ANNUAL REPORTS AND RELATED DOCUMENTS::

Issuer & Securities

Issuer/ Manager

CITY DEVELOPMENTS LIMITED

Securities

CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09

Stapled Security

No

Announcement Details

Announcement Title

Annual Reports and Related Documents

Date &Time of Broadcast

28-Mar-2023 07:38:11

Status

New

Report Type

Annual Report

Announcement Reference

SG230328OTHROMV1

Submitted By (Co./ Ind. Name)

Enid Ling Peek Fong

Designation

Company Secretary

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

Please refer to the attached documents:

1. Annual Report for the financial year ended 31 December 2022; and
2. Letter to Shareholders dated 28 March 2023.

Additional Details

Period Ended

31/12/2022

Attachments

City_Developments_Annual_Report_2022_SGX.pdf

Letter_to_Shareholders_dated_28 March 2023.pdf

Total size =8360K MB

GET ENERGISED

CITY DEVELOPMENTS LIMITED
ANNUAL REPORT 2022

GET ENERGISED

Agility, resilience and an enterprising spirit have been the hallmarks of the Group's compass. Despite facing persistent structural headwinds in 2022, we pushed ahead to deliver solid progress in our strategic pillars, guided by our **GET** strategy – which focuses on **G**rowth, **E**nhancement and **T**ransformation.

As we embark on our 60th year in 2023, the Group stands poised with renewed energy, ready to harness our strengths and unlock opportunities as we chart the next chapter of our journey.

CORPORATE PROFILE

City Developments Limited (CDL) is a leading global real estate company with a network spanning 143 locations in 28 countries and regions.

Listed on the Singapore Exchange, the Group is one of the largest companies by market capitalisation. Its income-stable and geographically diverse portfolio comprises residences, offices, hotels, serviced apartments, student accommodation, retail malls and integrated developments.

With a proven track record of 60 years in real estate development, investment and management, the Group has developed over 50,000 homes and owns around 21 million square feet of gross floor area in residential for lease, commercial and hospitality assets globally.

Along with its wholly-owned hotel subsidiary, Millennium & Copthorne Hotels Limited (M&C), the Group has over 150 hotels worldwide, many in key gateway cities.

Leveraging its deep expertise in developing and managing a diversified asset base, the Group is focused on enhancing the performance of its portfolio and strengthening its recurring income streams to deliver long-term sustainable value to shareholders. The Group is also developing a fund management business to further leverage on its strengths.

OVERVIEW

Cover: Newport Plaza I Singapore
Artist's Impression
This page: Piccadilly Grand I Singapore
Artist's Impression

CORPORATE GOVERNANCE

SUSTAINABILITY

BUSINESS OVERVIEW

PROPERTY PORTFOLIO

FINANCIALS

OTHER INFORMATION

FORTIFYING OUR PORTFOLIO

Leveraging on our core competencies in property development and asset management, CDL remained focused on building a solid development pipeline and strengthening our recurring income streams.

In 2022, two successful launches powered our sales performance in Singapore – Piccadilly Grand and Copen Grand Executive Condominium (EC). We also substantially sold our existing inventory and completed four site acquisitions to replenish our landbank.

Overseas, we continued to expand our Living Sector portfolio in our key markets of Australia, Japan and the UK. To build scale and leverage the rising demand for rental accommodation, we acquired two Private Rented Sector (PRS) development sites in Australia, three newly-built PRS projects in Japan and six Purpose-Built Student Accommodation (PBSA) assets in the UK.

PROPERTY DEVELOPMENT

Singapore

Sold	Sales Value	Market Share
1,487 UNITS*	$2.9 BILLION*	17.3%^

RESIDENTIAL LAUNCH PIPELINE

>2,000 UNITS

in Singapore*

GLOBAL LIVING SECTOR PORTFOLIO

Operational & Under Development

PRS	PBSA
2,288 UNITS	2,368 BEDS

* Includes ECs and share of joint venture (JV) partners.

^ Based on 8,578 new units (including ECs) sold in 2022, according to Urban Redevelopment Authority data.

Copen Grand | Singapore
Artist's Impression

OPTIMISING OUR ASSETS

As part of the ongoing rejuvenation of our portfolio, we continued to enhance and reposition our assets, to drive operational efficiency and returns.

In 2022, we completed Asset Enhancement Initiatives (AEIs) for several properties, which included a $7 million makeover for Palais Renaissance. Beyond physical upgrades, such as a new alfresco dining area fronting Orchard Road, we also introduced our proprietary CityNexus smart building app to enhance our tenants' daily operations.

In Thailand, we completed the Phase 1 revamp of Jungceylon Shopping Center in Patong, Phuket, welcoming the return of both domestic and international tourists with a range of exciting new lifestyle attractions.

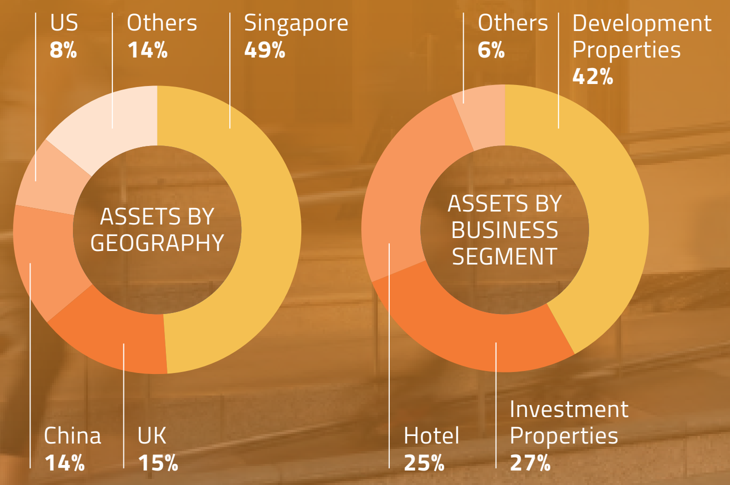
GLOBAL PORTFOLIO

21 MILLION SQ FT

Total gross floor area in residential for lease, commercial and hospitality assets

TOTAL ASSETS

$**23** BILLION



Palais Renaissance | Singapore

DIVERSIFYING OUR PLATFORMS

To better position ourselves for the future, we continually explore initiatives that complement our business transformation, such as forging new partnerships and investing strategically in new economy and technology ventures. Our innovation and digitalisation efforts continue to elevate our product offerings, strengthen our value proposition and enhance the customer experience.

Fund management forms an integral part of our transformation strategy. Besides nurturing existing listed platforms like CDL Hospitality Trusts (CDLHT) and IREIT Global, we continue to seek out attractive acquisition opportunities that will strengthen our value proposition and expand our offerings.

In the UK, we grew our commercial asset portfolio by strategically acquiring trophy assets that will allow us the option to inject our portfolio into listed or unlisted platforms at an opportune time. With our latest acquisition of the sizeable St Katharine Docks prime freehold estate, the total value of our UK commercial assets has increased to around £1 billion.

FUND MANAGEMENT

Assets Under Management (AUM)

US$**3.1** BILLION

PORTFOLIO RESTRUCTURING TO UNLOCK VALUE

Distribution *in specie* (DIS) of

144.2 MILLION CDLHT Units

to CDL shareholders, completed in May

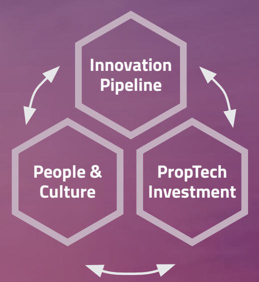
Dividend from DIS

20.2 CENTS per share

based on $1.27 per CDLHT Unit on 25 May

INNOVATION STRATEGY

Driving business transformation through diversified platforms



St Katharine Docks | London, UK

UNLOCKING VALUE IN HOSPITALITY

Since the privatisation of Millennium & Copthorne Hotels Limited (M&C) in 2019, we have streamlined our portfolio through opportunistic asset divestments to unlock latent value and reallocate capital for growth. These include the record sale of Millennium Hilton Seoul and the completion of the collective sale of Tanglin Shopping Centre in 2022 – both held by M&C.

Spurred by the continued recovery and restored confidence in global travel, our hotel operations made a strong rebound in 2022, having recovered in most markets to pre-pandemic 2019 levels. The segment is well-positioned to continue its growth trajectory, riding on the return of corporate travel and unabated pent-up demand for leisure travel.

We also continue to enhance our hospitality offerings and revitalise our assets through AEIs and repositionings, focusing on revenue generation and asset yield optimisation. Several key hotels will be rebranded to M Social. These include M Social Hotel Phuket, M Social Hotel Downtown, New York and M Social Hotel Knightsbridge, London.

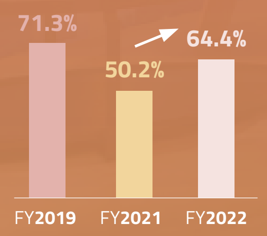
GLOBAL HOSPITALITY PORTFOLIO

Over **150** hotels

STRONG REBOUND IN GLOBAL OPERATIONS

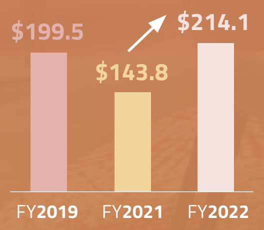
Room Occupancy

▲ 14.2% pts



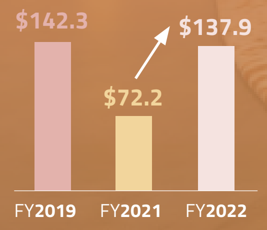
Average Room Rate

▲ 48.9%



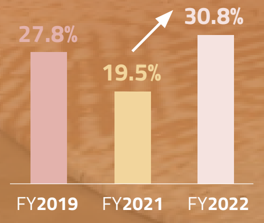
Revenue Per Available Room (RevPAR)

▲ 91%



GOP Margin

▲ 11.3% pts



M Social Suzhou | China
Artist's Impression

DRIVING POSITIVE IMPACT

Since 1995, we have been delivering on our ethos of "Conserving as We Construct" to fulfil our role as a builder of living spaces, lives and communities. Our unwavering commitment to Environmental, Social and Governance (ESG) integration for close to 30 years has helped us to mitigate climate risks, meet rising investor expectations and open new growth opportunities by tapping into fast-growing sustainable investment and finance.

In 2022, we completed our third Climate Change Scenario Study. As one of the first four companies in Singapore to adopt the Task Force on Climate-related Financial Disclosures (TCFD) in 2017, the study aims for us to be future-ready for physical and transitional risks. Given the rising urgency, scale, and severity of climate change, we expanded the scope and markets included under the CDL Group. The study also considered the disruption caused by the COVID-19 pandemic, which has had a prolonged and significant impact on business operations, financial performance and related climate risks and trends.

NET ZERO CARBON COMMITMENT

First Singapore real estate developer to sign the World Green Building Council's Net Zero Carbon Buildings Commitment with whole life-cycle approach in two phases:

- **2030:** New developments and assets under direct management and control in Singapore
- **2050:** All buildings to be net zero carbon

SINGAPORE GOVERNANCE AND TRANSPARENCY INDEX 2022

#4 out of **489** companies

120 BCA GREEN MARK

Certifications for our developments and office interiors

ACHIEVED ENERGY SAVINGS OF >$38 MILLION

from energy-efficient retrofitting and initiatives across all our managed buildings from 2012 to 2022

CDL Green Gallery | Singapore

RECOGNISED ON 14 LEADING GLOBAL SUSTAINABILITY RATINGS, RANKINGS AND INDEXES

- Only Company in Southeast Asia & Hong Kong to Maintain Double 'A's for Climate Change (since 2018) & Water Security (since 2019); Only Singapore Company to Score an A in 2022
- Top 8% amongst CDP Participants for Supplier Engagement on Climate Change
- World's Top Real Estate Management & Development Company; Top Singapore Company; Only Singapore Company Listed for 13 Consecutive Years; Ranked 5th overall in 2022
- 'AAA' rating since 2010
- Dow Jones Sustainability Indices (World) from 2011-2021, and Dow Jones Sustainability Indices (Asia-Pacific) since 2011; S&P Global Sustainability Yearbook 2022 Member
- Only Singapore-based Developer listed since 2022
- ESG Regional Top Rated and Industry Top Rated in 2022
- 2nd in Asia (Diversified – Office/Retail); GRESB 5-star rating
- Only Singapore Real Estate Company since 2018
- Top-ranked Singapore Company in Equileap Gender Equality in Asia-Pacific Special Report 2022, and top-ranked Singapore Company globally in 2021
- Since 2018
- Since 2014
- Rated Prime since 2018
- ESG Leaders Index ESG Transparency Index since 2016

2022 HIGHLIGHTS

REVENUE

$**3.3** BILLION

$2.6 billion in 2021

TOTAL ASSETS

$**23.0** BILLION

$23.9 billion in 2021

NET GEARING RATIO*

51%

61% in 2021

BASIC EARNINGS PER SHARE

140.3 CENTS

7.9 cents in 2021 (Restated)

EBITDA

$**2.3** BILLION

$701.4 million in 2021 (Restated)

NET ASSET VALUE PER SHARE

$**10.16**

$9.26 in 2021 (Restated)

INTEREST COVER^

9.8X

3.0x in 2021

DIVIDEND PER SHARE

28.0 CENTS

32.2 cents in 2021~

PATMI

$**1.3** BILLION

$84.7 million in 2021 (Restated)

REVALUED NAV (RNAV) PER SHARE*

$**16.98**

$15.73 in 2021 (Restated)

CASH AND AVAILABLE COMMITTED CREDIT FACILITIES

$**4.1** BILLION

$3.9 billion in 2021

CLOSING SHARE PRICE

$**8.23**

$6.81 in 2021

* Including only fair value gains on investment properties.
^ Excluding non-cash impairment losses and/or reversals of impairment losses for properties, plant and equipment, and investment properties.
~ Including distribution *in specie* of CDLHT Units based on unit price of $1.27 on 25 May 2022.

5-YEAR FINANCIAL HIGHLIGHTS

Year	2018	2019	2020	2021[(1)]	2022
For the financial year ($'million)					
Revenue	4,223	3,429	2,108	2,626	3,293
Profit before tax	876	754	(1,791)	215	1,857
Profit for the year attributable to owners of the Company (PATMI)	557	565	(1,917)	85	1,285
At 31 December ($'million)					
Property, plant and equipment	5,013	5,462	5,526	5,362	4,061
Investment properties	3,741	4,410	4,569	4,983	4,967
Development properties	5,704	5,156	5,391	5,839	5,958
Cash and bank balances (including restricted deposits in other non-current assets and bank balances in assets held for sale)	2,512	3,084	3,237	2,191	2,370
Other assets	3,916	5,088	4,954	5,505	5,625
Total assets	20,886	23,200	23,677	23,880	22,981
Equity attributable to owners of the Company	10,041	10,520	8,502	8,401	9,216
Non-controlling interests	2,233	746	740	918	348
Borrowings	6,327	9,711	11,555	11,140	9,669
Other liabilities	2,285	2,223	2,880	3,421	3,748
Total equity and liabilities	20,886	23,200	23,677	23,880	22,981
Per share					
Basic earnings (cents)	59.9	60.8	(212.8)	7.9	140.3
Net asset value ($)	11.07	11.60	9.38	9.26	10.16
Dividends (cents)					
a) Ordinary dividend (gross)					
- final	8.0	8.0	8.0	8.0	8.0[(2)]
- special interim	6.0	6.0	–	3.0	12.0
- special final	6.0	6.0	4.0	1.0	8.0[(2)]
b) Distribution *in specie*	–	–	–	20.2[(4)]	–
c) Preference dividend (net)	3.9	3.9	3.9	3.9	3.9
Financial ratios					
Return on equity (%)	5.6	5.4	(22.5)	1.0	13.9
Net gearing ratio (%)[(3)]	31	61	93	99	84
Net gearing ratio if fair value gains on investment properties are taken into consideration (%)	23	43	62	61	51
Interest cover ratios (times)[(5)]	14.9	14.0	3.4	3.0	9.8

NOTES:

(1) 2021 comparative figures were adjusted to reclassify the assets held for sale and the liabilities directly associated with the assets, back to the Group's respective assets and liabilities as the proposed REIT listing of the two UK commercial properties did not materialise. This is in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*. Refer to details in notes to the financial statements under Statutory Reports and Accounts.

(2) Final and special final tax-exempt (one-tier) ordinary dividends proposed for financial year ended 31 December 2022 will be subject to the approval of the ordinary shareholders at the forthcoming Annual General Meeting.

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

(4) Based on CDLHT unit price of $1.27 on 25 May 2022.

(5) Excluding non-cash impairment losses and/or reversals of impairment losses for properties, plant and equipment, and investment properties.

CHAIRMAN'S STATEMENT

Kwek Leng Beng
Executive Chairman

Dear Shareholders,

The Group delivered a record net profit of $1.3 billion for FY 2022, the highest ever since the Group's inception in 1963 (restated FY 2021: $84.7 million).

Prudent divestments and strong operational performance from our core business segments drove the Group's stellar earnings. In FY 2022, we realised significant capital gains from our successful divestments of several major properties held at book value over a long period of time – a testament to the Group's ability to extract value at the most opportune time.

Revenue increased by 25.4% to $3.3 billion for FY 2022 (FY 2021: $2.6 billion). While our property development segment remained the biggest contributor, the significant jump in FY 2022 revenue was propelled by our hotel operations segment, which registered a 58.1% increase in revenue and a 91% growth in revenue per available room (RevPAR), spurred by the post-pandemic travel rebound in the hospitality sector.

In Singapore, we remained a market leader for private home sales with a strong development pipeline. Our asset rejuvenation and portfolio enhancement initiatives achieved improved occupancies and positive rental reversions, and we pushed ahead to build scale in new growth areas, like the Living Sector.

2023 marks the Group's Diamond Jubilee. Over the past six decades, the Group has weathered many economic storms, property cycles and unprecedented disruptions, but we have always tackled the odds head-on and successfully emerged stronger.

The Board and Management will continue to apply this same discipline and tenacity in executing our **G**rowth, **E**nhancement and **T**ransformation (**GET**) strategy and bring CDL to greater heights.

ENERGISED FOR GROWTH

It has been three tumultuous years since COVID-19 emerged and dramatically altered how we live, work and operate. Fortunately, a sense of normalcy has returned. And while market uncertainties persist, given near-term economic headwinds and ongoing challenges, including geopolitical tensions, inflation and interest rate hikes, we will remain steadfast in repositioning and growing our business.

Our hospitality arm, led by Millennium and Copthorne Hotels Limited (M&C), continues to be a key growth engine for the Group. We remain a sizeable hotel owner and operator with a diversified portfolio of over 150 hotels worldwide, many located in key gateway cities.

With pent-up travel demand and the easing of travel restrictions in most regions, we witnessed a strong recovery momentum in the hospitality sector in 2022. Our hotel operations have since recovered in most markets to pre-pandemic levels, a marker of the restored confidence in global travel.

Divestments and Capital Management

The Group recorded a pre-tax profit of $1.9 billion for FY 2022 (restated FY 2021: $214.8 million). The extraordinary gains were driven by the distribution *in specie* of 144.2 million stapled securities in CDL Hospitality Trusts (CDLHT), resulting in the accounting deconsolidation of CDLHT from a subsidiary to an associate in May 2022 and the recognition of a total gain (inclusive of negative goodwill) of $492.4 million. The sale of properties amounting to $1.26 billion mainly from the record sale of Millennium Hilton Seoul and its adjoining land site in February 2022 and the completion of the collective sales of Tanglin Shopping Centre and Golden Mile Complex in 2H 2022, where the Group owns share values and strata areas, also bolstered our pre-tax gains.

As at 31 December 2022, the Group maintained a sizeable war chest with cash reserves of $2.4 billion, and cash and available undrawn committed bank facilities totalling $4.1 billion. After factoring in fair value on investment properties, the Group's net gearing ratio stands at 51% (FY 2021: 61%).

Net Asset Value (NAV) per share increased 9.7% to $10.16 as at 31 December 2022 (restated 31 December 2021: $9.26). The Group adopts the policy of stating our investment and hotel properties at cost less accumulated depreciation and impairment losses. Had fair value gains on the Group's investment properties been factored in, the Group's Revalued NAV (RNAV) per share would be $16.98 (restated 31 December 2021: $15.73). Had the revaluation surpluses of our hotels been included, the Group's RNAV per share would be $19.14 (restated 31 December 2021: $18.63).

With a strong balance sheet, the Group is well-positioned for strategic acquisition opportunities in our key markets.

Resilient Business Performance

In 2022, all our operating segments reported strong performance. For our property development business, the Group, together with our joint venture (JV) associates, sold 1,487 units, including Executive Condominiums (ECs), with a total sales value of $2.9 billion in Singapore.

The Group's office portfolio in Singapore reported a committed occupancy of 95.2%, above the island-wide occupancy of 88.7%. Our retail portfolio also remained healthy, with a committed occupancy of 96.1%, higher than the island-wide occupancy of 92.9%. The gain in traction from the lifting of COVID-19 restrictions, coupled with the reopening of global economies in 2022, injected much vibrancy into the retail sector once again.

While Singapore will always be the Group's home ground and core market, we continue to pursue our strategic diversification push to build our portfolio in our key overseas markets of Australia, China, Japan and the UK. On this front, we expanded our Living Sector portfolio in 2022, which our Group CEO will elaborate on more in his statement.

Our hotel operations segment reported a strong performance in FY 2022. The Group's hotel RevPAR grew 91% to $137.9 (FY 2021: $72.2), attributable to higher room rates and improved occupancies across all geographies. Notably, hotels in London, Singapore and New York outperformed in 2022. Average Gross Operating Profit (GOP) margin improved by 11.3 percentage points to 30.8%, surpassing FY 2019 levels, primarily led by the UK, US and Singapore markets.

Portfolio Sharpening

With a focus on revenue generation and asset yield optimisation, the Group continued to enhance our hospitality offerings and revitalise our assets through Asset Enhancement Initiatives (AEIs) and repositionings.

In Singapore, we completed the renovation of all 360 guestrooms at Studio M Hotel in May 2022. In Q4 2022, Grand Copthorne Waterfront Hotel in Singapore commenced its phased refurbishment for its 550 guestrooms and public areas.

In Thailand, in tandem with the ongoing AEI of the Group's Jungceylon Shopping Center in Phuket, Millennium Resort Patong Phuket started renovating its 418 guestrooms and common areas. The hotel will be rebranded as M Social Hotel Phuket – the first M Social property in Thailand. Completion works for both assets are expected by 2H 2023.

Looking ahead, other AEIs in the pipeline include a major renovation for Millennium Downtown New York, which will be rebranded to M Social Hotel Downtown, New York and the Millennium Knightsbridge London, which will be rebranded to M Social Hotel Knightsbridge, London.

In Singapore, the Group plans to unveil our newest hotel, The Singapore EDITION, in 2H 2023. The iconic eight-storey 204-room hotel on Cuscaden Road is EDITION's first hotel in Southeast Asia, a unique concept in the lifestyle hotel space conceived by Ian Schrager and Marriott International. Over in China, the 295-room five-star M Social Suzhou is scheduled to open in Q2 2023.

Riding on the return of corporate travel and unabated pent-up demand for leisure travel, our hospitality segment will continue to strengthen and is poised to be a star performer for the year ahead, contributing meaningfully to our recurring earnings. A key focus for the hospitality portfolio will be to accelerate plans for asset optimisation, alignment with the Group's sustainability goals and driving growth.

APPRECIATION

On behalf of the Board of Directors, I would like to express my heartfelt appreciation to all our shareholders, customers, business associates and partners for your continued support in our journey.

To my fellow Directors, I am grateful for your invaluable contributions, counsel and stewardship as we strive to grow our Group to its fullest potential.

We welcomed Mr Tan Kian Seng as the latest member to the Board, pursuant to his appointment as an Independent Non-Executive Director in March 2023. With his qualifications in finance and extensive experience in the hospitality and manufacturing sectors, his appointment would further strengthen the Board's core competencies, especially in the areas of hospitality and finance, which are identified in the Board's skills matrix.

To our shareholders, thank you for your confidence in the Group. For FY 2022, the Board has recommended a final ordinary dividend of 8.0 cents per share and a special final ordinary dividend of 8.0 cents per share. Together with the special interim ordinary dividend of 12.0 cents per share paid in September 2022, the total cash dividend for FY 2022 amounts to 28.0 cents per share.

Finally, to the Management and staff, thank you for your unwavering dedication, hard work and commitment. Your tenacity in navigating the business challenges reflects the Group's spirit of enterprise and resilience.

Despite the ever-changing macro-economic landscape and inherent market unpredictability, we are confident that growth opportunities will always exist. Our Group remains poised to capitalise on these as they arise. We have gleaned from our past experiences and emerged stronger from each challenge. We are determined to pursue our strategic initiatives with nimbleness, pragmatism and a conviction to steer the Group towards sustained growth.

Kwek Leng Beng
Executive Chairman

GROUP CEO'S STATEMENT

Sherman Kwek
Group Chief Executive Officer

Dear Shareholders,

2022 was an exceptional year for the CDL Group. We unlocked significant shareholder value through strategic divestments and improved operational performance, achieving record earnings and marking a strong comeback after three years of living under the shadow of the pandemic.

The Group continues to steadfastly execute on our **G**rowth, **E**nhancement and **T**ransformation (GET) strategy that we unveiled in 2018, growing our traditional development and investment portfolio while accelerating our expansion into the Living Sector, both domestically and overseas.

Underscoring our conviction in the Living Sector's immense growth potential, namely in asset classes such as multi-family rental apartments (also called the Private Rented Sector or PRS), Purpose-Built Student Accommodation (PBSA) and workers' dormitories, we made further inroads to expand our portfolio in this sector, bolstering our recurring income and creating potential fund management opportunities.

To drive performance and maximise value, we also implemented various Asset Enhancement Initiatives (AEIs) across our commercial and hospitality portfolio in Singapore and overseas.

Our efforts to integrate and align the Group's core businesses have enhanced our operational efficiency and execution. Going forward, we will continue to sharpen our value proposition to grow market share and maximise value to all stakeholders.

GROWTH

Building a development pipeline while strengthening recurring income

ENHANCEMENT

Enhancing asset value and driving operational efficiency

TRANSFORMATION

Transforming via strategic investments, fund management and innovation

EXPANDING OUR PRODUCT OFFERINGS

In 2022, CDL continued to seize opportunities in our home market of Singapore to replenish our landbank, ensuring a stable launch pipeline and optimal inventory levels. Through selective land replenishment efforts, we now have a diversified pipeline of over 2,000 units in Singapore, ranging from suburban to luxury projects.

We secured four sites within the year, two via the Government Land Sales (GLS) programme. In January 2022, we acquired a GLS site at Jalan Tembusu near the upcoming Tanjong Katong MRT station. Together with our JV partner MCL Land, the site is being developed into a 638-unit condominium named Tembusu Grand, which we will launch in 1H 2023. In March 2022, we completed the acquisition of Central Square, which will be redeveloped alongside our Central Mall properties into an enlarged mixed-use development.

In April 2022, we completed the off-market acquisition of a site at 798 and 800 Upper Bukit Timah Road, which we are developing into a 408-unit development named The Myst, planned for launch in 2H 2023. In September 2022, we also acquired a GLS Executive Condominium (EC) site at Bukit Batok West Avenue 5, emerging as the top bidder by a razor-thin margin of 0.2%. A 510-unit EC project is being planned and will incorporate Super Low Energy features.

Aside from Tembusu Grand and The Myst, the Group plans to launch a third project in 2023 – Newport Residences – which is located at the site of the former Fuji Xerox Towers on Anson Road and part of a 45-storey mixed-use development called Newport Plaza. Comprising 246 rare freehold residences with all apartments elevated from level 23 to 45, Newport Residences will also feature a super penthouse, estimated at 13,000 sq ft and near the top of the 215-metre-tall building.

We continue to diversify our recurring income streams to build a more resilient portfolio across geographies and asset classes. Over the past few years, our expansion into the Living Sector has started to bear fruit as these recurring income assets have been resilient and outperformed other asset classes throughout the pandemic. Ever since our maiden PRS acquisition in 2019 of a build-to-rent site in Leeds, the Group now has 2,288 operational and pipeline PRS units across the UK, Japan, Australia and the US.

In June 2022, we made our initial foray into the PBSA sector by acquiring Infinity, a 505-bed asset in Coventry, UK. Subsequently, we acquired five more UK PBSA assets in Birmingham, Canterbury, Coventry, Leeds and Southampton in December 2022. With the completion of these acquisitions, our UK PBSA portfolio comprises six assets with about 2,400 beds.

In Q4 2022, our UK PRS project in Leeds, The Junction, obtained sectional completion for three out of five blocks and we recently welcomed our first batch of residents. Construction of The Octagon, our 370-unit PRS project located in the heart of Birmingham, is in progress with an estimated completion in 2025.

Over in Japan, we acquired three newly-built PRS assets totalling 271 units in Yokohama and Osaka in 2022. This brings our PRS portfolio in Japan to eight assets in operation, comprising 513 units. To leverage the rising demand for rental accommodation in Australia, we also acquired two PRS development sites in Brisbane's Toowong riverside suburb and Melbourne's Southbank, totalling around 490 apartments. The construction of both projects is targeted to commence in 2H 2023.

Revitalising Our Portfolio

Asset rejuvenation and portfolio enhancement are key pillars of the Group's GET strategy. We tirelessly explore ways to derive more value from our asset portfolio, including AEIs, asset repositionings and redevelopment opportunities.

In 2022, we completed the AEI at Palais Renaissance, which included creating a unique alfresco dining area on the first floor and more F&B offerings. Beyond physical upgrades, we also introduced our proprietary CityNexus smart building app to enhance our tenants' daily operations – making Palais Renaissance the first retail property in CDL's portfolio to feature this digital solution. The AEI at our King's Centre office building was also completed within the year.

In Thailand, the Phase 1 revamp of Jungceylon Shopping Center in Patong, Phuket, was unveiled in December to welcome the return of both domestic and international tourists with a range of exciting new lifestyle attractions. The remaining phases of the AEI are on track for completion by the end of 2023.

Beyond rejuvenating existing assets, we have also embarked on the redevelopment of certain older properties to unlock value through various incentive schemes. The redevelopment of Central Mall and Central Square is at an advanced planning stage and they will be redeveloped under the Urban Redevelopment Authority's (URA) Strategic Development Incentive Scheme. Provisional Permission has been obtained for a mixed-use development comprising commercial, hospitality and residential components yielding a GFA uplift of 67% to approximately 735,500 sq ft from the current GFA of 441,650 sq ft. The redevelopment will rejuvenate and transform the precinct into a vibrant lifestyle hub. Over at Tanjong Pagar and overlooking the Greater Southern Waterfront, we have already commenced demolition of Fuji Xerox Towers and have tapped on the URA's CBD Incentive Scheme to redevelop the site into an iconic mixed-use development, Newport Plaza, yielding a GFA uplift of 25%.

Transforming for the Future

Our hospitality portfolio is a key transformation lever. Since we privatised Millennium & Copthorne Hotels Limited (M&C) in November 2019, our hotel operations segment has undergone an upheaval, with the pandemic decimating the travel industry in 2020 and 2021. However, with the reopening of borders and easing restrictions in 2022, our hospitality segment has rebounded strongly, with operations in most markets having recovered to pre-pandemic levels. With a more stabilised position, we will accelerate our plans for asset optimisation and drive alignment to the Group's strategic plans and processes.

Following a holistic review of our hospitality portfolio, we have executed strategic asset divestment and restructuring initiatives to unlock latent value during the year. These include the KRW 1.1 trillion (approximately $1.25 billion) sale of Millennium Hilton Seoul, the divestment of interest in Tanglin Shopping Centre held by M&C, as well as the accounting deconsolidation of CDL Hospitality Trusts (CDLHT) from the Group following a distribution *in specie* of CDLHT units in May 2022 to reward shareholders.

Another integral component of the Group's transformation strategy is our fund management business. Besides nurturing existing listed platforms like CDLHT and IREIT Global, the Group continues to lay the foundation to drive future AUM growth.

While the Group has paused our IPO aspirations for our UK commercial properties due to unfavourable market conditions, we continue to explore strategic acquisitions that will complement our ambitions. The Group's recent acquisition of the landmark 23-acre St Katharine Docks prime freehold estate in London is one such opportunity. Following the completion of the acquisition in March 2023, the total value of the Group's commercial assets in Central London has increased to around £1 billion. This transaction allows us the option to inject our UK assets into listed or unlisted platforms at an opportune time.

AN ENERGISED SPIRIT

Amidst all the challenges and disruptions we have faced over the past three years, our Group has navigated the trying times with courage, resilience and focus.

This took exceptional dedication from our greatest asset, which is our people. They are the ones who enabled the Group to steadfastly execute on our GET strategy and emerge stronger than ever. On behalf of Senior Management, I would like to thank our valued employees for their dedication and hard work. I am deeply grateful for their unwavering commitment to the company. I would also like to welcome Ms Lilian Tan, our Group Chief Human Resources Officer and newest member of the Key Management team, who joined us in March 2023. She will help to further strengthen the People Agenda by building an even stronger and more inclusive culture within our organisation.

I would also like to thank our Chairman and the Board of Directors for their invaluable guidance in shaping our strategy and navigating our Group through choppy waters.

Last but not least, I would like to express our heartfelt appreciation to our shareholders, customers and business associates for your continued support.

As we embark on our 60th Anniversary milestone, the Group will push ahead with an energised spirit to accelerate our growth and future-proof our business while embracing excellence, innovation, determination and discipline.

Sherman Kwek
Group Chief Executive Officer

CORPORATE NETWORK

AS AT 28 FEBRUARY 2023

RESIDENTIAL

Developed over

50,000

residences globally

COMMERCIAL

Owns around

21 MILLION SQ FT

of gross floor area of office, industrial, retail, residential for lease and hotel space globally

HOTELS

Global footprint of over

150 hotels

that are owned, managed/franchised or operated by third-parties

FUND MANAGEMENT

Assets Under Management (AUM)

US$**3.1** BILLION

7

Companies listed on stock exchanges in Singapore, New Zealand and Philippines

GLOBAL NETWORK

over

700

entities

143 Locations in 28 Countries & Regions

ASIA

China
- Beijing
- Chengdu
- Chongqing
- Dongguan
- Fujian
- Fuqing
- Guizhou
- Hangzhou
- Hong Kong
- Shanghai
- Shenzhen
- Suzhou
- Wenjiang
- Wuxi
- Xiamen
- Wenzhou

Indonesia
- Jakarta

Japan
- Tokyo
- Osaka
- Yokohama

Malaysia
- Cameron Highlands
- Johor Bahru
- Kuala Lumpur
- Malacca
- Penang

Maldives
- Meradhoo Island
- Velavaru Island

Singapore
- Singapore

Taiwan
- Taichung
- Taipei

Thailand
- Bangkok
- Phuket

Philippines
- Manila

AUSTRALASIA

Australia
- Brisbane
- Melbourne
- Perth

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

MIDDLE EAST

Iraq
- Sulaymaniyah
- Basra

Kuwait
- Al Jahra
- Al Kuwayt
- Al Salmiya

Oman
- Muscat
- Mussanah
- Salalah

Palestine
- Ramallah

Qatar
- Doha

Saudi Arabia
- Hail
- Madinah
- Makkah
- Gizan
- Tabouk
- Jeddah

Turkey
- Istanbul
- Konya

United Arab Emirates
- Abu Dhabi
- Dubai
- Sharjah
- Al Ain

EUROPE

France
- Abbeville
- Aurillac
- Belfort Bessoncourt
- Bergerac
- Calais
- Cergy
- Châteauroux Saint-Maur
- Chatellerault
- Cholet
- Concarneau
- Dinan Taden
- Douai Lambres-Lez-Douai
- Dreux
- Evreux
- Foix
- Gap
- Istres
- Lannion
- Laval Changé
- Macon
- Varennes-lès-Macon
- Paris
- Pont-Audemer
- Pontivy
- Sables d'Olonne Olonne-sur-Mer
- Sarrebourg
- Sens
- Verdun Haudainville
- Vichy Bellerive-sur-Allier

Georgia
- Tbilisi

Germany
- Berlin
- Bonn
- Darmstadt
- Munich
- Münster

Italy
- Rome
- Florence

Russia
- Moscow

Spain
- Madrid
- Barcelona

The Netherlands
- Amsterdam
- Rotterdam
- Utrecht

United Kingdom
- Aberdeen
- Birmingham
- Cambridge
- Cardiff
- Canterbury
- Coventry
- Dudley
- Gatwick
- Glasgow
- Leeds
- Liverpool
- London
- Manchester
- Newcastle
- Plymouth
- Slough-Windsor
- Southampton

NORTH AMERICA

United States
- Anchorage
- Avon
- Boston
- Chagrin Falls
- Chicago
- Durham
- Kissimmee
- Los Angeles
- Minneapolis
- Nashville
- New York
- Scottsdale
- Sunnyvale

CORPORATE STRUCTURE

AS AT 28 FEBRUARY 2023

HONG LEONG GROUP SINGAPORE

CITY DEVELOPMENTS LIMITED*

~49%

- **277** SUBSIDIARY COMPANIES
- **73** ASSOCIATES AND JOINT VENTURES
- **17** TRUSTS
- **7** LIMITED PARTNERSHIPS

MILLENNIUM & COPTHORNE HOTELS LIMITED

100%

ASIA
- **55** Subsidiary Companies
- **12** Associated Companies

GRAND PLAZA HOTEL CORPORATION* (65.6%)
- **1** Associated Company

CDL HOSPITALITY TRUSTS* (27.4%)
- **50** Subsidiary Companies
- **4** Trusts

FIRST SPONSOR GROUP LIMITED* (35.3%)
- **99** Subsidiary Companies (including a private trust)
- **39** Associated Companies and Joint Ventures
- **2** Trusts

NEW ZEALAND / AUSTRALIA
- **3** Subsidiary Companies

MILLENNIUM & COPTHORNE HOTELS NEW ZEALAND LIMITED* (75.8%)
- **18** Subsidiary Companies

CDL INVESTMENTS NEW ZEALAND LIMITED* (65.9%)
- **1** Subsidiary Company

EUROPE
- **42** Subsidiary Companies
- **1** General Partnership

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

IREIT GLOBAL*

20.9%
- **27** Subsidiary Companies

* Listed Company/Trust

HIGHLIGHTS OF THE YEAR

1ST QUARTER
(January – March)

- In January, the Group secured a prime 210,623 sq ft Government Land Sales (GLS) site at **Jalan Tembusu** for $768.0 million. Located near the upcoming Tanjong Katong MRT station, the Group and its JV partner MCL Land will develop the site into a 638-unit luxury condominium called **Tembusu Grand**.

- CDL was ranked the fifth most sustainable corporation in the world and top real estate company globally in the **2022 Global 100 Most Sustainable Corporations in the World** by Corporate Knights. It also maintained its listing on the **Bloomberg Gender-Equality Index 2022** for the fifth consecutive year – one of five Singapore companies to be listed.

- In February, the **divestment of Millennium Hilton Seoul and its adjoining land site** for KRW 1.1 trillion (approximately $1.25 billion) was completed. The Group recognised a pre-tax gain of $925.5 million in FY 2022.

- The Group completed the acquisition of **Central Square** for $315 million in March. 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.

Tembusu Grand I Singapore
Artist's Impression

- In March, the Group and its JV partner purchased a freehold site in **Brisbane's Toowong riverside suburb** for A$12 million (approximately $10.9 million), with plans to develop a Private Rented Sector (PRS) project with about 250 units.

2ND QUARTER
(April – June)

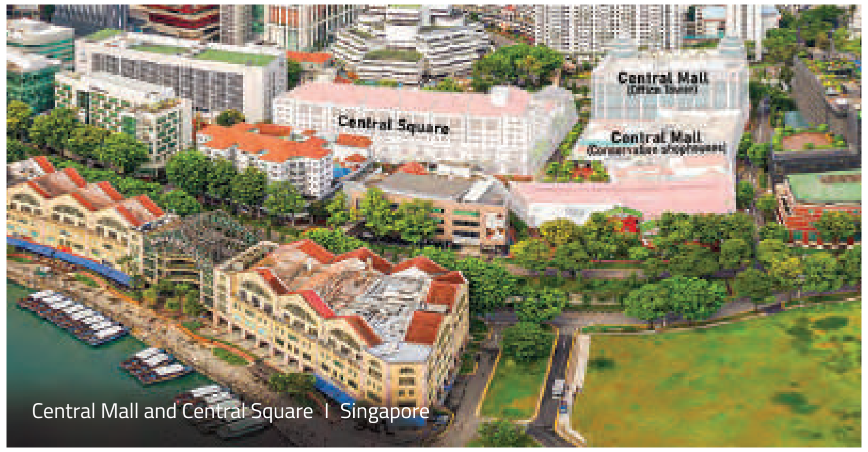
- In April, the Group completed the off-market acquisition of a 179,007 sq ft site at **798 and 800 Upper Bukit Timah Road** for $126.3 million. The site will be developed into a 408-unit project called **The Myst**.

- **Whistler Grand**, the Group's fully-sold 716-unit residential project at West Coast Vale obtained its Temporary Occupation Permit (TOP) in April.

- In May, CDL and its JV partner MCL Land launched **Piccadilly Grand**, a 407-unit integrated development at Northumberland Road in the Farrer Park district. On its launch weekend, 315 units (77%) were sold at an Average Selling Price (ASP) of $2,150 psf.

- The Group completed the **distribution *in specie* of CDL Hospitality Trusts (CDLHT) Units** to shareholders in May, which amounted to 20.2 cents per share[1]. Following the accounting deconsolidation of CDLHT from a subsidiary to an associate, the Group recognised a total pre-tax gain (inclusive of negative goodwill) amounting to $492.4 million for FY 2022.

- The Group made its foray into the UK's Purpose-Built Student Accommodation (PBSA) sector in June, with the acquisition of **Infinity in Coventry** for £59.2 million (approximately $96.3 million). Comprising 505 beds, the 19-storey building has an occupancy of 95%.



Central Mall and Central Square I Singapore

[1] Based on $1.27 per CDLHT Unit on 25 May 2022.

- The Group acquired three newly-built PRS projects in Japan for ¥6.61 billion (approximately $66.9 million)– two 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 June, the Group completed Asset Enhancement Initiative (AEI) works at **King's Centre**, which included the revamp and expansion of its main lobby and upgrading common areas such as lift lobbies, restrooms and common corridors.

- In Australia, the Group partnered HThree City Australia Pte. Ltd. to acquire **330 Collins Street**, a freehold Grade A commercial tower in Melbourne, for A$236 million (approximately $214.7 million). Located in the heart of Melbourne's CBD, the acquisition of the 18-storey office tower marked the Group's expansion into the Australian office sector.

3RD QUARTER
(July – September)

- In September, CDL successfully secured a 178,936 sq ft Executive Condominium (EC) site at **Bukit Batok West Avenue 5** through a GLS tender for $336.1 million. Located near the upcoming Tengah Town and Jurong Lake District, the site will be developed into a 510-unit EC project.

4TH QUARTER
(October – December)

- The Group unveiled a new look for **Palais Renaissance** in October, following the completion of a major AEI totalling around $7 million. Beyond physical upgrades and a refresh of the tenant mix, CDL also introduced its proprietary CityNexus smart building app to enhance the daily operations of its tenants – CDL's first retail property to feature this digital solution.

- In October, CDL and its JV partner MCL Land launched **Copen Grand**, an EC in the upcoming Tengah Town, which is envisioned to be Singapore's first smart and sustainable precinct. The 639-unit project sold 73% of its units on launch day and was fully sold out one month after its launch.

- In Australia, the Group completed its purchase of a **freehold site in Southbank, Melbourne** for A$11.1 million (approximately $10.1 million) in November. The site will be developed into a PRS project with about 240 units.

- In November, the Group completed the **divestment of its interest in Tanglin Shopping Centre and Golden Mile Complex**, recording a pre-tax gain of $256.3 million and $75.6 million respectively in FY 2022.

- CDL, alongside 50 of the world's largest corporations, signed the **Action Declaration on Climate Policy Engagement** launched at COP27 by Corporate Knights and the Global 100 Council, reaffirming its commitment towards supporting climate policy engagement aligned with the Paris Agreement.

- In December, the Group enlarged its UK PBSA portfolio with the acquisition of **five additional PBSA assets** for £215 million (approximately $350 million). With an average age of less than three years and a portfolio comprising 1,863 beds, the five assets in Birmingham, Canterbury, Coventry, Leeds and Southampton boast excellent amenities and are located in prime catchment areas close to key transportation nodes and prominent universities.

- CDL was recognised in the **2022 CDP A List for environmental leadership in climate change and water security initiatives** in December, marking the fifth consecutive year CDL has received an 'A' score for climate change and the fourth year with an 'A' score for water security.

- In Thailand, **Jungceylon Shopping Center**, the Group's retail mall in Patong, Phuket, unveiled Phase 1 of its revamp. The remaining phases are targeted to complete by the end of 2023.

Palais Reimagined: Launch of Palais Renaissance's new look in October.
From left to right: CDL Group CEO Mr Sherman Kwek, CDL Executive Chairman Mr Kwek Leng Beng, Mrs Cecilia Kwek and CDL Group COO Mr Kwek Eik Sheng

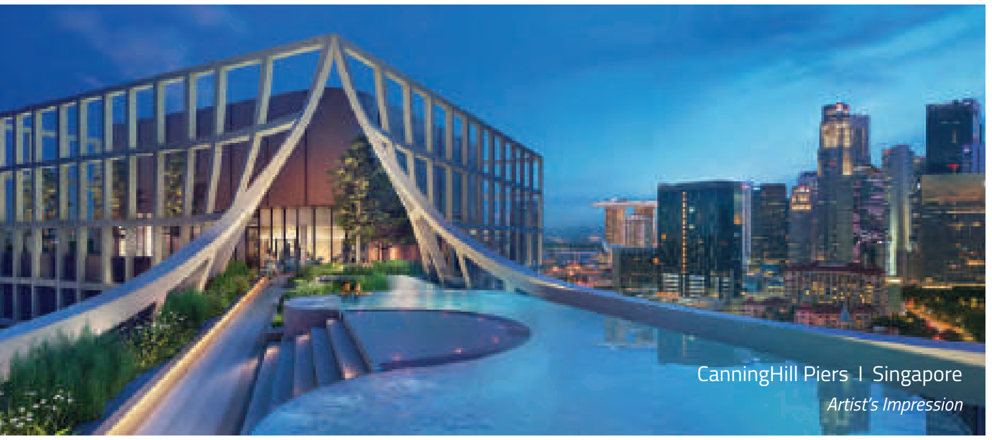
AWARDS & ACCOLADES

BUSINESS & PERFORMANCE*

- **Bloomberg Gender-Equality Index (GEI) 2022**
- **Equileap Gender Equality in Asia-Pacific (APAC) Special Report 2022**
- **Euromoney Real Estate Awards 2022**
  - Winner – Developers: Residential, Singapore
  - Winner – Developers: Sustainability, Singapore
- **HR Asia Best Companies to Work for in Asia 2022**
- **HRM Asia HR Fest Awards 2022**
  - Employer of Choice
- **Singapore Business Review Technology Excellence Awards 2022**
  - Mobile – Real Estate
- **Singapore Governance and Transparency Index (SGTI) 2022**
  - #4 out of 489 companies

PRODUCT*

- **Building and Construction Authority (BCA) Awards 2022**
  - Quality Excellence Award – Quality Champion (Platinum)
  - Built Environment Transformation Award, Residential *The Tapestry*
  - Design and Engineering Safety – Excellence *The Tapestry*
  - Green Mark Super Low Energy – Platinum *80 Anson Road (Non-Residential)* *Copen Grand*
  - Green Mark – Gold[Plus] *CanningHill Piers* *Piccadilly Grand & Piccadilly Galleria*
- **EdgeProp Singapore Excellence Awards 2022**
  - Top Developer
  - Top Development *CanningHill Piers*
  - Design Excellence *CanningHill Piers*
  - Innovation Excellence *CanningHill Piers*
  - Marketing Excellence *CanningHill Piers*
  - People's Choice Award *CanningHill Piers*
  - Sustainability Excellence *Irwell Hill Residences*
- **SGBC-BCA Leadership in Sustainability Awards 2022**
  - Building Project – Community Engagement *Singapore Sustainability Academy (SSA)*
  - Building Project – Urban Renewal *South Beach*



CanningHill Piers I Singapore
Artist's Impression

SUSTAINABILITY^

- **7th Asia Sustainability Reporting Awards**
  - Asia's Report of the Year
  - Asia's Best Sustainability Report (Large Company) – Gold
  - Asia's Best Sustainability Report (CEO Letter) – Gold
  - Asia's Best Materiality Reporting – Gold
  - Asia's Best Climate Reporting – Gold
  - Asia's Best Sustainability Report (Governance) – Bronze
- **CDP**
  - A List for Climate Change
  - A List for Water Security
  - Supplier Engagement Leaderboard 2022
- **Climate Reporting in ASEAN – State of Corporate Practices 2022**
- **Dow Jones Sustainability Indices (Asia Pacific) 2022**
- **Environmental Finance Sustainable Company Awards 2022**
  - Net Zero Progression of the Year, APAC
- **Euronext VE Indices**
- **FT-Nikkei-Statista Asia-Pacific Climate Leaders 2022**
- **FTSE4Good Index Series**
- **Global 100 Most Sustainable Corporations in the World 2022**
- **Global Real Estate Sustainability Benchmark (GRESB) 2022**
  - 5-star rating (Diversified Office/Retail)
- **ISS ESG**
  - Prime rating
- **MSCI ESG Ratings 2022**
  - 'AAA' rating
- **Royal Society for the Prevention of Accidents (RoSPA) Awards 2022**
  - Order of Distinction
- **Singapore HEALTH Award 2022**
  - Organisational Champion (Excellence)
- **S&P Global Sustainability Yearbook 2022**
- **SGX iEdge SG ESG Leaders Index**
- **Steward Leadership 25 (2022)**
- **STOXX® Global ESG Leaders Index 2022**
- **Sustainalytics 2022**

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

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Executive Directors

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

Lead Independent Director

Lee Jee Cheng Philip

Non-Executive Directors

Philip Yeo Liat Kok, *Non-Independent*
Ong Lian Jin Colin, *Independent*
Daniel Marie Ghislain Desbaillets, *Independent*
Chong Yoon Chou, *Independent*
Chan Swee Liang Carolina (Carol Fong), *Independent*
Tang Ai Ai Mrs Wong Ai Ai, *Independent*
Tan Kian Seng, *Independent*

AUDIT & RISK COMMITTEE

Lee Jee Cheng Philip, *Chairman*
Chong Yoon Chou
Chan Swee Liang Carolina (Carol Fong)
Tan Kian Seng

NOMINATING COMMITTEE

Ong Lian Jin Colin, *Chairman*
Kwek Leng Beng
Lee Jee Cheng Philip
Chong Yoon Chou
Tang Ai Ai Mrs Wong Ai Ai

REMUNERATION COMMITTEE

Chan Swee Liang Carolina (Carol Fong), *Chairman*
Ong Lian Jin Colin
Lee Jee Cheng Philip
Daniel Marie Ghislain Desbaillets

BOARD SUSTAINABILITY COMMITTEE

Sherman Kwek Eik Tse, *Chairman*
Daniel Marie Ghislain Desbaillets
Chong Yoon Chou
Tang Ai Ai Mrs Wong Ai Ai

COMPANY SECRETARIES

Yeo Swee Gim, Joanne
Enid Ling Peek Fong

SHARE REGISTRAR & SHARE TRANSFER OFFICE

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

REGISTERED OFFICE

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

INVESTOR RELATIONS

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

AUDITORS

KPMG LLP
Public Accountants and Chartered Accountants, Singapore
12 Marina View
#15-01 Asia Square Tower 2
Singapore 018961
(Partner-in-charge: Lo Mun Wai, appointment commenced from the audit of the financial statements for the year ended 31 December 2020)

PRINCIPAL BANKERS

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

BOARD OF DIRECTORS

AS AT 24 MARCH 2023

KWEK LENG BENG
Executive Chairman

SHERMAN KWEK EIK TSE
Executive Director
Group Chief Executive Officer

LEE JEE CHENG PHILIP
Lead Independent Director

PHILIP YEO LIAT KOK
Non-Independent
Non-Executive Director

ONG LIAN JIN COLIN
Independent
Non-Executive Director

DANIEL MARIE GHISLAIN DESBAILLETS
Independent
Non-Executive Director

CHONG YOON CHOU
Independent
Non-Executive Director

CHAN SWEE LIANG CAROLINA (CAROL FONG)
Independent
Non-Executive Director

TANG AI AI MRS WONG AI AI
Independent
Non-Executive Director

TAN KIAN SENG
Independent
Non-Executive Director

KWEK LENG BENG
Executive Chairman

First appointment as Director
1 October 1969

Appointment as Executive Chairman
1 January 1995

Last re-election as Director
28 April 2022

Board committees
- Nominating Committee (Member)

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

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

Past directorships in other listed companies* and principal commitments held in the preceding five years
- Millennium & Copthorne Hotels plc* (Non-Executive Chairman) *(delisted and privatised in 2019 and now known as Millennium & Copthorne Hotels Limited)*

Mr Kwek has extensive experience in the real estate business. He joined City Developments Limited (CDL) in the late 1960s and since then has contributed significantly to building CDL's six decades of track record. He grew the Group's hospitality arm and has been actively involved in its development into Singapore's largest international hotel group and one of the largest hotel owners and operators in the world. He also has extensive experience in the finance business, having grown with the original Hong Leong Finance Limited from day one, which has since merged its finance business with Singapore Finance Limited (now known as Hong Leong Finance Limited). He is also experienced in the trading and manufacturing sectors.

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

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

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

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

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

SHERMAN KWEK EIK TSE
Executive Director and
Group Chief Executive Officer

First appointment as Director
15 May 2019

Last re-election as Director
28 April 2022

Board committees
- Board Sustainability Committee (Chairman)

Present directorships in other listed companies* and principal commitments
- IREIT Global Group Pte. Ltd. (As manager of IREIT Global*) (Director)
- CDL China Limited (Executive Chairman)

Other appointments
- Chinese Development Assistance Council (CDAC) (Board of Trustees)
- Singapore Health Services Pte Ltd (Member of SingHealth Property Committee)
- National Youth Achievement Award (Member of Advisory Board)

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

BOARD OF DIRECTORS

- Business China FutureChina Committee (Member)
- Business China Go East Committee (Member)

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

Mr Kwek assumed his current role as Group Chief Executive Officer in January 2018 after serving as CEO-designate from August 2017. He was appointed as an Executive Director of CDL in May 2019 and concurrently holds the position of Executive Chairman of CDL China Limited since 2016. Mr Kwek was previously the Deputy CEO and Chief Investment Officer of CDL. He joined CDL in August 2010 as the CEO of CDL China Limited.

Prior to joining CDL, Mr Kwek was the CEO of City e-Solutions Limited, a Hong Kong-listed company that was formerly a subsidiary of CDL Group and engaged in the provision of hotel management and electronic distribution services to the global hospitality industry. Mr Kwek was also formerly the Chief Operating Officer of Thakral Corporation Ltd. and an Executive Director of HL Global Enterprises Limited, both listed companies in Singapore. In the earlier part of his career, he had worked in venture capital, investment banking, hospitality management and real estate private equity.

In 2020, Mr Kwek was appointed to the Board of Trustees of the Chinese Development Assistance Council (CDAC), a non-profit self-help group for the Chinese community, and in 2021, he was appointed as a Member of the SingHealth Property Committee of Singapore Health Services Pte Ltd. In October 2022, he was also appointed as a Member of the Advisory Board for the National Youth Achievement Award and as a Member of Business China's FutureChina Committee and Go East Committee.

Mr Kwek had previously served as a Council Member of the Singapore Chinese Chamber of Commerce and Industry (SCCCI) for nine years until he relinquished the position in March 2022. As a nominee of SCCCI to the board of Business China, he also stepped down from this role in September 2022 but was reappointed to the two committees within Business China mentioned above. He was also formerly a member of the Council for Board Diversity and a board member of the Building and Construction Authority (BCA).

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

LEE JEE CHENG PHILIP

Lead Independent Director

First appointment as Director
4 January 2021

Last re-election as Director
30 April 2021

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

Present directorships in other listed companies* and principal commitments
- ComfortDelGro Corporation Limited* (Director, Audit and Risk Committee Chairman, Nominating and Remuneration Committee Member and Digitalisation Committee Member)

Other appointments
- Singapore Agro-Food Enterprises Federation Limited (Governing Council Member)
- Tech For Good Institute Limited (Board Member)

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

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

Mr Lee is also an independent non-executive director at ComfortDelGro Corporation Limited, a Member of the Governing Council of Singapore Agro-Food Enterprises Federation Limited and a Board Member of Tech For Good Institute Limited.

Mr Lee is a Fellow of the Institute of Singapore Chartered Accountants and of the Association of Chartered Certified Accountants, United Kingdom, and a member of the Singapore Institute of Directors.

PHILIP YEO LIAT KOK

Non-Independent Non-Executive Director

First appointment as Director
11 May 2009

Last re-election as Director
30 April 2021
(Will be seeking re-election at the 2023 AGM)

Board committees
Nil

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

Other appointments
- Nil

Past directorships in other listed companies* and principal commitments held in the preceding five years
- Hitachi Ltd* (Independent Director)
- Kerry Logistics Network Limited* (Independent Director)
- Spring Singapore
- Baiterek National Managing Holding JSC, Kazachtan

Mr Yeo is the Chairman of Economic Development Innovations Singapore Pte Ltd (EDIS) which provides strategic advice and undertakes the development and management of integrated industrial and urban areas with an emphasis on job creation and industrial cluster development. He is also an independent Director of Sunway Berhad and QAF Limited, which are listed on Bursa Malaysia and Singapore Exchange Securities Trading Limited ("SGX-ST") respectively.

Mr Yeo received the Singapore Public Administration Medal (Silver) in 1974, the Public Administration Medal (Gold) in 1982, the Meritorious Service Medal in 1991 and the Order of Nila Utama (First Class), Singapore's most prestigious National Day Awards in 2006. He also received the Order of the Rising Sun, Gold and Silver Star from Government of Japan (2007) and the Distinguished Service (Star) award from the Singapore Labour Movement, National Trade Union Congress (2008).

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

ONG LIAN JIN COLIN

Independent Non-Executive Director

First appointment as Director
7 October 2020

Last re-election as Director
28 April 2022

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

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

Other appointments
- Nil

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

Mr Ong is the Founder of Advisors' Clique and Executive Senior Director of Great Eastern Financial Advisers, a position he has held since 2011. A veteran in the financial services industry with more than 30 years of experience, he has achieved the Million Dollar Round Table (MDRT) 28 times since 1993 and achieved the Top of the Table in 2020 and 2022. He is also a member of its prestigious MDRT Quarter Century Club.

Mr Ong was a recipient of the Centennial Award by Great Eastern Life in 2008, an accolade awarded during its 100th anniversary in recognition of his contributions to the company. He was conferred the IBF Fellow award from the Institute of Banking and Finance and was named Asia's Inspirational Leader of the Year by the Asia Insurance Review in 2015.

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

DANIEL MARIE GHISLAIN DESBAILLETS

Independent Non-Executive Director

First appointment as Director
20 November 2020

Last re-election as Director
30 April 2021
(Will be seeking re-election at the 2023 AGM)

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

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

Other appointments
- Nil

Past directorships in other listed companies* and principal commitments held in the preceding five years
- Millennium & Copthorne Hotels Limited (Independent, Non-Executive Director) *(delisted and privatised in 2019 and now known as Millennium & Copthorne Hotels Limited)*

Mr Desbaillets has an extensive portfolio in the hospitality industry with 44 years of experience. Mr Desbaillets was appointed to the Board of Millennium and Copthorne Hotels Limited (prior to its privatisation) in 2016 as an Independent Non-Executive Director and had served in the Audit & Risk, Remuneration and Risk Committees. In 2010, he was the Independent Non-Executive Director of M&C REIT Management Limited, the manager of CDL Hospitality Real Estate Investment Trust (H-REIT) and also of M&C Business Trust Management Limited, the trustee-manager of CDL Hospitality Business Trust (HBT) and had served in the Nominating and Remuneration Committees. Both H-REIT and HBT are comprised as a stapled group in CDL Hospitality Trusts, which is listed on the SGX-ST.

Since 1973, he has been holding senior positions with international hotel chains including InterContinental Hotel Group, Hilton, Shangri-La, Millennium & Copthorne Hotels Group, Fullerton Hotels and Resorts and TCC Hotels Thailand and has worked in various countries around the world. His responsibilities in the Corporate offices included regional hotel operations, finance, marketing, human resource, food & beverage (F&B) and asset management. Currently, Mr Desbaillets is the Executive Chairman of family-owned businesses in the F&B industry, FreshCreation Holdings Pte. Ltd. and Salad Stop Pte. Ltd., which have 75 outlets in Singapore, Malaysia, Indonesia, Philippines, Hong Kong, Japan, South Korea, Vietnam, Thailand and Spain that are owned, franchised and under joint ventures.

BOARD OF DIRECTORS

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

CHONG YOON CHOU

Independent Non-Executive Director

First appointment as Director
20 November 2020

Last re-election as Director
30 April 2021
(Will be seeking re-election at the 2023 AGM)

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

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

Other appointments
- Nil

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

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

Throughout his stint with the company, Mr Chong was involved in many restructuring initiatives in Australia and Europe whilst spearheading investment teams in various M&A projects such as the acquisition of Edinburgh Fund Managers in 2005, Deutsche Asset Management UK in 2006, Philadelphia Nationwide Financial Service US in 2007 and Credit Suisse Asset Management in 2009. He was also responsible for setting up the group's research systems and led in transition projects during Europe's implementation of Markets in Financial Instruments Directive II (MiFID II). Mr Chong's 29 years of extensive experience in managing assets and funds also included his management of Asian and Emerging market equities at Ostrum Asset Management Asia Ltd, part of the Natixis Investment Management group with USD1 trillion of funds under management.

Mr Chong graduated from the London School of Economics with a Bachelor of Science (Economics) in Accounting & Finance, a Master of Science in Finance and a Master of Science in Information Systems. He is also a Chartered Financial Analyst and has Leadership Development certifications at Harvard Business School and INSEAD. In 2021, he completed the INSEAD International Directors Programme. Mr Chong is also a member of the Singapore Institute of Directors.

CHAN SWEE LIANG CAROLINA (CAROL FONG)

Independent Non-Executive Director

First appointment as Director
29 December 2020

Last re-election as Director
30 April 2021

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

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

Other appointments
- Leukemia and Lymphoma Foundation (Board Member and Chairperson, Finance Subcommittee)
- Singapore Exchange Securities Advisory Committee (Chairman)

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

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

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

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

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

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

TANG AI AI MRS WONG AI AI

Independent Non-Executive Director

First appointment as Director
1 January 2022

Last re-election as Director
28 April 2022

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

Present directorships in other listed companies* and principal commitments
- Baker & McKenzie.Wong & Leow (Principal)

Other appointments
- Climate Governance Singapore Limited (Director)
- Justice of the Peace
- Singapore Tourism Board (Director)
- PSA International Pte Ltd (Director)

Past directorships in other listed companies* and principal commitments held in the preceding five years
- Baker McKenzie (Member of Global Executive Committee and Chair of Asia Pacific Region)
- Singapore Tyler Print Institute (Board Member)
- Yellow Ribbon Fund (Chairman)

Mrs Wong Ai Ai's three decades long career with Baker McKenzie ("Firm") spans leading a range of landmark transactions for blue-chip clients, to global management and leadership roles at the highest levels of the Firm, including serving as a member of Global Executive Committee and chair of the Asia Pacific region.

As a transactional lawyer, Mrs Wong is recognised as a leading individual and eminent practitioner for corporate/M&A matters by publications including Chambers Asia Pacific, Legal 500 Asia Pacific and IFLR1000.

Mrs Wong is a founding steering committee member of Climate Governance Singapore Limited, an initiative led by World Economic Forum to educate non-executive directors on the opportunities and challenges for their companies arising from climate change and its consequences. She is a Justice of the Peace, a member of the Public Service Commission's Disciplinary Panel of Persons and a member of the Board of Visiting Judges (BOVJ) and Board of Inspection (BOI) appointed by the Ministry of Home Affairs, Singapore.

She graduated from the University of Kent, with a Bachelor of Arts in Law First Class Honours, and holds a Master of Law from Harvard University Law School. She is admitted to practice in Singapore, New York, England and Wales (Grays Inn).

TAN KIAN SENG

Independent Non-Executive Director

First appointment as Director
10 March 2023

Last re-election as Director
N.A.
(Will be seeking election at the 2023 AGM)

Board committees
- Audit & Risk Committee (Member)

Present directorships in other listed companies* and principal commitments
- Nil

Other appointments
- Nil

Past directorships in other listed companies* and principal commitments held in the preceding five years
- CDL Investments New Zealand Limited*
- First Sponsor Group Limited *
- Grand Plaza Hotel Corporation*
- Millennium & Copthorne Hotels New Zealand Limited*
- Millennium & Copthorne Hotels plc (*delisted and privatised in 2019 and now known as Millennium & Copthorne Hotels Limited*) ("M&C")

Mr Tan has extensive experience in the hospitality and manufacturing sectors, having held various senior positions in international businesses. He had served on the boards of companies listed in SGX-ST, London Stock Exchange, New Zealand Stock Exchange and Philippines Stock Exchange. Mr Tan also has diverse management experience in Finance, Legal, Investor Relations, Business Development, Human Resource and Information Technology in various corporations and regions including South East Asia, China, United Kingdom and United States of America.

Mr Tan joined M&C as Group Chief of Staff in October 2016 and held several senior executive level positions in various functions and jurisdictions until he retired as the interim Chief Executive Officer ("CEO") of M&C at end 2019. During his tenure at M&C, he was a Non-Executive Director of Millennium & Copthorne Hotels New Zealand Limited and CDL Investments New Zealand Limited, both of which are listed on the New Zealand Stock Exchange and served as the President, Chairman of the board and a member of the Nominating Committee of Grand Plaza Hotel Corporation, which is listed in the Philippines.

Prior to joining M&C Group, he served as an advisor to the CEO and Chairman of Venture Corporation Limited ("Venture"), a company listed on the SGX-ST. Mr Tan joined Venture in 2001 and held senior roles in various jurisdictions, including the Vice President of Operations in Malaysia until February 2006, Chief Financial Officer until February 2012 and Group President from 2011 until February 2016.

Mr Tan holds a Diploma of Accountancy from Leeds Beckett University. He is an Associate of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants.

KEY MANAGEMENT

CDL Executive Chairman and Key Management at CDL's full year 2022 results briefing on 23 February 2023.
From left: Yiong Yim Ming, Sherman Kwek, Kwek Leng Beng, Kwek Eik Sheng, Chia Ngiang Hong

SHERMAN KWEK
Group Chief Executive Officer

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

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

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

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

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

KWEK EIK SHENG
Group Chief Operating Officer

Mr Kwek Eik Sheng joined CDL in 2009, covering Business Development for overseas projects before being appointed as Head of Corporate Development. In 2014, he assumed his role as Chief Strategy Officer and undertook an added portfolio as Head of Asset Management in April 2016. On 1 January 2022, he was appointed Group Chief Operating Officer.

Prior to joining CDL, he was with the Hong Leong Group of companies in Singapore, specialising in corporate finance roles from 2006 to 2008.

Mr Kwek is an Executive Director of CDL's principal subsidiary, Millennium & Copthorne Hotels Limited (M&C), as well as a Non-Independent Non-Executive Director of CDL Hospitality Trusts. He is a Non-Executive Director of Millennium & Copthorne Hotels New Zealand Limited and CDL Investments New Zealand Limited, both listed on New Zealand's Exchange. He is also Chairman of Grand Plaza Hotel Corporation listed on the Philippine Stock Exchange.

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

CHIA NGIANG HONG
Group General Manager

Mr Chia Ngiang Hong joined CDL in 1981 and has more than 40 years of experience in the real estate industry in Singapore and the region. A much-respected industry veteran, Mr Chia is the Immediate Past President of the Real Estate Developers' Association of Singapore, Board Member of the Institute of Real Estate and Urban Studies, Honorary Advisor of the Singapore Green Building Council, and Council Member of the Singapore Business Federation, the Apex Business Chamber.

He is also a Fellow of the Institute of Surveyors and Valuers and a member of the NUS Department of Real Estate Consultative Committee. He was formerly the Advisory Committee Chairman of the NUS School of Design and Environment. He sits on various committees of the Building and Construction Authority and other agencies.

Beyond his contributions to the building, construction and real estate industry, Mr Chia is also active in community and grassroots activities and was awarded the PBM and BBM National Day Awards. He also serves as a Justice of the Peace.

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

YIONG YIM MING
Group Chief Financial Officer

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

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

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

Ms Yiong is Vice President of the Institute of Singapore Chartered Accountants and is also a Member of the Board of Trustees for the Singapore University of Social Sciences. She is also a member of the United Nations (UN) Global Compact's CFO Taskforce for the SDGs, which aims to channel sustainable finance for the achievement of the UN Sustainable Development Goals.

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

LILIAN TAN
Group Chief Human Resources Officer

Ms Lilian Tan joined CDL as Group Chief Human Resources Officer in March 2023. She has more than 20 years of experience in human capital management and organisational change and has held various leadership roles across the professional services, telecommunications, information technology, aviation and services industries.

Prior to joining CDL, Ms Tan was the Chief Human Capital Officer of SATS for over a decade. She has also held various senior appointments at KPMG Consulting Asia Pacific, Singapore Computer Systems Limited and Singapore Telecommunications Ltd.

Ms Tan is currently a Tripartite Mediation Advisor appointed by the Ministry of Manpower and Tripartite Alliance for Dispute Management (TADM) and a board committee member of the HR and Remuneration Committee of SPD. She was conferred the Institute for Human Resource Professionals Master Professional in December 2021 and was a recipient of the Singapore Human Resource Institute Leading HR Leader Award in 2015 and 2019.

She graduated from Texas A&M University with a Bachelor of Business Administration, majoring in Finance.

SENIOR MANAGEMENT

LEE MEI LING
Executive Vice President
Head, Property Development

CALLIE YAH
Executive Vice President
Head, Global Asset Management

ESTHER AN
Chief Sustainability Officer

IVAN NG
Chief Technology Officer

CORPORATE GOVERNANCE

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

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

"As a Company, we are committed to upholding high standards of corporate governance to enhance stakeholder value and a sustainable future, making a lasting sustainable transition to a low carbon environment. We believe practicing good environmental, social and corporate governance standards are central to the health and stability of our financial markets and economy."

CORPORATE GOVERNANCE ACCOLADES

- In its journey to uphold the highest standards of corporate governance, CDL achieved a joint 4th ranking on the Singapore Governance and Transparency Index (SGTI) in 2022. The SGTI is aimed at assessing companies on their corporate governance disclosure and practices, as well as the timeliness, accessibility and transparency of their financial results announcements.
- In recognition of its commitment to transparency in gender reporting and advancing gender diversity in the workplace, CDL continued to be listed in the Bloomberg Gender-Equality Index (GEI) in 2022. The sector-neutral Bloomberg GEI measures gender equality across five pillars: female leadership and talent pipeline; equal pay and gender pay parity; inclusive culture; sexual harassment policies; and pro-women brand. CDL is the only Singapore real estate company listed on the Bloomberg GEI for four consecutive years.
- CDL has been placed on the SGX Fast Track programme since April 2018. This programme was launched by Singapore Exchange Regulation (SGX RegCo) in recognition of listed companies which have maintained a good corporate governance standing and compliance track record. Companies under this programme will receive prioritised clearance on selected corporate action submissions to SGX RegCo.

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

Our Governance Framework

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

Committees	Composition	
Audit & Risk Committee ("ARC")	▪ Lee Jee Cheng Philip, Chairman (ID) ▪ Chong Yoon Chou (ID) ▪ Chan Swee Liang Carolina (ID) ▪ Tan Kian Seng (ID)	▪ ***Key Objectives***: Assists the Board in the discharge of statutory and other responsibilities relating to the integrity of the financial statements of the Group and reviews the adequacy and effectiveness of the internal controls and risk management systems. Considers the key risks of the Group under a risk management framework which takes into account the strategic objectives and risk appetite of the Group.
Nominating Committee ("NC")	▪ Ong Lian Jin Colin, Chairman (ID) ▪ Kwek Leng Beng (non-ID) ▪ Lee Jee Cheng Philip (ID) ▪ Chong Yoon Chou (ID) ▪ Tang Ai Ai Mrs Wong Ai Ai (ID)	▪ ***Key Objectives***: Assists the Board in its succession plan through the review of board size and composition and the recommendations on the independence of Directors, appointment, re-nomination and retirement of Directors. Assists the Board in the evaluation of the performance of the Board, the Board Committees and the Directors. Also reviews the succession plan for the Group Chief Executive Officer ("Group CEO") and Key Management Personnel.
Remuneration Committee ("RC")	▪ Chan Swee Liang Carolina, Chairman (ID) ▪ Lee Jee Cheng Philip (ID) ▪ Ong Lian Jin Colin (ID) ▪ Daniel Marie Ghislain Desbaillets (ID)	▪ ***Key Objectives***: Oversees the remuneration of the Board and the Key Management Personnel, including setting appropriate remuneration frameworks, aligning with talent management framework and policies to reflect a performance-based remuneration system that is balanced between the current and long-term objectives of the Company.
Board Sustainability Committee ("BSC")	▪ Sherman Kwek Eik Tse, Chairman (non-ID) ▪ Daniel Marie Ghislain Desbaillets (ID) ▪ Chong Yoon Chou (ID) ▪ Tang Ai Ai Mrs Wong Ai Ai (ID)	▪ ***Key Objectives***: Assists the Board in the review of the Company's sustainability issues and approach to sustainability reporting, reviews the Company's Environmental, Social and Governance (ESG) framework, key ESG targets and long-term sustainability that contribute to the Company's performance and reputation as a global corporate citizen. Also assists the Board in the oversight of the Company's Workplace Safety and Health matters.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Primary Functions of the Board

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

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

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

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

All Directors are fiduciaries who exercise due diligence and objectively discharge their duties and responsibilities in the best interests of the Company. This ability to exercise objectivity is one of the assessment criteria in the NC annual evaluation of the Directors.

Directors, who are in any way, directly or indirectly, interested in a transaction or proposed transaction, declare the nature of their interests in accordance with the Company's Constitution and provisions of the Companies Act 1967, and in the case of any conflicts of interest (actual or potential), recuse themselves from participating in the deliberation and abstain from decision-making on such transactions, with abstention duly recorded within the minutes and/or the resolutions of the Board and/or the Committees.

CORPORATE GOVERNANCE

Accountability of the Board and Management (Provision 1.1)

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

Board Orientation and Training (Provision 1.2)

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

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

For a first-time Director who has no prior experience as a director of a listed company, in addition to the induction as detailed above, he/she will be required to also attend certain specific modules of the Listed Entity Director ("LED") Programme conducted by the Singapore Institute of Directors ("SID") to acquire relevant knowledge of what is expected of a listed company director, this being a mandatory requirement under Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules (the "Mandatory Training"). Completion of the LED Programme, which focuses on comprehensive training of company directors on compliance, regulatory and corporate governance matters, should provide the first-time Director with a broad understanding of the roles and responsibilities of a director of a listed company under the requirements of the Companies Act 1967, the Listing Manual and the 2018 Code. A first-time director need not attend the Mandatory Training if the NC, in assessing the relevant experience of the director, is satisfied that he/she possesses relevant experience comparable to that of a person who has served as a director of an issuer listed on SGX-ST. Where such an assessment is made by the NC, the reasons are disclosed in the announcement made on the appointment of the director.

Mrs Wong Ai Ai and Mr Tan Kian Seng were appointed as IDs on 1 January 2022 and 10 March 2023 respectively. Mrs Wong had attended the induction programmes conducted by the Company in January 2022 while arrangements are being made for Mr Tan to attend the same in April 2023.

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

During the year, some of the training sessions attended by the Directors included the ACRA-SGX-SID Audit Committee Seminar 2022, SID Directors Conference 2022, SID Corporate Governance Roundup 2022, SID AC Chapter Pit-Stop Series, Launch of the Board of Directors Survey 2022, the LED Programme, SID Masterclass for Directors (MCD) Programme, briefings and seminars organised by SID, audit professionals and other consultants in relation to audit committee matters, risk management, financial and sustainability matters.

In-house seminars were also organised in 2022 and conducted by invited external speakers on the following topics:

- Zero in on Future Value: Turning Risks to Growth Opportunities
- Geopolitical Risks
- Sustainability: Get Ready for IFRS Sustainability Disclosure Standards

100% of the Board attended various training seminars and workshops in 2022	=	Accounted for more than 222.25 training hours in aggregate

In addition, all Directors (except for Mr Tan) have undergone the mandatory sustainability training courses as prescribed by SGX. Arrangements will be made for Mr Tan to attend the mandatory training. Members of the ARC were also provided with regular briefings from the Company's external auditors on applicable Accounting Standards during the year.

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

Board Approval (Provision 1.3)

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

Aligned with the Group's strategy to develop growth platforms in Singapore and key international markets, the Board has put in place an approval matrix with established authority limits in connection with the Group's investments and divestments, including funds and corporate holdings. The approval matrix is revised and updated when necessary, in line with the Group's strategic objectives.

Management is fully apprised of such matters which require the approval of the Board or the Committees. For operational efficiency, the Company also has a structured approval limits matrix which sets out the delegated authority to various levels of Management to approve operating expenditures up to pre-determined limits.

Delegation by the Board (Provision 1.4)

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

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

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

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

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

Board and Board Committees Meetings (Provision 1.5)

Meetings of the Board and Committees are held regularly, with the Board meeting held at least four times a year. Four Board meetings were held in 2022. At the regular Board meetings, the Board agenda includes updates by the Management on the Group's strategic initiatives and implementation status, updates on the Group's investments and developments, and the review of the Group's financial and operational performance. Of the four scheduled meetings, two were the half-year and full year Board meetings mainly to review and approve the Group's financial results, and two were scheduled primarily for the Board to focus on the review of the Company's strategic direction, including specific business strategies, business segmental and geographical allocation of assets, risk appetite and tolerance limits, as well as to review the Group's quarterly operational performance, where applicable.

During the year, the Directors attended an off-site Board retreat where the Company's strategies, various initiatives and operational updates were presented by Management. The board strategies and various initiatives were subsequently formalised at a Board meeting held the day after and duly approved.

CORPORATE GOVERNANCE

A meeting of the non-executive Directors ("NEDs"), including IDs, duly chaired by the Lead Independent Director ("Lead ID"), was held in 2022. Meetings of the NEDs, including IDs, are convened as often as may be warranted by circumstances. The IDs also meet regularly under the various Committees and the Lead ID is a member of some of these Committees.

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

The attendance (including via electronic means) of the Directors at the Annual General Meeting of the Company ("AGM") and meetings of the Board, the Committees and the NEDs, as well as the frequency of such meetings in 2022, is disclosed in the table below. Directors who were unable to attend any meetings of the Board or the Committees, were provided with the meeting materials and encouraged to raise discussion points or queries with the Board Chairman or respective Committee chairman or the Management. Nonetheless, the Board is of the view that the contribution of each Director should not be focused solely on his/her attendance at meetings of the Board and/or the Committees. A Director's contribution should also extend beyond the confines of the formal environment of such meetings, through the sharing of views, advice, experience and strategic networks which would further the interests of the Company. The Directors, whether individually or collectively, also engage with the Management, heads of the Group's business units and departments and the Group's external consultants in order to better understand the challenges faced by the Group and the input of the Directors, through such engagements, provide invaluable perspective to the Management.

Directors' Attendance (including via electronic means) at the AGM, and Meetings of the Board, the Committees and the NEDs in 2022 (Provision 1.5)

	Board	ARC	NC	RC	BSC	NEDs	AGM
Number of meetings held in 2022	4	5	2	3	2	1	1
Name of Directors	**Number of meetings attended in 2022**						
Kwek Leng Beng[(1)]	4/4	N.A.	2/2	N.A.	N.A.	N.A.	1/1
Sherman Kwek Eik Tse[(1)]	4/4	N.A.	N.A.	N.A.	2/2	N.A.	1/1
Lee Jee Cheng Philip[(1)]	4/4	5/5	2/2	3/3	N.A.	1/1	1/1
Philip Yeo Liat Kok[(3)]	3/4[(6)]	N.A.	N.A.[(3)]	N.A.	N.A.[(3)]	1/1	1/1
Ong Lian Jin Colin[(1)]	4/4	N.A.	2/2[(4)]	3/3	N.A.	1/1	1/1
Daniel Marie Ghislain Desbaillets	4/4	N.A.	N.A.	3/3	N.A.	1/1	1/1
Chong Yoon Chou	4/4	5/5	2/2	N.A.	2/2[(5)]	1/1	1/1
Chan Swee Liang Carolina[(1)]	4/4	5/5	N.A.	3/3	N.A.	1/1	1/1
Tang Ai Ai Mrs Wong Ai Ai[(2)]	4/4	N.A.	2/2[(2)]	N.A.	2/2[(2)]	1/1	1/1

Notes:

(1) All Directors, including Mr Kwek Leng Beng (the Chairman of the Board), Mr Lee Jee Cheng Philip (the chairman of the ARC), Mr Ong Lian Jin Colin (the chairman of the NC), Ms Chan Swee Liang Carolina (the chairman of the RC) and Mr Sherman Kwek Eik Tse (the Group CEO/the chairman of the BSC), were in attendance at the AGM in 2022 together with the key management personnel and the Company's external auditors. The AGM was held via electronic means.

(2) Mrs Wong Ai Ai was appointed as a Director, member of NC and BSC on 1 January 2022.

(3) Mr Philip Yeo Liat Kok ceased to be an ID with effect from 1 January 2022. Consequently, he has stepped down as the chairman of the NC and a member of the BSC. Mr Yeo was invited to attend one NC meeting held in August 2022.

(4) Mr Ong Lian Jin Colin was appointed as the chairman of the NC on 1 January 2022.

(5) Mr Chong Yoon Chou was appointed as a member of the BSC on 1 January 2022.

(6) Mr Philip Yeo was unable to attend one Board Meeting as he had prior travel arrangement.

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

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

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

In addition to the current procedures for the review of the attendance records and analysis of directorships/principal commitments, a policy has also been put in place for Directors to consult the Board Chairman or the chairman of the NC prior to accepting any new listed company board appointment or principal commitment and to notify the Board of any changes in their external appointments. This would allow the Director to review his/her time commitments with the proposed new appointment, and in the case of an ID, to also ensure that his/her independence would not be affected.

Complete, Adequate and Timely Information (Provision 1.6)

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

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

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

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

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

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

CORPORATE GOVERNANCE

Principle 2: Board Composition and Guidance

Board Independence (Provisions 2.1, 2.2 and 2.3)

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

The non-independent Directors are the Board Chairman, the Group CEO, both holding executive appointments in the Company, and Mr Philip Yeo Liat Kok who is an NED. Mr Yeo was considered as non-independent with effect from 1 January 2022 as he has served more than nine consecutive years on the Board. He was accordingly re-designated a non-independent non-executive Director with effect from that date.

When reviewing the independence of the IDs (excluding Mr Tan who was appointed in March 2023)("6 IDs"), the NC has considered the applicable Listing Rule 210(5)(d) and the guidelines for independence set out in Provision 2.1 of the 2018 Code and its accompanying Practice Guidance (collectively, the "Independence Guidance"). As part of the consideration of the 6 IDs' independence, the NC has also taken into account the following:

- other directorships;
- annual declarations regarding their independence;
- disclosures of interest in transactions in which they have a direct/indirect interest;
- their ability to avoid any apparent conflicts of interest especially by abstaining from deliberation on such transactions;
- their ability to maintain objectivity in their conduct as Directors of the Company; and
- their ability to objectively raise issues and seek clarification as and when from the Board, Management and the Company's external advisors on matters pertaining to their area of responsibilities whether on the Board or on the Committees.

Each of the IDs on the NC recused himself/herself from the NC's deliberations on his/her own independence.

Mr Ong Lian Jin Colin, an ID, is a director of Summervale Properties Pte. Ltd. ("Summervale") which had entered into an Asset Management and Marketing Agreement with Trentwell Management Pte Ltd ("Trentwell"), a wholly-owned subsidiary of the Company, for Trentwell to manage and market Summervale's residential units at Nouvel 18. Mr Ong is not involved in the daily operations of and does not hold any executive position in Summervale or its holding company, Green 18 Pte. Ltd., other than being a board member of both companies and a shareholder of Green 18 Pte. Ltd. holding less than 5% shareholding. The Board has concurred with the NC's determination that Mr Ong's independence is not affected by this relationship between Trentwell and Summervale.

None of the 6 IDs and Mr Tan are currently employed or have been employed at any time during the past three financial years by the Company or any of its related corporations. These IDs also do not have immediate family members who are currently employed or have been employed at any time during the past three financial years by the Company or any of its related corporations, and whose remuneration is determined by the RC. For purposes of determining independence, the 6 IDs and Mr Tan have also provided confirmation that they are not related to the Directors or to any shareholders holding 5% interest in the Company. The NC is satisfied that there is no other relationship which could affect their independence. The Directors undertook a review of their independence, with each ID abstaining from participating in his/her own review by the Board and had concurred with the NC's determination of the independence of the IDs.

When considering and recommending Mr Tan for appointment as an ID, the NC also considered his other directorships, the Independence Guidance and the declaration by Mr Tan on his own independence.

Board Composition, Size and Diversity (Provision 2.4)

The Company has in place a Board Diversity Policy ("BDP") which sets out the framework for promoting diversity on the Board. The Company recognises that a diverse Board is an important element which will better support the Company's achievement of its strategic objectives for sustainable development by enhancing the decision-making process of the Board through the perspectives derived from the various skills, business experience, industry discipline and other aspects of diversity (such as gender and age) of the Directors.

The BDP, which is available on the Company's corporate website, provides that the NC shall consider all aspects of diversity when reviewing and assessing the composition of the Board and when making recommendations to the Board for the appointment of Directors to arrive at an optimal balanced composition of the Board. The BDP also provides for the NC to discuss and recommend annually to the Board measurable targets and timelines for promoting and achieving diversity on the Board.

The NC has put in place a skills matrix to help identify gaps in the Board and Committees. The skills matrix classifies skills, experience and knowledge of the existing Directors into broad categories such as industry knowledge, namely real estate and hospitality-related businesses and management and fund management; management expertise for example strategic planning, leadership and customer-based experience; professional or skills in specific areas for example, audit/finance, risk, digital/information technology, sustainability and legal.

When reviewing and assessing the size and composition of the Board and Committees and making recommendations to the Board annually including the appointment/re-appointment of Directors, the NC will consider all aspects of diversity based on targets and timelines set for promoting and achieving diversity on the Board to arrive at an optimal balanced composition of the Board. As prescribed under the BDP, the final decision on the selection of Directors will be based on merits against objective criteria and targets considered by the NC annually and recommended to the Board for approval.

Diversity Targets and Progress in FY 2022

Targets	Progress
Expand/enhance the Board skill set to achieve the Company's strategic objectives	The NC took diversity into account in its search for new directors to complement the skill set on the Board. Mrs Wong Ai Ai was appointed to the Board in January 2022, bringing valuable skills in the areas of extensive legal knowledge and experience and sustainability in relation to climate change and its consequences. Mr Tan Kian Seng was appointed in March 2023. He has more than 35 years of experience in senior positions, managing various international businesses including hospitality and manufacturing sectors. Mr Tan will be seeking election at the 2023 AGM. Please refer to the 'Board of Directors' and 'Additional Information on Directors seeking election/re-election' sections in this Annual Report 2022 ("AR") for more information on Mr Tan.
Achieve 20% female representation on the Board	With Mrs Wong's appointment in January 2022, the Board has achieved its target of 20% female representation and based on the recommendation of the Council for Board Diversity for listed companies, the Board will strive to increase its female representation to 25% by 2025. In this regard, the NC will try to ensure that: (a) if external search consultants are used to search for candidates for Board appointments, the brief will include a requirement to present female candidates; (b) when seeking to identify a new Director for appointment to the Board, the NC will request female candidates to be fielded for consideration; (c) female representation on the Board be continually improved over time, based on the set objectives of the Board; and (d) at least one female Director continues to be appointed to the NC. Mrs Wong is a member of the NC.
Achieve two third independence on the Board.	With Mr Philip Yeo's redesignation as a non-independent non-executive Director and the appointment of Mrs Wong, both in January 2022, the Board has achieved a two-third Board independence. The appointment of Mr Tan in March 2023 has further strengthened the Board independence. Independent Directors make up more than two third of the Board.
Maintain age diversity with Directors with age ranging from below 50s to above 70s with majority of the Directors within the above 50s but below 70s age group.	The Board has continued to maintain this target.

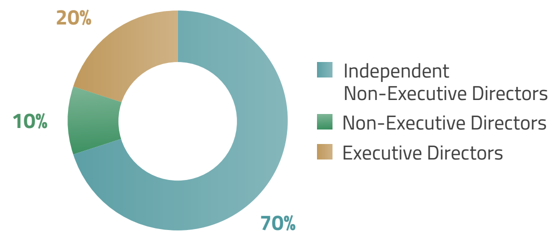
CORPORATE GOVERNANCE

The NC and Board also agreed that there was no need to set a specific target for ethnicity/nationality so long as the candidates provide distinguishing qualities that complement and expand the skills and experience of the Board as a whole. Further information on the individual Directors' background, experience and skills can be found in the 'Board of Directors' section in this AR.

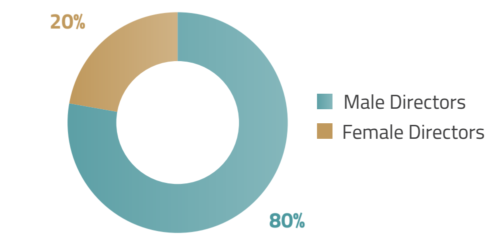
Having considered the scope and nature of the operations of the Group, the Board is satisfied that the current size and composition of the Board and Committees are appropriate as they reflect the Company's commitment to Board diversity with a good balance of skills, experience, industry knowledge, professional qualifications, gender and age, which serve to support the Company in achieving its strategic objectives and sustainable growth and development.

Board Composition, Diversity and Balance

Independence

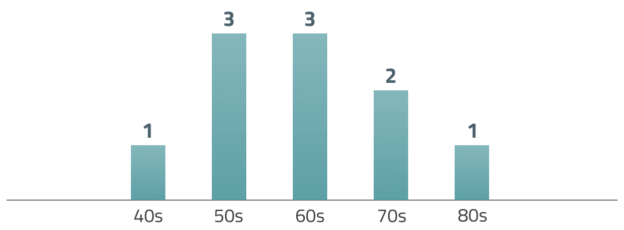


Gender Diversity



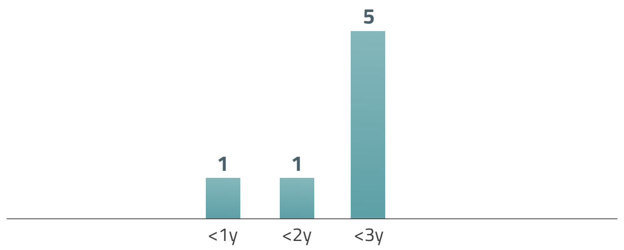
Directors' Age Group

As of 24 March 2023



Independent Directors' Length of Service

As of 24 March 2023



NEDs' Participation (Provision 2.5)

NEDs are encouraged to participate actively at Board meetings in the development of the Company's strategic plans and direction, and in the review and monitoring of Management's performance against targets. To facilitate this, they are kept informed of the Company's businesses and performance through monthly reports from the Management and have unrestricted access to the Management. They also sit on various Committees established by the Board to provide unbiased and independent views, constructive input and the independent review and monitoring of performance of the Company and Management. One meeting of the NEDs, chaired by the Lead ID, was held in 2022 without the presence of Management. The NEDs would also confer among themselves without the presence of Management as and when the need arises. The Lead ID collates the views and feedback from the NEDs and communicates the same to the Board and/or the Board Chairman as appropriate.

Principle 3: Chairman and Chief Executive Officer

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

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

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

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

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

Lead Independent Director (Provision 3.3)

Cognisant that the Board Chairman is an Executive Director and thus not independent, the Board has designated a Lead ID who serves as a sounding board for the Board Chairman and as an intermediary between the NEDs/IDs and the Board Chairman. The current Lead ID is Mr Lee Jee Cheng Philip.

The role of the Lead ID is set out in the written terms of reference for the Lead ID, which have been approved by the Board. The Lead ID is available to shareholders should they have concerns which cannot be resolved or are inappropriate to raise through the normal communication channels of the Board Chairman or the Management. No query or request on any matter which requires the Lead ID's attention was received from shareholders in 2022. Under the chairmanship of the Lead ID, a meeting of the NEDs was convened in 2022 without the presence of Management or the Board Chairman, and the views expressed by the NEDs at the meeting were communicated by the Lead ID to the Board Chairman and the Management, as appropriate.

Principle 4: Board Membership

NC Composition and Role (Provisions 4.1 and 4.2)

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

The key responsibilities of the NC as set out in its written terms of reference approved by the Board, are as follows:

- to examine Board size;
- to review all Board and Committees composition and membership;
- to review board succession plans for the Directors (including the Board Chairman and the Group CEO) and the Key Management Personnel ("KMP") who are not Directors;
- to determine each Director's independence annually and as and when circumstances require;
- to evaluate the performance of the Board, Committees and the individual Directors;
- to review appointment and re-appointment of Directors (including alternate directors, if any) and the reasons for resignations of Directors;
- to review appointments and the reasons for resignations and terminations of the KMP who are not Directors;
- to review and confirm the induction programmes for newly appointed Directors and for existing Directors in respect of their appointments to any of the Committees; and
- to review the training and continuous professional development programme for the Directors.

The Company has identified the Group CEO, who is also a Director, the Group Chief Operating Officer ("Group COO"), the Group General Manager ("Group GM"), the Group Chief Investment Officer ("Group CIO"), the Group Chief Financial Officer ("Group CFO") and the Group Chief Human Resources Officer ("Group CHRO") (joined in March 2023) who are the most senior members of the Management team, as its KMP. The Group CIO left the Company in September 2022 and a successor will be identified in due course.

Two NC meetings were held in 2022. The Company Secretaries maintain records of all NC meetings including records of discussions on key deliberations and decisions taken.

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

CORPORATE GOVERNANCE

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

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

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

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

In accordance with the Constitution of the Company, Mr Philip Yeo Liat Kok, Mr Daniel Marie Ghislain Desbaillets and Mr Chong Yoon Chou are due to retire by rotation at the 60th Annual General Meeting ("2023 AGM"), and being eligible, have offered themselves for re-election at the 2023 AGM. The NC has considered their contribution and performance and recommended to the Board to nominate their re-election at the 2023 AGM.

Mr Tan Kian Seng who was appointed in March 2023 will retire at the 2023 AGM, and being eligible, has offered himself for election at the 2023 AGM. The NC has recommended to the Board his election at the 2023 AGM.

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

The NC also reviews all nominations and interviews candidates before formally considering and recommending them for appointment to the Board and where applicable, to the Committees. Searches for potential candidates generally take into account recommendations from the Directors and various other sources. Where necessary, the NC may consider the use of external search consultants to find appropriate candidates. Shortlisted candidates would be required to furnish their curriculum vitae containing information on their academic/professional qualification, work experience, employment history and experience (if any) as directors of listed companies.

In reviewing and recommending to the Board any new Director appointments, including appointments to the appropriate Committees, the NC considers the following as well as factors prescribed under the Company's BDP, details of which as set out under the sub-header 'Board Composition, Size and Diversity (Provision 2.4)':

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

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

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

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

Key Information on Directors (Provision 4.5)

Please refer to the 'Board of Directors' section in the AR for key information on the Directors, including their dates of first appointment and last election/re-election to the Board (if applicable), their academic/professional qualifications, major appointments/principal commitments, directorships held in listed companies for both the current and in the preceding five years, and other relevant information; 'Additional Information on Directors seeking election/re-election'; and the 'Notice of Annual General Meeting' for information on Directors proposed for election/re-election at the 2023 AGM.

Succession Planning for the Board, the Board Chairman and the KMP (Provision 4.1)

The Board believes in carrying out succession planning for itself, the Board Chairman and the KMP to ensure continuity of leadership. It has in place a formal Board (including the Board Chairman) and KMP succession plan which is reviewed annually. Board renewal is a continuous process and in this regard, the NC reviews annually the composition of the Board and Committees, which includes size and mix, and recommends to the Board the selection and appointment of new Directors, whether in addition to the existing Board members or as replacement of retiring Board members, with a view to identify any gaps in the Board's skill set taking into account the Group's strategy and business operations. The Board will be able to function smoothly notwithstanding any resignation or retirement of any Director given the present number of members and mix of competencies on the Board.

As part of the Board succession plan, Mrs Wong Ai Ai was appointed to the Board as an ID in January 2022. Mrs Wong's broad experience, especially in corporate law, provides further diversity to the core competencies and skill set of the Board. To further strengthen the Board skill set in the areas of hospitality and finance, Mr Tan Kian Seng was appointed as an ID in March 2023.

Board Development (Provision 4.5)

The NC reviews the training and development of the Directors to ensure that Directors receive appropriate development on a continuing basis, to perform their roles on the Board and where applicable, the Committees. The Directors are provided with updates and/or briefings to assist them to properly discharge their duties. The briefings are conducted either internally with invited speakers, or externally, at the Company's expense. A separate programme is established for new Directors, details of which together with details of the internal briefing and updates provided to the Directors in 2022 are set out in the paragraph under the subject heading 'Board Orientation and Training' in this report.

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

Principle 5: Board Performance

Board Evaluation Process (Provision 5.1)

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

The NC also undertook an evaluation of the performance of the Committees with the assistance of self-assessment checklists completed by these Committees.

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

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

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

Board Evaluation Criteria (Provision 5.2)

The qualitative criteria used by the NC to evaluate the Board covers five key areas relating to Board structure, the Board's review of the Company's strategy and performance, Board's oversight on the Company's governance, including risk management and internal controls, and the effectiveness of the Board Chairman and Board processes.

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

Individual Director Evaluation Criteria (Provision 5.2)

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

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

RC Composition and Role (Provisions 6.1, 6.2, 6.3 and 6.4)

The RC comprises four NEDs, all of whom including the chairman of the RC, are independent.

CORPORATE GOVERNANCE

The key responsibilities of the RC, as set out in its written terms of reference approved by the Board, are to review and recommend for endorsement by the Board, a framework of remuneration for the Directors, including the specific remuneration packages of the Executive Directors ("EDs") and the KMP. Further, in consultation with the NC and the Management, the RC also considers the talent management framework so as to align with its review of the overall remuneration framework.

The Company has in place a remuneration framework (which covers all aspects of remuneration) for the NEDs, EDs and KMP. On an annual basis, the RC reviews and recommends the fees payable to the Directors for the Board's consideration before approval is sought from the shareholders at the AGM. The RC also reviews and recommends annually specific remuneration packages for the EDs and the KMP, including the annual increments, short-term and long-term incentives, for approval by the Board. The RC also considers the termination terms in the contracts of employment of the KMP to ensure that they are not unfair or unreasonable.

In 2022, Willis Towers Watson, external remuneration consultants, provided benchmark data on the remuneration for top executives in regional listed real estate companies of comparable size to the Company as well as the benchmark data for top listed companies in Singapore across all industries to help the RC in its consideration and proposal of the appropriate level of remuneration for the Company's KMP to attract, retain and motivate for sustained performance and value creation. The Company has no relationship with the appointed remuneration consultants other than their engagement in providing such benchmark data, which could affect the said consultants' independence.

The Company Secretaries maintain records of all RC meetings including records of discussions on key deliberations and decisions taken. The RC held three meetings in 2022.

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

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

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

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

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

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

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

The Company advocates a performance-based remuneration system that is flexible and responsive to the market, and the performance of the Group's business units and individual employees. In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between the current and long-term objectives of the Company.

The remuneration packages for the EDs and KMP comprise the following components:

Total Remuneration

Fixed Compensation	Variable Compensation
Base salary	Short-term incentive (STI) in the form of cash-based annual variable bonus
Annual wage supplement ("AWS")	*Long-term incentive (LTI) in the form of cash awards
Fixed Allowances	
Benefits-in-kind	

* Applicable only to the KMP

The total salary, including AWS, STI and LTI, is benchmarked to the market, to ensure that the remuneration commensurates with the position and responsibilities of the EDs and KMP. The STI in the form of annual variable bonus and the LTI in the form of cash awards, reward achievement of the Group, business units and individual performance based on key performance indicators (involving financial and non-financial indicators) determined annually. The RC approves the Company's balanced scorecard and the performance targets set out in the GET (Growth, Enhancement and Transformation) strategy to be achieved by the Company based on its short and long-term objectives, which are cascaded down to the various business units.

The LTI in the form of cash awards, has a three-year performance period, and aligns Management with long-term shareholder value creation. LTI payments are not guaranteed and are subject to Management achieving the performance conditions based on Board-approved budget and strategy. LTI payment will be made at the end of a three-year assessment period if performance conditions are met. Being a cash-based award, the LTI is not dilutive to current shareholders. Claw-back provisions are included within the LTI which would give the right to the Company to reclaim incentive components from the EDs and KMP in exceptional circumstances such as misstatement of financial results or of misconduct resulting in financial loss to the Group.

The overall level of remuneration of the EDs and KMP is not considered to be at a level which is likely to promote behaviour contrary to the Group's risk profile. The RC and the Board believe that the executive compensation framework is aligned with the short-term and long-term interests of the shareholders and stakeholders, and that it promotes the long-term success of the Company.

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

Each of the Directors receives a base Director's fee. The Lead ID also receives an additional fee to reflect his expanded responsibility. Directors who serve on the various Committees also receive additional fees in respect of each Committee that they serve on, with the chairmen of the Committees receiving a higher fee in respect of their service as chairmen of the respective Committees. Attendance fee is payable for attendance in person or via teleconference or video conference at each meeting of the Board or Committee in consultation with the RC and the respective Committee chairman. Approval of the shareholders will be sought at the 2023 AGM for the payment of an aggregate sum of $1,512,000 as Directors' fees and meeting attendance fees for FY 2022. The Company is also seeking the approval of shareholders at the 2023 AGM for a total of up to $2,000,000 as Directors' fees and meeting attendance fees for the current financial year, for payment on a quarterly basis in arrears.

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

The structure of the fees payable to Directors of the Company for FY 2022 is as follows:

Appointment	Per annum
Board of Directors	$75,000
– Base fee	
Audit & Risk Committee	
– ARC Chairman's fee	$105,000
– ARC Member's fee	$80,000
Nominating Committee	
– NC Chairman's fee	$30,000
– NC Member's fee	$18,000
Remuneration Committee	
– RC Chairman's fee	$30,000
– RC Member's fee	$18,000

Appointment	Per annum
Board Sustainability Committee	
– BSC Chairman's fee	$17,000
– BSC Member's fee	$10,000
Lead Independent Director's fee	$15,000
Attendance fee	**Per meeting**
	$4,000*

* Payable in consultation with the RC and the respective Committee chairmen.

CORPORATE GOVERNANCE

Principle 8: Disclosure of Remuneration

Disclosure of Remuneration (Provisions 8.1(a) and 8.3)
The compensation packages for employees including the EDs and the KMP, based on the Company's Remuneration Framework, also take into account amongst other factors, the individual's performance, the performance of the Group and industry practices.

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

The remuneration of each Director and the Group CEO for FY 2022, including a breakdown in percentage terms of the components of the remuneration, is set out below:

	Fixed Salary*	STI*	Board/Committee Fees**	Other Benefits	Total
	%	%	%	%	$
Executive Directors					
Kwek Leng Beng^	19.4	77.1	1.8	1.7	7,783,617
Sherman Kwek Eik Tse^+	25.5	70.0	3.0	1.5	3,866,739
Non-executive Directors					
Lee Jee Cheng Philip	–	–	100	–	287,000
Philip Yeo Liat Kok(1)	–	–	100	–	91,000
Ong Lian Jin Colin(2)	–	–	100	–	159,000
Daniel Marie Ghislain Desbaillets	–	–	100	–	139,000
Chong Yoon Chou(3)	–	–	100	–	235,000
Chan Swee Liang Carolina	–	–	100	–	233,000
Tang Ai Ai Mrs Wong Ai Ai(4)	–	–	100	–	135,000

Notes:
* The fixed salary (inclusive of AWS) and STI, in the form of annual variable bonus, are inclusive of employer's central provident fund contributions.
** These fees comprise Board and Committee fees as well as meeting attendance fees for FY 2022, which are subject to approval by shareholders as a lump sum at the 2023 AGM.
^ Remuneration of these Directors includes remuneration paid or payable by subsidiaries of the Company.
(1) Mr Philip Yeo Liat Kok stepped down as the chairman of the NC and a member of the BSC on 1 January 2022.
(2) Mr Ong Lian Jin Colin was appointed as the chairman of the NC on 1 January 2022.
(3) Mr Chong Yoon Chou was appointed as a member of the BSC on 1 January 2022.
(4) Mrs Wong Ai Ai was appointed as a Director, a member of NC and BSC on 1 January 2022.
\+ A LTI award of $1.35 million is granted, in addition to the remuneration stated in the above table. The final payment to be vested will range from 0% to 200% of the award and is contingent on the achievement of the pre-determined targets over a three-year performance period, starting from 2022.

Remuneration of Key Management Personnel (KMP) (not being a Director or CEO) (Provisions 8.1(b) and 8.3)
For FY 2022, the KMP (who are not Directors or the Group CEO) are Mr Chia Ngiang Hong (Group General Manager), Mr Kwek Eik Sheng (Group Chief Operating Officer), Mr Frank Khoo (Group Chief Investment Officer) and Ms Yiong Yim Ming (Group Chief Financial Officer). The aggregate remuneration paid to the KMP of the Company in respect of FY 2022, excluding the Directors and the Group CEO (whose remuneration have been disclosed in the Directors' and Group CEO's remuneration table above) but including the Group Chief Investment Officer who resigned during the year, is $6,292,569, which amount included directors' fees paid or payable by subsidiaries of the Group.

The remuneration of the KMP (who are not Directors or the Group CEO) for FY 2022 is set out below in remuneration bands of $250,000:

Remuneration bands	Number of KMP	Fixed Salary*	STI*	LTI**	Board/ Committee Fees	Other Benefits
		%	%	%	%	%
$2,250,001 to $2,500,000	1	26.3	49.5	23.8	0.1	0.3
$2,000,001 to $2,250,000	1	27.9	45.2	25.5	0.1	1.3
$1,250,001 to $1,500,000	1	35.1	48.0	15.8	-	1.1
$250,001 to $500,000	1	99.8	-	-	-	0.2

* The fixed salary (inclusive of AWS) and STI, in the form of annual variable bonus, are inclusive of employer's central provident fund contributions.
** The final payment to be vested will range from 0% to 200% of the award and is contingent on the achievement of the pre-determined targets over a three-year performance period, starting from 2022.

The Board, on the recommendation of the RC, has considered Provision 8.1 of the 2018 Code in the context of the Group and after careful consideration, it believes that the disclosures provided above are sufficiently transparent in giving an understanding of the remuneration of the KMP, the procedure for determining remuneration and the linkages between remuneration, performance and value creation.

Remuneration of Directors' Immediate Family Members for FY 2022 (Provision 8.2)
There are no other employees of the Company who are substantial shareholders of the Company or immediate family members of a Director or of the Group CEO, and whose remuneration exceeds $100,000 during the year.

Share Option Schemes (Provision 8.3)
Whilst the Company currently does not have a share option scheme or an LTI in the form of a share awards plan, it is open to establishing such a scheme or plan to further promote alignment towards long-term objectives.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

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

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

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

CORPORATE GOVERNANCE

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

Having regard to the risks which the Group is exposed, the likelihood of such risks occurring and the risk tolerance accepted by the Group, a system of internal controls has been designed and put in place by the Management to provide reasonable assurance that assets are safeguarded, and transactions are authorised and properly recorded to enable the preparation of true and fair financial statements and maintain accountability of assets.

The Group's approach to risk is set out in the 'Risk Management' section on pages 60 to 66 of this AR.

The internal and external auditors, pursuant to their respective terms of reference and appointment, report to the ARC any audit findings relating to internal controls, and the ARC reviews the adequacy of the actions taken by Management to address the recommendations of the internal and external auditors.

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

Assurances from the Key Management Personnel (Provision 9.2)

In relation to Provision 9.2 of the 2018 Code and Listing Rule 1207(10), the ARC received:

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

(ii) written assurance from the KMP that the Group's risk management and internal controls systems in place were adequate and effective to address the principal risks (including financial, operational, compliance and IT risks) within the current scope of the Group's business operations for FY 2022.

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

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

Based on the work performed by Internal Auditors, the external auditors and the periodic reports from the RMC and Management, as well as the written assurances from the KMP to support the opinion to be given by the ARC and the Board, the Board with the concurrence of the ARC, is of the opinion that the internal controls and risk management systems in place as at 31 December 2022 are adequate and effective to address principal risks (including financial, operational, compliance and IT risks) within the current scope of the Group's business operations.

Principle 10: Audit & Risk Committee

Composition of the ARC (Provisions 10.2 and 10.3)

The ARC comprises four NEDs, all of whom including the chairman of the ARC are independent. The chairman of the ARC, Mr Lee Jee Cheng Philip, possesses the relevant audit, accounting and related financial management and risk management expertise and experience. Mr Tan Kian Seng has accounting, financial and business management experience, whilst the other members of the ARC, Mr Chong Yoon Chou and Mrs Carol Fong each has financial and risk management experience as well as experience in investment banking and the financial markets respectively.

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

Based on the terms of reference of the ARC, a former partner or director of the Company's existing auditing firm or auditing corporation should not act as a member of the ARC: (a) within a period of two years commencing on the date of his/her ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as he/she has any financial interest in the auditing firm or auditing corporation. Mr Lee ceased as a partner of KPMG LLP ("KPMG"), the Company's existing auditors, in September 2018 and does not have any financial interest in KPMG. The other ARC members do not have any relationship with KPMG.

Powers and Duties of the ARC (Provision 10.1)

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

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

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

CORPORATE GOVERNANCE

In the review of the financial statements for the year ended 31 December 2022, the ARC has discussed with both the Management and the external auditors the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. The following significant matters impacting the financial statements were discussed with Management and the external auditors:

Significant Matters	How the ARC reviewed these matters and what decisions were made
Valuation of development properties	The ARC considered the approach and methodology applied in assessing the net realisable values of development properties especially those with low margins. Where appropriate, the ARC had inquired of Management on its basis and its strategy to sell the unsold units. The ARC reviewed either Management's or the valuers' underlying assumptions on estimated future selling prices by comparing them to recently transacted price of comparable properties located in the vicinity of the Group's development projects. The ARC also noted the historical accuracy of Management's estimate of future selling prices in assessing the reasonableness of the estimated future selling prices. The ARC was satisfied with the approach and assessment adopted by Management in arriving at the net realisable values of the development properties as at 31 December 2022. The valuation of the development properties was also an area of focus for the external auditors. The external auditors have included this item as a key audit matter in their audit report for the financial year ended 31 December 2022. Refer to page 111 of the AR.
Valuation of hotel assets classified as property, plant and equipment	The ARC considered the approach and methodology applied in assessing the valuation of the hotel assets. The ARC reviewed the Management's approach and methodology in respect of the valuations of the hotel properties conducted by both internal and external valuers, including the review of the methodologies and key assumptions applied in the valuation of hotel properties such as forecasted cashflows, future market growth, occupancy rates, average room rate growth, discount rates, terminal rates and capitalisation rates in the valuation model. The ARC was satisfied with the valuation process and the valuers are members of recognised professional bodies for valuers and have considered their independence in carrying out their work. The valuation methodologies used are in line with generally accepted market practices and the key assumptions used are generally comparable to currently observable market data. The valuation of the hotel assets was also an area of focus for the external auditors. The external auditors have included this item as a key audit matter in their audit report for the financial year ended 31 December 2022. Refer to pages 110 to 111 of the AR.

Internal Audit (Provisions 10.4 and 10.5)

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

IA operates within the framework stated in its IA Charter which is approved and reviewed by the ARC on an annual basis. The standards of the IA Charter are consistent with the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors (IIA), an international professional association with global headquarters in the United States of America.

The Head of IA, Mr Benson Seah, is a Certified Internal Auditor and a member of various professional bodies, with over 20 years of experience. He has been with the Company since June 2019. All his team members have the relevant qualifications and experience and are members of The Institute of Internal Auditors of Singapore (IIAS) and/or members of other relevant professional bodies. The IA function is a corporate member of IIAS, an affiliate of the IIA. Processes are in place to ensure that the professional competence of IA staff is maintained and upgraded through continuing professional education programmes which comprised technical and non-technical training for the development of the IA staff.

Role and Activities of IA

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

The ARC approved the annual IA plan and received regular reports during 2022 on the progress of the audit work under the IA plan. All IA reports are given to the ARC, the KMP and the Heads of the relevant business divisions, with a summary report of IA results presented at the ARC meetings. IA observations on internal control, operational and control lapses and recommendations to address them were also reviewed and discussed at ARC meetings. The ARC was satisfied that recommendations made were dealt with by the Management in a timely and appropriate manner, with outstanding exceptions or recommendations being closely monitored and reported back to the ARC.

The ARC reviewed the effectiveness and adequacy of the IA function including its resources through a review of the IA activities on a regular basis as well as its annual assessment of the IA function. The assessment was facilitated through the use of an evaluation framework which covers IA organisation, resources and continuing professional development, audit plans, work scope, quality of reports and recommendations, IA Charter and IA self-assessment. Based on the assessment conducted for 2022, the ARC is satisfied with the quality and effectiveness of the IA function and that the IA function is currently adequately resourced and has appropriate independent standing within the Group to perform its functions effectively.

Provision 10.5

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

The ARC members continually keep themselves abreast of changes to accounting standards, risks and other issues which may have a material impact on financial statements.

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

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

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

EXTERNAL AUDITORS (Provisions 10.1(d) and 10.1(e))

Cognisant that the external auditors should be free from any business or other relationships with the Group that could materially interfere with their ability to act with integrity and objectivity, the ARC undertook a review of the independence of KPMG and gave careful consideration to the Group's relationships with them during 2022. In determining the independence of KPMG, the ARC reviewed all aspects of the Group's relationships

CORPORATE GOVERNANCE

with them including the policies, processes and safeguards adopted by the Group and KPMG to protect and preserve audit independence.

The ARC had considered the guidance from the International Ethics Standards Board for Accountants and adopted a Non-Assurance Services Pre-approval Policy to safeguard auditor independence. All non-prohibited non-assurance services require the approval of the ARC with the exception of non-prohibited pre-approved services below certain fee thresholds.

The ARC also considered the nature and volume of the provision of the non-audit services by KPMG in 2022 and the corresponding fees and noted that the fees for non-audit services had not exceeded 50% of the aggregate amount of all fees paid/payable to KPMG in 2022. Based on the review, the ARC is of the opinion that KPMG is, and is perceived to be, independent for the purpose of the Group's statutory financial audit.

Details of the fees paid and/or payable by the Group in respect of audit and non-audit services for FY 2022 are set out below:

	$'million
Audit fees paid to:	
- auditors of the Company	3.5
- other auditors	3.6
Non-audit fees paid to:	
- auditors of the Company	1.2
- other auditors	2.0

In reviewing the nomination of KPMG for re-appointment for the financial year ending 31 December 2023, the ARC had considered the adequacy of the resources and experience of KPMG and the audit engagement partners assigned to the audit, the size and complexity of the audit engagement for the Group, and the number and experience of the supervisory and professional staff assigned to the Group's audit through a review of the curriculum vitae of the KPMG audit team. The ARC also considered the quality of discussions with the findings raised by KPMG, including the Audit Quality Indicators presented.

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

Based on the above, the ARC has recommended to the Board the nomination of KPMG for re-appointment as external auditors at the 2023 AGM.

Whistle-blowing Policy (Provision 10.1(f))

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

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

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

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

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

INTERESTED PERSON TRANSACTIONS

The Company had obtained shareholders' approval at its Annual General Meeting held on 28 April 2022 ("2022 AGM") for the Company, its subsidiaries and its associated companies not listed on SGX-ST or an approved exchange, over which the Company, its subsidiaries and/or interested persons have control, to enter into transactions within the categories of Interested Person Transactions set out in the Company's Letter to Shareholders dated 30 March 2022 ("Letter to Shareholders"), with such persons within the class or classes of Interested Persons as described in the Letter to Shareholders, provided that such transactions are entered into in accordance with the review procedures set out in the Letter to Shareholders (the "IPT Mandate"). The IPT Mandate is subject to annual renewal by the shareholders. Given that such Interested Person Transactions are expected to occur with some degree of frequency and may arise at any time, and to allow the Group to undertake such transactions in an expeditious manner, shareholders' approval will be sought at the 2023 AGM for the renewal of the IPT Mandate.

The ARC has confirmed that an independent financial adviser's opinion is not required for the renewal of the IPT Mandate as the methods or procedures for determining the transaction prices of the IPTs conducted under the IPT Mandate have remained appropriate since shareholders approved the renewal of the IPT Mandate at the 2022 AGM, and the methods or procedures continue to be sufficient to ensure that these IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

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

Name of Interested Person	Nature of relationship		Aggregate value of all interested person transactions in FY 2022 (excluding transactions less than $100,000 and transactions conducted under the IPT Mandate pursuant to Rule 920) $'000		Aggregate value of all interested person transactions conducted in FY 2022 under the IPT Mandate pursuant to Rule 920 (excluding transactions less than $100,000) $'000
Subsidiaries of Hong Leong Investment Holdings Pte. Ltd.	Hong Leong Investment Holdings Pte. Ltd. is a controlling shareholder of the Company. Its subsidiaries are interested persons being associates of a controlling shareholder.	Joint Venture Shareholders' Loans	10,504*	Property-related Transactions: (a) Provision of housekeeping services to interested persons; and (b) Lease of premises to interested persons	887
		Provision of corporate secretarial services to interested persons	1,369	Management and Support Services: Provision of management and consultancy services by interested persons	269
Directors and their immediate family members and relatives			Nil		Nil

Note:

* The figure comprises the aggregate value of shareholders' loans extended to joint venture companies involving interested persons, and where applicable, interest accrued on shareholders' loans, in FY 2022, which were announced on 23 February 2023 pursuant to Rule 916(3) of the Listing Manual. The shareholders' loans referred herein have been extended by all the joint venture parties or shareholders in proportion to their respective equity interest in the joint venture and on the same terms and conditions, including the interest rate, if any, accrued or to be accrued on the shareholders' loans.

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

CORPORATE GOVERNANCE

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

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

General Meetings (Provisions 11.1, 11.2 and 11.3)

Shareholders are informed of general meetings through notice sent to them. All shareholders are entitled to attend and vote at general meetings in person or by proxy or in the case of a corporate shareholder, through its appointed representative. At general meetings of the Company, shareholders are given the opportunity to communicate their views and are encouraged to ask the Directors and the Management questions regarding matters affecting the Company.

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

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

All Directors, including the Lead ID, the chairmen of the respective Committees, the Management, the external auditors and legal advisors (where necessary) are present at general meetings to address queries from the shareholders. At each AGM, the Group CEO and the Group CFO deliver presentations to update shareholders on the Company's operations and financial performance in the preceding year.

However, due to the COVID-19 situation in Singapore, the 2020, 2021 and 2022 AGMs were convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("Temporary Order") and the checklist issued by ACRA, MAS and SGX RegCo ("Checklist"). For more details on the 2022 AGM and the forthcoming 2023 AGM, see sections below on the '2022 AGM and 2023 AGM'.

2022 AGM and 2023 AGM

In view of the COVID-19 situation, the 2022 AGM was convened and held by electronic means on 28 April 2022 pursuant to the Temporary Order.

The alternative arrangements under the Temporary Order and the Checklist put in place for 2022 AGM included making available the Annual Report, the Notice of AGM, accompanying proxy form and other related AGM documents on the SGX website and the Company's corporate website. Attendance at the 2022 AGM was via electronic means where shareholders could observe and/or listen to the 2022 AGM proceedings via 'live' audio-visual webcast or 'live' audio only stream, submit questions to the Chairman of the Meeting in advance of the 2022 AGM as well as 'live' during the AGM. Substantial and relevant questions submitted were addressed prior to and at the AGM and live voting on the resolutions were put in place for the 2022 AGM.

The Board Chairman and the chairmen of the ARC, NC, RC and BSC, together with the KMP (who are not Directors) were present on site at the 2022 AGM. The other Directors and the external auditors attended the 2022 AGM virtually.

The forthcoming 2023 AGM will be held in a hybrid mode pursuant to the Temporary Order, with physical attendance of shareholders at Orchard Hotel on 26 April 2023 and via electronic means. Shareholders will be informed of the 2023 AGM through a notification sent by post.

As part of the Company's commitment towards environmental sustainability, the Notice of AGM, accompanying proxy form and other AGM related documents will only be made available on the SGX website and the Company's corporate website. Arrangements relating to attendance at the 2023 AGM, either physically or via electronic means, submission of questions in advance of, or at the 2023 AGM and voting at the 2023 AGM by shareholders or their duly appointed proxy(ies) or representative(s) in the case of corporate shareholder(s), are set out in a separate announcement to be released by the Company on SGXNET.

Voting at General Meetings (Provision 11.4)

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

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

In support of greater transparency and to allow for a more efficient voting system, the Company has been conducting electronic poll voting instead of voting by show of hands since the 2012 AGM up to the 2019 AGM. With electronic poll voting, shareholders present in person or represented by proxy at the meeting will be entitled to vote on a 'one-share, one-vote' basis. The voting results of all votes cast in respect of each resolution will also be instantaneously displayed on screen at the meeting. The detailed results setting out the number of votes cast for and against each resolution and the respective percentages will be announced via SGXNET after the AGM. An external firm is appointed as scrutineers for the AGM voting process, which is independent of the firm appointed to undertake the electronic poll voting process.

For the 2022 AGM which was held by electronic means, shareholders were able to vote 'live'. Proxy forms submitted by shareholders were also independently verified by the independent scrutineers. Results of the valid votes submitted, showing the number of votes cast for and against each resolution and the respective percentages, were announced by the Chairman at the AGM and thereafter, via SGXNET.

The Company will resume electronic poll voting at the 2023 AGM as well as 'live' voting for shareholders attending the 2023 AGM via electronic means.

Minutes of General Meetings (Provision 11.5)

The Company also maintains minutes of its general meetings, which include the key comments and queries raised by shareholders and the responses from the Board, Management and/or the external auditors. The minutes of the general meetings are available on the Company's corporate website and the SGX website as soon as practicable after the meetings.

Dividend Policy (Provision 11.6)

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

In line with the Company's dividend policy, the Board has recommended a final ordinary dividend of $0.08 and a special final ordinary dividend of $0.08. This will bring the total dividend for FY 2022 to $0.28 per share. The dividend payouts in the current and past four years are set out in the '5-Year Financial Highlights' section of the AR.

Principle 12: Engagement with Shareholders

The Company notifies its investors in advance of the date of release of its financial results via SGXNET. In 2022, results for the half-year were released via SGXNET within 45 days of the end of 30 June 2022 whilst the full year results were released within 60 days from the financial year end. In presenting the Group's financial results, the Board aims to provide investors with a balanced and understandable assessment of the Group's performance and financial position with a commentary at the date of the announcement of the significant trends and competitive conditions of the industries in which it operates.

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

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

CORPORATE GOVERNANCE

In 2022, the following documents were made available to shareholders solely by electronic means via publication on the (i) Company's corporate website and (ii) SGXNET:

- Notice of the Company's 2022 AGM;
- Proxy Form for 2022 AGM;
- Annual Report 2021 (and updated shareholding statistics as at 3 March 2022); and
- Letter to Shareholders dated 30 March 2022, in relation to the (a) proposed renewal of the share purchase mandate; (b) proposed renewal of the IPT mandate for interested person transactions; and (c) proposed distribution *in specie* of 144,300,000 stapled securities of CDL Hospitality Trusts to entitled shareholders.

Shareholder Communication (Provision 12.1)

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

From time to time, the Board Chairman and the Company's Management hold briefings with analysts and the media to coincide with the release of the Group's half-year and full year financial results. Media presentation slides are also released on SGXNET and on the Company's corporate website. A live video webcast was arranged for investors at the analysts/media briefing for the full year 2022 results in February 2023. In addition, the Management takes an active role in investor relations, meeting local and foreign fund managers regularly as well as participating in investor roadshows and conferences both locally and overseas. The Head, Investor Relations & Corporate Communications, is responsible for managing the Group's investor relations programmes, including the communications with the financial community, research analysts and relevant stakeholders.

Investor Relations Policy (Provisions 12.2 and 12.3)

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

Further information on the Company's investor relations policy and activities can be found on pages 67 to 68 of the AR.

Principle 13: Engagement with Stakeholders

Sustainability

Since 2014, the Company started conducting materiality assessments annually, which is facilitated by a third party, to determine the key economic, environmental, social and governance ("EESG") issues that are important to the Company's stakeholders. These issues are foundational to the Company's annual sustainability reporting. Corresponding EESG targets, metrics, initiatives, and progress are reviewed by the Management team, reported to the BSC and the Board for approval, before they are published annually in the Company's Integrated Sustainability Report ("ISR").

Learning from the unprecedented disruptions caused by the COVID-19 pandemic, the Company adopted a more dynamic approach to the assessment of key ESG issues from 2020 to 2022, addressing the fast-changing landscape and supply chain issues. The exercise determined the actual and potential impacts of these issues on CDL's long-term value creation, and conversely, CDL's impact on them.

The process started with an extensive macro scanning exercise to determine the list of material risks and opportunities relevant to CDL's stakeholders and business for sustained growth. Engagement with internal and external stakeholders, including the BSC, was then conducted through online surveys or interviews. Through interviews with selected management staff of headquarters and key subsidiaries, regulators, industry and sustainability experts, tenants and suppliers, the Company obtained additional insights into working towards its net zero carbon commitment and strategically addressing risks and opportunities for its businesses, while continuing to deliver long-term value for its stakeholders. The preliminary material issues were validated by the Company's Senior Management and approved by the BSC thereafter.

With the ever-evolving business landscape and externalities, the annual validation of CDL's key material issues is critical to help the Company sharpen its sustainability strategy and focus resources on areas that are deemed most material to its business and future growth using a forward-looking lens.

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

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

The annual ISR is dedicated to reporting on CDL's sustainability efforts and performance that addresses the social and environmental impacts pertinent to the Company's stakeholders and business. Over the years, CDL's robust sustainability reporting has evolved into a unique blended model using the Global Reporting Initiative ("GRI") Standards as its core since 2008. To address the diverse expectations of stakeholders, CDL embraced CDP since 2010, Global Real Estate Sustainability Benchmark since 2013, the Integrated Reporting Framework since 2015, Sustainable Development Goals ("SDG") Reporting since 2016, Task Force on Climate-related Financial Disclosures ("TCFD") framework since 2017, Sustainability Accounting Standards Board ("SASB") Standards for Real Estate Sector and the Climate Disclosure Standards Board ("CDSB") Framework since 2020. CDL's ISRs are available on both its corporate website and the dedicated sustainability microsite. To enhance data credibility and instill confidence in readers, external assurance of its report started since 2009. ISR 2022 and ISR 2023's external audit has been further elevated in its scope against the GRI Standards, SASB Standards, as well as the TCFD and CDSB frameworks.

Further information on the Company's approach to stakeholder engagement and its materiality assessment can be found on pages 69 to 83 of the AR.

CORPORATE VALUES AND CONDUCT OF BUSINESS

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

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

The code provides guidance on issues such as:

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

CORPORATE GOVERNANCE

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

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

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

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

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

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

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

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

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

- *Climate Change Policy* – In line with CDL's sustainability strategy and commitment to its ethos of "Conserving as We Construct" since 1995, the Company is dedicated to climate action and achieving low carbon operations. CDL became the first real estate conglomerate in Southeast Asia to sign the World Green Building Council's ("WorldGBC") Net Zero Carbon Buildings Commitment in February 2021. This is a global pledge to achieve net zero operational carbon by 2030, covering new and existing wholly-owned assets under CDL's direct management and operational control. In November 2021, during COP26, CDL extended its pledge towards a net zero whole life carbon emissions approach. Through this expanded commitment, the Company pledged to achieve maximum reduction of embodied carbon in new developments, compensating for any remaining residual operational and upfront embodied emissions via offsetting for new developments by 2030 and advocating for all buildings to be net zero carbon by 2050. In 2018, CDL was the first real estate company in Singapore to set Science Based Targets initiative ("SBTi")-validated carbon reduction targets based on a 2°C warmer scenario with 2007 baseline year. CDL renewed its SBTi-validated targets in December 2021 by aligning with a more stringent 1.5°C warmer scenario and 2016 baseline year.

- *Green Building Policy* – CDL is committed to incorporating decarbonisation, innovation, inclusivity, health and well-being into the design and operation of its buildings. To provide a safe, healthy and inclusive environment for its employees, customers and workers, it is crucial to proactively adopt smart and sustainable building technologies. The 3S Framework built on the three thrusts - Smart, Sustainable and Super Low Carbon will drive CDL's commitment to reduce its carbon footprint and environmental impact in line with CDL's net zero whole life carbon buildings commitment and the Singapore Green Plan 2030.

- *Biodiversity Policy* – CDL supports Singapore's "City in Nature" vision towards higher living standards while co-existing with flora and fauna. The Company aims to minimise and mitigate the impacts of its developments on natural habitats and to protect wildlife biodiversity. The policy complements Singapore's "City in Nature" vision and takes reference from national frameworks, such as the new Biodiversity Impact Assessment guidelines set by URA and NParks.

- *Sustainable Investment Principles ("SIP")* – As a responsible developer with a longstanding ESG commitment, the Company is focused on taking proactive action in assessing potential portfolio risks and opportunities for sustainable investment decisions via globally aligned principles set out in the policy. The SIP is formulated in line with the Glasgow Climate Pact, and aligned with the global best practices laid out in the UN SDGs, UN Principles for Responsible Investment, TCFD and UN Environment Programme Finance Initiative. It also complements CDL's existing ESG policies and guidelines, including the Climate Change Policy, EHS Policy, Green Building Policy, Biodiversity Policy and Human Rights Policy.

INTERNAL CODE ON DEALINGS IN SECURITIES

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

RISK MANAGEMENT

MANAGING RISKS TO REDUCE UNCERTAINTIES AND MAXIMISE OPPORTUNITIES

Managing risk is an integral part of the Group's business and it continually strives towards best risk management practices. The Board, supported by the Audit & Risk Committee (ARC) and other Board committees, maintain an overall responsibility and oversight of the key risks to the Group's business. Relevant and material risk issues are surfaced for discussion with the ARC and the Board on a quarterly basis at a minimum, to keep them informed in a timely manner. The ARC considers the nature and extent of significant risks which the Group may undertake in achieving its strategic objectives and guides management in the formulation and implementation of the risk management framework, policies and processes. This ensures that significant risks are effectively identified, evaluated and mitigated, to safeguard shareholders' interests and the Group's assets, furthering corporate sustainability. The ARC also reports to the Board on critical risk issues, material matters, findings and recommendations.

The Group's risk management framework provides the principles and guidance for the Group's risk management activities.

CDL Group Risk Management Framework

Risk Strategy	Risk Culture	Risk Appetite	Risk Governance	Risk Process
Clear objectives, focus and guiding principles	A desired risk culture and mindset	Defined risk appetite statements and tolerance limits	Effective risk governance structure	A fit for purpose process for managing, monitoring and reporting risks

The above five (5) key pillars serve as the foundation of ERM execution and implementation

Material risks are categorised into four key areas

Strategic External environment as well as emerging or evolving threats on business execution	**Treasury and Financial** Market concentration, liquidity, interest rate, foreign exchange and internal financial management and control
Operational and Compliance People, Processes, Systems	**Information and Technology** Loss of information, data security, and service disruption of critical IT systems

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

- Conducting a risk culture survey and benchmarking studies to introduce right initiatives to target at-risk areas with the aim to support and reinforce a desired risk culture and mindset.
- Delivering customised training programmes covering trends in anti-money laundering/counter-terrorism financing, cyber threat and data privacy compliance requirements to raise the level of awareness and understanding, as well as to improve the capabilities of our first line of defence against such risks.
- Enhancing the Group's data privacy handling and management protocols to ensure strong and robust data security and compliance.
- Strengthening the Group's Cyber Security infrastructure and systems by identifying, prioritising and closing out the high-risk gaps within our subsidiaries.
- Intensifying efforts in Environmental, Health and Safety (EHS) management by reviewing the Group's sustainability goals and efforts with a focus on emerging climate and Environmental, Social and Governance (ESG) risks.
- Partnering with risk consultancies to model Probable Maximum Loss exposure scenarios to validate the Group's risk transfer strategy.
- Calibrating Group-wide risk transfer strategy to optimise the balance between risk retention and risk transfer.
- Implemented first loss e-notification system across all Singapore properties, with plans to roll it out globally.
- Updating the Control Self-Assessment (CSA) programme, with the assessment targeting drivers of identified key risks, to facilitate early identification of control gaps and areas for improvement.
- Performing climate change scenario analysis, focused on 1.5°C and 2°C warmer scenario in 2030.

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

RISK STRATEGY

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

Guiding Principles

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

RISK CULTURE

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

RISK APPETITE

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

The Board has approved the following risk appetite statements:

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

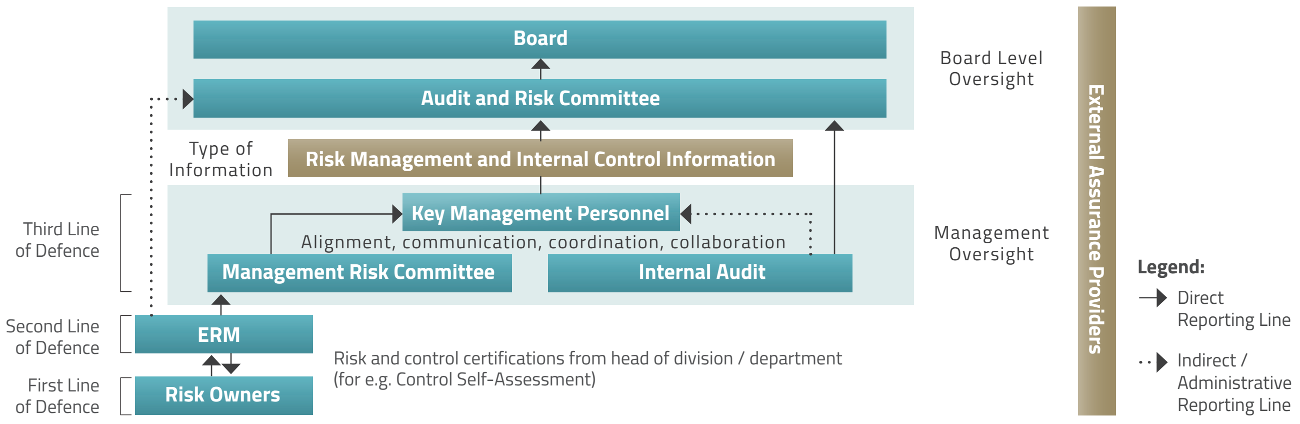
The Management Risk Committee monitors the Group's risk profiles and regulatory compliance status on a quarterly basis.

RISK MANAGEMENT

RISK GOVERNANCE

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

RISK GOVERNANCE STRUCTURE



First Line of Defence
– Risk Owners –

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

Second Line of Defence
– ERM –

The ERM function is responsible for designing, implementing and improving the risk management framework as part of the ERM and control assurance program. It also provides independent identification, assessment and monitoring, and reporting of the Group's risk profiles and material risk issues to the Management Risk Committee and the ARC.

Third Line of Defence
–Internal Audit & Management Risk Committee –

The Internal Audit department provides independent assurance on the adequacy and effectiveness of the internal controls and risk management framework to senior management and the ARC. Significant risk issues are also surfaced for discussion with the ARC and the Board by senior management, to keep them fully informed in a timely and accurate manner. All ARC members, including the Chairman of the ARC, are independent non-executive directors.

RISK MANAGEMENT PROCESS

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

MATERIAL RISKS TO THE GROUP

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

Strategic Risk

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

Market and Competition	
Given the geographical diversity of our business, the Group is exposed to various levels of event risks in major economies, as well as in key financial and property markets. The Group's principal business operations, comprising property development, property investment and hotel operations, face significant competition across the diverse markets in which they operate, and the failure to compete effectively in terms of price, market positioning, product quality, and levels of service could adversely affect the Group's financial condition and results of operations.	We manage this risk by: a) Monitoring macroeconomic trends, market conditions, and developments and formulating responses and pre-emptive strategies accordingly. b) Leveraging on our market analytics and project delivery expertise to introduce quality products and innovative solutions to meet the evolving consumer demands. c) Strengthening our brand and competitiveness through product differentiation, market positioning, operational efficiency, transformation through innovation and creating new revenue generating platforms, as well as leveraging on a portfolio of distribution channel partners. d) Diversifying of portfolio across geographies, focusing on core markets and cities where the Group has operational scale and where underlying economic fundamentals are more robust. e) Distinguishing the quality, value, and efficiency of our lodging products and services by focusing on delivering a seamless customer experience, including our Loyalty Program, direct booking channels, and consumer-facing technology platforms and services, from those offered by others.
Brand and Reputation	
The Group's reputation is one of its most valuable assets, playing a major part in the continued success of the business. The assessment of reputational risk, due to the nature of this type of risk, is constantly evolving and dependent on numerous factors at any given point in time, and it is therefore not possible to define all matters and circumstances which may pose reputational risk, or to set out all the considerations which should be applied as part of the decision-making process.	We manage this risk by: a) Undertaking active monitoring of both traditional and social media platforms, aggressively responding to and managing any undesirable situation(s) that may arise. b) Raising the profile of our brands through marketing campaigns and strategic partnerships to build brand equity. c) Focusing on a customer-centric approach and monitoring customer satisfaction closely through surveys, gathering of feedback, inspections and other forms of engagement. d) Establishing brand standards that are designed to maintain a level of product consistency based on the brand collection to which a hotel belongs, whilst allowing flexibility in order to maintain the personality of the property. e) Striving to avoid any situations and/or actions that could result in a negative impact on our reputation and brand.
Climate Change	
The Group recognises that climate risks are business risks. A focal issue of the Paris Agreement and Singapore Green Plan 2030, climate change is one of the long-term key global risks that can potentially impact the Group's assets, revenue, operations, supply chain, product design, stakeholder engagement, and investor communication. Aside from physical risks arising from climate change, regulatory transition risks can result in stricter emission standards, increased carbon tax and water pricing, and stricter building design requirements. The Group prioritises ESG communication and reporting to proactively manage rising stakeholder capitalism, investor and consumer activism. In the face of climate change, climate-proofing its buildings for a low-carbon future is key to the Group's growth strategy.	We manage this risk by: a) Pledging net zero whole life carbon for CDL's new developments and major renovations over which we have direct operational and management control in Singapore by 2030, in accordance with World Green Building Council's Net Zero Carbon Buildings Commitment. b) Implementing robust climate mitigation and adaptation strategies to accelerate efforts towards a low-carbon business model, such as setting carbon emissions reduction targets validated by the Science Based Targets initiative (SBTi) for a 1.5°C warmer scenario. c) Pushing the envelope in innovative green building technologies to enhance the resilience of its assets against physical and transition risks posed by climate change. Setting up the Green Building and Technology Application team under the Sustainability portfolio in 2020, the Group remains committed to exploring new frontiers in innovation and sustainable investing. d) Measuring and disclosing CDL's management of climate-related risks using internationally recognised frameworks/ assessments, such as the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, Climate Disclosure Standards Board (CDSB) and CDP. e) Conducting climate change scenario analyses as a means of testing the Group's strategic resilience against different plausible and science-based climate scenarios. The analysis also covered climate-related risks from the COVID-19 pandemic as well as emerging net-zero regulatory landscapes across five key CDL markets. f) Monitoring supply chain risks to better prepare for the increasing physical and social challenges impacting the Group's supplies of materials and workers. g) Raising the bar on proactive, transparent and prompt ESG communication and reporting via digital platforms.
Regulatory Changes	
The Group operates in many jurisdictions and is exposed to various levels of political and policy risks, such as political uncertainties, introduction or change in public policies, statutory and regulatory requirements.	We manage this risk by: a) Actively engaging with regulatory bodies and professional firms on updates to laws and regulations. b) Continuous monitoring and assessment of impact arising from regulatory changes, observing market reactions, and formulating our strategies accordingly.

RISK MANAGEMENT

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

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

For more information on the Group's Financial Risk Management, please refer to the Financial Risk Management section on page 217 of this annual report.

Operational and Compliance Risk
The Group's operations are exposed to a variety of operational risks relating to project management, environmental, health and safety (EHS), human capital, data privacy, legal and compliance management.

Project Management	
Though minimal risk has been encountered, the Group remains vigilant against project risks such as schedule delay, cost overrun, build quality, contractor's capability and performance, as well as contract disputes, that will affect our reputation and sales.	We manage this risk by: a) Allocating appropriate attention to technically challenging and high-value projects. b) Adopting a systematic assessment and monitoring process to identify and manage the key risks for each project. The Group adopts a rigorous project management process to ensure that project cost, build quality and time objectives are met and have put in place stringent pre-qualification and tendering procedures to appoint well-qualified vendors. Regular site visits are also conducted to closely monitor the progress of projects and manage potential risks of delays, poor workmanship and cost overruns. c) Benchmarking our quality assurance processes against industry standards. We voluntarily subscribe to the BCA Construction Quality Assessment System (CONQUAS) and the Quality Mark (QM) Assessment System.
Environmental, Health and Safety (EHS)	
The Group is committed to be a socially and environmentally responsible organisation that advocates for a 'Safe and Green' corporate culture. In this regard, it is paramount that the Group maintains high environment, health and safety standards across the Group, particularly at the operational level.	We manage this risk by: a) Continuing the longstanding commitment to EHS since the implementation of the CDL EHS Policy in 2003. b) Establishing a Workplace Safety and Health (WSH) Executive Committee (ExCo) comprising Senior Executives across the businesses to ensure sufficient resource allocation to WSH and the monitoring of WSH performance on a regular basis. c) Maintaining an integrated ISO 14001 and ISO 45001 Environmental, Health and Safety Management System (EHSMS) across all key operations in Singapore to manage the environmental impact of our operations and the safety, health and well-being of employees, workers, homebuyers, tenants and building users. The hotel operations, where possible, also align its policies and procedures with the requirements of best practice accredited systems. d) Monitoring contractors' onsite EHS performance through an independent audit tool – CDL 5-Star EHS Assessment System. e) Maintaining robust EHS practices for our managed assets to provide safe, conducive and eco-friendly environment for building users. f) Practising responsible supply chain sourcing as part of our commitment to reduce the Group's environmental footprint. g) Cultivating an EHS-centric culture amongst internal and external stakeholders through periodic workshops and trainings as well as regular communications to ensure that they are kept updated on EHS best practices. h) Ensuring accountability with quarterly reporting to the Board on EHS performance and practices.

Human Capital	
As we seek new avenues of growth, a key differentiator alongside access to innovation will be the ability to attract and retain talent, including new skills and capabilities to stay future-ready. The loss of some or all our key executives or the inability to attract or retain the right people, could materially and adversely affect our business in the medium to long-term.	We manage this risk by: a) Benchmarking and reviewing the competitiveness of our remuneration package on a periodic basis. b) Investing in human capital development of our existing workforce, as well as current and emerging capabilities through professional hires and targeted recruitment. c) Setting up an Enterprise Innovation Committee (EIC) to promote cross-department engagement, empowering employees to be innovative and share their ideas through in-house programmes to yield a capable and more agile workforce in support of business goals. d) Conducting Employee Engagement Surveys to help enhance existing policies, better address employee concerns, and introduce targeted initiatives to make CDL a better workplace. e) Rolling out leadership development programmes to groom talent and establish succession planning for key positions.
Data Privacy	
The Group recognises that data privacy breaches may undermine customer confidence and result in litigation from customers and/or fines and penalties from regulators.	We manage this risk by: a) Adopting a pragmatic 'Data-light, Data-tight' approach in our business conduct. b) Adopting a risk-based approach to data protection. c) Conducting awareness training to ensure that employees who directly and/or indirectly handle personal data in the course of their work are cognisant of data protection principles and are equipped with the right knowledge to carry out good data protection practices in their day-to-day activities. d) Ensuring compliance with data protection requirements by our data processors. For more information on how we manage personal data, please refer to our data privacy policy on our websites. **Group Data Privacy Policy** https://www.cdl.com.sg/index.php/privacy-policy **Millennium and Copthorne Hotels** https://www.millenniumhotels.com/en/utilities/privacy-and-cookie-policy/privacy-and-cookie-policy/
Compliance	
The Group operates in many jurisdictions and is subjected to applicable laws and regulations of the markets in which we operate, such as anti-bribery, corruption, money laundering, terrorism financing, competition and data privacy, along with all other relevant laws and regulations applicable to licensing and conducting of sales, leasing, construction, property development, asset management and hotel operations. In addition, various aspects of hotel operations are required to achieve compliance with the Payment Card Industry Data Security Standards (PCI-DSS), and failure to do so could result in penalties and/or withdrawal of credit card payment facilities.	We manage this risk by: a) Maintaining a zero-tolerance policy and 'tone from the top' towards compliance, including that of fraud, bribery and corruption. The Group currently benchmarks our practices against SS ISO 37001 to ensure that gaps are minimised and our practices are in accordance with industry standards. b) Conducting training sessions and adopting e-learning modules to raise awareness and train employees on ways to avoid or prevent non-compliant behaviour. An annual e-declaration exercise is to be completed by all employees, to acknowledge that they have read, and understood and agree to abide by the Group's policies. c) Maintaining effective whistleblowing reporting and communication channels for employees, contractors, customers and stakeholders of the Group to report any unethical, fraudulent or corrupt practices, in good faith, without fear of retaliation, for investigation and action subject to applicable laws. d) Establishing platforms and channels to proactively monitor and identify applicable laws and regulatory obligations and embed compliance into policies and operating procedures. e) Aligning our policies and procedures as reasonably possible and practical with the requirements of best practice accredited framework, systems and industry standards.
Legal	
The Group is exposed to legal and reputational damage resulting from breach of law or civil suits.	We manage this risk by: a) Monitoring and reporting significant litigation and disputes to the Management and the Board. b) Working with external legal counsel for advice. c) Reviewing and maintaining the necessary liability insurance coverage.
Investment/Divestment Risk	
The Group is exposed to the risk of deployment of capital into investments that fail to meet targeted returns due to inadequate planning or errors in underlying assumptions.	We manage this risk by: a) Conducting a comprehensive analysis, including due diligence and feasibility studies, to evaluate investment and divestment decisions. b) Reviewing and updating investment thresholds and parameters to be in line with changing strategies and business environments. c) Close monitoring of portfolio performance to ensure that it is on track to meet set targets.

RISK MANAGEMENT

Information Technology (IT) Risk With the increased reliance on information systems and technology as a business enabler across our businesses, we recognise that a service disruption of critical IT systems or malicious and deliberate attempts of hackers to breach our IT systems could adversely affect the Group's business continuity and reputation.	
Cyber Threat	
The Group recognises that cyber threat remains a key concern as attackers have become increasingly creative with attack methods and increasingly destructive payloads that better target system vulnerabilities.	We manage this risk by: a) Maintaining an IT security framework to address evolving IT security threats such as hacking, malware, mobile threats and loss of data. Measures and considerations have also been taken to safeguard against loss of information, data security and prolonged service disruption of critical IT systems. b) Dedicating IT expertise to keep abreast of the latest developments, innovations and threats in technology and assessing their impact and risks. c) Conducting Vulnerability and Penetration Testing (VAPT) and guided self-assessments to identify IT security gaps. d) Leveraging on threat intelligence and advanced security analytics to detect potential breaches. e) Conducting of training, including assessment exercises, to educate and heighten our users' awareness to cyber threats. f) Maintaining a cyber threat incident response protocol and disaster recovery plan. The Group also carries out disaster recovery plan testing at least once annually.

INVESTOR RELATIONS

CDL is committed to building investor confidence and trust through open dialogue and effective bilateral communication with our shareholders and the investment community. Our Investor Relations (IR) Policy, available on the CDL website (cdl.com.sg), outlines the principles and framework in which we communicate and engage with investors, analysts and stakeholders. Our website also provides contact details for investors to share feedback or queries.

EFFECTIVE COMMUNICATION

We believe in timely and clear disclosure of pertinent information to provide investors with a better understanding of the Group's strategic and material developments through regular updates on our strategies, operations and financial performance shared via multiple platforms.

The 'Investor Relations' section of our website is the key source of corporate and financial information such as the Group's financial results, investor presentations, annual and sustainability reports, media statements, Annual General Meeting (AGM)-related materials, including AGM minutes and full voting results, as well as other material announcements – which are also disseminated on SGXNet (sgx.com). In addition, our website and social media channels (LinkedIn, Twitter and Instagram) highlight the latest updates on the Group's business milestones. Investors can subscribe to email alerts on the CDL website or follow our social media channels.

ACTIVE ENGAGEMENT

The CDL key management and IR team proactively engage with the investment community regularly through various platforms such as our AGM, one-on-one and group investor meetings, conferences and site visits. To update the market on our financial and operational performance, we hold results briefings for research analysts and media when announcing half-year and full-year results. Investors and other stakeholders can also attend these briefings via 'live' webcasts. A recording of the management presentation is also posted on the CDL website thereafter.

Due to COVID-19 restrictions and safe management measures, some investor meetings, including our AGM in April 2022, were held virtually. With the easing of restrictions and reopening of borders, we saw a gradual return to in-person meetings and investor events in the second half of the year.

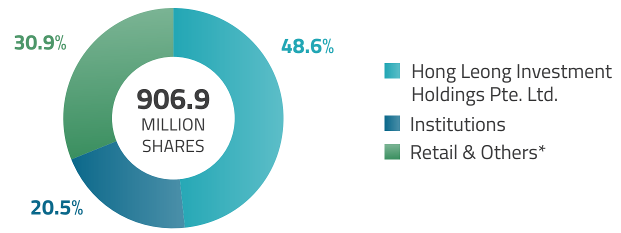
In 2022, we connected with around 100 institutional investors to help them understand our strategic focus and key initiatives to enhance and unlock shareholder value. To showcase our residential product offerings and the unique selling points of our new launches, we regularly hosted residential showflat tours for investors.

Apart from facilitating corporate access for investors, the IR team also maintains regular communication with close to 20 sell-side equity research analysts covering our stock. Besides our bi-annual results announcements, CDL continues to provide regular quarterly updates on our business performance and operations. This proactive approach remains a critical aspect of our IR engagement.

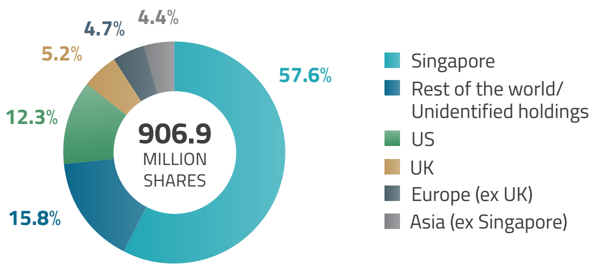
In line with the global climate change agenda, investors continued to place emphasis on Environmental, Social and Governance (ESG) considerations in their investment evaluation matrix. Some ESG topics discussed include the Group's climate action strategy, Board structure, diversity, equity and inclusion in the workplace. These conversations provided useful insights into the top ESG risk concerns that matter to our investors.

Share Ownership^
Total: 906.9 million shares

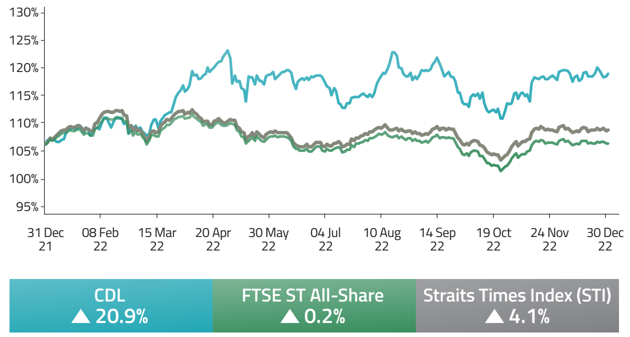
Investor Type^



Geographic Distribution^



2022 Share Price Performance



CDL's share price closed at $8.23 on 31 December 2022 – a 20.9% increase, making our stock one of the best performing STI constituents for the year.

Considering the total dividend of 28.0 cents per share declared for FY 2022, CDL's Total Shareholder Return (TSR) for the year was 25.0%.

Notes:
Excludes treasury shares
* Including shares held by brokers and undisclosed holdings.
^ As at 31 December 2022.

INVESTOR RELATIONS

2022 INVESTOR RELATIONS CALENDAR

1H (Jan-Jun)	DBS Vickers Pulse of Asia Conference 2022 SMBC Academy Sustainability Webinar CDL FY 2021 Financial Results Briefing to Media & Analyst – Live Webcast Post FY 2021 Results Meeting hosted by Citi Barclays – Investing for a Sustainable Tomorrow CDL 59th Annual General Meeting Post Q1 2022 Operational Update Meeting hosted by Citi Citi Pan-Asia Regional Conference Property Tour: Piccadilly Grand Citi Asia Pacific Property Conference Morgan Stanley Property Tour: CanningHill Piers Morgan Stanley ASEAN Conference
2H (Jul-Dec)	SGX-DBS ESG Investment Corporate Day – Fireside chat Credit Suisse Property Tour: Piccadilly Grand CDL 1H 2022 Financial Results Briefing to Media & Analyst – Live Webcast Post 1H 2022 Results Meeting hosted by HSBC Jefferies Asia Forum 2022 Morgan Stanley ESG Expert Panel – Fireside chat CITIC CLSA Flagship Investors' Forum 2022 SGX-Credit Suisse Real Estate Day 2022 Morgan Stanley Asia Pacific Summit – Panel Discussion on ESG

CALENDAR OF FINANCIAL EVENTS

FINANCIAL YEAR ENDED 31 DECEMBER 2022

Date	Event
	Announcement of Results:
11 August 2022	Announcement of First Half Year Results
23 February 2023	Announcement of Second Half Year and Full Year Results
	Record and Dividend Payment Dates:
9 June 2022	Record date for Preference Dividend^
30 June 2022	Payment of Preference Dividend^
22 August 2022	Record date for Special Interim Ordinary Dividend
9 September 2022	Payment of Special Interim Ordinary Dividend
13 December 2022	Record date for Preference Dividend^
3 January 2023	Payment of Preference Dividend^
4 May 2023	Record date for proposed 2022 Final and Special Final Ordinary Dividends*
23 May 2023	Proposed payment of 2022 Final and Special Final Ordinary Dividends*
	Shareholders' Meeting:
26 April 2023	60th Annual General Meeting

Notes:

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

* The declaration and payment of the 2022 Final and Special Final Ordinary Dividends are subject to the approval of Ordinary shareholders at the 60th Annual General Meeting.

FINANCIAL YEAR ENDING 31 DECEMBER 2023

Date	Event
	Announcement of Results:
August 2023	Proposed Announcement of First Half Year Results
February 2024	Proposed Announcement of Second Half Year and Full Year Results
	Shareholders' Meeting:
April 2024	61st Annual General Meeting

SUSTAINABILITY BOARD STATEMENT

2022 saw some of the starkest and most disconcerting effects of rising temperatures on the planet. With the world at 1.2°C warmer than pre-industrial times, extreme weather events are already affecting at least 85% of the world's population, with an increased frequency and severity of natural disasters over the last few years.

As we approach a climate tipping point, the world must accelerate action to address climate change and limit global warming within 1.5°C by 2030. Decarbonisation efforts need to be accelerated this decade. CDL's corporate ethos of "Conserving as We Construct", established in 1995, has positioned it well in the race to zero. CDL's World Green Building Council's (WorldGBC) Net Zero Carbon Buildings Commitment and more ambitious carbon emissions reduction targets assessed and validated by the Science Based Target initiative (SBTi) marks a leap forward in its decarbonisation commitment. At COP27 in November 2022, CDL signed the Action Declaration on Climate Policy Engagement launched by Corporate Knights and the Global 100 Council to tackle climate emergencies through urgent and collective action in the global Race to Zero. Since mid-2022, with the Group's hotel operations arm emerging from COVID-19 disruptions, CDL proactively engaged its key subsidiaries Millennium & Copthorne Hotels Limited (M&C) and CBM Pte Ltd in setting clear targets and committing to action aligned with CDL's 2030 net zero goals.

CDL remains dedicated to Environmental, Social and Governance (ESG) integration and is focused on capturing growth opportunities while mitigating ESG risks, creating value for all stakeholders. CDL's Integrated Sustainability Report (ISR) 2023, "Zero in on Positive Impact", details the Company's ESG strategy and actions towards creating a positive impact in the communities it operates in, and charting its path towards a net zero future.

MAINTAINING SUSTAINABILITY LEADERSHIP & STRONG GOVERNANCE

Continued Recognition by Global Sustainability Rankings and Awards

As a testament to CDL's long-standing commitment to sustainable development, its corporate sustainability efforts have been affirmed by leading global sustainability ratings and rankings:

- **Global 100 Most Sustainable Corporations in the World by Corporate Knights:** Ranked 28th in 2023 and maintained the world's topmost sustainable real estate management and development company for the fifth consecutive year, and the only Singapore company listed for 14 consecutive years
- **CDP:** Only Singapore company recognised in the 2022 CDP A List; only company in Southeast Asia and Hong Kong to maintain double 'A's for climate change (since 2018) and water security (since 2019)
- **FT-Nikkei-Statista Asia-Pacific Climate Leaders 2022:** One of four Singapore companies and only Singapore property company to be listed
- **MSCI ESG Research:** Maintained 'AAA' rating since 2010
- **Bloomberg Gender-Equality Index (GEI):** Only Singapore real estate company listed since 2018
- **Sustainalytics:** 2023 Global 50 Top-Rated, Industry Top-Rated and Regional Top-Rated

Since 2014, CDL has established an integrated governance structure with everyone committed to their role in coordinating ESG efforts, both horizontally between the ESG pillars and business functions, and vertically across reporting lines up to the Group CEO and the Board. The Chief Sustainability Officer (CSO) reports directly to the Board Sustainability Committee (BSC), which comprises three independent directors, and CDL's Executive Director and Group CEO. The BSC has direct advisory supervision of CDL's sustainability strategy, material ESG issues, work plans, performance targets setting, tracking and reporting. At least two meetings are held annually for the management to update the BSC on CDL's sustainability plans and performance

SUSTAINABILITY GOVERNANCE STRUCTURE

SUSTAINABILITY BOARD STATEMENT

reviews. In addition, the CSO submits a quarterly report and communicates with the BSC on CDL's ESG performance and initiatives, as well as global and local ESG trends. CDL's sustainability governance, management and disclosures are in line with global best practices and SGX's mandate on climate disclosures and board supervision.

To achieve effective company-wide integration of sustainability, the CSO chairs the Sustainability Committee, which comprises members across all departments and operational units. In 2021, CDL stepped up to strengthen the links between its ESG performance with the remuneration of the Key Management Personnel (KMP). With Heads of Departments (HODs) reporting to the respective KMP, the ESG KPIs will cascade down to every level in the organisation. HODs are held accountable for their ESG performances, which are captured in their annual performance appraisal that is linked to their remuneration and promotion.

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

2022 IN REVIEW – ZERO IN ON POSITIVE IMPACT

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

CDL's Supplier Code of Conduct, Human Rights Policy, Environmental, Health and Safety (EHS) Policy, Climate Change Policy and Biodiversity Policy underwent a review in 2022 for greater alignment with Paris-aligned regulations and global and local standards. Building upon CDL's long-established EHS Policy and Green Procurement Guidelines, the Company formalised a Green Building Policy to provide greener, safer, healthier and more inclusive environments for its building users.

As waterways inevitably incur the downstream impact of activities on land, the transition to a low-carbon, resource-efficient green economy would not be possible without conserving the ocean. In this regard, CDL has a longstanding commitment to biodiversity protection and urban greenery. Since 2010, CDL has voluntarily conducted Biodiversity Impact Assessments (BIA) on greenfield sites before construction. To advance biodiversity protection and urban greenery at its sites and buildings, a Biodiversity Policy, expanding on BIA practices, was formulated in 2020. The policy complements Singapore's "City in Nature" vision established in 2021. In 2016, CDL piloted an Environmental Impact Assessment (EIA) study for the Forest Woods residential development project, expanding the usual scope on biodiversity impact to cover the development's potential impact on traffic, public health, heritage, and the environment. Based on this pilot, CDL is exploring possibilities of applying the EIA for future developments.

Scope 3 emissions are also increasingly becoming a priority for companies to tackle their climate risks. CDL has been actively engaging and empowering its value chain, including M&C, to identify opportunities for greater resource efficiencies to lower its carbon footprint. CDL was included in the 2022 CDP Supplier Engagement Leaderboard for the third consecutive year, placing CDL in the top 8% of companies assessed by CDP for supplier engagement on climate change.

ACCELERATING TOWARDS THE GLOBAL RACE TO ZERO

To tackle the climate emergency, CDL is well placed to accelerate climate action and create positive environmental, social, governance, and business impact. Building upon its corporate ethos of "Conserving as We Construct", established in 1995, CDL's Economic, Environmental, Social and Governance (EESG) strategy continues to guide its value creation model to achieve its three deliverables with positive impact: "Decarbonisation", "Digitalisation and Innovation" and "Disclosure and Communication".

Decarbonisation – Expanding Scope and Managing Performance

In 2021, CDL became Southeast Asia's first real estate conglomerate to sign the World Green Building Council's (WorldGBC) Net Zero Carbon Buildings Commitment – a global pledge to achieve net zero operational carbon by 2030. This was then expanded to include maximum embodied carbon reduction in new developments and compensation of all residual upfront emissions. In December 2021, CDL revised its Science Based Targets initiative (SBTi)-validated GHG emissions intensity reduction targets (Scope 1, 2 and 3) to be aligned with a 1.5°C warmer scenario, with additional targets to reduce Scope 3 emissions. In 2022, CDL stepped up on operationalising and tracking its carbon reduction performance for Scope 1, 2 and 3 carbon emissions against these SBTi-validated targets.

As one of the first four companies in Singapore to adopt the Task Force for Climate-related Financial Disclosures (TCFD) since 2017, CDL completed its third Climate Change Scenario Study in December 2022.[1] This study focused on CDL's readiness for physical and transitional risks. The scope and region included under the CDL Group were expanded, given the rising urgency, scale, and severity of climate change. The study considered the disruptions caused by the prolonged COVID-19 pandemic, which significantly impacted business operations and financial performance.

The IFRS Foundation's International Sustainability Standards Board (ISSB) standards, slated to be published in 2023[2], will require additional disclosures in Scope 3, along with Scopes 1 and 2. In anticipation of this, CDL has continued to raise the bar in tackling Scope 3 emissions through closer strategic alignment and integration with its wider global value chain, including key subsidiaries such as M&C, CBM Pte Ltd, and its supply chain.[3] CDL's renewed SBTi-validated targets aligned with 1.5°C emissions reduction target of 58.8% under Scope 3 (category 15) will extend to all major subsidiaries.[4]

Digitalisation & Innovation – Addressing Ever-Changing Market Risks & Opportunities

Decarbonisation is only possible with effective collaborations amongst the wider ecosystem to create and implement smart and sustainable solutions. It is, therefore, unsurprising that innovation has risen to be the Company's top material issue in 2022.

In the past year, CDL has prioritised and intensified its use of innovative and viable green building technology and circular economy solutions. Its strategic partnerships with various start-ups continue, including using Cool Paint at the facade of its assets, such as Jungceylon Shopping Center in Phuket, Thailand, to reduce surface temperature by up to 8°C. The installation of about 7,000 square metres of solar panels are slated to complete by Q2 2023 at the roof of Jungceylon Shopping Center as well. These solar panels have the capacity to generate approximately 1.6 million kWh of electricity, equivalent to 6% of the building's total annual energy consumption. At CDL's Irwell Hill Residences, the company piloted another start-up's battery energy storage system to replace diesel-powered generators at construction sites, successfully achieving an 85% reduction in carbon emissions over a 90-day test period. By implementing an innovative self-learning building intelligence system at Republic Plaza, CDL optimised building air-conditioning performance, achieving a 22% improvement in occupants' comfort. Other emerging sustainability solutions test-bedded by CDL include solar films, and energy-optimising air-conditioner filters, amongst others. These advanced material solutions have helped to improve overall operational efficiency and minimise heat exposure risks to building users. More details can be found in CDL's ISR 2023, page 60.

CDL continues to advocate climate action amongst its stakeholders. At the 8th World Cities Summit in August 2022, jointly organised by Singapore's Centre for Liveable Cities and the Urban Redevelopment Authority, CDL sponsored the City Innovators Stage. The Company showcased 13 innovator partners with solutions to future-proof the built environment and young start-ups with future-forward solutions to contribute to a low-carbon and sustainable future.

CDL will continue to track sustainable building technologies in support of global and national goals for smarter, greener, and more resilient cities to achieve long-term resilience of CDL's businesses and its communities. Innovative thinking and adoption of Proptech with investment in longstanding R&D partnerships remain crucial in the Company's journey towards net zero emissions.

Accelerating Super-Low Carbon, Smart and Sustainable Buildings

In line with the SG Green Building Masterplan's 80-80-80 goals, CDL has been committed to enhancing its existing assets and achieving Super Low Energy Buildings (SLEB) for 80% of its owned and managed buildings by 2030. With this in mind, CDL set new benchmarks for two of its developments: Newport Plaza – Singapore's first Building and Construction Authority (BCA) Green Mark Platinum Super Low Energy (SLE) Certification for Residential Building and first mixed commercial development (Service Apartment, Offices, Retail); and Copen Grand Executive Condominium (EC) – Singapore's first BCA Green Mark Platinum SLE EC.

CDL is also proud to be a leading developer with a pioneering commitment to green buildings in Singapore, with 120 BCA Green Mark developments since the Green Mark scheme became mandatory in 2008. CDL has achieved approximately $38 million in energy savings from energy-efficient retrofitting and initiatives across all its commercial buildings from 2012 to 2022. The Company's three SLEB projects are further testament to its effective adoption of green building and low-carbon technologies. Going forward, CDL remains steadfast in its decarbonisation journey with continual improvements in energy efficiency.

Disclosures - Unlocking Financial Value with Global Growth of ESG Investing

Investors' expectations have changed substantially. With businesses under pressure to disclose their ESG risks, a robust sustainability strategy and strong ESG performance help companies gain easier access to ESG funds and sustainable finance.

In September 2021, CDL became a signatory of the UN Principles for Responsible Investment (PRI). As of December 2022, PRI has 5,319 signatories, representing US$121 trillion of AUM, signalling a rapidly accelerating transition towards sustainable assets.[5] CDL's CSO was also appointed as a member of PRI's inaugural Real Estate Advisory Committee in January 2022, which succeeds the Property Working Group coordinated by UNEP FI.

CDL has taken a proactive assessment of potential portfolio climate risks and opportunities, and rolled out its Sustainable Investment Principles (SIP) in December 2021. The SIP is aligned with global best practices in the

Notes:

1 Based on the latest research and scenario analysis from global climate benchmarks such as the Intergovernmental Panel on Climate Change, International Energy Agency, the Network for Greening the Financial System, and the World Bank.

Notes:

2 ISSB confirms requirement to use climate-related scenario analysis, IFRS, 1 November 2022.

3 In 2019, M&C announced its SBTi-validated 2°C target for absolute emissions reduction by 27% for owned and managed hotels under Scope 1 and 2.

4 Based on publicly disclosed data from 2016 to 2020.

5 UN PRI Signatory Update (October to December 2022).

SUSTAINABILITY BOARD STATEMENT

Glasgow Climate Pact, UN Sustainable Development Goals (UN SDGs), UN PRI and more. In 2021, CDL's Group Chief Financial Officer (CFO), Ms Yiong Yim Ming, joined the UN Global Compact's CFO Taskforce for the SDGs alongside members from other leading companies to support the Taskforce in the global transformation of corporate and sustainable finance.

Green finance is a key enabler in accelerating climate action. Since issuing its first green bond in 2017, CDL has amassed more than $3 billion of sustainable finance, including various green loans and a green revolving credit facility. For its successful R&D and pilot of DigiHUB, CDL also secured a discount for the SDG Innovation Loan provided by DBS Bank Ltd. in 2019, making the Company the first Singapore entity to achieve a discount on a sustainability-linked loan. In October 2022, CDL renewed its $250 million SDG Innovation Loan, which was secured in 2019.

CDL's strong sustainability track record has enabled the Company to tap into the fast-growing sustainable financing pool, benefitting its projects and promoting a low-carbon future.

Amplifying Impact Through Collaboration and Advocacy

Collaboration is key to a sustainable future and corporates play a critical role in tackling climate, social and community issues. Through the years, CDL has amplified its impact by investing time and resources on partnerships and thought leadership to create meaningful outcomes.

In 2022, CDL actively hosted, moderated, and participated in 80 events at the Singapore Sustainability Academy (SSA), ranging from panel discussions to educational webinars in partnership with esteemed institutions. To continue building sustainable communities, some key initiatives included the 3rd My Tree House "We Love Our Planet" Eco-Storytelling Contest, 6th CDL E-Generation Challenge, 12th CDL-GCNS Youth SDG Leaders Award and its "Keep Calm and Love Our Planet" campaign. The Company's flagship environmental outreach programme, the Youth4Climate Festival, also made a physical comeback in 2022 after a two-year in-person hiatus, rallying youths to accelerate climate action.

With a two-decade-strong business case on ESG integration, CDL is often invited to share at various local and international platforms. In 2022, CDL's CSO spoke at 104 local and international forums and conferences, covering topics such as strategic UN SDG integration, moving towards a net zero carbon future and more. CDL was also amongst selected Singapore private sector companies to share its business case at the inaugural Singapore Pavilion at COP27, led by the Prime Minister's Office of Singapore alongside the National Council of Social Service, Monetary Authority of Singapore, Ministry of Sustainability and the Environment, Ministry of National Development, Ministry of Trade and Industry and Temasek Holdings (Pte Ltd).

STRATEGIC MANAGEMENT OF TOP MATERIAL ESG ISSUES

Since 2014, materiality assessments have been conducted annually and facilitated by an external consultant to survey and determine the key EESG issues that are important to its stakeholders. Learning from the unprecedented disruptions caused by COVID-19, CDL adopted a more dynamic approach on the assessment of key ESG issues from 2020 to 2022, addressing the fast-changing landscape and supply chain issues. Anchored on a multi-stakeholder approach, the exercise determined the actual and potential impacts of these issues on CDL's long-term value creation.

The table below outlines CDL's actions in addressing risks and capturing opportunities related to CDL's 17 material ESG issues. It is mapped to 14 relevant SDGs and the four pillars of the TCFD framework. CDL's disclosures on the Sustainability Accounting Standards Board (SASB) Real Estate Sector Standards, TCFD Recommendations, and Climate Disclosure Standards Board (CDSB) framework can be found in CDL's ISR 2023.

>> Legend for TCFD Pillars: Governance (**G**) | Strategy (**S**) | Risk Management (**RM**) | Metrics & Targets (**M&T**)

CDL's Top Material ESG Issues	Risks and Opportunities	CDL's Responses and Achievements
1. Innovation Supporting SDGs: TCFD Pillars: **S, RM**	Innovation is CDL's top material issue in 2022. It is a key enabler in achieving its ESG goals and targets, while future-proofing its business and creating social and economic value for its stakeholders. By investing in R&D and emerging proptech solutions, CDL ensures that its products and services are resilient against disruptions and operate at the highest quality for its customers and building occupiers.	As the world transitions to a smart and low-carbon future, innovation has been pivotal in allowing CDL to achieve strong ESG performance. In 2022, CDL piloted cross-functional business solutions to accelerate the group's focus on digitalisation and decarbonisation. These included a centralised payment platform; digital procurement processes; in-house proprietary home sales platform; micro-climate solution for air-conditioning optimisation in office spaces; cool paints to mitigate thermal heat transfer via window facades; remote monitoring and diagnostics for lift maintenance; smart energy storage system to power construction equipment as well as ensuring accuracy of defects inspection rates via automated solutions. CDL continues to work with its R&D partners, such as SERIS, NUS-CDL Smart Green Home, NUS-CDL Tropical Technologies Lab and Singapore University of Technology and Design to facilitate the commercialisation of emerging research.
2. Energy Efficiency and Adoption of Renewables Supporting SDGs: TCFD Pillars: **G, S, RM, M&T**	With the launch of the Singapore Green Plan in 2021 and related refreshed BCA Green Mark 2021 standards and the impending increase in carbon tax, more stringent regulations on the energy performance of buildings are expected. Energy consumption contributes a large portion of CDL's carbon footprint. As a leading green developer, CDL implements low-carbon strategies for its managed buildings.	Ahead of its 2023 goal, CDL achieved the first BCA Green Mark Platinum Super Low Energy (SLE) award for its mixed-use integrated development - Newport Plaza (formerly Fuji Xerox Towers). The award was accorded for both its residential as well as non-residential components (serviced residences, offices and retail). Designed with sustainability in mind, Copen Grand is also Singapore's first BCA Green Mark Platinum Super Low Energy Executive Condominium. It obtained the GM Platinum SLEB award with Health & Wellbeing, Whole Life Carbon and Maintainability badge, based on GM 2021 standards. Through dedicated tracking, monitoring and improvements in energy efficiency, CDL has achieved cost savings of more than $38 million from reduced energy expenses across all its managed properties since 2012. Regular asset upgrading and enhancement efforts since 2004 have helped CDL to maintain good energy performance for its existing commercial properties.
3. Climate Resilience Supporting SDGs: TCFD Pillars: **G, S, RM, M&T**	Climate-proofing CDL's buildings in line with a low-carbon future is key to its sustainable growth strategy. The built environment contributes to some 40% of global energy-related carbon emissions, and remains heavily reliant on natural resources for operations. Including physical risks such as stranding risks from extreme weather patterns and transition risks such as carbon tax, increase in water and electricity tariffs. Locally, stricter building design requirements, competition for green materials and heightened demand for clean energy and circular economy solutions will pose challenges to maintain profitability and sustain growth in the short to medium term.	In December 2022, CDL completed its third climate change scenario analysis in line with TCFD recommendations. The study focused on orderly and disorderly scenarios for a 1.5°C and 2°C warmer scenario in the year 2030, presenting updated physical and transitional risks for the group portfolio consisting of hotels, investment properties and new developments. The analysis also covered climate-related risks from the COVID-19 pandemic as well as emerging net-zero regulatory landscapes across five key CDL markets, namely: United States, United Kingdom, China, Singapore and New Zealand. Findings supplement CDL's pledge to the WorldGBC's Net Zero Carbon Buildings Commitment. In February 2021, CDL committed to achieve net zero operational carbon by 2030 for its new and existing wholly-owned assets and developments under its direct operational and management control. In November 2021, this commitment expanded to include maximum reduction in embodied carbon in new developments, compensating for any remaining residual operational and upfront embodied emissions via offsetting for new developments by 2030 and for all buildings to be net zero carbon by 2050. CDL also operationalised its revised SBTi-validated GHG emissions intensity reduction targets (Scope 1, 2 and 3) from 2H 2022.
4. Ethical and Transparent Business Supporting SDGs: TCFD Pillars: **G, RM**	Bribery and corruption are amongst the highest risks that could lead to financial and reputational loss. Legal non-compliance can lead to the erosion of trust by CDL's stakeholders, causing CDL to lose its social license to operate. Taking a firm stance on its zero-tolerance policy towards fraud, bribery and corruption provides strong assurance to its stakeholders, including investors and customers.	CDL benchmarks its practices with the voluntary SS ISO 37001 Anti-bribery Management Systems to minimise gaps. The company operates according to industry standards. Anti-money laundering workshops are conducted annually for its employees. In 2022, CDL started to provide mandatory training for all new joiners on key risk management-related topics (namely AML/CFT, Data Privacy, and Incident Escalation). CDL implements clear and transparent policies, risk management systems, and ESG disclosures to continuously monitor and validate business processes. Within CDL's robust EHS Management System, applicable legal requirements are regularly monitored and evaluated for compliance. Incentives and penalties are also implemented to strengthen contractors' site management. For transparency, its corporate and sustainability policies and guidelines are published on its corporate website, sustainability microsite and staff intranet, CDL360.
5. Water and Waste Management Supporting SDGs: TCFD Pillars: **G, S, RM, M&T**	Water remains a crucial natural resource, with the total value of ocean assets estimated at US$24 trillion. Waste management is a growing concern in Singapore as the country is projected to run out of landfill space by 2035. With increased regulation, changing consumer behaviour and shifting corporate practices, accelerated momentum into greener water and waste practices are expected over the short to medium term.	CDL is proud to maintain its inclusion in the 2022 CDP A List for water security. This marks its fourth consecutive year of receiving an 'A' score. CDL's developments are designed with a lifecycle approach to water sustainability and sound waste management. The Company adopts technologies to raise water efficiency and manage waste, such as rainwater harvesting and twin-chute pneumatic waste disposal system, which are implemented at many of its commercial and residential developments. The Singapore government has implemented a Zero Waste Masterplan since 2019 with specific targets to improve national recycling, reuse, and reduction rates as it transits towards a circular economy. At CDL's commercial and retail properties, recycling bins and facilities are provided to encourage the recycling of paper, plastic and metal by shoppers and tenants.

SUSTAINABILITY BOARD STATEMENT

CDL's Top Material ESG Issues	Risks and Opportunities	CDL's Responses and Achievements
6. Occupational Health, Safety and Well-being Supporting SDGs: 3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS TCFD Pillars: **S, RM, M&T**	The safety, health and wellness of CDL's employees and contractors' workers have always been amongst its top priorities. Aligned with Singapore's Workplace Safety and Health (WSH) 2028 Roadmap, CDL works closely with the appointed contractors, where possible, to ensure workers on-site and in CDL's offices observe good WSH practices and contribute to a strong EHS-minded culture across the Company.	CDL complies with ISO 45001 Occupational Health and Safety for its key operations in Singapore to effectively manage the safety, health and well-being of its employees and workers. Established since the early 2000s, CDL's EHS Policy and CDL 5-Star EHS Assessment have been continually enhanced in standard and scope. Additionally, the CDL 5-Star EHS Assessment also recognises and awards contractor companies that are exemplary in EHS excellence and workers' welfare. Exemplary workers who exhibit good safety behaviour are also recognised. All six projects contribute to the yearly mean score of above 90% under the EHS 5-Star Assessment audit conducted by an independent third-party consultant. CDL continues to be recognised as a long-serving bizSAFE Mentor. In 2022, the Company completed its surveillance audit and continued to be certified under the ISO 45001 occupational health and safety management system standard. CDL will continue to leverage industry best practices to ensure that occupational health and safety is maintained at their highest levels.
7. Product/ Service Quality and Responsibility Supporting SDGs: 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 15 LIFE ON LAND TCFD Pillars: **S, RM**	As an asset owner and manager, CDL takes pride in ensuring a safe and healthy environment for its building users. CDL also remains committed to delivering safe and high-quality products and services for its homebuyers and tenants with smart building and energy-efficient features.	To ensure compliance and prevent latent defects, CDL has a robust process guided by the Design for Safety Regulations to identify design risks and assess the severity of EHS impacts throughout the construction stages of its developments. CDL unveiled its new in-house proprietary electronic system in 2021 for expressions of interest, balloting and satellite sales bookings for the sales launch of Irwell Hill Residences and CanningHill Piers. In 2022, the enhanced electronic system was used for the sales launch of Piccadilly Grand and Copen Grand Executive Condominium. Potential homebuyers can access 3D virtual tours of CDL's new launches and online sales presentations from the comfort of their homes. The Virtual Unit Handover initiative, piloted in 2020, has continued to serve CDL well for future projects that obtain TOP. In 2021 and 2022, homebuyers of respective projects - The Tapestry and Whistler Grand - can opt for a virtual walkthrough, led by CDL's Customer Service Officer.
8. Cyber-readiness, Security and Data Privacy Supporting SDGs: 16 PEACE, JUSTICE AND STRONG INSTITUTIONS TCFD Pillars: **G, RM**	With rising data privacy concerns, CDL remains mindful of compliance requirements for international and local data privacy protection laws. Strengthening CDL's capabilities to protect itself and respond to cyber-attacks is vital in preventing data theft, financial loss, and disruption of operations. The shift to virtual working environments may increase vulnerability in business systems due to user behaviour or external factors such as malware and phishing attacks.	CDL has established holistic IT governance structures and developed robust detection and mitigation measures to protect its critical business systems and data. CDL's response plans are tested by internal auditors and an external professional firm and aligned with industry best practices. CDL established a Cybersecurity Framework in 2020 to detect, protect against and respond to cyber-attacks and crimes, and the CDL Computer Security Policies and Standards were updated in 2022 on cybersecurity compliance. In 2021 and 2022, CDL engaged a professional cyber security facilitator to run through various tabletop exercises with the Cyber Incident Response Team, to ensure preparedness in handling cyber security incidents. CDL also conducts online cybersecurity training and periodic phishing attack simulations to increase employees' IT security awareness and vigilance.
9. Responsible Supply Chain Supporting SDGs: 8 DECENT WORK AND ECONOMIC GROWTH; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 14 LIFE BELOW WATER; 15 LIFE ON LAND; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS; 17 PARTNERSHIPS FOR THE GOALS TCFD Pillars: **G, S, RM, M&T**	CDL upholds its ESG performance and reputation with consistent engagement with its suppliers to procure sustainably sourced and safe building materials, ensure fair labour human rights practices for workers and healthy buildings for building occupiers.	All suppliers must sign a Supplier Code of Conduct, which provides comprehensive guiding principles for compliance. CDL regularly engages its top-tier suppliers to stay updated on the latest regulatory updates and widen their exposure to industry best practices. In 2022, 60 management and operation staff of CDL Group attended a virtual Corporate Sustainability Workshop on "Climate Change and Carbon Management" by external consultants. CDL has long-established responsible sourcing guidelines for its supply chain. This includes the implementation of the Responsible Procurement Guidelines since 2008 and the Green Procurement Guidelines for property developments since 2009. In line with its corporate EHS Policy established in 2003, which is updated regularly, these guidelines encourage the use of eco-friendly and recycled materials that have been certified by approved local certification bodies, such as the Singapore Green Building Council (SGBC) and Singapore Environment Council (SEC).
10. Stakeholder Impact and Partnerships Supporting SDGs: 4 QUALITY EDUCATION; 5 GENDER EQUALITY; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 14 LIFE BELOW WATER; 15 LIFE ON LAND; 17 PARTNERSHIPS FOR THE GOALS TCFD Pillars: **G, S**	Building goodwill in the community provides CDL with a strong social license to operate. Through collaborations with like-minded partners, CDL has pioneered and developed partnerships that multiply its outreach and impact on climate action and the UN SDGs.	In April 2022, in partnership with National Parks Board (NParks) and Ocean Geographic, CDL launched an exhibition themed "Change the Present, Save the Ocean." The exhibition amplifies the call for action to support global and national climate efforts. The two-day launch event kick-started on 10 April 2022 with a "Keep Calm and Love our Planet: Save our Ocean" edition, along with the launch of CDL's E-Generation Challenge 2022. In 2022, CDL held more physical events to continue its engagement efforts. Key events included the launch of Sustainability Connect, World Cities Summit, Youth4Climate Festival, My Tree House "We Love Our Planet" Storytelling Contest, CDL-GCNS Young SDG Leaders Award, and more. Read more about CDL's stakeholder engagement initiatives in Chapter 5 of CDL's ISR 2023.

Note:
[6] Renamed from Green Procurement Guidelines in 2020.

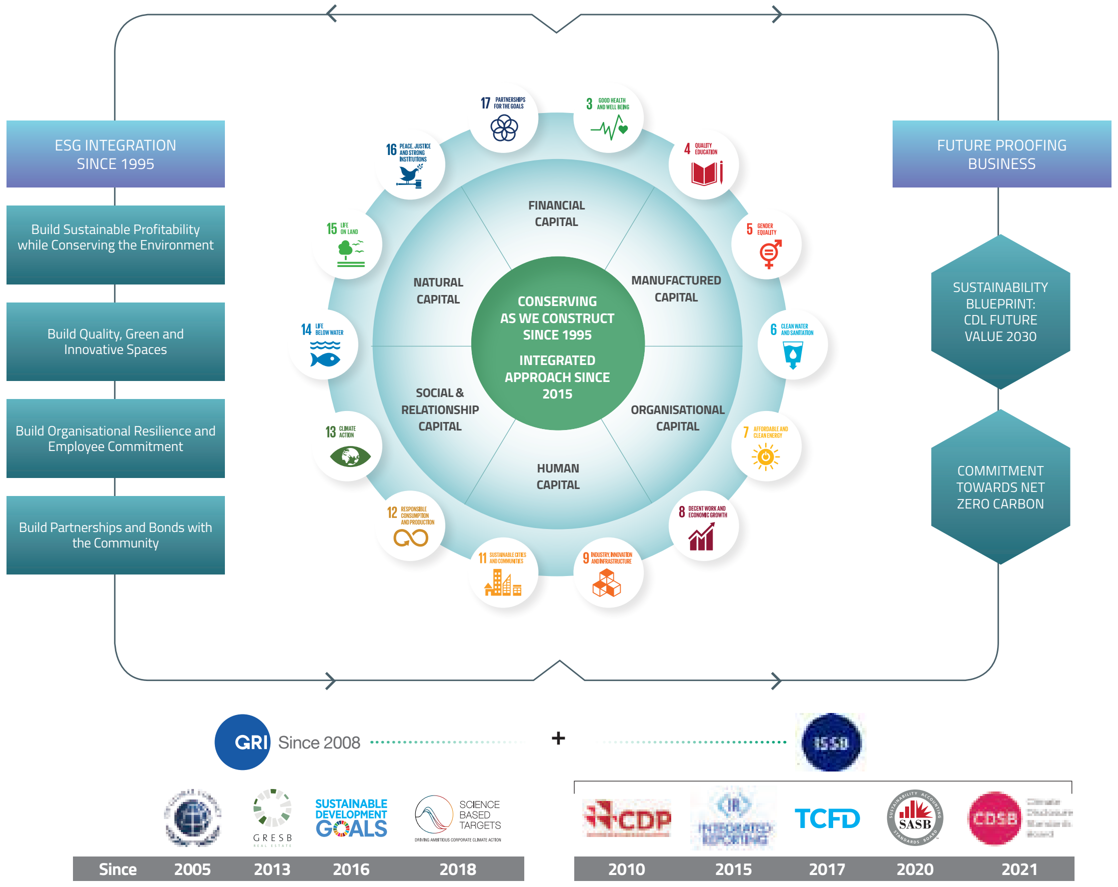
CDL's Top Material ESG Issues	Risks and Opportunities	CDL's Responses and Achievements
11. Diversity, Equity and and Inclusion (DEI) Supporting SDGs: 4 QUALITY EDUCATION; 5 GENDER EQUALITY; 10 REDUCED INEQUALITIES TCFD Pillars: **G, S**	Post-COVID-19, Diversity, Equity and Inclusion (DEI) has risen in importance. Employees are increasingly demanding a workplace culture that embraces diversity, inclusion and a sense of social justice. Workplace diversity encompasses a wide spectrum, such as gender, race, age, and employees with accessibility needs. Socially responsible businesses should embed diversity and inclusion principles into recruitment practices, opportunities for advancement and remuneration policies.	CDL's recruitment process adheres to strict guidelines on non-discrimination and fairness, regardless of gender, ethnicity, religion, or age. As a Company committed to meritocracy, CDL's compensation and rewards policies are performance-based. Women represent close to 70% of CDL's workforce and half of the Heads of Departments at its Singapore headquarters. CDL is committed to providing equal remuneration and actively monitors gender pay gaps across various staff levels. CDL embraces an inclusive workplace. Its multiracial workforce hails from diverse backgrounds. Due to Singapore's predominantly Chinese population, its workforce comprises a larger percentage of Chinese employees. In 2022, CDL's CSO became an advocate for the G20 Alliance for Empowerment and Progression of Women's Economic Representation. The G20 Empower aims to accelerate women's leadership and empowerment in the private sector.
12. Human Rights and Labour Conditions Supporting SDGs: 5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS TCFD Pillars: **G, S, RM**	Respecting and promoting the rights and dignity of employees, workers and communities help to build a more resilient supply chain. Creating a workplace that provides a decent work environment, fair remuneration, security in the workplace, freedom of expression, work-life balance and career growth, is critical to building a sustainable workforce.	CDL engages its contractors and suppliers to abide by its fundamental principles and policies such as the Supplier Code of Conduct, Human Rights Policy, and Universal Design Policy. Since 2001, the CDL 5-Star EHS Assessment – an independent audit tool to assess, measure, and improve the main contractors' EHS management and performance – has been in place to ensure a comprehensive, audited, and appraised approach. CDL conducts a biennial employee engagement survey to understand its employees' concerns and engagement levels, enabling CDL to be an employer of choice.
13. Healthy Buildings Supporting SDGs: 3 GOOD HEALTH AND WELL-BEING; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES TCFD Pillars: **G, S, RM, M&T**	Through conscious design and construction practices, buildings can be the first line of defence and mitigation factor against climate change and its related health impacts. Climate change can affect the air we breathe indoors. Extreme weather patterns can also contribute to higher levels of indoor particulate matter, dampness and humidity leading to other issues like mould.	CDL recognises that people are its greatest asset, and their health, safety and well-being are of utmost importance. Therefore, the Company is responsible for providing a safe and healthy environment for its employees, customers, and workers. To this effect, CDL has a dedicated Green Building Policy since 2020 that supplements the Company's EHS policy established since 2003. In 2021, CDL updated its 3S Green Building Framework to align with the latest BCA Green Mark 2021. This is an internationally recognised green building certification scheme consisting of six sections including "Health and Wellbeing".
14. Future-ready Workforce Supporting SDGs: 4 QUALITY EDUCATION; 8 DECENT WORK AND ECONOMIC GROWTH TCFD Pillars: **S, RM**	Companies need to remain nimble to adapt to changing work conditions and arrangements (e.g. flexi-work and hybrid work models). A workforce that fails to keep up with industry developments, knowledge and technological trends will have a negative impact on human capital, operational efficiency, and business continuity.	Building a workforce with skill sets that future-proof CDL's business in a fast-evolving global economy is a priority. CDL actively fosters a culture of continuous learning, enabling employees to acquire holistic skills and competencies to stay relevant and adapt to changing job demands. With the shift back to working from the office in 2022, CDL stepped up in-person learning and development opportunities. Topics covered included project management, mindfulness, big data and data analytics, sustainability, occupational health and safety, and the cultivation of healthy lifestyles.
15. Economic Contribution to Society Supporting SDGs: 11 SUSTAINABLE CITIES AND COMMUNITIES; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS TCFD Pillars: **G, S**	CDL's financial performance impacts the vested interests of its employees, shareholders, investors and supply chain. The generation of employment contributes to the economic growth of the markets that CDL operates in and the livelihoods in its supply chain. Direct donations to the community are part of CDL's community investments strategy to give back to the community.	As CDL remains resilient against the prolonged impacts of the pandemic, it continues to uphold high standards of ethical business practices. It maintains strong branding and delivers quality products to return profits and provide optimum returns for investors in its fiduciary duty as stewards of capital. From 2020 to 2021, CDL has committed more than $40 million in property tax rebates and rental relief to its Singapore and global retail and commercial tenants. This includes passing on the full quantum of property tax rebates from the Singapore government to local tenants. Rent restructuring was extended to selected tenants whose businesses were badly affected, as well as rental payment flexibility for those facing severe cash flow issues. Rental, operational and marketing support was provided to tenants adversely impacted by the stricter measures. Close to 90% of CDL's retail tenants have received rental assistance. A long-standing partner of Assisi Hospice since 1999, CDL continued to support the hospice's fundraising efforts using virtual platforms in 2022, together with M&C, providing donations-in-kind, including shopping, F&B and hotel vouchers towards the event's lucky draw and game prizes. Through The CDL Challenge, an in-house fundraising campaign that rallied donations from stakeholders (namely staff and business partners), and our support of Assisi e-Fun Day activities and its Gala Dinner, close to $28,000 was raised.

SUSTAINABILITY BOARD STATEMENT

CDL's Top Material ESG Issues	Risks and Opportunities	CDL's Responses and Achievements
16. Biodiversity Conservation Supporting SDGs: TCFD Pillars: **G, S, RM**	The real estate sector plays a key role in the ongoing green transition. Heightened awareness of biodiversity loss and changing lifestyle habits during the pandemic have created more opportunities for the built environment to realise positive asset value from biodiversity conservation practices.	Since 2008, Singapore has adopted a systematic Environmental Impact Assessment (EIA) Framework to determine and mitigate the impact of any new developments, especially those located close to an area of ecological significance, such as nature reserves. CDL's development projects are within the land allocated by the Urban Redevelopment Authority (URA) for home and commercial use, and hence, none are located within protected areas. Since 2010, CDL has made it a standard practice to conduct a Biodiversity Impact Assessment (BIA) at new development sites, where applicable. In 2016, CDL piloted an EIA study for its Forest Woods residential development project, expanding the usual scope on biodiversity impact to cover the development's potential impact on traffic, public health, heritage, and the environment. Based on this learning experience, CDL is exploring possibilities of applying it for future developments. In 2020, a Biodiversity Policy, expanding on its BIA practices, was established. In 2021, it was further strengthened by aligning with Singapore's "City in Nature" vision encapsulated in the Singapore Green Plan 2030.
17. Sustainable Finance Supporting SDGs: TCFD Pillars: **G, S**	The rise of ESG investing and responsible banking has unlocked alternative financing streams and granted CDL access to a wider pool of ESG-centric investors and lenders. Companies which lag in their ESG performance could be penalised through higher cost of debt financing and face divestment from shareholders.	As of 31 December 2021, CDL has secured more than $3 billion of sustainable financing, including a green bond, several green loans and a sustainability-linked loan. In October 2022, CDL renewed its $250 million SDG Innovation Loan, which was secured in 2019. In 2021, CDL and its joint venture partner jointly secured green loans of $847 million to finance the development of two Government Land Sales (GLS) sites at Piccadilly Grand & Galleria and Copen Grand. South Beach Consortium, a CDL joint venture, obtained a $1.22 billion green loan for the refinancing of South Beach—a double BCA Green Mark Platinum mixed-use development. As an investor, CDL is a signatory to the UN PRI. The Company has developed the CDL Sustainable Investment Principles to steward responsible capital allocation and decision-making for investments.

A Two-Pillar ESG Disclosure & Reporting Framework, Capturing Value and Impact

Embracing Major ESG Standards & Frameworks and 14 UN SDGs



CDL FUTURE VALUE 2030 GOALS, TARGETS AND PROGRESS

>> Legend: **Progress Tracking**

○○● Meeting interim targets, maintain performance towards meeting 2030 targets.

○●○ Falling short of interim target for one year, review current practices.

●○○ Falling short of interim target for more than two years, review and revise targets (if necessary).

Future Value 2030 Goals	2030 Targets[7]	Interim 2022 Annual Targets[7]	FY2022 Performance
Goal 1: Building Sustainable Cities and Communities	Achieve Green Mark certification for **100%** of CDL owned and/or managed buildings[8]	**≥85%**	○○● **98%** achieved
	Maintain **100%** retail and office tenant participation in CDL Green Lease Partnership Programme	Achieve **100%**	○○● **100%** maintained
	Maintain high level of commitment to adopt innovations and technology of green buildings	Average of **two** innovation and technology applications per year	○○● 1. Smart Energy Storage System to replace diesel-powered generators 2. Cool paint solution
	Maintain high level of sustainability engagements and advocacy activities	Average of **≥36** engagement and advocacy initiatives and activities per quarter	○○● Average of **75** engagement and advocacy initiatives and activities per quarter
	NEW: Obtain GSTC Certification for all M&C Hotels based in Singapore by 2025	Not applicable	Not applicable
Goal 2: Reducing Environmental Impact	Achieve science-based target of reducing carbon emissions intensity by **63%** from 2016 levels[9]	**19%** reduction	○○● **24%** reduction
	Asset Management (AM) - Office & Industrial[9]:		
	Reduce energy use intensity by **55.7%** from 2016 levels	Energy use intensity: **9%** reduction	○○● Energy use intensity: **18.1%** reduction
	Reduce water use intensity by **9.5%** from 2016 levels[10]	Water use intensity: **1%** reduction	○○● Water use intensity: **28.7%** reduction
	Reduce waste intensity by **8%** from 2016 levels[10,11]	Waste intensity: Limit increase to less than **20%**	○○● Waste intensity: **9.4%** increase
	Asset Management (AM)- Retail[9]:		
	Reduce energy use intensity by **55.7%** from 2016 levels	Energy use intensity: **10%** reduction	○○● Energy use intensity: **23.5%** reduction
	Reduce water use intensity by **10.8%** from 2016 levels	Water use intensity: **9%** reduction	○○● Water use intensity: **48.3%** reduction
	Reduce waste intensity by **5%** from 2016 levels[11]	Waste intensity: Limit increase to less than **10%**	○○● Waste intensity: **0.2%** reduction[12]
	Corporate Office:		
	Reduce energy use intensity by **63%** from 2016 levels	Energy use intensity: **9%** reduction	○○● Energy use intensity: **13%** reduction

Notes:

7 The 2030 targets and interim 2022 annual targets were reviewed in Q2 2022 and reflected in the table above.
8 Calculated based on % of total gross floor area (aligned with BCA's calculation of green buildings).
9 Intensity figures were calculated based on per unit net lettable floor area.
10 Water use and waste intensities include water use and waste disposed of by CDL Corporate Office.
11 Waste intensity figures are for non-recyclable waste.
12 Waste intensity performance for retail assets does not factor in footfall during the COVID-19 pandemic due to exceptional fluctuations in footfall in the retail sector. There was increased waste as the result of full tenancy rate in Quayside Isle and influx of larger food retailers in City Square Mall alongside start of endemic phase of COVID-19.

SUSTAINABILITY BOARD STATEMENT

Future Value 2030 Goals	2030 Targets[7]	Interim 2022 Annual Targets[7]	FY2022 Performance
	Property Development (PD)[13]:		
	Achieve an energy use intensity of **95 kWh/m²**	Energy use intensity: **≤105 kWh/m²**	○○● Energy use intensity: **63 kWh/m²**
	Achieve a water use intensity of **1.54 m³/m²**	Water use intensity: **≤1.72 m³/m²**	○○● Water use intensity: **0.98 m³/m²**
	Achieve a waste intensity of **40 kg/m²**[11]	Waste intensity: **≤50 kg/m²**	○○● Waste intensity: **28 kg/m²**
	Ensure **100%** of appointed suppliers[14] are certified by recognised EHS standards	**100%** of vendors appointed by AM; **100%** of main contractors and **≥90%** of key consultants appointed by PD	○○● **100%** of AM appointed vendors; **100%** of main contractors and key consultants appointed by PD
	Reduce embodied carbon of building materials by **41%** compared to 2016 baseline	**7%** reduction for new projects awarded from 2018 onwards	○○● **22%** reduction compared to conventional equivalents
Goal 3: Ensuring Fair, Safe and Inclusive Workplace	Maintain **zero** corruption and fraud incidents across CDL's core operations	**Zero**	○○● **Zero** corruption and fraud incidents
	Maintain **zero** fatality across CDL's operations and direct suppliers in Singapore	**Zero**	○●○ **1** fatality[15]
	Maintain **zero** occupational disease across CDL's operations and direct suppliers in Singapore	**Zero**	○○● **Zero** occupational disease
	Maintain a **Major Injury Rate (Major IR)**[16] **of 10.0** across CDL's operations and direct suppliers in Singapore	**≤16**	○●○ **28.9 Major IR**[17]
	Maintain a **Minor Injury Rate (Minor IR)**[16] **of 460.0** across CDL's operations and direct suppliers in Singapore	**≤633.7**	○○● **260.1 Minor IR**

Notes:

13 For projects that obtained TOP status for the reporting year.

14 These refer to vendors engaged for proprietary equipment service and maintenance, facility management, security and cleaning service appointed by AM, and main contractors and key consultants (architects, civil and structural engineers, mechanical and electrical engineers) appointed by PD.

15 There was one reported fatality case that occurred at Copen Grand site in Q4 2022. Investigation is still on going by Main Contractor and MOM. Site specific corrective action had been implemented on site and reviewed based on preliminary investigation reports.

16 Major and Minor IR refer to the number of major and minor workplace injuries per 100,000 persons employed, respectively. For the definition of Major and Minor IR, please refer to the Ministry of Manpower's (MOM) website.

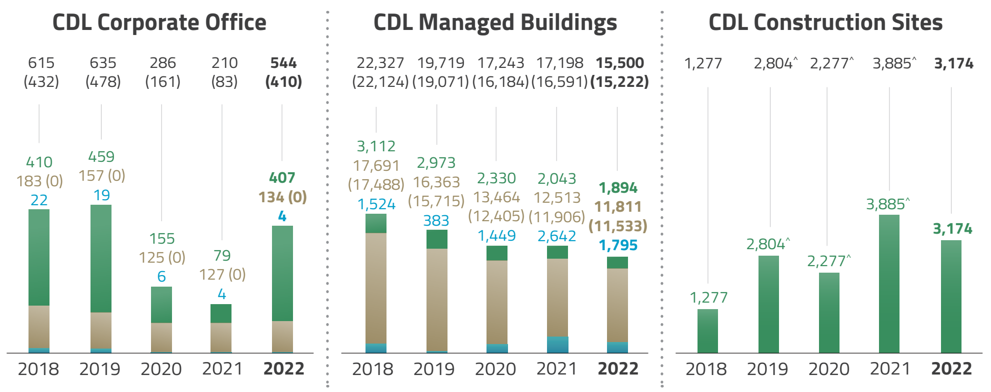
17 There was one reported Major injury (as per MOM's definition) that occurred at Orchard Boulevard Mixed Development in Q2 2022. Corrective action had been implemented on site and reviewed.

ENVIRONMENTAL IMPACT AND PERFORMANCE

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

For any clarifications required for performance data, please refer to CDL's ISR 2023.

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



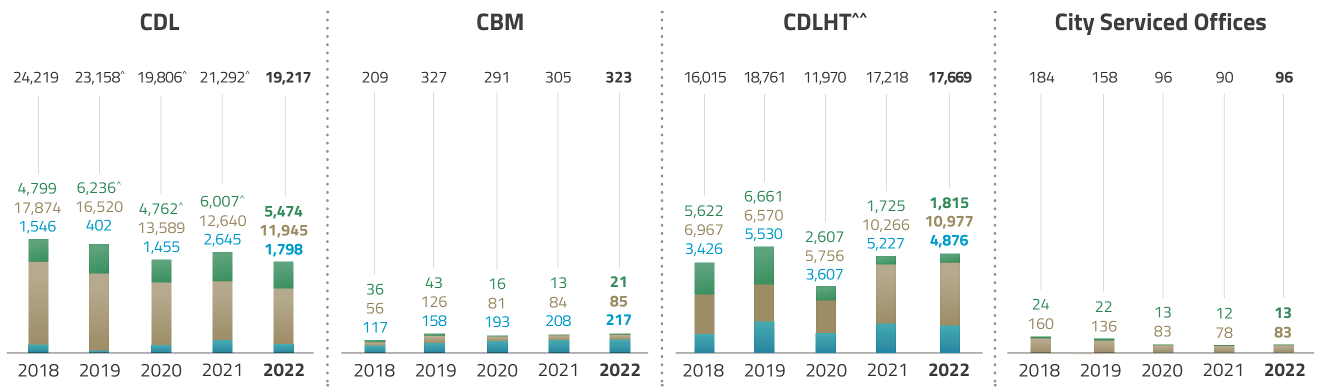
Notes:

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

^ Scope 3 emissions for CDL construction sites were restated from 2019 to 2021 to account for a negative 576 MWh electricity adjustment by the electricity vendor for Whistler Grand site in February 2022 that is distributed equally throughout the project's construction period.

■ Scope 1 ■ Scope 2 ■ Scope 3

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



Notes:

Data for M&C excludes carbon emissions from franchised hotels as they are managed by third party operators and CDL does not have direct operational control over them.

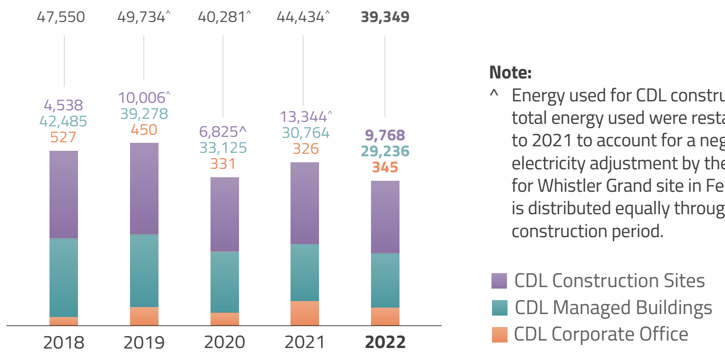
^ Scope 3 emissions for CDL construction sites and total carbon emissions for CDL were restated from 2019 to 2021 to account for a negative 576 MWh electricity adjustment by the electricity vendor for Whistler Grand site in February 2022 that is distributed equally throughout the project's construction period.

^^ As at 31 December 2022, CDLHT is an associate of the Group (instead of a subsidiary), following an accounting deconsolidation in May 2022. However, CDLHT remains a key associate of the Group and its environmental performance is accounted for under the Group's current SBTi-validated Scope 3 carbon emissions reduction target for 1.5 degree warmer scenario.

■ Scope 1 ■ Scope 2 ■ Scope 3

SUSTAINABILITY BOARD STATEMENT

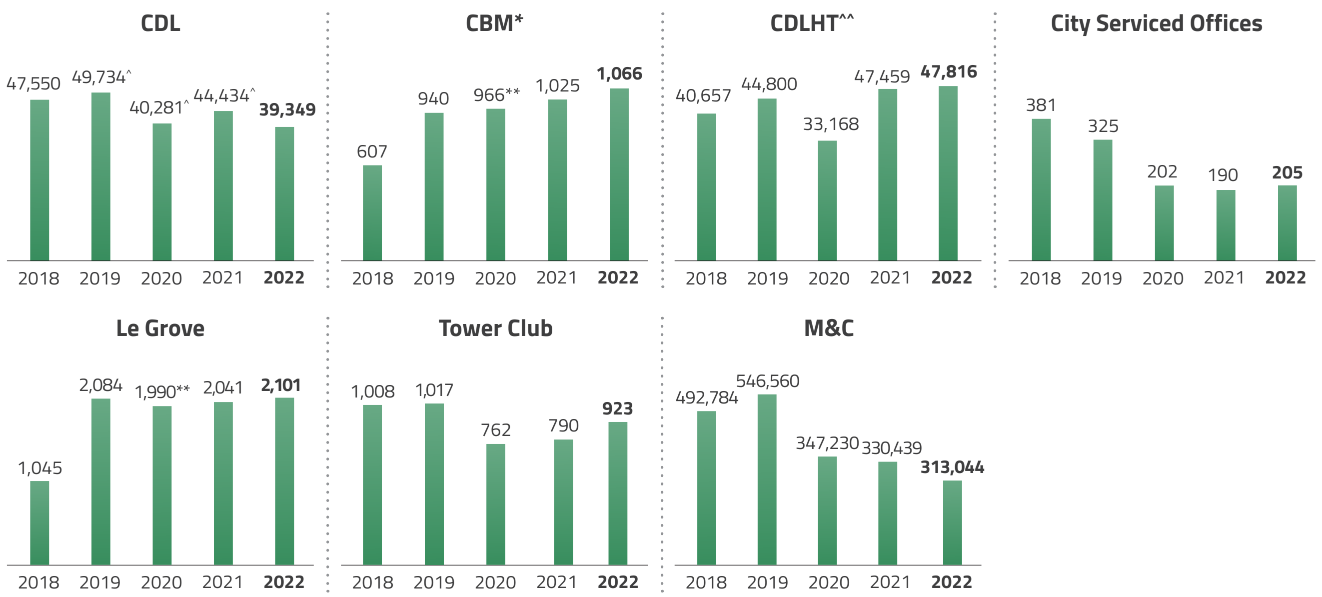
Total Energy used by CDL's Operations in Singapore: Corporate Office, Managed Buildings, and Construction Sites (MWh)



Note:

^ Energy used for CDL construction sites and total energy used were restated from 2019 to 2021 to account for a negative 576 MWh electricity adjustment by the electricity vendor for Whistler Grand site in February 2022 that is distributed equally throughout the project's construction period.

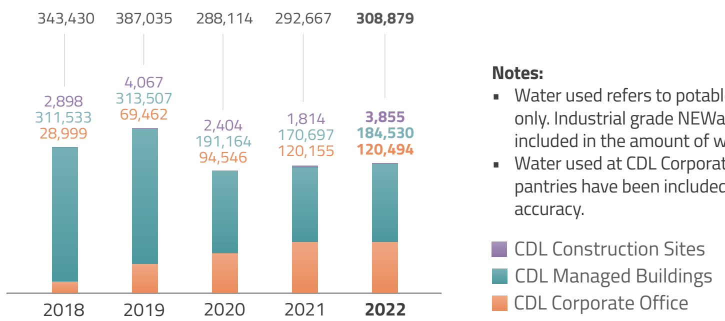
Total Energy used by CDL's Operations in Singapore and Six Key Subsidiaries (MWh)



Notes:

- From 2018, energy from fuel consumption has been included in data reported for CBM, CDLHT and Le Grove
- * Operations of Ingensys was added upon acquisition by CBM in 2019.
- ** CBM and Le Grove's 2020 values were corrected to include fuel consumption for vehicles.
- ^ Total energy used for CDL operations were restated from 2019 to 2021 to account for a negative 576 MWh electricity adjustment by the electricity vendor for Whistler Grand site in February 2022 that is distributed equally throughout the project's construction period.
- ^^ As at 31 December 2022, CDLHT is an associate of the Group (instead of a subsidiary), following an accounting deconsolidation in May 2022. However, CDLHT remains a key associate of the Group and its environmental performance is accounted for under the Group's current SBTi-validated Scope 3 carbon emissions reduction target for 1.5 degree warmer scenario.

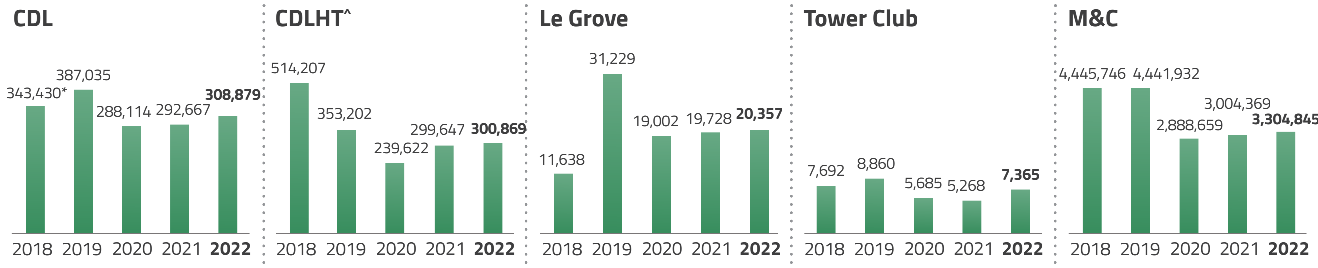
Total Water used by CDL's Operations in Singapore: Corporate Office, Managed Buildings, and Construction Sites (m³)



Notes:

- Water used refers to potable water only. Industrial grade NEWater is not included in the amount of water used.
- Water used at CDL Corporate Office pantries have been included for accuracy.

Total Water used by CDL's Operations in Singapore and Six Key Subsidiaries (m³)



Notes:

- CBM and CSO are not represented here as they are tenants within a building and do not have separate meters to track respective water usage within their facilities.
- * Figures for CDL have been restated to include water consumption from Corporate Office pantries.
- ^ As at 31 December 2022, CDLHT is an associate of the Group (instead of a subsidiary), following an accounting deconsolidation in May 2022. However, CDLHT remains a key associate of the Group and its environmental performance is accounted for under the Group's current SBTi-validated Scope 3 carbon emissions reduction target for 1.5 degree warmer scenario.

SUSTAINABLE COMMUNITIES AND SOCIAL IMPACT

Human Capital

CDL is strongly committed to be an employer of choice where its people can build fulfilling careers and develop professionally in a conducive and inclusive working environment. As an affirmation of CDL's proactive human resource policies and practices, CDL was named "Employer of Choice 2022" by HRM Asia, and also one of the "Best Companies to Work for in Asia" by HR Asia Awards Singapore 2022.

As one of Singapore's earliest corporate signatories to pledge support to the UN Global Compact, CDL has been upholding the principles of human rights and labour in its human resource practices. In addition, CDL has been a signatory of the Employers' Pledge of Fair Employment Practices with the Tripartite Alliance for Fair and Progressive Employment Practices since 2008. With a workforce that is majority female, CDL is committed to empower women in its workplace and supporting their pursuit of careers and personal development. In 2017, CDL's Group CEO joined over 1,600 leaders globally in pledging CDL's support for the Women's Empowerment Principles, established by UNGC and UN Women.

Occupational Health and Safety

As a responsible developer, CDL has continued to proactively engage and empower its key stakeholders, including builders, architects, engineers, and workers in adopting EHS best practices. For more than two decades, CDL has driven EHS excellence at its worksites and across its supply chain. Under CDL's pioneering 5-Star EHS Assessment System established in 2001, all its builders must undergo quarterly EHS inspections and audits by an independent auditor, which grades them on a scale of one to five stars in areas including energy, water, waste, safety, noise and public health management. The CDL 5-Star EHS Awards launched in 2005 remains a core scheme to recognise exemplary builders and workers for their excellence in enhancing workplace safety, health and well-being. CDL has also introduced various innovative technology and construction methods since the early 2000s to enhance safety and productivity. Details can be found in CDL's ISR 2023 pages 84-85.

The occupational health and well-being of CDL employees, as well as workers at construction sites and managed properties, are vital for CDL's long-term business viability. While no occupational diseases were recorded, there was unfortunately one fatality at Copen Grand on 13 December 2022. Immediate action was taken to investigate the cause and ensure further preventive measures were established. This is in addition to regular briefings and action undertaken to remind CDL's contractors and workers of the importance of good health and safety practices on-site.

Its overall minor injury rates are well below the national average for 2022, based on figures provided by the Ministry of Manpower. While the minor injury rates in CDL's Corporate Office and Construction Sites remained below the national average, the minor injury rate in Managed Buildings exceeded the national average. Similarly, CDL's overall major injury rates exceeded the national average mainly due to a single injury that occurred at the Orchard Boulevard construction site.

Corrective actions for both minor and major incidents were immediately implemented, and learnings from all incidents were actively shared with the respective managers, EHS working committees and contractors. CDL takes a serious stance on occupational health and safety and is committed to continual improvement of safety practices.

Standing Together with Stakeholders through COVID-19

Many of CDL's tenants in Singapore and overseas were adversely impacted by COVID-19, particularly during Singapore's Phase 2 (Heightened Alert), which saw a tightening of measures. CDL continued to work directly with them to navigate the operational challenges. This included providing rental, operational and marketing support to tenants adversely impacted by stricter measures. Since the beginning of the pandemic in 2020 and until 2021, CDL has committed more than $40 million in property tax and rental rebates. Close to 90% of CDL's rental tenants have received rental assistance.

Job Creation and Employment

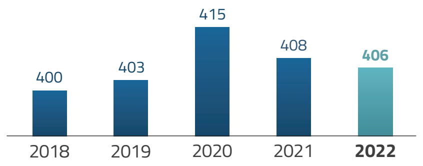
As of 31 December 2022, CDL has a total of 406 employees for its operations headquartered in Singapore, where most of its business in property development and asset management is based, excluding hotel properties.

SUSTAINABILITY BOARD STATEMENT

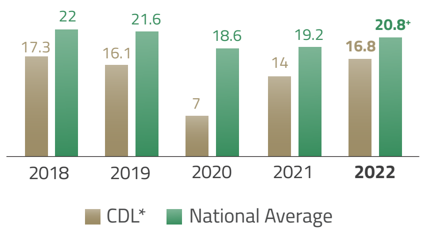
Employee Retention

CDL's successful employee engagement is evident from its employees' length of service. The average tenure of the CDL Corporate Office's employees is about 8.8 years and more than 50% of its employees have been with the Company for over five years. The CDL Corporate Office's employee resignation rate of 16.8% continued to remain significantly lower than the national average of 20.8% in 2022. CDL experienced an involuntary turnover rate of about 1.5%, of which 0.5% is due to retirement.

Total Number of Employees at CDL's Corporate Office



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



* Computation of annual employee turnover is based on cumulative monthly attrition rate derived from the number of resignations for the month divided by the headcount for the month.

\+ Extrapolated from MOM's website as Q4 2022 national resignation rate was not available at the time of publication.

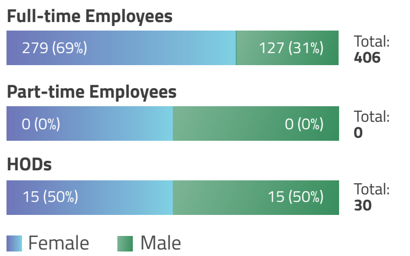
Training and Development

In 2022, CDL invested over $450,000 in training and development for its Corporate Office employees. More than 17,000 training hours or an average of more than five training days per staff were achieved across the workforce. To support work-from-home arrangements, CDL expanded its suite of online learning offerings for its workforce. Throughout the year, CDL conducted 34 online workshops covering project management, big data and data analytics, sustainability, occupational health and safety, mindfulness, and the cultivation of healthy lifestyles.

Diversity and Inclusion

CDL is committed to providing equal opportunities throughout employment. Its recruitment process adheres to strict guidelines on non-discrimination and fair treatment, regardless of gender, ethnicity, religion, or age. Women made up a significant 69% of CDL Corporate Office's workforce and 50% of HODs. The internal Diversity and Inclusion Task Force was formed in 2017 to promote diversity and inclusion within the workplace and the wider community.

Gender Diversity at CDL's Corporate Office



Gender Pay Gap across Employee Categories	Mean Salary of Female Employees to Male Employees (%)[18]
Executive	82%
Non-management	97%
Management	91%

Community Investments and Active Stakeholder Engagement

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

- Thought Leadership on Climate Action and Sustainable Development
- Women Empowerment
- Youth Engagement and Development
- Community Outreach
- Charity Initiatives

Being an early adopter of sustainability integration and reporting, CDL has built up over two decades of know-how and experience to support Singapore and the building industry's transition to sustainability practices. In partnership with Global Green Connect in January 2022, CDL's SSA launched Sustainability Connect (SC), a platform to connect and empower sustainability professionals amidst growing demand for ESG training. In August 2022, SC and Sustainable Finance Research Hub announced the launch of a new partnership to bring the Certified ESG Analyst® (CESGA) exam to Singapore, a pioneering initiative to help analysts acquire and build up essential ESG knowledge.

CDL also held its fifth Youth4Climate Festival, in partnership with the Singapore Botanic Gardens and in support of the President's Challenge and Singapore's Climate Action Week organised by the Ministry of Sustainability and the Environment. The festival comprised a sharing by Robert Swan OBE, renowned explorer and the first person in history to walk to both the North and South poles, a family movie screening and a youth concert. This is one of CDL's flagship programmes in support of youth empowerment, social good and the UN SDGs.

Singapore Sustainability Academy – A Hub for Advocacy on Climate Action, Sustainable Development and Capacity Building

Building a sustainable future requires the collaboration of a larger ecosystem. Engaging, educating and empowering communities are pivotal for a more climate-resilient future. Designed and built by CDL with industry partners, the SSA is the first ground-up initiative and zero-energy facility in Singapore dedicated to capacity building and thought leadership for climate action.

Since its opening in 2017 to the end of 2022, the SSA has reached out to over 100 partners, including government agencies, industries, businesses and NGOs, and hosted more than 780 sustainability-related training programmes and advocacy events involving close to 27,800 attendees. In 2022, with the easing of COVID-19 restrictions in Singapore, both physical and hybrid programmes reached out to thousands of local and international participants.

CDL Green Gallery – A Net Zero Exhibition Space for Climate Action

Launched by CDL and opened alongside the Singapore Botanic Gardens Heritage Museum by Prime Minister Lee Hsien Loong in 2013, the CDL Green Gallery is the first zero-energy gallery in Singapore.

In support of SDG 14 (Life Below Water) and SDG 17 (Partnerships for the Goals) and as part of its long-standing partnership with National Parks Board, CDL launched the second edition of its Climate Action Exhibition series at the CDL Green Gallery in Singapore Botanic Gardens in April 2022. Themed "Change the Present, Save the Ocean.", the exhibit illustrated the interconnectedness of climate change and the health of the oceans, people, and the planet. The exhibition reached and educated 33,318 visitors through in-person visits and its virtual platform in 2022.

More details can be found in CDL's ISR 2023, page 110.

Employee Volunteerism

Since 1999, CDL's dedicated employee-led volunteering body, City Sunshine Club (CSC), has been actively reaching out to the less fortunate and underprivileged, providing an avenue for CDL employees to serve the community. CSC organises monthly food distribution drives where CDL employees distribute household necessities to the low-income elderly living in rental flats. During festive seasons, CSC collaborates with the North-West Community Development Council by distributing festive packs to families staying in one-room rental flats and organises festive celebrations for terminally ill patients and beneficiaries at Assisi Hospice and Arc Children's Centre.

Notwithstanding the restrictions and strict adherence to social distancing and safety measures, CDL's employees managed to achieve a participation rate of 46.6% and clocked 682 volunteer hours in 2022.

LOOKING AHEAD

The world economy could shrink by 18% in the next 30 years if no action is taken to mitigate the impacts of climate change, the Swiss Re Institute warns.[19] This figure can lessen to approximately 11% to 14% and could even be as low as 4% if the 2015 Paris Agreement targets are met. This simply reflects the strong business case of embracing sustainability into businesses.

For the past two decades, sustainability has been integral to CDL's business strategy and has sharpened its competitive advantage. With the support of multiple stakeholders, CDL will continue to step up its climate action and advance the transition to a low-carbon future.

Adding Greater Purpose to CDL's Triple Bottom Line

Humanity has less than three years to halt the rise of planet-warming carbon emissions and less than a decade to slash them almost in half.[20] Global emissions are estimated to go beyond the 1.5°C warming limit envisioned in the 2015 Paris Agreement and reach 3.2°C by the end of the century.

Released at COP27, the 2022 Global Status Report for Buildings and Construction found that the sector accounted for over 34% of energy demand and around 37% of energy and process-related carbon dioxide emissions in 2021.[21] According to the Global Alliance for Buildings and Construction report, the gap between the sector's climate performance and the 2050 decarbonisation pathway is widening.

CDL will remain steadfast in its long-standing commitment to accelerate change along its value chain and create positive impact through its business. With CDL's Future Value 2030 Sustainability Blueprint guiding the Company's ESG goals and strategies, CDL is confident that its robust and multi-pronged sustainability strategy will help to future-proof its business.

As CDL celebrates its 60th anniversary in 2023, sustainability continues to be a priority, enhancing long-term value creation for its business and the environment in the years to come. CDL will remain unwavering in its net zero commitment and strategy, turning risks to opportunities for positive impact and sustained growth.

Integrating UN SDGs has added purpose for a more balanced triple bottom line for CDL

Please refer to CDL Integrated Sustainability Report 2023 and **www.cdlsustainability.com** for the complete set of information.

Note:

18 Calculated as the mean salary of female staff over the mean salary of male staff. Executive: executives to Assistant Vice Presidents, and secretaries; Non-management: officer grades and below; Management: Vice Presidents and above.

Notes:

19 World economy set to lose up to 18% GDP from climate change if no action taken, reveals Swiss Re Institute's stress-test analysis | Swiss Re, 22 April 2021.

20 UN climate report: It's "now or never" to limit global warming to 1.5 degrees, UN News, 4 April 2022.

21 2022 Global Status Report for Buildings and Construction, UNEP, 9 November 2022.

FINANCIAL REVIEW

The Group reported its highest net profit after tax and non-controlling interest (PATMI) of $1.3 billion for FY 2022 since its inception in 1963 (restated FY 2021: $84.7 million[1]). The stellar FY 2022 performance was boosted by a bountiful year of divestment gains, including the record sale of Millennium Hilton Seoul and the gain on deconsolidation of CDLHT from the Group following the distribution *in specie* of CDLHT Units in 1H 2022, as well as the completion of the collective sales of Tanglin Shopping Centre and Golden Mile Complex in 2H 2022.

Revenue for FY 2022 increased by 25.4% to $3.3 billion (FY 2021: $2.6 billion), propelled by a 58.1% increase in revenue from the hotel operations segment. The Group's hotel revenue per available room (RevPAR) grew 91.0% for FY 2022. The RevPAR growth for FY 2022 is attributable to a 48.9% increase in average room rates and a 14.2 percentage points improvement in occupancies across all geographies. Notably, hotels in London, Singapore and New York outperformed in 2022.

The property development segment continued to be the biggest contributor accounting for 42% of FY 2022 revenue, led by three strong-performing Singapore projects – Amber Park, Haus on Handy and Irwell Hill Residences. This does not include revenue from the substantially sold joint venture (JV) projects such as Boulevard 88 and CanningHill Piers, which are equity accounted for.

The Group recorded a pre-tax profit of $1.9 billion for FY 2022 (restated FY 2021: $214.8 million[1]). The extraordinary profits were driven by the distribution *in specie* of 144,191,823 stapled securities in CDLHT, resulting in the accounting deconsolidation of CDLHT from a subsidiary to an associate in May 2022 and the recognition of a total gain (inclusive of negative goodwill) of $492.4 million, as well as pre-tax divestment gains on the sale of properties amounting to $1.26 billion.

PROPERTY DEVELOPMENT

Revenue increased by $127.8 million to $1,382.3 million (FY 2021: $1,254.5 million) for FY 2022, while the pre-tax profit decreased by $83.5 million to $161.3 million (FY 2021: $244.8 million) for FY 2022.

Projects that contributed to both revenue and profit in FY 2022 include Amber Park, Irwell Hill Residences and Haus on Handy in Singapore, Hong Leong Tech Park Shenzhen and Hongqiao Royal Lake Shanghai in China, Sydney Street and Teddington Riverside in the UK as well as New Zealand land sales. In accordance with the Group's policy of equity accounting for the results of its joint ventures, whilst revenue from joint venture developments such as Boulevard 88, The Jovell and Sengkang Grand Residences had not been consolidated into the Group's total revenue, the Group's share of profit arising from these joint venture developments had been included in pre-tax profit.

The increase in revenue for FY 2022 was attributable to higher progressive revenue contribution from Amber Park, Irwell Hill Residences and Haus on Handy, due to a higher percentage of completion achieved and units sold.

Pre-tax profit decreased for FY 2022 mainly due to allowance for foreseeable losses made on four development properties in the UK and one development property in China. Included in the pre-tax profit for this segment for FY 2021 was the negative goodwill recognised by the Group for the acquisition of Hong Leong Tech Park Shenzhen. Excluding the allowance for foreseeable losses and the aforesaid negative goodwill, pre-tax profits for this segment would have remained relatively constant at $223.1 million (FY 2021: $219.0 million) for FY 2022.

HOTEL OPERATIONS

Revenue for this segment increased $507.6 million to $1,380.7 million (FY 2021: $873.1 million) for FY 2022. This segment reported a pre-tax gain of $1,383.2 million (FY 2021: pre-tax loss of $71.0 million) for FY 2022.

The increase in revenue is attributable to the recovery of the hospitality sector, backed by improved occupancy and room rates achieved by the Group's hotel portfolio. The Group's hotel RevPAR grew 91.0% for FY 2022.

The substantial pre-tax profits recognised for FY 2022 was mainly due to the divestment gains recognised from the disposal of Millennium Hilton Seoul and the deconsolidation of CDLHT in FY 2022. This was partially offset by lower reversal of impairment losses made by the Group of $31.8 million (FY 2021: $96.4 million) on its hotel properties during the year.

INVESTMENT PROPERTIES

Revenue for this segment remained relatively constant at $341.2 million (FY 2021: $341.1 million) for FY 2022. This segment reported a pre-tax gain of $383.6 million (restated FY 2021: $11.4 million[1]) for FY 2022.

The substantial pre-tax profit recognised for FY 2022 was due to profit from the collective sale of Tanglin Shopping Centre and Golden Mile Complex in 2H 2022, partially offset by higher impairment losses made on investment properties of $35.7 million (restated FY 2021: $2.1 million[1]).

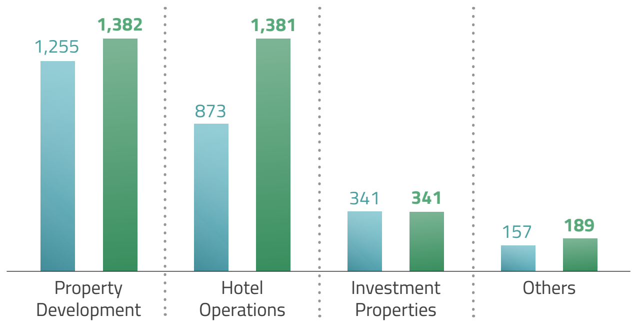
[1] As the proposed REIT listing of the two UK commercial properties did not materialise, in accordance with SFRS(I) 5, the Group has reclassified the assets held for sale and the liabilities directly associated with the assets, back to the Group's respective assets and liabilities. Restated PBT and PATMI are lower by $12.9 million for FY 2021 vis-à-vis previously reported.

OTHERS

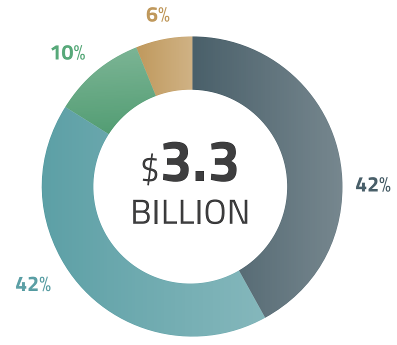
Revenue, comprising mainly income from building maintenance contracts, project management, club operations, laundry services and dividend income, increased by $32.2 million to $189.3 million (FY 2021: $157.1 million) for FY 2022. The increase for FY 2022 was due to higher project management fees earned. This segment reported a pre-tax loss of $71.3 million (FY 2021: pre-tax gain of $29.7 million) for FY 2022.

Despite the increase in revenue, the Group recognised pre-tax loss for FY 2022, mainly due to the impairment loss made on the loans granted to Sincere Property Group of $62.7 million and the USD denominated bonds issued by Sincere Property Group which the Group had subscribed to of $18.0 million, totalling $80.7 million. With this final impairment, the Group has no further exposure to Sincere Property Group.

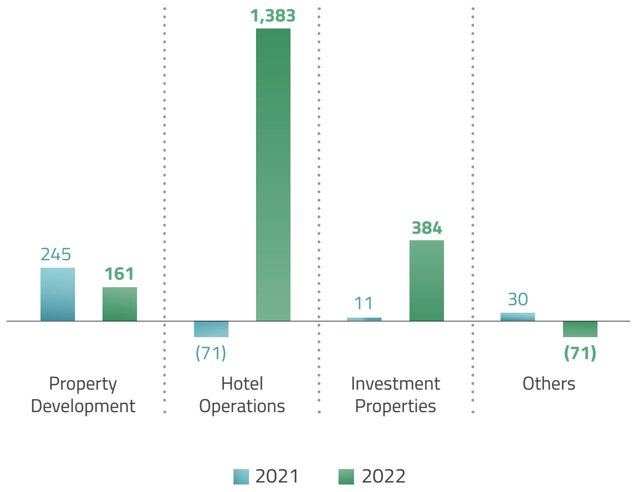
Revenue by Business Segment
($ million)



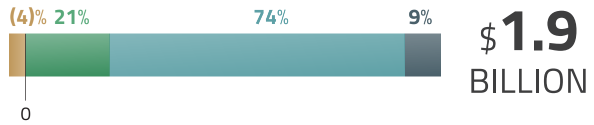
Revenue by Business Segment



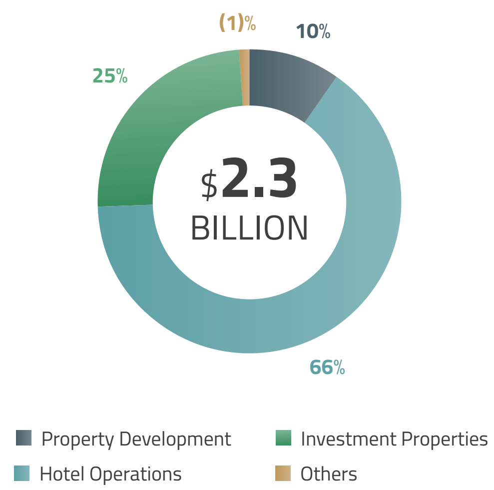
Profit Before Tax by Business Segment*[1]
($ million)



Profit Before Tax by Business Segment*



EBITDA by Business Segment



* Includes share of after-tax profit/(loss) of associates and joint ventures.

OPERATIONS AND MARKET REVIEW

The Group's sterling financial performance in 2022 demonstrated its execution ability to deliver on its Growth, Enhancement and Transformation (GET) strategy.

In Singapore, the Group continued to be a market leader for private home sales with a strong development pipeline. Its asset rejuvenation and portfolio enhancement initiatives achieved improved occupancies and positive rental reversions. Fund management aspirations and capital recycling initiatives remain integral to the Group's transformation strategy. In addition to growing its Assets Under Management (AUM), the Group continued to streamline its portfolio through several opportunistic asset divestments to unlock latent value while also building scale in new growth areas, like its Living Sector portfolio.

PROPERTY DEVELOPMENT

Singapore

The property market remained resilient, with private home prices increasing by 8.6% in 2022 compared to the 10.6% increase in 2021. Developers sold 7,099 units excluding Executive Condominiums (ECs) in 2022, reflecting a 46% dip in transaction volume due to fewer new launches, low inventory and buyers' concerns over rising interest rates.

For FY 2022, the Group and its joint venture (JV) associates sold 1,487 units including ECs, with a total sales value of $2.9 billion (FY 2021: 2,185 units with a total sales value of $4.3 billion). The sales were largely attributed to the successful launch of two projects during the year.

Piccadilly Grand | Singapore
Artist's Impression

Copen Grand | Singapore
Artist's Impression

In May, the Group launched the 407-unit Piccadilly Grand, a JV integrated project on Northumberland Road, linked to Farrer Park MRT station. To date, 350 units (86%) have been sold[2]. In October, the Group launched Copen Grand EC at Tengah New Town. The 639-unit JV project sold 73% of its units on launch day and was fully sold out a month after its launch. Sales of the Group's earlier launched projects also progressed well and are substantially sold.

With strong sales achieved and low inventory, the Group acquired four sites in 2022 as part of its landbank replenishment strategy. Three sites were secured in 1H 2022. In January, the Group 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 638 units.

Healthy Sales for Existing Inventory of Projects

Project	Location	Launched	Total Units	Units Sold[2]
Irwell Hill Residences	Irwell Bank Road	April 2021	540	514 (95%)
CanningHill Piers[1]	Clarke Quay	November 2021	696	676 (97%)
Boulevard 88[1]	Orchard Boulevard	March 2019	154	135 (88%)
Amber Park[1]	Amber Road	May 2019	592	586 (99%)
Nouvel 18[3]	Anderson Road	July 2019	156	154 (99%)
Haus on Handy	Handy Road	July 2019	188	178 (95%)

1 JV project
2 As at 28 February 2023
3 Divested project marketed by CDL

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. 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 408 units.

The Group also successfully acquired a GLS EC site at Bukit Batok West Avenue 5 in September. It won the 178,936 sq ft site at $336.1 million or $626 psf ppr, beating the next highest bidder by a mere 0.2% or $1 psf ppr. The site is located at the junction of Bukit Batok West Avenue 5 and Bukit Batok Road, opposite the upcoming Tengah New Town and with three MRT stations in the vicinity. A 510-unit EC project is being planned and will incorporate Super Low Energy (SLE) features.

The Group obtained Temporary Occupation Permit (TOP) for its fully sold 718-unit Whistler Grand (including two retail units) in April. All units have been handed over to purchasers.

Given the fast-rising interest rates, the Government introduced another round of cooling measures in September 2022 to ensure prudent borrowing. The base interest rate for the computation of loans was adjusted from 3.5% to 4.0%. Other measures were more targeted at the HDB market – Loan-to-Value (LTV) was reduced to 80% from 85%, and a 15-month wait for private property owners wishing to purchase a HDB resale flat was implemented. With a limited supply of new residential units onstream and a recovering economy, the market is expected to remain stable with sustained interest from local and foreign buyers.

INTERNATIONAL

Australia

In Melbourne, the Group's 60-unit Fitzroy Fitzroy is 40% presold, and The Marker, where 82% of its 198 units have been sold to date[2], achieved practical completion in September 2022. In Brisbane, the 215-unit Brickworks Park has sold 47% of the total units to date[2] and has commenced its early construction. The 97-unit Treetops at Kenmore JV project has sold 46% of the total units to date[2] and the construction of Stage 1 started in Q4 2022.

UK

The Group's prime developments in Belgravia, Chelsea and Teddington continue to receive enquiries from both local and international buyers. The former Stag Brewery site in Mortlake and three other development projects in London by the Group continue to be in various stages of planning.

China

In FY 2022, the Group's wholly-owned subsidiary, CDL China Limited, and its JV associates sold 88 residential, office and retail units, with a total sales value of RMB 349 million ($67.4 million).

In Suzhou, Hong Leong City Center (HLCC), a mixed-use development in Suzhou Industrial Park, has sold 1,670 (92%) of its 1,813 residential and retail units to date[2].

In Shanghai, Hongqiao Royal Lake, a luxury development in the prime residential enclave of Qingpu District, has sold 74 (87%) out of the 85 villas to date[2].

In Shenzhen, Hong Leong Technology Park Shenzhen (previously named Shenzhen Longgang Tusincere Tech Park) has sold 389 units comprising apartments, office and retail units with a sales value of RMB 1.05 billion ($202.8 million)[2] ever since the Group acquired this project in March 2021.

INVESTMENT PROPERTIES

Singapore

As at 31 December 2022, the Group's office portfolio[4] reported a committed occupancy of 95.2%, above the island-wide occupancy of 88.7%[5]. Republic Plaza, the Group's flagship Grade A office building, is 97.6% occupied with a full-year positive rental reversion of 8.4%. King's Centre, where Asset Enhancement Initiative (AEI) works were completed in 1H 2022, has achieved 98.4% occupancy, with a full-year rental reversion of 8.9%.

The Group's retail portfolio[4] also remained healthy, with a committed occupancy of 96.1%, higher than the island-wide occupancy of 92.9%[5]. The strong performance was driven by City Square Mall, which is 93.5% occupied, and Palais Renaissance, which completed an AEI in 1H 2022, achieving 98.2% occupancy. The gain in traction from the removal of COVID-19 restrictions, coupled with the reopening of global economies in 2022, led to the recovery of the retail sector, injecting much vibrancy into the market once again.

The Group's retail portfolio's average monthly footfall in 2022 rose 21.7% year-on-year (y-o-y) and has recovered to over 73% of pre-COVID levels. In tandem with this, the average monthly tenants' sales increased by 20.1% y-o-y, exceeding pre-COVID levels. While the retail market is bustling again with increased shopper traffic, retailers remain cautious with looming economic uncertainties and rising operating costs.

The redevelopment of Central Mall and Central Square is at an advanced planning stage and they will be redeveloped under the Urban Redevelopment Authority's Strategic Development Incentive Scheme. Provisional Permission has been obtained for a mixed-use development comprising commercial, hospitality and residential components yielding a GFA uplift of 67% to approximately 735,500 sq ft

4 Includes South Beach (in accordance with CDL's proportionate ownership). Excludes Central Mall Office Tower, Central Mall Conservation Unit and 11 Tampines Concourse.
5 Based on Urban Redevelopment Authority's real estate statistics for Q4 2022.

OPERATIONS AND MARKET REVIEW

from the current GFA of 441,650 sq ft. Subject to authorities' approval, the Group plans to develop a Grade A office building, a residential project with over 300 apartments, commercial units at the first two storeys, and a hospitality-related component on the site. The redevelopment will rejuvenate and shape the precinct's transformation into a vibrant lifestyle hub.

INTERNATIONAL

In China, Hong Leong Plaza Hongqiao, a five-tower office development in Shanghai, is 76% leased. Suzhou HLCC's Grade A office tower is now 94% occupied while HLCC mall is 82% occupied.

Following the easing of China's prolonged zero-COVID policy, infection rates have increased significantly. It is anticipated that Q1 2023 will remain challenging for businesses before consumer confidence rebounds.

In the UK, demand for best-in-class buildings remains healthy, which bodes well for the Group's Grade A buildings in Central London. 125 Old Broad Street and Aldgate House have achieved committed occupancy of 93.9% and 98.1% respectively.

In Thailand, the Phase 1 revamp of Jungceylon Shopping Center in Patong, Phuket, was unveiled on 16 December 2022 to welcome the return of both domestic and international tourists with a range of exciting new lifestyle attractions. The remaining phases are targeted to complete by the end of 2023.

Infinity | Coventry, UK

THE LIVING SECTOR

UK

The UK Private Rented Sector (PRS) has proven to be a defensive asset class across the pandemic. Despite short-term challenges such as rising construction costs, higher interest rates and an inflationary environment, structural undersupply and mortgage affordability issues are expected to drive rents upwards. Strong rental demand is evident from healthy leasing rates and occupancy across newly-launched schemes. Rising wages, especially among those in the 25 to 34 age group, also support rental growth.

In Q4 2022, the Group's first PRS project in the UK – The Junction, located in Leeds, obtained sectional completion for three out of five blocks (307 out of 665 units) and the Group recently welcomed its first batch of residents. Construction of The Octagon, the Group's 370-unit PRS project located in the heart of Birmingham, is in progress with an estimated completion in 2025. Rents for new PRS projects launched in Leeds and Birmingham performed exceedingly well in 2022 and the Group expects its own PRS projects to similarly outperform.

The Group made its initial foray into the UK's Purpose-Built Student Accommodation (PBSA) sector in June 2022 with the acquisition of Infinity, a 505-bed PBSA asset in Coventry. In December 2022, the Group enlarged its portfolio by acquiring five additional PBSA assets for £215 million (approximately $350 million) in Birmingham, Canterbury, Coventry, Leeds and Southampton. These six assets, comprising about 2,400 beds, enjoy committed occupancy of about 98%.

Japan

In 2022, the Group acquired three newly-built PRS assets for ¥6.61 billion (approximately $66.9 million) – two properties in Yokohama (City Lux Tobe and LOC's Yokohama Bayside) and one in Osaka (Gioia Namba) – totalling 271 units. The Group now owns eight operational PRS assets in Japan, comprising 513 units. The easing of border restrictions and the return of foreign nationals to Japan in 2H 2022 have significantly contributed to the recovery in the residential sector. The Group continues to enjoy stable rental income for its PRS portfolio and strong occupancies of above 95%.

Australia

To leverage the rising demand for rental accommodation in Australia, the Group acquired two PRS development sites in Brisbane's Toowong riverside suburb and Melbourne's Southbank, totalling around 490 apartments. Construction of both projects is targeted to commence in 2H 2023.

Southbank PRS | Melbourne, Australia
Artist's Impression

HOSPITALITY

With the continued recovery and restored confidence in global travel following the relaxation of travel restrictions and borders reopening, the Group's hotels achieved a strong performance in FY 2022, registering a y-o-y revenue per available room (RevPAR) growth of 91% to $137.9 (FY 2021: $72.2). The RevPAR growth for FY 2022 is attributable to a 48.9% increase in average room rates and a 14.2 percentage points improvement in average occupancy rates across all geographies. Notably, hotels in London, Singapore and New York outperformed in 2022.

The total revenue of the Group's hotels in Asia, the UK and the US have mostly surpassed their FY 2019 respective performance from September 2022 onwards, despite the soft market conditions in Taipei, Beijing and New Zealand. Average GOP margin increased by 11.3 percentage points y-o-y and has normalised to FY 2019 levels registering a slight growth of 3 percentage points, primarily led by the UK, US and Singapore markets.

With a focus on revenue generation and asset yield optimisation, the Group continues to enhance its hospitality offerings and revitalise its assets through AEIs and repositionings.

In Singapore, the Group completed the renovation of all 360 guestrooms at Studio M Hotel in May 2022. Grand Copthorne Waterfront Hotel commenced its phased refurbishment in Q4 2022, for its 550 guestrooms and public areas. In the same quarter, in tandem with the ongoing AEI of the Group's Jungceylon Shopping Center, Millennium Resort Patong Phuket started renovating its 418 guestrooms and common areas. The hotel will be rebranded as M Social Hotel Phuket – the first in Thailand. Completion works for both assets are expected by 2H 2023.

Over in New Zealand, Copthorne Hotel Greymouth was rebranded on 1 March 2022 (previously named Kingsgate Hotel Greymouth). Millennium Buffalo Hotel in the US ceased operations in October 2022 due to a non-renewal of the lease.

In 2H 2023, the Group is planning to unveil its newest hotel in Singapore, the iconic eight-storey 204-room The Singapore EDITION, located on Cuscaden Road. It is EDITION's first hotel in Southeast Asia, a unique concept in the lifestyle hotel space conceived by Ian Schrager and Marriott International. In China, the 295-room five-star M Social Suzhou is scheduled to open in Q2 2023.

Going forward, the Group has other AEIs in the pipeline for 2H 2023 / 2024. They include a major renovation for Millennium Downtown New York, which will be rebranded to M Social Hotel Downtown, New York. and the Millennium Knightsbridge London, which will be rebranded to M Social Hotel Knightsbridge, London.

With its hotel operations having recovered in most markets to pre-pandemic levels in 2022, the Group can now accelerate its plans for asset optimisation, alignment to the Group's sustainability goals and driving growth. The Group expects its hotel operations to strengthen further, riding on the reopening of China, post-pandemic 'revenge travel' and the return of corporate travel.

OPERATIONS AND MARKET REVIEW

FUND MANAGEMENT

Fund management is an integral part of the Group's transformation strategy. Besides nurturing existing listed platforms like CDL Hospitality Trusts (CDLHT) and IREIT Global, the Group continues to lay the foundation for future AUM growth.

In June 2022, the Group partnered HThree City Australia Pte. Ltd. (HThree) to acquire 330 Collins Street, a freehold Grade A commercial tower in Melbourne, for A$236 million (approximately $214.7 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 marked the Group's expansion into the Australian office sector. The asset will be managed by HThree, which owns another office asset on Collins Street.

While the Group has paused its IPO aspirations for its UK commercial properties, it continues to explore strategic acquisitions that will complement its fund management objectives.

GROUP DIVESTMENTS

During the year under review, the Group completed several major property divestments, which enabled it to realise significant capital gains as the Group had held these assets at book value over a long period of time.

They include the sale of the Millennium Hilton Seoul and its adjoining land site in February, as well as the collective sales of Tanglin Shopping Centre and Golden Mile Complex in November, where the Group owns Share Value and Strata areas. Additionally, the Group also recognised substantive gains from the deconsolidation of CDLHT from a subsidiary to an associate, following the distribution *in specie* exercise of stapled securities in CDLHT completed in May 2022.

GETTING RE-ENERGISED

The outlook for 2023 remains uncertain, given near-term economic headwinds and ongoing challenges, including geopolitical tensions, inflation and interest rate hikes.

While Singapore will always be its home ground and core market where it maintains a sizeable presence, the Group will continue to pursue its diversification strategy to build its global portfolio in its key overseas markets of China, UK, Japan and Australia. The Group will selectively and prudently examine opportunities to strategically expand its footprint as well as build scale in the Living Sector. This will enable the Group to diversify its geographical and asset class risks while strengthening its sustainable income streams.

Looking ahead, the Group will remain steadfast in the execution of its GET strategy to expand, unlock value and transform its business – and emerge re-energised for the future.

Studio M Hotel | Singapore

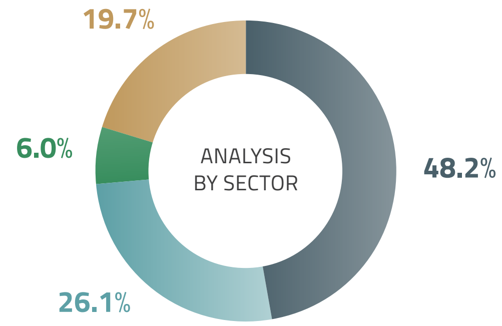
PROPERTY PORTFOLIO ANALYSIS

CDL GROUP'S ATTRIBUTABLE SHARE
AS AT 31 DECEMBER 2022

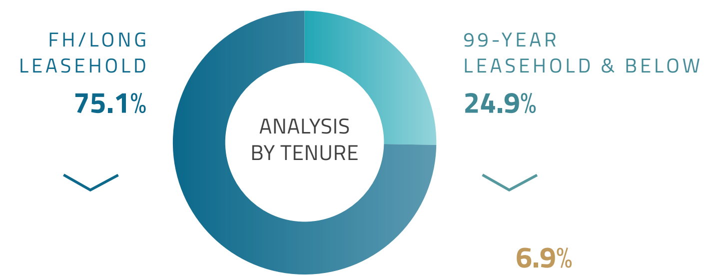
INVESTMENT PROPERTIES
COMMERCIAL & RESIDENTIAL

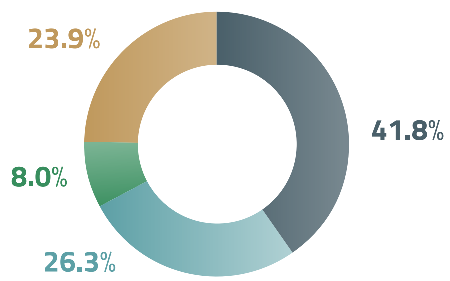
Total Lettable/Strata Area

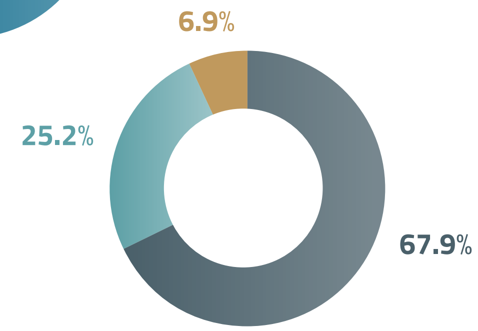
7.2 MILLION SQ FT



- Office
- Retail
- Industrial
- Residential







FH/LONG LEASEHOLD
BREAKDOWN BY SECTOR
Total Lettable Area/Strata Area

5.4 MILLION SQ FT

99-YEAR LEASEHOLD & BELOW
BREAKDOWN BY SECTOR
Total Lettable Area/Strata Area

1.8 MILLION SQ FT

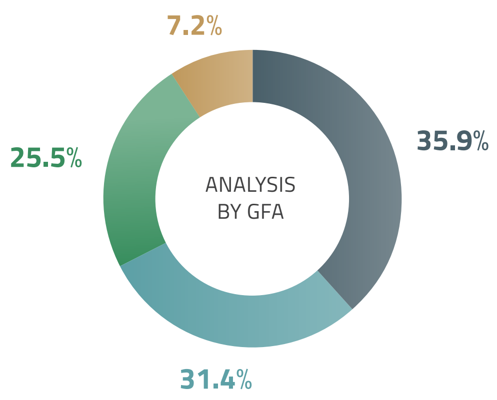
PROPERTY PORTFOLIO ANALYSIS

CDL GROUP'S ATTRIBUTABLE SHARE
AS AT 31 DECEMBER 2022

INVESTMENT PROPERTIES
HOTELS^

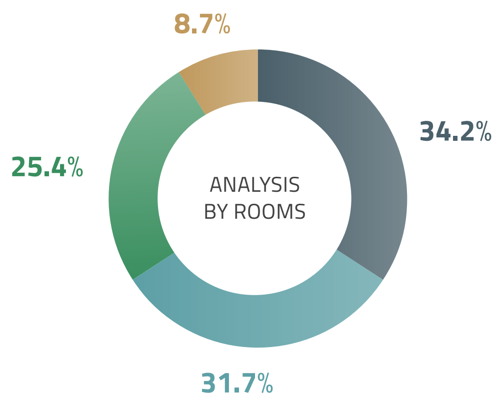
Total Gross Floor Area (GFA)

14.2 MILLION SQ FT

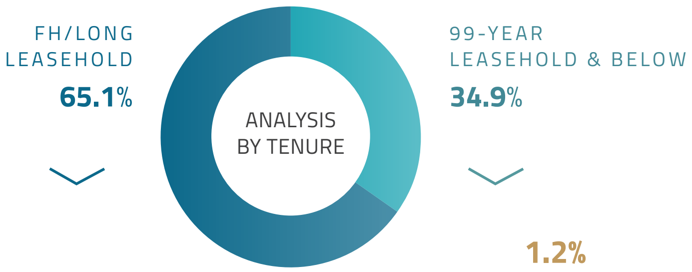


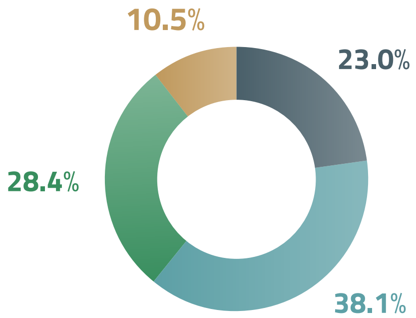
Total Number of Hotel Rooms

19,261



- Asia
- United States
- Europe
- Australasia

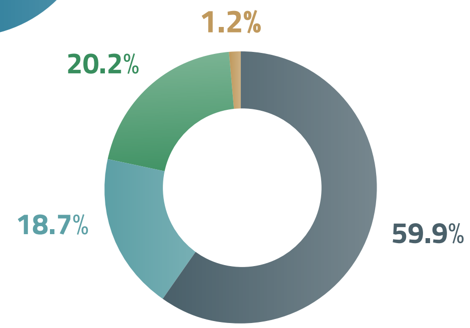




FH/LONG LEASEHOLD
BREAKDOWN BY SECTOR

Total Gross Floor Area (GFA)

9.2 MILLION SQ FT



99-YEAR LEASEHOLD & BELOW
BREAKDOWN BY SECTOR

Total Gross Floor Area (GFA)

5.0 MILLION SQ FT

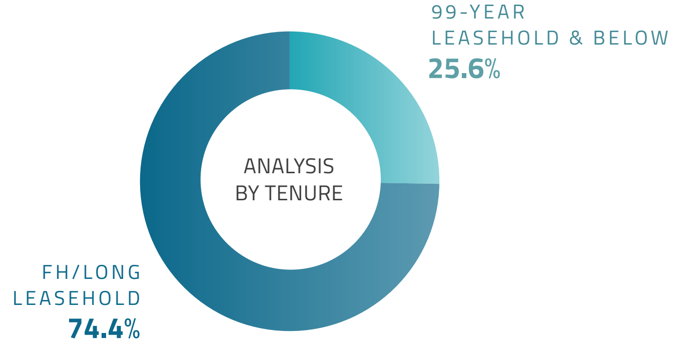
^ Refers to hotels that are owned by CDL Group (excluding CDL Hospitality Trusts assets), as listed in the Major Properties section found on pages 94 to 102 of the Annual Report.

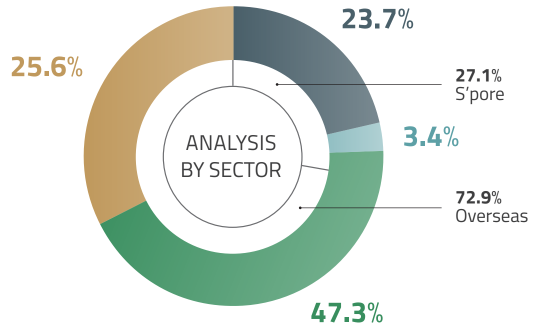
PROPERTY PORTFOLIO ANALYSIS – LANDBANK

CDL GROUP'S ATTRIBUTABLE SHARE*
AS AT 31 DECEMBER 2022

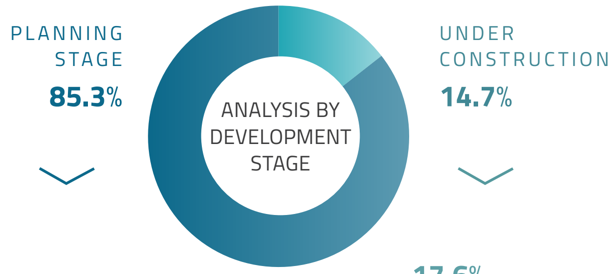
Total Land Area

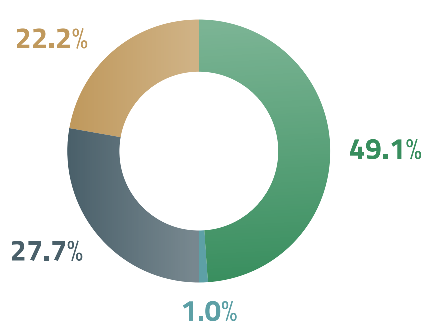
3.5 MILLION SQ FT





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

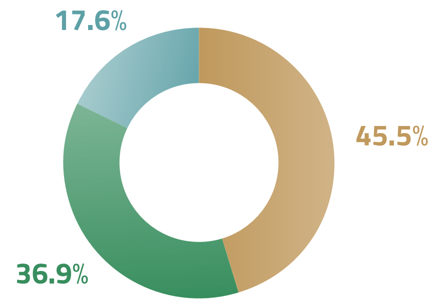




PLANNING STAGE
BREAKDOWN BY SECTOR

Total Land Area

3.0 MILLION SQ FT



UNDER CONSTRUCTION
BREAKDOWN BY SECTOR

Total Land Area

0.5 MILLION SQ FT

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

MAJOR PROPERTIES

AS AT 31 DECEMBER 2022

Commercial Properties	Tenure	Approximate Site Area (sq ft)	Approximate Lettable/ Strata Area (sq ft)	Effective Group Interest[1] (%)
Singapore - Office & Retail				
Republic Plaza, the flagship of CDL, is a 66-storey state-of-the-art intelligent office tower at Raffles Place, in the heart of Singapore's financial district.	999 years	72,808	771,518	100
South Beach is a mixed-use development located on Beach Road, comprising a 34-storey office tower (South Beach Tower) and a 45-storey hotel-cum-residential tower, along with retail (South Beach Avenue).	99 years wef 10.12.2007	376,295[2]	511,367 (Office) 30,226 (Retail) 560,240[3] (Hotel)	50.1
City House is a 23-storey office building situated at Robinson Road/Cross Street within the Central Business District.	999 years	14,021	157,717	100
Central Mall (Office Tower) is a 7-storey office-cum-retail building located at Havelock Road/Magazine Road.	Freehold	30,148	131,465	100
Central Mall comprises a cluster of conservation shophouses at Havelock Road/Magazine Road.	99 years wef 15.05.1993	51,514	55,165	100
Palais Renaissance is a 16-storey retail-cum-office complex with 3 basements located at Orchard Road.	Freehold	29,180	110,407	100
11 Tampines Concourse is a 3-storey office building located at Tampines Ave 5. It is the first CarbonNeutral® development in Singapore and Asia Pacific.	15 years wef 18.02.2008	124,011	104,324	100
King's Centre is an 8-storey office-cum-retail waterfront development located at Havelock Road, along the Singapore River.	99 years wef 09.02.1984	55,822	90,914	100
City Square Mall is an 11-storey shopping mall located at the junction of Serangoon and Kitchener Roads.	Freehold	119,450	444,108	100
Quayside Isle is a 2-storey F&B and retail waterfront development located next to W Singapore – Sentosa Cove.	99 years wef 31.10.2008	89,683	44,121	100
Katong Shopping Centre is a 7-storey office-cum-shopping complex situated along Mountbatten Road. The Group owns 61 out of 425 strata-titled lots.	Freehold	86,925	187,337	100
Delfi Orchard is an 11-storey commercial-cum-residential complex located at Orchard Road. The Group owns 126 out of 150 strata-titled lots.	Freehold	20,264	73,895	100
The Arcade is a 20-storey office-cum-shopping complex situated at Collyer Quay within the Central Business District. The Group owns 19 out of 127 strata-titled units.	999 years	21,909	48,815	100

Notes:

(1) For strata-titled properties, this % refers to the Group's effective interest in the strata-titled units owned by the Group.

(2) Refers to the full development site, which comprises the hotel, office, retail and residential components.

(3) Refers to the Gross Floor Area of the 634-room JW Marriott Hotel Singapore South Beach.

MAJOR PROPERTIES

AS AT 31 DECEMBER 2022

Commercial Properties	Tenure	Approximate Site Area (sq ft)	Approximate Lettable/ Strata Area (sq ft)	Effective Group Interest[1] (%)
Singapore - Industrial				
Cideco Industrial Complex is an 8-storey industrial building located at Genting Lane.	Freehold	58,972	134,983	100
City Industrial Building is an 11-storey flatted factory building at Tannery Lane.	Freehold	33,908	127,594	100
Citilink Warehouse Complex is an 8-storey warehouse located at Pasir Panjang Road. The Group owns 62 out of 180 strata titled units.	Freehold	146,104	103,302	100
Cititech Industrial Building is an 8-storey industrial building located at 629 Aljunied Road. The Group owns 44 out of 144 strata-titled units.	Freehold	118,645	69,374	100
Singapore - Serviced Apartments				
Le Grove is the Group's first serviced residence project located at Orange Grove Road, off Orchard Road.	Freehold	63,412	88,415	100
Overseas				
Biltmore Court & Tower (US) is located at 500/520 South Grand Avenue, Los Angeles, CA 90071, comprising the Court which has 22,133 sq m of Class 'B' lettable office space within the Biltmore hotel structure and the Tower which has 12,116 sq m of Class 'A' office space.	Freehold	53,293	377,678	100
125 Old Broad Street (UK) is a Grade A office tower located in the heart of London and within the main financial district, comprising of 30,547 sq m spread over 26 floors with panoramic views of the city and three basement levels.	Freehold	31,366	328,806	100
Aldgate House (UK) is located in the heart of Aldgate, one of London's most vibrant districts, comprising of 19,496 sq m Grade A office, retail and ancillary spaces over 2 basements, ground, mezzanine and 8 upper floors.	Freehold	34,445	209,860	100
330 Collins Street (Australia) is an 18-storey, A-grade commercial tower strategically located in the heart of Melbourne's CBD, at the intersection of Collins Street and Elizabeth Street.	Freehold	22,314	193,923	66.5
Hong Leong Plaza Hongqiao (China) is located in Shanghai Hongqiao CBD. The property comprises 5 office towers, sunken plaza and 2 levels of basement carpark.	Office: Leasehold to year 2061	173,202	345,229 (Office)	100
Hong Leong Hongqiao Center (China) is located in Shanghai Hongqiao CBD. The property comprises office space, retail units, a 132-room serviced apartment and a basement carpark.	Office: Leasehold to year 2065 Retail: Leasehold to year 2055	190,313	244,793 (Office) 16,274 (Retail) 123,628 (Serviced Apartment)	100
HLCC mall (China) is a 6-storey retail mall within a mixed development project located at Jinji Lake within Suzhou Industrial Park.	Leasehold to year 2052	68,850	324,938	100

Note:

(1) For strata-titled properties, this % refers to the Group's effective interest in the strata-titled units owned by the Group.

MAJOR PROPERTIES

AS AT 31 DECEMBER 2022

Commercial Properties	Tenure	Approximate Site Area (sq ft)	Approximate Lettable/ Strata Area (sq ft)	Effective Group Interest[1] (%)
Overseas (Cont'd)				
Yaojiang International (China) is an 8-storey building offering co-working space and is located in Shanghai's prime North Bund Business District.	Leasehold to year 2052	5,705	42,881	100
Hong Leong Technology Park Shenzhen (China) - Blocks 6 and 21 (Office for Lease) are located in Longgang District, Shenzhen.	Leasehold to year 2045	55,881	105,195[2]	65
Jungceylon Shopping Center and Millennium Resort Patong Phuket (Thailand) is a mixed development comprising a 4-storey retail mall and a 418-room hotel, located in the commercial area of Patong, Phuket Island.	Freehold	905,414	799,168 (Retail) 481,592 (Hotel)	49
Overseas - Residential Properties				
Horie Lux (Japan) is a 14-storey development with 29 apartments and 5 retail units located in Central Osaka.	Freehold	4,810	27,721	100
Pregio Joto Chuo (Japan) is located in Joto Ward, Osaka city. The 9-storey residential development comprises 48 apartments.	Freehold	5,762	16,926	100
B-Proud Tenmabashi (Japan) is a 14-storey residential building with 26 apartments located in Central Osaka.	Freehold	2,293	14,622	100
Pregio Miyakojima Hondori (Japan) is located in Miyakojima Ward, Osaka City. The 15-storey residential building comprises 56 apartments.	Freehold	6,426	18,940	100
City Lux Yokohama (Japan) is a 10-storey residential building with 78 apartments located in Minami Ward, Yokohama City.	Freehold	8,364	32,209	100
City Lux Tobe (Japan) is a 10-storey development with 117 apartments and 1 retail unit located in Nishi Ward, Yokohama City.	Freehold	6,694	31,251	100
LOC's Yokohama Bayside (Japan) is a 6-storey residential building comprising 89 apartments located in Kanazawa Ward, Yokohama City.	Freehold	17,759	31,562	100
Gioia Namba (Japan) is a 10-storey development with 63 apartments and 1 retail unit located in Naniwa Ward, Osaka City.	Freehold	6,336	24,595	100
1250 Lakeside (US) is located in Sunnyvale, California. The project comprises two blocks of 5-storey buildings with a total of 250 apartment units.	Freehold	232,610	201,750	100
Overseas - Purpose-Built Student Accommodation				
Infinity (UK) is a 19-storey PBSA development with 505 beds and 1 retail unit located in Coventry.	Freehold	31,646	90,772	100
Cumberland Place (UK) is a 12-storey PBSA development with 206 beds located in Southampton.	Freehold	9,892	39,544	100
Altura (UK) is a 11-storey PBSA development with 435 beds and 1 retail unit located in Birmingham.	Freehold	13,933	67,717	100
Trinity View (UK) consists of four blocks of 3 to 20-storey PBSA with 614 beds located in Coventry.	Freehold	36,942	113,334	100
Riverside (UK) consists of three blocks of 4 to 6-storey PBSA with 491 beds located in Canterbury.	999 year	414,410	69,740	100
Sycamore House (UK) is a 4-storey PBSA development with 117 beds located in Leeds.	Freehold	26,910	30,828	100

Notes:

(1) For strata-titled properties, this % refers to the Group's effective interest in the strata-titled units owned by the Group.

(2) Approximately 867,000 sq ft of Office GFA is currently under construction and expected to be completed by 2023. The remaining circa 752,000 sq ft of Office GFA is currently under planning and design phase.

MAJOR PROPERTIES

AS AT 31 DECEMBER 2022

Hotels	Tenure	Approximate Site Area (sq ft)	Number of Rooms	Effective Group Interest (%)
Directly Owned By CDL Group				
Asia				
The St. Regis Singapore 29 Tanglin Road, Singapore	999 years	71,881	299	33
M Social Singapore 90 Robertson Quay, Singapore	99 years wef 07.06.2011	48,631	293	100
Millennium Hilton Bangkok 123 Charoen Nakhon Rd, Khlong Ton Sai, Khlong San, Bangkok 10600, Thailand	Freehold	108,758	533	57.5
Europe				
Holiday Inn Moscow - Seligerskaya Korovinskoye Shosse, 10, Moscow, Russia	Leasehold to year 2055	287,550	201	50
Le Méridien Frankfurt Wiesenhüttenplatz 28, 30, 32 and Wiesenhüttenstraße 36-38, Frankfurt am Main, 60329, Germany	Freehold	47,426	300	42.5
Owned By Millennium & Copthorne Hotels Limited				
Asia				
Grand Millennium Beijing Fortune Plaza, 7 Dongsanhuan Middle Road, Chaoyang District, Beijing 100020 China	Leasehold to year 2046 (hotel) Leasehold to year 2056 (underground carpark)	99,760	517	70
JW Marriott Hotel Hong Kong Pacific Place, 88 Queensway, Hong Kong	75 years from 18.04.1985 and may be renewable for a further term of 75 years	115,066	608	26
New World Millennium Hong Kong Hotel 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong	75 years from 28.11.1984 and may be renewable for a further term of 75 years	30,677	467	50
Millennium Hotel Sirih Jakarta Jalan Fachrudin 3, Jakarta 10250, Indonesia	The title is held under a Hak Guna Bangunan (i.e. Right to Build) and a 40-year lease wef 14.04.1984 and 22.01.1986 for approximate site area of 7,084 sq m and 212 sq m respectively	78,533	401	100
Milllennium Mitsui Garden Hotel Tokyo 5-11-1 Ginza, Chuo-Ku Tokyo 104-0061, Japan	Freehold/ Leasehold - 30 years from 25.03.2009	11,194	329	100
Grand Millennium Kuala Lumpur 160 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia	Freehold	82,559	468	100
The Heritage Hotel Manila Roxas Boulevard at corner of EDSA Pasay City, Metropolitan Manila, Philippines	Fee Simple	106,433	450	66
Grand Hyatt Taipei 2, Songshou Road Taipei, Taiwan, 11051	50 years from 07.03.1990. The lease agreement is extendable for another 30 years	152,772	850	84
Copthorne Orchid Hotel Penang (ceased operation) Jalan Tanjung Bungah, 11200 Penang, Malaysia	Freehold	111,180	318	100

MAJOR PROPERTIES

AS AT 31 DECEMBER 2022

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

MAJOR PROPERTIES

AS AT 31 DECEMBER 2022

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

MAJOR PROPERTIES

AS AT 31 DECEMBER 2022

Hotels	Tenure	Approximate Site Area (sq ft)	Number of Rooms	Effective Group Interest (%)
North America (Cont'd)				
Millennium Maxwell House Nashville 2025 Rosa L. Parks Boulevard, Nashville, TN 37228, USA	Leasehold to year 2030 (with two 10-year options)	184,493	287	100
The Lakefront Anchorage 4800 Spenard Road, Anchorage, AK 99517, USA	Hotel Lease: Freehold Dock Lease: Leasehold to 2040	152,406	248	100
The Bostonian Boston 26 North Street, At Faneuil Hall Marketplace, Boston, MA 02109, USA	Freehold	29,805	204	100
Comfort Inn Near Vail Beaver Creek 161 West Beaver Creek Boulevard, Avon, CO 81620, USA	Freehold	120,653	146	100
The McCormick Scottsdale 7421 North Scottsdale Road, Scottsdale, AZ 85208, USA	Leasehold to year 2033 (with two 10-year options)	353,260	125	100
Millennium Premier New York Times Square 133 West 44th Street, New York NY 10036, USA	Freehold	3,875	124	100
Pine Lake Trout Club 17021 Chillicothe Road, Chagrin Falls, OH 44023, USA	Freehold	3,563,647	6	100
Millennium Hotel St. Louis (Closed) 200 South 4th Street, St. Louis, MO 63102, USA	Freehold	183,342	780	100
Australasia				
Copthorne Hotel & Resort Queenstown Lakefront Corner Adelaide Street & Frankton Road, Queenstown, New Zealand	Freehold	201,382	240	76
Millennium Hotel Rotorua Corner Eruera & Hinemaru Streets, Rotorua, New Zealand	Freehold/Perpetual leasehold land	108,812	227	76
Millennium Hotel Queenstown Corner Frankton Road & Stanley Street, Queenstown, New Zealand	Freehold	80,223	220	76
M Social Auckland 196-200 Quay Street, Auckland, New Zealand	Freehold	25,909	190	76
Copthorne Hotel & Resort Bay of Islands Tau Henare Drive, Paihia, New Zealand	Leasehold land to year 2021 (renewal option to May 2087)	676,340	140	37

MAJOR PROPERTIES

AS AT 31 DECEMBER 2022

Hotels	Tenure	Approximate Site Area (sq ft)	Number of Rooms	Effective Group Interest (%)
Australasia (Cont'd)				
Copthorne Hotel Rotorua Fenton Street, Rotorua, New Zealand	Freehold	386,801	58	76
Copthorne Hotel Palmerston North 110 Fitzherbert Avenue, Palmerston North, New Zealand	Freehold	166,991	76	76
Copthorne Hotel Wellington Oriental Bay 100 Oriental Parade, Wellington, New Zealand	Freehold	42,022	118	76
Copthorne Hotel Auckland City 150 Anzac Avenue, Auckland, New Zealand	Perpetual leasehold land	26,856	106	76
Copthorne Hotel Greymouth 32 Mawhera Quay, Greymouth, New Zealand	Freehold/Perpetual leasehold land	30,214	53	76
Kingsgate Hotel Te Anau 20 Lakefront Drive, Te Anau, New Zealand	Freehold	94,927	69	76
Copthorne Hotel & Apartments Queenstown Lakeview 88 Frankton Road, Queenstown, New Zealand	Freehold/Strata title	50,730	85	76
Kingsgate Hotel Dunedin 10 Smith Street, Dunedin, New Zealand	Freehold	23,605	55	76
Millennium Hotel New Plymouth, Waterfront 1 Egmont Street, New Plymouth 4310, New Zealand	Freehold	12,368	42	76

MAJOR PROPERTIES

AS AT 31 DECEMBER 2022

FOR DEVELOPMENT AND/OR RESALE

Description & Location	Site Area (sq m)	Tenure	Effective Group Interest (%)
Residential			
15, 19 & 21 Swiss Club Road, Singapore	20,014	Freehold	100
Tampines Road/Upper Changi Road North, Singapore	14,013	Freehold	33
Prime freehold site in Shirokane, Tokyo, Japan	16,815	Freehold	100
Jalan Kolam Ayer, Johor Bahru, Malaysia	24,739	Freehold	100
Jalan Waspada, Johor Bahru, Malaysia	6,368	Freehold	100
The Stag Brewery, Mortlake, London, UK	78,889	Freehold	100
Ransomes Wharf, Battersea, London, UK	6,243	Freehold	100
Commercial			
The Stag Brewery, Mortlake, London, UK	6,953	Freehold	100
Development House, Leonard Street, Shoreditch, London, UK	1,240	Freehold	100
Hotel			
Land Site at 28 Pavilion Road, Knightsbridge, London, UK	1,660	Freehold	100
Land Site at Orlando Florida Land, US	21,287	Freehold	100
Land Site at Centennial Colorado Land, US	10,198	Freehold	100
Mixed Development			
Hong Leong Technology Park Shenzhen, China (Phase 4)	9,048	30 years	65

IN THE COURSE OF DEVELOPMENT

Description	Location	Site Area (sq m)	Gross Floor Area (sq m)	Tenure	Effective Group Interest (%)	Approximate Percentage Completion (%)	Expected Completion
Residential							
Haus on Handy	Handy Road	4,796	11,446	99 years	100	95	2023
Piermont Grand EC	Sumang Walk	27,056	81,169	99 years	60	98	2023
Amber Park	Amber Road	19,851	55,582	Freehold	80	70	2023
Fitzroy Fitzroy	Smith Street, Melbourne	1,820	14,122	Freehold	50	*	2024
Treetops at Kenmore	Moggill Road, Brisbane	32,250	19,605	Freehold	50	*	2024
Penrose	Sims Drive	16,225	52,337	99 years	40	45	2024
Brickworks Park	Mina Parade, Brisbane	46,669	36,617	Freehold	100	*	2025
Irwell Hill Residences	Irwell Bank Road	12,787	35,802	99 years	100	32	2025
The Octagon	Paradise Circus, Birmingham	1,557	32,456	250 years	100	12	2025
Normanby	Melbourne	1,222	27,009	Freehold	100	*	2025
Copen Grand EC	Tengah Garden Walk	22,021	61,659	99 years	50	20	2026
Toowong	Brisbane	1,571	24,564	Freehold	85	*	2026
Tembusu Grand	Jalan Tembusu	19,567	54,789	99 years	51	*	2027
The Myst	798 / 800 Upper Bukit Timah	16,630	34,923	99 years	100	*	2027
Bukit Batok West EC	Bukit Batok West	16,624	49,872	99 years	100	*	2027
Mixed Development							
Boulevard 88 / The Singapore EDITION	Cuscaden Road / Orchard Boulevard	12,127	53,481	Freehold	40	74	2023
Sengkang Grand Residences / Sengkang Grand Mall	Sengkang Central	37,255	78,236	99 years	50	69	2023
The Junction (Block A to E) ^	Whitehall Road, Leeds	16,750	53,167	Freehold	100	92	2023
M Social Suzhou	Suzhou Jinji Lake, SIP District, China	3,689	33,131	40 years	100	99	2023
Hong Leong Technology Park Shenzhen (Phase 2 Zone 3.1-3.2 & Phase 3)	Longgang District, Shenzhen, China	39,670	180,279	30 years	65	90	2023
CanningHill Piers/ CanningHill Square	River Valley Road	12,925	71,688	99 years	50	10	2025
Moxy Hotel			15,541		100		
M Social Sunnyvale	Lakeside Drive, Sunnyvale, CA 84085	14,123	14,953	Freehold	100	*	2025
Piccadilly Grand / Piccadilly Galleria	Northumberland Road	8,733	36,680	99 years	50	12	2025
Newport Plaza / Newport Residences / Newport Tower	Anson Road	5,091	60,860	Freehold	100	*	2027
Central Mall / Central Square redevelopment #	Magazine Road	13,825	68,330	Central Mall Office Tower - Freehold, Central Mall Conservations - 99 years, Central Square (Retail & Residential) - 99 years	100	*	2028

* Work is less than 10% completed.
^ Block A to C completed in 2022. Block D and E are still in development.
\# Pending authority planning approval.

STATUTORY REPORTS AND ACCOUNTS

FINANCIAL CONTENTS

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members of City Developments Limited (the "Company") together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2022.

In our opinion:

(a) the financial statements set out on pages 114 to 272 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 (the "Act"), Singapore Financial Reporting Standards (International) and International Financial Reporting Standards; and

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

DIRECTORS

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

Kwek Leng Beng	(Executive Chairman)
Sherman Kwek Eik Tse	(Executive Director)
Lee Jee Cheng Philip	
Philip Yeo Liat Kok	
Ong Lian Jin Colin	
Daniel Marie Ghislain Desbaillets	
Chong Yoon Chou	
Chan Swee Liang Carolina (Carol Fong)	
Tang Ai Ai Mrs Wong Ai Ai	
Tan Kian Seng	(Appointed on 10 March 2023)

DIRECTORS' INTERESTS

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

According to the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act 1967 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those of their spouses and children below 18 years of age) in shares and/or share options of the Company and in related corporations are as follows:

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS (CONT'D)

	Holdings in which the director, his spouse and children below 18 years of age have a direct interest	
	At beginning of the year	**At end of the year**
The Company		
Ordinary Shares		
Kwek Leng Beng	397,226	397,226
Preference Shares		
Kwek Leng Beng	144,445	144,445
Immediate and Ultimate Holding Company		
Hong Leong Investment Holdings Pte. Ltd. Ordinary Shares		
Kwek Leng Beng	2,320	2,320
Sherman Kwek Eik Tse	1,174	1,174
Subsidiary Corporation		
Millennium & Copthorne Hotels New Zealand Limited Ordinary Shares		
Kwek Leng Beng	906,000	906,000
Redeemable Non-voting Preference Shares		
Kwek Leng Beng	453,000	453,000
Related Corporations		
Hong Leong Finance Limited Ordinary Shares		
Kwek Leng Beng	6,667,567	6,667,567

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS (CONT'D)

	Holdings in which the director, his spouse and children below 18 years of age have a direct interest	
	At beginning of the year	At end of the year
Related Corporations (cont'd)		
Hong Leong Finance Limited (cont'd)		
Options to subscribe for ordinary shares under the Hong Leong Finance Share Option Scheme 2001		
Kwek Leng Beng	856,000	983,500
Hong Leong Holdings Limited Ordinary Shares		
Kwek Leng Beng	259,000	259,000
Hong Leong Asia Ltd. Ordinary Shares		
Kwek Leng Beng	660,000	660,000
Hong Realty (Private) Limited Ordinary Shares		
Kwek Leng Beng	1,110	1,110
Sun Yuan Holdings Pte Ltd Ordinary Shares		
Kwek Leng Beng	15,000,000	15,000,000

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

The directors' interests in the Company as disclosed above remained unchanged as at 21 January 2023.

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

DIRECTORS' STATEMENT

SHARE OPTIONS

By the Company

During the financial year, there were:

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

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

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

By Subsidiary Corporation

Millennium & Copthorne Hotels Limited (M&C)

The M&C Group used to operate a number of share option schemes, a majority of which were designed to link remuneration to the future performance of the M&C Group. In accordance with the M&C Group's accounting policy on share-based payment transactions, the fair value of share options and long-term incentive awards is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the share options and long-term incentive awards. There was no charge to the statement of profit or loss for the current year.

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

There were no options granted by M&C during 2022 in line with the recommended final cash offer (Final Offer) made by the Company in 2019 and any outstanding options are to close out per the final vesting dates.

(i) Annual Bonus Plan

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

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

Date of award	Balance at beginning of year	Awards made during the year	Awards vested during the year	Awards expired/ forfeited during the year	Balance at end of year	Vesting date
13.08.2019	10,040	–	(9,171)	(869)	–	13.08.2020/21/22

There were no options outstanding at the end of 2022.

DIRECTORS' STATEMENT

SHARE OPTIONS (CONT'D)

By Subsidiary Corporation (cont'd)

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

(ii) *Executive Share Plan*

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

Date of award	Balance at beginning of year	Awards made during the year	Awards vested during the year	Awards expired/ forfeited during the year	Balance at end of year	Vesting date
09.08.2019	2,080	–	(2,080)	–	–	09.08.2020/21/22

There were no options outstanding at the end of 2022.

AUDIT & RISK COMMITTEE

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

Lee Jee Cheng Philip (Chairman)
Chong Yoon Chou
Chan Swee Liang Carolina (Carol Fong)
Tan Kian Seng

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

In performing its functions, the Audit & Risk Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and their evaluation of the Group's system of internal controls.

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

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

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

DIRECTORS' STATEMENT

AUDIT & RISK COMMITTEE (CONT'D)

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

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

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Kwek Leng Beng
Executive Chairman

Sherman Kwek Eik Tse
Executive Director

24 March 2023

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
CITY DEVELOPMENTS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of City Developments Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2022, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 114 to 272.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act), Singapore Financial Reporting Standards (International) (SFRS(I)s) and International Financial Reporting Standards (IFRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of hotel assets
(Refer to note 4 to the financial statements)

Risk

The Group has significant hotel assets classified as property, plant and equipment which are carried at cost less accumulated depreciation and impairment losses, and are subject to an annual assessment for impairment indicators. In undertaking the impairment assessment, the Group takes into consideration several factors, including the economic outlook, the quantum of available headroom from previous valuations undertaken (where applicable) and the trading performance of the properties. The properties with indicators of impairment are then subjected to a detailed impairment review whereby their recoverable amounts are estimated.

The Group uses a combination of internal and external valuations to estimate the recoverable amount of its properties identified as at risk of being impaired, which is determined to be the higher of the fair value less costs to sell and value-in-use of these properties. The valuations are sensitive to key assumptions applied and a change in the assumptions may have an impact on the recoverable amounts.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
CITY DEVELOPMENTS LIMITED

Our response

Our procedures included challenging the Group's assessment of the properties at risk of being impaired. These include comparing the actual asset performance to previous forecasts and to market data, and assessing the quantum of available headroom from previous valuations. For a sample of properties selected for a detailed impairment review, we considered the valuation methods used against those applied by valuers for similar property types. We evaluated the key assumptions applied in the valuations, particularly those assumptions relating to occupancy rates, average room rate growth, discount rates and terminal rates, by comparing them to available industry data, taking into consideration comparability and market factors.

Our findings

The Group has a structured process in identifying hotel assets with impairment indicators. We found that the valuation methods used were in line with generally accepted market practices and the key assumptions applied were generally comparable to currently observable market data.

Valuation of development properties
(Refer to note 13 to the financial statements)

Risk

The Group has significant residential development properties held for sale in Singapore, China and the United Kingdom (UK). Development properties held for sale are stated at the lower of cost and net realisable values. The determination of the estimated net realisable value is highly dependent on the Group's expectations of future selling prices of unsold development properties.

In estimating the future selling prices of unsold development properties, the Group has taken into account real estate price trend information, local market conditions, its development plans and sale strategies for the properties and selling prices estimated by external valuers when necessary.

Our response

We focused our work on development properties with low margins.

In assessing the reasonableness of the Group's estimated future selling prices for its development projects, we considered recently transacted prices of units under development sold and/or prices of comparable properties located in the vicinity of the development projects, taking into account the prevailing market trends and the Group's development and selling plans for the properties. Where applicable, we made enquiries of the external valuers to understand the approach adopted in estimating the future selling prices of the development properties.

Our findings

We found the Group's estimated future selling prices, which are used in determining the net realisable values and the resultant allowance for foreseeable losses on its development projects, to be comparable to currently available market data and have taken into consideration prevailing market conditions.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
CITY DEVELOPMENTS LIMITED

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
CITY DEVELOPMENTS LIMITED

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Lo Mun Wai.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
24 March 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group 2022 $'000	Group 2021 $'000 Restated*	Company 2022 $'000	Company 2021 $'000
Non-current assets					
Property, plant and equipment	4	**4,060,810**	5,361,835	**45,525**	32,543
Investment properties	5	**4,967,014**	4,982,846	**406,491**	413,152
Investments in:					
– subsidiaries	7	**–**	–	**1,949,089**	1,996,087
– associates	8	**1,263,713**	816,979	**–**	–
– joint ventures	9	**1,083,024**	1,037,046	**37,360**	37,360
Financial assets	10	**637,430**	740,686	**431,599**	351,438
Derivative financial assets	11	**40,449**	4,762	**40,449**	–
Other non-current assets	12	**348,924**	177,795	**6,428,732**	6,205,239
		12,401,364	13,121,949	**9,339,245**	9,035,819
Current assets					
Development properties	13	**5,957,597**	5,839,471	**166,106**	175,792
Contract costs	14	**66,877**	74,996	**–**	–
Contract assets	15	**465,018**	402,330	**–**	–
Consumable stocks		**8,131**	10,771	**36**	37
Financial assets	10	**7,104**	26,848	**135**	–
Derivative financial assets	11	**71,800**	21,511	**71,800**	21,511
Trade and other receivables	16	**1,625,538**	1,892,967	**6,477,615**	6,225,891
Cash and cash equivalents	18	**2,363,197**	2,100,700	**614,499**	686,322
		10,565,262	10,369,594	**7,330,191**	7,109,553
Assets held for sale	6	**14,417**	388,726	**–**	–
		10,579,679	10,758,320	**7,330,191**	7,109,553
Total assets		**22,981,043**	23,880,269	**16,669,436**	16,145,372

* Refer to Note 47

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group 2022 $'000	Group 2021 $'000 Restated*	Company 2022 $'000	Company 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	20	**7,224,938**	6,409,406	**4,152,180**	4,341,009
		9,216,335	8,400,803	**6,143,577**	6,332,406
Non-controlling interests		**348,487**	918,469	**–**	–
Total equity		**9,564,822**	9,319,272	**6,143,577**	6,332,406
Non-current liabilities					
Interest-bearing borrowings	22	**7,315,400**	5,952,032	**6,091,010**	3,937,631
Employee benefits	26	**7,304**	24,637	**–**	–
Lease liabilities	27	**672,633**	246,003	**26,642**	9,600
Derivative financial liabilities	11	**645**	1,295	**645**	346
Other liabilities	28	**136,143**	220,571	**759,708**	8,041
Provisions	29	**16,147**	22,129	**–**	–
Deferred tax liabilities	30	**350,253**	196,068	**19,384**	18,565
		8,498,525	6,662,735	**6,897,389**	3,974,183
Current liabilities					
Trade and other payables	31	**1,464,929**	1,454,931	**2,241,789**	2,607,125
Derivative financial liabilities	11	**1,560**	14,582	**1,560**	14,582
Contract liabilities	15	**613,598**	724,077	**8,190**	–
Interest-bearing borrowings	22	**2,354,022**	5,187,961	**1,361,234**	3,200,708
Lease liabilities	27	**24,806**	19,324	**5,880**	6,322
Employee benefits	26	**28,563**	33,576	**1,960**	2,960
Provision for taxation		**339,768**	368,682	**7,857**	7,086
Provisions	29	**90,450**	93,928	**–**	–
		4,917,696	7,897,061	**3,628,470**	5,838,783
Liabilities directly associated with the assets held for sale	6	**–**	1,201	**–**	–
		4,917,696	7,898,262	**3,628,470**	5,838,783
Total liabilities		**13,416,221**	14,560,997	**10,525,859**	9,812,966
Total equity and liabilities		**22,981,043**	23,880,269	**16,669,436**	16,145,372

* Refer to Note 47

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 $'000	Group 2021 $'000 Restated*
Revenue	32	**3,293,413**	2,625,853
Cost of sales		**(2,046,466)**	(1,648,140)
Gross profit		**1,246,947**	977,713
Other income	33	**1,783,032**	87,979
Administrative expenses		**(593,680)**	(508,922)
Other operating expenses		**(475,882)**	(241,738)
Impairment loss on other receivables and debt investment	42	**(80,688)**	(6,104)
Profit from operating activities		**1,879,729**	308,928
Finance income		**91,554**	36,206
Finance costs		**(284,680)**	(237,823)
Net finance costs	33	**(193,126)**	(201,617)
Share of after-tax profit of associates		**86,832**	30,713
Share of after-tax profit of joint ventures		**83,332**	76,779
Profit before tax		**1,856,767**	214,803
Tax expense	34	**(542,568)**	(87,908)
Profit for the year	33	**1,314,199**	126,895
Profit attributable to owners of the Company:			
– Ordinary shareholders		**1,272,418**	71,809
– Preference shareholders		**12,904**	12,904
		1,285,322	84,713
Non-controlling interests		**28,877**	42,182
Profit for the year		**1,314,199**	126,895
Earnings per share			
– Basic	35	**140.3 cents**	7.9 cents
– Diluted	35	**135.0 cents**	7.9 cents

* Refer to Note 47

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 $'000	Group 2021 $'000 Restated*
Profit for the year		**1,314,199**	126,895
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Defined benefit plan remeasurements		**14,742**	4,582
Net change in fair value of equity investments at FVOCI		**76,462**	3,418
		91,204	8,000
Items that are or may be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of cash flow hedges		**18,272**	473
Exchange differences on hedges of net investment in foreign operations		**(10,694)**	(4,939)
Exchange differences on monetary items forming part of net investments in foreign operations		**(101,310)**	(20,494)
Exchange differences reclassified to profit or loss on disposal of foreign operations	40	**85,302**	–
Share of translation differences of equity-accounted investees		**(55,147)**	25,570
Share of other comprehensive income of equity-accounted investees		**615**	4,637
Translation differences arising on consolidation of foreign operations		**(145,483)**	(18,511)
		(208,445)	(13,264)
Total other comprehensive income for the year, net of tax	34	**(117,241)**	(5,264)
Total comprehensive income for the year		**1,196,958**	121,631
Total comprehensive income attributable to:			
Owners of the Company		**1,200,991**	37,253
Non-controlling interests		**(4,033)**	84,378
Total comprehensive income for the year		**1,196,958**	121,631

* Refer to Note 47

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2022

	Note	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Hedging reserve $'000	Other reserves $'000	Share option reserve $'000	Foreign currency translation reserve $'000	Accumulated profits $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group												
At 1 January 2022		1,991,397	290,920	997	(1,532)	23,952	15,423	(140,224)	6,219,870	8,400,803	918,469	9,319,272
Total comprehensive income for the year												
Profit for the year		–	–	–	–	–	–	–	1,285,322	1,285,322	28,877	1,314,199
Other comprehensive income												
Defined benefit plan remeasurements		–	–	–	–	–	–	–	14,460	14,460	282	14,742
Changes in fair value of equity investments at FVOCI		–	–	76,462	–	–	–	–	–	76,462	–	76,462
Effective portion of changes in fair value of cash flow hedges		–	–	–	18,272	–	–	–	–	18,272	–	18,272
Exchange differences on hedges of net investment in foreign operations		–	–	–	–	–	–	(17,001)	–	(17,001)	6,307	(10,694)
Exchange differences on monetary items forming part of net investments in foreign operations		–	–	–	–	–	–	(98,244)	–	(98,244)	(3,066)	(101,310)
Exchange differences reclassified to profit or loss on disposal of subsidiaries	40	–	–	–	–	–	–	85,302	–	85,302	–	85,302
Share of translation differences of equity-accounted investees		–	–	–	–	–	–	(55,147)	–	(55,147)	–	(55,147)
Share of other comprehensive income of equity-accounted investees		–	–	–	615	–	–	–	–	615	–	615
Translation differences arising on consolidation of foreign operations		–	–	–	–	–	–	(109,050)	–	(109,050)	(36,433)	(145,483)
Total other comprehensive income		–	–	76,462	18,887	–	–	(194,140)	14,460	(84,331)	(32,910)	(117,241)
Total comprehensive income for the year		–	–	76,462	18,887	–	–	(194,140)	1,299,782	1,200,991	(4,033)	1,196,958
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Capital distribution to non-controlling interests (net)		–	–	–	–	–	–	–	–	–	(8,232)	(8,232)
Dividends paid to owners of the Company	36	–	–	–	–	–	–	–	(203,353)	(203,353)	–	(203,353)
Distribution *in specie*	36	–	–	–	–	–	–	–	(183,124)	(183,124)	–	(183,124)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	–	–	(20,262)	(20,262)
Share-based payment transactions		–	–	–	–	–	59	–	–	59	–	59
Total contributions by and distributions to owners		–	–	–	–	–	59	–	(386,477)	(386,418)	(28,494)	(414,912)
Changes in ownership interests in subsidiaries												
Disposal of subsidiaries	40	–	(59,198)	–	–	–	–	–	59,198	–	(536,496)	(536,496)
Changes in interests in subsidiaries without loss of control	40	–	959	–	–	–	–	–	–	959	(959)	–
Total changes in ownership interests in subsidiaries		–	(58,239)	–	–	–	–	–	59,198	959	(537,455)	(536,496)
Total transactions with owners		–	(58,239)	–	–	–	59	–	(327,279)	(385,459)	(565,949)	(951,408)
Transfer to statutory reserve		–	–	–	–	699	–	–	(699)	–	–	–
Transfer of fair value reserve to accumulated profits upon disposal of an investment	10	–	–	(4,003)	–	–	–	–	4,003	–	–	–
At 31 December 2022		1,991,397	232,681	73,456	17,355	24,651	15,482	(334,364)	7,195,677	9,216,335	348,487	9,564,822

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2022

	Note	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Hedging reserve $'000	Other reserves $'000	Share option reserve $'000	Foreign currency translation reserve $'000	Accumulated profits $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group												
At 1 January 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
Total comprehensive income for the year												
Profit for the year, restated*		–	–	–	–	–	–	–	84,713	84,713	42,182	126,895
Other comprehensive income												
Defined benefit plan remeasurements		–	–	–	–	–	–	–	4,540	4,540	42	4,582
Changes in fair value of equity investments at FVOCI		–	–	3,418	–	–	–	–	–	3,418	–	3,418
Effective portion of changes in fair value of cash flow hedges		–	–	–	473	–	–	–	–	473	–	473
Exchange differences on hedges of net investment in foreign operations		–	–	–	–	–	–	(5,380)	–	(5,380)	441	(4,939)
Exchange differences on monetary items forming part of net investments in foreign operations		–	–	–	–	–	–	(20,265)	–	(20,265)	(229)	(20,494)
Share of translation differences of equity-accounted investees		–	–	–	–	–	–	25,570	–	25,570	–	25,570
Share of other comprehensive income of equity-accounted investees		–	–	–	4,637	–	–	–	–	4,637	–	4,637
Translation differences arising on consolidation of foreign operations		–	–	–	–	–	–	(60,453)	–	(60,453)	41,942	(18,511)
Total other comprehensive income		–	–	3,418	5,110	–	–	(60,528)	4,540	(47,460)	42,196	(5,264)
Total comprehensive income for the year, restated*		–	–	3,418	5,110	–	–	(60,528)	89,253	37,253	84,378	121,631
Transactions with owners, recorded directly in equity												
Contributions by and distributions to owners												
Capital distribution to non-controlling interests (net)		–	–	–	–	–	–	–	–	–	(11,087)	(11,087)
Liquidation of a subsidiary		–	(3,286)	–	–	–	–	–	3,286	–	–	–
Dividends paid to owners of the Company	36	–	–	–	–	–	–	–	(148,939)	(148,939)	–	(148,939)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	–	–	(26,291)	(26,291)
Share-based payment transactions		–	–	–	–	–	105	–	–	105	–	105
Total contributions by and distributions to owners		–	(3,286)	–	–	–	105	–	(145,653)	(148,834)	(37,378)	(186,212)
Changes in ownership interests in subsidiaries												
Acquisition of subsidiaries with non-controlling interests	40	–	–	–	–	–	–	–	–	–	173,951	173,951
Changes in interests in subsidiaries without loss of control	40	–	10,176	–	–	–	–	–	–	10,176	(42,731)	(32,555)
Total changes in ownership interests in subsidiaries		–	10,176	–	–	–	–	–	–	10,176	131,220	141,396
Total transactions with owners		–	6,890	–	–	–	105	–	(145,653)	(138,658)	93,842	(44,816)
Transfer to statutory reserve		–	–	–	–	25	–	–	(25)	–	–	–
At 31 December 2021, restated*		1,991,397	290,920	997	(1,532)	23,952	15,423	(140,224)	6,219,870	8,400,803	918,469	9,319,272

* Refer to Note 47

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 $'000	Group 2021 $'000 Restated*
Cash flows from operating activities			
Profit for the year		**1,314,199**	126,895
Adjustments for:			
Depreciation and amortisation		**276,426**	285,009
Dividend income		**(5,304)**	(5,175)
Finance income		**(200,242)**	(36,206)
Finance costs		**284,680**	217,869
(Gain)/Loss on disposal/liquidation of subsidiaries and dilution of interest in an associate (net)		**(500,348)**	1,088
Impairment loss on other receivables	42	**62,673**	6,104
Impairment loss on debt investment	10	**18,015**	–
Impairment loss/(Reversal of impairment loss) on property, plant and equipment and investment properties		**7,615**	(93,311)
Negative goodwill on acquisition of subsidiaries	40	**(48)**	(35,553)
Profit on sale of property, plant and equipment and investment properties (net)		**(1,257,275)**	(35,896)
Property, plant and equipment and investment properties written off		**15,987**	9,216
Share of after-tax profit of associates		**(86,832)**	(30,713)
Share of after-tax profit of joint ventures		**(83,332)**	(76,779)
Tax expense		**542,568**	87,908
		388,782	420,456
Changes in working capital:			
Development properties		**(90,895)**	561,336
Contract costs		**8,119**	(42,350)
Contract assets		**(62,688)**	102,901
Consumable stocks and trade and other receivables		**29,296**	(115,971)
Trade and other payables and provisions		**(9,312)**	29,585
Contract liabilities		**(54,290)**	279,674
Employee benefits		**3,034**	(1,407)
Cash generated from operations		**212,046**	1,234,224
Tax paid		**(337,558)**	(99,979)
Net cash (used in)/from operating activities		**(125,512)**	1,134,245

* Refer to Note 47

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 $'000	Group 2021 $'000 Restated*
Cash flows from investing activities			
Acquisition of subsidiaries (net of cash acquired)	40	**(330,540)**	(341,747)
Dividends received:			
– associates		**21,249**	12,350
– joint ventures		**68,964**	3,191
– financial investments		**5,304**	5,175
Increase in investments in associates		**(34,445)**	(70,836)
Increase in investments in joint ventures		**(67,971)**	(1,976)
Return of capital from a joint venture and an associate		**9,587**	113,126
Increase in amounts owing by equity-accounted investees		**(31,345)**	(183,363)
Interest received		**31,266**	21,513
Net cash outflow from disposal of subsidiaries, net of cash disposed	40	**(16,409)**	–
Payments for intangible assets		**–**	(595)
Payments for capital expenditure on investment properties		**(272,805)**	(271,009)
Payments for purchase of property, plant and equipment		**(115,927)**	(143,148)
Payments for purchase of investment properties		**(242,248)**	–
Proceeds from sale of property, plant and equipment and investment properties		**1,568,904**	65,252
Purchase of financial assets (net)		**(21,229)**	(21,264)
Proceeds from distributions from and redemption of investments in financial assets		**161,967**	10,333
Settlement of financial derivatives		**45,649**	(60,409)
Net cash from/(used in) investing activities		**779,971**	(863,407)
Cash flows from financing activities			
Capital distribution to non-controlling interests (net)		**(9,432)**	(12,374)
Dividends paid		**(222,415)**	(173,943)
Payment of lease liabilities and finance lease payables		**(26,032)**	(21,087)
Interest paid (including amounts capitalised in property, plant and equipment, investment properties and development properties)		**(259,930)**	(211,206)
Net increase in amounts owing to related parties and non-controlling interests		**30,266**	36,649
Net repayment of revolving credit facilities		**(145,830)**	(378,003)
Decrease in restricted cash		**115,235**	35,444
Payment for corporate guarantee		**–**	(286,132)
Payment of financing transaction costs		**(10,408)**	(7,214)
Proceeds from bank borrowings		**1,387,441**	1,789,896
Repayment of bank borrowings		**(1,049,008)**	(2,134,997)
Proceeds from issuance of bonds and notes		**–**	335,000
Repayment of bonds and notes		**(100,000)**	(249,132)
Net cash used in financing activities		**(290,113)**	(1,277,099)
Net increase/(decrease) in cash and cash equivalents		**364,346**	(1,006,261)
Cash and cash equivalents at beginning of the year		**1,944,133**	2,955,109
Effect of exchange rate changes on balances held in foreign currencies		**(60,332)**	(4,715)
Cash and cash equivalents at end of the year	18	**2,248,147**	1,944,133

* Refer to Note 47

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2022

Significant non-cash transactions

During the year ended 31 December 2022, there were the following significant non-cash transactions:

- Dividends amounting to $1,200,000 were paid by a subsidiary to its non-controlling interests in the form of additional shares in that subsidiary.

- 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 held to its ordinary shareholders at 0.159 CDLHT Unit per ordinary share based on $1.27 per CDLHT Unit, amounting to $183,124,000 (Note 36).

During the year ended 31 December 2021, there were the following significant non-cash transactions:

- Dividends amounting to $1,287,000 were paid by a subsidiary to its non-controlling interests in the form of additional shares in that subsidiary.

- In connection with the Group's disposal of its interest in HCP Chongqing Property Development Co., Ltd (HCP), an offshore investment vehicle that held an indirect 80.01% equity interest in Chongqing Sincere Yuanchuang Industrial Co., Ltd and its subsidiaries (Sincere Property Group), the Group entered into various agreements with HCP Group whereby it was agreed that (i) the amount owing to HCP Group of $263.7 million would be set off against the amounts owing by HCP Group; and (ii) the collateral held by the Group in respect of the amounts owing by HCP Group, which relates to shares in a property-owning entity which had been pledged by HCP Group to the Group, would be transferred to the Group, as settlement of $54.1 million (RMB260.0 million) of the amounts owing by HCP Group.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 24 March 2023.

1 DOMICILE AND ACTIVITIES

City Developments Limited (the Company) is incorporated in the Republic of Singapore and has its registered office at 9 Raffles Place, #12-01 Republic Plaza, Singapore 048619.

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

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

The consolidated financial statements for the year ended 31 December 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.

The directors consider the immediate and ultimate holding company to be Hong Leong Investment Holdings Pte. Ltd., a company incorporated in the Republic of Singapore.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)s) and International Financial Reporting Standards (IFRSs). SFRS(I)s, issued by the Accounting Standards Council (ASC), comprises standards and interpretations that are equivalents to IFRSs as issued by the International Accounting Standards Board (IASB). All references to SFRS(I)s and IFRSs are subsequently referred to as SFRS(I) in the financial statements.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is described in the following notes:

Note 3.1(i)	Accounting for acquisitions as business combinations or asset acquisitions
Notes 3.1(iv), 44 and 45	Assessment of ability to control or exert significant influence over partly owned investments

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is described in the following notes:

Note 3.19	Estimation of provisions for current and deferred taxation
Notes 4 and 5	Measurement of recoverable amounts of property, plant and equipment, and investment properties
Notes 7 and 42	Measurement of recoverable amounts of investments in subsidiaries and expected credit losses on balances with subsidiaries
Note 10	Measurement of expected credit losses on financial assets – unquoted debt investment at amortised cost
Note 13	Measurement of realisable amounts of development properties
Note 26	Valuation of defined benefit obligations
Note 42	Measurement of expected credit losses on amounts owing by HCP Chongqing Property Development Co., Ltd and its subsidiaries

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).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

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

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

Further information about assumptions made in measuring fair values is included in the following notes:

Note 5	Investment properties
Note 26	Share-based payment arrangements
Note 40	Acquisition of subsidiaries
Note 42	Financial instruments

2.5 CHANGES IN ACCOUNTING POLICIES

New standards and amendments

The Group has applied various new SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2022. In addition, the Group has early adopted the Amendments to SFRS(I) 1-1 *Non-current Liabilities with Covenants*. Under the amendments, only covenants with which an entity must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the entity must comply after the reporting date (future covenants) do not affect a liability's classification at that date. When non-current liabilities are subject to future covenants, information on the risk that the non-current liabilities could become repayable within 12 months after the reporting date is to be disclosed.

The application of these amendments to standards and interpretations did not have a material effect on the financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

(i) **Business combinations**

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(i) **Business combinations (cont'd)**

Acquisitions from 1 January 2017

For acquisitions from 1 January 2017, the Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests (NCI) in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on a transaction-by-transaction basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. Any difference between the adjustment to non-controlling interests and the fair value of consideration paid is recognised directly in equity and presented as part of equity attributable to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(i) **Business combinations (cont'd)**

Acquisitions before 1 January 2017

As part of transition to SFRS(I), the Group elected not to restate those business combinations that occurred before the date of transition to SFRS(I), i.e. 1 January 2017. Goodwill arising from acquisitions before 1 January 2017 has been carried forward from the previous FRS framework as at the date of transition.

(ii) **Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(iii) **Loss of control**

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv) **Investments in associates and joint ventures (equity-accounted investees)**

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income (OCI) of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of that interest, together with any long-term interests that, in substance, form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(v) **Joint operations**

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

The Group is a 51% (2021: 51%) partner in Hong Realty (Private) Limited – Pasir Ris Joint Venture (the Pasir Ris Joint Venture), a joint arrangement formed with two fellow subsidiaries, whose principal activity is that of a property developer and the place of business is in Singapore. The Group is also a 20% (2021: 20%) partner in Park Court Aoyama The Tower, a joint arrangement formed with a third party, whose principal activity is that of a property developer and the place of business is in Japan. The Group has classified both joint arrangements as joint operations as the joint venture partners control the joint arrangements collectively and the joint arrangements are not structured through separate legal vehicles.

(vi) **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investee are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) **Subsidiaries, associates and joint ventures in the separate financial statements**

Investments in subsidiaries, associates and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currencies

(i) **Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currencies at the exchange rates at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currencies (cont'd)

(i) **Foreign currency transactions (cont'd)**

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currencies at the exchange rates at the dates that the fair values were determined. Non-monetary items in foreign currencies that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions. Foreign currency differences arising on translation are recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- differences arising on the translation of monetary items that in substance form part of the Group's net investment in a foreign operation;
- an investment in equity securities designated at fair value through other comprehensive income (FVOCI);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent that the hedges are effective.

(ii) **Foreign operations**

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI. However, if the foreign operation is a non wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of the Group's net investment in the foreign operation are recognised in OCI, and are presented within equity in the foreign currency translation reserve.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment

(i) **Recognition and measurement**

Items of property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is recognised net in profit or loss.

(ii) **Subsequent costs**

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) **Depreciation**

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

No depreciation is provided on freehold land (including 999-year leasehold land). For freehold and leasehold properties under development and renovation-in-progress, no depreciation is provided until these items have been completed.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (cont'd)

(iii) **Depreciation (cont'd)**

The estimated useful lives for the current and comparative years are as follows:

Freehold buildings and leasehold land and buildings	
· Core component of hotel buildings	– 50 years, or lease term if shorter
· Surface, finishes and services of hotel buildings	– 30 years, or lease term if shorter
· Leasehold land	– Lease term
Furniture, fittings, plant and equipment and improvements	– 3 to 20 years

Residual values ascribed to the core component of hotel buildings depend on the nature, location and tenure of each hotel property. No residual values are ascribed to surface, finishes and services of hotel buildings and right-of-use assets in respect of leases where the Group is a lessee.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

3.4 Investment properties

(i) **Recognition and measurement**

Investment properties are properties held either to earn rental income or capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes.

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

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. Costs of self-constructed investment properties include costs of materials and direct labour, any other costs directly attributable to bringing the investment properties to a working condition for their intended use and capitalised borrowing costs.

Gains and losses on disposal of investment properties (calculated as the difference between the net proceeds from disposal and the carrying amounts of the investment properties) are recognised in profit or loss.

(ii) **Depreciation**

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an investment property. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

No depreciation is provided on freehold land (including 999-year leasehold land) included in the investment properties.

The estimated useful lives for the current and comparative years are as follows:

Freehold and leasehold properties	– 50 years, or lease term if shorter
Leasehold land	– Lease term ranging from 50 to 96 years
Furniture, fittings, plant and equipment and improvements	– 3 to 20 years

Depreciation methods and useful lives are reviewed, and adjusted as appropriate, at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases (cont'd)

As a lessee (cont'd)

Where the basis for determining future lease payments changes as required by interest rate benchmark reform, the Group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

COVID-19-related rent concessions

The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in SFRS(I) 9 *Financial Instruments* to the net investment in the lease (see note 3.11(i)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments

(i) **Recognition and initial measurement**

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) **Classification and subsequent measurement**

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

(ii) **Classification and subsequent measurement (cont'd)**

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

(ii) **Classification and subsequent measurement (cont'd)**

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (cont'd)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

(ii) **Classification and subsequent measurement (cont'd)**

Non-derivative financial assets: Subsequent measurement and gains and losses (cont'd)

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) **Derecognition**

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred, or the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of ownership of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or when they expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

(iii) **Derecognition (cont'd)**

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

– the change is necessary as a direct consequence of the reform; and

– the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applies the policies on accounting for modifications to the additional changes.

(iv) **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, restricted cash is excluded whilst bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included in cash and cash equivalents.

(vi) **Derivative financial instruments and hedge accounting**

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

(vi) **Derivative financial instruments and hedge accounting (cont'd)**

Hedges directly affected by interest rate benchmark reform

Phase 1 amendments: Prior to interest rate benchmark reform – when there is uncertainty arising from interest rate benchmark reform

For the purpose of evaluating whether there is an economic relationship between the hedged item(s) and the hedging instrument(s), the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform.

The Group will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument (i) to a hedged item or hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the contractual cash flows of the respective item or instrument or (ii) when the hedging relationship is discontinued. For its highly probable assessment of the hedged item, the Group will no longer apply the specific policy when the uncertainty arising from interest rate benchmark reform about the timing and the amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

Phase 2 amendments: Replacement of benchmark interest rates – when there is no longer uncertainty arising from interest rate benchmark reform

When the basis for determining the contractual cash flows of the hedged item or the hedging instrument changes as a result of interest rate benchmark reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the change(s) required by interest rate benchmark reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

For this purpose, the hedge designation is amended only to make one or more of the following changes:

- designating an alternative benchmark rate as the hedged risk;
- updating the description of hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
- updating the description of the hedging instrument.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

(vi) **Derivative financial instruments and hedge accounting (cont'd)**

Hedges directly affected by interest rate benchmark reform (cont'd)

Phase 2 amendments: Replacement of benchmark interest rates – when there is no longer uncertainty arising from interest rate benchmark reform (cont'd)

The Group amends the description of the hedging instrument only if the following conditions are met:

- it makes a change required by interest rate benchmark reform by changing the basis for determining the contractual cash flows of the hedging instrument or using another approach that is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and

- the original hedging instrument is not derecognised.

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by interest rate benchmark reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by interest rate benchmark reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by interest rate benchmark reform as mentioned above.

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by interest rate benchmark reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in OCI for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The amount accumulated in the hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

(vi) Derivative financial instruments and hedge accounting (cont'd)

Hedges directly affected by interest rate benchmark reform (cont'd)

Cash flow hedges (cont'd)

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve are immediately reclassified to profit or loss.

Net investment hedges

The Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal or partial disposal of the foreign operation, respectively.

(vii) **Share capital**

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Preference shares

The Group's non-redeemable convertible non-cumulative preference shares are classified as equity, because they bear discretionary dividends, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variable number of the Group's equity instruments. Dividends thereon are recognised as distributions within equity.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Development properties

Development properties are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, capitalised borrowing costs (applicable to construction of a development for which revenue is to be recognised at a point in time) and other costs directly attributable to the development activities.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. The write-down to net realisable value is presented as allowance for foreseeable losses.

3.8 Contract costs

Incremental costs of obtaining a contract for the sale of a development property are capitalised as contract costs only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue on the contract. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

3.9 Contract assets and liabilities

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on construction of development properties. Contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

Contract liabilities primarily relate to:

- advance consideration received from customers; and
- progress billings issued in excess of the Group's rights to the consideration.

3.10 Consumable stocks

Consumable stocks comprise principally food and beverage and other hotel related consumable supplies. Stocks are valued at the lower of cost and net realisable value. Cost is determined based on the weighted average cost method and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value represents the estimated selling price in the ordinary course of business, less the estimated cost of completion and cost necessary to make the sale.

3.11 Impairment

(i) Non-derivative financial assets and contract assets

The Group recognises loss allowances for expected credit losses (ECL) on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI;
- contract assets (as defined in SFRS(I) 15); and
- lease receivables.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Impairment (cont'd)

(i) Non-derivative financial assets and contract assets (cont'd)

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECL: these are ECL that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECL: these are ECL that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECL for all trade receivables (including lease receivables) and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECL.

General approach

The Group applies the general approach to provide for ECL on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECL.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Impairment (cont'd)

(i) **Non-derivative financial assets and contract assets (cont'd)**

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) **Associates and joint ventures**

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Impairment (cont'd)

(iii) **Non-financial assets**

The carrying amounts of the Group's non-financial assets, other than development properties, contract costs, contract assets, consumable stocks and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate or a joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or a joint venture may be impaired.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, classified as held for sale are generally measured at the lower of their carrying amount and fair value less cost to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a *pro rata* basis, except that no loss is allocated to financial assets and deferred tax assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment and investment property once classified as held for sale are not depreciated. In addition, equity accounting of associates and joint ventures ceases once classified as held for sale or distribution.

3.13 Employee benefits

(i) **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) **Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit post-employment plans, including pension plans, is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised immediately as an expense in profit or loss.

The Group recognises remeasurement gains or losses within the consolidated statement of comprehensive income in the period in which they occur.

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset), taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Employee benefits (cont'd)

(iii) **Other long-term service benefits**

The Group's net obligation in respect of long-term service benefits, other than defined contribution and defined benefit plans, is the amount of future benefit that employees have earned in return for their service in current and prior periods. That benefit is discounted to determine its present value. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any plan assets is deducted. Remeasurements are recognised in profit or loss in the period in which they arise.

A provision is recognised for the amount expected to be paid under cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iv) **Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(v) **Share-based payment transactions**

The grant date fair value of equity-settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment arrangements in which the Group receives goods or services as consideration for its equity instruments of the Group entities are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employees as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Levies

A provision for levies is recognised when the condition that triggers the payment of the levy as specified in the relevant legislation is met. If a levy obligation is subject to a minimum activity threshold so that the obligating event is reaching a minimum activity, then a provision is recognised when that minimum activity threshold is reached.

3.15 Financial guarantee contracts

Financial guarantees are financial instruments issued by the Group that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees contracts are accounted for as insurance contracts. A provision is recognised based on the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

3.16 Revenue recognition

(i) **Development properties for sale**

The Group develops and sells residential and mixed development projects to customers through fixed-price contracts. Revenue is recognised when the control over a development property has been transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the residential project over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

Where a development property has no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment for performance completed to date arising from the contractual terms, revenue is recognised over time by reference to the Group's progress towards completing the construction of the development property. The measure of progress is determined based on the stage of completion of construction certified by quantity surveyors. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

In respect of contracts where the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised only when the completed property is delivered to the customer and the customer has accepted it in accordance with the sales contract.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Revenue recognition (cont'd)

(i) **Development properties for sale (cont'd)**

Under certain payment schemes, the time when payments are made by the buyer and the transfer of control of the property to the buyer do not coincide and where the difference between the timing of receipt of the payments and the satisfaction of a performance obligation is 12 months or more, the Group adjusts the transaction price with its customer and recognises a financing component. In adjusting for the financing component, the Group uses a discount rate that would reflect that of a separate financing transaction between the Group and its customer at contract inception. A finance income or finance expense will be recognised depending on the arrangement. The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of goods or services to a customer and the payment date is 12 months or less.

Revenue is measured at the transaction price agreed under the contract entered into with customers. Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The customer is invoiced based on a payment schedule which is typically triggered upon achievement of specified construction milestones. If the value of the goods transferred by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised. The accounting policy for contract assets and contract liabilities is set out in note 3.9.

(ii) **Rental income**

Rental income (net of any lease incentives) is recognised on a straight-line basis over the lease term. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period in which it is earned and the amount can be reliably measured.

(iii) **Hotel income**

Revenue from hotel operations is recognised at the point when the accommodation and related services are rendered.

(iv) **Management services, consultancy services and laundry services**

Management and consultancy fees and laundry services are recognised at the point when such services are rendered.

(v) **Dividends**

Dividend income is recognised in profit or loss when the shareholder's right to receive payment is established.

3.17 Government grants

Government grants are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Finance income and costs

The Group's finance income and costs include:

- interest income on amounts owing by associates and joint ventures, debt investment and funds invested;
- interest expense on borrowings, amounts owing to fellow subsidiaries and joint ventures, financial derivatives and lease liabilities;
- amortisation of transaction costs on borrowings capitalised;
- the fair value gains or losses on financial derivatives;
- the net gains or losses on financial assets at FVTPL;
- the foreign currency gains or losses on financial assets and financial liabilities; and
- unwinding of discount on non-current liabilities.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.19 Tax

Tax expense comprises current and deferred tax. Tax expense is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 Tax (cont'd)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

The measurement of deferred taxes reflects the consequences that follow the manner in which the Group expects, at the reporting date, to recover the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, for the dilutive effect arising from the conversion of the non-redeemable convertible non-cumulative preference shares.

3.21 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Board of Directors and Group Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's Board of Directors and Group CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly tax assets and liabilities.

3.22 New standards and amendments not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted. Except as disclosed in note 2.5, the Group has not early adopted the new or amended standards in preparing these financial statements. The Group is in the process of assessing the impact of the new standards and amendments to standards on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

4 PROPERTY, PLANT AND EQUIPMENT

	Note	Freehold land and buildings $'000	Leasehold land and buildings $'000	Freehold and leasehold properties under development $'000	Furniture, fittings, plant and equipment and improvements $'000	Renovation-in-progress $'000	Right-of-use assets $'000	Total $'000
Group								
Cost								
At 1 January 2021		4,089,858	1,672,463	299,211	1,864,634	28,648	344,340	8,299,154
Acquisition of subsidiaries	40	–	21,184	–	120	–	–	21,304
Additions		3,597	1,319	70,530	47,383	22,601	27,619	173,049
Disposal/Written off		(14,583)	–	(8,752)	(19,390)	–	(10,082)	(52,807)
Reclassifications		2,299	(116)	–	5,850	(8,033)	–	–
Transfer from investment properties	5	36,527	(1,443)	–	25,318	–	–	60,402
Transfer to assets held for sale		(334,443)	–	–	(82,744)	–	–	(417,187)
Translation differences on consolidation		(1,085)	14,078	4,437	15,757	35	6,459	39,681
At 31 December 2021		3,782,170	1,707,485	365,426	1,856,928	43,251	368,336	8,123,596
At 1 January 2022		3,782,170	1,707,485	365,426	1,856,928	43,251	368,336	8,123,596
Additions		4,874	2,648	54,527	40,056	15,565	562,029	679,699
Disposal/Written off		(19,360)	(20,399)	(1,715)	(43,506)	(352)	(17,044)	(102,376)
Disposal of subsidiaries	40	(750,283)	(713,040)	–	(615,600)	(4,918)	(86,661)	(2,170,502)
Reclassifications		9,418	128,964	(131,804)	7,103	(13,681)	–	–
Transfer from assets held for sale		16,054	–	–	8,950	–	–	25,004
Transfer to investment properties	5	(5,884)	–	–	–	–	–	(5,884)
Transfer to development properties		–	–	(245,291)	–	–	–	(245,291)
Translation differences on consolidation		(140,260)	(89,523)	(3,959)	(78,282)	(3,358)	(17,266)	(332,648)
At 31 December 2022		2,896,729	1,016,135	37,184	1,175,649	36,507	809,394	5,971,598
Accumulated depreciation and impairment losses								
At 1 January 2021		1,045,821	421,220	3,642	1,259,259	–	43,528	2,773,470
Charge for the year		25,763	23,834	–	105,888	–	22,553	178,038
Disposal/Written off		(14,583)	–	–	(15,916)	–	(7,948)	(38,447)
Reclassifications		39,860	–	–	(39,860)	–	–	–
Transfers from investment properties	5	375	(445)	–	12,825	–	–	12,755
Transfer to assets held for sale		(36,439)	–	–	(65,688)	–	–	(102,127)
Impairment losses reversed (net)		(75,356)	(15,311)	–	(4,044)	–	(664)	(95,375)
Translation differences on consolidation		11,613	9,904	73	11,233	–	624	33,447
At 31 December 2021		997,054	439,202	3,715	1,263,697	–	58,093	2,761,761
At 1 January 2022		997,054	439,202	3,715	1,263,697	–	58,093	2,761,761
Charge for the year		21,425	19,954	–	85,962	–	33,377	160,718
Disposal/Written off		(18,552)	(16,518)	–	(42,775)	–	(15,093)	(92,938)
Reclassifications		(7,804)	6,337	–	1,467	–	–	–
Disposal of subsidiaries	40	(138,126)	(214,674)	–	(435,072)	–	(4,366)	(792,238)
Impairment losses reversed (net)		(6,060)	(25,709)	–	3,656	–	–	(28,113)
Transfer from assets held for sale		6,981	–	–	3,661	–	–	10,642
Translation differences on consolidation		(27,668)	(24,851)	(24)	(55,004)	–	(1,497)	(109,044)
At 31 December 2022		827,250	183,741	3,691	825,592	–	70,514	1,910,788
Carrying amounts								
At 1 January 2021		3,044,037	1,251,243	295,569	605,375	28,648	300,812	5,525,684
At 31 December 2021		2,785,116	1,268,283	361,711	593,231	43,251	310,243	5,361,835
At 31 December 2022		2,069,479	832,394	33,493	350,057	36,507	738,880	4,060,810

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Note	Freehold land $'000	Furniture, fittings and equipment $'000	Right-of-use assets $'000	Total $'000
Company					
Cost					
At 1 January 2021		2,570	37,597	32,293	72,460
Additions		–	4,255	1,942	6,197
Disposal/Written off		–	(5,595)	–	(5,595)
At 31 December 2021		2,570	36,257	34,235	73,062
At 1 January 2022		2,570	36,257	34,235	73,062
Additions		–	4,905	21,905	26,810
Transfer to investment properties	5	(2,570)	–	–	(2,570)
At 31 December 2022		–	41,162	56,140	97,302
Accumulated depreciation					
At 1 January 2021		–	22,757	12,264	35,021
Charge for the year		–	4,749	6,267	11,016
Disposal/Written off		–	(5,518)	–	(5,518)
At 31 December 2021		–	21,988	18,531	40,519
At 1 January 2022		–	21,988	18,531	40,519
Charge for the year		–	4,997	6,261	11,258
At 31 December 2022		–	26,985	24,792	51,777
Carrying amounts					
At 1 January 2021		2,570	14,840	20,029	37,439
At 31 December 2021		2,570	14,269	15,704	32,543
At 31 December 2022		–	14,177	31,348	45,525

Right-of-use assets classified within property, plant and equipment

	Leasehold land and buildings $'000	Furniture, fittings, plant and equipment and improvements $'000	Total $'000
Group			
Balance at 1 January 2021	296,007	4,805	300,812
Depreciation charge for the year	(21,204)	(1,349)	(22,553)
Additions to right-of-use assets	27,139	480	27,619
Reversal of impairment loss	664	–	664
Disposal/Written off	(2,130)	(4)	(2,134)
Translation differences on consolidation	5,764	71	5,835
Balance at 31 December 2021	306,240	4,003	310,243

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold land and buildings $'000	Furniture, fittings, plant and equipment and improvements $'000	Total $'000
Group			
Balance at 1 January 2022	306,240	4,003	310,243
Depreciation charge for the year	(32,145)	(1,232)	(33,377)
Additions to right-of-use assets	561,117	912	562,029
Disposal/Written off	(1,948)	(3)	(1,951)
Disposal of subsidiaries	(82,238)	(57)	(82,295)
Translation differences on consolidation	(15,741)	(28)	(15,769)
Balance at 31 December 2022	735,285	3,595	738,880

	Buildings $'000
Company	
Balance at 1 January 2021	20,029
Depreciation charge for the year	(6,267)
Additions to right-of-use assets	1,942
Balance at 31 December 2021	15,704
Balance at 1 January 2022	15,704
Depreciation charge for the year	(6,261)
Additions to right-of-use assets	21,905
Balance at 31 December 2022	31,348

(a) Included in property, plant and equipment are certain hotel properties of the Group with carrying amount totalling $381,711,000 (2021: $584,019,000) which are mortgaged to certain financial institutions to secure credit facilities (refer to notes 23 and 24 for more details of the facilities).

(b) During 2022, the Group transferred the reversionary interest of three hotels leased to CDL Hospitality Trusts (CDLHT) from property, plant and equipment to investment properties located in Singapore, following the deconsolidation of CDLHT (refer to note 40). The Group also reclassified a hotel under development from property, plant and equipment to development properties, as the hotel was developed with the intention for sale to CDLHT.

(c) During 2021, the Group transferred two hotel properties located in Australia held by the Group's non wholly-owned subsidiary, CDLHT, from investment properties to property, plant and equipment, when CDLHT became both the owner and operator of the properties.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(d) The Group undertook its annual review of the carrying amounts of hotels and property assets for indicators of impairment. Where indicators of impairment were identified, the recoverable amounts were estimated based on internal or external valuations undertaken by the Group. The cash generating units (CGU) are individual hotels.

The recoverable amounts of the individual hotels, being the higher of the fair value less costs to sell and the value-in-use, were predominantly determined using the fair value less costs to sell approach and were estimated using the discounted cashflow method (2021: discounted cash flow and income capitalisation methods). 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. In relying on the valuation reports, the Group has exercised its judgement and is satisfied that the valuation method and estimates are reflective of current market conditions. Certain valuation reports obtained from the external valuers have highlighted that a combination of global inflationary pressures, recent geopolitical events, and remaining effects of Covid-19 pandemic in some markets, has heightened the potential for greater volatility in property markets over the short to medium term. The importance of the valuation date must be stressed as property values may change over a relatively short period of time.

The fair value measurement was categorised as a Level 3 fair value based on the inputs to the valuation technique used.

In 2022, the Group recognised a net reversal of impairment loss of $28,113,000 on certain hotel properties, comprising reversal of impairment losses of $33,778,000 on four hotels in United States of America (US) and three hotels in Europe, net of impairment losses made of $5,665,000 in respect of one hotel in New Zealand and a club in Asia. The impairment losses reversed during the year mainly arose from the improved trading performances of certain hotel properties, following the progressive recovery of the hospitality sector in the countries in which these hotels are located. The impairment loss recognised on the club in Asia was a result of its weak financial performance. The estimated total recoverable amounts of the properties on which impairment losses were reversed or impaired during the year were $615,980,000 as at 31 December 2022.

In 2021, the Group recognised a net reversal of impairment loss of $95,375,000 on its hotel properties, comprising reversal of impairment losses of $96,317,000 on five hotels in United States of America (US), two hotels in Europe, and four hotels in Asia, net of impairment losses made of $942,000 in respect of a club and a restaurant in Asia. The impairment losses reversed during the year mainly arose from the improved trading performances of certain hotel properties, following the progressive recovery of the hospitality sector in the countries in which these hotels are located. The estimated total recoverable amounts of the properties on which impairment losses were reversed or impaired during the year were $743,871,000 as at 31 December 2021.

The fair value measurement was categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Impairment losses recognised or reversed were included in "other operating expenses" in the consolidated statement of profit or loss and the hotel operations segment.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The key assumptions used in estimating the recoverable amounts are set out below:

	US	Europe	Asia	New Zealand
Occupancy rate				
2022	65.0% to 95.0%	70.0% to 76.0%	N/A	62.6% to 69.1%
2021	45.0% to 95.0%	54.0% to 84.0%	36.4% to 73.0%	N/A
Average room rate growth				
2022	2.0% to 10.0%	1.1% to 9.1%	N/A	2.0% to 3.0%
2021	1.4% to 56.4%	1.1% to 12.2%	2.0% to 8.2%	N/A
Discount rate				
2022	8.3% to 10.5%	7.3% to 11.3%	N/A	10.3%
2021	7.5% to 11.8%	6.6% to 8.3%	11.8% to 12.0%	N/A
Terminal rates				
2022	6.0% to 8.5%	4.0% to 7.8%	N/A	9.5%
2021	5.5% to 9.8%	4.0% to 6.3%	9.0% to 10.0%	N/A
Capitalisation rates				
2021	N/A	N/A	8.8%	N/A

The cash flow forecasts under the discounted cash flow method cover a five to ten years period, and cash flows beyond this period are extrapolated using a growth rate ranging between 2.2% and 3.4% (2021: 1.5% and 3.1%), which is based upon the expected trading growth for each hotel and inflation in the country in which the hotel is located.

Sensitivity analysis

The Group's impairment review is sensitive to changes in the key assumptions used. An increase in occupancy rate and/or average room rate growth in isolation would result in a higher recoverable amount. An increase in discount rate, terminal rate or capitalisation rate in isolation would result in a lower recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

5 INVESTMENT PROPERTIES

	Note	Group $'000 Restated*	Company $'000
Cost			
At 1 January 2021		5,760,958	603,648
Acquisition of subsidiaries	40	341,753	–
Additions		279,723	3,099
Disposal/Written off		(59,630)	(797)
Transfers to property, plant and equipment	4	(60,402)	–
Transfers to non-current assets held for sale		(55,839)	–
Translation differences on consolidation		8,470	–
At 31 December 2021		6,215,033	605,950
At 1 January 2022		6,215,033	605,950
Acquisition of subsidiaries, including acquisition costs	40	387,791	–
Additions		532,671	4,973
Disposal/Written off		(111,747)	–
Transfers to development properties		(90,685)	–
Transfers from development properties		8,179	–
Transfers from property, plant and equipment	4	5,884	2,570
Disposal of subsidiaries	40	(496,882)	–
Translation differences on consolidation		(312,865)	–
At 31 December 2022		6,137,379	613,493
Accumulated depreciation and impairment losses			
At 1 January 2021		1,192,261	178,693
Charge for the year		107,457	14,886
Disposal/Written off		(51,403)	(781)
Transfers to property, plant and equipment	4	(12,755)	–
Transfers to non-current assets held for sale		(2,001)	–
Impairment loss recognised		2,064	–
Translation differences on consolidation		(3,436)	–
At 31 December 2021		1,232,187	192,798
At 1 January 2022		1,232,187	192,798
Charge for the year		115,954	14,204
Disposal/Written off		(91,924)	–
Transfers to development properties		(38,758)	–
Disposal of subsidiaries	40	(63,561)	–
Impairment loss recognised		35,728	–
Translation differences on consolidation		(19,261)	–
At 31 December 2022		1,170,365	207,002
Carrying amounts			
At 1 January 2021		4,568,697	424,955
At 31 December 2021		4,982,846	413,152
At 31 December 2022		4,967,014	406,491
Fair value			
At 1 January 2021		8,901,489	1,114,435
At 31 December 2021		10,966,900	1,662,892
At 31 December 2022		10,899,043	1,820,028

* Refer to Note 47

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

5 INVESTMENT PROPERTIES (CONT'D)

(a) Investment properties comprise commercial, residential, hotel and industrial properties that are leased to external customers. Generally, each of the leases is fixed for a period of 1 to 16 years (2021: 1 to 29 years), and subsequent renewals are negotiated at prevailing market rates and terms.

(b) During 2022, the Group transferred a portion of an investment property to development properties for redevelopment as residential units for sale. In addition, the Group transferred a development property to investment properties arising from inception of an operating lease for the property. The Group also disposed of certain investment properties arising from the deconsolidation of CDLHT following the distribution *in specie* of CDLHT units during the current financial year (note 40).

During 2021, the Group transferred two hotel properties located in Australia held by CDLHT to property, plant and equipment, when CDLHT became both the owner and operator of the properties. In addition, the Group transferred an industrial warehouse to non-current assets held for sale (note 6).

(c) As at 31 December 2022, investment properties of the Group with a total carrying amount of $1,236,481,000 (2021: $1,453,630,000) were mortgaged to certain financial institutions to secure credit facilities (refer to notes 23 and 24 for more details of the facilities).

(d) The Group undertook its annual review of the carrying amounts of investment properties for indicators of impairment. Where indicators of impairment were identified, the recoverable amounts were estimated based on internal or external valuations undertaken. The cash generating units (CGU) are individual properties.

The recoverable amounts of the investment properties, being the higher of the fair value less costs to sell and value-in-use, were predominantly determined using the fair value less costs to sell approach, and were estimated using the income capitalisation, standardised land value adjustment and residual methods (2021: discounted cash flow and income capitalisation).

Based on the impairment assessment undertaken in 2022, the Group recognised an impairment loss of $35,728,000 on one commercial property in the United Kingdom (UK), one purpose-built student accommodation in UK and one commercial project in China. The aforesaid commercial project in China is undergoing phased construction. The impairment loss recognised during the year was mainly due to the increase in capitalisation rates arising from higher interest rates in UK and the subdued real estate market in China, along with higher than expected development costs incurred on the property in China.

In 2021, the Group recognised a net impairment loss of $2,064,000 on its investment properties, comprising reversal of impairment losses of $3,416,000 on one hotel in Maldives and one hotel in Italy, both of which are held by CDLHT, and impairment loss of $5,480,000 on one commercial property in the UK. The impairment losses reversed mainly arose from the improved trading performances, following the progressive recovery of the hospitality sector in the countries in which these hotels are located. The impairment loss recognised was due to the decrease in recoverable amount by the amount of stamp duty and land tax payable by the Group, which would not be payable had the Group proceeded with the initial public offering of a real estate investment trust (note 47).

The impairment loss reversed or recognised was recognised in "other operating expenses" and the investment properties segment.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

5 INVESTMENT PROPERTIES (CONT'D)

The key assumptions used in estimating the recoverable amounts are set out below:

2022

	China	UK
Capitalisation rate	N/A	5.6% to 9.0%
Rental rate per bed	N/A	$290
Gross development value	$119 million	N/A
Estimated cost to completion	$22 million	N/A
Price per square metre ("psm")	$147 – $3,121 psm	N/A

2021

	Maldives	Italy	UK
Occupancy rate	54.4% to 67.2%	75.0% to 81.0%	N/A
Average room rate growth	1.8%	2.7%	N/A
Discount rate	11.8%	5.3% to 6.3%	N/A
Terminal rates	8.8%	4.0% to 5.0%	N/A
Capitalisation rate	8.5%	N/A	5.0%

As at 31 December 2021, the forecasts under the discounted cash flow method covered a ten-year period, and cash flows beyond this period are extrapolated using a growth rate ranging between 1.2% and 2.0%, which was based upon the expected trading growth for each hotel and inflation in the country in which the property was located.

Sensitivity analysis

The Group's impairment review is sensitive to changes in the key assumptions used. An increase in occupancy rate, average room rate growth, price psm or gross development value in isolation would result in a higher recoverable amount. An increase in discount rate, terminal rate, capitalisation rate or estimated cost to completion in isolation would result in a lower recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

5 INVESTMENT PROPERTIES (CONT'D)

(e) Determination of fair value

The fair values for a majority of the Group's investment properties are determined by independent external valuers who have appropriate recognised professional qualifications and recent experience in the location and category of the investment properties being valued. The fair values of 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 fair value disclosure for the investment properties for the Group and the Company of $10,899,043,000 (2021 (restated): $10,966,900,000) and $1,820,028,000 (2021: $1,662,892,000) respectively has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

6 ASSETS HELD FOR SALE

	Group	
	2022 $'000	2021 $'000 Restated*
Assets held for sale		
Property, plant and equipment	**14,417**	334,190
Investment properties	–	53,837
Trade and other receivables	–	68
Cash and cash equivalents	–	631
	14,417	388,726
Liabilities directly associated with the assets held for sale		
Trade and other payables	–	412
Other liabilities	–	425
Provision for taxation	–	257
Deferred tax liabilities	–	107
	–	1,201

* Refer to Note 47

At 31 December 2022, assets held for sale relates to the proposed disposal by an indirect subsidiary of the Group, Millennium & Copthorne Hotels Limited (M&C), of Millennium Harvest House Boulder (which is in the hotel operations segment), to a third party for a sale consideration of $96.7 million. The sale is expected to be completed within the next one year.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

6 ASSETS HELD FOR SALE (CONT'D)

At 31 December 2021, assets held for sale and liabilities directly associated with the assets held for sale relate to the following proposed divestments:

(a) The above-mentioned proposed disposal of Millennium Harvest House Boulder by M&C.

(b) M&C had entered into a sale and purchase agreement to sell a hotel, Copthorne Orchid Penang (which was in the hotel operations segment), to a third party. The agreement was terminated in December 2021 and the Group continued to explore the sale of the property with other prospective buyers. During 2022, the Group ceased to explore further sale opportunities and the property was reclassified to property, plant and equipment. Accordingly, a depreciation expense of $318,000 was recognised at the date of the reclassification.

(c) A wholly-owned subsidiary of the Group, Singapura Developments (Private) Limited, had 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.

(d) 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 the Group recognised a gain on disposal of $489.2 million, net of taxes and related transaction costs.

7 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES

	Company	
	2022 $'000	**2021 $'000**
Investments in subsidiaries		
Unquoted shares, at cost	**1,989,926**	2,028,374
Impairment losses	**(40,837)**	(32,287)
	1,949,089	1,996,087
Balances with subsidiaries		
Amounts owing by subsidiaries:		
– trade	**17,241**	16,481
– non-trade, interest-free	**6,666,056**	6,489,376
– non-trade, interest-bearing	**6,230,689**	5,868,079
	12,913,986	12,373,936
Impairment losses	**(257,245)**	(183,563)
	12,656,741	12,190,373

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

7 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES (CONT'D)

		Company	
	Note	**2022 $'000**	**2021 $'000**
Receivable:			
– Within 1 year	16	**6,228,009**	5,985,134
– After 1 year	12	**6,428,732**	6,205,239
		12,656,741	12,190,373
Amounts owing to subsidiaries:			
– trade		**1,927**	968
– non-trade, interest-free		**1,578,494**	2,006,511
– non-trade, interest-bearing		**1,288,837**	490,579
		2,869,258	2,498,058
Repayable:			
– Within 1 year	31	**2,119,114**	2,498,058
– After 1 year	28	**750,144**	–
		2,869,258	2,498,058

The Company assessed the carrying amount of its investments in subsidiaries for indicators of impairment. Based on the assessment, the Company recognised a net impairment loss of $10,277,000 (2021: $17,270,000) on its investments in four (2021: three) wholly-owned subsidiaries, following a decline in their financial position. The recoverable amounts of the subsidiaries were estimated taking into consideration the fair values of the underlying assets and the liabilities of the companies. The fair value measurement was categorised as a Level 3 in the fair value hierarchy based on the inputs in the valuation techniques used.

The non-trade amounts owing by and to subsidiaries are unsecured. In respect of interest-bearing amounts owing by and to subsidiaries, interest was charged at 1.00% to 4.98% (2021: 0.39% to 4.18%) per annum and at 1.00% to 3.00% (2021: 1.00% to 3.00%) per annum respectively, as at 31 December 2022.

The non-trade balances with subsidiaries that are presented as receivable or repayable within one year are receivable or repayable on demand. The non-trade amounts owing by subsidiaries receivable after one year are loans to subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, a part of the Company's net investments in subsidiaries.

Information about the Company's exposure to credit risk on the amounts owing by subsidiaries is included in note 42.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

7 INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES (CONT'D)

Impairment losses

The movements in impairment losses in respect of investments in subsidiaries and amounts owing by subsidiaries during the year are as follows:

	Investments in subsidiaries		Amounts owing by subsidiaries Lifetime ECL – not credit impaired	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
At 1 January	**32,287**	33,663	**183,563**	125,600
Impairment loss recognised	**10,277**	17,270	**73,682**	57,963
Impairment loss utilised	**(1,727)**	(18,646)	**–**	–
At 31 December	**40,837**	32,287	**257,245**	183,563

The increase in loss allowance on amounts owing by subsidiaries was due to a decline in the financial positions of the subsidiaries.

Further details regarding the Group's subsidiaries are set out in note 44.

8 INVESTMENTS IN AND BALANCES WITH ASSOCIATES

		Group		Company	
	Note	**2022 $'000**	**2021 $'000**	**2022 $'000**	**2021 $'000**
Investments in associates					
Investments in associates		**1,276,368**	832,378	**–**	–
Impairment loss		**(12,655)**	(15,399)	**–**	–
		1,263,713	816,979	**–**	–
Balances with associates					
Amounts owing by associates receivable within 1 year:					
– trade		**9,520**	22	**1,540**	3
– non-trade, interest-bearing		**1,188**	1,120	**–**	–
– non-trade, interest free		**528**	–	**–**	–
		11,236	1,142	**1,540**	3
Impairment losses		**(320)**	–	**–**	–
	16	**10,916**	1,142	**1,540**	3
Amount owing to an associate payable within 1 year:					
– trade		**4,790**	–	**6**	–
– non-trade, interest-free		**2,605**	2	**–**	–
	31	**7,395**	2	**6**	–

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

8 INVESTMENTS IN AND BALANCES WITH ASSOCIATES (CONT'D)

The non-trade amounts owing by associates are unsecured and repayable on demand. In respect of interest-bearing amounts owing by associates, interest of 6.00% (2021: 6.00%) per annum was charged by the Group.

The non-trade amount owing to an associate is unsecured and repayable on demand.

Included in the Group's investments in associates are investments in three associates (2021: two associates) which are listed on the Mainboard of Singapore Exchange Securities Trading Limited (SGX-ST). As at the reporting date, the aggregate carrying amount of these investments were $1,181.6 million (2021: $764.5 million) and the fair values based on the published price quotation (Level 1 in the fair value hierarchy) was $950.6 million (2021: $612.7 million). In respect of these associates, management had assessed the recoverable amounts of the investments and determined that as their net asset value based on the latest available audited financial statements of the associates are higher than the carrying amount as at the reporting date, no impairment loss for these investments is considered necessary.

During 2021, the Group assessed the carrying amount of its investments in associates for indicators of impairment. Based on the assessment, the Group recognised an impairment loss of $12,125,000 on its investment in certain associates as a result of their weak financial performance. The recoverable amount was estimated taking into account the fair values of the underlying assets and the liabilities of the associates. The fair value measurement was categorised as a Level 3 in the fair value hierarchy as it is derived from unobservable inputs.

The movements in impairment losses in respect of investments in associates and amounts owing by associates are as follows:

	Investments in associates		Amounts owing by associates Lifetime ECL – not credit-impaired	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Group				
At 1 January	**15,399**	3,000	**–**	–
Impairment loss recognised	**–**	12,125	**339**	–
Impairment loss utilised	**(1,703)**	–	**–**	–
Translation differences on consolidation	**(1,041)**	274	**(19)**	–
At 31 December	**12,655**	15,399	**320**	–

The impairment loss recognised was included in "Share of after-tax profit of associates" in the consolidated statement of profit or loss.

Accounting for investment in CDLHT

In May 2022, the Company distributed 144,191,823 units in CDLHT ("CDLHT units") that it held to its ordinary shareholders, which resulted in CDLHT, which was a subsidiary in prior year, becoming an associate of the Group thereafter (notes 40, 44 and 45). The Group's retained interest in CDLHT has been remeasured to fair value and accounted for as a business combination, which requires the purchase price to be allocated to the fair value of the identifiable assets acquired and liabilities assumed, including any contingent liabilities (purchase price allocation or "PPA"). A significant portion of the purchase price was allocated to CDLHT's underlying property portfolio comprising property, plant and equipment and investment properties, based on the valuation amounts in the valuation reports undertaken by an internal valuer with appropriate recognised professional qualifications and experience in the location and category of the properties being valued.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

8 INVESTMENTS IN AND BALANCES WITH ASSOCIATES (CONT'D)

Accounting for investment in CDLHT (cont'd)

The valuations of the property, plant and equipment and investment properties involve 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 in measuring the fair values of the underlying significant assets and liabilities were as follows:

Assets acquired and liabilities assumed	Valuation technique
Property, plant and equipment and investment properties	*Discounted cash flow, income capitalisation, and residual methods:* The discounted cash flow method involved forecasting the properties' income stream and discounting the income stream at the market rate of interest at the acquisition date. The income capitalisation method capitalised an income stream into a present value using revenue multipliers or single-year capitalisation rates. The residual method involved deducting the estimated costs to complete as of valuation date and other relevant costs from gross development value of a proposed development assuming satisfactory completion and accounting for developer profit.
Interest-bearing borrowings	The fair value was estimated as the present value of future principal and interest cash flows, discounted at the market rates of interest at the acquisition date.

In relying on the valuation reports for the property, plant and equipment and investment properties, the Group had exercised its judgement and was satisfied that the valuation methods and estimates were reflective of prevailing market conditions.

The fair value measurements were categorised as Level 3 in the fair value hierarchy based on the inputs in the valuation techniques used.

The PPA exercise resulted in a negative goodwill of $18,003,000, which has been recognised as part of the Group's share of after-tax profit of associates in the consolidated statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

8 INVESTMENTS IN AND BALANCES WITH ASSOCIATES (CONT'D)

Immaterial associates

The Group has interests in a number of individually immaterial associates. The following table summarises, in aggregate, the Group's share of profit and other comprehensive income of these immaterial associates that are accounted for using the equity method:

	Group	
	2022 $'000	2021 $'000
Carrying amount of interests in individually immaterial associates	**1,263,713**	816,979
Group's share of:		
– profit from continuing operations	**86,832**	30,713
– other comprehensive income	**(55,147)**	25,570
– total comprehensive income	**31,685**	56,283

Financial guarantee

A wholly-owned subsidiary of the Group had entered into a deed of guarantee in favour of Sunbright Holdings Limited (Sunbright), an associate of the Group, in relation to the residential properties owned by Sunbright. The maximum exposure of the Group under the deed of guarantee at the reporting date is approximately $42.6 million (2021: $20.2 million).

Management do not consider it probable that a claim will be made against the Group under the financial guarantee.

9 INVESTMENTS IN AND BALANCES WITH JOINT VENTURES

		Group		Company	
	Note	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Investments in joint ventures					
Investments in joint ventures		**1,083,024**	1,037,046	**37,360**	37,360
Balances with joint ventures					
Amounts owing by joint ventures:					
– trade		**10,317**	2,714	**46**	35
– non-trade, interest-bearing		**880,031**	831,736	**–**	–
– non-trade, interest-free		**475,220**	458,736	**237,614**	236,614
		1,365,568	1,293,186	**237,660**	236,649
Impairment losses		**(4,431)**	(4,431)	**(5,246)**	(5,050)
		1,361,137	1,288,755	**232,414**	231,599
Receivable:					
– Within 1 year	16	**1,086,805**	1,288,755	**232,414**	231,599
– After 1 year	12	**274,332**	–	**–**	–
		1,361,137	1,288,755	**232,414**	231,599
Amounts owing to joint ventures payable within 1 year:					
– trade		**428**	332	**–**	–
– non-trade, interest-free		**90,705**	97,570	**22,727**	22,727
	31	**91,133**	97,902	**22,727**	22,727

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

9 INVESTMENTS IN AND BALANCES WITH JOINT VENTURES (CONT'D)

(a) At the reporting date, included in the carrying amount of the Group's investments in joint ventures is goodwill amounting to $27.2 million (2021: $28.4 million) relating to the Group's interests in two (2021: two) joint ventures.

(b) The movement in impairment losses in respect of investments in joint ventures are as follows:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
At 1 January	**–**	806,371	**–**	–
Impairment loss utilised	**–**	(806,371)	**–**	–
At 31 December	**–**	–	**–**	–

(c) The non-trade amounts owing by joint ventures are unsecured. In respect of interest-bearing amounts owing by joint ventures, interest at rates ranging from 1.38% to 7.5% (2021: 0.99% to 7.5%) per annum were charged by the Group.

The non-trade amounts presented as receivable within one year are receivable on demand.

The non-trade amounts owing by joint ventures after one year were loans to joint ventures for which settlement was neither planned nor likely to occur in the foreseeable future.

(d) The movements in impairment losses in respect of balances with joint ventures are as follows:

		Group Lifetime ECL		Company Lifetime ECL	
	Note	2022 $'000	2021 $'000	2022 $'000	2021 $'000
At 1 January		**4,431**	328,595	**5,050**	5,050
Impairment loss recognised		**–**	6,104	**196**	–
Impairment loss utilised		**–**	(8,153)	**–**	–
Reclassified to other receivables	42	**–**	(329,481)	**–**	–
Translation differences on consolidation		**–**	7,366	**–**	–
At 31 December		**4,431**	4,431	**5,246**	5,050

The impairment loss recognised by the Group in prior year related to the impairment loss recognised on the amounts owing by HCP Chongqing Property Development Co., Ltd ("HCP") and its subsidiaries ("HCP Group"). Following the Group's disposal of its investment in HCP in prior year, as at 31 December 2021, the amounts owing by HCP Group were classified as other receivables (note 16). Impairment losses recognised were included on the face of the consolidated statement of profit or loss.

(e) The non-trade amounts owing to joint ventures are unsecured and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

9 INVESTMENTS IN AND BALANCES WITH JOINT VENTURES (CONT'D)

Immaterial joint ventures

The Group has interests in a number of individually immaterial joint ventures. The following table summarises, in aggregate, the share of profit and other comprehensive income of these immaterial joint ventures that are accounted for using the equity method:

	Group	
	2022 $'000	2021 $'000
Carrying amount of interests in individually immaterial joint ventures	**1,083,024**	1,037,046
Group's share of:		
– profit from continuing operations	**83,332**	76,779
– other comprehensive income	**615**	4,637
– total comprehensive income	**83,947**	81,416

The Group's share of the joint ventures' commitments and contingent liabilities is as follows:

	Group	
	2022 $'000	2021 $'000
Commitments		
Development expenditure contracted but not provided for in the financial statements	**576,059**	514,917
Capital expenditure contracted but not provided for in the financial statements	**42,666**	59,367

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

10 FINANCIAL ASSETS

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Non-current investments					
Unquoted debt investments mandatorily at FVTPL					
– non-related companies	(a), (b)	**20,011**	175,409	**–**	–
Unquoted equity investments at FVOCI					
– fellow subsidiaries		**407,903**	327,577	**407,903**	327,577
– non-related companies		**24,261**	30,293	**–**	–
		432,164	357,870	**407,903**	327,577
Unquoted equity investments mandatorily at FVTPL					
– other related parties		**61,175**	57,307	**–**	–
– non-related companies		**75,538**	73,158	**–**	–
		136,713	130,465	**–**	–
Quoted equity investments at FVOCI					
– fellow subsidiaries		**26,006**	26,006	**21,868**	21,868
– non-related companies		**–**	11,174	**–**	–
		26,006	37,180	**21,868**	21,868
Quoted equity investments mandatorily at FVTPL					
– an associate		**18,910**	32,857	**–**	–
– non-related companies		**3,626**	6,905	**1,828**	1,993
		22,536	39,762	**1,828**	1,993
Total non-current financial assets		**637,430**	740,686	**431,599**	351,438
Current investments					
Quoted equity investments mandatorily at FVTPL					
– an associate		**135**	–	**135**	–
– non-related companies		**6,969**	9,105	**–**	–
		7,104	9,105	**135**	–
Unquoted debt investment at amortised cost					
– a non-related company	(c)	**309,488**	311,512	**–**	–
Impairment loss		**(309,488)**	(293,769)	**–**	–
		–	17,743	**–**	–
Total current financial assets		**7,104**	26,848	**135**	–
Total financial assets		**644,534**	767,534	**431,734**	351,438

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

10 FINANCIAL ASSETS (CONT'D)

(a) Unquoted debt investments mandatorily at FVTPL with total carrying amount of $142,486,000 as at 31 December 2021 bore interest at 2.46% per annum and mature within 1 to 2 years.

(b) Included in the unquoted debt investments mandatorily at FVTPL were $20,011,000 (2021: $32,923,000) relating to the Group's investment in property-linked notes issued for the development of a luxury retirement village in New South Wales, Australia.

In addition, included in the unquoted debt investments mandatorily at FVTPL as at 31 December 2021 were $142,486,000 relating to the Group's investment in a note due 2023 issued by Summervale Properties Pte. Ltd. (Summervale) for Nouvel 18, a 156-unit luxury freehold residential development on Anderson Road, Singapore. In October 2016, the Group established its third Profit Participation Securities (PPS) by entering into an investment agreement, and an asset management and marketing agreement with an unrelated party, Green 18 Pte. Ltd. (Green 18), to exit its entire interest in Summervale. As part of the investment agreement, the Group subscribed for a note of $140 million issued by Summervale. According to the asset management and marketing agreement, Summervale appointed Trentwell Management Pte. Ltd. (Trentwell), a wholly-owned subsidiary of the Group, as the asset manager and marketing agent of Summervale to manage and lease out Nouvel 18, as well as to market and divest units in Nouvel 18 for a period of five years (with an option to extend to seven years). The option for extension of the duration of the asset management and marketing agreement for a further 2-year period has been exercised with effect from 20 October 2021. The note was fully redeemed during the current year.

(c) Unquoted debt investment at amortised cost with gross carrying amount of $309,488,000 (US$230 million) (2021: $311,512,000 (US$230 million)) relates to the Group's investment in a US$ bond issued by Sincere Property Group. The bond bore interest at 10% (2021: 10%) per annum up till the effective date of commencement of Sincere Property's bankruptcy reorganisation on 14 October 2021. The bond which has a maturity date on 27 June 2022, may be redeemed by the holder on or before 27 June 2021. During 2021, the Group exercised its put option and issued a put notice to the issuer for full repayment. As at 31 December 2022, the bond remained unpaid. As at 31 December 2022, the bond has been fully impaired. As at 31 December 2021, an impairment loss of $293,769,000 was recognised on the bond. The Group has no collateral in respect of this investment.

The movement in the allowance for impairment for debt investments at amortised cost during the year was as follows:

	Lifetime ECL credit-impaired 2022 $'000	Lifetime ECL credit-impaired 2021 $'000
Balance as at 1 January	**293,769**	288,000
Impairment loss recognised	**18,015**	–
Translation differences on consolidation	**(2,296)**	5,769
Balance as at 31 December	**309,488**	293,769

The impairment loss recognised was included on the face of the consolidated statement of profit or loss.

The Group undertook an impairment assessment of the investment in the bond.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

10 FINANCIAL ASSETS (CONT'D)

2022

During 2022, certain subsidiaries within Sincere Property Group entered into consolidated bankruptcy reorganisation in addition to Sincere Property which entered into bankruptcy reorganisation in 2021 (see below). Discussions between the bankruptcy administrator, creditors of Sincere Property Group and potential investors are ongoing. The Group has filed its claims against Sincere Property with the bankruptcy administrator.

As at 31 December 2022, the Group assessed that the investment in the bond continue to be credit-impaired. The Group assessed the lifetime ECL to be recognised, taking into consideration the latest developments of Sincere Property Group based on available information, prevailing market conditions and price trends of corporate bonds issued by other China real estate developers with credit ratings similar to that of Sincere Property Group and face similar debt and liquidity challenges as those faced by Sincere Property Group.

The key parameter applied in estimating the ECL to be recognised include assuming a loss given default ("LGD") of 100% which was estimated based on the range of decline in trading prices of bonds issued by other China real estate developers with credit ratings similar to that of Sincere Property Group and face similar debt and liquidity challenges as those faced by Sincere Property Group. The Group also considered the increased uncertainty surrounding the complex bankruptcy reorganisation with the passage of time, which pose challenges to the recovery of the investment in the bond.

Based on the assessment undertaken, the Group recognised an additional impairment of $18 million on the investment in the bond during the year. As at 31 December 2022, the investment in the bond has been fully impaired.

As the bankruptcy reorganisation for Sincere Property Group is ongoing, its outcome is uncertain and evolving. Changes to circumstances and estimates may impact the ECL recognised on the investment in the bond. The ECL on the investment in the bond is also sensitive to the assumptions used. As the investment in bond has been fully impaired, any decrease in LGD in isolation would result in a higher recoverable amount.

2021

Having considered that Sincere Property had entered into bankruptcy reorganisation and its credit rating and domestic corporate bonds were downgraded by a local credit rating agency during 2021 (see note 42), the Group assessed that the investment in the bond continued to be credit-impaired.

At 31 December 2021, the Group assessed the lifetime ECL to be recognised, taking into account the latest developments of Sincere Property Group based on publicly available information as described in note 42, prevailing market conditions and price trends of corporate bonds issued by other China real estate developers with credit ratings similar to that of Sincere Property Group and face similar debt and liquidity challenges as those faced by Sincere Property Group, following regulatory tightening and systemic changes on financing imposed on China's real estate sector.

The key parameter applied in estimating the ECL to be recognised included assuming a LGD of approximately 90% which was based on the range of decline in trading prices of bonds issued by other China real estate developers with credit ratings similar to that of Sincere Property Group and faced similar debt and liquidity challenges as those faced by Sincere Property Group.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

10 FINANCIAL ASSETS (CONT'D)

2021 (cont'd)

Based on the assessment undertaken, the Group assessed that no additional impairment was required on the investment in the bond. At 31 December 2021, the carrying value of the bond was $17.7 million (net of impairment loss). As the bankruptcy reorganisation for Sincere Property Group is ongoing, its outcome is uncertain and evolving. Changes to circumstances and estimates may impact the ECL recognised on the investment in the bond. The ECL on the investment in the bond is also sensitive to the assumptions used. A decrease in LGD in isolation would result in a higher recoverable amount. An increase in LGD in isolation would result in a lower recoverable amount.

(d) Equity investments designated at FVOCI

The Group designated the equity investments shown below as equity investments at FVOCI because these equity investments represent investments that the Group intends to hold for the long-term for strategic purposes.

	Group		Company	
	Fair value $'000	**Dividend income recognised $'000**	**Fair value $'000**	**Dividend income recognised $'000**
2022				
Unquoted investment in a fellow subsidiary:				
– Hong Leong Holdings Limited	407,903	2,295	407,903	2,295
Unquoted investment in a non-related company:				
– Singapore-Suzhou Township Development Pte. Ltd.	24,261	905	–	–
Quoted investment in a fellow subsidiary:				
– Hong Leong Finance Limited	26,006	1,306	21,868	1,098
2021				
Unquoted investment in a fellow subsidiary:				
– Hong Leong Holdings Limited	327,577	1,890	327,577	1,890
Unquoted investment in a non-related company:				
– Singapore-Suzhou Township Development Pte. Ltd.	30,293	880	–	–
Quoted investment in a fellow subsidiary:				
– Hong Leong Finance Limited	26,006	1,387	21,868	1,167

Other equity investments designated at FVOCI not included in the table above are insignificant to the Group and the Company.

During the year, the Group disposed one of the other equity investments designated at FVOCI due to privatisation of the investee. The investment had a fair value of $13,342,000 at the date of disposal, and the cumulative gain on disposal amounted to $4,003,000. The cumulative gain on disposal was reclassified from fair value reserve to accumulated profits.

Information about the Group's and the Company's exposures to credit and market risks, and fair value measurement, is included in note 42.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

11 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Derivative financial assets				
Cross currency swaps	**43,696**	8,788	**43,696**	4,026
Forward exchange contracts	**49,636**	17,485	**49,636**	17,485
Interest rate swaps	**18,917**	–	**18,917**	–
	112,249	26,273	**112,249**	21,511
Non-current	**40,449**	4,762	**40,449**	–
Current	**71,800**	21,511	**71,800**	21,511
	112,249	26,273	**112,249**	21,511
Derivative financial liabilities				
Cross currency swaps	**(780)**	(14,936)	**(780)**	(14,928)
Forward exchange contracts	**(780)**	–	**(780)**	–
Interest rate swaps	**(645)**	(941)	**(645)**	–
	(2,205)	(15,877)	**(2,205)**	(14,928)
Non-current	**(645)**	(1,295)	**(645)**	(346)
Current	**(1,560)**	(14,582)	**(1,560)**	(14,582)
	(2,205)	(15,877)	**(2,205)**	(14,928)

As at the reporting date, the Group has cross-currency swaps, forward exchange contracts and interest rate swaps with a total notional amount of $559,484,000 (2021: $536,104,000), $1,008,329,000 (2021: $1,308,617,000) and $840,952,000 (2021: $88,036,000) respectively. The Company has cross-currency swaps, forward exchange contracts and interest rate swaps with a total notional amount of $559,484,000 (2021: $378,777,000), $1,008,329,000 (2021: $1,308,617,000) and $840,952,000 (2021: $Nil) respectively.

12 OTHER NON-CURRENT ASSETS

	Note	Group		Company	
		2022 $'000	2021 $'000	2022 $'000	2021 $'000
Amounts owing by subsidiaries	7	**–**	–	**6,428,732**	6,205,239
Amount owing by joint ventures	9	**274,332**	–	**–**	–
Deposits		**11,946**	3,395	**–**	–
Other receivables		**6,682**	13,307	**–**	–
Restricted bank deposits	18	**6,494**	89,630	**–**	–
		299,454	106,332	**6,428,732**	6,205,239
Prepayments		**288**	282	**–**	–
Intangible assets		**1,714**	1,879	**–**	–
Deferred tax assets	30	**47,468**	69,302	**–**	–
		348,924	177,795	**6,428,732**	6,205,239

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

13 DEVELOPMENT PROPERTIES

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Properties under development, for which revenue is to be recognised over time	**1,519,313**	1,649,627	**–**	–
Properties under development, for which revenue is to be recognised at a point in time	**3,100,118**	2,518,357	**–**	–
Completed units	**1,465,230**	1,739,574	**166,106**	175,792
	6,084,661	5,907,558	**166,106**	175,792
Allowance for foreseeable losses	**(127,064)**	(68,087)	**–**	–
Total development properties	**5,957,597**	5,839,471	**166,106**	175,792

(i) Allowance for foreseeable losses

Movements in allowance for foreseeable losses are as follows:

	Note	Group		Company	
		2022 $'000	2021 $'000	2022 $'000	2021 $'000
At 1 January		**68,087**	62,097	**–**	–
Allowance made	33	**61,766**	5,641	**–**	–
Translation differences on consolidation		**(2,789)**	349	**–**	–
At 31 December		**127,064**	68,087	**–**	–

The allowance for foreseeable losses is determined after taking into account estimated selling prices, estimated total construction costs and selling expenses. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing property market conditions. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred. The allowance made for foreseeable losses is included in "cost of sales".

(ii) Development properties of the Group recognised as cost of sales, excluding allowance for foreseeable losses, amounted to $1,081,031,000 (2021: $961,314,000) for the year.

(iii) Development properties of the Group with carrying amounts of $565,080,000 (2021: $1,661,321,000) are mortgaged to financial institutions to secure credit facilities (refer to note 23).

14 CONTRACT COSTS

The amount relates to commission fees paid to property agents for securing sale contracts for the Group's development properties. During the year, $43,664,000 (2021: $75,218,000) of commission fees paid were capitalised as contract costs.

Capitalised commission fees are amortised when the related revenue is recognised. During the year, $51,316,000 (2021: $32,990,000) was amortised. There is no impairment loss in relation to such costs capitalised.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

15 CONTRACT ASSETS/(LIABILITIES)

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Contract assets	**465,018**	402,330	**–**	–
Contract liabilities	**(613,598)**	(724,077)	**(8,190)**	–

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

	Group	
	2022 $'000	2021 $'000
Contract liabilities at the beginning of the year recognised as revenue during the year	**278,174**	68,036
Increases due to cash received, excluding amounts recognised as revenue during the year	**(191,595)**	(525,738)
Contract assets reclassified to trade receivables	**(402,324)**	(505,231)
Changes in measurement of progress	**465,018**	402,330

16 TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2022 $'000	2021 $'000 Restated*	2022 $'000	2021 $'000
Trade receivables		**242,698**	212,784	**8,905**	1,310
Impairment losses		**(15,723)**	(17,025)	**(82)**	(135)
		226,975	195,759	**8,823**	1,175
Other receivables	(a)	**489,499**	544,875	**2,053**	3,726
Impairment losses		**(389,091)**	(336,476)	**(1,048)**	(1,116)
		100,408	208,399	**1,005**	2,610
Accrued rent receivables		**49,671**	48,532	**2,778**	2,389
Impairment losses		**(19,914)**	–	**–**	–
		29,757	48,532	**2,778**	2,389
Deposits		**5,911**	11,901	**288**	288
Amounts owing by:					
– subsidiaries	7	**–**	–	**6,228,009**	5,985,134
– associates	8	**10,916**	1,142	**1,540**	3
– joint ventures	9	**1,086,805**	1,288,755	**232,414**	231,599
– fellow subsidiaries	17	**250**	194	**–**	–
Reimbursement asset	(b)	**59,505**	70,773	**–**	–
		1,520,527	1,825,455	**6,474,857**	6,223,198
Prepayments		**100,483**	61,616	**2,758**	2,161
Grant receivables		**480**	1,339	**–**	532
Tax recoverable		**4,048**	4,557	**–**	–
		1,625,538	1,892,967	**6,477,615**	6,225,891

* Refer to Note 47

(a) Included in other receivables of the Group as at 31 December 2022 is a receivable of $382.7 million (2021: $395.1 million) with related impairment loss of $382.7 million (2021: $331.2 million) from HCP Group.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

16 TRADE AND OTHER RECEIVABLES (CONT'D)

(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 (note 29). The sale was completed during 2022.

Information about the Group's and Company's exposure to credit risk on other receivables is included in note 42.

17 AMOUNTS OWING BY AND TO FELLOW SUBSIDIARIES

	Note	Group		Company	
		2022 $'000	2021 $'000	2022 $'000	2021 $'000
Amounts owing by fellow subsidiaries:					
– trade	16	**250**	194	**–**	–
Amounts owing to fellow subsidiaries:					
– trade		**123**	88	**–**	–
– non-trade, interest-free		**110,406**	105,956	**–**	–
– non-trade, interest-bearing		**183,511**	142,604	**–**	–
	31	**294,040**	248,648	**–**	–

Fellow subsidiaries are subsidiaries of the immediate holding company. The non-trade amounts owing to fellow subsidiaries are unsecured and repayable on demand. In respect of interest-bearing amounts owing to fellow subsidiaries, interest was charged at 2.00% (2021: 2.00%) per annum.

18 CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2022 $'000	2021 $'000 Restated*	2022 $'000	2021 $'000
Fixed deposits		**1,484,627**	1,216,718	**425,488**	556,085
Cash at banks and in hand**		**878,570**	883,982	**189,011**	130,237
Cash and cash equivalents in the statements of financial position		**2,363,197**	2,100,700	**614,499**	686,322
Restricted deposits included in other non-current assets	12	**6,494**	89,630		
Cash and cash equivalents included in assets held for sale	6	**–**	631		
	19	**2,369,691**	2,190,961		
Restricted cash		**(121,544)**	(246,828)		
Cash and cash equivalents in the consolidated statement of cash flows		**2,248,147**	1,944,133		

* Refer to Note 47
** Net of cash pool overdrafts

As at 31 December 2022, cash and cash equivalents of $272,110,000 (2021: $220,808,000) of the Group were held under project accounts and withdrawals from which are restricted to payments for expenditure incurred on the Group's development projects.

Cash at banks and fixed deposits for the Group and Company bore interest at 0.10% to 5.70% (2021: 0.01% to 2.93%) and 3.00% to 4.51% (2021: 0.02% to 2.36%) per annum respectively as at 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

18 CASH AND CASH EQUIVALENTS (CONT'D)

	Note	Group 2022 $'000	Group 2021 $'000
Restricted cash:			
– Current		**115,050**	157,198
– Non-current	12	**6,494**	89,630
		121,544	246,828

As at 31 December 2022, restricted cash comprise mainly deposits pledged to financial institutions as collateral for credit facilities granted (see note 23).

As at 31 December 2021, restricted cash comprise mainly deposits pledged to financial institutions as collateral for credit facilities granted (see note 23) and restricted deposit received from the buyer for the sale of a hotel property.

19 SHARE CAPITAL

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

At the reporting date, the Company held 2,400,000 (2021: 2,400,000) ordinary shares as treasury shares.

Ordinary share capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at General Meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Preference share capital

The Company has in issue 330,874,257 (2021: 330,874,257) non-redeemable convertible non-cumulative preference shares (Preference Shares), listed on the Official List of Singapore Exchange Securities Trading Limited. The Preference Shares are convertible only at the option of the Company, into fully-paid ordinary shares of the Company at the conversion ratio of 0.136 ordinary share for each Preference Share.

In the event the Company exercises its right of conversion, the Company shall pay to preference shareholders a one-off preference cash dividend at the fixed rate of 64% (net) of the issue price for each Preference Share (Additional Preference Dividend) and any preference dividend accrued but unpaid.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

19 SHARE CAPITAL (CONT'D)

Preference share capital (cont'd)

As at 31 December 2022, a maximum number of 44,998,898 (2021: 44,998,898) ordinary shares are issuable upon full conversion at the sole option of the Company of all the Preference Shares.

Holders of Preference Shares have no voting rights, except under certain circumstances provided for in the Singapore Companies Act and as set out in the Company's Constitution.

The Preference Shares rank:

(i) *pari passu* without any preference or priority among themselves; and

(ii) in priority over the ordinary shares (a) in respect of payment of the preference dividend (when, as and if declared) and the Additional Preference Dividend; and (b) in the event of a winding-up of or return of capital by the Company, payment of any preference dividend that has accrued to holders of Preference Shares and is unpaid, the Additional Preference Dividend (whether or not then due) as well as the amount paid up on the Preference Shares (including the premium paid thereon).

Capital management policy

The Group's primary objective in capital management is to maintain a strong capital base so as to maintain investor, creditor and market confidence, and to continue to maintain the future development and growth of the business.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. For this purpose, the Group defines "capital" as including all components of equity, including non-controlling interests. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares or other financial instruments.

The Group monitors capital using a net debt equity ratio, which is defined as net borrowings divided by total capital employed.

	Note	2022 $'000	2021 $'000 Restated*
Gross borrowings		**10,381,801**	11,422,435
Cash and bank balances (including restricted cash and cash and cash equivalents included in assets held for sale)	18	**(2,369,691)**	(2,190,961)
Net debt		**8,012,110**	9,231,474
Total capital employed		**9,564,822**	9,319,272
Net debt equity ratio		**0.84**	0.99

* Refer to Note 47

No changes were made to the above objectives, policies and processes during the years ended 31 December 2022 and 2021.

The Group derives income from its investments in the PRC. The conversion of the Chinese Renminbi is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

19 SHARE CAPITAL (CONT'D)

Capital management policy (cont'd)

As at 31 December 2021, the Group had a subsidiary, CDL Hospitality Real Estate Investment Trust (H-REIT), which is part of CDLHT, a stapled group comprising H-REIT and CDL Hospitality Business Trust (HBT), a business trust. H-REIT was subject to the aggregate leverage limit as defined in the Property Funds Appendix of the Code on Collective Investment Schemes (CIS Code) issued by the Monetary Authority of Singapore (MAS). The CIS Code stipulated that the total borrowings and deferred payments (together the Aggregate Leverage) of a property fund should not exceed 50.0% of its Deposited Property under a single-tier leverage limit provided. In the prior year, H-REIT had a credit rating of BB+ from Fitch Ratings. The Aggregate Leverage of H-REIT as at 31 December 2021 was 39.1% of H-REIT's Deposited Property. This complied with the aggregate leverage limit as described above. Following the Company's distribution *in specie* of part of the CDLHT units that it held, to ordinary shareholders in May 2022 (notes 40, 44 and 45), CDLHT became an associate of the Group.

The Group has a subsidiary, CDL Real Estate Asset Managers Pte. Ltd. (CREAM), which is required to maintain at least $250,000 of base capital at all times pursuant to the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations (Rg13) of the Securities and Futures Act (Cap. 289). The Monetary Authority of Singapore defines base capital as the sum of all paid-up capital, reserve funds, any unappropriated profit or loss in the latest audited accounts, and less any interim loss in the latest accounts of the company. CREAM has complied with the capital requirements during the current and prior year.

Under the Housing Developers (Control and Licensing) Act, in order to qualify for a housing developer's licence, certain subsidiaries of the Group are required to maintain a minimum paid-up capital. These entities complied with the capital requirement during the current and prior year.

Except for the above, neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

20 RESERVES

	Group		Company	
	2022 $'000	2021 $'000 Restated*	2022 $'000	2021 $'000
Capital reserve	**232,681**	290,920	**63,743**	63,743
Fair value reserve	**73,456**	997	**49,966**	(30,358)
Hedging reserve	**17,355**	(1,532)	**18,272**	–
Other reserves	**24,651**	23,952	**–**	–
Share option reserve	**15,482**	15,423	**–**	–
Foreign currency translation reserve	**(334,364)**	(140,224)	**–**	–
Accumulated profits	**7,195,677**	6,219,870	**4,020,199**	4,307,624
	7,224,938	6,409,406	**4,152,180**	4,341,009

* Refer to Note 47

The capital reserve comprises mainly:

(a) negative goodwill on the consolidation of subsidiaries which arose prior to 1 January 2017 under the previous accounting standards adopted;

(b) issue expenses; and

(c) reserves arising from the Group's acquisition of non-controlling interests in subsidiaries.

The fair value reserve comprises the cumulative net change in the fair value of equity instruments designated at FVOCI.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

20 RESERVES (CONT'D)

The hedging reserve comprises the effective portion of the cumulative net changes in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred (net of tax).

Other reserves comprise mainly reserves set aside by certain subsidiaries in compliance with the relevant regulations in the People's Republic of China and share of other reserves of associates and joint ventures.

The share option reserve comprises the cumulative value of employee services received for the issue of share options of a subsidiary and a joint venture.

The foreign currency translation reserve comprises mainly:

(a) foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Company;

(b) the gain or loss on financial instruments used to hedge the Group's net investment in foreign operations that are determined to be effective hedges; and

(c) exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

21 EQUITY COMPENSATION BENEFITS

By a subsidiary

Millennium & Copthorne Hotels Limited (M&C)

The M&C Group used to operate a number of share option schemes, a majority of which were designed to link remuneration to the future performance of M&C Group.

There were no options granted by M&C Group since 2020 in line with the final cash offer made by the Company to acquire the remaining interest in M&C at £6.85 per share (the "Final Offer") in 2019 and any outstanding options are to close out per the final vesting dates.

(i) Annual Bonus Plan

Under the Annual Bonus Plan ("ABP"), deferred share awards were granted annually to selected employees of the M&C Group. Shares in M&C were to be transferred to participants as follows if they continue to be employed by the M&C Group:

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

Following the cancellation of M&C ordinary shares on the London Stock Exchange's main market for listed securities on 11 October 2019 (the "Delisting"), the shares awarded under the ABP will be cash settled at a fixed price of £6.85 per share in line with the Final Offer.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

21 EQUITY COMPENSATION BENEFITS (CONT'D)

(ii) ***Executive Share Plan***

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

Following the Delisting, the shares awarded under the ESP will be cash settled at a fixed price of £6.85 per share in line with the Final Offer.

Details of the options granted under the M&C Group option schemes on the unissued ordinary shares of £0.30 each in M&C Group, as at the end of the financial year, presented in Sterling Pound, are as follows:

(i) ***Annual Bonus Plan***

Date of award	Balance at beginning of year	Awards vested during the year	Awards forfeited during the year	Balance at end of year	Share price prevailing on date of grant £	Fair value £	Vesting date
2022							
13.08.2019	10,040	(9,171)	(869)	–	6.80	6.85	13.08.2020/21/22
2021							
13.05.2016	196	–	(196)	–	4.40	4.40	13.05.2017/18/19
14.12.2018	12,990	(12,599)	(391)	–	4.68	4.48 to 4.61	14.12.2019/20/21
13.08.2019	17,551	(6,816)	(695)	10,040	6.80	6.85	13.08.2020/21/22
	30,737	(19,415)	(1,282)	10,040			

(ii) ***Executive Share Plan***

Date of award	Balance at beginning of year	Awards vested during the year	Awards forfeited during the year	Balance at end of year	Share price prevailing on date of grant £	Fair value £	Vesting date
2022							
09.08.2019	2,080	(2,080)	–	–	6.80	6.85	09.08.2020/21/22
2021							
04.12.2018	7,341	(7,341)	–	–	4.66	4.47 to 4.60	04.12.2019/20/21
09.08.2019	9,367	(7,287)	–	2,080	6.80	6.85	09.08.2020/21/22
	16,708	(14,628)	–	2,080			

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

22 INTEREST-BEARING BORROWINGS

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Term loans	23	**5,909,397**	7,337,272	**4,606,286**	4,491,409
Bonds and notes	24	**2,651,786**	2,811,162	**1,971,771**	2,070,486
Bank loans	25	**1,108,239**	991,559	**874,187**	576,444
		9,669,422	11,139,993	**7,452,244**	7,138,339
Non-current		**7,315,400**	5,952,032	**6,091,010**	3,937,631
Current		**2,354,022**	5,187,961	**1,361,234**	3,200,708
		9,669,422	11,139,993	**7,452,244**	7,138,339

Information about the Group's and the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 42.

23 TERM LOANS

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Secured		**622,689**	1,117,601	**–**	–
Unsecured		**5,286,708**	6,219,671	**4,606,286**	4,491,409
	22	**5,909,397**	7,337,272	**4,606,286**	4,491,409

The term loans are obtained from banks and financial institutions.

The secured term loans are generally secured by:

- mortgages on the borrowing subsidiaries' property, plant and equipment, investment properties and development properties (see notes 4, 5 and 13);
- assignment of all rights and benefits to sale, lease and insurance proceeds in respect of certain property, plant and equipment, investment and development properties; and
- pledge on cash deposits of $117.2 million (2021: $115.5 million).

The Group's secured term loans bore interest at 2.97% to 5.56% (2021: 0.84% to 11.00%) per annum as at 31 December 2022.

The Group's unsecured term loans bore interest at 0.36% to 5.22% (2021: 0.35% to 4.11%) per annum as at 31 December 2022. The Company's unsecured term loans bore interest at 1.45% to 5.16% (2021: 0.71% to 4.11%) per annum as at 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

24 BONDS AND NOTES

	Note	Group		Company	
		2022 $'000	2021 $'000	2022 $'000	2021 $'000
Secured		**680,015**	740,676	**–**	–
Unsecured		**1,971,771**	2,070,486	**1,971,771**	2,070,486
	22	**2,651,786**	2,811,162	**1,971,771**	2,070,486

Secured bonds and notes comprise the following:

(i) $101 million (2021: $118 million) bonds comprising 2 tranches issued by a subsidiary, which holds a Japan hotel (classified under investment properties) through a TMK structure. The bonds bore interest at 0.31% to 0.46% (2021: 0.30% to 0.47%) per annum as at 31 December 2022.

The bondholders, under Article 128 of the Japan Asset Liquidation Law, are under a statutory lien to receive payment of their claims under the bonds prior to other creditors out of the assets of the TMK. The order of priority of such statutory lien shall be immediately after the general statutory liens under the Japan Civil Code. While the assets of the TMK are subject to a statutory preferred right, it is not considered a mortgage under Japan laws.

Unless previously redeemed or purchased and cancelled, the bond is redeemable at its principal amount on its maturity date in March 2025.

(ii) $530 million (2021: $530 million) medium term notes (MTNs) which comprise 2 series (2021: 2 series) of notes issued by a subsidiary as part of a $700 million secured MTN programme established in 2001. The MTNs bore interest at 1.65% to 2.96% (2021: 1.65% to 2.96%) per annum as at 31 December 2022 and are secured by a mortgage over an investment property as well as rental and insurance proceeds to be derived from the said property.

Unless previously redeemed or purchased and cancelled, the MTNs are redeemable at their principal amounts on their respective maturity dates from May 2024 to December 2025 (2021: May 2024 to December 2025).

(iii) $51 million (2021: $59 million) bond issued by a subsidiary, which holds a Japan development property through a TMK structure. The bond bore interest at 0.37% (2021: 0.37% to 0.39%) per annum as at 31 December 2022. Unless previously redeemed or purchased and cancelled, the bond is redeemable at its principal amount on its maturity date in March 2023.

The bondholders, under Article 128 of the Japan Asset Liquidation Law, are under a statutory lien to receive payment of their claims under the bonds prior to other creditors out of the assets of the TMK. The order of priority of such statutory lien shall be immediately after the general statutory liens under the Japan Civil Code. While the assets of the TMK are subject to a statutory preferred right, it is not considered a mortgage under Japan laws.

In addition, as at 31 December 2021, secured bonds and notes included $37 million bond issued by an indirectly owned subsidiary of CDLHT. The bond bore interest at a rate of 0.71% per annum. CDLHT's interest in 2 Japan hotels (classified under property, plant and equipment) was held through a Tokutei Mokutei Kaisha (TMK) structure, and such TMK structures are required to issue bonds to fund the acquisition of assets.

The bondholders had a statutory preferred right, under Article 128 of the Japan Asset Liquidation Law, to receive payment of all obligations under the bond prior to other creditors out of the assets of the TMK. Such right shall be junior to the priority of the general statutory lien under the Japan Civil Code. While the assets of the TMK are subject to a statutory preferred right, it is not considered a mortgage under Japan laws.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

24 BONDS AND NOTES (CONT'D)

Unless previously redeemed or purchased and cancelled, the bond is redeemable at its principal amount on its maturity date in September 2025.

Following the Group's distribution *in specie* of part of the CDLHT units that it held, to the Company's ordinary shareholders, CDLHT was deconsolidated and became an associate of the Group (notes 40, 44 and 45).

Unsecured bonds and notes comprise $1,975 million (2021: $2,075 million) medium term notes (MTNs) which comprise 10 series (2021: 11 series) of notes issued by the Company at various interest rates as part of a $5.0 billion unsecured MTN programme established in 1999. The MTNs bore interest at 2.00% to 3.90% (2021: 2.00% to 3.90%) per annum as at 31 December 2022.

Unless previously redeemed or purchased and cancelled, the MTNs are redeemable at their principal amounts on their respective maturity dates from April 2023 to June 2026 (2021: July 2022 to June 2026).

25 BANK LOANS

	Note	Group		Company	
		2022 $'000	2021 $'000	2022 $'000	2021 $'000
Bank loans repayable within 1 year					
– secured		**10,362**	1,648	**–**	–
– unsecured		**1,097,877**	989,911	**874,187**	576,444
	22	**1,108,239**	991,559	**874,187**	576,444

The Group's secured bank loans bore interest at 2.97% to 5.08% (2021: 3.00% to 3.44%) per annum as at 31 December 2022. The loans are secured by mortgages on the borrowing subsidiary's property, plant and equipment and a pledge on cash deposits (note 18).

The Group's unsecured bank loans bore interest at 0.71% to 5.51% (2021: 0.38% to 3.46%) per annum as at 31 December 2022. The Company's unsecured bank loans bore interest at 0.71% to 5.51% (2021: 0.45% to 3.46%) per annum as at 31 December 2022.

26 EMPLOYEE BENEFITS

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Net liability for:				
– defined benefit obligations	**7,276**	24,534	**–**	–
– short-term accumulating compensated absences	**28,196**	32,949	**1,960**	2,960
– other long-term benefits	**395**	730	**–**	–
	35,867	58,213	**1,960**	2,960
Non-current	**7,304**	24,637	**–**	–
Current	**28,563**	33,576	**1,960**	2,960
	35,867	58,213	**1,960**	2,960

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

26 EMPLOYEE BENEFITS (CONT'D)

	Group	
	2022 $'000	2021 $'000
Net liability for defined benefit obligations		
Present value of unfunded obligations	**3,732**	6,267
Present value of funded obligations	**88,682**	152,062
Fair value of plan assets	**(85,138)**	(133,795)
Liability for defined benefit obligations	**7,276**	24,534
Changes in the present value of defined benefit obligations		
Defined benefit obligations at 1 January	**158,329**	166,058
Remeasurements:		
– Experience adjustment	**6,275**	(101)
– Actuarial (gain)/loss from changes in demographic assumptions	**(4,818)**	1,333
– Actuarial gain from changes in financial assumptions	**(51,482)**	(5,289)
Benefits paid	**(5,023)**	(322)
Interest cost	**2,355**	2,222
Current service costs	**329**	852
Past service costs	**(53)**	(1,328)
Translation differences on consolidation	**(13,498)**	(5,096)
Defined benefit obligations at 31 December	**92,414**	158,329
Changes in the fair value of plan assets		
Fair value of plan assets at 1 January	**133,795**	135,919
Return on plan assets, excluding interest income	**(34,025)**	655
Contributions by employer	**4,738**	761
Benefits paid	**(8,892)**	(6,396)
Interest income	**1,977**	1,763
Translation differences on consolidation	**(12,455)**	1,093
Fair value of plan assets at 31 December	**85,138**	133,795

The fair values of plan assets in each category are as follows:

	Group	
	2022 $'000	2021 $'000
Equity	**8,394**	16,200
Bonds	**10,154**	25,409
Cash	**66,590**	92,186
Fair value of plan assets	**85,138**	133,795
Expenses recognised in profit or loss		
Current service costs	**329**	852
Past service costs	**(53)**	(1,328)
Net interest costs	**378**	459
Defined benefit obligation expenses	**654**	(17)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

26 EMPLOYEE BENEFITS (CONT'D)

The expenses are recognised in the following line items in profit or loss:

	Note	Group 2022 $'000	Group 2021 $'000
Cost of sales		**124**	(593)
Administrative expenses		**448**	812
Other operating expenses		**82**	(236)
Defined benefit obligation expenses	33	**654**	(17)

The weighted average duration of the defined benefit obligations as at 31 December 2022 was 11 years (2021: 17 years).

The Group expects approximately $8 million (£5 million) (2021: $5 million (£3 million)) contributions to be paid to the defined benefit plans in 2023 (2021: 2022).

The Group operates various funded pension schemes which are established in accordance with local conditions and practices within the countries concerned. The most significant funds are described below:

United Kingdom (UK)

The Group makes contributions to a pension scheme for its UK employees, which was set up in 1993. The plan operates a funded defined benefit arrangement together with a defined contribution plan, both with different categories of membership. The defined benefit section of the plan was closed to new entrants in 2001 and at the same time, rights to a guaranteed minimum pension (GMP) under the defined contribution scheme also ceased. The plan entitles a retired employee to receive an annual pension payment.

The contributions required are determined by a qualified actuary on the basis of triennial valuations using the projected unit credit method. The last full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 5 April 2020 and this has been updated on an approximate basis to 31 December 2022. The contributions of the Group during the year were about 36.30% (2021: 11%) of pensionable salary.

As the defined benefit section is closed to new entrants, the current service cost, as a percentage of pensionable payroll is likely to increase as the membership ages, although it will be applied to a decreasing pensionable payroll. The assumptions which have the most significant effect on the results of the valuation are those relating to the discount rate and the rates of increase in salaries and pensions.

Taiwan

The Group makes contributions to a defined benefit pension plan for its employees in Taiwan. The contributions required are determined by an external qualified actuary using the projected unit credit method. The most recent valuation was carried out on 31 December 2022. The contributions of the Group were no less than 6% (2021: 6%) of the employees' earnings. The assumptions which have the most significant effect on the results of the valuations are those relating to the discount rate and the rate of increase in salaries.

The defined benefit plans are administered by pension funds that are legally separated from the Group. The boards of the pension funds are required by law to act in the best interests of the plan participants.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market investment risk.

The above plans are substantially funded by the Group's subsidiary. The funding requirements are based on pension funds' actuarial measurement framework set out in the funding policies of the plans.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

26 EMPLOYEE BENEFITS (CONT'D)

South Korea

During 2021, the Group made contributions to a defined benefit pension plan for its employees in South Korea. The contributions required were determined by an external qualified actuary using the projected unit credit method. The most recent valuation was carried out on 31 December 2021. The assumptions which had the most significant effect on the results of the valuations were those relating to the discount rate and the rate of increase in salaries.

The assets of each scheme have been taken at market value and the liabilities have been calculated using the following principal assumptions:

	2022 UK	2022 Taiwan	2021 UK	2021 South Korea	2021 Taiwan
Inflation rate	3.3%	–	3.5%	–	–
Discount rate	4.9%	1.5%	1.7%	2.8%	0.5%
Rate of salary increase	3.8%	3.0%	4.0%	–	3.0%
Rate of pension increases	3.1%	–	3.3%	–	–
Rate of revaluation	2.8%	–	3.0%	–	–

The methodology for computing the discount rate is the yield range method.

The assumptions used by the actuaries are the best estimates chosen from a range of possible actuarial assumptions, which due to the timescale covered, may not necessarily be borne out in practice. The present values of the schemes' liabilities are derived from cash flow projections over long periods and are inherently uncertain.

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have increased/(decreased) as a result of a change in one of the relevant actuarial assumptions by one percent, holding other assumptions consistent.

	Defined benefit obligation	
	1 percent increase $'000	1 percent decrease $'000
Group		
2022		
Discount rate	**(9,329)**	11,781
Rate of salary increase	**912**	(683)
2021		
Discount rate	**(21,686)**	27,650
Rate of salary increase	**1,389**	(1,272)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

27 LEASE LIABILITIES

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Lease liabilities	**697,439**	265,327	**32,522**	15,922
Non-current	**672,633**	246,003	**26,642**	9,600
Current	**24,806**	19,324	**5,880**	6,322
	697,439	265,327	**32,522**	15,922

The incremental borrowing rates of the Group's and the Company's lease liabilities range from 0.9% to 14.6% (2021: 0.9% to 14.6%) and 2.7% to 3.1% (2021: 2.2% to 2.8%) per annum respectively, as at 31 December 2022.

Information about the Group's and the Company's exposure to foreign currency and liquidity risk is included in note 42.

28 OTHER LIABILITIES

		Group		Company	
	Note	2022 $'000	2021 $'000 Restated*	2022 $'000	2021 $'000
Deferred income		**47,874**	122,124	**–**	–
Rental deposits		**52,928**	53,609	**9,564**	8,041
Amounts owing to a subsidiary	7	**–**	–	**750,144**	–
Non-current retention sums payable		**15,560**	26,625	**–**	–
Miscellaneous (principally deposits received and payables)		**19,781**	18,213	**–**	–
		136,143	220,571	**759,708**	8,041

* Refer to Note 47

Included in deferred income are the following:

(i) $7,030,000 (2021: $7,030,000) relating to the deferred gain on the sale of cash flows as disclosed in footnote (a) of note 45.

(ii) $37,970,000 (2021: $105,406,000) relating to the deferred gain arising from the sale of Novotel Singapore Clarke Quay previously owned by CDLHT, to a joint venture. During the current financial year, $62.0 million deferred gain was realised and recognised as part of the gain on disposal of CDLHT under "Other income" in the consolidated statement of profit or loss.

In addition, as at 31 December 2021, deferred income included $6,635,000 relating to the deferred gain arising from the Group's exit of its entire interest in Summervale, an indirect wholly-owned subsidiary of the Group in October 2016. Although the Group lost control in Summervale, the Group assessed that it maintained some continuing involvement through its investment in secured fixed rate notes issued by Summervale (note 10). Accordingly, a portion of the gain on disposal of Summervale by reference to the extent of the amount of continuing involvement retained in Summervale is deferred. During the current financial year, the note issued by Summervale was fully redeemed and the deferred income was recognised as a gain under "Other income" in the consolidated statement of profit or loss (note 33).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

29 PROVISIONS

	Beijing indemnity $'000	Capital expenditure $'000	Legal provisions $'000	Cash flow support $'000	Interest support $'000	Financial guarantee $'000	Korea provision $'000	Others $'000	Total $'000
Group									
At 1 January 2021	15,933	617	4,781	3,479	23,469	283,000	–	320	331,599
Acquisition of subsidiary	–	–	4,108	–	–	–	–	–	4,108
Provision made/(written back)	–	11	1,688	–	(6,036)	–	70,773	(328)	66,108
Provision utilised	–	(18)	–	–	(3,479)	(286,132)	–	–	(289,629)
Unwinding of discount	–	–	–	–	256	–	–	–	256
Translation differences on consolidation	319	10	146	–	–	3,132	–	8	3,615
At 31 December 2021	16,252	620	10,723	3,479	14,210	–	70,773	–	116,057
Non-current									22,129
Current									93,928
									116,057
At 1 January 2022	16,252	620	10,723	3,479	14,210	–	70,773	–	116,057
Disposal of subsidiary	–	(9,242)	–	–	–	–	–	–	(9,242)
Provision made/(written back)	–	14,978	14,915	(3,479)	(10,489)	–	11,013	–	26,938
Provision utilised	–	(4,107)	–	–	–	–	(18,917)	–	(23,024)
Unwinding of discount	–	–	–	–	179	–	–	–	179
Translation differences on consolidation	(105)	(9)	(833)	–	–	–	(3,364)	–	(4,311)
At 31 December 2022	16,147	2,240	24,805	–	3,900	–	59,505	–	106,597
Non-current									16,147
Current									90,450
									106,597

The provision for Beijing indemnity relates to tax indemnity provided to the former shareholders of Grand Millennium Beijing in which the Group acquired an additional 40% interest in 2010.

The provision for capital expenditure relates to the Group's obligations to incur capital expenditure under the terms of certain hotel operating agreements.

The legal provisions relate mainly to provisions made in relation to disputes in several hotels.

The provision for cash flows support relates to the Group's obligation to Sunbright Holdings Limited (refer to footnote (a) of note 45), to fund any shortfall for interest payments and/or annual/daily operational costs.

The interest support relates to the Group's obligation as the asset manager of Summervale to provide support for the coupon payments on fixed rate notes subscribed by third party investors and the Group as well as interest payments for bank borrowings taken up by Summervale (note 10). During the year, the Group's obligation in connection with the interest support has been discharged following the redemption of the fixed rate notes.

The provision for financial guarantee related to the Group's financial guarantee extended to a financial institution in connection with the loan taken up by the HCP Group. During 2021, the Group had fully settled the obligation to the financial institution in connection with the financial guarantee for an aggregate sum of $286,132,000, and the provision was fully utilised. The mortgage on the investment property of the Group that was previously secured for this loan was released by the financial institution in 2021.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

29 PROVISIONS (CONT'D)

The Korea provision 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 proposed sale of Millennium Hilton Seoul. As at 31 December 2021, the provision was based on management's best estimate of the expenditure required to settle its obligations under the relevant contracts based on its negotiation with the counterparties to-date. The estimated amount might be revised upon finalisation of the negotiations. The sale of Millennium Seoul Hilton was completed during the current financial year. As at 31 December 2022, further provision was provided as the amount was finalised. The Group has settled part of the costs in 2022 and has settled the remaining amount subsequent to the reporting date. The Group would be fully reimbursed by the buyer of Millennium Hilton Seoul for the amounts incurred in respect of its obligations under the relevant contracts (note 16). The estimated costs recognised during the year of $11.0 million (2021: $70.8 million) has been netted against the corresponding reimbursement from the buyer in the consolidated statement of profit or loss.

30 DEFERRED TAX LIABILITIES

Movements in deferred tax assets and liabilities of the Group (prior to offsetting of balances) during the year are as follows:

	At 1 January 2021 $'000	Recognised in profit or loss (note 34) $'000	Recognised in the statement of comprehensive income (note 34) $'000	Acquisition of subsidiaries (note 40) $'000	Transfer to liabilities directly associated with the assets held for sale (note 6) $'000	Translation differences on consolidation $'000	At 31 December 2021 $'000
Group							
Deferred tax liabilities							
Property, plant and equipment	151,028	2,967	–	1,206	–	9,797	164,998
Investment properties	33,865	(1,646)	–	28,621	(97)	1,214	61,957
Development properties	2,216	(38,110)	–	51,835	–	910	16,851
Employee benefits	895	351	130	–	–	(225)	1,151
Unremitted earnings	55,908	12,503	–	–	–	(32)	68,379
Others	9,039	(6,022)	–	–	(10)	6,229	9,236
	252,951	(29,957)	130	81,662	(107)	17,893	322,572
Deferred tax assets							
Tax losses	(159,402)	(13,426)	–	–	–	(2,734)	(175,562)
Trade and other payables	(16,522)	(2,103)	–	(1,581)	–	(38)	(20,244)
	(175,924)	(15,529)	–	(1,581)	–	(2,772)	(195,806)
Total	77,027	(45,486)	130	80,081	(107)	15,121	126,766

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

30 DEFERRED TAX LIABILITIES (CONT'D)

	At 1 January 2022 $'000	Recognised in profit or loss (note 34) $'000	Recognised in the statement of comprehensive income (note 34) $'000	Disposal of subsidiaries (note 40) $'000	Reclassifications $'000	Translation differences on consolidation $'000	At 31 December 2022 $'000
Group							
Deferred tax liabilities							
Property, plant and equipment	164,998	2,549	–	(7,479)	(418)	(28,171)	131,479
Investment properties	61,957	(2,085)	–	(326)	(3,156)	(2,954)	53,436
Development properties	16,851	(2,667)	–	–	(396)	(2,128)	11,660
Employee benefits	1,151	(2,087)	1,258	1,297	323	330	2,272
Unremitted earnings	68,379	164,980	–	2,641	(2,641)	(82)	233,277
Others	9,236	4,350	–	2,172	5,685	(3,930)	17,513
	322,572	165,040	1,258	(1,695)	(603)	(36,935)	449,637
Deferred tax assets							
Tax losses	(175,562)	43,041	–	8,487	603	4,264	(119,167)
Trade and other payables	(20,244)	(7,550)	–	–	–	109	(27,685)
	(195,806)	35,491	–	8,487	603	4,373	(146,852)
Total	126,766	200,531	1,258	6,792	–	(32,562)	302,785

	At 1 January 2021 $'000	Recognised in profit or loss $'000	At 31 December 2021 $'000	Recognised in profit or loss $'000	At 31 December 2022 $'000
Company					
Deferred tax liabilities					
Investment properties	11,648	(470)	11,178	(699)	10,479
Unremitted earnings	14,077	(5)	14,072	(5)	14,067
Others	(291)	171	(120)	207	87
	25,434	(304)	25,130	(497)	24,633
Deferred tax assets					
Property, plant and equipment	(4,819)	1,204	(3,615)	1,206	(2,409)
Tax losses	(1,115)	1,115	–	–	–
Development properties	(2,862)	–	(2,862)	53	(2,809)
Trade and other payables	(994)	906	(88)	57	(31)
	(9,790)	3,225	(6,565)	1,316	(5,249)
Total	15,644	2,921	18,565	819	19,384

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

30 DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. The amounts, determined after appropriate offsetting, are as follows:

		Group		Company	
	Note	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Deferred tax assets	12	**47,468**	69,302	**–**	–
Deferred tax liabilities		**(350,253)**	(196,068)	**(19,384)**	(18,565)
		(302,785)	(126,766)	**(19,384)**	(18,565)

Deferred tax assets have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom:

	Group	
	2022 $'000	2021 $'000
Deductible temporary differences	**380,994**	623,811
Tax losses	**600,782**	745,296
	981,776	1,369,107

The deductible temporary differences do not expire under current tax legislation. The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate.

The tax losses with expiry dates are as follows:

	Group	
	2022 $'000	2021 $'000
Expiry dates		
– Within 1 to 5 years	**204,971**	249,484
– After 5 years	**11,119**	6,089
	216,090	255,573

At 31 December 2022, a deferred tax liability of $40,608,000 (2021: $28,651,000) in respect of temporary differences of $424,928,000 (2021: $439,757,000) related to the withholding tax on the distributable profits of the Group's subsidiaries was not recognised because the Group controls whether the liability will be incurred and it is satisfied that it will not be incurred in the foreseeable future.

Under SFRS(I) 1-12 *Income Taxes*, deferred tax is not recognised for temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting or taxable profit or loss. As at 31 December 2022, the Group has not recognised deferred tax liabilities of $18,298,000 (2021: $32,670,000) relating to temporary differences on the initial recognition of assets and liabilities of the subsidiaries acquired.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

31 TRADE AND OTHER PAYABLES

	Note	Group 2022 $'000	Group 2021 $'000 Restated*	Company 2022 $'000	Company 2021 $'000
Trade payables		249,348	253,595	1,858	2,032
Accruals		502,098	464,141	88,564	74,507
Deferred income		60,884	53,719	–	–
Other payables		60,547	106,295	1,096	988
Rental and other deposits		56,700	75,979	8,424	8,813
Retention sums payable		17,518	11,261	–	–
Amounts owing to:					
– subsidiaries	7	–	–	2,119,114	2,498,058
– associates	8	7,395	2	6	–
– joint ventures	9	91,133	97,902	22,727	22,727
– fellow subsidiaries	17	294,040	248,648	–	–
– non-controlling interests		125,266	143,389	–	–
		1,464,929	1,454,931	2,241,789	2,607,125

* Refer to Note 47

Included in other payables of the Group are unsecured non-trade amounts owing to HCP Group of $5.9 million (2021: $50.3 million). As of 31 December 2021, $27.8 million bore interest ranging from 6.0% to 12.0% per annum.

The non-trade amount owing to non-controlling interests is unsecured and due within one year. $112.2 million of the balance bears interest at rates ranging from 6.0% to 12.0% per annum and the remaining balance is interest-free.

32 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 2022 $'000	Group 2021 $'000
Revenue from contracts with customers:		
– Hotel operations	1,380,664	873,118
– Development properties for which revenue is:		
– recognised over time	1,072,868	837,018
– recognised at a point in time	309,454	417,452
	2,762,986	2,127,588
Dividends from investments:		
– fellow subsidiaries		
– quoted equity investments – at FVOCI	1,306	1,387
– unquoted equity investments – at FVOCI	2,295	1,890
– others		
– quoted equity investments – at FVOCI	334	334
– quoted equity investments – mandatorily at FVTPL	464	684
– unquoted equity investments – at FVOCI	905	880
Rental income from investment properties	341,163	341,118
Others	183,960	151,972
	3,293,413	2,625,853

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

32 REVENUE (CONT'D)

As at 31 December 2022, the Group has property development income of $1,100,870,000 (2021: $1,424,898,000) which is expected to be recognised over the next three years (2021: four years) as construction of the development properties progresses.

The Group has applied the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, and it recognises revenue in that amount.

Included in rental income from investment properties for the year ended 31 December 2021 were rental rebates granted of approximately $9.0 million to eligible tenants to cushion the impact of the COVID-19 pandemic.

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	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Geographical market								
Singapore	1,111,261	853,818	251,973	143,878	183,800	151,910	1,547,034	1,149,606
China	139,742	274,829	15,205	25,662	–	–	154,947	300,491
United States	–	–	448,448	254,997	–	–	448,448	254,997
United Kingdom	62,443	21,305	354,683	193,204	62	22	417,188	214,531
Australasia	68,876	104,518	74,975	95,661	98	40	143,949	200,219
Rest of Asia (excluding Singapore and China)	–	–	205,313	152,997	–	–	205,313	152,997
Other countries	–	–	30,067	6,719	–	–	30,067	6,719
	1,382,322	1,254,470	1,380,664	873,118	183,960	151,972	2,946,946	2,279,560
Timing of revenue recognition								
Products and services transferred at a point in time	309,454	417,452	1,380,664	873,118	2,850	3,994	1,692,968	1,294,564
Products and services transferred over time	1,072,868	837,018	–	–	181,110	147,978	1,253,978	984,996
	1,382,322	1,254,470	1,380,664	873,118	183,960	151,972	2,946,946	2,279,560

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

33 PROFIT FOR THE YEAR

The following items have been included in arriving at profit for the year:

	Note	Group 2022 $'000	Group 2021 $'000 Restated*
Other income			
Gain on disposal of subsidiaries	40	**501,726**	–
Recognition of deferred gain on subsidiary disposed in prior years	28	**6,635**	–
Negative goodwill on acquisition of subsidiaries	40	**48**	35,553
Gain on liquidation of subsidiaries		**–**	914
Management fees and miscellaneous income		**17,348**	15,616
Profit on sale of property, plant and equipment and investment properties		**1,257,275****	35,896
		1,783,032	87,979
Staff costs			
Contributions to defined contribution plans		**44,485**	36,729
Increase/(Decrease) in liability for defined benefit plans	26	**654**	(17)
(Decrease)/Increase in liability for short-term accumulating compensated absences		**(3,841)**	1,227
Wages and salaries		**689,952**	541,516
		731,250	579,455
Less:			
Staff costs capitalised in:			
– development properties		**(14,101)**	(7,458)
– investment properties		**(1,228)**	(824)
– property, plant and equipment		**(226)**	(268)
Wage grant^		**(3,002)**	(28,961)
		712,693	541,944
Other expenses			
Amortisation of intangible assets		**158**	272
Audit fees paid to:			
– auditors of the Company		**3,509**	3,632
– other auditors		**3,559**	3,440
Non-audit fees:			
– auditors of the Company		**1,238**	1,812
– other auditors		**2,044**	3,368
Depreciation of:			
– property, plant and equipment#	4	**160,314**	177,280
– investment properties	5	**115,954**	107,457
Direct operating expenses arising from rental of investment properties (excluding depreciation)		**109,551**	108,149
Allowance made for foreseeable losses on development properties (net)	13	**61,766**	5,641

** Mainly relates to pre-tax profit on the disposal of the Millennium Hilton Seoul and the collective sale of Tanglin Shopping Centre and Golden Mile Complex.
^ Relates to wage grants received or receivable by the Group under the wage subsidy programmes introduced by various governments in the countries where the Group operates, in response to the COVID-19 pandemic.
# Included grant income of $404,000 (2021: $758,000) deducted against depreciation of right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

33 PROFIT FOR THE YEAR (CONT'D)

	Note	Group 2022 $'000	Group 2021 $'000 Restated*
Other expenses (cont'd)			
(Reversal of impairment losses)/Impairment losses recognised on:			
– property, plant and equipment	4	**(28,113)**	(95,375)
– investment properties	5	**35,728**	2,064
– trade receivables and accrued receivables	42	**22,389**	(2,448)
– amounts owing by associates	8	**339**	–
Loss on dilution of interest in an associate		**1,378**	2,002
Property, plant and equipment and investment properties written off		**15,987**	9,216
Provisions made	29	**26,938**	66,108
Finance income			
Interest income under the effective interest method:			
– amounts owing by associates at amortised cost		**67**	63
– amounts owing by joint ventures at amortised cost		**19,523**	18,539
– unquoted debt investment at amortised cost		**–**	2,064
– cash and cash equivalents		**29,726**	10,800
– others		**3,465**	4,774
Fair value gains on financial derivatives designated at FVTPL (net)		**30,047**	–
Net exchange gain		**8,863**	–
		91,691	36,240
Less: Finance income capitalised in development properties		**(137)**	(34)
Total finance income		**91,554**	36,206
Finance costs			
Amortisation of transaction costs capitalised		**6,428**	8,051
Interest expense:			
– term loans and bank loans		**179,619**	122,189
– bonds and notes		**72,366**	76,922
– amounts owing to fellow subsidiaries		**2,947**	2,786
– amounts owing to joint ventures		**–**	958
– financial derivatives at FVTPL		**4,549**	8,739
– lease liabilities		**20,127**	10,240
– others		**11,821**	10,138
Fair value losses on financial derivatives designated at FVTPL (net)		**–**	27,069
Fair value losses on financial assets mandatorily measured at FVTPL (net)		**38,323**	2,852
Net exchange loss		**–**	18,943
Unwinding of discount on non-current liabilities		**251**	276
Finance costs capitalised in:			
– development properties#		**(30,863)**	(37,182)
– property, plant and equipment		**(1,468)**	(3,297)
– investment properties		**(19,420)**	(10,861)
Total finance costs		**284,680**	237,823
Net finance costs		**193,126**	201,617

Relates to development properties for which revenue is recognised at a point in time. Borrowing costs on development properties where revenue is recognised over time is charged to profit or loss, as incurred.
* Refer to Note 47

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

33 PROFIT FOR THE YEAR (CONT'D)

	Group	
	2022 $'000	2021 $'000
The above finance income and finance costs (including amounts capitalised) include the following interest income and expenses in respect of assets and liabilities not at FVTPL:		
– total interest income on financial assets	**49,488**	31,773
– total finance costs on financial liabilities	**215,002**	160,208

During the year, net finance costs of the Group have been capitalised at rates ranging from 0.36% to 12.00% (2021: 0.36% to 12.00%) per annum, 1.32% to 4.86% (2021: 1.00% to 2.94%) per annum, and 1.00% to 12.00% (2021: 4.90% to 12.00%) per annum for development properties, property, plant and equipment, and investment properties, respectively.

34 TAX EXPENSE

		Group	
	Note	2022 $'000	2021 $'000
Current tax expense			
Current year		**374,638**	116,545
Over provision in respect of prior years		**(56,315)**	(8,462)
		318,323	108,083
Deferred tax expense/(credit)			
Movements in temporary differences		**173,758**	(41,128)
Effect of changes in tax rates and legislation		**1,425**	(6,442)
Under provision in respect of prior years		**25,348**	2,084
	30	**200,531**	(45,486)
Land appreciation tax		**22,037**	22,482
Withholding tax		**1,677**	2,829
Total tax expense		**542,568**	87,908

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

34 TAX EXPENSE (CONT'D)

Tax recognised in other comprehensive income

	2022			2021		
	Before tax $'000	Tax expense (note 30) $'000	Net of tax $'000	Before tax $'000 Restated*	Tax expense (note 30) $'000	Net of tax $'000 Restated*
Group						
Defined benefit plan remeasurements	16,000	(1,258)	14,742	4,712	(130)	4,582
Changes in fair value of equity investments measured at FVOCI	76,462	–	76,462	3,418	–	3,418
Effective portion of changes in fair value of cash flow hedges	18,272	–	18,272	473	–	473
Exchange differences on hedges of net investments in foreign operations	(10,694)	–	(10,694)	(4,939)	–	(4,939)
Exchange differences on monetary items forming part of net investments in foreign operations	(101,310)	–	(101,310)	(20,494)	–	(20,494)
Exchange differences reclassified to profit or loss on disposal of foreign operations	85,302	–	85,302	–	–	–
Share of translation differences of equity-accounted investees	(55,147)	–	(55,147)	25,570	–	25,570
Share of other comprehensive income of equity-accounted investees	615	–	615	4,637	–	4,637
Translation differences arising on consolidation of foreign operations	(145,483)	–	(145,483)	(18,511)	–	(18,511)
	(115,983)	(1,258)	(117,241)	(5,134)	(130)	(5,264)

* Refer to Note 47

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

34 TAX EXPENSE (CONT'D)

Reconciliation of effective tax rate

	Group	
	2022 $'000	**2021 $'000 Restated***
Profit before tax	**1,856,767**	214,803
Tax using the Singapore tax rate of 17% (2021: 17%)	**315,650**	36,516
Income not subject to tax	**(152,964)**	(93,098)
Expenses not deductible for tax purposes:		
– expenses	**174,894**	80,757
– write-back	**(2,761)**	(4,934)
Effect of changes in tax rates and legislation	**1,425**	(6,442)
Effect of different tax rates in other countries	**50,411**	6,294
Effect of share of results of associates and joint ventures	**(30,274)**	(18,274)
Land appreciation tax	**22,037**	22,482
Effect of tax deduction on land appreciation tax	**(5,509)**	(5,621)
Unrecognised deferred tax assets	**40,414**	88,976
Utilisation of previously unrecognised deferred tax assets	**(7,604)**	(24,909)
Tax effect of losses not allowed to be set off against future taxable profits	**7,862**	9,932
Tax incentives	**–**	(222)
Origination of temporary differences	**158,277**	–
Withholding taxes	**1,677**	2,829
Over provision in respect of prior years	**(30,967)**	(6,378)
	542,568	87,908

35 EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated based on:

	Group	
	2022 $'000	**2021 $'000 Restated***
Profit attributable to owners of the Company	**1,285,322**	84,713
Less:		
Dividends on non-redeemable convertible non-cumulative preference shares	**(12,904)**	(12,904)
Profit attributable to ordinary shareholders after adjustment for non-redeemable convertible non-cumulative preference dividends	**1,272,418**	71,809

* Refer to Note 47

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

35 EARNINGS PER SHARE(CONT'D)

Basic earnings per share (cont'd)

	Group	
	2022 Number of shares	**2021 Number of shares**
Weighted average number of ordinary shares		
Weighted average number of ordinary shares during the year	**906,901,330**	906,901,330
Basic earnings per share	**140.3 cents**	7.9 cents

Diluted earnings per share

Diluted earnings per share is calculated based on:

	Group	
	2022 $'000	**2021 $'000 Restated***
Profit attributable to ordinary shareholders after adjustment for non-redeemable convertible non-cumulative preference dividends	**1,272,418**	71,809
Add:		
Dividends on non-redeemable convertible non-cumulative preference shares	**12,904**	–
Profit attributable to ordinary shareholders after adjustment for non-redeemable convertible non-cumulative preference dividends	**1,285,322**	71,809

	Group	
	2022 Number of shares	**2021 Number of shares**
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	**135.0 cents**	7.9 cents

For the year ended 31 December 2021, the diluted earnings per share was the same as basic earnings per share as the conversion of the non-redeemable convertible non-cumulative preference shares was considered anti-dilutive.

* Refer to Note 47

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

36 DIVIDENDS

	Company	
	2022 $'000	2021 $'000
Final tax exempt (one-tier) ordinary dividend paid of 8.0 cents (2021: 8.0 cents) per ordinary share in respect of the previous financial year	**72,552**	72,552
Special final tax exempt (one-tier) ordinary dividend paid of 1.0 cents (2021: 4.0 cents) per ordinary share in respect of the previous financial year	**9,069**	36,276
Special interim tax exempt (one-tier) ordinary dividend paid of 12.0 cents (2021: 3.0 cents) per ordinary share in respect of the current financial year	**108,828**	27,207
Non-cumulative tax exempt (one-tier) preference dividend paid of 1.93 cents (2021: 1.93 cents) per preference share	**6,399**	6,399
Non-cumulative tax exempt (one-tier) preference dividend paid of 1.97 cents (2021: 1.97 cents) per preference share	**6,505**	6,505
	203,353	148,939
Distribution *in specie* of 20.19 cents (2021: Nil) per ordinary share*	**183,124**	–
	386,477	148,939

After the respective reporting dates, the directors proposed the following ordinary dividends, which have not been provided for:

	Company	
	2022 $'000	2021 $'000
Final tax exempt (one-tier) ordinary dividend of 8.0 cents (2021: 8.0 cents) per ordinary share	**72,552**	72,552
Special final tax exempt (one-tier) ordinary dividend of 8.0 cents (2021: 1.0 cents) per ordinary share	**72,552**	9,069
	145,104	81,621

* In respect of the year ended 31 December 2021, in addition to the proposed ordinary dividends above, the directors had also proposed a distribution *in specie* of the units in CDLHT that the Group holds on the basis of 0.159 unit per ordinary share ("Proposed Distribution"). The Proposed Distribution was subject to and conditional upon, *inter alia*, the following:

- the completion of the Restructuring Exercise (as defined in paragraph 4.1 of the announcement issued by the Company on 25 February 2022);
- Approval of shareholders of the Proposed Distribution at the annual general meeting; and
- All necessary waivers, consents and approvals from, *inter alia*, the SGX-ST and other third parties in connection with the Proposed Distribution being obtained.

The distribution *in specie* was completed on 26 May 2022. The Company distributed 144,191,823 CDLHT units that it held to its ordinary shareholders at 0.159 CDLHT Unit per ordinary share through a distribution *in specie*. The distribution *in specie*, based on $1.27 per CDLHT Unit, amounted to $183,124,000.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

37 LEASES

Leases as lessee

The Group leases hotel properties and office facilities. The leases of hotel properties and office facilities run for periods ranging from 1 to 116 years, with options to renew after lease expiry dates. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

The leases for hotel properties were entered into many years ago as combined leases of land and buildings.

The Group also leases IT equipment and motor vehicles under a number of leases.

Amounts recognised in profit or loss

	2022 $'000	2021 $'000
Interest on lease liabilities	**20,127**	10,240
Income from sub-leasing right-of-use assets presented in 'revenue'	**4,015**	3,250
Expenses relating to short-term leases	**5,305**	2,992
Expenses relating to variable leases payments	**23,976**	–
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	**181**	138

Amounts recognised in statement of cash flows

	2022 $'000	2021 $'000
Payment of lease liabilities	**26,032**	21,087
Interest expense	**20,127**	10,240
Total cash outflow for leases	**46,159**	31,327

Extension options

Some property leases contain extension options up to 30 years (2021: 30 years) exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of $32.5 million (2021: $43.6 million).

Leases as lessor

The Group leases out its investment properties consisting of its owned properties as well as leased properties (see note 5). All leases are classified as operating leases from a lessor perspective.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

37 LEASES (CONT'D)

Operating lease

The Group and the Company lease out some of their investment properties and development properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 5 sets out information about the operating leases of investment properties.

Rental income from investment properties and property subleases recognised by the Group during 2022 was $328,830,000 (2021: $329,454,000).

Contingent rents generally determined based on a percentage of tenants' revenue, of $2,533,000 (2021: $6,851,000) has been recognised as revenue by the Group, in profit or loss during the year.

The following table sets out a maturity analysis of lease rental receivables, showing the undiscounted lease payments to be received after the reporting date.

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Less than one year	**253,196**	280,299	**52,908**	49,726
One to two years	**189,243**	204,207	**35,071**	33,138
Two to three years	**125,151**	147,205	**14,159**	17,158
Three to four years	**79,738**	104,056	**2,171**	3,489
Four to five years	**55,657**	79,376	**499**	681
More than five years	**117,699**	272,436	**–**	–
Total	**820,684**	1,087,579	**104,808**	104,192

Included in the non-cancellable operating lease rental receivables above are commitments with related parties which are set out below.

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Non-cancellable operating lease rentals receivable from:				
– associates	**27,309**	30,752	**333**	–
– joint ventures	**259**	134	**–**	–
– a fellow subsidiary	**625**	967	**625**	966
– subsidiaries	**–**	–	**1,294**	3,117
	28,193	31,853	**2,252**	4,083

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

38 COMMITMENTS AND CONTINGENT LIABILITIES

(I) Commitments

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

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Development expenditure contracted but not provided for in the financial statements	578,002	1,221,021	–	–
Capital expenditure contracted but not provided for in the financial statements	59,860	192,097	–	–
Commitments in respect of purchase of properties for which deposits have been paid	3,401	286,475	–	–
Commitments in respect of investments in a joint venture and associates	114,881	70,956	–	–
Commitments in respect of capital contribution to investments in financial assets in:				
– related parties	88,799	36,118	–	–
– third parties	19,969	14,362	–	–

(II) 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 31 December 2022, the outstanding notional amount of the guarantees amounted to $8.5 million (2021: $21.3 million).

The Group has claims arising in the ordinary course of business which are being contested, the outcome of which are not presently determinable. At the reporting date, the Group has considered the probability of outflows of economic benefits pertaining to these claims to be remote. The Group continues to monitor the status of the claims.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

39 RELATED PARTIES

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

	Group	
	2022 $'000	**2021 $'000**
Insurance premium paid and payable to an associate of the ultimate holding company	**(2)**	(100)
Management services fees received and receivable from:		
– fellow subsidiaries	**1,120**	2,529
– associates	**369**	186
– joint ventures	**14,518**	6,624
	16,007	9,339
Maintenance services fees received and receivable from:		
– fellow subsidiaries	**347**	355
– associates	**150**	214
– joint ventures	**1,629**	893
	2,126	1,462
Rental and rental-related income received and receivable from:		
– a fellow subsidiary	**346**	342
– associates	**7,493**	2,758
– joint ventures	**160**	5,943
	7,999	9,043
Management services fees paid and payable to:		
– a fellow subsidiary	**(132)**	(1,022)
– joint ventures	**(16)**	–
	(148)	(1,022)
Rental and rental-related expenses paid and payable to:		
– joint ventures	**(1,640)**	(1,739)
– associates	**(44,003)**	–
	(45,643)	(1,739)
Purchase of property, plant and equipment from an associate	**–**	(88)
Purchase consideration for investment acquired paid and payable to a joint venture	**–**	(54,571)
Compensation paid and payable to key management personnel:		
– short-term employee benefits	**23,730**	16,020
– other long-term benefits	**1,228**	256
	24,958	16,276

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

40 ACQUISITION OF AND LOSS OF CONTROL IN SUBSIDIARIES, AND CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL

(I) Acquisition of subsidiaries

2022

(a) On 28 January 2022, the Group through its indirect wholly-owned subsidiary, City Connected Communities Pte. Ltd., acquired the remaining 70% of the equity interest in Distrii Technology Singapore Pte. Ltd. (subsequently renamed as City Nexus Pte. Ltd. ("City Nexus")), for a consideration of $1, from an associate. Following the acquisition, City Nexus became a wholly-owned subsidiary of the Group. City Nexus was previously accounted for by the Group as an investment in associate.

The acquisition provides the Group with increased exposure to the business of development of software and programming activities such as smart building and smart office applications.

The acquisition was accounted for as a business combination.

From the date of acquisition to 31 December 2022, City Nexus contributed revenue of $17,000 and loss before tax of $317,000 to the Group's results. If acquisition had occurred on 1 January 2022, there is no significant changes to the Group's revenue and profit before tax.

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

The acquisition was accounted for as an acquisition of assets.

(c) On 14 December 2022, the Group through its indirect wholly-owned subsidiary, Atlasgate UK Holdings Limited (Atlasgate), (i) acquired 100% of the shares and voting interests in New Bath Court Limited, HSU JV Holdco Limited, HSRE Crosslane (Coventry) Limited and HSRE Crosslane (Leeds) Limited, which via its direct/indirect wholly-owned subsidiaries hold 4 student accommodation properties in Birmingham, Canterbury, Coventry and Leeds; and (ii) settled existing indebtedness amounts of the entities acquired, for a total consideration of $294.8 million (£181.2 million).

The acquisition was accounted for as an acquisition of assets.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

40 ACQUISITION OF AND LOSS OF CONTROL IN SUBSIDIARIES, AND CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL (CONT'D)

(I) Acquisition of subsidiaries (cont'd)

2022 (cont'd)

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		
	Business combination $'000	Acquisition of assets $'000	Total $'000
Investment properties	–	379,407	379,407
Trade and other receivables	17	698	715
Cash and cash equivalents	75	7,960	8,035
Trade and other payables	(20)	(14,906)	(14,926)
Lease liabilities	–	(37,005)	(37,005)
Provision for taxation	–	(384)	(384)
Net identifiable assets acquired	72	335,770	335,842
Cash flows relating to the acquisition			
Consideration for equity interest	–^	335,770	335,770
Add: Acquisition-related costs	–	8,384	8,384
Less: Acquisition-related costs not yet paid	–	(5,579)	(5,579)
Less: Cash and cash equivalents acquired	(75)	(7,960)	(8,035)
Total net cash outflow	(75)	330,615	330,540

^ Less than $1,000

Negative goodwill

Negative goodwill arising from the acquisition of City Nexus has been recognised as follows:

	Total $'000
Consideration transferred	–^
Fair value of the Group's existing 30% interest in the associate	24
Fair value of identifiable net assets	(72)
Negative goodwill	(48)

^ Less than $1,000

The negative goodwill arising from the acquisition of City Nexus has been recognised in "other income" in the Group's consolidated profit or loss. The negative goodwill was attributed to the competitive pricing negotiated with the seller.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

40 ACQUISITION OF AND LOSS OF CONTROL IN SUBSIDIARIES, AND CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL (CONT'D)

(I) Acquisition of subsidiaries (cont'd)

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.

	Note	Recognised amounts $'000
Property, plant and equipment	4	21,304
Investment properties	5	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	29	(4,108)
Interest-bearing borrowings		(194,016)
Deferred tax liabilities	30	(80,081)
Net identifiable assets acquired		383,888

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

40 ACQUISITION OF AND LOSS OF CONTROL IN SUBSIDIARIES, AND CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL (CONT'D)

(I) Acquisition of subsidiaries (cont'd)

2021 (cont'd)

	Recognised amounts $'000
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	(42)
Total net cash outflow	341,747

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.
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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

40 ACQUISITION OF AND LOSS OF CONTROL IN SUBSIDIARIES, AND CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL (CONT'D)

(I) Acquisition of subsidiaries (cont'd)

2021 (cont'd)

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.

(II) Loss of control in subsidiaries

2022

(a) On 26 May 2022, following the Group's distribution *in specie* of part of the CDLHT units that it held, to the Company's ordinary shareholders (note 36), which reduced the Group's interest in CDLHT from 38.89% to 27.21%, the Group lost control over CDLHT (note 44). CDLHT was deconsolidated on that date and became an associate of the Group.

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

The Group recognised a total gain on the above transactions of approximately $501.7 million.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

40 ACQUISITION OF AND LOSS OF CONTROL IN SUBSIDIARIES, AND CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL (CONT'D)

(II) Loss of control in subsidiaries (cont'd)

2022 (cont'd)

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	4	1,378,264	–	1,378,264
Investment properties	5	433,321	–	433,321
Other non-current assets		8,915	–	8,915
Derivative financial assets		20,122	–	20,122
Deferred tax assets	30	3,727	–	3,727
Consumable stocks		2,417	–	2,417
Trade and other receivables		22,125	–	22,125
Cash and cash equivalents		96,408	–	96,408
Assets held for sale		–	55,072	55,072
Trade and other payables		(43,237)	–	(43,237)
Interest-bearing borrowings		(1,107,754)	–	(1,107,754)
Lease liabilities		(128,276)	–	(128,276)
Employee benefits		(310)	–	(310)
Other non-current liabilities		(72,973)	–	(72,973)
Provision for taxation		(6,343)	–	(6,343)
Deferred tax liabilities	30	(10,519)	–	(10,519)
Provisions	29	(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
Sale consideration, net of disposal costs		–	80,836	80,836
Distribution *in specie*		183,124	–	183,124
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	33	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 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

40 ACQUISITION OF AND LOSS OF CONTROL IN SUBSIDIARIES, AND CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT LOSS OF CONTROL (CONT'D)

(III) Changes in interests in subsidiaries without loss of control

There were the following changes in interests in subsidiaries without loss of control during the year:

2022

(a) In September 2022, the Group's indirect wholly-owned subsidiary, CBM Pte. Ltd., acquired additional interest in Systematic Holdings Pte. Ltd. via a debt capitalisation of $9.0 million, increasing its effective interest from 90% to 98%.

(b) Prior to the Group deconsolidating CDLHT (note (II) above), a subsidiary of M&C, M&C REIT Management Limited (M&C REIT), being the REIT manager for CDLHT, received 4,303,143 units in CDLHT in lieu of management and performance fee income during the year. There was no significant change to the Group's effective interest in CDLHT between 1 January 2022 to the date of its deconsolidation by the Group.

(c) Prior to the Group deconsolidating CDLHT (note (II) above), a subsidiary of M&C, M&C Business Trust Management Limited (MBTM), being a trustee manager for HBT, received 400,301 units in CDLHT in lieu of management fee income during the year. There was no significant change to the Group's effective interest in CDLHT up until the date of the distribution *in specie*.

(d) CDL Investments New Zealand Limited (CDLI), an indirect subsidiary of M&C, declared dividend *in specie* to its minority shareholders. There was no significant change to the Group's effective interest.

2021

(a) In February 2021, the Group acquired an 84.6% equity interest in Shenzhen Tusincere (note (I) above). In September 2021, the Group entered into an agreement with Sincere Property Group to facilitate the transfer of 15.4% equity interest in Shenzhen Tusincere as partial repayment of a loan owing by Sincere Property Group to the Group. The 15.4% equity interest in Shenzhen Tusincere had been pledged by Sincere Property Group to the Group as a security for the loan extended by the Group (note 42). Following the transfer, Shenzhen Tusincere became a wholly-owned subsidiary of the Group.

(b) A subsidiary of M&C, M&C REIT Management Limited (M&C REIT), being a REIT manager for CDLHT, received 8,142,678 units in CDLHT in lieu of management and performance fee income during the year. There was no significant change to the Group's effective interest in CDLHT.

(c) A subsidiary of M&C, M&C Business Trust Management Limited (MBTM), being a trustee manager for HBT, received 370,451 units in CDLHT in lieu of management fee income during the year. There was no significant change to the Group's effective interest in CDLHT.

(d) CDL Investments New Zealand Limited (CDLI), an indirect subsidiary of M&C, declared dividend *in specie* to its minority shareholders. There was no significant change to the Group's effective interest.

The following summarises the effect of changes in the Group's ownership interests in the above subsidiaries:

	2022 $'000	2021 $'000
Consideration paid for acquisition of non-controlling interests	**–**	–
Fair value of 15.4% equity interest in Shenzhen Tusincere	**–**	(32,555)
Net decrease in equity attributable to non-controlling interests	**959**	42,731
Net increase in equity interests attributable to owners of the Company	**959**	10,176
Represented by:		
Increase in capital reserve	**959**	10,176

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

41 RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Liabilities							
	Interest-bearing borrowings (note 22) $'000	Interest payable^ $'000	Non-trade amounts owing to non-controlling interests^ $'000	Non-trade amounts owing to fellow subsidiaries^ $'000	Non-trade amounts owing to associates^ $'000	Non-trade amounts owing to joint ventures^ $'000	Lease liabilities (note 27) $'000	Provision for financial guarantee (note 29) $'000
Balance at 1 January 2021	11,554,680	32,132	–	234,294	887	346,756	252,041	283,000
Financing cash flows	(644,450)	(200,899)	14,486	11,480	(4)	10,620	(31,327)	(286,132)
Non-cash changes								
Changes arising from acquisition/liquidation of subsidiaries	194,016	213	115,203	–	(881)	41,354	2,876	–
Effect of changes in foreign exchange rates	26,636	(3,503)	5,200	–	–	10,677	2,681	3,132
Liability-related								
New leases	–	–	–	–	–	–	28,816	–
Interest expense/capitalised	–	209,488	8,500	2,786	–	958	10,240	–
Set off against amounts owing from joint ventures (note 42)	–	–	–	–	–	(263,688)	–	–
Reclassified to other payables	–	–	–	–	–	(49,107)	–	–
Others	9,111	(2,405)	–	–	–	–	–	–
Total non-cash changes	229,763	203,793	128,903	2,786	(881)	(259,806)	44,613	3,132
Balance at 31 December 2021	11,139,993	35,026	143,389	248,560	2	97,570	265,327	–
Balance at 1 January 2022	11,139,993	35,026	143,389	248,560	2	97,570	265,327	–
Financing cash flows	82,195	(239,803)	(14,878)	42,410	2,734	–	(46,159)	–
Non-cash changes								
Changes arising from acquisition/deconsolidation of subsidiaries	(1,107,754)	(3,272)	–	–	–	–	(91,271)	–
Effect of changes in foreign exchange rates	(452,642)	(7,860)	(12,854)	–	(131)	(6,865)	(11,733)	–
Liability-related								
New leases	–	–	–	–	–	–	561,148	–
Interest expense/capitalised	–	257,453	10,384	2,947	–	–	20,127	–
Others	7,630	(745)	(775)	–	–	–	–	–
Total non-cash changes	(1,552,766)	245,576	(3,245)	2,947	(131)	(6,865)	478,271	–
Balance at 31 December 2022	9,669,422	40,799	125,266	293,917	2,605	90,705	697,439	–

^ Included in "trade and other payables"

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management is responsible for developing and monitoring the Group's risk management policies. Management reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Group has a system of controls in place to maintain an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit & Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. It is, and has been throughout the current and previous financial years, the Group's policy that no derivatives shall be undertaken for speculative purposes except for its use as hedging instruments where appropriate and cost efficient.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, amounts owing by associates and joint ventures, other receivables and debt investments.

As at 31 December 2022, the Group had gross amounts owing by HCP Group of $382.7 million (2021: $395.1 million) (see below) and subscribed for a bond of $309.5 million (2021: $311.5 million) (note 10) issued by Sincere Property Group. As at 31 December 2022, the amounts owing by HCP Group and the investment in bond have been fully impaired. As at 31 December 2021, impairment losses of $331.2 million (note 16 and below) and $293.8 million (note 10) were recognised on the amounts owing by HCP Group and the bonds, respectively. In addition, the amounts owing by subsidiaries and joint ventures represent 92% (2021: 92%) of the Company's financial assets.

Except as disclosed, there is no significant concentration of credit risk for the Group and the Company. The carrying amounts of financial assets and contract assets represent the Group's and the Company's maximum exposures to credit risk, before taking into account any collateral held.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk (cont'd)

Impairment losses on trade and other receivables, amounts owing by associates and debt investment recognised/ (reversed) in profit or loss were as follows:

	Note	Group 2022 $'000	Group 2021 $'000
Other receivables		**62,673**	6,104
Debt investment	10	**18,015**	–
Amounts owing by associates	8	**339**	–
Trade receivables and accrued receivables		**22,389**	(2,448)
		103,416	3,656

Trade and other receivables and contract assets

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of these financial assets.

The Group limits its exposure to credit risk from trade receivables by collecting deposits as collateral, where possible. For trade receivables and contract assets relating to sale of development properties, if a purchaser defaults on payments, the Group may enforce payments via legal proceedings or if the purchaser is assessed to be insolvent, the Group may take possession of the units, retain a portion of the sales consideration, and resell the property.

In monitoring customer credit risk, the Group considers the trade history of the customers with the Group, aging profile, maturity and existence of previous financial difficulties.

Exposure to credit risk

The maximum exposure to credit risk for trade and other receivables and contract assets at the reporting date by business segment is set out below:

	Group 2022 $'000	Group 2021 $'000 Restated*	Company 2022 $'000	Company 2021 $'000
Property development	**1,887,697**	1,813,907	**5,796,323**	5,146,585
Hotel operations	**212,276**	179,976	**2,176,094**	1,635,335
Investment properties	**130,205**	138,570	**1,436,920**	1,734,717
Others	**48,327**	112,034	**3,494,252**	3,911,800
	2,278,505	2,244,487	**12,903,589**	12,428,437

* Refer to Note 47

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk (cont'd)

Expected credit loss assessment on trade receivables

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are based on actual credit loss experience over the past 3 years (2021: 3 years). These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and accrued receivables as at reporting date:

	Group Gross carrying amount $'000	Group Impairment loss allowance $'000	Company Gross carrying amount $'000	Company Impairment loss allowance $'000
2022				
Current (not past due)	183,109	27,278	2,789	–
1 – 30 days past due	43,263	76	8,576	13
31 – 60 days past due	16,601	281	114	3
61 – 90 days past due	16,008	2,497	11	1
More than 90 days past due	33,388	5,505	193	65
	292,369	35,637	11,683	82
2021				
Current (not past due)	171,194	15	2,404	11
1 – 30 days past due	32,540	557	628	44
31 – 60 days past due	5,108	95	118	10
61 – 90 days past due	3,448	30	21	3
More than 90 days past due	49,026	16,328	528	67
	261,316	17,025	3,699	135

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk (cont'd)

Movements in allowance for impairment in respect of trade and other receivables and accrued receivables

The movements in the allowance for impairment in respect of trade and other receivables (excluding amounts owing by subsidiaries (note 7), associates (note 8) and joint ventures (note 9)) and accrued receivables during the year are as follows:

	Group Lifetime ECL		Company Lifetime ECL	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Allowance for impairment on trade receivables and accrued receivables				
At 1 January	**17,025**	25,212	**135**	716
Impairment loss recognised/ (reversed)	**22,389**	(2,448)	**(46)**	(431)
Impairment loss utilised	**(1,204)**	(5,796)	**(7)**	(150)
Disposal of subsidiaries	**(232)**	–	**–**	–
Translation differences on consolidation	**(2,341)**	57	**–**	–
At 31 December	**35,637**	17,025	**82**	135

Impairment losses (reversed)/recognised on trade receivables were included in "other operating expenses".

	Note	Group Lifetime ECL		Company Lifetime ECL	
		2022 $'000	2021 $'000	2022 $'000	2021 $'000
Allowance for impairment on other receivables					
At 1 January		**336,476**	5,129	**1,116**	1,129
Reclassified from amounts owing by joint ventures	9	**–**	329,481	**–**	–
Acquisition of subsidiaries		**1,142**	–	**–**	–
Impairment loss recognised		**62,673**	–	**–**	–
Translation differences on consolidation		**(11,200)**	1,866	**(68)**	(13)
At 31 December		**389,091**	336,476	**1,048**	1,116

There is no impairment loss on contract assets.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk (cont'd)

At the reporting date, included in the allowance for impairment on other receivables is an amount of $382.7 million (2021: $331.2 million) relating to amounts owing by HCP Group, as described below.

Impairment of amounts owing by HCP Group

2022

During 2022, certain subsidiaries within Sincere Property Group entered into consolidated bankruptcy reorganisation in addition to Sincere Property which entered into bankruptcy reorganisation in 2021 (see below). Discussions between the bankruptcy administrator, creditors of Sincere Property Group and potential investors are ongoing. The Group has filed its claims against Sincere Property with the bankruptcy administrator.

As at 31 December 2022, the Group assessed that the amounts owing by HCP Group continue to be credit-impaired. The Group assessed the lifetime ECL to be recognised, taking into consideration the latest developments of Sincere Property Group based on available information, prevailing market conditions and price trends of corporate bonds issued by other China real estate developers with credit ratings similar to that of Sincere Property Group and face similar debt and liquidity challenges as those faced by Sincere Property Group.

The key parameter applied in estimating the ECL to be recognised include assuming a loss given default ("LGD") of 100% which was estimated based on the range of decline in trading prices of bonds issued by other China real estate developers with credit ratings similar to that of Sincere Property Group and face similar debt and liquidity challenges as those faced by Sincere Property Group. The Group also considered the increased uncertainty surrounding the complex bankruptcy reorganisation with the passage of time, which pose challenges to the recovery of the amounts owing by HCP Group.

Based on the assessment undertaken, the Group recognised an additional impairment of $62.7 million on the amounts owing by HCP Group during the year. As at 31 December 2022, the amounts owing by HCP Group have been fully impaired.

As the bankruptcy reorganisation for Sincere Property Group is ongoing, its outcome is uncertain and evolving. Changes to circumstances and estimates may impact the ECL recognised on the amounts owing by HCP Group. The ECL on the amounts owing by HCP Group is also sensitive to the assumptions used. As the amounts owing by HCP Group have been fully impaired, any decrease in LGD in isolation would result in a higher recoverable amount.

2021

During 2021, as part of the Group's disposal of its interest in HCP, the Group had entered into various agreements with the HCP Group whereby it was agreed that (i) an amount owing by the Group to HCP Group of $263.7 million would be set off against the amounts owing by HCP Group; and (ii) the collateral held by the Group in respect of the amounts owing by HCP Group, which related to shares in an investment holding company that held an equity interest in a property-owning entity which had been pledged by HCP Group to the Group, in respect of the amounts owing by HCP Group, would be transferred to the Group, as settlement of $54.1 million (RMB260.0 million) of the amounts owing by HCP Group. The above arrangements resulted in a utilisation of $8.2 million (RMB39.2 million) impairment loss previously recognised (note 9(d)).

As at 31 December 2021, after the offset arrangements, the Group had gross amounts owing by HCP Group of $395.1 million (classified under other receivables in note 16) and amounts owing to HCP Group of $50.3 million (note 31).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk (cont'd)

2021 (cont'd)

In October 2021, the Chongqing No. 5 Intermediate People's Court accepted the bankruptcy reorganisation application by a creditor against Sincere Property and a bankruptcy administrator was subsequently appointed. In addition, a local credit rating agency downgraded Sincere Property's credit rating and its existing domestic corporate bonds as Sincere Property was unable to redeem its corporate bonds that matured in 2021.

As at 31 December 2021, the Group assessed that the amounts owing by HCP Group continue to be credit-impaired. The Group assessed the lifetime ECL to be recognised, taking into account the latest developments of Sincere Property Group based on publicly available information as described above, prevailing market conditions and price trends of corporate bonds issued by other China real estate developers with credit ratings similar to that of Sincere Property Group and face similar debt and liquidity challenges as those faced by Sincere Property Group, following regulatory tightening and systemic changes on financing imposed on China's real estate sector.

The key parameter applied in estimating the ECL to be recognised include assuming a loss given default ("LGD") of up to 95% which was estimated based on the range of decline in trading prices of bonds issued by other China real estate developers with credit ratings similar to that of Sincere Property Group and face similar debt and liquidity challenges as those faced by Sincere Property Group.

Based on the assessment undertaken, the Group estimated that no additional impairment is required on the amounts owing by HCP Group, other than an impairment loss of $6.1 million on the interest income recognised on the amounts owing by HCP Group during the year. At 31 December 2021, the carrying value of the amount owing by HCP Group was $63.9 million (net of impairment loss of $331.2 million) which was classified as other receivables (note 16).

As the bankruptcy reorganisation for Sincere Property is ongoing, its outcome is uncertain and evolving. Changes to circumstances and estimates may impact the ECL recognised on the amounts owing by HCP Group. The ECL on the amounts owing by HCP Group is also sensitive to the assumptions used. A decrease in the LGD in isolation would result in a higher recoverable amount. An increase in the LGD in isolation would result in a lower recoverable amount.

Non-trade amounts due from subsidiaries, associates and joint ventures

The Group and the Company held non-trade receivables from its associates and joint ventures which were lent to associates and joint ventures to meet their funding requirements. In addition, the Company held non-trade receivables from its subsidiaries which were lent to the subsidiaries to meet their funding requirements. Impairment on these balances has been measured on the 12-month and lifetime expected loss basis. Except as disclosed above, the Group uses an approach that is based on an assessment of qualitative and quantitative factors that are indicative of the risk of default, including but not limited to, financial statements of the entities, and applying credit judgement. The amount of allowance on the non-trade amounts due from associates was negligible. The amounts of the allowances on the non-trade amounts due from subsidiaries, associates and joint ventures are set out in notes 7, 8 and 9 respectively.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(i) Credit risk (cont'd)

Debt investments

The Group limits its exposure to credit risk on investments held by investing only with counterparties that are of acceptable credit quality.

The exposure to credit risk for debt investments at the reporting date by geographic region was as follows:

	Mandatorily at FVTPL	At amortised cost		
	Carrying amount $'000	Gross amount $'000	Lifetime ECL (credit impaired) $'000	Carrying amount $'000
2022				
China	–	309,488	(309,488)	–
Australia	20,011	–	–	–
	20,011	309,488	(309,488)	–
2021				
China	–	311,512	(293,769)	17,743
Singapore	142,486	–	–	–
Australia	32,923	–	–	–
	175,409	311,512	(293,769)	17,743

Derivatives

Derivatives are only entered into with bank and financial institution counterparties with sound credit ratings.

Cash and cash equivalents

The cash and cash equivalents are held with bank and financial institution counterparties with sound credit ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents as at 31 December 2022 and 31 December 2021 was negligible.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents and credit facilities deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(ii) Liquidity risk (cont'd)

As at 31 December 2022 and 31 December 2021, the Group has provided financial guarantees in favour of an associate (note 8) and buyers of overseas development properties (note 38). The Company has provided financial guarantees for borrowings of a subsidiary amounting to $231 million (2021: $270 million) expiring on 31 March 2023. The Group has contractual commitments to incur capital expenditure on its property, plant and equipment and investment properties, purchase properties and to invest in joint ventures, associates and investees (see note 38).

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Group					
31 December 2022					
Non-derivative financial liabilities					
Interest-bearing borrowings	9,669,422	(10,383,102)	(2,596,621)	(7,670,809)	(115,672)
Lease liabilities	697,439	(1,233,686)	(50,585)	(164,189)	(1,018,912)
Trade and other payables^	1,404,045	(1,431,063)	(1,431,063)	–	–
Other liabilities^	88,269	(88,269)	–	(62,660)	(25,609)
	11,859,175	(13,136,120)	(4,078,269)	(7,897,658)	(1,160,193)
Derivative financial instruments					
Derivative liabilities					
Cross-currency swaps (gross-settled):	780				
– Outflow		(16,235)	(16,235)	–	–
– Inflow		15,423	15,423	–	–
Forward exchange contracts (gross-settled):	780				
– Outflow		(48,463)	(48,463)	–	–
– Inflow		47,512	47,512	–	–
Interest rate swaps (net-settled)	645	(853)	129	(982)	–
	2,205	(2,616)	(1,634)	(982)	
Derivative assets					
Cross-currency swaps (gross-settled):	(43,696)				
– Outflow		(501,351)	(215,789)	(285,562)	–
– Inflow		547,091	235,485	311,606	–
Forward exchange contracts (gross-settled):	(49,636)				
– Outflow		(914,487)	(914,487)	–	–
– Inflow		960,816	960,816	–	–
Interest rate swaps (net-settled)	(18,917)	20,443	8,298	12,145	–
	(112,249)	112,512	74,323	38,189	–
	(110,044)	109,896	72,689	37,207	–
	11,749,131	(13,026,224)	(4,005,580)	(7,860,451)	(1,160,193)

^ Excluding deferred income

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(ii) Liquidity risk (cont'd)

	Carrying amount $'000 Restated*	Contractual cash flows $'000 Restated*	Within 1 year $'000 Restated*	After 1 year but within 5 years $'000 Restated*	After 5 years $'000 Restated*
Group					
31 December 2021					
Non-derivative financial liabilities					
Interest-bearing borrowings	11,139,993	(11,568,699)	(5,398,360)	(6,112,234)	(58,105)
Lease liabilities	265,327	(445,448)	(26,330)	(51,034)	(368,084)
Trade and other payables^	1,401,212	(1,415,804)	(1,415,804)	–	–
Other liabilities^	98,447	(98,447)	–	(76,881)	(21,566)
	12,904,979	(13,528,398)	(6,840,494)	(6,240,149)	(447,755)
Derivative financial instruments					
Derivative liabilities					
Cross-currency swaps (gross-settled):	14,936				
– Outflow		(400,259)	(329,893)	(70,366)	–
– Inflow		387,741	316,999	70,742	–
Interest rate swaps (gross-settled):	941				
– Outflow		(7,001)	(2,377)	(4,624)	–
– Inflow		3,681	1,250	2,431	–
	15,877	(15,838)	(14,021)	(1,817)	
Derivative assets					
Forward exchange contracts (gross-settled):	(17,485)				
– Outflow		(1,294,556)	(1,294,556)	–	–
– Inflow		1,308,617	1,308,617	–	–
Cross-currency swaps (gross-settled):	(8,788)				
– Outflow		(140,241)	(42,176)	(98,065)	–
– Inflow		149,917	46,884	103,033	–
	(26,273)	23,737	18,769	4,968	–
	(10,396)	7,899	4,748	3,151	–
	12,894,583	(13,520,499)	(6,835,746)	(6,236,998)	(447,755)

^ Excluding deferred income

* Refer to Note 47

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(ii) Liquidity risk (cont'd)

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Company					
31 December 2022					
Non-derivative financial liabilities					
Interest-bearing borrowings	7,452,244	(8,059,612)	(1,554,860)	(6,504,752)	–
Lease liabilities	32,522	(34,731)	(6,660)	(28,071)	–
Trade and other payables^	2,241,789	(2,262,592)	(2,262,592)	–	–
Other liabilities^	759,708	(764,965)	–	(764,965)	–
	10,486,263	(11,121,900)	(3,824,112)	(7,297,788)	–
Derivative financial instruments					
Derivative liabilities					
Cross-currency swaps (gross-settled):	780				
– Outflow		(16,235)	(16,235)	–	–
– Inflow		15,423	15,423	–	–
Forward exchange contracts (gross-settled):	780				
– Outflow		(48,463)	(48,463)	–	–
– Inflow		47,512	47,512	–	–
Interest rate swaps (net-settled)	645	(853)	129	(982)	–
	2,205	(2,616)	(1,634)	(982)	–
Derivative assets					
Cross-currency swaps (gross-settled):	(43,696)				
– Outflow		(501,351)	(215,789)	(285,562)	–
– Inflow		547,091	235,485	311,606	–
Forward exchange contracts (gross-settled):	(49,636)				
– Outflow		(914,487)	(914,487)	–	–
– Inflow		960,816	960,816	–	–
Interest rate swaps (net-settled)	(18,917)	20,443	8,298	12,145	–
	(112,249)	112,512	74,323	38,189	–
	(110,044)	109,896	72,689	37,207	–
	10,376,219	(11,012,004)	(3,751,423)	(7,260,581)	–

^ Excluding deferred income

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(ii) Liquidity risk (cont'd)

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	After 1 year but within 5 years $'000	After 5 years $'000
Company					
31 December 2021					
Non-derivative financial liabilities					
Interest-bearing borrowings	7,138,339	(7,409,749)	(3,284,188)	(4,125,561)	–
Lease liabilities	15,922	(16,475)	(6,666)	(9,597)	(212)
Trade and other payables^	2,607,125	(2,607,125)	(2,607,125)	–	–
Other liabilities^	8,041	(8,041)	–	(8,041)	–
	9,769,427	(10,041,390)	(5,897,979)	(4,143,199)	(212)
Derivative financial instruments					
Derivative liabilities					
Cross-currency swaps (gross-settled):	14,928				
– Outflow		(344,991)	(329,578)	(15,413)	–
– Inflow		331,691	316,267	15,424	–
	14,928	(13,300)	(13,311)	11	–
Derivative assets					
Cross-currency swaps (gross-settled):	(4,026)				
– Outflow		(41,543)	(41,543)	–	–
– Inflow		45,489	45,489	–	–
Forward exchange contracts (gross-settled):	(17,485)				
– Outflow		(1,294,556)	(1,294,556)	–	–
– Inflow		1,308,617	1,308,617	–	–
	(21,511)	18,007	18,007	–	–
	(6,583)	4,707	4,696	11	–
	9,762,844	(10,036,683)	(5,893,283)	(4,143,188)	(212)

^ Excluding deferred income

The maturity analyses show the contractual undiscounted cash flows of the Group and the Company's financial liabilities on the basis of their earliest possible contractual maturity. The cash inflows/(outflows) disclosed represent the contractual undiscounted cash flows relating to derivative financial instruments held for risk management purposes and which are usually not closed out prior to contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement e.g. forward exchange contracts. Net-settled derivative financial assets are included in the maturity analyses as they are held to hedge the cash flow variability of the Group's floating rate loans.

The interest payments on variable interest rate loans and bonds and notes in the table above reflect market forward interest rates at the period end and these amounts may change as market interest rates changes. It is not expected that the cash flows in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk

Market risk is the risk that changes in market prices such as interest rates, foreign exchange rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its interest-bearing financial assets and debt obligations. The Group adopts a policy of managing its interest rate exposure by maintaining a debt portfolio with both fixed and floating interest rates.

Derivative financial instruments are used to manage interest rate risk, to the extent that the perceived cost of variable rate borrowings is considered to outweigh the benefits of their flexibility, and the Group actively monitors the need and timing for such derivatives.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. If a hedging relationship is directly affected by uncertainty arising from interest rate benchmark reform, then the Group applies Phase 1 amendments and assumes for this purpose that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

Hedging relationships that are impacted by interest rate benchmark reform may experience ineffectiveness because of the uncertainty about when and how replacement may occur for the relevant hedged item and hedging instrument due to the interest rate benchmark reform transition. For further details, see 'Managing interest rate benchmark reform and associated risks' below.

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'interest rate benchmark reform'). The Group had exposures to USD LIBOR and SGD SOR on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. These benchmark rates will lose representativeness or discontinue and be replaced with alternative interest rates benchmarks in US and Singapore with effect from 1 July 2023. In 2022, the Group has undertaken amendments to its financial instruments with contractual terms indexed to USD LIBOR or SGD SOR such that they incorporate the new benchmark rates. As at 31 December 2022, the Group's remaining IBOR exposure is indexed to USD LIBOR and SGD SOR.

Management monitors and manages the Group's transition to alternative rates. Management evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of interest rate benchmark reform and how to manage communication about interest rate benchmark reform with counterparties.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

Non-derivative financial liabilities

The Group's IBOR exposures to non-derivative financial liabilities as at 31 December 2022 were secured and unsecured borrowings indexed to USD LIBOR and SGD SOR. The Group is in the process of communicating with counterparties to progressively transition non-derivative financial liabilities which are indexed to the affected interest rate benchmarks to alternative risk-free rates.

Derivatives

The Group holds interest rate swaps and cross currency swaps for risk management purposes. As at 31 December 2022, the Group has no unreformed interest rate swaps and cross currency swaps contracts.

Total amounts of unreformed contracts, including those with an appropriate fallback clause

The Group monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to interest rate benchmark reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an 'unreformed contract').

The following table shows the total amounts of unreformed contracts and those with appropriate fallback language at 31 December 2022. The amounts of financial assets and financial liabilities are shown at their carrying amounts and derivatives are shown at their nominal amounts.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

	USD LIBOR		SGD SOR	
	Total amount of unreformed contracts $'000	Amount with appropriate fallback clause $'000	Total amount of unreformed contracts $'000	Amount with appropriate fallback clause $'000
Group				
31 December 2022				
Financial liabilities				
Term loans	443,316	255,356	1,442,051	–
31 December 2021				
Financial liabilities				
Bank loans	213,359	–	–	–
Term loans	822,880	417,398	2,672,760	90,247
Derivatives				
Cross currency swaps	157,327	–	146,450	–
Interest rate swaps	88,036	–	–	–
Company				
31 December 2022				
Financial liabilities				
Term loans	–	–	1,442,051	–
31 December 2021				
Financial liabilities				
Term loans	41,764	–	2,025,666	–
Derivatives				
Cross currency swaps	–	–	146,450	–

Fair value sensitivity analysis for fixed rate instruments

The Group has fixed rate debt instruments measured at FVTPL. A change in interest rates at the reporting date would not have a material impact on the Group.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates on the variable rate instruments held by the Group and the Company at the reporting date would have increased/(decreased) profit or loss (before any tax effect) by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant and does not take into account the effect of qualifying borrowing costs allowed for capitalisation.

	Group		Company	
	31 December 2022 $'000	31 December 2021 $'000	31 December 2022 $'000	31 December 2021 $'000
100 bp increase				
(Reduction)/Increase in profit before tax	**(48,872)**	(59,458)	**(19,778)**	(7,328)

A 100bp decrease in interest rates at the reporting date would have had an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in currencies other than the respective functional currencies of the Group's entities. The currencies giving rise to this risk are primarily the United States Dollar, Singapore Dollar, Hong Kong Dollar, Australian Dollar, Sterling Pound, Renminbi, Japanese Yen, Euro, Thai Baht and New Zealand Dollar.

The Group has a decentralised approach to the management of foreign currency risk. The Group manages its foreign currency exposure by adopting a natural hedge policy of matching receipts and payments, and asset purchases and borrowings, in the currency of the relevant entity, where possible. Entities in the Group may have different approaches to the identification and management of this risk. Entities in the Group may borrow in currencies other than their functional currencies to fund investments that are denominated in their borrowing currencies. In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances. Where feasible, the Group may put in place certain financial derivative instruments including forward exchange contracts and cross currency swaps to minimise the Group's exposure to movements in exchange rates on firm commitments and specific transactions.

The Group assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- The effect of the counterparty and the Group's own credit risk on the fair value of the swaps and forward foreign exchange contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates; and

- Changes in the timing of the hedged transactions.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

Foreign currency risk (cont'd)

The Group's and the Company's exposure to foreign currencies are as follows:

	United States Dollar $'000	Singapore Dollar $'000	Hong Kong Dollar $'000	Australian Dollar $'000	Sterling Pound $'000	Renminbi $'000	Japanese Yen $'000	Euro $'000	Thai Baht $'000	New Zealand Dollar $'000	Others $'000
Group											
31 December 2022											
Financial assets	16,410	–	–	4,548	–	–	–	–	–	–	–
Trade and other receivables*	266	865	–	103	2,955	2,928	–	21,839	–	–	391
Cash and cash equivalents (net of cash pool overdrafts)	(176,383)	5,240	165	195	6,730	2,681	1,319	(62,964)	2	–	216
Amounts owing by subsidiaries (net)	815,565	73,544	209,597	125,302	3,440,526	489,210	289,631	10	165,287	8,939	258
Interest-bearing borrowings	(697,248)	–	(19,208)	(139,552)	(2,396,571)	(146,579)	(90,817)	–	–	–	–
Trade and other payables**	(1,133)	(193)	(97)	(284)	(7,508)	(388)	(115)	–	–	–	(9)
Net statement of financial position exposure	(42,523)	79,456	190,457	(9,688)	1,046,132	347,852	200,018	(41,115)	165,289	8,939	856
Forward exchange contracts	–	–	–	–	(928,587)	–	–	(34,364)	–	–	–
Cross-currency swaps	–	–	–	(49,298)	(130,120)	(217,082)	(109,063)	–	–	–	–
Net exposure	(42,523)	79,456	190,457	(58,986)	(12,575)	130,770	90,955	(75,479)	165,289	8,939	856
31 December 2021											
Financial assets	32,680	–	–	–	7,279	–	–	–	–	–	–
Trade and other receivables*	22,841	773	–	5	1,786	2,633	–	21,068	–	–	319
Cash and cash equivalents (net of cash pool overdrafts)	(60,436)	1,912	164	38,070	5,157	3,436	47	(67,611)	2	17,370	273
Amounts owing by/(to) subsidiaries (net)	1,284,874	(547,877)	211,158	150,686	3,381,844	547,750	245,387	139,148	169,703	10,168	–
Interest-bearing borrowings	(1,082,468)	–	(19,175)	(88,015)	(2,995,566)	(146,800)	(54,417)	(4,599)	–	–	–
Trade and other payables**	(1,719)	(863)	(44)	(64)	(2,951)	(403)	(11)	–	–	–	(10)
Net statement of financial position exposure	195,772	(546,055)	192,103	100,682	397,549	406,616	191,006	88,006	169,705	27,538	582
Forward exchange contracts	–	–	–	–	(571,093)	(603,117)	(85,852)	(34,493)	–	–	–
Cross-currency swaps	157,327	–	–	–	–	(347,429)	(41,772)	(157,327)	–	–	–
Net exposure	353,099	(546,055)	192,103	100,682	(173,544)	(543,930)	63,382	(103,814)	169,705	27,538	582

* Excluding prepayments
** Excluding deferred income

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

Foreign currency risk (cont'd)

	United States Dollar $'000	Hong Kong Dollar $'000	Japanese Yen $'000	Sterling Pound $'000	Renminbi $'000	Australian Dollar $'000	Euro $'000	Others $'000
Company								
31 December 2022								
Trade and other receivables*	–	–	–	–	–	–	–	100
Cash and cash equivalents	5	14	–	6,026	85	12	–	128
Amounts owing by subsidiaries (net)	532,648	21,342	206,377	3,445,580	1,319,356	203,604	34,077	–
Interest-bearing borrowings	(54,590)	(19,208)	(90,817)	(2,396,571)	(146,579)	(139,552)	–	–
Trade and other payables**	(116)	(32)	(115)	(7,484)	(326)	(284)	–	(9)
Net statement of financial position exposure	477,947	2,116	115,445	1,047,551	1,172,536	63,780	34,077	219
Forward exchange contracts	–	–	–	(928,587)	–	–	(34,364)	–
Cross-currency swaps	–	–	(109,063)	(130,120)	(217,082)	(49,298)	–	–
Net exposure	477,947	2,116	6,382	(11,156)	955,454	14,482	(287)	219
31 December 2021								
Trade and other receivables*	–	–	–	–	–	–	–	60
Cash and cash equivalents	24	14	–	–	93	–	–	175
Amounts owing by subsidiaries (net)	524,464	21,589	148,573	3,304,947	1,435,148	105,322	34,187	–
Interest-bearing borrowings	(41,788)	(19,175)	(15,865)	(2,732,605)	(146,800)	(88,015)	–	–
Trade and other payables**	(17)	(4)	(7)	(1,832)	(288)	(59)	–	(10)
Net statement of financial position exposure	482,683	2,424	132,701	570,510	1,288,153	17,248	34,187	225
Forward exchange contracts	–	–	(85,852)	(571,093)	(603,117)	–	(34,493)	–
Cross-currency swaps	–	–	(41,772)	–	(347,429)	–	–	–
Net exposure	482,683	2,424	5,077	(583)	337,607	17,248	(306)	225

* Excluding prepayments
** Excluding deferred income

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

Foreign currency risk (cont'd)

Sensitivity analysis

A 5% strengthening of the following major currencies against the functional currency of each of the Group's entities at the reporting date held by the Group and the Company would (decrease)/increase profit and other components of equity before any tax effect by the amounts shown below. Similarly, a 5% weakening would have the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2022		2021	
	Profit before tax $'000	Equity $'000	Profit before tax $'000	Equity $'000
Group				
United States Dollar	7,805	(9,931)	36,040	(18,386)
Singapore Dollar	3,972	–	(27,302)	–
Hong Kong Dollar	9,523	–	9,605	–
Australian Dollar	(2,950)	–	5,034	–
Sterling Pound	(627)	–	(79)	(8,599)
Renminbi	7,255	(716)	(26,406)	(789)
Japanese Yen	4,548	–	4,877	(1,710)
Euro	(746)	(3,028)	(1,742)	(3,449)
Thai Baht	8,264	–	8,485	–
New Zealand Dollar	447	–	1,377	–
Company				
United States Dollar	23,897	–	24,134	–
Hong Kong Dollar	106	–	121	–
Japanese Yen	319	–	254	–
Sterling Pound	(558)	–	(29)	–
Renminbi	47,773	–	16,880	–
Australian Dollar	724	–	862	–
Euro	(14)	–	(15)	–

Equity price risk

The Group and the Company are exposed to equity price changes arising on its quoted equity investments at FVOCI and FVTPL. A change in the underlying equity prices of the quoted investments at the reporting date by 5% for the Group and the Company would impact profit and other components of equity (before any tax effect) by the amounts shown below. Similarly, a change in the revalued net asset values of the unquoted equity investments at FVOCI and FVTPL and a change in the price-to-sales multiple for the unquoted equity investments at FVTPL by 5% for the Group and the Company would impact profit and other components of equity (before any tax effect) by the amounts shown below.

This analysis assumes that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(iii) Market risk (cont'd)

Equity price risk (cont'd)

Equity investments

	Increase by 5% Group $'000	Decrease by 5% Group $'000	Increase by 5% Company $'000	Decrease by 5% Company $'000
2022				
Quoted equity investments at FVOCI and FVTPL				
Equity	1,300	(1,300)	1,093	(1,093)
Profit before tax	1,482	(1,482)	98	(98)
Unquoted equity investments at FVOCI and FVTPL				
Equity	21,608	(21,608)	20,395	(20,395)
Profit before tax	6,836	(6,836)	–	–
2021				
Quoted equity investments at FVOCI and FVTPL				
Equity	1,859	(1,859)	1,093	(1,093)
Profit before tax	2,445	(2,445)	100	(100)
Unquoted equity investments at FVOCI and FVTPL				
Equity	17,894	(17,894)	16,379	(16,379)
Profit before tax	6,523	(6,523)	–	–

(iv) Hedge accounting

Net investment hedges

A foreign currency exposure arises from the Group's net investments in subsidiaries that have a different functional currency from that of the Company. The risk arises from the fluctuation in spot exchange rates between the functional currency of the subsidiaries and the Company's functional currency, which causes the amount of the net investments to vary in the consolidated financial statements of the Group. The hedged risk in the net investment hedges is the risk of a weakening of the United States Dollar, Euro, Renminbi, Japanese Yen and Sterling Pound against Singapore Dollar that will result in a reduction in the carrying amount of the Group's net investments in subsidiaries. An economic relationship exists between the hedged net investment and hedging instrument due to the shared foreign currency risk exposure.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(iv) Hedge accounting (cont'd)

Net investment hedges (cont'd)

The Group uses a mixture of foreign currency-denominated debt, forward exchange contracts and cross-currency swaps as hedging instruments. When the hedging instrument is foreign currency-denominated debt, the Group assesses effectiveness by comparing past changes in the carrying amount of the debt that are attributable to a change in the spot rate with past changes in the investment in the foreign operation due to movement in spot rate (the offset method). The Group's policy is to hedge the net investment only to the extent of the debt principal. When the hedging instrument is a forward exchange contract or cross-currency swap, the Group establishes a hedge ratio where the notional on the forward foreign exchange contract and cross-currency swap matches the carrying amount of the designated net investment. The Group ensures that the foreign currency in which the hedging instrument is denominated is the same as the functional currency of the net investment. This qualitative assessment is supplemented quantitatively using the hypothetical derivative method for the purposes of assessing hedge effectiveness. The Group assesses effectiveness by comparing past changes in the fair value of the derivative with changes in the fair value of a hypothetical derivative. The hypothetical derivative is constructed to have the same critical terms as the net investment designated as the hedged item and a fair value of zero at inception. The Group's policy is to hedge the net investment only to the extent of the nominal amount of the foreign exchange or cross-currency swap leg of the derivative.

The Group held the following instruments to hedge exposures to changes in foreign currencies:

	Notional amount	Carrying amount – Liabilities $'000	Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in OCI $'000	Hedge ineffectiveness recognised in profit or loss $'000	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from reserve to profit or loss $'000	Hedged foreign exchange rate	Year of maturity
Group									
Net investment hedges									
2022									
Foreign exchange risk									
– Borrowings to hedge net investments in foreign operations	$347,007,000 equivalent	(347,007)	Interest-bearing borrowings and cash pool overdrafts	(20,346)	–	Not applicable	–	Not applicable	2023 to 2024
– Cross-currency swaps to hedge net investments in foreign operations	RMB74,190,000	(780)	Derivative financial liabilities	(450)	15	Finance income	–	SGD/RMB 4.81	2023
2021									
Foreign exchange risk									
– Borrowings to hedge net investments in foreign operations	$721,426,000 equivalent	(721,426)	Interest-bearing borrowings and cash pool overdrafts	(2,288)	–	Not applicable	–	Not applicable	2022 to 2025
– Cross-currency swaps to hedge net investments in foreign operations	RMB74,190,000	(347)	Derivative financial liabilities	(331)	(16)	Finance costs	–	SGD/RMB 4.81	2023

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(iv) Hedge accounting (cont'd)

Net investment hedges (cont'd)

	Change in value used for calculating hedge ineffectiveness $'000	Foreign currency translation reserve $'000	Balances remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting is no longer applied $'000
2022			
Net investments in certain foreign subsidiaries whose functional currencies are denominated in United States Dollar, Euro, Renminbi, Japanese Yen and Sterling Pound	10,694	4,007	–
2021			
Net investments in certain foreign subsidiaries whose functional currencies are denominated in United States Dollar, Euro, Renminbi, Japanese Yen and Sterling Pound	4,939	17,015	–

Cash flow hedges

At 31 December 2022, the Group held certain interest rate swaps to hedge exposures to changes in interest rates.

	Notional amount	Carrying amount – Assets/(Liabilities) $'000	Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in OCI $'000	Hedge ineffectiveness recognised in profit or loss $'000	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from hedging reserve to profit or loss $'000	Fixed interest rate	Year of maturity
Group									
<u>Cash flow hedges</u>									
2022									
Interest rate risk									
– Interest rate swaps	$703,300,000 equivalent	18,917	Derivative financial assets	18,917	–	Not applicable	–	2.48% to 3.06%	2025 to 2026
– Interest rate swaps	$137,652,000 equivalent	(645)	Derivative financial liabilities	(645)	–	Not applicable	–	3.46%	2025

At 31 December 2021, the Group did not designate any financial derivatives as hedging instruments for cash flow hedges.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(v) Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Trade and other receivables and trade and other payables classified as held for sale are not included in the table below (see note 6). Further, the fair value disclosure of lease liabilities is also not required.

	Note	Mandatorily at FVTPL $'000	FVOCI – equity investments $'000	Fair value – hedging instruments $'000	Amortised cost $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000
Group										
31 December 2022										
Financial assets measured at fair value										
Unquoted debt investments – mandatorily at FVTPL	10	20,011	–	–	–	20,011	–	–	20,011	20,011
Unquoted equity investments – at FVOCI	10	–	432,164	–	–	432,164	–	–	432,164	432,164
Unquoted equity investments – mandatorily at FVTPL	10	136,713	–	–	–	136,713	–	–	136,713	136,713
Quoted equity investments – at FVOCI	10	–	26,006	–	–	26,006	26,006	–	–	26,006
Quoted equity investments – mandatorily at FVTPL	10	29,640	–	–	–	29,640	29,640	–	–	29,640
Derivative financial assets	11	–	–	112,249	–	112,249	–	112,249	–	112,249
		186,364	458,170	112,249	–	756,783				
Financial assets not measured at fair value										
Other non-current assets^	12	–	–	–	299,454	299,454				
Trade and other receivables#	16	–	–	–	1,520,527	1,520,527				
Cash and cash equivalents	18	–	–	–	2,363,197	2,363,197				
		–	–	–	4,183,178	4,183,178				

	Note	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 2022								
Financial liabilities measured at fair value								
Derivative financial liabilities	11	2,205	–	2,205	–	2,205	–	2,205
Financial liabilities not measured at fair value								
Interest-bearing borrowings	22	–	9,669,422	9,669,422	–	9,545,514	–	9,545,514
Other liabilities@	28	–	88,269	88,269				
Trade and other payables@	31	–	1,404,045	1,404,045				
		–	11,161,736	11,161,736				

^ Excluding prepayments, intangible assets and deferred tax assets
\# Excluding prepayments, grant receivables and tax recoverable
@ Excluding deferred income

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(v) Accounting classifications and fair values (cont'd)

	Note	Mandatorily at FVTPL $'000	FVOCI – equity investments $'000	Fair value – hedging instruments $'000	Amortised cost $'000 Restated*	Total carrying amount $'000 Restated*	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	10	175,409	–	–	–	175,409	–	142,486	32,923	175,409
Unquoted equity investments – at FVOCI	10	–	357,870	–	–	357,870	–	–	357,870	357,870
Unquoted equity investments – mandatorily at FVTPL	10	130,465	–	–	–	130,465	–	–	130,465	130,465
Quoted equity investments – at FVOCI	10	–	37,180	–	–	37,180	37,180	–	–	37,180
Quoted equity investments – mandatorily at FVTPL	10	48,867	–	–	–	48,867	48,867	–	–	48,867
Derivative financial assets	11	–	–	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	10	–	–	–	17,743	17,743				
Other non-current assets^	12	–	–	–	106,332	106,332				
Trade and other receivables#	16	–	–	–	1,825,455	1,825,455				
Cash and cash equivalents	18	–	–	–	2,100,700	2,100,700				
		–	–	–	4,050,230	4,050,230				

	Note	Fair value – hedging instruments $'000	Other financial liabilities $'000 Restated*	Total carrying amount $'000 Restated*	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	11	15,877	–	15,877	–	15,877	–	15,877
Financial liabilities not measured at fair value								
Interest-bearing borrowings	22	–	11,139,993	11,139,993	–	11,186,537	–	11,186,537
Other liabilities@	28	–	98,447	98,447				
Trade and other payables@	31	–	1,401,212	1,401,212				
		–	12,639,652	12,639,652				

^ Excluding prepayments, intangible assets and deferred tax assets
# Excluding prepayments, grant receivables and tax recoverable
@ Excluding deferred income

* Refer to Note 47

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(v) Accounting classifications and fair values (cont'd)

	Note	Mandatorily at FVTPL $'000	Fair value – hedging instruments $'000	Amortised cost $'000	FVOCI – equity investments $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000
Company											
31 December 2022											
Financial assets measured at fair value											
Unquoted equity investments – at FVOCI	10	–	–	–	407,903	–	407,903	–	–	407,903	407,903
Quoted equity investments – at FVOCI	10	–	–	–	21,868	–	21,868	21,868	–	–	21,868
Quoted equity investments – mandatorily at FVTPL	10	1,963	–	–	–	–	1,963	1,963	–	–	1,963
Derivative financial assets	11	–	112,249	–	–	–	112,249	–	112,249	–	112,249
		1,963	112,249	–	429,771	–	543,983				
Financial assets not measured at fair value											
Other non-current assets	12	–	–	6,428,732	–	–	6,428,732				
Trade and other receivables#	16	–	–	6,474,857	–	–	6,474,857				
Cash and cash equivalents	18	–	–	614,499	–	–	614,499				
		–	–	13,518,088	–	–	13,518,088				
Financial liabilities measured at fair value											
Derivative financial liabilities	11	–	2,205	–	–	–	2,205	–	2,205	–	2,205
Financial liabilities not measured at fair value											
Interest-bearing borrowings	22	–	–	–	–	7,452,244	7,452,244	–	7,347,810	–	7,347,810
Other liabilities@	28	–	–	–	–	759,708	759,708				
Trade and other payables@	31	–	–	–	–	2,241,789	2,241,789				
		–	–	–	–	10,453,741	10,453,741				

\# Excluding prepayments and grant receivables
@ Excluding deferred income

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(v) Accounting classifications and fair values (cont'd)

	Note	Mandatorily at FVTPL $'000	Fair value – hedging instruments $'000	Amortised cost $'000	FVOCI – equity investments $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total fair value $'000
Company											
31 December 2021											
Financial assets measured at fair value											
Unquoted equity investments – at FVOCI	10	–	–	–	327,577	–	327,577	–	–	327,577	327,577
Quoted equity investments – at FVOCI	10	–	–	–	21,868	–	21,868	21,868	–	–	21,868
Quoted equity investments – mandatorily at FVTPL	10	1,993	–	–	–	–	1,993	1,993	–	–	1,993
Derivative financial assets	11	–	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	12	–	–	6,205,239	–	–	6,205,239				
Trade and other receivables#	16	–	–	6,223,198	–	–	6,223,198				
Cash and cash equivalents	18	–	–	686,322	–	–	686,322				
		–	–	13,114,759	–	–	13,114,759				
Financial liabilities measured at fair value											
Derivative financial liabilities	11	–	14,928	–	–	–	14,928	–	14,928	–	14,928
Financial liabilities not measured at fair value											
Interest-bearing borrowings	22	–	–	–	–	7,138,339	7,138,339	–	7,162,323	–	7,162,323
Other liabilities@	28	–	–	–	–	8,041	8,041				
Trade and other payables@	31	–	–	–	–	2,607,125	2,607,125				
		–	–	–	–	9,753,505	9,753,505				

Excluding prepayments and grant receivables
@ Excluding deferred income

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(v) Accounting classifications and fair values (cont'd)

Measurement of fair values

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at Level 3 fair value

Type	Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Unquoted debt investments – mandatorily at FVTPL	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate.	Discount rate: 2022: 0% to 12% 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: 2022: 0% to 20% 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 multiple: 2022: 8.0 times 2021: 26.5 times	The estimated fair value would increase/(decrease) if the price-to-sales multiple was higher/(lower).
		Discount rate: 2022: 20% 2021: 30%.	The estimated fair value would increase/(decrease) if the discount rate was lower/(higher).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(v) Accounting classifications and fair values (cont'd)

Measurement of fair values (cont'd)

Financial instruments measured at Level 2 fair value

Unquoted debt investments – mandatorily at FVTPL

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

Financial derivatives

The fair values of forward exchange contracts, cross-currency swaps and interest rate 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 at the intervals of six months or less 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.

Transfers between levels in the fair value hierarchy

The Group and Company did not reclassify any investments between various levels in the fair value hierarchy during the year.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

42 FINANCIAL INSTRUMENTS (CONT'D)

(v) Accounting classifications and fair values (cont'd)

Measurement of fair values (cont'd)

Level 3 fair values

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

	Group			Company
	Unquoted debt investments mandatorily at FVTPL $'000	Unquoted equity investments at FVOCI $'000	Unquoted equity investments mandatorily at FVTPL $'000	Unquoted equity investments at FVOCI $'000
At 1 January 2022	32,923	357,870	130,465	327,577
Additions	–	–	30,867	–
Distribution of income and return of capital	–	–	(21,960)	–
Total loss recognised in profit or loss – finance costs	(11,119)	–	(1,769)	–
Total gain for the period included in other comprehensive income – net change in fair value of equity investments at FVOCI	–	74,294	–	80,326
Translation differences on consolidation	(1,793)	–	(890)	–
At 31 December 2022	20,011	432,164	136,713	407,903
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 gain 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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

43 OPERATING SEGMENTS

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

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

Others comprises mainly investment in shares, management and consultancy services, and provision of laundry services. None of these segments meet any of the quantitative thresholds for determining reportable segments in 2022 and 2021.

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

Information about reportable segments

	Property development $'000	Hotel operations $'000	Investment properties $'000	Total $'000	Others $'000	Total $'000
2022						
Total revenue (including inter-segment revenue)	1,382,322	1,394,936	375,991	3,153,249	221,788	3,375,037
Inter-segment revenue	–	(14,272)	(34,828)	(49,100)	(32,524)	(81,624)
External revenue	1,382,322	1,380,664^	341,163	3,104,149	189,264	3,293,413
Profit from operating activities	119,685	1,406,099	430,354	1,956,138	(76,409)	1,879,729
Share of after-tax profit/(loss) of associates and joint ventures	121,132	(1,340)	20,235	140,027	30,137	170,164
Finance income	19,636	61,434	2,869	83,939	7,615	91,554
Finance costs	(99,154)	(82,972)	(69,908)	(252,034)	(32,646)	(284,680)
Net finance costs	(79,518)	(21,538)	(67,039)	(168,095)	(25,031)	(193,126)
Reportable segment profit/(loss) before tax	161,299	1,383,221	383,550	1,928,070	(71,303)	1,856,767
Depreciation and amortisation	3,551	120,598	125,218	249,367	27,059	276,426

^ Hotel operations for 2022 comprise revenue and Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) attributable to hotel rooms owned by the Group of $960.9 million and $165.6 million respectively.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

43 OPERATING SEGMENTS (CONT'D)

Information about reportable segments (cont'd)

	Property development $'000	Hotel operations $'000	Investment properties $'000	Total $'000	Others $'000	Total $'000
2022						
Other material non-cash items						
Negative goodwill on acquisition of subsidiaries	–	–	–	–	48	48
Impairment loss on other receivables and debt investment	–	–	–	–	(80,688)	(80,688)
Impairment losses reversed/ (recognised) on property, plant and equipment and investment properties	–	31,770	(35,728)	(3,958)	(3,657)	(7,615)
Allowance made for foreseeable losses on development properties	(61,766)	–	–	(61,766)	–	(61,766)
Investments in associates and joint ventures	792,971	568,531	598,566	1,960,068	386,669	2,346,737
Other segment assets	8,906,928	5,062,464	5,704,233	19,673,625	909,165	20,582,790
Reportable segment assets	9,699,899	5,630,995	6,302,799	21,633,693	1,295,834	22,929,527
Deferred tax assets						47,468
Tax recoverable						4,048
Total assets						22,981,043
Reportable segment liabilities	5,844,929	3,412,622	3,125,032	12,382,583	343,617	12,726,200
Deferred tax liabilities						350,253
Provision for taxation						339,768
Total liabilities						13,416,221
Additions to non-current assets**	6,351	662,054	935,752	1,604,157	98,413	1,702,570

** Non-current assets include property, plant and equipment, investment properties, investments in associates and joint ventures, and intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

43 OPERATING SEGMENTS (CONT'D)

Information about reportable segments (cont'd)

	Property development $'000	Hotel operations $'000	Investment properties $'000 Restated*	Total $'000 Restated*	Others $'000	Total $'000 Restated*
2021						
Total revenue (including inter-segment revenue)	1,254,470	883,784	407,155	2,545,409	193,959	2,739,368
Inter-segment revenue	–	(10,666)	(66,037)	(76,703)	(36,812)	(113,515)
External revenue	1,254,470	873,118	341,118	2,468,706	157,147	2,625,853
Profit from operating activities	203,917	16,299	76,607	296,823	12,105	308,928
Share of after-tax profit/ (loss) of associates and joint ventures	114,606	(36,578)	(5,297)	72,731	34,761	107,492
Finance income	22,443	3,153	4,342	29,938	6,268	36,206
Finance costs	(96,201)	(53,922)	(64,285)	(214,408)	(23,415)	(237,823)
Net finance costs	(73,758)	(50,769)	(59,943)	(184,470)	(17,147)	(201,617)
Reportable segment profit/ (loss) before tax	244,765	(71,048)^	11,367	185,084	29,719	214,803
Depreciation and amortisation	3,895	131,337	123,389	258,621	26,388	285,009

^ Hotel operations for 2021 comprise revenue and Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) attributable to hotel rooms owned by the Group amounting to $577.0 million and $75.2 million respectively.

	Property development $'000	Hotel operations $'000	Investment properties $'000 Restated*	Total $'000 Restated*	Others $'000	Total $'000 Restated*
2021						
Other material non-cash items						
Negative goodwill on acquisition of subsidiaries	25,776	–	9,777	35,553	–	35,553
Impairment loss on other receivables	(2,449)	(272)	(1,814)	(4,535)	(1,569)	(6,104)
Impairment losses reversed/ (recognised) on property, plant and equipment and investment properties	–	95,742	(2,043)	93,699	(388)	93,311
Allowance made for foreseeable losses on development properties	(5,641)	–	–	(5,641)	–	(5,641)

* Refer to Note 47

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

43 OPERATING SEGMENTS (CONT'D)

Information about reportable segments (cont'd)

	Property development $'000	Hotel operations $'000	Investment properties $'000 Restated*	Total $'000 Restated*	Others $'000	Total $'000 Restated*
2021						
Investments in associates and joint ventures	702,285	410,195	316,654	1,429,134	424,891	1,854,025
Other segment assets	9,100,033	5,661,662	6,291,414	21,053,109	899,276	21,952,385
Reportable segment assets	9,802,318	6,071,857	6,608,068	22,482,243	1,324,167	23,806,410
Deferred tax assets						69,302
Tax recoverable						4,557
Total assets						23,880,269
Reportable segment liabilities	6,361,148	3,471,262	3,886,978	13,719,388	276,859	13,996,247
Deferred tax liabilities						196,068
Provision for taxation						368,682
Total liabilities						14,560,997
Additions to non-current assets**	11,138	121,016	638,016	770,170	97,762	867,932

** Non-current assets include property, plant and equipment, investment properties, investments in associates and joint ventures, and intangible assets.

Geographical segments

	Singapore $'000	United States $'000	United Kingdom $'000	China $'000	Other countries $'000	Total $'000
2022						
Revenue	1,763,288	466,048	480,561	179,062	404,454	3,293,413
Non-current assets#	3,475,223	1,511,372	2,484,298	1,859,406	2,046,264	11,376,563
Reportable segment assets	11,221,486	1,759,335	3,338,901	3,261,454	3,348,351	22,929,527

	Singapore $'000	United States $'000	United Kingdom $'000 Restated*	China $'000	Other countries $'000	Total $'000 Restated*
2021						
Revenue	1,363,442	261,888	276,008	330,573	393,942	2,625,853
Non-current assets#	3,901,080	1,511,311	2,419,442	1,995,527	2,373,507	12,200,867
Reportable segment assets	10,801,397	1,680,666	3,500,376	3,679,606	4,144,365	23,806,410

Include property, plant and equipment, investment properties, investments in associates and joint ventures, prepayments (non-current portion) and intangible assets.

* Refer to Note 47

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

44 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES

The following are the Group's significant investments in subsidiaries:

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
	Direct/Indirect Subsidiaries of the Company				
[1]	Allinvest Holding Pte Ltd	Property owner and investment holding	Singapore	**100**	100
[1]	Adelanto Investments Pte. Ltd.	Investment holding	Singapore	**100**	100
[1]	Aquarius Properties Pte. Ltd.	Property owner and developer	Singapore	**80**	80
[6]	Atlasgate UK Properties Limited	Property owner	United Kingdom	**100**	–
[7]	Beaumont Properties Limited	Property owner and developer	Jersey	**100**	100
[1]	Bloomsville Investments Pte Ltd	Property owner, developer and investment holding	Singapore	**–**	100
[7]	Busy Bee Ventures Limited	Investment holding	British Virgin Islands	**100**	100
[6]	Canterbury Riverside Propco Limited	Property owner	United Kingdom	**100**	–
[6]	Canterbury Riverside Opco Limited	Operating company	United Kingdom	**100**	–
[1]	CBM Pte. Ltd.	Provision of building maintenance, security, cleaning and related services to commercial and residential buildings	Singapore	**100**	100
[1]	CBM Parking Pte. Ltd.	Provision of car park operation, management, civil, construction and electrical works related to parking systems and related services	Singapore	**100**	100
[1]	CBM International Pte. Ltd.	Investment holding and provision of consultancy services	Singapore	**100**	100
[1]	CBM Security Pte. Ltd.	Provision of security services, consultancy services related to security matters, supply of equipment, security escort services and facilities management services	Singapore	**100**	100
[1]	CBM Solutions Pte. Ltd.	Provision of consultancy, facilities management and building construction services	Singapore	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

44 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2022 %	2021 %
	Direct/Indirect Subsidiaries of the Company (cont'd)				
(2)	CBM (Taiwan) Co., Ltd.	Carpark management services	Taiwan	**100**	100
(1)	CDL Aries Pte. Ltd.	Property owner and developer	Singapore	**100**	100
(1)	CDL Land Pte Ltd	Property owner and developer	Singapore	**100**	100
(1)	CDL Libra Pte. Ltd.	Property owner and developer	Singapore	**100**	100
(1)	CDL Management Services Pte. Ltd.	Provision of project and property management and consultancy services	Singapore	**100**	100
(1)	CDL Properties Ltd	Property owner and investment holding	Singapore	**100**	100
(1)	CDL Regulus Pte. Ltd.	Property owner and developer	Singapore	**100**	100
(1)	CDL Pegasus Pte. Ltd.	Property owner and developer	Singapore	**100**	100
(1)	CDL Perseus Pte. Ltd.	Property owner and developer	Singapore	**100**	100
(1)	CDL Pisces Commercial Pte. Ltd.	Investment holding	Singapore	**100**	100
(1)	CDL Pisces Serviced Residences Pte. Ltd.	Investment holding	Singapore	**100**	100
(1)	Central Mall Pte Ltd	Property owner	Singapore	**100**	100
(1)	Centro Property Holding Pte. Ltd.	Property owner	Singapore	**100**	100
(1)	Cideco Pte. Ltd.	Property owner	Singapore	**100**	100
(1)	City Condominiums Pte Ltd	Property owner, developer and investment holding	Singapore	**100**	100
(1)	City Developments Realty Limited	Investment in shares and investment holding	Singapore	**100**	100
(1)	City Gemini Pte. Ltd.	Investment holding	Singapore	**100**	100
(1)	City Serviced Offices Pte. Ltd.	Operating serviced offices	Singapore	**100**	100
(1)	City Thrive Pte. Ltd.	Investment holding	Singapore	**100**	–
(1)	Citydev Real Estate (Singapore) Pte Ltd	Property owner	Singapore	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

44 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2022 %	2021 %
	Direct/Indirect Subsidiaries of the Company (cont'd)				
(1)	CDL Real Estate Asset Managers Pte. Ltd.	Asset management	Singapore	**100**	100
(1)	City REIT Management Pte. Ltd.	Investment holding	Singapore	**100**	100
(1)	City Strategic Equity Pte. Ltd.	Investment holding	Singapore	**100**	100
(1)	City Lux Pte. Ltd.	Investment holding	Singapore	**100**	100
(1)	City Boost Pte. Ltd.	Investment holding	Singapore	**100**	100
(1)	City Delta Pte. Ltd.	Investment holding	Singapore	**100**	100
(1)	Cityview Place Holdings Pte. Ltd.	Property owner and developer	Singapore	**100[a]**	100[a]
(1)	Crescent View Developments Pte. Ltd.	Property owner and developer	Singapore	**60**	60
(2)	Educado Company Limited	Investment holding and share dealing	Hong Kong	**100**	100
(1)	Ellinois Management Services Pte. Ltd.	Asset/portfolio management	Singapore	**100**	100
(1)	Empire City Consultant Pte Ltd	Management of properties	Singapore	**100**	100
(7)	Finite Properties Investment Limited	Property owner and developer	Jersey	**100**	100
(6)	Friars Road Manco Limited	Operating company	United Kingdom	**100**	–
(1)	Glades Properties Pte. Ltd.	Property owner, developer and investment holding	Singapore	**100**	100
(1)	Gemini One Pte. Ltd.	Hotel operator	Singapore	**100**	100
(1)	Gemini One Trust	Property owner and developer	Singapore	**100**	100
(1)	Grange 100 Pte. Ltd.	Property owner	Singapore	**100**	100
(1)	Guan Realty (Private) Limited	Property owner and developer	Singapore	**100**	100
(6)	HSRE Crosslane (Coventry) Limited	Property owner	Jersey	**100**	–
(6)	HSRE Crosslane (Leeds) Limited	Property owner	Jersey	**100**	–
(7)	Hoko Mina Pty Ltd	Property owner and developer	Australia	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

44 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
	Direct/Indirect Subsidiaries of the Company (cont'd)				
(1)	Hong Leong Properties Pte. Limited	Property owner	Singapore	**100**	100
(2)	Highline Investments LP	Property owner	United Kingdom	**100**	100
(2)	Iconique Tokutei Mokuteki Kaisha	Asset management	Japan	**100**	100
(1)	Ingensys Pte. Ltd.	Systems integration activities	Singapore	**100**	100
(7)	Jayland Properties Limited	Property owner and developer	Jersey	**100**	100
(2)	Krungthep Rimnam Limited	Hotel business	Thailand	**49 (b)**	49 (b)
(7)	Landco Properties Limited	Property owner	Jersey	**100**	100
(1)	Land Equity Development Pte Ltd	Property owner	Singapore	**100**	100
(2)	Lingo Enterprises Limited	Property holding and property investment	Singapore/ Hong Kong	**100**	100
(7)	Melvale Holdings Limited	Investment holding and property developer	Jersey	**100**	100
(2)	Millennium & Copthorne Hotels Limited	Investment holding	United Kingdom	**100**	100
(2)	125 OBS Limited Partnership	Property holding	United Kingdom	**100**	100
(6)	New Bath Court Limited	Property owner	United Kingdom	**100**	–
(6)	New Bath Court (OpCo) Limited	Operating company	United Kingdom	**100**	–
(1)	Novel Developments Pte. Ltd.	Property owner and developer	Singapore	**100**	100
(7)	Paradise Investments Limited	Property owner and developer	Jersey	**100**	100
(1)	Pavo Properties Pte. Ltd.	Property owner and developer	Singapore	**60**	60
(2)	Phuket Square Co., Ltd.	Retail and hotel business	Thailand	**49 (b)**	49 (b)
(7)	Pinenorth Properties Limited	Property owner and developer	Jersey	**100**	100
(7)	Rehi Normanby Pty Ltd	Trustee	Australia	**100**	–
(7)	Reselton Properties Limited	Property owner and developer	Jersey	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

44 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
	Direct/Indirect Subsidiaries of the Company (cont'd)				
(1)	Republic Plaza City Club (Singapore) Pte Ltd	Owner and operator of clubs	Singapore	**100**	100
(7)	Reach Across International Limited	Investment holding	British Virgin Islands	**100**	100
(2)	Shanghai Anting Waratah Real Estate Development Co., Ltd.	Property owner	People's Republic of China	**100**	100
(2)	Shanghai Fusion Enterprise Management Co., Ltd.	Property owner	People's Republic of China	**100**	100
(2)	Shanghai Galaxy Enterprise Management Co., Ltd.	Property owner	People's Republic of China	**100**	100
(3)	Shanghai Jingwen Zhaoxiang Real Estate Limited	Property owner and developer	People's Republic of China	**100**	100
(3)	Shanghai Meidao Investment Co., Ltd.	Property owner and developer	People's Republic of China	**100**	100
(2)	Shanghai Rainbow Enterprise Management Co., Ltd.	Property owner	People's Republic of China	**100**	100
(2)	Shanghai Star Enterprise Management Co., Ltd.	Property owner	People's Republic of China	**100**	100
(2)	Shanghai Yulan Real Estate Development Co., Ltd.	Property owner and developer	People's Republic of China	**100**	100
(4)	Shenzhen Longgang District Tusincere Science and Technology Development Park Co Ltd	Property owner and developer	People's Republic of China	**65**	65
(1)	Singapura Developments (Private) Limited	Property owner, developer and investment holding	Singapore	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

44 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
	Direct/Indirect Subsidiaries of the Company (cont'd)				
(1)	Sunshine Plaza Pte Ltd	Property owner, developer and investment holding	Singapore	**100**	100
(2)	Suzhou Global City Genway Properties Co., Ltd.	Property owner and developer	People's Republic of China	**100**	100
(6)	Sycamore House Manco Limited	Operating company	United Kingdom	**100**	–
(1)	Systematic Laundry & Healthcare Services Pte. Ltd.	Laundry and dry cleaning services, washing and other cleaning preparations	Singapore	**98**	90
(1)	Systematic Laundry & Uniform Services Pte. Ltd.	Laundry and dry cleaning services	Singapore	**98**	90
(2)	Tempus Platinum Investments Tokutei Mokuteki Kaisha	Property owner and developer	Japan	**100**	100
(2)	The Aldgate House Unit Trust	Property investment	Jersey	**100**	100
(7)	Trentworth Properties Limited	Property owner and developer	Jersey	**100**	100
(1)	Trentwell Management Pte. Ltd.	Asset management and consultancy services	Singapore	**100**	100
(7)	Wideachieve Holdings Limited	Investment holding	British Virgin Islands	**100**	100
	Direct/Indirect Subsidiaries of Millennium & Copthorne Hotels Limited				
(2)	Anchorage-Lakefront Limited Partnership	Hotel owner	USA	**100**	100
(7)	Archyield Limited	Hotel owner and operator	United Kingdom	**100**	100
(2)	Avon Wynfield LLC	Hotel owner	USA	**100**	100
(2)	Beijing Fortune Hotel Co., Ltd.	Hotel owner and operator	People's Republic of China	**70**	70
(2)	Bostonian Hotel Limited Partnership	Hotel owner	USA	**100**	100
(2)	Buffalo RHM Operating LLC	Hotel owner	USA	**100**	100
(1)	CDL Hospitality Trusts	See below (c)	Singapore	**–**	38
(2)	CDL (New York) LLC	Hotel owner	USA	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

44 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
	Direct/Indirect Subsidiaries of Millennium & Copthorne Hotels Limited (cont'd)				
(7)	CDL Hotels (Chelsea) Limited	Hotel owner and operator	United Kingdom	**100**	100
(2)	CDL Hotels (Korea) Ltd.	Hotel owner and operator	Republic of Korea	**100**	100
(2)	CDL Hotels (Malaysia) Sdn. Bhd.	Hotel owner and operator	Malaysia	**100**	100
(7)	CDL Hotels (UK) Limited	Hotel owner and operator	United Kingdom	**100**	100
(2)	CDL Hotels USA, Inc.	Hotel investment holding company	USA	**100**	100
(2)	CDL Investments New Zealand Limited	Investment and property management company	New Zealand	**50**	50
(2)	CDL West 45th Street LLC	Hotel owner	USA	**100**	100
(2)	Chicago Hotel Holdings, Inc.	Hotel ownership	USA	**100**	100
(1)	City Hotels Pte. Ltd.	Hotel operator and investment holding company	Singapore	**100**	100
(7)	Copthorne Aberdeen Limited	Hotel management	United Kingdom	**83**	83
(7)	Copthorne Hotel (Birmingham) Limited	Hotel owner and operator	United Kingdom	**100**	100
(7)	Copthorne Hotel (Cardiff) Limited	Hotel owner and operator	United Kingdom	**100**	100
(7)	Copthorne Hotel (Effingham Park) Limited	Hotel owner and operator	United Kingdom	**100**	100
(7)	Copthorne Hotel (Gatwick) Limited	Hotel owner and operator	United Kingdom	**100**	100
(7)	Copthorne Hotel (Manchester) Limited	Hotel owner and operator	United Kingdom	**100**	100
(7)	Copthorne Hotel (Merry Hill) Limited	Hotel owner and operator	United Kingdom	**100**	100
(7)	Copthorne Hotel (Newcastle) Limited	Hotel owner and operator	United Kingdom	**96**	96
(7)	Copthorne Hotel (Plymouth) Limited	Hotel owner and operator	United Kingdom	**100**	100
(7)	Copthorne Hotel (Slough) Limited	Hotel owner and operator	United Kingdom	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

44 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
	Direct/Indirect Subsidiaries of Millennium & Copthorne Hotels Limited (cont'd)				
(7)	Copthorne Hotel Holdings Limited	Investment holding company	United Kingdom	**100**	100
(7)	Copthorne Hotels Limited	Hotel investment holding company	United Kingdom	**100**	100
(2)	Copthorne Orchid Penang Sdn. Bhd.	Hotel owner	Malaysia	**100**	100
(2)	Durham Operating Partnership L.P.	Hotel ownership	USA	**100**	100
(2)	Gateway Regal Holdings LLC	Hotel owner and operator	USA	**100**	100
(2)	Grand Plaza Hotel Corporation	Hotel owner and operator and investment holding company	Philippines	**66**	66
(1)	Harbour View Hotel Pte Ltd	Hotel operator	Singapore	**100**	100
(2)	Hong Leong Ginza TMK	Property owner	Japan	**100**	100
(2)	Hong Leong Hotel Development Limited	Hotel owner and operator	Taiwan	**84**	84
(1)	Hospitality Holdings Pte. Ltd.	Investment holding company	Singapore	**100**	100
(7)	Hotel Liverpool Limited	Property letting	United Kingdom	**100**	100
(7)	Hotel Liverpool Management Limited	Operating company	United Kingdom	**100**	100
(1)	King's Tanglin Shopping Pte. Ltd.	Property owner	Singapore	**100**	100
(2)	Lakeside Operating Partnership L.P.	Hotel ownership	USA	**100**	100
(7)	London Britannia Hotel Limited	Hotel owner and operator	United Kingdom	**100**	100
(7)	London Tara Hotel Limited	Hotel owner and operator	United Kingdom	**100**	100
(2)	M&C Crescent Interests, LLC	Property owner	USA	**100**	100
(2)	M&C Hotel Interests, Inc.	Hotel management services company	USA	**100**	100
(2)	M&C Hotels France SAS	Hotel owner	France	**100**	100
(2)	M&C New York (Times Square) EAT II LLC	Hotel owner	USA	**100**	100
(2)	M&C New York (Times Square), LLC	Investment holding	USA	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

44 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
	Direct/Indirect Subsidiaries of Millennium & Copthorne Hotels Limited (cont'd)				
(1)	M&C REIT Management Limited	REIT investment management services	Singapore	**100**	100
(5)	Millennium & Copthorne Hotels Management (Shanghai) Limited	Provision of hotel management and consultancy services	People's Republic of China	**100**	100
(2)	Millennium & Copthorne Hotels New Zealand Limited	Hotel investment holding company	New Zealand	**76**	76
(1)	Millennium & Copthorne International Limited	Hotels and resorts management	Singapore	**100**	100
(2)	Millennium CDG Paris SAS	Hotel operator	France	**100**	100
(2)	Millennium Hotels Italy Holdings S.r.l	Holding company	Italy	**100**	100
(2)	Millennium Hotels Palace Management S.r.l	Hotel operator	Italy	**100**	100
(2)	Millennium Hotels Property S.r.l	Hotel owner and operator	Italy	**100**	100
(7)	Millennium Hotels (West London) Limited	Property letting	United Kingdom	**100**	100
(7)	Millennium Hotels (West London) Management Limited	Hotel operator	United Kingdom	**100**	100
(2)	Millennium Opera Paris SAS	Hotel operator	France	**100**	100
(2)	PT. Millennium Sirih Jakarta Hotel	Hotel owner	Indonesia	**100**	100
(1)	Republic Hotels & Resorts Limited	Hotel operator and investment holding company	Singapore	**100**	100
(1)	Republic Iconic Hotel Pte. Ltd.	Hotel operator	Singapore	**100**	100
(2)	RHH Operating LLC	Hotel owner	USA	**100**	100
(2)	RHM Aurora LLC	Hotel ownership	USA	**100**	100
(2)	RHM Management LLC	Hotel ownership	USA	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

44 SIGNIFICANT INVESTMENTS IN SUBSIDIARIES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
	Direct/Indirect Subsidiaries of Millennium & Copthorne Hotels Limited (cont'd)				
(2)	RHM Ranch LLC	Hotel owner	USA	**100**	100
(2)	RHM-88, LLC	Hotel owner and operator	USA	**100**	100
(2)	Sunnyvale Partners Ltd.	Hotel ownership	USA	**100**	100
(2)	Trimark Hotel Corporation	Hotel owner and operator	USA	**100**	100
(2)	WHB Biltmore LLC	Hotel owner and operator	USA	**100**	100

(1) Audited by KPMG LLP Singapore
(2) Audited by other member firms of KPMG International
(3) Audited by Shanghai Xiao Tian Cheng Certified Public Accountant Co., Ltd
(4) Audited by Shenzhen Shuibo Certified Public Accountants (Special General Partnership)
(5) Audited by Shanghai Certified Public Accountants
(6) Auditors are not appointed yet
(7) Not subject to audit by law of country of incorporation
(a) Relates to the ownership interest in the non-residential component of Sunbright Holdings Limited. Please refer to note [a] under note 45 of the financial statements.
(b) Phuket Square Co., Ltd and Krungthep Rimnam Limited are considered subsidiaries of the Group as the Group is exposed to variable returns from the companies and has the ability to affect those returns through the management's control over the relevant activities of the companies.
(c) CDL Hospitality Trusts (CDLHT) is a stapled group comprising CDL Hospitality Real Estate Investment Trust (H-REIT), a real estate investment trust, and CDL Hospitality Business Trust (HBT), a business trust. H-REIT has an investment strategy of investing directly or indirectly, in a diversified portfolio of income-producing real estate which is primarily used for hospitality, hospitality-related and other accommodation and/or lodging purposes, whether wholly or partially, and real-estate related assets in relation to the foregoing.

HBT is a business trust which currently acts as master lessee, asset owner and hotel operator. HBT may also undertake certain hospitality, hospitality-related and other accommodation and/or lodging development projects, acquisition and investments which may not be suitable for H-REIT.

Prior to 26 May 2022, although the Group owned less than half of the ownership interest and voting power in CDLHT, management had determined that the Group had control over CDLHT. The activities of H-REIT and HBT are managed by the Group's subsidiaries, M&C REIT Management Limited (the "H-REIT Manager") and M&C Business Trust Management Limited (the "HBT Trustee-Manager"), respectively. The H-REIT Manager has decision-making authority over H-REIT, subject to oversight by the trustee of H-REIT. The HBT Trustee-Manager has dual responsibility of safeguarding the interests of the HBT unitholders and decision-making authority over HBT. The Group's overall exposure to variable returns, both from H-REIT Manager's and HBT Trustee-Manager's remuneration from H-REIT and HBT, respectively, together with its interest in CDLHT, was significant and any decisions made by H-REIT Manager and HBT Trustee-Manager affect the Group's overall exposure.

On 26 May 2022, the Group distributed *in specie* part of the CDLHT units that it held, to the Company's ordinary shareholders (notes 36 and 40), thereby reducing its interest in CDLHT to 27% (note 45). The Group has assessed that the reduction in interest in CDLHT has resulted in the Group no longer having control of CDLHT. Accordingly, CDLHT was deconsolidated and accounted for as an associate thereafter.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

45 ASSOCIATES AND JOINT VENTURES

The following are the Group's significant investments in associates and joint ventures:

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
	Associates of the Company				
(1)	Cityview Place Holdings Pte. Ltd.	Property owner and developer	Singapore	**33[a]**	33[a]
(3)	IREIT Global	Real estate investment trust	Singapore	**20.9**	20.9
(2)	Suzhou Dragonrise Pan- Artificial Intelligence High-Tech Fund	Venture capital investment and management	People's Republic of China	**50**	50
	Associates of Millennium & Copthorne Hotels Limited				
(4)	First Sponsor Group Limited	Investment holding company	Singapore/ Cayman Islands	**35**	35
(1)	CDL Hospitality Trusts	See note 44 footnote [c]	Singapore	**27**	–
	Joint Ventures of the Company				
(9)	58 High Street Pty Ltd	Trustee	Australia	**85[b]**	–
(9)	ACC Smith Street Pty Limited	Trustee	Australia	**50**	50
(1)	Aster Land Development Pte Ltd	Property development and investment dealing	Singapore	**30**	30
(1)	Branbury Investments Ltd	Property owner	Singapore	**43**	43
(2)	CBM Qatar LLC	Provision of facilities management services	State of Qatar	**49**	49
(2)	CBM Facilities & Security Management (Thailand) Co. Ltd.	Provision of integrated facilities management services in Thailand	Thailand	**49**	49
(9)	CDL Metro Kenmore Pty Ltd	Trustee	Australia	**50**	50
(4)	Emerging Markets Affordable Housing Fund Pte. Ltd.	Investment in affordable housing projects in emerging markets	Singapore	**69[b]**	69[b]
(9)	FSCT DE Property 1 Real Estate GmbH & Co. KG	Property investment	Germany	**43**	43

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

45 ASSOCIATES AND JOINT VENTURES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
	Joint Ventures of the Company (cont'd)				
(1)	Granmil Holdings Pte Ltd	Property owner and developer	Singapore	**40**	40
(4)	HThree City Australia Pte. Ltd.	Property fund management (including REIT management and direct property fund management)	Singapore	**33**	33
(4)	HThree City Jade Pte. Ltd.	Other holding company	Singapore	**50**	–
(3)	IREIT Global Group Pte. Ltd.	Property fund management	Singapore	**49.5[c]**	49.5[c]
(1)	Legend Quay Pte. Ltd.	Property owner and developer	Singapore	**50**	50
(1)	Legend Commercial Trust	Property owner and developer	Singapore	**50**	50
(9)	Macaulay North Melbourne Pty Ltd	Trustee	Australia	**50**	50
(8)	Maximus Commercial SG Pte. Ltd.	Property owner and developer	Singapore	**50**	50
(8)	Maximus Residential SG Pte. Ltd.	Property owner and developer	Singapore	**50**	50
(1)	NovaSims Development Pte. Ltd.	Property developer	Singapore	**40**	40
(5)	OOO "Soft-Project"	Hotel and property owner and developer	Russia	**50**	50
(1)	Richmond Hotel Pte Ltd	Property owner, developer and investment holding	Singapore	**33**	33
(7)	Shanghai CF Enterprise Group Co., Ltd	Operator of online apartment rental platform	People's Republic of China	**21**	21
(1)	South Beach Consortium Pte. Ltd.	Property owner, developer and investment holding	Singapore	**50.1[b]**	50.1[b]
(1)	Siena Residential Development Pte. Ltd.	Property owner and developer	Singapore	**50**	50
(1)	Siena Commercial Trust	Property owner and developer	Singapore	**50**	50
(9)	Spencer West Melbourne Pty Ltd	Trustee	Australia	**50**	50
(8)	Taurus Properties SG Pte. Ltd.	Property owner and developer	Singapore	**50**	50
(8)	Tembusu Residential Pte. Ltd.	Property owner and developer	Singapore	**51[b]**	51[b]
(1)	Tomlinson Hotel Pte. Ltd.	Hotel owner	Singapore	**33**	33
(1)	Tripartite Developers Pte. Limited	Property developer	Singapore	**33**	33

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

45 ASSOCIATES AND JOINT VENTURES (CONT'D)

		Principal activity	Principal place of business/ Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
	Joint Venture of Millennium & Copthorne Hotels Limited				
(9)	New Unity Holdings Ltd.	Investment holding company	British Virgin Islands	**50**	50

(1) Audited by KPMG LLP Singapore
(2) Audited by other member firms of KPMG International
(3) Audited by Deloitte & Touche LLP
(4) Audited by Ernst & Young LLP
(5) Audited by BDO Unicorn Inc
(6) Audited by WUYIGE Certified Public Accountants LLP
(7) Audited by BDO China Shu Lun Pan Certified Public Accountants LLP
(8) Audited by PricewaterhouseCoopers LLP
(9) Not subject to audit by law of country of incorporation
(a) Although the Group is the legal owner of the entire equity interests in Cityview Place Holdings Pte. Ltd. (Cityview), the Group has determined that it does not have control over Cityview upon the sale of cash flows in Cityview in 2014 as described below. The Group has significant influence in Cityview through Sunbright Holdings Limited (Sunbright). Accordingly, Cityview is classified as an associate of the Group.

i. Sale and purchase agreement

On 15 December 2014, Baynes Investment Pte. Ltd. (Baynes), a wholly-owned subsidiary of the Group, sold the Dividends (as defined in the sale and purchase agreement) in its wholly-owned subsidiary, Cityview, to Sunbright.

ii. Profit participation securities

On 22 December 2014, the Group through its wholly-owned subsidiary, Astoria Holdings Limited (Astoria), subscribed for 37.5% interest in a capital instrument called profit participation securities (PPS) issued by Sunbright. The PPS has a tenor of 5 years and will expire upon final payment of the cash flows arising from the Dividends. The PPS carries a fixed payout amount (the Fixed Payout) at the rate of 5% per annum, which is payable on a semi-annual basis or, at the election of the PPS holders, payable upfront in one lump sum on the date of issue of the PPS.

Astoria, together with other investors (the Third Party Investors), (collectively, the PPS Holders), elected to receive the Fixed Payout upfront and the total Fixed Payout of $187.5 million was offset against the consideration payable by the PPS holders for the subscription of the PPS.

The Group will receive from Sunbright the cash flows purchased from Baynes (after satisfying certain senior ranking liabilities, including capital contributions from the Third Party Investors) in accordance with a pre-agreed order of priority as set out under the terms of the PPS.

In addition, shares of Baynes with an investment amount of $1,502,000 (2021: $1,502,000) was pledged to Sunbright.

iii. Investment Committees

On 22 December 2014, the Group entered into an Investors' Agreement with the Third Party Investors and Sunbright. Under the Investors' Agreement, the management of the affairs of Sunbright and its subsidiaries are delegated to the Investment Committees where the Group has the right to appoint 5 out of 12 members. Taken as a whole, the Group does not have power over the relevant activities of Cityview.

The Group has determined that it has significant influence over Sunbright because of its representation on the Investment Committees. Accordingly, Sunbright is considered an associate of the Group.

In April 2019, the Group, through its indirect wholly-owned subsidiary, Astoria, acquired the remaining PPS units in the non-residential component of Sunbright, which holds W Hotel and Quayside Isle (Non-Residential Component). Following the acquisition, the Group has power over the relevant activities of the Non-Residential Component, which became a wholly-owned subsidiary of the Group.

(b) Although the Group holds more than 50% ownership interest in the investee, pursuant to a contractual agreement between the Group and its joint venture partner, joint control is exercised by both parties over the relevant activities of the investee. Accordingly, the investee is accounted for as a joint venture of the Group.

(c) Although the Group holds less than 50% voting interest in the IREIT Global Group Pte. Ltd. (the "IREIT Manager"), pursuant to a contractual agreement between the Group and its joint venture partner in the IREIT Manager, joint control is exercised by both parties over the relevant activities of the IREIT Manager. Accordingly, the IREIT Manager is accounted for as a joint venture of the Group.

The Group does not consider the above associates and joint ventures to be individually material to the Group under the context of SFRS(I) 12 *Disclosure of Interests in Other Entities*.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

46 SUBSEQUENT EVENTS

On 9 March 2023, the Group through its indirect wholly-owned subsidiary, City Pinnacle UK Holdings Limited (formerly known as Maplegate Holdings Limited), entered into a sale and purchase agreement to (i) acquire 100% of the shares and voting interests in MPG St Katharine Limited, which via its direct/indirect wholly-owned subsidiaries holds the St Katharine Docks development in London, United Kingdom; and (ii) settle existing indebtedness amounts, for a total consideration of approximately $596.4 million (£372.8 million). The acquisition was funded through internal cash resources and credit facilities.

On 22 March 2023, the Group, through its subsidiaries of M&C Group, entered into a property sale agreement and business asset sale agreement with a third party to acquire a hotel in Brisbane, Australia, together with its existing business assets for a combined consideration of approximately $159.2 million (A$177.7 million). The completion of the acquisition, which is subject to fulfilment of several condition precedents as stipulated in the agreements, is expected in the second half of 2023. The acquisition will be funded through internal cash resources and credit faciliities.

47 COMPARATIVE INFORMATION

In June 2021, the Group applied for an initial public offering (IPO) of a real estate investment trust (REIT) that would own commercial assets located in the UK and planned 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 proposed REIT. Accordingly, the assets and liabilities of the subsidiaries were reclassified to assets held for sale and liabilities directly associated with the assets held for sale, in 2021.

During 2022, the Group considered the unprecedented interest rates hike has severely impacted the IPO of REITs in Singapore with several planned IPO and secondary fund-raising exercises of REITs being withdrawn. Amidst this challenging market, the Group decided not to proceed with the planned REIT IPO. Accordingly, the assets and liabilities of the relevant subsidiaries ceased to be classified as held for sale, and the Group reclassified the assets held for sale and liabilities directly associated with the assets to the Group's respective assets and liabilities. Arising from the reclassification, the Group recognised a depreciation expense of $7,464,000 on the two investment properties and recognised an impairment loss of $5,480,000 on one of the commercial properties for the year ended 31 December 2021. The impairment loss was determined based on the recoverable amount of the commercial property which was estimated using the fair value less cost to sell approach and applying the income capitalisation method. Under this methodology, the fair value measurement reflects current market expectations about an efficient third party operator's future cash flows. The income capitalisation method capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The key assumption used in estimating the recoverable amount of the impaired investment property was the capitalisation rate of 5.0%. The impairment loss arose as the recoverable amount was reduced by the amount of stamp duty and land tax payable by the Group, which would not be payable had the Group proceeded with the sale.

The fair value disclosure of two investment properties above as at 31 December 2021 of $1,021,363,000 is categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

In accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*, the comparative figures have been restated to account for the effects of these reclassifications within the Group's statement of financial position and adjustments within the Group's consolidated statement of profit or loss, consolidated statement of comprehensive income and consolidated statement of cash flows.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

47 COMPARATIVE INFORMATION (CONT'D)

Summary of quantitative impact

The following tables summarise the material impacts on the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and consolidated statement of cash flows.

	Group		
	As previously reported $'000	**Adjustments $'000**	**As restated $'000**
Statement of financial position			
31 December 2021			
Investment properties	3,997,169	985,677	4,982,846
Trade and other receivables	1,851,903	41,064	1,892,967
Cash and cash equivalents	2,083,165	17,535	2,100,700
Assets held for sale	1,445,759	(1,057,033)	388,726
Others	14,515,030	–	14,515,030
Total assets	23,893,026	(12,757)	23,880,269
Other liabilities	216,615	3,956	220,571
Trade and other payables	1,438,461	16,470	1,454,931
Provision for taxation	362,960	5,722	368,682
Liabilities directly associated with the assets held for sale	27,349	(26,148)	1,201
Others	12,515,612	–	12,515,612
Total liabilities	14,560,997	–	14,560,997
Reserves	6,422,163	(12,757)	6,409,406
Others	2,909,866	–	2,909,866
Total equity	9,332,029	(12,757)	9,319,272
Consolidated statement of profit or loss			
Year ended 31 December 2021			
Administrative expenses	(501,458)	(7,464)	(508,922)
Other operating expenses	(236,258)	(5,480)	(241,738)
Others	877,555	–	877,555
Profit for the year	139,839	(12,944)	126,895
Profit attributable to:			
– Owners of the Company	97,657	(12,944)	84,713
– Non-controlling interests	42,182	–	42,182
Profit for the year	139,839	(12,944)	126,895
Earnings per share			
– Basic	9.3 cents	(1.4 cents)	7.9 cents
– Diluted	9.3 cents	(1.4 cents)	7.9 cents

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

47 COMPARATIVE INFORMATION (CONT'D)

Summary of quantitative impact (cont'd)

	Group		
	As previously reported $'000	**Adjustments $'000**	**As restated $'000**
Consolidated statement of comprehensive income Year ended 31 December 2021			
Profit for the year	139,839	(12,944)	126,895
Other comprehensive income			
Items that will not be reclassified to profit or loss	8,000	–	8,000
Items that are or may be reclassified subsequently to profit or loss:			
– Translation differences arising on consolidation of foreign operations	(18,698)	187	(18,511)
– Others	5,247	–	5,247
	(13,451)	187	(13,264)
Total other comprehensive income for the year, net of tax	(5,451)	187	(5,264)
Total comprehensive income for the year	134,388	(12,757)	121,631
Total comprehensive income attributable to:			
– Owners of the Company	50,010	(12,757)	37,253
– Non-controlling interests	84,378	–	84,378
Total comprehensive income for the year	134,388	(12,757)	121,631
Consolidated statement of cash flows Year ended 31 December 2021			
Profit for the year	139,839	(12,944)	126,895
Depreciation and amortisation	277,545	7,464	285,009
Reversal of impairment loss on property, plant and equipment and investment properties (net)	(98,791)	5,480	(93,311)

There is no impact on the Company's statement of financial position as at 31 December 2021. There is also no impact to the statements of financial position of the Group and the Company as at 1 January 2021.

STATISTICS OF ORDINARY SHAREHOLDINGS

AS AT 3 MARCH 2023

Class of Shares	:	Ordinary Shares
No. of Issued Ordinary Shares	:	909,301,330
No. of Issued Ordinary Shares (excluding Treasury Shares)	:	906,901,330
No. of Treasury Shares	:	2,400,000 (representing 0.26% of the total number of issued shares, excluding treasury shares)
No. of Subsidiary Holdings#	:	Nil
Voting Rights	:	One vote for one Ordinary Share. The Company cannot exercise any voting rights in respect of the shares held as treasury shares.

Subject to the Companies Act 1967, subsidiaries cannot exercise any voting rights in respect of shares held by them as subsidiary holdings#.

Range of Ordinary Shareholdings	No. of Ordinary Shareholders	%	No. of Ordinary Shares	%
1 – 99	251	1.41	8,176	0.00
100 – 1,000	6,840	38.43	5,318,693	0.59
1,001 – 10,000	9,331	52.42	34,143,841	3.76
10,001 – 1,000,000	1,353	7.60	47,239,191	5.21
1,000,001 and above	25	0.14	820,191,429	90.44
	17,800	**100.00**	**906,901,330**	**100.00**

Based on information available to the Company as at 3 March 2023, approximately 51.31% of the issued Ordinary Shares (excluding treasury shares) is held by the public, and accordingly, Rule 723 of the Listing Manual of Singapore Exchange Securities Trading Limited has been complied with.

MAJOR ORDINARY SHAREHOLDERS LIST – TOP 20 AS AT 3 MARCH 2023

No.	Name	No. of Ordinary Shares Held	%*
1	Hong Leong Investment Holdings Pte. Ltd.	168,714,256	18.60
2	Hong Leong Holdings Limited	148,787,477	16.41
3	Citibank Nominees Singapore Pte Ltd	128,278,452	14.15
4	Raffles Nominees (Pte.) Limited	70,458,681	7.77
5	HSBC (Singapore) Nominees Pte Ltd	51,595,743	5.69
6	DBSN Services Pte Ltd	42,784,287	4.72
7	Hong Realty (Private) Limited	34,457,782	3.80
8	DBS Nominees Pte Ltd	23,228,329	2.56
9	BNP Paribas Nominees Singapore Pte Ltd	21,719,091	2.39
10	Maybank Securities Pte. Ltd.	20,589,682	2.27
11	Garden Estates (Pte.) Limited	20,484,365	2.26
12	Euroform (S) Pte. Limited	19,603,045	2.16
13	Hong Leong Corporation Holdings Pte Ltd	18,584,760	2.05
14	Gordon Properties Pte. Limited	9,304,616	1.03
15	Hong Leong Enterprises Pte Ltd	8,524,530	0.94
16	Interfab Private Limited	5,648,781	0.62
17	BPSS Nominees Singapore (Pte.) Ltd.	4,766,485	0.53
18	Hong Leong Foundation	4,301,106	0.47
19	United Overseas Bank Nominees Pte Ltd	4,101,632	0.45
20	Abbottin Properties Pte Ltd	3,729,188	0.41
	TOTAL	**809,662,288**	**89.28**

"Subsidiary Holdings" is defined in the Listing Manual of Singapore Exchange Securities Trading Limited to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

* The percentage of Ordinary Shares held is based on the total number of issued Ordinary Shares, excluding treasury shares as at 3 March 2023.

STATISTICS OF ORDINARY SHAREHOLDINGS

AS AT 3 MARCH 2023

SUBSTANTIAL SHAREHOLDERS
(As shown in the Register of Substantial Shareholders as at 3 March 2023)

	No. of Ordinary Shares			
	Direct Interest	Deemed Interest	Total	%*
Hong Realty (Private) Limited	34,457,782	30,488,981 (1)	64,946,763	7.161
Hong Leong Holdings Limited	148,787,477	19,546,445 (2)	168,333,922	18.561
Hong Leong Investment Holdings Pte. Ltd.	168,714,256	271,601,888 (3)	440,316,144	48.552
Davos Investment Holdings Private Limited	–	440,316,144 (4)	440,316,144	48.552
Kwek Holdings Pte Ltd	–	440,316,144 (4)	440,316,144	48.552

* The percentage of Ordinary Shares held is based on the total number of issued Ordinary Shares, excluding treasury shares as at 3 March 2023.

Notes:

(1) Hong Realty (Private) Limited ("HR") is deemed under Section 4 of the Securities and Futures Act 2001 of Singapore ("SFA") to have an interest in the 30,488,981 Ordinary Shares held directly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

(2) Hong Leong Holdings Limited ("HLH") is deemed under Section 4 of the SFA to have an interest in the 19,546,445 Ordinary Shares held directly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

(3) Hong Leong Investment Holdings Pte. Ltd. ("HLIH") is deemed under Section 4 of the SFA to have an interest in the 271,601,888 Ordinary Shares held directly and/or indirectly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof which includes (i) the 64,946,763 Ordinary Shares held directly and indirectly by HR; and (ii) the 168,333,922 Ordinary Shares held directly and indirectly by HLH, out of which 9,304,616 Ordinary Shares have been identified as Ordinary Shares in which HR is also deemed to have an interest in under note(1) above.

(4) Davos Investment Holdings Private Limited and Kwek Holdings Pte Ltd are deemed under Section 4 of the SFA to have an interest in the 440,316,144 Ordinary Shares held directly and/or indirectly by HLIH in which they are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

STATISTICS OF PREFERENCE SHAREHOLDINGS

AS AT 3 MARCH 2023

Class of Shares : Non-Redeemable Convertible Non-Cumulative Preference Shares ("Preference Shares")

No. of Preference Shares issued : 330,874,257

Voting Rights : Entitled to attend, speak and vote at any class meeting of the Holders of Preference Shares. One vote for each Preference Share.

Not entitled to attend and vote at any General Meeting of the Company except as provided below:

(a) If the Preference Dividend (or any part thereof) due and payable and accrued is in arrears and has remain unpaid for at least six months, such right to attend and vote shall continue until such Preference Dividend (or any part thereof) in arrears and unpaid has been paid in full;

(b) If the resolution in question varies the rights attached to the Preference Shares; or

(c) If the resolution in question is for the winding up of the Company.

Range of Preference Shareholdings	No. of Preference Shareholders	%	No. of Preference Shares	%
1 – 99	29	1.26	1,231	0.00
100 – 1,000	865	37.46	682,438	0.21
1,001 – 10,000	1,033	44.74	4,250,149	1.28
10,001 – 1,000,000	366	15.85	27,592,965	8.34
1,000,001 and above	16	0.69	298,347,474	90.17
	2,309	**100.00**	**330,874,257**	**100.00**

MAJOR PREFERENCE SHAREHOLDERS LIST – TOP 20 AS AT 3 MARCH 2023

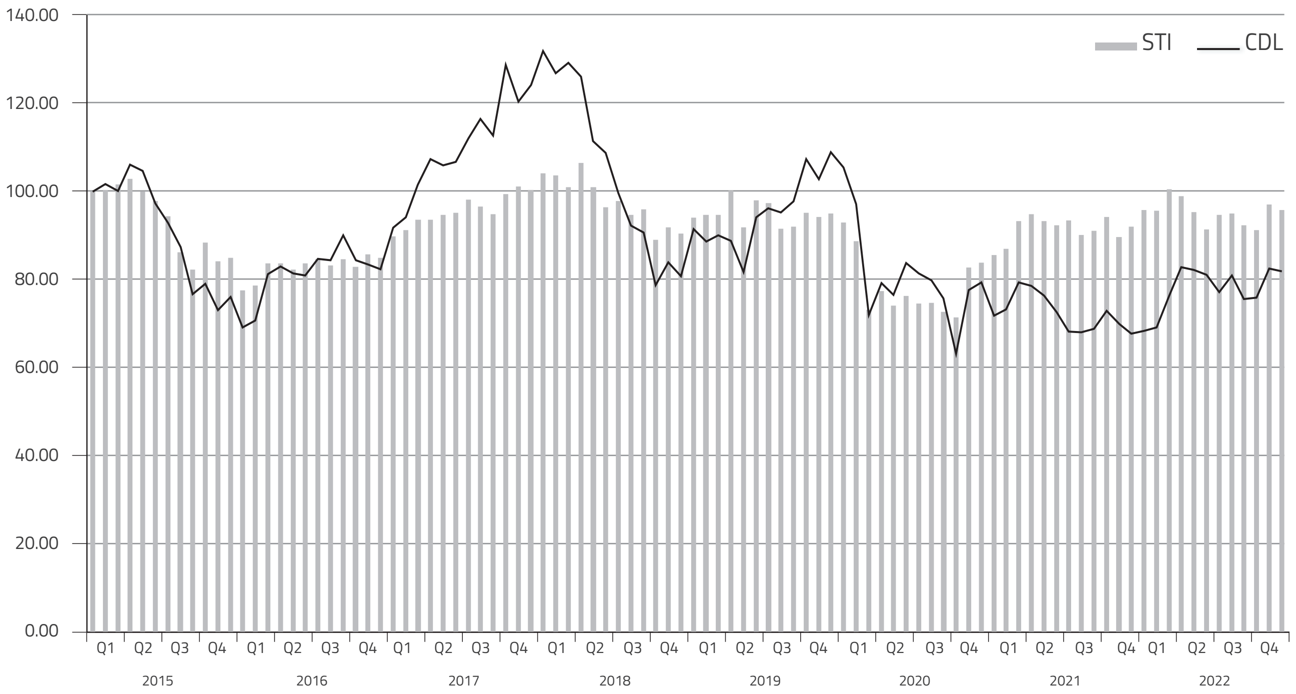
No.	Name	No. of Preference Shares Held	%*
1	Raffles Nominees (Pte.) Limited	93,846,043	28.36
2	Mandai Properties Pte Ltd	64,931,000	19.62
3	Citibank Nominees Singapore Pte Ltd	43,886,143	13.26
4	Aster Land Development Pte Ltd	26,913,086	8.13
5	CGS-CIMB Securities (Singapore) Pte Ltd	25,206,464	7.62
6	HSBC (Singapore) Nominees Pte Ltd	10,756,781	3.25
7	Fairmount Development Pte Ltd	7,000,000	2.12
8	Guan Hong Plantation Private Limited	5,000,000	1.51
9	DBS Nominees Pte Ltd	4,803,527	1.45
10	Hong Leong Foundation	3,564,038	1.08
11	Upnorth Development Pte. Ltd.	3,000,000	0.91
12	Chiam Toon Chew	2,904,000	0.88
13	Interfab Private Limited	2,054,102	0.62
14	Freddie Tan Poh Chye	1,935,000	0.59
15	United Overseas Bank Nominees Pte Ltd	1,399,490	0.42
16	Maybank Securities Pte. Ltd.	1,147,800	0.35
17	Sun Yuan Holdings Pte Ltd	972,000	0.29
18	Morgan Stanley Asia (Singapore) Securities Pte Ltd	945,386	0.29
19	Song Cheng Miang	900,000	0.27
20	Morph Investments Ltd	710,000	0.22
	TOTAL	**301,874,860**	**91.24**

* The percentage of Preference Shares held is based on the total number of issued Preference Shares as at 3 March 2023.

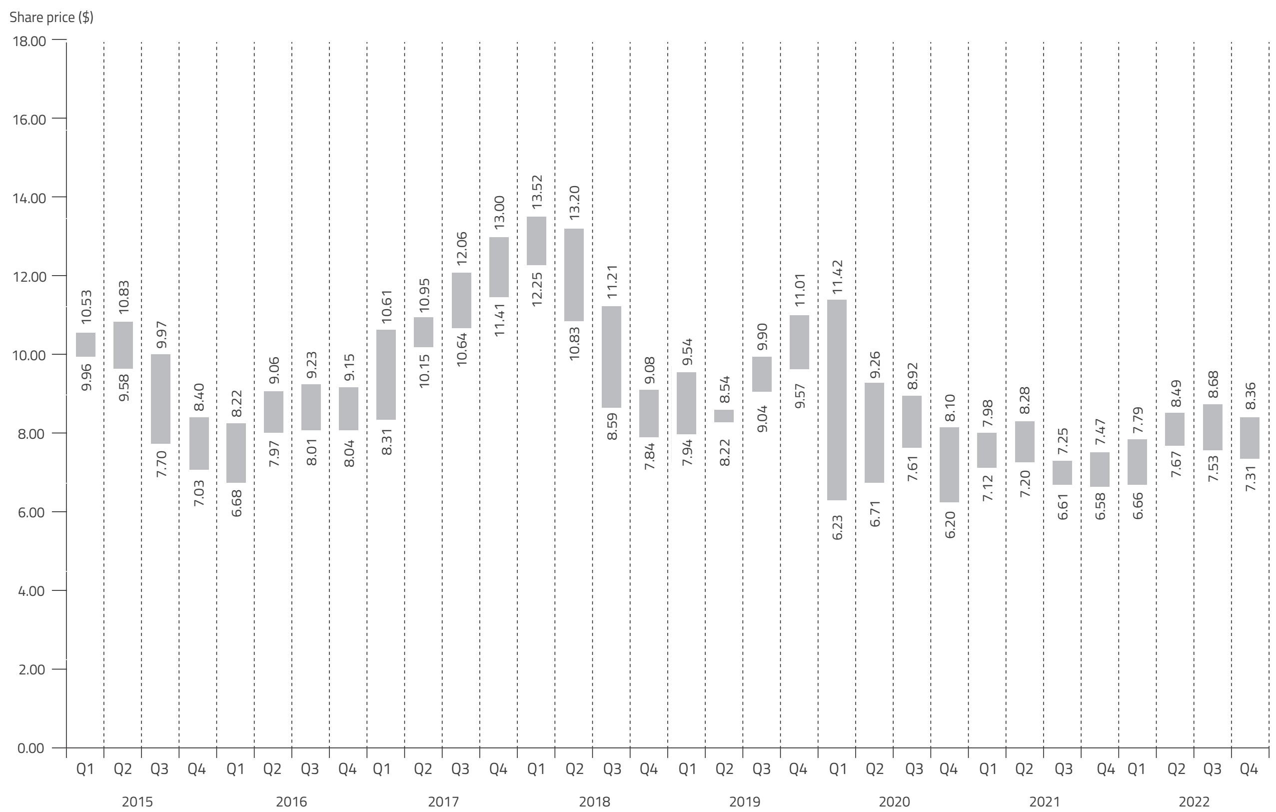
SHARE TRANSACTION STATISTICS

YEAR ENDED 31 DECEMBER 2022

8-YEAR SHARE PRICE PERFORMANCE



8-YEAR SHARE PRICE HIGH-LOW BY QUARTER



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixtieth Annual General Meeting (the "Meeting") of City Developments Limited (the "Company") will be convened and held at Ballroom 1, Orchard Hotel Singapore, 442 Orchard Road, Singapore 238879 and by way of electronic means on Wednesday, 26 April 2023 at 11.00 a.m. for the following purposes:

(A) ORDINARY BUSINESS

1. To receive the Directors' Statement and Audited Financial Statements for the year ended 31 December ("FY") 2022 and the Auditors' Report thereon.

2. To declare a final one-tier tax-exempt ordinary dividend of $0.08 per ordinary share ("Final Ordinary Dividend") and a special final one-tier tax-exempt ordinary dividend of $0.08 per ordinary share ("Special Final Ordinary Dividend") for FY 2022.

3. To approve Directors' Fees of $1,512,000 for FY 2022 (FY 2021: $1,504,049).

4. To approve Directors' Fees of up to $2,000,000 for the financial year ending 31 December 2023.

5. To re-elect the following Directors, who are retiring in accordance with Clause 83(a) of the Constitution of the Company and who, being eligible, offer themselves for re-election:

   (a) Mr Philip Yeo Liat Kok
   (b) Mr Chong Yoon Chou
   (c) Mr Daniel Marie Ghislain Desbaillets

   Detailed information on the Directors who are proposed to be re-elected can be found under the sections on "Board of Directors" and "Additional Information on Directors Seeking Election/Re-election at the 60th Annual General Meeting" of Annual Report 2022.

6. To elect Mr Tan Kian Seng, who is retiring in accordance with Clause 76 of the Constitution of the Company and who, being eligible, offers himself for election.

   Detailed information on Mr Tan Kian Seng can be found under the sections on "Board of Directors" and "Additional Information on Directors Seeking Election/Re-election at the 60th Annual General Meeting" of Annual Report 2022.

7. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.

(B) SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without any modifications, the following resolutions which will be proposed as Ordinary Resolutions:

8. That authority be and is hereby given to the Directors to:

   (a) (i) issue ordinary shares of the Company whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require ordinary shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into ordinary shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

(b) (notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force) issue ordinary shares in pursuance of any Instrument made or granted by the Directors while this Ordinary Resolution was in force,

provided that:

(1) the aggregate number of ordinary shares to be issued pursuant to this Ordinary Resolution (including ordinary shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution but excluding ordinary shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed 50% of the total number of issued ordinary shares, excluding treasury shares and subsidiary holdings, of the Company (as calculated in accordance with paragraph (2) below), of which the aggregate number of ordinary shares to be issued other than on a *pro rata* basis to shareholders of the Company (including ordinary shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution but excluding ordinary shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed 10% of the total number of issued ordinary shares, excluding treasury shares and subsidiary holdings, of the Company (as calculated in accordance with paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of ordinary shares that may be issued under paragraph (1) above, the percentage of issued ordinary shares, excluding treasury shares and subsidiary holdings, shall be based on the total number of issued ordinary shares, excluding treasury shares and subsidiary holdings, of the Company at the time this Ordinary Resolution is passed, after adjusting for:

(i) new ordinary shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Ordinary Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of ordinary shares,

and, in paragraph (1) above and this paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of SGX-ST;

(3) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in a general meeting) the authority conferred by this Ordinary Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company ("AGM") or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

9. That:

(a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (the "Companies Act"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares ("Ordinary Shares") and/or non-redeemable convertible non-cumulative preference shares ("Preference Shares") of the Company not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) market purchases (each a "Market Purchase") on SGX-ST; and/or

NOTICE OF ANNUAL GENERAL MEETING

(ii) off-market purchases (each an "Off-Market Purchase") effected otherwise than on SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they may, in their absolute discretion, deem fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally ("Share Purchase Mandate");

(b) the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on the earliest of:

(i) the date on which the next AGM of the Company is held or required by law to be held;

(ii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked in general meeting; or

(iii) the date on which the purchases or acquisitions of Ordinary Shares and/or Preference Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Ordinary Resolution:

"Prescribed Limit" means in relation to any purchase or acquisition of Ordinary Shares, the number of issued Ordinary Shares representing 10% of the total number of issued Ordinary Shares as at the date of the passing of this Ordinary Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of SGX-ST) as at that date), and in relation to any purchase or acquisition of Preference Shares, the number of issued Preference Shares representing 10% of the total number of issued Preference Shares as at the date of the passing of this Ordinary Resolution; and

"Maximum Price" in relation to an Ordinary Share or a Preference Share to be purchased or acquired (as the case may be) means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding whether pursuant to a Market Purchase or an Off-Market Purchase, 105% of the Average Closing Price of the Ordinary Shares or Preference Shares (as the case may be).

where:

"Average Closing Price" means the average of the Closing Market Prices of the Ordinary Shares or Preference Shares (as the case may be) over the last five (5) Market Days on SGX-ST, on which transactions in the Ordinary Shares or Preference Shares (as the case may be) were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such 5-Market Day period;

"Closing Market Price" means the last dealt price for an Ordinary Share or a Preference Share (as the case may be) transacted on SGX-ST as shown in any publication of SGX-ST or other sources;

"day of the making of the offer" means the day on which the Company makes an offer for the Off-Market Purchase of Ordinary Shares or Preference Shares (as the case may be) from holders of Ordinary Shares or holders of Preference Shares (as the case may be), stating the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase, calculated on the foregoing basis) for each Ordinary Share or Preference Share (as the case may be), and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

NOTICE OF ANNUAL GENERAL MEETING

"Market Day" means a day on which SGX-ST is open for trading in securities; and

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Ordinary Resolution.

10. That:

(a) approval be and is hereby given, for the purpose of Chapter 9 of the Listing Manual of SGX-ST, for the Company, its subsidiaries and its associated companies that are not listed on SGX-ST, or an approved exchange, over which the Company, its subsidiaries and/or its interested person(s), have control, or any of them, to enter into any of the transactions falling within the category of Interested Person Transactions, particulars of which are set out in the Company's Letter to Shareholders dated 28 March 2023 (the "Letter to Shareholders") with any party who is of the class or classes of Interested Persons described in the Letter to Shareholders, provided that such transactions are entered into in accordance with the review procedures for Interested Person Transactions as set out in the Letter to Shareholders, and that such approval (the "IPT Mandate"), shall unless revoked or varied by the Company in general meeting, continue in force until the next AGM of the Company; and

(b) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Ordinary Resolution.

By Order of the Board

Yeo Swee Gim, Joanne
Enid Ling Peek Fong
Company Secretaries

Singapore, 28 March 2023

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

1. With reference to item 2 of the Ordinary Business above, the Ordinary Share Transfer Books and Register of Holders of Ordinary Shares of the Company will be closed from 5.00 p.m. on 4 May 2023 up to (and including) 5 May 2023. Duly completed registrable transfers received by the Company's Share Registrar up to 5.00 p.m. on 4 May 2023 will be registered to determine Ordinary Shareholders' entitlement to the Final Ordinary Dividend and Special Final Ordinary Dividend. If approved at the Meeting, they will be paid on 23 May 2023.

2. With reference to item 3 of the Ordinary Business above, the Directors' Fees of $1,512,000 for FY 2022 will be payable upon approval of the shareholders at the Meeting. The structure of fees payable to Directors for FY 2022 is found on page 45 of the Annual Report 2022.

3. With reference to item 4 of the Ordinary Business above, if passed, will facilitate the payment of Directors' fees during the financial year in which the fees are incurred, that is during the financial year ending 31 December 2023 ("FY 2023").

   The Directors' fees are computed based on the anticipated number of Directors, as well as attendance fees for the anticipated number of Board and Board Committee meetings for FY 2023, assuming full attendance by all Directors. In the event that the amount proposed is insufficient, approval will be sought at the next Annual General Meeting before payments are made to the Directors for the shortfall.

4. With reference to item 5(a) of the Ordinary Business above, Mr Philip Yeo Liat Kok will, upon re-election as a Director of the Company, remain as Non-Independent Non-Executive Director. Key information on Mr Yeo is found on page 26 and pages 286 to 291 of the Annual Report 2022.

5. With reference to item 5(b) of the Ordinary Business above, Mr Chong Yoon Chou will, upon re-election as a Director of the Company, remain as Independent Non-Executive Director ("INED") and a member of each of the Audit & Risk Committee ("ARC"), Nominating Committee and Board Sustainability Committee ("BSC"). Key information on Mr Chong is found on page 28 and pages 286 to 291 of the Annual Report 2022.

6. With reference to item 5(c) of the Ordinary Business above, Mr Daniel Marie Ghislain Desbaillets will, upon re-election as a Director of the Company, remain as INED and a member of each of the Remuneration Committee and BSC. Key information on Mr Desbaillets is found on page 27 and pages 286 to 291 of the Annual Report 2022.

7. With reference to item 6 of the Ordinary Business above, Mr Tan Kian Seng will, upon election as a Director of the Company, remain as INED and a member of the ARC. Key information on Mr Tan is found on page 29 and pages 286 to 291 of the Annual Report 2022.

8. The Ordinary Resolution set out in item 8 of the Special Business above, if passed, will empower the Directors of the Company from the date of the Meeting until the next AGM (unless such authority is previously revoked or varied at a general meeting), to issue Ordinary Shares and/or make or grant Instruments that might require new Ordinary Shares to be issued up to a number not exceeding 50% of the total number of issued Ordinary Shares, excluding treasury shares and subsidiary holdings, of the Company, of which up to 10% may be issued other than on a *pro rata* basis to shareholders. The aggregate number of Ordinary Shares which may be issued under this Ordinary Resolution will be calculated based on the total number of issued Ordinary Shares, excluding treasury shares and subsidiary holdings, of the Company at the time that this Ordinary Resolution is passed, after adjusting for new Ordinary Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Ordinary Shares.

9. The Ordinary Resolution set out in item 9 of the Special Business above, if passed, will empower the Directors of the Company to make purchases or otherwise acquire the Company's issued Ordinary Shares and/or Preference Shares (collectively, the "Shares") from time to time subject to and in accordance with the guidelines set out in Annexure I of the Letter to Shareholders. This authority will expire at the conclusion of the next AGM of the Company, unless previously revoked or varied at a general meeting or when such purchases or acquisitions are carried out to the full extent mandated.

NOTICE OF ANNUAL GENERAL MEETING

The Company intends to use internal resources and/or external borrowings to finance purchases or acquisitions of its Shares under the Share Purchase Mandate. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on whether the Shares are purchased or acquired out of capital or profits of the Company, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and whether the Shares purchased or acquired are held in treasury or cancelled.

Based on the existing number of issued Ordinary Shares and Preference Shares of the Company as at 28 February 2023 (the "Latest Practicable Date") (disregarding the Ordinary Shares held in treasury), the exercise in full of the Share Purchase Mandate would result in the purchase of 90,690,133 Ordinary Shares (representing 10% of the total number of issued Ordinary Shares of the Company, disregarding the Ordinary Shares held in treasury) and 33,087,425 Preference Shares (representing 10% of the total number of issued Preference Shares of the Company).

In the case of Market Purchases and Off-Market Purchases by the Company and assuming that the Company purchases or acquires 90,690,133 Ordinary Shares at the Maximum Price of $8.23 for one Ordinary Share (being the price equivalent to 105% of the Average Closing Price as at the Latest Practicable Date) and 33,087,425 Preference Shares at the Maximum Price of $1.03 for one Preference Share (being the price equivalent to 105% of the Average Closing Price as at the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 90,690,133 Ordinary Shares and 33,087,425 Preference Shares is approximately $746.4 million and $34.1 million respectively.

The financial effects of the purchase or acquisition of such Shares pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 December 2022 based on these assumptions are set out in paragraph 3.5 of Annexure I of the Letter to Shareholders.

10. The Ordinary Resolution set out in item 10 of the Special Business above, if passed, will renew the IPT Mandate which was last approved by shareholders on 28 April 2022, to facilitate the Company, its subsidiaries and its associated companies to enter into interested person transactions, the details of which are set out in Annexure II and Appendix A of the Letter to Shareholders. The IPT Mandate will continue in force until the conclusion of the next AGM of the Company, unless previously revoked or varied at a general meeting.

Voting restriction pursuant to Rule 921(7) of the Listing Manual of SGX-ST
Hong Leong Investment Holdings Pte. Ltd. and its subsidiaries, the Directors of the Company and their associates, who are also shareholders of the Company and being Interested Persons under the IPT Mandate, are required to abstain from voting at the Meeting in respect of the Ordinary Resolution set out in item 10 in relation to the proposed renewal of the IPT Mandate.

IMPORTANT INFORMATION:

1. The Meeting is being convened and will be held physically ("Physical Meeting") and by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("Virtual Meeting").

   Printed copies of this Notice will not be sent to members. Instead, it will be made available to members by electronic means via publication on the Company's corporate website at the www.cdl.com.sg/agm. This Notice will also be made available on the SGX website at www.sgx.com/securities/company-announcements.

2. Arrangements relating to:

   (a) in-person attendance at the Meeting which will be held at Ballroom 1, Orchard Hotel Singapore, 442 Orchard Road, Singapore 238879 (including arrangements by which members or their appointed proxy/proxies can pre-register for the Physical Meeting);

   (b) attendance at the Meeting via electronic means (including arrangements by which the Virtual Meeting can be electronically accessed via "live" audio-visual webcast);

   (c) submission of questions to the Chairman of the Meeting in advance of, or "live" at, the Meeting, and addressing of substantial and relevant questions prior to, or "live" at, the Meeting; and

   (d) voting at the Meeting (i) "live" by a member or his/her/its duly appointed proxy/proxies (other than the Chairman of the Meeting); or (ii) by appointing the Chairman of the Meeting as proxy to vote on the member's behalf at the Meeting,

   are set out in the accompanying Company's announcement dated 28 March 2023. The announcement may be accessed at the Company's corporate website at www.cdl.com.sg/agm and will also be made available on the SGX website at www.sgx.com/securities/company-announcements.

3. A member who wishes to exercise his/her/its voting rights at the Meeting may:

   (a) (where the member is an individual) attend and vote "live" at the Physical Meeting or the Virtual Meeting; or

   (b) (whether the member is an individual or a corporate) appoint a proxy/proxies (other than the Chairman of the Meeting) to attend and vote "live" at the Physical Meeting or the Virtual Meeting on his/her/its behalf; or

   (c) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Meeting.

   The accompanying proxy form for the Meeting may be downloaded from the Company's corporate website at www.cdl.com.sg/agm and from the SGX website at www.sgx.com/securities/company-announcements. Where a member (whether individual or a corporate) appoints a proxy/proxies, he/she/it should give specific instructions as to the voting, or abstentions from voting, in respect of that resolution. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

4. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's proxy form appoint more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

5. A proxy need not be a member of the Company.

6. The proxy form must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged with the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902; or

   (b) if submitted electronically, via email to the Company's Share Registrar at GPD@mncsingapore.com, or via the pre-registration website at www.cdl.com.sg/agm2023,

   in each case, not less than 72 hours before the time for holding the Meeting.

   A member who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above, or via the pre-registration website provided above.

NOTICE OF ANNUAL GENERAL MEETING

7. CPFIS members and SRS investors:

   (a) may vote "live" at the Physical Meeting or Virtual Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Approved Banks, and should contact their respective CPF Agent Banks or SRS Approved Banks if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Approved Banks to submit their votes by 5.00 p.m. on 14 April 2023.

8. The Annual Report 2022 and the Letter to Shareholders dated 28 March 2023 ("**Letter to Shareholders**") are available on the Company's corporate website as follows:

   (a) the Annual Report 2022 may be accessed at www.cdl.com.sg/annualreports by clicking on the hyperlink for 'Annual Report 2022'; and

   (b) the Letter to Shareholders may be accessed at www.cdl.com.sg/agm by clicking on the hyperlink for "Letter to Shareholders dated 28 March 2023".

   The above documents may also be accessed on the SGX website at www.sgx.com/securities/company-announcements. Members may request for printed copies of these documents by completing and submitting the Request Form.

Personal data privacy:

By (i) submitting a proxy form to attend, speak and vote at the Meeting and/or any adjournment thereof, or (ii) completing the pre-registration to attend the Physical Meeting or the Virtual Meeting in accordance with this Notice and/or (iii) submitting any question prior to the Meeting in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

(a) processing and administration by the Company (or its agents or service providers) of the appointment of proxy/proxies for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Meeting (including any adjournment thereof);

(b) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the Meeting and providing them with any technical assistance, where necessary;

(c) addressing relevant and substantial questions from members received before the Meeting and if necessary, following up with the relevant members in relation to such questions; and

(d) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

NOTICE OF ANNUAL GENERAL MEETING

STATEMENT PURSUANT TO SECTION 64A OF THE COMPANIES ACT

Non-Redeemable Convertible Non-Cumulative Preference Shares ("Preference Shares")

Class Meetings: Holders of Preference Shares ("Preference Shareholders") shall be entitled to attend, speak and vote at any class meeting of the Preference Shareholders. Every Preference Shareholder who is present in person (or by proxy) at such class meetings shall have on a show of hands one vote and on a poll one vote for every Preference Share of which he is the holder.

General Meetings: Preference Shareholders shall be entitled to attend (in person or by proxy) any general meeting of the Company and shall have on a show of hands one vote and on a poll one vote in respect of each Preference Share of which he is the holder if (i) dividends with respect to the Preference Shares (or any part thereof) due and payable and accrued is in arrears and has remained unpaid for at least six months; (ii) the resolution in question varies the rights attached to the Preference Shares; or (iii) the resolution in question is for the winding up of the Company.

Except as provided above, Preference Shareholders shall not be entitled to attend or vote at General Meetings of the Company.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION/RE-ELECTION

AT THE 60TH ANNUAL GENERAL MEETING

Name of Director/age	**MR PHILIP YEO LIAT KOK, 76**
Date of appointment	11 May 2009
Job Title	Non-Independent Non-Executive Director
Date of last re-election as Director (if applicable)	30 April 2021
Country of principal residence	Republic of Singapore
The Board's comments on the re-appointment (including rationale, selection criteria, and the search and nomination process)	The NC reviews the nomination of the relevant Directors for election/re-election as well as the independence of Directors. When considering the nomination of these Directors, the NC took into account their respective backgrounds, qualifications, experiences, independence (except for Mr Philip Yeo) and contribution to the effectiveness of the Board as well as their time commitment especially for Directors who have multiple board representations and/or other principal commitments. The NC and Board recommend the re-election of Mr Philip Yeo Liat Kok, Mr Daniel Marie Ghislain Desbaillets and Mr Chong Yoon Chou and election of Mr Tan Kian Seng as Directors of the Company. For more details on the NC's evaluation process, please refer to Principle 4: Board Membership and Principle 5: Board Performance on pages 41 to 43 of the Annual Report 2022.
Whether appointment is executive, and if so, the area of responsibility	No
Professional qualification and working experience and occupation(s) during the past 10 years	Bachelor of Applied Science (Industrial Engineering), an honorary Doctorate in Engineering from the University of Toronto, Canada An honorary Doctorate in Medicine from the Karolinska Institutet, Sweden Master of Science (Systems Engineering) from the University of Singapore Master of Business Administration from Harvard University, USA Doctor of Science from Imperial College, London An honorary Doctor of Letters from National University of Singapore An honorary Doctor of Law from Monash University of Australia January 2013 – Present Chairman of Economic Development Innovations Singapore Pte Ltd April 2007 to 31 March 2018 Chairman of SPRING (Standards, Productivity and Innovation for Growth) Singapore
Shareholding interest in the Company and its subsidiaries	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION/RE-ELECTION

AT THE 60TH ANNUAL GENERAL MEETING

MR DANIEL MARIE GHISLAIN DESBAILLETS, 72	**MR CHONG YOON CHOU, 55**	**MR TAN KIAN SENG, 69**
20 November 2020	20 November 2020	10 March 2023
Independent Non-Executive Director A member of the Remuneration Committee and Board Sustainability Committee ("BSC")	Independent Non-Executive Director A member of the Audit & Risk Committee ("ARC"), Nominating Committee ("NC") and BSC	Independent Non-Executive Director A member of the ARC
30 April 2021	30 April 2021	Not applicable
Republic of Singapore	Republic of Singapore	Republic of Singapore
The NC reviews the nomination of the relevant Directors for election/re-election as well as the independence of Directors. When considering the nomination of these Directors, the NC took into account their respective backgrounds, qualifications, experiences, independence (except for Mr Philip Yeo) and contribution to the effectiveness of the Board as well as their time commitment especially for Directors who have multiple board representations and/or other principal commitments. The NC and Board recommend the re-election of Mr Philip Yeo Liat Kok, Mr Daniel Marie Ghislain Desbaillets and Mr Chong Yoon Chou and election of Mr Tan Kian Seng as Directors of the Company. For more details on the NC's evaluation process, please refer to Principle 4: Board Membership and Principle 5: Board Performance on pages 41 to 43 of the Annual Report 2022.		
No	No	No
Diploma of high level Commercial Studies from Ecole Benedict Geneva, Switzerland Certificate with Distinction in Service, Food Production and Administration from Lausanne Hotel School, Switzerland June 2009 to Present Executive Chairman of a family-owned business, Salad Stop Pte Ltd and FreshCreation Holdings Pte Ltd, in food and beverage industry.	Bachelor of Science (Economics) in Accounting & Finance from the London School of Economics Master of Science in Finance Master of Science in Information Systems Chartered Financial Analyst Leadership Development certification at Harvard Business School and INSEAD July 2019 – Present Founder/Director of Leanne Capital Pte Ltd March 2017 – July 2019 Chief Investment Officer (Equities) of Ostrum Asset Management Asia Ltd January 1994 – February 2016 Investment Director of Aberdeen Asset Management Ltd (now known as Aberdeen Standard Investments (Asia) Limited)	Diploma of Accountancy from Leeds Beckett University An associate of the Institute of Chartered Accountants in England and Wales A member of the Malaysian Institute of Accountants October 2016 – November 2019 Group Chief of Staff/Interim Chief Executive Officer of Millennium & Copthorne Hotels plc (now known as Millennium & Copthorne Hotels Limited) From 2001 – February 2016 Various positions, including Advisor to Chief Executive Officer and Chairman, Vice President of Operations in Malaysia, Chief Financial Officer and Group President of Venture Corporation Limited
Nil	Nil	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION/RE-ELECTION

AT THE 60TH ANNUAL GENERAL MEETING

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION/RE-ELECTION

AT THE 60TH ANNUAL GENERAL MEETING

Name of Director/age	MR PHILIP YEO LIAT KOK, 76	MR DANIEL MARIE GHISLAIN DESBAILLETS, 72	MR CHONG YOON CHOU, 55	MR TAN KIAN SENG, 69
Relationship (including immediate family relationship) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	No	No	No	No
Conflict of interest (including any competing business)	No	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to City Developments Limited	Yes	Yes	Yes	Yes
Other Principal Commitments* including Directorships * *"Principal Commitments" has the same meaning as defined in the Code of Corporate Governance 2018.*	Economic Development Innovations Singapore (EDIS) Private Limited (Executive Chairman) Chairman of Accuron Technologies Limited (Executive Chairman)	Nil	Nil	Nil
▪ **Past (for the last 5 years):**	▪ Galaxis Ventures (S) Pte Ltd ▪ Hitachi Ltd^ ▪ Baiterek National Managing Holding JSC, Kazakhstan ▪ Kerry Logistics Network Limited^ ▪ OnSponge Pte Ltd ▪ Symbiosis Ventures Management Sdn Bhd	▪ Millennium & Copthorne Hotels plc^ (Independent Non-Executive Director) (delisted and privatised in 2019 and now known as Millennium & Copthorne Hotels Limited) ▪ D2D Asia Pacific Pte. Ltd. ▪ Fresh Innovations Pte. Ltd.	▪ Aberdeen Standard Investment (Asia) Limited ▪ Ostrum Asset Management Asia Ltd. (Chief Investment Officer, Equities)	▪ Beijing Fortune Hotel Co., Ltd. ▪ CDL Entertainment & Leisure Pte Ltd ▪ CDL Hotels (Korea) Ltd. ▪ CDL Investments New Zealand Limited ▪ City Century Pte. Ltd. ▪ City Elite Pte Ltd ▪ Elite Hotel Management Services Pte. Ltd. ▪ First Sponsor Group Limited ▪ Grand Plaza Hotel Corporation ▪ Harbour Land Corporation ▪ Harrow Entertainment Pte Ltd ▪ Hong Leong Hotel Development Limited ▪ Hospitality Ventures Pte. Ltd. ▪ M&C Holdings (Thailand) Ltd. ▪ Millennium & Copthorne Hotels Management (Shanghai) Limited ▪ Millennium & Copthorne Hotels New Zealand Limited ▪ Millennium & Copthorne International Limited ▪ Newbury Investments Pte Ltd ▪ PT Millennium Hotels & Resorts (Liquidated) ▪ PT. Millennium Sirih Jakarta Hotel ▪ Republic Iconic Hotel Pte. Ltd. ▪ Rogo Investments Pte. Ltd. ▪ Rogo Realty Corporation ▪ The Philippine Fund Limited

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION/RE-ELECTION

AT THE 60TH ANNUAL GENERAL MEETING

ADDITIONAL INFORMATION ON DIRECTORS SEEKING ELECTION/RE-ELECTION

AT THE 60TH ANNUAL GENERAL MEETING

Name of Director/age	MR PHILIP YEO LIAT KOK, 76	MR DANIEL MARIE GHISLAIN DESBAILLETS, 72	MR CHONG YOON CHOU, 55	MR TAN KIAN SENG, 69
▪ **Present:**	▪ City Developments Limited^ ▪ Accuron Technologies Limited ▪ Advanced MedTech Holdings Pte. Ltd. ▪ AtumRa Therapeutics Pte Ltd ▪ AbAsia Biolabs Pte Ltd ▪ Biopolis Ventures (S) Pte Ltd ▪ Dornier Medtech GmbH (Muchen) ▪ Economic Development Innovations Singapore Private Limited ▪ Hexagon Development Advisors Pte. Ltd. ▪ IGlobe Partners (II) Pte. Ltd. ▪ IGlobe Platinum Fund Limited ▪ IGlobe Platinum Fund II Limited ▪ IGlobe Platinum Fund III Limited ▪ JobTech Pte Ltd ▪ MTIC Holdings Pte. Ltd. ▪ P*Yeo Investments Pte Ltd ▪ Singapore Aerospace Manufacturing Private Limited ▪ St. Joseph's Institution Foundation for the Lasallian Mission Ltd. ▪ Determinant Holding Pte Ltd ▪ Quaternion Holdings Pte Ltd ▪ Sunway Berhad^ ▪ QAF Limited^	▪ City Developments Limited^ ▪ FreshCreation Holdings Pte. Ltd. ▪ Salad Stop Pte. Ltd.	▪ City Developments Limited^ ▪ Leanne Capital Pte. Ltd.	▪ City Developments Limited^
Responses to questions (a) to (k) under Appendix 7.4.1 of the Listing Manual of SGX-ST	Responses to questions (a) to (k) are negative (same as previously announced on 28 December 2021).	Responses to questions (a) to (k) are negative (same as previously announced on 20 November 2020).	Responses to questions (a) to (k) are negative (same as previously announced on 20 November 2020).	Responses to questions (a) to (k) are negative (same as previously announced on 10 March 2023).

^ Listed company

Information as at 24 March 2023

This page has been intentionally left blank.

This page has been intentionally left blank.

This page has been intentionally left blank.

CITY DEVELOPMENTS LIMITED
(Company Registration No. 196300316Z)
(Incorporated in the Republic of Singapore)

PROXY FORM
60TH ANNUAL GENERAL MEETING

IMPORTANT:

1. The Sixtieth Annual General Meeting of the Company ("Meeting") is being convened and will be held at Ballroom 1, Orchard Hotel Singapore, 442 Orchard Road, Singapore 238879 ("Physical Meeting") and by way of electronic means ("Virtual Meeting") pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **Printed copies of the Notice of Meeting will not be sent to members.** Instead, the Notice of Meeting will be made available to members by electronic means via publication at the Company's corporate website at www.cdl.com.sg/agm and on SGX website at www.sgx.com/securities/company-announcements.
2. A member who wishes to exercise his/her/its voting rights at the Meeting may:
   (a) (where the member is an individual) attend and vote "live" at the Physical Meeting or the Virtual Meeting; or
   (b) (whether the member is an individual or a corporate) appoint a proxy/proxies (other than the Chairman of the Meeting) to attend and vote "live" at the Physical Meeting or the Virtual Meeting on his/her/its behalf; or
   (c) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Meeting.
3. Members who wish to appoint a proxy/proxies to vote "live" at the Meeting on their behalf must complete and submit this Proxy Form in accordance with the instructions in the Notes overleaf by **11.00 a.m. on Sunday, 23 April 2023**.
4. This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPFIS members and SRS investors. CPFIS members and SRS investors who wish to exercise their voting rights should approach their CPF Agent Banks or SRS Approved Banks by **5.00 p.m. on 14 April 2023**.
5. By submitting a form appointing a proxy/proxies, the member accepts and agrees to the personal data privacy terms set out in the Notice of Meeting dated 28 March 2023.

I/We, (name) ______________________ with NRIC/Passport/Company Registration Number: ______________________

of (address) ____

being a member/members of City Developments Limited (the "**Company**"), hereby appoint:

Name	Email Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of shares	**%**

and/or

Name	Email Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of shares	**%**

or, failing whom, the Chairman of the Meeting as my/our proxy/proxies, to attend, speak and vote for me/us on my/our behalf at the Sixtieth Annual General Meeting of the Company ("Meeting") to be convened and held at Ballroom 1, Orchard Hotel Singapore, 442 Orchard Road, Singapore 238879 and by way of electronic means on **Wednesday, 26 April 2023 at 11.00 a.m.** and at any adjournment thereof in the following manner as specified below. I/We direct my/our proxy/proxies to vote for or against or abstain from voting on the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

No.	Resolutions		For*	Against*	Abstain*
(A)	**ORDINARY BUSINESS:**				
1.	Receipt of the Directors' Statement, Audited Financial Statements and the Auditors' Report thereon.				
2.	Declaration of a Final Ordinary Dividend and a Special Final Ordinary Dividend.				
3.	Approval of Directors' Fees of $1,512,000 for the financial year ended 31 December 2022.				
4.	Approval of Directors' fees of up to $2,000,000 for the financial year ending 31 December 2023.				
5.	Re-election of Directors retiring in accordance with Clause 83(a) of the Constitution of the Company:	(a) Mr Philip Yeo Liat Kok			
		(b) Mr Chong Yoon Chou			
		(c) Mr Daniel Marie Ghislain Desbaillets			
6.	Election of Mr Tan Kian Seng retiring in accordance with Clause 76 of the Constitution of the Company.				
7.	Re-appointment of KPMG LLP as Auditors.				
(B)	**SPECIAL BUSINESS:**				
8.	Authority for Directors to issue ordinary shares and/or make or grant offers, agreements or options pursuant to Section 161 of the Companies Act 1967 and the listing manual of Singapore Exchange Securities Trading Limited.				
9.	Renewal of Share Purchase Mandate.				
10.	Renewal of IPT Mandate for Interested Person Transactions.				

* Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "For" or "Against", please tick (√) within the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please tick (√) within the "Abstain" box provided in respect of that resolution.

Dated this ______________ day of ________________ 2023.

No. of Ordinary Shares Held

____
Signature(s) or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

Notes:

1. Please insert the total number of ordinary shares held by you. If you have ordinary shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of ordinary shares. If you have ordinary shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of ordinary shares. If you have ordinary shares entered against your name in the Depository Register and ordinary shares registered in your name in the Register of Members, you should insert the aggregate number of ordinary shares. If no number is inserted, this form of proxy will be deemed to relate to all the ordinary shares held by you.
2. A member who wishes to exercise his/her/its voting rights at the Meeting may:
   (i) (where the member is an individual) attend and vote "live" at the Physical Meeting or the Virtual Meeting; or
   (ii) (whether the member is an individual or a corporate) appoint a proxy/proxies (other than the Chairman of the Meeting) to attend and vote "live" at the Physical Meeting or the Virtual Meeting on his/her/its behalf; or
   (iii) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Meeting.
3. Members who wish to appoint a proxy/proxies to vote "live" at the Meeting on their behalf must complete and submit this Proxy Form in accordance with the Note (7) below by **11.00 a.m. on Sunday, 23 April 2023**.
4. Where a member (whether individual or corporate) appoints a proxy/proxies, he/she/it should give specific instructions as to the voting, or abstentions from voting, in respect of each resolution. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion. This proxy form may be downloaded from the Company's corporate website at www.cdl.com.sg/agm, and is also available from the SGX website at www.sgx.com/securities/company-announcements.
5. (i) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form.
   (ii) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

1st fold here

6. A proxy need not be a member of the Company.
7. The Proxy Form must be submitted to the Company in the following manner:
   (i) if submitted by post, be lodged with the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902; or
   (ii) if submitted electronically, via email to the Company's Share Registrar at GPD@mncsingapore.com, or via the pre-registration website at www.cdl.com.sg/agm2023,

   in each case, not less than 72 hours before the time for holding the Meeting. A member who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above, or via the Pre-Registration Page provided above.

   Members are strongly encouraged to submit completed proxy forms electronically, via email or appoint a proxy/proxies via the online process through the Pre-Registration Page.
8. Completion and return of this proxy form shall not preclude a member from attending, speaking and voting at the Meeting. A member who attends the Physical Meeting in person or accesses the Virtual Meeting via the "live" audio-visual webcast of the Meeting proceedings may revoke the appointment of a proxy/proxies at any time before voting commences and, in such an event, the Company reserves the right to refuse entry by the proxy/proxies into the Physical Meeting and/or terminate the proxy/proxies' access to the "live" audio-visual webcast of the Meeting proceedings.
9. The proxy form must, if submitted by post or electronically via email, be signed under the hand of the appointor or of his/her attorney duly authorised in writing or, if submitted electronically via the online process through the Pre-Registration Page, be authorised by the appointor via the online process through the website. Where the proxy form is executed by a corporation, it must, if submitted by post or electronically via email, be executed either under its common seal or under the hand of its attorney or a duly authorised officer or, if submitted electronically via the online process through the Pre-Registration Page, be authorised by the appointor via the online process through the website.
10. The Company shall be entitled to reject the proxy form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the form of proxy (including any related attachment). In addition, in the case of a member whose ordinary shares are entered in the Depository Register, the Company may reject any form of proxy lodged if the member, being the appointor, is not shown to have ordinary shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

2nd fold here

60th AGM
PROXY FORM

Affix
Postage
Stamp

CITY DEVELOPMENTS LIMITED
c/o The Share Registrar
M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

3rd fold and glue all sides firmly overleaf. Do not staple.

Scan this QR code to access a digital copy of CDL's Annual Report 2022

MIX
Paper from responsible sources
FSC™ C158351

Produced By
Investor Relations & Corporate Communications, City Developments Limited
and Group Corporate Affairs, Hong Leong Group Singapore

CITY DEVELOPMENTS LIMITED

9 RAFFLES PLACE
#12-01 REPUBLIC PLAZA
SINGAPORE 048619

TEL +65 6877 8228
FAX +65 6223 2746
www.cdl.com.sg

Co. Reg. No. 196300316Z

CITY DEVELOPMENTS LIMITED

(Co. Reg. No. 196300316Z)
(Incorporated in the Republic of Singapore)

LETTER TO SHAREHOLDERS DATED 28 MARCH 2023

IN RELATION TO

(1) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE; AND

(2) THE PROPOSED RENEWAL OF THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS

CONTENTS

CITY DEVELOPMENTS LIMITED

(Co. Reg. No. 196300316Z)
(Incorporated in the Republic of Singapore)

Board of Directors:		**Registered Office:**
Kwek Leng Beng	(Executive Chairman)	9 Raffles Place
Sherman Kwek Eik Tse	(Executive Director and Group Chief Executive Officer)	#12-01 Republic Plaza Singapore 048619
Lee Jee Cheng Philip	(Lead Independent Director)	
Philip Yeo Liat Kok	(Non-Independent Non-Executive Director)	
Ong Lian Jin Colin	(Independent Non-Executive Director)	
Daniel Marie Ghislain Desbaillets	(Independent Non-Executive Director)	
Chong Yoon Chou	(Independent Non-Executive Director)	
Chan Swee Liang Carolina (Carol Fong)	(Independent Non-Executive Director)	
Tang Ai Ai Mrs Wong Ai Ai	(Independent Non-Executive Director)	
Tan Kian Seng	(Independent Non-Executive Director)	

28 March 2023

To: The Shareholders of City Developments Limited (“**Shareholders**”)

Dear Sir/Madam

(I) PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE
(II) PROPOSED RENEWAL OF THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. INTRODUCTION

We refer to the Notice of the Sixtieth Annual General Meeting of City Developments Limited (“**CDL**” or the “**Company**”) (“**60th AGM**”) issued by the Company on 28 March 2023 (the “**Notice of 60th AGM**”).

Item 9 of the Notice of 60th AGM is an Ordinary Resolution (“**Resolution 9**”) to be proposed at the 60th AGM for the renewal of the Company’s Share Purchase Mandate which will empower the Directors to make purchases or otherwise acquire issued ordinary shares of the Company (“**Ordinary Shares**”) and/or issued non-redeemable convertible non-cumulative preference shares of the Company (“**Preference Shares**”) from time to time subject to certain restrictions set out in the listing manual of Singapore Exchange Securities Trading Limited (“**Listing Manual**”). Information relating to Resolution 9 is set out in Annexure I.

Item 10 of the Notice of 60th AGM is an Ordinary Resolution (“**Resolution 10**”) to be proposed at the 60th AGM for the renewal of the Company’s IPT Mandate for interested person transactions which will facilitate the Company, its subsidiaries and its associated companies, to enter into transactions with its interested persons, the details of which are set out in Annexure II and Appendix A.

The purpose of this letter is to provide Shareholders with the reasons for, and information relating to Resolutions 9 and 10.

2. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors in issued Ordinary Shares and Preference Shares, and the interests of the Substantial Shareholders in issued Ordinary Shares based on the Company's Register of Directors' Shareholdings and Register of Substantial Shareholders respectively as at 28 February 2023 (the "**Latest Practicable Date**"), were as follows:

Director	**Class of Shares**	**Number of Shares held**	**%[1]**
Kwek Leng Beng	Ordinary	397,226	0.044
	Preference	144,445	0.044

Substantial Shareholders	**Number of Ordinary Shares** Direct Interest	Deemed Interest	Total	**%[1]**
Hong Realty (Private) Limited ("**HR**")	34,457,782	30,488,981[2]	64,946,763	7.161
Hong Leong Holdings Limited ("**HLH**")	148,787,477	19,546,445[3]	168,333,922	18.561
Hong Leong Investment Holdings Pte. Ltd. ("**HLIH**")	168,714,256	271,601,888[4]	440,316,144	48.552
Davos Investment Holdings Private Limited ("**Davos**")	–	440,316,144[5]	440,316,144	48.552
Kwek Holdings Pte Ltd ("**KH**")	–	440,316,144[5]	440,316,144	48.552

Notes:

(1) Based on 906,901,330 issued Ordinary Shares (excluding treasury shares) and 330,874,257 issued Preference Shares as at the Latest Practicable Date. As at that date, there were 2,400,000 treasury shares and no subsidiary holdings.

"Subsidiary holdings" is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

(2) HR is deemed under Section 4 of the Securities and Futures Act 2001 ("**SFA**") to have an interest in the 30,488,981 Ordinary Shares held directly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

(3) HLH is deemed under Section 4 of the SFA to have an interest in the 19,546,445 Ordinary Shares held directly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

(4) HLIH is deemed under Section 4 of the SFA to have an interest in the 271,601,888 Ordinary Shares held directly and/or indirectly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof which includes (i) the 64,946,763 Ordinary Shares held directly and indirectly by HR; and (ii) the 168,333,922 Ordinary Shares held directly and indirectly by HLH, out of which 9,304,616 Ordinary Shares have been identified as Ordinary Shares in which HR is also deemed to have an interest in under note (2) above.

(5) Davos and KH are deemed under Section 4 of the SFA to have an interest in the 440,316,144 Ordinary Shares held directly and/or indirectly by HLIH in which they are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

Directors of the Company will abstain from voting their shareholdings in the Company, if any, and have undertaken to ensure that their associates will abstain from voting their respective shareholdings in the Company, if any, on Resolution 10 relating to the proposed renewal of the IPT Mandate at the 60th AGM.

The relevant companies within the Hong Leong Investment Holdings Pte. Ltd. ("**HLIH**") group (which includes HLIH, a controlling shareholder of the Company and its associates), being Interested Persons under the IPT Mandate, will abstain from voting their respective shareholdings in the Company on Resolution 10 at the 60th AGM.

The Company will disregard any votes cast by Directors and the relevant companies within the HLIH group (which includes HLIH, a controlling shareholder of the Company and its associates) in respect of their shareholdings in the Company, if any, on Resolution 10. The Company will also disregard any votes cast by the associates of Directors in respect of their shareholdings in the Company, if any.

3. ACTIONS TO BE TAKEN BY SHAREHOLDERS

The 60th AGM will be held at Ballroom 1, Orchard Hotel Singapore, 442 Orchard Road, Singapore 238879 and by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

Shareholders should refer to the Company's Notice of 60th AGM and the accompanying Proxy Form which have been made available on the website of the Company at www.cdl.com.sg/agm, and on the website of SGX at www.sgx.com/securities/company-announcements together with this Letter.

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this letter (including the Annexures and Appendix A) and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this letter constitutes full and true disclosure of all material facts about the renewal of the Share Purchase Mandate and the renewal of the IPT Mandate, and the Company and its subsidiaries and the Directors are not aware of any facts the omission of which would make any statement in this letter misleading.

Where information contained in this letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this letter in its proper form and context.

Shareholders who are in any doubt as to the action they should take, should consult their stockbrokers or other professional advisers immediately.

Yours faithfully
CITY DEVELOPMENTS LIMITED

KWEK LENG BENG
Executive Chairman

Note:
Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Letter to Shareholders.

PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

1. BACKGROUND

At the Annual General Meeting of the Company held on 28 April 2022 (the "**59th AGM**"), Ordinary Shareholders had approved, *inter alia*, the renewal of the Share Purchase Mandate to enable the Company to purchase or otherwise acquire its issued Shares. The rationale for, authority and limitations on, and the financial effects of, the Share Purchase Mandate were set out in the Letter to Shareholders dated 30 March 2022 and Ordinary Resolution 8 set out in the Notice of 59th AGM.

The Share Purchase Mandate was expressed to take effect from the passing of the Ordinary Resolution at the 59th AGM and will expire on the date of the forthcoming Sixtieth Annual General Meeting to be held on 26 April 2023 (the "**60th AGM**"). Accordingly, Ordinary Shareholders' approval will be sought for the renewal of the Share Purchase Mandate at the 60th AGM.

2. DEFINITIONS

In this Annexure I, the following definitions shall apply throughout unless otherwise stated:

"CDP"	:	The Central Depository (Pte) Limited
"Company"	:	City Developments Limited
"Companies Act"	:	The Companies Act 1967, as amended or modified from time to time
"Constitution"	:	The Constitution of the Company, as amended or modified from time to time
"EPS"	:	Earnings per Ordinary Share
"Group"	:	The Company and its subsidiaries
"HLIH"	:	Hong Leong Investment Holdings Pte. Ltd.
"HLIH Group"	:	HLIH and its subsidiaries
"Income Tax Act"	:	Income Tax Act 1947, as amended or modified from time to time
"Latest Practicable Date"	:	28 February 2023, being the latest practicable date prior to the printing of this Letter to Shareholders
"Listing Manual"	:	The Listing Manual of SGX-ST, as amended or modified from time to time
"Market Day"	:	A day on which SGX-ST is open for trading in securities
"Market Purchase"	:	An on-market purchase of Shares by the Company effected on SGX-ST, through one or more duly licensed stockbrokers appointed by the Company for the purpose
"NAV"	:	Net Asset Value

"Off-Market Purchase"	:	An off-market purchase of Shares by the Company effected in accordance with an equal access scheme
"Ordinary Shareholders"	:	Registered holders of Ordinary Shares, except where the registered holder is CDP, the term "**Ordinary Shareholders**" shall in relation to such Ordinary Shares, mean the Depositors whose securities accounts maintained with CDP are credited with the Ordinary Shares
"Ordinary Shares"	:	Ordinary shares of the Company
"Preference Shares"	:	Non-redeemable convertible non-cumulative preference shares of the Company
"SFA"	:	Securities and Futures Act 2001, as amended or modified from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share Purchase Mandate"	:	The mandate to enable the Company to purchase or otherwise acquire its issued Shares
"Shareholders"	:	Registered holders of Shares, except where the registered holder is CDP, the term "**Shareholders**" shall in relation to such Shares, mean the Depositors whose securities accounts maintained with CDP are credited with the Shares
"Shares"	:	Ordinary Shares and Preference Shares
"SIC"	:	Securities Industry Council of Singapore
"Take-over Code"	:	The Singapore Code on Take-overs and Mergers

The terms "**Depositor**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Annexure I to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Income Tax Act, the SFA, the Listing Manual or Take-over Code or any statutory modification thereof and not otherwise defined in this Annexure I shall have the same meaning assigned to it under the Companies Act, the Income Tax Act, the SFA, the Listing Manual or Take-over Code or any statutory modification thereof, as the case may be.

Any discrepancies in the tables in this Annexure I between the listed amounts and the totals thereof are due to rounding.

3. RENEWAL OF THE SHARE PURCHASE MANDATE

3.1 Rationale for the Share Purchase Mandate

The Share Purchase Mandate will give the Directors the flexibility to purchase or acquire its Shares, if and when circumstances permit, with a view to enhancing the EPS and/or the NAV per Ordinary Share. The Directors believe that share purchases also provide the Company and its Directors with an alternative to facilitate the return of surplus cash over and above its ordinary capital requirements and exercise greater control over the Company's share capital structure.

The Directors further believe that share purchases or acquisitions may bolster confidence of Ordinary Shareholders and/or holders of Preference Shares. With the Share Purchase Mandate, the Directors will have the ability to purchase Shares on SGX-ST, where appropriate, to stabilise the demand for the Shares and to buffer against short-term share price volatility due to market speculation.

Purchases of Shares by the Company will be made only in circumstances where it is considered to be in the best interests of the Company. Further, the Directors do not propose to carry out share purchases to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from SGX-ST.

3.2 Authority and Limits of the Share Purchase Mandate

The authority and limitations placed on the purchase or acquisition of issued Shares by the Company under the Share Purchase Mandate are summarised below:

3.2.1 Maximum Number of Shares

Only Shares which are issued and fully paid may be purchased or acquired by the Company under the Share Purchase Mandate.

Subject to the Companies Act, the Share Purchase Mandate will authorise the Company, from time to time, to purchase such number of Shares which represents up to:

(i) in the case of Ordinary Shares, a maximum of 10% of the total number of issued Ordinary Shares (excluding any Ordinary Shares which are held as treasury shares and subsidiary holdings (as defined in the Listing Manual)); and

(ii) in the case of Preference Shares, a maximum of 10% of the total number of issued Preference Shares,

as at the date of the 60th AGM at which the renewal of the Share Purchase Mandate is approved.

Treasury shares or subsidiary holdings will be disregarded for purposes of computing the 10% limit. As at the Latest Practicable Date, the Company had 2,400,000 treasury shares and no subsidiary holdings.

For illustrative purposes only, based on 906,901,330 issued Ordinary Shares (excluding 2,400,000 treasury shares) and 330,874,257 issued Preference Shares as at the Latest Practicable Date, and assuming that no further Ordinary Shares and Preference Shares are issued on or prior to the 60th AGM, not more than 90,690,133 Ordinary Shares and 33,087,425 Preference Shares (representing 10% of the issued Ordinary Shares and 10% of the Preference Shares as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate. There are no subsidiary holdings in the share capital of the Company.

3.2.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, by the Company from the date of the 60th AGM, at which the renewal of the Share Purchase Mandate is approved, up to the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;

(ii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked in general meeting; or

(iii) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated.

3.2.3 Manner of Purchase or Acquisition of Shares

Purchases or acquisitions of Shares may be made by way of Market Purchases and/or Off-Market Purchases.

Market Purchases refer to purchases or acquisitions of Shares by the Company effected on SGX-ST, through one or more duly licensed stockbrokers appointed by the Company for the purpose.

Off-Market Purchases refer to purchases or acquisitions of Shares by the Company made under an equal access scheme. The Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate, the Listing Manual, the Companies Act or the Constitution, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all the following conditions:

(i) the offers for the purchase or acquisition of shares under the scheme are to be made to every person who holds shares to purchase or acquire the same percentage of their shares;

(ii) all of those persons have a reasonable opportunity to accept the offers made to them; and

(iii) the terms of all the offers are the same except that there shall be disregarded:

(aa) differences in consideration attributable to the fact that the offers relate to shares with different accrued dividend entitlements;

(bb) differences in consideration attributable to the fact that the offers relate to shares with different amounts remaining unpaid; and

(cc) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

In addition, the Listing Manual provides that in making an Off-Market Purchase, a listed company must issue an offer document to all shareholders containing, *inter alia*:

(1) the terms and conditions of the offer;

(2) the period and procedures for acceptances;

(3) the reasons for the proposed share purchases;

(4) the consequences, if any, of share purchases by the listed company that will arise under the Take-over Code or other applicable take-over rules;

(5) whether the share purchases, if made, could affect the listing of the listed company's shares on SGX-ST;

(6) details of any share purchases made by the listed company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and

(7) whether the shares purchased by the listed company will be cancelled or kept as treasury shares.

3.2.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price must not exceed, in the case of both Market Purchases and Off-Market Purchases, 105% of the Average Closing Price (as defined below) (the "**Maximum Price**").

For the above purposes:

"**Average Closing Price**" means the average of the Closing Market Prices of the Ordinary Shares or Preference Shares (as the case may be) over the last five Market Days on SGX-ST, on which transactions in the Ordinary Shares or Preference Shares (as the case may be) were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such 5-Market Day period;

"**Closing Market Price**" means the last dealt price for an Ordinary Share or a Preference Share (as the case may be) transacted on SGX-ST as shown in any publication of SGX-ST or other sources; and

"**day of the making of the offer**" means the day on which the Company makes an offer for the Off-Market Purchase of Ordinary Shares or Preference Shares (as the case may be) from Ordinary Shareholders or holders of Preference Shares (as the case may be), stating the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase, calculated on the foregoing basis) for each Ordinary Share or Preference Share (as the case may be) and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

3.3 Source of Funds

In purchasing or acquiring Shares, the Company may only apply funds legally available for such purchase or acquisition in accordance with the Constitution and applicable laws in Singapore. Payment may be made by the Company in consideration of the purchase or acquisition of its own Shares out of the Company's capital as well as from its profits.

The Company intends to use internal resources and/or external borrowings to finance purchases or acquisitions of its Shares under the Share Purchase Mandate. The Directors do not intend to exercise the Share Purchase Mandate to such extent as would have a material adverse effect on the working capital requirements or the gearing levels of the Group. In determining whether to undertake any purchases or acquisitions of Shares under the Share Purchase Mandate, the Directors will take into account, *inter alia*, the prevailing market conditions, the financial position of the Group and other relevant factors.

3.4 Status of Purchased or Acquired Shares

Under the Companies Act, Preference Shares which are purchased or acquired by the Company will be deemed cancelled immediately on purchase or acquisition. Ordinary Shares purchased or acquired by the Company may be held or dealt with as treasury shares or cancelled. As such, Shares cancelled upon purchase or acquisition by the Company will be automatically delisted by SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as practicable following settlement of any such purchase or acquisition.

Some of the provisions on treasury shares under the Companies Act are summarised below:

3.4.1 Maximum Holdings

The number of Ordinary Shares held as treasury shares (including shares held by a subsidiary under Sections 21(4B) and 21(6C) of the Companies Act) cannot at any time exceed 10% of the total number of issued Ordinary Shares.

3.4.2 Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote in respect of treasury shares and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

3.4.3 Disposal and Cancellation

Where Ordinary Shares are held as treasury shares, the Company may at any time but subject always to the Take-over Code:

(i) sell the treasury shares for cash;

(ii) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;

(iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(iv) cancel the treasury shares; or

(v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares of the usage, the number of treasury shares before and after the usage, and the percentage of the number of treasury shares of the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on SGX-ST before and after the usage and the value of the treasury shares of the usage.

3.5 Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of capital or profits of the Company, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Company and the Group based on the audited financial statements of the Group for the financial year ended 31 December 2022 are based on the assumptions set out below:

3.5.1 Purchase or Acquisition out of Capital or Profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The purchases or acquisitions of Shares by the Company will reduce the cash reserves and/or increase the borrowings of the Company and the Group, thereby reducing the working capital and shareholders' funds of the Company and the Group. As a result of this, the gearing ratio of the Company and the Group will increase and the current ratios will decrease on the assumption that the additional external borrowings obtained, if any, are classified as current liabilities.

3.5.2 Maximum Price Paid for Shares Purchased or Acquired

As at the Latest Practicable Date, the Company has 906,901,330 issued Ordinary Shares (excluding treasury shares and subsidiary holdings) and 330,874,257 Preference Shares.

Based on the existing number of issued Ordinary Shares and Preference Shares of the Company as at the Latest Practicable Date, the exercise in full of the Share Purchase Mandate would result in the purchase of 90,690,133 Ordinary Shares (representing 10% of the total number of issued Ordinary Shares of the Company) and 33,087,425 Preference Shares (representing 10% of the total number of issued Preference Shares of the Company).

In the case of Market Purchases and Off-Market Purchases by the Company and assuming that the Company purchases or acquires 90,690,133 Ordinary Shares at the Maximum Price of S$8.23 for one Ordinary Share (being the price equivalent to 105% of the Average Closing Price as at the Latest Practicable Date) and 33,087,425 Preference Shares at the Maximum Price of S$1.03 for one Preference Share (being the price equivalent to 105% of the Average Closing Price as at the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 90,690,133 Ordinary Shares and 33,087,425 Preference Shares is approximately S$746.4 million and S$34.1 million respectively.

3.5.3 Whether the underlying Shares are cancelled or held in treasury

The financial effects on the Group arising from purchases or acquisitions of Shares will also depend on whether the Shares purchased or acquired are cancelled or held in treasury.

For illustrative purposes only, on the basis that the Company purchases or acquires 90,690,133 Ordinary Shares and 33,087,425 Preference Shares by way of Market Purchases made out of profits and/or capital and held in treasury for Ordinary Shares purchased or acquired and cancelled for Preference Shares purchased or acquired, and that the Share Purchase Mandate had been effective on 1 January 2022, the financial effects on the audited financial statements of the Group and the Company for the financial year ended 31 December 2022 would have been as follows:

	GROUP		COMPANY	
	Before Purchase of Ordinary Shares and Preference Shares	**After Purchase of Ordinary Shares and Preference Shares[1]**	**Before Purchase of Ordinary Shares and Preference Shares**	**After Purchase of Ordinary Shares and Preference Shares[1]**
As at 31 December 2022	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Share Capital and Reserves[1]	9,216,335	9,183,545	6,143,577	6,110,787
Treasury Shares	-	(746,380)	-	(746,380)
NAV	9,216,335	8,437,165	6,143,577	5,364,407
Total Equity	9,564,822	8,785,652	6,143,577	5,364,407
Current Assets[2]	10,565,262	9,950,763	7,330,191	6,715,692
Current Liabilities[2]	4,917,696	5,082,367	3,628,470	3,793,141
Working Capital	5,647,566	4,868,396	3,701,721	2,922,551
Net Borrowings[2],[3]	8,012,110	8,791,280	6,882,557	7,661,727
Number of Ordinary Shares[7]	906,901,330	816,211,197	906,901,330	816,211,197
Financial Ratios				
NAV per Ordinary Share (S$)	10.16	10.34	6.77	6.57
Basic EPS (Ordinary) (cents)[4]	140.3	156.1	9.5	10.7
Net Gearing (times)[5]	0.84	1.00	1.12	1.43
Current Ratio (times)[6]	2.15	1.96	2.02	1.77

Notes:

(1) Assuming no Preference Shares are converted.

(2) Assuming the purchases or acquisitions of Ordinary Shares and Preference Shares are funded using all available cash and cash equivalents (excluding amounts held under project accounts which withdrawals are restricted to payment for expenditure incurred on development projects) of the Company estimated to be S$615.8 million and the balance of S$164.7 million funded via short term bank borrowings. For the purpose of this calculation, we have not taken into account any interest foregone on the utilised cash and cash equivalents, or any interest payable on the additional borrowings.

(3) Net borrowings refer to the aggregate borrowings from banks and financial institutions, and lease liabilities, after deducting cash and cash equivalents. Unamortised balance of transaction costs have not been deducted from the gross borrowings.

(4) Basic EPS is based on the net profit attributable to Ordinary Shareholders after adjustment of non- redeemable convertible non-cumulative preference dividends and the number of Ordinary Shares.

(5) Net gearing is computed based on the ratio of net borrowings to total equity.

(6) Current ratio is computed based on the ratio of current assets to current liabilities.

(7) Number of Ordinary Shares refers to number of issued and paid-up Ordinary Shares (excluding 2,400,000 treasury shares) as at the Latest Practicable Date as well as the weighted average number of Ordinary Shares outstanding during the year.

Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustrative purposes only.

In particular, it is important to note that the above analysis is based on the latest audited financial statements of the Group for the financial year ended 31 December 2022, and is not necessarily representative of the future financial performance of the Group or the Company. In addition, the actual impact will depend on the actual number and price of Shares that may be acquired or purchased by the Company as well as how the purchase or acquisition is funded, and the Company may not carry out the Share Purchase Mandate to the full 10% mandated and may cancel or hold in treasury all or part of the Ordinary Shares purchased or acquired.

3.6 Taxation

Purchase or Acquisition of Ordinary Shares

The proceeds received by the shareholder from the buyback will be treated as proceeds from the disposal of Ordinary Shares. Whether or not such proceeds are taxable in the hands of such shareholder will depend on whether such proceeds are receipt of an income or capital nature.

Any gains from the disposal of the Ordinary Shares considered to be capital in nature will not be taxable in Singapore. However, any gains derived by any person from the disposal of the Ordinary Shares which are considered as revenue income from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable in Singapore.

Holders of the Ordinary Shares who apply or are required to apply Singapore Financial Reporting Standard 109 - Financial Instruments ("**FRS 109**") or Singapore Financial Reporting Standard (International) 9 (Financial Instruments) ("**SFRS(I) 9**") (as the case may be), may for Singapore income tax purposes be subject to tax on gains or claim a tax deduction on losses (not being gains or losses in the nature of capital for tax purposes) on the Ordinary Shares, irrespective of disposal.

Holders of the Ordinary Shares should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Ordinary Shares.

Purchase or Acquisition of Preference Shares

The tax consequences of the purchase or acquisition of Preference Shares are as per those stated under "Purchase or Acquisition of Ordinary Shares".

Holders of the Preference Shares should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Preference Shares.

Shareholders should note that the foregoing does not constitute, and should not be regarded as constituting, advice on the tax position of any Shareholder. Shareholders who are in doubt as to their respective tax positions or any tax implications, including those who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

3.7 Listing Manual

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to SGX-ST, in such reporting format as prescribed by SGX-ST or the Listing Manual, not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase of any of its shares; and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. The Listing Manual restricts a listed company from purchasing shares by way of a Market Purchase at a price which is more than 105% of the Average Closing Market Price (as defined in Section 3.2.4 of this Annexure I). Hence, the Maximum Price for the purchase or acquisition of Shares by the Company by way of a Market Purchase complies with this requirement.

Although the Listing Manual does not prescribe a maximum price in relation to purchase or acquisition of shares by way of an Off-Market Purchase, the Company has set a cap of 105% of the Average Closing Price of an Ordinary Share or a Preference Share (as the case may be) as the Maximum Price for an Ordinary Share or a Preference Share to be purchased or acquired by way of an Off-Market Purchase.

While the Listing Manual does not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time or times, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after any matter or development of a price sensitive nature has occurred or has been the subject of a decision until such price sensitive information has been publicly announced. In particular, in line with Listing Rule 1207(19)(c) of the Listing Manual and the Company's Internal Code on Securities Trading, the Company will not purchase or acquire any Shares during the period commencing one month before the announcement of the Company's financial statements for the half year and full financial year (as the case may be).

The Listing Manual requires a listed company to ensure that at least 10% of the total number of issued shares excluding treasury shares and subsidiary holdings (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by public shareholders. Under the Listing Manual, "**public**" is defined as persons other than the directors, substantial shareholders, chief executive officer or controlling shareholders of the company and its subsidiaries, as well as the associates of such persons.

Based on information available to the Company as at the Latest Practicable Date, approximately 51.31% of the issued Ordinary Shares were held by public Ordinary Shareholders. In the event that the Company purchases the maximum of 10% of its issued Ordinary Shares from such public Ordinary Shareholders, the resultant percentage of the issued Ordinary Shares held by public Ordinary Shareholders would be reduced to approximately 45.90%. Accordingly, the Directors are of the view that there is, at present, a sufficient number of Ordinary Shares in issue held by public Ordinary Shareholders that would permit the Company to potentially undertake purchases or acquisitions of the Ordinary Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without affecting adversely the listing status of the Ordinary Shares on SGX-ST, and that the number of Ordinary Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect orderly trading of the Ordinary Shares.

3.8 Obligation to Make a Take-Over Offer

(i) As the Preference Shares do not carry general voting rights, there will be no Take-over Code implications arising from the purchase or acquisition by the Company of Preference Shares pursuant to the Share Purchase Mandate.

(ii) If, as a result of any purchase or acquisition of Ordinary Shares made by the Company under the Share Purchase Mandate, an Ordinary Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 14 of the Take-over Code. Consequently, an Ordinary Shareholder or group of Ordinary Shareholders acting in concert could obtain or consolidate effective control of the Company and become obliged to make a take-over offer for the Company under Rule 14.

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert: (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); (b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other, and (c) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second-mentioned company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company.

The circumstances under which Ordinary Shareholders, including Directors, and persons acting in concert with them, respectively, will incur an obligation to make a take-over offer after a purchase or acquisition of Ordinary Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that unless exempted (or if exempted, such exemption is subsequently revoked), Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of a purchase or acquisition of Ordinary Shares by the Company:

(aa) the percentage of voting rights held by such Directors and their concert parties in the Company increase to 30% or more; or

(bb) if the Directors and their concert parties hold 30% or more but less than 50% of the Company's voting rights, and their voting rights increase by more than 1% in any period of six months.

In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, an Ordinary Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing its Ordinary Shares, the voting rights of such Ordinary Shareholder would increase to 30% or more, or, if such Ordinary Shareholder holds 30% or more but less than 50% of the Company's voting rights, the voting rights of such Ordinary Shareholder would increase by more than 1% in any period of six months. Such Ordinary Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Shareholders who are in doubt as to whether they would incur any obligation to make a takeover offer under the Take-over Code as a result of any purchase or acquisition of Ordinary Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or the SIC at the earliest opportunity.

3.9 Certain General Take-Over Code Implications Arising from the Share Purchase Mandate

Based on information available to the Company as at the Latest Practicable Date, HLIH and its concert parties ("**HLIH Concert Parties**") hold approximately 49.21% of the total number of issued Ordinary Shares.

Assuming that there is no change in the said shareholding interests of the HLIH Concert Parties in the Company, the purchase or acquisition by the Company of the maximum 90,690,133 Ordinary Shares (being 10% of the total number of issued Ordinary Shares of the Company as at the Latest Practicable Date) from Ordinary Shareholders other than the HLIH Concert Parties, will result in their collective shareholding interests increasing from 49.21% to 54.68%. In addition, if the Company were to exercise its right to convert the Preference Shares into Ordinary Shares, the percentage shareholding of the HLIH Concert Parties may also increase (depending on whether and the extent to which, the Company converts the Preference Shares into Ordinary Shares).

Based on the above information as at the Latest Practicable Date, the percentage of voting rights held by the HLIH Concert Parties in the Company may be increased by more than 1% in any 6-month period as a result of acquisition of Ordinary Shares by the Company pursuant to the Share Purchase Mandate and/or the conversion of the Preference Shares.

The HLIH Concert Parties has made an application to SIC and it has been confirmed by SIC, *inter alia*, that:

(i) the HLIH Concert Parties will not be obliged under the Take-over Code to make a take-over offer for the Ordinary Shares even if their aggregate shareholdings were to so increase by more than 1% in any 6-month period, provided that their collective shareholdings amount to more than 49% for at least six months prior to such increase. As at the Latest Practicable Date, the HLIH Concert Parties have collectively held more than 49% of the Company for more than six months; and

(ii) no take-over obligation will arise even if any individual member or sub-group within the HLIH Concert Parties group increases its holding to 30% or more, or if already holding between 30% and 50%, acquires further voting rights in the Company sufficient to increase its holding by more than 1% in any 6-month period.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any substantial Shareholder (together with persons acting in concert with it) who would become obliged to make a mandatory take-over offer for the Company under the Take-over Code in the event that the Company purchases the maximum 90,690,133 Ordinary Shares pursuant to the Share Purchase Mandate.

3.10 No Previous Purchase

The Company has not undertaken any purchase or acquisition of its issued Ordinary Shares pursuant to the Share Purchase Mandate approved by Shareholders at the 59th AGM.

4. DIRECTORS' RECOMMENDATION

For the reasons set out in Section 3 of Annexure I, the Directors recommend that Ordinary Shareholders vote in favour of the Ordinary Resolution 9 for the renewal of the Share Purchase Mandate at the forthcoming 60th AGM.

PROPOSED RENEWAL OF THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. BACKGROUND

On 29 May 2003, the Company obtained shareholders' approval at an Extraordinary General Meeting of the Company ("**2003 EGM**") for the Company, its subsidiaries and its associated companies not listed on Singapore Exchange Securities Trading Limited ("**SGX-ST**") or an approved exchange, over which the Company, its subsidiaries and/or interested persons have control (collectively "**CDL EAR Group**"), to enter into transactions within the categories of Interested Person Transactions set out in the Company's circular to shareholders dated 28 April 2003, with such persons within the class or classes of Interested Persons as described in the said circular, provided that such transactions are entered into in accordance with the review procedures set out in the said circular (the "**IPT Mandate**"). The IPT Mandate was renewed at each of the Company's Annual General Meetings since 2004, including the Annual General Meeting held on 28 April 2022 (the "**59th AGM**"). Given that such Interested Person Transactions are expected to occur with some degree of frequency and may arise at any time, and to allow the Group to undertake such transactions in an expeditious manner, shareholders' approval will be sought at the forthcoming 60th AGM of the Company for the renewal of the IPT Mandate.

2. RENEWAL OF THE IPT MANDATE

Under Chapter 9 of the Listing Manual, a general mandate for transactions with interested persons is subject to annual renewal. The IPT Mandate approved at the 59th AGM was expressed, unless revoked or varied by the Company in general meeting, to continue in force until the next Annual General Meeting of the Company, being the 60th AGM, which is to be held on 26 April 2023. Accordingly, it is proposed that the IPT Mandate be renewed at the 60th AGM, to take effect until the conclusion of the next Annual General Meeting of the Company to be held in 2024.

The nature of the Interested Person Transactions and the classes of Interested Persons in respect of which the IPT Mandate is sought to be renewed remain unchanged.

Particulars of the IPT Mandate, including the rationale for, the benefits to be derived by the Company, as well as the review procedures for determining transaction prices with the specified classes of Interested Persons and other general information relating to Chapter 9 of the Listing Manual, are set out in Appendix A.

3. INTERESTED PERSON TRANSACTIONS CONDUCTED IN THE YEAR ENDED 31 DECEMBER 2022

Particulars of Interested Person Transactions conducted by the CDL EAR Group under the IPT Mandate during the year ended 31 December 2022 ("**FY2022**") were as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions conducted in FY2022 under the IPT Mandate pursuant to Rule 920 (excluding transactions less than S$100,000)	S$'000
Subsidiaries of Hong Leong Investment Holdings Pte. Ltd.	Hong Leong Investment Holdings Pte. Ltd. is a controlling shareholder of the Company. Its subsidiaries are interested persons being associates of a controlling shareholder.	Property-Related Transactions Provision of housekeeping services and lease of premises to Interested Persons	887
		Management and Support Services Provision of management and consultancy services by Interested Persons	269
		Total:	1,156
Directors and their immediate family members			Nil

4. AUDIT & RISK COMMITTEE'S STATEMENT

The Audit & Risk Committee of the Company confirms that:

(a) the methods or procedures for determining the transaction prices of the Interested Person Transactions conducted under the IPT Mandate remain appropriate since the Shareholders approved the renewal of the IPT Mandate at the 59th AGM of the Company held on 28 April 2022; and

(b) the methods or procedures referred to in (a) above continue to be sufficient to ensure that these Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

5. DIRECTORS' RECOMMENDATION

The Directors who are considered independent for the purposes of the proposed renewal of the IPT Mandate are Mr Lee Jee Cheng Philip, Mr Philip Yeo Liat Kok, Mr Ong Lian Jin Colin, Mr Daniel Marie Ghislain Desbaillets, Mr Chong Yoon Chou, Ms Chan Swee Liang Carolina (Carol Fong), Ms Tang Ai Ai Mrs Wong Ai Ai and Tan Kian Seng.

They are of the opinion that the entry into of the Interested Person Transactions (as described in Section 6 of Appendix A) between the CDL EAR Group (as defined in Section 2 of Appendix A) and the Interested Persons (as described in Section 5 of Appendix A) in the ordinary course of business will be entered into to enhance the efficiency of the Group and are in the best interests of the Company. For the reasons set out in Sections 2 and 4 of Appendix A, they recommend that Shareholders vote in favour of Resolution 10 for the renewal of the IPT Mandate at the forthcoming 60th AGM.

THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. CHAPTER 9 OF THE LISTING MANUAL

1.1 Chapter 9 of the Listing Manual of Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Chapter 9**") applies to transactions between a party that is an entity at risk and a counter party that is an interested person. The objective of Chapter 9 (as stated in Rule 901 of the Listing Manual) is to guard against the risk that interested persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders. The aforementioned terms "entity at risk", "interested person" and "associated companies" are defined below.

1.2 <u>Main terms used in Chapter 9:</u>

(a) An "**entity at risk**" means

(i) the listed company;

(ii) a subsidiary of the listed company that is not listed on SGX-ST or an approved exchange; or

(iii) an associated company of the listed company that is not listed on SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the "**listed group**"), or the listed group and its interested person(s), has or have control over the associated company.

(b) An "**associated company**" of a listed company means a company in which at least 20 per cent. but not more than 50 per cent. of its shares are held by the listed company or the listed group.

(c) An "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9.

(d) An "**interested person**", in the case of a company, means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.

(e) An "**associate**" in relation to an interested person who is a director, chief executive officer or controlling shareholder of the listed company (being an individual) means an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder; the trustees of any trust of which the director and/or his immediate family, or the chief executive officer and/or his immediate family or the controlling shareholder and/or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and any company in which the director and/or his immediate family, or the chief executive officer and/or his immediate family or the controlling shareholder and/or his immediate family has or have an aggregate interest (directly or indirectly) of 30 per cent. or more; and, where a controlling shareholder of the listed company is a corporation, its "associate" means its subsidiary or holding company or fellow subsidiary or a company in which it and/or such other companies taken together have (directly or indirectly) an interest of 30 per cent. or more.

(f) A "**chief executive officer**" of a listed company means the most senior executive officer who is responsible under the immediate authority of the board of directors for the conduct of the business of the listed company.

(g) A "**controlling shareholder**" of a listed company means a person who holds directly or indirectly 15 per cent. or more of the total voting rights in the company; or a person who in fact exercises control over a company.

(h) An "**interested person transaction**" means a transaction between an entity at risk and an interested person.

1.3 Materiality thresholds, announcement requirements and shareholders' approval

When Chapter 9 applies to a transaction with an interested person (except for any transaction which is below S$100,000 in value and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and are hence excluded from certain requirements of Chapter 9) and the value of the transaction alone or on aggregation with other transactions conducted with the interested person during the financial year reaches or exceeds certain materiality thresholds (which are based on the listed company's latest audited consolidated net tangible assets ("**NTA**")[1]), the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for the transaction.

In particular, shareholders' approval is required for an interested person transaction of a value equal to, or exceeding:

(a) 5 per cent. of the listed group's latest audited NTA[2]; or

(b) 5 per cent. of the listed group's latest audited NTA, when aggregated with other transactions entered into with the same interested person (such term as construed under Chapter 9) during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

1.4 Shareholders' general mandate

Chapter 9 allows a listed company to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses, which may be carried out with the listed company's interested persons.

2. INTRODUCTION AND RATIONALE FOR THE IPT MANDATE

2.1 Hong Leong Investment Holdings Pte. Ltd. ("**HLIH**"), the controlling shareholder of the Company and its associates (the "**HLIH Group**") are interested persons of the Company.

2.2 Due to the size of the HLIH Group and the diversity of the activities of CDL and its subsidiaries (the "**Group**"), it is anticipated that:

(a) CDL;

(b) subsidiaries of CDL that are not listed on SGX-ST or an approved exchange; and

(c) associated companies of CDL that are not listed on SGX-ST or an approved exchange, provided that the Group or the Group and its interested person(s), has or have control over the associated companies,

1 Based on the audited financial statements of the Group for the financial year ended 31 December 2022, the annual NTA of the Group was S$9,214,621,000.

2 In relation to the Company, for the purposes of Chapter 9, in the current financial year and until such time that the annual financial statements of the Group for the year ending 31 December 2023 are published by the Company, 5 per cent. of the latest annual audited NTA of the Group would be S$460,731,050.

(together, the "**CDL EAR Group**"), or any of them, would, in the ordinary course of its businesses, enter into certain transactions with its interested persons. It is likely that such interested person transactions will occur with some degree of frequency and may arise at any time. Thus, the IPT Mandate is intended to facilitate transactions in the normal course of business of the CDL EAR Group falling within the categories of interested person transactions as set out in Section 6 below (the "**Interested Person Transactions**"), that are transacted from time to time with the interested persons as specified in Section 5 below (the "**Interested Persons**") provided that they are carried out at arm's length and on the Group's normal commercial terms and which are not prejudicial to the interests of the Company and its minority Shareholders.

3. SCOPE OF THE IPT MANDATE

3.1 The IPT Mandate will not cover any Interested Person Transaction which has a value below S$100,000 as the threshold and aggregation requirements of Chapter 9 of the Listing Manual of SGX-ST do not apply to such transactions.

3.2 Transactions with interested persons, which do not fall within the ambit of the IPT Mandate (including any renewal thereof), will be subject to the applicable provisions of Chapter 9 and/or any other applicable provisions of the Listing Manual.

4. BENEFITS OF THE IPT MANDATE

4.1 The Directors are of the view that it will be beneficial to the CDL EAR Group to transact or continue to transact with the Interested Persons, especially since the Interested Person Transactions are undertaken on an arm's length basis, on normal commercial terms consistent with the Group's usual business practices and policies and will not be prejudicial to the interests of the Company and its minority Shareholders.

4.2 Where the Interested Person Transactions relate to the provision to, and the obtaining from, Interested Persons of products or services as contemplated in Sections 6(a), (b) and (d), the CDL EAR Group will benefit from having access, where applicable, to competitive quotes from its Interested Persons as well as from unrelated third parties, and may also derive savings in terms of cost efficiencies and greater economies of scale in its transactions with Interested Persons. The provision of products and services to Interested Persons are also an additional source of revenue for the CDL EAR Group, provided that such products and services are provided on arm's length basis and on normal commercial terms. Where the Interested Person Transactions relate to financial and treasury transactions as contemplated in Section 6(c), the CDL EAR Group will benefit from the competitive quotes received from its Interested Persons, thus leveraging on the financial strength and credit standing of the Interested Persons.

4.3 The adoption of the IPT Mandate and the renewal of the same on an annual basis would eliminate the need for the Company to convene separate general meetings on each occasion to seek Shareholders' approval as and when such Interested Person Transactions with the Interested Persons arise, thereby reducing substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group. This would also enable the Group to maximise its business opportunities especially in commercial transactions which are time-sensitive in nature. At the same time, the Group would be able to channel the significant amount of administrative resources, including time and expenses, saved towards its other corporate objectives.

5. CLASSES OF INTERESTED PERSONS

The IPT Mandate will apply to transactions with the following classes of Interested Persons:

(a) the HLIH Group; and

(b) Directors, chief executive officer(s) and controlling shareholders of the Company (other than entities who fall under the HLIH Group described in paragraph (a) above) and their respective associates.

6. CATEGORIES OF INTERESTED PERSON TRANSACTIONS

The Interested Person Transactions between the CDL EAR Group and Interested Persons which will be covered by the IPT Mandate relate to recurrent transactions of a revenue or trading nature or those necessary for the Group's day-to-day operations, and are set out as follows:

(a) Property-related Transactions

Transactions within the ambit of this category comprise the leasing or rental of properties; the award of contracts to main contractors, suppliers and consultants for property development projects; the provision and/or receipt of project management services; marketing and property agency services; cleaning, security and building maintenance services; property and estate management services including serviced apartments and serviced offices management services; and carpark management services.

(b) Management and Support Services

This category comprises transactions in relation to the receipt or provision of management services; legal; and financial advisory and consultancy services.

(c) Financial and Treasury Transactions

This category comprises transactions in relation to the placement of funds with Interested Persons, the borrowing of funds from Interested Persons, and the entry into foreign exchange, swap and option transactions with Interested Persons that do not fall under the exceptions to interested person transactions pursuant to Rule 915(6) and Rule 915(7) of Chapter 9[3]; and the subscription by the CDL EAR Group of debt securities issued by any Interested Person and the issue of debt securities by the CDL EAR Group to any Interested Person.

Pursuant to Rule 916(3) of Chapter 9, the provision of a loan by the CDL EAR Group to a joint venture with an Interested Person does not require the seeking of shareholders' approval provided that such loan is extended by all joint venture partners on the same terms and in proportion to their equity interest in the joint venture; the Interested Person does not have an existing equity interest in the joint venture prior to the participation of the CDL EAR Group in the joint venture; and the Company has announced that its Audit & Risk Committee (as defined herein) is of the view that: (i) the provision of the loan is not prejudicial to the interests of the Company and its minority Shareholders; (ii) the risks and rewards of the joint venture are in proportion to the equity of each of the joint venture partners; and (iii) the terms of the joint venture are not prejudicial to the interests of the Company and its minority Shareholders.

(d) General Transactions

This category comprises transactions in relation to the purchase and sale of goods including building materials, electronic and engineering equipment, building automation systems, computer systems (hardware and software), vehicles, parts and accessories, and the provision and receipt of after-sales services.

[3] Pursuant to Rule 915(6) and Rule 915(7) of Chapter 9, the provision or receipt of financial assistance or services by or from a financial institution that is licensed or approved by the Monetary Authority of Singapore, on normal commercial terms and in the ordinary course of business does not constitute an interested person transaction which would require compliance with Rules 905, 906 and 907 of Chapter 9. Rule 905 relates to requirements for immediate announcement of interested person transactions, Rule 906 relates to requirements for seeking shareholders' approval for interested person transactions, and Rule 907 relates to requirements for disclosure of the aggregate value of interested person transactions in the listed company's annual report.

7. REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

7.1 In general, there are procedures established by the Group to ensure that Interested Person Transactions, which are reviewed and approved by the management, are undertaken on an arm's length basis, on normal commercial terms consistent with the Group's usual business practices and policies, are not prejudicial to the interests of the Company and its minority Shareholders, and on terms which are generally no more favourable to the Interested Persons than those extended to or received from unrelated third parties.

7.1.1 Property-related Transactions, Management and Support Services, and General Transactions

All Interested Person Transactions (other than the Financial and Treasury Transactions covered in Section 7.1.2 below) are to be carried out at the published or prevailing rates/prices of the service or product providers (including, where applicable, preferential rates/prices/discounts accorded to a class or classes of customers or for bulk purchases where the giving of such preferential rates/prices/discounts are commonly practised within the applicable industry and may be similarly extended to unrelated third parties), on the service or product provider's usual commercial terms which may also be similarly extended to unrelated third parties, or otherwise in accordance with other applicable industry norms.

In addition, the CDL EAR Group will monitor the Interested Person Transactions (other than the Financial and Treasury Transactions covered in Section 7.1.2 below) as follows:

(a) <u>Property-related Transactions comprising the award of contracts to main contractors, suppliers and consultants for property development projects</u>

(i) an Interested Person Transaction under this sub-paragraph (a) with a value in excess of S$10 million shall be reviewed and approved by the audit & risk committee of the Company (the "**Audit & Risk Committee**") prior to the entry into of such Interested Person Transaction, or if it is expressed to be conditional on Shareholders' approval, prior to the completion of such Interested Person Transaction;

(ii) an Interested Person Transaction under this sub-paragraph (a) with a value below or equal to S$10 million but in excess or equal to S$100,000 shall be reviewed by the Audit & Risk Committee at its quarterly meetings; and

(iii) Interested Person Transactions under this sub-paragraph (a) shall be undertaken based on tenders which may be conducted for the award of such contracts with at least two bids from unrelated third parties to be obtained for comparison purposes. In the absence of tenders or the ability to obtain at least two bids for any tender, an Interested Person Transaction under this sub-paragraph (a) shall be undertaken based on comparison of rates/prices and terms offered by the Interested Person with the rates/prices and terms offered or generally quoted by at least two unrelated third parties who are engaged in providing similar services or products.

(b) <u>Property-related Transactions comprising the leasing or rental of properties</u>

(i) an Interested Person Transaction under this sub-paragraph (b) with a value in excess of S$5 million shall be reviewed and approved by the Audit & Risk Committee prior to the entry into of such Interested Person Transaction, or if it is expressed to be conditional on Shareholders' approval, prior to the completion of such Interested Person Transaction;

(ii) an Interested Person Transaction under this sub-paragraph (b) with a value below or equal to S$5 million but in excess or equal to S$100,000 shall be reviewed by the Audit & Risk Committee at its quarterly meetings; and

(iii) Interested Person Transactions under this sub-paragraph (b) shall be entered into after comparison of rates quoted to at least two unrelated third parties (in the case of leases granted to Interested Persons) or comparison of rates quoted by or obtained from at least two unrelated third parties (in the case of leases granted by Interested Persons) and after taking into account the prevailing market rental rates for other properties within its vicinity of similar or comparable standing and facilities, the tenure of the lease, the area of the leased premises and any other factor which may affect the rental rates or terms of the lease.

(c) <u>Property-related Transactions (other than those covered under sub-paragraphs (a) and (b) herein), Management and Support Services and General Transactions</u>

(i) an Interested Person Transaction under this sub-paragraph (c) with a value in excess of S$3 million shall be reviewed and approved by the Audit & Risk Committee prior to the entry into of such Interested Person Transaction, or if it is expressed to be conditional on Shareholders' approval, prior to the completion of such Interested Person Transaction;

(ii) an Interested Person Transaction under this sub-paragraph (c) with a value below or equal to S$3 million but in excess or equal to S$100,000 shall be reviewed by the Audit & Risk Committee at its quarterly meetings; and

(iii) Interested Person Transactions under this sub-paragraph (c) shall be entered into, where applicable:

(1) in the case of the provision of services or products by an Interested Person, based on tenders (with at least two bids from unrelated third parties to be obtained for comparison purposes) or comparison of rates and terms offered by or generally quoted by at least two unrelated third parties who are engaged in providing similar services or products; and

(2) in the case of the provision of services or products to an Interested Person, based on comparison of rates and terms offered to at least two unrelated third parties for transactions of a similar nature, size or complexity and taking into account the availability of resources, expertise or manpower for the performance of such services or provision of such goods and the existence of any cost and/or time saving factors.

(d) In the event that comparison quotations cannot be obtained in respect of the Interested Person Transactions covered under sub-paragraphs (a), (b) and (c) above (for example, where there are no unrelated third party providers or users of such services or products, or where the service or product is a proprietary item or due to the nature, speciality or confidentiality of the service or product to be supplied), such Interested Person Transactions shall be entered into only after the senior management staff of the relevant company in the CDL EAR Group (having no interest, direct or indirect, in the interested person transaction and having the authority in such company to approve the entering into of transactions of such nature and value), has evaluated and weighed the benefits of, and rationale for, transacting with the Interested Person and in their report submitted to the Audit & Risk Committee, confirmed that the price and terms offered to or by the Interested Person are fair and reasonable. In such evaluation and confirmation, the factors which may be taken into account include, but shall not be limited, to the following:

(i) in relation to the sale of goods or services to the Interested Person and as determined by the senior management staff of the relevant company in the CDL EAR Group and reported to the Audit & Risk Committee, the terms of supply should be in accordance with the CDL EAR Group's usual business practice and consistent with the margins obtained by the CDL EAR Group in its business operations or the margins obtained for the same or substantially the same type of transactions;

(ii) in relation to the purchase of goods or services from the Interested Person, the terms of supply will be compared to those for the same or substantially the same types of transactions entered into between the Interested Person and unrelated third parties. The review procedures in such cases may include where applicable, reviewing the standard price lists provided by the Interested Person to its customers for such products or services;

(iii) the efficiencies and flexibilities derived by the CDL EAR Group in transacting with the Interested Person as compared with transacting with unrelated third parties; and

(iv) prevailing industry norms.

7.1.2 Financial and Treasury Transactions

(a) Placement of Funds

In relation to the placement with any Interested Person by the CDL EAR Group of its funds, the Company will require that quotations be obtained from such Interested Person and at least two principal bankers or financial institutions of the Group ("**Principal Bankers**") for rates offered by such Principal Bankers for deposits of an amount and currency and for a period equivalent to that of the funds to be placed by the CDL EAR Group. The CDL EAR Group will only place its funds with such Interested Person provided that the interest rate quoted is not less than the highest of the rates quoted by such Principal Bankers and after evaluating and taking into account any factor that may materially and adversely affect the credit standing of the Interested Person with whom the funds are to be placed by the CDL EAR Group or the risks associated in the placement of such funds with the Interested Person, and such other factors relevant for consideration.

(b) Borrowing of Funds

In relation to the borrowing of funds from any Interested Person by a company within the CDL EAR Group, the Company will require that quotations be obtained from such Interested Person and at least two bankers of the borrowing company within the CDL EAR Group for rates offered by such bankers for loans of an amount and currency and for a period equivalent to that of the funds to be borrowed by such borrowing company within the CDL EAR Group. The CDL EAR Group will only borrow funds from such Interested Person provided that the interest rate quoted is not more than the lowest of the rates quoted by such bankers.

(c) Foreign Exchange, Swaps and Options

In relation to foreign exchange, swap and option transactions with any Interested Person by the CDL EAR Group, the Company will require that rate quotations be obtained from such Interested Person and at least two Principal Bankers. The CDL EAR Group will only enter into such foreign exchange, swap and option transactions with such Interested Person provided that such rates quoted are no less favourable than the rates quoted by such Principal Bankers.

(d) Subscription of Debt Securities

In relation to the subscription by the CDL EAR Group of debt securities issued by the Interested Persons, the CDL EAR Group will only enter into the subscription of such debt securities provided that the price(s) at which the CDL EAR Group subscribes for such debt securities will not be higher than the price(s) at which such debt securities are subscribed for by unrelated third parties.

In relation to the issue of debt securities by the CDL EAR Group to Interested Persons, the CDL EAR Group will only issue such debt securities to Interested Persons provided that the price(s) at which the CDL EAR Group issues such debt securities will not be lower than the price(s) at which such debt securities are issued to unrelated third parties.

In addition to the foregoing, the following threshold limits will be applied to ensure further monitoring by the Group of the Financial and Treasury Transactions entered into by the CDL EAR Group:

Placement of Funds and Subscription of Debt Securities

Where the aggregate of the outstanding principal amount of funds placed with, and debt securities subscribed from, the same Interested Person (as such term is construed under Chapter 9) shall at any time exceed the equivalent of 10 per cent. of the consolidated shareholders' funds of the Group (based on its latest audited financial statements), each subsequent placement of funds with, or subscription of debt securities from, the same Interested Person shall require the prior approval of the Audit & Risk Committee.

Where the aggregate of the outstanding principal amount of funds placed with, and debt securities subscribed from, the same Interested Person does not at any time exceed the limit set out above, the placement of funds with, and subscription of debt securities from, that Interested Person will not require the prior approval of the Audit & Risk Committee but shall be reviewed by the Audit & Risk Committee at its quarterly meetings.

7.2 A register will be maintained by the Group to record all Interested Person Transactions (and the basis including the quotations, if any and where relevant, obtained to support such basis on which they are entered into) which are entered into pursuant to the IPT Mandate.

The Company shall, on a quarterly basis, report to the Audit & Risk Committee on all Interested Person Transactions, and the basis of such transactions, entered into with Interested Persons during the preceding quarter. The Audit & Risk Committee shall review such Interested Person Transactions at its quarterly meetings except where such Interested Person Transactions are required under the review procedures to be approved by the Audit & Risk Committee prior to the entry thereof.

7.3 The annual internal audit plan shall incorporate a review of the established review procedures for the monitoring of Interested Person Transactions entered into pursuant to the IPT Mandate.

The Audit & Risk Committee shall review the internal audit report on Interested Person Transactions to ascertain that the established review procedures to monitor Interested Person Transactions have been complied with. If, during a review by the Audit & Risk Committee, the Audit & Risk Committee is of the view that the established review procedures are not sufficient or have become inappropriate, in view of changes to the nature of, or the manner in which, the business activities of the CDL EAR Group are conducted, it will take such actions as it deems appropriate and/or institute additional procedures as necessary to ensure that future transactions of a similar nature are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, and the Company will revert to the Shareholders for a fresh mandate based on new review procedures for transactions with Interested Persons.

For the purpose of the review process, if a member of the Audit & Risk Committee has an interest in the transaction to be reviewed by the Audit & Risk Committee, he will abstain from any decision making by the Audit & Risk Committee in respect of that transaction. For example, where two members of the Audit & Risk Committee have an interest each in the transaction to be reviewed by the Audit & Risk Committee, the review of that transaction will be undertaken by the remaining member(s) of the Audit & Risk Committee.

8. EXPIRY AND RENEWAL OF THE IPT MANDATE

The IPT Mandate will take effect from the date of receipt of Shareholders' approval, and will (unless revoked or varied by the Company in General Meeting) continue in force until the next Annual General Meeting of the Company and will apply to Interested Person Transactions entered into from the date of receipt of Shareholders' approval. Approval from Shareholders will be sought for the renewal of the IPT Mandate at each subsequent Annual General Meeting, subject to review by the Audit & Risk Committee of its continued application to the Interested Person Transactions.

If the Audit & Risk Committee is of the view that the review procedures under the IPT Mandate are not sufficient to ensure that the Interested Person Transactions are transacted on normal commercial terms and will be prejudicial to the interests of the Company and its minority Shareholders, the Company will seek a fresh mandate from the Shareholders based on new review procedures for Interested Person Transactions.

9. DISCLOSURE

In accordance with Chapter 9, the Company will disclose in its annual report the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate during the financial year (as well as in the Company's annual reports for subsequent financial years that the IPT Mandate continues to be in force). In addition, the Company will announce the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate for the financial periods which it is required to report on (pursuant to Rule 705 of the Listing Manual) within the time required for the announcement of such report. These disclosures will be in the form set out in Rule 907 of the Listing Manual.