FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

CITY DEVELOPMENTS LIMITED

Securities

CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09

Stapled Security

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Announcement Details

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Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please refer to the attached documents:
1) Condensed Interim Financial Statements for the six months ended 30 June 2022;
2) News Release titled "CDL Posts Record Profit of S$1.1 billion for 1H 2022, Reversing Net Loss of S$32.1 million in 1H 2021"; and
3) 1H 2022 Results Presentation.

Additional Details

For Financial Period Ended

30/06/2022

Attachments

1H_2022_Interim_FS_Final.pdf

CDL_News_Release_1H_2022_Results.pdf

CDL_1H_2022_Results Presentation.pdf

Total size =5091K MB

City Developments Limited and its subsidiaries
Registration Number: 196300316Z

Condensed Interim Financial Statements
For the six months ended 30 June 2022

Condensed Interim Consolidated Statement of Profit or Loss
Six months ended 30 June 2022

	Note	Group 6 months ended 30 June 2022 $'000	Group 6 months ended 30 June 2021 $'000
Revenue	5	1,472,553	1,192,189
Cost of sales		(889,095)	(775,401)
Gross profit		583,458	416,788
Other income	7	1,422,522	56,413
Administrative expenses		(277,419)	(249,267)
Other operating expenses		(197,615)	(147,585)
Profit from operating activities		1,530,946	76,349
Finance income	6	60,717	14,033
Finance costs	6	(99,483)	(132,342)
Net finance costs		(38,766)	(118,309)
Share of after-tax profit of associates		52,015	30,461
Share of after-tax profit of joint ventures		40,674	21,246
Profit before tax	7	1,584,869	9,747
Tax expense	8	(432,745)	(28,456)
Profit/(Loss) for the period		1,152,124	(18,709)
Attributable to:			
Owners of the Company		1,126,341	(32,086)
Non-controlling interests		25,783	13,377
Profit/(Loss) for the period		1,152,124	(18,709)
Earnings per share			
- Basic	9	123.5 cents	(4.2) cents
- Diluted	9	118.3 cents	(4.2) cents

Condensed Interim Consolidated Statement of Comprehensive Income
Six months ended 30 June 2022

		Group	
	Note	**6 months ended 30 June 2022 $'000**	**6 months ended 30 June 2021 $'000**
Profit/(Loss) for the period		1,152,124	(18,709)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Net change in fair value of equity investments at FVOCI		508	768
		508	768
Items that are or may be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of cash flow hedges		616	2,764
Exchange differences on hedges of net investment in foreign operations		(10,492)	3,004
Exchange differences on monetary items forming part of net investments in foreign operations		(51,463)	4,334
Exchange differences reclassified to profit or loss on disposal of subsidiaries	26	85,302	–
Share of translation differences of equity-accounted investees		(14,665)	15,819
Translation differences arising on consolidation of foreign operations		(61,653)	(18,216)
		(52,355)	7,705
Total other comprehensive income for the period, net of tax		(51,847)	8,473
Total comprehensive income for the period		1,100,277	(10,236)
Total comprehensive income attributable to:			
Owners of the Company		1,090,783	(26,236)
Non-controlling interests		9,494	16,000
Total comprehensive income for the period		1,100,277	(10,236)

Condensed Interim Statements of Financial Position
As at 30 June 2022

	Note	Group 30 June 2022 $'000	Group 31 December 2021 $'000	Company 30 June 2022 $'000	Company 31 December 2021 $'000
Non-current assets					
Property, plant and equipment	11	4,411,326	5,361,835	51,275	32,543
Investment properties	12	3,870,684	3,997,169	408,655	413,152
Investments in:					
- subsidiaries		–	–	1,996,087	1,996,087
- associates	13	1,291,563	816,979	–	–
- joint ventures	14	1,033,835	1,037,046	37,360	37,360
Financial assets		803,805	740,686	351,549	351,438
Other non-current assets, including derivatives	15	221,434	182,557	6,369,372	6,205,239
		11,632,647	12,136,272	9,214,298	9,035,819
Current assets					
Development properties	16	5,966,922	5,839,471	171,337	175,792
Contract costs		76,294	74,996	–	–
Contract assets		341,111	402,330	–	–
Consumable stocks		7,697	10,771	36	37
Financial assets		26,595	26,848	137	–
Trade and other receivables, including derivatives	17	1,819,120	1,873,414	6,511,404	6,247,402
Cash and cash equivalents		2,128,745	2,083,165	448,398	686,322
		10,366,484	10,310,995	7,131,312	7,109,553
Assets held for sale	18	1,036,646	1,445,759	–	–
		11,403,130	11,756,754	7,131,312	7,109,553
Total assets		23,035,777	23,893,026	16,345,610	16,145,372

Condensed Interim Statements of Financial Position (cont'd)
As at 30 June 2022

		Group		Company	
	Note	**30 June 2022 $'000**	**31 December 2021 $'000**	**30 June 2022 $'000**	**31 December 2021 $'000**
Equity attributable to owners of the Company					
Share capital	19	1,991,397	1,991,397	1,991,397	1,991,397
Reserves		7,242,270	6,422,163	4,101,111	4,341,009
		9,233,667	8,413,560	6,092,508	6,332,406
Non-controlling interests		364,552	918,469	–	–
Total equity		9,598,219	9,332,029	6,092,508	6,332,406
Non-current liabilities					
Interest-bearing borrowings	20	5,793,517	5,952,032	4,654,294	3,937,631
Employee benefits		23,270	24,637	–	–
Lease liabilities	24	690,239	246,003	29,602	9,600
Other liabilities, including derivatives	21	155,923	217,910	758,901	8,387
Provisions	23	22,572	22,129	–	–
Deferred tax liabilities		270,950	196,068	18,371	18,565
		6,956,471	6,658,779	5,461,168	3,974,183
Current liabilities					
Trade and other payables, including derivatives	22	1,460,414	1,453,043	2,528,790	2,621,707
Contract liabilities		642,111	724,077	–	–
Interest-bearing borrowings	20	3,593,894	5,187,961	2,246,938	3,200,708
Lease liabilities	24	29,806	19,324	5,801	6,322
Employee benefits		33,682	33,576	3,576	2,960
Provision for taxation		622,054	362,960	6,829	7,086
Provisions	23	71,930	93,928	–	–
		6,453,891	7,874,869	4,791,934	5,838,783
Liabilities directly associated with the assets held for sale	18	27,196	27,349	–	–
		6,481,087	7,902,218	4,791,934	5,838,783
Total liabilities		13,437,558	14,560,997	10,253,102	9,812,966
Total equity and liabilities		23,035,777	23,893,026	16,345,610	16,145,372

Condensed Interim Statement of Changes in Equity
Six months ended 30 June 2022

Group	Note	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Hedging reserve $'000	Other reserves $'000	Share option reserve $'000	Foreign currency translation reserve $'000	Accumulated profits $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2022		1,991,397	290,920	997	(1,532)	23,952	15,423	(140,411)	6,232,814	8,413,560	918,469	9,332,029
Profit for the period		–	–	–	–	–	–	–	1,126,341	1,126,341	25,783	1,152,124
Other comprehensive income for the period, net of tax		–	–	508	616	–	–	(36,682)	–	(35,558)	(16,289)	(51,847)
Total comprehensive income for the period		–	–	508	616	–	–	(36,682)	1,126,341	1,090,783	9,494	1,100,277
Transactions with owners, recorded directly in equity												
<u>Distribution to owners</u>												
Capital distribution to non-controlling interests		–	–	–	–	–	–	–	–	–	(8,184)	(8,184)
Dividends paid to owners of the Company		–	–	–	–	–	–	–	(88,020)	(88,020)	–	(88,020)
Distribution *in specie*	26	–	–	–	–	–	–	–	(183,124)	(183,124)	–	(183,124)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	–	–	(18,293)	(18,293)
Share-based payment transactions		–	–	–	–	–	30	–	–	30	–	30
Total distributions to owners		–	–	–	–	–	30	–	(271,144)	(271,114)	(26,477)	(297,591)
<u>Change in ownership interests in subsidiaries</u>												
Disposal of subsidiaries	26	–	(59,198)	–	–	–	–	–	59,198	–	(536,496)	(536,496)
Changes of interests in subsidiaries without loss of control		–	438	–	–	–	–	–	–	438	(438)	–
Total change in ownership interests in subsidiaries		–	(58,760)	–	–	–	–	–	59,198	438	(536,934)	(536,496)
Total transactions with owners		–	(58,760)	–	–	–	30	–	(211,946)	(270,676)	(563,411)	(834,087)
Transfer to statutory reserves		–	–	–	–	359	–	–	(359)	–	–	–
At 30 June 2022		1,991,397	232,160	1,505	(916)	24,311	15,453	(177,093)	7,146,850	9,233,667	364,552	9,598,219

Condensed Interim Statement of Changes in Equity (cont'd)
Six months ended 30 June 2022

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

Condensed Interim Statement of Changes in Equity (cont'd)
Six months ended 30 June 2022

	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Hedging reserve $'000	Accumulated profits $'000	Total equity $'000
Company						
At 1 January 2022	1,991,397	63,743	(30,358)	–	4,307,624	6,332,406
Profit for the period	–	–	–	–	30,972	30,972
Other comprehensive income for the period, net of tax	–	–	274	–	–	274
Total comprehensive income for the period	–	–	274	–	30,972	31,246
Transactions with owners, recorded directly in equity						
Distribution to owners						
Dividends	–	–	–	–	(88,020)	(88,020)
Distribution *in specie*	–	–	–	–	(183,124)	(183,124)
Total distributions to owners	–	–	–	–	(271,144)	(271,144)
Total transaction with owners	–	–	–	–	(271,144)	(271,144)
At 30 June 2022	1,991,397	63,743	(30,084)	–	4,067,452	6,092,508
At 1 January 2021	1,991,397	63,743	(33,150)	(448)	4,427,888	6,449,430
Profit for the period	–	–	–	–	14,575	14,575
Other comprehensive income for the period, net of tax	–	–	457	340	–	797
Total comprehensive income for the period	–	–	457	340	14,575	15,372
Transactions with owners, recorded directly in equity						
Distribution to owners						
Dividends	–	–	–	–	(115,227)	(115,227)
Total distributions to owners	–	–	–	–	(115,227)	(115,227)
Total transaction with owners	–	–	–	–	(115,227)	(115,227)
At 30 June 2021	1,991,397	63,743	(32,693)	(108)	4,327,236	6,349,575

Condensed Interim Consolidated Statement of Cash Flows
Six months ended 30 June 2022

		Group	
	Note	**6 months ended 30 June 2022 $'000**	**6 months ended 30 June 2021 $'000**
Cash flows from operating activities			
Profit/(Loss) for the period		1,152,124	(18,709)
Adjustments for:			
Depreciation and amortisation		131,098	144,068
Dividend income		(1,420)	(1,859)
Finance income		(99,313)	(14,033)
Finance costs		99,483	130,535
Gain on disposal/liquidation of subsidiaries and dilution of interest in an associate (net)		(500,876)	(33)
Impairment loss on other receivables		–	4,215
Impairment loss on property, plant and equipment		–	822
Negative goodwill on acquisition of subsidiaries	27	–	(35,553)
Profit on sale of property, plant and equipment and investment properties (net)		(911,491)	(14,556)
Property, plant and equipment, investment properties and intangible assets written off		2,892	68
Share of after-tax profit of associates		(52,015)	(30,461)
Share of after-tax profit of joint ventures		(40,674)	(21,246)
Tax expense		432,745	28,456
		212,553	171,714
Changes in working capital:			
Development properties		(221,217)	277,028
Contract costs		(1,298)	(20,427)
Contract assets		61,219	68,494
Consumable stocks and trade and other receivables		(1,690)	(52,531)
Trade and other payables and provisions		55,665	50,163
Contract liabilities		(76,212)	152,425
Employee benefits		(877)	811
Cash generated from operations		28,143	647,677
Tax paid		(57,960)	(51,430)
Net cash (used in)/from operating activities		(29,817)	596,247

Condensed Interim Consolidated Statement of Cash Flows (cont'd)
Six months ended 30 June 2022

	Note	Group 6 months ended 30 June 2022 $'000	6 months ended 30 June 2021 $'000
Cash flows from investing activities			
Acquisition of subsidiaries (net of cash acquired)	27	(43,005)	(331,574)
Dividends received:			
- associates		9,494	4,226
- joint ventures		30,827	2,781
- financial investments		1,420	1,859
Increase in investments in associates		(27,919)	(1,455)
Increase in investments in joint ventures		(2,265)	(1,999)
Return of capital from a joint venture		3,006	53,006
Increase in amounts owing by equity-accounted investees (non-trade)		(52,321)	(58,584)
Interest received		9,791	13,426
Payments for intangible assets		–	(558)
Payments for capital expenditure on investment properties		(192,056)	(100,931)
Payments for purchase of property, plant and equipment		(33,072)	(38,787)
Purchase of investment properties		(182,250)	–
Proceeds from sale of property, plant and equipment and investment properties		1,212,591	18,738
Proceeds from disposal of subsidiaries, net of cash disposed	26	(16,409)	–
Purchase of financial assets (net)		(72,390)	(16,070)
Proceeds from distributions from investments in financial assets		11,014	5,828
Settlement of financial derivatives		22,086	(23,758)
Net cash from/(used in) investing activities		678,542	(473,852)
Cash flows from financing activities			
Capital distribution to non-controlling interests (net)		(9,432)	(12,374)
Dividends paid		(105,065)	(130,192)
Payment of lease liabilities and finance lease payables		(17,143)	(9,382)
Interest paid (including amounts capitalised in property, plant and equipment and development properties)		(105,327)	(106,802)
Net increase in amounts owing to related parties and non-controlling interests (non-trade)		7,474	18,932
Net proceeds from/(repayment of) revolving credit facilities and short-term bank borrowings		329,157	(140,917)
Decrease in restricted cash		120,127	3,669
Payment of financing transaction costs		(6,585)	(3,541)
Proceeds from bank borrowings		321,381	1,697,385
Repayment of bank borrowings		(1,044,217)	(2,122,948)
Proceeds from issuance of bonds and notes		–	335,000
Repayment of bonds and notes		–	(115,000)
Net cash used in financing activities		(509,630)	(586,170)
Net increase/(decrease) in cash and cash equivalents		139,095	(463,775)
Cash and cash equivalents at beginning of the period		1,944,133	2,955,109
Effect of exchange rate changes on balances held in foreign currencies		(33,259)	2,467
Cash and cash equivalents at end of the period		2,049,969	2,493,801

Condensed Interim Consolidated Statement of Cash Flows (cont'd)
Six months ended 30 June 2022

	Note	Group 30 June 2022 $'000	30 June 2021 $'000
Cash and cash equivalents at the end of the period comprises:			
Cash and cash equivalents in the statement of financial position		2,128,745	2,651,396
Restricted deposits included in other non-current assets	15	6,965	104,122
Cash and cash equivalents included in assets held for sale	18	34,193	16,752
Less: Restricted cash		(119,934)	(278,469)
		2,049,969	2,493,801

Significant non-cash transaction

There were the following significant non-cash transactions during the period:

a) Dividends amounting to $1,248,000 (six months ended 30 June 2021: $1,335,000) were paid by a subsidiary to its non-controlling interests in the form of additional shares in that subsidiary.

b) In May 2022, the Company distributed 144,191,823 stapled securities in CDL Hospitality Trusts ("CDLHT" and such stapled securities, the "CDLHT Units") that it holds to its ordinary shareholders at 0.159 CDLHT Units per ordinary share through a distribution *in specie.* The distribution *in specie*, based on $1.27 per CDLHT Unit, amounted to $183,124,000 (Note 26).

Notes to the Condensed Interim Financial Statements

1. Corporate information

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

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

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

The condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 relate to the Company and its subsidiaries (together referred to as the Group and individually as Group entities) and the Group's interests in associates and joint ventures.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore and IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2021. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021. All references to SFRS(I)s and IFRSs are subsequently referred to as SFRS(I) in the financial statements.

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

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

2.1 New and amended standards adopted by the Group

The Group has applied various new accounting standards and interpretations of accounting standards for the first time for the annual period beginning on 1 January 2022. The application of these standards and interpretations did not have a material effect on the condensed interim financial statements.

2.2 Use of judgements and estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those described in the Group's combined financial statements as at and for the year ended 31 December 2021.

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 & Risk Committee and Board of Directors.

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

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

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

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

3. Seasonal operations

The Group's business is not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment information

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

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

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

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

Segment results

	Property development $'000	Hotel operations $'000	Investment properties $'000	Total $'000	Others $'000	Total $'000
Six months ended 30 June 2022						
Total revenue (including inter-segment revenue)	608,542	613,017	203,349	1,424,908	111,745	1,536,653
Inter-segment revenue	–	(14,178)	(29,346)	(43,524)	(20,576)	(64,100)
External revenue	608,542	598,839*	174,003	1,381,384	91,169	1,472,553
Profit/(Loss) from operating activities	84,640	1,302,043	147,118	1,533,801	(2,855)	1,530,946
Share of after-tax profit of associates and joint ventures	58,189	4,580	18,154	80,923	11,766	92,689
Finance income	35	47,147	(2,041)	45,141	15,576	60,717
Finance costs	(38,704)	(28,709)	(32,245)	(99,658)	175	(99,483)
Net finance (costs)/ income	(38,669)	18,438	(34,286)	(54,517)	15,751	(38,766)
Reportable segment profit before tax	104,160	1,325,061	130,986	1,560,207	24,662	1,584,869
Six months ended 30 June 2021						
Total revenue (including inter-segment revenue)	628,563	321,314	203,353	1,153,230	96,965	1,250,195
Inter-segment revenue	–	(4,321)	(32,440)	(36,761)	(21,245)	(58,006)
External revenue	628,563	316,993*	170,913	1,116,469	75,720	1,192,189
Profit/(Loss) from operating activities	137,606	(93,314)	22,889	67,181	9,168	76,349
Share of after-tax profit/(loss) of associates and joint ventures	43,122	(20,411)	6,293	29,004	22,703	51,707
Finance income	9,224	1,761	3,048	14,033	–	14,033
Finance costs	(71,150)	(30,936)	(22,714)	(124,800)	(7,542)	(132,342)
Net finance costs	(61,926)	(29,175)	(19,666)	(110,767)	(7,542)	(118,309)
Reportable segment profit/(loss) before tax	118,802	(142,900)	9,516	(14,582)	24,329	9,747

***** Revenue from hotel operations includes room revenue of $407.7 million (six months ended 30 June 2021: $195.8 million) for the six months ended 30 June 2022 from hotels that are owned by the Group.

Segment Assets and Liabilities

	Property development $'000	Hotel operations $'000	Investment properties $'000	Total $'000	Others $'000	Total $'000
30 June 2022						
Reportable segment assets	10,450,072	5,800,261	5,627,783	21,878,116	1,087,397	22,965,513
Deferred tax assets						65,391
Tax recoverable						4,873
Total assets						23,035,777
Reportable segment liabilities	5,682,223	3,554,970	2,996,180	12,233,373	311,181	12,544,554
Deferred tax liabilities						270,950
Provision for taxation						622,054
Total liabilities						13,437,558
31 December 2021						
Reportable segment assets	9,802,318	6,071,857	6,620,825	22,495,000	1,324,167	23,819,167
Deferred tax assets						69,302
Tax recoverable						4,557
Total assets						23,893,026
Reportable segment liabilities	6,361,148	3,471,262	3,892,700	13,725,110	276,859	14,001,969
Deferred tax liabilities						196,068
Provision for taxation						362,960
Total liabilities						14,560,997

5. Revenue

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

	Group	
	6 months ended 30 June 2022 $'000	6 months ended 30 June 2021 $'000
Dividends from investments:		
- fellow subsidiaries		
- quoted equity investments – at FVOCI	897	979
- unquoted equity investments – at FVOCI	–	236
- others		
- quoted equity investments – at FVOCI	334	334
- quoted equity investments – mandatorily at FVTPL	189	310
Hotel operations	598,839	316,993
Development properties for which revenue is:		
- recognised over time	438,239	457,725
- recognised at a point in time	170,303	170,838
Rental income from investment properties	174,003	170,913
Others	89,749	73,861
	1,472,553	1,192,189

Disaggregation of revenue

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

	Reportable segments							
	Property development		**Hotel operations**		**Others***		**Total**	
	6 months ended 30 June 2022 $'000	**6 months ended 30 June 2021 $'000**	**6 months ended 30 June 2022 $'000**	**6 months ended 30 June 2021 $'000**	**6 months ended 30 June 2022 $'000**	**6 months ended 30 June 2021 $'000**	**6 months ended 30 June 2022 $'000**	**6 months ended 30 June 2021 $'000**
Geographical market								
Singapore	447,620	465,025	102,007	64,313	89,619	73,861	639,246	603,199
China	95,190	94,343	6,530	12,038	–	–	101,720	106,381
United States	–	–	187,579	79,606	–	–	187,579	79,606
United Kingdom	14,311	4,767	158,681	42,152	32	–	173,024	46,919
Australasia	51,421	64,428	42,811	48,585	98	–	94,330	113,013
Rest of Asia (excluding Singapore and China)	–	–	89,559	69,424	–	–	89,559	69,424
Other countries	–	–	11,672	875	–	–	11,672	875
	608,542	628,563	598,839	316,993	89,749	73,861	1,297,130	1,019,417
Timing of revenue recognition								
Products and services transferred at a point in time	170,303	170,838	598,839	316,993	179	2,383	769,321	490,214
Products and services transferred over time	438,239	457,725	–	–	89,570	71,478	527,809	529,203
	608,542	628,563	598,839	316,993	89,749	73,861	1,297,130	1,019,417

* Excluding dividend income.

6. Finance income and finance costs

	Group	
	6 months ended 30 June 2022	**6 months ended 30 June 2021**
	$'000	**$'000**
Finance income		
Interest income	12,825	14,047
Fair value gain on financial derivatives	25,295	–
Net exchange gain	22,625	–
	60,745	14,047
Interest capitalised	(28)	(14)
Total finance income	60,717	14,033
Finance costs		
Amortisation of transaction costs capitalised	(4,013)	(3,888)
Interest expenses	(118,946)	(116,919)
Fair value loss on financial assets measured at fair value through profit or loss (net)	(1,258)	(3,518)
Fair value loss on financial derivatives	–	(15,278)
Unwinding of discount on non-current liabilities	(96)	(154)
Net exchange loss	–	(10,228)
	(124,313)	(149,985)
Finance costs capitalised	24,830	17,643
Total finance costs	(99,483)	(132,342)
Net finance costs	(38,766)	(118,309)

7. Profit before tax

Profit before tax included the following:

	Note	Group 6 months ended 30 June 2022 $'000	 6 months ended 30 June 2021 $'000
Other income			
Gain on liquidation of subsidiaries		–	33
Gain on disposal of subsidiaries	26	501,726	–
Negative goodwill on acquisition of subsidiaries	27	–	35,553
Profit on sale of property, plant and equipment and investment properties (net) *		911,491	14,556
Others		9,305	6,271
		1,422,522	56,413
Other expenses			
Impairment loss on trade receivables and bad debts written off		(4,624)	(111)
Impairment loss on other receivables – Sincere Property Group		–	(4,215)
Depreciation and amortisation		(131,098)	(144,068)
Impairment loss on property, plant and equipment		–	(822)
Loss on dilution of interest in an associate		(850)	–
Property, plant and equipment, investment properties and intangible assets written off		(2,892)	(68)

* Mainly relates to the disposal of the Millennium Hilton Seoul.

8. Tax expense

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

	Group	
	6 months ended 30 June 2022 $'000	**6 months ended 30 June 2021 $'000**
Current tax expense		
Current year	332,008	51,169
Under/(Over) provision in respect of prior years	1,253	(8,097)
	333,261	43,072
Deferred tax expense/(credit)		
Movements in temporary differences	82,897	(14,001)
Effects of changes in tax rates and legislation	1,930	89
Under/(Over) provision in respect of prior years	2,361	(3,547)
	87,188	(17,459)
Land appreciation tax	11,666	2,360
Withholding tax	630	483
Total tax expense	432,745	28,456

The increase in tax expense during the period is largely due to the tax arising from the disposal of Millennium Hilton Seoul.

9. Earnings per share

Basic earnings per share is calculated based on:

	Group	
	6 months ended 30 June 2022 $'000	**6 months ended 30 June 2021 $'000**
Profit/(Loss) attributable to owners of the Company	1,126,341	(32,086)
Less:		
Dividends on non-redeemable convertible non-cumulative preference shares	(6,399)	(6,399)
Profit/(Loss) attributable to ordinary shareholders after adjustment for non-redeemable convertible non-cumulative preference dividends	1,119,942	(38,485)
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	123.5 cents	(4.2) cents

Diluted earnings per share is based on:

	Group	
	6 months ended 30 June 2022 $'000	**6 months ended 30 June 2021 $'000**
Profit/(Loss) attributable to ordinary shareholders after adjustment for non-redeemable convertible non-cumulative preference dividends	1,119,942	(38,485)
Add:		
Dividends on non-redeemable convertible non-cumulative preference shares	6,399	–
Net profit/(Loss) used for computing diluted earnings per share	1,126,341	(38,485)
Weighted average number of ordinary shares 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 and potential shares assuming full conversion of preference shares	951,900,228	906,901,330
Diluted earnings per share	118.3 cents	(4.2) cents

For the six months ended 30 June 2021, the diluted earnings per share was the same as basic earnings per share as it was anti-dilutive.

10. Net asset value

	Group		Company	
	30 June 2022 $	**31 December 2021 $**	**30 June 2022 $**	**31 December 2021 $**
Net asset value per ordinary share	10.18	9.28	6.72	6.98

11. Property, plant and equipment

During the six months ended 30 June 2022, the Group disposed assets amounting to $1,378 million arising from the distribution *in specie* (refer to Note 26). Following the deconsolidation of CDLHT, the Group recognised ROU assets amounting to $551 million in relation to the leasing of hotels from CDLHT by the Group which are no longer considered intra-group transactions and are not eliminated.

<u>Valuation of property, plant and equipment</u>

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

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

For the six months ended 30 June 2022 (1H 2022), the Group focused its impairment assessment on the hotels with 20% or less headroom to its last available valuations. The recoverable amounts of these hotels, being the higher of the fair value less costs to sell and the value-in-use, were predominantly determined using the fair value less costs to sell approach and were estimated using the discounted cash flow method. These valuations were performed in-house. Under these methodologies, the fair value measurement reflects current market expectations about an efficient third party operator's future cash flows. The discounted cash flows method involves estimating each hotel's future cash flows and discounting the cash flows with an internal rate of return to arrive at the market value, 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. The income capitalisation method capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates.

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.

Based on the above impairment assessment, the Group is of view that there is no impairment loss for 1H 2022. The Group maintains its long-term view on its hotel portfolio and will continue to monitor the performance of the hotels.

12. Investment properties

	Note	Group $'000	Company $'000
Cost			
At 1 January 2021		5,760,958	603,648
Acquisition of subsidiaries		341,753	–
Additions		279,723	3,099
Transfer to property, plant and equipment		(60,402)	–
Transfer to assets held for sale		(1,107,138)	–
Disposal/Written off		(59,630)	(797)
Translation differences on consolidation		23,673	–
At 31 December 2021 and 1 January 2022		5,178,937	605,950
Acquisition of a subsidiary	27	78,764	–
Additions		374,806	2,889
Transfer to development properties		(82,328)	–
Transfer to assets held for sale		(70,371)	–
Disposal/Written off		(1,855)	–
Disposal of subsidiaries	26	(496,882)	–
Translation differences on consolidation		(50,284)	–
At 30 June 2022		4,930,787	608,839
Accumulated depreciation and impairment losses			
At 1 January 2021		1,192,261	178,693
Charge for the year		99,993	14,886
Transfer to property, plant and equipment		(12,755)	–
Transfer to assets held for sale		(40,216)	–
Disposal/Written off		(51,403)	(781)
Reversal of impairment loss		(3,416)	–
Translation differences on consolidation		(2,696)	–
At 31 December 2021 and 1 January 2022		1,181,768	192,798
Charge for the period		45,942	7,386
Transfer to development properties		(38,758)	–
Transfer to assets held for sale		(59,643)	–
Disposal/Written off		(208)	–
Disposal of subsidiaries	26	(63,561)	–
Translation differences on consolidation		(5,437)	–
At 30 June 2022		1,060,103	200,184
Carrying amounts			
At 1 January 2021		4,568,697	424,955
At 31 December 2021		3,997,169	413,152
At 30 June 2022		3,870,684	408,655
Fair value			
At 1 January 2021		8,901,489	1,114,435
At 31 December 2021		9,945,537	1,662,892
At 30 June 2022		9,002,340	1,662,919

During the six months ended 30 June 2022, the Group transferred part of the net carrying value of an investment property to development properties for redevelopment and transferred two strata-titled properties to assets held for sale during the period (refer to Note 18). In addition, the Group disposed of certain investment properties arising from the deconsolidation of CDLHT following the distribution *in specie* (refer to Note 26).

Valuation of investment properties

The Group's investment properties portfolio include its commercial portfolio held for rental income (comprising office, retail, industrial and residential for lease).

The Group adopts the accounting policy to account for its investment properties at cost less accumulated depreciation and impairment losses.

The fair values for certain investment properties located in Singapore are based on in-house valuations conducted by a licensed valuer who is also an officer of the Company. The internal valuer has appropriate recognised professional qualifications and experience in the location and category of the investment properties being valued. The fair values of the investment properties were estimated using the discounted cash flow, income capitalisation, direct comparison, standardised land value adjustment and residual methods. 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 income capitalisation method capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. 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 standardised land value adjustment method considers the price of standard land in the current situation of development and utilisation, under normal market conditions within legal maximum use term as at a special date, that is assessed and approved by the local government. The residual method involves deducting the estimated cost to complete as of valuation date and other relevant costs from gross development value of the proposed development assuming satisfactory completion and accounting for developer's profit.

The Group has considered the headroom over fair value for most assets in the commercial portfolio and is of the view that there is no impairment loss as at 30 June 2022 for its investment properties.

13. Investments in associates

	Group	
	30 June 2022 $'000	**31 December 2021 $'000**
Investments in associates		
Investments in associates	1,304,918	832,378
Impairment loss	(13,355)	(15,399)
	1,291,563	816,979

The increase in investment in associates during the period is mainly due to the deconsolidation of CDLHT following the distribution *in specie* (refer to Note 26), which resulted in CDLHT becoming an associate. The Group's retained interest in CDLHT has been remeasured to fair value. The Group is currently performing a purchase price allocation exercise on its retained interest in CDLHT and has equity accounted for CDLHT based on provisional amounts of the fair value of its identifiable net assets, giving rise to negative goodwill of $18.0 million. The negative goodwill is included in the Group's "share of after-tax profit of associates" in the consolidated statement of profit or loss.

CDLHT's assets relate mainly to property, plant and equipment and investment properties. The fair values of these assets were determined based on valuations undertaken by the Group's in-house valuer.

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.

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets and liabilities of CDLHT were as follows:

Assets acquired/Liabilities assumed	Valuation technique
Property, plant and equipment and investment properties	*Income capitalisation, discounted cashflow and residual methods:* The income capitalisation method capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The discounted cashflow 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 residual method involves deducting estimated costs to complete as of valuation date and other relevant costs from gross development value of the proposed development assuming satisfactory completion and accounting for developer profit.
Interest-bearing borrowings	The fair value of borrowings is estimated as the present value of future principal and interest cash flows, discounted at market rate of interest at the date of distribution *in specie*.

14. Investments in joint ventures

	Group		Company	
	30 June 2022 $'000	31 December 2021 $'000	30 June 2022 $'000	31 December 2021 $'000
Investments in joint ventures				
Investments in joint ventures	1,033,835	1,037,046	37,360	37,360

15. Other non-current assets

	Group		Company	
	30 June 2022 $'000	31 December 2021 $'000	30 June 2022 $'000	31 December 2021 $'000
Amounts owing by subsidiaries	–	–	6,363,061	6,205,239
Amounts owing by joint ventures	122,835	–	–	–
Deposits	10,868	3,395	–	–
Other receivables	7,019	13,307	–	–
Derivative financial assets	6,311	4,762	6,311	–
Restricted bank deposits	6,965	89,630	–	–
	153,998	111,094	6,369,372	6,205,239
Prepayments	301	282	–	–
Intangible assets	1,744	1,879	–	–
Deferred tax assets	65,391	69,302	–	–
	221,434	182,557	6,369,372	6,205,239

16. Development properties

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

The Group had reviewed the estimated selling prices of its development properties and is of the view that no further allowance for foreseeable losses is considered necessary as at 30 June 2022.

17. Trade and other receivables

		Group		Company	
		30 June 2022 $'000	31 December 2021 $'000	30 June 2022 $'000	31 December 2021 $'000
Trade receivables		137,996	184,327	1,029	1,310
Impairment losses		(19,382)	(17,025)	(73)	(135)
		118,614	167,302	956	1,175
Other receivables	(a)	525,665	544,875	3,900	3,726
Impairment losses		(339,530)	(336,476)	(1,083)	(1,116)
		186,135	208,399	2,817	2,610
Accrued rent receivables		40,747	41,065	2,596	2,389
Deposits		7,239	11,901	288	288
Amounts owing by:					
- subsidiaries		–	–	6,215,675	5,985,134
- associates		7,391	1,142	1,285	3
- joint ventures		1,239,524	1,288,755	232,579	231,599
- fellow subsidiaries		142	194	–	–
Reimbursement assets	(b)	67,838	70,773	–	–
		1,667,630	1,789,531	6,456,196	6,223,198
Prepayments		96,492	56,476	5,083	2,161
Grant receivables		532	1,339	532	532
Tax recoverable		4,873	4,557	–	–
Derivative financial assets		49,593	21,511	49,593	21,511
		1,819,120	1,873,414	6,511,404	6,247,402

(a) Included in other receivables of the Group as at 30 June 2022 is a receivable of $398.4 million (2021: $395.1 million) with related impairment loss of $335.1 million (2021: $331.2 million) from HCP Chongqing Property Development Co., Ltd and its subsidiaries (HCP Group).

(b) The reimbursement asset relates to reimbursements from the buyer of Millennium Hilton Seoul for costs that the Group would incur under certain contracts in respect of the hotel arising from the sale of the hotel.

18. Assets held for sale

	Group	
	30 June 2022	**31 December 2021**
	$	**$**
Assets held for sale		
Property, plant and equipment	14,812	334,190
Investment properties	946,699	1,052,271
Trade and other receivables	40,942	41,132
Cash and cash equivalents	34,193	18,166
	1,036,646	1,445,759
Liabilities directly associated with the assets held for sale		
Trade and other payables	15,141	16,882
Other liabilities	3,991	4,381
Provision for taxation	8,064	5,979
Deferred tax liabilities	–	107
	27,196	27,349

As at 30 June 2022, assets held for sale and liabilities directly associated with the assets held for sale are in relation to the following proposed divestments:

(a) An indirect subsidiary of the Group, Millennium & Copthorne Hotels Limited (M&C), entered into a sale and purchase agreement to sell a hotel, Millennium Harvest House Boulder (which is in the hotel operation segment), to a third party for sales consideration of $99.5 million. The sale is expected to be completed within the next one year.

(b) The Group applied for an initial public offering (IPO) of a real estate investment trust (REIT) that will own commercial assets located in the UK during 2021. The Group plans to dispose of the subsidiaries which hold two commercial properties in the UK, namely Aldgate House and 125 Old Broad Street (which are in the investment properties segment), to the REIT. The sale is expected to be completed within the next one year.

(c) The Group entered into collective sale and purchase agreements for its two strata-titled properties, namely Tanglin Shopping Centre and Golden Mile Complex (which are in the investment properties segment). The sales are expected to be completed within the next one year.

As at 31 December 2021, assets held for sale were related to the following proposed divestments:

(a) The abovementioned proposed divestment of Millennium Harvest House Boulder by M&C.

(b) M&C entered into a sale and purchase agreement to sell a hotel, Copthorne Orchid Penang (which is in the hotel operations segment), to a third party for a sale consideration of $24.3 million. The agreement was terminated in December 2021 and the property was reclassified to property, plant and equipment as at 30 June 2022 as the Group ceased to explore further sale opportunities.

(c) The abovementioned proposed divestment of subsidiaries which hold two commercial properties in the UK to the REIT by the Group.

(d) A wholly-owned subsidiary of the Group, Singapura Developments (Private) Limited, entered into a share sale agreement to sell its interest in an industrial warehouse in Singapore (which was in the investment properties segment) for a sale consideration of $82 million. The sale was completed on 7 March 2022 and the Group recognised a gain of $27.3 million on the sale.

(e) M&C entered into a sale and purchase agreement to sell a hotel, Millennium Hilton Seoul (which was in the hotel operations segment), for a sale consideration of KRW1.1 trillion (S$1.25 billion). The sale was completed on 24 February 2022 and a total gain on disposal of $526.2 million of which $496.2 million recognised in 1H 2022, net of taxes and related transaction costs was recognised by the Group.

19. Share capital

	Company			
	30 June 2022		31 December 2021	
	Number of shares	$'000	Number of shares	$'000
Issued and fully paid ordinary share capital with no par value	906,901,330	1,661,179	906,901,330	1,661,179
Issued and fully paid non-redeemable convertible non-cumulative preference share capital with no par value	330,874,257	330,218	330,874,257	330,218
		1,991,397		1,991,397

As at 30 June 2022, the maximum number of ordinary shares that may be issued upon full conversion of all of the non-redeemable convertible non-cumulative preference shares of the Company ("Preference Shares") at the sole option of the Company is 44,998,898 ordinary shares (31 December 2021: 44,998,898 ordinary shares).

As at 30 June 2022, the Company held 2,400,000 treasury shares (31 December 2021: 2,400,000) which represented 0.26% of the total number of issued shares (excluding treasury shares).

There was no change in the Company's issued share capital and preference share capital during the six months ended 30 June 2022.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the six months ended 30 June 2022.

20. Interest-bearing borrowings

	Group		Company	
	30 June 2022 $'000	31 December 2021 $'000	30 June 2022 $'000	31 December 2021 $'000
Term loans	5,697,200	7,337,272	4,201,536	4,491,409
Bonds and notes	2,753,187	2,811,162	2,071,133	2,070,486
Bank loans	937,024	991,559	628,563	576,444
	9,387,411	11,139,993	6,901,232	7,138,339
Non-current	5,793,517	5,952,032	4,654,294	3,937,631
Current	3,593,894	5,187,961	2,246,938	3,200,708
	9,387,411	11,139,993	6,901,232	7,138,339

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

	Note	Group 30 June 2022 $'000	Group 31 December 2021 $'000
Unsecured			
- repayable within one year		2,939,300	4,358,373
- repayable after one year		5,655,930	5,200,742
		8,595,230	9,559,115
Secured			
- repayable within one year		685,142	851,761
- repayable after one year		840,794	1,011,559
		1,525,936	1,863,320
Gross borrowings		10,121,166	11,422,435
Less: cash and cash equivalents as shown in the statement of financial position		(2,128,745)	(2,083,165)
Less: restricted deposits included in other non-current assets	15	(6,965)	(89,630)
Less: cash and cash equivalents classified under assets held for sale	18	(34,193)	(18,166)
Net borrowings		7,951,263	9,231,474

Where secured, borrowings are collateralised by:

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

As of 30 June 2022, the Group and the Company have complied with the debt covenants.

21. Other liabilities

	Group 30 June 2022 $'000	Group 31 December 2021 $'000	Company 30 June 2022 $'000	Company 31 December 2021 $'000
Deferred income	57,763	122,124	–	–
Rental deposits	50,343	49,653	9,715	8,041
Non-current retention sums payable	27,585	26,625	–	–
Derivative financial liabilities	354	1,295	354	346
Amount owing to a subsidiary	–	–	748,832	–
Miscellaneous (principally deposits received and payables)	19,878	18,213	–	–
	155,923	217,910	758,901	8,387

22. Trade and other payables

	Group		Company	
	30 June 2022 $'000	**31 December 2021 $'000**	**30 June 2022 $'000**	**31 December 2021 $'000**
Trade payables	244,886	251,550	1,085	2,032
Accruals	516,358	462,915	81,404	74,507
Deferred income	68,011	40,520	–	–
Other payables	53,145	106,295	1,172	988
Rental and other deposits	73,747	75,979	7,167	8,813
Retention sums payable	6,935	11,261	–	–
Amounts owing to:				
- subsidiaries	–	–	2,414,464	2,498,058
- associates	5,646	2	–	–
- joint ventures	95,966	97,902	22,727	22,727
- fellow subsidiaries	251,882	248,648	–	–
- non-controlling interests	143,067	143,389	–	–
Derivative financial liabilities	771	14,582	771	14,582
	1,460,414	1,453,043	2,528,790	2,621,707

23. Provisions

Included under current provisions is an amount of $61,690,000 (31 December 2021: $70,773,000) which relates to the Group's obligations under certain contracts in respect of Millennium Hilton Seoul and represents the estimated costs to be incurred arising from the sale of Millennium Hilton Seoul. The Group will be fully reimbursed by the buyer of Millennium Hilton Seoul for the amounts incurred in respect of its obligations under the relevant contracts.

24. Lease liabilities

The increase in lease liabilities during the period is mainly due to deconsolidation of CDLHT following the Group's distribution *in specie* on 26 May 2022 (refer to Note 26). Following the deconsolidation, lease liabilities arising from the leasing of hotels from CDLHT by the Group are no longer considered intra-group transactions and are not eliminated.

25. Financial assets and financial liabilities

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

	Mandatorily at FVTPL $'000	FVOCI – equity investments $'000	Fair value – hedging instruments $'000	Amortised cost $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000
Group									
30 June 2022									
Financial assets measured at fair value									
Unquoted debt investments – mandatorily at FVTPL	170,444	–	–	–	170,444	–	138,182	32,262	170,444
Unquoted equity investments – at FVOCI	–	355,883	–	–	355,883	–	–	355,883	355,883
Unquoted equity investments – mandatorily at FVTPL	206,724	–	–	–	206,724	–	–	206,724	206,724
Quoted equity investments– at FVOCI	–	39,674	–	–	39,674	39,674	–	–	39,674
Quoted equity investments – mandatorily at FVTPL	39,932	–	–	–	39,932	39,932	–	–	39,932
Derivative financial assets	–	–	55,904	–	55,904	–	55,904	–	55,904
	417,100	395,557	55,904	–	868,561				
Financial assets not measured at fair value									
Unquoted debt investments – amortised cost	–	–	–	17,743	17,743				
Other non-current assets^	–	–	–	147,687	147,687				
Trade and other receivables[#]	–	–	–	1,667,630	1,667,630				
Cash and cash equivalents	–	–	–	2,128,745	2,128,745				
	–	–	–	3,961,805	3,961,805				

	Fair value – hedging instruments $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000
Group							
30 June 2022							
Financial liabilities measured at fair value							
Derivative financial liabilities	1,125	–	1,125	–	1,125	–	1,125
Financial liabilities not measured at fair value							
Interest-bearing borrowings	–	9,387,411	9,387,411	–	9,509,156	–	9,509,156
Other liabilities*	–	97,806	97,806				
Trade and other payables*	–	1,391,632	1,391,632				
	–	10,876,849	10,876,849				

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

	Mandatorily at FVTPL $'000	FVOCI – equity investments $'000	Fair value – hedging instruments $'000	Amortised cost $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000
Group									
31 December 2021									
Financial assets measured at fair value									
Unquoted debt investments – mandatorily at FVTPL	175,409	–	–	–	175,409	–	142,486	32,923	175,409
Unquoted equity investments – at FVOCI	–	357,870	–	–	357,870	–	–	357,870	357,870
Unquoted equity investments – mandatorily at FVTPL	130,465	–	–	–	130,465	–	–	130,465	130,465
Quoted equity investments– at FVOCI	–	37,180	–	–	37,180	37,180	–	–	37,180
Quoted equity investments – mandatorily at FVTPL	48,867	–	–	–	48,867	48,867	–	–	48,867
Derivative financial assets	–	–	26,273	–	26,273	–	26,273	–	26,273
	354,741	395,050	26,273	–	776,064				
Financial assets not measured at fair value									
Unquoted debt investments – amortised cost	–	–	–	17,743	17,743				
Other non-current assets^	–	–	–	106,332	106,332				
Trade and other receivables#	–	–	–	1,789,531	1,789,531				
Cash and cash equivalents	–	–	–	2,083,165	2,083,165				
	–	–	–	3,996,771	3,996,771				

	Fair value – hedging instruments $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000
Group							
31 December 2021							
Financial liabilities measured at fair value							
Derivative financial liabilities	15,877	–	15,877	–	15,877	–	15,877
Financial liabilities not measured at fair value							
Interest-bearing borrowings	–	11,139,993	11,139,993	–	11,186,537	–	11,186,537
Other liabilities*	–	94,491	94,491				
Trade and other payables*	–	1,397,941	1,397,941				
	–	12,632,425	12,632,425				

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

	Mandatorily at FVTPL $'000	Fair value – hedging instruments $'000	Amortised cost $'000	FVOCI – equity investments $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000
Company										
30 June 2022										
Financial assets measured at fair value										
Unquoted equity investments – at FVOCI	–	–	–	327,577	–	327,577	–	–	327,577	327,577
Quoted equity investments – at FVOCI	–	–	–	22,143	–	22,143	22,143	–	–	22,143
Quoted equity investments – mandatorily at FVTPL	1,966	–	–	–	–	1,966	1,966	–	–	1,966
Derivative financial assets	–	55,904	–	–	–	55,904	–	55,904	–	55,904
	1,966	55,904	–	349,720	–	407,590				
Financial assets not measured at fair value										
Other non-current assets^	–	–	6,363,061	–	–	6,363,061				
Trade and other receivables#	–	–	6,456,196	–	–	6,456,196				
Cash and cash equivalents	–	–	448,398	–	–	448,398				
	–	–	13,267,655	–	–	13,267,655				
Financial liabilities measured at fair value										
Derivative financial liabilities	–	1,125	–	–	–	1,125	–	1,125	–	1,125
Financial liabilities not measured at fair value										
Interest-bearing borrowings	–	–	–	–	6,901,232	6,901,232	–	6,824,510	–	6,824,510
Other liabilities*	–	–	–	–	758,547	758,547				
Trade and other payables*	–	–	–	–	2,528,019	2,528,019				
	–	–	–	–	10,187,798	10,187,798				

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

	Mandatorily at FVTPL $'000	Fair value – hedging instruments $'000	Amortised cost $'000	FVOCI – equity investments $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000
Company										
31 December 2021										
Financial assets measured at fair value										
Unquoted equity investments – at FVOCI	–	–	–	327,577	–	327,577	–	–	327,577	327,577
Quoted equity investments – at FVOCI	–	–	–	21,868	–	21,868	21,868	–	–	21,868
Quoted equity investments – mandatorily at FVTPL	1,993	–	–	–	–	1,993	1,993	–	–	1,993
Derivative financial assets	–	21,511	–	–	–	21,511	–	21,511	–	21,511
	1,993	21,511	–	349,445	–	372,949				
Financial assets not measured at fair value										
Other non-current assets	–	–	6,205,239	–	–	6,205,239				
Trade and other receivables#	–	–	6,223,198	–	–	6,223,198				
Cash and cash equivalents	–	–	686,322	–	–	686,322				
	–	–	13,114,759	–	–	13,114,759				
Financial liabilities measured at fair value										
Derivative financial liabilities	–	14,928	–	–	–	14,928	–	14,928	–	14,928
Financial liabilities not measured at fair value										
Interest-bearing borrowings	–	–	–	–	7,138,339	7,138,339	–	7,162,323	–	7,162,323
Other liabilities*	–	–	–	–	8,041	8,041				
Trade and other payables*	–	–	–	–	2,607,125	2,607,125				
	–	–	–	–	9,753,505	9,753,505				

\# *Excluding prepayments, grant receivables and derivative financial assets*
* *Excluding derivative financial liabilities*

Measurement of fair values

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at Level 3 fair value

Type	Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Unquoted debt investments – mandatorily at FVTPL	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	Discount rate: 30 June 2022: 0% to 11% 31 December 2021: 0% to 11%	The estimated fair value would increase/(decrease) if the discount rate was lower/(higher).
Unquoted equity investments – at FVOCI	The fair value is calculated using the net asset value (NAV) of the investee entity adjusted for the fair value of the underlying properties, where applicable. A discount is applied to take into consideration the non-marketable nature of the investment, where applicable.	NAV	The estimated fair value would increase/(decrease) if the NAV was higher/(lower).
		Discount rate: 30 June 2022: 0% to 30% 31 December 2021: 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 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).
	The fair value is calculated using the market approach of weighted price-to-sales multiples of comparable companies. A discount is applied to take into consideration the non-marketable nature of the investment, where applicable.	Price-to-sales multiples: 30 June 2022: 26.5 times 31 December 2021: 26.5 times	The estimated fair value would increase/(decrease) if the price-to-sales multiple was higher/(lower).
		Discount rate: 30 June 2022: 30% 31 December 2021: 30%	The estimated fair value would increase/(decrease) if the discount rate was lower/ (higher).

Financial instruments measured at Level 2 fair value

Unquoted debt investments – mandatorily at FVTPL

The fair value of unquoted debt investments is 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

Interest-bearing borrowings

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

Transfers between levels in the fair value hierarchy

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

Level 3 fair values

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

	Group			**Company**
	Unquoted debt investments mandatorily at FVTPL $'000	**Unquoted equity investments at FVOCI $'000**	**Unquoted equity investments mandatorily at FVTPL $'000**	**Unquoted equity investments at FVOCI $'000**
At 1 January 2022	32,923	357,870	130,465	327,577
Additions	–	–	72,250	–
Distribution of income and return of capital	–	–	(11,014)	–
Total gain recognised in profit or loss				
- finance costs	–	–	12,256	–
Total loss for the period included in other comprehensive income				
- net change in fair value of equity investments at FVOCI	–	(1,987)	–	–
Translation differences on consolidation	(661)	–	2,767	–
At 30 June 2022	32,262	355,883	206,724	327,577
At 1 January 2021	45,115	356,729	90,073	324,877
Additions	–	–	31,652	–
Redemption on maturity	(10,395)	–	–	–
Distribution of income and return of capital	(419)	–	(9,914)	–
Reclass to investment in an associate	–	–	(436)	–
Reclassification from interest receivable	(1,311)	–	–	–
Total gain recognised in profit or loss				
- finance costs	720	–	17,313	–
Total loss for the period included in other comprehensive income				
- net change in fair value of equity investments at FVOCI	–	1,141	–	2,700
Translation differences on consolidation	(787)	–	1,777	–
At 31 December 2021	32,923	357,870	130,465	327,577

26. Disposal of subsidiaries

For the six months ended 30 June 2022

There were the following disposals during the period:

(a) On 26 May 2022, following the distribution *in specie* which reduced the Group's effective interest in CDLHT from 38.89% to 27.21%, the Group lost its control over CDLHT. CDLHT became an associate of the Group on the same day as the Group continues to have significant influence over CDLHT.

(b) On 7 March 2022, the Group, through its wholly-owned subsidiary, Singapura Developments (Private) Limited, sold its 100% equity interest in Bloomsville Investments Pte. Ltd. (Bloomsville) for a sale consideration (net of transaction costs) of $80.8 million.

Effects of disposals

The cash flows and net assets of subsidiaries disposed of are provided below:

	Note	CDLHT $'000	Bloomsville $'000	Total $'000
Property, plant and equipment		1,378,264	–	1,378,264
Investment properties	12	433,321	–	433,321
Other non-current assets		8,915	–	8,915
Derivative financial assets		20,122	–	20,122
Deferred tax asset		3,727	–	3,727
Consumable stock		2,417	–	2,417
Cash and cash equivalents		96,408	–	96,408
Assets held for sale		–	55,072	55,072
Trade and other receivables		22,125	–	22,125
Trade and other payables		(105,261)	–	(105,261)
Interest-bearing borrowings		(1,107,754)	–	(1,107,754)
Lease liabilities		(128,276)	–	(128,276)
Employee benefits		(310)	–	(310)
Other non-current liabilities		(10,949)	–	(10,949)
Provision for taxation		(6,343)	–	(6,343)
Deferred tax liabilities		(10,519)	–	(10,519)
Provisions		(9,242)	–	(9,242)
Liabilities directly associated with the assets held for sale		–	(1,583)	(1,583)
Carrying amount of net assets disposed		586,645	53,489	640,134
Distribution *in specie*		183,124	–	183,124
Sale consideration, net of disposed costs		–	80,836	80,836
Non-controlling interest, based on their proportionate interest in the net assets distributed		536,496	–	536,496
Fair value of retained equity interest		426,706	–	426,706
		1,146,326	80,836	1,227,162
Carrying amount of net assets disposed		(586,645)	(53,489)	(640,134)
Realisation of foreign currency translation reserve		(85,302)	–	(85,302)
Gain on disposal of subsidiaries	7	474,379	27,347	501,726
Sale consideration, net of disposal costs		–	80,836	80,836
Less: Cash and cash equivalents of subsidiaries disposed		(96,408)	(837)	(97,245)
Net cash (outflow)/inflow on disposal of subsidiaries		(96,408)	79,999	(16,409)

Included in the gain on disposal of CDLHT is a gain on remeasurement of the Group's retained interest in CDLHT of $331.9 million. In addition, the capital reserve relating to CDLHT of $59.2 million has been reclassified to accumulated profits on its disposal.

27. Acquisition of subsidiaries

For the six months ended 30 June 2022

On 22 February 2022, the Group through its indirect non wholly-owned subsidiary, CDLHT, entered into a share purchase agreement to acquire 100% of the share and voting interest in Roundapple Hotel Partners III Limited (renamed to CDL HREIT Investments (II) Property Limited) which owns Hotel Brooklyn in Manchester, United Kingdom, for a total consideration $41.0 million (£22.4 million).

The acquisition was accounted for as an acquisition of assets.

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

	Note	Recognised amounts $'000
Investment properties	12	78,764
Trade and other receivables		286
Trade and other payables		(1,039)
Lease liabilities		(37,005)
Net identifiable assets acquired		41,006
Cash flows relating to the acquisition		
Consideration for equity interest		41,006
Add: Acquisition-related costs		2,341
Less: Acquisition-related costs not yet paid		(342)
Total net cash outflow		43,005

For the six months ended 30 June 2021

In February 2021, the Group through its indirect wholly-owned subsidiary, Chenghao (Shanghai) Investment Co., Ltd., acquired 84.6% of the shares and voting interest in Shenzhen Tusincere Technology Park Development Co. Ltd. (Shenzhen Tusincere), which holds a 65% equity interest in Shenzhen Longgang District Qidixiexin Science and Technology Development Park Co., Ltd. (Shenzhen Longgang), from Sincere Property Group, a then joint venture of the Group, and two third parties, for a consideration of approximately $174.3 million (RMB853.4 million), together with the assumption of proportionate existing shareholder loans of approximately $173 million (RMB847 million). The acquisition provided the Group an opportunity to enhance its property portfolio in China.

The acquisition was accounted for as a business combination.

From the date of acquisition to 31 December 2021, Shenzhen Tusincere contributed revenue of $222.8 million and profit before tax of $44.0 million to the Group's results. If the acquisition had occurred on 1 January 2021, management estimated the Group's revenue for the period would have been $2,654.4 million, with no significant change to the Group's profit before tax.

Identifiable assets acquired and liabilities assumed

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

	Recognised amounts $'000
Property, plant and equipment	21,304
Investment properties	341,753
Development properties	948,309
Trade and other receivables	17,356
Contract costs	1,003
Cash at bank	5,564
Trade and other payables	(145,525)
Shareholder loans	(297,972)
Contract liabilities	(166,443)
Employee benefits	(813)
Lease liabilities	(2,876)
Provision for tax	(59,567)
Provisions	(4,108)
Interest-bearing borrowings	(194,016)
Deferred tax liabilities	(80,081)
Net identifiable assets acquired	383,888

Cash flows relating to the acquisition	
Consideration for equity interest	174,384
Shareholder loans assumed	172,969
Total consideration	347,353
Less: Cash acquired	(5,564)
Add: Consideration not yet paid as at 30 June 2021	(10,215)
Total net cash outflow	331,574

Measurement of fair values

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

Assets acquired	**Valuation technique**
Property, plant and equipment and investment properties	*Direct comparison, income capitalisation, standardised land value adjustment and residual methods:* The direct comparison method involved the analysis of comparable sales of similar assets and adjusting the sale prices to that reflective of the properties. The income capitalisation method capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The standardised land value adjustment method considers the price of standard land in the current situation of development and utilisation, under normal market conditions within legal maximum use term as at a specific date, that is assessed and approved by the local government. The residual method involves deducting estimated costs 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.

Assets acquired/Liabilities assumed	**Valuation technique**
Development properties	*Direct comparison, standardised land value adjustment and residual methods*: The direct comparison method involves the analysis of comparable sales of similar assets and adjusting the sale prices to that reflective of the properties. The standardised land value adjustment method considers the price of standard land in the current situation of development and utilisation, under normal market conditions within legal maximum use term as at a specific date, that is assessed and approved by the local government. The residual method involves deducting the estimated costs to complete as of valuation date and other relevant costs from gross development value of the proposed development assuming satisfactory completion and accounting for developer profit.
Interest-bearing borrowings	The fair value of borrowings is estimated as the present value of future principal and interest cash flows, discounted at market rate of interest at the acquisition date.

Negative goodwill

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

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

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

28. Material related party transactions

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

	Group	
	6 months ended 30 June 2022 $'000	**6 months ended 30 June 2021 $'000**
Insurance premium paid and payable to an associate of the ultimate holding company	–	(40)
Management services fees received and receivable from:		
- fellow subsidiaries	359	1,301
- associates	183	183
- joint ventures	8,476	2,637
	9,018	4,121
Maintenance services fees received and receivable from:		
- fellow subsidiaries	171	169
- associates	89	107
- joint ventures	629	490
	889	766
Rental and rental-related income received and receivable from:		
- a fellow subsidiary	174	170
- associates	4,086	2,715
- joint ventures	95	2,278
	4,355	5,163
Management services fee paid and payable to a fellow subsidiary	(30)	(149)
Purchase consideration for investment acquired paid and payable to a joint venture	–	(54,571)
Rental and rental-related expenses paid and payable to:		
- a joint venture	(899)	(868)
- associates	(5,681)	–
	(6,580)	(868)

29. Commitments

The Group and the Company have the following commitments as at the reporting date:

	Group		Company	
	30 June 2022 $'000	**31 December 2021 $'000**	**30 June 2022 $'000**	**31 December 2021 $'000**
Development expenditure contracted but not provided for in the financial statements	586,082	1,221,021	–	–
Capital expenditure contracted but not provided for in the financial statements	195,742	192,097	–	–
Commitments in respect of purchase of properties for which deposits have been paid	–	286,475	–	–

	Group		Company	
	30 June 2022 $'000	**31 December 2021 $'000**	**30 June 2022 $'000**	**31 December 2021 $'000**
Commitments in respect of investments in a joint venture and associates	37,875	70,956	–	–
Commitments in respect of capital contribution to investments in financial assets in:				
- related parties	31,653	36,118	–	–
- third parties	24,667	14,362	–	–

30. Contingent liabilities

A subsidiary of the Group in China, whose principal activities are the trading of development properties and leasing activities, would in the ordinary course of business act as guarantors for the bank loans taken by the buyers to finance the purchase of properties developed by this subsidiary, covering the period from loan contract date to the property delivery date. As at 30 June 2022, the outstanding notional amount of the guarantees amounted to $25.2 million (31 December 2021: $21.3 million).

31. Subsequent events

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

Other Information Required by Listing Rule Appendix 7.2

1. **Review**

The condensed consolidated financial position of the Group as at 30 June 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited nor reviewed by the auditors.

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

(a) **any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) **any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

Group Performance

The Group registered record earnings with net profit after tax and non-controlling interest (PATMI) of $1.1 billion for the half year ended 30 June 2022 (1H 2022), reversing a net loss of $32.1 million for 1H 2021. This is the highest PATMI achieved since the Group's inception in 1963.

The stellar 1H 2022 performance was largely due to divestment gains from the sale of Millennium Hilton Seoul as well as the gain on deconsolidation of CDLHT from the Group resulting from the distribution *in specie* of CDLHT Units in May 2022. These two significant transactions were made possible by the successful privatisation of Millennium and Copthorne Hotels Limited (M&C) in November 2019.

Revenue

Revenue for 1H 2022 increased by 23.5% to $1.5 billion (1H 2021: $1.2 billion). While the property development segment continued to be the lead contributor, the increase in revenue for 1H 2022 was primarily attributed to the hotel operations segment. The recovery of the hospitality sector is driven by border re-openings and the relaxation of travel restrictions. The Group's hotel RevPAR grew 110.4%, of which the Europe and US regions experienced a strong improvement in both occupancies and average room rates.

The property development segment contributed 41% to total revenue for 1H 2022 vis-à-vis 53% for 1H 2021, supported by well-sold Singapore projects such as Amber Park and Irwell Hill Residences as well as overseas projects such as Shenzhen Longgang Tusincere Tech Park and New Zealand land sales. Notably, this does not include revenue from joint venture (JV) projects such as Boulevard 88 and CanningHill Piers which are equity accounted for.

Profit Before Tax

The Group recorded a pre-tax profit of $1.6 billion for 1H 2022 (1H 2021: $9.7 million). The extraordinary profits were driven by divestment gains from Millennium Hilton Seoul and its adjoining land site for KRW 1.1 trillion (approximately $1.25 billion), completed in February 2022. The Group recognised a pre-tax gain of $911.5 million in 1H 2022, and a total gain on disposal of $526.2 million, net of taxes and related transaction costs.

The distribution *in specie* of 144,191,823 stapled securities in CDLHT resulted in the accounting deconsolidation of CDLHT from the Group as a subsidiary, and the Group will recognise its retained interest in CDLHT as an associate. Consequently, the Group recognised a total gain (inclusive of negative goodwill) of $492.4 million.

All three core segments of the Group – property development, investment properties and hotel operations – improved compared to 1H 2021, on a like-for-like basis. The Group's hotel operations segment reversed its operational loss in 1H 2021, registering a positive EBITDA for all regions for 1H 2022, reflecting strong recovery momentum. With the significant improvement in RevPAR for 1H 2022, GOP margins for its hotels also improved 12 percentage points to 24.7%. With the travel and hospitality sectors on the rebound, more upside from this segment is expected.

Capital Position

As at 30 June 2022, the Group continues to keep a sizeable war chest with cash reserves of $2.2 billion and maintains a strong liquidity position comprising cash and available undrawn committed bank facilities totalling $4.1 billion.

Net gearing ratio after factoring in fair value on investment properties stands at 52%.

Net Asset Value (NAV) per share increased 9.7% to $10.18 as at 30 June 2022, bolstered by the divestment gain from Millennium Hilton Seoul and the gain on deconsolidation of CDLHT. Notably, the Group adopts the policy of stating its investment and hotel properties at cost less accumulated depreciation and impairment losses. Had the Group factored in fair value gains on its investment and hotel properties, its NAV would be as tabled below.

	30 June 2022 $/share	31 December 2021 $/share
NAV	10.18	9.28
Revalued NAV (RNAV)(1)	16.37	15.70
Revalued NAV (RNAV)(2)	18.86	18.61

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

Dividend

The Board wishes to express its appreciation to shareholders for their confidence and support. It is pleased to declare payment of a tax-exempt (one-tier) special interim dividend of 12.0 cents per ordinary share.

Operational Highlights

Property Development

Singapore

In 1H 2022, the Group and its JV associates sold 712 units, including Executive Condominiums (ECs), with a total sales value of $1.6 billion (1H 2021: 971 units with a total sales value of $1.7 billion). Sales were driven by the Group's successful launch of Piccadilly Grand in May and the good take up of other projects including CanningHill Piers, Haus on Handy, Amber Park and Irwell Hill Residences.

Homebuyers snapped up 77% of the 407 units at Piccadilly Grand on its launch weekend at an average selling price (ASP) of $2,150 per square foot (psf). This JV integrated project, located on Northumberland Road, is linked to Farrer Park MRT station and seamlessly connected to the retail podium Piccadilly Galleria, which will house F&B and retail outlets as well as a childcare centre. To date, 334 units (82%) have been sold.

Sales momentum for the Group's projects has been healthy, with most projects more than 85% sold and achieving strong ASPs. Sales for Haus on Handy have also surged to 67% sold to date. CanningHill Piers, Amber Park, Piermont Grand EC and Sengkang Grand Residences are almost sold out, with Penrose fully sold.

Project	Location	Launched	Total Units	Units Sold#
Irwell Hill Residences	Irwell Bank Road	Apr 2021	540	482 (89%)
CanningHill Piers*	Clarke Quay	Nov 2021	696	664 (95%)
Penrose*	Sims Drive	Sep 2020	566	Fully sold
Boulevard 88*	Orchard Boulevard	Mar 2019	154	129 (84%)
Amber Park*	Amber Road	May 2019	592	575 (97%)
Nouvel 18+	Anderson Road	Jul 2019	156	144 (92%)
Haus on Handy	Handy Road	Jul 2019	188	126 (67%)
Piermont Grand EC*	Sumang Walk	Jul 2019	820	819
Sengkang Grand Residences*	Sengkang Central	Nov 2019	680	679

**JV project*
#As at 9 Aug 2022
+Divested project under PPS 3, marketed by CDL

With the healthy uptake of its inventory, the Group continues to focus on strategic land replenishment and redevelopment strategies to fortify its development pipeline. Three sites were secured in 1H 2022.

In January, the Group and its JV partner MCL Land secured a prime 210,623 sq ft Government Land Sales (GLS) site at Jalan Tembusu for $768 million (or $1,302 psf ppr). Located near the upcoming Tanjong Katong MRT station, the site will be developed into a luxury condominium with around 638 units.

In March, the $315 million Central Square acquisition was completed. Subject to Authorities' approval, the property will be redeveloped alongside the Group's Central Mall properties into an enlarged mixed-use development comprising office, retail, hospitality and residential. Through the URA Strategic Development Incentive Scheme, the redevelopment could potentially yield a significant GFA uplift.

In April, the Group completed the off-market acquisition of a 179,007 sq ft site at 798 and 800 Upper Bukit Timah Road for $126.3 million. The Group intends to redevelop the site into a residential project with over 400 units.

Construction activities have recovered and works at most of the Group's development sites have almost returned to pre-pandemic levels, with builders boosting site productivity.

Overseas Markets

Australia

The Group's launched projects continued to see a steady uptake. In Melbourne, The Marker achieved presales for 83% of its 198 units, with completion expected in 2H 2022, while the 60-unit Fitzroy Fitzroy is 35% presold.

In New South Wales, the Group's collaboration with Waterbrook Lifestyle for a 135-unit luxury retirement project, Waterbrook Bowral, has presold all 77 villas in Phase 1, with construction due to complete in 2H 2023. Phase 2 (58 units) is scheduled for launch in 2023.

In Brisbane, 61% of the 215-unit Brickworks Park has been presold while construction is expected to commence in 2H 2022.

To replenish its development pipeline, one site was acquired in 1H 2022. In March, the Group and its JV partner New Urban Villages purchased a mixed-use, freehold site in Toowong, Brisbane, for A$12 million (approximately $12.3 million), with plans to develop 125 apartments and a retail component.

UK

The central London residential market is showing signs of recovery with increased interest after the lifting of pandemic restrictions. Several enquiries have been received from local and international buyers for the Group's properties in Belgravia and Chelsea.

44% of the Group's 239-unit Teddington Riverside project is currently occupied. Rental demand remains strong as the available rental stock continues to decline.

The Group's other four projects in London – the former Stag Brewery site in Mortlake, Ransomes Wharf, Development House and 28 Pavilion Road – continue to be in various stages of planning.

China

Most of the Group's residential inventory has been substantially sold. In 1H 2022, the Group's wholly-owned subsidiary, CDL China Limited and its JV associates sold 41 residential, office and retail units, with a total sales value of RMB 107 million ($22.2 million).

Hong Leong City Center (HLCC), a mixed-use development in Suzhou, has sold 1,670 (92%) of its 1,813 residential and retail units to date. HLCC's Grade A office tower is now 96% occupied, while HLCC mall is 80% occupied. The 295-room five-star M Social Suzhou hotel is expected to open in 2023.

In Chongqing, the completed 126-unit Eling Palace has sold 116 units (92%) to date. Hongqiao Royal Lake in Qingpu District, Shanghai, has sold 71 (83%) out of the 85 villas to date.

Since the Group took control of the Shenzhen Longgang Tusincere Tech Park in March 2021, it has sold 371 units comprising apartments, office and retail units, with sales value of RMB 989 million ($204.8 million).

Investment Properties

Singapore

The Group's office portfolio remained resilient with committed occupancy of 93.8%, above the island-wide average occupancy of 88.0% as at 30 June 2022. Republic Plaza (RP), the Group's flagship Grade A office building, is 96.6% occupied and recorded positive rental reversions of 5.6%.

With the relaxation of safe management measures since 29 March 2022, more tenants have returned to the office, with most companies adopting a hybrid work arrangement. The F&B and retail tenants within the CBD have also enjoyed improved sales, with average tenants' sales at RP hitting close to 90% of pre-COVID levels in Q2 2022.

The Group's retail portfolio remains healthy with committed occupancy at 95.6%, above the island-wide average occupancy of 91.8% as at 30 June 2022. The strong performance was led by City Square Mall (CSM) with a committed occupancy of 97.4%.

The lifting of group size restrictions for dining, the resumption of events at malls and the full reopening of nightlife businesses have boosted the recovery of the retail sector. Average tenants' sales at Palais Renaissance and Quayside Isle have exceeded pre-COVID levels in 1H 2022, while sales at CSM are close to pre-COVID levels. Shopper traffic at CSM in May and June 2022 has also increased by over 50% compared with the same period in 2021. However, retailers remain cautious due to manpower shortages and rising operating costs.

Overseas Markets

China

With the lifting of Shanghai's lockdown since June 2022, most businesses have resumed office operations. However, the recovery of the city's office leasing activities remains slow. As at 30 June 2022, the occupancy for the office and retail units at Hong Leong Hongqiao Center remained at 93%, while Hong Leong Plaza Hongqiao, a five-tower office complex in Shanghai's Hongqiao CBD, is 76% leased.

UK

Despite the recent political turbulence and economic headwinds, leasing demand for Central London offices remains robust, driven by large pre-lettings and the continued demand for well-located Grade A space.

The strong demand for Grade A space is reflected in the completion of lease renewals or extensions in 125 Old Broad Street, which is 93% leased as at 30 June 2022. The office space at Aldgate House is fully leased.

As the development pipeline of new office space remains low, the current supply constraint is expected to continue in the near term.

Redevelopment and Asset Enhancement Initiatives (AEIs)

With the completion of the Central Square acquisition in March 2022, the Group will redevelop the site alongside its adjacent Central Mall properties and transform the precinct into a new and vibrant lifestyle hub. The enlarged site will allow for an expansive mixed-use development with an anticipated uplift in GFA under the URA Strategic Development Incentive Scheme. Planning approval for the enlarged site is in progress.

Apart from its redevelopment projects, the Group has also made good progress on AEIs to reposition and refresh its properties.

In June 2022, AEI works at the King's Centre office building were completed and the office achieved committed occupancy of over 90%. With the opening of Havelock MRT expected later this year, the Group expects further improvements in King's Centre's occupancy. The Group also completed AEI works at Palais Renaissance, which included creating more F&B provisions and a unique alfresco dining area on the first floor. With the AEI, the mall has attracted five new-to-market F&B concepts and committed occupancy has improved to 99%. Average GTO sales for 1H 2022 have also surpassed pre-COVID levels.

In Thailand, the Group has commenced a major AEI of its Jungceylon mall in Patong, Phuket, with works to be completed in phases. Phase 1 is slated for completion in Q4 2022 to tie in with Phuket's peak tourism season, with the remaining phases to be completed by end 2023. Leasing interest from existing and new retailers has been encouraging and the Group aims to achieve a strong occupancy for the mall's Phase 1 opening.

The Living Sector

The Group continues to build scale in the living sector to enhance recurring income and capitalise on the rising demand for rental accommodation.

Australia

In March, the Group acquired a 1,222 sqm freehold site in Southbank, Melbourne, for A$11.1 million (approximately $11.4 million). Subject to planning approval, the Group intends to develop around 240 units, marking the Group's first Private Rented Sector (PRS) project in Australia. The acquisition of the site is expected to complete by Q4 2022.

UK

The Junction, located in Leeds and also the Group's first PRS project in the UK, is currently under construction, with phased completion expected from 2H 2022. It will offer 665 apartments across five blocks and 24,000 sq ft of commercial space within the site's attractive arches beneath a historic viaduct.

The construction of the Group's PRS development in Birmingham, The Octagon, is in progress with estimated completion in 2025. Comprising 370 units, it will be the world's tallest octagonal pure residential skyscraper when completed.

In June 2022, the Group acquired Infinity, an operational Purpose-Built Student Accommodation (PBSA) located in Coventry with 505 beds for £59.2 million (approximately $102.4 million), with occupancy of 95%. The 19-storey, 152-metre Infinity is the tallest building in Coventry and offers panoramic views of the city. Located just minutes' walk from Coventry University and Coventry railway station, which serves the city with trains leading to Birmingham and London, the property is also a short bus ride from the University of Warwick, one of the UK's top 10 universities.

Japan

In 1H 2022, the Group acquired three newly-built PRS projects – two properties in Yokohama (City Lux Tobe and LOC's Yokohama Bayside) and one in Osaka (Gioia Namba) – totalling 271 units. This brings the Group's Japan PRS portfolio to eight projects, all of which are completed and in operation.

The Group anticipates that the PRS sector will continue its strong leasing momentum in 2H 2022 due to latent demand amongst individual residents and corporates, especially as recruitment and workplace strategies begin to normalise to pre-pandemic levels.

Fund Management

Fund management remains an integral part of the Group's transformational strategy and the Group will drive AUM growth via investment opportunities in both listed and unlisted platforms.

Due to evolving macroeconomic challenges ranging from geopolitical tensions to rising interest rates, the market sentiment for initial public offerings (IPO) of REITs in Singapore has been impacted. The Group continues to closely monitor market conditions and will decide in due course on whether to proceed with the planned listing of a Singapore-listed REIT with UK office properties.

The Group will continue to actively seek opportunities to grow its AUM by nurturing existing listed platforms like IREIT Global and CDLHT as well as unlisted platforms such as private equity funds, partnerships or separate account mandates. The Group remains open to making strategic acquisitions that will complement its growth strategy for its fund management business.

In June 2022, the Group partnered HThree City Australia Pte. Ltd. (HThree) to acquire 330 Collins Street, a freehold commercial office tower in Melbourne, for A$236 million ($226.7 million). Located in the heart of Melbourne's CBD, the 18-storey office tower has a net lettable area of over 18,000 sqm, which includes retail space on the ground floor. It has a committed occupancy of 90%. The joint acquisition marks the Group's expansion into the Australian office sector. The asset will be managed by HThree, which owns another office asset on Collins Street.

Hotel Operations

With the easing of border restrictions and supported by pent-up demand for travel, the Group registered a strong RevPAR growth of 110.4% to $113.6 in 1H 2022 (1H 2021: $54.0) and the average GOP margin also increased by 12 percentage points to 24.7% (1H 2021: 12.7%).

Key operating statistics for hotels owned by the Group:

	Room Occupancy			Average Room Rate			RevPAR			GOP Margin %		
	1H 2022 %	1H 2021 %	Incr / (Decr) % pts	1H 2022 $	1H 2021 * $	Incr / (Decr) %	1H 2022 $	1H 2021 * $	Incr / (Decr) %	1H 2022 %	1H 2021 %	Incr / (Decr) % pts
Singapore	68.3	71.1	(2.8)	182.5	106.4	71.5	124.7	75.6	64.9	38.8	36.6	2.2
Rest of Asia	42.0	37.7	4.3	129.7	117.8	10.1	54.4	44.4	22.5	4.8	5.4	(0.6)
Total Asia	**52.3**	**50.8**	**1.5**	**156.7**	**111.5**	**40.5**	**81.9**	**56.6**	**44.7**	**22.2**	**19.1**	**3.1**
Australasia	**48.0**	**52.1**	**(4.1)**	**150.7**	**142.9**	**5.5**	**72.4**	**74.5**	**(2.8)**	**36.7**	**46.8**	**(10.1)**
London	70.5	19.9	50.6	264.1	148.1	78.3	186.2	29.4	533.3	41.6	15.7	25.9
Rest of Europe	67.5	24.1	43.4	172.4	117.1	47.2	116.3	28.2	312.4	26.7	(7.0)	33.7
Total Europe	**69.0**	**22.1**	**46.9**	**219.5**	**130.3**	**68.5**	**151.5**	**28.8**	**426.0**	**35.4**	**4.5**	**30.9**
New York	76.1	53.1	23.0	276.6	160.1	72.8	210.5	85.0	147.6	6.6	(69.9)	76.5
Regional US	52.8	43.2	9.6	175.1	124.5	40.6	92.5	53.8	71.9	25.0	21.4	3.6
Total US	**61.6**	**46.5**	**15.1**	**222.7**	**138.1**	**61.3**	**137.2**	**64.3**	**113.4**	**14.8**	**(15.2)**	**30.0**
Total Group	**58.5**	**42.6**	**15.9**	**194.3**	**126.8**	**53.2**	**113.6**	**54.0**	**110.4**	**24.7**	**12.7**	**12.0**

**For comparability, 1H 2021 Average Room Rate and RevPAR had been translated at constant exchange rates (30 June 2022).*

Asia

The Group's Singapore hotels continued to track a strong recovery, recording a 64.9% jump in RevPAR for 1H 2022, driven by higher occupancy and Average Room Rate (ARR). Apart from the ongoing Government quarantine business, the hotels benefited from a surge in visitor arrivals to Singapore due to the easing of international travel restrictions and strong demand. The Singapore Tourism Board expects visitor arrivals to reach between 4 to 6 million this year, which will further boost the recovery of the Group's hotels.

Likewise, the Group's hotel in Kuala Lumpur benefited from the lifting of travel restrictions since April 2022 and the occupancy improved by 41 percentage points in Q2 2022 vs Q1 2022. For the Rest of Asia, hotel performance was still impacted by travel restrictions in North Asia due to the resurgence of COVID-19 infections.

Australasia

In Australasia, the Group's hotels registered a marginally lower RevPAR of $72.4 in 1H 2022 (1H 2021: $74.5), affected by the spike in Omicron cases in Q1 2022. Two of the hotels in New Zealand which had been operating as Managed Isolation Facilities, remained stable in performance while other hotels struggled with the disruptions from border restrictions while relying solely on domestic travellers.

Europe

On the back of strong domestic and overseas demand around key events, the Group's London hotels continued to perform strongly, exceeding 1H 2021 and surpassing pre-pandemic levels. The Group continues to work with the UK government to secure extended-stay business for several of its UK regional properties.

US

The US region continued its robust recovery month-on-month with the return of events and more employees returning to the office. Occupancy improved by 15.1 percentage points to 61.6% in 1H 2022 (1H 2021: 46.5%) and with a higher ARR, RevPAR grew by 113.4% to $137.2 during the period (1H 2021: $64.3), marking a strong recovery to 88% of pre-pandemic (1H 2019) levels.

Hotel Refurbishments

The Group is investing in its hotel portfolio with a refurbishment programme for key assets to enhance returns through AEIs and repositioning.

In New Zealand, Millennium Hotel Queenstown has embarked on a phased refurbishment for its 205 guestrooms, with expected completion by Q4 2023.

In tandem with the ongoing AEI of the Group's Jungceylon mall, Millennium Resort Patong Phuket will be renovating 418 guestrooms and common areas in Q4 2022, with completion expected by 2H 2023. The hotel will be rebranded as M Social Phuket – the first in Thailand.

Next year, Millennium Downtown New York and Millennium Hotel London Knightsbridge will begin phased refurbishment on their 569 and 222 guestrooms respectively, including their public spaces. Completion is expected by 1H 2024, and the hotels will be converted into the M Social brand.

Developments

The Group's redevelopment project in Sunnyvale, California, which comprises a 263-room M Social hotel and a 250-unit residential development, is progressing well. The apartments are the Group's first PRS project in the US and capitalise on Sunnyvale's strategic location within Silicon Valley. Within a year of operations, the apartments have achieved occupancy of 95% as at 30 June 2022.

Group Divestments

The Group completed the sale of the Millennium Hilton Seoul and its adjoining land site on 24 February 2022 for KRW 1.1 trillion (approximately $1.25 billion).

Recent collective sale exercises in Singapore have enabled the Group to unlock value from its strata-titled investment properties portfolio. The public tender for Tanglin Shopping Centre, which closed on 22 February 2022, received a top bid of $868 million (or $2,769 psf ppr). Through King's Tanglin Shopping Pte Ltd, a wholly-owned subsidiary of M&C, the Group owns about 34.6% of Share Value and 60.2% of Strata Area in the freehold strata-titled development.

On 6 May 2022, the collective sale of Golden Mile Complex at $700 million to a consortium was announced. The Group holds 6.3% of Share Value and 34.8% of Strata Area, mainly attributed to the property's large carpark.

Upon completion of the transactions, the Group is expected to realise a significant capital gain from these investment assets held over a long period at low book value.

Following the distribution *in specie* exercise, the Group now holds an interest of approximately 27% in CDLHT and has correspondingly completed the accounting deconsolidation of CDLHT from the Group as a subsidiary, and the Group will recognise its retained interest in CDLHT as an associate. With the deconsolidation, the Group will actively explore asset sponsorship opportunities with CDLHT, as it will now be able to book gains on any future sale of assets from the Group to CDLHT should the transaction value exceed the carrying book value of the assets.

Statement of profit or loss

	The Group Half year ended 30 June 2022 S$'000	2021 S$'000	Incr/ (Decr) %
Revenue	1,472,553	1,192,189	23.5
Cost of sales	(889,095)	(775,401)	14.7
Gross profit	583,458	416,788	40.0
Other income	1,422,522	56,413	NM
Administrative expenses	(277,419)	(249,267)	11.3
Other operating expenses	(197,615)	(147,585)	33.9
Profit from operating activities	1,530,946	76,349	NM
Finance income	60,717	14,033	NM
Finance costs	(99,483)	(132,342)	(24.8)
Net finance costs	(38,766)	(118,309)	(67.2)
Share of after-tax profit of associates	52,015	30,461	70.8
Share of after-tax profit of joint ventures	40,674	21,246	91.4
Profit before tax	1,584,869	9,747	NM
Tax expense	(432,745)	(28,456)	NM
Profit/(Loss) for the period	1,152,124	(18,709)	NM
Attributable to:			
Owners of the Company	**1,126,341**	**(32,086)**	NM
Non-controlling interests	25,783	13,377	92.7
Profit/(Loss) for the period	1,152,124	(18,709)	NM

Revenue

The increase in revenue is primarily due to the hotel operations segment, which contributed 41% (2021: 27%) of total revenue. RevPAR increased 110% with both improved room occupancies and average room rate, following the easing of border restrictions and a gradual recovery from the Covid-19 pandemic.

Gross profit

Gross profit margin increased to 40% for 1H 2022 (1H 2021: 35%), mainly attributed to higher gross profit recorded for hotel operations segment driven by a 110% increase in RevPAR for 1H 2022. Gross profit contribution from property development and investment properties segments remained relatively constant in this period.

Other income

The Group completed the divestment of Millennium Hilton Seoul and the adjoining land site for KRW 1.1 trillion (approximately $1.25 billion) and recognised a pre-tax gain (net of related transaction costs) of $911.5 million in 1H 2022. After considering relevant taxes, which was separately accounted under income tax expense, the net gain for this disposal amounted to $496.2 million in 1H 2022. In addition, the Group also recognised a gain of $27.3 million from the disposal of a wholly-owned subsidiary, which holds Tagore 23 warehouse.

The distribution *in specie* of 144,191,823 stapled securities in CDLHT resulted in the disposal of CDLHT as a subsidiary. Pursuant to the disposal, the Group recognised a total gain of $474.4 million in other income and the Group also recognised a negative goodwill of $18.0 million which arose from the remeasurement of the retained interest in CDLHT as an associate following the disposal which was accounted for under "share of after-tax profit of associate".

Other income for 1H 2021 comprised mainly divestment gain from the disposal of the land held on the property of Copthorne Hotel Christchurch of $14.9 million, and negative goodwill of $35.6 million recognised on the acquisition of a 84.6% interest in Shenzhen Tusincere in February 2021.

Administrative expenses

Administrative expenses comprised mainly depreciation, hotel administrative expenses and salaries and related expenses. The increase in administrative expenses in 1H 2022 was largely due to higher hotel administrative expenses and salaries expenses. Hotel administrative expense and salaries increased as hotels across all regions saw significant improvements in turnover.

Other operating expenses

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

The increase in other operating expenses for 1H 2022 was mainly attributable to higher hotel operating expenses in line with the improvements in turnover of hotels across all regions, coupled with higher professional fees incurred.

Net finance costs

The decrease in net finance costs in 1H 2022 was mainly due to the following:

(i) Fair value gain on financial derivatives of $25.3 million for 1H 2022 vis-à-vis fair value loss on financial derivatives of $15.3 million in 1H 2021.

Fair value gain on financial derivatives of $25.3 million for 1H 2022 was mainly due to fair value gain on foreign exchange forward contracts and Euro/United States dollar (USD) cross-currency interest swap contract.

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

(ii) Net exchange gain of $22.6 million recognised in 1H 2022 vis-à-vis net exchange loss of $10.2 million recognised in 1H 2021.

Net exchange gain for 1H 2022 was mainly attributable to the translation gain on the appreciation of USD denominated intercompany loans receivables against SGD. The gain was also contributed by the exchange gain recognised by a Korean subsidiary on an SGD denominated intercompany loan receivable as a result of the appreciation of SGD against KRW.

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

Share of after-tax profit of associates and joint ventures

The increase in share of after-tax profit of associates was mainly attributable to negative goodwill of $18.0 million recognised from remeasurement of the Group's retained interest in CDLHT following the disposal on 26 May 2022 and the one-month contribution from CDLHT as an associate.

Share of after-tax profit of joint ventures for 1H 2022 was mainly attributable to contribution from residential projects such as Boulevard 88, The Jovell and Sengkang Grand Residences. The increase during the period was largely due to higher contribution from Boulevard 88 and Sengkang Grand Residences.

1H 2021 share of after-tax profit of joint ventures was primarily contributed by Boulevard 88, South Beach Residences and The Jovell.

Statement of financial position

Property, plant and equipment for the Group decreased by $950.5 million to $4,411.3 million (As at 31 December 2021: $5,361.8 million) mainly due the disposal of CDLHT arising from the distribution *in specie* (refer to Note 26). Following the deconsolidation of CDLHT, the Group recognised ROU assets of $551 million in relation to the leasing of hotels from CDLHT by the Group which are no longer considered intra-group transactions and are not eliminated.

Investments in associates at the Group increased by $474.6 million, mainly attributable to the recognition of CDLHT as an associate at fair value following the distribution *in specie,* reducing the Group's interest in CDLHT to 27%.

Other non-current assets at the Group increased by $38.8 million mainly due to reclassification of loan to joint ventures from current to non-current assets as the Group does not envisage and do not intend to request for repayment of the loan within the next one year. The increase was partially offset by the decrease in restricted cash deposits which was reclassed from non-current assets to current assets as the banking facilities are maturing in March 2023.

Assets held for sale and the liabilities directly associated with the assets held for sale as at 30 June 2022 was in relation to the proposed divestments of Millennium Harvest House Boulder, 125 Old Broad Street, Aldgate House, Tanglin Shopping Centre and Golden Mile Complex. Refer Note 18 to the condensed interim financial statements for details.

Non-current lease liabilities at the Group increased by $444.2 million mainly due to the disposal of CDLHT. Resultantly, lease liabilities arising from the leasing of hotels from CDLHT by the Group are no longer considered intra-group transactions and no longer eliminated.

Other liabilities (non-current) at the Group decreased by $62.0 million, largely attributable to the partial recognition of the deferred gain of $105 million which arose previously from the sale of Novotel Singapore Clarke Quay by CDLHT to a joint venture. Following the disposal of CDLHT, the deferred gain attributable to the non-controlling interest of CDLHT was derecognised. Deferred gain stands at $41 million as at 30 June 2022.

Overall net borrowings of the Group (interest-bearing borrowings net of cash and cash equivalents) decreased by $1,280.2 million due to the disposal of CDLHT on 26 May 2022. The decrease was partially offset by acquisition of a site at 798 and 800 Upper Bukit Timah, dividend payments and construction costs incurred for the redevelopment of Fuji Xerox Towers.

Statement of cash flows

The operating cash outflows for 1H 2022 were mainly due to payments for a site at 798 and 800 Upper Bukit Timah and Central Square totalling $441 million. Excluding the payments for the site at Upper Bukit Timah and Central Square, there would be a net cash inflow from operating activities of $411 million.

Net cash inflows from investing activities amounted to $678.5 million in 1H 2022 (1H 2021: net cash outflows of $473.9 million).

(i) The cash outflows from acquisition of subsidiaries of $43.0 million for 1H 2022 was due to acquisition of Hotel Brooklyn by CDLHT in February 2022 (refer to Note 27).

    The cash outflows of $331.6 million for 1H 2021 was due to payments made by the Group to acquire the 84.6% equity interest in Shenzhen Tusincere in February 2021.

(ii) Net cash outflows from increase in investments in associates of $27.9 million for 1H 2022 was mainly due to the additional contribution made by the Group into HThree City Australian Commercial Fund 3 LP, a real estate investment fund which was accounted for as an associate of the Group.

    The net cash outflows of $1.5 million for 1H 2021 was mainly due to payments made by the Group to acquire additional units in IREIT Global.

(iii) The cash inflows from the return of capital from a joint venture of $3.0 million in 1H 2022 and $53.0 million in 1H 2021 were in relation to South Beach Consortium.

(iv) Net cash outflows from increase in non-trade amounts owing by equity-accounted investees of $52.3 million for 1H 2022 was mainly due to advances granted to joint ventures to fund the acquisition of a land site at Jalan Tembusu. The advances were partially offset by repayment of loans from other equity-accounted investees.

    The net cash outflows of $58.6 million for 1H 2021 was mainly due to advances granted to joint ventures to fund the acquisition of the Tengah Garden Walk Executive Condominium site and a land site at Northumberland Road. The advances were partially offset by repayment of loans from other equity-accounted investees.

(v) The cash outflows on the payments for purchase of investment properties of $182.3 million for 1H 2022 relate to the acquisition of a 505-bed purpose-built student accommodation in Coventry UK. In addition, the Group acquired three newly-built PRS projects in Japan – City Lux Tobe, LOC's Yokohama Bayside and Gioia Namba.

(vi) The proceeds from sale of property, plant and equipment for 1H 2022 of $1.2 billion relate mainly to the proceeds from the sale of Millennium Hilton Seoul in February 2022.

The proceeds from the sale of property, plant and equipment for 1H 2021 of $18.7 million relate mainly to the proceeds from the disposal of land held at the property of Copthorne Hotel Christchurch.

(vii) Disposal of subsidiaries, net of cash disposed of $16.4 million for 1H 2022 relate to the divestment of 100% equity interest in Bloomsville Investments Pte. Ltd., which owns Tagore 23 warehouse in March 2022 and the disposal of CDLHT in May 2022 (refer to Note 26).

The Group had net cash outflows from financing activities of $509.6 million for 1H 2022 (1H 2021: $586.2 million). The net cash outflows for both 1H 2021 and 1H 2022 were largely due to a net repayment of borrowings of $393.7 million (1H 2021: $346.5 million) and dividends paid during the year**.**

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

The Group's performance for the period under review was in line with its expectations as disclosed in the announcement of results for the full year ended 31 December 2021.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

Singapore

Based on Urban Redevelopment Authority's data, residential sales volume declined in 1H 2022 by 35% year-on-year, while private home prices remained resilient, rising by 0.7% in Q1 2022 and 3.5% in Q2 2022 respectively. Transaction volume was affected by the property cooling measures introduced in December 2021 and recent concerns over interest rate hikes and rising inflation alongside other geopolitical factors. The lack of new launches in 1H 2022 also resulted in lower overall sales.

With transaction volumes moderating and healthy household debt levels, the Monetary Authority of Singapore (MAS) has recently indicated that the property market is on a sustainable path despite inflationary concerns and rising mortgage rates. The Group believes that property investment in Singapore is a well-established hedge against inflation when viewed with a medium to long-term perspective for value appreciation.

On the back of sound economic fundamentals, the Group expects prices and demand for well-located projects with strong attributes to remain stable and resilient.

In Q4 2022, the Group plans to launch its 639-unit JV EC project, Copen Grand. Located in Tengah New Town, Copen Grand is the first EC project in Singapore's premier smart and sustainable district. The project is within walking distance of three MRT stations along the Jurong Region Line and is near the Jurong Innovation District and Jurong Lake District. Comprising 12 blocks of up to 14 storeys, Copen Grand is the first EC to receive the Building and Construction Authority (BCA) Green Mark Platinum Super Low Energy Award, aligned with CDL's pledge to achieve net zero operational carbon by 2030.

Besides Copen Grand, the Group has over 1,500 units in its pipeline for launch from 2023 onwards. The Group's diversified pipeline will place it in good stead to ride the resilient market.

Overseas, the Group plans to launch two JV projects in 2H 2022 in Brisbane, Australia, named The Vanda in the Toowong suburb (125 units) and Treetops at Kenmore (97 units).

For the rest of the year, the Grade A office market is projected to remain resilient, supported by tight Grade A office supply and healthy demand that is partially driven by displaced tenants from buildings undergoing or planned for redevelopment. While the momentum for Grade A rents will continue to trend upwards, backed by favourable market dynamics and Singapore's safe-haven status, the projected rental increase for 2023 will likely be moderated given the ongoing inflationary environment.

Hotel Operations

The reduction and removal of COVID-related restrictions, pent-up demand and the return of events are expected to continue to spur demand and recovery across M&C's portfolio markets. As a hotel operator, the Group will continue to harness technology and innovation to improve operational efficiencies, strengthen financial performance and enhance the customer experience. Similarly, the Group will review and optimise its hospitality portfolio by refurbishing its properties, exploring acquisition opportunities and evaluating alternative uses for its sites.

Outlook

In the face of ongoing geopolitical tensions, rate hikes, heightened inflation, rising operating costs and a global economic slowdown, the outlook remains unpredictable.

Notwithstanding the macroeconomic volatility, the Group is cautiously optimistic that the economy will recover with strength. The Group's record profit performance in 1H 2022 has provided substantial cash flow generation from timely asset divestments, strengthening its robust balance sheet. In addition to sharpening operational efficiencies across its portfolio, a key focus for the Group continues to be capital recycling and accretive acquisitions. The Group is in a strong position to weather potential headwinds and will continue to embrace a disciplined approach in its investments as it pursues its Growth, Enhancement and Transformation (GET) strategy.

5. Dividend Information

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

The Company had on 24 May 2022 declared a tax-exempt (one-tier) non-cumulative preference dividend to holders of City Developments Limited Preference Shares of $0.019339726 per Preference Share, calculated at the dividend rate of 3.9% per annum of the issued price of $1.00 for each Preference Share, for the dividend period from 31 December 2021 to 29 June 2022. The said preference dividend was paid on 30 June 2022.

On 26 May 2022, the Company distributed 144,191,823 stapled securities of CDLHT Units to ordinary shareholders who were entitled to the distribution. Pursuant to the distribution *in specie*, each entitled shareholder received 0.159 CDLHT Units for each ordinary share in the Company. Based on the closing market price of $1.27 per CDLHT Unit on 25 May 2022, the cash equivalent rate of the distribution per Ordinary Share is $0.2019.

The Board of Directors had declared a tax-exempt (one-tier) special interim ordinary dividend of $0.12 per ordinary share for the financial year ending 31 December 2022.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes

Name of Dividend	Tax-exempt (One-tier) Special Interim Ordinary Dividend	Tax-exempt (One-tier) Preference Dividend
Date of Payment	14 September 2021	30 June 2021
Dividend Type	Cash	Cash
Dividend Amount	$0.03 per Ordinary Share	$0.0193 per Preference Share^
Dividend rate (in %)	N.A.	3.9% per annum on the issue price of each Preference Share
Dividend Period	N.A.	From 31 December 2020 to 29 June 2021 (both dates inclusive)
Issue Price	N.A.	$1.00 per Preference Share

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

(c) Date payable

The tax-exempt (one-tier) special interim ordinary dividend will be paid on 9 September 2022.

(d) Record Date

5.00 pm on 22 August 2022.

6. Interested Person Transactions

No interested person transactions (”IPTs”) were conducted for the six months ended 30 June 2022 under the Company’s IPT Mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than $100,000).

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

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

BY ORDER OF THE BOARD

Yeo Swee Gim, Joanne
Enid Ling Peek Fong
Company Secretaries
11 August 2022

CONFIRMATION BY THE BOARD

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

On behalf of the Board of Directors

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

Singapore, 11 August 2022

News Release

11 August 2022

CDL POSTS RECORD PROFIT OF S$1.1 BILLION FOR 1H 2022, REVERSING NET LOSS OF S$32.1 MILLION IN 1H 2021

- **Highest PATMI achieved since the Group's inception in 1963; largely due to divestment gains from the sale of Millennium Hilton Seoul and the gain on deconsolidation of CDL Hospitality Trusts (CDLHT) from the Group**
- **Revenue increased 23.5% to S$1.5 billion**
- **Strong recovery in hotel operations segment with RevPAR growth of 110.4%**
- **Sold 712 residential units with sales value of S$1.6 billion in Singapore**
- **Maintains strong liquidity position with cash reserves of S$2.2 billion**
- **Special interim dividend of 12.0 cents per ordinary share**

For the half-year ended 30 June 2022 (1H 2022), City Developments Limited (CDL) registered record earnings with net profit after tax and non-controlling interest (PATMI) of S$1.1 billion, reversing a net loss of S$32.1 million for 1H 2021. This is the highest PATMI achieved since the Group's inception in 1963. The stellar performance was largely due to divestment gains from the sale of Millennium Hilton Seoul and its adjoining land site for KRW 1.1 trillion (approximately S$1.25 billion), completed in February 2022, as well as the gain on deconsolidation of CDLHT from the Group resulting from the distribution *in specie* of CDLHT Units in May 2022.

The Group's revenue for 1H 2022 increased by 23.5% to S$1.5 billion (1H 2021: S$1.2 billion). While the property development segment continued to be the lead contributor, accounting for 41% of total revenue, the increase in revenue for 1H 2022 was primarily attributed to the hotel operations segment. With the recovery of the hospitality sector, driven by border re-openings and the relaxation of travel restrictions, the Group's hotel RevPAR grew 110.4%, of which the Europe and US regions experienced a strong improvement in both occupancies and average room rates.

As at 30 June 2022, the Group has a sizeable war chest with cash reserves of S$2.2 billion and maintains a strong liquidity position with cash and available undrawn committed bank facilities totalling S$4.1 billion. After factoring in fair value on investment properties, net gearing ratio stands at 52%.

The Board is pleased to declare payment of a tax-exempt (one-tier) special interim dividend of 12.0 cents per ordinary share.

Financial Highlights

(S$ million)	1H 2022	1H 2021	% Change
Revenue	**1,472.6**	1,192.2	23.5%
Profit before tax	**1,584.9**	9.7	NM
PATMI	**1,126.3**	(32.1)	NM

NM = Not meaningful

Important Notes on 1H 2022 Profit Before Tax

- The Group recognised divestment gains from the sale of Millennium Hilton Seoul: a pre-tax gain of S$911.5 million in 1H 2022 and a total gain on disposal of S$526.2 million, net of taxes and related transaction costs.

- In addition, the distribution *in specie* of 144,191,823 stapled securities in CDLHT resulted in the accounting deconsolidation of CDLHT from the Group as a subsidiary, and the Group will recognise its retained interest in CDLHT as an associate. Consequently, the Group recognised a total gain (inclusive of negative goodwill) of S$492.4 million.

Operations Review and Prospects

Healthy Residential Sales in Singapore and Overseas Markets

- In **Singapore,** the Group and its joint venture (JV) associates sold 712 residential units, including Executive Condominiums (ECs), with a total sales value of S$1.6 billion (1H 2021: 971 units with a total sales value of S$1.7 billion). Sales were driven by the Group's successful launch of Piccadilly Grand in May, with 334 out of 407 units sold to date, and the good take up of other projects including CanningHill Piers, Haus on Handy, Amber Park and Irwell Hill Residences.
- In **Australia,** the Group's launched JV projects continued to see a steady uptake.
- In **China**, most of the Group's residential inventory has been substantially sold.

Upcoming Project Launches

- In Q4 2022, the Group plans to launch **Copen Grand**, a 639-unit JV EC project. Located in Tengah New Town, Copen Grand is the first EC project in Singapore's premier smart and sustainable district. The project is within walking distance of three MRT stations along the Jurong Region Line and is near the Jurong Innovation District and Jurong Lake District. Besides Copen Grand, the Group has over 1,500 units in its pipeline for launch from 2023 onwards.

- The Group plans to launch two JV projects in 2H 2022 in Brisbane, Australia, named The Vanda in the Toowong suburb (125 units) and Treetops at Kenmore (97 units).

Strong Recovery Momentum in Hospitality Sector

- With the easing of border restrictions and supported by pent-up demand for travel, the Group registered a strong RevPAR growth of 110.4% to S$113.6 in 1H 2022 (1H 2021: S$54.0) and the average GOP margin also increased by 12 percentage points to 24.7% (1H 2021: 12.7%).
- The Group is investing in a refurbishment programme for key hotel assets to enhance returns through Asset Enhancement Initiatives (AEIs) and repositioning. Ongoing phased refurbishments include Millennium Hotel Queenstown and Millennium Resort Patong Phuket, which will be rebranded as M Social Phuket – the first in Thailand.

Building Development Pipeline

In 1H 2022, the Group completed the acquisition of four sites (three in Singapore and one in Australia):

<u>Singapore</u>

(i) In January, the Group and its JV partner MCL Land secured a prime 210,623 sq ft Government Land Sales site at **Jalan Tembusu** for S$768 million (or S$1,302 psf ppr). Located near the upcoming Tanjong Katong MRT station, the site will be developed into a luxury condominium with around 638 units.

(ii) In March, the S$315 million **Central Square** acquisition was completed. Subject to Authorities' approval, the property will be redeveloped alongside the Group's Central Mall properties into an enlarged mixed-use development comprising office, retail, hospitality and residential.

(iii) In April, the Group completed the off-market acquisition of a 179,007 sq ft site at **798 and 800 Upper Bukit Timah Road** for S$126.3 million, which it intends to redevelop into a residential project with over 400 units.

<u>Australia</u>

(iv) In March, the Group and its JV partner New Urban Villages purchased a mixed-use, freehold site in **Toowong, Brisbane,** for A$12 million (approximately S$12.3 million), with plans to develop 125 apartments and a retail component.

<u>Strengthening Recurring Income and Unlocking Value</u>

Expanding the Living Sector Portfolio

- The Group continues to build scale in the living sector to enhance recurring income and capitalise on the rising demand for rental accommodation.

- In 1H 2022, the Group acquired three newly-built Private Rented Sector (PRS) projects in Japan – two properties in Yokohama (City Lux Tobe and LOC's Yokohama Bayside) and one in Osaka (Gioia Namba) – totalling 271 units. This brings the Group's Japan PRS portfolio to eight projects, all of which are completed and in operation.

- In March, the Group acquired a freehold site in **Southbank, Melbourne,** for A$11.1 million (approximately S$11.4 million). The acquisition of the site is expected to complete by Q4 2022. Subject to planning approval, it intends to develop around 240 units, marking the Group's **first PRS project in Australia**.

- In June 2022, the Group acquired **Infinity**, its **first Purpose-Built Student Accommodation (PBSA)**, located in Coventry, the UK, for £59.2 million (approximately S$102.4 million). Comprising 505 beds with occupancy of 95%, the 19-storey, 152-metre building is the tallest in Coventry and offers panoramic views of the city.

Resilient Office and Retail Portfolio

- As at 30 June 2022, the Group's office portfolio had committed occupancy of 93.8%, above the island-wide average occupancy of 88%. Republic Plaza is 96.6% occupied and recorded positive rental reversions of 5.6%.

- The Group's retail portfolio had committed occupancy of 95.6%, above the island-wide average occupancy of 91.8%. City Square Mall (CSM) is 97.4% occupied. Average tenants' sales at Palais Renaissance and Quayside Isle have exceeded pre-COVID levels in 1H 2022, while sales at CSM are close to pre-COVID levels.

Asset Rejuvenation

- In June 2022, AEI works at the King's Centre office building were completed and the office achieved committed occupancy of over 90%. The Group also completed AEI works at Palais Renaissance where committed occupancy has improved to 99%.

Group Divestments and Capital Recycling

- Recent collective sale exercises in Singapore have enabled the Group to unlock value from its strata-titled investment properties portfolio. The public tenders for Tanglin Shopping Centre and Golden Mile Complex received bids of S$868 million (or S$2,769 psf ppr) and S$700 million respectively. Upon completion of the transactions, the Group is expected to realise a significant capital gain from these investment assets held over a long period at low book value.

Mr Kwek Leng Beng, Executive Chairman of CDL, said, "Notwithstanding the macroeconomic volatility, the Group remains cautiously optimistic that the economy will recover with strength. The Group's record profit performance in 1H 2022 has provided substantial cash flow generation from timely asset divestments. Our hotel operations segment has also rebounded strongly. With post-pandemic travel fuelling continued recovery, we expect hospitality to be a star performer for the rest of the year. As COVID-19 concerns wane, our hospitality portfolio will be a valuable growth engine contributing meaningfully to the Group's recurring earnings.

Property investment, when viewed with a medium to long-term perspective for value appreciation, is a well-established hedge against inflation. In addition to building a solid development pipeline, the Group will keep its focus on strengthening our recurring income streams."

Mr Sherman Kwek, Group Chief Executive Officer of CDL, said, "Our expansion into the living sector over the past few years has started to bear fruit as we gradually build up scale and diversification. We now have apartment rental sites across the UK, Japan, Australia and the US, and have recently completed our first purpose-built student accommodation deal located in the UK. Throughout the pandemic, these recurring income assets have shown strong resilience and the outlook for them continues to remain bright.

Armed with a robust balance sheet and geographically diverse portfolio, the Group's strong underlying fundamentals will enable us to manage near-term volatility with tenacity and discipline. At the appropriate time, we can extract value from our portfolio through redevelopment, repositioning and divestment initiatives. Despite the current headwinds, we remain geared for growth but will be highly selective in our acquisition plans. The Group will continuously refine its Growth, Enhancement and Transformation (GET) strategy to accelerate our growth and future-proof our business."

Please visit www.cdl.com.sg for CDL's 1H 2022 financial statement.

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

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CITY DEVELOPMENTS LIMITED

Trusted Since 1963

1H 2022

Results Presentation

11 August 2022

Artist's Impression

Piccadilly Grand I Singapore

OUR VISION:

We aim to be recognised by customers, employees and peers as an innovative creator of quality and sustainable spaces.

OUR MISSION:

- **C** onceptualise spaces and solutions
- **R** espect planet Earth
- **E** ncourage diversity of people and ideas
- **A** dvance the communities we operate in
- **T** ake prudent risk for sustainable returns
- **E** mbrace a forward-looking mindset

OUR VALUES:

- INNOVATION
- COLLABORATION
- INTEGRITY

Artist's Impression

CanningHill Piers I Singapore

Agenda

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

Artist's Impression
Piccadilly Grand | Singapore

Overview >>>

Key Financial Highlights

1H 2022	Revenue	EBITDA	PBT	PATMI
1H 2022	$1.5B	$1.8B $323.4MM Excluding divestment gains	$1.6B $153.6MM Excluding divestment gains	$1.1B $110.3MM Excluding divestment gains
1H 2021	$1.2B	$272.1MM	$9.7MM	($32.1MM)

Increase in revenue primarily due to hotel operations which reported higher revenues for US, Europe and Asia for 1H 2022. The recovery of the hospitality sector is driven by border re-openings and the relaxation of travel restrictions.

Property development and investment properties segments continue to be resilient.

Record PATMI of $1.1B achieved for 1H 2022, largely due to divestment gains from the sale of Millennium Hilton Seoul as well as gains from the deconsolidation of CDLHT

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

Key Financial Highlights

1H 2022

NAV per share

$10.18

▲ 9.7%

FY 2021

$9.28

RNAV per share

$16.37

▲ 4.3%

FY 2021:

$15.70

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

$18.86
If revaluation surpluses of the hotel portfolio had been included (based on 2021/2022 internal & external valuations)

1H 2022

Special Interim Dividend

12.0
cents per share

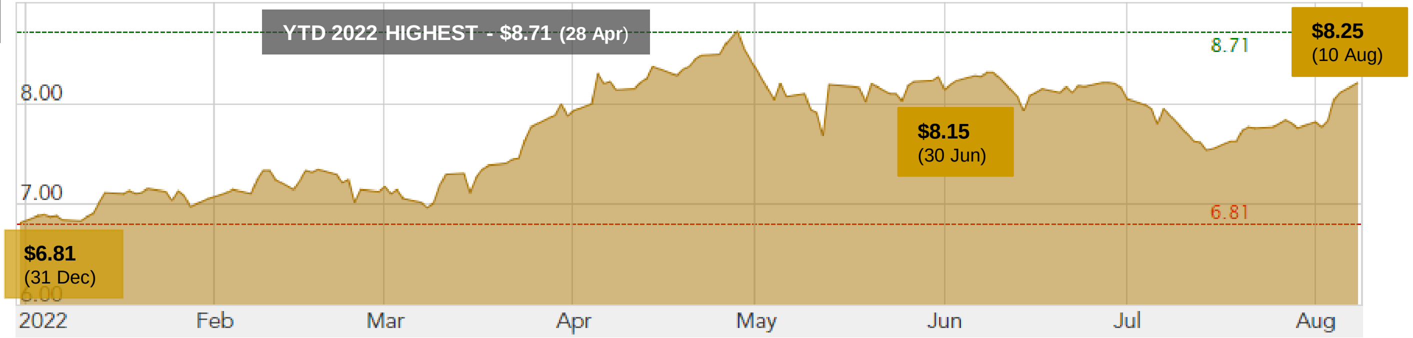
1H 2021

3.0 cents per share

Share Price Performance

$8.25[1]

▲ **21.1%**



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

[1] As of 10 Aug 2022

Key Operational Highlights – 1H 2022

Property Development	▪ **SINGAPORE:** Sold 712 units with total sales value of $1.6B[1] – Successful launch of Piccadilly Grand in May, with 77% of 407 units snapped up on its launch weekend ▪ Strategic expansion of Singapore residential land bank with the completion of three site acquisitions – Jalan Tembusu GLS site (Est 638 units) – Central Square site (Units TBC) – Upper Bukit Timah Road site (Est 408 units) ▪ **CHINA:** Existing residential inventory substantially sold ▪ **AUSTRALIA:** Acquired residential JV site in Toowong, Brisbane
Investment Properties	▪ **SINGAPORE:** Resilient committed occupancy for core Singapore office & retail portfolio: − **Office**: 93.8% (NLA: 1.7MM sq ft) − **Retail**: 95.6% (NLA: 687,000 sq ft) ▪ **OVERSEAS:** Stable occupancy for office assets in London and China; acquired two living sector projects: − **UK**: Infinity, a Purpose-Built Student Accommodation (PBSA) with 505 beds in Coventry − **Australia**: JV Private Rented Sector (PRS) project in Southbank, Melbourne
Hotel Operations	▪ Strong RevPAR growth with relaxation in border restrictions supported by pent-up demand for travel: − **Global occupancy:** 58.5% (▲ 15.9% pts yoy) − **Global RevPAR:** $113.6 (▲ 110.4% yoy) − **Global ARR:** $194.3 (▲ 53.2% yoy) ▪ Completed divestment of Millennium Hilton Seoul for KRW 1.1T (approx. $1.25B) with pre-tax gains of $912MM booked
Fund Management	▪ Continue to grow AUM through existing listed platforms and partnerships: – Co-invested in the acquisition of 330 Collins Street in Melbourne's CBD with HThree City Australia for A$236MM ($226.7MM) in June

[1] Includes Executive Condominiums (ECs) and share of JV partners, excludes Nouvel 18

Portfolio Composition by Segment – 1H 2022

EBITDA (excluding divestment gains) $323.4MM

EBITDA [1] $1.8B

1H 2022

Total Assets $23.0B

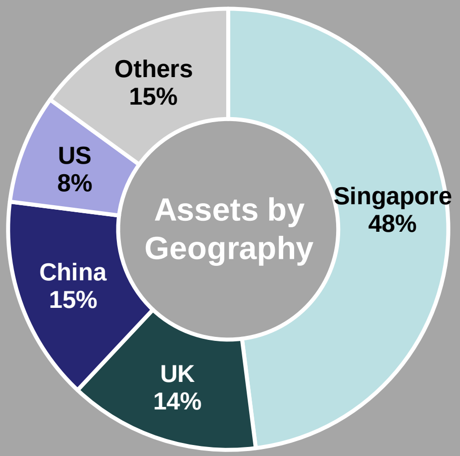
EBITDA (excluding divestment gains)	EBITDA [1]	Segment	Total Assets
$144.7MM	$144.7MM	Property Development	$10.5B
$59.1MM	$1.4B	Hotel Operations	$5.8B
$97.0MM	$218.2MM	Investment Properties	$5.6B
$22.6MM	$22.6MM	Others	$1.1B

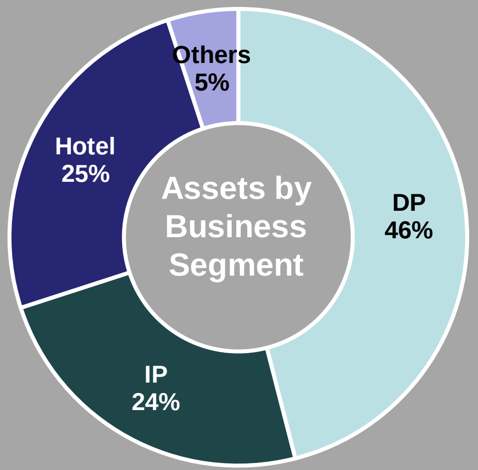
1 Earnings before interest, tax, depreciation and amortization

Global Portfolio Overview

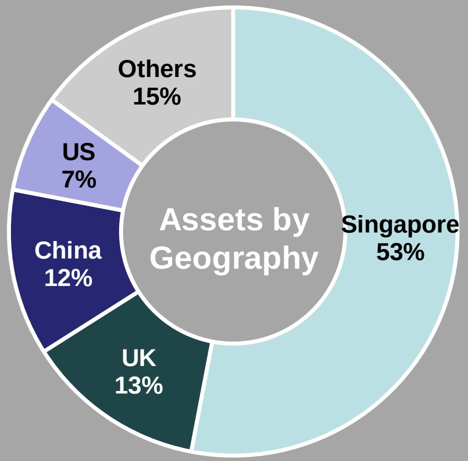
The Group's diversified portfolio enables it to weather cyclical typhoons from time to time

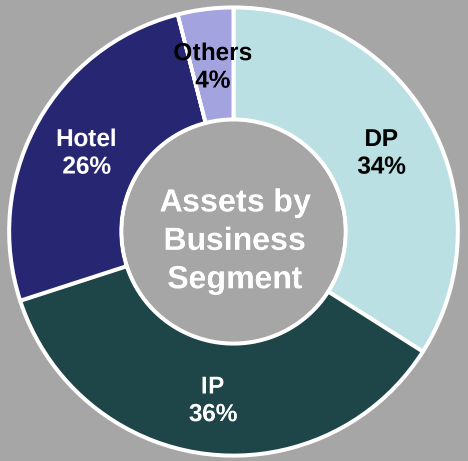
Total Assets: $23.0B (Book value)





Total Assets: $30.9B (Fair value of IP + Hotels)





Staying Nimble to Navigate Near-term Challenges

Recession fears

Inflation

Escalating interest rates

Geopolitical risks & uncertainties

UK elections *Russia-Ukraine war*

US-China tensions

Supply chain disruptions

COVID-19 pandemic

Rising energy & operational costs

MEASURES

- **Gearing optimisation:**
  Target gearing range met (50-60%)
- **Capital management initiatives:**
  - Pare down debt with divestments to strengthen balance sheet
  - Secured bank agreements for FY 2022 refinancing
- **Strategic initiatives:**
  - Opportunistic divestments to generate cash: Millennium Hilton Seoul and Tanglin Shopping Centre
  - Portfolio restructuring: CDLHT deconsolidation
- **Cost & resource efficiency:**
  - Mitigated by green building portfolio and energy efficiency initiatives

KEY FOCUS

- **Value-add opportunities:**
  - Strategic acquisitions to build pipeline and grow portfolio
  - Portfolio enhancements through asset redevelopment and repositioning initiatives
- **Strengthen capital position:**
  - Sufficient firepower for selective acquisitions
  - Manage development and investment risks
- **Strategy execution:**
  Enhance asset performance and strengthen investment execution

STRONG CAPITAL POSITION

Gearing:
52%
(FY 2021: 61%)

Cash
and Available Committed Credit Facilities:
$4.1B
(FY 2021: $3.9B)

As at 30 June 2022

Enhance Operational Framework

Implementation of Mitigation Measures to Manage Near-term Challenges

Property Development

- **Cost discipline** in selective land replenishment
- **Value engineering:**
  - Focus on long-term builder and supplier relationships to contain increases in construction and material costs
  - Drive resource efficiency through economies of scale
  - Leverage technology and innovation

JV project Piccadilly Grand

Investment Properties

- **Drive asset performance** through asset enhancement and redevelopment to unlock value
- **Cost management:**
  - Mitigate rising operations cost by shifting from reactive to preventive maintenance approach, bulk contracting strategies (for energy and cleaning)

Revamped Palais Renaissance

Hotel Operations

- **Portfolio rebalancing** through asset enhancement initiatives, repositioning, redevelopment and divestments
- **Operational efficiency:**
  - Increase efficiencies through digitalisation and innovation initiatives

Rebranded M Social Hotel Paris Opera

Strategic Initiatives >>>

GET Strategy Execution

GROWTH

Artist's Impression

- Launched **Piccadilly Grand & Galleria** in Singapore
- **Active land replenishment: Jalan Tembusu** in Singapore; **Kenmore** in Brisbane, Australia
- **Build recurring income streams**:
  - UK: Acquired **1st UK Purpose-Built Student Accommodation (PBSA)** in Coventry
  - Australia: Acquired **1st Private Rented Sector (PRS) project** in Southbank, Melbourne
  - Japan: Acquired **3 PRS projects**

ENHANCEMENT

- Redevelopment of **Fuji Xerox Towers** (CBD Incentive Scheme) and **Central Mall** & **Central Square** (Strategic Development Incentive Scheme)
- Asset Enhancement Initiatives (AEIs) for managed assets: **Palais Renaissance, King's Centre and Jungceylon, Phuket**
- Repositioning of hotel assets globally: **M Social Brand Conversion**

TRANSFORMATION

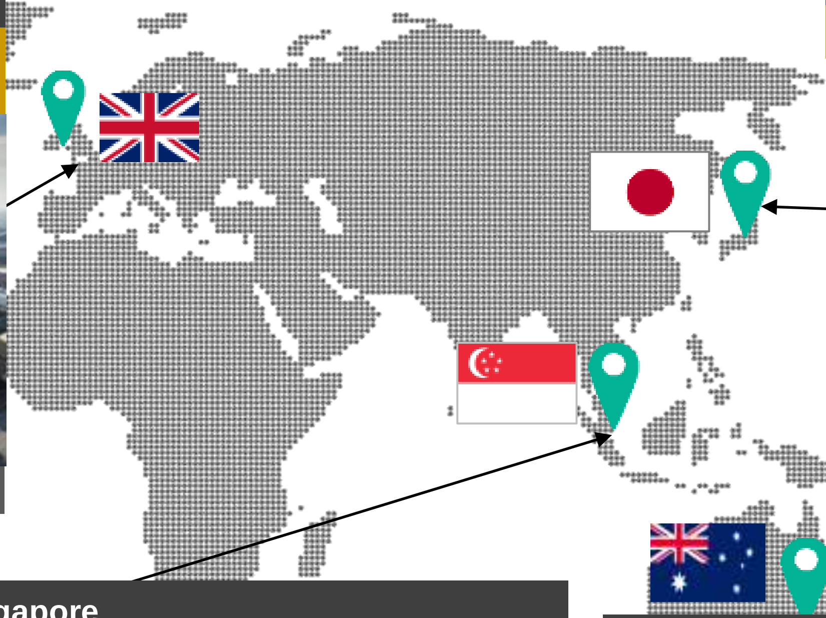
Artist's Impression

- **M&C Strategic Review**
- **Fund management platform**
- **Innovation and Venture Capital**

Growth

- Build development pipeline & recurring income streams

Completed Strategic Acquisitions & Investments – 1H 2022



United Kingdom

Infinity, Coventry
(505 beds)

£59.2MM ($102.4MM)

Japan

Two Yokohama PRS projects

City Lux Tobe
(117 resi +
1 retail unit)

LOC's Yokohama Bayside
(89 resi units)

Osaka PRS project

Gioia Namba
(63 resi + 1 retail unit)

Singapore

798 & 800 Upp Bukit Timah Rd (Est 408 units)

$126.3MM

Jalan Tembusu* (Est 638 units)

Source: Google Earth

$768.0MM

Central Square

$315.0MM

Australia

The Vanda*, Brisbane
(125 units)

Artist's Impression

A$12MM ($12.3MM)

330 Collins St*, Melbourne

A$236MM ($226.7MM)

Committed Acquisition
(completion by Q4 2022)

Southbank*, Melbourne

A$11.1MM ($11.4MM)

* JV project

Singapore Residential Launch Pipeline

Diversified pipeline ranging from Mass Market to High-end projects

Copen Grand^
(639 units)

Source: HDB

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

798 & 800 Upper Bukit Timah Road #
(Est 408 units)

Land cost: **$126.3MM**

Launch Pipeline
>2,000 units*

Newport Residences#
(Est 246 units)

Artist's Impression

Redevelopment of Central Mall & Central Square#
(TBC)

Jalan Tembusu^#
(Est 638 units)

Source: Google Earth

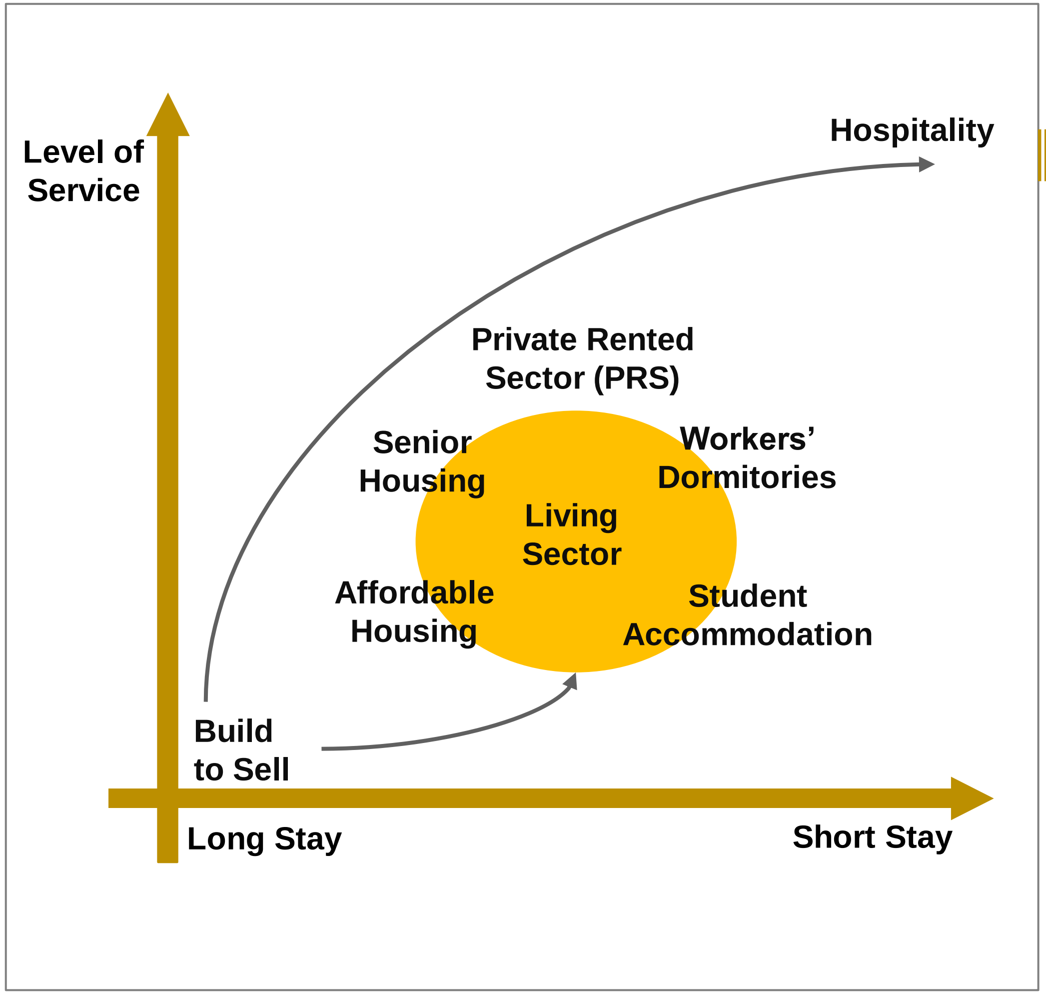
Land cost: **$768.0MM**
($1,302 psf ppr)

Upcoming Launches	
Copen Grand ^	Q4 2022
Newport Residences #	1H 2023
798 & 800 Upper Bukit Timah Road #	1H 2023
Jalan Tembusu ^ #	1H 2023
Redevelopment of Central Mall & Central Square #	2024

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

GROWTH

Building Scale in the Living Sector

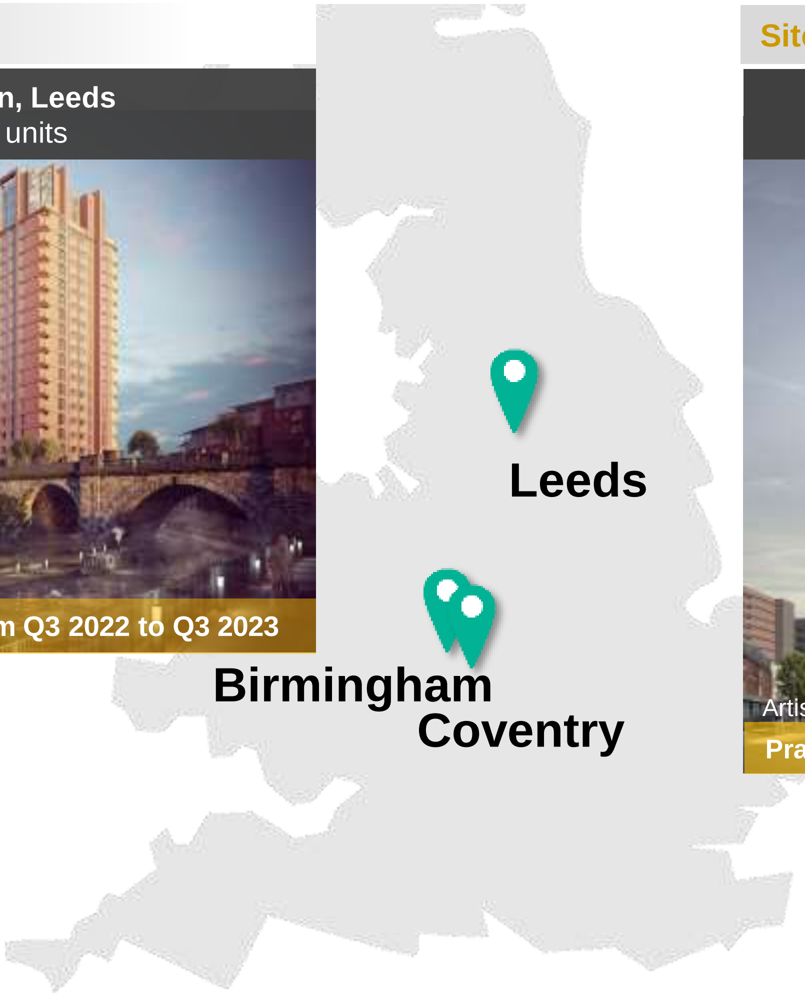


Living sector complements CDL's Expertise

- CDL's core competence and skill sets allow us to maintain flexibility in calibrating our strategy for living assets
- Our track record and inherent expertise in property development, asset management as well as hospitality will make the living sectors a natural fit for CDL as an investor, an asset owner and an operator

UK Living Sector Portfolio

Portfolio comprises **1,540 units / beds** in Leeds, Birmingham and Coventry



Site acquired in 2019

The Junction, Leeds
665 PRS units

Practical Completion from Q3 2022 to Q3 2023

Site acquired in 2021

The Octagon, Birmingham
370 PRS units

Practical Completion est. in Q3 2025

New Acquisition in June 2022

Infinity, Coventry
505 PBSA beds

Current Occupancy: 95%

GROWTH

Japan Living Sector Portfolio

PRS assets comprising **513 units** in Osaka and Yokohama with **total investment** of **¥14.5B ($148.3MM)**

Five freehold residential properties in Osaka (228 units)

Horie Lux
(29 residential + 5 retail units)

Pregio Joto Chuo
(48 residential units)

New Acquisition in 1H 2022[1]

Gioia Namba
(63 residential + 1 retail units)

B-Proud Tenmabashi
(26 residential units)

Pregio Miyakojima Hondori
(56 residential units)

The Group's Japan PRS portfolio **continues to perform** and **enjoy stable rent** with strong average portfolio occupancy of **above 95%** for stabilised assets*

Three freehold residential properties in Yokohama (285 units)

New Acquisitions in 1H 2022[1]

City Lux Tobe
(117 residential + 1 retail units)

LOC's Yokohama Bayside
(89 residential units)

City Lux Yokohama
(78 residential units)

* Excluding City Lux Tobe which the Group acquired in April 2022 after its recent building completion and is currently in initial leasing stage
[1] Completed on 27 April 2022 | Currency exchange rate: S$1 = ¥97.56 | Occupancy as at July 2022

Enhancement

- Enhance asset portfolio
- Drive operational efficiency

ENHANCEMENT

Ongoing Redevelopment Initiatives

Realise GFA Uplift from Incentive Schemes to Unlock Value

Newport Plaza / Newport Residences / Newport Tower

Proposed redevelopment under CBD Incentive Scheme*:

Redevelopment of the former Fuji Xerox Towers into a 45-storey freehold mixed-use integrated development comprising office, retail, residential and serviced apartments

- Obtained **Provisional Permission in May 2021** for uplift in GFA by 25% to approximately 655,000 sq ft
- Target Sales Launch Date: **1H 2023**

Proposed Use

Residential	Serviced Apartments	Commercial
35% (246 units^)	**25%** (197 rooms^)	**40%**

Central Mall and Central Square

Proposed redevelopment under Strategic Development Incentive Scheme*:

Redevelopment into a mixed-use integrated development comprising office, retail, hotel and residential apartments

- In the midst of pursuing planning permission

Existing Central Square

Existing Central Mall

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

Completed AEIs in 1H 2022

Enhancement Works for Commercial Portfolio to Improve Asset Performance

Palais Renaissance

AEI completed in June 2022:

- Creation of more F&B provisions and a unique alfresco dining area at Level 1; introduction of five new-to-market F&B concepts – Binary, Siam Smith, Estuary, KI Teppan & Rogama and Caviar

Post AEI: Committed occupancy of 99%

King's Centre

AEI completed in June 2022:

- With the planned opening of Havelock MRT station by 2H 2022, King's Centre is poised to attract new tenants to boost the occupancy further

Post AEI: Committed occupancy of >90%

ENHANCEMENT

On-Going AEI: Jungceylon, Phuket

- **Timely AEI to rejuvenate mall which opened in 2006**
- **Increase NLA, enhance shoppers' experience with new-to-market concepts & refreshed experiential trade mix**

Design Inspiration From Tropical Garden & Eco-Sanctuary

- The planned works will be completed in phases, with the first phase opening in Q4 2022.
- On completion in Q4 2023, Jungceylon is projected to strengthen its foothold as the **premier shopping and leisure destination** in Patong, Phuket.

Millennium Resort Patong Phuket will also be undertaking an AEI to rebrand both lakeside and beachside hotels to M Social Phuket

ENHANCEMENT

Asset Repositioning of M&C Assets

M Social Brand Conversions in Progress

MSOCIAL

M Social Brand Conversion

- **SUZHOU** (First M Social in China)
- **PHUKET** (First M Social in Thailand)
- **LONDON** (First M Social in UK)
- **NEW YORK**
- **CALIFORNIA**

M Social Downtown New York

Target completion: 2023/2024

M Social Suzhou

Opening: Q1 2023

M Social Sunnyvale

M Social Phuket

Target completion: 2H 2023

M Social Knightsbridge London

M Social Paris

Sunnyvale California

M Social Downtown New York

M Social Suzhou

M Social Phuket

M Social Singapore

M Social Auckland

- Denotes existing M Social hotel presence

All visuals are artist's impressions

ESG Leadership & Achievements

Ranked on 13 Leading Global Sustainability Ratings and Rankings

LATEST ESG MILESTONES

Bloomberg Gender-Equality Index 2021	2021 Most Sustainable Corporations in the World GLOBAL 100	CDP A LIST 2021 CLIMATE WATER	asra	FT Financial Times statista CLIMATE LEADERS 2022
Only Singapore real estate company listed for 5th consecutive year	Ranked 5th most sustainable corporation in the world, world's top real estate company, top Singapore company, and 1st & only Singapore company listed on Global 100 for 13 consecutive years	Only company in Southeast Asia & Hong Kong to achieve double 'A' honour for both climate change & water security for 3rd consecutive year	Top reporting company in Singapore - Asia Sustainability Report of the Year (Special Award) and 4 Golds and 1 Bronze for sustainability reporting (Large Company, CEO Letter, Materiality, Climate, Governance) at ASRA 2021	Only Singapore property company recognised in the inaugural edition of FT-Nikkei Climate Leaders Asia Pacific 2022

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA
Since 2011

MSCI ESG RATINGS AAA
'AAA' since 2010

FTSE4Good
Since 2002

GRESB Real Estate Sector Leader 2020
Since 2017

Corporate ESG Performance Prime, Rated by ISS ESG
Rated Prime Since 2018

STOXX Member 2020/2021 ESG Leaders Indices
Since 2014

Euronext Vigeo Eiris Indices World 120
Since 2018

Sustainalytics ESG Global 50 Top Rated; Sustainalytics ESG Industry Top Rated
Since 2020

SGX iEdge SG ESG Indices
Since 2016

Singapore Governance and Transparency Index (SGTI)
Ranked #3 out of 577 companies in 2020

Ranked #4

Singapore Governance and Transparency Index 2022

World Green Building Council — Advancing Net Zero

Net Zero Carbon Buildings Commitment

First real estate conglomerate in Southeast Asia to pledge towards net zero operational carbon by 2030, covering new and existing wholly-owned assets under our direct management and operational control. Extended our pledge towards a net zero whole life carbon emissions approach, with maximum reduction of embodied carbon in new developments by 2030 and for all buildings to be net zero by 2050.

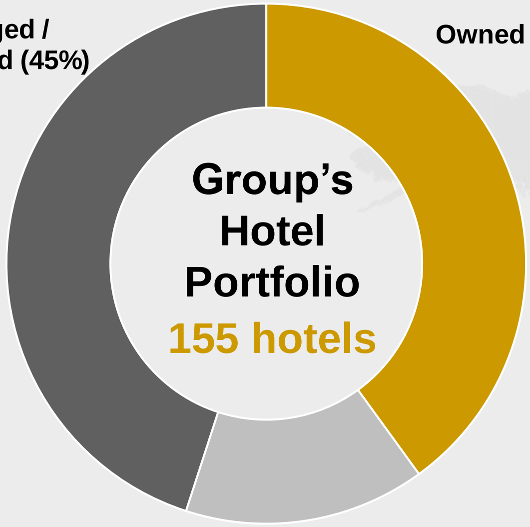
Transformation

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

Global Hospitality Portfolio – Overview

Diversified Portfolio of 155 Hotels Worldwide

- Global footprint driven by Millennium & Copthorne Hotels Limited (M&C), with over 130 hotels and 38,000 rooms



Operated under JV arrangements / CDLHT (15%)

M&C's hospitality brands:

- The Biltmore
- Grand Millennium
- Millennium
- M Social
- Studio M
- M
- Copthorne
- Kingsgate

MILLENNIUM HOTELS AND RESORTS

UK & Europe – 29 Hotels


The Biltmore Mayfair London


M Social Hotel Paris Opera

US – 18 Hotels


The Biltmore Los Angeles

Middle East – 50 Hotels


Grand Millennium Dubai

Asia – 36 Hotels


Grand Copthorne Waterfront Hotel Singapore

Australasia – 22 Hotels


Grand Millennium Auckland

Includes hotels managed by third parties as well as those under CDLHT

TRANSFORMATION

Global Hospitality Portfolio – Strategic Review

Active Portfolio Rebalancing – 4 Core Asset Categories

1 Operational Efficiency

Focus on **driving resource efficiency** and improving asset performance for hotels that will remain as hotels

The Bailey's Hotel London Kensington

2 Asset Enhancement Initiatives

Refresh and reposition hotels in gateway cities to meet evolving lifestyle trends

Completed: M Social Hotel New York, M Social Hotel Paris Opera

Pipeline: M Social Phuket, M Social New York Downtown, M Social Knightsbridge London

M Social Hotel Times Square New York

3 Redevelopment

Redevelop existing hotel sites into residential or mixed-use developments to unlock latent value

Completed: The Glyndebourne (former Copthorne Orchid Hotel S'pore) and Sunnyvale, 1250 Lakeside (PRS)

In progress: M Social Sunnyvale hotel

Sunnyvale, California

4 Divestment

Streamline portfolio through opportunistic asset divestments and being a sponsor to CDLHT

Completed: Millennium Hilton Seoul, Millennium Cincinnati, Copthorne Hotel Birmingham, W Singapore – Sentosa Cove, Studio M Hotel Singapore

W Singapore – Sentosa Cove

TRANSFORMATION

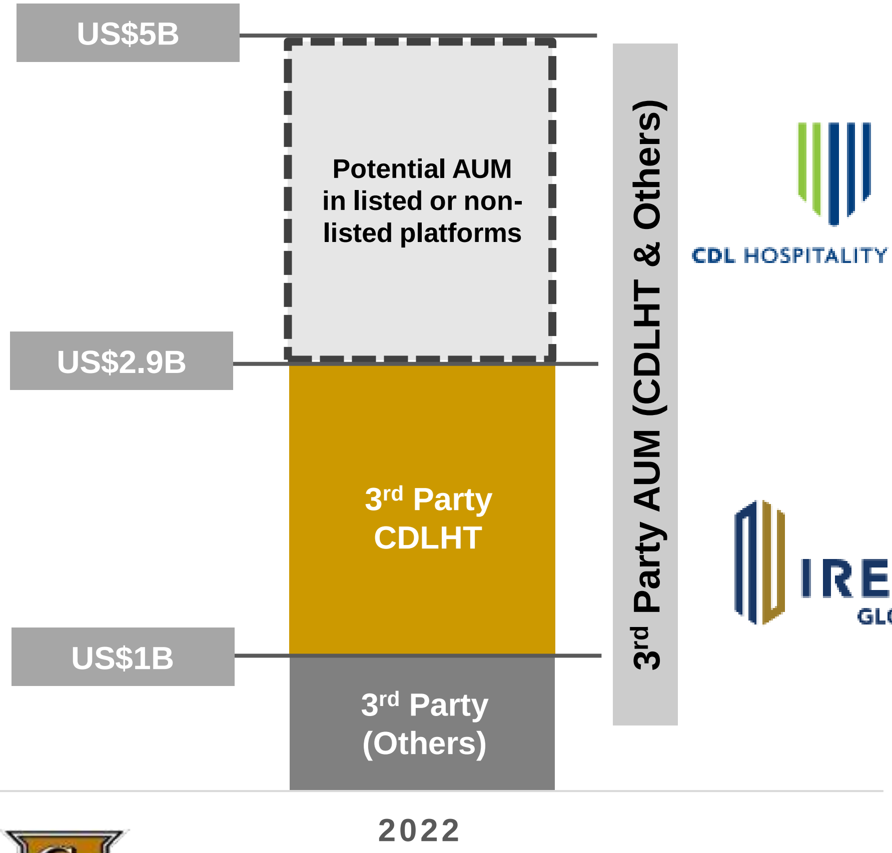
Fund Management – AUM 2022

AUM following CDL Hospitality Trusts (CDLHT) Deconsolidation

Current AUM
US$2.9B

AUM target of US$5B in 2023

Continue to pursue growth via investment opportunities in both listed and unlisted platforms



3rd Party AUM (CDLHT & Others)

CDL HOSPITALITY TRUSTS

IREIT GLOBAL

H.THREE CITY

Building Scale through Co-Investment Partnerships

- Co-invest with partners with established local expertise to widen and deepen CDL's global footprint
- Example: Targeting **key Australian cities** such as Sydney, Melbourne and Brisbane
- Focus on **value-add opportunities** on well-located secondary grade assets

RECENT CO-INVESTMENT ACQUISITION: 330 Collins Street, Melbourne

- Partnership with HThree City Australia Pte. Ltd. to acquire 330 Collins Street, a freehold 18-storey Grade A office building located in the heart of Melbourne's CBD in the highly sought-after Collins Street area
- Located near Bourke Street Mall, Chinatown and Flinders Street coupled with easy access to transportation nodes (e.g. 5 mins walk to Flinders Street station)
- Significant opportunities to unlock and create value through active leasing, asset enhancement initiatives and asset repositioning

Tenure	**Freehold**
Net Lettable Area	**18,016 sqm or 194,000 sq ft**
Tenancy	**Occupancy: About 90%**
Environmental	**4.5 Star NABERS Energy Rating** **5.0 Star NABERS Water Rating**
Acquisition Price	**A$236MM ($226.7MM)**

Focus: Maximising Shareholder Value

Improve ROE

Capital Recycling

Grow AUM

Prudent Capital Management

Sustainable Shareholder Returns

Environmental I Social I Governance

Asset Optimisation

Enhance Recurring Income

Diversification

Sustainability

Financial Highlights >>>

Financial Highlights

Property Development

	1H 2022	1H 2021
Revenue	**$609MM**	$628MM
PBT	**$104MM**	$119MM

- **Revenue contributors**
  - ✓ 1H 2022 contributions largely from Amber Park, Irwell Hill Residences, Hongqiao Royal Lake Shanghai, Shenzhen Longgang Tusincere Tech Park and New Zealand property sales
  - ✓ 1H 2021 contribution largely from The Tapestry, Whistler Grand, Amber Park, Hongqiao Royal Lake Shanghai, Shenzhen Longgang Tusincere Tech Park and New Zealand property sales
- **Excluding the negative goodwill in 1H 2021,** this segment would have registered a **$21MM increase in PBT** due to higher contribution from JV projects including Boulevard 88, CanningHill Piers, The Jovell and Sengkang Grand Residences which was recognised progressively

Hotel Operations

	1H 2022	1H 2021
Revenue	**$599MM**	$317MM
PBT	**$1,325MM**	($143MM)
Excl divestment gains	**$15MM**	($158MM)

- **Improved in this segment** largely attributed to divestment gains
  - ✓ **Global RevPAR increased significantly** as compared to corresponding period last year driven by 53% increase in average room rate and 16% points increase in occupancy
  - ✓ **Boosted by divestment gains** of
    - $912MM upon sale of Millennium Hilton Seoul
    - $399MM on deconsolidation of CDLHT

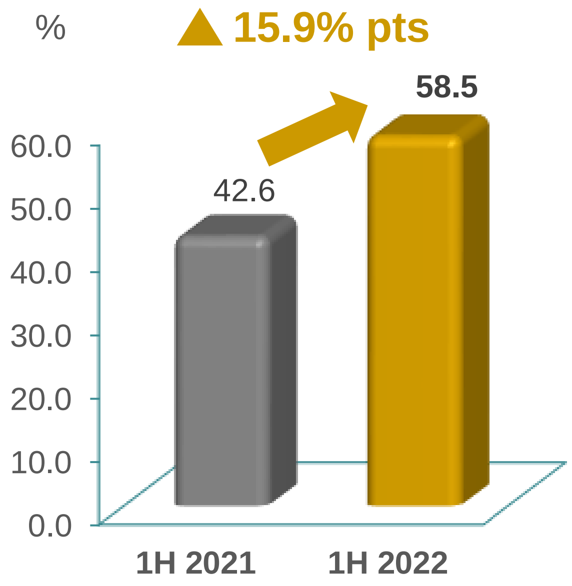
Investment Properties

	1H 2022	1H 2021
Revenue	**$174MM**	$171MM
PBT	**$131MM**	$10MM
Excl divestment gains	**$9.8MM**	$9.5MM

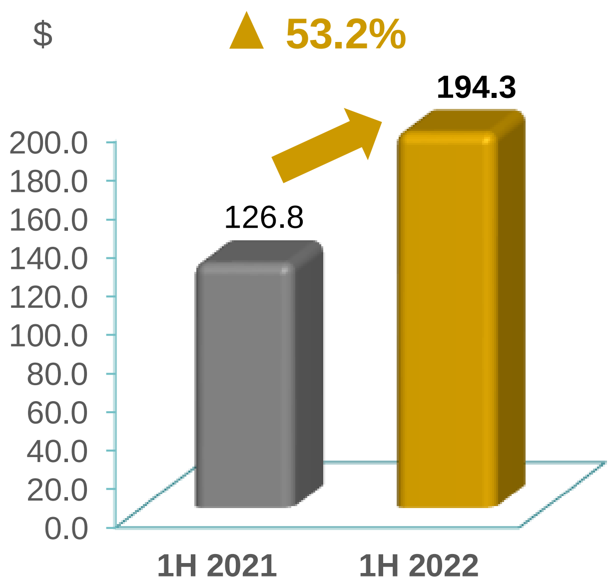
- **PBT** boosted by divestment gains
  - ✓ **Divestment gains include**
    - $94MM on deconsolidation of CDLHT

Strong Rebound in Hotel Operations

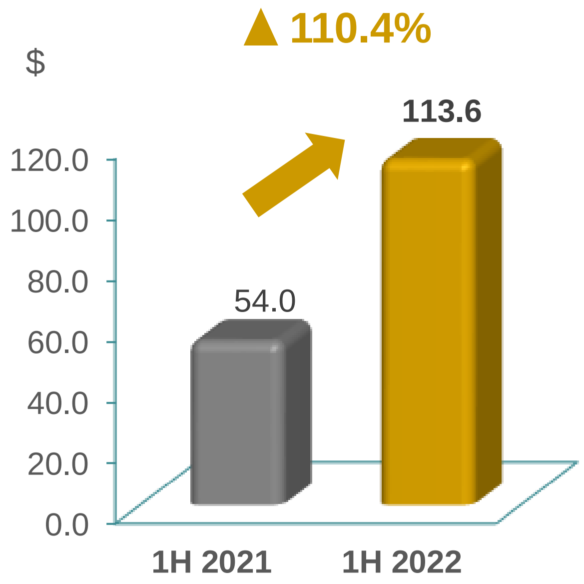
Room Occupancy



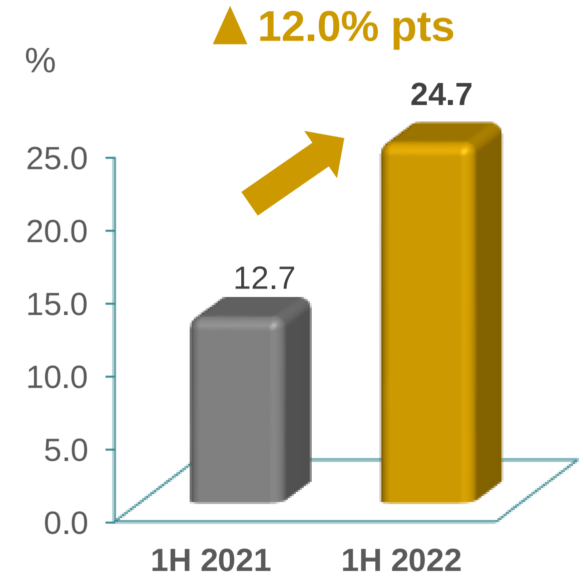
Average Room Rate



Revenue Per Available Room (RevPAR)



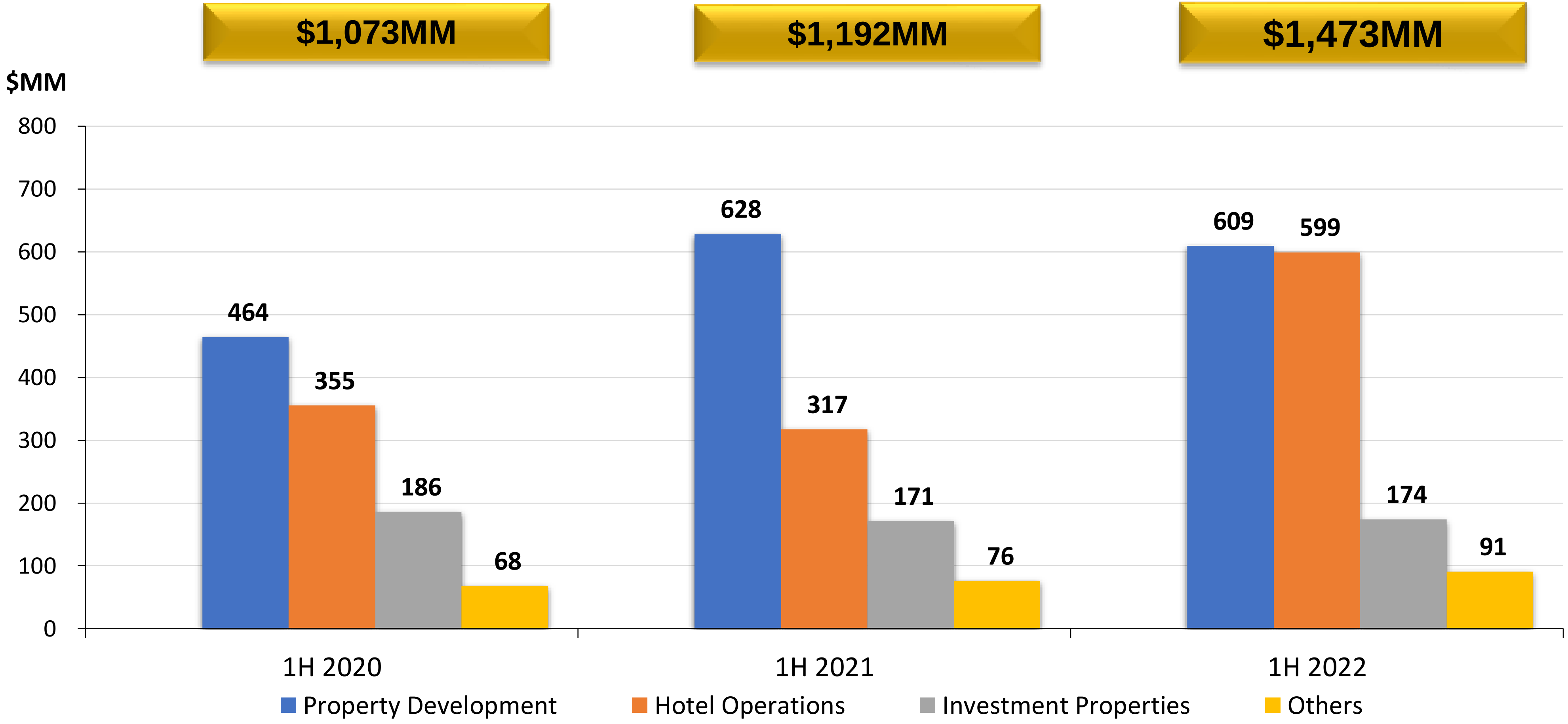
GOP Margin



1. Room occupancy increased significantly in Europe and US, driven by accelerated global vaccination rates and relaxation of travel restrictions
2. Average room rate increased across all regions, signaling a strong recovery momentum
3. Resultantly RevPAR ▲ 110.4%
4. Strong GOP margin growth underpinned by RevPAR growth and cost containment measures

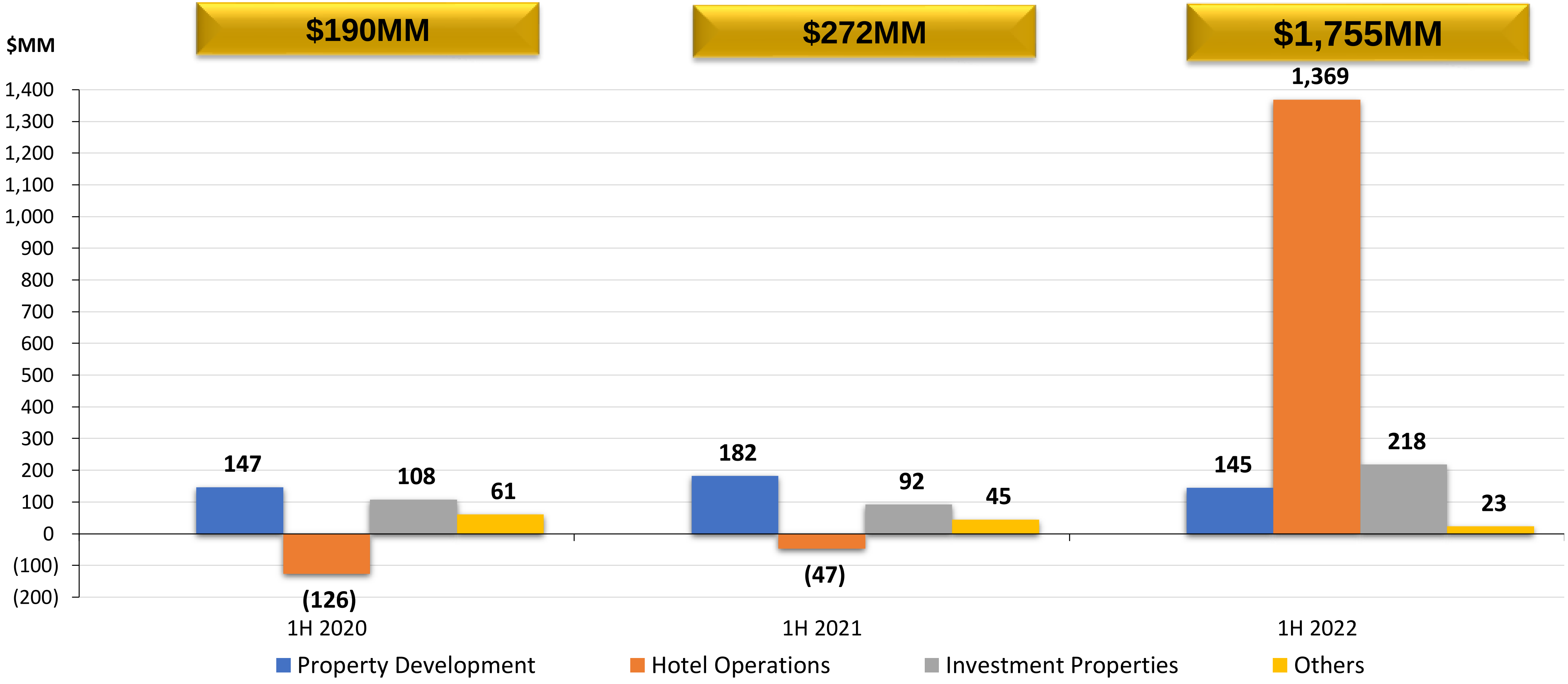
Financial Highlights

Revenue by Segment for Half Year (2020 – 2022)



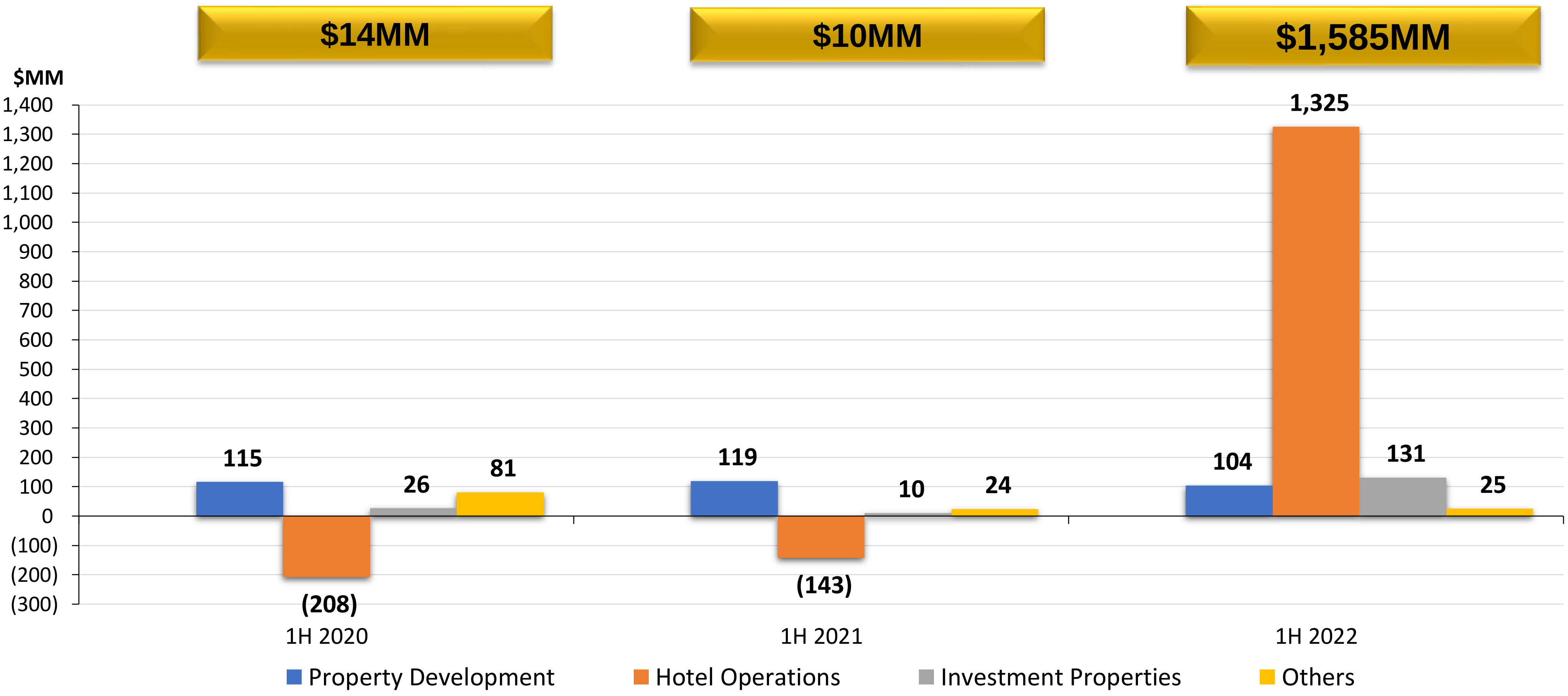
Financial Highlights

EBITDA by Segment for Half Year (2020 – 2022)



Financial Highlights

Profit Before Tax by Segment for Half Year (2020 – 2022)



Financial Highlights – 1H 2022

Strong Balance Sheet & Liquidity Position

Gearing	Sufficient Liquidity	Financing Flexibility	Balanced Debt Profile
Net Gearing	Total Cash	Interest Cover Ratio [1]	% of Fixed Rate Debt
83%	$2.2B	16.5 x	35%
FY 2021: 99%	FY 2021: $2.2B	FY 2021: 3.0x	FY 2021: 34%
Net Gearing [2] (include fair value)	Cash and Available Committed Credit Facilities	Average Borrowing Cost	Average Debt Maturity
52%	$4.1B	1.9%	2.0 years
FY 2021: 61%	FY 2021: $3.9B	FY 2021: 1.7%	FY 2021: 1.9 years

1 Exclude non-cash net reversals of impairment losses on investment properties and property, plant and equipment, and net loss from Sincere for FY 2021
2 After taking in fair value on investment properties

Financial Highlights

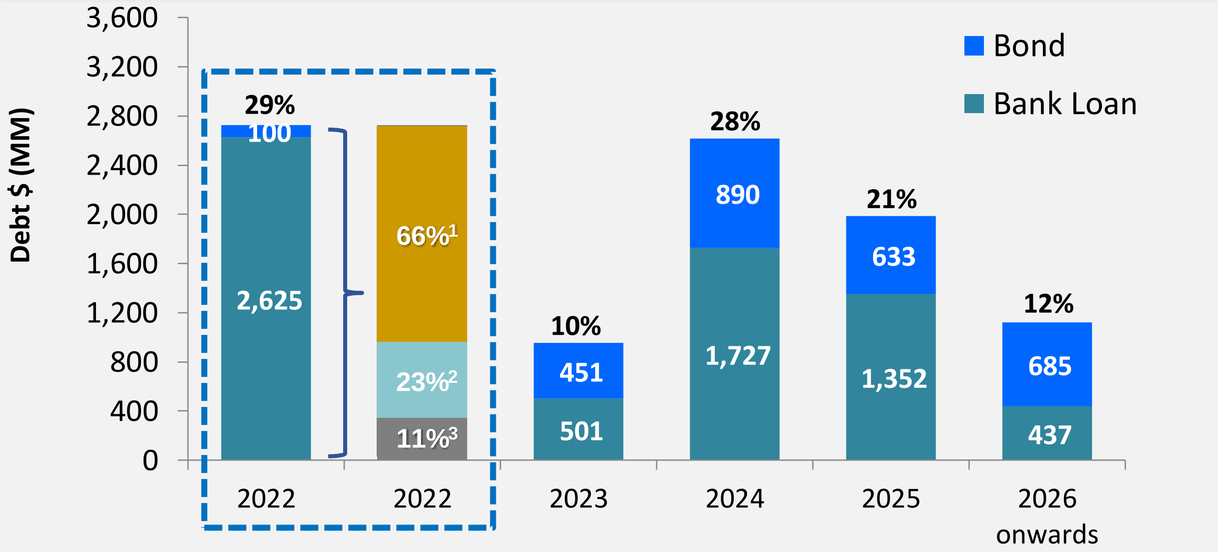
Prudent Capital Management – June 2022

Balanced debt expiry profile

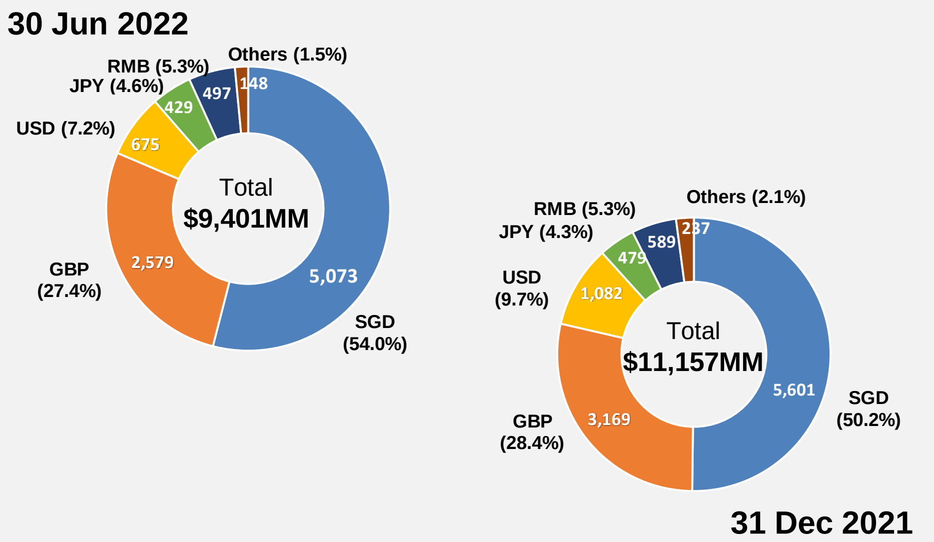
Balanced debt currency mix – adopting a natural hedging strategy

Average borrowing cost kept low

Well-Spread Debt Maturity Profile



Debt Currency Mix



1 Secured bank agreements to refinance

2 Short term loans (subject to annual review)

3 To be repaid in 2H 2022

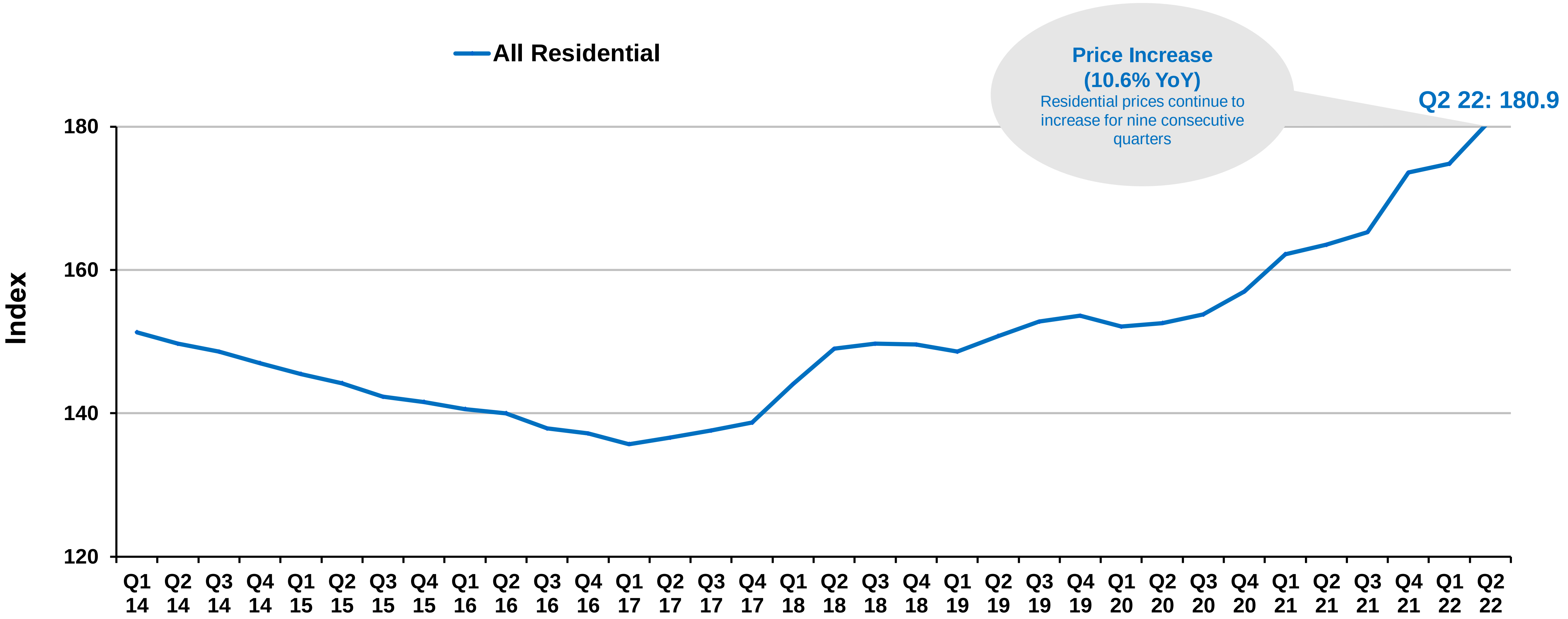
Operations Review >>>

Singapore Operations >>>

Property Development

Singapore Property Market

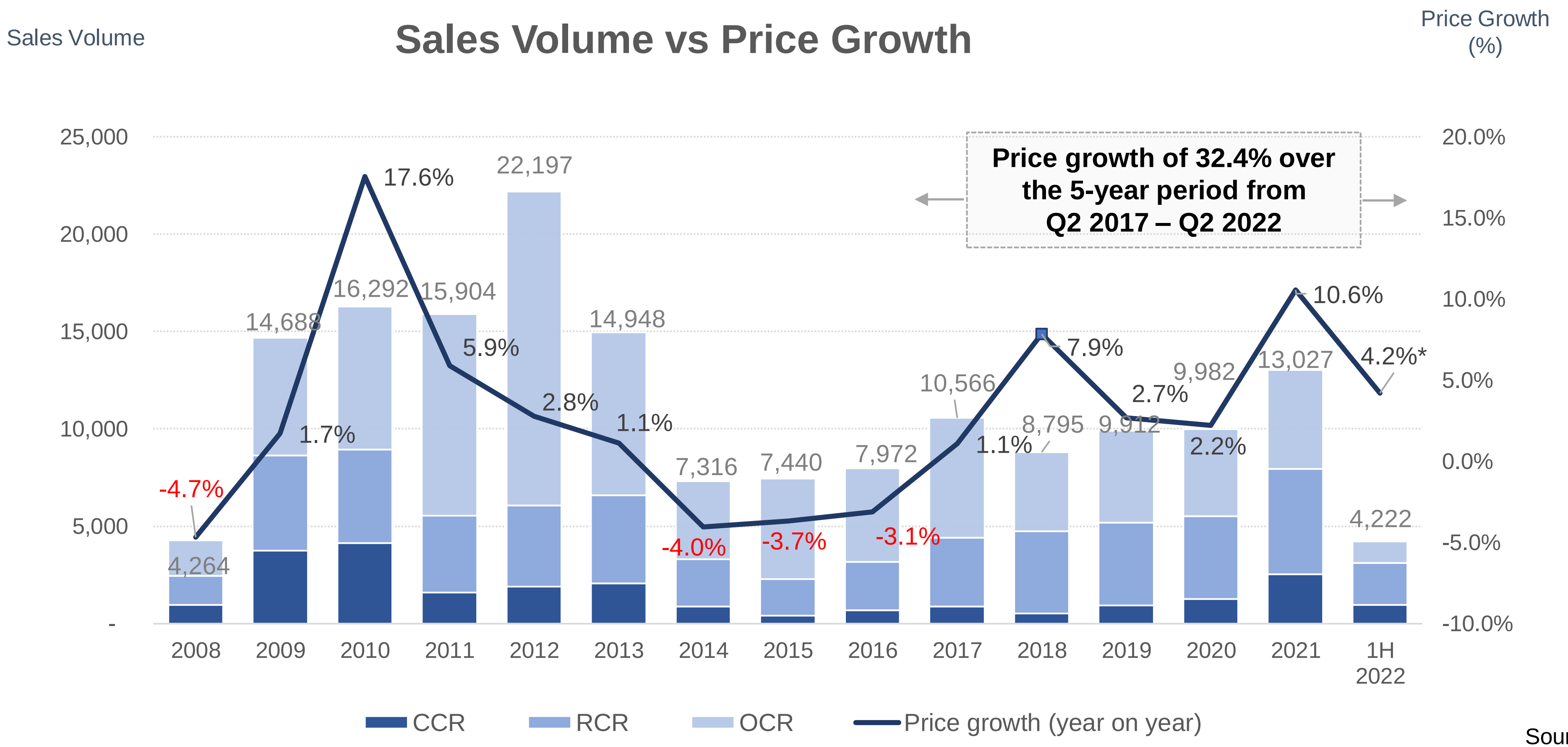
Property Price Index – Residential (2014 – Q2 2022)



Source: URA, Q2 2022

Singapore Property Market

- Private residential market remains resilient with URA Private Residential Property Price Index registering a 4.2% increase in 1H 2022.
- Notwithstanding fewer new project launches in 1H 2022 and the introduction of additional property cooling measures earlier, primary home sales performed relatively well with a total of 4,222 units sold in 1H 2022, a drop of 34.6% year-on-year.

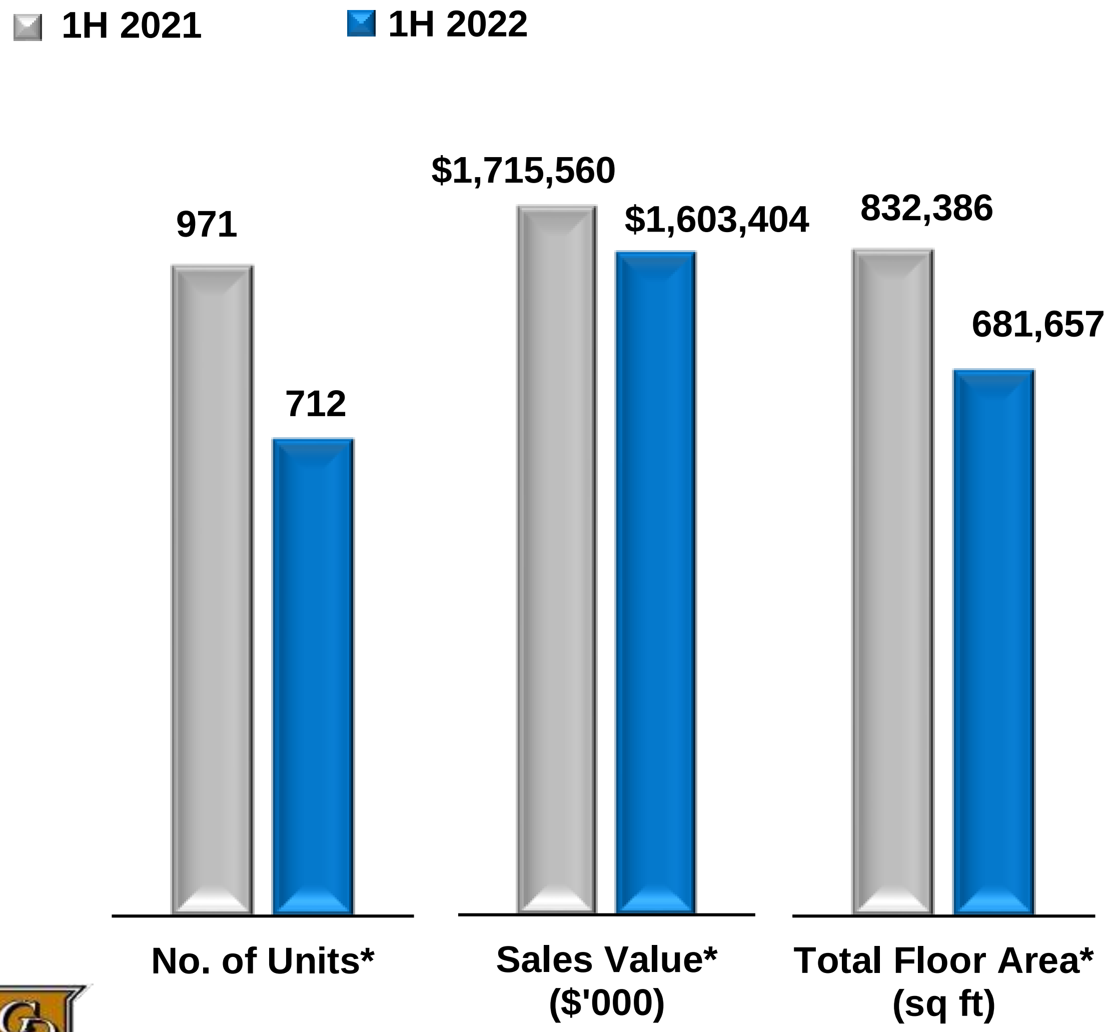


Source: URA Statistics

* YTD 1H 2022 % Price Growth

Singapore Property Development

Residential Units Sold



Sales Value ↓ 6.5% yoy

Units Sold ↓ 26.7% yoy

1H 2022 Highlights

- Performance was powered by launch of Piccadilly Grand in May (vs launch of Irwell Hill Residences in Apr 2021)
- Sales value is comparable with 1H 2021 despite 27% less units sold in 1H 2022, as the Group's existing inventory has been substantially sold
- Majority of the units sold in 1H 2022 were from Piccadilly Grand, CanningHill Piers, Amber Park, Haus on Handy and Irwell Hill Residences

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

Singapore Property Development

Strong Sales Performance for 1H 2022

- Sold 712 units with total sales value of $1.6B for 1H 2022[1 2]
- Performance driven by highly successful launch of Piccadilly Grand in May 2022
- Continued steady take up of existing inventory

Steady Sales for Launches from 2019 – 2022

Launch Year	Project	Location	Tenure	Total Units	Total Units Sold*	% Sold[1]
2022	**Piccadilly Grand**	Northumberland Road	99 years	407	334	82%
2021	**CanningHill Piers**	River Valley Road / Tan Tye Place / Clarke Quay	99 years	696	664	95%
	Irwell Hill Residences	Irwell Bank Road	99 years	540	482	89%
2020	**Penrose**	Sims Drive	99 years	566	566	Fully sold
2019	**Boulevard 88**	Orchard Boulevard	Freehold	154	129	84%
	Amber Park	Amber Road	Freehold	592	575	97%
	Haus on Handy	Handy Road	99 years	188	126	67%
	Piermont Grand	Sumang Walk	99 years	820	819	99.9%
	Sengkang Grand Residences	Sengkang Central	99 years	680	679	99.9%
	Nouvel 18~	Anderson Road	Freehold	156	144	92%

[1] As at 9 August 2022
[2] 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 at 30 Jun 2022

Project	Equity Stake	Total Units	Units Sold	Total Unsold Inventory	CDL's Share of Unsold Inventory
St. Regis Residences	33%	173	161	12	4.0
One Shenton	100%	341	329	12	12.0
Cliveden at Grange**	100%	110	45	65	65.0
UP@Robertson Quay	100%	70	61	9	9.0
Boulevard 88	40%	154	129	25	10.0
Amber Park	80%	592	571	21	16.8
Haus on Handy	100%	188	117	71	71.0
Sengkang Grand Residences	50%	680	679	1	0.5
Irwell Hill Residences	100%	540	474	66	66.0
CanningHill Piers	50%	696	653	43	21.5
Piccadilly Grand	50%	407	325	82	41.0
TOTAL:		**3,951**	**3,544**	**407**	**~317**

Excludes Cuscaden Residences – 1 unit unsold, The Oceanfront @ Sentosa Cove – 1 unit unsold, The Venue Residences – 1 unit unsold, Piermont Grand – 2 units unsold

The Venue Shoppes – sold 17 units out of 28 sold, 11 units unsold and fully leased

[1] Leasing strategy implemented

Latest Residential Launch – Q2 2022

Piccadilly Grand – Rare City Fringe Integrated Living with Conveniences and Wellness at its Core

Location	Tenure	Equity Stake	Total Units	Total Units Sold[1]	Site Area (sq ft)	Total Saleable Area (sq ft)
Northumberland Road	99-year	50%	407	334	94,000	384,545

Robust sales for first major residential launch in Singapore this year – 77% sold on launch weekend

- 334 units sold at an ASP of >$2,100 psf
  - Attractively priced from $1.06MM for a one-bedroom, $1.35MM for a two-bedroom (646 sq ft), $1.79MM for a three-bedroom (883 sq ft), $2.74MM for a four-bedroom dual key (1,378 sq ft) to over $3MM for a five-bedroom (1,582 sq ft)
  - Good take-up across all unit types, with one, two and three-bedroom units being the most popular
  - About 90% of buyers are Singaporeans

- Comprises three 23-storey towers, seamlessly connected to Piccadilly Galleria, which houses about 1,500 sqm of F&B and retail space and a 500 sqm childcare centre on the ground floor
- Conveniently located within prime city fringe, with a direct link to Farrer Park MRT station on the North East line and just two stops to Dhoby Ghaut MRT Interchange along Orchard Road
- A short drive to the CBD and Orchard Road shopping belt with easy access to major expressways such as the CTE and PIE
- Close to amenities such as City Square Mall, Mustafa Centre, Bugis Junction, Singapore Sports Hub and F&B establishments that offer a wide range of cuisines, including local food
- Recreation and lifestyle facilities across three levels, with five curated zones including three Clubhouses, Botanical Spa Pool, Co-work Lounge and Multipurpose Court

[1] As at 9 August 2022

Upcoming Residential Launch – Q4 2022

Copen Grand – First Executive Condominium (EC) in Singapore's Smart & Sustainable Town

Location	Tenure	Equity Stake	Total Units	Site Area (sq ft)	Total Saleable Area (sq ft)*
Tengah Garden Walk	99-year	50%	639	237,032	700,272

First EC to receive the BCA Green Mark Platinum Super Low Energy Award

- Designed with sustainability in mind, the development will harness renewable energy through the implementation of photovoltaic systems, which will generate electricity to partially power the common spaces and facilities
- Smart living philosophy is evoked throughout the eco-centre facilities, including an iconic multi-tiered clubhouse, the provision of EV charging stations and apartments with smart home features
- Development comprises 12 blocks of up to 14-storeys with a range of unit types, from 2-bedroom + study to 5-bedroom apartments, and full condominium facilities – e.g. 50-metre lap pool, tennis court, gymnasium
- Excellent connectivity: Within walking distance of three MRT stations along the Jurong Region Line and near the Jurong Innovation District and Jurong Lake District


Preliminary Artist's impression

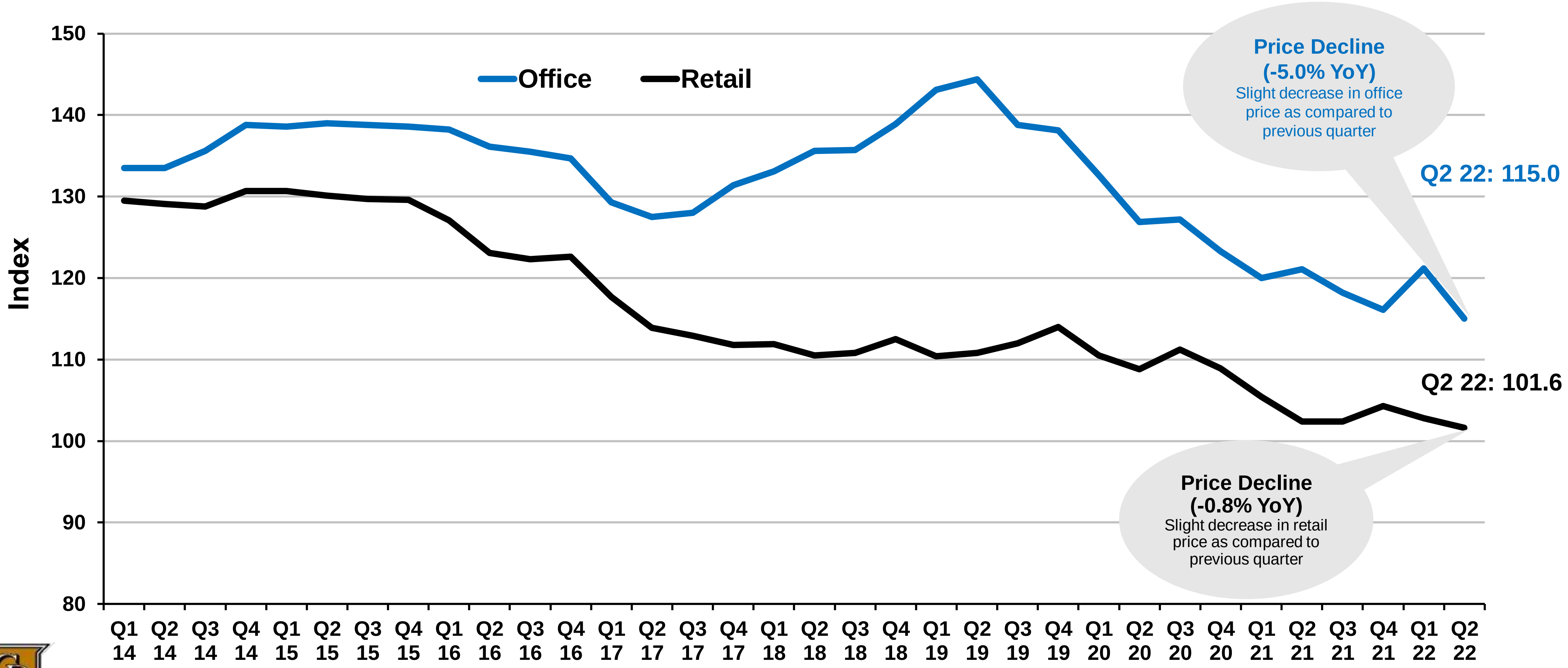
* Estimate, subject to Authorities' Approval

Singapore Operations >>>

Asset Management

Singapore Commercial Market

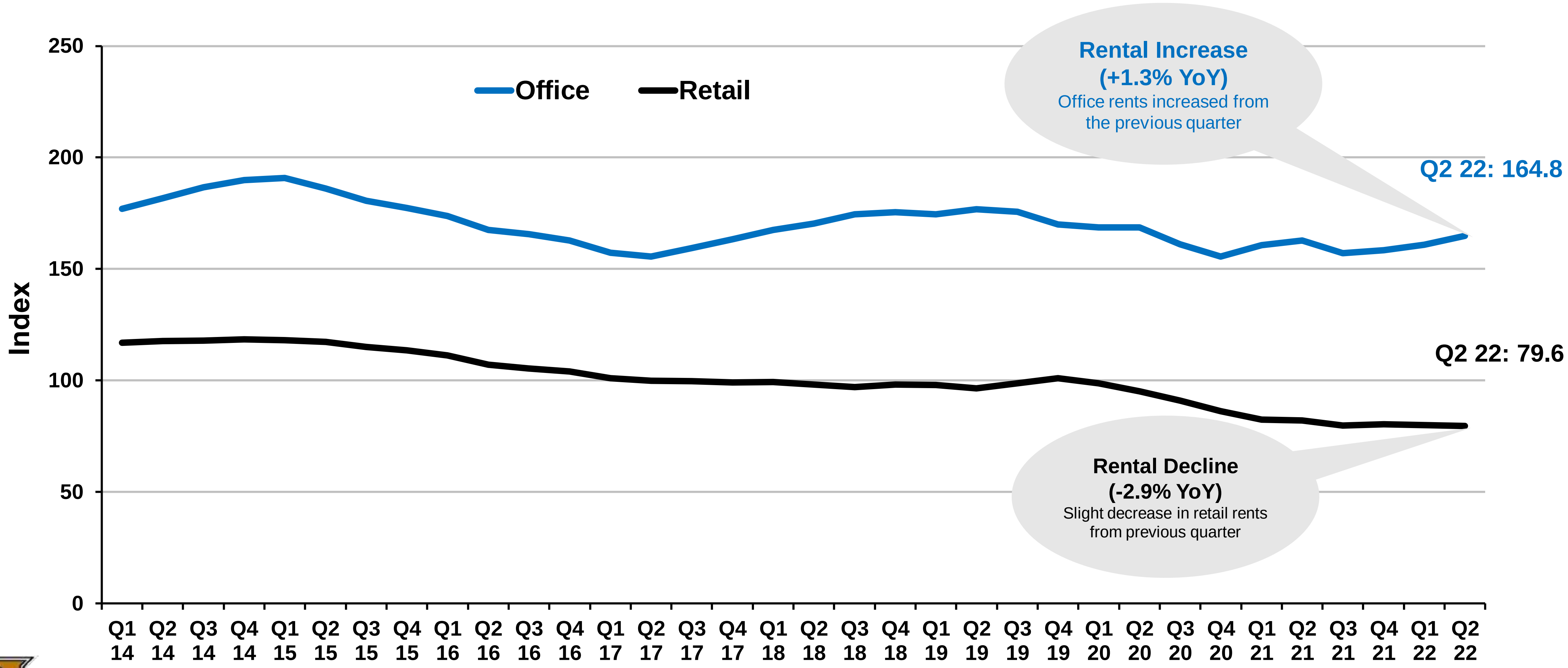
Property Price Index – Commercial (2014 – Q2 2022)



Source: URA, Q2 2022

Singapore Commercial Market

Property Rental Index – Commercial (2014 – Q2 2022)



Source: URA, Q2 2022

Singapore Commercial Portfolio

Strong Committed Occupancy for Office and Retail Portfolio (As at 30 Jun 2022) [1]

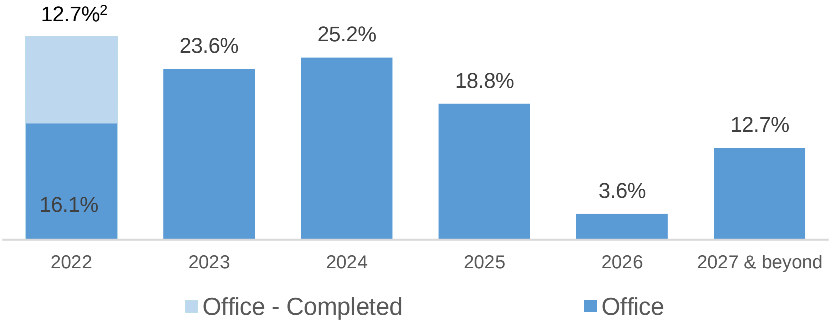
Office
11 properties

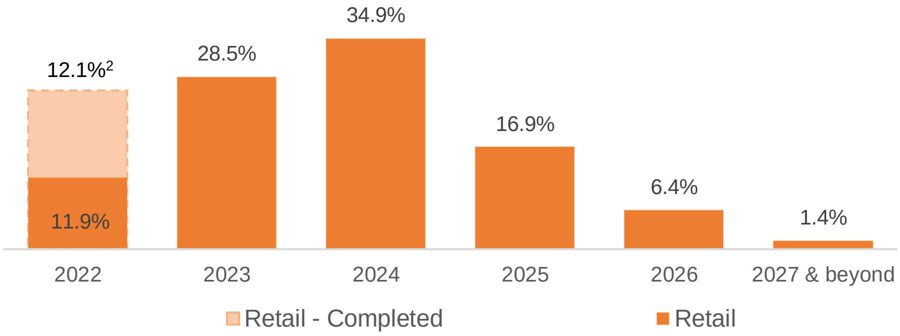
93.8%
Committed Occupancy
1.7MM sq ft
Net Lettable Area

Retail
8 properties

95.6%
Committed Occupancy
687,000 sq ft
Net Lettable Area

Lease Expiry Profile by % of NLA





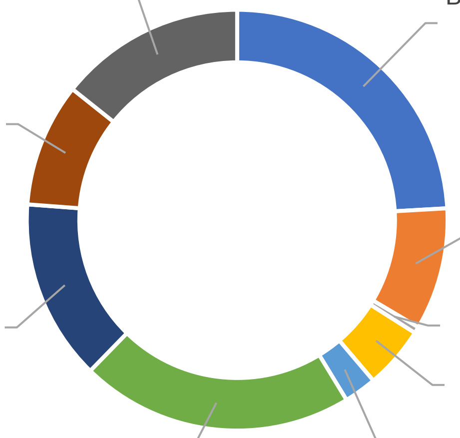
Proactive engagement with tenants resulted in renewals ahead of expiries and overall income stability.

[1] Includes all Singapore assets under management (including South Beach which is a joint venture project) in accordance with CDL's proportionate ownership. Excludes Central Mall Office Tower and Central Mall Conservation Unit which are currently slated for redevelopment.
[2] Refers to expiring leases that have been renegotiated.

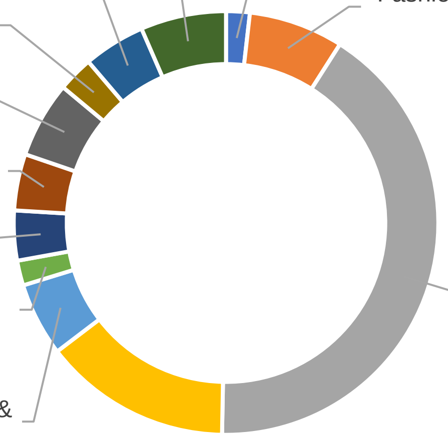
Singapore Commercial Portfolio

Trade Mix of Office & Retail Space by % of Total Gross Rental Income (As at 30 Jun 2022)[1]

Office



Retail



Balanced tenant mix for both office and retail sectors:

- **Office**: Q-o-Q increase mainly attributed to Professional Services, Energy and Commodities companies
- **Retail**: Increase in Food & Beverage with new tenants and dining concepts at CSM and Quayside Isle

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

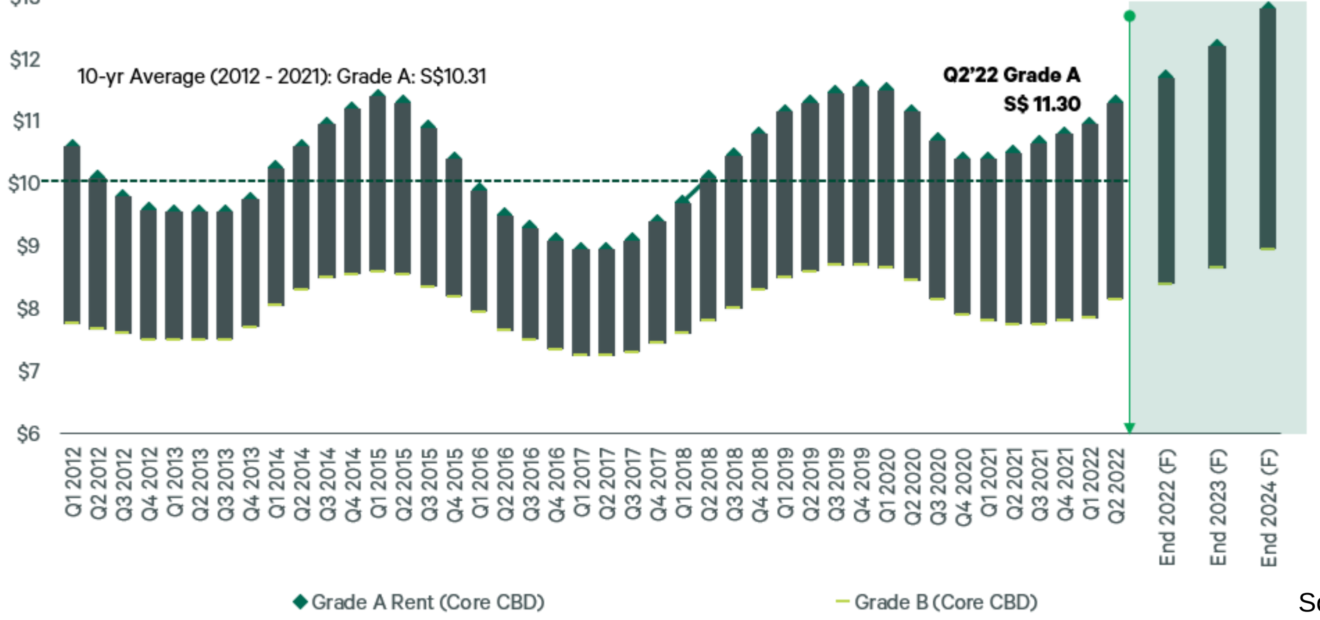
Singapore Office Market Outlook

Grade A office rental increased by 4.6% to $11.30 psf per month in 1H 2022. This represented a year-on-year increase of 7.6%, registering the fastest pace of increase since the recovery in Q2 2021. The growth momentum is expected to continue for the full year due to stable domestic economic outlook, alongside a back-to-office recovery and limited new supply pipeline.

SINGAPORE OFFICE MARKET OVERVIEW Q2 2022

CBD Core Office Rental Projections

	Grade A (Core CBD)	Growth Y-O-Y	Grade B (Core CBD)	Growth Y-O-Y
End 2019	$11.55	6.9%	$8.70	4.8%
End 2020	$10.40	-10.0%	$7.90	-9.2%
End 2021	$10.80	3.2%	$7.80	-1.3%
Q2 2022	$11.30	7.6%	$8.15	5.2%
End 2022 (F)	$11.70	8.3%	$8.40	7.7%
End 2023 (F)	$12.20	4.3%	$8.65	3.0%
End 2024 (F)	$12.80	4.9%	$8.95	3.5%



Source: CBRE Research

Singapore Retail Market Outlook

Average prime island-wide retail rents remained unchanged for Q2 2022. This represents a year-on-year decline of 0.6%, as compared to 1.0% decline in the previous year. While domestic and travel restrictions have eased and shopper traffic has improved, retailers are now facing manpower shortages as well as rising input costs, putting a cap to landlords' capacity to raise rents in the near term. Nonetheless, retail rents are expected to pick up more meaningfully after 2H 2022 on the back of below-historical average new retail supply in the next few years.

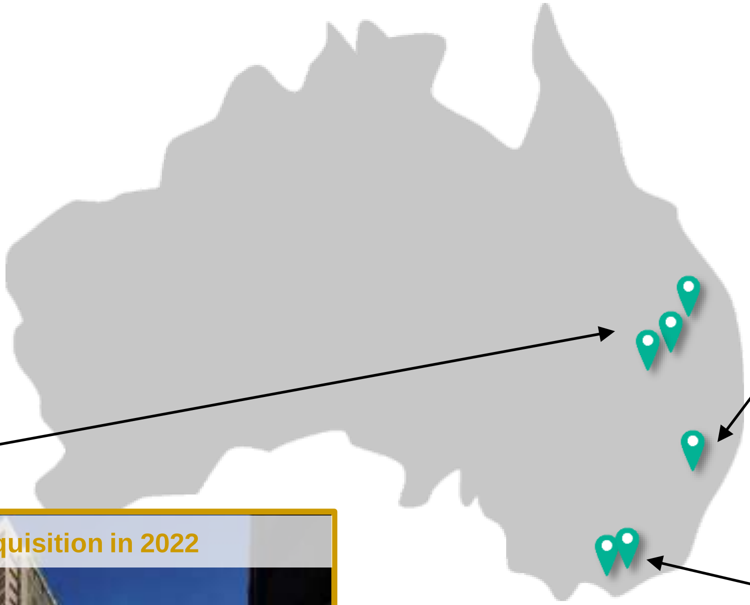
	Islandwide rents	Growth Y-O-Y
Q1 2022	$24.75	-1.0%
Q2 2022	$24.75	-0.6%
End 2022 (F)	$25.09	1.4%
End 2023 (F)	$26.10	4.0%
End 2024 (F)	$26.96	3.3%
End 2025 (F)	$27.57	2.3%

Source: CBRE Research

International Operations >>>

International Operations – Australia

Focus on Developments across Eastern Seaboard of Australia



Queensland

Brickworks Park (Residential)

- Brickworks Park has sold 61% of 215 units. Construction will commence in Q3 2022

Treetops at Kenmore (Residential)

- Freehold site 10km West of Brisbane CBD to develop 97 townhouses

New Acquisition in 2022

The Vanda, Toowong (Mixed-Use)

- Acquired a freehold site 4km West of Brisbane CBD to develop 125 apartments and a retail component

New South Wales

Waterbrook Bowral

- Waterbrook Bowral, a 135-unit retirement housing project, has sold 100% of the available villas (first phase) and construction is in progress

Victoria

Fitzroy Fitzroy (Mixed-Use)

The Marker (Mixed-Use)

- The Marker has sold 83% of the total 198 units, construction is underway with the project on track to complete in Q3 2022
- Fitzroy Fitzroy has sold 35% of the total 60[1] units

Sales data as at 7 Aug 2022

[1] The approved total number of units reduced from 62 units to 60 units due to amalgamation of units.

International Operations – China

Focus on Tier 1 and Tier 2 Cities

Chongqing (重庆)

Eling Palace (鹅岭峯)

Relaunched in May 2018:
Sold 116 units to date (92%)

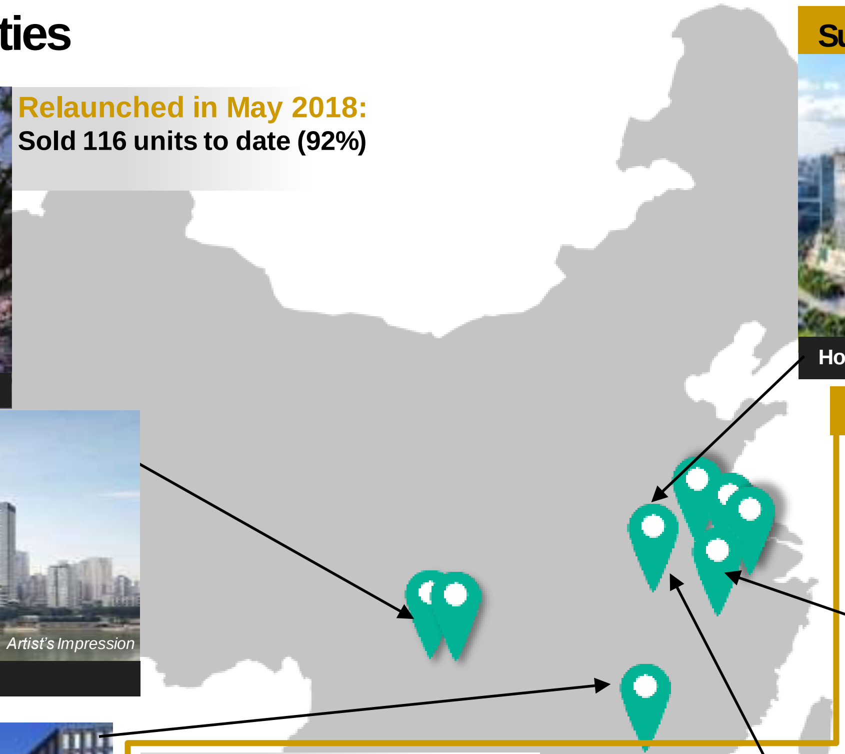
Emerald (翡翠都会)

Fully sold:
Fully sold in April 2022

Shenzhen (深圳)

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

Continued to move units in a challenging commercial real estate market



Suzhou (苏州)

Hong Leong City Center (丰隆城市中心)

Continued sales momentum:
Sold 92% of 1,813 units to date[1]
- HLCC Plaza, a 32,101 sqm Grade A office tower is 96% occupied
- HLCC mall is 80% occupied
- Hotel expected to open in 2023

Shanghai (上海)

Hong Leong Hongqiao Center (丰隆虹桥中心)

Stable occupancy:
- As of 7 Aug 2022, committed occupancy for office and retail units is 93%

Yaojiang International (耀江国际)

Asset enhancement:
- Operational since Jan 2019

Good uptake:
Sold 71 villas to date (83%)

Hongqiao Royal Lake (御湖)

Hong Leong Plaza Hongqiao
(虹桥丰隆广场)

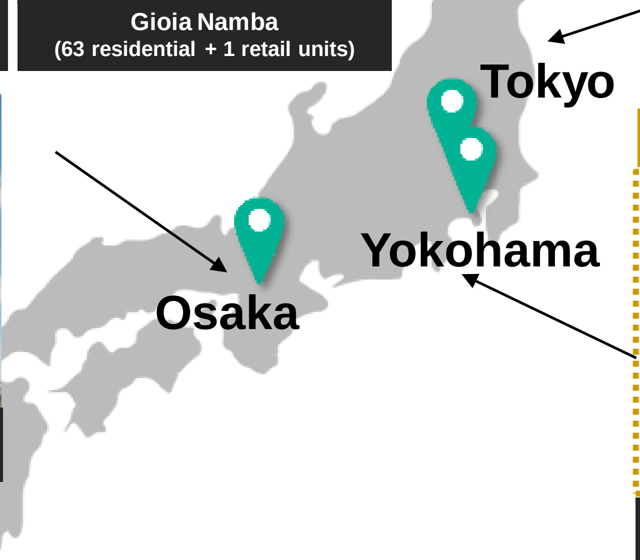
Stable income stream:
- Comprises 5 office towers with 2 levels of basement carpark with GFA of 32,182 sqm
- 76% of total NLA leased out for serviced apartments, a confinement centre and corporate office use

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

As at 7 Aug 2022

International Operations – Japan

Continue to Grow our Japan PRS Footprint with Three New Acquisitions



Five freehold residential properties in Osaka (228 units)

Horie Lux
(29 residential + 5 retail units)

Pregio Joto Chuo
(48 residential units)

Gioia Namba
(63 residential + 1 retail units)

B-Proud Tenmabashi
(26 residential units)

Pregio Miyakojima Hondori
(56 residential units)

Development Site:

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

Freehold site in Shirokane

Three freehold residential properties in Yokohama (285 units)

New Acquisitions in 1H 2022[1]

City Lux Tobe
(117 residential + 1 retail units)

LOC's Yokohama Bayside
(89 residential units)

City Lux Yokohama
(78 residential units)

[1] Completed on 27 April 2022

International Operations – UK Residential

Strengthening our Presence


31 & 33 Chesham Street | **100 Sydney Street**

Freehold developments consisting of 15 units[1] across 2 properties in Prime Central London

The Junction

Construction in progress for a 665-unit PRS development in Leeds

The Octagon

Construction in progress for a 250-year leasehold site to develop a 370-unit PRS development in Birmingham

New Acquisition in 2022[3]

Infinity

Acquired an operational 505-bed purpose-built student accommodation (PBSA) in Coventry

Teddington Riverside

Freehold development consisting of 239 apartments and houses[2] in Teddington, London

Ransomes Wharf

Planning approvals obtained for a 122-unit development in Battersea, London

Stag Brewery

Planning in progress for the former Stag Brewery site in Mortlake, London

As at 7 Aug 2022

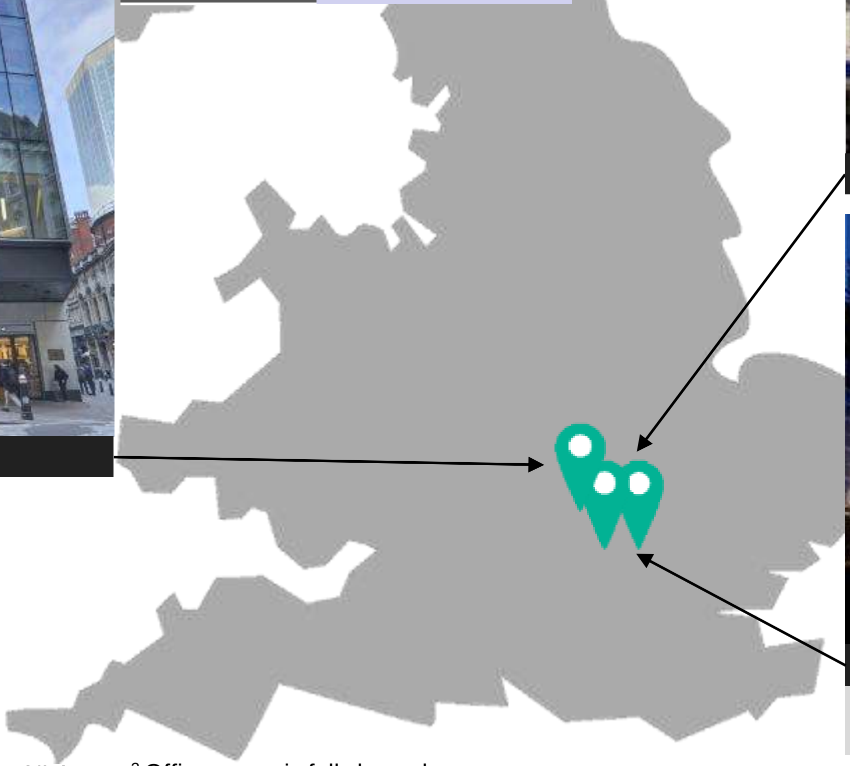
[1] 14 apartments and 1 retail unit
[2] Includes 15 affordable housing apartments
[3] Completed on 1 June 2022

International Operations – UK Commercial

Strengthening our Presence in London

125 Old Broad Street

NLA	328,806 sq ft
Tenants	24
Occupancy	93.4%
WALE[1]	4.51 years
CDL's Acquisition	£385MM



Aldgate House

NLA	209,860 sq ft
Tenants	5
Occupancy	98.1%[2]
WALE[1]	4.68 years
CDL's Acquisition	£183MM

Artist's Impression

Development House

Planning in progress for a 10-storey office building in Shoreditch

[1] WALE to expiry based on NLA   [2] Office space is fully leased

As at 7 Aug 2022

Hospitality >>>

Hotel Operations

Trading Performance

	1H 2022 $MM	1H 2021 $MM	Change %
Revenue	**598.8**	317.0	88.9
Profit Before Tax (PBT)	**1,325.0**	(142.9)	N.M.
EBITDA	**1,369.2**	(47.2)	N.M.

Group RevPAR : ▲ 110.0% in 1H 2022 (reported currency)
▲ 110.4% in 1H 2022 (constant currency)

Revenue, PBT and EBITDA increased mainly due to:

- Trading performance driven by continued growth in the hospitality sector, propelled by positive demand momentum for tourism and corporate travel, with a majority of countries relaxing COVID-19 related travel restrictions.
- Hotels continue to benefit from government quarantine business, cost saving measures and staycation demand, while capitalising on the return of events, leading to bolstered revenues.
- PBT and EBITDA boosted by a substantial divestment gain from Millennium Hilton Seoul


M Social Hotel Paris Opera


M Social Hotel Times Square New York

N.M.:. Not meaningful

Hotel Operations (1H 2022 vs 1H 2021)

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

	Room Occupancy			Average Room Rate			RevPAR			GOP		
	1H 2022 %	1H 2021 %	Incr / (Decr) % pts	1H 2022 S$	1H 2021 * S$	Incr / (Decr) %	1H 2022 S$	1H 2021 * S$	Incr / (Decr) %	1H 2022 %	1H 2021 %	Incr / (Decr) % pts
Singapore	68.3	71.1	(2.8)	182.5	106.4	71.5	124.7	75.6	64.9	38.8	36.6	2.2
Rest of Asia	42.0	37.7	4.3	129.7	117.8	10.1	54.4	44.4	22.5	4.8	5.4	(0.6)
Total Asia	**52.3**	**50.8**	**1.5**	**156.7**	**111.5**	**40.5**	**81.9**	**56.6**	**44.7**	**22.2**	**19.1**	**3.1**
Australasia	**48.0**	**52.1**	**(4.1)**	**150.7**	**142.9**	**5.5**	**72.4**	**74.5**	**(2.8)**	**36.7**	**46.8**	**(10.1)**
London	70.5	19.9	50.6	264.1	148.1	78.3	186.2	29.4	533.3	41.6	15.7	25.9
Rest of Europe	67.5	24.1	43.4	172.4	117.1	47.2	116.3	28.2	312.4	26.7	(7.0)	33.7
Total Europe	**69.0**	**22.1**	**46.9**	**219.5**	**130.3**	**68.5**	**151.5**	**28.8**	**426.0**	**35.4**	**4.5**	**30.9**
New York	76.1	53.1	23.0	276.6	160.1	72.8	210.5	85.0	147.6	6.6	(69.9)	76.5
Regional US	52.8	43.2	9.6	175.1	124.5	40.6	92.5	53.8	71.9	25.0	21.4	3.6
Total US	**61.6**	**46.5**	**15.1**	**222.7**	**138.1**	**61.3**	**137.2**	**64.3**	**113.4**	**14.8**	**(15.2)**	**30.0**
Total Group	**58.5**	**42.6**	**15.9**	**194.3**	**126.8**	**53.2**	**113.6**	**54.0**	**110.4**	**24.7**	**12.7**	**12.0**

* For comparability, 1H 2021 Average Room Rate and RevPAR have been translated at constant exchange rates (30 Jun 2022).

CDL Hospitality Trusts

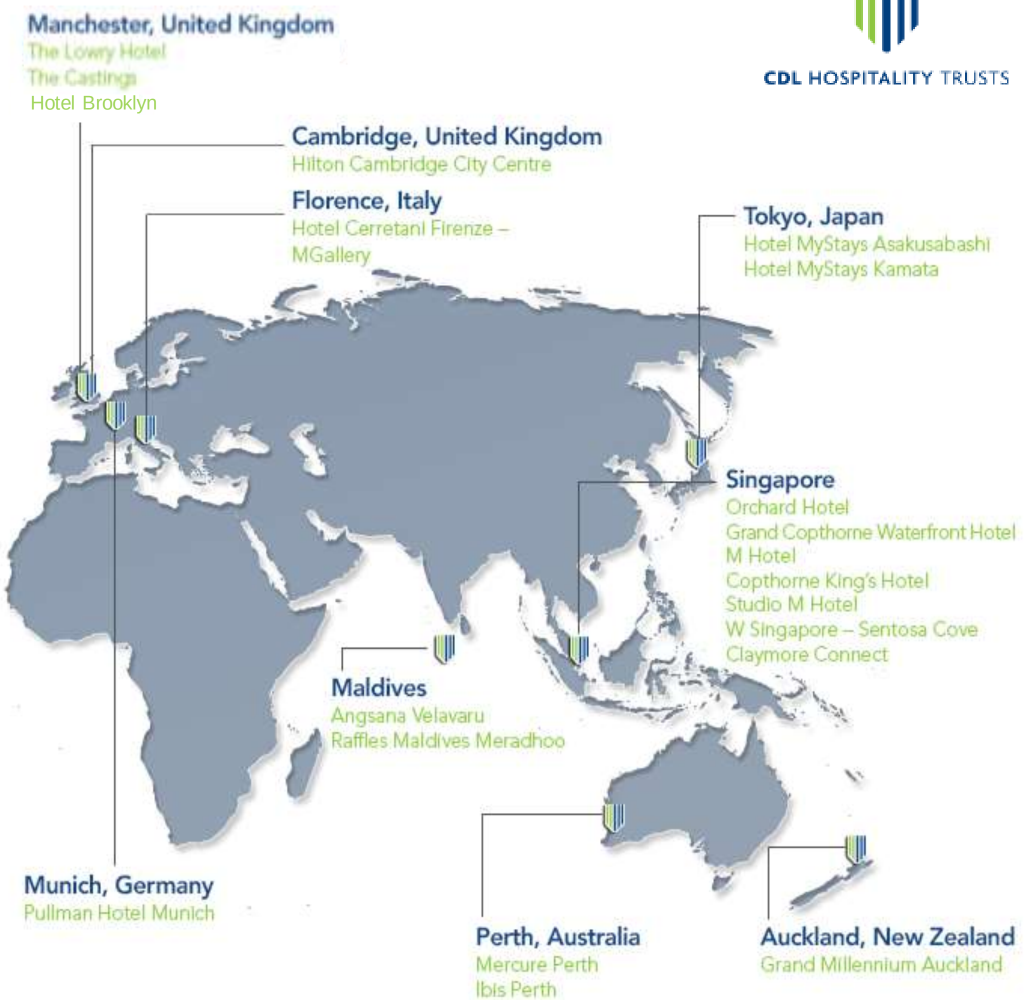
Trading Performance

	1H 2022 $MM	1H 2021 $MM	Change %
Gross Revenue	**98.6**	66.2	49.0
Net Property Income (NPI)	**51.0**	37.0	37.8

Strong growth momentum was observed during the quarter, firmly anchored by robust leisure demand and border reopenings which accelerated the return of international travellers.

Overall, NPI contribution increased across CDLHT's portfolio, driven primarily by Singapore, United Kingdom and Maldives, as the other portfolio markets eased into the progressive lifting of restrictions later in the period.

CDLHT will continue to leverage on lessons learnt during the pandemic and efficiency improvements that have been implemented to address new challenges such as labour shortages and inflationary pressures, while capitalising on the returning demand.



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