets relating to sale of development properties, if a purchaser defaults on payments, the Group may enforce payments via legal proceedings or if the purchaser is assessed to be insolvent, the Group may take possession of the units, retain a portion of the sales consideration, and resell the property.

In monitoring customer credit risk, the Group considers the trade history of the customers with the Group, aging profile, maturity and existence of previous financial difficulties.

Exposure to credit risk

The maximum exposure to credit risk for trade and other receivables and contract assets at the reporting date by business segment is set out below:

	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Property development	**1,845,523**	724,455	**4,344,192**	3,946,075
Hotel operations	**125,962**	142,414	**160,052**	159,479
Investment properties	**91,644**	90,702	**281,483**	288,582
Others	**60,680**	32,491	**1,035,338**	1,120,002
	2,123,809	990,062	**5,821,065**	5,514,138

Expected credit loss assessment on trade receivables

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are based on actual credit loss experience over the past 3 years (2019: 3 years). These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. The exposure to credit risk and ECL for trade receivables as at 31 December 2020 and 31 December 2019 is insignificant.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at reporting date:

	Group Gross carrying amount $'000	Group Impairment loss allowance $'000	Company Gross carrying amount $'000	Company Impairment loss allowance $'000
2020				
Current (not past due)	92,607	515	92	–
1 – 30 days past due	21,781	961	672	311
31 – 60 days past due	12,395	1,062	588	142
61 – 90 days past due	5,394	553	50	27
More than 90 days past due	40,108	22,121	1,112	236
	172,285	25,212	2,514	716
2019				
Current (not past due)	96,052	91	–	–
1 – 30 days past due	29,953	28	609	–
31 – 60 days past due	9,129	37	22	–
61 – 90 days past due	4,286	143	3	–
More than 90 days past due	32,150	14,002	85	7
	171,570	14,301	719	7

Movements in allowance for impairment in respect of trade and other receivables

The movements in the allowance for impairment in respect of trade and other receivables (excluding amounts owing by joint ventures) during the year are as follows:

	Group Lifetime ECL 2020 $'000	Group Lifetime ECL 2019 $'000	Company Lifetime ECL 2020 $'000	Company Lifetime ECL 2019 $'000
Allowance for impairment on trade receivables				
At 1 January	**14,301**	8,036	**7**	105
Impairment loss in respect of subsidiary disposed	**–**	99	**–**	–
Impairment loss recognised/ (reversed)	**11,222**	6,547	**709**	(83)
Impairment loss utilised	**(798)**	(307)	**–**	(15)
Transfer to assets held for sale	**–**	(23)	**–**	–
Translation differences	**487**	(51)	**–**	–
At 31 December	**25,212**	14,301	**716**	7

Impairment losses recognised/(reversed) on trade receivables were included in "other operating expenses".

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk (cont'd)

Movements in allowance for impairment in respect of trade and other receivables (cont'd)

	Group Lifetime ECL 2020 $'000	Group Lifetime ECL 2019 $'000	Company Lifetime ECL 2020 $'000	Company Lifetime ECL 2019 $'000
Allowance for impairment on other receivables				
At 1 January	**5,291**	5,697	**1,129**	1,130
Impairment loss utilised	**–**	–	**–**	(1)
Translation differences	**(162)**	(406)	**–**	–
At 31 December	**5,129**	5,291	**1,129**	1,129

There is no impairment loss on contract assets.

Non-trade amounts due from subsidiaries, associates and joint ventures

The Group and the Company held non-trade receivables from its associates and joint ventures which were lent to associates and joint ventures to meet their funding requirements. In addition, the Company held non-trade receivables from its subsidiaries which were lent to the subsidiaries to meet their funding requirements. Impairment on these balances has been measured on the 12-month and lifetime expected loss basis. The amounts of the allowances on these balances are set out in notes 7, 8 and 9.

Debt investments

The Group limits its exposure to credit risk on investments held by investing only with counterparties that are of acceptable credit quality.

The exposure to credit risk for debt investments at the reporting date by geographic region was as follows:

	Mandatorily at FVTPL Carrying amount $'000	At amortised cost Gross amount $'000	At amortised cost Lifetime ECL (credit impaired) $'000	At amortised cost Carrying amount $'000
2020				
China	10,724	305,394	(288,000)	17,394
Singapore	146,812	–	–	–
Australia	34,390	–	–	–
	191,926	305,394	(288,000)	17,394
2019				
China	550,225	311,604	–	311,604
Singapore	142,318	–	–	–
Australia	31,919	–	–	–
	724,462	311,604	–	311,604

The amount of the allowance on these balances is set out in note 10.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk (cont'd)

Derivatives

Derivatives are only entered into with bank and financial institution counterparties with sound credit ratings. As at the reporting date, the Group has cross-currency swaps, forward exchange contracts and interest rate swaps with a total notional amount of $590,258,000 (2019: $554,933,000), $1,331,976,000 (2019: $604,663,000) and $795,178,000 (2019: $573,151,000) respectively. The Company has cross-currency swaps, forward exchange contracts and interest rate swaps with a total notional amount of $436,021,000 (2019: $397,559,000), $1,319,688,000 (2019: $578,613,000) and $126,091,000 (2019: $123,151,000) respectively.

		Group		Company	
	Note	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Derivative financial assets					
Cross currency swaps		**451**	16,616	**451**	10,453
Forward exchange contracts		**8,121**	1,817	**8,121**	995
Interest rate swaps		**–**	199	**–**	199
		8,572	18,632	**8,572**	11,647
Non-current	11	**451**	11,638	**451**	5,475
Current	15	**8,121**	6,994	**8,121**	6,172
		8,572	18,632	**8,572**	11,647
Derivative financial liabilities					
Cross currency swaps		**15,095**	–	**5,302**	–
Forward exchange contracts		**6,571**	2,649	**6,206**	2,462
Interest rate swaps		**8,669**	4,722	**448**	–
		30,335	7,371	**11,956**	2,462
Non-current	27	**14,552**	4,722	**845**	–
Current	30	**15,783**	2,649	**11,111**	2,462
		30,335	7,371	**11,956**	2,462

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk (cont'd)

Cash and cash equivalents

The cash and cash equivalents are held with bank and financial institution counterparties with sound credit ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents as at 31 December 2020 and 31 December 2019 was negligible.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents and credit facilities deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The Group has provided financial guarantees to lenders to an associate (note 8) and a joint venture (notes 9(e) and 28). The Group has contractual commitments to incur capital expenditure on its property, plant and equipment and investment properties, purchase properties and to invest in joint ventures, associates and investees (see note 37).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(ii) Liquidity risk (cont'd)

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Group					
31 December 2020					
Non-derivative financial liabilities					
Interest-bearing borrowings	11,554,680	(12,019,759)	(2,938,393)	(8,726,769)	(354,597)
Lease liabilities	252,041	(324,677)	(15,842)	(93,813)	(215,022)
Trade and other payables*	1,276,025	(1,280,754)	(1,280,754)	–	–
Other liabilities*	106,334	(106,334)	–	(85,286)	(21,048)
	13,189,080	(13,731,524)	(4,234,989)	(8,905,868)	(590,667)
Derivative financial instruments					
Derivative liabilities					
Forward exchange contracts (gross-settled):	6,571				
– Outflow		(599,318)	(599,318)	–	–
– Inflow		589,869	589,869	–	–
Cross-currency swaps (gross-settled):	15,095				
– Outflow		(556,190)	(298,732)	(257,458)	–
– Inflow		544,270	292,229	252,041	–
Interest rate swaps (gross-settled)	3,913				
– Outflow		(9,193)	(2,330)	(6,863)	–
– Inflow		5,108	1,295	3,813	–
Interest rate swaps (net-settled)	4,756	(3,959)	(3,826)	(133)	–
	30,335	(29,413)	(20,813)	(8,600)	–
Derivative assets					
Forward exchange contracts (gross-settled):	(8,121)				
– Outflow		(737,302)	(737,302)	–	–
– Inflow		742,508	742,508	–	–
Cross-currency swaps (gross-settled):	(451)				
– Outflow		(50,656)	(1,003)	(49,653)	–
– Inflow		51,121	71	51,050	–
	(8,572)	5,671	4,274	1,397	–
	21,763	(23,742)	(16,539)	(7,203)	–
	13,210,843	(13,755,266)	(4,251,528)	(8,913,071)	(590,667)

* Excluding derivatives (shown separately) and deferred income

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(ii) Liquidity risk (cont'd)

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Group					
31 December 2019					
Non-derivative financial liabilities					
Interest-bearing borrowings	9,711,151	(10,291,138)	(2,217,281)	(7,849,768)	(224,089)
Lease liabilities	207,200	(387,251)	(22,913)	(50,224)	(314,114)
Trade and other payables*	1,134,439	(1,138,990)	(1,138,990)	–	–
Other liabilities*	108,469	(108,469)	–	(86,477)	(21,992)
	11,161,259	(11,925,848)	(3,379,184)	(7,986,469)	(560,195)
Derivative financial instruments					
Derivative liabilities					
Forward exchange contracts (gross-settled):	2,649				
– Outflow		(462,539)	(462,539)	–	–
– Inflow		458,852	458,852	–	–
Interest rate swaps (net-settled)	4,722	(4,431)	(2,830)	(1,601)	–
	7,371	(8,118)	(6,517)	(1,601)	–
Derivative assets					
Forward exchange contracts (gross-settled):	(1,817)				
– Outflow		(143,625)	(143,625)	–	–
– Inflow		144,953	144,953	–	–
Cross-currency swaps (gross-settled):	(16,616)				
– Outflow		(615,314)	(217,403)	(397,911)	–
– Inflow		637,522	225,617	411,905	–
Interest rate swaps (net-settled)	(199)	184	125	59	–
	(18,632)	23,720	9,667	14,053	–
	(11,261)	15,602	3,150	12,452	–
	11,149,998	(11,910,246)	(3,376,034)	(7,974,017)	(560,195)

* Excluding derivatives (shown separately) and deferred income

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(ii) Liquidity risk (cont'd)

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Company					
31 December 2020					
Non-derivative financial liabilities					
Interest-bearing borrowings	7,452,594	(7,748,327)	(1,749,664)	(5,644,066)	(354,597)
Lease liabilities	20,002	(20,928)	(6,321)	(14,607)	–
Trade and other payables*	2,721,778	(2,721,778)	(2,721,778)	–	–
Other liabilities*	7,445	(7,445)	–	(7,216)	(229)
	10,201,819	(10,498,478)	(4,477,763)	(5,665,889)	(354,826)
Derivative financial instruments					
Derivative liabilities					
Cross-currency swaps (gross-settled):	5,302				
– Outflow		(392,108)	(297,729)	(94,379)	–
– Inflow		386,102	290,645	95,457	–
Forward exchange contracts (gross-settled):	6,206				
– Outflow		(586,721)	(586,721)	–	–
– Inflow		577,180	577,180	–	–
Interest rate swaps (net-settled)	448	(395)	(395)	–	–
	11,956	(15,942)	(17,020)	1,078	–
Derivative assets					
Cross-currency swaps (gross-settled):	(451)				
– Outflow		(50,656)	(1,003)	(49,653)	–
– Inflow		51,121	71	51,050	–
Forward exchange contracts (gross-settled):	(8,121)				
– Outflow		(737,302)	(737,302)	–	–
– Inflow		742,508	742,508	–	–
	(8,572)	5,671	4,274	1,397	–
	3,384	(10,271)	(12,746)	2,475	–
	10,205,203	(10,508,749)	(4,490,509)	(5,663,414)	(354,826)

* Excluding derivatives (shown separately) and deferred income

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(ii) Liquidity risk (cont'd)

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Company					
31 December 2019					
Non-derivative financial liabilities					
Interest-bearing borrowings	5,552,680	(5,843,475)	(1,427,121)	(4,258,531)	(157,823)
Lease liabilities	25,772	(27,332)	(6,403)	(20,929)	–
Trade and other payables*	2,796,805	(2,796,805)	(2,796,805)	–	–
Other liabilities	9,912	(9,912)	–	(9,785)	(127)
	8,385,169	(8,677,524)	(4,230,329)	(4,289,245)	(157,950)
Derivative financial instruments					
Derivative liabilities					
Forward exchange contracts (gross-settled):	2,462				
– Outflow		(456,660)	(456,660)	–	–
– Inflow		453,124	453,124	–	–
	2,462	(3,536)	(3,536)	–	–
Derivative assets					
Cross-currency swaps (gross-settled):	(10,453)				
– Outflow		(394,677)	(148,582)	(246,095)	–
– Inflow		401,421	153,782	247,639	–
Forward exchange contracts (gross-settled):	(995)				
– Outflow		(124,109)	(124,109)	–	–
– Inflow		125,489	125,489	–	–
Interest rate swaps (net-settled)	(199)	184	125	59	–
	(11,647)	8,308	6,705	1,603	–
	(9,185)	4,772	3,169	1,603	–
	8,375,984	(8,672,752)	(4,227,160)	(4,287,642)	(157,950)

* Excluding derivatives (shown separately) and deferred income

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(ii) Liquidity risk (cont'd)

The maturity analyses show the contractual undiscounted cash flows of the Group and the Company's financial liabilities on the basis of their earliest possible contractual maturity. The cash inflows/(outflows) disclosed represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are usually not closed out prior to contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement e.g. forward exchange contracts. Net-settled derivative financial assets are included in the maturity analyses as they are held to hedge the cash flow variability of the Group's floating rate loans.

The interest payments on variable interest rate loans and bonds and notes in the table above reflect market forward interest rates at the period end and these amounts may change as market interest rates changes. It is not expected that the cash flows in the maturity analysis could occur significantly earlier, or at significantly different amounts.

(iii) Market risk

Market risk is the risk that changes in market prices such as interest rates, foreign exchange rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its interest-bearing financial assets and debt obligations. The Group adopts a policy of managing its interest rate exposure by maintaining a debt portfolio with both fixed and floating interest rates.

Derivative financial instruments are used to manage interest rate risk, to the extent that the perceived cost of variable rate borrowings is considered to outweigh the benefits of their flexibility, and the Group actively monitors the need and timing for such derivatives.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. If a hedging relationship is directly affected by uncertainty arising from interest rate benchmark reform, then the Group assumes for this purpose that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

Hedging relationships that are impacted by interest rate benchmark reform may experience ineffectiveness because of a timing mismatch between the hedged item and the hedging instrument regarding interest rate benchmark reform transition. For further details, see 'Managing interest rate benchmark reform and associated risks' below.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

Interest rate risk (cont'd)

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. There is uncertainty over the timing and the methods of transition in some jurisdictions that the Group operates in. The Group anticipates that IBOR reform will impact its risk management and hedge accounting.

Management monitors and manages the Group's transition to alternative rates. The management evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

Derivatives

The Group holds interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to SOR and LIBOR. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements. On 23 October 2020, ISDA published the IBOR Fallbacks Supplement, a supplement to the 2006 ISDA Definitions ("the Supplement") and the IBOR Fallbacks Protocol ("the Protocol"). Both the Supplement and the Protocol took effect on 25 January 2021. The Group is expected to negotiate the inclusion of new fallback clauses with its derivative counterparties. No derivative instruments have been modified as at 31 December 2020.

Hedge accounting

The Group has evaluated the extent to which its cash flow hedging relationships are subject to uncertainty driven by IBOR reform as at 31 December 2020. The Group's hedged items and hedging instruments continue to be indexed to IBOR benchmark rates which are SOR and LIBOR. These benchmark rates are quoted each day and the IBOR cash flows are exchanged with its counterparties as usual.

The Group's SOR and LIBOR cash flow hedging relationships extend beyond the anticipated cessation date for IBOR. However, there is uncertainty about when and how replacement may occur with respect to the relevant hedged items and hedging instruments. Such uncertainty may impact the hedging relationship. The Group applies the amendments to SFRS(I) 9 issued in December 2019 to those hedging relationships directly affected by IBOR reform.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

Interest rate risk (cont'd)

Managing interest rate benchmark reform and associated risks (cont'd)

Hedge accounting (cont'd)

Hedging relationships impacted by IBOR reform may experience ineffectiveness attributable to market participants' expectations of when the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur. This transition may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. The Group has measured its hedging instruments indexed to Singapore-dollar SOR and British-pound sterling LIBOR using available quoted market rates for SOR-based and LIBOR-based instruments of the same tenor and similar maturity and has measured the cumulative change in the present value of hedged cash flows attributable to changes in SOR and LIBOR on a similar basis.

The Group enters into cross currency swap and interest rate swap agreements to hedge the interest rate risk exposure arising from its SGD, GBP and USD variable rate term loan. As at the end of the financial year, the Group has cross currency swap and interest rate swap agreements with notional amount totalling $154,237,000 and $795,178,000 respectively (2019: $157,374,000 and $573,151,000 respectively) whereby it receives variable rate equal to SOR/LIBOR and pays fixed rates of between 0.38% to 2.70% (2019: 0.54% to 2.15%) on the notional amount.

The Group is actively engaging with lenders to include appropriate fall-back provisions in its floating-rate liabilities with maturities after 2021. We expect that the hedging instrument will be modified as outlined under 'Derivatives' above.

Fair value sensitivity analysis for fixed rate instruments

The Group has fixed rate debt instruments measured at FVTPL. A change in interest rates at the reporting date would not have a material impact on the Group.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

Interest rate risk (cont'd)

Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss (before any tax effect) by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant and does not take into account the effect of qualifying borrowing costs allowed for capitalisation.

	Group		Company	
	31 December 2020 $'000	**31 December 2019 $'000**	**31 December 2020 $'000**	**31 December 2019 $'000**
100 bp increase				
(Reduction)/Increase in profit before tax	**(69,863)**	(57,987)	**(19,823)**	(13,302)

A 100bp decrease in interest rates at the reporting date would have had an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in currencies other than the respective functional currencies of the Group's entities. The currencies giving rise to this risk are primarily the United States Dollar, Singapore Dollar, Hong Kong Dollar, Australian Dollar, Sterling Pound, Renminbi, Japanese Yen and Euro.

The Group has a decentralised approach to the management of foreign currency risk. The Group manages its foreign currency exposure by adopting a natural hedge policy of matching receipts and payments, and asset purchases and borrowings, in the currency of the relevant entity, where possible. Entities in the Group may have different approaches to the identification and management of this risk. Entities in the Group may borrow in currencies other than their functional currencies to fund investments that are denominated in their borrowing currencies. In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances. Where feasible, the Group may put in place certain financial derivative instruments including forward exchange contracts and cross-currency swaps to minimise the Group's exposure to movements in exchange rates on firm commitments and specific transactions.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

Foreign currency risk (cont'd)

The Group's and the Company's exposure to foreign currencies are as follows:

	United States Dollar $'000	Singapore Dollar $'000	Hong Kong Dollar $'000	Australian Dollar $'000	Sterling Pound $'000	Renminbi $'000	Japanese Yen $'000	Euro $'000	Others $'000
Group									
31 December 2020									
Financial assets	31,149	–	–	436	7,205	31,852	–	–	–
Trade and other receivables*	244	1,450	–	139	646	2,070	–	50,745	312
Cash and cash equivalents (net of cash pool overdrafts)	51,538	187,805	173	51,321	8,474	38,950	18	479	7,168
Amounts owing by/(to) subsidiaries (net)***	632,442	(565,862)	22,226	90,972	3,360,600	(483,759)	214,841	12,403	5,929
Interest-bearing borrowings	(1,176,337)	–	(19,110)	(57,930)	(3,111,812)	(138,932)	(89,435)	(78,257)	–
Trade and other payables**	(1,795)	(646)	(33)	(29)	(3,399)	(3,966)	(75)	–	(13)
Net statement of financial position exposure	(462,759)	(377,253)	3,256	84,909	261,714	(553,785)	125,349	(14,630)	13,396
Forward exchange contracts	(245,643)	12,288	–	–	(128,089)	(856,866)	(93,425)	–	–
Cross-currency swaps	154,237	–	–	–	(180,130)	(162,395)	(45,457)	(209,042)	–
Net exposure	(554,165)	(364,965)	3,256	84,909	(46,505)	(1,573,046)	(13,533)	(223,672)	13,396
31 December 2019									
Other non-current assets	–	–	–	–	–	–	–	48,220	–
Financial assets	325,800	–	–	–	–	582,384	–	–	–
Trade and other receivables*	847	1,214	–	139	76	2,078	–	–	390
Cash and cash equivalents (net of cash pool overdrafts)	30,911	1,234	400	55,006	879	53,645	40	3,201	2,570
Amounts owing by/(to) subsidiaries (net)***	350,016	(190,436)	26,187	71,649	3,289,563	357,929	148,495	60,547	2,104
Interest-bearing borrowings	(1,118,374)	–	(19,855)	(40,858)	(3,059,454)	(294,484)	(51,474)	(236,340)	–
Trade and other payables**	(8,369)	319	(85)	(39)	(3,063)	(434)	(3)	(4)	(12)
Net statement of financial position exposure	(419,169)	(187,669)	6,647	85,897	228,001	701,118	97,058	(124,376)	5,052
Forward exchange contracts	(290)	18,363	–	(1,878)	(650)	(456,660)	(84,753)	(40,822)	(3,200)
Cross-currency swaps	226,594	–	–	–	(295,562)	(14,356)	(26,596)	(208,094)	–
Net exposure	(192,865)	(169,306)	6,647	84,019	(68,211)	230,102	(14,291)	(373,292)	1,852

* Excluding prepayments and derivative financial assets
** Excluding deferred income and derivative financial liabilities
*** Excluding amounts owing by/(to) subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

Foreign currency risk (cont'd)

	United States Dollar $'000	Hong Kong Dollar $'000	Japanese Yen $'000	Sterling Pound $'000	Renminbi $'000	Australian Dollar $'000	Euro $'000	Others $'000
Company								
31 December 2020								
Trade and other receivables*	15	–	–	(53)	(95)	–	–	56
Cash and cash equivalents	39,927	15	–	8,106	4,760	–	–	208
Amounts owing by subsidiaries (net)	493,859	21,605	190,471	3,199,816	1,303,888	75,620	54,480	–
Interest-bearing borrowings	(183,160)	(19,110)	(47,440)	(2,890,659)	(138,932)	(57,930)	–	–
Trade and other payables**	(191)	(4)	(73)	(3,399)	(468)	(29)	–	(11)
Net statement of financial position exposure	350,450	2,506	142,958	313,811	1,169,153	17,661	54,480	253
Forward exchange contracts	(245,643)	–	(93,425)	(128,089)	(856,866)	–	–	–
Cross-currency swaps	–	–	(45,457)	(180,130)	(162,395)	–	(54,805)	–
Net exposure	104,807	2,506	4,076	5,592	149,892	17,661	(325)	253
31 December 2019								
Trade and other receivables*	–	–	–	16	–	–	–	56
Cash and cash equivalents	1	15	–	68	4,397	–	–	237
Amounts owing by/(to) subsidiaries (net)	263,362	22,900	124,103	3,148,532	872,670	57,123	98,536	(5)
Interest-bearing borrowings	(172,038)	(19,855)	(10,994)	(2,847,206)	(294,484)	(40,858)	(8,043)	–
Trade and other payables**	(361)	(67)	(3)	(3,033)	(403)	(39)	(4)	(12)
Net statement of financial position exposure	90,964	2,993	113,106	298,377	582,180	16,226	90,489	276
Forward exchange contracts	–	–	(83,859)	–	(456,660)	–	(40,047)	–
Cross-currency swaps	–	–	(26,596)	(295,562)	(14,356)	–	(50,720)	–
Net exposure	90,964	2,993	2,651	2,815	111,164	16,226	(278)	276

* Excluding prepayments and derivative financial assets
** Excluding deferred income and derivative financial liabilities

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

Foreign currency risk (cont'd)

Sensitivity analysis

A 5% strengthening of the following major currencies against the functional currency of each of the Group's entities at the reporting date held by the Group and the Company would (decrease)/increase profit and other components of equity before any tax effect by the amounts shown below. Similarly, a 5% weakening would have the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2020		2019	
	Profit before tax $'000	Equity $'000	Profit before tax $'000	Equity $'000
Group				
United States Dollar	**3,584**	**(31,294)**	11,762	(21,406)
Singapore Dollar	**(18,862)**	**614**	(9,383)	918
Hong Kong Dollar	**162**	**–**	332	–
Australian Dollar	**4,246**	**–**	4,200	–
Sterling Pound	**8,708**	**(11,032)**	7,190	(10,599)
Renminbi	**(77,257)**	**(1,396)**	10,132	1,374
Japanese Yen	**1,422**	**(2,098)**	1,309	(2,023)
Euro	**(7,274)**	**(3,909)**	(7,805)	(10,860)
Company				
United States Dollar	**5,240**	**–**	4,548	–
Hong Kong Dollar	**125**	**–**	150	–
Japanese Yen	**204**	**–**	133	–
Sterling Pound	**280**	**–**	141	–
Renminbi	**7,495**	**–**	5,558	–
Australian Dollar	**883**	**–**	811	–
Euro	**(16)**	**–**	(14)	–

Equity price risk

The Group and the Company are exposed to equity price changes arising from quoted equity investments at FVOCI and FVTPL. A change in the underlying equity prices of the investments at the reporting date by 5% (2019: 5%) and 5% (2019: 5%) for the Group and the Company, respectively, would impact profit and other components of equity (before any tax effect) by the amounts shown below. Similarly, a change in the revalued net asset values or dividend rate of unquoted equity investments at FVOCI and FVTPL at the reporting date by 5% (2019: 5%) and 5% (2019: 5%) for the Group and the Company, respectively, would impact profit and other components of equity (before any tax effect) by the amounts shown below.

This analysis assumes that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

Equity price risk (cont'd)

Equity investments

	Increase by 5% Group $'000	Decrease by 5% Group $'000	Increase by 5% Company $'000	Decrease by 5% Company $'000
2020				
Quoted equity investments at FVOCI and FVTPL				
Equity	1,745	(1,745)	1,089	(1,089)
Profit before tax	3,257	(3,257)	93	(93)
Unquoted equity investments at FVOCI and FVTPL				
Equity	17,837	(17,837)	16,244	(16,244)
Profit before tax	4,254	(4,254)	–	–
2019				
Quoted equity investments at FVOCI and FVTPL				
Equity	4,643	(4,643)	1,217	(1,217)
Profit before tax	2,127	(2,127)	53	(53)
Unquoted equity investments at FVOCI and FVTPL				
Equity	19,620	(19,620)	17,528	(17,528)
Profit before tax	2,955	(2,955)	–	–

(iv) Hedge accounting

Net investment hedges

At the reporting date, the Group has designated certain foreign currency denominated interest-bearing borrowings, cross-currency swaps and forward exchange contracts to hedge against the currency risk arising from the Group's net investments in certain subsidiaries in the United States of America, Europe, China, Australia, Germany, Maldives and Japan.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method). The Group's policy is to hedge the net investment only to the extent of the debt principal.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(iv) Hedge accounting (cont'd)

At 31 December 2020, the Group held the following instruments to hedge exposures to changes in foreign currencies:

	Notional amount	Carrying amount – Assets/ (Liabilities) $'000	Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in OCI $'000	Hedge ineffectiveness recognised in profit or loss $'000	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from reserve to profit or loss $'000	Hedged foreign exchange rate	Year of maturity
Group									
Cash flow hedges									
Foreign exchange risk									
– Forward exchange contract to hedge foreign currency borrowings	$12,288,000	(365)	Trade and other payables	(78)	–	Not applicable	–	KRW/SGD 845.78	2021
Net investment hedges									
Foreign exchange risk									
– Borrowings to hedge net investments in foreign operations	$642,665,000 equivalent	(642,665)	Interest-bearing borrowings	9,080	109	Finance costs	–	Not applicable	2021 to 2025
– Cross-currency swaps to hedge net investments in foreign operations	RMB74,190,000	(444)	Trade and other payables	(628)	–	Not applicable	–	SGD/RMB 5.09	2021
– Forward exchange contracts to hedge net investments in foreign operations	RMB220,000,000	213	Trade and other receivables	213	–	Not applicable	–	SGD/RMB 4.90	2021

	Change in value used for calculating hedge ineffectiveness $'000	Foreign currency translation reserve $'000	Balances remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting is no longer applied $'000
Net investments in certain foreign subsidiaries whose functional currencies are denominated in United States Dollar, Euro, Renminbi, Japanese Yen and Sterling Pound	(8,665)	12,076	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(iv) Hedge accounting (cont'd)

At 31 December 2019, the Group held the following instruments to hedge exposures to changes in foreign currencies:

	Notional amount	Carrying amount – Assets/ (Liabilities) $'000	Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in OCI $'000	Hedge ineffectiveness recognised in profit or loss $'000	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from reserve to profit or loss $'000	Hedged foreign exchange rate	Year of maturity
Group									
Cash flow hedges									
Foreign exchange risk									
– Forward exchange contract to hedge foreign currency borrowings	$18,362,000	743	Trade and other receivables	121	–	Not applicable	–	KRW/SGD 823.15	2020
Net investment hedges									
Foreign exchange risk									
– Borrowings to hedge net investments in foreign operations	$694,987,000 equivalent	(694,987)	Interest-bearing borrowings	7,069	(245)	Finance costs	–	Not applicable	2020 to 2024
– Cross-currency swaps to hedge net investments in foreign operations	RMB74,190,000	197	Other non-current assets	457	–	Not applicable	–	SGD/RMB 5.09	2021

	Change in value used for calculating hedge ineffectiveness $'000	Foreign currency translation reserve $'000	Balances remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting is no longer applied $'000
Net investments in certain foreign subsidiaries whose functional currencies are denominated in United States Dollar, Euro, Renminbi, Japanese Yen and Sterling Pound	(7,526)	20,741	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(v) Accounting classifications and fair values

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 (see note 6). Further, the fair value disclosure of lease liabilities is also not required.

	Note	Mandatorily at FVTPL $'000	FVOCI – equity investments $'000	Fair value – hedging instruments $'000	Amortised cost $'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 assets measured at fair value											
Unquoted debt investments – mandatorily at FVTPL	10	191,926	–	–	–	–	191,926	–	146,811	45,115	191,926
Unquoted equity investments – at FVOCI	10	–	356,729	–	–	–	356,729	–	–	356,729	356,729
Unquoted equity investments – mandatorily at FVTPL	10	90,073	–	–	–	–	90,073	–	–	90,073	90,073
Quoted equity investments– at FVOCI	10	–	34,903	–	–	–	34,903	34,903	–	–	34,903
Quoted equity investments – mandatorily at FVTPL	10	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	10	–	–	–	17,394	–	17,394				
Other non-current assets^	11	–	–	–	219,025	–	219,025				
Trade and other receivables#	15	–	–	–	1,618,578	–	1,618,578				
Cash and cash equivalents	17	–	–	–	3,126,529	–	3,126,529				
		–	–	–	4,981,526	–	4,981,526				
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	21	–	–	–	–	11,554,680	11,554,680	–	11,369,000	–	11,369,000
Other liabilities*	27	–	–	–	–	106,334	106,334				
Trade and other payables*	30	–	–	–	–	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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(v) Accounting classifications and fair values (cont'd)

	Note	Mandatorily at FVTPL $'000	FVOCI – equity investments $'000	Fair value – hedging instruments $'000	Amortised cost $'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 2019											
Financial assets measured at fair value											
Unquoted debt investments – mandatorily at FVTPL	10	724,462	–	–	–	–	724,462	–	142,318	582,144	724,462
Unquoted equity investments – at FVOCI	10	–	392,395	–	–	–	392,395	–	–	392,395	392,395
Unquoted equity investments – mandatorily at FVTPL	10	59,086	–	–	–	–	59,086	–	–	59,086	59,086
Quoted equity investments– at FVOCI	10	–	92,874	–	–	–	92,874	92,874	–	–	92,874
Quoted equity investments – mandatorily at FVTPL	10	42,552	–	–	–	–	42,552	42,552	–	–	42,552
Derivative financial assets		–	–	18,632	–	–	18,632	–	18,632	–	18,632
		826,100	485,269	18,632	–	–	1,330,001				
Financial assets not measured at fair value											
Unquoted debt investments – amortised cost	10	–	–	–	311,604	–	311,604	–	303,740	–	303,740
Other non-current assets^	11	–	–	–	641,256	–	641,256				
Trade and other receivables#	15	–	–	–	748,014	–	748,014				
Cash and cash equivalents	17	–	–	–	2,797,652	–	2,797,652				
		–	–	–	4,498,526	–	4,498,526				
Financial liabilities measured at fair value											
Derivative financial liabilities		–	–	7,371	–		7,371	–	7,371	–	7,371
Financial liabilities not measured at fair value											
Interest-bearing borrowings	21	–	–	–	–	9,711,151	9,711,151	–	9,764,627	–	9,764,627
Other liabilities*	27	–	–	–	–	108,469	108,469				
Trade and other payables*	30	–	–	–	–	1,134,439	1,134,439				
		–	–	–	–	10,954,059	10,954,059				

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(v) Accounting classifications and fair values (cont'd)

	Note	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	10	–	–	–	324,877	–	324,877	–	–	324,877	324,877
Quoted equity investments – at FVOCI	10	–	–	–	21,777	–	21,777	21,777	–	–	21,777
Quoted equity investments – mandatorily at FVTPL	10	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^	11	–	–	6,517,837	–	–	6,517,837				
Trade and other receivables#	15	–	–	5,820,364	–	–	5,820,364				
Cash and cash equivalents	17	–	–	1,288,914	–	–	1,288,914				
		–	–	13,627,115	–	–	13,627,115				
Financial liabilities measured at fair value											
Derivative financial liabilities	30	–	11,956	–	–	–	11,956	–	11,956	–	11,956
Financial liabilities not measured at fair value											
Interest-bearing borrowings	21	–	–	–	–	7,452,594	7,452,594	–	7,536,764	–	7,536,764
Other liabilities*	27	–	–	–	–	7,445	7,445				
Trade and other payables*	30	–	–	–	–	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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(v) Accounting classifications and fair values (cont'd)

	Note	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 2019											
Financial assets measured at fair value											
Unquoted equity investments – at FVOCI	10	–	–	–	350,561	–	350,561	–	–	350,561	350,561
Quoted equity investments – at FVOCI	10	–	–	–	24,339	–	24,339	24,339	–	–	24,339
Quoted equity investments – mandatorily at FVTPL	10	1,064	–	–	–	–	1,064	1,064	–	–	1,064
Derivative financial assets		–	11,647	–	–	–	11,647	–	11,647	–	11,647
		1,064	11,647	–	374,900	–	387,611				
Financial assets not measured at fair value											
Other non-current assets^	11	–	–	5,129,083	–	–	5,129,083				
Trade and other receivables#	15	–	–	5,514,138	–	–	5,514,138				
Cash and cash equivalents	17	–	–	1,269,235	–	–	1,269,235				
		–	–	11,912,456	–	–	11,912,456				
Financial liabilities measured at fair value											
Derivative financial liabilities	30	–	2,462	–	–	–	2,462	–	2,462	–	2,462
Financial liabilities not measured at fair value											
Interest-bearing borrowings	21	–	–	–	–	5,552,680	5,552,680	–	5,587,884	–	5,587,884
Other liabilities	27	–	–	–	–	9,912	9,912				
Trade and other payables*	30	–	–	–	–	2,796,805	2,796,805				
		–	–	–	–	8,359,397	8,359,397				

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(v) Accounting classifications and fair values (cont'd)

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: 2020: 0% to 15% 2019: 0% to 6.2%	The estimated fair value would increase/(decrease) if the discount rate was lower/(higher).
	Option pricing model: The fair value is estimated based on present value techniques and reflect both the time value and the intrinsic value of an option.	Discount rate: 2020: N/A 2019: 13.75%	The estimated fair value would increase/(decrease) if the discount rate was lower/(higher).
		Volatility rate: 2020: N/A 2019: 25.2%	The estimated fair value would increase/(decrease) if the volatility 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: 2020: 0% to 30% 2019: 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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(v) Accounting classifications and fair values (cont'd)

Measurement of fair values (cont'd)

Valuation techniques and significant unobservable inputs (cont'd)

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 year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

41 FINANCIAL INSTRUMENTS (CONT'D)

(v) Accounting classifications and fair values (cont'd)

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	Other financial asset mandatorily at FVTPL $'000	Unquoted equity investments at FVOCI $'000
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
At 1 January 2019	71,509	329,013	43,548	17,214	327,544
Additions	571,184	–	22,287	–	–
Release of obligations	–	–	–	(17,214)	–
Distribution of income	(41,257)	–	(1,944)	–	–
Conversion of exchange rights	(25,170)	–	–	–	–
Return of capital	–	–	(5,219)	–	–
Reclassification to investment in joint venture	(27,391)	–	–	–	–
Total gain recognised in profit or loss					
– finance income	34,148	–	1,039	–	–
Total gain for the period included in other comprehensive income					
– net change in fair value of equity investments at FVOCI	–	63,382	–	–	23,017
Translation differences on consolidation	(879)	–	(625)	–	–
At 31 December 2019	582,144	392,395	59,086	–	350,561

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

42 OPERATING SEGMENTS

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. None of these segments meet any of the quantitative thresholds for determining reportable segments in 2020 and 2019.

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.

Information about reportable segments

	Property development $'000	Hotel operations $'000	Investment properties $'000	Total $'000	Others $'000	Total $'000
2020						
Total revenue (including inter-segment revenue)	965,940	658,669	422,065	2,046,674	183,779	2,230,453
Inter-segment revenue	–	(18,224)	(60,647)	(78,871)	(43,156)	(122,027)
External revenue	965,940	640,445	361,418	1,967,803	140,623	2,108,426
(Loss)/Profit from operating activities	(289,458)	(437,083)	(171,864)	(898,405)	46,761	(851,644)
Share of after-tax (loss)/ profit of associates and joint ventures	(404,913)	(98,366)	(367,629)	(870,908)	25,132	(845,776)
Finance income	76,681	10,060	47,947	134,688	33,930	168,618
Finance costs	(122,154)	(48,004)	(83,456)	(253,614)	(8,395)	(262,009)
Net finance (costs)/income	(45,473)	(37,944)	(35,509)	(118,926)	25,535	(93,391)
Reportable segment (loss)/profit before tax	(739,844)	(573,393)*	(575,002)	(1,888,239)	97,428	(1,790,811)
Depreciation and amortisation	2,684	140,366	123,875	266,925	20,204	287,129

* Hotel operations for 2020 comprise revenue and Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) attributable to hotel rooms owned by the Group amounting to $395.9 million and ($216.1) million respectively.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

42 OPERATING SEGMENTS (CONT'D)

Information about reportable segments (cont'd)

	Property development $'000	Hotel operations $'000	Investment properties $'000	Total $'000	Others $'000	Total $'000
2020						
Other material non-cash items						
Impairment loss on other receivables	(174,929)	(19,437)	(129,576)	(323,942)	–	(323,942)
Impairment loss on debt investment	(155,520)	(17,280)	(115,200)	(288,000)	–	(288,000)
Provision for financial guarantee	(152,820)	(16,980)	(113,200)	(283,000)	–	(283,000)
Impairment losses (made)/reversed on property, plant and equipment and investment properties (net)	–	(87,004)	(12,308)	(99,312)	(240)	(99,552)
Allowance made for foreseeable losses on development properties	(35,014)	–	–	(35,014)	–	(35,014)
Investments in associates and joint ventures	454,365	504,481	390,432	1,349,278	443,709	1,792,987
Other segment assets	8,925,757	5,323,196	6,404,319	20,653,272	1,210,715	21,863,987
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
Additions to non-current assets*	485,098	356,164	550,281	1,391,543	127,940	1,519,483

* Non-current assets include property, plant and equipment, investment properties, investments in associates and joint ventures, and intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

42 OPERATING SEGMENTS (CONT'D)

Information about reportable segments (cont'd)

	Property development $'000	Hotel operations $'000	Investment properties $'000	Total $'000	Others $'000	Total $'000
2019						
Total revenue (including inter-segment revenue)	1,136,730	1,725,067	532,518	3,394,315	198,572	3,592,887
Inter-segment revenue	–	(20,052)	(94,375)	(114,427)	(49,735)	(164,162)
External revenue	1,136,730	1,705,015	438,143	3,279,888	148,837	3,428,725
Profit from operating activities	277,154	60,698	311,630	649,482	4,452	653,934
Share of after-tax profit/(loss) of associates and joint ventures	153,643	(16,758)	45,790	182,675	13,632	196,307
Finance income	38,125	8,815	10,657	57,597	50,930	108,527
Finance costs	(90,847)	(59,331)	(35,171)	(185,349)	(19,342)	(204,691)
Net finance (costs)/income	(52,722)	(50,516)	(24,514)	(127,752)	31,588	(96,164)
Reportable segment profit/(loss) before tax	378,075	(6,576)*	332,906	704,405	49,672	754,077
Depreciation and amortisation	3,657	134,366	117,109	255,132	20,855	275,987

* Hotel operations for 2019 comprise revenue and EBITDA attributable to hotel rooms owned by the Group amounting to $1,154.2 million and $144.4 million respectively.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

42 OPERATING SEGMENTS (CONT'D)

Information about reportable segments (cont'd)

	Property development $'000	Hotel operations $'000	Investment properties $'000	Total $'000	Others $'000	Total $'000
2019						
Other material non-cash items						
Impairment losses (made)/reversed on property, plant and equipment and investment properties (net)	–	(58,236)	2,414	(55,822)	(2,150)	(57,972)
Allowance reversed for foreseeable losses on development properties	6,524	–	–	6,524	–	6,524
Investments in associates and joint ventures	514,202	484,084	407,371	1,405,657	349,675	1,755,332
Other segment assets	8,043,989	5,448,600	6,154,976	19,647,565	1,774,309	21,421,874
Reportable segment assets	8,558,191	5,932,684	6,562,347	21,053,222	2,123,984	23,177,206
Deferred tax assets						23,051
Total assets						23,200,257
Reportable segment liabilities	5,679,210	2,135,931	2,584,539	10,399,680	1,176,923	11,576,603
Deferred tax liabilities						107,592
Provision for taxation						249,506
Total liabilities						11,933,701
Additions to non-current assets*	42,279	179,726	160,858	382,863	153,552	536,415

* Non-current assets include property, plant and equipment, investment properties, investments in associates and joint ventures, and intangible assets.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

42 OPERATING SEGMENTS (CONT'D)

Geographical segments

	Singapore $'000	United States $'000	United Kingdom $'000	China $'000	Other countries $'000	Total $'000
2020						
Revenue	1,214,727	165,909	219,401	110,410	397,979	2,108,426
Non-current assets*	4,000,266	1,380,455	2,262,443	1,450,771	2,795,325	11,889,260
Reportable segment assets	11,754,963	1,506,497	3,343,720	2,893,174	4,158,620	23,656,974
2019						
Revenue	1,549,193	553,875	454,053	153,600	718,004	3,428,725
Non-current assets*	3,916,338	1,439,832	2,227,368	1,308,409	2,737,800	11,629,747
Reportable segment assets	10,969,975	1,660,205	3,363,035	3,001,504	4,182,487	23,177,206

* Include property, plant and equipment, investment properties, investments in associates and joint ventures, prepayments (non-current portion) and intangible assets.

43 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES

The following are the Group's significant investments in subsidiaries:

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
	Direct/Indirect subsidiaries of the Company				
*	Allinvest Holding Pte Ltd	Property owner and investment holding	Singapore	**100**	100
*	Adelanto Investments Pte. Ltd.	Investment holding	Singapore	**100**	100
*	Aquarius Properties Pte. Ltd.	Property owner and developer	Singapore	**80**	80
^	Beaumont Properties Limited	Property owner and developer	Jersey	**100**	100
*	Bloomsville Investments Pte Ltd	Property owner, developer and investment holding	Singapore	**100**	100
*	Bellevue Properties Pte. Ltd.	Property owner and developer	Singapore	**100**	100
^	Busy Bee Ventures Limited	Investment holding	British Virgin Islands	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

43 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
	Direct/Indirect subsidiaries of the Company (cont'd)				
*	CBM Pte. Ltd.	Provision of building maintenance, security, cleaning and related services to commercial and residential buildings	Singapore	**100**	100
*	CBM Parking Pte. Ltd.	Provision of car park operation, management, civil, construction and electrical works related to parking systems and related services	Singapore	**100**	100
*	CBM International Pte. Ltd.	Investment holding and provision of consultancy services	Singapore	**100**	100
*	CBM Security Pte. Ltd.	Provision of security services, consultancy services related to security matters, supply of equipment, security escort services and facilities management services	Singapore	**100**	100
*	CBM Solutions Pte. Ltd.	Provision of consultancy and facilities management services	Singapore	**100**	100
**	CBM (Taiwan) Co., Ltd.	Carpark management services	Taiwan	**100**	100
*	CDL Land Pte Ltd	Property owner and developer	Singapore	**100**	100
*	CDL Management Services Pte. Ltd.	Provision of project and property management and consultancy services	Singapore	**100**	100
*	CDL Properties Ltd	Property owner and investment holding	Singapore	**100**	100
*	CDL Regulus Pte. Ltd.	Property owner and developer	Singapore	**100**	100
*	CDL Pegasus Pte. Ltd.	Property owner and developer	Singapore	**100**	100
*	Central Mall Pte Ltd	Property owner	Singapore	**100**	100
*	Centro Property Holding Pte. Ltd.	Property owner	Singapore	**100**	100
*	Cideco Pte. Ltd.	Property owner	Singapore	**100**	100
*	City Condominiums Pte Ltd	Property owner, developer and investment holding	Singapore	**100**	100
*	City Developments Realty Limited	Investment in shares and investment holding	Singapore	**100**	100
*	City Serviced Offices Pte. Ltd.	Operating serviced offices	Singapore	**100**	100
*	City Sunshine Holdings Pte. Ltd.	Property owner and developer	Singapore	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

43 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
	Direct/Indirect subsidiaries of the Company (cont'd)				
*	Citydev Nahdah Pte. Ltd.	To issue Islamic trust certificates and to act as trustee for the certificate holders	Singapore	**100**	100
*	Citydev Real Estate (Singapore) Pte Ltd	Property owner	Singapore	**100**	100
*	CDL Real Estate Asset Managers Pte. Ltd.	Asset management	Singapore	**100**	100
*	City REIT Management Pte. Ltd.	Investment holding	Singapore	**100**	100
*	City Strategic Equity Pte. Ltd.	Investment holding	Singapore	**100**	100
*	City Lux Pte. Ltd.	Investment holding	Singapore	**100**	100
*	City Boost Pte. Ltd.	Investment holding	Singapore	**100**	100
*	City Delta Pte. Ltd.	Investment holding	Singapore	**100**	–
*	Cityview Place Holdings Pte. Ltd.	Property owner and developer	Singapore	**100#**	100#
*	Crescent View Developments Pte. Ltd.	Property owner and developer	Singapore	**60**	60
**	Educado Company Limited	Investment holding and share dealing	Hong Kong	**100**	100
*	Ellinois Management Services Pte. Ltd.	Asset/portfolio management	Singapore	**100**	100
*	Empire City Consultant Pte Ltd	Management of properties	Singapore	**100**	100
^	Finite Properties Investment Limited	Property owner and developer	Jersey	**100**	100
*	Glades Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
*	Gemini One Pte. Ltd.	Hotel operator	Singapore	**100**	100
*	Gemini One Trust	Property owner and developer	Singapore	**100**	100
*	Grange 100 Pte. Ltd.	Property owner	Singapore	**100**	100
*	Guan Realty (Private) Limited	Property owner and developer	Singapore	**100**	100
^	Hoko Mina Pty Ltd	Property owner and developer	Australia	**100**	100
*	Hong Leong Properties Pte. Limited	Property owner	Singapore	**100**	100
**	Highline Investments LP	Property owner	United Kingdom	**100**	100
**	Iconique Tokutei Mokuteki Kaisha	Asset management	Japan	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

43 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
	Direct/Indirect subsidiaries of the Company (cont'd)				
*	Ingensys Pte. Ltd.	Systems integration activities	Singapore	**100**	100
^	Jayland Properties Limited	Property owner and developer	Jersey	**100**	100
^	Landco Properties Limited	Property owner	Jersey	**100**	100
*	Land Equity Development Pte Ltd	Property owner	Singapore	**100**	100
**	Lingo Enterprises Limited	Property holding and property investment	Singapore/ Hong Kong	**100**	100
^	Melvale Holdings Limited	Investment holding and property developer	Jersey	**100**	100
**	Millennium & Copthorne Hotels Limited	Investment holding	United Kingdom	**100**	100
**	125 OBS Limited Partnership	Property holding	United Kingdom	**100**	100
*	Novel Developments Pte. Ltd.	Property owner and developer	Singapore	**100**	100
*	Pavo Properties Pte. Ltd.	Property owner and developer	Singapore	**60**	60
**	Phuket Square Co., Ltd.	Retail and hotel business	Thailand	**49##**	49##
^	Pinenorth Properties Limited	Property owner and developer	Jersey	**100**	100
^	Reselton Properties Limited	Property owner and developer	Jersey	**100**	100
*	Republic Plaza City Club (Singapore) Pte Ltd	Owner and operator of clubs	Singapore	**100**	100
^	Reach Across International Limited	Investment holding	British Virgin Islands	**100**	100
**	Shanghai Anting Waratah Real Estate Development Co., Ltd.	Property owner	People's Republic of China	**100**	100
**	Shanghai Fusion Enterprise Management Co., Ltd.	Property owner	People's Republic of China	**100**	100
**	Shanghai Galaxy Enterprise Management Co., Ltd.	Property owner	People's Republic of China	**100**	100
***	Shanghai Jingwen Zhaoxiang Real Estate Limited	Property owner and developer	People's Republic of China	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

43 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
	Direct/Indirect subsidiaries of the Company (cont'd)				
***	Shanghai Meidao Investment Co., Ltd.	Property owner and developer	People's Republic of China	**100**	100
**	Shanghai Rainbow Enterprise Management Co., Ltd.	Property owner	People's Republic of China	**100**	100
**	Shanghai Star Enterprise Management Co., Ltd.	Property owner	People's Republic of China	**100**	100
**	Shanghai Yulan Real Estate Development Co., Ltd.	Property owner and developer	People's Republic of China	**100**	100
*	Singapura Developments (Private) Limited	Property owner, developer and investment holding	Singapore	**100**	100
*	Sunshine Plaza Pte Ltd	Property owner, developer and investment holding	Singapore	**100**	100
**	Suzhou Global City Genway Properties Co., Ltd.	Property owner and developer	People's Republic of China	**100**	100
*	Systematic Laundry & Healthcare Services Pte. Ltd.	Laundry and dry cleaning services, washing and other cleaning preparations	Singapore	**90**	90
*	Systematic Laundry & Uniform Services Pte. Ltd.	Laundry and dry cleaning services	Singapore	**90**	90
**	Tempus Platinum Investments Tokutei Mokuteki Kaisha	Property owner and developer	Japan	**100**	100
**	The Aldgate House Unit Trust	Property investment	Jersey	**100**	100
^	Trentworth Properties Limited	Property owner and developer	Jersey	**100**	100
*	Trentwell Management Pte. Ltd.	Asset management and consultancy services	Singapore	**100**	100
^	Wideachieve Holdings Limited	Investment holding	British Virgin Islands	**100**	100
Direct/Indirect Subsidiaries of Millennium & Copthorne Hotels Limited					
**	Anchorage-Lakefront Limited Partnership	Hotel owner	USA	**100**	100
^	Archyield Limited	Hotel owner and operator	United Kingdom	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

43 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
	Direct/Indirect Subsidiaries of Millennium & Copthorne Hotels Limited (cont'd)				
**	Avon Wynfield LLC	Hotel owner	USA	**100**	100
**	Beijing Fortune Hotel Co., Ltd.	Hotel owner and operator	People's Republic of China	**70**	70
**	Bostonian Hotel Limited Partnership	Hotel owner	USA	**100**	100
**	Buffalo RHM Operating LLC	Hotel owner	USA	**100**	100
*	CDL Hospitality Trusts	See ### below	Singapore	**38**	37
**	CDL (New York) LLC	Hotel owner	USA	**100**	100
^	CDL Hotels (Chelsea) Limited	Hotel owner and operator	United Kingdom	**100**	100
**	CDL Hotels (Korea) Ltd.	Hotel owner and operator	Republic of Korea	**100**	100
**	CDL Hotels (Malaysia) Sdn. Bhd.	Hotel owner and operator	Malaysia	**100**	100
^	CDL Hotels (UK) Limited	Hotel owner and operator	United Kingdom	**100**	100
**	CDL Hotels USA, Inc.	Hotel investment holding company	USA	**100**	100
**	CDL Investments New Zealand Limited	Investment and property management company	New Zealand	**50**	50
**	CDL West 45th Street LLC	Hotel owner	USA	**100**	100
**	Chicago Hotel Holdings, Inc.	Hotel ownership	USA	**100**	100
*	City Hotels Pte. Ltd.	Hotel operator and investment holding company	Singapore	**100**	100
^	Copthorne Aberdeen Limited	Hotel management	United Kingdom	**83**	83
^	Copthorne Hotel (Birmingham) Limited	Hotel owner and operator	United Kingdom	**100**	100
^	Copthorne Hotel (Cardiff) Limited	Hotel owner and operator	United Kingdom	**100**	100
^	Copthorne Hotel (Effingham Park) Limited	Hotel owner and operator	United Kingdom	**100**	100
^	Copthorne Hotel (Gatwick) Limited	Hotel owner and operator	United Kingdom	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

43 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
	Direct/Indirect Subsidiaries of Millennium & Copthorne Hotels Limited (cont'd)				
^	Copthorne Hotel (Manchester) Limited	Hotel owner and operator	United Kingdom	**100**	100
^	Copthorne Hotel (Merry Hill) Limited	Hotel owner and operator	United Kingdom	**100**	100
^	Copthorne Hotel (Newcastle) Limited	Hotel owner and operator	United Kingdom	**96**	96
^	Copthorne Hotel (Plymouth) Limited	Hotel owner and operator	United Kingdom	**100**	100
^	Copthorne Hotel (Slough) Limited	Hotel owner and operator	United Kingdom	**100**	100
^	Copthorne Hotel Holdings Limited	Investment holding company	United Kingdom	**100**	100
^	Copthorne Hotels Limited	Hotel investment holding company	United Kingdom	**100**	100
**	Copthorne Orchid Penang Sdn. Bhd.	Hotel owner	Malaysia	**100**	100
**	Durham Operating Partnership L.P.	Hotel ownership	USA	**100**	100
**	Gateway Regal Holdings LLC	Hotel owner and operator	USA	**100**	100
**	Grand Plaza Hotel Corporation	Hotel owner and operator and investment holding company	Philippines	**66**	66
*	Harbour View Hotel Pte Ltd	Hotel operator	Singapore	**100**	100
**	Hong Leong Ginza TMK	Property owner	Japan	**100**	100
**	Hong Leong Hotel Development Limited	Hotel owner and operator	Taiwan	**84**	84
*	Hospitality Holdings Pte. Ltd.	Investment holding company	Singapore	**100**	100
^	Hotel Liverpool Limited	Property letting	United Kingdom	**100**	100
^	Hotel Liverpool Management Limited	Operating company	United Kingdom	**100**	100
*	King's Tanglin Shopping Pte. Ltd.	Property owner	Singapore	**100**	100
**	Lakeside Operating Partnership L.P.	Hotel ownership	USA	**100**	100
^	London Britannia Hotel Limited	Hotel owner and operator	United Kingdom	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

43 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
	Direct/Indirect Subsidiaries of Millennium & Copthorne Hotels Limited (cont'd)				
^	London Tara Hotel Limited	Hotel owner and operator	United Kingdom	**100**	100
**	M&C Crescent Interests, LLC	Property owner	USA	**100**	100
**	M&C Hotel Interests, Inc.	Hotel management services company	USA	**100**	100
**	M&C Hotels France SAS	Hotel owner	France	**100**	100
**	M&C New York (Times Square) EAT II LLC	Hotel owner	USA	**100**	100
**	M&C New York (Times Square), LLC	Investment holding	USA	**100**	100
*	M&C REIT Management Limited	REIT investment management services	Singapore	**100**	100
****	Millennium & Copthorne Hotels Management (Shanghai) Limited	Provision of hotel management and consultancy services	People's Republic of China	**100**	100
**	Millennium & Copthorne Hotels New Zealand Limited	Hotel investment holding company	New Zealand	**76**	76
*	Millennium & Copthorne International Limited	Hotels and resorts management	Singapore	**100**	100
**	Millennium CDG Paris SAS	Hotel operator	France	**100**	100
**	Millennium Hotels Italy Holdings S.r.l	Holding company	Italy	**100**	100
**	Millennium Hotels Palace Management S.r.l	Hotel operator	Italy	**100**	100
**	Millennium Hotels Property S.r.l	Hotel owner and operator	Italy	**100**	100
^	Millennium Hotels (West London) Limited	Property letting	United Kingdom	**100**	100
^	Millennium Hotels (West London) Management Limited	Hotel operator	United Kingdom	**100**	100
**	Millennium Opera Paris SAS	Hotel operator	France	**100**	100
**	PT. Millennium Sirih Jakarta Hotel	Hotel owner	Indonesia	**100**	100
*	Republic Hotels & Resorts Limited	Hotel operator and investment holding company	Singapore	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

43 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
	Direct/Indirect Subsidiaries of Millennium & Copthorne Hotels Limited (cont'd)				
*	Republic Iconic Hotel Pte. Ltd.	Hotel operator	Singapore	100	100
**	RHH Operating LLC	Hotel owner	USA	100	100
**	RHM Aurora LLC	Hotel ownership	USA	100	100
**	RHM Management LLC	Hotel ownership	USA	100	100
**	RHM Ranch LLC	Hotel owner	USA	100	100
**	RHM-88, LLC	Hotel owner and operator	USA	100	100
**	Sunnyvale Partners Ltd.	Hotel ownership	USA	100	100
**	Trimark Hotel Corporation	Hotel owner and operator	USA	100	100
**	WHB Biltmore LLC	Hotel owner and operator	USA	100	100

* Audited by KPMG LLP Singapore

** Audited by other member firms of KPMG International

*** Audited by Shanghai Xiao Tian Cheng Certified Public Accountant Co., Ltd

**** Audited by Shanghai Certified Public Accountants

^ Not subject to audit by law of country of incorporation

\# Relates to non-residential component. Please refer to note (a) under note 44 of the financial statements.

\## Phuket Square Co., Ltd is considered a subsidiary of the Group as the Group is exposed to variable returns from the company and has the ability to affect those returns through the management's control over the financial and operating policies of the company.

\### CDL Hospitality Trusts is a stapled group comprising CDL Hospitality Real Estate Investment Trust (H-REIT), a real estate investment trust, and CDL Hospitality Business Trust (HBT), a business trust. H-REIT has an investment strategy of investing directly or indirectly, in a diversified portfolio of income-producing real estate which is primarily used for hospitality and/or hospitality-related purposes, whether wholly or partially, and real-estate related assets in relation to the foregoing.

HBT is a business trust which currently acts as master lessee, asset owner and hotel operator. HBT may also undertake certain hospitality and hospitality-related development projects, acquisition and investments which may not be suitable for H-REIT.

Although the Group owns less than half of the ownership interest and voting power of H-REIT and HBT, management has determined that the Group has control over H-REIT and HBT. The activities of H-REIT and HBT are managed by the Group's subsidiaries, M&C REIT Management Limited (H-REIT Manager) and M&C Business Trust Management Limited (HBT Trustee-Manager) respectively. H-REIT Manager has decision-making authority over H-REIT, subject to oversight by the trustee of H-REIT. HBT Trustee-Manager has dual responsibility of safeguarding the interests of the HBT unitholders and decision-making authority over HBT. The Group's overall exposure to variable returns, both from H-REIT Manager's and HBT Trustee-Manager's remuneration and the interests in H-REIT and HBT respectively, is significant and any decisions made by H-REIT Manager and HBT Trustee-Manager affect the Group's overall exposure.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

44 ASSOCIATES AND JOINT VENTURES

The following are the Group's significant investments in associates and joint ventures:

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
	Associates **Associates of the Company**				
*	Cityview Place Holdings Pte. Ltd.	Property owner and developer	Singapore	33[a]	33[a]
***	IREIT Global	REIT investment management services	Singapore	21.3[b]	12.6[b]
*	NovaSims Development Pte. Ltd.	Property developer	Singapore	40	40
**	Suzhou Dragonrise Pan- Artificial Intelligence High-Tech Fund	Venture capital investment and management	People's Republic of China	50	50
	Associate of Millennium & Copthorne Hotels Limited				
*****	First Sponsor Group Limited	Investment holding company	Singapore/ Cayman Islands	36	36
	Joint Ventures **Joint Ventures of the Company**				
^	ACC Smith Street Pty Limited	Trustee	Australia	50	50
*	Aster Land Development Pte Ltd	Property development and investment dealing	Singapore	30	30
*	Branbury Investments Ltd	Property owner	Singapore	43	43
**	CBM Qatar LLC	Provision of facilities management services	State of Qatar	49	49
**	CBM Facilities & Security Management (Thailand) Co. Ltd.	Provision of integrated facilities management services in Thailand	Thailand	49	49
****	Chongqing Eling Property Development Co., Ltd.	Property owner and developer	People's Republic of China	50	50
****	Chongqing Huang Huayuan Property Development Co., Ltd.	Property owner and developer	People's Republic of China	30	30
*****	Emerging Markets Affordable Housing Fund Pte. Ltd.	Investment in affordable housing projects in emerging markets	Singapore	69[c]	69[c]
^	FSCT DE Property 1 Real Estate GmbH & Co. KG	Property investment	Germany	43	43

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

44 ASSOCIATES AND JOINT VENTURES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
	Joint Ventures (cont'd) **Joint Ventures of the Company (cont'd)**				
*	Granmil Holdings Pte Ltd	Property owner and developer	Singapore	40	40
^	HCP Chongqing Property Development Co., Ltd	Investment holding	Cayman Islands	63.75[d]	–
*****	HThree City Australia Pte. Ltd.	Property fund management (including REIT management and direct property fund management)	Singapore	33	33
***	IREIT Global Group Pte. Ltd.	Property fund management	Singapore	50[e]	50[e]
**	Krungthep Rimnam Limited	Hotel business	Thailand	49	49
*	Legend Quay Pte. Ltd.	Property owner and developer	Singapore	50	50
*	Legend Commercial Trust	Property owner and developer	Singapore	50	50
^	Macaulay North Melbourne Pty Ltd	Trustee	Australia	50	50
**	Merivale JV Pty Limited	Trustee	Australia	33	33
******	OOO "Soft-Project"	Hotel and property owner and developer	Russia	50	50
*	Richmond Hotel Pte Ltd	Property owner, developer and investment holding	Singapore	33	33
*******	Shanghai Distrii Technology Development Co., Ltd.	Operator of co-working spaces	People's Republic of China	24	24
********	Shanghai CF Enterprise Group Co., Ltd	Operator of online apartment rental platform	People's Republic of China	21	21
*	Serangoon Green Pte. Ltd.	Property owner and developer	Singapore	50	50
*	South Beach Consortium Pte. Ltd.	Property owner, developer and investment holding	Singapore	50.1[f]	50.1[f]
*	Siena Residential Development Pte. Ltd.	Property owner and developer	Singapore	50	50
*	Siena Commercial Trust	Property owner and developer	Singapore	50	50
^	Spencer West Melbourne Pty Ltd	Trustee	Australia	50	50
*	Tomlinson Hotel Pte. Ltd.	Hotel owner	Singapore	33	33
*	Tripartite Developers Pte. Limited	Property developer	Singapore	33	33

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

44 ASSOCIATES AND JOINT VENTURES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2020 %	2019 %
	Joint Venture of Millennium & Copthorne Hotels Limited				
^	New Unity Holdings Ltd.	Investment holding company	British Virgin Islands	50	50

* Audited by KPMG LLP Singapore

** Audited by other member firms of KPMG International

*** Audited by Deloitte & Touche LLP

**** Audited by Pan-China Certified Public Accountants LLP, Chongqing Branch

***** Audited by Ernst & Young LLP

****** Audited by BDO Unicorn Inc

******* Audited by WUYIGE Certified Public Accountants LLP

******** Audited by BDO China Shu Lun Pan Certified Public Accountants LLP

^ Not subject to audit by law of country of incorporation

(a) Although the Group is the legal owner of the entire equity interests in Cityview Place Holdings Pte. Ltd. (Cityview), the Group has determined that it does not have control over Cityview upon the sale of cash flows in Cityview as described below. The Group has significant influence in Cityview through Sunbright Holdings Limited (Sunbright). Accordingly, Cityview is reclassified as an associate of the Group.

i. Sale and purchase agreement

On 15 December 2014, Baynes Investment Pte. Ltd. (Baynes), a wholly-owned subsidiary of the Group, sold the Dividends (as defined in the sale and purchase agreement) in its wholly-owned subsidiary, Cityview, to Sunbright.

ii. Profit participation securities

On 22 December 2014, the Group through its wholly-owned subsidiary, Astoria Holdings Limited (Astoria), subscribed for 37.5% interest in a capital instrument called profit participation securities (PPS) issued by Sunbright. The PPS has a tenor of 5 years and will expire upon final payment of the cash flows arising from the Dividends. The PPS carries a fixed payout amount (the Fixed Payout) at the rate of 5% per annum, which is payable on a semi-annual basis or, at the election of the PPS holders, payable upfront in one lump sum on the date of issue of the PPS.

Astoria, together with other investors (the Third Party Investors), (collectively, the PPS Holders), elected to receive the Fixed Payout upfront and the total Fixed Payout of $187.5 million was offset against the consideration payable by the PPS holders for the subscription of the PPS.

The Group will receive from Sunbright the cash flows purchased from Baynes (after satisfying certain senior ranking liabilities, including capital contributions from the Third Party Investors) in accordance with a pre-agreed order of priority as set out under the terms of the PPS.

In addition, shares of Baynes with a carrying value of $1,502,000 (2019: $1,502,000) was pledged to Sunbright.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

44 ASSOCIATES AND JOINT VENTURES (CONT'D)

iii. Investment Committees

On 22 December 2014, the Group entered into an Investors' Agreement with the Third Party Investors and Sunbright. Under the Investors' Agreement, the management of the affairs of Sunbright and its subsidiaries are delegated to the Investment Committees where the Group has the right to appoint 5 out of 12 members. Taken as a whole, the Group does not have power over the relevant activities of Cityview.

The Group has determined that it has significant influence over Sunbright because of its representation on the Investment Committees. Accordingly, Sunbright is considered an associate of the Group.

In April 2019, the Group, through its indirect wholly-owned subsidiary, Astoria, acquired the remaining PPS units in the non-residential component of Sunbright, which holds W Hotel and Quayside Isle (Non-Residential Component) (note 39). Following the acquisition, the Group has power over the relevant activities of the Non-Residential Component, which became a wholly-owned subsidiary of the Group.

(b) In 2019, although the Group owned less than 20% of the ownership interest and voting power of the investee, the Group has determined that it had significant influence over IREIT Global because of its board representation in IREIT Global Group Pte. Ltd. (the IREIT Manager), the governing body of IREIT Global, which is a joint venture of the Group. The IREIT Manager has decision-making authority over IREIT Global, subject to oversight by the trustee of the investee. Accordingly, IREIT Global was accounted for as an associate of the Group.

During 2020, the Group through its indirect wholly-owned subsidiary, City Strategic Equity Pte. Ltd., acquired additional 8.8% of total issued units in IREIT Global. The Group's interest in the units of IREIT Global increased to 21.3% as at 31 December 2020, from 12.6% as at 31 December 2019.

(c) Although the Group holds more than 50% ownership interest in Emerging Markets Affordable Housing Fund Pte. Ltd. (the Fund), pursuant to a contractual agreement between the Group and its joint venture partner in the Fund, joint control is exercised by both parties over the relevant activities of the Fund. Accordingly, the Fund is accounted for as a joint venture of the Group.

(d) During 2020, the Group through its wholly-owned subsidiary, Sonic Investments Pte. Ltd., acquired a 63.75% equity interest in HCP Chongqing Property Development Co., Ltd (HCP), which owns 80.01% equity interest in Sincere Property Group.

Although the Group holds more than 50% ownership interest in HCP, pursuant to a contractual agreement between the Group and its joint venture partner in HCP, joint control is exercised by both parties over the relevant activities of HCP. Accordingly, HCP is accounted for as a joint venture of the Group.

(e) Although the Group holds less than 50% voting interest in the IREIT Manager, pursuant to a contractual agreement between the Group and its joint venture partner in the IREIT Manager, joint control is exercised by both parties over the relevant activities of the IREIT Manager. Accordingly, the IREIT Manager is accounted for as a joint venture of the Group.

(f) Although the Group holds more than 50% ownership interest in South Beach Consortium Pte. Ltd. (South Beach), pursuant to a contractual agreement between the Group and its joint venture partner in South Beach, joint control is exercised by both parties over the relevant activities of South Beach. Accordingly, South Beach is accounted for as a joint venture of the Group.

Except as disclosed in notes 8 and 9, the Group does not consider the above associates and joint ventures to be individually material to the Group under the context of SFRS(I) 12 *Disclosure of Interests in Other Entities*.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

45 SUBSEQUENT EVENTS

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

The Group has been closely monitoring the global disruptions and uncertainty caused by the COVID-19 pandemic since early 2020. As at the date of issuance of these financial statements, the Group has considered substantially the available information in their assessment of the impact of COVID-19 on the Group. However, as the situation continues to evolve, any assumptions to assess the full impact of COVID-19 on the Group in the medium-to-longer term may not be meaningful.

STATISTICS OF ORDINARY SHAREHOLDINGS

As at 16 March 2021

Class of Shares	:	Ordinary Shares
No. of Issued Ordinary Shares	:	909,301,330
No. of Issued Ordinary Shares (excluding Treasury Shares)	:	906,901,330
No. of Treasury Shares	:	2,400,000 (representing 0.26% of the total number of issued shares, excluding treasury shares)
No. of Subsidiary Holdings#	:	Nil
Voting Rights	:	One vote for one Ordinary Share. The Company cannot exercise any voting rights in respect of the shares held as treasury shares.

Subject to the Companies Act, Chapter 50 of Singapore, subsidiaries cannot exercise any voting rights in respect of shares held by them as subsidiary holdings#.

Range of Ordinary Shareholdings	No. of Ordinary Shareholders	%	No. of Ordinary Shares	%
1 – 99	264	1.41	8,453	0.00
100 – 1,000	7,349	39.25	5,745,630	0.63
1,001 – 10,000	9,806	52.37	34,965,217	3.86
10,001 – 1,000,000	1,278	6.82	43,356,820	4.78
1,000,001 and above	28	0.15	822,825,210	90.73
	18,725	**100.00**	**906,901,330**	**100.00**

Based on information available to the Company as at 16 March 2021, approximately 51.31% of the issued Ordinary Shares (excluding treasury shares) is held by the public, and accordingly, Rule 723 of the Listing Manual of Singapore Exchange Securities Trading Limited has been complied with.

MAJOR ORDINARY SHAREHOLDERS LIST – TOP 20 AS AT 16 MARCH 2021

No.	Name	No. of Ordinary Shares Held	%*
1	Hong Leong Investment Holdings Pte. Ltd.	155,921,749	17.19
2	Hong Leong Holdings Limited	148,787,477	16.41
3	Citibank Nominees Singapore Pte Ltd	115,696,940	12.76
4	DBS Nominees Pte Ltd	102,884,476	11.34
5	DBSN Services Pte Ltd	52,442,864	5.78
6	HSBC (Singapore) Nominees Pte Ltd	34,979,689	3.86
7	Raffles Nominees (Pte.) Limited	30,620,105	3.38
8	Hong Realty (Private) Limited	29,088,799	3.21
9	Euroform (S) Pte. Limited	19,603,045	2.16
10	BNP Paribas Nominees Singapore Pte Ltd	19,247,792	2.12
11	Hong Leong Corporation Holdings Pte Ltd	18,584,760	2.05
12	NIN Investment Holdings Pte Ltd	15,161,490	1.67
13	Garden Estates (Pte.) Limited	14,152,365	1.56
14	Gordon Properties Pte. Limited	9,304,616	1.03
15	BPSS Nominees Singapore (Pte.) Ltd	9,170,618	1.01
16	United Overseas Bank Nominees Pte Ltd	7,037,992	0.78
17	UOB Nominees (2006) Private Limited	6,373,760	0.70
18	Interfab Private Limited	5,648,781	0.62
19	Hong Leong Enterprises Pte Ltd	4,524,530	0.50
20	Hong Leong Foundation	4,301,106	0.47
	TOTAL	**803,532,954**	**88.60**

\# "Subsidiary Holdings" is defined in the Listing Manual of Singapore Exchange Securities Trading Limited to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50 of Singapore.

* The percentage of Ordinary Shares held is based on the total number of issued Ordinary Shares, excluding treasury shares as at 16 March 2021.

STATISTICS OF ORDINARY SHAREHOLDINGS

As at 16 March 2021

SUBSTANTIAL SHAREHOLDERS
(As shown in the Register of Substantial Shareholders as at 16 March 2021)

	No. of Ordinary Shares			
	Direct Interest	Deemed Interest	Total	%*
Hong Realty (Private) Limited	32,088,799	30,488,981 [1]	62,577,780	6.900
Hong Leong Holdings Limited	148,787,477	19,546,445 [2]	168,333,922	18.561
Hong Leong Investment Holdings Pte. Ltd.	155,921,749	284,394,395 [3]	440,316,144	48.552
Davos Investment Holdings Private Limited	–	440,316,144 [4]	440,316,144	48.552
Kwek Holdings Pte Ltd	–	440,316,144 [4]	440,316,144	48.552

* The percentage of Ordinary Shares held is based on the total number of issued Ordinary Shares, excluding treasury shares, as at 16 March 2021.

Notes:

[1] Hong Realty (Private) Limited ("HR") is deemed under Section 4 of the Securities and Futures Act, Chapter 289 of Singapore ("SFA") to have an interest in the 30,488,981 Ordinary Shares held directly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

[2] Hong Leong Holdings Limited ("HLH") is deemed under Section 4 of the SFA to have an interest in the 19,546,445 Ordinary Shares held directly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

[3] Hong Leong Investment Holdings Pte. Ltd. ("HLIH") is deemed under Section 4 of the SFA to have an interest in the 284,394,395 Ordinary Shares held directly and/or indirectly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof which includes (i) the 62,577,780 Ordinary Shares held directly and indirectly by HR; and (ii) the 168,333,922 Ordinary Shares held directly and indirectly by HLH, out of which 9,304,616 Ordinary Shares have been identified as Ordinary Shares in which HR is also deemed to have an interest in under note[1] above.

[4] Davos Investment Holdings Private Limited and Kwek Holdings Pte Ltd are deemed under Section 4 of the SFA to have an interest in the 440,316,144 Ordinary Shares held directly and/or indirectly by HLIH in which they are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

STATISTICS OF PREFERENCE SHAREHOLDINGS

As at 16 March 2021

Class of Shares : Non-Redeemable Convertible Non-Cumulative Preference Shares ("Preference Shares")
No. of Preference Shares issued : 330,874,257
Voting Rights : Entitled to attend, speak and vote at any class meeting of the Holders of Preference Shares. One vote for each Preference Share.

Not entitled to attend and vote at any General Meeting of the Company except as provided below:

(a) If the Preference Dividend (or any part thereof) due and payable and accrued is in arrears and has remain unpaid for at least six months, such right to attend and vote shall continue until such Preference Dividend (or any part thereof) in arrears and unpaid has been paid in full;

(b) If the resolution in question varies the rights attached to the Preference Shares; or

(c) If the resolution in question is for the winding up of the Company.

Range of Preference Shareholdings	No. of Preference Shareholders	%	No. of Preference Shares	%
1 – 99	28	1.18	1,187	0.00
100 – 1,000	897	37.74	709,150	0.21
1,001 – 10,000	1,066	44.85	4,369,582	1.32
10,001 – 1,000,000	369	15.52	26,155,399	7.91
1,000,001 and above	17	0.71	299,638,939	90.56
	2,377	**100.00**	**330,874,257**	**100.00**

MAJOR PREFERENCE SHAREHOLDERS LIST – TOP 20 AS AT 16 MARCH 2021

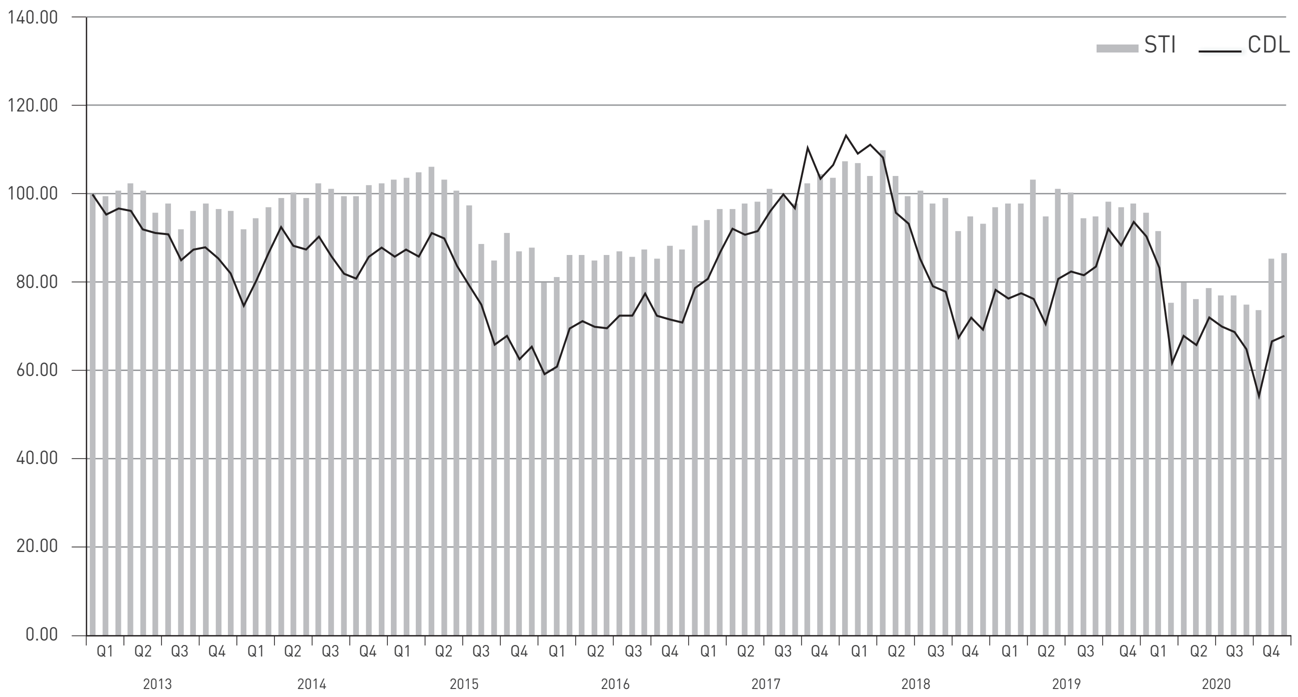
No.	Name	No. of Preference Shares Held	%*
1	Raffles Nominees (Pte.) Limited	94,267,331	28.49
2	Mandai Properties Pte Ltd	64,931,000	19.62
3	Citibank Nominees Singapore Pte Ltd	45,104,572	13.63
4	Aster Land Development Pte Ltd	26,913,086	8.13
5	CGS-CIMB Securities (Singapore) Pte Ltd	25,206,602	7.62
6	HSBC (Singapore) Nominees Pte Ltd	9,724,597	2.94
7	Fairmount Development Pte Ltd	7,000,000	2.12
8	Guan Hong Plantation Private Limited	5,000,000	1.51
9	DBS Nominees Pte Ltd	4,792,177	1.45
10	Hong Leong Foundation	3,564,038	1.08
11	Upnorth Development Pte. Ltd.	3,000,000	0.91
12	Chiam Toon Chew	2,191,000	0.66
13	Interfab Private Limited	2,054,102	0.62
14	Hong Leong Finance Nominees Pte Ltd	1,753,000	0.53
15	Maybank Kim Eng Securities Pte. Ltd.	1,438,800	0.44
16	Freddie Tan Poh Chye	1,370,000	0.41
17	United Overseas Bank Nominees Pte Ltd	1,328,634	0.40
18	Sun Yuan Overseas Pte Ltd	972,000	0.29
19	Morgan Stanley Asia (Singapore) Securities Pte Ltd	945,386	0.29
20	Morph Investments Ltd	710,000	0.21
	TOTAL	**302,266,325**	**91.35**

* The percentage of Preference Shares held is based on the total number of issued Preference Shares as at 16 March 2021.

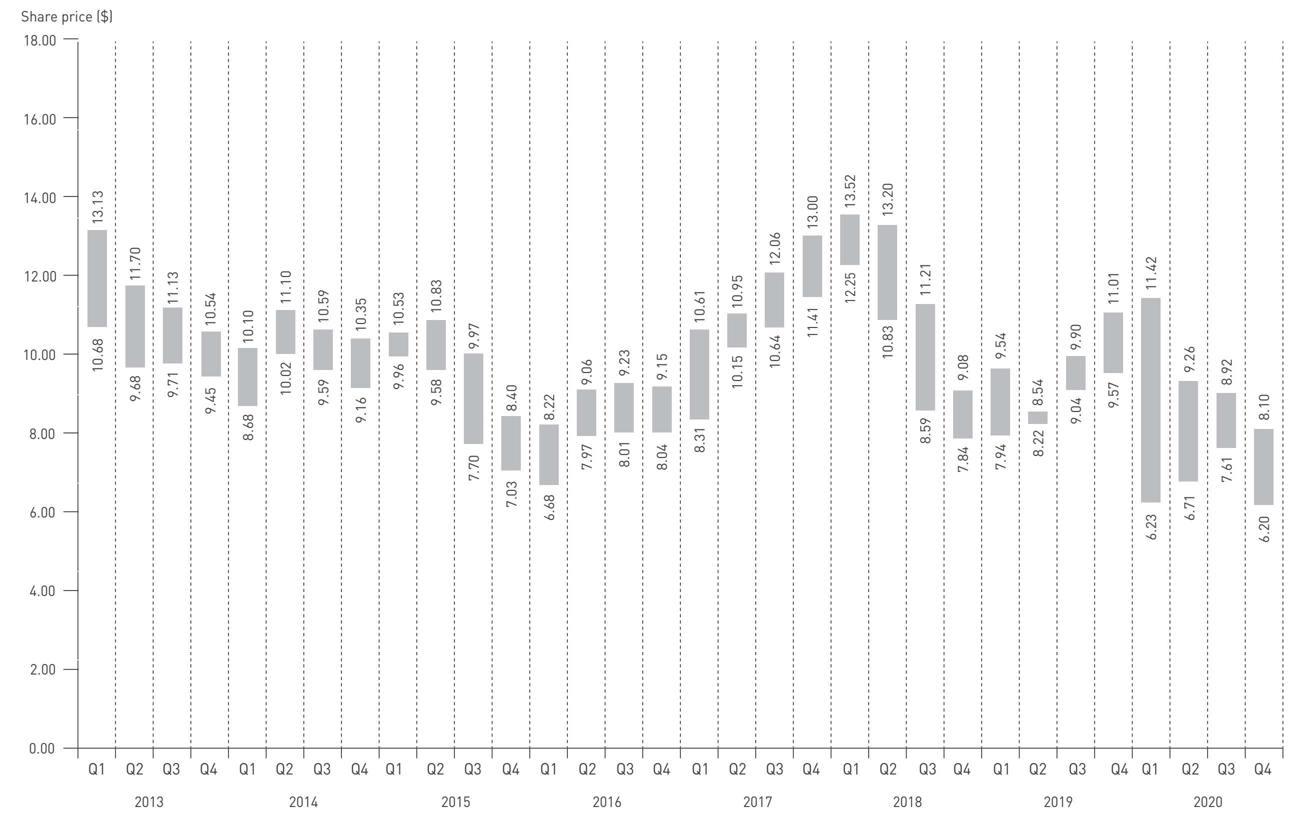
SHARE TRANSACTION STATISTICS

YEAR ENDED 31 DECEMBER 2020

8-YEAR SHARE PRICE PERFORMANCE



8-YEAR SHARE PRICE HIGH-LOW BY QUARTER



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-Eighth Annual General Meeting (the "Meeting") of City Developments Limited (the "Company") will be convened and held by way of electronic means on Friday, 30 April 2021 at 11.00 a.m. for the following purposes:

(A) ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 December ("FY") 2020 and the Auditors' Report thereon.

2. To declare a final one-tier tax-exempt ordinary dividend of 8.0 cents per ordinary share ("Final Ordinary Dividend") and a special final one-tier tax-exempt ordinary dividend of 4.0 cents per ordinary share ("Special Final Ordinary Dividend") for FY 2020.

3. To approve Directors' Fees of $1,337,559.00 for FY 2020 (FY 2019: $1,388,301.37).

4. To re-elect Mr Philip Yeo Liat Kok, who is retiring in accordance with Clause 83(a) of the Constitution of the Company and who, being eligible, offers himself for re-election.

   Detailed information on Mr Philip Yeo Liat Kok can be found under the sections on "Board of Directors" and "Additional Information on Directors Seeking Re-election" of the Annual Report.

   Note: Mr Tan Poay Seng, who will also be retiring in accordance with Clause 83(a) of the Constitution of the Company, has notified the Company that he will not be seeking re-election as a Director at the Meeting. Consequent thereto, Mr Tan will also cease as a member of the Board Sustainability Committee upon the conclusion of the Meeting.

5. To re-elect the following Directors, who are retiring in accordance with Clause 76 of the Constitution of the Company and who, being eligible, offer themselves for re-election:

   (a) Mr Ong Lian Jin Colin
   (b) Mr Daniel Marie Ghislain Desbaillets
   (c) Mr Chong Yoon Chou
   (d) Ms Chan Swee Liang Carolina (Carol Fong)
   (e) Mr Lee Jee Cheng Philip

   Detailed information on Mr Ong Lian Jin Colin, Mr Daniel Marie Ghislain Desbaillets, Mr Chong Yoon Chou, Ms Chan Swee Liang Carolina and Mr Lee Jee Cheng Philip can be found under the sections on "Board of Directors" and "Additional Information on Directors Seeking Re-election" of the Annual Report.

6. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.

(B) SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without any modifications, the following resolutions as Ordinary Resolutions:

7. That authority be and is hereby given to the Directors to:

   (a) (i) issue ordinary shares of the Company whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require ordinary shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into ordinary shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

(b) (notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force) issue ordinary shares in pursuance of any Instrument made or granted by the Directors while this Ordinary Resolution was in force,

provided that:

(1) the aggregate number of ordinary shares to be issued pursuant to this Ordinary Resolution (including ordinary shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution but excluding ordinary shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed 100% of the total number of issued ordinary shares, excluding treasury shares and subsidiary holdings, of the Company (as calculated in accordance with paragraph (2) below), of which the aggregate number of ordinary shares to be issued other than on a *pro rata* basis to shareholders of the Company (including ordinary shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution but excluding ordinary shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed 10% of the total number of issued ordinary shares, excluding treasury shares and subsidiary holdings, of the Company (as calculated in accordance with paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of ordinary shares that may be issued under paragraph (1) above, the percentage of issued ordinary shares, excluding treasury shares and subsidiary holdings, shall be based on the total number of issued ordinary shares, excluding treasury shares and subsidiary holdings, of the Company at the time this Ordinary Resolution is passed, after adjusting for:

(i) new ordinary shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Ordinary Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of ordinary shares,

and, in paragraph (1) above and this paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of SGX-ST;

(3) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in a general meeting) the authority conferred by this Ordinary Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company ("AGM") or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

8. That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "Companies Act"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares ("Ordinary Shares") and/or non-redeemable convertible non-cumulative preference shares ("Preference Shares") of the Company not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) market purchases (each a "Market Purchase") on SGX-ST; and/or

NOTICE OF ANNUAL GENERAL MEETING

(ii) off-market purchases (each an "Off-Market Purchase") effected otherwise than on SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they may, in their absolute discretion, deem fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally ("Share Purchase Mandate");

(b) the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on the earliest of:

(i) the date on which the next AGM of the Company is held or required by law to be held;

(ii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked in general meeting; or

(iii) the date on which the purchases or acquisitions of Ordinary Shares and/or Preference Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Ordinary Resolution:

"Prescribed Limit" means in relation to any purchase or acquisition of Ordinary Shares, the number of issued Ordinary Shares representing 10% of the total number of issued Ordinary Shares as at the date of the passing of this Ordinary Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of SGX-ST) as at that date), and in relation to any purchase or acquisition of Preference Shares, the number of issued Preference Shares representing 10% of the total number of issued Preference Shares as at the date of the passing of this Ordinary Resolution; and

"Maximum Price" in relation to an Ordinary Share or a Preference Share to be purchased or acquired (as the case may be) means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding whether pursuant to a Market Purchase or an Off-Market Purchase, 105% of the Average Closing Price of the Ordinary Shares or Preference Shares (as the case may be).

where:

"Average Closing Price" means the average of the Closing Market Prices of the Ordinary Shares or Preference Shares (as the case may be) over the last five (5) Market Days on SGX-ST, on which transactions in the Ordinary Shares or Preference Shares (as the case may be) were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such 5-Market Day period;

"Closing Market Price" means the last dealt price for an Ordinary Share or a Preference Share (as the case may be) transacted on SGX-ST as shown in any publication of SGX-ST or other sources;

"day of the making of the offer" means the day on which the Company makes an offer for the Off-Market Purchase of Ordinary Shares or Preference Shares (as the case may be) from holders of Ordinary Shares or holders of Preference Shares (as the case may be), stating the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase, calculated on the foregoing basis) for each Ordinary Share or Preference Share (as the case may be), and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"Market Day" means a day on which SGX-ST is open for trading in securities; and

NOTICE OF ANNUAL GENERAL MEETING

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Ordinary Resolution.

9. (a) That approval be and is hereby given, for the purpose of Chapter 9 of the Listing Manual of SGX-ST, for the Company, its subsidiaries and its associated companies that are not listed on SGX-ST, or an approved exchange, over which the Company, its subsidiaries and/or its interested person(s), have control, or any of them, to enter into any of the transactions falling within the category of Interested Person Transactions, particulars of which are set out in the Company's Letter to Shareholders dated 15 April 2021 (the "Letter to Shareholders") with any party who is of the class or classes of Interested Persons described in the Letter to Shareholders, provided that such transactions are entered into in accordance with the review procedures for Interested Person Transactions as set out in the Letter to Shareholders, and that such approval (the "IPT Mandate"), shall unless revoked or varied by the Company in general meeting, continue in force until the next AGM of the Company; and

(b) That the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Ordinary Resolution.

By Order of the Board

Shufen Loh @ Catherine Shufen Loh
Enid Ling Peek Fong
Company Secretaries

Singapore, 15 April 2021

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

1. With reference to Resolution 2 of the Ordinary Business above, the Ordinary Share Transfer Books and Register of Holders of Ordinary Shares of the Company will be closed from 5.00 p.m. on 6 May 2021 up to (and including) 7 May 2021. Duly completed registrable transfers received by the Company's Share Registrar up to 5.00 p.m. on 6 May 2021 will be registered to determine Ordinary Shareholders' entitlement to the Final Ordinary Dividend and Special Final Ordinary Dividend. If approved at the Meeting, they will be paid on 21 May 2021.

2. With reference to Resolution 3 of the Ordinary Business above, the Directors' Fees of $1,337,559.00 for FY 2020 will be payable upon approval of the shareholders at the Meeting. The structure of fees payable to Directors for FY 2020 can be found on page 45 of the Annual Report.

3. With reference to Resolution 4 of the Ordinary Business above, Mr Philip Yeo Liat Kok will, upon re-election as a Director of the Company, remain as the chairman of the Nominating Committee ("NC") and a member of Board Sustainability Committee ("BSC").

   As recommended by the NC and approved the Board, with Mr Yeo abstaining from voting at the NC and the Board, Mr Yeo will remain on the Board as an Independent Non-Executive Director until no later than 31 December 2021.

   Key information on Mr Yeo is found on page 27 and pages 286 to 293 of the Annual Report.

4. With reference to Resolution 5(a) of the Ordinary Business above, Mr Ong Lian Jin Colin will, upon re-election as a Director of the Company, remain as a member of the NC and the Remuneration Committee ("RC").

   Key information on Mr Ong is found on pages 27 and 28 and pages 286 to 293 of the Annual Report.

5. With reference to Resolution 5(b) of the Ordinary Business above, Mr Daniel Marie Ghislain Desbaillets will, upon re-election as a Director of the Company, remain as a member of the BSC and the Board Committee ("BC").

   Key information on Mr Desbaillets is found on page 28 and pages 286 to 293 of the Annual Report.

6. With reference to Resolution 5(c) of the Ordinary Business above, Mr Chong Yoon Chou will, upon re-election as a Director of the Company, remain as a member of the Audit & Risk Committee ("ARC").

   Key information on Mr Chong is found on pages 28 and 29 and pages 286 to 293 of the Annual Report.

7. With reference to Resolution 5(d) of the Ordinary Business above, Ms Chan Swee Liang Carolina (Carol Fong) will, upon re-election as a Director of the Company, remain as a member of the RC and the BC.

   Key information on Ms Chan is found on page 29 and pages 286 to 293 of the Annual Report.

8. With reference to Resolution 5(e) of the Ordinary Business above, Mr Lee Jee Cheng Philip will, upon re-election as a Director of the Company, remain as a member of the ARC, the NC and the RC.

   Key information on Mr Lee is found on page 29 and pages 286 to 293 of the Annual Report.

NOTICE OF ANNUAL GENERAL MEETING

9. Ordinary Resolution 7 of the Special Business above, if passed, will empower the Directors of the Company from the date of the Meeting until the next AGM (unless such authority is previously revoked or varied at a general meeting), to issue Ordinary Shares and/or make or grant Instruments that might require new Ordinary Shares to be issued up to a number not exceeding 100% of the total number of issued Ordinary Shares, excluding treasury shares and subsidiary holdings, of the Company, of which up to 10% may be issued other than on a *pro rata* basis to shareholders. The aggregate number of Ordinary Shares which may be issued under this Ordinary Resolution will be calculated based on the total number of issued Ordinary Shares, excluding treasury shares and subsidiary holdings, of the Company at the time that this Ordinary Resolution is passed, after adjusting for new Ordinary Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Ordinary Shares.

   On 16 March 2021, SGX Regco announced an update to its news release issued on 8 April 2020, which allows Mainboard issuers to seek a general mandate for an issue of shares and convertible securities of up to an aggregate of 100% of its issued shares (excluding treasury shares and subsidiary holdings), versus up to 50% previously (the "Enhanced Share Issue Limit"), of which the aggregate number of shares and convertible securities issued other than on a *pro rata* basis remains at not more than 20%. Pursuant to the updated announcement by SGX Regco, the Enhanced Share Issue Limit will expire at the conclusion of the next AGM or on the date by which the next AGM is required by law or the Listing Manual of SGX-ST to be held, whichever is earlier and by which date any shares issued pursuant to the Enhanced Share Issue Limit must be listed, and no further shares may be issued under this limit.

   The Company is proposing to avail itself to the Enhanced Share Issue Limit and accordingly is seeking shareholders' approval for the same at the Meeting. The Board of Directors is of the view that it would be in the interests of the Company and its shareholders to do so in the event that circumstances evolve before 2022 AGM amid the COVID-19 situation to such an extent that a 50% limit for *pro rata* issue of shares is not sufficient to meet the Company's needs. Under such circumstances, fund raising efforts would be unnecessarily hampered and compromised in view of the time needed to obtain shareholders' approval for the issue shares above the 50% threshold.

10. Ordinary Resolution 8 of the Special Business above, if passed, will empower the Directors of the Company to make purchases or otherwise acquire the Company's issued Ordinary Shares and/or Preference Shares (collectively, the "Shares") from time to time subject to and in accordance with the guidelines set out in Annexure I of the Letter to Shareholders. This authority will expire at the conclusion of the next AGM of the Company, unless previously revoked or varied at a general meeting or when such purchases or acquisitions are carried out to the full extent mandated.

    The Company intends to use internal resources and/or external borrowings to finance purchases or acquisitions of its Shares under the Share Purchase Mandate. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on whether the Shares are purchased or acquired out of capital or profits of the Company, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and whether the Shares purchased or acquired are held in treasury or cancelled.

    Based on the existing number of issued Ordinary Shares and Preference Shares of the Company as at 16 March 2021 (the "Latest Practicable Date") (disregarding the Ordinary Shares held in treasury), the exercise in full of the Share Purchase Mandate would result in the purchase of 90,690,133 Ordinary Shares (representing 10% of the total number of issued Ordinary Shares of the Company, disregarding the Ordinary Shares held in treasury) and 33,087,425 Preference Shares (representing 10% of the total number of issued Preference Shares of the Company).

    In the case of Market Purchases and Off-Market Purchases by the Company and assuming that the Company purchases or acquires 90,690,133 Ordinary Shares at the Maximum Price of $7.89 for one Ordinary Share (being the price equivalent to 105% of the Average Closing Price as at the Latest Practicable Date) and 33,087,425 Preference Shares at the Maximum Price of $1.15 for one Preference Share (being the price equivalent to 105% of the Average Closing Price as at the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 90,690,133 Ordinary Shares and 33,087,425 Preference Shares is approximately $761 million and $38 million respectively.

NOTICE OF ANNUAL GENERAL MEETING

    The financial effects of the purchase or acquisition of such Shares pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 December 2020 based on these assumptions are set out in paragraph 3.5 of Annexure I of the Letter to Shareholders.

11. Ordinary Resolution 9 of the Special Business above, if passed, will renew the IPT Mandate which was last approved by shareholders on 24 June 2020, to facilitate the Company, its subsidiaries and its associated companies to enter into Interested Person Transactions, the details of which are set out in Annexure II and Appendix A of the Letter to Shareholders. The IPT Mandate will continue in force until the conclusion of the next AGM of the Company, unless previously revoked or varied at a general meeting.

    Voting restriction pursuant to Rule 921(7) of the Listing Manual of SGX-ST
    Hong Leong Investment Holdings Pte. Ltd. and its subsidiaries, the Directors of the Company and their associates, who are also shareholders of the Company and being Interested Persons under the IPT Mandate, are required to abstain from voting at the Meeting in respect of the Ordinary Resolution 9 in relation to the proposed renewal of the IPT Mandate.

MEETING NOTES:

1. The Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to members, instead, this Notice will be made available to members by electronic means via publication on the Company's website at https://www.cdl.com.sg/agm. This Notice will also be made available on the SGX website at https://www.sgx.com/securities/company-announcements.

2. Alternative arrangements relating to the attendance at the Meeting via electronic means (including arrangements by which the Meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of, or "live" at, the Meeting, addressing of substantial and relevant questions prior to, or "live" at, the Meeting and voting by appointing the Chairman of the Meeting as proxy at the Meeting, are set out in the accompanying Company's announcement dated 15 April 2021. The announcement may be accessed at the Company's website at https://www.cdl.com.sg/agm and will also be made available on the SGX website at https://www.sgx.com/securities/company-announcements.

3. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.** The accompanying Proxy Form for the Meeting may be downloaded from the Company's website at https://www.cdl.com.sg/agm, and is also available from the SGX website at https://www.sgx.com/securities/company-announcements.

   Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to the voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators (as relevant intermediary) to submit their votes by 5.00 p.m. on 20 April 2021.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.

NOTICE OF ANNUAL GENERAL MEETING

5. The form appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (i) if submitted by post, be lodged with the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902; or

   (ii) if submitted electronically, via email to the Company's Share Registrar at GPD@mncsingapore.com

   in either case, at least 72 hours before the time appointed for holding the Meeting.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   Due to current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email.

6. The Annual Report and the Letter to Shareholders dated 15 April 2021 ("**Letter to Shareholders**") are available on the Company's website as follows:

   (a) the Annual Report may be accessed at https://www.cdl.com.sg/annualreports by clicking on the links for 'Annual Report 2020'; and

   (b) the Letter to Shareholders may be accessed at https://www.cdl.com.sg/agm.

   The above documents may also be accessed on the SGX website at https://www.sgx.com/securities/company-announcements. Members may request for printed copies of these documents by completing and submitting the Request Form.

PERSONAL DATA PRIVACY:

By (i) submitting a form appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Meeting and/or any adjournment thereof, or (ii) submitting details for the registration to observe the proceedings of the Meeting via a live audio-visual webcast or a live audio-only stream or (iii) submitting any question prior to the Meeting in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

(a) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Meeting (including any adjournment thereof);

(b) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the Meeting and providing them with any technical assistance where necessary;

(c) addressing relevant and substantial questions from members received before the Meeting and if necessary, following up with the relevant members in relation to such questions; and

(d) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

NOTICE OF ANNUAL GENERAL MEETING

STATEMENT PURSUANT TO SECTION 64A OF THE COMPANIES ACT

Non-Redeemable Convertible Non-Cumulative Preference Shares ("Preference Shares")

Class Meetings: Holders of Preference Shares ("Preference Shareholders") shall be entitled to attend, speak and vote at any class meeting of the Preference Shareholders. Every Preference Shareholder who is present in person (or by proxy) at such class meetings shall have on a show of hands one vote and on a poll one vote for every Preference Share of which he is the holder.

General Meetings: Preference Shareholders shall be entitled to attend (in person or by proxy) any general meeting of the Company and shall have on a show of hands one vote and on a poll one vote in respect of each Preference Share of which he is the holder if (i) dividends with respect to the Preference Shares (or any part thereof) due and payable and accrued is in arrears and has remained unpaid for at least six months; (ii) the resolution in question varies the rights attached to the Preference Shares; or (iii) the resolution in question is for the winding up of the Company.

Except as provided above, Preference Shareholders shall not be entitled to attend or vote at General Meetings of the Company.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 58th Annual General Meeting ("58th AGM")

Name of Director	MR PHILIP YEO LIAT KOK	MR ONG LIAN JIN COLIN
Age	**74**	**52**
Date of appointment	11 May 2009	7 October 2020
Job Title	Independent Non-Executive Director Chairman of the Nominating Committee ("NC") and a member of the Board Sustainability Committee ("BSC")	Independent Non-Executive Director A member of the NC and Remuneration Committee ("RC")
Date of last re-election as Director (if applicable)	26 April 2019	N.A.
Country of principal residence	Republic of Singapore	Republic of Singapore
The Board's comments on the re-election (including rationale, selection criteria, and the search and nomination process)	The NC reviewed the nomination of the relevant Directors for re-election as well as the independence of Directors. When considering the nomination of these Directors, the NC took into account their respective backgrounds, qualifications, experiences, independence and contribution to the effectiveness of the Board as well as their time commitment especially for Directors who have multiple board representations and/or other principal commitments. The NC and the Board recommend the re-election of Mr Philip Yeo Liat Kok, Mr Ong Lian Jin Colin, Mr Daniel Marie Ghislain Desbaillets, Mr Chong Yoon Chou, Ms Chan Swee Liang Carolina and Mr Lee Jee Cheng Philip as Directors of the Company. For more details on the NC's evaluation process, please refer to Principle 4: Board Membership and Principle 5: Board Performance on pages 41 to 43 of the Annual Report.	
Whether appointment is executive, and if so, the area of responsibility	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 58th Annual General Meeting ("58th AGM")

Name of Director	MR DANIEL MARIE GHISLAIN DESBAILLETS	MR CHONG YOON CHOU	MS CHAN SWEE LIANG CAROLINA (CAROL FONG)	MR LEE JEE CHENG PHILIP
Age	**71**	**53**	**59**	**61**
Date of appointment	20 November 2020	20 November 2020	29 December 2020	4 January 2021
Job Title	Independent Non-Executive Director A member of the BSC and Board Committee ("BC")	Independent Non-Executive Director A member of the Audit & Risk Committee ("ARC")	Independent Non-Executive Director A member of the RC and BC	Independent Non-Executive Director A member of the ARC, NC and RC
Date of last re-election as Director (if applicable)	N.A.	N.A.	N.A.	N.A.
Country of principal residence	Republic of Singapore	Republic of Singapore	Republic of Singapore	Republic of Singapore
The Board's comments on the re-election (including rationale, selection criteria, and the search and nomination process)	The NC reviewed the nomination of the relevant Directors for re-election as well as the independence of Directors. When considering the nomination of these Directors, the NC took into account their respective backgrounds, qualifications, experiences, independence and contribution to the effectiveness of the Board as well as their time commitment especially for Directors who have multiple board representations and/or other principal commitments. The NC and the Board recommend the re-election of Mr Philip Yeo Liat Kok, Mr Ong Lian Jin Colin, Mr Daniel Marie Ghislain Desbaillets, Mr Chong Yoon Chou, Ms Chan Swee Liang Carolina and Mr Lee Jee Cheng Philip as Directors of the Company. For more details on the NC's evaluation process, please refer to Principle 4: Board Membership and Principle 5: Board Performance on pages 41 to 43 of the Annual Report.			
Whether appointment is executive, and if so, the area of responsibility	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 58th Annual General Meeting ("58th AGM")

Name of Director	MR PHILIP YEO LIAT KOK	MR ONG LIAN JIN COLIN
Professional qualification and working experience and occupation(s) during the past 10 years	Bachelor of Applied Science (Industrial Engineering), an honorary Doctorate in Engineering from the University of Toronto, Canada An honorary Doctorate in Medicine from the Karolinska Institutet, Sweden Master of Science (Systems Engineering) from the University of Singapore Master of Business Administration from Harvard University, USA Doctor of Science from Imperial College, London An honorary Doctor of Letters from National University of Singapore An honorary Doctor of Law from Monash University of Australia January 2013 – Present Chairman of Economic Development Innovations Singapore Pte Ltd April 2007 – 31 March 2018 Chairman of SPRING (Standards, Productivity and Innovation for Growth) Singapore April 2007 – August 2011 Special Advisor for Economic Development, Prime Minister's Office	Bachelor of Arts & Social Sciences from the National University of Singapore Chartered Life Underwriters Chartered Financial Consultant 2011 – Present Executive Senior Director of Great Eastern Financial Advisers 2008 – 2011 Executive Director of Great Eastern Life Assurance Co., Ltd.
Shareholding interest in the Company and its subsidiaries	Nil	Nil
Relationship (including immediate family relationship) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to City Developments Limited	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 58th Annual General Meeting ("58th AGM")

Name of Director	MR DANIEL MARIE GHISLAIN DESBAILLETS	MR CHONG YOON CHOU	MS CHAN SWEE LIANG CAROLINA (CAROL FONG)	MR LEE JEE CHENG PHILIP
	Diploma of high level Commercial Studies from Ecole Benedict Geneva, Switzerland Certificate with Distinction in Service, Food Production and Administration from Lausanne Hotel School, Switzerland June 2009 – Present Executive Chairman of family-owned business, Salad Stop Pte Ltd and FreshCreation Holdings Pte Ltd, in the food and beverage industry.	Bachelor of Science (Economics) in Accounting & Finance from the London School of Economics Master of Science in Finance Master of Science in Information Systems Chartered Financial Analyst Leadership Development certification at Harvard Business School and INSEAD July 2019 – Present Founder/Director of Leanne Capital Pte Ltd March 2017 – July 2019 Chief Investment Officer (Equities) of Ostrum Asset Management Asia Ltd January 1994 – February 2016 Investment Director of Aberdeen Asset Management Ltd (now known as Aberdeen Standard Investments (Asia) Limited)	Bachelor of Arts Degree from the National University of Singapore Diploma in Personnel Management from National Productivity Board Executive Diploma in Directorship from Singapore Management University-Singapore Institute of Directors 2018 – Present Group Chief Executive Officer, CGS-CIMB Securities (Singapore) Pte Ltd 2008 – 2018 Group Chief Executive Officer, CIMB Securities (Singapore) Pte Ltd	Fellow Chartered Accountant of Singapore Fellow Member of Association of Chartered Certified Accountants (UK) 2018 – Present Member, Governing Council of Singapore Agro-Food Enterprises Federation Limited 1995 – September 2018 Partner, KPMG LLP Appointments held: • KPMG Singapore Leadership Team • KPMG Asia Pacific Executive Committee • Head of Real Estate, KPMG Singapore • Head of an Audit Business Unit, KPMG Singapore • Head of People, KPMG Singapore 2010 – 2018 Honorary Treasurer and Council Member, Singapore Manufacturing Federation Other Past Appointments • Board Member & Treasurer, Teen Challenge Singapore • Member, ACRA's Complaints and Disciplinary Committee
	Nil	Nil	Nil	Nil
	No	No	No	No
	No	No	No	No
	Yes	Yes	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 58th Annual General Meeting ("58th AGM")

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 58th Annual General Meeting ("58th AGM")

Name of Director	MR PHILIP YEO LIAT KOK	MR ONG LIAN JIN COLIN	MR DANIEL MARIE GHISLAIN DESBAILLETS	MR CHONG YOON CHOU	MS CHAN SWEE LIANG CAROLINA (CAROL FONG)	MR LEE JEE CHENG PHILIP
Other Principal Commitments including directorships	Economic Development Innovations Singapore (EDIS) Private Limited (Executive Chairman) Accuron Technologies Limited (Executive Chairman) Advanced MedTech Holdings Pte. Ltd. (Chairman)	Great Eastern Financial Advisers (Executive Senior Director)	• FreshCreation Holdings Pte. Ltd. (Executive Chairman) • Salad Stop Pte. Ltd. (Executive Chairman)	Leanne Capital Pte. Ltd. (Founder/Director)	CGS-CIMB Securities (Singapore) Pte Ltd (Group Chief Executive Officer)	Nil
Directorships **Past (for the last 5 years):**	• Galaxis Ventures (S) Pte Ltd • Hitachi Ltd^	None	• Millennium & Copthorne Hotels plc^ (delisted and privatised in 2019 and now known as Millennium & Copthorne Hotels Limited) • M&C REIT Management Limited • M&C Business Trust Management Limited • D2D Asia Pacific Pte. Ltd. (Dissolved) • Fresh Innovations Pte. Ltd.	• Aberdeen Standard Investment (Asia) Limited	• CIMB Capital Markets (Australia) Ltd • Green Koncepts Pte. Ltd. • CGS-CIMB Securities International Pte. Ltd. • PT CGS-CIMB Sekuritas Indonesia • CIMM- Vinashin Securities Ltd Liability Company • CIMB Corporate Finance (India) Private Limited • TC Advisors Australia Holdings Pty Limited • CIMB Securities (Australia) Ltd • CIMB Capital Markets Australia • CIMB Securities (UK) Ltd	• SMF Enterprises Pte. Ltd. • SME Centre @ SMF Pte. Ltd. • SME Centre For Corporate Learning Pte. Ltd. • Singapore PMC Certification Pte. Ltd. • KPMG LLP (Partner)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 58th Annual General Meeting ("58th AGM")

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

At the 58th Annual General Meeting ("58th AGM")

Name of Director	MR PHILIP YEO LIAT KOK	MR ONG LIAN JIN COLIN	MR DANIEL MARIE GHISLAIN DESBAILLETS	MR CHONG YOON CHOU	MS CHAN SWEE LIANG CAROLINA (CAROL FONG)	MR LEE JEE CHENG PHILIP
• **Present:**	• City Developments Limited^ • Accuron Technologies Limited • Advanced MedTech Holdings Pte. Ltd. • AtumRa Therapeutics Pte Ltd • AbAsia Biolabs Pte Ltd • Biopolis Ventures (S) Pte Ltd • Baiterek National Managing Holding JSC, Kazakhstan • Dornier Medtech GmbH (Muchen) • Economic Development Innovations Singapore Private Limited • Hexagon Development Advisors Pte. Ltd. • IGlobe Partners (II) Pte. Ltd. • IGlobe Platinum Fund Limited • IGlobe Platinum Fund II Limited • IGlobe Platinum Fund III Limited • JobTech Pte Ltd • Kerry Logistics Network Limited^ • MTIC Holdings Pte. Ltd. • OnSponge Pte Ltd • P*Yeo Investments Pte Ltd • Singapore Aerospace Manufacturing Private Limited • St. Joseph's Institution Foundation for the Lasallian Mission Ltd. • Symbiosis Ventures Management Sdn Bhd • Sunway Berhad^	• City Developments Limited^ • Advisors' Clique Pte. Ltd. • Summervale Properties Pte. Ltd. • Green 18 Pte. Ltd.	• City Developments Limited^ • FreshCreation Holdings Pte. Ltd. • Salad Stop Pte. Ltd.	• City Developments Limited^ • Leanne Capital Pte. Ltd.	• City Developments Limited^ • CGS-CIMB Securities (India) Private Limited • CGS- CIMB Securities (Thailand) Co., Ltd. • CGS-CIMB Securities Sdn Bhd • CIMB Securities (HongKong) Limited • CGS-CIMB Securities (Singapore) Pte Ltd • Genting Singapore Limited^ • Leukemia and Lymphoma Foundation	• City Developments Limited^ • Member of the Board of Governors, Singapore Agro-Food Enterprises Federation Limited
Responses to questions (a) to (k) under Appendix 7.4.1 of the Listing Manual of SGX-ST	Negative confirmation	Negative confirmation	Negative confirmation	Negative confirmation	Negative confirmation	Negative confirmation

^ Listed company

Information as at 7 April 2021

This page has been intentionally left blank.

CITY DEVELOPMENTS LIMITED
(Company Registration No. 196300316Z)
(Incorporated in the Republic of Singapore)

PROXY FORM
for 58th Annual General Meeting

IMPORTANT:

Alternative Arrangements for Annual General Meeting ("Meeting")

1. The Meeting is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of Meeting will not be sent to members. Instead, the Notice of Meeting will be made available to members by electronic means via publication at the Company's website at https://www.cdl.com.sg/agm. The Notice of Meeting will also be made available on SGX website at https://www.sgx.com/securities/company-announcements.
2. Alternative arrangements relating to (a) attendance at the Meeting via electronic means (including arrangements by which the Meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), (b) submission of questions to the Chairman of the Meeting in advance of, or "live" at, the Meeting, addressing of substantial and relevant questions prior to, or "live", at the Meeting and, (c) voting by appointing the Chairman of the Meeting as proxy at the Meeting, are set out in the accompanying Company's announcement dated 15 April 2021. The announcement may be accessed at the Company's website at https://www.cdl.com.sg/agm, and will also be made available on the SGX website at https://www.sgx.com/securities/company-announcements.
3. **Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Meeting in person. A member (whether an individual or a corporate) must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.**
4. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to vote on his/her/its behalf at the Meeting.

CPF/SRS Investors

5. CPF/SRS Investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks/SRS Operators to submit their votes by 5.00 p.m. on 20 April 2021.

Personal Data

6. By submitting a form appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Meeting dated 15 April 2021.

I/We, (name) ______________________________

with NRIC/Passport/Company Registration Number: ______________________________

of (address) ______________________________

being a member/members of City Developments Limited (the "Company"), hereby appoint **the Chairman of the Meeting** as my/our proxy/proxies to vote for me/us on my/our behalf at the Fifty-Eighth Annual General Meeting of the Company (the "Meeting") to be convened by electronic means on Friday, 30 April 2021 at 11.00 a.m., and at any adjournment thereof.

I/We have indicated with an 'X' in the appropriate box against each item below how I/we wish the Chairman of the Meeting as my/our proxy to vote, or to abstain from voting.

NOTE: Voting on all resolutions will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with an 'X' in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of ordinary shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**

No.	Resolutions		For	Against	Abstain
(A)	**ORDINARY BUSINESS:**				
1.	Adoption of the Directors' Statement and Audited Financial Statements together with the Auditors' Report thereon				
2.	Declaration of a Final Ordinary Dividend and a Special Final Ordinary Dividend				
3.	Approval of Directors' Fees				
4.	Re-election of Mr Philip Yeo Liat Kok as a Director retiring in accordance with Clause 83(a) of the Constitution of the Company				
5.	Re-election of Directors retiring in accordance with Clause 76 of the Constitution of the Company:	(a) Mr Ong Lian Jin Colin			
		(b) Mr Daniel Marie Ghislain Desbaillets			
		(c) Mr Chong Yoon Chou			
		(d) Ms Chan Swee Liang Carolina (Carol Fong)			
		(e) Mr Lee Jee Cheng Philip			
6.	Re-appointment of KPMG LLP as Auditors				
(B)	**SPECIAL BUSINESS:**				
7.	Authority for Directors to issue ordinary shares and/or make or grant offers, agreements or options pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and the listing manual of Singapore Exchange Securities Trading Limited				
8.	Renewal of Share Purchase Mandate				
9.	Renewal of IPT Mandate for Interested Person Transactions				

Dated this ____________ day of ______________ 2021.

No. of Ordinary Shares Held

____
Signature(s) or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

Notes:

1. Please insert the total number of ordinary shares held by you. If you have ordinary shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of ordinary shares. If you have ordinary shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of ordinary shares. If you have ordinary shares entered against your name in the Depository Register and ordinary shares registered in your name in the Register of Members, you should insert the aggregate number of ordinary shares. If no number is inserted, this form of proxy will be deemed to relate to all the ordinary shares held by you.

2. Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting. This proxy form may be downloaded from the Company's website at **https://www.cdl.com.sg/agm**, and from the SGX website at **https://www.sgx.com/securities/company-announcements**. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on 20 April 2021.**

3. The Chairman of the Meeting, as proxy, need not be a member of the Company.

1st fold here

4. The form appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged with the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902; or

   (b) if submitted electronically, via email to the Company's Share Registrar at GPD@mncsingapore.com

   in either case not less than 72 hours before the time appointed for holding the Meeting.

   A member who wishes to submit a form of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   Due to current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The form appointing the Chairman of the Meeting as proxy must be signed by the appointor or his/her attorney duly authorised in writing, or where it is executed by a corporation, be executed either under its seal or signed by a director or an officer or an attorney duly authorised.

6. The Company shall be entitled to reject the form of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the form of proxy (including any related attachment). In addition, in the case of a member whose ordinary shares are entered in the Depository Register, the Company may reject any form of proxy lodged if the member, being the appointor, is not shown to have ordinary shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

2nd fold here

58TH AGM
PROXY FORM

Affix
Postage
Stamp

CITY DEVELOPMENTS LIMITED
c/o The Share Registrar
M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

3rd fold and glue all sides firmly overleaf. Do not staple.

Scan this QR code to access a digital copy of CDL's Annual Report 2020

MIX
Paper from responsible sources
FSC™ C004791

Produced By
Investor Relations & Corporate Communications,
City Developments Limited
and Group Corporate Affairs, Hong Leong Group Singapore

Photo credit
Chairman's Statement (Mr Kwek Leng Beng): Singapore Tatler and Gan
Group CEO's Statement (Mr Sherman Kwek): EdgeProp Singapore and Samuel Isaac Chua

City Developments Limited

9 RAFFLES PLACE
#12-01 REPUBLIC PLAZA
SINGAPORE 048619

TEL +65 6877 8228
FAX +65 6223 2746
www.cdl.com.sg

Co. Reg. No. 196300316Z

CITY DEVELOPMENTS LIMITED

(Co. Reg. No. 196300316Z)
(Incorporated in the Republic of Singapore)

LETTER TO SHAREHOLDERS
DATED 15 APRIL 2021

IN RELATION TO

(1) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE; AND

(2) THE PROPOSED RENEWAL OF THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS

CONTENTS

LETTER TO SHAREHOLDERS

1. Introduction 1
2. Directors' and Substantial Shareholders' Interests 2
3. Directors' Responsibility Statement. 3

ANNEXURE I

PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

1 Background 4
2. Definitions 4
3. Renewal of the Share Purchase Mandate 6
4. Recommendation 15

ANNEXURE II

PROPOSED RENEWAL OF THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. Background 16
2. Renewal of the IPT Mandate 16
3. Interested Person Transactions conducted in the year ended 31 December 2020 17
4. Audit & Risk Committee's Statement 17
5. Recommendation 17

APPENDIX A

THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. Chapter 9 of the Listing Manual 18
2. Introduction and Rationale for the IPT Mandate 19
3. Scope of the IPT Mandate 20
4. Benefits of the IPT Mandate 20
5. Classes of Interested Persons 20
6. Categories of Interested Person Transactions 21
7. Review Procedures for Interested Person Transactions 22
8. Expiry and Renewal of the IPT Mandate 26
9. Disclosure 26

CITY DEVELOPMENTS LIMITED

(Co. Reg. No. 196300316Z)
(Incorporated in the Republic of Singapore)

Board of Directors:		Registered Office:
Kwek Leng Beng	(Executive Chairman)	9 Raffles Place
Sherman Kwek Eik Tse	(Executive Director and Group Chief Executive Officer)	#12-01 Republic Plaza
Lim Yin Nee Jenny	(Lead Independent Director)	Singapore 048619
Philip Yeo Liat Kok	(Independent Non-Executive Director)	
Tan Poay Seng	(Independent Non-Executive Director)	
Ong Lian Jin Colin	(Independent Non-Executive Director)	
Daniel Marie Ghislain Desbaillets	(Independent Non-Executive Director)	
Chong Yoon Chou	(Independent Non-Executive Director)	
Chan Swee Liang Carolina (Carol Fong)	(Independent Non-Executive Director)	
Lee Jee Cheng Philip	(Independent Non-Executive Director)	

15 April 2021

To: The Shareholders of City Developments Limited (“**Shareholders**”)

Dear Sir/Madam

(I) PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE
(II) PROPOSED RENEWAL OF THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. INTRODUCTION

We refer to the Notice of the Fifty-Eighth Annual General Meeting of City Developments Limited (“**CDL**” or the “**Company**”) (“**58th AGM**”) issued by the Company on 15 April 2021 (the “**Notice**”).

Item 8 of the Notice is an Ordinary Resolution (“**Resolution 8**”) to be proposed at the 58th AGM for the renewal of the Company’s Share Purchase Mandate which will empower the Directors to make purchases or otherwise acquire issued ordinary shares of the Company (“**Ordinary Shares**”) and/or issued non-redeemable convertible non-cumulative preference shares of the Company (“**Preference Shares**”) from time to time subject to certain restrictions set out in the listing manual of Singapore Exchange Securities Trading Limited (“**Listing Manual**”). Information relating to Resolution 8 is set out in Annexure I.

Item 9 of the Notice is an Ordinary Resolution (“**Resolution 9**”) to be proposed at the 58th AGM for the renewal of the Company’s IPT Mandate for interested person transactions which will facilitate the Company, its subsidiaries and its associated companies, to enter into transactions with its interested persons, the details of which are set out in Annexure II and Appendix A.

The purpose of this letter is to provide Shareholders with the reasons for, and information relating to Resolutions 8 and 9.

2. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors in issued Ordinary Shares and Preference Shares, and the interests of the Substantial Shareholders in issued Ordinary Shares based on the Company's Register of Directors' Shareholdings and Register of Substantial Shareholders respectively as at 16 March 2021 (the "**Latest Practicable Date**"), were as follows:

Director	Class of Shares	Number of Shares held	% [1]
Kwek Leng Beng	Ordinary	397,226	0.044
	Preference	144,445	0.044

Substantial Shareholders	Number of Ordinary Shares			
	Direct Interest	Deemed Interest	Total	% [1]
Hong Realty (Private) Limited ("**HR**")	32,088,799	30,488,981[2]	62,577,780	6.900
Hong Leong Holdings Limited ("**HLH**")	148,787,477	19,546,445[3]	168,333,922	18.561
Hong Leong Investment Holdings Pte. Ltd. ("**HLIH**")	155,921,749	284,394,395[4]	440,316,144	48.552
Davos Investment Holdings Private Limited ("**Davos**")	–	440,316,144[5]	440,316,144	48.552
Kwek Holdings Pte Ltd ("**KH**")	–	440,316,144[5]	440,316,144	48.552

Notes:

(1) Based on 906,901,330 issued Ordinary Shares (excluding treasury shares) and 330,874,257 issued Preference Shares as at the Latest Practicable Date. As at that date, there were 2,400,000 treasury shares and no subsidiary holdings.

"Subsidiary holdings" is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Chapter 50.

(2) HR is deemed under Section 4 of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**") to have an interest in the 30,488,981 Ordinary Shares held directly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

(3) HLH is deemed under Section 4 of the SFA to have an interest in the 19,546,445 Ordinary Shares held directly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

(4) HLIH is deemed under Section 4 of the SFA to have an interest in the 284,394,395 Ordinary Shares held directly and/ or indirectly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof which includes (i) the 62,577,780 Ordinary Shares held directly and indirectly by HR; and (ii) the 168,333,922 Ordinary Shares held directly and indirectly by HLH, out of which 9,304,616 Ordinary Shares have been identified as Ordinary Shares in which HR is also deemed to have an interest in under note [2] above.

(5) Davos and KH are deemed under Section 4 of the SFA to have an interest in the 440,316,144 Ordinary Shares held directly and/or indirectly by HLIH in which they are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

Directors of the Company will abstain from voting their shareholdings in the Company, if any, and have undertaken to ensure that their associates will abstain from voting their respective shareholdings in the Company, if any, on Resolution 9 relating to the proposed renewal of the IPT Mandate at the 58th AGM.

The relevant companies within the Hong Leong Investment Holdings Pte. Ltd. ("**HLIH**") group (which includes HLIH, a controlling shareholder of the Company and its associates), being Interested Persons under the IPT Mandate, will abstain from voting their respective shareholdings in the Company on Resolution 9 at the 58th AGM.

The Company will disregard any votes cast by Directors and the relevant companies within the HLIH group (which includes HLIH, a controlling shareholder of the Company and its associates) in respect of their shareholdings in the Company, if any, on Resolution 9. The Company will also disregard any votes cast by the associates of Directors in respect of their shareholdings in the Company, if any.

3. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this letter (including the Annexures and Appendix A) and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this letter constitutes full and true disclosure of all material facts about the renewal of the Share Purchase Mandate and of the IPT Mandate, and the Company and its subsidiaries and the Directors are not aware of any facts the omission of which would make any statement in this letter misleading.

Where information contained in this letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this letter in its proper form and context.

Shareholders who are in any doubt as to the action they should take, should consult their stockbrokers or other professional advisers immediately.

Yours faithfully
CITY DEVELOPMENTS LIMITED

KWEK LENG BENG
Executive Chairman

Note: **Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Letter to Shareholders.**

PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

1. BACKGROUND

At the Annual General Meeting of the Company held on 24 June 2020 (the "**57th AGM**"), Ordinary Shareholders had approved, *inter alia*, the renewal of the Share Purchase Mandate to enable the Company to purchase or otherwise acquire its issued Shares. The rationale for, authority and limitations on, and the financial effects of, the Share Purchase Mandate were set out in the Letter to Shareholders dated 2 June 2020 and Ordinary Resolution 8 set out in the Notice of 57th AGM.

The Share Purchase Mandate was expressed to take effect from the passing of the Ordinary Resolution at the 57th AGM and will expire on the date of the forthcoming Fifty-Eighth Annual General Meeting to be held on 30 April 2021 (the "**58th AGM**"). Accordingly, Ordinary Shareholders' approval will be sought for the renewal of the Share Purchase Mandate at the 58th AGM.

2. DEFINITIONS

In this Annexure I, the following definitions shall apply throughout unless otherwise stated:

"CDP"	:	The Central Depository (Pte) Limited
"Company"	:	City Developments Limited
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
"Constitution"	:	The Constitution of the Company, as amended or modified from time to time
"EPS"	:	Earnings per Ordinary Share
"Group"	:	The Company and its subsidiaries
"HLIH"	:	Hong Leong Investment Holdings Pte. Ltd.
"HLIH Group"	:	HLIH and its subsidiaries
"Income Tax Act"	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time
"Latest Practicable Date"	:	16 March 2021, being the latest practicable date prior to the printing of this Letter to Shareholders
"Listing Manual"	:	The Listing Manual of SGX-ST, as amended or modified from time to time
"Market Day"	:	A day on which SGX-ST is open for trading in securities
"Market Purchase"	:	An on-market purchase of Shares by the Company effected on SGX-ST, through one or more duly licensed stockbrokers appointed by the Company for the purpose
"NAV"	:	Net Asset Value

"Off-Market Purchase"	:	An off-market purchase of Shares by the Company effected in accordance with an equal access scheme
"Ordinary Shareholders"	:	Registered holders of Ordinary Shares, except where the registered holder is CDP, the term "**Ordinary Shareholders**" shall in relation to such Ordinary Shares, mean the Depositors whose securities accounts maintained with CDP are credited with the Ordinary Shares
"Ordinary Shares"	:	Ordinary shares of the Company
"Preference Shares"	:	Non-redeemable convertible non-cumulative preference shares of the Company
"SFA"	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share Purchase Mandate"	:	The mandate to enable the Company to purchase or otherwise acquire its issued Shares
"Shareholders"	:	Registered holders of Shares, except where the registered holder is CDP, the term "**Shareholders**" shall in relation to such Shares, mean the Depositors whose securities accounts maintained with CDP are credited with the Shares
"Shares"	:	Ordinary Shares and Preference Shares
"SIC"	:	Securities Industry Council of Singapore
"Take-over Code"	:	The Singapore Code on Take-overs and Mergers

The terms "**Depositor**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Annexure I to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Income Tax Act, the SFA, the Listing Manual or Take-over Code or any statutory modification thereof and not otherwise defined in this Annexure I shall have the same meaning assigned to it under the Companies Act, the Income Tax Act, the SFA, the Listing Manual or Take-over Code or any statutory modification thereof, as the case may be.

Any discrepancies in the tables in this Annexure I between the listed amounts and the totals thereof are due to rounding.

3. RENEWAL OF THE SHARE PURCHASE MANDATE

3.1 Rationale for the Share Purchase Mandate

The Share Purchase Mandate will give the Directors the flexibility to purchase or acquire its Shares, if and when circumstances permit, with a view to enhancing the EPS and/or the NAV per Ordinary Share. The Directors believe that share purchases also provide the Company and its Directors with an alternative to facilitate the return of surplus cash over and above its ordinary capital requirements and exercise greater control over the Company's share capital structure.

The Directors further believe that share purchases or acquisitions may bolster confidence of Ordinary Shareholders and/or holders of Preference Shares. With the Share Purchase Mandate, the Directors will have the ability to purchase Shares on SGX-ST, where appropriate, to stabilise the demand for the Shares and to buffer against short-term share price volatility due to market speculation.

Purchases of Shares by the Company will be made only in circumstances where it is considered to be in the best interests of the Company. Further, the Directors do not propose to carry out share purchases to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from SGX-ST.

3.2 Authority and Limits of the Share Purchase Mandate

The authority and limitations placed on the purchase or acquisition of issued Shares by the Company under the Share Purchase Mandate are summarised below:

3.2.1 Maximum Number of Shares

Only Shares which are issued and fully paid may be purchased or acquired by the Company under the Share Purchase Mandate.

Subject to the Companies Act, the Share Purchase Mandate will authorise the Company, from time to time, to purchase such number of Shares which represents up to:

(i) in the case of Ordinary Shares, a maximum of 10% of the total number of issued Ordinary Shares (excluding any Ordinary Shares which are held as treasury shares and subsidiary holdings (as defined in the Listing Manual)); and

(ii) in the case of Preference Shares, a maximum of 10% of the total number of issued Preference Shares,

as at the date of the 58th AGM at which the renewal of the Share Purchase Mandate is approved.

Treasury shares or subsidiary holdings will be disregarded for purposes of computing the 10% limit. As at the Latest Practicable Date, the Company had 2,400,000 treasury shares and no subsidiary holdings.

For illustrative purposes only, based on 906,901,330 issued Ordinary Shares (excluding 2,400,000 treasury shares) and 330,874,257 issued Preference Shares as at the Latest Practicable Date, and assuming that no further Ordinary Shares and Preference Shares are issued on or prior to the 58th AGM, not more than 90,690,133 Ordinary Shares and 33,087,425 Preference Shares (representing 10% of the issued Ordinary Shares and 10% of the Preference Shares as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate. There are no subsidiary holdings in the share capital of the Company.

3.2.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, by the Company from the date of the 58th AGM, at which the renewal of the Share Purchase Mandate is approved, up to the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;

(ii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked in general meeting; or

(iii) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated.

3.2.3 Manner of Purchase or Acquisition of Shares

Purchases or acquisitions of Shares may be made by way of Market Purchases and/or Off-Market Purchases.

Market Purchases refer to purchases or acquisitions of Shares by the Company effected on SGX-ST, through one or more duly licensed stockbrokers appointed by the Company for the purpose.

Off-Market Purchases refer to purchases or acquisitions of Shares by the Company made under an equal access scheme. The Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate, the Listing Manual, the Companies Act or the Constitution, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all the following conditions:

(i) the offers for the purchase or acquisition of shares under the scheme are to be made to every person who holds shares to purchase or acquire the same percentage of their shares;

(ii) all of those persons have a reasonable opportunity to accept the offers made to them; and

(iii) the terms of all the offers are the same except that there shall be disregarded:

    (aa) differences in consideration attributable to the fact that the offers relate to shares with different accrued dividend entitlements;

    (bb) differences in consideration attributable to the fact that the offers relate to shares with different amounts remaining unpaid; and

    (cc) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

In addition, the Listing Manual provides that in making an Off-Market Purchase, a listed company must issue an offer document to all shareholders containing, *inter alia*:

(1) the terms and conditions of the offer;

(2) the period and procedures for acceptances;

(3) the reasons for the proposed share purchases;

(4) the consequences, if any, of share purchases by the listed company that will arise under the Take-over Code or other applicable take-over rules;

(5) whether the share purchases, if made, could affect the listing of the listed company's shares on SGX-ST;

(6) details of any share purchases made by the listed company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and

(7) whether the shares purchased by the listed company will be cancelled or kept as treasury shares.

3.2.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price must not exceed, in the case of both Market Purchases and Off-Market Purchases, 105% of the Average Closing Price (as defined below) (the "**Maximum Price**").

For the above purposes:

"**Average Closing Price**" means the average of the Closing Market Prices of the Ordinary Shares or Preference Shares (as the case may be) over the last five Market Days on SGX-ST, on which transactions in the Ordinary Shares or Preference Shares (as the case may be) were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such 5-Market Day period;

"**Closing Market Price**" means the last dealt price for an Ordinary Share or a Preference Share (as the case may be) transacted on SGX-ST as shown in any publication of SGX-ST or other sources; and

"**day of the making of the offer**" means the day on which the Company makes an offer for the Off-Market Purchase of Ordinary Shares or Preference Shares (as the case may be) from Ordinary Shareholders or holders of Preference Shares (as the case may be), stating the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase, calculated on the foregoing basis) for each Ordinary Share or Preference Share (as the case may be) and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

3.3 Source of Funds

In purchasing or acquiring Shares, the Company may only apply funds legally available for such purchase or acquisition in accordance with the Constitution and applicable laws in Singapore. Payment may be made by the Company in consideration of the purchase or acquisition of its own Shares out of the Company's capital as well as from its profits.

The Company intends to use internal resources and/or external borrowings to finance purchases or acquisitions of its Shares under the Share Purchase Mandate. The Directors do not intend to exercise the Share Purchase Mandate to such extent as would have a material adverse effect on the working capital requirements or the gearing levels of the Group. In determining whether to undertake any purchases or acquisitions of Shares under the Share Purchase Mandate, the Directors will take into account, *inter alia*, the prevailing market conditions, the financial position of the Group and other relevant factors.

3.4 Status of Purchased or Acquired Shares

Under the Companies Act, Preference Shares which are purchased or acquired by the Company will be deemed cancelled immediately on purchase or acquisition. Ordinary Shares purchased or acquired by the Company may be held or dealt with as treasury shares or cancelled. As such, Shares cancelled upon purchase or acquisition by the Company will be automatically delisted by SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as practicable following settlement of any such purchase or acquisition.

Some of the provisions on treasury shares under the Companies Act are summarised below:

3.4.1 Maximum Holdings

The number of Ordinary Shares held as treasury shares (including shares held by a subsidiary under Sections 21(4B) and 21(6C) of the Companies Act) cannot at any time exceed 10% of the total number of issued Ordinary Shares.

3.4.2 Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote in respect of treasury shares and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

3.4.3 Disposal and Cancellation

Where Ordinary Shares are held as treasury shares, the Company may at any time but subject always to the Take-over Code:

(i) sell the treasury shares for cash;

(ii) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;

(iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(iv) cancel the treasury shares; or

(v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares of the usage, the number of treasury shares before and after the usage, and the percentage of the number of treasury shares of the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on SGX-ST before and after the usage and the value of the treasury shares of the usage.

3.5 Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of capital or profits of the Company, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Company and the Group based on the audited financial statements of the Group for the financial year ended 31 December 2020 are based on the assumptions set out below:

3.5.1 Purchase or Acquisition out of Capital or Profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The purchases or acquisitions of Shares by the Company will reduce the cash reserves and/or increase the borrowings of the Company and the Group, thereby reducing the working capital and shareholders' funds of the Company and the Group. As a result of this, the gearing ratio of the Company and the Group will increase and the current ratios will decrease on the assumption that the additional external borrowings obtained, if any, are classified as current liabilities.

3.5.2 Maximum Price Paid for Shares Purchased or Acquired

As at the Latest Practicable Date, the Company has 906,901,330 issued Ordinary Shares (excluding treasury shares and subsidiary holdings) and 330,874,257 Preference Shares.

Based on the existing number of issued Ordinary Shares and Preference Shares of the Company as at the Latest Practicable Date, the exercise in full of the Share Purchase Mandate would result in the purchase of 90,690,133 Ordinary Shares (representing 10% of the total number of issued Ordinary Shares of the Company) and 33,087,425 Preference Shares (representing 10% of the total number of issued Preference Shares of the Company).

In the case of Market Purchases and Off-Market Purchases by the Company and assuming that the Company purchases or acquires 90,690,133 Ordinary Shares at the Maximum Price of $7.89 for one Ordinary Share (being the price equivalent to 105% of the Average Closing Price as at the Latest Practicable Date) and 33,087,425 Preference Shares at the Maximum Price of $1.15 for one Preference Share (being the price equivalent to 105% of the Average Closing Price as at the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 90,690,133 Ordinary Shares and 33,087,425 Preference Shares is approximately $716 million and $38 million respectively.

3.5.3 Whether the underlying Shares are cancelled or held in treasury

The financial effects on the Group arising from purchases or acquisitions of Shares will also depend on whether the Shares purchased or acquired are cancelled or held in treasury.

For illustrative purposes only, on the basis that the Company purchases or acquires 90,690,133 Ordinary Shares and 33,087,425 Preference Shares by way of Market Purchases made out of profits and/or capital and held in treasury for Ordinary Shares purchased or acquired and cancelled for Preference Shares purchased or acquired, and that the Share Purchase Mandate had been effective on 1 January 2020, the financial effects on the audited financial statements of the Group and the Company for the financial year ended 31 December 2020 would have been as follows:

	GROUP		COMPANY	
	Before Purchase of Ordinary Shares and Preference Shares	After Purchase of Ordinary Shares and Preference Shares(1),(8)	Before Purchase of Ordinary Shares and Preference Shares	After Purchase of Ordinary Shares and Preference Shares(1),(8)
As at 31 December 2020	**$'000**	**$'000**	**$'000**	**$'000**
Share Capital and Reserves(1)	8,502,208	8,465,448	6,449,430	6,412,670
Treasury Shares	-	(715,545)	-	(715,545)
NAV	8,502,208	7,749,903	6,449,430	5,697,125
Total Equity	9,242,457	8,490,152	6,449,430	5,697,125
Current Assets(2)	10,812,119	10,059,814	7,299,669	6,547,364
Current Liabilities(2)	5,044,418	5,044,418	4,422,847	4,422,847
Working Capital	5,767,701	5,015,396	2,876,822	2,124,517
Net Borrowings(2),(3)	8,588,697	9,341,002	6,192,072	6,944,377
Number of Ordinary Shares(7)	906,901,330	816,211,197	906,901,330	816,211,197
Financial Ratios				
NAV per Ordinary Share ($)	9.38	9.49	7.11	6.98
Basic EPS (Ordinary) (cents)(4)	(212.85)	(236.34)	(0.22)	(0.09)
Net Gearing (times)(5)	0.93	1.10	0.96	1.22
Current Ratio (times)(6)	2.14	1.99	1.65	1.48

Notes:

(1) Assuming no Preference Shares are converted.

(2) Assuming the purchases or acquisitions of Ordinary Shares and Preference Shares are funded using all available cash and cash equivalents (excluding amounts held under project accounts which withdrawals are restricted to payment for expenditure incurred on development projects) of the Company and the balance, if any, via short term bank borrowings. For the purpose of this calculation, we have not taken into account any interest foregone on the utilised cash and cash equivalents, or any interest payable on the additional borrowings.

(3) Net borrowings refer to the aggregate borrowings from banks and financial institutions, and lease liabilities, after deducting cash and cash equivalents. Unamortised balance of transaction costs have not been deducted from the gross borrowings.

(4) Basic EPS is based on the net profit attributable to Ordinary Shareholders after adjustment of non- redeemable convertible non-cumulative preference dividends and the number of Ordinary Shares.

(5) Net gearing is computed based on the ratio of net borrowings to total equity.

(6) Current ratio is computed based on the ratio of current assets to current liabilities.

(7) Number of Ordinary Shares refers to number of issued and paid-up Ordinary Shares (excluding 2,400,000 treasury shares) as at the Latest Practicable Date as well as the weighted average number of Ordinary Shares outstanding during the year.

(8) The funds used for effecting the number of Shares purchased or acquired are taken from capital (50%) and out of accumulated profits (50%).

Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only.

In particular, it is important to note that the above analysis is based on the latest audited financial statements of the Group for the financial year ended 31 December 2020, and is not necessarily representative of the future financial performance of the Group or the Company. In addition, the actual impact will depend on the actual number and price of Shares that may be acquired or purchased by the Company as well as how the purchase or acquisition is funded, and the Company may not carry out the Share Purchase Mandate to the full 10% mandated and may cancel or hold in treasury all or part of the Ordinary Shares purchased or acquired.

3.6 Taxation

Purchase or Acquisition of Ordinary Shares

The proceeds received by the shareholder from the buyback will be treated as proceeds from the disposal of Ordinary Shares. Whether or not such proceeds are taxable in the hands of such shareholder will depend on whether such proceeds are receipt of an income or capital nature.

Any gains from the disposal of the Ordinary Shares considered to be capital in nature will not be taxable in Singapore. However, any gains derived by any person from the disposal of the Ordinary Shares which are considered as revenue income from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable in Singapore.

Holders of the Ordinary Shares who apply or are required to apply Singapore Financial Reporting Standard 109 - Financial Instruments ("**FRS 109**") or Singapore Financial Reporting Standard (International) 9 (Financial Instruments) ("**SFRS(I) 9**") (as the case may be), may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Ordinary Shares, irrespective of disposal, in accordance with FRS 109 or SFRS(I) 9 (as the case may be).

Holders of the Ordinary Shares should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Ordinary Shares.

Purchase or Acquisition of Preference Shares

The tax consequences of the purchase or acquisition of Preference Shares are as per those stated under "Purchase or Acquisition of Ordinary Shares".

Holders of the Preference Shares should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Preference Shares.

Shareholders should note that the foregoing does not constitute, and should not be regarded as constituting, advice on the tax position of any Shareholder. Shareholders who are in doubt as to their respective tax positions or any tax implications, including those who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

3.7 Listing Manual

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to SGX-ST, in such reporting format as prescribed by SGX-ST or the Listing Manual, not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase of any of its shares; and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. The Listing Manual restricts a listed company from purchasing shares by way of a Market Purchase at a price which is more than 105% of the Average Closing Market Price (as defined in Section 3.2.4 of this Annexure I). Hence, the Maximum Price for the purchase or acquisition of Shares by the Company by way of a Market Purchase complies with this requirement.

Although the Listing Manual does not prescribe a maximum price in relation to purchase or acquisition of shares by way of an Off-Market Purchase, the Company has set a cap of 105% of the Average Closing Price of an Ordinary Share or a Preference Share (as the case may be) as the Maximum Price for an Ordinary Share or a Preference Share to be purchased or acquired by way of an Off-Market Purchase.

While the Listing Manual does not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time or times, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after any matter or development of a price sensitive nature has occurred or has been the subject of a decision until such price sensitive information has been publicly announced. In particular, in line with the Company's Internal Code On Securities Trading, the Company will not purchase or acquire any Shares during the period commencing one month before the announcement of the Company's financial statements for the half year and full financial year (as the case may be).

The Listing Manual requires a listed company to ensure that at least 10% of the total number of issued shares excluding treasury shares and subsidiary holdings (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by public shareholders. Under the Listing Manual, "**public**" is defined as persons other than the directors, substantial shareholders, chief executive officer or controlling shareholders of the company and its subsidiaries, as well as the associates of such persons.

Based on information available to the Company as at the Latest Practicable Date, approximately 51.31% of the issued Ordinary Shares were held by public Ordinary Shareholders. In the event that the Company purchases the maximum of 10% of its issued Ordinary Shares from such public Ordinary Shareholders, the resultant percentage of the issued Ordinary Shares held by public Ordinary Shareholders would be reduced to approximately 45.90%. Accordingly, the Directors are of the view that there is, at present, a sufficient number of Ordinary Shares in issue held by public Ordinary Shareholders that would permit the Company to potentially undertake purchases or acquisitions of the Ordinary Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without affecting adversely the listing status of the Ordinary Shares on SGX-ST, and that the number of Ordinary Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect orderly trading of the Ordinary Shares.

3.8 Obligation to Make a Take-Over Offer

(i) As the Preference Shares do not carry general voting rights, there will be no Take-over Code implications arising from the purchase or acquisition by the Company of Preference Shares pursuant to the Share Purchase Mandate.

(ii) If, as a result of any purchase or acquisition of Ordinary Shares made by the Company under the Share Purchase Mandate, an Ordinary Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 14 of the Take-over Code. Consequently, an Ordinary Shareholder or group of Ordinary Shareholders acting in concert could obtain or consolidate effective control of the Company and become obliged to make a take-over offer for the Company under Rule 14.

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert: (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); (b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other, and (c) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second-mentioned company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company.

The circumstances under which Ordinary Shareholders, including Directors, and persons acting in concert with them, respectively, will incur an obligation to make a take-over offer after a purchase or acquisition of Ordinary Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that unless exempted (or if exempted, such exemption is subsequently revoked), Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of a purchase or acquisition of Ordinary Shares by the Company:

(aa) the percentage of voting rights held by such Directors and their concert parties in the Company increase to 30% or more; or

(bb) if the Directors and their concert parties hold 30% or more but less than 50% of the Company's voting rights, and their voting rights increase by more than 1% in any period of six months.

In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, an Ordinary Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing its Ordinary Shares, the voting rights of such Ordinary Shareholder would increase to 30% or more, or, if such Ordinary Shareholder holds 30% or more but less than 50% of the Company's voting rights, the voting rights of such Ordinary Shareholder would increase by more than 1% in any period of six months. Such Ordinary Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Shareholders who are in doubt as to whether they would incur any obligation to make a takeover offer under the Take-over Code as a result of any purchase or acquisition of Ordinary Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or the SIC at the earliest opportunity.

3.9 Certain General Take-Over Code Implications Arising from the Share Purchase Mandate

Based on information available to the Company as at the Latest Practicable Date, HLIH and its concert parties ("**HLIH Concert Parties**") hold approximately 49.21% of the total number of issued Ordinary Shares.

Assuming that there is no change in the said shareholding interests of the HLIH Concert Parties in the Company, the purchase or acquisition by the Company of the maximum 90,690,133 Ordinary Shares (being 10% of the total number of issued Ordinary Shares of the Company as at the Latest Practicable Date) from Ordinary Shareholders other than the HLIH Concert Parties, will result in their collective shareholding interests increasing from 49.21% to 54.68%. In addition, if the Company were to exercise its right to convert the Preference Shares into Ordinary Shares, the percentage shareholding of the HLIH Concert Parties may also increase (depending on whether and the extent to which, the Company converts the Preference Shares into Ordinary Shares).

Based on the above information as at the Latest Practicable Date, the percentage of voting rights held by the HLIH Concert Parties in the Company may be increased by more than 1% in any 6-month period as a result of acquisition of Ordinary Shares by the Company pursuant to the Share Purchase Mandate and/or the conversion of the Preference Shares.

The HLIH Concert Parties has made an application to SIC and it has been confirmed by SIC, *inter alia*, that:

(i) the HLIH Concert Parties will not be obliged under the Take-over Code to make a take-over offer for the Ordinary Shares even if their aggregate shareholdings were to so increase by more than 1% in any 6-month period, provided that their collective shareholdings amount to more than 49% for at least six months prior to such increase. As at the Latest Practicable Date, the HLIH Concert Parties have collectively held more than 49% of the Company for more than six months; and

(ii) no take-over obligation will arise even if any individual member or sub-group within the HLIH Concert Parties group increases its holding to 30% or more, or if already holding between 30% and 50%, acquires further voting rights in the Company sufficient to increase its holding by more than 1% in any 6-month period.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any substantial Shareholder (together with persons acting in concert with it) who would become obliged to make a mandatory take-over offer for the Company under the Take-over Code in the event that the Company purchases the maximum 90,690,133 Ordinary Shares pursuant to the Share Purchase Mandate.

3.10 No Previous Purchase

The Company has not undertaken any purchase or acquisition of its issued Ordinary Shares pursuant to the Share Purchase Mandate approved by Shareholders at the 57th AGM.

4. RECOMMENDATION

For the reasons set out in Section 3 of Annexure I, the Directors recommend that Ordinary Shareholders vote in favour of the Ordinary Resolution 8 for the renewal of the Share Purchase Mandate at the forthcoming 58th AGM.

PROPOSED RENEWAL OF THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. BACKGROUND

On 29 May 2003, the Company obtained shareholders' approval at an Extraordinary General Meeting of the Company ("**2003 EGM**") for the Company, its subsidiaries and its associated companies not listed on Singapore Exchange Securities Trading Limited ("**SGX-ST**") or an approved exchange, over which the Company, its subsidiaries and/or interested persons have control (collectively "**CDL EAR Group**"), to enter into transactions within the categories of Interested Person Transactions set out in the Company's circular to shareholders dated 28 April 2003, with such persons within the class or classes of Interested Persons as described in the said circular, provided that such transactions are entered into in accordance with the review procedures set out in the said circular (the "**IPT Mandate**"). The IPT Mandate was renewed at each of the Company's Annual General Meetings since 2004, including the Annual General Meeting held on 24 June 2020 (the "**57th AGM**"). Given that such Interested Person Transactions are expected to occur with some degree of frequency and may arise at any time, and to allow the Group to undertake such transactions in an expeditious manner, shareholders' approval will be sought at the forthcoming 58th AGM of the Company for the renewal of the IPT Mandate.

2. RENEWAL OF THE IPT MANDATE

Under Chapter 9 of the Listing Manual, a general mandate for transactions with interested persons is subject to annual renewal. The IPT Mandate approved at the 57th AGM was expressed, unless revoked or varied by the Company in general meeting, to continue in force until the next Annual General Meeting of the Company, being the 58th AGM, which is to be held on 30 April 2021. Accordingly, it is proposed that the IPT Mandate be renewed at the 58th AGM, to take effect until the conclusion of the next Annual General Meeting of the Company to be held in 2022.

The nature of the Interested Person Transactions and the classes of Interested Persons in respect of which the IPT Mandate is sought to be renewed remain unchanged.

Particulars of the IPT Mandate, including the rationale for, the benefits to be derived by the Company, as well as the review procedures for determining transaction prices with the specified classes of Interested Persons and other general information relating to Chapter 9 of the Listing Manual, are set out in Appendix A.

3. INTERESTED PERSON TRANSACTIONS CONDUCTED IN THE YEAR ENDED 31 DECEMBER 2020

Particulars of Interested Person Transactions conducted by the CDL EAR Group under the IPT Mandate during the year ended 31 December 2020 ("**FY 2020**") were as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions conducted in FY 2020 under the IPT Mandate pursuant to Rule 920 (excluding transactions less than $100,000)	$'000
Subsidiaries of Hong Leong Investment Holdings Pte. Ltd.	Hong Leong Investment Holdings Pte. Ltd. is a controlling shareholder of the Company. Its subsidiaries are interested persons being associates of a controlling shareholder.	<u>Management and Support Services</u> Provision of management and consultancy services by interested persons.	741
Directors and their immediate family members			Nil

4. AUDIT & RISK COMMITTEE'S STATEMENT

The Audit & Risk Committee of the Company confirms that:

(a) the methods or procedures for determining the transaction prices of the Interested Person Transactions conducted under the IPT Mandate remain appropriate since the Shareholders approved the renewal of the IPT Mandate at the 57th AGM of the Company held on 24 June 2020; and

(b) the methods or procedures referred to in (a) above continue to be sufficient to ensure that these Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

5. RECOMMENDATION

The Directors who are considered independent for the purposes of the proposed renewal of the IPT Mandate are Ms Lim Yin Nee Jenny, Mr Philip Yeo Liat Kok, Mr Tan Poay Seng, Mr Ong Lian Jin Colin, Mr Daniel Marie Ghislain Desbaillets, Mr Chong Yoon Chou, Ms Chan Swee Liang Carolina (Carol Fong) and Mr Lee Jee Cheng Philip.

They are of the opinion that the entry into of the Interested Person Transactions (as described in Section 6 of Appendix A) between the CDL EAR Group (as defined in Section 2 of Appendix A) and the Interested Persons (as described in Section 5 of Appendix A) in the ordinary course of business will be entered into to enhance the efficiency of the Group and are in the best interests of the Company. For the reasons set out in Sections 2 and 4 of Appendix A, they recommend that Shareholders vote in favour of Resolution 9 for the renewal of the IPT Mandate at the forthcoming 58th AGM.

THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. CHAPTER 9 OF THE LISTING MANUAL

1.1 Chapter 9 of the Listing Manual of Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Chapter 9**") applies to transactions between a party that is an entity at risk and a counter party that is an interested person. The objective of Chapter 9 (as stated in Rule 901 of the Listing Manual) is to guard against the risk that interested persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders. The aforementioned terms "entity at risk", "interested person" and "associated companies" are defined below.

1.2 <u>Main terms used in Chapter 9:</u>

(a) An "**entity at risk**" means

(i) the listed company;

(ii) a subsidiary of the listed company that is not listed on SGX-ST or an approved exchange; or

(iii) an associated company of the listed company that is not listed on SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the "**listed group**"), or the listed group and its interested person(s), has or have control over the associated company.

(b) An "**associated company**" of a listed company means a company in which at least 20 per cent. but not more than 50 per cent. of its shares are held by the listed company or the listed group.

(c) An "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9.

(d) An "**interested person**", in the case of a company, means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.

(e) An "**associate**" in relation to an interested person who is a director, chief executive officer or controlling shareholder of the listed company (being an individual) means an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder; the trustees of any trust of which the director and/or his immediate family, or the chief executive officer and/or his immediate family or the controlling shareholder and/or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and any company in which the director and/or his immediate family, or the chief executive officer and/or his immediate family or the controlling shareholder and/or his immediate family has or have an aggregate interest (directly or indirectly) of 30 per cent. or more; and, where a controlling shareholder of the listed company is a corporation, its "associate" means its subsidiary or holding company or fellow subsidiary or a company in which it and/or such other companies taken together have (directly or indirectly) an interest of 30 per cent. or more.

(f) A "**chief executive officer**" of a listed company means the most senior executive officer who is responsible under the immediate authority of the board of directors for the conduct of the business of the listed company.

(g) A "**controlling shareholder**" of a listed company means a person who holds directly or indirectly 15 per cent. or more of the total voting rights in the company; or a person who in fact exercises control over a company.

(h) An "**interested person transaction**" means a transaction between an entity at risk and an interested person.

1.3 Materiality thresholds, announcement requirements and shareholders' approval

When Chapter 9 applies to a transaction with an interested person (except for any transaction which is below $100,000 in value and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and are hence excluded from certain requirements of Chapter 9) and the value of the transaction alone or on aggregation with other transactions conducted with the interested person during the financial year reaches or exceeds certain materiality thresholds (which are based on the listed company's latest audited consolidated net tangible assets ("**NTA**")[1]), the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for the transaction.

In particular, shareholders' approval is required for an interested person transaction of a value equal to, or exceeding:

(a) 5 per cent. of the listed group's latest audited NTA[2]; or

(b) 5 per cent. of the listed group's latest audited NTA, when aggregated with other transactions entered into with the same interested person (such term as construed under Chapter 9) during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

1.4 Shareholders' general mandate

Chapter 9 allows a listed company to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses, which may be carried out with the listed company's interested persons.

2. INTRODUCTION AND RATIONALE FOR THE IPT MANDATE

2.1 Hong Leong Investment Holdings Pte. Ltd. ("**HLIH**"), the controlling shareholder of the Company and its associates (the "**HLIH Group**") are interested persons of the Company.

2.2 Due to the size of the HLIH Group and the diversity of the activities of CDL and its subsidiaries (the "**Group**"), it is anticipated that:

(a) CDL;

(b) subsidiaries of CDL that are not listed on SGX-ST or an approved exchange; and

(c) associated companies of CDL that are not listed on SGX-ST or an approved exchange, provided that the Group or the Group and its interested person(s), has or have control over the associated companies,

1 Based on the audited financial statements of the Group for the financial year ended 31 December 2020, the annual NTA of the Group was $8,481,532,000.

2 In relation to the Company, for the purposes of Chapter 9, in the current financial year and until such time that the annual financial statements of the Group for the year ending 31 December 2021 are published by the Company, 5 per cent. of the latest annual audited NTA of the Group would be $424,076,600.

(together, the "**CDL EAR Group**"), or any of them, would, in the ordinary course of its businesses, enter into certain transactions with its interested persons. It is likely that such interested person transactions will occur with some degree of frequency and may arise at any time. Thus, the IPT Mandate is intended to facilitate transactions in the normal course of business of the CDL EAR Group falling within the categories of interested person transactions as set out in Section 6 below (the "**Interested Person Transactions**"), that are transacted from time to time with the interested persons as specified in Section 5 below (the "**Interested Persons**") provided that they are carried out at arm's length and on the Group's normal commercial terms and which are not prejudicial to the interests of the Company and its minority Shareholders.

3. SCOPE OF THE IPT MANDATE

3.1 The IPT Mandate will not cover any Interested Person Transaction which has a value below $100,000 as the threshold and aggregation requirements of Chapter 9 of the Listing Manual of SGX-ST do not apply to such transactions.

3.2 Transactions with interested persons, which do not fall within the ambit of the IPT Mandate (including any renewal thereof), will be subject to the applicable provisions of Chapter 9 and/or any other applicable provisions of the Listing Manual.

4. BENEFITS OF THE IPT MANDATE

4.1 The Directors are of the view that it will be beneficial to the CDL EAR Group to transact or continue to transact with the Interested Persons, especially since the Interested Person Transactions are undertaken on an arm's length basis, on normal commercial terms consistent with the Group's usual business practices and policies and will not be prejudicial to the interests of the Company and its minority Shareholders.

4.2 Where the Interested Person Transactions relate to the provision to, and the obtaining from, Interested Persons of products or services as contemplated in Sections 6(a), (b) and (d), the CDL EAR Group will benefit from having access, where applicable, to competitive quotes from its Interested Persons as well as from unrelated third parties, and may also derive savings in terms of cost efficiencies and greater economies of scale in its transactions with Interested Persons. The provision of products and services to Interested Persons are also an additional source of revenue for the CDL EAR Group, provided that such products and services are provided on arm's length basis and on normal commercial terms. Where the Interested Person Transactions relate to financial and treasury transactions as contemplated in Section 6(c), the CDL EAR Group will benefit from the competitive quotes received from its Interested Persons, thus leveraging on the financial strength and credit standing of the Interested Persons.

4.3 The adoption of the IPT Mandate and the renewal of the same on an annual basis would eliminate the need for the Company to convene separate general meetings on each occasion to seek Shareholders' approval as and when such Interested Person Transactions with the Interested Persons arise, thereby reducing substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group. This would also enable the Group to maximise its business opportunities especially in commercial transactions which are time-sensitive in nature. At the same time, the Group would be able to channel the significant amount of administrative resources, including time and expenses, saved towards its other corporate objectives.

5. CLASSES OF INTERESTED PERSONS

The IPT Mandate will apply to transactions with the following classes of Interested Persons:

(a) the HLIH Group; and

(b) Directors, chief executive officer(s) and controlling shareholders of the Company (other than entities who fall under the HLIH Group described in paragraph (a) above) and their respective associates.

6. CATEGORIES OF INTERESTED PERSON TRANSACTIONS

The Interested Person Transactions between the CDL EAR Group and Interested Persons which will be covered by the IPT Mandate relate to recurrent transactions of a revenue or trading nature or those necessary for the Group's day-to-day operations, and are set out as follows:

(a) Property-related Transactions

Transactions within the ambit of this category comprise the leasing or rental of properties; the award of contracts to main contractors, suppliers and consultants for property development projects; the provision and/or receipt of project management services; marketing and property agency services; cleaning, security and building maintenance services; property and estate management services including serviced apartments and serviced offices management services; and carpark management services.

(b) Management and Support Services

This category comprises transactions in relation to the receipt or provision of management services; legal; and financial advisory and consultancy services.

(c) Financial and Treasury Transactions

This category comprises transactions in relation to the placement of funds with Interested Persons, the borrowing of funds from Interested Persons, and the entry into foreign exchange, swap and option transactions with Interested Persons that do not fall under the exceptions to interested person transactions pursuant to Rule 915(6) and Rule 915(7) of Chapter 9[3]; and the subscription by the CDL EAR Group of debt securities issued by any Interested Person and the issue of debt securities by the CDL EAR Group to any Interested Person.

Pursuant to Rule 916(3) of Chapter 9, the provision of a loan by the CDL EAR Group to a joint venture with an Interested Person does not require the seeking of shareholders' approval provided that such loan is extended by all joint venture partners on the same terms and in proportion to their equity interest in the joint venture; the Interested Person does not have an existing equity interest in the joint venture prior to the participation of the CDL EAR Group in the joint venture; and the Company has announced that its Audit & Risk Committee (as defined herein) is of the view that: (i) the provision of the loan is not prejudicial to the interests of the Company and its minority Shareholders; (ii) the risks and rewards of the joint venture are in proportion to the equity of each of the joint venture partners; and (iii) the terms of the joint venture are not prejudicial to the interests of the Company and its minority Shareholders.

(d) General Transactions

This category comprises transactions in relation to the purchase and sale of goods including building materials, electronic and engineering equipment, building automation systems, computer systems (hardware and software), vehicles, parts and accessories, and the provision and receipt of after-sales services.

---

[3] Pursuant to Rule 915(6) and Rule 915(7) of Chapter 9, the provision or receipt of financial assistance or services by or from a financial institution that is licensed or approved by the Monetary Authority of Singapore, on normal commercial terms and in the ordinary course of business does not constitute an interested person transaction which would require compliance with Rules 905, 906 and 907 of Chapter 9. Rule 905 relates to requirements for immediate announcement of interested person transactions, Rule 906 relates to requirements for seeking shareholders' approval for interested person transactions, and Rule 907 relates to requirements for disclosure of the aggregate value of interested person transactions in the listed company's annual report.

7. REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

7.1 In general, there are procedures established by the Group to ensure that Interested Person Transactions, which are reviewed and approved by the management, are undertaken on an arm's length basis, on normal commercial terms consistent with the Group's usual business practices and policies, are not prejudicial to the interests of the Company and its minority Shareholders, and on terms which are generally no more favourable to the Interested Persons than those extended to or received from unrelated third parties.

7.1.1 Property-related Transactions, Management and Support Services, and General Transactions

All Interested Person Transactions (other than the Financial and Treasury Transactions covered in Section 7.1.2 below) are to be carried out at the published or prevailing rates/prices of the service or product providers (including, where applicable, preferential rates/prices/discounts accorded to a class or classes of customers or for bulk purchases where the giving of such preferential rates/prices/discounts are commonly practised within the applicable industry and may be similarly extended to unrelated third parties), on the service or product provider's usual commercial terms which may also be similarly extended to unrelated third parties, or otherwise in accordance with other applicable industry norms.

In addition, the CDL EAR Group will monitor the Interested Person Transactions (other than the Financial and Treasury Transactions covered in Section 7.1.2 below) as follows:

(a) <u>Property-related Transactions comprising the award of contracts to main contractors, suppliers and consultants for property development projects</u>

(i) an Interested Person Transaction under this sub-paragraph (a) with a value in excess of $10 million shall be reviewed and approved by the audit & risk committee of the Company (the "**Audit & Risk Committee**") prior to the entry into of such Interested Person Transaction, or if it is expressed to be conditional on Shareholders' approval, prior to the completion of such Interested Person Transaction;

(ii) an Interested Person Transaction under this sub-paragraph (a) with a value below or equal to $10 million but in excess or equal to $100,000 shall be reviewed by the Audit & Risk Committee at its quarterly meetings; and

(iii) Interested Person Transactions under this sub-paragraph (a) shall be undertaken based on tenders which may be conducted for the award of such contracts with at least two bids from unrelated third parties to be obtained for comparison purposes. In the absence of tenders or the ability to obtain at least two bids for any tender, an Interested Person Transaction under this sub-paragraph (a) shall be undertaken based on comparison of rates/prices and terms offered by the Interested Person with the rates/prices and terms offered or generally quoted by at least two unrelated third parties who are engaged in providing similar services or products.

(b) <u>Property-related Transactions comprising the leasing or rental of properties</u>

(i) an Interested Person Transaction under this sub-paragraph (b) with a value in excess of $5 million shall be reviewed and approved by the Audit & Risk Committee prior to the entry into of such Interested Person Transaction, or if it is expressed to be conditional on Shareholders' approval, prior to the completion of such Interested Person Transaction;

(ii) an Interested Person Transaction under this sub-paragraph (b) with a value below or equal to $5 million but in excess or equal to $100,000 shall be reviewed by the Audit & Risk Committee at its quarterly meetings; and

(iii) Interested Person Transactions under this sub-paragraph (b) shall be entered into after comparison of rates quoted to at least two unrelated third parties (in the case of leases granted to Interested Persons) or comparison of rates quoted by or obtained from at least two unrelated third parties (in the case of leases granted by Interested Persons) and after taking into account the prevailing market rental rates for other properties within its vicinity of similar or comparable standing and facilities, the tenure of the lease, the area of the leased premises and any other factor which may affect the rental rates or terms of the lease.

(c) <u>Property-related Transactions (other than those covered under sub-paragraphs (a) and (b) herein), Management and Support Services and General Transactions</u>

(i) an Interested Person Transaction under this sub-paragraph (c) with a value in excess of $3 million shall be reviewed and approved by the Audit & Risk Committee prior to the entry into of such Interested Person Transaction, or if it is expressed to be conditional on Shareholders' approval, prior to the completion of such Interested Person Transaction;

(ii) an Interested Person Transaction under this sub-paragraph (c) with a value below or equal to $3 million but in excess or equal to $100,000 shall be reviewed by the Audit & Risk Committee at its quarterly meetings; and

(iii) Interested Person Transactions under this sub-paragraph (c) shall be entered into, where applicable:

(1) in the case of the provision of services or products by an Interested Person, based on tenders (with at least two bids from unrelated third parties to be obtained for comparison purposes) or comparison of rates and terms offered by or generally quoted by at least two unrelated third parties who are engaged in providing similar services or products; and

(2) in the case of the provision of services or products to an Interested Person, based on comparison of rates and terms offered to at least two unrelated third parties for transactions of a similar nature, size or complexity and taking into account the availability of resources, expertise or manpower for the performance of such services or provision of such goods and the existence of any cost and/or time saving factors.

(d) In the event that comparison quotations cannot be obtained in respect of the Interested Person Transactions covered under sub-paragraphs (a), (b) and (c) above (for example, where there are no unrelated third party providers or users of such services or products, or where the service or product is a proprietary item or due to the nature, speciality or confidentiality of the service or product to be supplied), such Interested Person Transactions shall be entered into only after the senior management staff of the relevant company in the CDL EAR Group (having no interest, direct or indirect, in the interested person transaction and having the authority in such company to approve the entering into of transactions of such nature and value), has evaluated and weighed the benefits of, and rationale for, transacting with the Interested Person and in their report submitted to the Audit & Risk Committee, confirmed that the price and terms offered to or by the Interested Person are fair and reasonable. In such evaluation and confirmation, the factors which may be taken into account include, but shall not be limited, to the following:

(i) in relation to the sale of goods or services to the Interested Person and as determined by the senior management staff of the relevant company in the CDL EAR Group and reported to the Audit & Risk Committee, the terms of supply should be in accordance with the CDL EAR Group's usual business practice and consistent with the margins obtained by the CDL EAR Group in its business operations or the margins obtained for the same or substantially the same type of transactions;

(ii) in relation to the purchase of goods or services from the Interested Person, the terms of supply will be compared to those for the same or substantially the same types of transactions entered into between the Interested Person and unrelated third parties. The review procedures in such cases may include where applicable, reviewing the standard price lists provided by the Interested Person to its customers for such products or services;

(iii) the efficiencies and flexibilities derived by the CDL EAR Group in transacting with the Interested Person as compared with transacting with unrelated third parties; and

(iv) prevailing industry norms.

7.1.2 Financial and Treasury Transactions

(a) Placement of Funds

In relation to the placement with any Interested Person by the CDL EAR Group of its funds, the Company will require that quotations be obtained from such Interested Person and at least two principal bankers or financial institutions of the Group ("**Principal Bankers**") for rates offered by such Principal Bankers for deposits of an amount and currency and for a period equivalent to that of the funds to be placed by the CDL EAR Group. The CDL EAR Group will only place its funds with such Interested Person provided that the interest rate quoted is not less than the highest of the rates quoted by such Principal Bankers and after evaluating and taking into account any factor that may materially and adversely affect the credit standing of the Interested Person with whom the funds are to be placed by the CDL EAR Group or the risks associated in the placement of such funds with the Interested Person, and such other factors relevant for consideration.

(b) Borrowing of Funds

In relation to the borrowing of funds from any Interested Person by a company within the CDL EAR Group, the Company will require that quotations be obtained from such Interested Person and at least two bankers of the borrowing company within the CDL EAR Group for rates offered by such bankers for loans of an amount and currency and for a period equivalent to that of the funds to be borrowed by such borrowing company within the CDL EAR Group. The CDL EAR Group will only borrow funds from such Interested Person provided that the interest rate quoted is not more than the lowest of the rates quoted by such bankers.

(c) Foreign Exchange, Swaps and Options

In relation to foreign exchange, swap and option transactions with any Interested Person by the CDL EAR Group, the Company will require that rate quotations be obtained from such Interested Person and at least two Principal Bankers. The CDL EAR Group will only enter into such foreign exchange, swap and option transactions with such Interested Person provided that such rates quoted are no less favourable than the rates quoted by such Principal Bankers.

(d) Subscription of Debt Securities

In relation to the subscription by the CDL EAR Group of debt securities issued by the Interested Persons, the CDL EAR Group will only enter into the subscription of such debt securities provided that the price(s) at which the CDL EAR Group subscribes for such debt securities will not be higher than the price(s) at which such debt securities are subscribed for by unrelated third parties.

In relation to the issue of debt securities by the CDL EAR Group to Interested Persons, the CDL EAR Group will only issue such debt securities to Interested Persons provided that the price(s) at which the CDL EAR Group issues such debt securities will not be lower than the price(s) at which such debt securities are issued to unrelated third parties.

In addition to the foregoing, the following threshold limits will be applied to ensure further monitoring by the Group of the Financial and Treasury Transactions entered into by the CDL EAR Group:

Placement of Funds and Subscription of Debt Securities

Where the aggregate of the outstanding principal amount of funds placed with, and debt securities subscribed from, the same Interested Person (as such term is construed under Chapter 9) shall at any time exceed the equivalent of 10 per cent. of the consolidated shareholders' funds of the Group (based on its latest audited financial statements), each subsequent placement of funds with, or subscription of debt securities from, the same Interested Person shall require the prior approval of the Audit & Risk Committee.

Where the aggregate of the outstanding principal amount of funds placed with, and debt securities subscribed from, the same Interested Person does not at any time exceed the limit set out above, the placement of funds with, and subscription of debt securities from, that Interested Person will not require the prior approval of the Audit & Risk Committee but shall be reviewed by the Audit & Risk Committee at its quarterly meetings.

7.2 A register will be maintained by the Group to record all Interested Person Transactions (and the basis including the quotations, if any and where relevant, obtained to support such basis on which they are entered into) which are entered into pursuant to the IPT Mandate.

The Company shall, on a quarterly basis, report to the Audit & Risk Committee on all Interested Person Transactions, and the basis of such transactions, entered into with Interested Persons during the preceding quarter. The Audit & Risk Committee shall review such Interested Person Transactions at its quarterly meetings except where such Interested Person Transactions are required under the review procedures to be approved by the Audit & Risk Committee prior to the entry thereof.

7.3 The annual internal audit plan shall incorporate a review of the established review procedures for the monitoring of Interested Person Transactions entered into pursuant to the IPT Mandate.

The Audit & Risk Committee shall review the internal audit report on Interested Person Transactions to ascertain that the established review procedures to monitor Interested Person Transactions have been complied with. If, during a review by the Audit & Risk Committee, the Audit & Risk Committee is of the view that the established review procedures are not sufficient or have become inappropriate, in view of changes to the nature of, or the manner in which, the business activities of the CDL EAR Group are conducted, it will take such actions as it deems appropriate and/or institute additional procedures as necessary to ensure that future transactions of a similar nature are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, and the Company will revert to the Shareholders for a fresh mandate based on new review procedures for transactions with Interested Persons.

For the purpose of the review process, if a member of the Audit & Risk Committee has an interest in the transaction to be reviewed by the Audit & Risk Committee, he will abstain from any decision making by the Audit & Risk Committee in respect of that transaction. For example, where two members of the Audit & Risk Committee have an interest each in the transaction to be reviewed by the Audit & Risk Committee, the review of that transaction will be undertaken by the remaining member(s) of the Audit & Risk Committee.

8. EXPIRY AND RENEWAL OF THE IPT MANDATE

The IPT Mandate will take effect from the date of receipt of Shareholders' approval, and will (unless revoked or varied by the Company in General Meeting) continue in force until the next Annual General Meeting of the Company and will apply to Interested Person Transactions entered into from the date of receipt of Shareholders' approval. Approval from Shareholders will be sought for the renewal of the IPT Mandate at each subsequent Annual General Meeting, subject to review by the Audit & Risk Committee of its continued application to the Interested Person Transactions.

If the Audit & Risk Committee is of the view that the review procedures under the IPT Mandate are not sufficient to ensure that the Interested Person Transactions are transacted on normal commercial terms and will be prejudicial to the interests of the Company and its minority Shareholders, the Company will seek a fresh mandate from the Shareholders based on new review procedures for Interested Person Transactions.

9. DISCLOSURE

In accordance with Chapter 9, the Company will disclose in its annual report the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate during the financial year (as well as in the Company's annual reports for subsequent financial years that the IPT Mandate continues to be in force). In addition, the Company will announce the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate for the financial periods which it is required to report on (pursuant to Rule 705 of the Listing Manual) within the time required for the announcement of such report. These disclosures will be in the form set out in Rule 907 of the Listing Manual.