City Developments Limited

Trusted Since 1963

Q1 2020
Operational Update

12 May 2020

Agenda |

- General Overview & COVID-19 Impact
- Capital Management
- Strategic Investments
- Operations Review
  - Singapore Operations
  - Hospitality

General Overview

Overview – Q1 2020

Operating Performance Affected by COVID-19 Global Pandemic

Grand Millennium Beijing


City Square Mall
Safe distancing measures implemented

- Business segments impacted to varying extents by containment measures to combat the outbreak:
  - Lockdowns
  - Travel restrictions
  - Safe distancing measures
- Retail and hospitality sectors most impacted:
  - **Retail:** Approx. 80% of CDL's retail tenants in Singapore closed due to enhanced circuit breaker measures
  - **Hotel operations:** Around 30% of global hospitality portfolio closed due to government-mandated shutdowns
- Strong capital position; well-positioned for new opportunities:
  - Cash reserves of $3.3B as well as undrawn and committed credit lines of $2.3B
  - Debt expiry profile remains healthy
- Mitigation measures implemented to address near-term uncertainty:
  - Cost-efficiency and cash preservation initiatives
  - Tap on economic stimulus packages, wage and tax reliefs provided by governments across operating regions (e.g. Singapore, the UK and New Zealand)
  - Rental relief and support measures for tenants

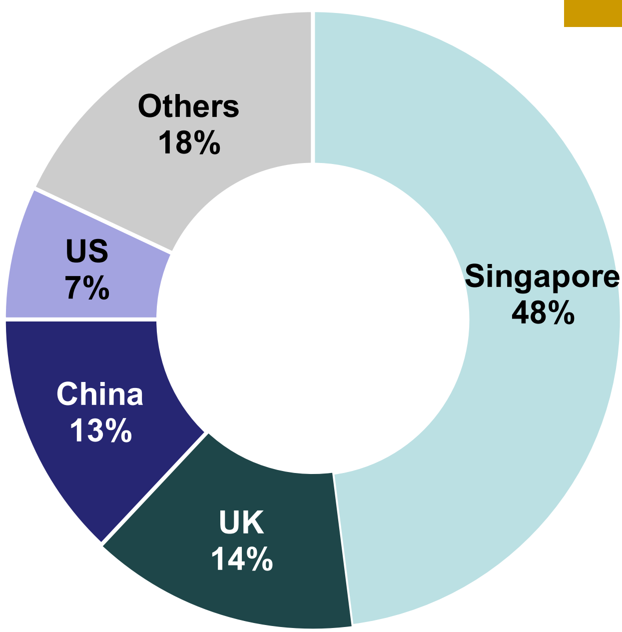
Global Portfolio Overview

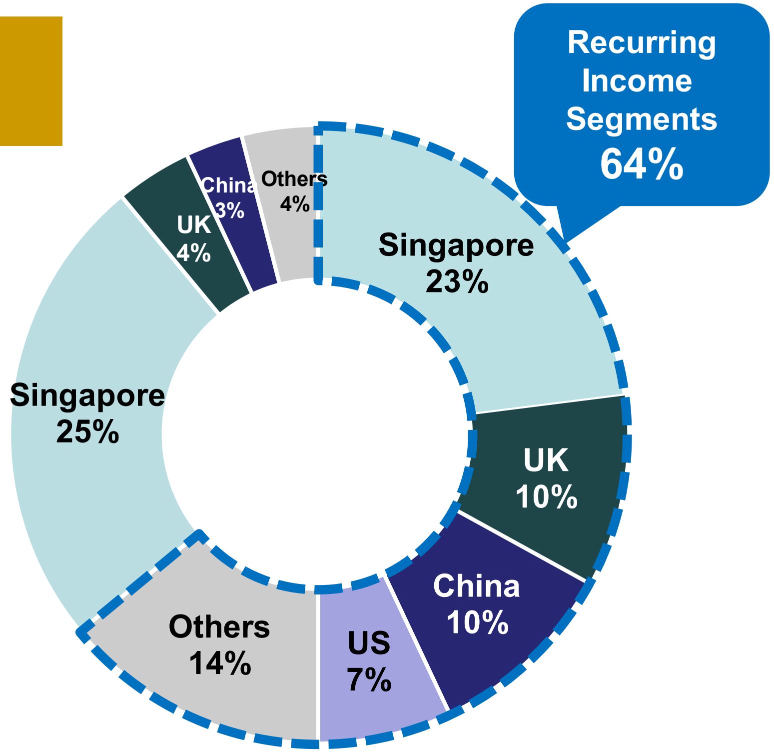
Recurring Income Assets comprise 64% of Global Portfolio

Diversified portfolio provides ‘cushion’ from impact of macroeconomic challenges:

- **Development assets**: Lower transaction volumes mitigated by healthy pre-sales in 2018 and 2019, with profit contribution expected progressively
- **Recurring income assets**: Investment properties comprise 29% of total assets

Total Assets:
$23.7B





COVID-19 IMPACT

Operational Performance Impact

Unprecedented Disruption Across All Business Segments

PROPERTY DEVELOPMENT

Lockdowns across several regions have affected sales and development works:

- Residential sales affected by showflat closures
- Construction works affected

ASSET MANAGEMENT

Retail and F&B sector hard hit:

- Widespread business closures in Singapore from enhanced circuit breaker measures – approx. 80% of retail tenants closed
- Support initiatives amounting to over $30MM of property tax and rental rebates for tenants in Singapore and overseas

HOSPITALITY

Sector severely impacted by hotel closures:

- Government-mandated closures in multiple regions – approx. 30% of 152 hotels worldwide temporarily closed
- All regions recorded declines in RevPAR driven primarily by a drop in occupancies

COVID-19 IMPACT

Property Development – Singapore

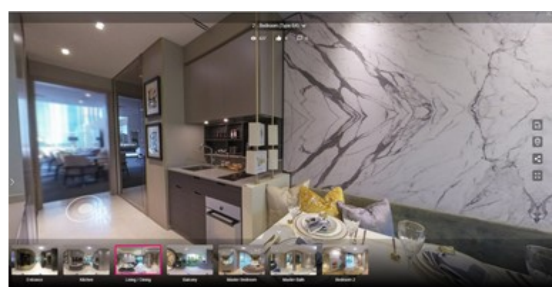
Residential Sales & Development Progress Impacted by Circuit Breaker Measures (7 Apr – 1 Jun)

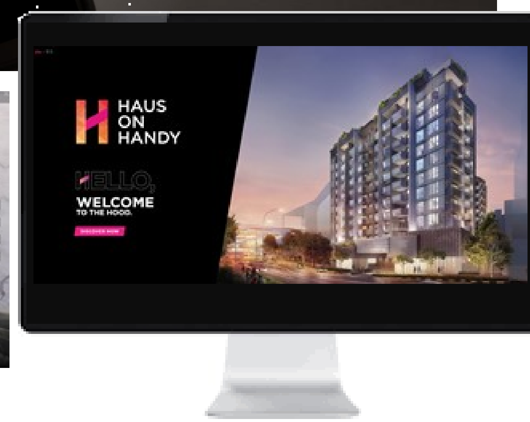
Singapore

Closure of 6 sales galleries & construction works on development sites affected

- Stepped up digital marketing efforts:
  - Virtual tours and digital collaterals
  - Online sales presentations to potential homebuyers
  - Remote assistance with sales process
  - Achieved increase of over 30% in online traffic views for launched projects in April
- Registered residential sales in April for Amber Park, Boulevard 88, Coco Palms, Piermont Grand, Sengkang Grand Residences, South Beach Residences, The Jovell and The Tapestry
- Works at development sites affected:
  - TOPs for most projects expected only in 2022 / 2023; sufficient buffer to accommodate the current delay
  - Forest Woods on schedule for completion by Q3 2020

CDL Homes
www.cdlhomes.com.sg





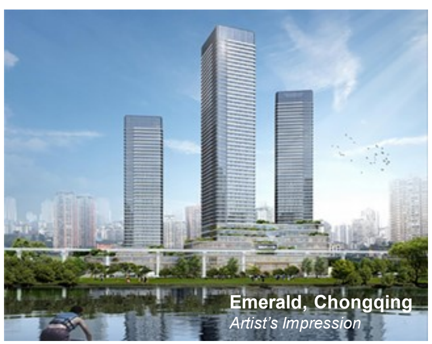
Haus on Handy I 2-bedroom virtual tour

COVID-19 IMPACT

Property Development – Overseas

- **Sales impacted by lockdowns & restrictions in multiple regions**
- **Showflat closures**
- **Construction works stalled or slowed from site closures**

		Current Situation
China	**Nationwide travel restrictions (23 Jan – 8 Apr)**	Lockdown measures have eased
UK	**Nationwide lockdown (Since 24 Mar)**	A conditional plan to review current lockdown restrictions announced, subject to the development of the outbreak
Australia	**Nationwide lockdown (Since 23 Mar)**	Easing of measures (varies across different states)


Emerald, Chongqing
Artist's Impression


Teddington Riverside I Virtual tour


The Marker, Melbourne
Artist's Impression

Note: In view of the evolving situation, dates and measures may change

COVID-19 IMPACT

Asset Management

Tenants Impacted by Global Shutdown of Non-essential Businesses

Widespread business closures in Singapore till 1 Jun 2020:
- Approx. 80% of retail tenants (of non-essential services) closed

Over $30MM rental relief & support to tenants in Singapore & overseas

Singapore

Retail segment hard hit by circuit breaker extension

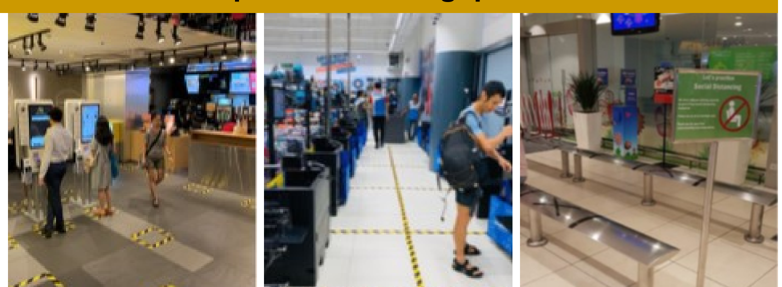
- Over $23MM of rental and property tax rebates to be provided to retail and commercial tenants
- Additional assistance available to tenants with cashflow issues

Month	Ave. Rental Rebate
April	100%
May	100%
June	50%
July	30%

Majority of Singapore retail tenants to receive >2.8 months* of gross rental rebates

Implementation of precautionary & safe distancing measures across commercial & retail portfolio in Singapore

Thermal temperature scanning & safe distancing markers



Safe distancing markers at retail and F&B outlets and taxi stand

* Includes property tax rebates for qualifying commercial properties from the Government that will be fully passed through to tenants

China

Sharp decrease in retail sales in Q1 2020; recovery underway

- Rental rebates to tenants at Suzhou HLCC mall in Q1 2020
- Advertising & Promotion assistance available to retail tenants to drive sales

Thailand

State of emergency till end May; Phuket hardest hit region

- Rental rebates to tenants at Jungceylon Shopping Mall (Phuket) and Mille Malle (Bangkok)

UK

Portfolio shows resilience

- UK government has mandated no eviction of tenants during this period
- Any rental deferments and repayment plans need to be negotiated and agreed upon between landlords and tenants

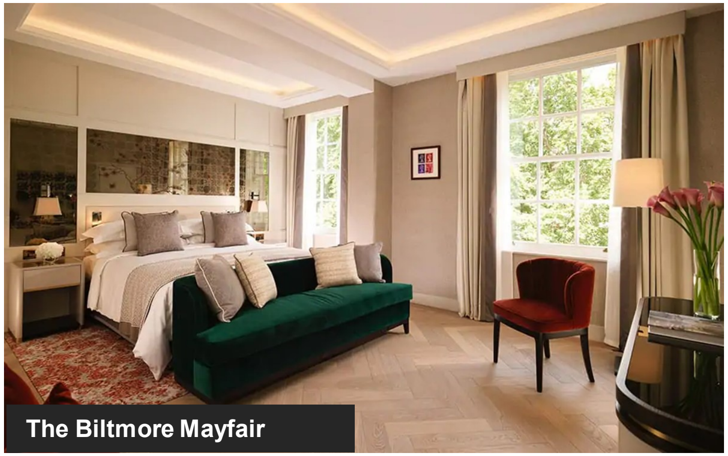
COVID-19 IMPACT

Hotel Operations

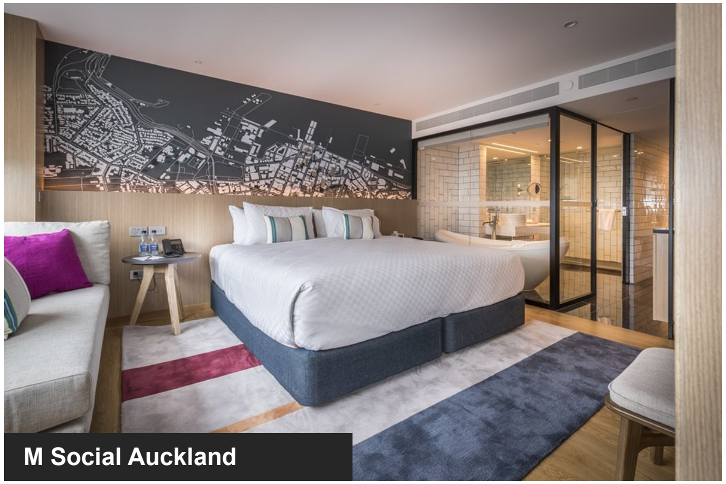
Overview of the Group's Hotel Inventory (as at 31 March 2020)

Around 30% of 152 Hotels Worldwide Closed

Hotel Count	Hotels: Total	Hotels: Closed
By region:		
• New York	4	1
• Rest of US	14	-
• London	8	4
• Rest of Europe	22	17
• Middle East*	43	4
• Singapore	10	-
• Rest of Asia	27	1
• Australasia	24	17
Total:	**152**	**44**



The Biltmore Mayfair



M Social Auckland

* All franchised hotels

Hotel Operations

COVID-19 IMPACT

Q1 2020 Performance Severely Impacted

- **Global occupancy:** 52.1% (▼ 17.9% yoy)
- **Global RevPAR:** $90.60 (▼ 27.0% yoy)
- **Global ARR:** $173.90 (▼ 2.0% yoy)

US

1 hotel closed

- Hotels focus on supporting frontline workers (hospitals / police) and students who are unable to travel home

RevPAR	**$99.50** (▼ 20.7%)
Occupancy	**52.3%** (▼ 7.6%)

UK & Europe

21 hotels closed

- Government-mandated shutdown
- Only a few hotels open to support stays for key essential workers

RevPAR	**$83.30** (▼ 25.2%)
Occupancy	**48.4%** (▼ 19.6%)

Rest of Asia

1 hotel closed

RevPAR	**$59.10** (▼ 45.2%)
Occupancy	**41.2%** (▼ 25.2%)

Singapore

All 10 hotels operational

- Occupancy impact partially mitigated with focus on corporate & public-sector business:
  - Housing of Malaysian workers due to border closure
  - Government-designated facilities for residents serving their Stay-Home Notices

RevPAR	**$103.60** (▼ 28.8%)
Occupancy	**54.5%** (▼ 31.1%)

New Zealand

17 hotels closed

- Country-wide lockdown in New Zealand since 19 March
- Most hotels closed, except for a handful designated to support aircrew and essential workers

RevPAR	**$128.50** (▼ 15.5%)
Occupancy	**77.2%** (▼ 14.1%)

Note: Excludes franchised hotels, such as the Middle East portfolio

COVID-19 IMPACT

Cost Management

Implementation of Business Optimisation and Cost Reduction Measures

Mitigate revenue impact through cost management initiatives:

Board Fees & Management Cost	➢ Board of Directors: Voluntary 25% reduction of director's fees ➢ Top management: 20% pay cuts ➢ Senior personnel: 15% pay cuts ➢ Effective since 1 April 2020
Value Engineering	➢ Maximise value engineering across all projects ➢ Leverage existing resources ➢ Manage working capital
Capex	➢ Defer non-essential capex and operating costs ➢ Initiatives to reduce costs across asset portfolio in place
Capital Management	➢ Conserve cash ➢ Maintain adequate liquidity

COVID-19
IMPACT

Community Initiatives

Supporting Vulnerable Individuals, Families and Communities Affected by COVID-19

Donated $488,000 to Support Vulnerable Individuals, Families & Migrant Workers

$400,000 donation to The Invictus Fund

- Donation made by CDL, together with contributions from entire Board and the key management team
- Supports Singapore's social service agencies to continue delivery of critical social services to vulnerable individuals, families and communities during COVID-19 period

$88,000 donation to workers at CDL development projects

- Dollar-for-dollar match by CDL for contributions made by CDL employees
- Provide workers with necessities during circuit breaker period

Supporting Frontline Workers on the COVID-19 'Battlefield' through M&C

- Hotels in most regions open to support medical personnel, key workers, infrastructure workers and government employees
- Singapore hotels offer discounted accommodation to affected Malaysian employees impacted by Malaysia's Movement Control Order
- "We Clean. We Care. We Welcome." global campaign – initiatives to ensure guests have a pleasant and safe hospitality experience

We CLEAN CARE WELCOME
My MILLENNIUM

Orchard Hotel Singapore
Welcoming Malaysian bus captains from SBS Transit

Sustainability Performance Highlights

Achieved Over $28MM Energy Savings for 8 Commercial Properties (from 2012 – 2019)

Integrated Sustainability Report

- **Publication of 13th dedicated sustainability report**
- Highlights ESG performance outcomes against CDL's Future Value 2030 blueprint

View & download the report from **www.cdlsustainability.com**

Latest ESG Milestones

- Only real estate company listed for 3rd consecutive year
- Only company in Southeast Asia & Hong Kong to achieve this double 'A' honour for both climate change and water security
- Ranked world's top real estate, top Singapore company, and 1st & only Singapore company listed on Global 100 for 11 consecutive years
- Only Singapore company to win multiple accolades at the 5th Asia Sustainability Reporting Awards

2019 Environmental Performance Highlights

Achieved energy savings of

>$28MM

for **8 CDL commercial properties from 2012 to 2019** from energy-efficient retrofitting and initiatives implemented

38%

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

110 Green Mark

developments and office interiors
Highest amongst local developers

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

Capital Management

Capital Management

Strong Balance Sheet & Liquidity Position

Gearing	Sufficient Liquidity	Financing Flexibility	Balanced Debt Profile
Net Gearing	Total Cash	Interest Cover Ratio	% of Fixed Rate Debt
62%	$3.3B	6.2x	42%
FY 2019: 61%	FY 2019: $3.1B	FY 2019: 14.0x	FY 2019: 40%
Net Gearing [1] (include fair value)	Undrawn & Committed Credit Facilities	Average Borrowing Cost	Average Debt Maturity
44%	$2.3B	2.3%	2.3 years
43% in FY 2019	FY 2019: $2.2B	FY 2019: 2.4%	FY 2019: 2.4 years

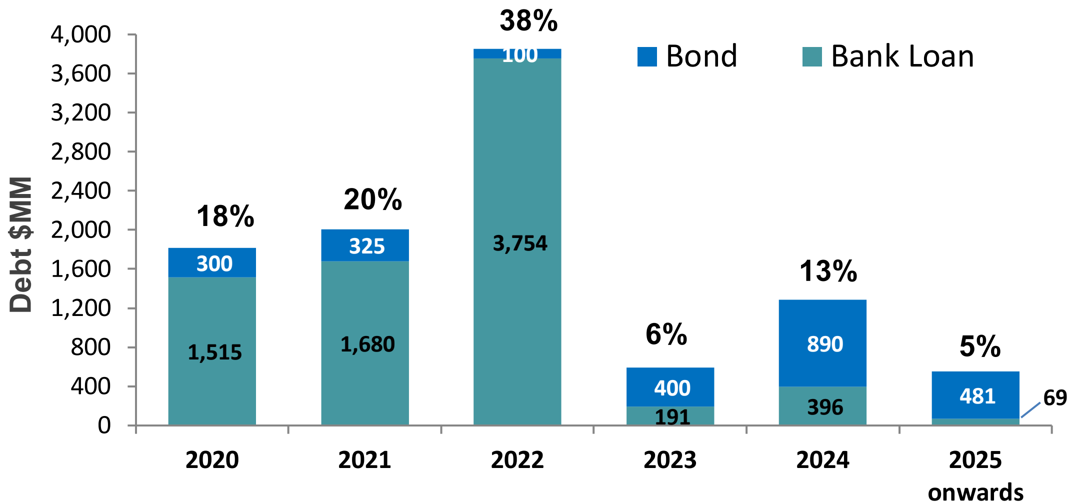
[1] After taking in fair value on investment properties

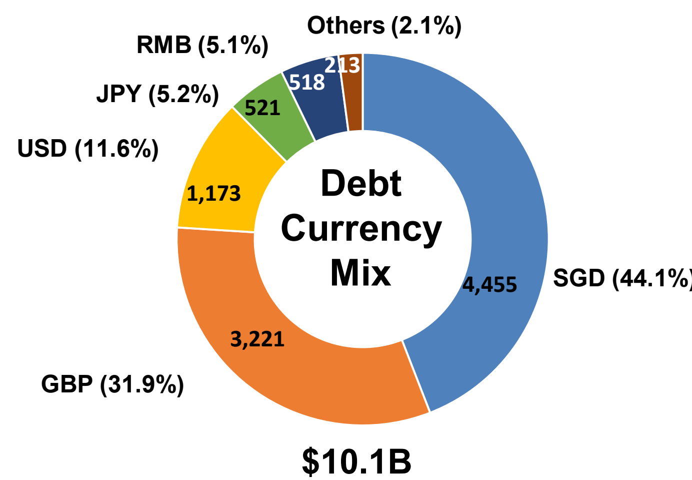
Capital Management

Prudent Capital Management

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

Well-Spread Debt Maturity Profile





Strategic **Investments**

Transformational China Platform Deal

Acquisition of initial 51.01% stake in Sincere Property Group, an established China Real Estate Developer for RMB 4.39B ($0.88B) – Deal completion expected by Q2 2020

- **Renegotiated transaction includes a Call Option exercisable in 2022 for another 9.00% stake at RMB 0.77B ($0.16B)**
- **Upon exercise of the Call Option, CDL will have sole control and a stake of 60.01% in one of China's Top 100 Developers [1]**

Attractive entry valuation RMB 8.6B

Almost 50% below Sincere Property's audited FY 2019 NAV of RMB 16.1B

Top 50 China Commercial Real Estate Developer

Top 10 China Business Park Developer & Operator

RMB 21.4B[2] ($4.3B) 2019 Contracted Sales

9.2MM sqm[2] Development Properties Land Bank

Comprehensive Capabilities across multiple asset types

Development Properties	64	projects		
Investment Properties	9	retail	13	office[3]
	4	hotels	1	serviced residence

Notes: Data as of 31 Dec 2019, subject to further due diligence

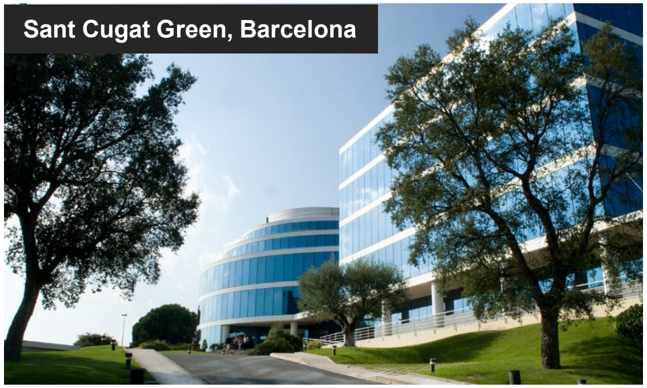
1. 2019 Ranking by China Real Estate Association (中国房地产业协会)
2. On 100% basis
3. Includes 2 self-use offices in Shanghai and Chongqing
4. Includes staff from property development, asset management and Starlight Retail

Strategic Increase in IREIT Global Stake

Acquisition of Additional 8% Effective Stake in IREIT Global Units for $25.5MM

Post-acquisition, CDL holds a 20.9% stake in IREIT Global's units:
- ➢ Joint acquisition by CDL and Tikehau Capital* at a unit price of $0.49^ in April 2020
- ➢ Collectively, CDL and Tikehau Capital hold over 50% of IREIT's units

- Transaction reflects CDL and Tikehau Capital's commitment to IREIT's growth despite COVID-19 pandemic in Europe
- IREIT Global remains focused on growth and asset diversification on two fronts:
  - ➢ **Geography:** Portfolio expansion in key European countries – France, Spain, Italy, Netherlands, Belgium and Germany
  - ➢ **Asset class:** Office and logistics sectors


Sant Cugat Green, Barcelona


Darmstadt Campus


Bonn Campus

IREIT Global's Asset Portfolio	
• Germany	5 freehold office properties
• Spain	4 freehold office properties
Total Lettable Area~	**Approx. 230,000 sqm**
Total Valuation~	**€630.2MM**

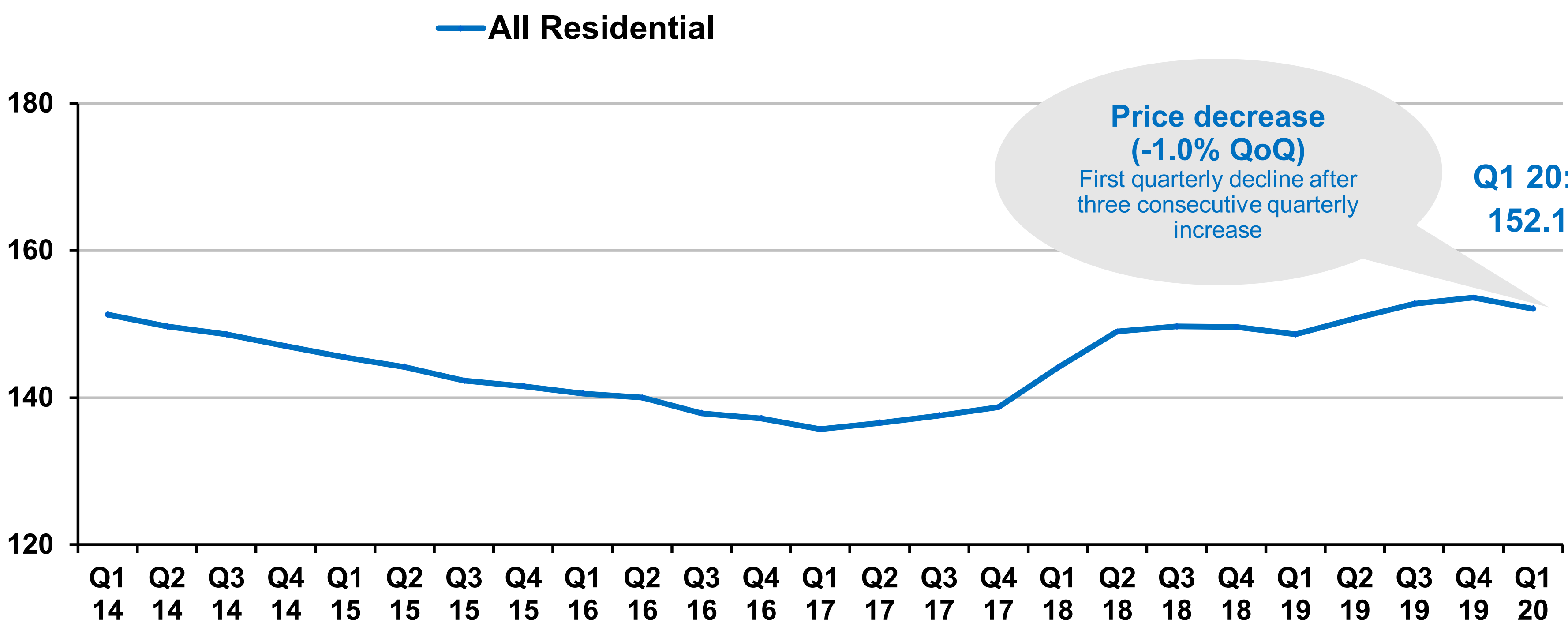
* CDL owns 50% of the REIT Manager for IREIT Global while Tikehau Capital owns the remaining 50%
^ As at 30 Apr 2020, IREIT's share price was $0.685
~ Based on IREIT's proportionate interest in the respective properties

Singapore Operations

Property Development

Singapore Property Market

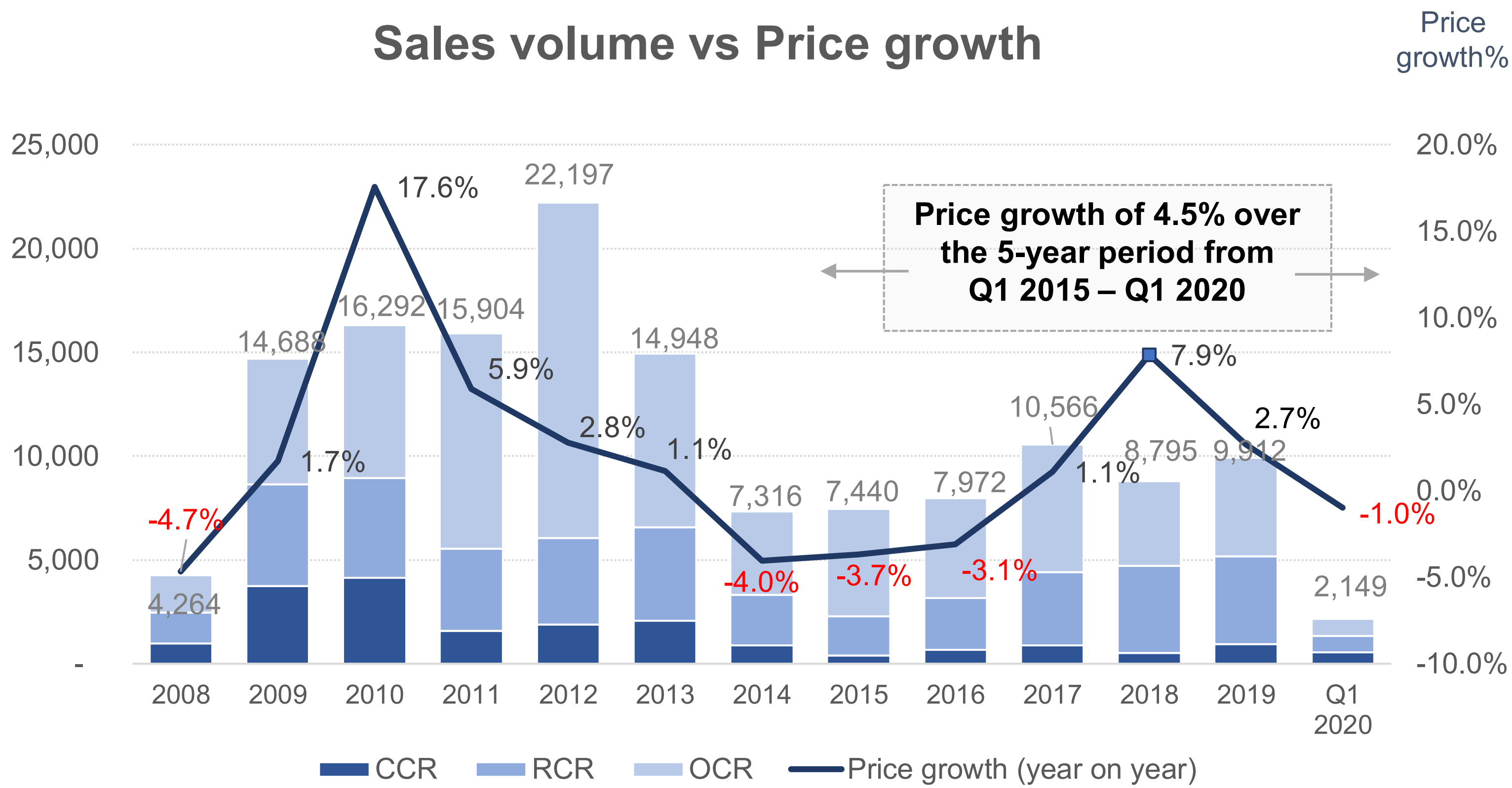
Property Price Index – Residential (2014 – Q1 2020)



Source : URA, Q1 2020

Singapore Property Market

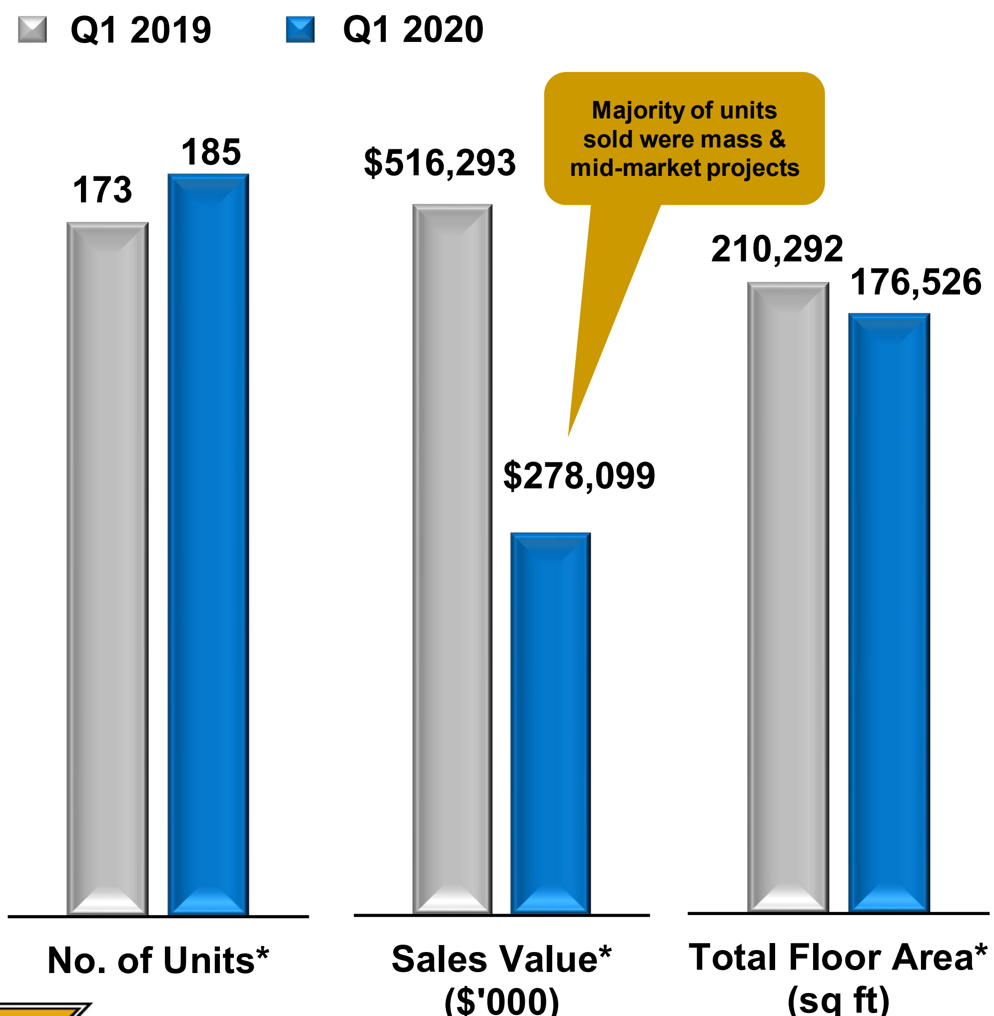
- Private residential prices decreased by 1.0% in Q1 2020 as compared to Q4 2019
- Primary home sales remained healthy in Q1 2020 with a total of 2,149 units sold, marking a 12% decline against Q4 2019



Source : URA Statistics

Singapore Property Development

Residential Units Sold by CDL



Q1 2020

185 units sold

(▲7% yoy)

with sales value of

$278.1 million

Lower sales value as:

- **Q1 2020:** Majority of units sold were mass and mid-market projects like Piermont Grand, Whistler Grand and The Tapestry, as well as Amber Park, a luxury project
- **Q1 2019:** Mainly ultra-luxury projects sold, like Boulevard 88 and South Beach Residences

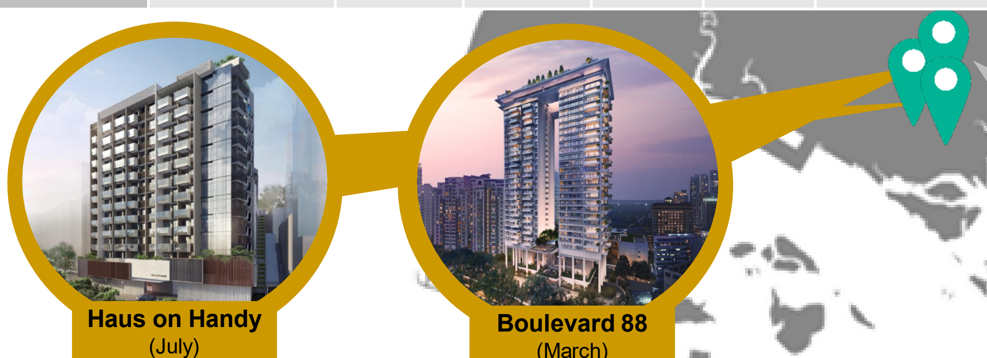
* Includes Executive Condominiums (ECs) and share of JV partners, excludes Nouvel 18

Singapore Property Development

Steady Sales for 2019 Launched Projects

- Sold 185 units with total sales value of $278MM in Q1 2020^
- Continued steady sales for projects launched in 2019

Project	Location	Tenure	Equity Stake	Total Units	Units Sold*	Achieved Average Selling Price (ASP)
Boulevard 88	Orchard Boulevard	Freehold	40%	154	92	>$3,790 psf
Amber Park	Amber Road	Freehold	80%	592	204	>$2,480 psf
Haus on Handy	Handy Road	99 years	100%	188	33	>$2,870 psf
Piermont Grand	Sumang Walk	99 years	60%	820	510	>$1,090 psf
Sengkang Grand Residences	Sengkang Central	99 years	50%	680	238	>$1,730 psf
Nouvel 18~	Anderson Road	Freehold	-	156	27	>$3,460 psf



* As of 31 March 2020

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

~ Divested project marketed by CDL

Singapore Property Development

Inventory of Launched Residential Projects – As of 31 Mar 2020

Project	Equity Stake	Total Units	Units Sold	Total Unsold Inventory	CDL's Share of Unsold Inventory
Cuscaden Residences	25%	75	74	1	0.3
St. Regis Residences	33%	173	161	12	4.0
The Oceanfront @ Sentosa Cove	50%	264	263	1	0.5
One Shenton	100%	341	327	14	14.0
Cliveden at Grange**	100%	110	43	67	67.0
UP@Robertson Quay	100%	70	61	9	9.0
Echelon	50%	508	506	2	1.0
The Venue Residences	60%	266	265	1	0.6
Coco Palms	51%	944	940	4	2.0
Forest Woods	50%	519	516	3	1.5
New Futura	100%	124	124	0	0.0
The Tapestry	100%	861	733	128	128.0
Whistler Grand	100%	716	495	221	221.0
Boulevard 88	40%	154	92	62	24.8
Amber Park	80%	592	204	388	310.4
Haus on Handy	100%	188	33	155	155.0
Piermont Grand	60%	820	510	310	186.0
Sengkang Grand Residences	50%	680	238	442	221.0
South Beach Residences	50%	190	134	56	28.1
The Jovell	33%	428	120	308	101.6
TOTAL:		**8,023**	**5,839**	**2,184**	**~1,476**

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

** Leasing strategy implemented

Diversified Residential Launch Pipeline

Singapore Pipeline comprises Mass Market and Mid-Tier segments

Launch Pipeline

>1,800 units*

Upcoming Launches

Penrose (Sims Drive)^	2H 2020
Irwell Bank Road	TBA
Liang Court redevelopment^	TBA

Irwell Bank Road
(Est 580 units)

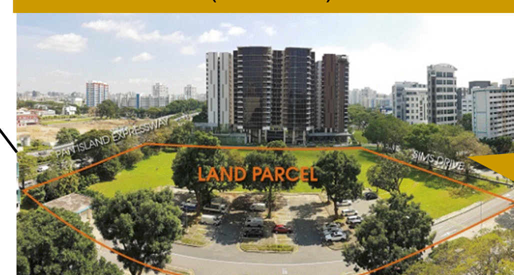
Land cost: **$583.9MM**
($1,515 psf ppr)

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

Liang Court redevelopment^
(Est 700 units)

Est GFA: **60,158 sqm**

Sims Drive^
(566 units)



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

GLS site near Aljunied MRT awarded in Apr 2019

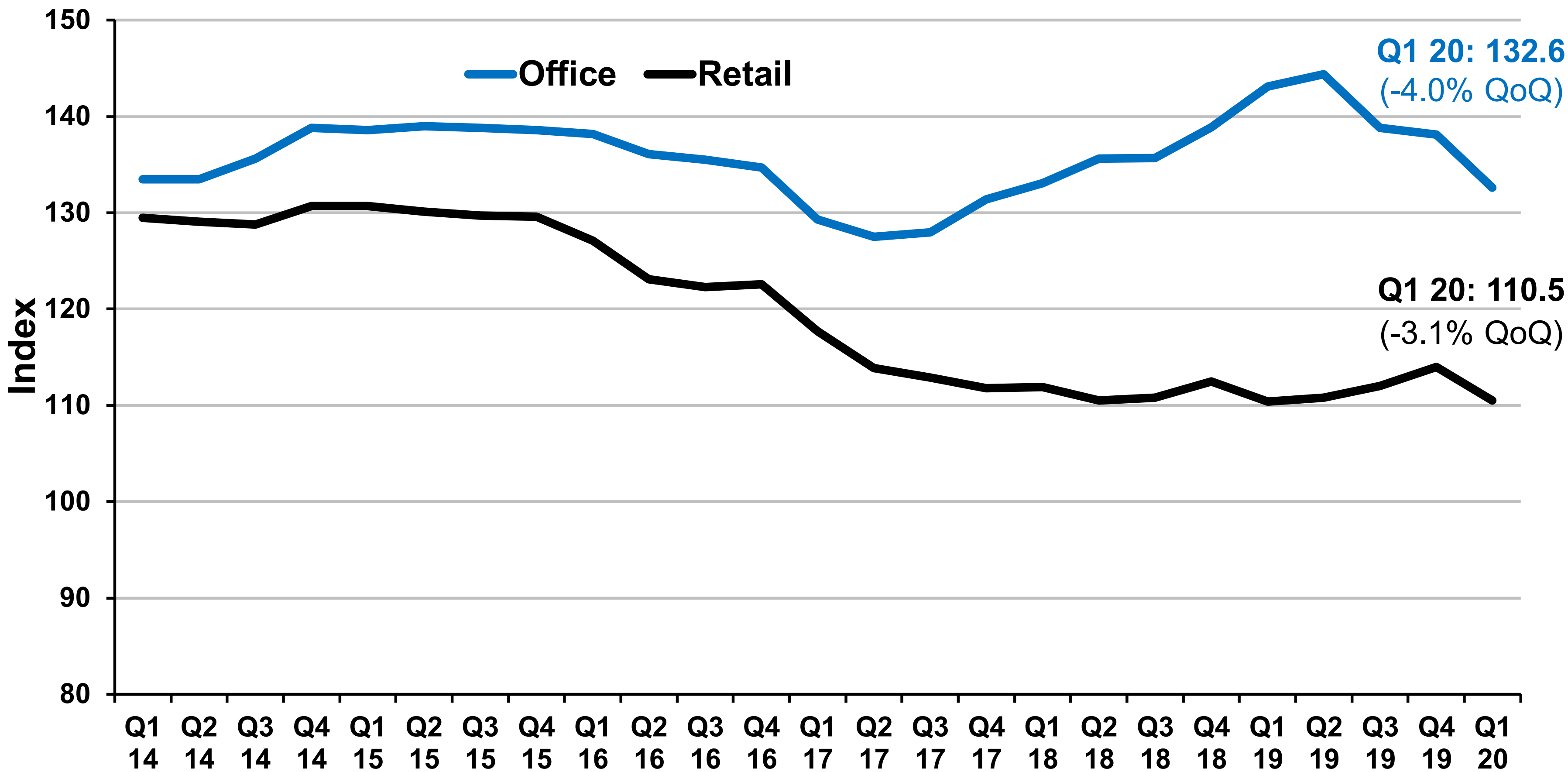
* Includes JV partners share ^ JV project

Singapore Operations

Asset Management

Singapore Commercial Market

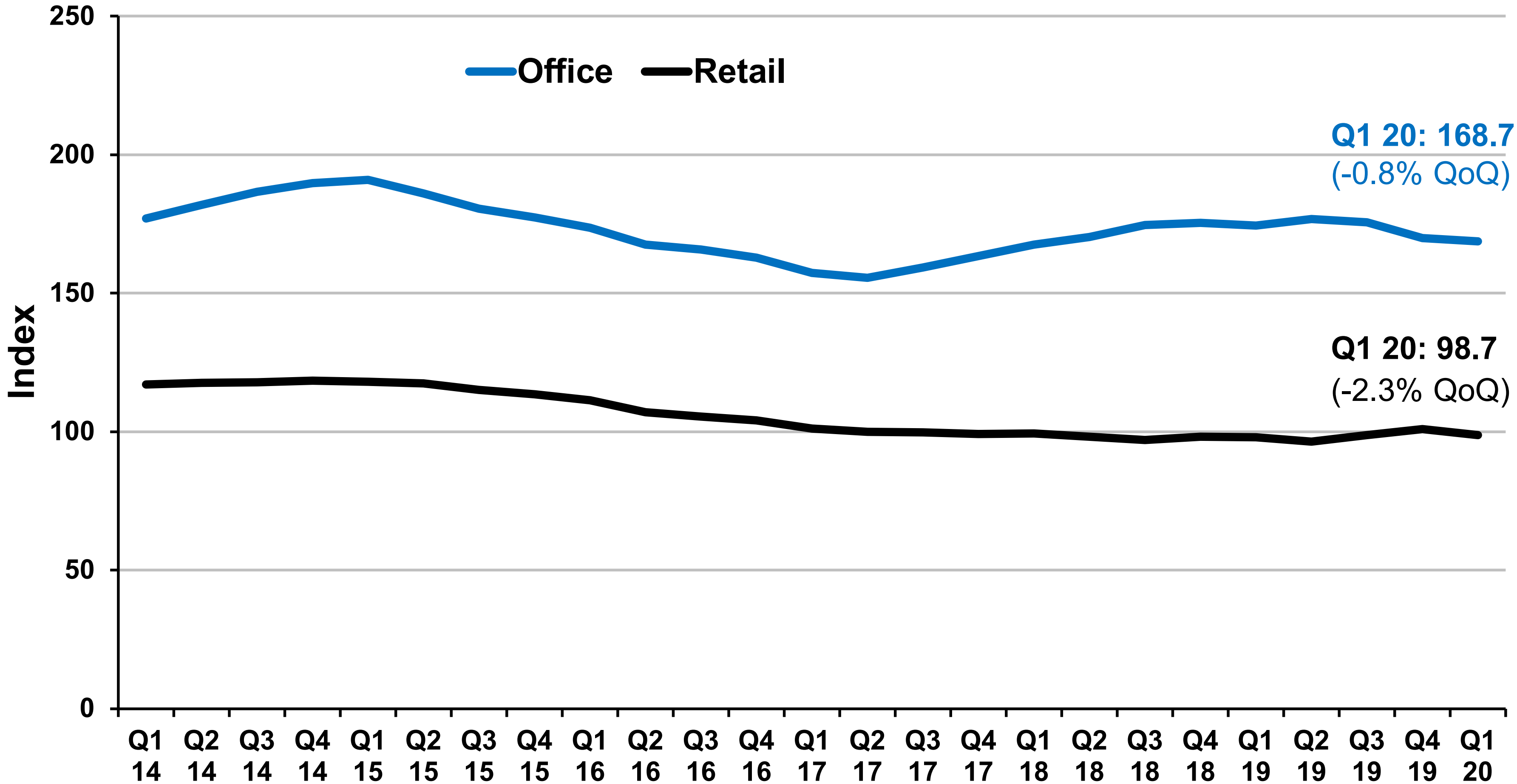
Property Price Index – Commercial (2014 – Q1 2020)



Source : URA, Q1 2020

Singapore Commercial Market

Property Rental Index – Commercial (2014 – Q1 2020)



Source : URA, Q1 2020

Singapore Commercial Portfolio

Strong Committed Occupancy and Positive Rental Reversion for Office & Retail Portfolio (As at 31 March 2020) [1]

Office

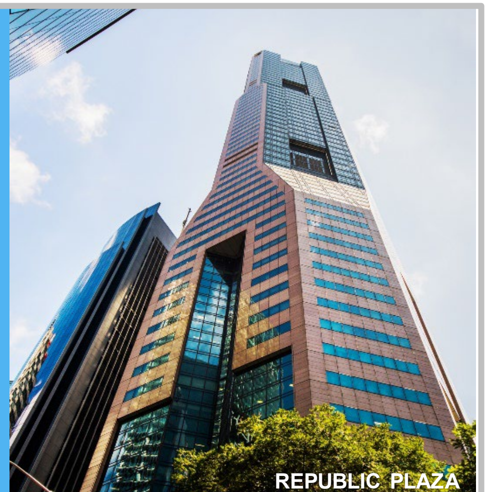
13 properties

90.9%

Committed Occupancy

2.2MM sq ft

Net Lettable Area



Retail

9 properties

94.4%

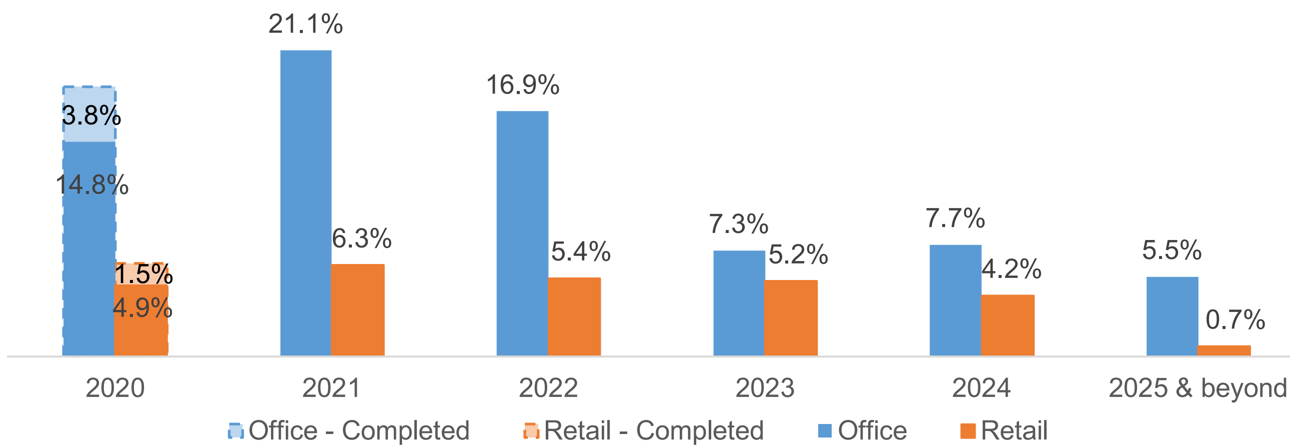
Committed Occupancy

733,000 sq ft

Net Lettable Area

Lease Expiry Profile by % of NLA

- Income stability from well-spread lease expiry profile
- Engagement of tenants well ahead of lease expiries further strengthens risk management

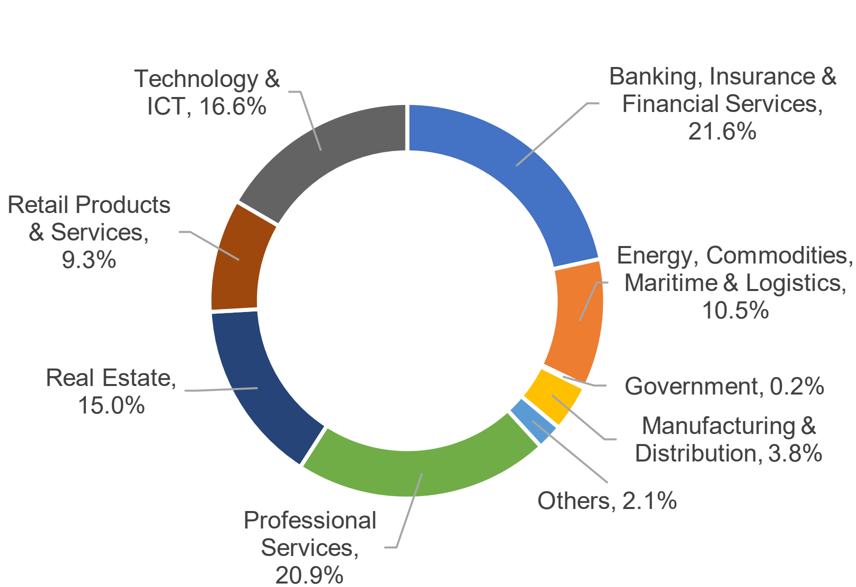


[1] Includes all Singapore assets under management (including JV project South Beach), in accordance to CDL's proportionate ownership.

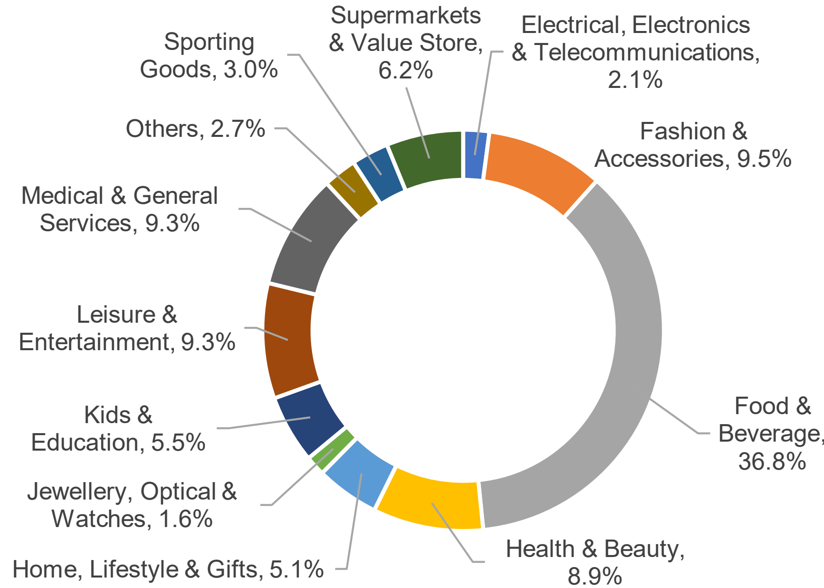
Singapore Commercial Portfolio

Trade Mix of Office & Retail Space by % of Total Gross Rental Income (As at 31 March 2020)*

Office



Retail



- **Diverse and well-spread tenant mix across both office and retail segments:**
  - **Office**: Representation across varied industries provides stability. Demand in Q1 sustained by Banking, Insurance and Financial Services.
  - **Retail**: Strategically review vacant spaces arising from the impact of COVID-19

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

Hospitality

Hotel Operations Performance

Hotel Occupancy, Average Room Rate, and RevPAR by Region for CDL/M&C Hotels

	Room Occupancy			Average Room Rate			RevPAR		
	Q1 2020 %	Q1 2019 %	Incr / (Decr) % pts	Q1 2020 $	Q1 2019 * $	Incr / (Decr) %	Q1 2020 $	Q1 2019 * $	Incr / (Decr) %
Singapore	54.5	85.6	(31.1)	190.3	170.0	11.9	103.6	145.6	(28.8)
Rest of Asia	41.2	66.4	(25.2)	143.3	162.6	(11.9)	59.1	107.9	(45.2)
Total Asia	**46.3**	**73.3**	**(27.0)**	**164.4**	**165.7**	(0.8)	**76.1**	**121.1**	**(37.2)**
New Zealand	**77.2**	**91.3**	**(14.1)**	**166.4**	**166.4**	**-**	**128.5**	**152.0**	**(15.5)**
London	47.3	73.7	(26.4)	225.8	198.8	13.6	106.8	146.5	(27.1)
Rest of Europe	49.6	62.8	(13.2)	118.8	126.5	(6.1)	58.9	79.5	(25.9)
Total Europe	**48.4**	**68.0**	**(19.6)**	**172.1**	**163.7**	**5.1**	**83.3**	**111.3**	**(25.2)**
New York	58.5	76.9	(18.4)	229.4	263.4	(12.9)	134.2	202.6	(33.8)
Regional US	48.6	51.5	(2.9)	161.5	165.9	(2.7)	78.5	85.5	(8.2)
Total US	**52.3**	**59.9**	**(7.6)**	**190.3**	**209.3**	**(9.1)**	**99.5**	**125.4**	**(20.7)**
Total Group	**52.1**	**70.0**	**(17.9)**	**173.9**	**177.4**	**(2.0)**	**90.6**	**124.1**	**(27.0)**

* For comparability, Q1 2019 Average Room Rate and RevPAR had been translated at constant exchange rates (31 Mar 2020).

CDL Hospitality Trusts

Trading Performance

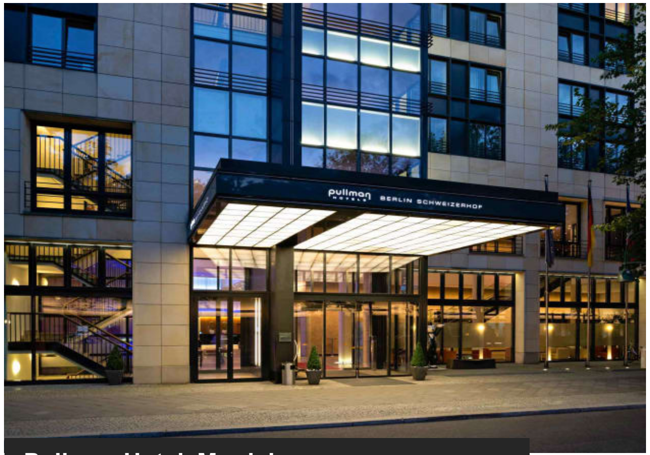
	Q1 2020 $MM	Q1 2019 $MM	Change %
Gross Revenue	**33.0**	**46.3**	(28.7)
Net Property Income (NPI)	**19.6**	**33.8**	(42.1)

Gross Revenue and NPI decreased mainly due to:

- Global COVID-19 fears directly impacting travel demand as well as strict lockdown measures including quarantines, safe distancing, travel bans and complete lockdown of cities. These disruptions caused CDLHT's properties to either close on a temporary basis or operate at low occupancies.

- Postponement and cancellations of major MICE and social events (such as weddings) reducing demand for venue and function spaces.

Raffles Maldives Meradhoo



Pullman Hotel, Munich

CDL Hospitality Trusts

Trading Performance

Country	% Change in RevPAR	Remarks
Singapore	(39.8)	Experienced 30% occupancy rate decline, despite accommodation demand from foreign workers affected by border closures and returnees serving out Stay-Home Notices in hotels
Maldives	(31.2)	Decline in Angsana Velavaru RevPAR. Gestation of Raffles Maldives Meradhoo disrupted due to the COVID-19 situation and closed on 1 April 2020 to contain costs ahead of low season
New Zealand	(15.0)	Strong occupancy prior to 19 March lockdown reduced magnitude of RevPAR decline
Germany	(37.0)	Fewer trade events during the quarter, coupled with occupancy plunge from the COVID-19 situation
Italy	(37.9)	Temporary closure of Hotel Cerretani Firenze – MGallery from 13 March
Japan	(33.6)	Despite healthy occupancies in Q1 2020, flexible pricing in the face of significantly decreased international demand weighed on RevPAR
United Kingdom	(27.3)	Corporate demand hit by COVID-19 concerns, followed by mandatory hotel closures on 24 March

Disclaimer:

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

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