

City Developments Limited and its subsidiaries
Registration Number: 196300316Z

Condensed Interim Financial Statements
For the six months and full year ended
31 December 2023

Condensed Interim Consolidated Statement of Profit or Loss
Six months and full year ended 31 December 2023

	Note	Group			
		6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
Revenue	5	2,237,424	1,820,860	4,941,121	3,293,413
Cost of sales		(1,375,372)	(1,157,371)	(3,292,550)	(2,046,466)
Gross profit		862,052	663,489	1,648,571	1,246,947
Other income		139,403	360,510	158,237	1,783,032
Administrative expenses		(288,296)	(309,394)	(581,452)	(593,680)
Other operating expenses		(181,152)	(278,267)	(406,828)	(475,882)
Impairment loss on other receivables and debt investment		–	(80,688)	–	(80,688)
Profit from operating activities		532,007	355,650	818,528	1,879,729
Finance income		51,779	44,599	97,970	91,554
Finance costs		(298,172)	(198,959)	(491,578)	(284,680)
Net finance costs	6	(246,393)	(154,360)	(393,608)	(193,126)
Share of after-tax (loss)/profit of associates		(4,240)	34,817	3,415	86,832
Share of after-tax profit of joint ventures		11,659	42,658	44,233	83,332
Profit before tax	7	293,033	278,765	472,568	1,856,767
Tax expense	8	(61,793)	(109,823)	(123,762)	(542,568)
Profit for the period/year		231,240	168,942	348,806	1,314,199
Attributable to:					
Owners of the Company (PATMI)		250,828	165,848	317,313	1,285,322
Non-controlling interests		(19,588)	3,094	31,493	28,877
Profit for the period/year		231,240	168,942	348,806	1,314,199
Earnings per share					
- Basic	9	27.0 cents	17.6 cents	33.6 cents	140.3 cents
- Diluted	9	26.4 cents	17.4 cents	33.3 cents	135.0 cents

**Condensed Interim Consolidated Statement of Comprehensive Income
Six months and full year ended 31 December 2023**

	Note	Group			
		6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
Profit for the period/year		231,240	168,942	348,806	1,314,199
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Defined benefit plan remeasurements		5,693	14,742	5,366	14,742
Net change in fair value of equity investments at FVOCI		(8,036)	75,954	(4,614)	76,462
		(2,343)	90,696	752	91,204
Items that are or may be reclassified subsequently to profit or loss:					
Effective portion of changes in fair value of cash flow hedges		(43,659)	17,656	(10,362)	18,272
Exchange differences on hedges of net investment in foreign operations		948	(202)	16,553	(10,694)
Exchange differences on monetary items forming part of net investments in foreign operations		(16,850)	(49,847)	5,933	(101,310)
Exchange differences reclassified to profit or loss on disposal of foreign operations	25	–	–	–	85,302
Share of translation differences of equity-accounted investees		(4,421)	(40,482)	(18,255)	(55,147)
Share of other comprehensive income of equity-accounted investee		1	615	1	615
Translation differences arising on consolidation of foreign operations		(6,471)	(83,830)	(136,763)	(145,483)
		(70,452)	(156,090)	(142,893)	(208,445)
Total other comprehensive income for the period/year, net of tax		(72,795)	(65,394)	(142,141)	(117,241)
Total comprehensive income for the period/year		158,445	103,548	206,665	1,196,958
Total comprehensive income attributable to:					
Owners of the Company		178,369	117,075	184,783	1,200,991
Non-controlling interests		(19,924)	(13,527)	21,882	(4,033)
Total comprehensive income for the period/year		158,445	103,548	206,665	1,196,958

Condensed Interim Statements of Financial Position
As at 31 December 2023

	Note	Group		Company	
		31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Non-current assets					
Property, plant and equipment	11	4,213,205	4,060,810	37,199	45,525
Investment properties	12	6,291,044	4,967,014	55,846	406,491
Investments in:					
- subsidiaries		–	–	1,987,810	1,949,089
- associates	13	1,352,520	1,263,713	–	–
- joint ventures	14	1,122,370	1,083,024	37,360	37,360
Financial assets		655,069	637,430	428,737	431,599
Derivative financial assets		22,528	40,449	22,528	40,449
Other non-current assets	15	481,331	348,924	7,641,397	6,428,732
		<u>14,138,067</u>	<u>12,401,364</u>	<u>10,210,877</u>	<u>9,339,245</u>
Current assets					
Development properties	16	4,877,992	5,957,597	161,687	166,106
Contract costs		24,295	66,877	–	–
Contract assets		937,055	465,018	–	–
Consumable stocks		8,939	8,131	8	36
Financial assets		5,766	7,104	120	135
Derivative financial assets		31,790	71,800	31,790	71,800
Trade and other receivables	17	1,809,687	1,625,538	6,703,350	6,477,615
Cash and cash equivalents		2,400,431	2,363,197	533,801	614,499
		<u>10,095,955</u>	<u>10,565,262</u>	<u>7,430,756</u>	<u>7,330,191</u>
Assets held for sale	18	–	14,417	–	–
		<u>10,095,955</u>	<u>10,579,679</u>	<u>7,430,756</u>	<u>7,330,191</u>
Total assets		<u>24,234,022</u>	<u>22,981,043</u>	<u>17,641,633</u>	<u>16,669,436</u>

Condensed Interim Statements of Financial Position (cont'd)
As at 31 December 2023

	Note	Group		Company	
		31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Equity attributable to owners of the Company					
Share capital	19	1,965,589	1,991,397	1,965,589	1,991,397
Reserves		7,214,900	7,224,938	5,037,127	4,152,180
		<u>9,180,489</u>	<u>9,216,335</u>	<u>7,002,716</u>	<u>6,143,577</u>
Non-controlling interests		358,855	348,487	–	–
Total equity		<u>9,539,344</u>	<u>9,564,822</u>	<u>7,002,716</u>	<u>6,143,577</u>
Non-current liabilities					
Interest-bearing borrowings	20	7,713,087	7,315,400	6,714,608	6,091,010
Employee benefits		4,716	7,304	2,591	–
Lease liabilities		648,795	672,633	20,429	26,642
Derivative financial liabilities		6,479	645	6,479	645
Other liabilities	21	230,304	136,143	1,618	759,708
Provisions		15,882	16,147	–	–
Deferred tax liabilities		368,510	350,253	5,930	19,384
		<u>8,987,773</u>	<u>8,498,525</u>	<u>6,751,655</u>	<u>6,897,389</u>
Current liabilities					
Trade and other payables	22	1,323,613	1,464,929	1,350,156	2,241,789
Derivative financial liabilities		10,486	1,560	10,486	1,560
Contract liabilities		156,203	613,598	–	8,190
Interest-bearing borrowings	20	3,912,846	2,354,022	2,514,831	1,361,234
Lease liabilities		22,145	24,806	6,213	5,880
Employee benefits		31,295	28,563	2,892	1,960
Provision for taxation		225,927	339,768	2,684	7,857
Provisions	23	24,390	90,450	–	–
		<u>5,706,905</u>	<u>4,917,696</u>	<u>3,887,262</u>	<u>3,628,470</u>
Total liabilities		<u>14,694,678</u>	<u>13,416,221</u>	<u>10,638,917</u>	<u>10,525,859</u>
Total equity and liabilities		<u>24,234,022</u>	<u>22,981,043</u>	<u>17,641,633</u>	<u>16,669,436</u>

Condensed Interim Statement of Changes in Equity
Full year ended 31 December 2023

Group	Share capital \$'000	Capital reserve \$'000	Fair value reserve \$'000	Hedging reserve \$'000	Other reserves \$'000	Share option reserve \$'000	Foreign currency translation reserve \$'000	Accumulated profits \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 January 2023	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
Profit for the year	–	–	–	–	–	–	–	317,313	317,313	31,493	348,806
Other comprehensive income for the year, net of tax	–	–	(4,614)	(10,362)	1	–	(122,954)	5,399	(132,530)	(9,611)	(142,141)
Total comprehensive income for the year	–	–	(4,614)	(10,362)	1	–	(122,954)	322,712	184,783	21,882	206,665
Transactions with owners, recorded directly in equity											
<u>Contributions by and distributions to owners</u>											
Capital contribution by non-controlling interests	–	–	–	–	–	–	–	–	–	1,263	1,263
Dividends paid to owners of the Company	–	–	–	–	–	–	–	(193,634)	(193,634)	–	(193,634)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(13,869)	(13,869)
Purchase and cancellation of preference shares	(25,808)	–	–	–	–	–	–	–	(25,808)	–	(25,808)
Share-based payment transactions	–	–	–	–	–	68	–	–	68	–	68
Total distributions to and contributions by owners	(25,808)	–	–	–	–	68	–	(193,634)	(219,374)	(12,606)	(231,980)
<u>Change in ownership interests in subsidiaries</u>											
Change of interests in subsidiaries without loss of control	–	(1,260)	–	–	–	–	–	–	(1,260)	1,092	(168)
Total change in ownership interests in subsidiaries	–	(1,260)	–	–	–	–	–	–	(1,260)	1,092	(168)
Total transactions with owners	(25,808)	(1,260)	–	–	–	68	–	(193,634)	(220,634)	(11,514)	(232,148)
Transfers	–	5	–	–	(1)	(15,257)	–	15,258	5	–	5
At 31 December 2023	1,965,589	231,426	68,842	6,993	24,651	293	(457,318)	7,340,013	9,180,489	358,855	9,539,344

Condensed Interim Statement of Changes in Equity (cont'd)
Full year ended 31 December 2023

Group	Note	Share capital \$'000	Capital reserve \$'000	Fair value reserve \$'000	Hedging reserve \$'000	Other reserves \$'000	Share option reserve \$'000	Foreign currency translation reserve \$'000	Accumulated profits \$'000	Total attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 January 2022		1,991,397	290,920	997	(1,532)	23,952	15,423	(140,224)	6,219,870	8,400,803	918,469	9,319,272
Profit for the year		–	–	–	–	–	–	–	1,285,322	1,285,322	28,877	1,314,199
Other comprehensive income for the year, net of tax		–	–	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												
<u>Contributions by and distributions to owners</u>												
Capital distribution by non-controlling interests		–	–	–	–	–	–	–	–	–	(8,232)	(8,232)
Dividends paid to owners of the Company		–	–	–	–	–	–	–	(203,353)	(203,353)	–	(203,353)
Distribution <i>in specie</i>	25	–	–	–	–	–	–	–	(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)
<u>Changes in ownership interests in subsidiaries</u>												
Disposal of subsidiaries	25	–	(59,198)	–	–	–	–	–	59,198	–	(536,496)	(536,496)
Change of interests in subsidiaries without loss of control		–	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)
Transfers		–	–	(4,003)	–	699	–	–	3,304	–	–	–
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

Condensed Interim Statement of Changes in Equity (cont'd)
Full year ended 31 December 2023

	Share capital \$'000	Capital reserve \$'000	Fair value reserve \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Total equity \$'000
Company						
At 1 January 2023	1,991,397	63,743	49,966	18,272	4,020,199	6,143,577
Profit for the year	–	–	–	–	1,091,751	1,091,751
Other comprehensive income for the year, net of tax	–	–	(2,807)	(10,363)	–	(13,170)
Total comprehensive income for the year	–	–	(2,807)	(10,363)	1,091,751	1,078,581
Transactions with owners, recorded directly in equity						
<u>Distribution to owners</u>						
Purchase and cancellation of preference shares	(25,808)	–	–	–	–	(25,808)
Dividends	–	–	–	–	(193,634)	(193,634)
Total distributions to owners	(25,808)	–	–	–	(193,634)	(219,442)
Total transactions with owners	(25,808)	–	–	–	(193,634)	(219,442)
At 31 December 2023	1,965,589	63,743	47,159	7,909	4,918,316	7,002,716
At 1 January 2022	1,991,397	63,743	(30,358)	–	4,307,624	6,332,406
Profit for the year	–	–	–	–	99,052	99,052
Other comprehensive income for the year, net of tax	–	–	80,324	18,272	–	98,596
Total comprehensive income for the year	–	–	80,324	18,272	99,052	197,648
Transactions with owners, recorded directly in equity						
<u>Distribution to owners</u>						
Dividends	–	–	–	–	(203,353)	(203,353)
Distribution <i>in specie</i>	–	–	–	–	(183,124)	(183,124)
Total distributions to owners	–	–	–	–	(386,477)	(386,477)
Total transactions with owners	–	–	–	–	(386,477)	(386,477)
At 31 December 2022	1,991,397	63,743	49,966	18,272	4,020,199	6,143,577

Condensed Interim Consolidated Statement of Cash Flows
Full year ended 31 December 2023

	Group	
	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
Cash flows from operating activities		
Profit for the year	348,806	1,314,199
Adjustments for:		
Depreciation and amortisation	254,030	276,426
Dividend income	(6,177)	(5,304)
Finance income	(97,970)	(200,242)
Finance costs	525,013	284,680
Gain on disposal/liquidation of subsidiaries and dilution of interest in an associate (net)	(2,781)	(500,348)
Impairment loss on other receivables	–	62,673
Impairment loss on debt investment	–	18,015
(Reversal of impairment loss)/Impairment loss on property, plant and equipment and investment properties (net)	(10,288)	7,615
Management fee income received/receivable in the form of units in an associate	(11,063)	–
Negative goodwill on acquisition of subsidiaries	(38,752)	(48)
Profit on sale of property, plant and equipment and investment properties (net)	(109,908)	(1,257,275)
Property, plant and equipment and investment properties written off	7,608	15,987
Share of after-tax profit of associates	(3,415)	(86,832)
Share of after-tax profit of joint ventures	(44,233)	(83,332)
Tax expense	123,762	542,568
	934,632	388,782
Changes in working capital:		
Development properties	1,230,668	(90,895)
Contract costs	42,582	8,119
Contract assets	(472,037)	(62,688)
Consumable stocks and trade and other receivables	(93,312)	29,296
Trade and other payables and provisions	(2,686)	(9,312)
Contract liabilities	(464,834)	(54,290)
Employee benefits	1,403	3,034
Cash generated from operations	1,176,416	212,046
Tax paid	(226,063)	(337,558)
Net cash from/(used in) operating activities	950,353	(125,512)

Condensed Interim Consolidated Statement of Cash Flows (cont'd)
Full year ended 31 December 2023

	Note	Group	
		12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
Cash flows from investing activities			
Acquisition of subsidiaries (net of cash acquired)	26	(635,888)	(330,540)
Dividends received:			
- associates		33,030	21,249
- joint ventures		42,331	68,964
- financial investments		6,177	5,304
Increase in investments in associates		(132,733)	(34,445)
Increase in investments in joint ventures		(22,610)	(67,971)
Return of capital from a joint venture and associates		9,330	9,587
Increase in amounts owing by equity-accounted investees		(209,177)	(31,345)
Interest received		67,020	31,266
Payments for capital expenditure on investment properties		(232,137)	(272,805)
Payments for purchase of property, plant and equipment		(279,586)	(115,927)
Payments for purchase of investment properties		(618,621)	(242,248)
Proceeds from sale of property, plant and equipment and investment properties		139,278	1,568,904
Net cash outflow from disposal of subsidiaries, net of cash disposed	25	–	(16,409)
Purchase of financial assets (net)		(79,222)	(21,229)
Proceeds from distributions from and redemptions of investments in financial assets		18,897	161,967
Settlement of financial derivatives		33,767	45,649
Net cash (used in)/from investing activities		<u>(1,860,144)</u>	<u>779,971</u>
Cash flows from financing activities			
Acquisition of non-controlling interests		(168)	–
Capital distribution to non-controlling interests (net)		–	(9,432)
Dividends paid		(206,240)	(222,415)
Payment of lease liabilities and finance lease payables		(24,701)	(26,032)
Interest paid (including amounts capitalised in property, plant and equipment, investment properties and development properties)		(459,245)	(259,930)
Net (decrease)/increase in amounts owing to related parties and non-controlling interests		(163,787)	30,266
Net proceeds from/(repayment of) revolving credit facilities		266,971	(145,830)
(Increase)/Decrease in restricted cash		(20,364)	115,235
Payment of financing transaction costs		(9,263)	(10,408)
Purchase of own preference shares		(25,808)	–
Proceeds from bank borrowings		2,023,181	1,387,441
Repayment of bank borrowings		(875,405)	(1,049,008)
Proceeds from issuance of bonds and notes		668,800	–
Repayment of bonds and notes		(448,000)	(100,000)
Net cash from/(used in) financing activities		<u>725,971</u>	<u>(290,113)</u>
Net (decrease)/increase in cash and cash equivalents		(183,820)	364,346
Cash and cash equivalents at beginning of the year		2,248,147	1,944,133
Effect of exchange rate changes on balances held in foreign currencies		(20,129)	(60,332)
Cash and cash equivalents at end of the year		<u>2,044,198</u>	<u>2,248,147</u>

Condensed Interim Consolidated Statement of Cash Flows (cont'd)
Full year ended 31 December 2023

		Group	
	Note	As at 31 December 2023 \$'000	As at 31 December 2022 \$'000
Cash and cash equivalents at the end of the year comprises:			
Cash and cash equivalents in the statement of financial position		2,400,431	2,363,197
Restricted deposits included in other non-current assets	15	110,802	6,494
Less: Bank overdrafts		(325,630)	—*
Less: Restricted cash		(141,405)	(121,544)
		2,044,198	2,248,147

*: In 2022, cash pool overdrafts of \$313,521,000 were set off against cash and cash equivalents in the statement of financial position. The presentation has changed in the current year. The cash pool overdrafts are part of the Group's cash-pooling arrangements with banks where certain subsidiaries' cash deposits and overdrafts are pooled to optimise its cash balances.

Significant non-cash transactions

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

- Dividends amounting to \$1,263,000 (2022: \$1,200,000) were paid by a subsidiary to its non-controlling interests in the form of additional shares in that subsidiary.
- Management fee income of \$11,063,000 (2022: Nil) was received and receivable by the Group in the form of units in an associate.
- 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 25).

Notes to the Condensed Interim Financial Statements

1. Corporate Information

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

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

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

The condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2023 relate to the Company and its subsidiaries (together referred to as the Group and individually as Group entities) and the Group's interests in associates and joint ventures.

2. Basis of Preparation

The condensed interim financial statements for the six months and full year ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore (Accounting Standards Committee under Accounting and Corporate Regulatory Authority with effect from 1 April 2023) and IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2022. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022. All references to SFRS(I)s and IFRSs are subsequently referred to as SFRS(I) in the financial statements.

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

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

2.1 Changes in material accounting policies

(i) Accounting for financial guarantee contracts

On 1 January 2023, the Group changed its accounting policy with respect to the accounting of financial guarantee contracts. Prior to 1 January 2023, the Group had regarded financial guarantee contracts as insurance contracts under SFRS(I) 4 *Insurance Contracts*. SFRS(I) 17 *Insurance Contracts* replaces SFRS(I) 4 for annual periods beginning on or after 1 January 2023. On transition to SFRS(I) 17, the Group made an irrevocable election to apply SFRS(I) 9 *Financial Instruments*, on a contract-by-contract basis, to all financial guarantee contracts. This change in accounting policy was applied retrospectively. There was no impact on the statement of financial position and the opening accumulated profits as at 1 January 2022 as a result of the change as the carrying amount of the financial guarantee contracts at the date of transition was assessed to be nil.

(ii) New accounting standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2023:

- Amendments to SFRS(I) 1-12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*

Other than as described below, the application of these amendments to accounting standards and interpretations did not have a material effect on the financial statements.

Deferred tax related to assets and liabilities arising from a single transaction

The Group has adopted Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - e.g. leases and decommissioning liabilities.

For leases, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to accumulated profits or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Group previously accounted for deferred tax on leases by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of SFRS(I) 1-12. There was also no impact on the opening accumulated profits as at 1 January 2022 as a result of the change. The key impact for the Group relates to the disclosure of the deferred tax assets and liabilities recognised.

Global minimum top-up tax

The Group has adopted Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules* upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax that may arise from the jurisdictional adoption of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ('OECD'), and require new disclosures about the Pillar Two tax exposure.

The mandatory exception is effective immediately and applies retrospectively. However, because no new legislation to implement the top-up tax was enacted or substantively enacted at 31 December 2022 in any jurisdiction in which the Group operates and no related deferred tax was recognised at that date, the retrospective application has no impact on the Group's consolidated financial statements.

Material accounting policy information

The Group adopted Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

In 2021, the Group early adopted the Amendments to SFRS(I) 1 – 1 *Non-current Liabilities with Covenants* which is effective for annual period beginning on or after 1 January 2024. The amendments as issued in 2020 and 2022 aim to clarify the requirements on determining whether a liability is current or non-current, and require new disclosures for non-current liabilities that are subject to future covenants.

2.2 Use of judgements and estimates

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

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

The significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those described in the Group's combined financial statements as at and for the year ended 31 December 2022.

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 and Risk Committee and Board of Directors.

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

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

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

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

3. Seasonal operations

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

4. Segment information

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

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

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

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

Segment results

	Property development \$'000	Hotel operations \$'000	Investment properties \$'000	Total \$'000	Others \$'000	Total \$'000
Six months ended 31 December 2023						
Total revenue (including inter-segment revenue)	1,068,909	825,708	250,175	2,144,792	118,889	2,263,681
Inter-segment revenue	–	(93)	(5,430)	(5,523)	(20,734)	(26,257)
External revenue	<u>1,068,909</u>	<u>825,615[^]</u>	<u>244,745</u>	<u>2,139,269</u>	<u>98,155</u>	<u>2,237,424</u>
Profit from operating activities	189,669	255,096	75,743	520,508	11,499	532,007
Share of after-tax profit/(loss) of associates and joint ventures	38,559	6,117	(27,048)	17,628	(10,209)	7,419
Finance income	23,490	10,959	15,522	49,971	1,808	51,779
Finance costs	(107,269)	(76,763)	(77,253)	(261,285)	(36,887)	(298,172)
Net finance costs	<u>(83,779)</u>	<u>(65,804)</u>	<u>(61,731)</u>	<u>(211,314)</u>	<u>(35,079)</u>	<u>(246,393)</u>
Reportable segment profit/(loss) before tax	<u>144,449</u>	<u>195,409</u>	<u>(13,036)</u>	<u>326,822</u>	<u>(33,789)</u>	<u>293,033</u>

Six months ended 31 December 2022

Total revenue (including inter-segment revenue)	773,780	781,919	172,642	1,728,341	110,043	1,838,384
Inter-segment revenue	–	(94)	(5,482)	(5,576)	(11,948)	(17,524)
External revenue	<u>773,780</u>	<u>781,825[^]</u>	<u>167,160</u>	<u>1,722,765</u>	<u>98,095</u>	<u>1,820,860</u>
Profit/(loss) from operating activities	35,045	104,055	290,103	429,203	(73,553)	355,650
Share of after-tax profit/(loss) of associates and joint ventures	62,943	(5,920)	2,081	59,104	18,371	77,475
Finance income	27,852	8,998	5,933	42,783	1,816	44,599
Finance costs	(68,701)	(48,973)	(38,686)	(156,360)	(42,599)	(198,959)
Net finance costs	<u>(40,849)</u>	<u>(39,975)</u>	<u>(32,753)</u>	<u>(113,577)</u>	<u>(40,783)</u>	<u>(154,360)</u>
Reportable segment profit/(loss) before tax	<u>57,139</u>	<u>58,160</u>	<u>259,431</u>	<u>374,730</u>	<u>(95,965)</u>	<u>278,765</u>

[^] Revenue from hotel operations includes room revenue of \$587.7 million (2H 2022: \$553.2 million) for 2H 2023 from hotels that are owned by the Group.

City Developments Limited and its subsidiaries
Interim financial statements
For the six months and full year ended 31 December 2023

	Property development \$'000	Hotel operations \$'000	Investment properties \$'000	Total \$'000	Others \$'000	Total \$'000
Full year ended 31 December 2023						
Total revenue (including inter-segment revenue)	2,792,570	1,498,700	460,057	4,751,327	234,001	4,985,328
Inter-segment revenue	–	(185)	(10,569)	(10,754)	(33,453)	(44,207)
External revenue	<u>2,792,570</u>	<u>1,498,515[^]</u>	<u>449,488</u>	<u>4,740,573</u>	<u>200,548</u>	<u>4,941,121</u>
Profit from operating activities	382,327	302,979	113,286	798,592	19,936	818,528
Share of after-tax profit/(loss) of associates and joint ventures	78,467	2,074	(27,808)	52,733	(5,085)	47,648
Finance income	50,284	27,663	17,679	95,626	2,344	97,970
Finance costs	(171,546)	(144,152)	(143,936)	(459,634)	(31,944)	(491,578)
Net finance costs	<u>(121,262)</u>	<u>(116,489)</u>	<u>(126,257)</u>	<u>(364,008)</u>	<u>(29,600)</u>	<u>(393,608)</u>
Reportable segment profit/(loss) before tax	<u>339,532</u>	<u>188,564</u>	<u>(40,779)</u>	<u>487,317</u>	<u>(14,749)</u>	<u>472,568</u>
Full year ended 31 December 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	<u>1,382,322</u>	<u>1,380,664[^]</u>	<u>341,163</u>	<u>3,104,149</u>	<u>189,264</u>	<u>3,293,413</u>
Profit/(loss) 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	<u>(79,518)</u>	<u>(21,538)</u>	<u>(67,039)</u>	<u>(168,095)</u>	<u>(25,031)</u>	<u>(193,126)</u>
Reportable segment profit/(loss) before tax	<u>161,299</u>	<u>1,383,221</u>	<u>383,550</u>	<u>1,928,070</u>	<u>(71,303)</u>	<u>1,856,767</u>

[^] Revenue from hotel operations includes room revenue of \$1,056.4 million (FY 2022: \$960.9 million) for FY 2023 from hotels that are owned by the Group.

Segment Assets and Liabilities

	Property development \$'000	Hotel operations \$'000	Investment properties \$'000	Total \$'000	Others \$'000	Total \$'000
31 December 2023						
Reportable segment assets	9,029,459	5,985,831	7,770,729	22,786,019	1,399,510	24,185,529
Deferred tax assets						28,804
Tax recoverable						19,689
Total assets						<u>24,234,022</u>
Reportable segment liabilities	5,769,439	3,537,063	4,349,352	13,655,854	444,387	14,100,241
Deferred tax liabilities						368,510
Provision for taxation						225,927
Total liabilities						<u>14,694,678</u>
31 December 2022						
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						<u>22,981,043</u>
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						<u>13,416,221</u>

5. Revenue

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

	Group			
	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
Dividends from investments:				
- fellow subsidiaries				
- quoted equity investments – at FVOCI	380	409	1,822	1,306
- unquoted equity investments – at FVOCI	3,206	2,295	3,206	2,295
- others				
- quoted equity investments – at FVOCI	–	–	–	334
- quoted equity investments – mandatorily at FVTPL	202	275	286	464
- unquoted equity investments – at FVOCI	863	905	863	905
Hotel operations for which revenue is:				
- recognised at a point in time	237,923	228,612	442,139	419,780
- recognised over time	587,692	553,213	1,056,376	960,884
Development properties for which revenue is:				
- recognised at a point in time	680,003	139,151	1,760,838	309,454
- recognised over time	388,906	634,629	1,031,732	1,072,868
Rental income from investment properties	244,745	167,160	449,488	341,163
Others	93,504	94,211	194,371	183,960
	<u>2,237,424</u>	<u>1,820,860</u>	<u>4,941,121</u>	<u>3,293,413</u>

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 →				Others		Total	
	Property development		Hotel operations					
	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000
Geographical market								
Singapore	450,692	663,641	161,438	149,966	93,474	94,181	705,604	907,788
Japan	495,547	–	–	–	–	–	495,547	–
China	76,906	44,552	21,376	8,675	–	–	98,282	53,227
United States	–	–	267,077	260,869	–	–	267,077	260,869
United Kingdom	20,391	48,132	199,340	196,002	30	30	219,761	244,164
Australasia	25,349	17,455	45,563	32,164	–	–	70,912	49,619
Rest of Asia (excluding Singapore and China)	24	–	111,903	115,754	–	–	111,927	115,754
Other countries	–	–	18,918	18,395	–	–	18,918	18,395
	<u>1,068,909</u>	<u>773,780</u>	<u>825,615</u>	<u>781,825</u>	<u>93,504</u>	<u>94,211</u>	<u>1,988,028</u>	<u>1,649,816</u>
Timing of revenue recognition								
Products and services transferred at a point in time	680,003	139,151	237,923	228,612	850	2,671	918,776	370,434
Products and services transferred over time	388,906	634,629	587,692	553,213	92,654	91,540	1,069,252	1,279,382
	<u>1,068,909</u>	<u>773,780</u>	<u>825,615</u>	<u>781,825</u>	<u>93,504</u>	<u>94,211</u>	<u>1,988,028</u>	<u>1,649,816</u>

	← Reportable segments →				Others		Total	
	Property development		Hotel operations					
	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
Geographical market								
Singapore	2,110,209	1,111,261	288,976	251,973	194,311	183,800	2,593,496	1,547,034
Japan	495,547	–	–	1,575	–	–	495,547	1,575
China	101,430	139,742	37,314	15,205	–	–	138,744	154,947
United States	–	–	475,961	448,448	–	–	475,961	448,448
United Kingdom	50,257	62,443	361,608	354,683	60	62	411,925	417,188
Australasia	35,103	68,876	85,152	74,975	–	98	120,255	143,949
Rest of Asia (excluding Singapore and China)	24	–	211,966	203,738	–	–	211,990	203,738
Other countries	–	–	37,538	30,067	–	–	37,538	30,067
	<u>2,792,570</u>	<u>1,382,322</u>	<u>1,498,515</u>	<u>1,380,664</u>	<u>194,371</u>	<u>183,960</u>	<u>4,485,456</u>	<u>2,946,946</u>
Timing of revenue recognition								
Products and services transferred at a point in time	1,760,838	309,454	442,139	419,780	2,264	2,850	2,205,241	732,084
Products and services transferred over time	1,031,732	1,072,868	1,056,376	960,884	192,107	181,110	2,280,215	2,214,862
	<u>2,792,570</u>	<u>1,382,322</u>	<u>1,498,515</u>	<u>1,380,664</u>	<u>194,371</u>	<u>183,960</u>	<u>4,485,456</u>	<u>2,946,946</u>

6. Net finance costs

	Group			
	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
	Finance income			
Interest income	48,208	39,956	95,108	52,781
Fair value gain on financial derivatives	3,571	4,752	2,862	30,047
Net exchange gain	–	–	–	8,863
	<u>51,779</u>	<u>44,708</u>	<u>97,970</u>	<u>91,691</u>
Interest capitalised	–	(109)	–	(137)
Total finance income	<u>51,779</u>	<u>44,599</u>	<u>97,970</u>	<u>91,554</u>
Finance costs				
Amortisation of transaction costs capitalised	(3,106)	(2,415)	(6,612)	(6,428)
Interest expenses	(264,745)	(172,483)	(485,832)	(291,429)
Fair value loss on financial assets measured at fair value through profit or loss (net)	(16,313)	(37,065)	(36,389)	(38,323)
Unwinding of discount on non-current liabilities	(1,118)	(155)	(1,133)	(251)
Net exchange loss	(30,920)	(13,762)	(4,472)	–
	<u>(316,202)</u>	<u>(225,880)</u>	<u>(534,438)</u>	<u>(336,431)</u>
Finance costs capitalised	18,030	26,921	42,860	51,751
Total finance costs	<u>(298,172)</u>	<u>(198,959)</u>	<u>(491,578)</u>	<u>(284,680)</u>
Net finance costs	<u>(246,393)</u>	<u>(154,360)</u>	<u>(393,608)</u>	<u>(193,126)</u>

7. Profit before tax

Profit before tax included the following:

Note	Group			
	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
	Other income			
Gain on disposal of subsidiaries	25	–	–	501,726
Gain on dilution of associates		2,493	–	2,776
Gain on liquidation of subsidiaries		5	–	5
Recognition of deferred gain on subsidiary disposed in prior years		–	6,635	–
Negative goodwill on acquisition of subsidiaries	26	38,752	–	38,752
Profit on sale of property, plant and equipment and investment properties (net)		94,309	345,784	109,908
Others		3,844	8,091	6,796
		<u>139,403</u>	<u>360,510</u>	<u>158,237</u>
			<u>178,303</u>	<u>1,783,032</u>

[^] 2022 mainly relates to the disposal of the Millennium Hilton Seoul and the collective sale of Tanglin Shopping Centre and Golden Mile Complex.

	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	Group 12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
Other expenses				
Allowance made for foreseeable loss on development properties (net)	(66,433)	(61,766)	(49,663)	(61,766)
Depreciation and amortisation	(121,058)	(138,461)	(254,030)	(276,426)
Impairment loss on receivables and bad debts written off (net)	(5,640)	(18,930)	(8,116)	(22,824)
Reversal of impairment loss on property, plant and equipment (net)	54,037	28,113	54,037	28,113
Impairment loss on investment properties (net)	(9,644)	(35,728)	(43,749)	(35,728)
Loss on dilution of an associate	–	(528)	–	(1,378)
Property, plant and equipment and investment properties written off	(463)	(13,095)	(7,608)	(15,987)

8. Tax expense

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

	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	Group 12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
Current tax expense/(credit)				
Current year	75,760	42,630	130,497	374,638
Over provision in respect of prior years	(45,409)	(57,568)	(67,015)	(56,315)
	<u>30,351</u>	<u>(14,938)</u>	<u>63,482</u>	<u>318,323</u>
Deferred tax expense				
Movements in temporary differences	25,591	90,861	36,169	173,758
Effects of changes in tax rates and legislation	–	(505)	–	1,425
(Over)/Under provision in respect of prior years	(23,448)	22,987	(11,076)	25,348
	<u>2,143</u>	<u>113,343</u>	<u>25,093</u>	<u>200,531</u>
Land appreciation tax	6,423	10,371	10,190	22,037
Withholding tax	22,876	1,047	24,997	1,677
Total tax expense	<u>61,793</u>	<u>109,823</u>	<u>123,762</u>	<u>542,568</u>

Higher tax expenses for FY 2022 arose primarily from disposal of Millennium Hilton Seoul.

Global minimum top-up tax

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates. The Group is in scope of the enacted or substantively enacted legislation. However, the legislation was enacted close to the reporting date. Therefore, the Group is still in the process of assessing the potential exposure to Pillar Two income taxes as at 31 December 2023. The potential exposure, if any, to Pillar Two income taxes is currently not known or reasonably estimable. The Group continues to assess the impact of the Pillar Two legislation on its financials and has engaged tax consultants to assist the Group in the impact assessment.

The Group has applied a temporary mandatory relief from deferred tax accounting for the impact of the top-up tax and will account for it as a current tax when it is incurred.

9. Earnings per share

Basic earnings per share is calculated based on:

	Group			
	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
Profit attributable to owners of the Company	250,828	165,848	317,313	1,285,322
Less:				
Dividends on non-redeemable convertible non-cumulative preference shares	(5,855)	(6,505)	(12,254)	(12,904)
Profit attributable to ordinary shareholders after adjustment for non-redeemable convertible non-cumulative preference dividends	<u>244,973</u>	<u>159,343</u>	<u>305,059</u>	<u>1,272,418</u>
Weighted average number of ordinary shares				
Weighted average number of ordinary shares during the period/year	<u>906,901,330</u>	<u>906,901,330</u>	<u>906,901,330</u>	<u>906,901,330</u>
Basic earnings per share	<u>27.0 cents</u>	<u>17.6 cents</u>	<u>33.6 cents</u>	<u>140.3 cents</u>

Diluted earnings per share is based on:

	Group			
	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
Profit attributable to ordinary shareholders after adjustment for non-redeemable convertible non-cumulative preference dividends	244,973	159,343	305,059	1,272,418
Add:				
Dividends on non-redeemable convertible non-cumulative preference shares	5,855	6,505	12,254	12,904
Net profit used for computing diluted earnings per share	<u>250,828</u>	<u>165,848</u>	<u>317,313</u>	<u>1,285,322</u>
Weighted average number of ordinary shares used in the calculation of basic earnings per share	906,901,330	906,901,330	906,901,330	906,901,330
Potential ordinary shares issuable under non-redeemable convertible non-cumulative preference shares	44,240,765	44,998,898	44,616,717	44,998,898
Weighted average number of ordinary shares and potential shares assuming full conversion of preference shares	<u>951,142,095</u>	<u>951,900,228</u>	<u>951,518,047</u>	<u>951,900,228</u>
Diluted earnings per share	<u>26.4 cents</u>	<u>17.4 cents</u>	<u>33.3 cents</u>	<u>135.0 cents</u>

10. Net asset value

	Group		Company	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	\$	\$	\$	\$
Net asset value per ordinary share	10.12	10.16	7.72	6.77

11. Property, plant and equipment

During the year ended 31 December 2023, the Group acquired assets amounting to \$278.1 million and disposed of and wrote off assets amounting to \$29.8 million.

Valuation of property, plant and equipment

The Group's property, plant and equipment (PPE) relates largely to the hotel portfolio and is carried at cost less accumulated depreciation and impairment losses.

The Group undertakes an annual review of the carrying amounts of hotels and property assets for indicators of impairment. Where indicators of impairment were identified, the recoverable amounts were estimated based on internal or external valuations undertaken by the Group. The cash generating units (CGU) are individual hotels.

The recoverable amounts of the individual hotels, being the higher of the fair value less costs to sell and the value-in-use, were predominantly determined using the fair value less costs to sell approach and were estimated using the discounted cash flow method (31 December 2022: discounted cash flow method). Under this methodology, 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.

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, rising interest rates, geopolitical tensions and tightened lending conditions, has heightened the potential for greater volatility in property markets over the short to medium term.

Based on the above impairment assessment, the Group has reversed a net impairment loss of \$54.0 million for FY 2023 (FY 2022: \$28.1 million).

12. Investment properties

	Note	Group \$'000	Company \$'000
Cost			
At 1 January 2022		6,215,033	605,950
Acquisition of subsidiaries, including acquisition costs	26	387,791	–
Additions		532,671	4,973
Disposal/Written off		(111,747)	–
Transfer to development properties		(90,685)	–
Transfer from development properties		8,179	–
Transfers from property, plant and equipment		5,884	2,570
Disposal of subsidiaries	25	(496,882)	–
Translation differences on consolidation		(312,865)	–
At 31 December 2022 and 1 January 2023		<u>6,137,379</u>	<u>613,493</u>
Acquisition of subsidiaries, including acquisition costs	26	635,489	–
Additions		858,528	14,724
Disposal/Written off		(53,109)	(543,655)
Translation differences on consolidation		(4,210)	–
At 31 December 2023		<u><u>7,574,077</u></u>	<u><u>84,562</u></u>
Accumulated depreciation and impairment losses			
At 1 January 2022		1,232,187	192,798
Charge for the year		115,954	14,204
Transfer to development properties		(38,758)	–
Disposal/Written off		(91,924)	–
Disposal of subsidiaries	25	(63,561)	–
Impairment loss recognised		35,728	–
Translation differences on consolidation		(19,261)	–
At 31 December 2022 and 1 January 2023		<u>1,170,365</u>	<u>207,002</u>
Charge for the year		115,012	13,810
Disposal/Written off		(42,283)	(192,096)
Impairment loss recognised		43,749	–
Translation differences on consolidation		(3,810)	–
At 31 December 2023		<u><u>1,283,033</u></u>	<u><u>28,716</u></u>
Carrying amounts			
At 1 January 2022		<u>4,982,846</u>	<u>413,152</u>
At 31 December 2022		<u>4,967,014</u>	<u>406,491</u>
At 31 December 2023		<u><u>6,291,044</u></u>	<u><u>55,846</u></u>
Fair value			
At 1 January 2022		<u>10,966,900</u>	<u>1,662,892</u>
At 31 December 2022		<u>10,899,043</u>	<u>1,820,028</u>
At 31 December 2023		<u><u>12,435,975</u></u>	<u><u>363,418</u></u>

During the year ended 31 December 2023 and 31 December 2022, the Group acquired certain investment properties via acquisition of subsidiaries (refer to note 26).

During the year ended 31 December 2023, the Company disposed of certain investment properties of net carrying amount of \$349.0 million to subsidiaries of the Group for consideration of \$1,482.8 million.

Valuation of investment properties

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

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

For a majority of the Group's investment properties, the fair values are determined by independent external valuers. 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 valuers have appropriate recognised professional qualifications and have experience in the location and category of the investment properties being valued.

The valuations were predominantly based on the direct comparison, income capitalisation, standardised land value adjustment, discounted cash flow and residual methods. The direct comparison method involves an analysis of comparable sales of similar properties and adjusting the transacted prices to those reflective of the investment properties of the Group. The income capitalisation method capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The 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 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 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.

In relying on the valuation reports, the Group has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

Based on the above impairment assessment, the Group recognised an impairment loss of \$43.7 million in FY 2023 (FY 2022: \$35.7 million) on its investment properties.

13. Investments in associates

	Group	
	31 December 2023 \$'000	31 December 2022 \$'000
Investments in associates		
Investments in associates	1,355,520	1,276,368
Impairment loss	(3,000)	(12,655)
	1,352,520	1,263,713

14. Investments in joint ventures

	Group		Company	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Investments in joint ventures				
Investments in joint ventures	1,134,475	1,083,024	37,360	37,360
Impairment loss	(12,105)	–	–	–
	1,122,370	1,083,024	37,360	37,360

15. Other non-current assets

	Group		Company	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Amounts owing by subsidiaries	–	–	7,641,397	6,428,732
Amounts owing by joint ventures	292,834	274,332	–	–
Deposits	11,898	11,946	–	–
Other receivables	7,256	6,682	–	–
Restricted bank deposits	110,802	6,494	–	–
	<u>422,790</u>	<u>299,454</u>	<u>7,641,397</u>	<u>6,428,732</u>
Prepayments	28,128	288	–	–
Intangible assets	1,609	1,714	–	–
Deferred tax assets	28,804	47,468	–	–
	<u>481,331</u>	<u>348,924</u>	<u>7,641,397</u>	<u>6,428,732</u>

16. Development properties

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

Allowance for foreseeable losses is determined by the management after taking into account estimated selling prices and 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.

Based on its assessment, the Group recognised an allowance for foreseeable loss of \$49.7 million (FY 2022: \$61.8 million) during the year ended 31 December 2023.

17. Trade and other receivables

	Group		Company	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Trade receivables	263,091	242,698	801	8,905
Impairment losses	(20,444)	(15,723)	(150)	(82)
	242,647	226,975	651	8,823
Other receivables	479,100	489,499	5,545	2,053
Impairment losses	(380,857)	(389,091)	(985)	(1,048)
	98,243	100,408	4,560	1,005
Accrued rent receivables	49,198	49,671	111	2,778
Impairment losses	(10,802)	(19,914)	–	–
	38,396	29,757	111	2,778
Deposits	13,585	5,911	278	288
Reimbursement asset	–	59,505	–	–
Amounts owing by:				
- subsidiaries	–	–	6,498,901	6,228,009
- associates	17,705	10,916	1,289	1,540
- joint ventures	1,266,133	1,086,805	194,411	232,414
- fellow subsidiaries	132	250	–	–
	1,676,841	1,520,527	6,700,201	6,474,857
Prepayments	113,157	100,483	3,149	2,758
Grant receivables	–	480	–	–
Tax recoverable	19,689	4,048	–	–
	1,809,687	1,625,538	6,703,350	6,477,615

- (a) Included in other receivables of the Group as at 31 December 2023 is a receivable of \$374.0 million (2022: \$382.7 million) from HCP Chongqing Property Development Co., Ltd and its subsidiaries which has been fully impaired.
- (b) The reimbursement asset as at 31 December 2022 relate 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. The buyer had fully reimbursed the Group in 2023.

18. Assets held for sale

	Group	
	31 December 2023 \$'000	31 December 2022 \$'000
Assets held for sale		
Property, plant and equipment	–	14,417

At 31 December 2022, assets held for sale related 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 sale consideration of \$94.4 million. The sale was completed on 29 December 2023 and the Group recognised a gain on disposal of \$80.0 million.

19. Share capital

	Company			
	2023			2022
	Number of shares	\$'000	Number of shares	\$'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	330,874,257	330,218	330,874,257	330,218
Less: Purchase and cancellation of preference shares	(33,087,425)	(25,808)	–	–
At 31 December	297,786,832	304,410	330,874,257	330,218
		<u>1,965,589</u>		<u>1,991,397</u>

As at 31 December 2023, the maximum number of ordinary shares that may be issued upon full conversion of all of the non-redeemable convertible non-cumulative preference shares of the Company ("Preference Shares") at the sole option of the Company is 40,499,009 ordinary shares (31 December 2022: 44,998,898 ordinary shares).

As at 31 December 2023, the Company held 2,400,000 treasury shares (31 December 2022: 2,400,000) which represented 0.26% of the total number of issued shares (excluding treasury shares).

During the year, the Company acquired 33,087,425 (2022: Nil) preference shares for a total consideration of \$25.8 million (2022: Nil) and subsequently, cancelled them.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the six months ended 31 December 2023 and 31 December 2022.

20. Interest-bearing borrowings

	Group		Company	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Term loans	7,424,542	5,909,397	6,416,821	4,606,286
Bonds and notes	2,859,569	2,651,786	2,039,735	1,971,771
Bank loans	1,016,192	1,108,239	772,883	874,187
Bank overdrafts	325,630	–*	–	–
	<u>11,625,933</u>	<u>9,669,422</u>	<u>9,229,439</u>	<u>7,452,244</u>
Non-current	7,713,087	7,315,400	6,714,608	6,091,010
Current	3,912,846	2,354,022	2,514,831	1,361,234
	<u>11,625,933</u>	<u>9,669,422</u>	<u>9,229,439</u>	<u>7,452,244</u>

*: In 2022, cash pool overdrafts of \$313,521,000 were set off against cash and cash equivalents in the statement of financial position. The presentation has changed in the current year. The cash pool overdrafts are part of the Group's cash-pooling arrangements with banks where certain subsidiaries' cash deposits and overdrafts are pooled to optimise its cash balances.

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

	Group		Company	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Unsecured				
- repayable within one year	3,368,508	2,021,796	2,521,641	1,367,208
- repayable after one year	7,630,472	7,044,667	6,748,213	6,129,848
	<u>10,998,980</u>	<u>9,066,463</u>	<u>9,269,854</u>	<u>7,497,056</u>
Secured				
- repayable within one year	567,451	357,819	–	–
- repayable after one year	747,076	957,519	–	–
	<u>1,314,527</u>	<u>1,315,338</u>	<u>–</u>	<u>–</u>
Gross borrowings	<u>12,313,507</u>	<u>10,381,801</u>	<u>9,269,854</u>	<u>7,497,056</u>

	Group	
	31 December 2023 \$'000	31 December 2022 \$'000
Gross borrowings	12,313,507	10,381,801
Less: cash and cash equivalents as shown in the statement of financial position	(2,400,431)	(2,363,197)
Less: restricted deposits included in other non-current assets	(110,802)	(6,494)
Net borrowings	<u>9,802,274</u>	<u>8,012,110</u>

Where secured, borrowings are collateralised by:

- mortgages on the borrowing companies' hotels, investment and development properties;
- assignment of all rights and benefits to sale, lease and insurance proceeds in respect of hotels, investment and development properties; and
- pledge of cash deposits.

As of 31 December 2023, the Group and the Company have complied with their debt covenants.

21. Other liabilities

	Group		Company	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Deferred income	45,569	47,874	–	–
Rental deposits	62,707	52,928	1,618	9,564
Non-current retention sums payable	26,045	15,560	–	–
Amounts owing to a subsidiary	–	–	–	750,144
Miscellaneous (principally deposits received and payables)	95,983	19,781	–	–
	<u>230,304</u>	<u>136,143</u>	<u>1,618</u>	<u>759,708</u>

22. Trade and other payables

	Group		Company	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Trade payables	240,874	249,348	30,300	1,858
Accruals	512,411	502,098	95,700	88,564
Deferred income	79,787	60,884	–	–
Other payables	72,276	60,547	1,200	1,096
Rental and other deposits	51,980	56,700	763	8,424
Retention sums payable	14,650	17,518	–	–
Amounts owing to:				
- subsidiaries	–	–	1,199,466	2,119,114
- associates	6,932	7,395	–	6
- joint ventures	88,690	91,133	22,727	22,727
- fellow subsidiaries	118,874	294,040	–	–
- non-controlling interests	137,139	125,266	–	–
	<u>1,323,613</u>	<u>1,464,929</u>	<u>1,350,156</u>	<u>2,241,789</u>

23. Provisions

Included in 2022 current provisions was an amount of \$59,505,000 which related to the Group's obligations under certain contracts in respect of Millennium Hilton Seoul and represents the estimated costs to be incurred arising from the sale of Millennium Hilton Seoul. The amount was fully settled in 2023, and accordingly the buyer of Millennium Hilton Seoul had fully reimbursed the Group for the amounts incurred in respect of its obligations under the relevant contracts.

24. Financial assets and financial liabilities

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Further, the fair value disclosure of lease liabilities is also not required.

	Mandatorily at FVTPL \$'000	FVOCI – equity investments \$'000	Fair value – hedging instruments \$'000	Amortised cost \$'000	Total carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Group									
31 December 2023									
Financial assets measured at fair value									
Unquoted equity investments – at FVOCI	–	426,353	–	–	426,353	–	–	426,353	426,353
Unquoted equity investments – mandatorily at FVTPL	184,489	–	–	–	184,489	–	–	184,489	184,489
Quoted equity investments– at FVOCI	–	27,203	–	–	27,203	27,203	–	–	27,203
Quoted equity investments – mandatorily at FVTPL	22,790	–	–	–	22,790	22,790	–	–	22,790
Derivative financial assets	–	–	54,318	–	54,318	–	54,318	–	54,318
	<u>207,279</u>	<u>453,556</u>	<u>54,318</u>	<u>–</u>	<u>715,153</u>				
Financial assets not measured at fair value									
Other non-current assets^	–	–	–	422,790	422,790				
Trade and other receivables#	–	–	–	1,676,841	1,676,841				
Cash and cash equivalents	–	–	–	2,400,431	2,400,431				
	<u>–</u>	<u>–</u>	<u>–</u>	<u>4,500,062</u>	<u>4,500,062</u>				

Group	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
31 December 2023							
Financial liabilities measured at fair value							
Derivative financial liabilities	16,965	–	16,965	–	16,965	–	16,965
Financial liabilities not measured at fair value							
Interest-bearing borrowings	–	11,625,933	11,625,933	–	11,597,418	–	11,597,418
Other liabilities [@]	–	184,735	184,735				
Trade and other payables [@]	–	1,243,826	1,243,826				
	–	13,054,494	13,054,494				

[^] Excluding prepayments, intangible assets and deferred tax assets

[#] Excluding prepayments, grant receivables and tax recoverable

[@] Excluding deferred income

Group	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
31 December 2022									
Financial assets measured at fair value									
Unquoted debt investments – mandatorily at FVTPL	20,011	–	–	–	20,011	–	–	20,011	20,011
Unquoted equity investments – at FVOCI	–	432,164	–	–	432,164	–	–	432,164	432,164
Unquoted equity investments – mandatorily at FVTPL	136,713	–	–	–	136,713	–	–	136,713	136,713
Quoted equity investments– at FVOCI	–	26,006	–	–	26,006	26,006	–	–	26,006
Quoted equity investments – mandatorily at FVTPL	29,640	–	–	–	29,640	29,640	–	–	29,640
Derivative financial assets	–	–	112,249	–	112,249	–	112,249	–	112,249
	<u>186,364</u>	<u>458,170</u>	<u>112,249</u>	<u>–</u>	<u>756,783</u>				
Financial assets not measured at fair value									
Other non-current assets^	–	–	–	299,454	299,454				
Trade and other receivables#	–	–	–	1,520,527	1,520,527				
Cash and cash equivalents	–	–	–	2,363,197	2,363,197				
	<u>–</u>	<u>–</u>	<u>–</u>	<u>4,183,178</u>	<u>4,183,178</u>				

	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	2,205	–	2,205	–	2,205	–	2,205
Financial liabilities not measured at fair value							
Interest-bearing borrowings	–	9,669,422	9,669,422	–	9,545,514	–	9,545,514
Other liabilities [@]	–	88,269	88,269				
Trade and other payables [@]	–	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

	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 2023										
Financial assets measured at fair value										
Unquoted equity investments – at FVOCI	–	–	–	404,089	–	404,089	–	–	404,089	404,089
Quoted equity investments – at FVOCI	–	–	–	22,874	–	22,874	22,874	–	–	22,874
Quoted equity investments – mandatorily at FVTPL	1,894	–	–	–	–	1,894	1,894	–	–	1,894
Derivative financial assets	–	54,318	–	–	–	54,318	–	54,318	–	54,318
	<u>1,894</u>	<u>54,318</u>	<u>–</u>	<u>426,963</u>	<u>–</u>	<u>483,175</u>				
Financial assets not measured at fair value										
Other non-current assets	–	–	7,641,397	–	–	7,641,397				
Trade and other receivables [#]	–	–	6,700,201	–	–	6,700,201				
Cash and cash equivalents	–	–	533,801	–	–	533,801				
	<u>–</u>	<u>–</u>	<u>14,875,399</u>	<u>–</u>	<u>–</u>	<u>14,875,399</u>				
Financial liabilities measured at fair value										
Derivative financial liabilities	–	16,965	–	–	–	16,965	–	16,965	–	16,965
Financial liabilities not measured at fair value										
Interest-bearing borrowings	–	–	–	–	9,229,439	9,229,439	–	9,204,206	–	9,204,206
Other liabilities	–	–	–	–	1,618	1,618				
Trade and other payables	–	–	–	–	1,350,156	1,350,156				
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>10,581,213</u>	<u>10,581,213</u>				

[#] Excluding prepayments, grant receivables and tax recoverable

	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	–	–	–	407,903	–	407,903	–	–	407,903	407,903
Quoted equity investments – at FVOCI	–	–	–	21,868	–	21,868	21,868	–	–	21,868
Quoted equity investments – mandatorily at FVTPL	1,963	–	–	–	–	1,963	1,963	–	–	1,963
Derivative financial assets	–	112,249	–	–	–	112,249	–	112,249	–	112,249
	<u>1,963</u>	<u>112,249</u>	<u>–</u>	<u>429,771</u>	<u>–</u>	<u>543,983</u>				
Financial assets not measured at fair value										
Other non-current assets	–	–	6,428,732	–	–	6,428,732				
Trade and other receivables [#]	–	–	6,474,857	–	–	6,474,857				
Cash and cash equivalents	–	–	614,499	–	–	614,499				
	<u>–</u>	<u>–</u>	<u>13,518,088</u>	<u>–</u>	<u>–</u>	<u>13,518,088</u>				
Financial liabilities measured at fair value										
Derivative financial liabilities	–	2,205	–	–	–	2,205	–	2,205	–	2,205
Financial liabilities not measured at fair value										
Interest-bearing borrowings	–	–	–	–	7,452,244	7,452,244	–	7,347,810	–	7,347,810
Other liabilities	–	–	–	–	759,708	759,708				
Trade and other payables	–	–	–	–	2,241,789	2,241,789				
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>10,453,741</u>	<u>10,453,741</u>				

[#] Excluding prepayments, grant receivables and tax recoverable

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: 2023: Not applicable 2022: 12%	The estimated fair value would increase/(decrease) if the discount rate were lower/(higher).
Unquoted equity investments – at FVOCI	The fair value is calculated using the net asset value (NAV) of the investee 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 Discount rate: 2023: 20% 2022: 20%	The estimated fair value would increase/(decrease) if the NAV were higher/(lower). The estimated fair value would increase/(decrease) if the discount rate were 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. 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.	NAV Price-to-sales multiples: 2023: 8.1 times 2022: 8.0 times Discount rate: 2023: 20% 2022: 20%	The estimated fair value would increase/(decrease) if the NAV was higher/(lower). The estimated fair value would increase/(decrease) if the price-to-sales multiple were higher/(lower). The estimated fair value would increase/(decrease) if the discount rate were lower/(higher).

Financial instruments measured at Level 2 fair value

Unquoted debt investments – mandatorily at FVTPL

The fair values 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

Unquoted debt investment at amortised cost

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

Interest-bearing borrowings

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

Transfers between levels in the fair value hierarchy

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

Level 3 fair values

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

	Group			Company
	Unquoted debt investments mandatorily at FVTPL \$'000	Unquoted equity investments at FVOCI \$'000	Unquoted equity investments mandatorily at FVTPL \$'000	Unquoted equity investments at FVOCI \$'000
At 1 January 2023	20,011	432,164	136,713	407,903
Additions	–	–	78,858	–
Distribution of income and return of capital	–	–	(18,446)	–
Total loss recognised in profit or loss - finance expense	(19,650)	–	(9,601)	–
Total gain for the period included in other comprehensive income - net change in fair value of equity investments at FVOCI	–	(5,811)	–	(3,814)
Translation differences on consolidation	(361)	–	(3,035)	–
At 31 December 2023	–	426,353	184,489	404,089
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 expense	(11,119)	–	(1,769)	–
Total loss 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

25. Disposal of subsidiaries

For the year ended 31 December 2022

There were the following disposals during the year:

- (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, which reduced the Group's effective interest in CDLHT from 38.89% to 27.21%, the Group lost control over CDLHT. 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.

Effects of disposals

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

	Note	CDLHT \$'000	Bloomsville \$'000	Total \$'000
Property, plant and equipment		1,378,264	-	1,378,264
Investment properties	12	433,321	-	433,321
Other non-current assets		8,915	-	8,915
Derivative financial assets		20,122	-	20,122
Deferred tax asset		3,727	-	3,727
Consumable stock		2,417	-	2,417
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		(10,519)	-	(10,519)
Provisions		(9,242)	-	(9,242)
Liabilities directly associated with the assets held for sale		-	(1,583)	(1,583)
Carrying amount of net assets disposed		<u>586,645</u>	<u>53,489</u>	<u>640,134</u>
Sale consideration, net of disposed costs		-	80,836	80,836
Distribution <i>in specie</i>		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
		<u>1,146,326</u>	<u>80,836</u>	<u>1,227,162</u>
Carrying amount of net assets disposed		(586,645)	(53,489)	(640,134)
Realisation of foreign currency translation reserve		(85,302)	-	(85,302)
Gain on disposal of subsidiaries	7	<u>474,379</u>	<u>27,347</u>	<u>501,726</u>
Sale consideration, net of disposal costs		-	80,836	80,836
Less: Cash and cash equivalents of subsidiaries disposed		(96,408)	(837)	(97,245)
Net cash (outflow)/inflow on disposal of subsidiaries		<u>(96,408)</u>	<u>79,999</u>	<u>(16,409)</u>

Included in the gain on disposal of CDLHT was 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 was reclassified to accumulated profits on its disposal.

26. Acquisition of subsidiaries

For the year ended 31 December 2023

- (a) On 9 March 2023, the Group through its indirect wholly-owned subsidiary, City Pinnacle UK Holdings Limited (formerly known as Maplegate Holdings Limited) (i) acquired 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) settled existing indebtedness amounts, for a total consideration of approximately \$596.4 million (£372.8 million).

The acquisition was accounted for as an acquisition of assets.

- (b) On 21 April 2023, the Group through its indirect wholly-owned subsidiary, Hoko Toowong Pty Ltd, acquired the remaining equity interests in the 58 High Street Pty Ltd ("58 High Street") and 58 High Street Unit Trust ("58 HS Trust") for a total consideration of \$5.7 million (AUD6.4 million), including payment for assumption of the joint venture loans.

Following the acquisition, 58 High Street and 58 HS Trust, previously accounted for as investment in joint ventures, became wholly-owned subsidiaries of the Group.

The acquisition was accounted for as an acquisition of assets.

- (c) On 16 May 2023, the Group through its indirect wholly-owned subsidiary, Suzhou Longcheng Development Investment Co., Ltd, acquired a 100% equity stake in Suzhou Gaoxin Real Estate Co., Ltd which owns an undeveloped piece of land in Suzhou, for a consideration of \$67.1 million (RMB350.0 million).

The acquisition was accounted for as an acquisition of assets.

- (d) On 26 October 2023, the Group through its indirect wholly-owned subsidiary, Alphagate Holdings Limited and City Grand Investments Limited, entered into a 75/25 joint venture agreement with Galliard Holdings Limited and acquired the 100% equity interest in GHL CDL Morden Limited for a consideration of \$3 (£2).

The acquisition was accounted for as an acquisition of assets.

- (e) On 23 November 2023, the Group through its direct wholly-owned subsidiary, Grand Strategic Pte. Ltd. acquired 100% equity interest of Summervale Properties Pte. Ltd. ("Summervale") for a consideration of \$2.

The acquisition was accounted for as business combination.

Identifiable assets acquired and liabilities assumed

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

	Recognised amounts		
	Business combination	Acquisition of assets	Total
	\$'000	\$'000	\$'000
Investment properties	–	627,742	627,742
Development properties	–	67,525	67,525
Trade and other receivables	102	10,400	10,502
Cash and cash equivalents	40,578	5,416	45,994
Trade and other payables	(1,918)	(21,844)	(23,762)
Shareholders loans	–	(4,450)	(4,450)
Provision for taxation	(10)	(2,147)	(2,157)
Interest-bearing borrowings	–	(6,713)	(6,713)
	<u>38,752</u>	<u>675,929</u>	<u>714,681</u>
Amount previously accounted for as joint venture	–	– [^]	– [^]
Amount owing by joint venture	–	(6,515)	(6,515)
Net identifiable assets acquired	<u>38,752</u>	<u>669,414</u>	<u>708,166</u>

Cash flows relating to the acquisition

Consideration for equity interest	– [^]	669,414	669,414
Shareholder loans assumed	–	4,450	4,450
Total consideration	<u>–[^]</u>	<u>673,864</u>	<u>673,864</u>
Add: Acquisition-related costs	77	8,072	8,149
Less: Acquisition-related costs not yet paid	–	(131)	(131)
Less: Cash and cash equivalents acquired	(40,578)	(5,416)	(45,994)
Total net cash outflow	<u>(40,501)</u>	<u>676,389</u>	<u>635,888</u>

[^] Less than \$1,000

Negative goodwill

Negative goodwill arising from the acquisition of Summervale had been recognised as follows:

	\$'000
Consideration transferred	– [^]
Fair value of identifiable net assets	<u>(38,752)</u>
Negative goodwill	<u>(38,752)</u>

[^] Less than \$1,000

The negative goodwill arising from the acquisition of Summervale has been recognised in “other income” in the Group’s consolidated profit or loss.

The negative goodwill was attributed to the Group’s commercial negotiation and agreement reached with the Seller.

For the year ended 31 December 2022

There were the following acquisitions during the year:

- (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 CityNexus Pte. Ltd. ("CityNexus")), for a consideration of \$1, from an associate. Following the acquisition, CityNexus became a wholly-owned subsidiary of the Group. CityNexus was previously accounted for by the Group as an investment in associate.

The acquisition was accounted for as a business combination.

- (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 \$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 acquired entities, for a total consideration of \$294.8 million (£181.2 million).

The acquisition was accounted for as an acquisition of assets.

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 CityNexus was recognised as follows:

	\$'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 CityNexus was 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.

27. Material related party transactions

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

	Group			
	6 months ended 31 December 2023 \$'000	6 months ended 31 December 2022 \$'000	12 months ended 31 December 2023 \$'000	12 months ended 31 December 2022 \$'000
Management services fees received and receivable from:				
- fellow subsidiaries	194	761	1,224	1,120
- associates	8,144	186	15,996	369
- joint ventures	5,823	6,042	8,506	14,518
	14,161	6,989	25,726	16,007
Maintenance services fees received and receivable from:				
- fellow subsidiaries	209	176	404	347
- associates	127	61	226	150
- joint ventures	1,434	1,000	2,627	1,629
	1,770	1,237	3,257	2,126
Rental and rental-related income received and receivable from:				
- a fellow subsidiary	176	172	350	346
- associates	3,465	3,407	6,543	7,493
- joint ventures	59	65	120	160
	3,700	3,644	7,013	7,999
Management services fee paid and payable to:				
- a fellow subsidiary	–	(102)	(33)	(132)
- joint ventures	–	–	(18)	(16)
	–	(102)	(51)	(148)
Rental and rental-related expenses paid and payable to:				
- a joint venture	(910)	(741)	(1,949)	(1,640)
- associates	(41,705)	(38,322)	(72,395)	(44,003)
	(42,615)	(39,063)	(74,344)	(45,643)

28. Commitments

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

	Group		Company	
	31 December 2023 \$'000	31 December 2022 \$'000	31 December 2023 \$'000	31 December 2022 \$'000
Development expenditure contracted but not provided for in the financial statements	743,324	578,002	–	–
Capital expenditure contracted but not provided for in the financial statements	608,868	59,860	–	–
Commitments in respect of purchase of properties for which deposits have been paid	121,780	3,401	–	–
Commitments in respect of investments in joint ventures and associates	95,810	114,881	–	–
Commitments in respect of capital contribution to investments in financial assets in:				
- related parties	21,758	88,799	–	–
- third parties	16,628	19,969	–	–

29. Subsequent events

On 6 February 2024, the Group, through its indirect wholly-owned subsidiary, White City Investments Limited, entered into development funding agreement to acquire Yardhouse, a Private Rented Sector development in Central London, for £88.0 million (approximately S\$148.6 million), comprising of land purchase and construction in staged payments as construction progress. The acquisition will be funded through internal cash resources and existing corporate loans.

**Other Information Required by Listing Rule
Appendix 7.2**

1. Review

The condensed consolidated financial position of the Group as at 31 December 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period and year then ended and certain explanatory notes have not been audited nor reviewed by the auditors.

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

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

Group Performance

The Group is pleased to report record revenue of \$4.9 billion (FY 2022: \$3.3 billion) for the full year ended 31 December 2023 (FY 2023), primarily driven by the stellar performance of its property development segment. The revenue for the second half of 2023 (2H 2023) stands at \$2.2 billion (2H 2022: \$1.8 billion).

The Group achieved lower net profit after tax and non-controlling interest (PATMI) of \$317.3 million (FY 2022: \$1.3 billion), largely due to higher financing costs in FY 2023 and the absence of substantial divestment gains recorded in the prior year arising from the sale of Millennium Hilton Seoul, the deconsolidation of CDL Hospitality Trusts (CDLHT) as well as the completion of the collective sales of Tanglin Shopping Centre and Golden Mile Complex.

Excluding divestment gains and impairment losses, the Group would have recorded a PATMI of \$188.6 million for FY 2023 (FY 2022: \$47.0 million) on a like-for-like basis.

Revenue

The record revenue is underpinned by the property development segment which increased its revenue by two-fold, largely due to its fully sold Executive Condominium (EC) project Piermont Grand which obtained its Temporary Occupation Permit (TOP) in 1H 2023, enabling its revenue and profit to be recognised in entirety upon completion under prevailing accounting policies for ECs. The Group also divested its freehold land site in Shirokane, Tokyo, in Q3 2023 for JPY 50 billion (\$495.0 million).

The investment properties and hotel operations segments also saw a 31.8% and 8.5% increase in revenue respectively for FY 2023. The increase in the investment properties segment is mainly due to the recent addition of several newly acquired investment properties to the Group's portfolio, notably St Katharine Docks and the living sector assets. The hotel operations segment continued to increase steadily with Revenue Per Available Room (RevPAR) growth across all regions. Key markets of Singapore and the UK reported RevPAR growth of 19.9% and 10.6% respectively, while the rest of Asia outperformed with a 77.2% improvement in RevPAR, driven by China and Taiwan hotels. Notably, the performance of Asia, Europe and the US regions exceeded the RevPAR of 2019's pre-pandemic levels.

Profit Before Tax/ EBITDA

The Group's pre-tax profit was \$472.6 million for FY 2023 (FY 2022: \$1.9 billion) and \$293.0 million for 2H 2023 (2H 2022: \$278.8 million). The significant decrease for the full year was due to the absence of substantial divestment gains as described above. Excluding divestment gains and impairment losses, the Group would have registered an 89.6% increase in pre-tax profit for FY 2023 on a like-for-like basis.

The property development segment was the lead contributor following the recognition of the profits for the fully sold Piermont Grand and the sale of the Shirokane land site as well as other strong-performing Singapore projects such as Amber Park, Boulevard 88 and Irwell Hill Residences.

Net finance costs doubled and eroded the profits of the Group, as average interest rate increased to 4.3% per annum for FY 2023 (FY 2022: 2.4% per annum). However, it is expected that rate cuts should take place before the end of this year and this would help to alleviate the pressure.

The Group holds its investment properties at costs less accumulated depreciation and accumulated impairment losses. For FY 2023, the Group made provisions for \$43.7 million of impairment losses, mainly for its properties in the UK and China (FY 2022: \$35.7 million). Due to the Group's accounting policy, higher financing costs and substantially lower divestment gains, the investment properties segment recorded a loss in FY 2023. Excluding divestment gains and impairment losses, this segment generated a healthy EBITDA of \$218.0 million (FY 2022: \$171.8 million) on a like-for-like basis.

Propelled by the rebound in the hospitality sector, the Group's hotel operations segment continued to register performance improvements in FY 2023, with a reversal of \$54.0 million in impairment losses of its hotels (FY 2022: \$31.8 million). Excluding divestment gains and impairment losses, the hotel operations segment generated a substantial 62.1% increase in EBITDA on a like-for-like basis. The divestment of Millennium Harvest House Boulder hotel also boosted the profits of this segment by \$80 million.

Capital Position

As at 31 December 2023, the Group maintained a robust capital position with cash reserves of \$2.2 billion¹, and cash and available undrawn committed bank facilities totalling \$3.6 billion.

After factoring in fair value on investment properties, the Group's net gearing ratio stands at 61% (FY 2022: 51%), following the completion of various acquisitions in 2023, including St Katharine Docks, three hotels and several PRS assets. Interest cover stands at 2.8 times and its debt expiry profile remains healthy.

The Group maintained a substantial level of natural hedge for its overseas investments and will continue its proactive and disciplined approach to capital management.

There are no material concerns over the Group's ability to fulfil its near-term debt obligations.

Net Asset Value (NAV) per share stood at \$10.12 as at 31 December 2023. Notably, the Group adopts the policy of stating its investment and hotel properties at cost less accumulated depreciation and accumulated impairment losses. Had the Group factored in fair value gains on its investment and hotel properties, its NAV would be as tabled below.

	31 December 2023 \$/share	31 December 2022 \$/share
NAV	10.12	10.16
Revalued NAV (RNAV) ⁽¹⁾	17.21	16.98
Revalued NAV (RNAV) ⁽²⁾	19.46	19.14

⁽¹⁾ RNAV factors in the fair value gains on its investment properties.

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

Share Buyback: Off-Market Purchase of Preference Shares

In November 2023, the Group launched an Off-Market Equal Access Offer to buy back up to 10% of total Preference Shares issued, at the offer price of \$0.78 per share. The offer enables the Group to exercise greater control over its share capital structure. Additionally, as the trading volume of the Preference Shares was generally low, the offer provided Preference Shareholders with a cash exit opportunity to partially monetise their holdings.

The Group completed the offer in December 2023 with the purchase of the maximum buyback amount of Preference Shares. The purchased Preference Shares have been cancelled, reducing the Group's finance cost in relation to the coupon payment obligation for these Preference Shares.

Dividend

The Board wishes to express its appreciation for shareholders' confidence and continued support.

For FY 2023, the Board recommends a final ordinary dividend of 8.0 cents per share. Together with the special interim dividend of 4.0 cents per share, which was paid out in September 2023, the total dividend for FY 2023 amounts to 12.0 cents per share (FY 2022: 28.0 cents per share), representing a dividend payout ratio of 36%.

¹ Net of overdraft.

Operational Highlights

Property Development

Singapore

The property market remained stable in 2023 despite facing some headwinds. Private home prices rose by 6.7%, lower than the increase of 8.6% in 2022. Transactions also moderated as developers sold 6,421 units excluding ECs, reflecting a 9.6% decline compared to 7,099 units sold in 2022. The transaction volume decreased mainly due to cautious buying sentiment caused by high interest rates, property cooling measures, geopolitical concerns and the challenging economy.

For FY 2023, the Group and its joint venture (JV) associates sold 730 units including ECs, with a total sales value of \$1.5 billion (FY 2022: 1,487 units with a total sales value of \$2.9 billion). The sales were mainly attributed to the launch of two projects during the year.

Tembusu Grand, located in the heart of Katong, was launched in April. To date, 380 units (60%) of the 638-unit JV project have been sold. In July, the Group launched The Myst, a 408-unit residential development along Upper Bukit Timah Road. To date, 208 units (51%) have been sold.

Five projects obtained Temporary Occupation Permits (TOPs) in FY 2023.

- (i) January: 820-unit Piermont Grand (fully sold)
- (ii) April: 188-unit Haus on Handy (fully sold)
- (iii) April: 154-unit Boulevard 88 (91% sold)
- (iv) October (Phase 1) / November (Phase 2): 680-unit Sengkang Grand Residences (fully sold)
- (v) December: 592-unit Amber Park (fully sold)

In FY 2023, three projects were fully sold – Haus on Handy, Amber Park and 407-unit Piccadilly Grand.

Irwell Hill Residences (540 units) is expected to obtain TOP in Q4 2024. The project is almost fully sold, with only two units remaining.

To replenish its landbank, the Group acquired two sites in 2H 2023. In September, it secured a Government Land Sales (GLS) site at Champions Way for \$294.9 million or \$904 psf ppr. The site is within a 2-minute walk to Woodlands South MRT station and will comprise 348 residential units and an Early Childhood Development Centre.

In November, the Group clinched another prime GLS site at Lorong 1 Toa Payoh with JV partners Frasers Property and Sekisui House for \$968 million. The expansive 169,458 square feet (sq ft) site is a short 3-minute walk to the Braddell MRT station. Subject to approvals, the plan is to develop 777 residential units, making it the first new residential development in Toa Payoh in eight years.

Overseas Markets

Australia

In Melbourne, The Marker, a 198-unit completed JV project is fully sold, while the 61-unit Fitzroy Fitzroy JV project is 51% sold and expected to be completed in Q2 2026.

In Brisbane, sales for Brickworks Park (175 units) and JV project Treetops at Kenmore (97 units) have been steady. To cater to the high demand for townhouses, the Group has fine-tuned the unit mix for Stage 3 of its Brickworks Park project, which will now comprise 17 townhouses instead of 57 apartment units, leading to a reduction in the total number of units from 215 to 175. This strategic change is expected to reduce the construction duration, mitigate development risks and improve margins for the overall development. To date, 85% of Brickworks Park and 84% of Treetops at Kenmore have been sold. The two projects are expected to be completed in Q4 2025 and Q2 2024 respectively.

China

In FY 2023, the Group's wholly-owned subsidiary, CDL China Limited and its JV associates sold 45 residential, office and retail units, with a total sales value of RMB 228.5 million (approximately \$42.3 million).

The Group has sold most of its residential inventory in China. To date, in Suzhou, Hong Leong City Center (HLCC), a mixed-use development in Suzhou Industrial Park (SIP), has sold 92% of the 1,813 residential and retail units. In Shanghai, Hongqiao Royal Lake, a luxury 85-villa development in the prime residential enclave of Qingpu District, is 91% sold. In Shenzhen, Hong Leong Technology Park Shenzhen has sold 420 units comprising apartments, office and retail units with a sales value of RMB 1.12 billion (approximately \$207.4 million) since the Group acquired this project in March 2021.

As announced in 1H 2023, the Group, through its indirect wholly-owned subsidiary, Suzhou Longcheng Development Investment Co., Ltd, acquired a 100% equity stake in Suzhou Gaoxin Real Estate Co., Ltd, which owns a rare waterfront mixed-use development site in Suzhou's High-Speed Railway New Town for RMB 350 million (approximately \$67.1 million). The expansive site will be developed into a landmark project, comprising about 650 premium residences, a Grade A office, retail spaces and a 214-room luxury hotel. Early works have commenced with an estimated completion of the residential and commercial components in 2028 and 2029, respectively.

UK

In Chelsea, London, the Group has sold eight of the nine apartments to date, while 31 & 33 Chesham Street and Teddington Riverside are also attracting healthy enquiries. The Group's four other development projects in London – the former Stag Brewery site in Mortlake, Ransome's Wharf, 28 Pavilion Road and Development House – are currently in various stages of planning approval.

Investment Properties

Singapore

As at 31 December 2023, the Group's office portfolio² committed occupancy stood at 97.1%, higher than the island-wide office occupancy of 90.1%³. Republic Plaza, the Group's flagship Grade A office building was 97.0% committed and reported a positive rental reversion of 7.3%⁴ in 2023. Similarly, the Group's other wholly-owned assets, such as City House and King's Centre, were 99.4% and 100% occupied and achieved rental reversion of 5.1%⁴ and 13.3%⁴ respectively for 2023. Singapore's office market remained resilient in 2023 despite the geopolitical and macroeconomic headwinds. This was mainly due to the tight supply pipeline, given the delay in new supply completion and tenants seeking good quality spaces within the CBD. To unlock value from its portfolio and realise GFA uplift through various Government incentive schemes, the Group has progressed on the redevelopment of its former Fuji Xerox Towers (into Newport Plaza) and the former Central Mall and Central Square properties (into Union Square). When completed, these two mixed-use integrated developments will bolster the Group's office portfolio and enhance its recurring income.

In the same period, the Group's retail portfolio⁵ registered a committed occupancy of 97.6%, above the island-wide retail occupancy rate of 93.5%³. City Square Mall, currently undergoing asset enhancement works, was 98.0% committed as at 31 December 2023, achieving a rental reversion of 7.9%⁴ for 2023, while Palais Renaissance achieved a committed occupancy of 98.0% with a rental reversion of 10.6%⁴ in 2023. Over the past year, the retail market has improved steadily, driven by a recovering tourism industry.

Since Q3 2023, the Group started on its two-phase AEI at City Square Mall, which will add about 26,000 sq ft of NLA to the mall via the Community/Sports Facilities Scheme (CSFS). The AEI involves decanting mechanical and electrical facilities and optimising the existing GFA to improve operational efficiency. The first phase is already underway in the basement floors and is scheduled to be completed in Q2 2024. The entire AEI is expected to be completed by 1H 2025.

Upon completion of the AEI, shoppers will be greeted with a diverse mix of new-to-market retailers. These enhanced retail offerings and refreshed shopper touchpoints will provide a better shopping experience. As at 31 December 2023, the space under the first phase was already 95% leased.

Overseas Markets

China

In Shanghai, Hong Leong Plaza Hongqiao and Hong Leong Hongqiao Center are 92% and 65% leased respectively.

HLCC's Grade A office tower is 94% occupied, above market occupancy at the SIP district of 83% as of FY 2023, while HLCC mall is 85% occupied.

² Includes South Beach (in accordance with CDL's proportionate ownership). Excludes assets planned for redevelopment.

³ Based on Urban Redevelopment Authority (URA)'s real estate statistics for Q4 2023.

⁴ Refers to renewed leases.

⁵ Includes South Beach and Sengkang Grand Mall (in accordance with CDL's proportionate ownership). Excludes assets planned for redevelopment and City Square Mall units affected by AEI.

Thailand

The Group's Jungceylon Shopping Center in Patong, Phuket, has completed its comprehensive asset enhancement works in Q4 2023 and has achieved a 90.0% committed occupancy as at 31 December 2023. In tandem with the gradual re-opening of the mall, the mall's shopper traffic has gradually increased over the year. However, shopper traffic for FY 2023 was still 67.0% below 2019 pre-pandemic levels. Shopper traffic at the mall during the Lunar New Year period in 2024 was nearly triple that of the same period in 2023.

UK

In March 2023, the Group acquired the iconic landmark St Katharine Docks in Central London for £395 million (approximately \$636 million), increasing the total value of its prime UK commercial assets which includes Aldgate House, 125 Old Broad Street and Development House to over £1 billion, strengthening the Group's recurring income portfolio.

The Group's Central London office portfolio has seen growing demand for well-located Grade A space in an increasingly constricted market. As at 31 December 2023, the Group's UK office portfolio reported a committed occupancy of 91.3%, with over 84,000 sq ft of renewals/lettings or under offers. The growth is supported by enhanced sustainability credentials and AEs that the Group has done for its portfolio.

The Living Sector

UK

Despite the macroeconomic challenges in 2023, the UK living sector remained buoyant due to several factors, such as structural demand and supply imbalances and demographic and lifestyle shifts. Sub-sectors such as build-to-rent, co-living and student accommodation have demonstrated resilient rental growth and defensive qualities, providing stability and opportunities for investors.

A. Private Rented Sector (PRS)

The Junction, the Group's first PRS project in the UK, achieved full practical completion in Q4 2023, providing 665 build-to-rent apartments and 24,000 sq ft of commercial space within the site's attractive heritage arches beneath a viaduct. Construction of The Octagon, a 370-unit PRS project located in the heart of Birmingham, is in progress, and it is expected to complete by 2025.

The Group maintains a positive outlook on the sector and has continued to expand its global living sector portfolio. In November 2023, the Group acquired 1NQ, a forward-funding PRS development in Manchester, for £75.6 million (approximately \$125.7 million). The 261-unit freehold project is in the Northern Quarter and is expected to complete by 2026. The Group also completed the acquisition of the 56,500 sqm Morden Wharf development in the Royal Borough of Greenwich with its JV partner for £76.8 million (approximately \$129.6 million). The proposed scheme will comprise 12 blocks of up to 36 storeys, with around 1,500 residential units as well as commercial and retail space.

In February 2024, the Group acquired Yardhouse, its first PRS development in Central London for £88.0 million (approximately \$148.6 million). The 250-year leasehold site will be developed into a 17-storey apartment with 209 co-living units with a gross floor area of 102,600 sq ft. The Group will forward-fund this PRS project, which is expected to complete in 2026.

B. Purpose-Built Student Accommodation (PBSA)

For the 2,368-bed PBSA portfolio across six properties, the Group took proactive steps to mitigate costs by improving operational efficiency and hedging the portfolio's utility contracts. The portfolio achieved occupancy of 97% for the Academic Year 2023/2024.

Japan

In September 2023, the Group invested in a portfolio of 25 quality residential assets in Tokyo's rental housing market. The Group also invested in four residential assets in Osaka, with two pending sale completions. With these investments, the Group's total PRS portfolio in Japan now comprises 38 assets (including three in the pipeline), yielding a total of 2,101 units. These operational assets have an average occupancy rate of around 95% and stable income. Japan's PRS market continues to exhibit strong appeal, fuelled by a recovering economy, rising wages and a resurgence in net migration, boosting rental demand in key cities.

Australia

The Group has two PRS developments in the pipeline, comprising a total of 563 units. Construction started in Q3 2023 for its Southbank project in Melbourne, while its Toowong development in Brisbane is targeted to commence construction in 1H 2024.

Fund Management

The Group is actively pursuing its fund management growth strategy through organic and inorganic growth.

The Group also owns a sizeable UK commercial portfolio and an enlarged Japan PRS portfolio across Tokyo, Osaka and Yokohama, generating stable recurring income. This expanded portfolio provides the Group with the flexibility to inject these assets into listed or unlisted platforms to drive AUM growth.

Hotel Operations

Global RevPAR for the Group's hotels grew 25.3% to \$168.7 for FY 2023 (FY 2022: \$134.6), exceeding 2019's pre-pandemic levels by 22.0%, primarily fuelled by strong average room rate (ARR) growth. All regions recorded extraordinary RevPAR growth year-on-year (y-o-y), especially Asia and Australasia.

Key operating statistics for hotels owned by the Group:

	Room Occupancy					Average Room Rate					RevPAR					GOP Margin				
	FY 2023	FY 2022	FY 2019	Incr/ (Decr)	Incr/ (Decr)	FY 2023	FY 2022*	FY 2019*	Incr/ (Decr)	Incr/ (Decr)	FY 2023	FY 2022*	FY 2019*	Incr/ (Decr)	Incr/ (Decr)	FY 2023	FY 2022	FY 2019	Incr/ (Decr)	Incr/ (Decr)
	%	%	%	%pts	%pts	\$	\$	\$	%	%	\$	\$	\$	%	%	%	%	%	%pts	%pts
Singapore	79.5	79.3	86.4	0.2	(6.9)	227.8	190.4	176.3	19.6	29.2	181.0	151.0	152.3	19.9	18.8	42.0	45.9	39.2	(3.9)	2.8
Rest of Asia	68.8	48.4	70.5	20.4	(1.7)	160.4	128.7	147.3	24.6	8.9	110.4	62.3	103.9	77.2	6.3	40.6	16.9	34.0	23.7	6.6
Total Asia	73.3	60.5	76.3	12.8	(3.0)	191.4	160.4	159.2	19.3	20.2	140.4	97.1	121.4	44.6	15.7	41.4	32.1	36.1	9.3	5.3
Australasia	61.3	43.7	80.8	17.6	(19.5)	162.2	144.6	133.2	12.2	21.8	99.4	63.2	107.6	57.3	(7.6)	33.2	28.9	45.8	4.3	(12.6)
London	80.4	78.2	79.1	2.2	1.3	310.5	288.6	229.9	7.6	35.1	249.6	225.6	181.7	10.6	37.4	46.6	46.1	39.0	0.5	7.6
Rest of Europe	76.5	74.5	69.6	2.0	6.9	167.7	155.5	125.6	7.8	33.5	128.3	115.9	87.4	10.7	46.8	27.6	30.2	16.6	(2.6)	11.0
Total Europe	78.6	76.5	74.2	2.1	4.4	245.7	228.5	179.6	7.5	36.8	193.1	174.7	133.2	10.5	45.0	40.0	40.6	30.6	(0.6)	9.4
New York	89.5	82.8	86.6	6.7	2.9	354.9	329.1	339.0	7.8	4.7	317.6	272.6	293.7	16.5	8.1	24.7	19.8	10.9	4.9	13.8
Regional US	59.2	54.6	58.0	4.6	1.2	197.1	182.5	183.3	8.0	7.5	116.6	99.7	106.4	17.0	9.6	17.7	24.8	18.5	(7.1)	(0.8)
Total US	72.2	65.5	67.5	6.7	4.7	281.2	254.1	249.4	10.7	12.8	203.1	166.5	168.3	22.0	20.7	22.2	21.8	14.5	0.4	7.7
Total Group	73.1	64.4	73.3	8.7	(0.2)	230.7	209.0	188.6	10.4	22.3	168.7	134.6	138.3	25.3	22.0	34.5	30.8	28.3	3.7	6.2

* For comparison purposes, FY 2022 and FY 2019 Average Room Rate and RevPAR had been translated at constant exchange rates (31 December 2023).

	Room Occupancy			Average Room Rate			RevPAR			GOP Margin		
	2H 2023	2H 2022	Incr/ (Decr)	2H 2023	2H 2022*	Incr/ (Decr)	2H 2023	2H 2022*	Incr/ (Decr)	2H 2023	2H 2022	Incr/ (Decr)
	%	%	%pts	\$	\$	%	\$	\$	%	%	%	%pts
Singapore	83.6	88.6	(5.0)	229.8	212.3	8.2	192.2	188.2	2.1	44.4	49.1	(4.7)
Rest of Asia	71.5	56.4	15.1	161.0	141.1	14.1	115.1	79.6	44.6	41.2	27.2	14.0
Total Asia	76.7	69.2	7.5	193.1	177.3	8.9	148.1	122.7	20.7	42.9	39.0	3.9
Australasia	62.7	49.0	13.7	165.5	148.0	11.8	103.8	72.5	43.2	33.7	30.8	2.9
London	87.3	85.7	1.6	328.9	323.5	1.7	287.0	277.2	3.5	50.1	49.2	0.9
Rest of Europe	76.7	79.7	(3.0)	167.3	163.8	2.1	128.3	130.5	(1.7)	27.1	33.1	(6.0)
Total Europe	82.3	82.9	(0.6)	258.7	251.9	2.7	213.0	208.8	2.0	42.9	43.8	(0.9)
New York	92.5	89.4	3.1	402.8	377.3	6.8	372.6	337.5	10.4	31.6	28.1	3.5
Regional US	61.8	56.6	5.2	202.9	192.6	5.3	125.3	109.0	15.0	19.0	24.6	(5.6)
Total US	75.3	69.5	5.8	311.4	286.2	8.8	234.6	198.9	17.9	27.5	26.8	0.7
Total Group	76.3	70.7	5.6	243.1	229.9	5.7	185.6	162.6	14.1	37.4	35.9	1.5

* For comparison purposes, 2H 2022 Average Room Rate and RevPAR had been translated at constant exchange rates (31 December 2023).

Asia

For FY 2023, the Group's Singapore hotels experienced a 19.9% increase in RevPAR y-o-y, boosted by higher room rates and strong trading volume during the Formula 1 Singapore Grand Prix in September 2023. Compared to FY 2019, 2023's ARR of \$227.8 was 29.2% higher, which made up for the shortfall in occupancy, resulting in an 18.8% increase in RevPAR.

For the Rest of Asia region, after travel restrictions in the Group's key markets were lifted in Q4 2022, the hotels saw a recovery in occupancy in FY 2023. Strong demand during the school and public holiday season led to an outstanding y-o-y growth of 77.2% which even surpassed FY 2019 levels by 6.3%. Beijing and Taipei hotels were top performers as they emerged from the Zero-COVID policy in effect for most of 2022.

Australasia

The RevPAR for Australasia hotels showed a significant improvement of 57.3% in FY 2023 as compared to FY 2022 due to higher occupancy and ARR. However, the region's RevPAR is at 92.4% of FY 2019's level, with occupancy down by 19.5 percentage points due to the slow recovery of China's outbound tourism market and New Zealand's delayed reopening of its borders.

Europe

Europe hotels maintained strong momentum in FY 2023, achieving RevPAR of \$193.1, which is 10.5% and 45.0% higher than FY 2022 and FY 2019 respectively. In particular, the London hotels experienced a 10.6% growth in RevPAR with ARR of \$310.5 and room occupancy of 80.4% due to the strong demand during the summer and Christmas holidays as well as the historic event of the King's Coronation in May. Rest of Europe hotels also achieved RevPAR of \$128.3 which was 10.7% higher than FY 2022 and exceeded FY 2019 by 46.8%. The Biltmore Mayfair and Grand Hotel Palace Rome led the region in RevPAR growth with over 20% increase in RevPAR compared to the previous year.

US

US hotels performed exceptionally in FY 2023, achieving a RevPAR of \$203.1, which was 22.0% higher than FY 2022 and 20.7% above FY 2019. New York hotels recorded stellar performance with an ARR of \$354.9 and a high occupancy of 89.5%, resulting in a 16.5% increase in RevPAR compared to FY 2022.

Regional US hotels also recorded RevPAR of \$116.6 which was 17.0% higher than FY 2022. Millennium Downtown New York and Millennium Knickerbocker Hotel Chicago had the highest percentage increase in RevPAR among New York and the Rest of US hotels respectively.

Aided by higher demand during the United Nations General Assembly in September and year-end festivities as well as payroll savings from the union buyout exercise at Millennium Hotel Broadway Times Square in 2H 2022, New York hotels' 2023 GOP increased by 4.9% and 13.8% compared to FY 2022 and FY 2019 respectively. However, regional US hotels were unable to exceed the prior year and FY 2019's GOP due to higher operating costs.

Hotel Refurbishments

The former Millennium Resort Patong Phuket has completed Phase 1 of its AEI and has been reflagged as M Social Phuket since November 2023. Phase 2 has commenced and the 418-room hotel is expected to fully open in 1H 2024. The Group invested about THB 999 million (\$38.2 million) to reposition this hotel.

In the US, Millennium Downtown New York is scheduled to commence a major US\$43 million (\$56.9 million) AEI in 2H 2024. The 569-key hotel will be reflagged as M Social Downtown New York. In the UK, the 222-room Millennium Hotel London Knightsbridge will also undergo a major £16.5 million (\$27.7 million) AEI in 2H 2024 and be reflagged as M Social Knightsbridge, the Group's first M Social in the UK. Both hotels will continue to operate throughout the AEI periods and refurbishments are expected to be completed in 1H 2025.

Hotel Openings and Developments

The 294-room five-star M Social Suzhou opened in April 2023. Marking the Group's first M Social property in China, the hotel is located in HLCC within SIP.

In November 2023, the 204-room The Singapore EDITION hotel soft opened, marking the first EDITION property in Singapore and Southeast Asia. Located along Orchard Boulevard, the 6-storey boutique hotel includes a curated collection of restaurants and bars, a signature spa and a rooftop pool.

The Group will invest about US\$115 million (approximately \$152.2 million) to build M Social Sunnyvale in California, US. Foundation work commenced in December 2023. This 263-room hotel is expected to fully open in 2H 2026.

Hotel Acquisitions

In line with the Group's strategy to actively drive growth and expand its footprint in key gateway cities, the Group made three hotel acquisitions in FY 2023.

Australia: In March 2023, the Group, through its wholly-owned subsidiary Millennium & Copthorne Hotels Limited (M&C) and in a 50:50 JV with its NZ-listed subsidiary Millennium & Copthorne Hotels New Zealand Limited, entered into a Purchase Sale Agreement and Business Asset Sale Agreement to acquire the 416-key 5-star Sofitel Brisbane Central hotel for A\$177.7 million (approximately \$159.2 million). The acquisition was completed in December 2023.

South Korea: The Group acquired the 408-room Nine Tree Premier Hotel Myeongdong II, Seoul in July 2023. The hotel demonstrated strong performance with occupancy of 89.3% from August to December 2023 and its RevPAR was 29% higher than the same period in FY 2022.

Japan: Driven by the robust recovery of Japan's tourism industry, the newly acquired 256-room Bespoke Hotel Osaka Shinsaibashi achieved an occupancy of 91.0% and a remarkable GOP margin of 58.5% since its acquisition in August 2023.

Statement of profit or loss

	The Group			The Group		
	Half year ended		Incr/ (Decr)	Full year ended		Incr/ (Decr)
	31 December			31 December		
	2023	2022		2023	2022	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	2,237,424	1,820,860	22.9	4,941,121	3,293,413	50.0
Cost of sales	(1,375,372)	(1,157,371)	18.8	(3,292,550)	(2,046,466)	60.9
Gross profit	862,052	663,489	29.9	1,648,571	1,246,947	32.2
Other income	139,403	360,510	(61.3)	158,237	1,783,032	(91.1)
Administrative expenses	(288,296)	(309,394)	(6.8)	(581,452)	(593,680)	(2.1)
Other operating expenses	(181,152)	(278,267)	(34.9)	(406,828)	(475,882)	(14.5)
Impairment loss on other receivables and debt investment	-	(80,688)	NM	-	(80,688)	NM
Profit from operating activities	532,007	355,650	49.6	818,528	1,879,729	(56.5)
Finance income	51,779	44,599	16.1	97,970	91,554	7.0
Finance costs	(298,172)	(198,959)	49.9	(491,578)	(284,680)	72.7
Net finance costs	(246,393)	(154,360)	59.6	(393,608)	(193,126)	103.8
Share of after-tax (loss)/profit of associates	(4,240)	34,817	NM	3,415	86,832	(96.1)
Share of after-tax profit of joint ventures	11,659	42,658	(72.7)	44,233	83,332	(46.9)
Profit before tax	293,033	278,765	5.1	472,568	1,856,767	(74.5)
Tax expense	(61,793)	(109,823)	(43.7)	(123,762)	(542,568)	(77.2)
Profit for the period/year	231,240	168,942	36.9	348,806	1,314,199	(73.5)
Attributable to:						
Owners of the Company	250,828	165,848	51.2	317,313	1,285,322	(75.3)
Non-controlling interests	(19,588)	3,094	NM	31,493	28,877	9.1
Profit for the period/year	231,240	168,942	36.9	348,806	1,314,199	(73.5)

NM: Not meaningful

Revenue

The Group's revenue rose 50.0% to a record \$4.9 billion for FY 2023, up from \$3.3 billion in FY 2022. For 2H 2023, revenue rose 22.9% to \$2.2 billion from \$1.8 billion in 2H 2022. These increases were driven by the property development segment, which contributed 48% (2H 2022: 42%) for 2H 2023 and 57% (FY 2022: 42%) for FY 2023 of total revenue. Its strong performance was underpinned by the full recognition of revenue from The Piermont Grand EC, following its completion in 1H 2023, sale of land at Shirokane, Japan in Q3 2023 as well as increased revenue recognition from well-sold local projects including Amber Park and Irwell Hill Residences which have either achieved Temporary Occupation Permit or at advance construction stage in current year.

Higher revenue was also achieved for the hotel operation and investment properties segments. The hotel operations continued to benefit from the gradual recovery of the hospitality market post Covid, with the Group registering a RevPAR growth of 14.1% and 25.3% for 2H 2023 and FY 2023. The improvement in revenue from investment properties segment arose primarily from recent acquisitions added to the Group's portfolio.

Gross profit

The gross profit for 2H 2023 and FY 2023 has increased, in tandem with the revenue growth. The Group's gross profit margin has increased to 39% for 2H 2023 (2H 2022: 36%) but decreased for FY 2023 to 33% (FY 2022: 38%). The lower gross profit margin achieved for FY 2023 is due to the higher exposure to property development segment whose gross margin was compressed.

Other income

Other income decreased by \$221.1 million to \$139.4 million (2H 2022: \$360.5 million) for 2H 2023 and by \$1,624.8 million to \$158.2 million (FY 2022: \$1,783.0 million) for FY 2023 due to absence of substantial divestment gains which was not repeated in 2023.

In 2H 2022, the Group completed two collective sales including Tanglin Shopping Centre and Golden Mile Complex and recognised pre-tax gains of \$256.3 million and \$75.6 million respectively. For FY 2022, other than the gain from aforesaid collective sales, the Group recognised divestment gains from disposal of Millennium Hilton Seoul of \$925.5 million and disposal of Tagore 23 warehouse of \$27.3 million, coupled with the gain of \$474.4 million recognised from the deconsolidation of CDLHT.

Other income for 2H 2023 comprised mainly divestment gains from disposal of Millennium Harvest House Boulder (refer to note 18) of \$80.0 million and strata units in Citilink Warehouse Complex of \$11.1 million, along with negative goodwill recognised of \$38.8 million on acquisition of 100% equity interest in Summervale Properties Pte Ltd (refer to note 26). Other income for FY 2023 also included divestment gain of \$15.6 million from the disposal of a small land plot located at Tanglin Shopping Centre.

Administrative expenses

Administrative expenses comprised mainly depreciation, hotel administrative expenses and salaries and related expenses.

The decreases in administrative expenses in 2H 2023 and FY 2023 were largely due to lower depreciation expense attributable to absence of depreciation from several properties including Central Mall which, together with Central Square, is now undergoing redevelopment into a mixed-use development as well as hotels held under CDLHT following the Group's deconsolidation of CDLHT in May 2022. These decreases were partially offset by increased operating lease rental incurred for CDLHT leased hotels as transactions with CDLHT were no longer considered intra-group transactions and hence not eliminated.

Other operating expenses

Other operating expenses include reversal of impairment loss on property, plant and equipment, impairment loss on investment properties, impairment loss on trade receivables and accrued receivables, property taxes, insurance and other operating expenses on hotels.

The decreases in other operating expenses in 2H 2023 and FY 2023 were mainly attributable to lower provision made on doubtful trade receivables and accrued receivables, along with higher reversal of impairment loss on property, plant and equipment and lower professional fees incurred in current year.

In 2H 2023, the Group provided net impairment loss of \$5.6 million on doubtful trade receivables and accrued receivables as opposed to \$18.3 million, largely on rent receivables (including accrued receivables) from certain tenants on long leases in the Group's investment properties in China, in 2H 2022.

In 2H 2023, the Group reversed impairment loss of \$54.0 million previously made on 6 hotels in United States and a hotel in Europe (2H 2022: reversal of net impairment loss on hotels of \$28.1 million). Conversely, the Group recognised \$9.6 million (2H 2022: \$35.7 million) impairment loss on investment properties, primarily for properties in China in 2H 2023. This is in addition to the impairment loss recognised in 1H 2023 of approximately \$34 million recognised on investment properties in United Kingdom. More details on the Group's assessment are detailed in notes 11 and 12 to the condensed interim financial statements.

Impairment loss on other receivables and debt investment

In 2022, the Group recognised \$62.7 million impairment loss on the loans granted to Sincere Property Group, and another \$18.0 million impairment loss on the US\$230 million USD bonds issued by Sincere Property Group which the Group had subscribed to, totalling \$80.7 million, which reduced the net carrying amount on these loan receivables and debt instruments to nil.

Net finance costs

Net finance costs increased by \$92.0 million for 2H 2023 and by \$200.5 million for FY 2023 mainly due to the following:

- (i) Increase in interest expenses by \$92.3 million for 2H 2023 and by \$194.4 million for FY 2023 as a result of much higher average interest rate amidst high interest rate environment as well as increased borrowings to fund new acquisitions and development of properties.
- (ii) Fair value gain on financial derivatives of \$3.6 million (2H 2022: \$4.8 million) for 2H 2023 and \$2.9 million (FY 2022: \$30.0 million) for FY 2023.

Fair value gain on financial derivatives for FY 2022 was mainly attributable to fair value gain on foreign exchange forward contracts and Euro/United States dollar (USD) cross-currency interest swap contract.

- (iii) Net exchange loss of \$30.9 million for 2H 2023 was mainly attributable to the translation loss of JPY denominated bank loan, previously designated as a hedge of net investment in a property located in Japan and its related exchange difference was recognised in other comprehensive income, now transferred to profit or loss following the disposal of the said asset as well as translation loss recognised for GBP denominated intercompany loans due to depreciation of GBP against SGD.

Net exchange loss of \$13.8 million for 2H 2022 was mainly attributable to the translation loss recognised by a USD subsidiary on SGD denominated intercompany payables arising from the appreciation of SGD against USD. The loss was also contributed by the translation loss recognised by the Company on GBP denominated intercompany receivables due to the weakening of GBP.

Net exchange gain of \$8.9 million for FY 2022, mainly attributable to the exchange gain recognised by a Korean subsidiary on an SGD denominated intercompany loan receivable as a result of the appreciation of the appreciation of SGD against KRW. The gain was partially offset by the abovementioned translation loss on intercompany loans recognised in 2H 2022.

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

The decreases in share of after-tax (loss)/profit of associates for 2H 2023 and FY 2023 were mainly attributable to the reduced contribution from First Sponsor Group, IREIT Global and CDLHT. Included in share of after-tax profit of associates for FY 2022 was a negative goodwill of \$18.0 million recognised from remeasurement of the Group's retained interest in CDLHT following the deconsolidation in May 2022.

Share of after-tax profit of joint ventures for 2H 2023 and FY 2023 were mainly attributable to contribution from residential projects such as Boulevard 88, Piccadilly Grand, Sengkang Grand Residences and Penrose. The decreases for 2H 2023 and FY 2023 were due to lower contribution from Boulevard 88, The Jovell and Sengkang Grand Residences, coupled with share of losses from The Singapore Edition hotel. The Group also recognised impairment loss of \$12.4 million in 2H 2023 in relation to an investment in online apartment rental platform in China.

Statement of financial position

Investment properties at the Group increased by \$1,324.0 million to \$6,291.0 million (As at 31 December 2022: \$4,967.0 million) mainly due to several additions during the period including St Katharine Docks (acquired via purchase of 100% equity stake in MPG St Katharine Limited, refer note 26), a hotel in Seoul and another hotel in Osaka, and expansion to the Group's Japan Private Rented Sector (PRS) through the acquisition of 27 assets in Tokyo and Osaka. In addition, the Group acquired the remaining equity stake in 58 High Street that it did not own (refer note 26), accordingly the PRS asset under development is now consolidated in investment properties.

Investment properties of the Company decreased substantially by \$350.7 million to \$55.8 million (As at 31 December 2022: \$406.5 million) due to intragroup transfer of several properties including City Square Mall, King's Centre, Le Grove service apartment, Waterfront Plaza, reversionary interest in Grand Copthorne Waterfront and People's Park Complex to subsidiaries within the Group.

Other non-current assets at the Group increased by \$132.4 million mainly due to reclassification of a restricted cash deposit from current to non-current as the maturity of the related banking facility was extended to more than one year. The increase in other non-current assets at the Company by \$1,212.7 million was largely due to additional loans granted to subsidiaries to meet their funding requirement for development of land sites and new acquisitions including St Katharine Docks and Japan PRS properties.

Development properties at the Group decreased by \$1,079.6 million to \$4,878.0 million (As at 31 December 2022: \$5,957.6 million) due to the completion of fully-sold projects including Piermont Grand EC, Amber Park and Haus on Handy, offset in part by development costs expenditure for projects still under construction.

Contract costs at the Group decreased by \$42.6 million primarily due to the completion of fully-sold Piermont Grand EC and Amber Park in which the commission paid to property agents were amortised fully to profit and loss.

Contract assets at the Group increased by \$472.0 million due to the advanced construction stage for Irwell Hill Residences as well as recently completed Amber Park, which led to a substantial increase in the Group's right to consideration for work completed but not billed as at 31 December 2023.

Derivative financial assets of \$54.3 million net of \$17.0 million derivative financial liabilities at the Group and the Company as at 31 December 2023 (31 December 2022: \$112.2 million derivative financial assets net of \$2.2 million derivative financial liabilities) comprised cross-currency swaps, forward exchange contracts and interest rate swaps. The financial derivatives are measured at fair value based on valuations provided by the respective counterparty banks. The net decrease was mainly due to the GBP forward exchange contracts entered by the Group where the strengthening of GBP against SGD in FY 2023 had resulted in a liability position for these contracts as at 31 December 2023 as opposed to a receivable position as at 31 December 2022.

Short-term financial assets at the Group decreased by \$1.4 million, mainly due to fair value loss recognised on investment in two share counters listed in Hong Kong.

Trade and other receivables at the Group increased by \$184.2 million, mainly attributable to a loan granted to joint venture to fund acquisition of land site at Toa Payoh Lorong 1.

Assets held for sale as at 31 December 2022 was in relation to the proposed divestment of Millennium Harvest House Boulder. The sale was completed in December 2023. Refer to note 18 of the condensed interim financial statements for details.

Other liabilities (non-current) at the Group increased by \$94.2 million mainly due to a payable for a freehold land site located in United Kingdom in which payment is not expected to be made within one year. Other liabilities (non-current) at the Company decreased by \$758.1 million mainly due to reclassification of a loan owing to a subsidiary of \$745.0 million from non-current liabilities to current liabilities as the loan is due for repayment within one year.

Trade and other payables at the Group decreased by \$141.3 million mainly due to settlement of repayment of loans to minority shareholder in relation to Piermont Grand EC following its completion.

Trade and other payables at the Company decreased by \$891.6 million due to the settlement of loans owing to subsidiaries, partially offset by reclassification of the abovementioned loan owing to a subsidiary.

Provision for taxation at the Group decreased by \$113.8 million mainly due to settlement of tax during the year.

Provisions (current and non-current) at the Group decreased by \$66.3 million mainly due to settlement of Group's obligations under certain contracts in respect of Millennium Hilton Seoul which arose from sale of this hotel (refer note 23).

Overall net borrowings of the Group (interest-bearing borrowings net of cash and cash equivalents) increased by \$1,790.2 million due to borrowings taken up to fund several acquisitions including St Katharine Docks, 27 PRS properties in Japan, 3 hotels, land site in Suzhou and Singapore as well as funding requirements for ongoing construction costs incurred for local and overseas projects.

Statement of cash flows

Net operating cash outflows for FY 2022 were mainly due to payments for new land sites at 798 and 800 Upper Bukit Timah, Central Square and Bukit Batok West Avenue 5 EC totalling \$850 million. Excluding the payments for the new land sites, there would be a net cash inflow from operating activities of \$725 million.

Net cash outflows from investing activities amounted to \$1,860.1 million (FY 2022: net cash inflows of \$780.0 million) in FY 2023.

- (i) The cash outflow from acquisition of subsidiaries of \$635.9 million for FY 2023 was mainly due to acquisition of St Katharine Docks and Suzhou Gaoxin Real Estate Co., Ltd, which owns a land plot in Suzhou (refer note 26).

The cash outflow of \$330.5 million for FY 2022 was due to acquisition of Hotel Brooklyn by CDLHT in February 2022 and 4 student accommodation properties in UK by the Group in December 2022 (refer to note 26).

- (ii) Net cash outflow from increase in investments in associates of \$132.7 million for FY 2023 was mainly due to payment of \$90.1 million for new shares in First Sponsor Group (FSGL) through the exercise of approximately 69.3 million warrants previously issued by FSGL, payment made for new units in IREIT Global under its recent preferential offering exercise. The Group also acquired additional interest in residential component of Sunbright Holdings Limited (which holds The W Residences at Sentosa Cove), together with another external joint venture partner.

Net cash outflows from increase in investments in associates of \$34.4 million for FY 2022 was mainly due to the additional contribution made by the Group into HThree City Australian Commercial Fund 3 LP, a real estate investment fund which was accounted for as an associate of the Group.

- (iii) The net cash outflows from increase in investment in joint ventures for FY 2023 was mainly due to additional capital injection into Vietnam Real Estate Fund Pte Ltd.

The net cash outflows from increase in investments in joint ventures for FY 2022 was mainly due to acquisition of HThree City Jade Pte Ltd, which was accounted for as a joint venture of the Group.

- (iv) Net cash outflows from increase in non-trade amounts owing by equity-accounted investees of \$209.2 million for FY 2023 was mainly due to advances granted to a joint venture to fund the acquisition of land site at Toa Payoh Lorong 1, partially offset by repayment of loans from other equity-accounted investees.

Net cash outflows from increase in non-trade amounts owing by equity-accounted investees of \$31.3 million for FY 2022 was mainly due to advances granted to joint ventures to fund the acquisition of a land site at Jalan Tembusu. The advances were partially offset by repayment of loans from other equity-accounted investees.

- (v) The cash outflow on the payments for purchase of investment properties of \$618.6 million for FY 2023 relate to acquisition of 27 PRS properties in Japan, Nine Tree Premier Hotel Myeongdong II in Seoul and Bespoke Hotel Osaka Shinsaibashi in Osaka.

The cash outflows on the payments for purchase of investment properties of \$242.2 million for FY 2022 relate to the acquisition of two student accommodations in Coventry and Southampton UK. In addition, the Group acquired three newly-built PRS projects in Japan.

- (vi) The proceeds from the sale of property, plant and equipment and investment properties for FY 2023 of \$139.3 million relate mainly to the proceeds from the sale of Millennium Harvest House Boulder, several strata units in Citilink Warehouse Complex, a small land plot at Tanglin Shopping Centre and another land plot at 95 Mina, Australia.

The proceeds from the sale of property, plant and equipment and investment properties for FY 2022 of \$1.6 billion relate mainly to the proceeds from the sale of Millennium Hilton Seoul, as well as the collective sale of Tanglin Shopping Centre and Golden Mile Complex.

- (vii) Proceeds from the disposal of subsidiaries, net of cash disposed of \$16.4 million for FY 2022 relate to the divestment of 100% equity interest in Bloomsville Investments Pte. Ltd., which owns Tagore 23 warehouse in March 2022 and the deconsolidation of CDLHT in May 2022 (refer to note 25).

(viii) Proceeds from distributions from investment in financial assets for FY 2022 relate mainly to the full redemption of the \$140 million note issued by Summervale Properties Pte. Ltd. which the Group previously subscribed to.

The Group had net cash inflows from financing activities of \$726.0 million (FY 2022: net cash outflows of \$290.1 million) for FY 2023. The net cash inflows for FY 2023 was largely due to proceeds from net borrowings of \$1.6 billion received, partially offset by payment of dividends and interest expenses as well as repayment of loans to minority shareholders and related parties during the year. In addition, the net cash inflows was reduced by the off-market purchase of 33.1 million preference shares of the Company. The net cash outflows for FY 2022 were mainly due to dividends and interest expenses paid in 2022, partially offset by net borrowings of \$92.6 million.

3. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Property development

Revenue increased by \$295.1 million to \$1,068.9 million (2H 2022: \$773.8 million) for 2H 2023 and \$1,410.3 million to \$2,792.6 million (FY 2022: \$1,382.3 million) for FY 2023.

Pre-tax profit had more than doubled by \$87.3 million to \$144.4 million (2H 2022: \$57.1 million) for 2H 2023 and \$178.2 million to \$339.5 million (FY 2022: \$161.3 million) for FY 2023.

Projects that contributed to both revenue and profit in FY 2023 included land site at Shirokane, Piermont Grand EC, Amber Park, Irwell Hill Residences, Haus on Handy, Hong Leong Technology Park Shenzhen, Hongqiao Royal Lake in Shanghai, Teddington Studio in United Kingdom 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, CanningHill Piers, Piccadilly Grand 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 increases in revenue for 2H 2023 and FY 2023 were attributable to contribution from sale of land site at Shirokane, partially offset by lower contribution from Amber Park and absence of contribution from Haus on Handy in 2H 2023. Revenue for FY 2023 revenue was also underpinned by full revenue recognition from Piermont Grand EC, which obtained TOP in 1H 2023.

The increases in pre-tax profit increased for 2H 2023 and FY 2023 were in-line with the higher revenue achieved, along with negative goodwill of \$38.8 million recognised on acquisition of Summervale Properties Pte Ltd (refer note 26). The increases were partially offset by allowance for foreseeable losses made on a development property in China.

Hotel Operations

Revenue for this segment increased by \$43.8 million to \$825.6 million (2H 2022: \$781.8 million) for 2H 2023 and \$117.8 million to \$1,498.5 million (FY 2022: \$1,380.7 million) for FY 2023.

Pre-tax profit increased by \$137.2 million to \$195.4 million (2H 2022: \$58.2 million) for 2H 2023 but decreased by \$1,194.6 million to \$188.6 million (FY 2022: \$1,383.2 million) for FY 2023.

The increases in revenue for 2H 2023 and FY 2023 were attributable to the continued recovery of the hospitality industry backed by improved occupancy and room rates achieved by the Group's hotel portfolio. The Group's hotel RevPAR grew 14.1% and 25.3% for 2H 2023 and FY 2023 respectively.

The significant decline in pre-tax profit for FY 2023 was due to substantial divestment gains recognised in 1H 2022 including gains recognised from the disposal of Millennium Hilton Seoul and the deconsolidation of CDLHT, partially offset by higher reversal of impairment losses made on the hotel properties, mainly located in United states, of \$54.0 million (FY 2022: \$31.8 million) and a gain of \$80.0 million accounted in 2H 2023 from disposal of Millennium Harvest House Boulder.

The increase in pre-tax profit for 2H 2023, in tandem with higher hotel revenue registered, was also due to aforesaid divestment gain and higher impairment losses written back.

Excluding the divestment gains and impairment losses reversed, on a like-for-like-basis, the Group would have registered pre-tax profits for 2H 2023 and FY 2023 of \$61.4 million (2H 2022: \$12.4 million) and \$54.6 million (FY 2022: \$32.0 million).

Investment Properties

Revenue for this segment increased by \$77.5 million to \$244.7 million (2H 2022: \$167.2 million) for 2H 2023 and \$108.3 million to \$449.5 million (FY 2022: \$341.2 million) for FY 2023.

This segment reported a pre-tax loss of \$13.0 million (2H 2022: pre-tax profit of \$259.4 million) for 2H 2023 and a pre-tax loss of \$40.8 million (FY 2022: pre-tax profit of \$383.6 million) for FY 2023.

The increases in revenue for 2H 2023 and FY 2023 were due to contribution from recent acquisitions added to the Group's portfolio, including St Katharine Docks, 27 PRS properties in Japan, 6 purpose-build student accommodation properties in United Kingdom.

Despite higher revenue achieved, the Group reported pre-tax losses for 2H 2023 and FY 2023 mainly due to impairment losses made on 2 investment properties in United Kingdom in 1H 2023 and an investment property in China in 2H 2023 as well as increased interest expenses amidst high-interest rate environment. These losses were partially mitigated by divestment gains recognised primarily from disposal of a small land plot at Tanglin Shopping Centre in 1H 2023 and strata units in Citilink Warehouse Complex recorded in 2H 2023. Comparatively, substantial pre-tax profits recognised for 2H 2022 and FY 2022 were due to profit from the collective sale of Tanglin Shopping Centre and Golden Mile Complex accounted in 2H 2022, partially offset by impairment losses made on investment properties of \$35.7 million.

Others

Revenue, comprising mainly income from building maintenance contracts, project management, club operations, laundry services and dividend income, remained constant at \$98.2 million (2H 2022: \$98.1 million) for 2H 2023 and increased by \$11.2 million to \$200.5 million (FY 2022: \$189.3 million) for FY 2023. The increase for FY 2023 was due to higher project management fees earned.

Pre-tax loss for this segment decreased by \$62.2 million to \$33.8 million (2H 2022: pre-tax loss of \$96.0 million) for 2H 2023 and \$56.6 million to \$14.7 million (FY 2022: pre-tax loss of \$71.3 million) for FY 2023. Included in pre-tax losses for 2H 2022 and FY 2022 were impairment loss of \$62.7 million made on loans granted to Sincere Property Group and \$18.0 million made on US denominated bonds issued by Sincere Property which the Group had subscribed to, totalling \$80.7 million.

Pre-tax loss for 2H 2022 also include higher fair value loss recognised on the remeasurement of certain quoted securities held by the Group.

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

The Group's performance for the period under review was in line with its expectations as disclosed in the announcement of results for the six months ended 30 June 2023.

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

Property Development

In January 2024, the Group launched the 512-unit EC project Lumina Grand at Bukit Batok West Avenue 5. Located close to the Jurong Innovation and Lake Districts and the upcoming Tengah Town, it offers seamless connectivity with three MRT stations in the vicinity, as well as a bus interchange. Being the first and likely the only EC launch in 2024, it was well received with 269 units (53%) snapped up on the launch weekend. The allocated 30% quota for second-timers was fully taken up. Sales booking for interested second-time buyers will commence on 2 March. To date, the project is 55% sold.

In the recent Budget 2024 announcement, the Government made some concessions for developers on the land Additional Buyer's Stamp Duty (ABSD) by progressively reducing the amount of remissible ABSD payable once 90% sales have been achieved. In addition, ABSD payment affecting singles was also relaxed for those downsizing to smaller units.

The Group is planning to launch two new residential projects in 2H 2024. The first is located at Champions Way in Woodlands with 348 units, while the second is Union Square Residences located on the former Central Square site opposite the river from Clarke Quay with an estimated 366 units.

The Group is monitoring market conditions to determine the appropriate time to launch its ultra-luxury 246-unit Newport Residences. This rare freehold project is situated on Anson Road, at the nexus of the CBD and the future Greater Southern Waterfront District. It has no ABSD deadline. Newport Residences is part of the 45-storey Newport Plaza, a mixed-use development that includes offices, serviced apartments and retail. Construction is in progress and expected to complete in 2027.

Investment Properties

Singapore continues to be an attractive regional financial hub amidst ongoing geopolitical tension. Property consultants expect core CBD Grade A office rents to post modest rental growth for 2024 amid a higher supply of new office space and cautious business sentiment.

Full tourism recovery is expected in 2024, with Singapore's status as a business and transit hub attracting event and concert organisers, leading to a strong pipeline of MICE events and sell-out concerts. However, high inflation and a weak macroeconomic environment could make travellers more prudent with their spending and travel plans. With higher demand and limited retail supply, retail rents are poised to have modest growth in 2024.

In Central London, demand for well-located Grade A office space is expected to strengthen. With limited new supply beyond 2025, occupier demand is expected to drive healthy rental growth for the rest of 2024.

With increased support from the Chinese government towards the real estate sector, the Group is exploring opportunities in cities like Shanghai, Suzhou and other key cities in the Yangtze River Delta and Greater Bay Area. These regions are becoming focal points for the Group's strategic initiatives, aligning with the broader growth trajectory of the real estate market in China.

Hotel Operations

On the back of the recovery in global tourism, the hospitality business expects to continue trading positively for FY 2024. The recent announcement of a visa-free agreement for Chinese tourists to visit Singapore, Malaysia and Thailand will further boost the hospitality market in these countries.

Outlook

2023 was an extremely challenging year for the global real estate sector with significant headwinds such as a high interest rate environment, high inflation, geopolitical tensions and weak global economies. In Singapore, this was exacerbated by the introduction of additional property cooling measures.

The challenging market conditions in 2023 presented attractive acquisition opportunities, enabling the Group to significantly expand its portfolio and strengthen its growth prospects. However, the same market dynamics that led to compressed asset valuations and subdued investor sentiment also hindered the Group's capital recycling plans.

Despite the ongoing macroeconomic challenges and uncertainties in the new year, the Group is cautiously optimistic that business conditions will improve this year, especially if interest rates trend down progressively in the later part of the year. The Group will continue to execute on its Growth, Enhancement and Transformation (GET) Strategy, taking a prudent approach with new acquisitions while continuing to pursue divestments to recycle capital. The Group will enhance its operational efficiencies, execute on its fund management aspirations and drive value extraction so as to better navigate the changing landscape of the real estate sector.

6. Dividend Information

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

The Company had paid the following tax-exempt (one-tier) special interim ordinary dividend to ordinary shareholders and non-cumulative preference dividends to holders of City Developments Limited Non-redeemable Convertible Non-cumulative Preference Shares ("Preference Shares").

Name of Dividend	Tax exempt (One-tier) Special Interim Ordinary Dividend	Tax-exempt (One-tier) Preference Dividend	
Date of Payment	5 September 2023	30 June 2023	2 January 2024
Dividend Type	Cash	Cash	Cash
Dividend Amount	\$0.04 per Ordinary Share	\$0.019339726 per Preference Share [^]	\$0.019660273 per Preference Share [^]
Dividend rate (in %)	N.A	3.9% per annum on the issue price of each Preference Share	3.9% per annum on the issue price of each Preference Share
Dividend Period	N.A	From 31 December 2022 to 29 June 2023 (both dates inclusive)	From 30 June 2023 to 30 December 2023 (both dates inclusive)
Issue Price	N.A	\$1.00 per Preference Share	\$1.00 per Preference Share

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

Subject to ordinary shareholders' approval at the Annual General Meeting to be held on 24 April 2024, the following dividend has been proposed:

Name of Dividend	Proposed Tax-exempt (One-tier) Final Ordinary Dividend
Dividend Type	Cash
Dividend Amount	\$0.08 per Ordinary Share

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of Dividend	Tax exempt (One-tier) Special Interim Ordinary Dividend	Tax-exempt (One-tier) Preference Dividend	
Date of Payment	9 September 2022	30 June 2022	3 January 2023
Dividend Type	Cash	Cash	Cash
Dividend Amount	\$0.12 per Ordinary Share	\$0.019339726 per Preference Share ^{^^}	\$0.019660273 per Preference Share ^{^^}
Dividend rate (in %)	N.A	3.9% per annum on the issue price of each Preference Share	3.9% per annum on the issue price of each Preference Share
Dividend Period	N.A	From 31 December 2021 to 29 June 2022 (both dates inclusive)	From 30 June 2022 to 30 December 2022 (both dates inclusive)
Issue Price	N.A	\$1.00 per Preference Share	\$1.00 per Preference Share

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

Name of Dividend	Tax-exempt (One-tier) Final Ordinary Dividend	Tax-exempt (One-tier) Special Final Ordinary Dividend
Date of Payment	23 May 2023	23 May 2023
Dividend Type	Cash	Cash
Dividend Amount	\$0.08 per Ordinary Share	\$0.08 per Ordinary Shares

(c) Date payable

Subject to ordinary shareholders' approval at the Annual General Meeting to be held on 24 April 2024, the proposed final Ordinary dividends for financial year ended 31 December 2023 will be payable on 22 May 2024.

(d) Record Date

5.00 pm on 6 May 2024.

7. Interested Person Transactions

Name of Interested Person ("IP")	Nature of relationship	Aggregate value of all interested person transactions conducted in FY2023 under the IPT Mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
			S\$
Subsidiaries and associates of Hong Leong Investment Holdings Pte. Ltd. ("HLIH")	HLIH is a controlling shareholder of the Company. The IPs are associates of HLIH.	<u>Property-Related Transactions</u>	10,411,589
		(a) Provision to Interested Persons of: <ul style="list-style-type: none"> (i) asset management and advisory services; (ii) cleaning and housekeeping services; (iii) laundry and dry-cleaning services (iv) Fire-safety manager, waste disposal services, engineering services and preventive maintenance services. 	
		(b) Lease of premises to Interested Person	
		<u>Management and Support Services</u>	196,800
		Provision of investment management, consultancy services and corporate affairs services by Interested Person	
		Total:	10,608,389
Directors and their immediate family members			Nil

8. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full.

Total Annual Net Dividend

	Full Year 2023 S\$'000	Full Year 2022 S\$'000
Ordinary	72,552	72,552
Special	36,276	181,380
Preference	12,254	12,904
Total	121,082	266,836

The final tax-exempt (one-tier) ordinary dividend for the year ended 31 December 2023 of 8.0 cents per ordinary share are subject to the approval of ordinary shareholders at the forthcoming Annual General Meeting and the dividend amounts are based on the number of issued ordinary shares as at 31 December 2023.

9. A breakdown of sales and operating profit after tax for first half year and second half year.

	2023	2022	Incr/(Decr)
	S\$'000	S\$'000	%
a) Revenue			
- First half	2,703,697	1,472,553	83.6
- Second half	2,237,424	1,820,860	22.9
	<u>4,941,121</u>	<u>3,293,413</u>	50.0
b) Operating profit after tax before deducting non-controlling interests			
- First half	117,566	1,145,257	(89.7)
- Second half	231,240	168,942	36.9
	<u>348,806</u>	<u>1,314,199</u>	(73.5)

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

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

11. Disclosure of person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(13) of the Listing Rules.

City Developments Limited ("CDL") and the following principal subsidiaries:

- Millennium & Copthorne Hotels Limited ("M&C")
- M&C REIT Management Limited ("M&CREIT"), manager of CDL Hospitality Real Estate Investment Trust ("H- REIT")
- M&C Business Trust Management Limited ("M&CBTM"), trustee-manager of CDL Hospitality Business Trust ("HBT")
- CDL China Limited ("CDL China")

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr Kwek Leng Beng	83	Father of Mr Sherman Kwek Eik Tse, Executive Director and Group Chief Executive Officer of CDL.	<p><u>CDL</u> Executive Chairman of CDL since 1 January 1995, having overall executive responsibility to provide leadership and vision in the Board of Directors' review and development of the business direction and strategies for the sustainable growth of the CDL group of companies.</p> <p><u>M&C</u> Appointed Executive Chairman of M&C on 18 November 2019 with executive responsibility to lead and drive M&C's performance, with the assistance of the management team of M&C.</p>	No Change
Mr Sherman Kwek Eik Tse	47	Son of Mr Kwek Leng Beng, Executive Chairman of CDL.	<p><u>CDL</u> Appointed Group Chief Executive Officer of the Group in 2018 and Executive Director of CDL on 15 May 2019.</p> <p>As Executive Director and Group Chief Executive Officer, Mr Sherman Kwek is responsible for setting and implementing the business directions and strategies for the Group as endorsed by the Board, providing leadership to drive the pursuit of the Group's strategic objectives, and having overall management oversight of the Group's performance.</p> <p><u>CDL China</u> Appointed Executive Chairman of CDL China in 2016, with overall executive responsibility for CDL China's investments and operations.</p>	No Change

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr Kwek Eik Sheng	43	<p>Nephew of Mr Kwek Leng Beng, Executive Chairman of CDL.</p> <p>Cousin of Mr Sherman Kwek Eik Tse, Executive Director and Group Chief Executive Officer of CDL.</p>	<p><u>CDL</u></p> <p>Appointed Group Chief Operating Officer (“Group COO”) on 1 January 2022.</p> <p>As the Group COO, Mr Kwek is responsible for providing leadership to the Group that aligns with its business plan and strategic vision as endorsed by the Board, working closely with Group Chief Executive Officer and other members of the Management Team to drive operational and financial results.</p> <p><u>M&C</u></p> <p>Appointed Executive Director of M&C on 18 November 2019, with executive responsibilities including oversight on:</p> <ul style="list-style-type: none"> (i) investment management, including reviewing opportunities for mergers & acquisitions and asset disposals; (ii) capital planning, including capital expenditure planning, treasury matters and corporate finance and financial planning; and (iii) development projects for the M&C group and strategic corporate planning, including the spearheading the integration between M&C and CDL. 	No Change
Mr Vincent Yeo Wee Eng	55	<p>Nephew of Mr Kwek Leng Beng, Executive Chairman of CDL.</p> <p>Cousin of Mr Sherman Kwek Eik Tse, Executive Director and Group Chief Executive Officer of CDL.</p>	<p><u>M&CREIT/M&CBTM</u></p> <p>Director and Chief Executive Officer of M&CREIT (as manager of H-REIT) and M&CBTM (as trustee-manager of HBT) with effect from 17 May 2006 and 19 July 2006 respectively. Responsible for working within the M&CREIT and M&CBTM Boards and as CEO of M&CREIT and M&CBTM to develop and implement the overall business, investment and operational strategies for H-REIT and HBT.</p>	No change

BY ORDER OF THE BOARD

Yeo Swee Gim, Joanne
Enid Ling Peek Fong
Company Secretaries
28 February 2024