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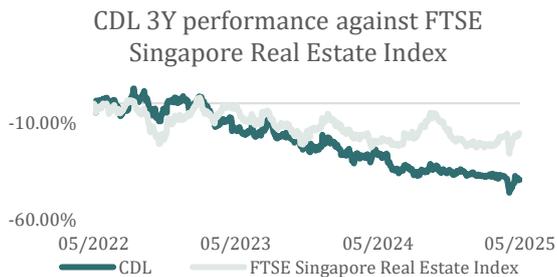
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### Basic Information

Last Closed Price	S\$5.09
12M Target Price	S\$7.71
+/- Potential	+51.6%
SGX Ticker	C09.S1
GICS Sector	Real Estate
GICS Sub-Industry	Retail REITs

### 3Y CD Performance against FTSE Real Estate Index



### Company Description

CDL is a leading global real estate company with a network spanning 143 locations in 28 countries and regions. Listed on the SGX, CDL is involved in real estate development, investment, and management. It has a diversified portfolio comprising residences, offices, hotels, serviced apartments, integrated developments, and shopping malls.

### Key Financials

Market Cap	S\$4.41 billion
Basic Shares O/s	909.3 million
Free Float	42%
52-Wk High-Low	S\$4.93-S\$6.15

(\$ million)	FY22A	FY23A	FY24E	FY25E
Revenue	3,293	4,941	3,271	5,329
Gr Rate (%)	23.7	52.1	(33.8%)	37.9%
EBIT	219.7	664.4	406.7	719.7
Margin (%)	6.6%	13.4%	12.4%	13.4%

### Key executives

Sherman Kwek	Chief Executive Officer
Yiong Yim Ming	Chief Financial Officer
Esther An	Chief Sustainability Officer

We are initiating coverage of **City Developments Limited ("CDL", "SGX: C09.SI")** with a **BUY** rating and a **S\$7.71 (+51.6%)** 12M price target from the current share price of S\$5.09.

### 1H24 Earnings Highlights

- **Revenue:** S\$1.56 billion, a decline from S\$2.7 billion in 1H 2023.
- **Profit After Tax and Minority Interests (PATMI):** S\$87.8 million, marking a 32% YoY increase from S\$66.5 million.
- **Hotel Operations:** The hotel operations segment experienced a 10.8% increase in revenue.
- **Property Development:** Sold 588 units totalling S\$1.2 billion in sales value.

### Investment Thesis

- **Undervalued Development Arm:** Despite market concerns, CDL's property development arm outpaces peers in both pricing power and take-up rates, supported by an elevated FY25 pipeline and a rebound in residential demand.
- **CDL's Proven Track Record in AEIs:** CDL has a strong history of executing Asset Enhancement Initiatives (AEIs) across its global hospitality and retail portfolio. Projects like Jungceylon (Phuket) and City Square Mall (Singapore) have demonstrated significant revenue and occupancy uplifts, setting the stage for continued organic growth.
- **Governance Turnaround:** Despite past boardroom tensions, recent resolutions and governance reforms improve investor confidence and position CDL for more stable execution.

### Catalysts

- Mid-2025: Peaking interest rate and stabilising debt costs.
- Mid-2025: City Square Mall AEI completion.
- Mid-2025: Divestment completion of Hong Leong City Center.

### Valuation

Our 12-month price target of S\$7.71 implies a 51.6% upside from the current price of S\$5.09, derived from a blended valuation approach using DCF (WACC: 6.06%, TGR: 2.0%) to reflect AEI and divestment contributions, alongside peer-based EV/EBITDA multiples that capture CDL's strong hospitality recovery, resilient development pipeline, and effective capital recycling strategy.

### Investment Risks

- **Market Risk:** Delays in AEIs may strain cash flow, though CDL's phased redevelopment track record mitigates impact.
- **Governance Risk:** Resolved boardroom issues reduce concern, but sustained leadership alignment remains crucial.
- **Balance Sheet Risk:** 2024 acquisitions increased leverage, but planned divestments and disciplined capital use should reduce gearing.

**Figure 1: CDL Ownership Structure (%)**

Shareholder	Stake (%)
Hong Leong	55%
BlackRock	5%
Maybank	4%
Others	37%

Source: Annual filings

**Figure 2: CDL Iconic Republic Plaza**



Source: Annual filings

**Figure 3: CDL Revenue Breakdown**



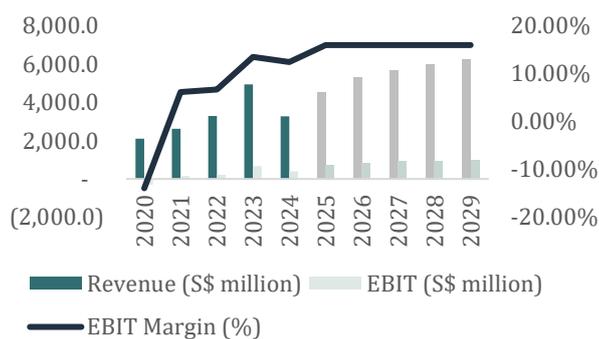
Source: Annual filings

**Figure 4: Broker Analyst Reports**

Broker	Date	Rating	Target Price
Citi	Dec-18-2024	Buy	\$9.51
CGS-CIMB	Feb-27-2025	Buy	\$8.97
DBS	Mar-05-2025	Buy	\$6.70
PhillipCapital	Mar-16-2025	Buy	\$6.02
HSBC	Feb-26-2025	Hold	\$5.30
UOB Kay Hian	Feb-27-2025	Sell	\$4.60
<b>Average</b>			<b>\$6.85</b>

Source: Respective Bank Analyst Reports

**Figure 5: CDL Historical & Projections for Revenue & EBIT (\$m)**



Source: Annual filings

## Company Overview

City Developments Limited (CDL) is one of Singapore’s most established and diversified real estate companies, with a global footprint across 29 countries and regions. Ownership is dominated by the Hong Leong company at around 28% (Figure 1). The company operates across key segments including property development (Figure 2), investment properties, and hotel operations. In 2024, hotel operations and property development accounted for the majority of CDL’s revenue at 50% and 29% respectively (Figure 3), reflecting its balanced exposure to recurring income and development-driven profits.

CDL’s asset base in Singapore features landmark developments such as Republic Plaza, while internationally, its portfolio includes recent acquisitions in key markets like London, Tokyo, and Paris. CDL continues to maintain resilient occupancy across its commercial properties and has delivered consistent shareholder value. Based on consensus broker coverage, CDL’s average target price stands at S\$6.85, with the majority of analysts assigning a “Buy” recommendation (Figure 4). However, we remain more bullish that the market as we feel there is more growth for CDL that have yet to be priced in by the street.

### Financial Performance

- **Revenue:** As shown in (Figure 5) S\$3.3 billion, a decrease from S\$4.9 billion in FY2023. This decline was primarily due to lower contributions from the property development segment, notably the absence of significant one-time contributions that were present in the previous year.

### Operational Highlights

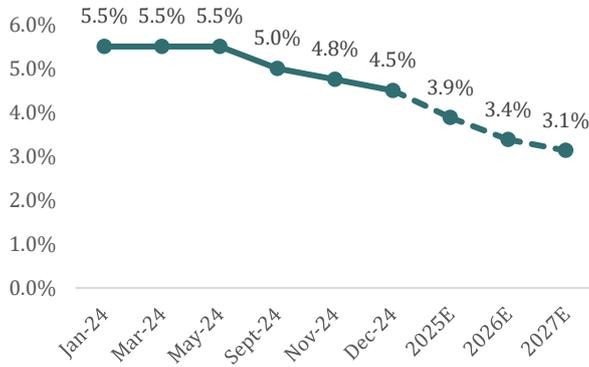
- **Singapore Residential Sales:** In FY2024, CDL and its joint venture associates sold 1,489 units, achieving a total sales value of S\$2.97 billion. This robust performance was driven by successful launches of projects such as Lumina Grand, Kassia, Norwood Grand, and Union Square Residences.
- **Investment Properties Segment:** Revenue increased by 11.1% YoY, driven by strategic acquisitions and asset enhancement initiatives. Notable contributions came from Republic Plaza in Singapore and the Jungceylon Shopping Center in Phuket, which officially reopened in June 2024 following extensive refurbishment.
- **Hotel Operations Segment:** In 2024, revenue grew by 8.2%, bolstered by the acquisition of Sofitel Brisbane Central in December 2023 and Hilton Paris Opéra in May 2024. The official opening of M Social Phuket in June 2024 also contributed to this growth.

## Industry Outlook

### Improving macroeconomic outlook, with an interest rate pivot on the horizon

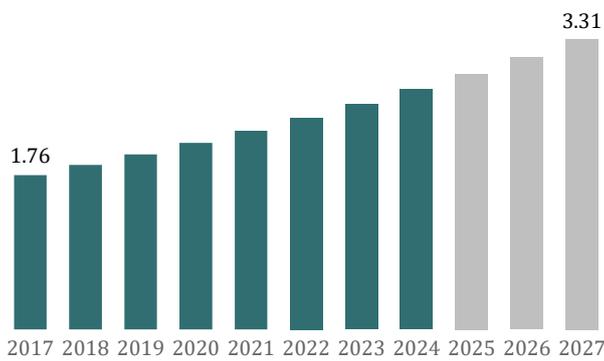
A lower interest rate environment (Figure 6) would serve to reduce borrowing costs for REITs and enhance investor return. REITs have a heavy dependency on debt financing, as their high

**Figure 6: Historical Fed Funds Rate (%)**



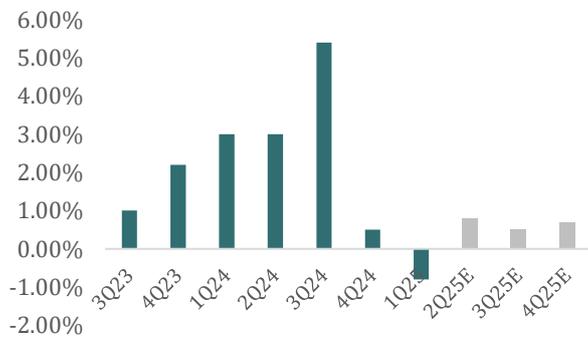
Source: FOMC

**Figure 7: Singapore Real Estate Market (US\$ trillion)**



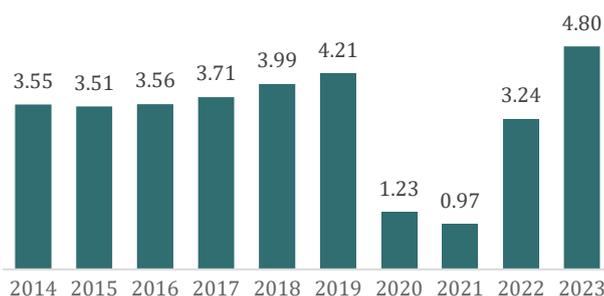
Source: Statista

**Figure 8: Singapore Historical Real GDP Growth**



Source: MTI

**Figure 9: Singapore Hotel Revenue Growth (US\$ bn)**



Source: Statista

profit distribution presents a significant difficulty towards raising capital internally. As such, high periods of interest rates can reduce investor returns due to the increase in borrowing costs. With global inflation cooling down, central banks across the world have begun introducing rate cuts. Major economic powers like the United States, Canada, Latin America and China have implemented rate cuts in the second half of 2024, which serves as a strong leading indicator of a global paradigm shift towards quantitative easing measures heading into 2025.

**Sustained macroeconomic recovery supports long-term real estate expansion**

Singapore’s real estate market continues to show robust expansion, with total real estate value projected to reach US\$3.31 trillion by 2027, growing at a CAGR of 6.5% (Figure 7). This upward trajectory is supported by improving macroeconomic fundamentals and a recovery in GDP growth, with Singapore’s real GDP expanding by 5.4% in Q3 2024, up from 1.0% in Q3 2023 (Figure 8). These indicators signal an increasingly resilient economic landscape, which bodes well for capital markets, real estate demand, and corporate leasing activity.

**Hotel segment recovery continues post-COVID, boosting hospitality outlook**

The hospitality industry has rebounded strongly since the COVID-19 pandemic, with Singapore hotel revenue surging to S\$4.80 billion in 2023, marking a CAGR of 3.5% since 2014 (Figure 9). CDL, with its strong global hotel portfolio under Millennium & Copthorne Hotels, is well-positioned to benefit from this rebound. The reopening of key borders, return of international events like F1 and MICE (Meetings, Incentives, Conferences, and Exhibitions), and strategic acquisitions such as Sofitel Brisbane Central and Hilton Paris Opéra further strengthen CDL’s exposure to the recovering hospitality sector.

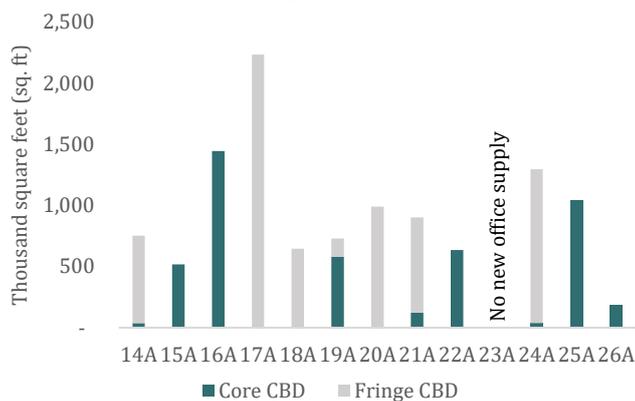
**Urban development tailwinds and limited office supply drive future growth**

Mixed-use and sustainable developments continue to shape urban transformation, with growing demand for integrated, eco-conscious, and affordable living solutions. CDL’s diversified pipeline, spanning residential, retail, and commercial projects, is well aligned with these trends. Meanwhile, the supply of new commercial office space in Singapore’s CBD remains tight, providing further support for positive rental reversions in premium office assets (Figure 10). With economic momentum building and new office supply below historical averages, CDL stands to benefit from increasing competition for core assets.

**Porter’s Five Forces**

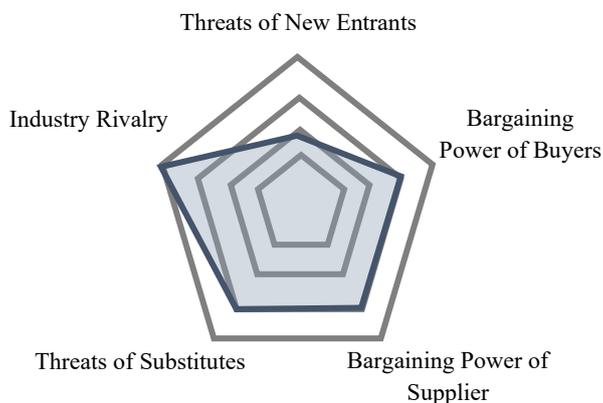
Illustrating the points below using the Porter’s Five Forces diagram (Figure 11), we observe that CDL holds a resilient and well-diversified position in the real estate market, underpinned by its strong global footprint, integrated business model, and reputation for high-quality developments in prime locations. A sector breakdown is provided in Figure 12 comparing CDL against

**Figure 10: New Office Supply (sq. ft) in Core CBD and Fringe CBD Areas**



Source: Morningstar

**Figure 11: Porter’s Five Analysis**



Source: Team Analysis

**Figure 12: Table Comparison of REITs in Singapore**

Company	Property	Hotel	Infrastructure Development
CITY DEVELOPMENTS LIMITED	✓	✓	✓
GuocoLand	✓		✓
新鴻基地產 Sun Hung Kai Properties	✓	✓	
MITSUBISHI ESTATE	✓		
FRASERS PROPERTY	✓		
Capitaland Investment	✓	✓	
Poly	✓		✓

Source: Annual Filings

its peers. With operations spanning residential, commercial, hospitality, and fund management, CDL is strategically positioned (Figure 13) to mitigate sector-specific risks while capturing demand across different market segments. This breadth and depth provide CDL with a competitive advantage over less diversified players such as Bukit Sembawang Estates (pureplay residential), allowing it to maintain stable revenue streams and long-term sustainability in a competitive landscape.

**Threat of New Entrants – Low**

The threat of new entrants remains low due to the significant capital investment and regulatory barriers associated with entering the real estate development sector in Singapore and other key global cities. Moreover, CDL enjoys strong brand equity historically, given its 53-year history. CDL also has a well-established development track record, making it difficult for newer entrants to compete on reputation or scale. In land-scarce markets like Singapore, access to land is highly competitive and often favors developers with existing networks and financial resources, such as CDL.

**Industry Rivalry – High**

Competition within the industry is high. While there is a high number of established developers in the residential and commercial space, CDL’s diversified revenue streams—spanning property development, fund management, and hospitality—provide it with a unique edge. Its global presence across 143 locations in 28 countries also allows it to reduce exposure to market-specific downturns. This diversification strategy, coupled with its ability to ride hospitality recoveries post-COVID, positions CDL more defensively compared to pure-play competitors such as Hoi Hup Realty (residential-focus).

**Threat of Substitutes – Moderate**

The threat of substitutes is moderate, especially in the high-end residential and integrated development space where CDL operates. There are limited alternatives to centrally located, well-designed properties that offer prestige, convenience, and lifestyle integration. CDL’s developments—often in prime locations such as CBD districts with quality amenities—cater to buyers and tenants seeking value beyond price, making substitution by lower-tier properties or decentralized alternatives less likely. Additionally, CDL’s investments in green buildings and smart infrastructure further distinguish its offerings.

**Bargaining Power of Buyers – Moderate**

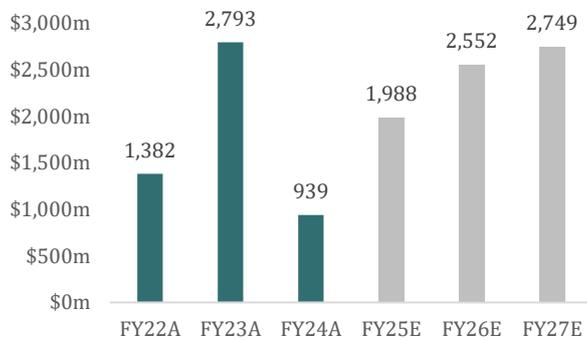
Buyers’ bargaining power is moderate, particularly in the residential segment, where consumers are price-sensitive amid rising interest rates and high property prices. Corporate tenants in the commercial space are also adapting to hybrid work models, creating some uncertainty around leasing demand. Nevertheless, CDL’s focus on mixed-use developments and well-located assets allows it to maintain occupancy rates and defend pricing in key markets, softening the impact of shifting consumer preferences.

**Figure 13: CDL's Competitive Edge in the SG REIT Market**



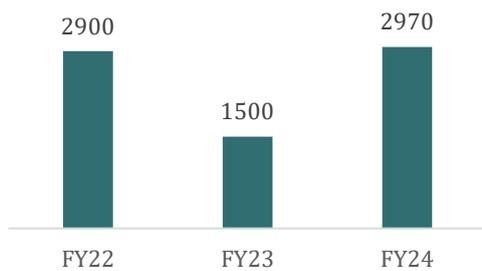
Source: Team Analysis, Morningstar

**Figure 14: CDL Historical & Forecasted Property Development Revenue (S\$m)**



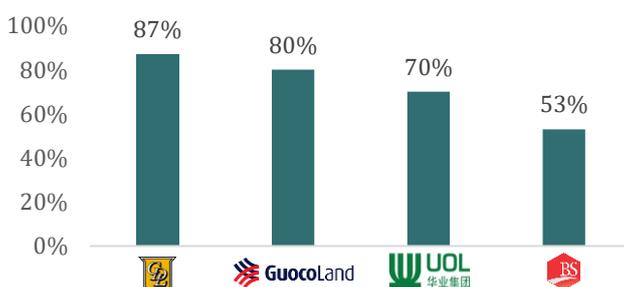
Source: Annual Filings, Team Analysis

**Figure 15: CDL Residential Units Sold (S\$m)**



Source: Annual Filings

**Figure 16: REIT's Average Take-up Rate (%)**



Source: Propnex, PropertyGuru

## Bargaining Power of Suppliers – Moderate

Suppliers, particularly those involved in construction and land acquisition, hold moderate power. The scarcity of available land and escalating material and labor costs place upward pressure on development expenses. However, CDL's established relationships with contractors, its global procurement capabilities, and its large-scale projects such as Union Square, enabling it to negotiate more favorable terms compared to smaller developers. Its ability to leverage economies of scale helps to partially mitigate rising supplier power.

## Investment Thesis

### 1. CDL's high take-up rates and secured pipeline will drive its property development revenue

#### Temporary Dip in FY24 Revenue Driven by Supply Timing, Not Demand Weakness

CDL's FY24 property development revenue is expected to dip to S\$939 million, down from S\$2.8 billion in FY23 (Figure 14). However, this decline is not indicative of weakening demand, but rather a function of reduced supply pipeline in FY23. Under Singapore Financial Reporting Standards (FRS 115), revenue for property sales is recognized progressively based on construction completion milestones, meaning revenue is not booked upfront but over time (typically upon reaching 20%, 40%, 60%, etc. of construction progress).

As such, the S\$2.97 billion (Figure 15) in pre-sold units from FY23 and FY24 have not yet been recognized in full and will flow into the top line over the next few fiscal years. With 950 new units in the FY25 pipeline, we expect a strong rebound in revenue to S\$1.98 billion in FY25, accelerating further in FY26 and FY27 as these projects reach their revenue recognition thresholds.

#### Robust Take-Up Rates Reflect CDL's Superior Brand and Execution

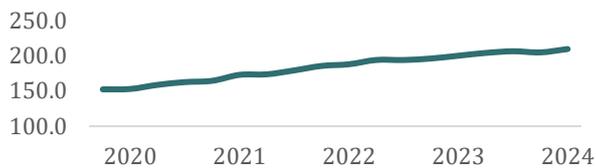
CDL continues to outperform peers in average take-up rates, achieving an impressive 87% average vs. GuocoLand's 80% and UOL's 70% (Figure 16). This superior absorption rate suggests strong buyer confidence, reflecting CDL's premium brand equity, prime landbank, and well-designed projects that resonate with Singapore's urban and mid-to-high-end market segments.

Additionally, CDL's sales value of residential units is expected to rebound to S\$2.97 billion in FY24, from a temporary dip in FY23. This, alongside the resilience of the Singapore Property Price Index, which has steadily climbed from 150 in 2020 to over 210 in 2024 (Figure 17), indicates a supportive macro backdrop for CDL to convert its strong pipeline into realized sales.

#### Strong Pricing Power Enables Margin Defense Amid Cost Pressures

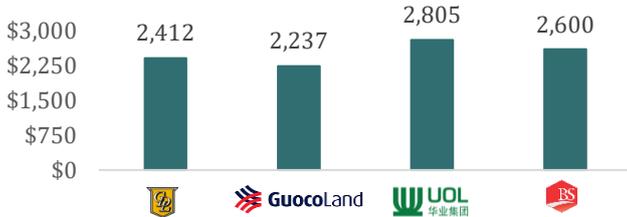
Despite a competitive environment and rising construction costs, CDL maintains superior pricing power, commanding higher average price per square foot (psf) compared to peers (Figure 18) — S\$2,412 vs. GuocoLand's S\$2,237 and UOL Group's S\$2,805

**Figure 17: Singapore Property Price Index (2009 = 100.0)**



Sources: URA

**Figure 18: REIT's Price per Square Foot from 2023 to 2025 (S\$)**



Source: PropNex, PropertyGuru

**Figure 19: Jungceylon AEI Project**



Source: Annual filings

**Figure 20: CDL Jungceylon AEI Project Results**

	Jungceylon Shopping Center	Thailand Average
Pre-AEI Occupancy Rate	84.0%	-
Post-AEI Occupancy Rate	90.3%	71.5%
Revenue Increase	10.0%	3.5%

Source: Annual filings

**Figure 21: City Square Mall AEI Project**



Source: Annual filings

(premium project skew). This pricing advantage enables CDL to defend its gross margins and ensures resilient profitability even in an inflationary cost environment.

CDL's integrated development approach—where it controls both the development and management lifecycle of projects—enables it to extract higher lifetime value per asset through recurring income streams and asset optimization. A strong example is South Beach, an iconic integrated development in Singapore where CDL not only co-developed the site but continues to manage its commercial leasing and operates the JW Marriott hotel within the complex, allowing for long-term value creation beyond initial sales. This strategy is reinforced by CDL's disciplined land acquisition approach, such as securing Lumina Grand EC at a competitive S\$626 psf ppr, below market expectations, which helps preserve development margins even in high-cost environments. Furthermore, CDL's global diversification—illustrated by its investments in The Junction in Manchester, a multifamily project in Texas, and hospitality acquisitions like Hilton Paris Opéra and Mayfair Hotel Christchurch—reduces reliance on the domestic property cycle and provides access to structurally resilient overseas markets. Together, these strategies position CDL to sustain growth and deliver long-term shareholder value.

## 2. CDL's Track Record in Driving Organic Growth Through Asset Revitalizations and AEI

### Track Record of Successful AEIs Supports Forward-Looking Upside

CDL has consistently leveraged asset enhancement initiatives (AEIs) to drive organic growth by transforming underperforming properties into high-performing, income-generating assets. A prime example is the Jungceylon Shopping Center (Figure 19) in Phuket, which underwent a S\$40 million AEI. Post-revamp, the asset recorded a remarkable occupancy rate of 90.3%, improving from pre-AEI rate at 84.0%, while also exceeding the Thailand national average of 71.5% (Figure 20), reflecting the success of CDL's repositioning strategy. Revenue at Jungceylon also rose by 10%, nearly three times the national average of 3.5%. Additionally, the AEI led to a 50% rental reversion and 74.4% YoY growth in tenant sales, underscoring the operational uplift achieved through relatively modest capital outlay. These results reaffirm CDL's ability to extract significant value through AEIs, outperforming macro-level benchmarks even in overseas markets.

Similarly, City Square Mall (Figure 21) has demonstrated strong performance following its ongoing S\$50 million AEI, reinforcing CDL's ability to consistently extract value from asset upgrades. Like Jungceylon Shopping Center, City Square has outperformed market benchmarks — with a 98.3% occupancy rate, improving from pre-AEI rate at 83.5%, while also exceeding the Singapore retail average of 95.4% (Figure 22). Revenue has also risen by 3%, double the national average increase of 1.5%. The AEI added 26,000 sq ft of Gross Floor Area (GFA), allowing for the introduction of new tenants and creating fresh income streams. While the full impact of the AEI is still being realized, we expect revenue to continue rising as newly activated spaces mature. This mirrors the operational upside seen at Jungceylon, where a 50% rental reversion and 74.4% YoY tenant sales growth were

**Figure 22: CDL City Square Mall Current-AEI Project**

	City Square Mall	Singapore Average
Pre-AEI Occupancy Rate	83.5%	-
Occupancy Rate	98.3%	95.4%
Revenue Increase	3.0%	1.5%

Source: Annual filings

**Figure 23: Millenium Hotel Seoul, Completed**



Source: Annual filings

**Figure 24: Millenium Hotel Completed Asset Revitalisation**

	Before (2017)	After (2021)
Size GFA	892,000 sq ft	3,760,000 sq ft
Price per Sq Ft	S\$22	S\$1,040
Valuation	S\$213.5 million	S\$930 million

Source: Annual filings

**Figure 25: Union Square, Artist Impression**



Source: Annual filings

**Figure 26: Union Square Current Asset Revitalisation**

	Current (2025)	Expected (2029)
Size GFA	441,6500 sq ft	735,500 sq ft
Price per Sq Ft	S\$713	S\$2,848
Valuation	S\$315 million	S\$2,400 million

Source: Annual filings

achieved with relatively modest capital investment — demonstrating CDL’s disciplined and effective AEI strategy.

Asset Revitalization as a Structural Revenue Driver

Beyond traditional AEIs, CDL has demonstrated strong capabilities in executing large-scale asset revitalization projects that deliver substantial value creation through increased buildable area, pricing uplift, and asset revaluation. A standout example is the Millennium Hilton Seoul (Figure 23), where the gross floor area (GFA) expanded from 892,000 sq ft in 2017 to 3.76 million sq ft by 2021—a 4.2x increase achieved over a five-year redevelopment period. This transformation was accompanied by a sharp rise in price per square foot, which surged from S\$22 to S\$1,040, representing a 47x appreciation in land value. As a result, the total asset valuation soared from S\$213.5 million to S\$930 million, a 4.3x increase (Figure 22). These figures underscore a consistent pattern of CDL unlocking substantial value from underutilized assets, reinforcing our view that its asset enhancement initiatives (AEIs) are not only impactful but also repeatable. This signals a proven strategy of long-term value creation through smart revitalization and land use intensification—one that is likely to continue delivering outsized returns across CDL’s global portfolio.

Building on its successful revitalization of Millennium Hilton Seoul, CDL is poised to replicate similar value creation at Union Square (Figure 24) in Singapore. The development is projected to expand its gross floor area from 441,650 sq ft in 2025 to 735,500 sq ft by 2029, representing a 66.5% increase in leasable space. In tandem, price per square foot is expected to rise nearly 4x, from S\$713 to S\$2,848, while total asset valuation is projected to surge from S\$315 million to S\$2.4 billion—a 7.6x uplift (Figure 26). This valuation was derived based on Management’s fair-value estimates. These figures far exceed the 1.6x uplift previously estimated and clearly showcase CDL’s ability to unlock deep embedded value from its urban landbank.

This transformation of Union Square highlights CDL’s core strength in unlocking asset value through phased redevelopment and land use intensification—an area where many competitors struggle to execute consistently. More than just boosting asset yields, these AEIs enhance customer experience through modernized layouts, improved accessibility, and better tenant mixes. This customer-centric approach not only future-proofs CDL’s assets but also cements its leadership in infrastructure and mixed-use development. In a market where underperforming assets often drag down returns, CDL’s ability to revitalize and reposition them stands out as a strategic differentiator.

**3. CDL Executing Strongly with Headwinds Easing**

Legacy Headwinds Are Resolving, Rebuilding Investor Confidence

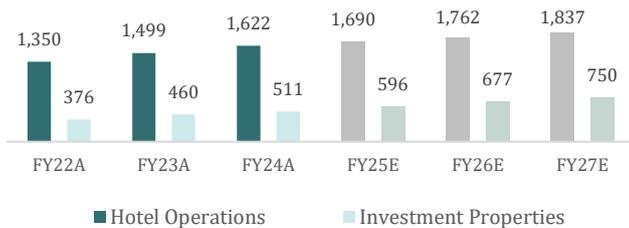
CDL has faced a series of headline risks in recent years (Figure 27)—from a S\$1.9 billion write-down on its China investment in 2020, to a 75% plunge in PATMI in 2023 driven by UK impairments and valuation losses. These events culminated in a boardroom crisis in early 2025, with an attempted leadership reshuffle that sparked corporate governance concerns. However, by March 2025, the internal conflict was amicably resolved, signaling the end of the group’s most turbulent period. As

**Figure 27: CDL Corporate Governance History**

Date	Event
2020	S\$1.9 billion write-down after record losses on China impairment
2023	PATMI plunges 75% due to UK impairments and fair value losses
Feb 2025	Boardroom crisis with attempted “coup” by CEO against Chairman
Mar 2025	Boardroom crisis averted with feud resolved

Source: Annual filings, Team Analysis

**Figure 28: CDL Hotel & Investment Properties Historical & Forecasted Revenue (S\$ million)**



Source: Annual filings, Team Estimates

**Figure 29: CDL Debt-Equity Ratio Historical and Forecasts (%)**



Source: Annual filings

**Figure 30: CDL Divestments in 2024**

Asset	Location	Date	Price Sold
Random’s Wharf Site	West London, UK	Dec 2024	S\$115.3 million
Cideco Industrial Complex	Singapore	2024	Not specified
Strata Units at Citilink Warehouse Complex	Singapore	2024	Not specified

Source: Annual filings

**Figure 31: Catalyst Payout Dates**

Date	Event
Mid-2025	Divestment Completion of Hong Leong Center
Mid-2025	Peaking Interest Rate
Mid-2025	City Square Mall AEI Completion

Source: Team Estimates

governance stabilizes, the market's previously bearish narrative is expected to shift, with investor sentiment gradually recovering from an overly pessimistic stance. With the worst behind CDL, we believe they can execute strongly as seen by our model projecting modest growth rates of hotel occupancy and property development.

Recurring Income Base Expanding Across Infrastructure & Hospitality

Amid the noise, CDL has quietly executed on its strategy of expanding recurring income streams. Between FY22 and FY26 (Figure 28), combined revenue from hotel operations and investment properties is projected to grow from S\$1.73 billion to S\$2.44 billion, representing a 41% increase. This growth is underpinned by revitalized hospitality assets (e.g., Millennium Hilton) and ongoing infrastructure-led developments (e.g., Union Square). The rising share of predictable, rental-based and operating cash flows helps buffer CDL’s earnings against the cyclical nature of property development revenue, creating a more resilient long-term business model. This recurrent cash flow business model has gradually been adapted by peers, especially those in the REIT space such as Capitaland Ascott Trust.

Deleveraging Through Asset Recycling Strengthens Balance Sheet

CDL has made significant strides in improving its financial position through disciplined asset recycling. Since 2019, the group’s debt-to-equity ratio remains high at over 120% (Figure 29). However, in recent times it has taken measures to reduce its debt by selling away non-core assets (Figure 30). We forecast that CDL will eventually reduce its leverage to an expected 76%, in line with its peer’s average. This strategic deleveraging lowers financing risk, reduces net interest payments, and improves creditworthiness—positioning CDL well for future growth opportunities. As divestments continue to streamline the portfolio and unlock capital, we see meaningful upside in both financial health and investor perception.

**Catalyst**

**1. Peaking Interest Rates and Stabilizing Debt Costs (Mid 2025)**

With 76% of its borrowings on fixed interest rates, CDL is well-positioned to weather interest rates fluctuations. The average cost of debt is stable, and a potential peak in global interest rates could reduce pressure on financing costs. As rates stabilize (Figure 32), CDL would be able to re-finance its loans, reducing its interest payments thus driving its stock price higher. As seen in 2021 where interest rates were at record low, this drove outperformance of the SREIT market. This stability is expected to support CDL’s long-term financial projections, making it an attractive investment in a cooling rate environment. We expect this to materialise in 2025.

**2. City Square Mall AEIs Completion (Mid 2025)**

A key catalyst for CDL in the near term is the completion of the Asset Enhancement Initiative (AEI) at City Square Mall (Figure 33), targeted for 1H 2025. This strategic upgrade focuses on

**Figure 32: US Fed Funds Rate**

Date	Fed Funds Rate
June-2023	5.25%
July-2023	5.50%
Sept-2024	5.00%
Nov-2024	4.75%
2025E	3.50 – 4.25%

Source: Trading Economics

**Figure 33: City Square Mall Artist Impression**



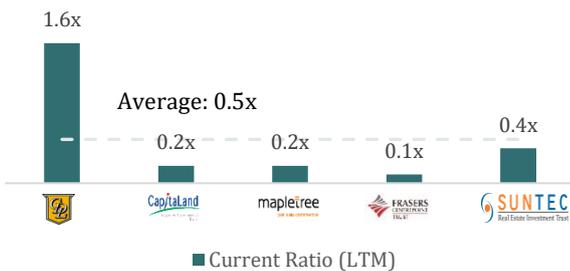
Source: Annual filings

**Figure 34: Hong Leong City Center**



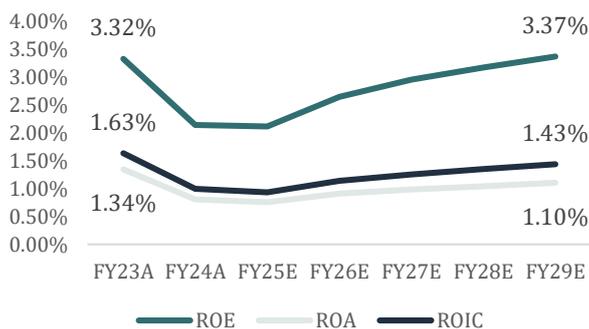
Source: Annual filings

**Figure 35: Current Ratio of REITs (LTM)**



Source: Annual filings

**Figure 36: CDL ROE, ROA, ROIC**



Source: Annual filings, Team Estimates

reconfiguring retail spaces, enhancing customer experience, and introducing a refreshed tenant mix. The AEI is expected to strengthen the mall’s positioning as a leading suburban retail destination, while unlocking new streams of rental income and improving overall asset performance. As these operational improvements translate into stronger recurring cash flows, we believe investor sentiment will improve, and we expect this to materialise in a stock price re-rating in Mid-2025 upon completion of the AEI.

### 3. Divestment Completion of Hong Leong City Center (Mid 2025)

Another potential re-rating catalyst for CDL is the successful completion of the sale and purchase agreement (SPA) for the retail component of Hong Leong City Center in Suzhou (Figure 34), which was finalized in February 2025. While the gain on disposal is not material in accounting terms, the transaction reflects CDL’s ongoing commitment to capital recycling and portfolio optimization. The asset, previously under its investment properties segment, was divested to a joint venture for RMB548.1 million (approx. S\$102 million, Feb 26 2025, S\$1 = RMB5.37). This strategic divestment unlocks capital that can be redeployed into higher-yielding or growth-oriented assets, improving overall return on equity. As the deal closure de-risks CDL’s exposure in China and reinforces management’s disciplined capital allocation strategy, we expect this to materialise in a stock price re-rating in mid-2025 as investors recognize the Group’s improving capital efficiency and asset quality.

## Financial Analysis

	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E
NPI	39.03%	6.42%	6.16%	4.43%	4.86%	5.11%
ROE	13.60%	3.32%	2.14%	2.11%	2.65%	2.95%
ROA	5.48%	1.34%	0.81%	0.76%	0.91%	0.98%
ROIC	7.32%	1.63%	0.99%	0.93%	1.14%	1.26%
EPS	1.42	0.35	0.22	0.22	0.29	0.32
D/E	108.00%	129.00%	150.00%	148.00%	158.00%	162.00%
D/A	45.00%	51.00%	55.00%	52.00%	53.00%	53.00%
ICR (x)	0.89	1.48	0.74	1.20	1.30	1.34

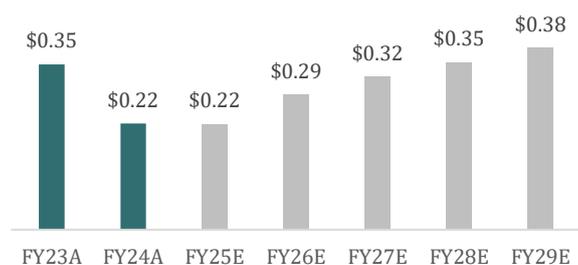
### Current Ratio

CDL’s current ratio of 1.6x, as shown in Figure 35, is significantly higher than its listed REIT peers mean of 0.5x. This indicates that CDL maintains a strong short-term liquidity position, with current assets comfortably exceeding its current liabilities. CDL’s robust liquidity buffer not only enhances its financial resilience but also provides strategic optionality to fund near-term AEIs, navigate market volatility, and capitalize on opportunistic investments without needing to raise immediate capital. This sets CDL apart from more leveraged REIT peers and supports a more defensive risk profile.

### Improving Profitability Ratios

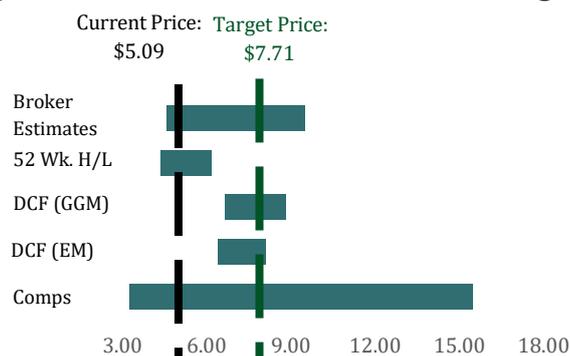
City Developments Limited’s profitability metrics point to a gradual but steady recovery in operational efficiency and capital productivity over the next five years. While ROE, ROA, and ROIC

**Figure 37: CDL’s Historical and Forecasted EPS**



Source: Annual filings, Team Estimates

**Figure 38: Football Chart Valuation Methodologies**



Source: Team Analysis

**Figure 39: Cost of Debt, Interest Yield**

I/Y on existing debt	4.40%
Tax Rate	17.0%
<b>After-tax Cost of Debt</b>	<b>3.65%</b>

Source: Team Estimates

**Figure 40: Cost of Debt, Synthetic Credit Rating**

Risk-free Rate (5Y SG Government Bond Yield)	2.55%
Average Interest Coverage Ratio	1.30
Default Risk Spread	8.00%
<b>Pre-tax Cost of Debt</b>	<b>10.55%</b>
Tax Rate	17.00%
<b>After-tax Cost of Debt</b>	<b>8.76%</b>

Source: Team Estimates

**Figure 41: Weighted Cost of Equity Calculation**

Methodology	Weightage	COE
COE, Regression Beta	50%	5.85%
COE, Equity Beta	50%	8.13%
<b>Final Cost of Equity</b>	<b>100%</b>	<b>6.99%</b>

Source: Team Estimates

(Figure 36) saw a dip in FY24—driven by higher interest costs and ongoing asset enhancement projects—they are projected to improve consistently through FY29. ROE is expected to rise from 2.14% in FY24A to 3.37% in FY29E, reflecting stronger earnings and better return generation on shareholder capital. Similarly, ROA is projected to climb from 0.81% to 1.10%, indicating improved asset utilization. Most notably, ROIC is forecasted to increase from 0.99% in FY24A to 1.43% in FY29E, a signal of CDL’s disciplined capital allocation and growing returns on invested capital. The projected recovery in ROE, ROA, and ROIC points to potential gains in operational efficiency and capital discipline. As such, these trends suggests that CDL’s ongoing AEs, portfolio adjustments, and selective divestments could support a gradual improvement in long-term profitability and capital returns.

### Higher Earnings Per Share

City Developments Limited’s Earnings Per Share (EPS) trajectory from FY2023 onward reflects a period of earnings normalization followed by a gradual recovery (Figure 37). After declining to S\$0.35 in FY2023 and further softening to S\$0.22 in FY2024, earnings were weighed down by higher financing costs, coupled with limited contributions from key assets undergoing AEs. However, EPS is projected to stabilize at S\$0.22 in FY2025 before improving steadily to S\$0.38 by FY2029. This recovery will be supported by the completion of major AEs such as Union Square and City Square Mall, improved contributions from the hospitality segment, and capital recycling efforts that optimize the Group’s asset base. The progressive rise in EPS signals strengthening core profitability, laying the foundation for improved shareholder returns and a potential stock price re-rating in the coming years.

### Valuation

We reiterate our price target of **S\$7.71 (51.6%)**. This is derived from an equal-weighted average between a DCF model and relative valuation (Figure 38).

#### DCF Model

Our DCF implied share price of \$7.44 is derived from the Gordon Growth Method and the Terminal Exit Multiple Method (7.98x EV/EBITDA). The Gordon Growth Method resulted in a share price of S\$7.63 (56%) while the Terminal Exit Multiple Method resulted in a share price of S\$7.26 (50%). This resulted in a final DCF share price, based on an equal weighted blend between both methods.

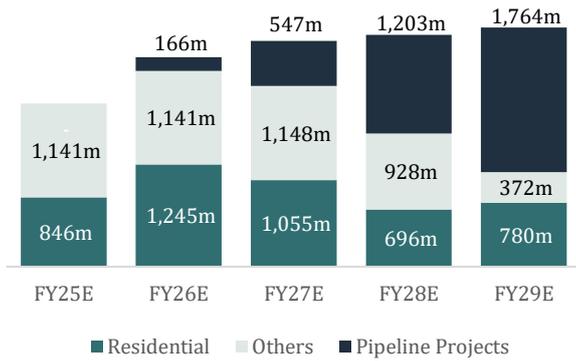
#### Cost of Debt

Our pre-tax cost of debt of 4.93% was derived from a 75%/25% weightage between the current yield of CDL’s debt of 3.65% (Figure 39) and the cost of debt of 8.76% based on the Synthetic Credit Rating approach (Figure 40).

#### Cost of equity

We derived CDL’s cost of equity of 6.99% (Figure 41) using the Capital Asset Pricing Model (CAPM). The risk-free rate was taken from Singapore’s 5Y Government Bond Yield. Our beta of 0.98 was derived from an equal-weighted average of a 5Y monthly

**Figure 42: CDL's Property Development Revenue Projections (\$\$m)**



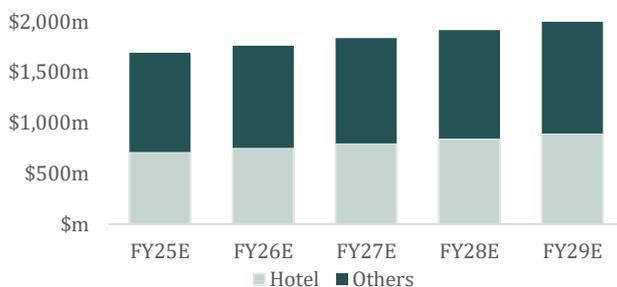
Source: Annual filings, Team Estimates

**Figure 43: Property Development Pipeline Singapore**

Development	Location	Expected TOP
The Myst		2027
Champions Way		2028
Lumina Grand EC		2029
Zion Road		2029
Newport Residences		2029
Brickworks Park		2025
The Octagon		2025
Normanby		2025
1NQ		2026
Toowong		2027

Source: Annual filings

**Figure 44: CDL's Hotel Operations Revenue Forecast (\$\$m)**



Source: Team Estimates

**Figure 45: Forward EV/EBTIDA Multiple**

	Multiple
Property Development	15.7x
Hotels	20.0x
Fund Management	21.8x
<b>SOTP</b>	<b>18.9x</b>

Source: Team Estimates

regression beta and an equity beta derived from our selected peer group for CDL. Our equity risk premium of 4.33% derived from NYU Damodaran's latest estimates for Singapore.

### Terminal growth

Our terminal growth rate of 2.5% reflects the 10-year average of Singapore's GDP growth. For our exit multiple, we used a forward EV/ FY+1 EBITDA of 15.7x to reflect the forward-looking nature of our valuation.

### Revenue Build

#### Property Development Methodology

CDL's property development revenue (Figure 42) is built using a project-level, bottom-up approach, reflecting a combination of partial revenue recognition from ongoing projects and pipeline contributions from new launches. For Singapore-based projects, the model applies percentage-of-completion accounting in accordance with FRS 115, whereby revenue is progressively recognized as construction milestones are met. Each project's contribution is derived from assumptions on average selling price (ASP), number of units, and completion timelines.

In addition to current developments, the model estimates future pipeline contributions by calculating an estimated pipeline size (Figure 43), which is based on the historical average revenue per project. The number of new pipeline projects each year is forecasted using the average number of project launches or announcements over the previous years, thereby grounding projections in historical rollout trends. This dual approach ensures the revenue build captures both already-contracted revenue from projects under construction and future sales potential from new launches, enabling a realistic and consistent projection across the forecast horizon.

#### Hotel Operations Methodology

The hotel operations revenue is built using a RevPAR-based projection model, grounded in three core metrics (Figure 44): total number of rooms, occupancy rate, and average daily rate (ADR). Revenue per Available Room (RevPAR) is calculated by multiplying occupancy with ADR, and then scaling this across the group's entire room base. Forecasted improvements in both occupancy and ADR are applied incrementally YoY to reflect the recovery trajectory of global tourism, increased business travel, and higher yielding segments post-AEI. The model assumes a stable number of operating hotels, with RevPAR growth translating directly into top-line revenue gains. This methodology ensures operational realism, tying revenue outcomes directly to market demand, pricing power, and portfolio optimization initiatives.

#### Investment Properties Methodology

The revenue build for CDL's investment properties segment is based on applying an average historical YoY growth rate to forecast future income. This approach reflects the relatively stable and recurring nature of rental revenue from commercial assets,

**Figure 46: Relative Peer Valuation Multiples**

Peer	EV/EBITDA
GuocoLand Limited	19.3x
Sun Hung Kai Properties Limited	11.1x
Mitsubishi Estate Co., Ltd.	15.7x
Chuan Hup Holdings Limited	148.1x
Frasers Property Limited	12.7x
Bukit Sembawang Estates Limited	4.2x
Singapore Land Group Limited	12.4x
Capitaland Investment Limited	22.9x
Poly Developments and Holdings Group Co., Ltd.	19.9x

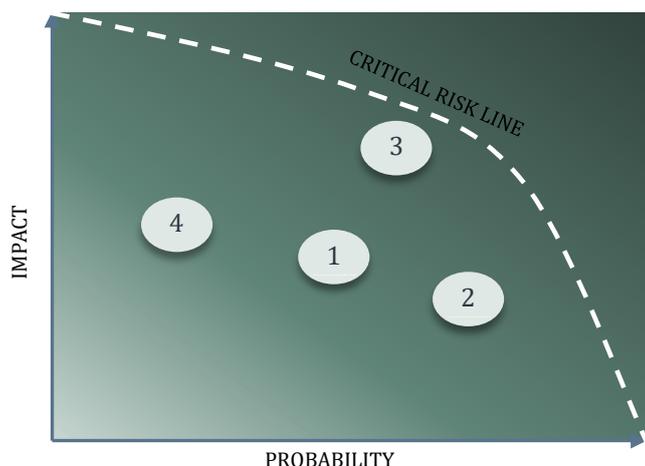
Source: Capiq

**Figure 47: CDL Valuation Breakdown**

Methodology	Share Price	Weightage
DCF – Gordon Growth Method	\$7.63	25.0%
DCF – Exit Multiple	\$7.26	25.0%
Relative Valuation	\$7.98	50%
<b>Final Implied Share Price</b>	<b>\$7.71</b>	
Current Share Price	\$5.09	
<b>Implied Upside</b>	<b>+51.6%</b>	

Source: Team Estimates

**Figure 48: Investment Risk Matrix**



Source: Team Estimates

with adjustments made to account for cyclical trends and portfolio changes such as AEI completions or asset disposals. By anchoring projections on past performance, the model ensures a consistent and realistic forecast for this core income stream.

### Relative valuation

Our relative valuation uses a sum-of-the-parts (SOTP) methodology (Figure 45) based on CDL's revenue segments across its property development, hotel and fund management business. Our selection criteria for CDL's industry peers were based on geography and industry type (Figure 46). We used EV/EBITDA as our comparable metrics to arrive at a final relative valuation price target of \$7.98 (Figure 47). The EV/EBITDA multiple was a weighted average using EV as a basis of comparison.

### Investment Risks

#### 1. Market Risk: Weak Retail/Hospitality Demand

**Risk:** Persistent e-commerce penetration and shifts in consumer behavior may reduce demand for CDL's prime retail and hospitality assets.

**Mitigant:** CDL is actively repositioning and enhancing underperforming assets through AEIs (e.g., Millennium & Copthorne Hotels) and diversifying its portfolio across geographies to reduce dependence on any single market.

#### 2. Business Risk: AEI and Divestment Challenges

**Risk:** Execution delays or cost overruns in AEIs and delays in asset divestments could strain cash flow and operational continuity.

**Mitigant:** CDL has demonstrated a strong track record in managing AEIs and executing phased redevelopments to ensure minimal revenue disruption and optimized asset performance.

#### 3. Governance Risk: Boardroom Disputes

**Risk:** Prolonged management disputes or tension among key executives may hinder strategic decision-making and destabilize leadership.

**Mitigant:** Recent governance reforms and the resolution of internal disputes, including lawsuit closures, may help restore stability and investor confidence in management continuity.

#### 4. Balance Sheet Risk: Elevated Gearing

**Risk:** Acquisitions in 2024 have outpaced divestments, leading to elevated gearing levels that could restrict financial flexibility.

**Mitigant:** CDL focuses on proactive capital management, monetizing non-core assets, and recycling capital into yield-accretive developments to bring gearing to more sustainable levels.

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## Appendix: Income Statement

<u>Income Statement</u>	FY20A	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E
Revenue	2,108.4	2,625.9	3,293.4	4,941.1	3,271.2	4,512.2	5,277.2	5,679.0	5,960.9	6,252.2
Cost of Sales	(1,279.5)	(1,648.1)	(2,046.5)	(3,292.6)	(1,809.3)	(2,495.6)	(2,918.8)	(3,141.0)	(3,296.9)	(3,458.0)
Gross Profit	828.9	977.7	1,246.9	1,648.6	1,461.9	2,016.5	2,358.4	2,538.0	2,664.0	2,794.2
Administrative Expenses	(487.9)	(508.9)	(593.7)	(581.5)	(574.7)	(813.4)	(951.3)	(1,023.7)	(1,074.5)	(1,127.0)
Other Operating Income/(Expense)	(23.0)	(302.1)	(352.9)	(402.7)	(480.5)	(483.4)	(565.4)	(608.5)	(638.7)	(669.9)
Impairment Losses on Other Receivables and Debt										
Investments	(611.9)	(6.1)	(80.7)	-	-	-	-	-	-	-
EBIT	(293.9)	160.6	219.7	664.4	406.7	719.7	841.7	905.8	950.8	997.3
Interest Expense	(206.3)	(188.7)	(246.1)	(449.6)	(552.5)	(598.1)	(645.6)	(674.5)	(691.8)	(708.6)
Interest and Investment Income	84.1	36.2	52.8	82.4	115.5	86.9	81.1	88.5	96.0	101.1
Income/(Loss) from Affiliates	(845.8)	107.5	170.2	47.6	60.8	134.3	157.0	169.0	177.4	186.1
Currency Exchange Gains/(Loss)	19.1	(18.9)	8.9	(4.5)	70.6	-	-	-	-	-
Other Non-Operating Income/(Expense)	(379.9)	(33.5)	(33.0)	14.4	(7.1)	(45.2)	(52.9)	(56.9)	(59.7)	(62.6)
Gain/(Loss) On Sale Of Investments	(223.0)	(4.9)	(57.7)	(33.6)	(1.6)	-	-	-	-	-
Gain/(Loss) On Sale Of Assets	166.3	36.8	1,765.6	109.9	230.5	-	-	-	-	-
Asset Writedown	(111.4)	84.1	(23.6)	2.7	34.7	-	-	-	-	-
Insurance Settlements	-	-	-	-	16.6	-	-	-	-	-
Other Unusual Items	-	35.6	0.0	38.8	-	-	-	-	-	-
EBT	(1,790.8)	214.8	1,856.8	472.5	374.1	297.6	381.4	431.9	472.8	513.2
Income Tax Expense	(87.7)	(87.9)	(542.6)	(123.8)	(162.1)	(87.0)	(111.4)	(126.2)	(138.1)	(150.0)
Earnings from Continuous Operations	(1,878.5)	126.9	1,314.2	348.8	212.0	210.6	269.9	305.7	334.6	363.2
Non-controlling Interests	(38.9)	(42.2)	(28.9)	(31.5)	(10.6)	(10.5)	(13.5)	(15.3)	(16.7)	(18.2)
Profit for the Year	(1,917.4)	84.7	1,285.3	317.3	201.4	200.1	256.4	290.4	317.9	345.1
Preferred Dividends and Other Adjustments	(12.9)	(12.9)	(12.9)	(12.3)	(10.5)	(7.7)	(9.9)	(11.2)	(12.3)	(13.3)
Profit Attributable to Common Shareholders	(1,930.3)	71.8	1,272.4	305.0	190.9	192.4	246.5	279.2	305.6	331.7

## Balance Sheet

<u>Balance Sheet</u>	FY20A	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E
<b>ASSETS:</b>										
<u>Current Assets</u>										
Cash and Cash Equivalents	3,126.5	2,083.2	2,363.2	2,400.4	3,001.4	2,440.9	2,579.0	2,812.2	2,964.0	3,109.2
Trade and Other Receivables, including Derivatives	1,681.2	1,873.4	1,697.3	1,841.5	1,631.5	2,325.4	2,719.7	2,926.8	3,072.1	3,222.2
Financial Assets	20.0	26.8	7.1	5.8	4.8	9.7	11.4	12.2	12.9	13.5
Consumable Stocks	10.5	10.8	8.1	8.9	8.8	12.1	14.2	15.3	16.0	16.8
Contract Assets	505.2	402.3	465.0	937.1	319.8	441.1	515.9	555.2	582.8	611.3
Contract Costs	31.6	75.0	66.9	24.3	48.7	75.5	88.3	95.1	99.8	104.7
Development Properties	5,391.1	5,839.5	5,957.6	4,878.0	4,850.5	4,850.5	4,850.5	4,850.5	4,850.5	4,850.5
Assets Held for Sale	45.9	1,445.8	14.4	-	106.1	98.2	114.8	123.6	129.7	136.1
Total Current Assets	10,812.1	11,756.8	10,579.7	10,096.0	9,971.6	10,253.6	10,893.9	11,390.9	11,727.8	12,064.2
<u>Non-current Assets</u>										
ROU Assets	300.8	310.2	738.9	705.5	698.0	704.2	711.5	719.3	727.5	736.2
PPE	5,224.9	5,051.6	3,321.9	3,507.7	3,981.9	4,017.3	4,085.0	4,163.8	4,246.2	4,332.1
Investment Properties	4,568.7	3,997.2	4,967.0	6,291.0	6,695.6	6,695.6	6,695.6	6,695.6	6,695.6	6,695.6
Investments in Associates	707.7	817.0	1,263.7	1,352.5	1,305.2	1,537.0	1,797.7	1,934.5	2,030.5	2,129.8
Investments in Joint Ventures	1,085.3	1,037.0	1,083.0	1,122.4	1,162.5	1,643.4	1,922.0	2,068.3	2,171.0	2,277.1
Financial Assets	736.1	740.7	637.4	655.1	780.1	1,079.1	1,262.1	1,358.2	1,425.6	1,495.3
Other Non-Current Assets, Including Derivatives	241.2	182.6	389.4	503.9	1,012.0	1,395.9	1,632.6	1,756.9	1,844.1	1,934.2
Total Non-Current Assets	12,864.7	12,136.3	12,401.4	14,138.1	15,635.3	17,072.5	18,106.4	18,696.6	19,140.6	19,600.3
<b>Total Assets</b>	<b>23,676.8</b>	<b>23,893.0</b>	<b>22,981.0</b>	<b>24,234.0</b>	<b>25,606.9</b>	<b>27,326.2</b>	<b>29,000.4</b>	<b>30,087.4</b>	<b>30,868.3</b>	<b>31,664.5</b>
<b>LIABILITIES:</b>										
<u>Current Liabilities</u>										
Trade and Other Payables, including Derivatives	1,348.8	1,453.0	1,466.5	1,334.1	1,119.6	1,788.4	2,091.6	2,250.8	2,362.5	2,478.0
Contract Liabilities	267.6	724.1	613.6	156.2	272.0	572.7	669.8	720.8	756.6	793.5
Interest-Bearing Borrowings, Current	2,798.6	5,188.0	2,354.0	3,912.8	4,595.7	325.6	1,390.4	2,132.4	2,046.6	-
Lease Liabilities, current	14.2	19.3	24.8	22.1	26.4	31.8	32.2	32.5	32.9	33.3
Employee Benefits	32.0	33.6	28.6	31.3	33.7	48.1	56.3	60.5	63.5	66.7
Provision for Taxation	276.2	363.0	339.8	225.9	219.4	219.4	219.4	219.4	219.4	219.4
Provisions	307.0	93.9	90.5	24.4	37.0	37.0	37.0	37.0	37.0	37.0
Liabilities Directly Associated with the Assets Held for Sale	-	27.3	-	-	-	-	-	-	-	-
Total Current Liabilities	5,044.4	7,902.2	4,917.7	5,706.9	6,303.7	3,023.0	4,496.5	5,453.5	5,518.6	3,627.9
<u>Non-Current Liabilities</u>										
Interest-Bearing Borrowings, Non-Current	8,756.1	5,952.0	7,315.4	7,713.1	8,717.5	13,268.7	13,282.7	13,197.0	13,675.0	16,103.9
Employee Benefits	31.0	24.6	7.3	4.7	6.6	26.4	30.9	33.3	34.9	36.6
Lease Liabilities, Non-Current	237.9	246.0	672.6	648.8	637.0	637.8	644.8	652.2	660.1	668.3
Other Liabilities, including Derivatives	243.6	217.9	136.8	236.8	216.7	319.7	373.9	402.3	422.3	442.9
Provisions	24.6	22.1	16.1	15.9	1.3	1.3	1.3	1.3	1.3	1.3
Deferred Tax Liabilities	96.8	196.1	350.3	368.5	415.0	415.0	415.0	415.0	415.0	415.0
Total Non-Current Liabilities	9,389.9	6,658.8	8,498.5	8,987.8	9,994.1	14,669.0	14,748.6	14,701.1	15,208.6	17,668.0
<b>Total Liabilities</b>	<b>14,434.3</b>	<b>14,561.0</b>	<b>13,416.2</b>	<b>14,694.7</b>	<b>16,297.9</b>	<b>17,691.9</b>	<b>19,245.1</b>	<b>20,154.6</b>	<b>20,727.2</b>	<b>21,296.0</b>
<b>EQUITY:</b>										
Share Capital	1,991.4	1,991.4	1,991.4	1,965.6	1,942.4	1,942.4	1,942.4	1,942.4	1,942.4	1,942.4
Reserves	6,510.8	6,422.2	7,224.9	7,214.9	7,145.9	7,471.2	7,592.2	7,769.8	7,978.1	8,205.5
Non-Controlling Interest	740.2	918.5	348.5	358.9	220.7	220.7	220.7	220.7	220.7	220.7
Total Equity	9,242.5	9,332.0	9,564.8	9,539.3	9,309.0	9,634.2	9,755.2	9,932.9	10,141.2	10,368.5
<b>Total Liabilities and Equity</b>	<b>23,676.8</b>	<b>23,893.0</b>	<b>22,981.0</b>	<b>24,234.0</b>	<b>25,606.9</b>	<b>27,326.2</b>	<b>29,000.4</b>	<b>30,087.4</b>	<b>30,868.3</b>	<b>31,664.5</b>

## Statement of Cash Flow

<u>Cash Flow Statement</u>	FY20A	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E
Profit Attributable to Common Shareholders						200.1	256.4	290.4	317.9	345.1
Adjustments:										
(+) D&A						220.0	230.9	242.6	254.9	267.8
Changes in Current Assets:										
(Increase)/Decrease in Trade and Other Receivables, including Derivatives						(694.0)	(394.3)	(207.0)	(145.3)	(150.1)
(Increase)/Decrease in Financial Assets						(4.9)	(1.7)	(0.9)	(0.6)	(0.6)
(Increase)/Decrease in Consumable Stocks						(3.3)	(2.1)	(1.1)	(0.8)	(0.8)
(Increase)/Decrease in Contract Assets						(121.3)	(74.8)	(39.3)	(27.6)	(28.5)
(Increase)/Decrease in Contract Costs						(26.8)	(12.8)	(6.7)	(4.7)	(4.9)
(Increase)/Decrease in Development Properties						-	-	-	-	-
(Increase)/Decrease in Assets Held for Sale						7.9	(16.6)	(8.7)	(6.1)	(6.3)
Changes in Current Liabilities:										
Increase/(Decrease) in Trade and Other Payables, including Derivatives						668.8	303.2	159.2	111.7	115.4
Increase/(Decrease) in Contract Liabilities						300.7	97.1	51.0	35.8	37.0
Increase/(Decrease) in Employee Benefits						14.4	8.2	4.3	3.0	3.1
<u>Change in Non-current Assets:</u>										
(Increase)/(Decrease) in ROU Assets						(6.2)	(7.3)	(7.8)	(8.2)	(8.6)
(Increase)/(Decrease) in Investments in Associates						(231.8)	(260.6)	(136.9)	(96.0)	(99.2)
(Increase)/(Decrease) in Investments in Joint Ventures						(480.9)	(278.6)	(146.3)	(102.7)	(106.1)
(Increase)/(Decrease) in Financial Assets						(299.0)	(183.0)	(96.1)	(67.4)	(69.7)
(Increase)/(Decrease) in Other Non-Current Assets, Including Derivatives						(383.9)	(236.7)	(124.3)	(87.2)	(90.1)
<u>Change in Non-current Liabilities:</u>										
Increase/(Decrease) in Employee Benefits						19.8	4.5	2.4	1.7	1.7
Increase/(Decrease) in Other Liabilities, including Derivatives						103.0	54.2	28.5	20.0	20.6
Net cash provided by Operating Activities						(717.7)	(514.0)	3.2	198.3	225.8
<b>INVESTING ACTIVITIES:</b>										
Capital Expenditures on PPE						(255.3)	(298.6)	(321.4)	(337.3)	(353.8)
Net cash used in Investing Activities						(255.3)	(298.6)	(321.4)	(337.3)	(353.8)
<b>FINANCING ACTIVITIES:</b>										
<u>Changes in Debt:</u>										
Borrowings Under Debt Facilities						1,390.4	1,404.4	2,046.6	2,524.6	2,428.9
Repayments Under Debt Facilities						(1,109.2)	(325.6)	(1,390.4)	(2,132.4)	(2,046.6)
Increase/Decrease in Leases, current						5.4	0.3	0.4	0.4	0.4
Increase/Decrease in Leases, Non-current						0.8	6.9	7.5	7.8	8.2
<u>Changes in Equity:</u>						325.2	121.0	177.7	208.3	227.4
New Equity Financing						-	-	-	-	-
Dividends						(53.5)	(68.5)	(77.6)	(85.0)	(92.2)
Increase/(Decrease) in Share Option Reserves						20.8	3.6	1.9	1.3	1.4
Increase/(Decrease) in Foreign Currency Translation Reserve						157.8	(70.5)	(37.0)	(26.0)	(26.8)
Increase/(Decrease) in Non-controlling Interest						-	-	-	-	-
Net cash used in Financing Activities						412.5	950.6	551.3	290.9	273.2
Cash and Cash Equivalents at Beginning of Period						3,001.4	2,440.9	2,579.0	2,812.2	2,964.0
Net Increase/(Decrease) in Cash and Cash Equivalents						(560.4)	138.1	233.2	151.8	145.2
Cash and Cash Equivalents at End of Period	3,126.5	2,083.2	2,363.2	2,400.4	3,001.4	2,440.9	2,579.0	2,812.2	2,964.0	3,109.2

## Operating Assumptions – Income Statement

	FY20A	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E
Revenue	2,108.4	2,625.9	3,293.4	4,941.1	3,271.2	4,512.2	5,277.2	5,679.0	5,960.9	6,252.2
Cost of Sales	(1,279.5)	(1,648.1)	(2,046.5)	(3,292.6)	(1,809.3)	(2,495.6)	(2,918.8)	(3,141.0)	(3,296.9)	(3,458.0)
% of Revenue	(60.7%)	(62.8%)	(62.1%)	(66.6%)	(55.3%)	(55.3%)	(55.3%)	(55.3%)	(55.3%)	(55.3%)
Bull Case (Cost of Sales)						(54.8%)	(54.8%)	(54.8%)	(54.8%)	(54.8%)
Base Case (Cost of Sales)						(55.3%)	(55.3%)	(55.3%)	(55.3%)	(55.3%)
Bear Case (Cost of Sales)						(55.9%)	(55.9%)	(55.9%)	(55.9%)	(55.9%)
Administrative Expenses	(487.9)	(508.9)	(593.7)	(581.5)	(574.7)	(813.4)	(951.3)	(1,023.7)	(1,074.5)	(1,127.0)
% of Revenue	(23.1%)	(19.4%)	(18.0%)	(11.8%)	(17.6%)	(18.0%)	(18.0%)	(18.0%)	(18.0%)	(18.0%)
Bull Case (Admin Exp.)						(17.8%)	(17.8%)	(17.8%)	(17.8%)	(17.8%)
Base Case (Admin Exp.)						(18.0%)	(18.0%)	(18.0%)	(18.0%)	(18.0%)
Bear Case (Admin Exp.)						(18.2%)	(18.2%)	(18.2%)	(18.2%)	(18.2%)
Other Operating Income/(Expense)	(23.0)	(302.1)	(352.9)	(402.7)	(480.5)	(483.4)	(565.4)	(608.5)	(638.7)	(669.9)
% of Revenue	(1.1%)	(11.5%)	(10.7%)	(8.2%)	(14.7%)	(10.7%)	(10.7%)	(10.7%)	(10.7%)	(10.7%)
Bull Case (Other Op.)						(10.6%)	(10.6%)	(10.6%)	(10.6%)	(10.6%)
Base Case (Other Op.)						(10.7%)	(10.7%)	(10.7%)	(10.7%)	(10.7%)
Bear Case (Other Op.)						(10.8%)	(10.8%)	(10.8%)	(10.8%)	(10.8%)
Interest & Investment Income	84.1	36.2	52.8	82.4	115.5	86.9	49.8	26.0	19.5	0.3
% BOP Cash & Equiv. + Financial Assets	0.9%	1.9%	2.7%	3.8%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Income/(Loss) from Affiliates	(845.8)	107.5	170.2	47.6	60.8	134.3	157.0	169.0	177.4	186.1
% of Revenue	(40.1%)	4.1%	5.2%	1.0%	1.9%	3.0%	3.0%	3.0%	3.0%	3.0%
Currency Exchange Gains/(Loss)	19.1	(18.9)	8.9	(4.5)	70.6	12.1	14.2	15.3	16.0	16.8
% of Revenue	0.9%	(0.7%)	0.3%	(0.1%)	2.2%	0.3%	0.3%	0.3%	0.3%	0.3%
Other Non-Operating Income/(Expense)	(379.9)	(33.5)	(33.0)	14.4	(7.1)	(45.2)	(52.9)	(56.9)	(59.7)	(62.6)
% of Revenue	(18.0%)	(1.3%)	(1.0%)	0.3%	(0.2%)	(1.0%)	(1.0%)	(1.0%)	(1.0%)	(1.0%)
Income Tax Expense	(87.7)	(87.9)	(542.6)	(123.8)	(162.1)	(104.8)	(138.2)	(152.3)	(174.6)	(184.2)
% of EBT	4.9%	(40.9%)	(29.2%)	(26.2%)	(43.3%)	(29.2%)	(29.2%)	(29.2%)	(29.2%)	(29.2%)
Earnings from Continuous Operations	(1,878.5)	126.9	1,314.2	348.8	212.0	253.9	334.9	369.0	422.8	446.1
Non-controlling Interests	(38.9)	(42.2)	(28.9)	(31.5)	(10.6)	(12.7)	(16.7)	(18.4)	(21.1)	(22.3)
% of Earnings from Continuous Operations	2.1%	(33.3%)	(2.2%)	(9.0%)	(5.0%)	(5.0%)	(5.0%)	(5.0%)	(5.0%)	(5.0%)
Profit for the Year	(1,917.4)	84.7	1,285.3	317.3	201.4	241.2	318.1	350.5	401.7	423.8
Preferred Dividends & Other Adjustments	(12.9)	(12.9)	(12.9)	(12.3)	(10.5)	(9.3)	(12.3)	(13.5)	(15.5)	(16.4)
% of Profit for the Year	0.7%	(15.2%)	(1.0%)	(3.9%)	(5.2%)	(3.9%)	(3.9%)	(3.9%)	(3.9%)	(3.9%)

## Operating Assumptions – Balance Sheet

	FY20A	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E
<b>Current Liabilities</b>										
Trade and Other Payables	1,348.8	1,453.0	1,466.5	1,334.1	1,119.6	1,788.4	2,091.6	2,250.8	2,362.5	2,478.0
Payables Turnover	0.9	1.1	1.4	2.5	1.6	1.4	1.4	1.4	1.4	1.4
DPO (Days)	385	322	262	148	226	262	262	262	262	262
Contract Liabilities	267.6	724.1	613.6	156.2	272.0	572.7	669.8	720.8	756.6	793.5
% Revenue	12.7%	27.6%	18.6%	3.2%	8.3%	12.7%	12.7%	12.7%	12.7%	12.7%
Employee Benefits	32.0	33.6	28.6	31.3	37.3	48.1	56.3	60.5	63.5	66.7
% Revenue	1.5%	1.3%	0.9%	0.6%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
<b>Non-current Liabilities</b>										
Employee Benefits	31.0	24.6	7.3	4.7	6.6	26.4	30.9	33.3	34.9	36.6
% Revenue	1.5%	0.9%	0.2%	0.1%	0.2%	0.6%	0.6%	0.6%	0.6%	0.6%
Other Liabilities, incl. Derivatives	243.6	217.9	136.8	236.8	216.7	319.7	373.9	402.3	422.3	442.9
% Revenue	11.6%	8.3%	4.2%	4.8%	6.6%	7.1%	7.1%	7.1%	7.1%	7.1%
<b>Lease Liabilities</b>										
ROU Asset	300.8	310.2	738.9	705.5	698.0	704.2	711.5	719.3	727.5	736.2
Net Additions	—	9.4	428.6	(33.4)	(7.5)	6.2	7.3	7.8	8.2	8.6
% Revenue	—	0.4%	13.0%	(0.7%)	(0.2%)	0.1%	0.1%	0.1%	0.1%	0.1%
Leases, Current	14.2	19.3	24.8	22.1	26.4	31.8	32.2	32.5	32.9	33.3
Leases, Non-Current	237.9	246.0	672.6	648.8	637.0	637.8	642.1	656.4	660.1	667.3
Total Lease Liabilities	252.0	265.3	697.4	670.9	663.4	669.6	674.3	688.9	693.0	700.6
Net Additions	—	13.3	432.1	(26.5)	(7.5)	6.2	7.3	7.8	8.2	8.6
% Revenue	—	0.5%	13.1%	(0.5%)	(0.2%)	0.1%	0.1%	0.1%	0.1%	0.1%
Leases, Current	5.6%	7.3%	3.6%	3.3%	4.0%	4.8%	4.8%	4.8%	4.8%	4.8%
Leases, Non-Current	94.4%	92.7%	96.4%	96.7%	96.0%	95.2%	95.2%	95.2%	95.2%	95.2%

PPE	FY20A	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E
EOP PPE	5,224.9	5,051.6	3,321.9	3,507.7	3,981.9	4,017.3	4,085.0	4,163.8	4,246.2	4,332.1
		<u>Historical Data</u>			<u>Projected Data (FY24A PPE segments not given)</u>					
BOP Accumulated Depreciation						(1,524.7)	(1,744.7)	(1,975.5)	(2,218.1)	(2,473.0)
(+) Depreciation						(220.0)	(230.9)	(242.6)	(254.9)	(267.8)
EOP Accumulated Depreciation	(2,729.9)	(2,703.7)	(1,840.3)	(1,812.4)	(1,524.7)	(1,744.7)	(1,975.5)	(2,218.1)	(2,473.0)	(2,740.8)
<u>Cost Allocation</u>		<u>Useful life</u>			<u>Projected Data (FY24A PPE segments not given)</u>					
Freehold Land and Buildings	8 Years	3,782.2	2,896.7	2,909.4	2,918.1	2,930.0	2,943.9	2,958.9	2,974.7	2,991.2
Leasehold Land and Buildings	5 Years	1,672.5	1,707.5	1,016.1	1,124.8	1,148.6	1,181.2	1,219.3	1,260.2	1,303.3
Leasehold Properties Under Development	7 Years	299.2	365.4	37.2	40.7	117.3	222.1	344.8	476.7	615.2
Furnitures, Fittings, Plant and Equipment and Improvements		1,864.6	1,856.9	1,175.6	1,185.5	1,240.5	1,315.7	1,403.7	1,498.4	1,597.7
Renovation-In-Progress		28.6	43.3	36.5	59.6	82.1	112.9	148.9	187.6	228.3
EOP Gross PPE	7,954.8	7,755.3	5,162.2	5,320.1	5,506.6	5,761.9	6,060.5	6,381.9	6,719.2	7,073.0
PPE CapEx	(267.2)	(143.1)	(115.9)	(279.6)	(186.5)	(255.3)	(298.6)	(321.4)	(337.3)	(353.8)
% Revenue	(12.7)%	(5.5)%	(3.5)%	(5.7)%	(5.7)%	(5.7)%	(5.7)%	(5.7)%	(5.7)%	(5.7)%

PPE Additions		<u>Historical Data</u>			<u>Projected Data (FY24A PPE segments not given)</u>					
Freehold Land and Buildings	5.4	3.6	4.9	26.6	8.7	11.9	13.9	15.0	15.7	16.5
Leasehold Land and Buildings	3.3	1.3	2.6	122.9	23.8	32.6	38.1	41.0	43.0	45.1
Leasehold Properties Under Development	185.7	70.5	54.5	4.2	76.6	104.9	122.6	132.0	138.5	145.3
Furnitures, Fittings, Plant and Equipment and Improvements	63.9	47.4	40.1	73.5	54.9	75.2	88.0	94.7	99.4	104.2
Renovation-In-Progress	15.4	22.6	15.6	36.4	22.5	30.8	36.0	38.7	40.7	42.6
Total Net Additions (Disposal)	273.7	145.4	117.7	263.4	186.5	255.3	298.6	321.4	337.3	353.8
<u>% Net Additions</u>										
Freehold Land and Buildings	2.0%	2.5%	4.1%	10.1%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%
Leasehold Land and Buildings	1.2%	0.9%	2.3%	46.6%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%
Leasehold Properties Under Development	67.8%	48.5%	46.3%	1.6%	41.1%	41.1%	41.1%	41.1%	41.1%	41.1%
Furnitures, Fittings, Plant and Equipment and Improvements	23.3%	32.6%	34.0%	27.9%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%
Renovation-In-Progress	5.6%	15.5%	13.2%	13.8%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%
Total %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Freehold Land and Buildings** FY20A FY21A FY22A FY23A FY24A FY25E FY26E FY27E FY28E FY29E

Useful Life	40 Years									
Beginning Balance						2,918.1	2,856.8	2,797.1	2,738.1	2,679.5
(+) Additions						11.9	13.9	15.0	15.7	16.5
(-) Depreciation						(73.3)	(73.6)	(74.0)	(74.4)	(74.8)
Ending Balance, net						2,856.8	2,797.1	2,738.1	2,679.5	2,621.2
<u>Beginning Year</u>	<u>Amount</u>	<u>Final Year</u>								
FY25E	2,918.1	FY64E				(73.0)	(73.0)	(73.0)	(73.0)	(73.0)
FY25E	11.9	FY64E				(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
FY26E	13.9	FY65E				-	(0.3)	(0.3)	(0.3)	(0.3)
FY27E	15.0	FY66E				-	-	(0.4)	(0.4)	(0.4)
FY28E	15.7	FY67E				-	-	-	(0.4)	(0.4)
FY29E	16.5	FY68E				-	-	-	-	(0.4)
Total Depreciation						(73.3)	(73.6)	(74.0)	(74.4)	(74.8)

**Leasehold Land and Buildings** FY20A FY21A FY22A FY23A FY24A FY25E FY26E FY27E FY28E FY29E

Useful Life	50 Years									
Beginning Balance						1,181.2	1,189.5	1,202.5	1,217.6	1,233.9
(+) Additions						32.6	38.1	41.0	43.0	45.1
(-) Depreciation						(24.3)	(25.0)	(25.9)	(26.7)	(27.6)
Ending Balance, net						1,189.5	1,202.5	1,217.6	1,233.9	1,251.4
<u>Beginning Year</u>	<u>Amount</u>	<u>Final Year</u>								
FY25E	1,181.2	FY74E				(23.6)	(23.6)	(23.6)	(23.6)	(23.6)
FY25E	32.6	FY74E				(0.7)	(0.7)	(0.7)	(0.7)	(0.7)
FY26E	38.1	FY75E				-	(0.8)	(0.8)	(0.8)	(0.8)
FY27E	41.0	FY76E				-	-	(0.8)	(0.8)	(0.8)
FY28E	43.0	FY77E				-	-	-	(0.9)	(0.9)
FY29E	45.1	FY78E				-	-	-	-	(0.9)
Total Depreciation						(24.3)	(25.0)	(25.9)	(26.7)	(27.6)

**Leasehold Properties Under Development** FY20A FY21A FY22A FY23A FY24A FY25E FY26E FY27E FY28E FY29E

Useful Life	50 Years									
Beginning Balance						222.1	320.4	434.1	554.4	678.5
(+) Additions						104.9	122.6	132.0	138.5	145.3
(-) Depreciation						(6.5)	(9.0)	(11.6)	(14.4)	(17.3)
Ending Balance, net						320.4	434.1	554.4	678.5	806.5
<u>Beginning Year</u>	<u>Amount</u>	<u>Final Year</u>								
FY25E	222.1	FY74E				(4.4)	(4.4)	(4.4)	(4.4)	(4.4)
FY25E	104.9	FY74E				(2.1)	(2.1)	(2.1)	(2.1)	(2.1)
FY26E	122.6	FY75E				-	(2.5)	(2.5)	(2.5)	(2.5)
FY27E	132.0	FY76E				-	-	(2.6)	(2.6)	(2.6)
FY28E	138.5	FY77E				-	-	-	(2.8)	(2.8)

FY29E	145.3	FY78E	-	-	-	-	(2.9)
Total Depreciation			(6.5)	(9.0)	(11.6)	(14.4)	(17.3)

<u>Furnitures, Fittings, Plant and Equipment and Improvements</u>			FY20A	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E
Useful Life	12 Years											
Beginning Balance								1,315.7	1,275.0	1,239.8	1,203.3	1,163.3
(+) Additions								75.2	88.0	94.7	99.4	104.2
(-) Depreciation								(115.9)	(123.2)	(131.1)	(139.4)	(148.1)
Ending Balance, net								1,275.0	1,239.8	1,203.3	1,163.3	1,119.4
<u>Beginning Year</u>	<u>Amount</u>	<u>Final Year</u>										
FY25E	1,315.7	FY36E						(109.6)	(109.6)	(109.6)	(109.6)	(109.6)
FY25E	75.2	FY36E						(6.3)	(6.3)	(6.3)	(6.3)	(6.3)
FY26E	88.0	FY37E						-	(7.3)	(7.3)	(7.3)	(7.3)
FY27E	94.7	FY38E						-	-	(7.9)	(7.9)	(7.9)
FY28E	99.4	FY39E						-	-	-	(8.3)	(8.3)
FY29E	104.2	FY40E						-	-	-	-	(8.7)
Total Depreciation								(115.9)	(123.2)	(131.1)	(139.4)	(148.1)
<u>Renovation-In-Progress</u>			FY20A	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E
Useful Life	0 Years											
Beginning Balance								112.9	143.7	179.6	218.4	259.0
(+) Additions								30.8	36.0	38.7	40.7	42.6
(-) Depreciation								-	-	-	-	-
Ending Balance, net								143.7	179.6	218.4	259.0	301.7
<u>Beginning Year</u>	<u>Amount</u>	<u>Final Year</u>										
FY25E	112.9	FY24E						-	-	-	-	-
FY25E	30.8	FY24E						-	-	-	-	-
FY26E	36.0	FY25E						-	-	-	-	-
FY27E	38.7	FY26E						-	-	-	-	-
FY28E	40.7	FY27E						-	-	-	-	-
FY29E	42.6	FY28E						-	-	-	-	-
Total Depreciation								-	-	-	-	-

## Equity Schedule

Share Capital Schedule	FY20A	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E
BOP Share Capital						1,942.4	1,942.4	1,942.4	1,942.4	1,942.4
(+) Equity Financing						-	-	-	-	-
EOP Share Capital	1,991.4	1,991.4	1,991.4	1,965.6	1,942.4	1,942.4	1,942.4	1,942.4	1,942.4	1,942.4

Reserve Schedule	FY20A	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E
Capital Reserve	284.0	290.9	232.7	231.4	271.5	271.5	271.5	271.5	271.5	271.5
Fair Value Reserve	(2.4)	1.0	73.5	68.8	61.6	61.6	61.6	61.6	61.6	61.6
Hedging Reserve	(6.6)	(1.5)	17.4	7.0	3.2	3.2	3.2	3.2	3.2	3.2
Other Reserves	23.9	24.0	24.7	24.7	21.7	21.7	21.7	21.7	21.7	21.7
Share Option Reserve	15.3	15.4	15.5	0.3	0.4	21.2	24.8	26.7	28.0	29.4
Foreign Currency Translation Reserve	(79.7)	(140.4)	(334.4)	(457.3)	(573.6)	(415.7)	(486.2)	(523.3)	(549.2)	(576.1)
Accumulated Profits	6,276.3	6,232.8	7,195.7	7,340.0	7,440.4	7,587.0	7,774.9	7,987.7	8,220.6	8,473.5
Treasury Shares	-	-	-	-	(79.4)	(79.4)	(79.4)	(79.4)	(79.4)	(79.4)
EOP Reserve	6,510.8	6,422.2	7,224.9	7,214.9	7,145.9	7,471.2	7,592.2	7,769.8	7,978.1	8,205.5
Share Option Reserve	15.3	15.4	15.5	0.3	0.4	21.2	24.8	26.7	28.0	29.4
%Revenue	0.7%	0.6%	0.5%	0.0%	0.0%	0.5%	0.5%	0.5%	0.5%	0.5%
Foreign Currency Translation Reserve	(79.7)	(140.4)	(334.4)	(457.3)	(573.6)	(415.7)	(486.2)	(523.3)	(549.2)	(576.1)
%Revenue	(3.8)%	(5.3)%	(10.2)%	(9.3)%	(17.5)%	(9.2)%	(9.2)%	(9.2)%	(9.2)%	(9.2)%
BOP Accumulated Profits						7,440.4	7,587.0	7,774.9	7,987.7	8,220.6
(+) Profit for the Year						200.1	256.4	290.4	317.9	345.1
(-) Ordinary Dividends						(45.8)	(58.6)	(66.4)	(72.7)	(78.9)
(-) Preferred Dividends						(7.7)	(9.9)	(11.2)	(12.3)	(13.3)
EOP Accumulated Profits	6,276.3	6,232.8	7,195.7	7,340.0	7,440.4	7,587.0	7,774.9	7,987.7	8,220.6	8,473.5
Dividends Per Share	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.05	\$0.07	\$0.07	\$0.08	\$0.09
Common Shares (Basic)	906.9	906.9	906.9	906.9	896.9	896.9	896.9	896.9	896.9	896.9
Earnings Per Share	(2.1)	0.1	1.4	0.3	0.2	0.2	0.3	0.3	0.3	0.4
Payout Ratio	(3.8)%	101.1%	5.7%	23.8%	37.6%	23.8%	23.8%	23.8%	23.8%	23.8%
Profit Attributable to Common Shareholders	(1,930.3)	71.8	1,272.4	305.0	190.9	192.4	246.5	279.2	305.6	331.7

## Revenue Build

Segment	FY19A	FY20A	FY21A	FY22A	FY23A	FY24A	FY25A	FY26A	FY27A	FY28A	FY29A
Property Development	1,136,700,000	965,900,000	1,254,500,000	1,382,300,000	2,792,600,000	939,400,000	1,987,636,313	2,551,960,699	2,749,232,176	2,826,436,909	2,915,327,855
YoY Growth		-15.0%	29.9%	10.2%	102.0%	-66.4%	12.1%	12.1%	12.1%	12.1%	12.1%
Hotel Operations	1,725,100,000	658,700,000	883,800,000	1,349,900,000	1,498,700,000	1,622,400,000	1,690,295,102	1,761,802,865	1,836,688,651	1,915,126,870	1,997,301,496
YoY Growth		-61.8%	34.2%	52.7%	11.0%	8.3%	8.9%	8.9%	8.9%	8.9%	8.9%
Investment Properties	532,500,000	422,100,000	407,200,000	376,000,000	460,100,000	510,700,000	595,896,584	677,429,033	749,794,138	807,395,687	845,200,499
YoY Growth		-20.7%	-3.5%	-7.7%	22.4%	11.0%	16.7%	13.7%	10.7%	7.7%	4.7%
Others	34,000,000	61,800,000	80,500,000	140,200,000	189,800,000	198,600,000	238,320,000	285,984,000	343,180,800	411,816,960	494,180,352
YoY Growth		81.8%	30.3%	74.2%	35.3%	4.6%	20.0%	20.0%	20.0%	20.0%	20.0%

## Property Development Revenue Build

Property Development Revenue Build	FY21A	FY22A	FY23A	FY24A	FY25A	FY26A	FY27A	FY28A	FY29A
Property Development Revenue	\$1,254,000,000.00	\$1,382,000,000.00	\$2,792,600,000.00	\$939,400,000.00	\$1,987,636,312.80	\$2,551,960,699.00	\$2,749,232,175.62	\$2,826,436,909.24	\$2,915,327,854.89
YoY Growth (%)		10%	102%	-66%	112%	28%	8%	3%	3%
Residential					\$846,180,592.80	\$1,244,868,619.60	\$1,054,718,969.60	\$695,558,720.00	\$779,959,680.00
YoY Growth (%)								3%	3%
Others					\$1,141,455,720.00	\$1,141,455,720.00	\$1,147,913,220.00	\$928,358,220.00	\$371,672,220.00
YoY Growth (%)								3%	3%
Pipeline Projects						\$165,636,359.40	\$546,599,986.02	\$1,202,519,969.24	\$1,763,695,954.89
Total Projects					12.00	11.00	9.00	6.00	4.00
Estimated Pipeline Size					\$165,636,359.40	\$165,636,359.40	\$182,199,995.34	\$200,419,994.87	\$220,461,994.36
New Project Pipeline						1.00	3.00	6.00	8.00

	FY21A	FY22A	FY23A	FY24A	FY25A	FY26A	FY27A	FY28A	FY29A
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### Singapore - Partial Recognition based on % of Completion

The Myst									
Average Unit Size (psf)					1129	1129	1129		
Average Selling Price (psf)					2057	2057	2057		
Total Number of Units					408	408	408		
Expected Completion Year					2029	2029	2029		
% of Expected Completion in Current Year					20%	60%	100%		
Total Revenue of Project					\$189,504,005	\$568,512,014	\$947,520,024		
Revenue Recognised in Current Year					\$189,504,005	\$379,008,010	\$379,008,010		
Champions Way									
Average Unit Size (psf)					900	900	900	900	
Average Selling Price (psf)					1950	1950	1950	1950	
Total Number of Units					348	348	348	348	
Expected Completion Year					2028	2028	2028	2028	
% of Expected Completion in Current Year					5%	30%	60%	100%	
Total Revenue of Project					\$30,537,000	\$183,222,000	\$366,444,000	\$610,740,000	
Revenue Recognised in Current Year					\$30,537,000	\$152,685,000	\$183,222,000	\$244,296,000	
Lumina Grand EC									
Average Unit Size (psf)					1100	1100	1100	1100	1100
Average Selling Price (psf)					1464	1464	1464	1464	1464
Total Number of Units					512	512	512	512	512
Expected Completion Year					2029	2029	2029	2029	2029
% of Expected Completion in Current Year					5%	30%	50%	65%	100%
Total Revenue of Project					\$41,226,240	\$247,357,440	\$412,262,400	\$535,941,120	\$824,524,800
Revenue Recognised in Current Year					\$41,226,240	\$206,131,200	\$164,904,960	\$123,678,720	\$288,583,680
Zion Road									
Average Unit Size (psf)					800	800	800	800	800
Average Selling Price (psf)					2900	2900	2900	2900	2900
Total Number of Units					706	706	706	706	706
Expected Completion Year					2029	2029	2029	2029	2029
% of Expected Completion in Current Year					5%	30%	50%	70%	100%
Total Revenue of Project					\$81,896,000	\$491,376,000	\$818,960,000	\$1,146,544,000	\$1,637,920,000
Revenue Recognised in Current Year					\$81,896,000	\$409,480,000	\$327,584,000	\$327,584,000	\$491,376,000
Newport Residences									
Average Unit Size (psf)						1200	1200	1200	1200
Average Selling Price (psf)						\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
Total Number of Units						246	246	246	246
Expected Completion Year						2029	2029	2029	2029
% of Expected Completion in Current Year						25%	50%	70%	100%
Total Revenue of Project						\$369,000,000	\$738,000,000	\$1,033,200,000	\$1,476,000,000
Revenue Recognised in Current Year						\$369,000,000	\$369,000,000	\$295,200,000	\$442,800,000

	FY21A	FY22A	FY23A	FY24A	FY25A	FY26A	FY27A	FY28A	FY29A
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### Australia & UK - Full recognition upon handover

Brickworks Park - West Australia									
Average Selling Price					\$702,210.00				
Total Number of Units					222				
Expected Completion Year					2025				
Total Revenue of Project					\$155,890,620.00				

The Octagon - UK, Birmingham											
Average Selling Price											\$541,450.00
Total Number of Units											370
Expected Completion Year											2025
Total Revenue of Project											\$200,336,500.00
Normanby - Australia, Melbourne											
Average Selling Price											689,156
Total Number of Units											213
Expected Completion Year											2025
Total Revenue of Project											\$146,790,228.00
1NQ - UK, Manchester											
Average Selling Price											
Total Number of Units											261
Expected Completion Year											373,810
Total Revenue of Project											\$97,564,410.00
Toowong - Australia, Brisbane											
Average Selling Price											\$1,600,000.00
Total Number of Units											320
Expected Completion Year											2027
Total Revenue of Project											\$512,000,000.00
<b>Mixed Development</b>	<b>FY21A</b>	<b>FY22A</b>	<b>FY23A</b>	<b>FY24A</b>	<b>FY25A</b>	<b>FY26A</b>	<b>FY27A</b>	<b>FY28A</b>	<b>FY29A</b>		
<b>Singapore</b>											
Newport Plaza											
Average Unit Size (psf)											750
Average Selling Price (psf)											\$3,500.00
Total Number of Units											246
Expected Completion Year											2027
% of Expected Completion in Current Year											33%
Total Revenue of Project											\$213,097,500
Revenue Recognised in Current Year											\$213,097,500
Union Square Residences											
Average Unit Size (psf)											1000
Average Selling Price (psf)											\$3,000.00
Total Number of Units											366
Expected Completion Year											2028
% of Expected Completion in Current Year											25%
Total Revenue of Project											\$556,686,000
Revenue Recognised in Current Year											\$556,686,000
Hong Leong Larimar Center											
Average Unit Size (psf)											1000
Average Selling Price (psf)											3550
Total Number of Units											258
Expected Completion Year											2029
% of Expected Completion in Current Year											20%
Total Revenue of Project											\$371,672,220
Revenue Recognised in Current Year											\$371,672,220

## Valuation Summary

Final Implied Share Price		
<u>Weighted Valuation Methodologies</u>		
	<u>Share Price</u>	<u>Weightage</u>
Weighted Average DCF Implied Share Price	\$7.44	50%
Weighted Average Relative Valuation Share Price	\$7.98	50%
<hr/>		
Final Implied Share Price	\$7.71	100%
Current Share Price	\$5.09	
Implied Upside/(Downside)	51.6%	
<u>Valuation Methodologies</u>		
	<u>Share Price</u>	<u>Weightage</u>
DCF - Gordon Growth Method	\$7.63	50%
DCF - Exit Multiple Method	\$7.26	50%
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Weighted Average DCF Implied Share Price	\$7.44	50%
Current Share Price	\$5.09	
Implied Upside/(Downside)	46.3%	
Relative Valuation Implied Share Price		
<u>Forward Multiples</u>		
	<u>Share Price</u>	<u>Weightage</u>
LTM EV/Revenue	\$ 15.47	0%
LTM EV/EBITDA	\$ 7.98	100%
LTM P/E Ratio	\$ 3.26	0%
<hr/>		
Weighted Average Relative Valuation Share Price	\$ 7.98	100%
Current Share Price	\$ 5.09	
Implied Upside/(Downside)	56.8%	

## Valuation - WACC

<u>Current cost of debt</u>		FY20A	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E
I/Y on existing Debt	4.40%										
Tax Rate	17.0%										
After-Tax Cost of Debt	3.65%										

<u>Synthetic Credit Rating</u>		FY20A	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E
EBIT		(293.9)	160.6	219.7	664.4	406.7	719.7	841.7	905.8	950.8	997.3
Interest Expense		(206.3)	(188.7)	(246.1)	(449.6)	(552.5)	(598.1)	(645.6)	(674.5)	(691.8)	(708.6)
Interest Coverage Ratio		NA	0.9x	0.9x	1.5x	0.7x	1.2x	1.3x	1.3x	1.4x	1.4x
Risk Free Rate - SG 5Y Government Bond Yield	2.55%										
Average ICR	1.3x										
Default Risk Spread	8.0%										
Pre-Tax Cost of Debt	10.55%										
Tax Rate	17.0%										
After-Tax Cost of Debt	8.76%										

Average After-Tax Cost of Debt 4.93% -> 75% weightage on I/Y; 25% on synthetic credit rating

<u>Cost of Equity</u>		
Risk Free Rate - SG 10Y Government Bond Yield	2.76%	
Levered Beta	0.71	
ERP	4.33%	
COE, Levered Beta	5.85%	
Risk Free Rate - SG 10Y Government Bond Yield	2.76%	
Regression Beta	1.24	
ERP	4.33%	
COE, Regression Beta	8.13%	
<u>Methodology</u>		
	<u>Beta</u>	<u>Weights</u>
COE, Regression Beta	8.13%	50.0%
COE, Levered Beta	5.85%	50.0%
Weighted Average COE	6.99%	100.0%

<u>WACC Calculation</u>	
Target D/E	0.81
%Debt	44.9%
After-Tax Cost of Debt	4.9%
%Equity	55.1%
Weighted Average COE	7.0%
WACC	6.06%

## Valuation – DCF Model

<u>DCF Model</u>	FY20A	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E
EBITDA						939.7	1,072.6	1,148.4	1,205.7	1,265.1
EBIT						719.7	841.7	905.8	950.8	997.3
Tax Rate						17.0%	17.0%	17.0%	17.0%	17.0%
NOPAT						597.4	698.7	751.8	789.2	827.7
(-) Increases in Net Working Capital						141.4	(93.8)	(49.2)	(34.6)	(35.7)
(-) CAPEX						(255.3)	(298.6)	(321.4)	(337.3)	(353.8)
(+) D&A						220.0	230.9	242.6	254.9	267.8
Unlevered FCF						703.4	537.1	623.8	672.2	706.0
Discount Factor						1.0	2.0	3.0	4.0	5.0
Discounted Unlevered FCF						663.2	477.5	522.9	531.2	526.0

### Gordon Growth Method

Terminal Growth Rate	2.50%
FY2029 FCF x (1+g)	723.7
Terminal Value in FY2029	20,310.8
PV of Terminal Value	15,132.3
PV of Stage 1 Cash Flows	2,720.8
Implied Enterprise Value	17,853.1
(+) Cash and Equivalents	3,001.4
(-) MV of Total Debt	13,815.3
(-) Non-controlling Interest	220.7
Implied Equity Value	6,818.5
Shares Outstanding	893.4
Implied Share Price	\$7.63
Current Share price	\$5.09
Implied upside	49.9%

### EV/ EBITDA Multiple

Terminal year EBITDA	1,265.1
EV/EBITDA Multiple	15.7 x
Terminal Value in FY2029	19,861.5
PV of Terminal Value	14,797.6
PV of Stage 1 Cash Flows	2,720.8
Implied Enterprise Value	17,518.4
(+) Cash and Equivalents	3,001.4
(-) MV of Total Debt	13,815.3
(-) Non-controlling Interest	220.7
Implied Equity Value	6,483.7
Shares Outstanding	893.4
Implied Share Price	\$7.26
Current Share price	\$5.09
Implied upside	42.6%

## Relative Valuation

Global (including APAC tier)	Market Cap USD mn	EV USD mn	LTM Revenue USD mn	LTM EBITDA USD mn	LTM EV/Revenue	LTM EV/EBITDA
Average	8,018	17,370	4,317	876	9.4x	30.5x
Median	2,163	4,042	619	253	5.5x	19.3x
Weighted Average (using EV as basis of comparison)					9.8x	26.0x
City Development Limited (SGX:C09)					4,512.2	939.7

Median	EV/Revenue	EV/EBITDA	P/E
Enterprise Value	24,852.7	18,167.2	
(+) Cash and Equivalents	3,001.4	3,001.4	
(-) MV of Total Debt	13,815.3	13,815.3	
(-) Non-controlling Interest	220.7	220.7	
Equity Value	13,818.0	7,132.5	2,909.5
Shares Outstanding	893.4	893.4	893.4
Share Price	\$15.47	\$7.98	\$3.26

### Property Development

Company & Ticker	HQ	Share Price USD	Outstanding Shares mm	Market Cap USD mn	Net Debt	Minority Interest USD mm	EV USD mn	Weights	LTM Revenue USD mn	LTM EBITDA USD mn	LTM EPS USD	LTM EV/Revenue	LTM EV/EBITDA	P/E
GuocoLand Limited (SGX:F17)	Singapore	1.08	1,111.4	1,200.3	3,684.2	679.55	5,564.1	3%	1,321.1	287.8	0.08	4.2x	19.3x	13.5x
Sun Hung Kai Properties Limited (SEHK:16)	Hong Kong	9.22	2,897.8	26,717.7	14,645.3	566.89	41,929.9	23%	10,793.1	3,776.1	0.78	3.9x	11.1x	11.8x
Mitsubishi Estate Co., Ltd. (TSE:8802)	Japan	18.1	1,246.0	22,552.6	20,327.7	1,581.3	44,461.6	24%	10,965.3	2,840.6	1.11	4.1x	15.7x	16.3x
Chuan Hup Holdings Limited (SGX:C33)	Singapore	0.1	914.4	109.7	109.7	2.63	222.1	0%	6.3	1.5		35.3x	148.1x	0.0x
Frasers Property Limited (SGX:TQ5)	Singapore	0.6	3,926.0	2,355.6	2,355.6	5,986.72	10,697.9	6%	3,159.2	841.2	0.03	3.4x	12.7x	20.0x
Bukit Sembawang Estates Limited (SGX:B61)	Singapore	2.67	258.9	691.3	(345.0)		346.3	0%	466.0	82.6	0.32	0.7x	4.2x	8.3x
Singapore Land Group Limited (SGX:U06)	Singapore	1.51	1,432.7	2,163.4	148.0	464.73	2,776.1	2%	561.1	224.7	0.15	4.9x	12.4x	10.1x
Capitaland Investment Limited	Singapore	2.01	4,985.7	10,021.3	4,367.4	660.92	15,049.6	8%	2,102.6	655.8	0.07	7.2x	22.9x	28.7x
Poly Developments and Holdings Group Co., Ltd. (SHSE:600048)	China	1.21	11,865.4	14,357.1	28,739.8	19,728.79	62,825.7	34%	46,413.3	3,150.0	0.08	1.4x	19.9x	15.1x
Average				8,908			20,430		8,421	1,318	0.3x	7.2x	29.6x	11.4x
Median				2,356			10,698		2,103	656	0.1x	4.1x	15.7x	13.5x
Weighted Average (using EV as basis of comparison)							183,873	100%			0.5x	3.4x	16.7x	15.9x

### Hotels

Company & Ticker	HQ	Share Price USD	Outstanding Shares mm	Market Cap USD mn	Net Debt	Minority Interest USD mm	EV USD mn	Weights	LTM Revenue USD mn	LTM EBITDA USD mn	LTM EPS USD	LTM EV/Revenue	LTM EV/EBITDA	P/E
Marriott International, Inc. (NasdaqGS:MAR)	USA	220.59	275.4	60,750.5	60,750.5		121,501.0	89%	6,618.0	4,258.0	8.33	18.4x	28.5x	26.5x
Mandarin Oriental International Limited (SGX:M04)	Singapore	1.76	1,263.8	2,224.3	2,224.3	5.0	4,453.6	3%	525.8	116.6		8.5x	38.2x	
Shangri-La Asia Limited (SEHK:69)	Hong Kong	0.53	3,556.5	1,884.9	1,884.9	253.64	4,023.5	3%	2,185.4	405.9	0.05	1.8x	9.9x	10.6x
CapitaLand Ascott Trust (SGX:HMN)	Singapore	0.65	3,811.4	2,477.4	2,477.4	52.08	5,006.9	4%	618.5	252.9	0.05	8.1x	19.8x	13.0x
Far East Hospitality Trust (SGX:Q5T)	Singapore	0.4	2,016.5	806.6	806.6		1,613.2	1%	83.1	0	0.02	19.4x	0.0x	20.0x
Nippon Hotel & Residential Investment Corporation (TSE:3472)	Japan	472.92	0.3	141.9	141.9		283.8	0%	18.3	14.1	25.89	15.5x	20.1x	18.3x
Average				11,381			22,814		1,675	841	6.9x	11.9x	19.4x	17.7x
Median				2,055			4,239		572	185	0.1x	12.0x	20.0x	18.3x
Weighted Average (using EV as basis of comparison)							136,882	100%			7.5x	17.2x	27.6x	24.6x

### Fund Management

Company & Ticker	HQ	Share Price USD	Outstanding Shares mm	Market Cap USD mn	Net Debt	Minority Interest USD mm	EV USD mn	Weights	LTM Revenue USD mn	LTM EBITDA USD mn	LTM EPS USD	LTM EV/Revenue	LTM EV/EBITDA	P/E
OUE Limited (SGX:LJ3)	Singapore	0.73	756.3	552.1	552.1	1,616.72	2,720.9	6%	494.0	225.8	(0.27)	5.5x	12.1x	
Great Eagle Holdings Limited (SEHK:41)	Hong Kong	1.64	747.7	1,226.2	1,226.2	1,589.13	4,041.6	9%	1,402.2	463.5	(0.3)	2.9x	8.7x	
Shoucheng Holdings Limited (SEHK:697)	Hong Kong	0.2	7,284.5	1,456.9	1,456.9	12.27	2,926.1	7%	156.6	35.3	0.01	18.7x	82.9x	20.0x
CapitaLand Investment Limited (SGX:9CI)	Singapore	2.01	4,985.7	10,021.3	10,021.3	660.92	20,703.4	47%	2,150.8	655.6	0.07	9.6x	31.6x	28.7x
Rykadan Capital Limited (SEHK:2288)	USA	0.02	375.4	7.5	7.5	(1.53)	13.5	0%	22.3	(5.9)	(0.07)	0.6x	0.0x	

ESR Group Limited (SEHK:1821)	Hong Kong	1.57	4,246.7	6,667.3	6,667.3	279.09	13,613.7	31%	601.4	110.6	(0.17)	22.6x	123.1x	
Average				3,322			7,337		805	247	-0.1x	10.0x	43.1x	16.2x
Median				1,342			3,484		548	168	-0.1x	7.6x	21.8x	20.0x
Weighted Average (using EV as basis of comparison)							44,019	100%			-0.1x	13.4x	60.0x	1.5x