

Supplemental Listing Document

If you are in any doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

Application has been made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in and for quotation of the Certificates (as defined below). The SGX-ST takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of SG Issuer, Société Générale, the Certificates, or the Company (as defined below).

**6,700,000 European Style Cash Settled Long Certificates
relating to the ordinary shares of City Developments Limited
with a Daily Leverage of 5x**

**issued by
SG Issuer
(Incorporated in Luxembourg with limited liability)
unconditionally and irrevocably guaranteed by
Société Générale**

Issue Price: S\$1.20 per Certificate

This document is published for the purpose of obtaining a listing of all the above certificates (the “**Certificates**”) to be issued by SG Issuer (the “**Issuer**”) unconditionally and irrevocably guaranteed by Société Générale (the “**Guarantor**”), and is supplemental to and should be read in conjunction with a base listing document dated 19 June 2020 including such further base listing documents as may be issued from time to time (the “**Base Listing Document**”) for the purpose of giving information with regard to the Issuer, the Guarantor and the Certificates. Information relating to the Company (as defined below) is contained in this document.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Certificates or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration the Certificates or other securities of the Issuer.

Restrictions have been imposed on offers and sales of the Certificates and on distributions of documents relating thereto in Singapore, Hong Kong, the European Economic Area, the United Kingdom and the United States (see “Placing and Sale” contained herein).

The Certificates are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Certificates may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. The price of the Certificates also depends on the supply and

demand for the Certificates in the market and the price at which the Certificates is trading at any time may differ from the underlying valuation of the Certificates because of market inefficiencies. It is not possible to predict the secondary market for the Certificates. Although the Issuer, the Guarantor and/or any of their affiliates may from time to time purchase the Certificates or sell additional Certificates on the market, the Issuer, the Guarantor and/or any of their affiliates are not obliged to do so. Investors should also note that there are leveraged risks because the Certificates integrate a leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock (as defined below) and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock.

The Certificates are classified as capital markets products other than prescribed capital markets products¹ and Specified Investment Products (SIPs)², and may only be sold to retail investors with enhanced safeguards, including an assessment of such investors' investment knowledge or experience.

The Certificates constitute general unsecured obligations of the Issuer and of no other person, and the guarantee dated 19 June 2020 (the "**Guarantee**") and entered into by the Guarantor constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person, and if you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person.

Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. It is expected that dealings in the Certificates will commence on or about 7 April 2021.

As of the date hereof, the Guarantor's long term credit rating by S&P Global Ratings is A, and by Moody's Investors Service, Inc. is A1.

The Issuer is regulated by the Luxembourg Commission de Surveillance du Secteur Financier on a consolidated basis and the Guarantor is regulated by, *inter alia*, the Autorité des Marchés Financiers, the Autorité de Contrôle Prudentiel et de Résolution and the European Central Bank.

6 April 2021

¹ As defined in the Securities and Futures (Capital Markets Products) Regulations 2018.

² As defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Subject as set out below, the Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this document and the Base Listing Document in relation to themselves and the Certificates. To the best of the knowledge and belief of the Issuer and the Guarantor (each of which has taken all reasonable care to ensure that such is the case), the information contained in this document and the Base Listing Document for which they accept responsibility (subject as set out below in respect of the information contained herein with regard to the Company) is in accordance with the facts and does not omit anything likely to affect the import of such information. The information with regard to the Company as set out herein is extracted from publicly available information. The Issuer and the Guarantor accept responsibility only for the accurate reproduction of such information. No further or other responsibility or liability in respect of such information is accepted by the Issuer and the Guarantor.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the offering of the Certificates, and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or the Guarantor. Neither the delivery of this document nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, the Guarantor or their respective subsidiaries and associates since the date hereof.

This document does not constitute an offer or invitation by or on behalf of the Issuer or the Guarantor to purchase or subscribe for any of the Certificates. The distribution of this document and the offering of the Certificates may, in certain jurisdictions, be restricted by law. The Issuer and the Guarantor require persons into whose possession this document comes to inform themselves of and observe all such restrictions. In particular, the Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the “**CFTC**”) under the United States Commodity Exchange Act of 1936, as amended and the Issuer will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. A further description of certain restrictions on offering and sale of the Certificates and distribution of this document is given in the section headed “Placing and Sale” contained herein.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the Guarantor or the merits of investing in the Certificates, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer, the Guarantor and/or any of their affiliates may repurchase Certificates at any time on or after the date of issue and any Certificates so repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer, the Guarantor and/or any of their affiliates. Investors should not therefore make any assumption as to the number of Certificates in issue at any time.

References in this document to the “**Conditions**” shall mean references to the Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities contained in the Base Listing Document. Terms not defined herein shall have the meanings ascribed thereto in the Conditions.

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RISK FACTORS

The following are risk factors relating to the Certificates:

- (a) investment in Certificates involves substantial risks including market risk, liquidity risk, and the risk that the Issuer and/or the Guarantor will be unable to satisfy its/their obligations under the Certificates. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates. You should consider carefully whether Certificates are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Certificates are not suitable for inexperienced investors;
- (b) the Certificates constitute general unsecured obligations of the Issuer and of no other person, and the Guarantee constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Certificates, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person;
- (c) since the Certificates relate to the price of the Underlying Stock, certain events relating to the Underlying Stock may cause adverse movements in the value and the price of the Underlying Stock, as a result of which, the Certificate Holders (as defined in the Conditions of the Certificates) may, in extreme circumstances, sustain a significant loss of their investment if the price of the Underlying Stock has fallen sharply;
- (d) due to their nature, the Certificates can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Certificates may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the Underlying Stock, the time remaining to expiry, the currency exchange rates and the creditworthiness of the Issuer and the Guarantor;
- (e) if, whilst any of the Certificates remain unexercised, trading in the Underlying Stock is suspended or halted on the relevant stock exchange, trading in the Certificates may be suspended for a similar period;
- (f) as indicated in the Conditions of the Certificates and herein, a Certificate Holder must tender a specified number of Certificates at any one time in order to exercise. Thus, Certificate Holders with fewer than the specified minimum number of Certificates in a particular series will either have to sell their Certificates or purchase additional Certificates, incurring transactions costs in each case, in order to realise their investment;
- (g) investors should note that in the event of there being a Market Disruption Event (as defined in the Conditions) determination or payment of the Cash Settlement Amount (as defined in the Conditions) may be delayed, all as more fully described in the Conditions;
- (h) certain events relating to the Underlying Stock require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions. Investors may refer to the Conditions 4 and 6 on pages 29 to 33 and the examples and illustrations of adjustments set out in the "Information relating to the European Style Cash Settled Long Certificates on Single Equities" section of this document for more information;
- (i) the Certificates are only exercisable on the Expiry Date and may not be exercised by Certificate Holders prior to such Expiry Date. Accordingly, if on the Expiry Date the Cash Settlement Amount is zero, a Certificate Holder will lose the value of his investment;

- (j) the total return on an investment in any Certificate may be affected by the Hedging Fee Factor (as defined below), Management Fee (as defined below) and Gap Premium (as defined below);
- (k) investors holding their position overnight should note that they would be required to bear the annualised cost which consists of the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Strategy (as described below) including the Funding Cost (as defined below) and Rebalancing Cost (as defined below);
- (l) investors should note that there are leveraged risks because the Certificates integrate a leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock;
- (m) when held for longer than a day, the performance of the Certificates could be more or less than the leverage factor that is embedded within the Certificates. The performance of the Certificates each day is locked in, and any subsequent returns are based on what was achieved the previous day. This process, referred to as compounding, may lead to a performance difference from 5 times the performance of the Underlying Stock over a period longer than one day. This difference may be amplified in a volatile market with a sideways trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;
- (n) the Air Bag Mechanism (as defined below) is triggered only when the Underlying Stock is calculated or traded, which may not be during the trading hours of the Relevant Stock Exchange for the Certificates (as defined below);
- (o) investors should note that the Air Bag Mechanism reduces the impact on the Leverage Strategy if the Underlying Stock falls further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to rise after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses;
- (p) there is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment, in the event of (i) an overnight fall in the Underlying Stock, where there is a 20% or greater gap between the previous day closing price and the opening price of the Underlying Stock the following day, as the Air Bag Mechanism will only be triggered when market opens the following day or (ii) a sharp intraday fall in the price of the Underlying Stock of 20% or greater within the 15 minutes Observation Period compared to the reference price, being: (1) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (2) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. Investors may refer to pages 48 to 49 of this document for more information;
- (q) certain events may, pursuant to the terms and conditions of the Certificates, trigger (i) the implementation of methods of adjustment or (ii) the early termination of the Certificates. The Issuer will give the investors reasonable notice of any early termination. If the Issuer terminates the Certificates early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of the Certificate less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The performance of this commitment shall depend on (i) general market conditions and (ii) the liquidity conditions of the underlying instrument(s) and, as the case may be, of any other hedging transactions. Investors should note that the amount repaid by the Issuer may be less than the

amount initially invested. Investors may refer to the Condition 13 on pages 35 to 37 of this document for more information;

- (r) there is no assurance that an active trading market for the Certificates will sustain throughout the life of the Certificates, or if it does sustain, it may be due to market making on the part of the Designated Market Maker. The Issuer acting through its Designated Market Maker may be the only market participant buying and selling the Certificates. Therefore, the secondary market for the Certificates may be limited and you may not be able to realise the value of the Certificates. Do note that the bid-ask spread increases with illiquidity;
- (s) in the ordinary course of their business, including without limitation, in connection with the Issuer or its appointed designated market maker's market making activities, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the Underlying Stock. In addition, in connection with the offering of any Certificates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the Underlying Stock. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer, the Guarantor and any of their respective subsidiaries and affiliates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into transactions in the Underlying Stock which may affect the market price, liquidity or value of the Certificates and which may affect the interests of Certificate Holders;
- (t) various potential and actual conflicts of interest may arise from the overall activities of the Issuer, the Guarantor and/or any of their subsidiaries and affiliates.

The Issuer, the Guarantor and any of their subsidiaries and affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Issuer, the Guarantor and any of their subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the Underlying Stock. Such activities and information may involve or otherwise affect issuers of the Underlying Stock in a manner that may cause consequences adverse to the Certificate Holders or otherwise create conflicts of interests in connection with the issue of Certificates by the Issuer. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer, the Guarantor and any of their subsidiaries and affiliates have no obligation to disclose such information about the Underlying Stock or such activities. The Issuer, the Guarantor and any of their subsidiaries and affiliates and their officers and directors may engage in any such activities without regard to the issue of Certificates by the Issuer or the effect that such activities may directly or indirectly have on any Certificate;

- (u) legal considerations which may restrict the possibility of certain investments:

Some investors' investment activities are subject to specific laws and regulations or laws and regulations currently being considered by various authorities. All potential investors must consult their own legal advisers to check whether and to what extent (i) they can legally purchase the Certificates (ii) the Certificates can be used as collateral security for various forms of borrowing (iii) if other restrictions apply to the purchase of Certificates or their use as collateral security. Financial institutions must consult their legal advisers or regulators to determine the appropriate treatment of the Certificates under any applicable risk-based capital or similar rules;

- (v) the credit rating of the Guarantor is an assessment of its ability to pay obligations, including those on the Certificates. Consequently, actual or anticipated declines in the credit rating of the Guarantor may affect the market value of the Certificates;
- (w) the Certificates are linked to the Underlying Stock and subject to the risk that the price of the Underlying Stock may decline. The following is a list of some of the significant risks associated with the Underlying Stock:
 - Historical performance of the Underlying Stock does not give an indication of future performance of the Underlying Stock. It is impossible to predict whether the price of the Underlying Stock will fall or rise over the term of the Certificates; and
 - The price of the Underlying Stock may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which the Underlying Stock may be traded;
- (x) the value of the Certificates depends on the Leverage Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Strategy last closing level and a calculation tool available to the investors on a website;
- (y) two or more risk factors may simultaneously have an effect on the value of a Certificate such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Certificate;
- (z) as the Certificates are represented by a global warrant certificate which will be deposited with The Central Depository (Pte) Limited (“**CDP**”):
 - (i) investors should note that no definitive certificate will be issued in relation to the Certificates;
 - (ii) there will be no register of Certificate Holders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates by way of interest (to the extent of such number) in the global warrant certificate in respect of those Certificates represented thereby shall be treated as the holder of such number of Certificates;
 - (iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Certificates; and
 - (iv) notices to such Certificate Holders will be published on the web-site of the SGX-ST. Investors will need to check the web-site of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices;
- (aa) the reform of LIBOR may adversely affect the value of the Certificates

The London interbank offered rate (“**LIBOR**”) benchmark as referenced in the Leverage Strategy is the subject of recent international or national regulatory guidance and proposals for reform. Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. On 27 July 2017, and in a subsequent speech by its Chief Executive on 12 July 2018, the UK Financial Conduct Authority (“**FCA**”) confirmed that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the “**FCA Announcements**”). The FCA Announcements indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

It is not possible to predict with certainty whether, and to what extent, LIBOR will continue to be supported going forwards. This may cause LIBOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Certificates.

In addition, the occurrence of a modification or cessation of LIBOR may cause adjustment of the Certificates which may include selecting one or more successor benchmarks and making related adjustments to the Certificates, including if applicable to reflect increased costs.

The Calculation Agent may make adjustments as it may determine appropriate if any of the following circumstances occurs or may occur: (1) LIBOR is materially changed or cancelled or (2)(i) the relevant authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the benchmark or the administrator or sponsor of the benchmark is not obtained, (ii) an application for authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is rejected or (iii) any authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or inclusion in any official register is withdrawn.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any of the international or national reforms in making any investment decision with respect to any Certificate;

(bb) the US Foreign Account Tax Compliance Act (“**FATCA**”) withholding risk:

FATCA generally imposes a 30 per cent. withholding tax on certain U.S.-source payments to certain non-US persons that do not provide certification of their compliance with IRS rules to disclose the identity of their US owners and account holders (if any) or establish a basis for exemption for such disclosure. The Issuer is subject to FATCA and, as a result, is required to obtain certification from investors that they have complied with FATCA disclosure requirements or have established a basis for exemption from FATCA. If an investor does not provide us with such certification, the Issuer and the Guarantor could be required to withhold U.S. tax on U.S.-source income (if any) paid pursuant to the Certificates. In certain cases, the Issuer could be required to close an account of an investor who does not comply with the FATCA certification procedures.

FATCA IS PARTICULARLY COMPLEX. EACH INVESTOR SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO DETERMINE HOW THIS LEGISLATION MIGHT AFFECT EACH INVESTOR IN ITS PARTICULAR CIRCUMSTANCES;

(cc) U.S. withholding tax

The Issuer has determined that this Certificate is not linked to U.S. Underlying Equities within the meaning of applicable regulations under Section 871(m) of the United States Internal Revenue Code, as discussed in the accompanying Base Listing Document under “TAXATION—TAXATION IN THE UNITED STATES OF AMERICA—Section 871(m) of the U.S. Internal Revenue Code of 1986.” Accordingly, the Issuer expects that Section 871(m) will not apply to the Certificates. Such determination is not binding on the IRS, and the IRS may disagree with this determination. Section 871(m) is complex and its application may depend on a Certificate Holder's particular circumstances. Certificate Holders should consult with their own tax advisers regarding the

potential application of Section 871(m) to the Certificates; and

- (dd) risk factors relating to the BRRD

French and Luxembourg law and European legislation regarding the resolution of financial institutions may require the write-down or conversion to equity of the Certificates or other resolution measures if the Issuer or the Guarantor is deemed to meet the conditions for resolution

Directive 2014/59/EU of the European Parliament and of the Council of the European Union dated 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the “**BRRD**”) entered into force on 2 July 2014. The BRRD has been implemented into Luxembourg law by, among others, the Luxembourg act dated 18 December 2015 on the failure of credit institutions and certain investment firms, as amended (the “**BRR Act 2015**”). Under the BRR Act 2015, the competent authority is the Luxembourg financial sector supervisory authority (*Commission de surveillance du secteur financier*, the CSSF) and the resolution authority is the CSSF acting as resolution council (*conseil de résolution*).

Moreover, Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism (“**SRM**”) and a Single Resolution Fund (the “**SRM Regulation**”) has established a centralised power of resolution entrusted to a Single Resolution Board (the “**SRB**”) in cooperation with the national resolution authorities.

Since 2014, the European Central Bank (“**ECB**”) has taken over the prudential supervision of significant credit institutions in the member states of the Eurozone under the Single Supervisory Mechanism (“**SSM**”). In addition, the SRM has been put in place to ensure that the resolution of credit institutions and certain investment firms across the Eurozone is harmonised. As mentioned above, the SRM is managed by the SRB. Under Article 5(1) of the SRM Regulation, the SRM has been granted those responsibilities and powers granted to the EU Member States’ resolution authorities under the BRRD for those credit institutions and certain investment firms subject to direct supervision by the ECB. The ability of the SRB to exercise these powers came into force at the beginning of 2016.

Societe Generale has been designated as a significant supervised entity for the purposes of Article 49(1) of Regulation (EU) No 468/2014 of the ECB of 16 April 2014 establishing the framework for cooperation within the SSM between the ECB and national competent authorities and with national designated authorities (the “**SSM Regulation**”) and is consequently subject to the direct supervision of the ECB in the context of the SSM. This means that Societe Generale and SG Issuer (being covered by the consolidated prudential supervision of Societe Generale) are also subject to the SRM which came into force in 2015. The SRM Regulation mirrors the BRRD and, to a large part, refers to the BRRD so that the SRB is able to apply the same powers that would otherwise be available to the relevant national resolution authority.

The stated aim of the BRRD and the SRM Regulation is to provide for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and certain investment firms. The regime provided for by the BRRD is, among other things, stated to be needed to provide the resolution authority designated by each EU Member State (the “**Resolution Authority**”) with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution’s critical financial and economic functions while minimising the impact of an institution’s failure on the economy and financial system (including taxpayers’ exposure to losses).

Under the SRM Regulation, a centralised power of resolution is established and entrusted to the

SRB acting in cooperation with the national resolution authorities. In accordance with the provisions of the SRM Regulation, when applicable, the SRB, has replaced the national resolution authorities designated under the BRRD with respect to all aspects relating to the decision-making process and the national resolution authorities designated under the BRRD continue to carry out activities relating to the implementation of resolution schemes adopted by the SRB. The provisions relating to the cooperation between the SRB and the national resolution authorities for the preparation of the institutions' resolution plans have applied since 1 January 2015 and the SRM has been fully operational since 1 January 2016.

The SRB is the Resolution Authority for the Issuer and the Guarantor.

The powers provided to the Resolution Authority in the BRRD and the SRM Regulation include write-down/conversion powers to ensure that capital instruments (including subordinated debt instruments) and eligible liabilities (including senior debt instruments if junior instruments prove insufficient to absorb all losses) absorb losses of the issuing institution that is subject to resolution in accordance with a set order of priority (the **"Bail-in Power"**). The conditions for resolution under the SRM Regulation are deemed to be met when: (i) the Resolution Authority determines that the institution is failing or is likely to fail, (ii) there is no reasonable prospect that any measure other than a resolution measure would prevent the failure within a reasonable timeframe, and (iii) a resolution measure is necessary for the achievement of the resolution objectives (in particular, ensuring the continuity of critical functions, avoiding a significant adverse effect on the financial system, protecting public funds by minimizing reliance on extraordinary public financial support, and protecting client funds and assets) and winding up of the institution under normal insolvency proceedings would not meet those resolution objectives to the same extent.

The Resolution Authority could also, independently of a resolution measure or in combination with a resolution measure, fully or partially write-down or convert capital instruments (including subordinated debt instruments) into equity when it determines that the institution or its group will no longer be viable unless such write-down or conversion power is exercised or when the institution requires extraordinary public financial support (except when extraordinary public financial support is provided in Article 10 of the SRM Regulation). The terms and conditions of the Certificates contain provisions giving effect to the Bail-in Power in the context of resolution and write-down or conversion of capital instruments at the point of non-viability.

The Bail-in Power could result in the full (i.e., to zero) or partial write-down or conversion of the Certificates into ordinary shares or other instruments of ownership, or the variation of the terms of the Certificates (for example, the maturity and/or interest payable may be altered and/or a temporary suspension of payments may be ordered). Extraordinary public financial support should only be used as a last resort after having assessed and applied, to the maximum extent practicable, the resolution measures. No support will be available until a minimum amount of contribution to loss absorption and recapitalization of 8% of total liabilities including own funds has been made by shareholders, holders of capital instruments and other eligible liabilities through write-down, conversion or otherwise.

In addition to the Bail-in Power, the BRRD provides the Resolution Authority with broader powers to implement other resolution measures with respect to institutions that meet the conditions for resolution, which may include (without limitation) the sale of the institution's business, the creation of a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), removing management, appointing an interim administrator, and discontinuing the listing and admission to trading of financial instruments.

Before taking a resolution measure, including implementing the Bail-in Power, or exercising the power to write down or convert relevant capital instruments, the Resolution Authority must ensure that a fair, prudent and realistic valuation of the assets and liabilities of the institution is carried out by a person independent from any public authority.

The application of any measure under the BRRD and the SRM Regulation or any suggestion of such application with respect to the Issuer, the Guarantor or the Group could materially adversely affect the rights of Certificate Holders, the price or value of an investment in the Certificates and/or the ability of the Issuer or the Guarantor to satisfy its obligations under any Certificates, and as a result investors may lose their entire investment.

Moreover, if the Issuer's or the Guarantor's financial condition deteriorates, the existence of the Bail-in Power, the exercise of write-down/conversion powers or any other resolution tools by the Resolution Authority independently of a resolution measure or in combination with a resolution measure when it determines that the Issuer, the Guarantor or the Group will no longer be viable could cause the market price or value of the Certificates to decline more rapidly than would be the case in the absence of such powers.

Since 1 January 2016, EU credit institutions (such as Societe Generale) and certain investment firms have to meet, at all times, a minimum requirement for own funds and eligible liabilities ("**MREL**") pursuant to Article 12 of the SRM Regulation. MREL, which is expressed as a percentage of the total liabilities and own funds of the institution, aims at preventing institutions from structuring their liabilities in a manner that impedes the effectiveness of the Bail-in Power in order to facilitate resolution.

The current regime will evolve as a result of the changes adopted by the EU legislators. On 7 June 2019, as part of the contemplated amendments to the so-called "EU Banking Package", the following legislative texts have been published in the Official Journal of the EU 14 May 2019:

- Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (the "**BRRD II**"); and
- Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the SRM Regulation as regards the loss-absorbing and recapitalisation capacity ("**TLAC**") of credit institutions and investment firms (the "**SRM II Regulation**" and, together with the BRRD II, the "**EU Banking Package Reforms**").

The EU Banking Package Reforms will introduce, among other things, the TLAC standard as implemented by the Financial Stability Board's TLAC Term Sheet ("**FSB TLAC Term Sheet**"), by adapting, among others, the existing regime relating to the specific MREL with aim of reducing risks in the banking sector and further reinforcing institutions' ability to withstand potential shocks will strengthen the banking union and reduce risks in the financial system.

The TLAC will be implemented in accordance with the FSB TLAC Term Sheet, which impose a level of "Minimum TLAC" that will be determined individually for each global systemically important bank ("**G-SIB**"), such as Societe Generale, in an amount at least equal to (i) 16%, plus applicable buffers, of risk weight assets through January 1, 2022 and 18%, plus applicable buffers, thereafter and (ii) 6% of the Basel III leverage ratio denominator through January 1, 2022 and 6.75% thereafter (each of which could be extended by additional firm-specific requirements).

According to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the "**CRR**"), as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May

2019 amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements (the “**CRR II**”), EU G-SIBs, such as Societe Generale, will have to comply with TLAC requirements, on top of the MREL requirements, as from the entry into force of the CRR II. As such, G-SIBs, such as Societe Generale will have to comply at the same time with TLAC and MREL requirements.

Consequently, criteria for MREL-eligible liabilities will be closely aligned with those laid down in the CRR, as amended by the CRR II for the TLAC-eligible liabilities, but subject to the complementary adjustments and requirements introduced in the BRRD II. In particular, certain debt instruments with an embedded derivative component, such as certain structured notes, will be eligible, subject to certain conditions, to meet the MREL requirements to the extent that they have a fixed or increasing principal amount repayable at maturity that is known in advance while only an additional return is linked to that derivative component and depends on the performance of a reference asset.

The level of capital and eligible liabilities required under MREL will be set by the SRB for Societe Generale on an individual and/or consolidated basis based on certain criteria including systemic importance any may also be set for SG Issuer. Eligible liabilities may be senior or subordinated, provided, among other requirements, that they have a remaining maturity of at least one year and, if governed by non-EU law, they must be able to be written down or converted under that law (including through contractual provisions).

The scope of liabilities used to meet the MREL will include, in principle, all liabilities resulting from claims arising from ordinary unsecured creditors (non-subordinated liabilities) unless they do not meet specific eligibility criteria set out in the BRRD, as amended by the BRRD II. To enhance the resolvability of institutions and entities through an effective use of the bail-in tool, the SRB should be able to require that the MREL be met with own funds and other subordinated liabilities, in particular where there are clear indications that bailed-in creditors are likely to bear losses in resolution that would exceed the losses that they would incur under normal insolvency proceedings. Moreover the SRB should assess the need to require institutions and entities to meet the MREL with own funds and other subordinated liabilities where the amount of liabilities excluded from the application of the bail-in tool reaches a certain threshold within a class of liabilities that includes MREL-eligible liabilities. Any subordination of debt instruments requested by the SRB for the MREL shall be without prejudice to the possibility to partly meet the TLAC requirements with non-subordinated debt instruments in accordance with the CRR, as amended by the CRR II, as permitted by the TLAC standard. Specific requirements will apply to resolution groups with assets above EUR 100 billion (top-tier banks).

If the SRB finds that there could exist any obstacles to resolvability by the Issuer or the Guarantor and/or the Group, a higher MREL requirement could be imposed. Any failure by the Issuer or the Guarantor, as applicable, and/or the Group to comply with its MREL may have a material adverse effect on the Issuer’s business, financial conditions and results of operations.

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates and should be read in conjunction with, and are qualified by reference to, the other information set out in this document and the Base Listing Document.

The Conditions are set out in the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” in the Base Listing Document. For the purposes of the Conditions, the following terms shall have the following meanings:

Certificates:	6,700,000 European Style Cash Settled Long Certificates relating to the ordinary shares of City Developments Limited (the “ Underlying Stock ”)
ISIN:	LU2184322472
Company:	City Developments Limited (RIC: CTDM.SI)
Underlying Price ³ and Source:	S\$8.17 (Reuters)
Calculation Agent:	Société Générale
Strike Level:	Zero
Daily Leverage:	5x (within the Leverage Strategy as described below)
Notional Amount per Certificate:	SGD 1.20
Management Fee (p.a.) ⁴ :	0.40%
Gap Premium (p.a.) ⁵ :	6.50%, is a hedging cost against extreme market movements overnight.
Funding Cost ⁶ :	The annualised costs of funding, referencing a publicly published interbank offered rate plus spread.
Rebalancing Cost ⁶ :	The transaction costs (if applicable), computed as a function of leverage and daily performance of the Underlying Stock.
Launch Date:	26 March 2021
Closing Date:	6 April 2021
Expected Listing Date:	7 April 2021

³ These figures are calculated as at, and based on information available to the Issuer on or about 6 April 2021. The Issuer is not obliged, and undertakes no responsibility to any person, to update or inform any person of any changes to the figures after 6 April 2021.

⁴ Please note that the Management Fee is calculated on a 360-day basis and may be increased up to a maximum of 3% p.a. on giving one month's notice to investors. Any increase in the Management Fee will be announced on the SGXNET. Please refer to “Fees and Charges” below for further details of the fees and charges payable and the maximum of such fees as well as other ongoing expenses that may be borne by the Certificates.

⁵ Please note that the Gap Premium is calculated on a 360-day basis.

⁶ These costs are embedded within the Leverage Strategy.

Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 24 March 2022
Expiry Date:	31 March 2022 (if the Expiry Date is not a Business Day, then the Expiry Date shall fall on the preceding Business Day and subject to adjustment of the Valuation Date upon the occurrence of Market Disruption Events as set out in the Conditions of the Certificates)
Board Lot:	100 Certificates
Valuation Date:	30 March 2022 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
Exercise:	<p>The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.</p>
Cash Settlement Amount:	<p>In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:</p> <p>Closing Level multiplied by the Notional Amount per Certificate</p> <p>Please refer to the “Information relating to the European Style Cash Settled Long Certificates on Single Equities” section on pages 40 to 54 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.</p>
Hedging Fee Factor:	<p>In respect of each Certificate, shall be an amount calculated as: Product (for t from 2 to Valuation Date) of $(1 - \text{Management Fee } x (\text{ACT } (t-1;t) \div 360)) \times (1 - \text{Gap Premium } (t-1) \times (\text{ACT } (t-1;t) \div 360))$, where:</p> <p>“$t$” refers to “Observation Date” which means each Exchange Business Day (subject to Market Disruption Event) from (and including) the Exchange Business Day immediately preceding the</p>

Expected Listing Date to the Valuation Date; and

ACT (t-1;t) means the number of calendar days between the Exchange Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded).

If the Issuer determines, in its sole discretion, that on any Observation Date a Market Disruption Event has occurred, then that Observation Date shall be postponed until the first succeeding Exchange Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days immediately following the original date that, but for the Market Disruption Event, would have been an Observation Date. In that case, that fifth Exchange Business Day shall be deemed to be the Observation Date notwithstanding the Market Disruption Event and the Issuer shall determine, its good faith estimate of the level of the Leverage Strategy and the value of the Certificate on that fifth Exchange Business Day in accordance with the formula for and method of calculation last in effect prior to the occurrence of the first Market Disruption Event taking into account, inter alia, the exchange traded or quoted price of the Underlying Stock and the potential increased cost of hedging by the Issuer as a result of the occurrence of the Market Disruption Event.

Please refer to the “Information relating to the European Style Cash Settled Long Certificates on Single Equities” section on pages 40 to 54 of this document for examples and illustrations of the calculation of the Hedging Fee Factor.

Closing Level: In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level} \right) \times \text{Hedging Fee Factor}$$

Initial Reference Level: 1,000

Final Reference Level: The closing level of the Leverage Strategy (as described below) on the Valuation Date

The calculation of the closing level of the Leverage Strategy is set out in the “Specific Definitions relating to the Leverage Strategy” section on pages 19 to 23 below.

Initial Exchange Rate: 1

Final Exchange Rate: 1

Air Bag Mechanism: The “**Air Bag Mechanism**” refers to the mechanism built in the Leverage Strategy and which is designed to reduce the Leverage Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock falls by 15% or more (“**Air Bag Trigger Price**”) during the trading day (which represents

approximately 75% loss after a 5 times leverage), the Air Bag Mechanism is triggered and the Leverage Strategy is adjusted intra-day. The Air Bag Mechanism reduces the impact on the Leverage Strategy if the Underlying Stock falls further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to rise after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses.

Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered.

The Leverage Strategy is floored at 0 and the Certificates cannot be valued below zero.

Please refer to the “Extraordinary Strategy Adjustment for Performance Reasons (“Air Bag Mechanism”)” section on pages 21 to 23 below and the “Description of Air Bag Mechanism” section on pages 46 to 47 of this document for further information of the Air Bag Mechanism.

Adjustments and Extraordinary Events:	The Issuer has the right to make adjustments to the terms of the Certificates if certain events, including any capitalisation issue, rights issue, extraordinary distributions, merger, delisting, insolvency (as more specifically set out in the terms and conditions of the Certificates) occur in respect of the Underlying Stock. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.
Underlying Stock Currency:	Singapore Dollar (“ SGD ”)
Settlement Currency:	SGD
Exercise Expenses:	Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates.
Relevant Stock Exchange for the Certificates:	The Singapore Exchange Securities Trading Limited (the “ SGX-ST ”)
Relevant Stock Exchange for the Underlying Stock:	The SGX-ST
Business Day and Exchange Business Day:	A “ Business Day ” or an “ Exchange Business Day ” is a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.
Warrant Agent:	The Central Depository (Pte) Limited (“ CDP ”)
Clearing System:	CDP
Fees and Charges:	Normal transaction and brokerage fees shall apply to the trading of the Certificates on the SGX-ST. Investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the

Certificates are transferred. Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

Investors holding position overnight would also be required to bear the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Strategy including the Funding Cost and Rebalancing Cost. The Management Fee may be increased up to a maximum of 3% p.a. on giving one month's notice to investors in accordance with the terms and conditions of the Certificates. Any increase in the Management Fee will be announced on the SGXNET.

Further Information:

Please refer to the website at dlc.socgen.com for more information on the theoretical closing price of the Certificates on the previous trading day, the closing price of the Underlying Stock on the previous trading day, the Air Bag Trigger Price for each trading day and the Management Fee and Gap Premium.

Specific Definitions relating to the Leverage Strategy

Description of the Leverage Strategy

The Leverage Strategy is designed to track a 5 times daily leveraged exposure to the Underlying Stock.

At the end of each trading day of the Underlying Stock, the exposure of the Leverage Strategy to the Underlying Stock is reset within the Leverage Strategy in order to retain a daily leverage of 5 times the performance of the Underlying Stock (excluding costs) regardless of the performance of the Underlying Stock on the preceding day. This mechanism is referred to as the Daily Reset.

The Leverage Strategy incorporates an air bag mechanism which is designed to reduce exposure to the Underlying Stock during extreme market conditions, as further described below.

Leverage Strategy Formula

LSL_t means, for any Observation Date(t), the Leverage Strategy Closing Level as of such day (t).

Subject to the occurrence of an Intraday Restrike Event, the Leverage Strategy Closing Level as of such Observation Date(t) is calculated in accordance with the following formulae:

On Observation Date(1):

$$LSL_1 = 1000$$

On each subsequent Observation Date(t):

$$LSL_t = \text{Max}[LSL_{t-1} \times (1 + LR_{t-1,t} - FC_{t-1,t} - RC_{t-1,t}), 0]$$

LR_{t-1,t}	<p>means the Leveraged Return of the Underlying Stock between Observation Date(t-1) and Observation Date(t) closing prices, calculated as follows:</p> $LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right)$
FC_{t-1,t}	<p>means, the Funding Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows :</p> $FC_{t-1,t} = (\text{Leverage} - 1) \times \frac{\text{Rate}_{t-1} \times \text{ACT}(t-1,t)}{\text{DayCountBasisRate}}$
RC_{t-1,t}	<p>means the Rebalancing Cost of the Leverage Strategy on Observation Date (t), calculated as follows :</p> $RC_{t-1,t} = \text{Leverage} \times (\text{Leverage} - 1) \times \left(\left \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right \right) \times \text{TC}$
TC	<p>means the Transaction Costs applicable (including Stamp Duty) that are equal to :</p> <p>0.04%</p>
Leverage	5
S_t	means, in respect of each Observation Date(t), the Closing Price of the Underlying Stock as of such Observation Date(t), subject to the adjustments and provisions of the Conditions.
Rate_t	<p>means, in respect of each Observation Date(t), a rate calculated as of such day in accordance with the following formula:</p> $\text{Rate}_t = \text{CashRate}_t + \% \text{SpreadLevel}_t$
Rfactor_t	<p>means, in the event Observation Date (t) is an ex-dividend date of the Underlying Stock, an amount determined by the Calculation Agent, subject to the adjustments and provisions of the Conditions, according to the following formula :</p> $Rfactor_t = 1 - \frac{Div_t}{S_{t-1}}$ <p>where</p> <p><i>Div_t</i> is the dividend to be paid out in respect of the Underlying Stock and the relevant ex-dividend date which shall be considered net of any applicable withholding taxes.</p>
CashRate_t	means, in respect of each Observation Date(t), the SGD Swap Offer Rate (SOR) Reference Rate, as published on Reuters RIC SGDTRDONF=ABSG or any successor page being the rate as of day (t-2), provided that if such rate is not available, then such rate shall be determined by reference to the last available rate that was published on Reuters RIC SGDTRDONF=ABSG or any successor page.

%SpreadLevel_t means, in respect of each Observation Date(t), a rate which shall be determined with respect to such Valuation Date(t) by the Calculation Agent as the difference between (1) the ICE LIBOR USD 12 Month, as published on Reuters RIC USD1YFSR= and (2) US Federal Funds Effective Rate, as published on Reuters RICUSONFFE= or any successor page, each being the rate as of day (t-2), provided that if any of such rates is not available, then that rate shall be determined by reference to the last available rate that was published on the relevant Reuters page. Upon the occurrence or likely occurrence, as determined by the Calculation Agent, of modification, the permanent or indefinite cancellation or cessation in the provision of LIBOR, or a regulator or other official sector entity prohibits the use of LIBOR, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.

Provided that if such difference is negative, %SpreadLevel_t should be 0%.

ACT(t-1,t) ACT (t-1;t) means the number of calendar days between the Exchange Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded).

DayCountBasisRate 365

Extraordinary Strategy Adjustment for Performance Reasons (“Air Bag Mechanism”)

Extraordinary Strategy Adjustment for Performance Reasons If the Calculation Agent determines that an Intraday Restrike Event has occurred during an Observation Date(t) (the **Intraday Restrike Date**, noted hereafter **IRD**), an adjustment (an **Extraordinary Strategy Adjustment for Performance Reasons**) shall take place during such Observation Date(t) in accordance with the following provisions.

(1) Provided the last Intraday Restrike Observation Period as of such Intraday Restrike Date does not end on the TimeReferenceClosing, the Leverage Strategy Closing Level on the Intraday Restrike Date (LSL_{IRD}) should be computed as follows :

$$LSL_{IRD} = \text{Max}[ILSL_{IR(n)} \times (1 + ILR_{IR(n),IR(C)} - IRC_{IR(n),IR(C)}), 0]$$

(2) If the last Intraday Restrike Event Observation Period on the relevant Intraday Restrike Date ends on the TimeReferenceClosing:

$$LSL_{IRD} = \text{Max}[ILSL_{IR(n)}, 0]$$

ILSL_{IR(k)} means, in respect of IR(k), the Intraday Leverage Strategy Level in accordance with the following provisions :

(1) for k = 1 :

$$ILSL_{IR(1)} = \text{Max}[LSL_{IRD-1} \times (1 + ILR_{IR(0),IR(1)} - FC_{IRD-1,IRD} - IRC_{IR(0),IR(1)}), 0]$$

(2) for $k > 1$:

$$ILSL_{IR(k)} = \text{Max}[ILSL_{IR(k-1)} \times (1 + ILR_{IR(k-1),IR(k)} - IRC_{IR(k-1),IR(k)}), 0]$$

$ILR_{IR(k-1),IR(k)}$

means the Intraday Leveraged Return between $IR(k-1)$ and $IR(k)$, calculated as follows :

$$ILR_{IR(k-1),IR(k)} = \text{Leverage} \times \left(\frac{IS_{IR(k)}}{IS_{IR(k-1)}} - 1 \right)$$

$IRC_{IR(k-1),IR(k)}$

means the Intraday Rebalancing Cost of the Leverage Strategy in respect of $IR(k)$ on a given Intraday Restrike Date, calculated as follows :

$$IRC_{IR(k-1),IR(k)} = \text{Leverage} \times (\text{Leverage} - 1) \times \left(\left| \frac{IS_{IR(k)}}{IS_{IR(k-1)}} - 1 \right| \right) \times TC$$

$IS_{IR(k)}$

means the Underlying Stock Price in respect of $IR(k)$ computed as follows :

(1) for $k=0$

$$iS_{IR(0)} = S_{IRD-1} \times Rfactor_{IRD}$$

(2) for $k=1$ to n

means in respect of $IR(k)$, the lowest price of the Underlying Stock during the respective Intraday Restrike Observation Period

(3) with respect to $IR(C)$

$$iS_{IR(C)} = S_{IRD}$$

In each case, subject to the adjustments and provisions of the Conditions.

$IR(k)$

For $k=0$, means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the Observation Date immediately preceding the relevant Intraday Restrike Date;

For $k=1$ to n , means the k^{th} Intraday Restrike Event on the relevant Intraday Restrike Date.

$IR(C)$

means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the relevant Intraday Restrike Date.

n

means the number of Intraday Restrike Events that occurred on the relevant Intraday Restrike Date.

Intraday Restrike Event

means in respect of an Observation Date(t) :

(1) provided no Intraday Restrike Event has previously occurred on such Observation Date (t), the decrease at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $iS_{IR(0)}$ as of such Calculation Time.

(2) if k Intraday Restrike Events have occurred on the relevant Intraday Restrike Date, the decrease at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price

$iS_{IR(k)}$ as of such Calculation Time.

Calculation Time	means any time between the TimeReferenceOpening and the TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Strategy Level.
TimeReferenceOpening	means the scheduled opening time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
TimeReferenceClosing	means the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
Intraday Restrike Event Observation Period	<p>means in respect of an Intraday Restrike Event, the period starting on and excluding the Intraday Restrike Event Time and finishing on and including the sooner between (1) the time falling 15 minutes after the Intraday Restrike Event Time and (2) the TimeReferenceClosing.</p> <p>Where, during such period, the Calculation Agent determines that (1) the trading in the Underlying Stock is disrupted or subject to suspension or limitation or (2) the Relevant Stock Exchange for the Underlying Stock is not open for continuous trading, the Intraday Restrike Event Observation Period will be extended to the extent necessary until (1) the trading in the Underlying Stock is no longer disrupted, suspended or limited and (2) the Relevant Stock Exchange for the Underlying Stock is open for continuous trading.</p>
Intraday Restrike Event Time	means in respect of an Intraday Restrike Event, the Calculation Time on which such event occurs.

The Conditions set out in the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” in the Base Listing Document are set out below. This section is qualified in its entirety by reference to the detailed information appearing elsewhere in this document which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions set out below, replace or modify the relevant Conditions for the purpose of the Certificates.

TERMS AND CONDITIONS OF THE EUROPEAN STYLE CASH SETTLED LONG/SHORT CERTIFICATES ON SINGLE EQUITIES

1. Form, Status and Guarantee, Transfer and Title

- (a) *Form.* The Certificates (which expression shall, unless the context otherwise requires, include any further certificates issued pursuant to Condition 11) are issued subject to and with the benefit of:-
- (i) a master instrument by way of deed poll (the “**Master Instrument**”) dated 19 June 2020, made by SG Issuer (the “**Issuer**”) and Société Générale (the “**Guarantor**”); and
 - (ii) a warrant agent agreement (the “**Master Warrant Agent Agreement**” or “**Warrant Agent Agreement**”) dated any time before or on the Closing Date, made between the Issuer and the Warrant Agent for the Certificates.

Copies of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The holders of the Certificates (the “**Certificate Holders**”) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement.

- (b) *Status and Guarantee.* The Certificates constitute direct, general and unsecured obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Certificates provide for cash settlement on exercise. The Certificates do not entitle Certificate Holders to the delivery of any Underlying Stock, are not secured by the Underlying Stock and do not entitle Certificate Holders to any interest in any Underlying Stock.

The due and punctual payment of any amounts due by the Issuer in respect of the Certificates issued by the Issuer is unconditionally and irrevocably guaranteed by the Guarantor as provided in the Guarantee (each such amount payable under the Guarantee, a “**Guarantee Obligation**”).

The Guarantee Obligations will constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor ranking as senior preferred obligations as provided for in Article L. 613-30-3 I 3° of the French Code *Monétaire et Financier* (the “**Code**”).

Such Guarantee Obligations rank and will rank equally and rateably without any preference or priority among themselves and:

- (i) *pari passu* with all other direct, unconditional, unsecured and unsubordinated obligations of the Guarantor outstanding as of the date of the entry into force of

the law no. 2016-1691 (the “**Law**”) on 11 December 2016;

- (ii) *pari passu* with all other present or future direct, unconditional, unsecured and senior preferred obligations (as provided for in Article L. 613-30-3 I 3° of the Code) of the Guarantor issued after the date of the entry into force of the Law on 11 December 2016;
- (iii) junior to all present or future claims of the Guarantor benefiting from the statutorily preferred exceptions; and
- (iv) senior to all present and future senior non-preferred obligations (as provided for in Article L.613-30-3 I 4° of the Code) of the Guarantor.

In the event of the failure of the Issuer to promptly perform its obligations to any Certificate Holder under the terms of the Certificates, such Certificate Holder may, but is not obliged to, give written notice to the Guarantor at Société Générale, Tour Société Générale, 75886 Paris Cedex 18, France marked for the attention of SEGL/JUR/OMF - Market Transactions & Financing.

- (c) **Transfer.** The Certificates are represented by a global warrant certificate (“**Global Warrant**”) which will be deposited with The Central Depository (Pte) Limited (“**CDP**”). Certificates in definitive form will not be issued. Transfers of Certificates may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.
- (d) **Title.** Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates shall be treated by the Issuer, the Guarantor and the Warrant Agent as the holder and absolute owner of such number of Certificates, notwithstanding any notice to the contrary. The expression “**Certificate Holder**” shall be construed accordingly.
- (e) **Bail-In.** By the acquisition of Certificates, each Certificate Holder (which, for the purposes of this Condition, includes any current or future holder of a beneficial interest in the Certificates) acknowledges, accepts, consents and agrees:
 - (i) to be bound by the effect of the exercise of the Bail-In Power (as defined below) by the Relevant Resolution Authority (as defined below) on the Issuer’s liabilities under the Certificates, which may include and result in any of the following, or some combination thereof:
 - (A) the reduction of all, or a portion, of the Amounts Due (as defined below), on a permanent basis;
 - (B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or the Guarantor or another person (and the issue to the Certificate Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the Conditions of the Certificates, in which case the Certificate Holder agrees to accept in lieu of its rights under the Certificates any such shares, other securities or other obligations of the Issuer or the Guarantor or another person;
 - (C) the cancellation of the Certificates; and/or

- (D) the amendment or alteration of the expiration of the Certificates or amendment of the amounts payable on the Certificates, or the date on which the amounts become payable, including by suspending payment for a temporary period; and

that terms of the Certificates are subject to, and may be varied, if necessary, to give effect to the exercise of the Bail-In Power by the Relevant Resolution Authority or the Regulator,

(the “**Statutory Bail-In**”);

- (ii) if the Relevant Resolution Authority exercises its Bail-In Power on liabilities of the Guarantor, pursuant to Article L.613-30-3-I-3 of the French Monetary and Financial Code (the “**M&F Code**”):

- (A) ranking:

- (1) junior to liabilities of the Guarantor benefitting from statutorily preferred exceptions pursuant to Article L.613-30-3-I 1° and 2 of the M&F Code;
 - (2) *pari passu* with liabilities of the Guarantor as defined in Article L.613-30-3-I-3 of the M&F Code; and
 - (3) senior to liabilities of the Guarantor as defined in Article L.613-30-3-I-4 of the M&F Code; and

- (B) which are not *titres non structurés* as defined under Article R.613-28 of the M&F Code, and

- (C) which are not or are no longer eligible to be taken into account for the purposes of the MREL (as defined below) ratio of the Guarantor

and such exercise of the Bail-In Power results in the write-down or cancellation of all, or a portion of, the principal amount of, or the outstanding amount payable in respect of, and/or interest on, such liabilities, and/or the conversion of all, or a portion, of the principal amount of, or the outstanding amount payable in respect of, or interest on, such liabilities into shares or other securities or other obligations of the Guarantor or another person, including by means of variation to their terms and conditions in order to give effect to such exercise of Bail-In Power, then the Issuer’s obligations under the Certificates will be limited to (i) payment of the amount as reduced or cancelled that would be recoverable by the Certificate Holders and/or (ii) the delivery or the payment of value of the shares or other securities or other obligations of the Guarantor or another person that would be paid or delivered to the Certificate Holders as if, in either case, the Certificates had been directly issued by the Guarantor itself, and as if any Amount Due under the Certificates had accordingly been directly subject to the exercise of the Bail-In Power (the “**Contractual Bail-in**”).

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Statutory Bail-In with respect to the Issuer or the Guarantor unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer or the Guarantor under the applicable laws and regulations in effect in France or Luxembourg and the European Union applicable to the Issuer or the Guarantor or other members of its

group.

No repayment or payment of the Amounts Due will become due and payable or be paid under the Certificates issued by SG Issuer after implementation of the Contractual Bail-in.

Upon the exercise of the Statutory Bail-in or upon implementation of the Contractual Bail-in with respect to the Certificates, the Issuer or the Guarantor will provide a written notice to the Certificate Holders in accordance with Condition 9 as soon as practicable regarding such exercise of the Statutory Bail-in or implementation of the Contractual Bail-in. Any delay or failure by the Issuer or the Guarantor to give notice shall not affect the validity and enforceability of the Statutory Bail-in or Contractual Bail-in nor the effects on the Certificates described above.

Neither a cancellation of the Certificates, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or the Guarantor or another person, as a result of the exercise of the Statutory Bail-in or the implementation of the Contractual Bail-in with respect to the Certificates will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Certificate Holder to any remedies (including equitable remedies) which are hereby expressly waived.

The matters set forth in this Condition shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer, the Guarantor and each Certificate Holder. No expenses necessary for the procedures under this Condition, including, but not limited to, those incurred by the Issuer and the Guarantor, shall be borne by any Certificate Holder.

For the purposes of this Condition:

“Amounts Due” means any amounts due by the Issuer under the Certificates.

“Bail-In Power” means any statutory cancellation, write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms, or any other applicable laws or regulations, as amended, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled and/or converted into shares or other securities or obligations of the obligor or any other person.

“MREL” means the Minimum Requirement for own funds and Eligible Liabilities as defined in Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time).

“Relevant Resolution Authority” means any authority with the ability to exercise the Bail-in Power on Societe Generale or SG Issuer as the case may be.

“Regulator” means the European Central Bank and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer.

2. Certificate Rights and Exercise Expenses

- (a) *Certificate Rights.* Every Certificate entitles each Certificate Holder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The “**Cash Settlement Amount**”, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The “**Closing Level**”, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level} \right) \times \text{Hedging Fee Factor}$$

If the Issuer determines, in its sole discretion, that on the Valuation Date or any Observation Date a Market Disruption Event has occurred, then that Valuation Date or Observation Date shall be postponed until the first succeeding Exchange Business Day or Underlying Stock Business Day, as the case may be, on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days or Underlying Stock Business Days, as the case may be, immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date or an Observation Date. In that case:-

- (i) that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, shall be deemed to be the Valuation Date or the Observation Date notwithstanding the Market Disruption Event; and
- (ii) the Issuer shall determine the Final Reference Level or the relevant closing level on the basis of its good faith estimate of the Final Reference Level or the relevant closing level that would have prevailed on that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, but for the Market Disruption Event.

“**Market Disruption Event**” means the occurrence or existence of (i) any suspension of trading on the Relevant Stock Exchange of the Underlying Stock requested by the Company if that suspension is, in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Underlying Stock if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption is, in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism.

- (b) *Exercise Expenses.* Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates (the “**Exercise Expenses**”). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Certificate Holders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Certificate

Holders in accordance with Condition 4.

- (c) **No Rights.** The purchase of Certificates does not confer on the Certificate Holders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying Stock or otherwise) which the holder of an Underlying Stock may have.

3. **Expiry Date**

Unless automatically exercised in accordance with Condition 4(b), the Certificates shall be deemed to expire at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day (as defined below), the immediately preceding Business Day.

4. **Exercise of Certificates**

- (a) *Exercise.* Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in accordance with Condition 4(b).
- (b) *Automatic Exercise.* Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
- (c) *Settlement.* In respect of Certificates which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Certificate Holder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Business Days following the Expiry Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Certificate Holder only (or, in the case of joint Certificate Holders, the first-named Certificate Holder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Certificate Holder and posted to the Certificate Holder's address appearing in the records maintained by CDP (or, in the case of joint Certificate Holders, to the address of the first-named Certificate Holder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.
- (d) *CDP not liable.* CDP shall not be liable to any Certificate Holder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Certificates or otherwise pursuant to or in connection with these Conditions.
- (e) *Business Day.* In these Conditions, a "**Business Day**" shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. Warrant Agent

- (a) *Warrant Agent.* The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Certificates are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Certificate Holders in accordance with Condition 9.
- (b) *Agent of Issuer.* The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Certificate Holders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Certificate Holders.

6. Adjustments

- (a) *Potential Adjustment Event.* Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Underlying Stock are traded.
- (b) *Definitions.* “**Potential Adjustment Event**” means any of the following:
 - (i) a subdivision, consolidation, reclassification or other restructuring of the Underlying Stock (excluding a Merger Event) or a free distribution or dividend of any such Underlying Stock to existing holders by way of bonus, capitalisation or similar issue;
 - (ii) a distribution or dividend to existing holders of the Underlying Stock of (1) such Underlying Stock, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Underlying Stock, or (3) share capital or other securities of another issuer acquired by the Company as a result of a “spin-off” or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;
 - (iii) an extraordinary dividend;
 - (iv) a call by the Company in respect of the Underlying Stock that is not fully paid;
 - (v) a repurchase by the Company of the Underlying Stock whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
 - (vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a “poison pill” being distributed, or becoming

separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or

- (vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock.
- (c) *Merger Event, Tender Offer, Nationalisation and Insolvency.* If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Underlying Stock, the Issuer may take any action described below:
- (i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Underlying Stock traded on that options exchange;
 - (ii) cancel the Certificates by giving notice to the Certificate Holders in accordance with Condition 9. If the Certificates are so cancelled, the Issuer will pay an amount to each Certificate Holder in respect of each Certificate held by such Certificate Holder which amount shall be the fair market value of a Certificate taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9; or
 - (iii) following any adjustment to the settlement terms of options on the Underlying Stock on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Underlying Stock are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Certificate Holders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Certificate Holders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

- (d) *Definitions.* “**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Underlying Stock of that Company is required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Stock of that Company become legally prohibited from transferring them. “**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. “**Merger Event**” means, in respect of the Underlying Stock, any (i) reclassification or change of such Underlying Stock that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Stock outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Underlying Stock outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Stock of the Company that results in a transfer of or an irrevocable commitment to transfer all such Underlying Stock (other than such Underlying Stock owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Stock outstanding but results in the outstanding Underlying Stock (other than Underlying Stock owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Stock immediately following such event, in each case if the Merger Date is on or before the Valuation Date. “**Nationalisation**” means that all the Underlying Stock or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. “**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.
- (e) *Other Adjustments.* Except as provided in this Condition 6 and Conditions 10 and 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole discretion and without any obligation whatsoever) to make such adjustments and amendments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such adjustment or, as the case may be, amendment provided that such adjustment or, as the case may be, amendment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).
- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Certificate Holders. The Issuer will give, or procure that

there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

7. Purchases

The Issuer, the Guarantor or any of their respective subsidiaries may at any time purchase Certificates at any price in the open market or by tender or by private treaty. Any Certificates so purchased may be held or resold or surrendered for cancellation.

8. Meetings of Certificate Holders; Modification

- (a) *Meetings of Certificate Holders.* The Master Warrant Agent Agreement or Warrant Agent Agreement contains provisions for convening meetings of the Certificate Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Warrant Agent Agreement or Warrant Agent Agreement) of a modification of the provisions of the Certificates or of the Master Warrant Agent Agreement or Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Certificate Holders.

Such a meeting may be convened by the Issuer or by Certificate Holders holding not less than ten per cent. of the Certificates for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Certificates for the time being remaining unexercised, or at any adjourned meeting, two or more persons being or representing Certificate Holders whatever the number of Certificates so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Certificate Holders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Certificate Holders shall be binding on all the Certificate Holders whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Certificate Holders, effect (i) any modification of the provisions of the Certificates or the Master Instrument which is not materially prejudicial to the interests of the Certificate Holders or (ii) any modification of the provisions of the Certificates or the Master Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Certificate Holders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

- (a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Certificate Holder or to which a Certificate Holder is entitled or which the Issuer shall have agreed to deliver to a Certificate Holder may be delivered by hand or

sent by post addressed to the Certificate Holder at his address appearing in the records maintained by CDP or, in the case of joint Certificate Holders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Certificate Holder.

- (b) *Notices.* All notices to Certificate Holders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Certificate, give notice of the date of expiry of such Certificate in the manner prescribed above.

10. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Certificates will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Certificate Holders, to create and issue further certificates so as to form a single series with the Certificates, subject to the approval of the SGX-ST.

12. Delisting

- (a) *Delisting.* If at any time, the Underlying Stock ceases to be listed on the Relevant Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Certificates as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Certificate Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Certificate Holder or the tax or other consequences that may result in any particular jurisdiction).
- (b) *Issuer's Determination.* The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Certificate Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Certificate Holders in accordance with Condition 9 as soon as practicable after they are determined.

13. Early Termination

- (a) *Early Termination for Illegality and Force Majeure, etc.* If the Issuer determines that a

Regulatory Event (as defined below) has occurred and, for reasons beyond its control, the performance of its obligations under the Certificates has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Certificates for any reason, the Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(d).

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

For the purposes of this Condition:

“Regulatory Event” means, following the occurrence of a Change in Law (as defined below) with respect to the Issuer and/or Société Générale as Guarantor or in any other capacity (including without limitation as hedging counterparty of the Issuer, market maker of the Certificates or direct or indirect shareholder or sponsor of the Issuer) or any of its affiliates involved in the issuer of the Certificates (hereafter the **“Relevant Affiliates”** and each of the Issuer, Société Générale and the Relevant Affiliates, a **“Relevant Entity”**) that, after the Certificates have been issued, (i) any Relevant Entity would incur a materially increased (as compared with circumstances existing prior to such event) amount of tax, duty, liability, penalty, expense, fee, cost or regulatory capital charge however defined or collateral requirements for performing its obligations under the Certificates or hedging the Issuer’s obligations under the Certificates, including, without limitation, due to clearing requirements of, or the absence of, clearing of the transactions entered into in connection with the issue of, or hedging the Issuer’s obligation under, the Certificates, (ii) it is or will become for any Relevant Entity impracticable, impossible (in each case, after using commercially reasonable efforts), unlawful, illegal or otherwise prohibited or contrary, in whole or in part, under any law, regulation, rule, judgement, order or directive of any governmental, administrative or judicial authority, or power, applicable to such Relevant Entity (a) to hold, acquire, issue, reissue, substitute, maintain, settle, or as the case may be, guarantee, the Certificates, (b) to acquire, hold, sponsor or dispose of any asset(s) (or any interest thereof) of any other transaction(s) such Relevant Entity may use in connection with the issue of the Certificates or to hedge the Issuer’s obligations under the Certificates, (c) to perform obligations in connection with, the Certificates or any contractual arrangement entered into between the Issuer and Société Générale or any Relevant Affiliate (including without limitation to hedge the Issuer’s obligations under the Certificates) or (d) to hold, acquire, maintain, increase, substitute or redeem all or a substantial part of its direct or indirect shareholding in the Issuer’s capital or the capital of any Relevant Affiliate or to directly or indirectly sponsor the Issuer or any Relevant Affiliate, or (iii) there is or may be a material adverse effect on a Relevant Entity in connection with the issue of the Certificates.

“Change in law” means (i) the adoption, enactment, promulgation, execution or ratification of any applicable new law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) after the Certificates have been issued, (ii) the implementation or application of any applicable law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) already in force when the Certificates have been issued but in respect of which the manner of its implementation or application was not known or unclear at the time, or (iii) the change of any applicable law, regulation or rule existing when the Certificates are issued, or the change in the interpretation or application or practice relating thereto, existing when the Certificates are issued of any applicable law, regulation or rule, by any competent court, tribunal, regulatory authority or

any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any additional or alternative court, tribunal, authority or entity, to that existing when the Certificates are issued).

- (b) *Early Termination for Holding Limit Event.* The Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(d) where a Holding Limit Event (as defined below) occurs.

For the purposes of this Condition:

“Holding Limit Event” means, assuming the investor is the Issuer and/or any of its affiliates, the Issuer together with its affiliates, in aggregate hold, an interest in the Underlying Stock, constituting or likely to constitute (directly or indirectly) ownership, control or the power to vote a percentage of any class of voting securities of the Underlying Stock, of the Underlying Stock in excess of a percentage permitted or advisable, as determined by the Issuer, for the purpose of its compliance with the Bank Holding Company Act of 1956 as amended by Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Volcker Rule), including any requests, regulations, rules, guidelines or directives made by the relevant governmental authority under, or issued by the relevant governmental authority in connection with, such statutes.

- (c) *Early Termination for other reasons.* The Issuer reserves the right (such right to be exercised in the Issuer’s sole and unfettered discretion and without any obligation whatsoever) to terminate the Certificates in accordance with Condition 13(d) where an event or events occur which it believes in its sole discretion should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such termination provided that such termination (i) is considered by the Issuer not to be materially prejudicial to the interests of Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such termination in any particular jurisdiction); or (ii) is otherwise considered by the Issuer to be appropriate and such termination is approved by the SGX-ST.
- (d) *Termination.* If the Issuer terminates the Certificates early, then the Issuer will give notice to the Certificate Holders in accordance with Condition 9. The Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of a Certificate notwithstanding such illegality, impracticality or the relevant event less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9.

14. Governing Law

The Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and the Guarantor and each Certificate Holder (by its purchase of the Certificates) shall be deemed to have submitted for all purposes in connection with the Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore. The Guarantee shall be governed by and construed in accordance with Singapore law.

15. Prescription

Claims against the Issuer for payment of any amount in respect of the Certificates will become

void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Certificates shall be forfeited and shall revert to the Issuer.

16. Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore

Unless otherwise provided in the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

SUMMARY OF THE ISSUE

The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document and the Base Listing Document. Terms used in this Summary are defined in the Conditions.

Issuer:	SG Issuer
Company:	City Developments Limited
The Certificates:	European Style Cash Settled Long Certificates relating to the Underlying Stock
Number:	6,700,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 19 June 2020 (the “ Master Instrument ”) and executed by the Issuer and the Guarantor and a master warrant agent agreement dated 29 May 2017 (the “ Master Warrant Agent Agreement ”) and made between the Issuer, the Guarantor and the Warrant Agent.
Cash Settlement Amount:	In respect of each Certificate, is the amount (if positive) equal to: Notional Amount per Certificate x Closing Level
Denominations:	Certificates are represented by a global warrant in respect of all the Certificates.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates will be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Exercise and Trading Currency:	SGD
Board Lot:	100 Certificates
Transfers of Certificates:	Certificates may only be transferred in Board Lots (or integral multiples

thereof). All transfers in Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.

- Listing: Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. Issue of the Certificates is conditional on such listing being granted. It is expected that dealings in the Certificates on the SGX-ST will commence on or about 7 April 2021.
- Governing Law: The laws of Singapore
- Warrant Agent: The Central Depository (Pte) Limited
11 North Buona Vista Drive
#06-07 The Metropolis Tower 2
Singapore 138589
- Further Issues: Further issues which will form a single series with the Certificates will be permitted, subject to the approval of the SGX-ST.

The above summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this document and the Base Listing Document.

INFORMATION RELATING TO THE EUROPEAN STYLE CASH SETTLED LONG CERTIFICATES ON SINGLE EQUITIES

What are European Style Cash Settled Long Certificates on Single Equities?

European style cash settled long certificates on single equities (the “**Certificates**”) are structured products relating to the Underlying Stock and the return on a Certificate is linked to the performance of the Leverage Strategy.

A) Cash Settlement Amount Payable upon the Exercise of the Certificates at Expiry

Upon the exercise of the Certificates at expiry, the Certificate Holders would be paid a Cash Settlement Amount in respect of each Certificate.

The Cash Settlement Amount, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The Closing Level, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to (1) divided by (2) less (3) subject to any adjustments such as (4), where:

- (1) is the Final Reference Level multiplied by the Final Exchange Rate;
- (2) is the Initial Reference Level multiplied by the Initial Exchange Rate;
- (3) is the Strike Level; and
- (4) is the Hedging Fee Factor.

If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised and investors will receive a Cash Settlement Amount. If the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired. Please refer to the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” for further details on the calculation of the Cash Settlement Amount.

The Certificates are only suitable for investors who believe that the price of the Underlying Stock will increase and are seeking short-term leveraged exposure to the Underlying Stock.

B) Trading the Certificates before Expiry

If the Certificate Holders want to cash out their investments in the Certificates before the expiry of the Certificates, they may sell the Certificates in the secondary market during the life of the Certificates, and would be subject to the following fees and charges:

- (i) For Certificate Holders who trade the Certificates intraday: shall pay normal transaction and brokerage fees for the trading of the Certificates on the SGX-ST, and may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred; and
- (ii) For Certificate Holders who hold the Certificates overnight: in addition to the normal transaction and brokerage fees and applicable stamp taxes, would also be required to bear the Management Fee and Gap Premium as well as certain costs embedded within the Leverage Strategy including the Funding Cost and Rebalancing Cost.

Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees
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Daily Fees	=	Daily Management Fee Adjustment	
		1 – Management Fee x ACT (t-1;t) / 360	
		x	
		Daily Gap Premium Adjustment	
		1 – Gap Premium (t-1) x ACT (t-1;t) / 360	

Illustration of the Calculation of Cash Settlement Amount

Cash Settlement Amount = Final Value of Certificates – Strike Level (zero)

Value of Certificates	=	t=0	x	t=1	x	t=2	x ...	t=i
		Notional Amount		Leverage Strategy daily performance ⁸ x Daily Fees		Leverage Strategy daily performance x Daily Fees		Leverage Strategy Daily performance x Daily Fees

Value of Certificates	=	t=0	x	Product of the daily Leverage Strategy Performance		x	Product of the Daily Fees (Hedging Fee Factor)	
		Notional Amount		Leverage Strategy daily performance x Leverage Strategy daily performance	Daily Fees x Daily Fees			

Final Value of Certificates	=	t=0	x	Final Reference Level x Final Exchange Rate	÷	x	Hedging Fee Factor
		Notional Amount		Initial Reference Level x Initial Exchange Rate			

Illustration of the applicable fees and charges for an intraday trading scenario

Hedging Fee is implemented overnight in the price of the Certificate. As a consequence, when trading intraday, investors will not bear any Hedging Fee.

Investors will only support bid/ask costs, which are the difference between the price at which the Designated Market Maker purchases (bid) and sells (ask) the Certificate at any point of time.

⁷ “t” refers to “**Observation Date**” which means each Exchange Business Day (subject to Market Disruption Event) from (and including) the Exchange Business Day immediately preceding the Expected Listing Date to the Valuation Date.

⁸ Leverage Strategy daily performance is computed as the Leverage Strategy Closing Level on Business Day (t) divided by the Leverage Strategy Closing Level on Business Day (t-1).

Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

The example is purely hypothetical. We include the example to illustrate how the Certificates work, and you MUST NOT rely on them as any indication of the actual return or what the payout on the Certificates might actually be. The example also assumes a product which expires 16 days after listing date, to illustrate the daily calculation of price, costs and fees from listing date to expiry date.

Assuming an investor purchases the following Certificates at the Issue Price:

Underlying Stock:	Ordinary shares of City Developments Limited
Expected Listing Date:	03/07/2018
Expiry Date:	18/07/2018
Initial Reference Level:	1,000
Initial Exchange Rate:	1
Final Reference Level:	1,200
Final Exchange Rate:	1
Issue Price:	1.20 SGD
Notional Amount per Certificate:	1.20 SGD
Management Fee (p.a.):	0.40%
Gap Premium (p.a.):	6.50%
Strike Level:	Zero

Hedging Fee Factor

Hedging Fee Factor on the n^{th} Exchange Business Day after issuance of Certificate ("HFF (n)") is calculated as follows:

$$\text{HFF}(0) = 100\%$$

On Next Calendar Day (assuming it is an Exchange Business Day):

$$\text{HFF}(1) = \text{HFF}(0) \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1; t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1; t)}{360}\right)$$

$$\text{HFF}(1) = 100\% \times \left(1 - 0.40\% \times \frac{1}{360}\right) \times \left(1 - 6.50\% \times \frac{1}{360}\right)$$

$$\text{HFF}(1) = 100\% \times 99.9989\% \times 99.9819\% \approx 99.9808\%$$

Assuming 2nd Exchange Business Day falls 3 Calendar Days after 1st Exchange Business Day:

$$\text{HFF}(2) = \text{HFF}(1) \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1; t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1; t)}{360}\right)$$

$$\text{HFF (2)} = 99.9808\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 6.50\% \times \frac{3}{360}\right)$$

$$\text{HFF (2)} = 99.9808\% \times 99.9967\% \times 99.9458\% \approx 99.9233\%$$

The same principle applies to the following Exchange Business Days:

$$\text{HFF (n)} = \text{HFF (n - 1)} \times \left(1 - \text{Management Fee} \times \frac{\text{ACT (t - 1; t)}}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT (t - 1; t)}}{360}\right)$$

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.7129% as illustrated below:

Date	HFF
3/7/2018	100.0000%
4/7/2018	99.9808%
5/7/2018	99.9617%
6/7/2018	99.9425%
9/7/2018	99.8850%
10/7/2018	99.8659%
11/7/2018	99.8468%
12/7/2018	99.8276%
13/7/2018	99.8085%
16/7/2018	99.7511%
17/7/2018	99.7320%
18/7/2018	99.7129%

Cash Settlement Amount

In this example, the Closing Level and the Cash Settlement Amount would be computed as follows:

$$\begin{aligned} \text{Closing Level} &= [(\text{Final Reference Level} \times \text{Final Exchange Rate}) / (\text{Initial Reference Level} \times \text{Initial Exchange Rate}) - \text{Strike Level}] \times \text{Hedging Fee Factor} \\ &= [(1200 \times 1) / (1000 \times 1) - 0] \times 99.7129\% \\ &= 119.66\% \end{aligned}$$

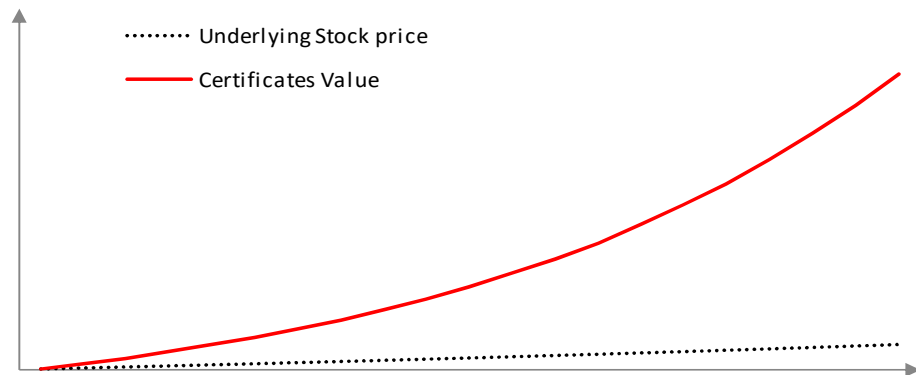
$$\begin{aligned} \text{Cash Settlement Amount} &= \text{Closing Level} \times \text{Notional Amount per Certificate} \\ &= 119.66\% \times 1.20 \text{ SGD} \\ &= \mathbf{1.436 \text{ SGD}} \end{aligned}$$

Illustration on how returns and losses can occur under different scenarios

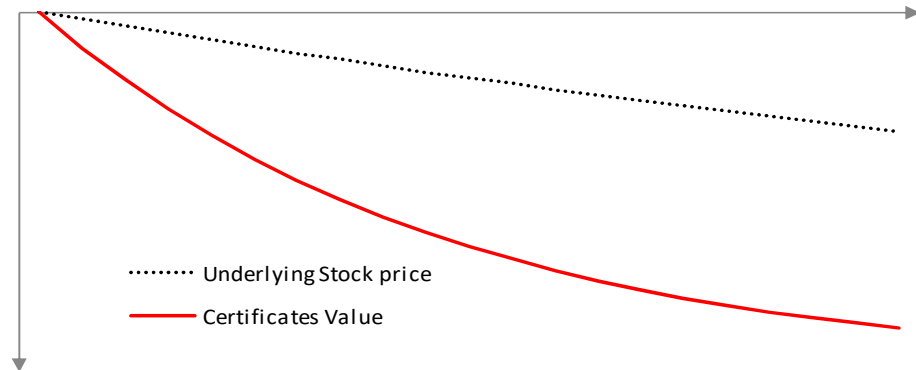
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends, or any other market parameters.

1. Illustrative examples

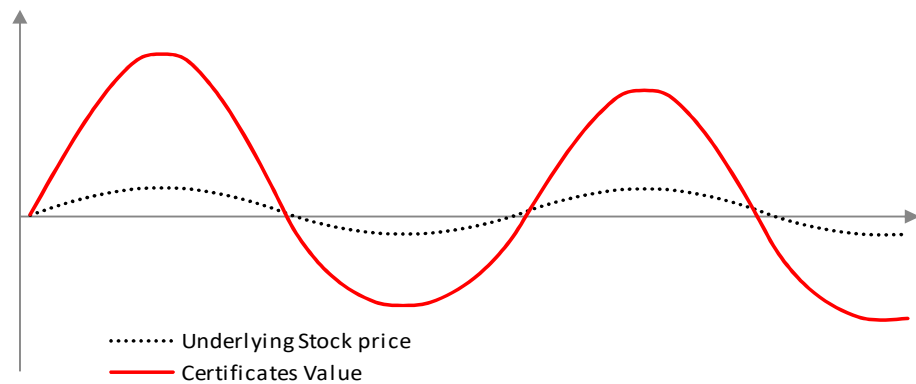
Scenario 1 – Upward Trend



Scenario 2 – Downward Trend



Scenario 3 – Volatile Market



2. Numerical Examples

Scenario 1 – Upward Trend

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	2.0%	2.0%	2.0%	2.0%
Value at end of day	10,000.0	10,200.0	10,404.0	10,612.1	10,824.3	11,040.8
Accumulated Return		2.00%	4.04%	6.12%	8.24%	10.41%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		10.0%	10.0%	10.0%	10.0%	10.0%
Price at end of day	1.2	1.32	1.45	1.60	1.76	1.93
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

Scenario 2 – Downward Trend

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
Value at end of day	10,000.0	9,800.0	9,604.0	9,411.9	9,223.7	9,039.2
Accumulated Return		-2.00%	-3.96%	-5.88%	-7.76%	-9.61%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-10.0%	-10.0%	-10.0%	-10.0%	-10.0%
Price at end of day	1.2	1.08	0.97	0.87	0.79	0.71
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

Scenario 3 – Volatile Market

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	-2.0%	2.0%	-2.0%	2.0%
Value at end of day	10,000.0	10,200.0	9,996.0	10,195.9	9,992.0	10,191.8
Accumulated Return		2.00%	-0.04%	1.96%	-0.08%	1.92%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		10.0%	-10.0%	10.0%	-10.0%	10.0%
Price at end of day	1.2	1.32	1.19	1.31	1.18	1.29
Accumulated Return		10.00%	-1.00%	8.90%	-1.99%	7.81%

Description of Air Bag Mechanism

The Certificates integrate an “Air Bag Mechanism” which is designed to reduce exposure to the Underlying Stock during extreme market conditions.

When the Air Bag triggers, a 30-minute period starts. This period is divided into two sub-periods:

- Observation Period : during 15 minutes after the Air Bag trigger, the price of the Underlying Stock is observed and its minimum price is recorded; and
- Reset Period: after 15 minutes, the Leverage Strategy is reset using the minimum price of the Underlying Stock during the Observation Period as the New Observed Price. The New Observed Price replaces the last closing price of the Underlying Stock in order to compute the performance of the Leverage Strategy, 30 minutes after the Air Bag trigger.

Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered. Investors cannot sell or purchase any Certificates during this period.

Air Bag Mechanism timeline

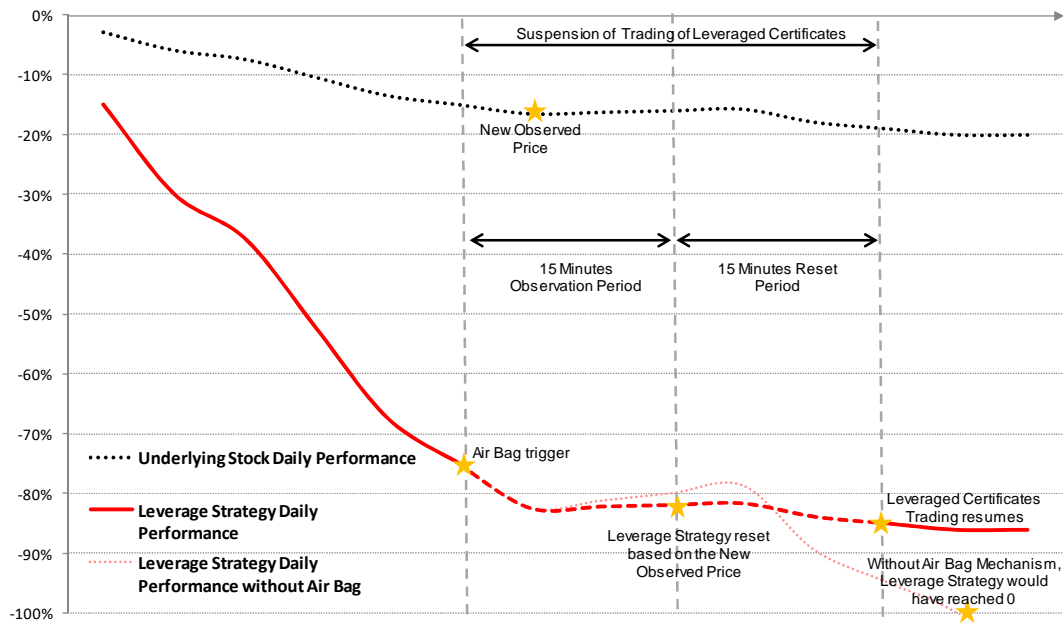
Air Bag Trigger	Observation Period	Resumption of Trading
More than 45 minutes before Market Close	First 15 minutes after Air Bag Trigger	Trading resumes the same day between 30 and 45 minutes after Air Bag Trigger
45 minutes before Market Close		Next trading day at Market Open
30 to 45 minutes before Market Close		
30 minutes before Market Close		
15 to 30 minutes before Market Close		
15 minutes before Market Close	From Air Bag Trigger to Market Close	
Less than 15 minutes before Market Close		

With **Market Close** defined as:

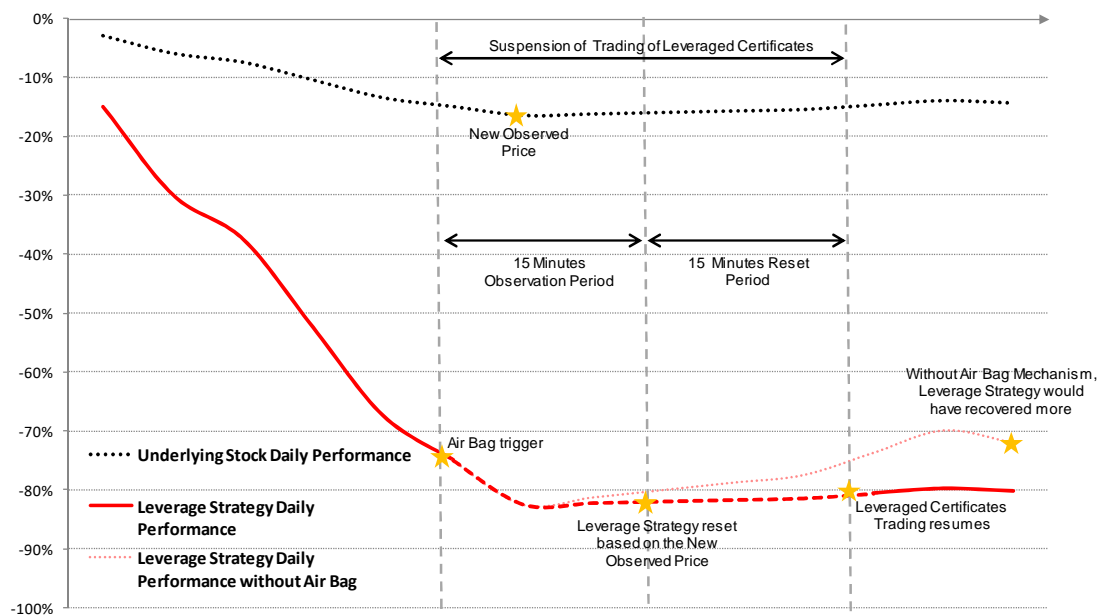
- Underlying Stock closing time with respect to the Observation Period
- The sooner between Underlying Stock closing time and SGX closing time with respect to the Resumption of Trading

Illustrative examples of the Air Bag Mechanism⁹

Scenario 1 – Downward Trend after Air Bag trigger



Scenario 2 – Upward Trend after Air Bag trigger



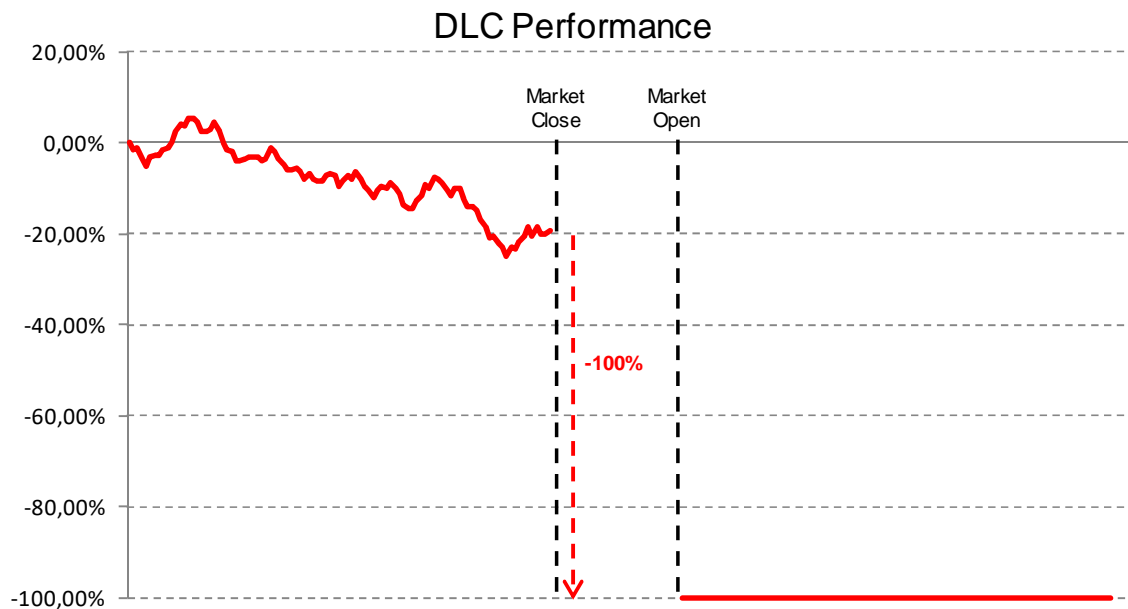
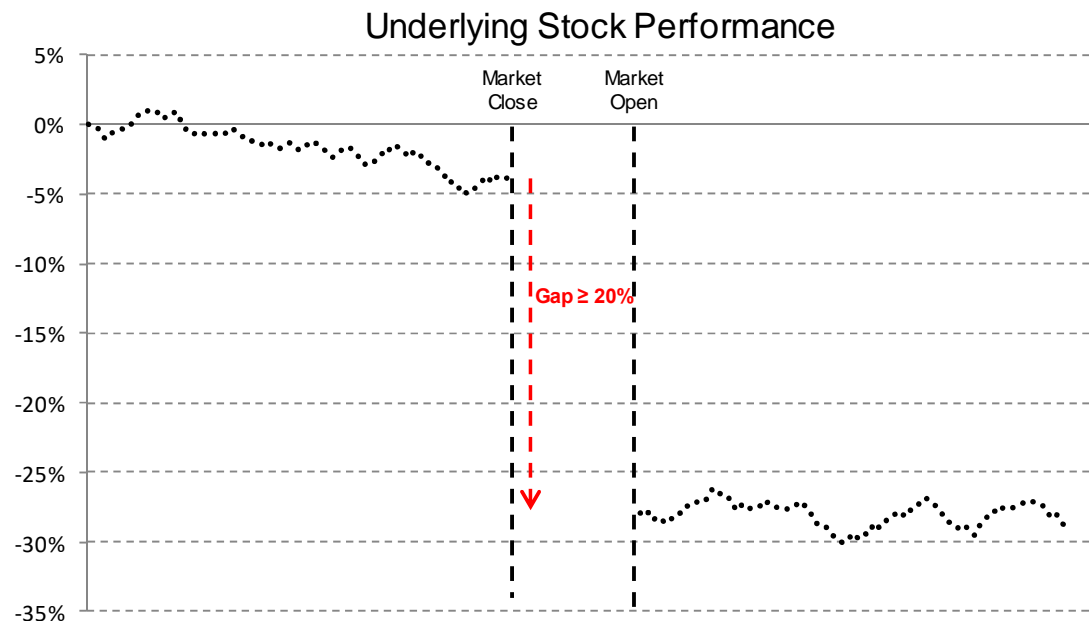
⁹ The illustrative examples are not exhaustive.

Scenarios where the investor may lose the entire value of the investment

The scenarios below are purely hypothetical and do not take fees and charges payable by investors into consideration. The scenarios highlight cases where the Certificates may lose 100% of their value.

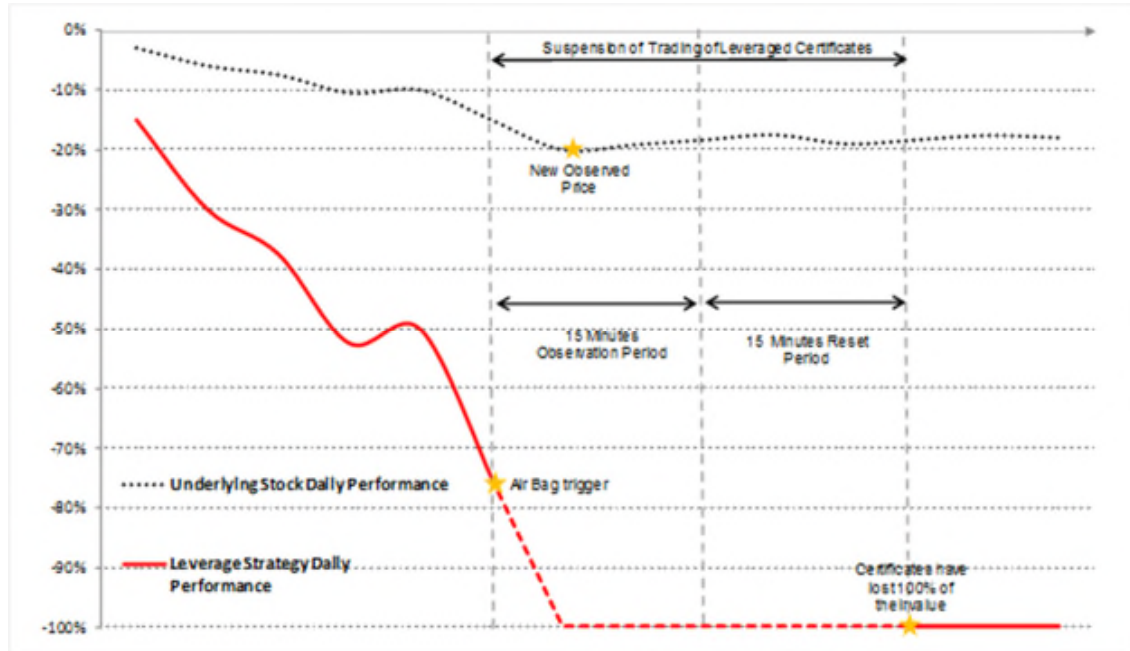
Scenario 1 – Overnight fall of the Underlying Stock

On any business day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous day. The difference between the previous closing price and the opening price of the Underlying Stock is termed a “gap”. If the opening price of the Underlying Stock is 20% or more below the previous day closing price, the Air Bag Mechanism would only be triggered when the market opens the following day, and the Certificates would lose their entire value in such event.



Scenario 2 – Sharp intraday fall of the Underlying Stock

Although the Air Bag Mechanism is designed to reduce the exposure to the Underlying Stock during extreme market conditions, the Certificate can lose 100% of its value in the event the price of the Underlying Stock falls by 20% or more within the 15 minutes Observation Period compared to the reference price, being: (i) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (ii) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. The Certificates would lose their entire value in such event.



Examples and illustrations of adjustments due to certain corporate actions

The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of corporate actions on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, or any other market parameters.

In the case of any corporate action on the Underlying Stock, the Calculation Agent will, as soon as reasonably practical after it becomes aware of such event, determine whether such corporate action has a dilutive or concentrative effect on the theoretical value of the Underlying Stock, and if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the Underlying Stock which are used to determine any settlement or payment terms under the Certificates and/or adjust at its discretion any other terms of the Certificates as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Certificates and (b) determine the effective date of such adjustment.

Notwithstanding the foregoing, in the event Observation Date (t) is an ex-date with respect to a corporate action related to the Underlying Stock, the Calculation Agent may, in its sole and absolute discretion, replace the $Rfactor_t$ with respect to such Observation Date (t) by an amount computed according to the following generic formula :

$$Rfactor_t = \left[1 - \frac{Div_t + DivExc_t - M \times R}{S_{t-1}} \right] \times \frac{1}{1 + M}$$

This formula is provided for indicative purposes and the Calculation Agent may determine that this formula is not appropriate for certain corporate actions and may apply a different formula instead.

Such adjustment of $Rfactor_t$ would affect the Leveraged Return, the Rebalancing Cost, and the Underlying Reference Price used to determine the Intraday Restrike Event. The Air Bag mechanism would not be triggered if the stock price falls by 15% exclusively because of the dilutive effect of a corporate action.

Where:

$DivExc_t$ is the amount received as an Extraordinary Dividend by a holder of existing Shares for each Share held prior to the Extraordinary Dividend, net of any applicable withholding taxes.

M is the number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe or to receive (positive amount) or the number of existing Shares redeemed or canceled per existing Share (negative amount), as the case may be, resulting from the corporate action.

R is the subscription price per Share (positive amount) or the redemption price per Share (negative amount) including any dividends or other benefits forgone to be subscribe to or to receive (as applicable), or to redeem a Share.

1. Stock split

Assuming the Underlying Stock is subject to a 1 to 2 stock split (i.e. 1 new Share for every 1 existing share):

$$S_{t-1} = \$100$$

$$S_t = \$51$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

$$M = 1 \text{ (i.e. 1 new Shares for 1 existing Share)}$$

R = \$0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 2 \times 0}{100} \right] \times \frac{1}{1 + 1} = 50\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = 5 \times \left(\frac{51}{100 \times 50\%} - 1 \right) = 10\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	50	51	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.20	1.32	10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$42.5, which is 15% below \$50, the Underlying Stock Reference Price.

2. Share Consolidation

Assuming the Underlying Stock is subject to a 2 to 1 share consolidation (i.e. 1 Share canceled for every 2 existing Shares):

$$S_{t-1} = \$100$$

$$S_t = \$202$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$0$$

$$M = -0.5 \text{ (i.e. 0.5 Shares canceled for each 1 existing Share)}$$

R = \$0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - (-0.5) \times 0}{100} \right] \times \frac{1}{1 + (-0.5)} = 200\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = 5 \times \left(\frac{202}{100 \times 200\%} - 1 \right) = 5\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	200	202	1%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.20	1.26	5%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$170, which is 15% below \$200, the Underlying Stock Reference Price.

3. Rights Issues

Assuming there is a rights issue with respect to the Underlying Stock, with a right to receive 1 new Share for every 2 existing Shares, for a subscription price of \$40.

$$S_{t-1} = \$100$$

$$S_t = \$84$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

$$R = \$40 \text{ (i.e. subscription price of \$40)}$$

$$M = 0.5 \text{ (i.e. 1 new share for every 2 existing shares)}$$

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.5 \times 40}{100} \right] \times \frac{1}{1 + 0.5} = 80\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = 5 \times \left(\frac{84}{100 \times 80\%} - 1 \right) = 25\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.20	1.50	25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$68, which is 15% below \$80, the Underlying Stock Reference Price.

4. Bonus Issues

Assuming there is a bonus issue with respect to the Underlying Stock, where shareholders receive 1 bonus share for 5 existing shares:

$$S_{t-1} = \$100$$

$$S_t = \$85$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$0$$

$$R = \$0$$

$$M = 0.2 \text{ (i.e. 1 new share for 5 existing shares)}$$

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.2 \times 0}{100} \right] \times \frac{1}{1 + 0.2} = 83.33\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = 5 \times \left(\frac{85}{100 \times 83.33\%} - 1 \right) = 10\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	83.33	85	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.20	1.32	10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$70.83, which is 15% below \$83.33, the Underlying Stock Reference Price.

5. Extraordinary Dividend

Assuming there is an extraordinary dividend of \$20 (net of taxes) paid in respect of each stock.

$$S_{t-1} = \$100$$

$$S_t = \$84$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$20$$

$$R = \$0$$

$$M = 0$$

$$Rfactor_t = \left[1 - \frac{0 + 20 - 0 \times 0}{100} \right] \times \frac{1}{1 + 0} = 80\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = 5 \times \left(\frac{84}{100 \times 80\%} - 1 \right) = 25\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.20	1.50	25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$68, which is 15% below \$80, the Underlying Stock Reference Price.

INFORMATION RELATING TO THE COMPANY

All information contained in this document regarding the Company, including, without limitation, its financial information, is derived from publicly available information which appears on the web-site of the SGX-ST at <http://www.sgx.com>. The Issuer has not independently verified any of such information.

Incorporated in 1963, City Developments Limited (“**CDL**” or the “**Company**”) is a leading residential developer. CDL has built over 15,000 fine homes since 1963. It is also one of Singapore's biggest commercial landlords with more than 30 prime commercial buildings. With a stable of 101 hotels, the CDL Group is a leading hotel owner and operator. Its portfolio includes the Millennium, Copthorne and Kingsgate chains of hotels.

Operating in 18 countries, CDL has 7 companies listed on stock exchanges in Singapore, London, Amsterdam, Hong Kong, New Zealand and Manila.

The information set out in Appendix I of this document relates to the unaudited financial statements of the Company and its subsidiaries for the year ended 31 December 2020 and has been extracted and reproduced from an announcement by the Company dated 26 February 2021 in relation to the same. Further information relating to the Company may be located on the web-site of the SGX-ST at <http://www.sgx.com>.

INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

Société Générale has been appointed the designated market maker ("**DMM**") for the Certificates. The DMM will provide competitive buy and sell quotes for the Certificates continuously during the trading hours of the SGX-ST on the following basis:

- (a) Maximum bid and offer spread : (i) when the best bid price of the Certificate is S\$10 and below: 10 ticks or S\$0.20 whichever is greater; and
(ii) when the best bid price of the Certificate is above S\$10: 5% of the best bid price of the Certificate.
- (b) Minimum quantity subject to bid and offer spread : 10,000 Certificates
- (c) Last Trading Day for Market Making : The date falling 5 Business Days immediately preceding the Expiry Date

In addition, the DMM may not provide a quotation in the following circumstances:

- (i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;
- (ii) if the Certificates are valueless (where the Issuer's bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);
- (iii) where the Certificates are suspended from trading for any reason;
- (iv) market disruption events, including, without limitation, any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in the Underlying Stock;
- (v) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;
- (vi) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;
- (vii) in cases where the Issuer has no Certificates to sell, then the DMM will only provide the bid price;
- (viii) if the stock market experiences exceptional price movement and volatility;
- (ix) when it is a public holiday in Singapore and/or the SGX-ST is not open for dealings; and
- (x) during the suspension of trading of Certificates after an Air Bag Mechanism has been triggered.

The last trading day on which the DMM will provide competitive quotations for the Certificates would be the fifth Business Day immediately preceding the Expiry Date.

SUPPLEMENTAL INFORMATION RELATING TO THE GUARANTOR

The information set out in Appendix II of this document is a reproduction of the press release dated 10 February 2021 containing the Guarantor's consolidated financial results for the fourth quarter ended 31 December 2020.

SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 105 of the Base Listing Document.

1. Save as disclosed in this document and the Base Listing Document, neither the Issuer nor the Guarantor is involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) which may have or have had in the previous 12 months a significant effect on the financial position of the Issuer or the Guarantor in the context of the issuance of the Certificates.
2. Settlement of trades done on a normal “ready basis” on the SGX-ST generally take place on the second Business Day following the transaction. Dealing in the Certificates will take place in Board Lots in Singapore dollars. For further details on the transfer of Certificates and their exercise, please refer to the section headed “Summary of the Issue” above.
3. It is not the current intention of the Issuer to apply for a listing of the Certificates on any stock exchange other than the SGX-ST.
4. Save as disclosed in the Base Listing Document and herein, there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2019 or the Guarantor since 31 December 2020, in the context of the issuance of Certificates hereunder.
5. The following contracts, relating to the issue of the Certificates, have been or will be entered into by the Issuer and/or the Guarantor and may be material to the issue of the Certificates:
 - (a) the Guarantee;
 - (b) the Master Instrument; and
 - (c) the Master Warrant Agent Agreement.

None of the directors of the Issuer and the Guarantor has any direct or indirect interest in any of the above contracts.

6. The Auditors of the Issuer and the Guarantor have given and have not withdrawn their written agreement to the inclusion of the report, included herein, in the form and context in which it is included. Their report was not prepared exclusively for incorporation into this document.

The Auditors of the Issuer and the Guarantor have no shareholding in the Issuer or the Guarantor or any of its subsidiaries, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of the Issuer or the Guarantor or any of its subsidiaries.

7. The Certificates are not fully covered by the Underlying Stock held by Issuer or a trustee for and on behalf of the Issuer. The Issuer has appropriate risk management capabilities to manage the issue of the Certificates.
8. Société Générale, Singapore Branch, currently of 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, has been authorised to accept, on behalf of the Issuer and the Guarantor, service of process and any other notices required to be served on the Issuer or the Guarantor. Any notices required to be served on the Issuer or the Guarantor should be sent to Société Générale at the above address for the attention of Société Générale Legal Department.

9. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the offices of Société Générale, Singapore Branch at 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, during the period of 14 days from the date of this document:
- (a) the Memorandum and Articles of Association of the Issuer and the Constitutional Documents of the Guarantor;
 - (b) the latest financial reports (including the notes thereto) of the Issuer;
 - (c) the latest financial reports (including the notes thereto) of the Guarantor;
 - (d) the consent letters from the Auditors to the Issuer and the Guarantor referred to in paragraph 6 above;
 - (e) the Base Listing Document;
 - (f) this document; and
 - (g) the Guarantee.

PLACING AND SALE

General

No action has been or will be taken by the Issuer that would permit a public offering of the Certificates or possession or distribution of any offering material in relation to the Certificates in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Certificates, or distribution of any offering material relating to the Certificates may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to placees.

Each Certificate Holder undertakes that it will inform any subsequent purchaser of the terms and conditions of the Certificates and all such subsequent purchasers as may purchase such securities from time to time shall be deemed to be a Certificate Holder for the purposes of the Certificates and shall be bound by the terms and conditions of the Certificates.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Certificates may not be circulated or distributed, nor may Certificates be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act, Chapter 289 of Singapore.

Hong Kong

Each dealer has represented and agreed, and each further dealer appointed in respect of the Certificates and each other purchaser will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates (except for Certificates which are a "structured product" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong) other than (i) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus", as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (CWUMPO) or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

European Economic Area and the United Kingdom

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree that, it has not offered, sold or otherwise made available and will not offer, sell, or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended and superseded, the Prospectus Regulation); and
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates.

In respect of the United Kingdom, each dealer has further represented and agreed, and each further dealer appointed in respect of the Certificates will be required to further represent and agree, that:

- (a) in respect to Certificates having a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Certificates would otherwise constitute a contravention of Section 19 of Financial Services and Markets Act, as amended (the “**FSMA**”) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

United States

The Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the “**CFTC**”) under the United States Commodity Exchange Act of 1936, as amended (the “**Commodity Exchange Act**”) and the Issuer will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any

other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised.

Each dealer has represented and agreed, and each further dealer will be required to represent and agree, that it has not and will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redeem, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such U.S. person. Any person purchasing Certificates of any tranches must agree with the relevant dealer or the seller of such Certificates that (i) it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, any Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person, and (ii) it is not purchasing any Certificates for the account or benefit of any U.S. person.

Exercise or otherwise redemption of Certificates will be conditional upon certification that each person exercising or otherwise redeeming a Certificate is not a U.S. person or in the United States and that the Certificate is not being exercised or otherwise redeemed on behalf of a U.S. person. No payment will be made to accounts of holders of the Certificates located in the United States.

As used in the preceding paragraphs, the term **"United States"** includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America, and the term **"U.S. person"** means any person who is (i) a U.S. person as defined under Regulation S under the Securities Act, (ii) a U.S. person as defined in paragraph 7701(a)(30) of the Internal Revenue Code of 1986, or (iii) a person who comes within any definition of U.S. person for the purposes of the United States Commodity Exchange Act of 1936, as amended (the **"CEA"**) or any rules thereunder of the CFTC (the **"CFTC Rules"**), guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a "Non-United States person" defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not "Non-United States persons", shall be considered a U.S. person).

APPENDIX I

REPRODUCTION OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 OF CITY DEVELOPMENTS LIMITED AND ITS SUBSIDIARIES

The information set out below is a reproduction of the unaudited financial statements of the Company and its subsidiaries for the year ended 31 December 2020 and has been extracted and reproduced from an announcement by the Company dated 26 February 2021 in relation to the same.



CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

UNAUDITED FULL YEAR FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

These figures have not been audited.

	The Group Half Year ended 31 December			The Group Full Year ended 31 December		
	2020	2019	Incr/ (Decr)	2020	2019	Incr/ (Decr)
	S\$'000	S\$'000		S\$'000	S\$'000	
			%			%
Revenue ⁽¹⁾	1,035,522	1,832,197	(43.5)	2,108,426	3,428,725	(38.5)
Cost of sales	(653,044)	(965,117)	(32.3)	(1,279,484)	(1,790,239)	(28.5)
Gross profit ⁽²⁾	382,478	867,080	(55.9)	828,942	1,638,486	(49.4)
Other income ⁽³⁾	76,505	13,590	NM	171,990	175,210	(1.8)
Administrative expenses ⁽⁴⁾	(228,516)	(308,886)	(26.0)	(487,852)	(591,093)	(17.5)
Other operating expenses ⁽⁵⁾	(531,879)	(341,493)	55.8	(752,782)	(568,669)	32.4
Impairment loss on other receivables ⁽⁶⁾	(323,942)	-	NM	(323,942)	-	NM
Impairment loss on debt investment ⁽⁶⁾	(288,000)	-	NM	(288,000)	-	NM
(Loss)/Profit from operating activities	(913,354)	230,291	NM	(851,644)	653,934	NM
Finance income	77,283	55,372	39.6	168,618	108,527	55.4
Finance costs	(135,316)	(111,655)	21.2	(262,009)	(204,691)	28.0
Net finance costs ⁽⁷⁾	(58,033)	(56,283)	3.1	(93,391)	(96,164)	(2.9)
Share of after-tax profit of associates ⁽⁸⁾	17,743	40,251	(55.9)	37,976	98,539	(61.5)
Share of after-tax (loss)/profit of joint ventures ⁽⁹⁾	(850,962)	49,520	NM	(883,752)	97,768	NM
(Loss)/Profit before tax	(1,804,606)	263,779	NM	(1,790,811)	754,077	NM
Tax expense ⁽¹⁰⁾	(74,305)	(44,634)	66.5	(87,702)	(140,716)	(37.7)
(Loss)/Profit for the period/year	(1,878,911)	219,145	NM	(1,878,513)	613,361	NM
Attributable to:						
Owners of the Company	(1,920,536)	202,615	NM	(1,917,391)	564,576	NM
Non-controlling interests	41,625	16,530	NM	38,878	48,785	(20.3)
(Loss)/Profit for the period/year	(1,878,911)	219,145	NM	(1,878,513)	613,361	NM
Earnings per share						
- basic	(212.5) cents	21.6 cents	NM	(212.8) cents	60.8 cents	NM
- diluted	(212.5) cents	20.6 cents	NM	(212.8) cents	59.3 cents	NM

NM: not meaningful

CITY DEVELOPMENTS LIMITED

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Notes to the Group's Income Statement – Note A: Sincere Property:

In April 2020, the Group acquired an effective 51.01% joint controlling interest in Sincere Property Group (Sincere Property) via an offshore investment vehicle (HCP Cayman) for \$882 million (RMB 4.39 billion). HCP Cayman holds a 100% equity interest in HCP HK, which in turn holds an 80.01% interest in Sincere Property. This represented the Group's expansion into the China property market as the Group continues to hold a long-term view of its investments in the People's Republic of China (PRC) and remains confident of the PRC's strong fundamentals and ability to rebound.

This followed the initial strategic investment in Sincere Property announced in May 2019 for RMB 5.5 billion, comprising a 24% in stake and interest-bearing loans. The Group's intention to invest in Sincere Property started back in 2019 with the engagement of HSBC as financial advisors for this investment. The Group also appointed legal advisors and a reputable accounting firm for the legal, tax and financial due diligence of the significant companies within the Sincere Property Group as part of its due diligence process.

In June 2019, the Group subscribed for US\$230 million (\$305 million) of USD bonds issued by Sincere Property. The bonds have a 3-year term maturing on 27 June 2022.

Given the adverse impact of the COVID-19 crisis and the global uncertainty, CDL took the opportunity to renegotiate the terms for its investment into Sincere Property in April 2020 and the purchase consideration of \$882 million (RMB 4.39 billion) was based on an agreed valuation of Sincere Property at RMB 8.6 billion. In addition, the Group has a call option to acquire an additional 9.0% effective equity interest in Sincere Property, which is exercisable at the Group's discretion within a 6-month period commencing on the later of the first business day after the expiry of 18 months from acquisition completion of the acquisition price payment date or 1 July 2022, at the same valuation of RMB 8.6 billion.

The unaudited financial statements of Sincere Property prepared under PRC GAAP as at 30 April 2020 reported a Net Asset Value ("NAV") of RMB15.4 billion (Audited NAV under PRC GAAP as of 31 December 2019: RMB 16.0 billion).

In 1H 2020, the Group carried out a preliminary purchase price allocation (PPA) (prior to the completion of the audit of the acquisition balance sheet of HCP Cayman). The Revalued Net Asset Value (RNAV) of the net identifiable assets of HCP Cayman were valued at RMB 9 billion based on Sincere Property's unaudited April 2020 financial statements adjusted for valuations of its properties based on draft valuation reports by Cushman and Wakefield. Accordingly, the Group recognised in 1H 2020 the following:

- i) \$43.2 million of negative goodwill for its 51.01% effective joint controlling interest in Sincere Property in 1H 2020.
- ii) a mark to market fair value gain on the call option of \$7.7 million.
- iii) share of loss of \$41 million arising from equity accounting Sincere Property.

In June 2020, the Group advanced a RMB 650 million working capital (\$132 million) loan to Sincere Property.

On 2 July 2020, the joint venture holding company of Sincere Property, HCP HK, took a loan from a financial institution of RMB 1.5 billion (\$283 million). Both the ultimate shareholders of HCP HK, being the Group and the founder of Sincere Property, provided guarantees and securities for this loan.

In September 2020, the Group provided a liquidity support undertaking for a tranche of Sincere Property bonds due in October 2020. The total amount of the bonds principal and interest due was RMB 1.512 billion, for which the full amount was called upon in October 2020. RMB0.19 billion was subsequently repaid by Sincere Property, leaving the balance owing at RMB 1.322 billion (\$269 million).

In addition, the Group further equity accounted for another \$35 million share of loss arising from Sincere Property in Q3 2020. Accordingly, the share of loss that was equity accounted by the Group up to YTD September 2020 amounted to \$76 million.

In December 2020, the Group provided a short term RMB 18.8 million loan (\$4 million) to Sincere Property which was repaid on 24 February 2021.

CITY DEVELOPMENTS LIMITED

(REG. NO. 196300316Z)

As at 31 December 2020, the exposure of the Group to Sincere Property total \$1.8 billion as summarised below:

<u>Exposure to statement of financial position</u>	<u>Note</u>	<u>Gross S\$'million</u>	<u>Impairment loss/ Provision made S\$'million</u>	<u>Net exposure S\$'million</u>
Investment in joint venture - equity investment	(a)	806	(806) *	-
Financial assets - USD bond debt investment	(b)	305	(288)	17
Other receivables - Loans granted (including interest receivables)	(b)	433	(324)	109
Provisions - provision for corporate guarantee	(c)	283	(283)	-
		1,827	(1,701) **	126

*: after equity accounting for share of loss of \$76 million up till YTD September 2020

**: Total loss including the share of loss of \$76 million was \$1,777 million

Impact to the income statements

	<u>Note</u>	<u>2H 2020 S\$'million</u>	<u>FY 2020 S\$'million</u>
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Other income

Reversal of negative goodwill	(a)	(43)	-
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Finance costs

Reversal of fair value gain on call option	(a)	(8)	-
		(51)	-

Share of after-tax loss of joint ventures

Equity account for loss		(35)	(76)
Impairment loss on equity investment	(a)	(806)	(806)
		(841)	(882)

Impairment loss on USD bond debt investment	(b)	(288)	(288)
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Impairment loss on receivables owing by Sincere Property	(b)	(324)	(324)
		(612)	(612)

Other operating expenses

Provision for corporate guarantee	(c)	(283)	(283)
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Total		(1,787)	(1,777)
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Note:

- (a) The audit of Sincere Property as at 30 April 2020 and the PPA exercise are ongoing. A comparison of Sincere Property's management accounts as at 30 April 2020 (NAV of RMB 15.4 billion) based on PRC GAAP against the draft Singapore Financial Reporting Standards (International) (SFRS(I)) compliant financial statements (NAV of RMB 0.8 billion) tabled below.

As at 30 April 2020	Management accounts (per Sincere Property) – PRC GAAP	Management accounts (per the Group) – SFRS(I)*
	RMB (billion)	RMB (billion)
Total Assets	92.4	83.1
Less: Total Liabilities	(74.2)	(80.8)
	18.2	2.3
Less: Minority Interest	(2.8)	(1.5)
NAV/RNAV	15.4	0.8

* prepared through a consolidation of Sincere Property, factoring in adjustments to each entity after discussion with the Group's auditors and the PPA adjustments.

Sincere Property is a highly geared company. The ratio of total assets to total liabilities is 1.2:1 based on Sincere Property's 30 April 2020 management accounts. Hence, the SFRS(I) adjustments of a 10% adjustment to total assets and 9% adjustment to total liabilities eroded the net asset value drastically. (caution: the above comparison includes several reclassifications in accordance with SFRS(I) and PPA adjustments etc and comparison may not be fully meaningful).

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The substantial decline in RNAV was primarily attributable to many adjustments including:

- i) Property valuations adjustment for property, plant and equipment and investment properties - the investment properties of Sincere Property are carried at fair value as at 31 December 2019, valued by local valuer firms. The Group had appointed Cushman and Wakefield to value Sincere Property's properties and the net decline in investment properties (net of deferred tax accounted for under SFRS(I)) is approximately RMB 5 billion.
- ii) Adjustments to development properties – Adjustments were made to the development properties to take into account the net realisable value of the development properties considering sales status of the properties, actual selling prices and selling costs (including land value appreciation tax) – approximately RMB 4 billion.
- iii) Impairment losses made on receivables of approximately RMB 2 billion upon detailed review of the receivables due to expenses being capitalised as assets, reconciliation of receivables against confirmations received, and long outstanding debts due without security.
- iv) Reversal of approximately RMB 1 billion of deferred tax assets following assessment that future taxable profits may not be available against which such deferred tax assets can be used. This took into account the huge loss incurred by Sincere Property in 2020 and anticipated tax losses.
- v) Adjustments for liabilities relate largely to understatement of interest expenses, construction cost payables, accruals, deferred tax liabilities as well as alignment of profit recognition policy on development projects to the Group's accounting policy - approximately RMB 3 billion.

In addition, a financial liability for a put option held by Greenland (a 19.9% shareholder of Sincere Property) from 2022 was also accounted on consolidation of HCP HK, which resulted in the RNAV of HCP Cayman to be negative. Whilst the Group has recourse against the founder for the put option held by Greenland, the Group has not recognised this indemnity asset.

Hence, the purchase consideration paid by the Group over the Group's share of the fair value of identifiable assets indicates a goodwill arising from the Group's investment in Sincere Property. In view of the near-term challenges impacted by the pandemic, a challenging macro-economic environment with the geo-political tension and the tightening of credit in China real estate, the Group fully impaired its remaining cost of investment in Sincere Property of \$806 million after considering the cumulative share of loss in Sincere Property of \$76 million accounted by the Group up till YTD September 2020.

Resultantly, the \$43.2 million negative goodwill previously recognised and the \$7.7 million fair value gain on the call option recognised at 1H 2020 were reversed.

As the Group's cost of investment in HCP Cayman had been fully impaired, the Group will cease to equity account for its share of future losses of HCP Cayman as the Group had not undertaken to provide continuing financial support for Sincere Property.

- (b) In line with accounting standards, the Group assesses if its investment in USD bonds and loans extended (inclusive of interest income receivable) to Sincere Property are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

It was brought to the Group's attention that the refinancing of the borrowings of Sincere Property became increasingly difficult. While Sincere Property had indeed brought down its interest-bearing liabilities from RMB 42.9 billion as at 30 April 2020 to RMB 35.0 billion as at 31 December 2020, it also notes that a portion of the loans from financial institutions remains unpaid and are in negotiations with the lenders.

Out of the RMB 35.0 billion interest-bearing liabilities as at 31 December 2020, about RMB 22.6 billion will be due within the next 12 months. Hence, the Group is concerned that there exists uncertainty if Sincere Property is able to repay or refinance these loans without further credit enhancements.

Further, the Group was made aware of a credit rating downgrade by China Lianhe Credit Rating Co., Ltd in February 2021 for Sincere Property bonds (as tabulated below).

Names of Bond	Issue Date	Maturity	Outstanding Bond Principal Amount (RMB)
18 协信 01	7 March 2018	March 2021	444 million
16 协信 03	16 March 2016	March 2021	652 million
16 协信 05	11 May 2016	May 2021	561 million
16 协信 06	13 July 2016	July 2021	838 million
16 协信 08	26 September 2016	Sept 2021	540 million

The audit of Sincere Property as at 31 December 2020 is ongoing. It is envisaged that the Group's SFRS(I) management accounts of Sincere Property would result in a net liability position due to significant losses incurred, compounded by high financing costs, marketing and administrative costs, subsequent sales of projects at prices lower than valuations and impairment losses recognised on assets held for sale.

In light of the above, the Group has assessed that its investment in USD bonds and the loans extended to Sincere Property are credit impaired.

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To assess the recoverability of the loans extended, the Group applies lifetime expected credit loss which assumes a 50% adjustment to the carrying value of underlying properties, non-recoverability of certain financial assets, additional costs including potential penalty interest on defaulted borrowings (estimate of 30%), debt restructuring cost based on the unaudited financial statements of Sincere Property as at 31 December 2020 as well as its cashflow projection over a restructuring period. Net of all the applicable costs over the envisaged restructuring period, the remaining assets for distribution had taken into account the secured creditors since most of the assets are secured against the bank loans. The USD bonds and the loans extended by the Group to Sincere Property are unsecured.

Based on the assessment, estimated impairment losses totalling \$612 million had been recognised. This is approximately 83% of the total of USD bonds and balances due from Sincere Property.

The Group would like to caution that the above impairment losses is derived based on the unaudited SFRS(I) financial statements of Sincere Property as at 31 December 2020, adjusted for various assumptions that the Group had undertaken to estimate the recoverability of the loans extended, including adjustments to the assets values which is a significant accounting estimate.

At the date of this announcement, the assessment of the values of its underlying properties as at 31 December 2020 and the audit of Sincere Property are still ongoing. Accordingly, changes may be expected on the impairment figures following the finalisation of the audit.

- (c) Lastly, the Group evaluated the corporate guarantee extended to a financial institution in connection with the loan taken up at HCP HK. In line with SFRS(I)1-37, the Group had made a provision for corporate guarantee of \$283 million in 2H 2020.

CDL:

- (i) *has used the Sincere Property Group accounts prepared according to the PRC GAAP as a reference in its analysis and assessment.*
- (ii) *notes that the Sincere Property Group is managed by its own management team.*
- (iii) *has assumed that the information provided by Sincere Property may be relied upon in full, and accordingly, has analysed and assessed the impact of such information on CDL's accounts and made specific determinations in its accounts (including any comparisons, adjustments and impairment losses).*

Notes to the Group's Income Statement:

- (1) The decrease in revenue for 2H 2020 and FY 2020 was primarily attributable to a substantial decline in contribution from hotel operations segment as a result of the prolonged adverse impact of the COVID-19 pandemic. Property development and investment properties segments were also impacted to varying extent.

The COVID-19 outbreak, which was declared a global pandemic in March 2020 has brought about an unprecedented downturn in global tourism and travel. In FY 2020, the Group's hotels located in all regions recorded significantly lower RevPAR and occupancies as a result of extensive travel restrictions, strict social distancing and lockdown of cities imposed by most countries to contain the spread of the outbreak, which resulted in a global collapse in demand for air travel, lodging and tourism. Several of the Group's hotels were closed temporarily for different time period whilst those opened were operating at much lower occupancies. Some Singapore hotels were aided by accommodation demand from foreign workers affected by Malaysia border closures and returnees from overseas serving out Stay Home Notices in hotels. Notably, the performance of Singapore hotels was also impacted by postponement/cancellation of major MICE events, wedding banquets and social functions.

Investment properties segment also reported a lower revenue, mainly due to rental rebates granted to tenants for buildings located in Singapore and Thailand, particularly the retail malls. Hotels under master lease arrangements, held primarily under CDL Hospitality Trusts (CDLHT), also generated lower rental income.

2H 2020 and FY 2020 revenue from property development segment were largely contributed by the sales of Whistler Grand, The Tapestry, and Amber Park, which were recognised progressively based on their stages of construction of sold units as well as Hongqiao Royal Lake, Shanghai, Teddington Riverside in Borough of Thames, 100 Sydney Street project in Chelsea and sales of residential land banks in New Zealand. 2H 2019 and FY 2019 revenue included contribution from Whistler Grand, The Tapestry, Amber Park, Hongqiao Royal Lake, Suzhou Hong Leong City Center (HLCC), 32 Hans Road, United Kingdom (UK) and substantial contribution from Gramercy Park and New Futura.

Items 14 and 15 further analyse the performance by segments.

- (2) Gross profit margin achieved for 2H 2020 was 37% as compared to 47% in 2H 2019. For FY 2020, gross profit margin was 39%, as compared to 48% achieved in FY 2019. The lower gross profit margin for 2H 2020 and FY 2020 is mainly due to allowance for foreseeable losses of \$35.0 million made on development properties, coupled with thinner profit margins achieved for those Singapore residential projects that are still under construction as compared to those high-end completed projects including Gramercy Park and New Futura that commanded better margins. In addition, hotel operations segment recorded a more compressed margin led by lower room rate seen in most countries.

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- (3) In 2H 2020, the Group accounted gain of \$107.9 million on disposal of Novotel Clarke Quay to a joint venture consortium, along with divestment gain of \$9.4 million on sale of Novotel Brisbane. This was partially offset by the reversal of negative goodwill of \$43.2 million arising on acquisition of an effective 51.01% joint controlling interest in Sincere Property, which was previously recorded in 1H 2020. Refer to Note A of item 1(a)(i) for more details.

Comparatively, for 2H 2019, a gain of \$10.5 million was accounted on sale of a vacant land parcel at Jervois Road.

Other income for FY 2020 also included divestment gains from disposal of Millennium Hotel Cincinnati of \$26.0 million and disposal of equity stake in Sceptre Hospitality Resources (SHR) of \$23.5 million.

Other income for FY 2019, in addition to the gain on sale of a vacant land parcel at Jervois Road, related largely to the unwinding of the Group's first and second Profit Participation Securities (PPS) structures. For PPS 1, the Group acquired the remaining PPS instruments issued by Sunbright Holdings Limited (Sunbright), an associate of the Group which was established in 2014 in connection with the non-residential components of the Quayside Collection comprising W Singapore – Sentosa Cove and Quayside Isle, that the Group did not own, under this structure. As part of the purchase price allocation exercise, a net gain of about \$7 million was recorded due to remeasurement of its existing stake in these properties at fair value. For PPS 2, the Group realised deferred gains of \$144.3 million and \$9.6 million from the divestment of Manulife Centre and 7 & 9 Tampines Grande respectively, from the Group's PPS 2 structure established in 2015 via Golden Crest Holdings (Golden Crest).

Additionally, the Group received distribution of \$52.6 million in FY 2019 from Golden Crest for its 40% investment in PPS 2 in accordance with the stipulated waterfall distribution. This was accounted for under share of after-tax profit of associates.

- (4) Administrative expenses comprised mainly depreciation, hotel administrative expenses and salaries and related expenses.

The decrease in administrative expenses in 2H 2020 and FY 2020 was largely due to lower hotel administrative expenses and salaries expenses, in tandem with lower revenue generated from hotel operations, cost containment measures undertaken by hotels and wage support received from local governments.

The decrease was partially offset by higher depreciation contributed by hotel and investment properties added to the Group's portfolio in 2H 2019 which included The Biltmore Mayfair (reopened in September 2019), Hong Leong Hongqiao Centre (formerly Shanghai Hongqiao Sincere Centre (Phase 2)) (acquired in November 2019), two towers within Hong Leong Plaza Hongqiao which were transferred from development properties to investment properties upon tenants being secured in December 2019, and a leasehold industrial building for laundry operations (construction completed in June 2019). Further, the Group's acquisition of W Singapore – Sentosa Cove and Quayside Isle in April 2019 via the abovementioned PPS 1 financial instruments also contributed to the higher depreciation for FY 2020.

- (5) Other operating expenses included impairment losses recognised on property, plant and equipment and investment properties, impairment loss on trade receivables, property taxes, insurance and other operating expenses on hotels. Other operating expenses for 2H 2020 and FY 2020 also included provision for corporate guarantee in relation to an external loan taken up by HCP HK.

The increase in other operating expenses was mainly due to provision for the aforesaid corporate guarantee of \$283 million, as well as higher impairment losses made on property, plant and equipment and investment properties, and impairment loss made on trade receivables.

In 2H 2020, the Group recorded additional impairment losses of \$53.6 million and \$12.0 million on its property, plant and equipment and investment properties respectively, bringing the total impairment losses for the year to \$87.5 million on property, plant and equipment (FY2019: \$60.4 million) and \$12.0 million on investment properties (FY2019: writeback of \$2.4 million). More details on the impairment losses are detailed in item 1(b)(i).

In addition, an impairment loss of \$14.8 million was also made mainly on rent receivables from Pullman Hotel Munich which have payment difficulties due to COVID-19, and on aged receivables of several other US and UK hotels.

The increase in other operating expenses was slightly mitigated by lower hotel operating expenses in view of hotel closures and cost containment measures implemented.

- (6) In 2H 2020 and FY 2020, the Group provided a \$300 million impairment loss on the loans granted to Sincere Property, and \$288 million impairment loss on the US\$230 million USD bonds issued by Sincere Property which the Group had subscribed to. The Group also recognised impairment loss on the interest receivables on the aforesaid loans and bonds amounting to \$12.3 million and \$11.6 million respectively. More details on the impairment losses recognised are detailed in Note A of Item 1(a)(i).

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(7) Net finance costs comprised the following:

	The Group Half Year Ended 31 December				The Group Full Year Ended 31 December		
Note	2020 S\$'000	2019 S\$'000	Incr/ (Decr) %		2020 S\$'000	2019 S\$'000	Incr/ (Decr) %
Finance income							
Interest income	41,510	51,939	(20.1)		84,053	79,259	6.0
Fair value gain on financial derivatives (i)	-	3,014	NM		-	11,936	NM
Fair value gain on financial assets measured at fair value through profit or loss (net) (ii)	26,146	657	NM		65,694	17,572	NM
Net exchange gain (iii)	9,645	-	NM		19,140	-	NM
Less: finance income capitalised	(18)	(238)	(92.4)		(269)	(240)	12.1
	77,283	55,372	39.6		168,618	108,527	55.4
Finance costs							
Amortisation of transaction costs capitalised	(4,418)	(4,049)	9.1		(8,474)	(7,960)	6.5
Interest expenses (iv)	(105,367)	(113,475)	(7.1)		(220,391)	(208,993)	5.5
Fair value loss on financial derivatives (i)	(36,339)	-	NM		(55,277)	-	NM
Net exchange loss (iii)	-	(8,852)	NM		-	(14,034)	NM
Unwinding of discount on non-current liabilities	(200)	(270)	(25.9)		(434)	(575)	(24.5)
Less: finance costs capitalised	11,008	14,991	(26.6)		22,567	26,871	(16.0)
	(135,316)	(111,655)	21.2		(262,009)	(204,691)	28.0
Net finance costs	(58,033)	(56,283)	3.1		(93,391)	(96,164)	(2.9)

NM: not meaningful

- (i) Fair value gain/(loss) on financial derivatives related mainly to the net effect arising from the remeasurement of foreign exchange forward contracts and Euro/United States dollar (USD) cross-currency interest rate swap contract (CCS) entered into by CDL Hospitality Trusts (CDLHT), Sterling Pound/Singapore dollar (SGD), Japanese Yen/SGD, Euro/SGD and Renminbi/SGD CCS, foreign currency exchange swap and floating-for-fixed SGD interest rate swaps entered into by the Group.

Fair value loss for 2H 2020 and FY 2020 arose mainly from loss recognised on Renminbi/SGD foreign currency exchange swaps with nominal value of approximately RMB 4 billion, entered by the Group to fund its investment in and loan granted to Sincere Property. In contrast, fair value gain was recognised on Renminbi/SGD foreign currency exchange swaps with nominal value of RMB 2.36 billion in FY 2019. The fair value loss for 2H 2020 also includes the impact of reversing a \$7.7 million fair value gain on the call option granted to acquire an additional 9.0% effective equity interest in Sincere Property, recognised in 1H 2020. Refer to Note A of item 1(a)(i) for more details.

- (ii) This mainly arose from remeasurement of unquoted debt instruments and investments in equities and funds measured at fair value through profit or loss.
- (iii) Net exchange gain for FY 2020 was mainly due to exchange gain arising from the appreciation of Australian dollar (AUD) and New Zealand dollar (NZD) denominated receivables and cash balances held by CDLHT Group against SGD.

Net exchange loss for FY 2019 was mainly attributable to the translation loss from the weakening of USD denominated intercompany loan receivables and bank deposits, as well as translation loss from the depreciation of AUD and Euro denominated receivables and balances against SGD.

- (iv) The increase in interest expenses for FY 2020 was mainly due to the Group's higher borrowings to provide various funding requirements including the acquisition of an effective 51.01% joint controlling interest in Sincere Property in 1H 2020, subscription of USD bonds issued by Sincere Property in end June 2019, acquisition and development of land sites/properties in Singapore and overseas, and privatisation of Millennium & Copthorne plc in late 2019.

- (8) The decrease in share of after-tax profit of associates was mainly attributable to the lower share of progressive distribution received from Golden Crest arising from the unwinding of PPS 2 structure in May 2019. The Group received \$2.6 million distribution in FY 2020 as compared to \$52.6 million in FY 2019. In addition, First Sponsor Group Limited (FSGL) also contributed lower share of profit to the Group due to lower profit generated from sale of properties and hotel operations and absence of gain on divestment of Oliphant office property in Amsterdam to its 33% owned equity investee in November 2019.

- (9) The substantial share of loss of joint ventures for 2H 2020 and FY 2020 was mainly due to full impairment loss amounting to \$882 million recognised on the Group's cost of investment in Sincere Property. More details on the impairment losses are detailed in Note A of Item 1(a)(i).

In addition, results performance of JW Marriot Hotel South Beach, St Regis Hotel, JW Marriot Hotel Hong Kong and New World Millennium Hong Kong Hotel were lacklustre due to immense negative impact from COVID-19 outbreak, and there was lower contribution from South Beach Residences, Forest Woods and the Ivy and Eve project in Brisbane.

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

	The Group		The Group	
	Half Year Ended		Full Year Ended	
	31 December		31 December	
	2020	2019	2020	2019
	S\$m	S\$m	S\$m	S\$m
The tax charge relates to the following:				
Profit for the period/year	68.8	55.5	87.3	144.1
Land appreciation tax (LAT)/(overprovision of LAT)	6.7	(1.9)	12.5	9.7
Overprovision in respect of prior periods/years	(1.2)	(9.0)	(12.1)	(13.1)
	<u>74.3</u>	<u>44.6</u>	<u>87.7</u>	<u>140.7</u>

There is a tax charge for FY 2020 despite the substantial loss position due to non-deductibility of the significant impairments and foreseeable losses recognised on the Group's assets.

FY 2020 tax expense included a deferred tax credit of \$18 million recognised following the reintroduction of tax depreciation on commercial and industrial buildings in New Zealand effective from 1 January 2020, as part of the New Zealand government's COVID-19 Business Continuity Package.

Excluding this deferred tax credit, the higher effective tax rate in FY 2020 was primarily due to losses incurred by foreign subsidiaries (mostly in the US) which were not available for set off against profits of local subsidiaries and deferred tax assets were recognised only to the extent that it is probable that the related tax benefit will be realised.

- (11) (Loss)/Profit before tax included the following:

	The Group		The Group	
	Half Year Ended		Full Year Ended	
	31 December		31 December	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Allowance (made)/written back for foreseeable loss on development properties	(35,014)	4,742	(35,014)	6,524
Dividend income	4,208	3,813	4,784	5,559
Depreciation and amortisation	(146,585)	(144,735)	(287,129)	(275,987)
Gain on loss of control in subsidiaries	9,426	-	32,897	-
Gain on remeasurement of previously held interest in an associate which became a subsidiary	-	-	-	6,608
Impairment loss on debt investments	(288,000)	-	(288,000)	-
Impairment loss on trade receivables and bad debts written off	(10,334)	(6,373)	(17,393)	(6,643)
Impairment loss on other receivables - Sincere Property	(323,942)	-	(323,942)	-
Impairment loss on property, plant and equipment	(53,587)	(60,386)	(87,517)	(60,386)
Impairment loss (made)/written back on investment properties	(12,035)	2,414	(12,035)	2,414
Impairment loss on investment in an associate	-	(3,000)	-	(3,000)
Loss on liquidation of subsidiaries (net)	-	(79)	-	(79)
Loss on dilution of an associate	-	(39)	(731)	(39)
Profit on sale of property, plant and equipment and investment properties (net)	107,028	11,095	133,401	164,988
Reversal of negative goodwill on acquisition of a joint venture	(43,234)	-	-	-
Provision for corporate guarantee in relation to an external bank loan obtained by HCP HK	(283,000)	-	(283,000)	-

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1(a)(ii) Consolidated Statement of Comprehensive Income

	The Group			
	Half Year Ended 31 December		Full Year Ended 31 December	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
(Loss)/Profit for the period/year	(1,878,911)	219,145	(1,878,513)	613,361
Other comprehensive income:				
<u>Items that will not be reclassified to profit or loss:</u>				
Change in fair value of equity instruments measured at fair value through other comprehensive income	(31,730)	64,378	(43,077)	66,786
Defined benefit plan remeasurements	(3,810)	(2,634)	(3,810)	(2,634)
<u>Items that are or may be reclassified subsequently to profit or loss:</u>				
Effective portion of changes in fair value of cash flow hedges	2,270	1,742	(2,952)	(2,997)
Exchange differences on hedges of net investment in foreign operations	9,350	5,951	8,665	7,526
Exchange differences on monetary items forming part of net investment in foreign operations	(7,772)	20,819	14,029	15,627
Exchange differences reclassified to profit or loss on loss of control in foreign operations	2,016	58	2,032	58
Share of translation differences of equity-accounted investees	4,405	(5,354)	13,192	(11,530)
Translation differences arising on consolidation of foreign operations	1,647	(38,932)	62,320	(85,908)
Total other comprehensive income for the year, net of tax	(23,624)	46,028	50,399	(13,072)
Total comprehensive income for the periods/years	(1,902,535)	265,173	(1,828,114)	600,289
Attributable to:				
Owners of the Company	(1,939,338)	252,518	(1,882,242)	579,159
Non-controlling interests	36,803	12,655	54,128	21,130
Total comprehensive income for the periods/years	(1,902,535)	265,173	(1,828,114)	600,289

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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note	The Group		The Company	
		As at	As at	As at	As at
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Property, plant and equipment		5,525,684	5,462,367	37,439	43,677
Investment properties		4,568,697	4,410,261	424,955	436,510
Investments in subsidiaries		-	-	2,025,019	2,024,934
Investments in associates	(1)	707,699	562,876	-	-
Investments in joint ventures	(2)	1,085,288	1,192,456	37,360	37,360
Financial assets	(3)	736,119	1,060,292	348,510	375,964
Other non-current assets	(4)	241,186	677,732	6,518,288	5,134,558
		12,864,673	13,365,984	9,391,571	8,053,003
Current assets					
Development properties	(5)	5,391,055	5,155,642	180,247	181,735
Contract costs		31,643	26,151	-	-
Contract assets	(6)	505,231	242,048	-	-
Consumable stocks		10,511	16,650	-	-
Financial assets	(7)	20,048	562,681	-	-
Trade and other receivables	(8)	1,681,218	822,074	5,830,508	5,521,625
Cash and cash equivalents		3,126,529	2,797,652	1,288,914	1,269,235
		10,766,235	9,622,898	7,299,669	6,972,595
Assets held for sale	(9)	45,884	211,375	-	-
		10,812,119	9,834,273	7,299,669	6,972,595
Total assets		23,676,792	23,200,257	16,691,240	15,025,598
Equity attributable to Owners of the Company					
Share capital		1,991,397	1,991,397	1,991,397	1,991,397
Reserves		6,510,811	8,528,853	4,458,033	4,615,886
		8,502,208	10,520,250	6,449,430	6,607,283
Non-controlling interests		740,249	746,306	-	-
Total equity		9,242,457	11,266,556	6,449,430	6,607,283
Non-current liabilities					
Interest-bearing borrowings*	(10)	8,756,068	7,673,152	5,780,877	4,211,386
Employee benefits		30,997	28,662	-	-
Lease liabilities	(11)	237,854	189,448	14,152	20,003
Other liabilities	(12)	243,599	130,825	8,290	9,912
Provisions		24,554	26,809	-	-
Deferred tax liabilities		96,845	107,592	15,644	21,242
		9,389,917	8,156,488	5,818,963	4,262,543
Current liabilities					
Trade and other payables	(13)	1,348,759	1,198,907	2,733,590	2,799,268
Lease liabilities	(11)	14,187	17,752	5,850	5,769
Contract liabilities	(6)	267,607	209,503	-	-
Interest-bearing borrowings*	(10)	2,798,612	2,037,999	1,671,717	1,341,294
Employee benefits		32,044	27,495	1,616	2,364
Provision for taxation		276,164	249,506	10,074	7,077
Provisions	(14)	307,045	28,471	-	-
		5,044,418	3,769,633	4,422,847	4,155,772
Liabilities directly associated with the assets held for sale	(9)	-	7,580	-	-
		5,044,418	3,777,213	4,422,847	4,155,772
Total liabilities		14,434,335	11,933,701	10,241,810	8,418,315
Total equity and liabilities		23,676,792	23,200,257	16,691,240	15,025,598

* These balances are stated at amortised cost after taking into consideration their related transaction costs.

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The Group had reviewed its property, plant and equipment, investment properties and development properties for the year ended 31 December 2020, to ascertain the appropriateness of the assets' carrying value in the financial statements amid the ongoing COVID-19 situation.

Property, Plant and Equipment (PPE)

The Group's PPE relates largely to the hotel portfolio (93% of the PPE) and is carried at cost less accumulated depreciation and impairment losses.

In line with accounting standards, the Group assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group will estimate the recoverable amount of the asset.

For the year ended 31 December 2020, the Group focused on the impairment assessment of its hotel portfolio and applied a selection criteria which took into consideration of headroom to the last available valuation and the countries in which the hotels operate. The headroom was computed using last valuation performed compared to the carrying value of the asset as at 30 June 2020.

Independent valuations were conducted for those hotels falling within the selection criteria, except for M Social Hotel where an in-house valuation was carried out by the Group. For both the in-house and independent valuations, the fair value approach was adopted.

For assets that were assessed as at 31 December 2020, the key assumptions adopted are tabled as follows:

	Capitalisation rates	Discount rates	RevPAR decline in 2020	Recovery year to 2019 RevPAR levels	RevPAR CAGR* (2021 to recovery year)	Stabilised long term growth (p.a.)
US Region	5.50% to 11.00%	7.50% to 12.75%	-62.85%	2024 to 2025	23.6%	3.0%
Europe Region	4.00% to 6.50%	7.00% to 11.30%	-73.36%	2024	25.6%	1.7%
Asia Region	3.75% to 5.50%	6.00% to 7.50%	-62.45%	2023 to 2025	15.8%	2.6%

* Compounded Annual Growth Rate (CAGR)

Some of the discount rates used in the valuations were higher this year to reflect higher risks for those assets due to the economic uncertainty¹.

CDL Hospitality Trust (CDLHT) and Millennium & Copthorne Hotels New Zealand Limited (MCHNZ) are listed on the Singapore Exchange Securities Trading Limited and New Zealand Stock Exchange, respectively. In the SGX announcement issued by CDLHT on 29 January 2021 on its unaudited financial statements for the year ended 31 December 2020, CDLHT has conducted independent valuations for its investment properties and PPE as at 31 December 2020 and recorded an overall net fair value loss of S\$185.5 million.

MCHNZ had also conducted independent valuations for all its fourteen hotels, which were valued on a going concern and best use basis. Six larger hotels were subjected to full valuation using discounted cashflows from projected income and costs plus the direct comparison method while the other eight smaller hotels were reviewed using the direct comparison approach. Based on the independent valuations, MCHNZ had deducted NZD12.97 million from the carrying values of land and buildings.

Based on the above impairment assessment, the Group recognised a \$87.0 million of impairment losses for the year ended 31 December 2020, after offsetting the write back of previously made impairment losses and the effects of changes in foreign exchange rates.

	Impairment for 1H 2020	Additional impairment made for 2H 2020	Total impairment for FY 2020	Impact to PATMI
	S\$m	S\$m	S\$m	S\$m
US Region	29.1	37.6	66.7	66.7
Europe Region	4.8	8.5	13.3	6.5
Asia Region	-	6.2	6.2	0.5
Australasia Region	-	0.8	0.8	0.6
Total	33.9	53.1	87.0	74.3

Although there are signs of improvement and the availability of the COVID-19 vaccines, the pandemic continues to significantly impact the hospitality sector. Continued uncertainty of the tourism industry and the on-going travel restrictions are expected to prolong the recovery of the accommodation sector.

Due to the market uncertainty created by the pandemic, the valuations are currently subject to material value uncertainty. The assumptions used may be revised significantly and accordingly, values may change more quickly and significantly than under normal market conditions.

¹ These are Grand Hotel Palace Rome, Copthorne Hotel London Gatwick, Hard Days Night Hotel Liverpool, Copthorne Hotel Effingham Gatwick, Millennium Hotel Glasgow, Novotel New York Times Square and Comfort Inn Near Vail Beaver Creek.

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Sensitivity Analysis for the Group's PPE portfolio (for illustration purposes only)

A sensitivity analysis on changes to key assumptions and the significant different outcomes are detailed below:

1. Terminal Capitalisation rates

	2020 valuation terminal cap rates	Changes to valuation because of changes to terminal cap rates		Additional impairment	
		+25bps	+50bps	+25bps	+50bps
US Hotels	5.50% to 11.00%	-\$36.0M	-\$70.4M	\$17.2M	\$35.2M
Europe Hotels	4.00% to 6.50%	-\$28.0M	-\$53.8M	\$6.1M	\$12.0M
Asia Hotels	3.75% to 5.50%	-\$78.7M	-\$150M	\$13.1M	\$24.8M
Total		-\$142.7M	-\$274.2M	\$36.4M	\$72.0M

2. Discount rates

	2020 valuation discount rates	Changes to valuation because of changes to discount rates		Additional impairment	
		+25bps	+50bps	+25bps	+50bps
US Hotels	7.50% to 12.75%	-\$26.8M	-\$53.7M	\$13.2M	\$28.0M
Europe Hotels	7.00% to 11.30%	-\$18.8M	-\$37.3M	\$3.4M	\$7.1M
Asia Hotels	6.00% to 7.50%	-\$41.1M	-\$81.6M	\$6.6M	\$13.0M
Total		-\$86.7M	-\$172.6M	\$23.2M	\$48.1M

The sensitivity analysis above does not include analysis on hotels held under CDLHT and MCHNZ Group, where independent valuations are carried out and managed separately and independently by the subsidiary groups.

Investment Properties

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

The Group adopts a conservative accounting policy to account for its investment properties and hotels, at cost less accumulated depreciation and impairment losses vis-à-vis the fair value model for investment properties.

	Carrying value in aggregate*	Fair value in aggregate
	S\$m	S\$m
31 December 2020	4,569	8,901
31 December 2019	4,410	8,780

* The hotels under the CDLHT portfolio that are accounted for as investment properties comprises 8% of the carrying value of the investment properties of the Group as at 31 December 2020.

For the year ended 31 December 2020, the Group conducted an in-house valuation for commercial properties in Singapore and external valuers were engaged for its remaining commercial portfolio.

In performing the in-house valuations for the Singapore commercial properties, the Group relies on the expertise of its certified in-house valuer. The in-house valuations were based on both direct comparison and income capitalisation methods. The direct comparison method involves an analysis of comparable sales of similar properties to the investment properties of the Group. The income capitalisation method capitalises the projected future income stream into a present value using revenue multipliers or single year capitalisation rates. The capitalisation rates assumed were in the range of 3.5% to 5.0%, save for carpark assets with a higher capitalisation rate of 7.5%.

In view of the substantial headroom over fair value for most assets in the commercial portfolio, the Group is of the view that no impairment losses are considered necessary as at 31 December 2020 for its investment properties, excluding the hotels under CDLHT portfolio, where the Group recognised an impairment loss of \$12.0 million (\$4.6 million impact to PATMI).

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Development properties

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

The Group had reviewed the estimated selling prices of its development properties as at 31 December 2020 and recognised an allowance for foreseeable losses of \$35.0 million (\$33.7 million impact to PATMI) on its development properties for the year ended 31 December 2020, in light of the challenging market condition in Singapore and United Kingdom.

Notes to the statements of financial position of the Group and the Company

- 1) The increase in investments in associates at the Group was mainly due to the acquisition of additional stake in IREIT Global in FY 2020 for a consideration of approximately \$57 million, representing an increase from 12.52% to 20.94% stake as well as share of profit for the year contributed primarily from FSGL

The increase was also attributable to the conversion of series 2 perpetual convertible capital securities (PCCS 2), issued in 2019 by FSGL, to its ordinary shares in 2H 2020. PCCS 1 was previously accounted for as financial assets measured at fair value through other comprehensive income under non-current assets. With the conversion, the carrying value of PCCS 2 of \$50.6 million was reclassified to investments in associates.

- 2) The decrease in investments in joint ventures at the Group was mainly due to return of capital from the mixed-use South Beach development. The Group's investment in Sincere Property during the year has been fully impaired. Details are set out in Note A of item 1(a)(i).
- 3) The decrease in non-current financial assets was mainly due to the \$288 million impairment loss provided on the US\$230 million bonds issued by Sincere Property which the Group had subscribed to in FY 2019. The bonds were classified as unquoted debt investments measured at amortised cost. Details are set out in Note A of item 1(a)(i).
- 4) The decrease in other non-current assets at the Group was mainly due to reclassification of advances granted to a joint venture to trade and other receivables, as the Group foresees repayment within the next financial year, when the joint venture project is launched for sales. The decrease was also attributable to the full repayment of advances previously granted to IREIT Global.

The increase in other non-current assets at the Company was mainly due to additional loans granted to subsidiaries to meet several funding requirements including the acquisition of 51.01% effective joint controlling stake in Sincere Property. This was partially reduced by repayment of loans owing by subsidiaries.

- 5) The increase in development properties was due to acquisition of a land parcel at Irwell Bank Road, additional development costs incurred for Whistler Grand, Piermont Grand, Amber Park, Haus on Handy, The Tapestry and UK development projects. This was partially reduced by progressive sales recognised for Whistler Grand, The Tapestry, Amber Park and Haus on Handy, along with sold units from completed projects including UK development projects, Gramercy Park, Hongqiao Royal Lake, Park Court Aoyama The Tower, New Futura and Phase 2 of HLCC being handed over.

In December 2020, the Group also reclassified another two towers within Hong Leong Plaza Hongqiao to investment properties, upon commencement of leasing activities.

- 6) Contract assets and liabilities at the Group increased due to timing of revenue recognition vis-à-vis progress billings to the purchasers for various projects.
- 7) Short-term financial assets at the Group decreased significantly as the RMB 2.75 billion loan granted to Sincere Property, previously classified as unquoted debt investments measured at fair value through profit or loss, was repaid in 1H 2020 and the Group utilised the amount received to subscribe for preference shares in HCP Cayman.
- 8) The increase in trade and other receivables at the Group was mainly due to reclassification of the abovementioned advances granted to a joint venture from non-current assets, as well as additional advances granted to another joint venture to fund the redevelopment of the mixed development project at Liang Court site.

The increase in trade and other receivables at the Company was mainly due to additional loans granted to subsidiaries to meet several funding requirements, including the provision of liquidity support to Sincere Property and payment for the land parcel at Irwell Bank Road.

- 9) Assets held for sale as at 31 December 2020 relate to the proposed divestment of Copthorne Hotel Christchurch, Copthorne Orchid Penang, Copthorne Hotel Birmingham and Millennium Harvest House Boulder.

Assets held for sale and the liabilities directly associated with the assets held for sale as at 31 December 2019 relate to the proposed divestments of Novotel Singapore Clarke Quay, SHR and Millennium Hotel Cincinnati. The divestments of SHR and Millennium Hotel Cincinnati were completed in 1H 2020, whilst the divestment of Novotel Singapore Clarke Quay was completed on 15 July 2020.

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- 10) The overall increase in interest-bearing borrowings (current and non-current portion) at the Group and Company was mainly due to loans taken up and new medium term notes issued to provide several funding requirements including the investment in 51.01% effective stake in Sincere Property, provision of liquidity support to Sincere Property, advances to joint venture to fund the redevelopment of the mixed development project at Liang Court site, and payment for the land parcel at Irwell Bank Road.
- 11) The increase in lease liabilities was mainly due to recognition of right-of-use (ROU) assets and corresponding ROU liabilities for W Singapore – Sentosa Cove. Based on the Group's further assessment of the operating lease arrangement for this property in FY 2020, the Group determined that the arrangement contains a lease and accordingly, the Group has accounted for this property in accordance with SFRS(I) 16 Leases with effect from FY 2020.
- 12) The increase in other liabilities at the Group was mainly attributable to an increase in deferred income relating to the deferment of gain on sale of Novotel Clarke Quay to a joint venture consortium equally held by the Group and CapitalLand Limited.
- 13) The increase in trade and other payables at the Group was mainly due to increase in amount owing to Sincere Property arising from the funding of liquidity support in relation to Sincere Property bonds which matured in October 2020. The Group provided liquidity support using offshore fund whereby the fund was provided via its Singapore subsidiary to Sincere Property's offshore investment vehicle which then brought the funds into China. The fund was then channelled back to the Group's wholly-owned China subsidiary in a form of interest-free loan which was then on-lent to Sincere Property onshore. Arising from this fund transfer exercise, an amount owing to Sincere Property was recorded.
- 14) The increase in provisions at Group was due to the \$283 million provision for corporate guarantee made by the Group, in relation to an external loan obtained by HCP HK.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

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

		As at 31.12.2020 S\$'000	As at 31.12.2019 S\$'000
Unsecured			
- repayable within one year		2,613,250	1,827,113
- repayable after one year		7,152,541	6,027,540
	(a)	9,765,791	7,854,653
Secured			
- repayable within one year		200,941	229,583
- repayable after one year		1,859,113	1,850,621
	(b)	2,060,054	2,080,204
Gross borrowings	(a) + (b)	11,825,845	9,934,857
Less: cash and cash equivalents as shown in the statement of financial position		(3,126,529)	(2,797,652)
Less: restricted deposits included in other non-current assets		(110,620)	(284,691)
Less: cash and cash equivalents classified under assets held for sale		-	(1,429)
Net borrowings		8,588,696	6,851,085

Details of any collateral

Where secured, borrowings are collateralised by:

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

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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Half Year Ended 31 December		Full Year Ended 31 December	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Cash flows from operating activities				
(Loss)/Profit for the period/year	(1,878,911)	219,145	(1,878,513)	613,361
Adjustments for:				
Depreciation and amortisation	146,585	144,735	287,129	275,987
Dividend income	(4,208)	(3,813)	(4,784)	(5,559)
Finance costs	135,316	102,803	262,009	190,657
Finance income	(56,964)	(52,893)	(139,517)	(107,633)
(Gain)/Loss on loss of control in and liquidation of subsidiaries/dilution of an associate (net)	(9,426)	118	(32,166)	118
Impairment losses on investment properties and property, plant and equipment (net)	65,622	57,972	99,552	57,972
Impairment loss on investment in an associate	-	3,000	-	3,000
Impairment loss on debt investments	288,000	-	288,000	-
Impairment loss on other receivables - Sincere Property	323,942	-	323,942	-
Gain on remeasurement of previously held interest in an associate which became a subsidiary	-	-	-	(6,608)
Profit on sale of property, plant and equipment and investment properties (net)	(107,028)	(11,095)	(133,401)	(164,988)
Property, plant and equipment, investment properties and intangible assets written off	11,771	1,034	11,897	3,469
Provision for corporate guarantee	283,000	-	283,000	-
Share of after-tax profit of associates	(17,743)	(40,251)	(37,976)	(98,539)
Share of after-tax loss/(profit) of joint ventures	850,962	(49,520)	883,752	(97,768)
Tax expense	74,305	44,634	87,702	140,716
Reversal of negative goodwill on acquisition of a joint venture	43,234	-	-	-
Operating profit before working capital changes	148,457	415,869	300,626	804,185
Changes in working capital				
Development properties	224,074	232,854	(210,681)	382,624
Consumable stocks and trade and other receivables	(24,350)	50,714	(1,240)	15,745
Contract costs	(3,142)	(15,975)	(5,492)	(13,995)
Contract assets	(140,695)	(147,609)	(263,183)	(134,807)
Trade and other payables	(20,007)	(43,480)	(157,948)	(77,463)
Contract liabilities	29,161	34,262	55,818	103,711
Employee benefits	1,169	(1,432)	2,177	303
Cash generated from/(used in) from operations	214,667	525,203	(279,923)	1,080,303
Tax paid	(44,899)	(101,351)	(76,224)	(243,915)
Net cash from/(used in) operating activities ⁽¹⁾	169,768	423,852	(356,147)	836,388
Cash flows from investing activities				
Acquisition of subsidiaries (net of cash acquired) ⁽²⁾	-	(152,253)	-	(244,298)
Repayment of advances/(Advances granted) to a real estate developer in China ⁽³⁾	-	105,653	-	(552,200)
Capital expenditure on investment properties	(73,223)	(58,985)	(126,227)	(88,920)
Dividends received:				
- an associate	13,910	15,824	24,180	63,035
- financial investments	4,208	3,813	4,784	5,559
- joint ventures	3,905	12,397	13,004	35,628
Increase in amounts owing by equity-accounted investees (non-trade) ⁽⁴⁾	(704,106)	(82,287)	(295,763)	(297,083)
Increase in investments in associates ⁽⁵⁾	(31,383)	(5,091)	(63,351)	(64,917)
(Increase)/Decrease in investments in joint ventures ⁽⁶⁾	(174)	128,727	(813,027)	167,031
Interest received	11,528	46,552	49,544	77,388
Payment for intangible assets	(174)	(524)	(355)	(524)
Payments for purchase of property, plant and equipment	(220,425)	(123,135)	(267,244)	(218,405)
Purchase of investment properties ⁽⁷⁾	(33,771)	(41,760)	(66,492)	(41,760)
Purchase of financial assets (net) ⁽⁸⁾	(17,463)	(29,387)	(35,836)	(408,728)
Proceeds from distribution from investments in financial assets ⁽⁹⁾	1,313	45,674	5,146	180,920
Proceeds from loss on control in subsidiaries (net of cash disposed of) ⁽¹⁰⁾	64,371	-	109,090	-
Proceeds from sale of property, plant and equipment and investment properties ⁽¹¹⁾	372,789	13,701	421,500	14,157
Settlement of financial derivatives	(17,056)	9,096	(34,994)	22,873
Cash flows used in investing activities	(625,751)	(111,985)	(1,076,041)	(1,350,244)

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	Half Year Ended 31 December		Full Year Ended 31 December	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Cash flows from financing activities				
Acquisition of non-controlling interests	-	(1,330,014)	-	(1,330,014)
Capital distribution to non-controlling interests	-	(4,185)	(7,922)	(9,829)
Decrease in deposits pledged to financial institutions	15,264	16,938	13,104	58,251
Dividends paid	(149,222)	(89,433)	(190,211)	(268,671)
Repayment of lease liabilities and finance lease payable	(11,916)	(12,197)	(21,059)	(17,022)
Increase in restricted cash	(1,389)	(4,077)	(665)	(4,093)
Decrease in other long-term liabilities	-	(6,911)	-	-
Interest paid (including amounts capitalised in investment properties, property, plant and equipment and development properties)	(108,443)	(103,119)	(218,329)	(187,100)
Net advances from related parties (non-trade)	255,762	8,938	274,573	29,116
Net proceeds from revolving credit facilities and short-term bank borrowings	4,767	68,109	2,319	1,183,133
Payment of issue expenses by a subsidiary	-	(230)	-	(230)
Payment of financing transaction costs	(7,499)	(2,827)	(11,855)	(11,632)
Proceeds from borrowings	995,362	1,396,521	1,561,958	2,059,709
Proceeds from issuance of bonds and notes	369,990	50,000	898,990	900,000
Repayment of bank borrowings	(240,152)	(324,424)	(300,515)	(856,975)
Repayment of bonds and notes	(124,990)	(139,695)	(436,795)	(395,275)
Cash flows from/(used in) financing activities ⁽¹²⁾	997,534	(476,606)	1,563,593	1,149,368
Net increase/(decrease) in cash and cash equivalents	541,551	(164,739)	131,405	635,512
Cash and cash equivalents at beginning of the year	2,392,024	2,959,230	2,789,569	2,162,373
Effect of exchange rate changes on balances held in foreign currencies	21,534	(4,922)	34,135	(8,316)
Cash and cash equivalents at end of the period/year	2,955,109	2,789,569	2,955,109	2,789,569
Cash and cash equivalents comprise:-				
Cash and cash equivalents as shown in the statement of the financial position	3,126,529	2,797,652	3,126,529	2,797,652
Restricted deposits included in other non-current assets	110,620	284,691	110,620	284,691
Cash and cash equivalents included in assets held for sale	-	1,429	-	1,429
Less: Deposits pledged to financial institutions	(276,030)	(288,807)	(276,030)	(288,807)
Less: Restricted cash	(6,010)	(5,395)	(6,010)	(5,395)
Less: Bank overdrafts	-	(1)	-	(1)
	2,955,109	2,789,569	2,955,109	2,789,569

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Notes to the statement of cash flows

- (1) The cash outflows for FY 2020 were mainly due to the payment for land site (including stamp duty) at Irwell Bank Road of \$670 million. Excluding the payment for Irwell land, there would be a net cash inflows from operating activities of \$314 million.
- (2) The cash outflows for Q4 2019 were mainly due to the payment for the acquisition of 100% stake in subsidiaries which own Shanghai Hongqiao Sincere Centre (Phase 2). Cash outflows for FY 2019 also included payments made to acquire the remaining PPS 1 instruments issued by Sunbright, in connection to the non-residential components of the Quayside Collection which the Group did not own and the acquisition of 100% interest in subsidiaries which own a freehold site located at Monk Bridge in Leeds, UK.
- (3) The cash outflows for FY 2019 were in relation to the loan granted to Sincere Property. In Q4 2019, part of the advances granted to Sincere were repaid upon the completion of the acquisition of 100% stake in subsidiaries which own Shanghai Hongqiao Sincere Centre (Phase 2). The remaining amount was reclassified to amount owing from joint ventures upon the completion of the acquisition of 51.01% effective joint controlling stake in Sincere Property in April 2020 and was repaid subsequently.
- (4) The cash outflows for 2H 2020 and FY 2020 were mainly due to additional loans granted to Sincere Property, partially offset by the abovementioned repayment of loan from Sincere Property. In addition, there were also advances granted to joint ventures to fund the acquisition of the remaining two properties located at the Liang Court redevelopment site.

The cash outflows for 2H 2019 were mainly due to advances granted to IREIT Global, an associate acquired by the Group during the year. FY 2019 cash outflows also included advances granted to equity-accounted investees to fund the acquisition of a land site at Sims Drive and Liang Court retail mall.

- (5) The cash outflows for FY 2019 were largely due to the Group's acquisition of 12.5% stake in IREIT Global. The cash outflows for 2H 2020 and FY 2020 were largely due to payments made by the Group to acquire additional units in IREIT Global which increased the Group's stake from 12.5% to 20.9%.
- (6) The net cash outflows for FY 2020 were mainly due to acquisition of 51.01% effective joint controlling interest in Sincere Property, partially offset by cash inflows arising from the return of capital from South Beach Consortium (SBC).

The net cash inflows for 2H 2019 and FY 2019 were mainly due to the return of capital from SBC. The cash inflows for FY 2019 were partially reduced by cash outflows for investment in 50% stake in IREIT Global Group Pte. Ltd. (the trust manager for IREIT Global) as well as additional investment in Shanghai Distrii Technology Development Co., Ltd.

- (7) The cash outflows for 2H 2020 relates to the acquisition of a private rental sector (PRS) project, namely City Lux Yokohama in Yokohama City, Japan. Included in the cash outflows for FY 2020 were also payments for the acquisition of two other PRS projects, B-PROUD Tenmabashi and Pregio Miyakojima Hondori, which are located in Osaka, Japan.

The cash outflows for 2H 2019 and FY 2019 were due to the acquisition of Pregio Joto Chuo, and Horie Lux, which are also in Osaka, Japan.

- (8) The significant cash outflows for FY 2019 were largely due to the Group's subscription of a US\$230 million bonds issued by Sincere Property.
- (9) The cash inflows for 2H 2019 and FY 2019 relate largely to interest income received from the loan granted to Sincere Property as well as interest on the US\$230 million bonds issued by Sincere Property which the Group had subscribed to. The significant cash inflows for FY 2019 also included proceeds from the redemption of bonds issued by In-V Asset Holding Pte. Ltd., a financing vehicle under the PPS 2 platform for which the Group subscribed to previously.
- (10) The cash inflows for 2H 2020 relate to the consideration received for divestment of Novotel Brisbane in October 2020. Included in the cash inflows for FY 2020 was also consideration received for divestment of 75.1% equity interest in SHR.
- (11) The proceeds from the sale of property, plant and equipment for 2H 2020 relate mainly to the proceeds received from the divestment of Novotel Singapore Clarke Quay to a joint venture consortium in July 2020. The proceeds for FY 2020 also include proceeds received from the divestment of Millennium Hotel Cincinnati.

The proceeds from the sale of property, plant and equipment and investment properties for FY 2019 relate largely to the proceeds received from the divestment of a vacant land parcel at Jervois Road in July 2019.

- (12) The Group had net cash inflows from financing activities of \$997.5 million (2H 2019: net cash outflows of \$476.6 million) for 2H 2020 and \$1,563.6 million (FY 2019: \$1,149.4 million) for FY 2020.

The net cash inflows for 2H 2020 and FY 2020 were largely due to a net increase in borrowings of \$1,005.0 million and \$1,726.0 million respectively, which were raised to provide various funding requirements including the acquisition of 51.01% effective joint controlling interest in Sincere Property, along with loan granted to them, and acquisition/development of land sites/properties both in Singapore and overseas. This was partially offset by dividends paid during the period/year.

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The net cash outflows for 2H 2019 were resulted from payment made for the acquisition of shares in M&C that the Group did not already own pursuant to the privatisation exercise in October 2019. This was largely offset with a net increase in borrowings of \$1,050.5 million.

For FY 2019, the net cash inflows were largely due to net increase in borrowings of \$2,890.6 million raised to finance the subscription of the bonds issued by Sincere Property and loan granted to them, privatisation of M&C, and acquisition/development of land sites/properties in Singapore and overseas. This was offset by payment made for the privatisation of M&C and dividends paid during the year.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group	Attributable to Owners of the Company						Non-controlling Interests	Total Equity
	Share Capital	Cap. Res.	Other Res.*	Exch. Fluct. Res.	Accum. Profits	Total		
	S\$m	S\$m	S\$m	S\$m	S\$m	S\$m	S\$m	S\$m
At 1 January 2020	1,991.4	280.3	75.9	(165.1)	8,337.7	10,520.2	746.3	11,266.5
(Loss)/Profit for the year	-	-	-	-	(1,917.4)	(1,917.4)	38.9	(1,878.5)
Other comprehensive income for the year, net of tax	-	(0.4)	(45.9)	85.4	(3.9)	35.2	15.2	50.4
Total comprehensive income for the year	-	(0.4)	(45.9)	85.4	(1,921.3)	(1,882.2)	54.1	(1,828.1)
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital distribution to non-controlling interests (net)	-	-	-	-	-	-	(6.8)	(6.8)
Dividends	-	-	-	-	(139.9)	(139.9)	(51.4)	(191.3)
Transfer to statutory reserve	-	-	0.5	-	(0.5)	-	-	-
Total contributions by and distributions to owners	-	-	0.5	-	(140.4)	(139.9)	(58.2)	(198.1)
Changes in ownership interests in subsidiaries								
Change of interests in subsidiaries with loss of control	-	-	-	-	-	-	2.1	2.1
Change of interests in subsidiaries without loss of control	-	4.1	-	-	-	4.1	(4.1)	-
Total change in ownership interests in subsidiaries	-	4.1	-	-	-	4.1	(2.0)	2.1
Total transactions with owners	-	4.1	0.5	-	(140.4)	(135.8)	(60.2)	(196.0)
Transfer on conversion of convertible securities held in an associate to investment in an associate	-	-	(0.3)	-	0.3	-	-	-
At 31 December 2020	1,991.4	284.0	30.2	(79.7)	6,276.3	8,502.2	740.2	9,242.4

* Other reserves comprise mainly fair value reserve arising from re-measurement of financial assets at fair value through other comprehensive income, hedging reserve, share of other reserve of associates, statutory reserve and share option reserve.

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The Group	Attributable to Owners of the Company					Non-controlling Interests	Total Equity
	Share Capital	Cap. Res.	Other Res.*	Exch. Fluct. Res.	Accum. Profits		
	S\$m	S\$m	S\$m	S\$m	S\$m	S\$m	S\$m
At 1 January 2019	1,991.4	185.9	16.6	(119.5)	7,966.3	10,040.7	2,233.2
Profit for the year	-	-	-	-	564.6	564.6	48.8
Other comprehensive income for the year, net of tax	-	(0.2)	63.0	(45.6)	(2.6)	14.6	(27.7)
Total comprehensive income for the year	-	(0.2)	63.0	(45.6)	562.0	579.2	21.1
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Capital distribution to non-controlling interests (net)	-	-	-	-	-	(9.4)	(9.4)
Dividends	-	-	-	-	(194.3)	(194.3)	(74.8)
Issue expenses of a subsidiary	-	(0.1)	-	-	-	(0.1)	(0.2)
Transfer to statutory reserve	-	-	1.2	-	(1.2)	-	-
Total contributions by and distributions to owners	-	(0.1)	1.2	-	(195.5)	(194.4)	(84.3)
Changes in ownership interests in subsidiaries							
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	1.0	1.0
Change of interests in subsidiaries without loss of control	-	94.7	-	-	-	94.7	(1,424.7)
Total change in ownership interests in subsidiaries	-	94.7	-	-	-	94.7	(1,423.7)
Total transactions with owners	-	94.6	1.2	-	(195.5)	(99.7)	(1,508.0)
Transfer on conversion of convertible securities held in an associate to investment in an associate	-	-	(4.9)	-	4.9	-	-
At 31 December 2019	1,991.4	280.3	75.9	(165.1)	8,337.7	10,520.2	746.3

* Other reserves comprise mainly fair value reserve arising from re-measurement of financial assets at fair value through other comprehensive income, hedging reserve, share of other reserve of associates, statutory reserve and share option reserve.

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The Company	Share Capital S\$m	Capital Reserve S\$m	Other Reserve* S\$m	Accumulated Profits S\$m	Total S\$m
At 1 January 2020	1,991.4	63.7	(4.7)	4,556.9	6,607.3
Profit for the year	-	-	-	10.9	10.9
Total other comprehensive income for the year, net of tax	-	-	(28.9)	-	(28.9)
Total comprehensive income for the year	-	-	(28.9)	10.9	(18.0)
Transaction with owners, recorded directly in equity					
<u>Contributions by and distributions to owners</u>					
Dividends	-	-	-	(139.9)	(139.9)
Total contributions by and distributions to owners	-	-	-	(139.9)	(139.9)
Total transactions with owners	-	-	-	(139.9)	(139.9)
At 31 December 2020	1,991.4	63.7	(33.6)	4,427.9	6,449.4
At 1 January 2019	1,991.4	63.7	(29.0)	4,671.4	6,697.5
Profit for the year	-	-	-	79.8	79.8
Total other comprehensive income for the year, net of tax	-	-	24.3	-	24.3
Total comprehensive income for the year	-	-	24.3	79.8	104.1
Transaction with owners, recorded directly in equity					
<u>Contributions by and distributions to owners</u>					
Dividends	-	-	-	(194.3)	(194.3)
Total contributions by and distributions to owners	-	-	-	(194.3)	(194.3)
Total transactions with owners	-	-	-	(194.3)	(194.3)
At 31 December 2019	1,991.4	63.7	(4.7)	4,556.9	6,607.3

* Other reserves comprise mainly fair value reserve arising from re-measurement of financial assets at fair value through other comprehensive income and hedging reserve.

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- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Ordinary share capital

There was no change in the Company's issued share capital during the six months ended 31 December 2020.

Preference share capital

There was no change in the Company's issued preference share capital during the six months ended 31 December 2020.

As at 31 December 2020, the maximum number of ordinary shares that may be issued upon full conversion of all of the non-redeemable convertible non-cumulative preference shares of the Company ("Preference Shares") at the sole option of the Company is 44,998,898 ordinary shares (31 December 2019: 44,998,898 ordinary shares).

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Ordinary share capital

As at 31 December 2020, the total number of issued ordinary shares (excluding treasury shares) was 906,901,330 (31 December 2019: 906,901,330).

Preference share capital

The total number of issued Preference Shares as at 31 December 2020 and 31 December 2019 was 330,874,257.

Treasury Shares

As at 31 December 2020, the Company held 2,400,000 treasury shares (31 December 2019: 2,400,000) which represents 0.26% of the total number of issued shares (excluding treasury shares).

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the six months ended 31 December 2020.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have neither been audited nor reviewed by our auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in Item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the Group's most recently audited financial statements for the year ended 31 December 2019.

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5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has applied the following amendments to SFRS(I)s that are effective for the annual periods beginning on or after 1 January 2020:

- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 *Definition of Material*
- Amendments to References to Conceptual Framework in SFRS(I) Standards

In addition to the above, the Group has early adopted the following amendments to SFRS(I) which are effective for annual periods beginning after 1 January 2020 with earlier application permitted.

- Amendments to SFRS(I) 16 *COVID-19-Related Rent Concessions*
- Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current*

The adoption of the above amendments to SFRS(I)s did not have any significant impact on the financial statements of the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Half Year Ended 31 December		Full Year Ended 31 December	
	2020	2019	2020	2019
Basic Earnings per share (cents)	(212.5)	21.6	(212.8)	60.8
Diluted Earnings per share (cents)	(212.5)	20.6	(212.8)	59.3
Earnings per share is calculated based on:				
a) Profit attributable to owners of the Company (S\$'000) (*)	(1,927,023)	196,145	(1,930,295)	551,672
b) Profit used for computing diluted earnings per share (S\$'000)	(1,927,023)	196,145	(1,930,295)	564,576
c) Weighted average number of ordinary shares in issue:				
- basic	906,901,330	906,901,330	906,901,330	906,901,330
- diluted (**)	906,901,330	951,900,228	906,901,330	951,900,228

* After deducting preference dividends of \$6,487,000 paid in 2H 2020 (2H 2019: \$6,470,000) and in full year 2020 of \$12,904,000 (FY 2019: \$12,904,000).

** For computation of diluted earnings per share, the weighted average number of ordinary shares has been adjusted for any dilutive effect of potential ordinary shares arising from the conversion of all preference shares. For the second half and full year ended 31.12.2020, the preference shares were antidilutive and therefore excluded from the computation of diluted earnings per share.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares (excluding treasury shares) of the issuer at the end of the: -

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group		The Company	
	31.12.2020 S\$	31.12.2019 S\$	31.12.2020 S\$	31.12.2019 S\$
Net Asset Value per ordinary share based on the number of issued 906,901,330 ordinary shares (excluding treasury shares) as at 31 December 2020 (906,901,330 ordinary shares (excluding treasury shares) as at 31 December 2019)	9.38	11.60	7.11	7.29

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8. **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 combination of the COVID-19 pandemic's impact on the global hospitality sector and losses in China resulting from a weaker operating environment and policy changes to the real estate sector, affected the Group's performance. The Group reported a loss after tax and non-controlling interest of \$1.9 billion for second half (2H 2020) and \$1.9 billion for the year ended 31 December 2020 (FY 2020) (2H 2019: PATMI of \$202.6 million; FY 2019: PATMI of \$564.6 million). The results reflected significant losses attributable to its joint venture (JV) investment in Sincere Property Group (Sincere Property) in China and impairment losses for its hotels and investment properties, and allowance for foreseeable losses for development projects, with global market conditions and economic growth ravaged by the prolonged COVID-19 pandemic.

Revenue

Revenue for 2H 2020 declined by 43.5% to \$1.0 billion (2H 2019: \$1.8 billion) and 38.5% to \$2.1 billion for FY 2020 (FY 2019: \$3.4 billion). While the decline was across all segments, the Group's hotel operations segment accounted for 81% of the decline. As the pandemic continues to spread with resurgence in some cities, many affected countries imposed increased border restrictions, lockdowns, strict social distancing measures, quarantines, and mandated closures of non-essential business to contain the spread of the virus.

The property development segment also reported lower revenue due to less contribution from high-end projects such as New Futura and Gramercy Park (both in Singapore), as well as Suzhou Hong Leong City Center (China) which was substantially sold in 2019.

The investment properties segment also registered a decline in revenue with the rental rebates granted to tenants, poorer performance for its retail malls and lower rental contributions from hotels owned by CDL Hospitality Trusts (CDLHT), an indirect subsidiary of the Group, which are accounted for as investment properties due to master lease arrangements.

Loss/Profit Before Tax

The Group registered a pre-tax loss of \$1.8 billion for 2H 2020 (2H 2019: Pre-tax profit of \$263.8 million) and \$1.8 billion for FY 2020 (FY 2019: Pre-tax profit of \$754.1 million), largely attributable to its \$1.8 billion* investment in and loans to Sincere Property*, which distorted the Group's 2H 2020 and FY 2020 results.

**Refer to Note A of item 1(a)(i) of the announcement.*

Based on the audit outcome by KPMG and the challenges faced by this JV platform, the Group effectively impaired 93% of its total investment in Sincere Property amounting to \$1.78 billion. Taking into consideration Sincere Property's debts in the next 12 months and China's "three red lines" policy to cap borrowings for real estate developers, the Group is cautious that Sincere Property may face significant liquidity challenges. Earlier plans to divest Sincere Property's assets to improve its gearing and to re-balance its property portfolio did not materialise due to poor market conditions. In line with accounting standards, the Group had prudently provided for these impairment losses, mindful that the current economic situation remains unfavourable and that many of China's real estate developers are plagued with similar liquidity challenges. As announced on 21 January 2021, the Group has ring-fenced its current financial exposure to its investment in Sincere Property and will continue to strenuously protect its position. Notwithstanding the above, the Group is working tirelessly to extract value from its investment.

The Group also made impairment losses on hotels and investment properties totalling \$99.5 million (FY 2019: \$58.0 million) and allowance for foreseeable losses for its development properties of \$35.0 million (FY 2019: write back of allowance for foreseeable losses of \$6.5 million). Notably, the Group had made impairment losses for its hotel properties of \$33.9 million in 1H 2020 based on management assessment. The year-end impairment review of its hotel properties was done by external valuers, reflecting the subdued outlook for the hospitality sector. Of the net impairment losses, 77% relate to M&C's US hotels, while 23% relate to CDLHT's hotels.

On a like-for-like basis, excluding the losses mentioned above, the Group would have generated a profit before tax of \$83.0 million for 2H 2020 (2H 2019: \$317.0 million) and \$120.8 million for FY 2020 (FY 2019: \$805.5 million). All business segments of the Group would be in positive grounds except the hotel operations segment which reported an operational loss even after excluding the impairments, since the pandemic has decimated the hospitality sector.

Capital Position

Despite the unprecedented set of results, the Group's financial position remains robust with sufficient liquidity to meet its operational needs and financial commitments. As at 31 December 2020, the Group had cash reserves of \$3.2 billion. It maintains a strong liquidity position comprising cash and available undrawn committed bank facilities totalling \$5.2 billion.

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In view of the protracted global pandemic and the impairments made, the Group's Net Asset Value (NAV) per share as at 31 December 2020 stands at \$9.38 (31 December 2019: \$11.60). Notably, the Group adopts the policy of stating investment properties at cost less accumulated depreciation and impairment losses. Had the Group factored in fair value gains on its investment properties, the Revalued Net Asset Value (RNAV) per share would be \$14.26 (2019: \$16.46).

It should be noted that this RNAV figure assumes that the Group's hotels continue to be stated at cost. Had the revaluation surpluses of its hotels been included, based on the 2020 internal estimates and external valuations, the Group's RNAV per share would have increased by \$2.62 to \$16.88. There is deep value in M&C's assets which form the bulk of these revaluation surpluses and the Group will review the portfolio holistically, now that it is 100% owned after the privatisation exercise in November 2019.

Net gearing ratio after factoring in fair value on investment properties stands at 62%.

The Group is confident to weather this storm with its strong fundamentals and financial strength.

Dividend

The Group did not declare a mid-year dividend amid a challenging operating environment in which cash conservation and prudent capital management were crucial. For FY 2020, the Board is recommending a final ordinary dividend of 8.0 cents per share as well as a special final ordinary dividend of 4.0 cents per share, bringing the total full-year dividend to 12.0 cents per share (FY 2019: 20.0 cents). Despite the losses, the Board wishes to reward shareholders and express its appreciation for their confidence and support amid these challenging times.

Operational Highlights

Property Development

Singapore

After the Circuit Breaker movement restrictions were eased in mid-2020, the Group's residential sales momentum improved significantly in 2H 2020, with 972 units sold (1H 2020: 346 units) – an increase of almost three-fold; with sales value rising 171% to \$1.3 billion (1H 2020: \$498 million). For FY 2020, the Group and its JV associates sold 1,318 residential units including Executive Condominiums (ECs), with a total sales value of \$1.8 billion (FY 2019: 1,554 units with a total sales value of \$3.3 billion). Overall, the sales are comparable with 2019, despite the challenges posed by the pandemic in 1H 2020. The lower sales value was due to more upgrader and mid-segment projects like Whistler Grand, Piermont Grand and Penrose sold, compared to sales from higher-end projects like New Futura, Boulevard 88 and Amber Park in the previous year.

For the year under review, the Group launched Penrose, a 566-unit JV project located at Sims Drive, near Aljunied MRT station, in September. The response was overwhelming, with over 60% of the units sold during the launch weekend, making it one of the best-selling launches in 2020. The project is now 74% sold at an average selling price (ASP) of over \$1,570 per square foot (psf).

Projects launched in 2019 also continued to sell well:

Project	Location	Launched	Total Units	Units Sold [#]	ASP Achieved
Boulevard 88*	Orchard Boulevard	March	154	107	>\$3,770 psf
Amber Park*	Amber Road	May	592	265	>\$2,470 psf
Haus on Handy	Handy Road	July	188	39	>\$2,840 psf
Piermont Grand*	Sumang Walk	July	820	714	>\$1,100 psf
Nouvel 18*	Anderson Road	July	156	71	>\$3,380 psf
Sengkang Grand Residences*	Sengkang Central	November	680	358	\$1,730 psf

*JV project

[#]As at 21 February 2021

* Divested project under PPS 3, marketed by CDL

Forest Woods, the Group's 519-unit JV project located near Serangoon MRT station, obtained its Temporary Occupation Permit (TOP) in November 2020. This project is now fully sold.

To replenish its land bank, in January 2020, the Group successfully tendered for a 137,634 square feet (sq ft) Government Land Sales (GLS) prime site at Irwell Bank Road for \$583.9 million (or \$1,515 psf per plot ratio). Located along River Valley Road, near the upcoming Great World MRT station, this site will be redeveloped into a 540-unit condominium named Irwell Hill Residences, slated for launch in Q2 2021.

Overseas Markets

Australia

The Group's Brickworks Park development, consisting of 222 units of apartments and townhouses located in Alderley, North Brisbane, will be launched in two stages. Stage 1 was soft launched in September 2020. To date, 35 units out of the 132 released have been sold.

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The Marker, a 198-unit JV residential project located on Spencer Street, West Melbourne, has exchanged contracts on 77% of the apartments. Meanwhile, the Group's collaboration with Waterbrook Lifestyle for a retirement village project in Bowral in New South Wales, has exchanged contracts on 74% of the 77 townhouses launched.

Japan

All 160 units at Park Court Aoyama The Tower in Tokyo, a freehold JV residential project, have been handed over to buyers as at 31 December 2020.

UK

Expanding into UK's Private Rented Sector (PRS) sector, the Group has obtained full planning permission for its freehold site in Leeds. It plans to develop a 665-unit for-rent residential project with retail space located within the site's attractive heritage arches beneath a viaduct. Construction has commenced and expected to complete in 2023.

China

CDL China Limited

In FY 2020, the Group's wholly-owned subsidiary, CDL China Limited, and its JV associates sold 441 units in China, achieving a sales value of RMB 1.48 billion (approximately \$284 million).

Hong Leong City Center (HLCC), a mixed-use development in Suzhou Industrial Park, has sold 1,668 (92%) of its 1,813 residential units to date. Despite the sluggish office rental market in Suzhou, HLCC's Grade A office tower is now 75% occupied. The HLCC mall's occupancy is currently at 89%, and the 295-room five-star M Social Hotel is expected to open in Q1 2022.

In Chongqing, Emerald, the 869-unit JV project is almost fully sold, with 1 unit remaining to date; and the project was handed over since end-2020. The completed 126-unit Eling Palace has sold 105 (83%) units to date.

Hongqiao Royal Lake, a luxury development in the prime residential enclave of Qingpu District, Shanghai, has sold 65 (76%) out of the 85 villas to date.

Strategic Investment in Sincere Property Group

As detailed in Note A of item 1(a)(i) of the announcement, since the onset of the pandemic, Sincere Property has faced immense liquidity headwinds, exacerbated by the "three red lines" policy announced by Chinese authorities to curb lending to real estate developers. Since late 2020, the Group has commenced a strategic review which involves restructuring the platform. The Group's special working group will work with Sincere Property, with the assistance of Deloitte China, to improve liquidity and restructure its existing loans and liabilities. The operating environment remains volatile and fluid. The special working group is exploring all options in formulating its recovery plan while limiting any additional financial exposure by the Group.

On 22 February 2021, the Group announced its first major corporate action to improve the liquidity of Sincere Property: the acquisition of equity interests in a Shenzhen technology park project, Shenzhen Longgang Tusincere Tech Park (深圳龙岗区启迪协信科技园), which provides the Group with a combined 55% effective interest in this large-scale development in China's high-growth "Silicon Valley". The site comprises offices (about 70%), SOHO apartments (about 20%), 4,887 carpark lots and retail/others (about 10%). The project is being developed in four phases, of which Phase 1 is completed while Phase 2 and 3 are under construction with expected completion in April 2022. Phase 4 (self-held office block) has not yet commenced construction.

For this transaction, the Group acquired a total of 84.6% equity interest in the project from Sincere Property and two entities of China Ping An (Ping An; 中国平安) in Shenzhen Tusincere Technology Park Development Co. Ltd. (the Holdco; 深圳启迪协信科技园发展有限公司) for RMB 850 million (approximately \$174 million) and will assume its proportionate share of existing shareholders' loans. The Holdco controls 65% interest in the project, which was valued at RMB 8.8 billion (approximately \$1.81 billion) by independent valuer, Cushman & Wakefield. The remaining 35% equity interest in the project is held by Shenzhen Longgang District state-owned enterprise (深圳龙岗区商业服务集团有限公司).

Investment Properties

Singapore

Majority of the Group's rental income is from its office portfolio, supported by medium to long-term leases with a diversified pool of mainly blue-chip MNCs. With pro-active leasing and tenant retention, committed occupancy of the Group's office portfolio improved to 92.2% as at 31 December 2020, higher than the national average of 88.2%. The Group's flagship office building Republic Plaza has a committed occupancy of above 96%.

Occupancy for the Group's retail portfolio remains resilient at 92.2%. Despite the lower footfall in the malls, the full year Gross Turnover (GTO) of the Group's malls managed to narrow the decline to approximately 15% drop y-o-y by end-2020. This is largely contributed by the strong performance of the F&B outlets in Palais Renaissance and Quayside Isle, which achieved full year GTO increases of over 10% despite the two-month Circuit Breaker closure (April to May 2020). To provide tenants with an alternative sales channel, CDL eMail, an online retail and F&B sales and delivery platform, was launched in December 2020.

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China

The Group has two commercial properties in Hongqiao, Shanghai. Hong Leong Plaza, a five-tower office building, has fully leased its office space for use as serviced apartments, a confinement centre and aesthetic clinic with long leases. This will generate stable recurring income. Hong Leong Hongqiao's office space is about 63% occupied. The serviced apartments are also relatively resilient despite the pandemic.

Japan

In September 2020, the Group acquired a forward-funded rental apartment PRS project – a 78-unit property named City Lux Yokohama. The property was completed in August 2020 and achieved a 61.5% occupancy rate within three months of completion. The Group's remaining four PRS projects in Osaka Japan, have achieved an average occupancy rate of 98%.

Fund Management

The Group is actively pursuing growth of its fund management business organically or via mergers and acquisitions.

In April 2020, the Group acquired an additional 8.4% stake in Singapore-listed IREIT Global, a pan-European real estate investment trust listed in Singapore. In October 2020, it supported IREIT's fund-raising exercise, increasing its stake to 21% of the total issued units. The Group currently has a 50% stake in the REIT manager. IREIT's AUM grew 41% from €504.9 million (approximately \$813.0 million) (at the point of investment by the Group in April 2019) to €711.3 million (approximately \$1.1 billion) as at 31 December 2020. It remains confident about the long-term fundamentals of the established European economies.

The Group is accelerating its plans to establish a Singapore-listed REIT with UK commercial assets. Discussions with banks, partners and various stakeholders are at an advanced stage. Details such as the properties to be injected and the size of the offering are being deliberated. The timeline is subject to market conditions.

Hotel Operations

Key operating statistics for hotels owned by the Group:

	Room Occupancy			Average Room Rate			RevPAR		
	FY 2020 %	FY 2019 %	Incr / (Decr) % pts	FY 2020 \$	FY 2019 * \$	Incr / (Decr) %	FY 2020 \$	FY 2019 * \$	Incr / (Decr) %
Singapore	76.7	86.9	(10.2)	110.7	195.1	(43.3)	84.9	169.6	(49.9)
Rest of Asia	30.6	71.4	(40.8)	121.5	158.3	(23.2)	37.2	113.0	(67.1)
Total Asia	48.2	77.5	(29.3)	114.9	174.4	(34.1)	55.4	135.1	(59.0)
Australasia	45.7	82.4	(36.7)	159.4	157.0	1.5	72.9	129.4	(43.7)
London	17.6	79.1	(61.5)	194.2	243.9	(20.4)	34.2	192.8	(82.3)
Rest of Europe	23.8	71.3	(47.5)	135.4	156.3	(13.4)	32.2	111.4	(71.1)
Total Europe	20.9	74.8	(53.9)	158.9	197.9	(19.7)	33.1	147.9	(77.6)
New York	44.2	86.6	(42.4)	185.4	349.3	(46.9)	82.0	302.7	(72.9)
Regional US	34.7	58.0	(23.3)	132.5	188.9	(29.9)	46.0	109.7	(58.1)
Total US	38.1	67.5	(29.4)	154.2	257.0	(40.0)	58.7	173.5	(66.2)
Total Group	38.6	74.3	(35.7)	137.2	200.6	(31.6)	52.9	149.1	(64.5)

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

The Group holds the view that given several global lockdowns, ongoing border closures and the resulting impact on its hospitality business, the y-o-y comparison above is not meaningful.

Asia and Australasia

With minimal inbound business, occupancies in most Singapore and New Zealand (NZ) hotels were partially mitigated by Government quarantine business and local government contracts for isolation programme respectively. Demand for the North Asia hotels has started to recover in domestic and retail markets as cities gradually lift national and regional travel restrictions.

Europe

In 2H 2020, regional UK started to recover ahead of London, but was subsequently impacted again by the second and third waves of infections. The Group's hotels in Paris and Rome remained closed since March 2020.

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US

The US continues to be the hardest hit, with the greatest number of infection cases and continuing restrictions on travel and business openings, compounded by civil and political unrest in many cities.

NY hotel occupancies were severely impacted with approximately 40% of the Group's hotels closed. Novotel Times Square was closed on 25 March 2020. The Group's other three NY hotels secured medical-related business as well as served essential workers to mitigate the losses.

Refurbishments

In 1H 2020, Copthorne King's Hotel in Singapore completed the renovation of 142 rooms at the Tower Wing. After completing refurbishment, Copthorne Hotel & Resort in Queenstown Lakefront, New Zealand, reopened in Q4 2020.

Developments

The Group is progressing with its plans to develop the Sunnyvale California project comprising a 263-room M Social hotel and a 250-unit residential block. It hopes to capitalise on Sunnyvale's strategic location as the headquarters of many technology companies and California's high-tech area of Silicon Valley. Construction for the apartment block has commenced and completion is expected in 2022.

Divestments

The sale of Millennium Cincinnati was completed on 14 February 2020 for US\$36 million (approximately \$49 million) with a disposal gain of \$26.0 million. The sale of W Singapore – Sentosa Cove hotel to CDLHT for \$324 million was completed on 16 July 2020.

In December 2013, as a result of a compulsory purchase order by the Birmingham City Council for the Copthorne Hotel Birmingham, the Group entered into various commercial arrangements with Birmingham City Council and Paradise Circus Limited Partnership (PCLP), the developer of Birmingham's Paradise Circus redevelopment scheme. The Group will be exercising its put option to sell the existing site to PCLP for £17.2 million (\$30.8 million) and expects to complete this in Q3 2021.

The Group entered into a Sale and Purchase Agreement in December 2020 to sell Copthorne Orchid Hotel & Resort Penang in Malaysia for RM 75 million (approximately \$25 million), with a pre-tax gain on disposal of \$9.2 million. The deal is expected to close in Q2 2021.

9. 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 is in line with its expectations as disclosed in the announcement of results for the six months ended 30 June 2020, and the announcement of profit guidance on the unaudited financial results for the full year ended 31 December 2020.

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

Singapore

Singapore's residential market continues to show signs of recovery. New private home sales in January 2021 surged to their highest for the month in eight years, as developers successfully rolled out several new launches. To ensure that the Group has sufficient stock in the pipeline, it is preparing to launch two new projects this year.

The first is Irwell Hill Residences, conveniently located near Great World City shopping mall and the upcoming Great World MRT station. This prime District 9 development will comprise two elegant 36-storey towers with a total of 540 units. It is expected to be launched in Q2 2021.

The second project slated for launch in 2H 2021 is the residential component of the Liang Court JV redevelopment project with a 48-storey and a 24-storey tower with a total of 696 units. The mixed-used integrated development will also comprise a 21-storey Moxy hotel (475 keys), a 20-storey serviced residence (192 keys) and a 2-storey commercial podium. Located in the heart of Clarke Quay, the site has a coveted dual frontage facing the Singapore River and Fort Canning Hill. When completed, the development will have a direct connection to the Fort Canning MRT station of the Downtown line. The timely redevelopment of this mature asset and rejuvenation of the river promenade beside it will complement the revitalisation of the Singapore River planning area.

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To capitalise on the Government's initiatives to rejuvenate older assets in the CBD with enhanced plot ratios, the Group is progressing with plans to redevelop its Fuji Xerox Towers with a potential uplift of 25% GFA. Located near Tanjong Pagar MRT station and the upcoming Prince Edward MRT station, the proposed redevelopment will comprise a 47-storey mixed-use integrated development with residential, office, retail and serviced apartment uses. The asset offers great potential, stemming from its prime location at the gateway to the Greater Southern Waterfront masterplan by the Government.

Hotel Operations

Globally, hotel operations will continue to face pressures as travel restrictions and periodic lockdowns continue to be enforced in various regions and cities. However, the Group has a diversified hotel portfolio and is beginning to see some green shoots of recovery. For instance, domestic business in Europe is expected to continue as a new norm as lockdowns ease and international travel is reciprocated among the UK, France and several other locations. In Singapore and NZ, the Group's hotels are positioning themselves to host significant large-scale events from major global conferences and sporting events.

The Group had privatised and delisted M&C in late 2019. The subsequent pandemic which has significantly disrupted the global hospitality industry has given additional impetus to review its entire hotel footprint. Apart from a clear shift to digitalisation, restructuring and refurbishment of some assets, the Group will also accelerate efforts to unlock the deep value of the portfolio of hotel assets and streamline operating and cost structures to improve efficiency.

Board Appointments

Three Non-Executive Directors – Mr Kwek Leng Peck, Mr Koh Thiam Hock and Ms Tan Yee Peng – have stepped down from the Board since October 2020. The Board bench has been renewed with the additions of four Independent Non-Executive Directors – Mr Colin Ong, Mr Daniel Desbaillets, Mr Chong Yoon Chou and Ms Carol Fong – all with diversified skill sets and extensive experience.

Outlook

2020 was a tumultuous year, ravaged by the COVID-19 pandemic, which paralysed many global economies. Asymptomatic in nature yet lethal in its impact, the pandemic was a rude awakening as governments and businesses grappled with relentless challenges on public health and safety, protecting the social fabric while also trying to revitalise an ailing economy laden with deep uncertainties. The magnitude and ferocity of the impact were unprecedented.

The Group had to embrace these disruptions and swiftly adapt to the changes. From the mobilisation of evolving safe distancing measures, strengthening its digital platforms, helping its stakeholders tide over this challenging period, to pivoting new ways of doing business – the Group worked diligently to reposition its business model.

Beyond the pandemic, 2020 posed other unprecedented structural and policy challenges beyond the Group's control. Two of the Group's largest investments – its Sincere Property JV and M&C – bore the brunt of the combined impact, affecting their liquidity and operations, respectively.

Over the decades, the Group has recovered from each crisis and emerged stronger than before. Its balance sheet and financial health remain strong. Moving into 2021, it will continue to display resilience, management expertise and its proven ability to seize opportunities. On the back of global vaccine deployment, and collective efforts to reopen some borders, the Group remains optimistic that there is light at the end of this storm, and it will recover from this one-off dislocation. As the global economy recovers from the effects of the pandemic, the Group will continuously tweak and execute on its Growth, Enhancement and Transformation (GET) strategy to propel recovery and accelerate growth.

11. Dividend

(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").

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Name of Dividend	Tax exempt (One-tier) Preference Dividend	
Date of Payment	30 June 2020	31 December 2020
Dividend Type	Cash	Cash
Dividend Amount (in cents)	1.94 cents per Preference Share [^]	1.96 cents per Preference Share [^]
Dividend rate (in %)	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	From 31 December 2019 to 29 June 2020 (both dates inclusive)	From 30 June 2020 to 30 December 2020 (both dates inclusive)
Issue Price	\$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 366 days.

Subject to ordinary shareholders' approval at the Annual General Meeting to be held on 30 April 2021, the following Ordinary dividend has been proposed:

Name of Dividend	Proposed Tax-exempt (One-tier) Final Ordinary Dividend	Proposed Tax-exempt (One-tier) Special Final Ordinary Dividend
Dividend Type	Cash	Cash
Dividend Amount (in cents)	8.0 cents per Ordinary Share	4.0 cents 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) Preference Dividend	
Date of payment	1 July 2019	31 December 2019
Dividend type	Cash	Cash
Dividend amount (in cents)	1.94 cents per Preference Share ^{^^}	1.96 cents per Preference Share ^{^^}
Dividend rate (in %)	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	From 31 December 2018 to 30 June 2019 (both dates inclusive)	From 1 July 2019 to 30 December 2019 (both dates inclusive)
Issue price	\$1.00 per Preference Share	\$1.00 per Preference Share

Name of Dividend	Tax-exempt (One-tier) Special Interim Ordinary Dividend	Tax-exempt (One-tier) Final Ordinary Dividend	Tax-exempt (One-tier) Special Final Ordinary Dividend
Date of payment	12 September 2019	16 July 2020	16 July 2020
Dividend Type	Cash	Cash	Cash
Dividend Amount (in cents)	6.0 cents per Ordinary Share	8.0 cents per Ordinary Share	6.0 cents per Ordinary Share

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

(c) Date payable

Subject to ordinary shareholders' approval at the Annual General Meeting to be held on 30 April 2021, the proposed final and special final Ordinary dividends for financial year ended 31 December 2020 will be payable on 21 May 2021.

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(d) Record Date

5.00pm on 6 May 2021.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Not applicable.

13. Interested Person Transactions

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
		\$'000
Subsidiaries of Hong Leong Investment Holdings Pte. Ltd.	Hong Leong Investment Holdings Pte. Ltd. is a controlling shareholder of the Company. Its subsidiaries are interested persons being associates of a controlling shareholder.	<u>Management and Support Services</u> Provision of management and consultancy services by interested persons 741
Directors and their immediate family members		Nil

14. Segment Reporting

By Business Segments

	The Group			
	Half Year Ended 31 December		Full Year Ended 31 December	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Revenue</u>				
Property Development	502,205	600,730	965,940	1,136,730
Hotel Operations*	285,156	919,734	640,445	1,705,015
Investment Properties	175,951	230,635	361,418	438,143
Others	72,210	81,098	140,623	148,837
	1,035,522	1,832,197	2,108,426	3,428,725
<u>(Loss)/Profit before tax**</u>				
Property Development	(854,817)	198,455	(739,844)	378,075
Hotel Operations	(365,222)	(36,088)	(573,393)	(6,576)
Investment Properties	(601,309)	74,479	(575,002)	332,906
Others	16,742	26,933	97,428	49,672
	(1,804,606)	263,779	(1,790,811)	754,077

* Revenue from hotel operations includes room revenue of \$395.9 million (FY 2019: \$1,154.2 million) for FY 2020 from hotels that are owned by the Group.

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

Loss relating to the Group's investment in Sincere Property are segmented to property development, hotel operations and investment properties segments based on the unaudited financial information of Sincere Property as at 31 December 2020. Such allocation may be subject to change pending the completion of the audit of Sincere Property.

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Segmental results for full year ended 31 December

	Property Development S\$'000	Hotel Operations S\$'000	Investment Properties S\$'000	Total S\$'000	Others S\$'000	Total S\$'000
2020						
External revenue	965,940	640,445	361,418	1,967,803	140,623	2,108,426
Results						
(Loss)/Profit from operating activities	(289,458)	(437,083)	(171,864)	(898,405)	46,761	(851,644)
Share of after-tax (loss)/profit of associates and joint ventures	(404,913)	(98,366)	(367,629)	(870,908)	25,132	(845,776)
Finance income	76,681	10,060	47,947	134,688	33,930	168,618
Finance costs	(122,154)	(48,004)	(83,456)	(253,614)	(8,395)	(262,009)
Net finance (costs)/income	(45,473)	(37,944)	(35,509)	(118,926)	25,535	(93,391)
Reportable segment (loss)/profit before tax	(739,844)	(573,393)	(575,002)	(1,888,239)	97,428	(1,790,811)
2019						
External revenue	1,136,730	1,705,015	438,143	3,279,888	148,837	3,428,725
Results						
Profit from operating activities	277,154	60,698	311,630	649,482	4,452	653,934
Share of after-tax profit/(loss) of associates and joint ventures	153,643	(16,758)	45,790	182,675	13,632	196,307
Finance income	38,125	8,815	10,657	57,597	50,930	108,527
Finance costs	(90,847)	(59,331)	(35,171)	(185,349)	(19,342)	(204,691)
Net finance (costs)/income	(52,722)	(50,516)	(24,514)	(127,752)	31,588	(96,164)
Reportable segment profit/(loss) before tax	378,075	(6,576)	332,906	704,405	49,672	754,077

15. 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 decreased by \$98.5 million to \$502.2 million (2H 2019: \$600.7 million) for 2H 2020 and \$170.8 million to \$965.9 million (FY 2019: \$1,136.7 million) for FY 2020.

This segment reported a pre-tax loss of \$854.8 million (2H 2019: pre-tax gain of \$198.5 million) for 2H 2020 and a pre-tax loss of \$739.8 million (FY 2019: pre-tax gain of \$378.1 million) for FY 2020.

Projects that contributed to both revenue and profit in FY 2020 include Whistler Grand, The Tapestry, Amber Park, Gramercy Park, New Futura, HLCC, Hongqiao Royal Lake, Park Court Aoyama The Tower, Phase 1 of Teddington Riverside in Borough of Richmond upon Thames and 100 Sydney Street project in Chelsea. Sales of residential properties in New Zealand and units in Zenith Residences by M&C Group also contributed to the Group's revenue and pre-tax profit for this segment. 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 South Beach Residences, Boulevard 88, The Jovell and Forest Woods 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 decrease in revenue for 2H 2020 and FY 2020 was attributable to lower recognition of profits progressively for projects due to the slower construction progress due to COVID-19, and 2H 2019 and FY 2019 contribution included a larger contribution from high end projects which commanded higher profit margins such as New Futura, Gramercy Park and South Beach Residences. The decrease is slightly offset by higher progressive contribution from Whistler Grand and Amber Park due to higher percentage of completion achieved, higher contribution from the Teddington Riverside and maiden contribution from 100 Sydney Street project in Chelsea.

The substantial pre-tax loss recognised for 2H 2020 and FY 2020 was due to losses attributable to the Group's investment in Sincere Property. Excluding the impact of Sincere Property, this segment would have reported a pre-tax gain of \$110.2 million for 2H 2020 and \$219.8 million for FY 2020.

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The decrease in pre-tax profit for 2H 2020 and FY 2020 (excluding the impact of Sincere Property) was in tandem with the decrease in revenue, coupled with thinner margins for The Tapestry, Whistler Grand and Amber Park, the main contributors for 2H 2020 and FY 2020. In addition, there was lower share of profit from South Beach Residences, a joint venture project due to lower sales volume, and lower returns recognised from the sales of units in the Ivy and Eve project in Australia which was fully sold in 2019. In addition, the Group made an allowance for foreseeable losses of \$35.0 million on its development properties, vis-à-vis a \$6.5 million write back in FY 2019.

Hotel Operations

Revenue for this segment decreased \$634.5 million to \$285.2 million (2H 2019: \$919.7 million) for 2H 2020 and \$1,064.6 million to \$640.4 million (FY 2019: \$1,705.0 million) for FY 2020.

This segment reported a pre-tax loss of \$365.2 million (2H 2019: \$36.1 million) for 2H 2020 and a pre-tax loss of \$573.4 million (FY 2019: \$6.6 million) for FY 2020.

Excluding the impact of Sincere Property, this segment would have reported a pre-tax loss of \$258.0 million for 2H 2020 and \$466.8 million for FY 2020.

The prolonged COVID-19 pandemic continues to have a profound impact on the Group's hotel operations. Widespread travel restrictions and lockdowns of cities since March 2020 had resulted in an unprecedented collapse in global tourism and travel. In the second half of the year, while some nations see recovery in the hospitality sector due to gradual lifting of travel restrictions and implementation of domestic travel initiatives, others such as the United States and United Kingdom experience a resurgence of the outbreak, triggering second and subsequent lockdowns. The hotels results were also impacted by the civil unrest in the United States regarding racial injustice and travel strikes in Paris.

Impairment losses made by the Group of \$87.0 million (FY2019: \$58.2 million) on its hotel properties during the year also contributed to the loss for this segment.

Investment Properties

Revenue for this segment decreased by \$54.6 million to \$176.0 million (2H 2019: \$230.6 million) for 2H 2020 and \$76.7 million to \$361.4 million (FY 2019: \$438.1 million) for FY 2020.

This segment reported a pre-tax loss of \$601.3 million (2H 2019: pre-tax gain of \$74.5 million) for 2H 2020 and a pre-tax loss of \$575.0 million (FY 2019: pre-tax gain of \$332.9 million) for FY 2020.

The decrease in revenue for both 2H 2020 and FY 2020 were largely due to rental rebates provided to retail tenants, as well as lower revenue for hotels under the master lease structure for CDLHT Group, where operations are severely impacted by the pandemic.

The substantial pre-tax loss recognised for 2H 2020 and FY 2020 was due to losses attributable to the Group's investment in Sincere Property. Excluding the impact of Sincere Property, this segment would have reported a pre-tax gain of \$113.5 million for 2H 2020 and \$135.8 million for FY 2020.

Excluding the loss attributable to Sincere Property, pre-tax profit for this segment for FY 2020 declined mainly due to lower divestment gains recognised, impairment losses recognised on investment properties and higher financing cost incurred. In July 2020, the Group (through CDLHT Group) completed the sale of Novotel Clarke Quay to a joint venture consortium held by the Group and CapitaLand Limited and recognised a gain of \$107.9 million on the sale. The Group also recognised a gain of \$9.4 million on the divestment of Novotel Brisbane in October 2020. Divestment gains in FY 2019 was higher where the Group realised deferred gain on sale of investment properties of \$153.9 million and \$52.6 million of distributions from Golden Crest upon the successful unwinding of the PPS 2 platform. The Group also recognised a \$10.5 million gain from the divestment of a vacant land parcel at Jervois Road in July 2019.

During the year, based on assessment done by external valuers, the Group recognised an impairment loss of \$12.0 million on two investment properties located in Italy and the Maldives. On the other hand, the Group wrote back \$2.4 million of impairment loss on two investment properties located in the Maldives in FY 2019.

Others

Revenue, comprising mainly income from building maintenance contracts, project management, club operations, laundry services and dividend income, decreased by \$8.9 million to \$72.2 million (2H 2019: \$81.1 million) for 2H 2020 and \$8.2 million to \$140.6 million (FY 2019: \$148.8 million) for FY 2020. The decreases for 2H 2020 and FY 2020 were due to lower project management fees and club income earned.

Pre-tax profit decreased by \$10.2 million to \$16.7 million (2H 2019: \$26.9 million) for 2H 2020 but increased \$47.7 million to \$97.4 million (FY 2019: \$49.7 million) for FY 2020.

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Despite a marginal decrease in revenue, pre-tax profit for FY 2020 increased mainly due to higher contribution derived from FSGL's property financing business, backed by higher income from refinancing loans. In addition, the Group also recognised a \$23.5 million divestment gain on SHR and lower mark-to-market loss on certain quoted securities held by the Group.

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

Total Annual Net Dividend (Refer to Para 18 of Appendix 7.2 for the required details)

	Full Year 2020 S\$'000	Full Year 2019 S\$'000
Ordinary	72,552	72,552
Special	36,276	108,828 ^{^^}
Preference	12,904	12,904
Total	121,732	194,284

^{^^} Restated to factor in the impact of treasury shares purchased by the Company during the year.

The final tax-exempt (one-tier) ordinary dividend and special final tax-exempt (one-tier) ordinary dividend for the year ended 31 December 2020 of 8.0 cents and 4.0 cents respectively 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 2020.

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

	2020 S\$'000	2019 S\$'000	Incr/(Decr) %
a) Revenue			
- First half	1,072,904	1,596,528	(32.8)
- Second half	1,035,522	1,832,197	(43.5)
	<u>2,108,426</u>	<u>3,428,725</u>	(38.5)
b) Operating profit/(loss) after tax before deducting non-controlling interests			
- First half	398	394,216	(99.9)
- Second half	(1,878,911)	219,145	NM
	<u>(1,878,513)</u>	<u>613,361</u>	NM

18. 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.

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19. 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	80	Father of Mr Sherman Kwek Eik Tse, Executive Director and Group Chief Executive Officer of CDL.	<p><u>CDL</u></p> <p>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></p> <p>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, and through better synergies from integration with CDL following the privatisation of M&C.</p>	No change.
Mr Sherman Kwek Eik Tse	44	Son of Mr Kwek Leng Beng, Executive Chairman of CDL.	<p><u>CDL</u></p> <p>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></p> <p>Appointed Executive Chairman of CDL China in 2016, with overall executive responsibility for CDL China's investments and operations.</p>	No change.

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(REG. NO. 196300316Z)

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	39	<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> Appointed Chief Strategy Officer of CDL in 2014. In his current position as Group Chief Strategy Officer, Mr Kwek Eik Sheng supports the Group Chief Executive Officer of CDL in investment analysis and formulation of business strategies to explore new sectors for growth and to drive corporate-wide initiatives for increased corporate efficiency and innovation.</p> <p><u>M&C</u> 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	52	<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> 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

Shufen Loh @ Catherine Shufen Loh
Company Secretary
26 February 2021

APPENDIX II

REPRODUCTION OF THE PRESS RELEASE DATED 10 FEBRUARY 2021 CONTAINING THE GUARANTOR'S CONSOLIDATED FINANCIAL RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

The information set out below is a reproduction of the press release dated 10 February 2021 containing the Guarantor's consolidated financial results for the fourth quarter ended 31 December 2020.

RESULTS AT DECEMBER 31ST 2020

Press release

Paris, February 10th 2021

Q4 20: CONFIRMATION OF THE IMPROVEMENT OF THE COMMERCIAL AND FINANCIAL PERFORMANCES

Resilience of revenues in an environment still marked by the crisis (+1.6%* vs. Q3 20, -2.3%* vs. Q4 19)

Continued discipline in cost management (-3.0%⁽¹⁾* vs. Q4 19) with a positive jaws effect

Cost of risk at 54 basis points resulting from the very good performance of the loan portfolio while including prudent provisioning

Underlying Group net income of EUR 631m (EUR 470m on a reported basis)

2020: RESPONSIBLE MANAGEMENT OF THE CRISIS, RESILIENCE OF THE BUSINESSES AND SOLIDITY OF THE BALANCE SHEET

Ongoing support for customers, exceptional mobilisation of employees

Underlying Group net income of EUR 1.4bn (reported result EUR -258m)

Underlying operating expenses of EUR 16.5bn⁽¹⁾ (-5.2%⁽¹⁾ vs. 2019)

Cost of risk contained at 64 basis points (including EUR 1.4bn of provisioning on performing loans, i.e. 41% of the total)

Disciplined capital management: CET1 ratio at 13.4%⁽²⁾, around 440 basis points above the regulatory requirement)

Payment of a cash dividend calculated in accordance with the maximum authorised by the European Central Bank (ECB) recommendation: EUR 0.55 per share

Share buy-back programme, in Q4 21, for an amount equivalent to the amount assigned to the dividend payment (around EUR 470m, i.e. an impact of around 13 basis points on the Group's CET1 ratio), subject to the non-renewal of the ECB's recommendation and the authorisation for its implementation

2021 PRIORITY: DISCIPLINED EXECUTION OF THE STRATEGIC ROADMAP

First year of preparation of the **merger of the Société Générale and Crédit du Nord networks**

Finalisation of the repositioning of **Global Markets**

Ramping up of **growth drivers**

Further development of **Corporate Social Responsibility** dynamics

Increased operational efficiency efforts mainly through the **digitalisation of processes**

Frédéric Oudéa, the Group's Chief Executive Officer, commented:

"The Q4 results provide further confirmation of the rebound in our businesses observed in Q3 after a beginning of the year marked by the impacts of the COVID crisis. Confident in the quality of our franchises and our balance sheet, drawing on the exceptional commitment of our teams, in H2 we defined ambitious and value-creating strategic trajectories for our businesses, demonstrating our ability to adapt and transform in a durably more uncertain environment. We are therefore entering 2021 with confidence and determination with, as a priority, the execution of our strategic roadmap. Consistent with our raison d'être, we will continue to support our customers in all the transformations accelerated by this crisis, whether they concern the growing use of digital technologies or increased attention to corporate social responsibility issues."

(1) Underlying data (see methodology note No. 5 for the transition from accounting data to underlying data)

(2) Phased-in ratio ; fully-loaded ratio of 13.2%

The footnote * in this document corresponds to data adjusted for changes in Group Structure and at constant exchange rates

1. GROUP CONSOLIDATED RESULTS

In EURm	Q4 20	Q4 19	Change		2020	2019	Change	
Net banking income	5,838	6,213	-6.0%	-2.3%*	22,113	24,671	-10.4%	-7.6%*
Operating expenses	(4,351)	(4,503)	-3.4%	-0.2%*	(16,714)	(17,727)	-5.7%	-3.4%*
<i>Underlying operating expenses(1)</i>	<i>(4,318)</i>	<i>(4,595)</i>	<i>-6.0%</i>	<i>-3.0%*</i>	<i>(16,504)</i>	<i>(17,411)</i>	<i>-5.2%</i>	<i>-2.8%*</i>
Gross operating income	1,487	1,710	-13.0%	-7.8%*	5,399	6,944	-22.2%	-18.8%*
<i>Underlying gross operating income(1)</i>	<i>1,520</i>	<i>1,618</i>	<i>-6.0%</i>	<i>-0.1%*</i>	<i>5,609</i>	<i>7,260</i>	<i>-22.7%</i>	<i>-19.5%*</i>
Net cost of risk	(689)	(371)	+85.7%	+92.4%*	(3,306)	(1,278)	x 2.6	x 2.7*
<i>Underlying net cost of risk (1)</i>	<i>(669)</i>	<i>(371)</i>	<i>+80.3%</i>	<i>+86.8%*</i>	<i>(3,286)</i>	<i>(1,260)</i>	<i>x 2.6</i>	<i>x 2.7*</i>
Operating income	798	1,339	-40.4%	-36.4%*	2,093	5,666	-63.1%	-61.6%*
<i>Underlying operating income(1)</i>	<i>851</i>	<i>1,247</i>	<i>-31.7%</i>	<i>-26.8%*</i>	<i>2,323</i>	<i>6,000</i>	<i>-61.3%</i>	<i>-59.8%*</i>
Net profits or losses from other assets	(94)	(125)	+24.8%	+24.9%*	(12)	(327)	+96.3%	+96.3%*
<i>Underlying net profits or losses from other assets(1)</i>	<i>7</i>	<i>12</i>	<i>-41.7%</i>	<i>-40.7%*</i>	<i>166</i>	<i>59</i>	<i>x 2.8</i>	<i>x 2.8*</i>
Net income from companies accounted for by the equity method	3	(154)	n/s	n/s	3	(129)	n/s	n/s
<i>Underlying net income from companies accounted for by the equity method(1)</i>	<i>3</i>	<i>4</i>	<i>n/s</i>	<i>n/s</i>	<i>3</i>	<i>29</i>	<i>n/s</i>	<i>n/s</i>
Impairment losses on goodwill	0	0	n/s	n/s	(684)	0	n/s	n/s
Income tax	(125)	(230)	-45.7%	-46.9%*	(1,204)	(1,264)	-4.8%	+9.2%*
Reported Group net income	470	654	-28.1%*	-17.6%*	(258)	3,248	n/s	n/s
<i>Underlying Group net income(1)</i>	<i>631</i>	<i>875</i>	<i>-27.9%</i>	<i>-20.3%*</i>	<i>1,435</i>	<i>4,061</i>	<i>-64.7%</i>	<i>-63.9%*</i>
ROE	2.4%	3.7%			-1.7%	5.0%		
ROTE	2.7%	5.0%			-0.4%	6.2%		
<i>Underlying ROTE (1)</i>	<i>4.1%</i>	<i>6.2%</i>			<i>1.7%</i>	<i>7.6%</i>		

(1) Adjusted for exceptional items and linearisation of IFRIC 21

Societe Generale's Board of Directors, which met on February 9th, 2021, under the chairmanship of Lorenzo Bini Smaghi, examined the Societe Generale Group's results for Q4 and approved the results for full-year 2020.

The various restatements enabling the transition from underlying data to published data are presented in the methodology notes (section 10.5).

Net banking income

2020 was impacted by a global health crisis resulting in net banking income for the Group of EUR 22,113 million, down -7.6%* vs. 2019. After a H1 marked by the effects of the health crisis and the dislocation of businesses, the performance of the three business divisions improved significantly in H2, in a still uncertain environment.

Net banking income (excluding PEL/CEL provision) for French Retail Banking was up +2% in H2 2020 vs. H1, with a full-year contraction of -6.1% vs. 2019. The dynamic rebound in H2 was also observed on International Retail Banking & Financial Services' revenues (+2.6%* vs. H1 20); its full-year trend was -2.9%*.

There was also a sharp rebound in Global Banking & Investor Solutions' net banking income in H2 (+17% vs. H1) against the backdrop of the normalisation of market conditions. Revenues were down -12.5% (-11.8%*) in 2020.

Q4 confirmed the improvement in revenues observed in Q3, despite the worsening health crisis in several regions. The three business divisions contributed to the growth in the Group's net banking income which came to EUR 5,838 million, up +1.6%* when adjusted for changes in Group structure and at constant exchange rates vs. Q3 20.

Operating expenses

Underlying operating expenses were substantially lower in 2020 at EUR 16,504 million (-5.2% vs. 2019, -2.8%*), in line with the full-year target.

Operating expenses included a EUR 210 million restructuring charge recognised in Q4 and as a result came to EUR 16,714 million, down -5.7% vs. 2019 (-3.4%*). They included a EUR 316 million restructuring provision in 2019.

All the Group's businesses contributed to this decline: French Retail Banking's costs were down -4.9% vs. 2019, those of International Retail Banking & Financial Services fell by -9.6% in 2020 and those of Global Banking & Investor Solutions by -8.7%.

The Group is committed to a decline in its underlying operating expenses as from 2023 (vs. 2020). Several initiatives, already launched, will contribute to this process with benefits already expected in 2022 (a decline in underlying costs of around EUR 450 million in Global Markets between now and 2022/2023 and around EUR 450 million in French Retail Banking by 2025 - with around 80% already expected to be achieved in 2024 - as well as additional reductions expected in particular following the finalisation of remediation efforts and the industrialisation of processes).

In 2021, the Group intends to continue to strictly manage its costs and is aiming for a positive jaws effect with costs slightly higher.

Underlying operating expenses totalled EUR 4,318 million in Q4 20, down -6.0% vs. Q4 19, after restatement of a restructuring charge of EUR 210 million and an IFRIC 21 adjustment charge of EUR -177 million. Underlying operating expenses were down -3% when adjusted for changes in Group structure and at constant exchange rates, enabling a positive jaws effect.

Cost of risk

The commercial cost of risk amounted to 64 basis points in 2020, representing a net cost of risk of EUR 3,306 million (vs. EUR 1,278 million in 2019). This rise can be attributed primarily to an increase in provisions in respect of performing loans (classified in Stage 1 and Stage 2) for a total amount of EUR 1,367 million, including an impact of EUR 1,010 million related to the review of macro-economic scenarios.

The gross doubtful outstandings ratio remained at low levels throughout the year and amounted to 3.3%⁽¹⁾ at December 31st 2020 (3.1% at December 31st 2019). The Group's gross coverage ratio for doubtful outstandings stood at 52%⁽²⁾ at December 31st 2020 (56% at December 31st 2019).

In Q4, the commercial cost of risk stood at 54 basis points (40 basis points in Q3 20 and 29 basis points in Q4 19). The net cost of risk of EUR 689 million includes provisions related to loans classified in performing (Stage 1 and Stage 2) for a total amount of EUR 367 million.

The total amount of repayment moratoriums, within the meaning of the EBA definition, granted at end-September 2020 was around EUR 35 billion, with around EUR 5 billion still in force at December 31st 2020. Of the total repayment moratoriums granted at 31 December 2020, 2.2% were classified in Stage 3 (credit-impaired loans).

(1) NPL ratio calculated according to the new EBA methodology

(2) Ratio between the amount of provisions on doubtful outstandings and the amount of these same outstandings.

The Group also granted EUR 19 billion of State-guaranteed loans in all geographies o/w EUR 18 billion in France. Net exposure of the Group on State-guaranteed loans in France (“PGE”) is around EUR 2 billion. At 31 December 2020, 2.3% of State-guaranteed loans are classified in Stage 3 (non-performing loans).

The Group expects a lower commercial cost of risk in 2021 than in 2020.

Net profits or losses from other assets

Net profits or losses from other assets totalled EUR -12 million in 2020 and EUR -94 million in Q4 20.

Group net income

In EURm	Q4 20	Q4 19	2020	2019
Reported Group net income	470	654	(258)	3,248
Underlying Group net income(1)	631	875	1,435	4,061

In %	Q4 20	Q4 19	2020	2019
ROTE (reported)	2.7%	5.0%	-0.4%	6.2%
Underlying ROTE ⁽¹⁾	4.1%	6.2%	1.7%	7.6%

Distribution to shareholders

The Board of Directors has decided to propose the payment of a dividend of EUR 0.55 per share in cash to the Ordinary General Meeting of Shareholders on May 18th, 2021, in accordance with the methodology recommended by the European Central Bank (ECB). The dividend will be detached on May 25th, 2021 and paid on May 27th, 2021.

The Group intends to launch a share buy-back programme, in Q4 2021, for an amount equivalent to the amount assigned to the dividend payment (around EUR 470m, i.e. an impact of around 13 basis points on the Group’s CET1 ratio), subject to the non-renewal of the ECB’s recommendation and the authorisation for its implementation. The fully loaded pro forma ratio would be 13% at end-December 2020 (phased-in pro-forma ratio of 13.3%).

Additional information

Societe Generale’s Board of Directors, which met on January 14th, 2021, decided to submit to the May 2024 General Meeting of Shareholders that will approve the financial statements for the 2023 financial year, the appointment of the firms KPMG and PwC as from January 1st, 2024 as statutory auditors for a 6-year term to replace the firms Deloitte and EY, whose terms of office will expire and can no longer be renewed in accordance with legal provisions. This decision follows a tender process managed under the supervision of the audit and internal control committee. The committee interviewed all the candidates and made its choice independently of the management. It presented the possible different choices to the Board of Directors before formulating its proposal.

(1) Underlying data. See methodology note No. 5 for the transition from accounting data to underlying data

2. THE GROUP'S FINANCIAL STRUCTURE

Group **shareholders' equity** totalled EUR 61.7 billion at December 31st, 2020. Net asset value per share was EUR 62.3 and tangible net asset value per share was EUR 54.8.

The **consolidated balance sheet** totalled EUR 1,462 billion at December 31st, 2020. The net amount of customer loan outstandings at December 31st, 2020, including lease financing, was EUR 440 billion (EUR 430 billion at December 31st, 2019) – excluding assets and securities purchased under resale agreements. At the same time, customer deposits amounted to EUR 451 billion, vs. EUR 410 billion at December 31st, 2019 (excluding assets and securities sold under repurchase agreements).

At end-December 2020, the parent company had issued EUR 34.3 billion of medium/long-term debt (including EUR 3.9 billion of pre-financing for the 2021 programme), having an average maturity of 5.4 years and an average spread of 59 basis points (vs. the 6-month midswap, excluding subordinated debt). The subsidiaries had issued EUR 2.9 billion. At December 31st, 2020, the Group had issued a total of EUR 37.2 billion of medium/long-term debt. The LCR (Liquidity Coverage Ratio) was well above regulatory requirements at 149% at end-December 2020 (153% on average for the quarter), vs. 119% at end-December 2019. At the same time, the NSFR (Net Stable Funding Ratio) was over 100% at end December 2020.

The Group's **risk-weighted assets** (RWA) amounted to EUR 352.4 billion at December 31st, 2020 (vs. EUR 345.0 billion at end-December 2019) according to CRR/CRD4 rules. Risk-weighted assets in respect of credit risk represent 81.7% of the total, at EUR 287.9 billion, up 1.9% vs. December 31st, 2019.

At December 31st, 2020, the Group's **Common Equity Tier 1** ratio stood at 13.4% (or around 440 basis points above the regulatory requirement). The CET1 ratio at December 31st, 2020 includes an effect of +28 basis points for phasing of the IFRS 9 impact. Excluding this effect, the fully-loaded ratio amounts to 13.2%. The Tier 1 ratio stood at 15.7%⁽¹⁾ at end-December 2020 (15.1% at end-December 2019) and the total capital ratio amounted to 18.9%⁽¹⁾ (18.3% at end-December 2019).

The Group aims to operate with a CET1 ratio more than 200 basis points above the regulatory requirement, including after the entry into force of the regulation finalising the Basel III reform whose impact is expected to be around EUR 39 billion⁽²⁾ as from 2023, or around 115 basis points⁽³⁾

In 2021, the CET1 ratio is expected to be at a level significantly higher than 200 basis points above the regulatory requirement.

The **leverage ratio** stood at 4.7%⁽¹⁾ at December 31st, 2020 (4.3% at end-December 2019).

With a level of 30.6%⁽¹⁾ of RWA and 9.2%⁽¹⁾ of leveraged exposure at end-December 2020, the Group's TLAC ratio is above the FSB's requirements for 2020. At December 31st, 2020, the Group was also above its MREL requirements of 8.51% of the TLOF⁽⁴⁾ (which, in December 2017, represented a level of 24.4% of RWA), which were used as a reference for the SRB calibration.

The Group is rated by four rating agencies: (i) Fitch Ratings - long-term rating "A-", stable outlook, senior preferred debt rating "A", short-term rating "F1"; (ii) Moody's - long-term rating (senior preferred debt) "A1", stable outlook, short-term rating "P-1"; (iii) R&I - long-term rating (senior preferred debt) "A", stable outlook; and (iv) S&P Global Ratings - long-term rating (senior preferred debt) "A", negative outlook, short-term rating "A-1".

(1) Excluding IFRS 9 phasing

(2) Including the credit risk, FRTB, operational risk and taking into account the main EU-specific assumptions communicated by the EBA in response to the European Commission's consultation paper (published in December 2020) and excluding the output floor which would not be binding before 2027/2028

(3) On a prospective basis in 2023

(4) Total Liabilities and Own Funds

3. FRENCH RETAIL BANKING

<i>In EURm</i>	Q4 20	Q4 19	Change	2020	2019	Change
Net banking income	1,845	1,957	-5.7%	7,315	7,746	-5.6%
<i>Net banking income excl. PEL/CEL</i>	<i>1,870</i>	<i>1,969</i>	<i>-5.0%</i>	<i>7,381</i>	<i>7,863</i>	<i>-6.1%</i>
Operating expenses	(1,443)	(1,491)	-3.2%	(5,418)	(5,700)	-4.9%
Gross operating income	402	466	-13.7%	1,897	2,046	-7.3%
Net cost of risk	(276)	(149)	+85.2%	(1,097)	(467)	X2.3
Operating income	126	317	-60.3%	800	1,579	-49.3%
Reported Group net income	104	230	-54.8%	666	1,131	-41.1%
<i>RONE</i>	<i>3.7%</i>	<i>8.2%</i>		<i>5.8%</i>	<i>10.0%</i>	
<i>Underlying RONE (1)</i>	<i>3.5%</i>	<i>9.3%</i>		<i>6.2%</i>	<i>11.1%</i>	

(1) Adjusted for the linearisation of IFRIC 21 and PEL/CEL provision

After the substantial impact of the lockdown on activity at the beginning of the year, French Retail Banking's commercial performance continued to improve in Q4.

The brands continued to expand their activity in the core businesses

French Retail Banking continued to support the economy, accompanying individual, corporate and professional customers.

In the Corporate and Professional customers segment, the Bank supported its customers in France primarily through granting State Guaranteed Loans (PGE), for which it received more than 98,200 applications for a total disbursed amount of EUR 18 billion.

Life insurance saw its inflow grow by +7.5% vs. Q3 20, with the unit-linked share accounting for 39% of new business in Q4 20. Property/casualty premiums and protection insurance delivered good performances, with premiums up +3.9% vs. 2019. The number of personal protection policies was up +5.3% vs. 2019.

Private Banking's net inflow remained buoyant at EUR 553 million in Q4 20 and EUR 2.5 billion in 2020.

Boursorama consolidated its position as the leading online bank in France, with more than 2.6 million clients at end-December 2020. Client onboarding at Boursorama reached a record level, with around 590,000 new clients in 2020 including around 192,000 in Q4 20. Housing loan production experienced strong growth of +22% vs. Q4 19, with a record level in Q4 20. In addition, the number of stock market orders tripled compared to 2019.

Average investment loan outstandings (including leases), rose 25.0% vs. Q4 19 to EUR 88.9 billion (+2.3% excluding State Guaranteed Loans). Average outstanding loans to individuals were up 2.8% at EUR 123.2 billion, bolstered by housing loans which were up +3.5% vs. Q4 19.

Private Banking's assets under management totalled EUR 70.4 billion at end-December 2020.

Average outstanding balance sheet deposits⁽¹⁾ were 15.1% higher than in Q4 19 at EUR 242.6 billion, still driven by sight deposits (+18.7% vs. Q4 19).

As a result, the average loan/deposit ratio stood at 92% in Q4 20 vs. 96% in Q4 19.

(1) Including BMTN (negotiable medium-term notes)

Net banking income excluding PEL/CEL

2020: revenues (excluding PEL/CEL) totalled EUR 7,381 million, down -6.1% vs. 2019, reflecting the effects of Covid-19 and the low interest rate environment. Net interest income (excluding PEL/CEL) was 3.6%⁽¹⁾ lower and commissions declined by -5.7%⁽¹⁾.

Q4 20: revenues (excluding PEL/CEL) totalled EUR 1,870 million, up +0.7% vs. Q3 20 and down -5.0% vs. Q4 19. Net interest income (excluding PEL/CEL) was 4.2%⁽¹⁾ lower than in Q4 19 against a backdrop of low interest rates and a sharp rise in deposits. However, it picked up compared to Q3 20 (+0.4%⁽¹⁾). Commissions were 3.3%⁽¹⁾ lower than in Q4 19 but picked up compared to Q3 20 (+2.5%⁽¹⁾), with a gradual recovery in financial and service commissions.

Operating expenses

2020: operating expenses were lower at EUR 5,418 million (-4.9% vs. 2019 and -5.5% excluding Boursorama). The cost to income ratio (restated for the PEL/CEL provision) stood at 73.4%.

Q4 20: operating expenses were lower at EUR 1,443 million (-3.2% vs. Q4 19), illustrating the Group's work on costs. The cost to income ratio (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 78.9%.

Cost of risk

2020: the commercial cost of risk amounted to EUR 1,097 million or 52 basis points, higher than in 2019 (year in which it amounted to EUR 467 million or 24bp), divided between EUR 646 million of S1/S2 provisioning and EUR 451 million of S3 (non-performing loans) provisioning.

Q4 20: the commercial cost of risk amounted to EUR 276 million or 50 basis points. It corresponds to EUR 236 million of S1/S2 (performing/underperforming loans) provisioning and EUR 41 million of S3 (non-performing loans) provisioning.

Contribution to Group net income

2020: the contribution to Group net income totalled EUR 666 million (-41.1% vs. 2019). RONE (restated for the PEL/CEL provision) stood at 6.2% in 2020.

Q4 20: the contribution to Group net income totalled EUR 104 million. RONE (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 3.5% and excluding Boursorama, French Retail Banking's adjusted RONE stood at 5.0%.

(1) Reallocation of pro forma revenues following a change in accounting treatment in Q4 20

4. INTERNATIONAL RETAIL BANKING & FINANCIAL SERVICES

<i>In EURm</i>	Q4 20	Q4 19	Change		2020	2019	Change	
Net banking income	1,919	2,077	-7.6%	+0.3%*	7,524	8,373	-10.1%	-2.9%*
Operating expenses	(1,018)	(1,141)	-10.8%	-2.4%*	(4,142)	(4,581)	-9.6%	-1.6%*
Gross operating income	901	936	-3.7%	+3.6%*	3,382	3,792	-10.8%	-4.5%*
Net cost of risk	(287)	(158)	+81.6%	+94.1%*	(1,265)	(588)	x 2.2	x 2.3
Operating income	614	778	-21.1%	-15.0%*	2,117	3,204	-33.9%	-29.2%*
Net profits or losses from other assets	6	1	x 6.0	x 7.9	15	3	x 5.0	x 5.5
Reported Group net income	376	463	-18.8%*	-11.7%*	1,304	1,955	-33.3%*	-27.1%*
RONE	14.9%	17.3%			12.4%	17.7%		
Underlying RONE (1)	14.3%	16.8%			12.4%	17.9%		

(1) Adjusted for the linearisation of IFRIC 21 and the restructuring provision of EUR 34 million in 2019 (including EUR 5 million in Q4 19)

In International Retail Banking, there was further confirmation of the rebound observed in H2 on loan and deposit production, despite the new lockdown measures in Q4. Outstanding loans totalled EUR 85.9 billion. They rose +2.5%* vs. end-December 2019 (-2.8% at current structure and exchange rates given, in particular, the disposal of SG Antilles and the currency effect in Russia). Outstanding deposits climbed +8.8%* (+2.0% at current structure and exchange rates) vs. December 2019, to EUR 79.6 billion.

For the Europe scope, outstanding loans were up +2.8%* vs. December 2019 at EUR 54.9 billion (+1.0% at current structure and exchange rates), driven by the Czech Republic (+4.6%*, +1.2%) and to a lesser extent Western Europe (+2.0%). Outstanding deposits were up +8.2%* (+5.3% at current structure and exchange rates), with a healthy momentum in the Czech Republic (+8.9%*, +5.4%).

In Russia, outstanding loans rose +2.7%* at constant exchange rates (-21.5% at current exchange rates) while outstanding deposits climbed +13.7%* (-13.0% at current exchange rates).

In Africa, Mediterranean Basin and French Overseas Territories, outstanding loans rose +1.8%* (or -2.7%) vs. December 2019. Outstanding deposits enjoyed a strong momentum, up +7.9%* (+3.4%).

In the Insurance business, the life insurance savings business saw outstandings increase +0.5%* vs. December 2019. There was confirmation of a recovery in gross life insurance inflow (+43% vs. Q3 20), with the good composition of inflow (46% of unit-linked products in Q4 20). Protection insurance increased +1.6%* vs. 2019 and +5.5%* vs. Q4 19. This growth was driven partially by an 11.0%* increase in property/casualty premiums vs. Q4 19 (+9.9%* vs. 2019) and to a lesser extent by a rise in personal protection premiums (+1.9%* vs. Q4 19, -3.3%* vs. 2019). In France, protection premiums were 8%* higher than in Q4 19.

Financial Services to Corporates delivered a resilient commercial performance. The number of contracts for Operational Vehicle Leasing and Fleet Management was stable vs. end-December 2019, at 1.76 million contracts at end-December 2020. Equipment Finance's outstanding loans were slightly lower (-0.8%*) vs. end-December 2019, at EUR 14.1 billion (excluding factoring).

Net banking income

Revenues amounted to EUR 7,524 million in 2020, down -2.9%* (-10.1%) vs. 2019. Net banking income amounted to EUR 1,919 million in Q4 20, up +0.3%* (-7.6%) vs. Q4 19. The increase of +4.1%* vs. Q3 20 illustrates the recovery in activity.

In **International Retail Banking**, net banking income totalled EUR 4,902 million in 2020, down -3.4%* (-12.3%) vs. 2019, marked in particular by reduced activity due to the lockdowns and a fall in net interest income in the Czech Republic and Romania, in conjunction with the decline in rates.

Net banking income amounted to EUR 1,236 million in Q4 20, down -3.5%* vs. Q4 19, excluding the structure effect and the currency effect (-11.2%). In Europe, revenues were down -5.9%* (-11.7%) impacted primarily by the rates in the Czech Republic and Romania in H1. However, activity remained dynamic in consumer credit, with stable revenues vs. Q4 19. Revenues (-2.5%*, -24.3%) held up well for SG Russia⁽¹⁾ despite the lockdown measures and a decline in rates, with particularly dynamic activity in housing loans (production up +18%* vs. Q4 19). Revenues were up +0.9%* (-3.0%) in Africa, Mediterranean Basin and French Overseas Territories vs. Q4 19, with a confirmed recovery in commissions. Revenues were higher in Sub-Saharan Africa in 2020 (+3%* vs. 2019).

The Insurance business saw net banking income decline by -2.1%* vs. 2019, to EUR 887 million. When adjusted for the contribution to the solidarity fund in France, net banking income was down -0.9%* vs. 2019, illustrating a resilient financial performance. Gross inflow was of good quality in 2020, with the unit-linked share accounting for 44%. Net banking income was up +1.1%* (+0.9%) in Q4 20 vs. Q4 19, at EUR 224 million. The second half of 2020 was marked primarily by a rebound in gross life insurance inflow. Moreover, gross inflow continued to be of good quality, with the unit-linked contracts share accounting for 46% in Q4 20.

Financial Services to Corporates' net banking income was down -2.1%* (-7.3%) in 2020, at EUR 1,735 million. However, in 2020, ALD posted a used car sale result (EUR 201 per unit) above the guidance, while margins were higher in Equipment Finance. Financial Services to Corporates' net banking income came to EUR 459 million in Q4 20, up +11.8%* (-0.9%) vs. Q4 19.

Operating expenses

Operating expenses were down -1.6%* (-9.6%) vs. 2019. When restated for restructuring costs related to the simplification of the head office (EUR 34 million in 2019), the tax on financial assets in Romania (EUR 16 million in 2019) and the contribution to COVID guarantee funds in the Mediterranean Basin (EUR 15 million in 2020), operating expenses were 0.8%* lower than in 2019.

Operating expenses were down -2.4%* (-10.8%) in Q4 20 vs. Q4 19. When restated for the tax in Romania, operating expenses were 0.9%* lower, reflecting control of costs.

The cost to income ratio stood at 55.1% in 2020 and 53.0% in Q4 20.

In **International Retail Banking**, operating expenses were down -1.4%* (-10.8%) vs. 2019 and down -4.3%* (-12.8% at current structure and exchange rates) vs. Q4 19 which included the tax in Romania. For the SG Russia⁽¹⁾ scope, the rationalisation of the network and pooling initiatives helped optimise costs (-8.6%* in Q4 20 vs. Q4 19) and gross operating income (+10.9%* vs. Q4 19). For the Africa, Mediterranean Basin and French Overseas Territories scope, costs were lower (-1.8%* vs. Q4 19).

In the **Insurance business**, operating expenses rose +2.5%* (+2.0%) vs. 2019 to EUR 356 million and were slightly higher +0.5%*, (0.0%) than in Q4 19, in conjunction with efforts to control costs.

In **Financial Services to Corporates**, operating expenses were down -0.3%* (-6.5%) vs. 2019 and were 4.4%* higher than in Q4 19 (-5.7%).

(1) SG Russia encompasses the entities Rosbank, Rusfinance Bank, Societe Generale Insurance, ALD Automotive and their consolidated subsidiaries.

Cost of risk

2020: the cost of risk amounted to 96 basis points (or EUR 1,265 million). It was 43 basis points in 2019. The estimate of expected credit losses in Stage 1 and Stage 2 amounts to EUR 389 million.

Q4 20: the commercial cost of risk amounted to 89 basis points in Q4 20 (or EUR 287 million), vs. 102 basis points in Q3 20, and 46 basis points in Q4 19. The Q4 cost of risk includes EUR 79 million for the estimate of expected credit losses in Stage 1 and Stage 2.

Contribution to Group net income

The contribution to Group net income totalled EUR 1,304 million in 2020 (-27.1%*, -33.3% vs. 2019) and EUR 376 million in Q4 20 (-11.7%*, -18.8% vs. Q4 19).

Underlying RONE stood at the high level of 12.4% in 2020, vs. 17.9% in 2019 and 14.3% in Q4 20 vs. 16.8% in Q4 19 (with RONE of 10.0% in International Retail Banking and 20.0% in financial services and insurance).

5. GLOBAL BANKING & INVESTOR SOLUTIONS

In EURm	Q4 20	Q4 19	Change		2020	2019	Change	
Net banking income	2,072	2,186	-5.2%	-2.7%*	7,613	8,704	-12.5%	-11.8%*
Operating expenses	(1,688)	(1,773)	-4.8%	-2.3%*	(6,713)	(7,352)	-8.7%	-7.9%*
Gross operating income	384	413	-7.0%	-4.5%*	900	1,352	-33.4%	-33.0%*
Net cost of risk	(104)	(66)	+57.6%	+64.5%*	(922)	(206)	x 4.5	x 4.5
Operating income	280	347	-19.3%	-17.3%*	(22)	1,146	n/s	n/s
Reported Group net income	280	291	-3.8%*	-1.6%*	57	958	-94.1%*	-94.0%*
RONE	7.8%	8.3%			0.4%	6.3%		
Underlying RONE (1)	9.0%	6.5%			1.3%	7.4%		

(1) Adjusted for restructuring charges in 2020 (EUR 157m), the restructuring provision in 2019 (EUR 227m) and the linearisation of IFRIC 21

Net banking income

2020: Global Banking & Investor Solutions' revenues were down -12.5% vs. 2019. When restated for the impact of restructuring in Global Markets in 2019 and the revaluation of SIX securities (EUR +66 million), they were down -10.0%.

Q4 20: net banking income was down -5.2% (-2.7%* when adjusted for changes in Group structure and at constant exchange rates) at EUR 2,072 million vs. Q4 19 and rebounded +1.9% (+2.4%*) vs. Q3 20.

In 2020, a strategic review carried out by the Group of its Global Markets business contributed to reducing the risk profile on equity and credit structured products in order to reduce the sensitivity of Global Markets' revenues to market dislocations. A cost reduction plan was also launched in 2020, with the objective of an expected net reduction of around EUR 450 million between now and 2022-2023.

In Global Markets & Investor Services, revenues were down -20.1% (-19.3%*) in 2020 vs. 2019, at EUR 4,164 million, after a H1 impacted by the health crisis. When restated for the impact of restructuring in Global Markets in 2019 and the revaluation of SIX securities, they were down -16.9%*.

Net banking income totalled EUR 1,160 million in Q4 20, down -10.8% (-8.2%*) vs. Q4 19.

The performance of Fixed Income & Currency activities was up +14.9% in 2020 vs. 2019 (+21.3% when restated for the impact of activities discontinued in 2019), with revenues of EUR 2,292 million. They were driven by a healthy commercial momentum and particularly favourable market conditions in H1, in all regions. They normalised in H2 2020.

In Q4 20, Fixed Income & Currency activities were hit by a slowdown in client activity, in rate activities and the compression of short-term financing spreads in financing activities. Credit's good performance failed to offset the overall decline in revenues of -16.2% vs. Q4 19.

Equity activities' net banking income was down -49.0% in 2020 vs. 2019, at EUR 1,275 million, with structured products hard hit by the market dislocation in H1. Losses were mitigated by the increased revenues for listed products and equity flow products. Revenues rebounded in H2, in a normalising market environment. The integration of EMC activities was successfully finalised in Q1 20.

Q4 20 provided further confirmation of the improvement in revenues observed in Q3 20, with net banking income up +11.5% (-6.9% vs. Q4 19) and in particular a gradual recovery in structured products. Flow & hedging activities enjoyed strong volumes over the quarter and the Asia region performed well in all products.

Securities Services' assets under custody amounted to EUR 4,315 billion at end-December 2020, slightly lower (-0.3%) than at end-September 2020. Over the same period, assets under administration were up +4.1% at EUR 638 billion.

Securities Services' revenues totalled EUR 597 million in 2020, down -12.2% (when restated for the revaluation of SIX securities) vs. 2019 (-16.4% on a reported basis). They were down -9.5% in Q4 20 vs. Q4 19, at EUR 153 million.

Financing & Advisory revenues totalled EUR 2,546 million in 2020, up +0.6%* vs. 2019 (stable at current structure and exchange rates), with the strengthening of the franchises and ongoing support for clients during this challenging year. Investment Banking performed particularly well, benefiting from a high level of issues in the debt and equity capital markets and buoyant acquisition financing activity.

Financing & Advisory enjoyed solid net banking income of EUR 681 million in Q4 20, increasing by +9.0%* vs. Q4 19 (+5.9% at current structure and exchange rates) and rebounding by +18.3%* vs. Q3 20. This increase reflects the good performance of asset financing activities, the Asset Backed Products platform and the recovery in Global Transaction and Payment Services. Investment Banking revenues continued to grow in Q4 20.

Asset and Wealth Management's net banking income totalled EUR 903 million in 2020, down -4.6% vs. 2019 (-1.3% when restated for the revaluation of SIX securities). It was 4.9% lower in Q4 20 than in Q4 19.

Lyxor's net banking income amounted to EUR 207 million in 2020, up +3.5% vs. 2019, driven by a high level of performance fees. It rebounded by +20.8% in Q4 20 vs. Q3 20 (+12.3% vs. Q4 19), with growth in the Active Management segment. Lyxor confirmed its leadership position in the Green Bond segment in 2020 and enhanced its ESG ETF offering. Lyxor's assets under management totalled EUR 140 billion at end-December 2020, up +5.9% vs. Q4 19.

Private Banking's performance was lower in 2020 (-2.4%, when restated for the revaluation of SIX securities) vs. 2019, with net banking income of EUR 678 million. Revenues were hit by pressures on interest margins despite stable commercial revenues. Net banking income was 10.5% lower in Q4 20 than in Q4 19.

Assets under management were up +2.0% in Q4 20, at EUR 116 billion. Net inflow totalled EUR 1.7 billion in 2020, driven by France.

Operating expenses

2020: underlying operating expenses (restated for the restructuring provision recognised in Q2 19 for EUR 227 million and the restructuring charge recognised in Q4 20 for EUR 157 million, related to the new EUR 450 million cost savings plan between now and 2022/2023), were substantially lower (-7.2%*) than in 2019. This decline reflects the successful cost savings plan (EUR 500 million) implemented in Global Banking & Investor Solutions in 2018. They were down -7.9%* on a reported basis.

Q4 20: underlying operating expenses were down -9.7%* (-2.3%* on a reported basis) vs. Q4 19, with a positive jaws effect in Q4 20.

Net cost of risk

2020: the cost of risk amounted to 57 basis points (or EUR 922 million) vs. 13 basis points in 2019. It includes EUR 310 million of S1/S2 provisioning and EUR 612 million of S3 (non-performing loans) provisioning.

Q4 20: the commercial cost of risk amounted to 28 basis points (or EUR 104 million), vs. 14 basis points in Q3 20 and 17 basis points in Q4 19. It includes EUR 26 million of S1/S2 (performing/underperforming loans) provisioning and EUR 77 million of S3 (credit-impaired loans) provisioning.

Contribution to Group net income

2020: the underlying contribution to Group net income (after linearisation of IFRIC 21 and adjusted for restructuring charges in 2020 and the restructuring provision in 2019) came to EUR 183 million.

Q4 20: the underlying contribution to Group net income amounted to EUR 320 million, up +46%* vs. Q4 19.

Underlying RONE stood at 1.3% in 2020 vs. 7.4% in 2019 and 9.0% in Q4 20 vs. 6.5% in Q4 19.

6. CORPORATE CENTRE

<i>In EURm</i>	Q4 20	Q4 19	2020	2019
Net banking income	2	(7)	(339)	(152)
Operating expenses	(202)	(98)	(441)	(94)
<i>Underlying operating expenses</i>	(162)	(110)	(388)	(94)
Gross operating income	(200)	(105)	(780)	(246)
<i>Underlying gross operating income</i>	(160)	(117)	(727)	(246)
Net cost of risk	(22)	2	(22)	(17)
Net profits or losses from other assets	(105)	(145)	(185)	(394)
Impairment losses on goodwill	-	-	(684)	-
Net income from companies accounted for by the equity method	(1)	(155)	0	(152)
Reported Group net income	(290)	(330)	(2,285)	(796)

(1) Adjusted for the linearisation of IFRIC 21

The Corporate Centre includes:

- the property management of the Group's head office,
- the Group's equity portfolio,
- the Treasury function for the Group,
- certain costs related to cross-functional projects and certain costs incurred by the Group and not re-invoiced to the businesses.

The Corporate Centre's net banking income totalled EUR 2 million in Q4 20 vs. EUR -7 million in Q4 19 and EUR -339 million in 2020 vs. EUR -152 million in 2019. In 2020, it includes notably the change in fair value of financial instruments corresponding to economic hedges of financial debt but that do not meet IFRS hedge accounting criteria.

Operating expenses totalled EUR -202 million in Q4 20 vs. EUR -98 million in Q4 19. They amounted to EUR -441 million in 2020 vs. EUR -94 million in 2019 (which included an operating tax adjustment for EUR +241 million). In 2020, they include a restructuring charge of EUR 53 million recorded in Q4 20.

Gross operating income totalled EUR -200 million in Q4 20 vs. EUR -105 million in Q4 19 and EUR -780 million in 2020 vs. EUR -246 million in 2019.

Net profits or losses from other assets amounted to EUR -105 million in Q4 20 vs. EUR -145 million in Q4 19 and EUR -185 million in 2020 vs. EUR -394 million in 2019 related to the application of IFRS 5 as part of the implementation of the Group's refocusing plan (in 2020, EUR -101 million in respect of the disposal of SG Finans and EUR -69 million for the finalisation of the disposal of Societe Generale de Banque aux Antilles).

Net income from companies accounted for by the equity method is nil in 2020. In 2019, it included an impairment of EUR -158 million corresponding to the Group's entire minority stake (16.8%) in SG de Banque au Liban.

In 2020, the review of Global Markets & Investor Services' financial trajectory led to the impairment of the associated goodwill for EUR -684 million and deferred tax assets for EUR -650 million.

The Corporate Centre's contribution to Group net income was EUR -290 million in Q4 20 vs. EUR -330 million in Q4 19 and EUR -2,285 million in 2020 vs. EUR -796 million in 2019.

7. OUTLOOK

The Group is aiming for a decline in underlying operating expenses in relation to 2020, as from 2023. In 2021, it will maintain strict discipline and target a positive jaws effect against the backdrop of an improvement in the economic outlook with a slight increase in its costs.

The 2021 cost of risk is expected to be lower than in 2020.

The Group aims to operate with a CET1 ratio more than 200 basis points above the regulatory requirement, including after the entry into force of the regulation finalising the Basel III reform whose impact is expected to be around EUR 39 billion⁽¹⁾ as from 2023, or around 115 basis points⁽²⁾

In 2021, the CET1 ratio is expected to be at a level significantly higher than 200 basis points above the regulatory requirement.

Regarding its distribution policy for the 2021 financial year, the Board of Directors has confirmed the objective defined before the outbreak of the COVID crisis, i.e. a payout ratio of 50% of underlying Group net income⁽³⁾, which may include a share buy-back component (up to 10%)⁽⁴⁾; the dividend component being paid in cash.

Finally, the Group will present its Global Banking & Investor Solutions' strategy to the market on May 10th, 2021 and its focus on CSR in H2.

8. CONCLUSION

The year 2020 will have been marked by a global health crisis, the economic and social (confinements and curfews) consequences have affected the Group's business, particularly in the first half of the year. With a significant improvement in H2 (+11% in H2 20 vs. H1 20), the Group's full-year revenues totalled EUR 22,113 million, down -7.6%* (vs. 2019), confirming the relevance of its diversified business model, the resilience of its franchises and its ability to generate capital.

In this challenging environment, the Group achieved all its financial targets in terms of costs (underlying operating expenses of EUR 16.5 billion), cost of risk (64 basis points, below the target of 70 basis points) and capital (CET1 ratio of 13.4%, i.e. above 12%).

More generally, the Group demonstrated its ability to manage this crisis responsibly throughout the year, by playing its role with its employees, customers and communities.

Moreover, this crisis has proved to be an accelerator of societal trends that the Group had already identified as a priority: Corporate Social Responsibility and digital technology. In 2020, the Group achieved a new milestone in terms of the energy transition by becoming the No. 2 globally in renewable energy financing and No. 1 on the advisory component. Moreover, the Board of Directors has validated a binding objective: the Group's governing bodies will have to include at least 30% women by 2023, ensuring compliance with this objective both in the businesses and the functions. More generally, the Group's extra-financial ratings are among the leaders in the banking sector: highest rating (A1+) assigned by the extra-financial rating agency Vigeo Eiris, position in the first decile of the ISS ESG ranking (C+ Prime), top 14% in the bank MSCI ranking (AA) and first decile of the RobecoSAM ranking with a place of 25th worldwide, after being ranked 1st worldwide on environmental issues in 2019.

In 2021, the Group shall remain fully committed to its priorities (i) its customers (ii) maintaining strict cost discipline, managing the cost of risk and the allocation of capital, (iii) creating value for its shareholders.

(1) Including the credit risk, FRTB, operational risk and taking into account the main EU-specific assumptions communicated by the EBA in response to the European Commission's consultation paper (published in December 2020) and excluding the output floor which would not be binding before 2027/2028

(2) On a prospective basis in 2023

(3) After deducting interest on deeply subordinated notes and undated subordinated notes

(4) Subject to the approval of the General Meeting of Shareholders and regulatory bodies

9. 2021 FINANCIAL CALENDAR

2021 Financial communication calendar

May 6 th , 2021	First quarter 2021 results
May 18 th , 2021	General Meeting
May 25 th , 2021	Dividend detachment
May 27 th , 2021	Dividend payment
August 3 rd , 2021	Second quarter and first half 2021 results
November 4 th , 2021	Third quarter and nine-month 2021 results

The Alternative Performance Measures, notably the notions of net banking income for the pillars, operating expenses, IFRIC 21 adjustment, (commercial) cost of risk in basis points, ROE, ROTE, RONE, net assets, tangible net assets, and the amounts serving as a basis for the different restatements carried out (in particular the transition from published data to underlying data) are presented in the methodology notes, as are the principles for the presentation of prudential ratios.

This document contains forward-looking statements relating to the targets and strategies of the Societe Generale Group.

These forward-looking statements are based on a series of assumptions, both general and specific, in particular the application of accounting principles and methods in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union, as well as the application of existing prudential regulations.

These forward-looking statements have also been developed from scenarios based on a number of economic assumptions in the context of a given competitive and regulatory environment. The Group may be unable to:

- anticipate all the risks, uncertainties or other factors likely to affect its business and to appraise their potential consequences;
- evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this document and the related presentation.

Therefore, although Societe Generale believes that these statements are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, in particular in the Covid-19 crisis context, including matters not yet known to it or its management or not currently considered material, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among others, overall trends in general economic activity and in Societe Generale's markets in particular, regulatory and prudential changes, and the success of Societe Generale's strategic, operating and financial initiatives.

More detailed information on the potential risks that could affect Societe Generale's financial results can be found in the Universal Registration Document filed with the French Autorité des Marchés Financiers.

Investors are advised to take into account factors of uncertainty and risk likely to impact the operations of the Group when considering the information contained in such forward-looking statements. Other than as required by applicable law, Societe Generale does not undertake any obligation to update or revise any forward-looking information or statements. Unless otherwise specified, the sources for the business rankings and market positions are internal.

10. APPENDIX 1: FINANCIAL DATA

GROUP NET INCOME BY CORE BUSINESS

In EURm	Q4 20	Q4 19	Change	2020	2019	Change
French Retail Banking	104	230	-54.8%	666	1,131	-41.1%
International Retail Banking and Financial Services	376	463	-18.8%	1,304	1,955	-33.3%
Global Banking and Investor Solutions	280	291	-3.8%	57	958	-94.1%
Core Businesses	760	984	-22.8%	2 027	4,044	-49.9%
Corporate Centre	(290)	(330)	+12.1%	(2,285)	(796)	n/s
Group	470	654	-28.1%	(258)	3,248	n/s

CHANGES Q4 20/Q3 20 – NET BANKING INCOME, OPERATING EXPENSES AND GROSS OPERATING INCOME

Net Banking Income (in EURm)	Q4 20	Q3 20	Change	
French Retail Banking	1,845	1,836	+0.5%	+0.5%*
International Retail Banking and Financial Services	1,919	1,891	+1.5%	+4.1%*
Global Banking and Investor Solutions	2,072	2,034	+1.9%	+2.4%*
Corporate Centre	2	48	-95.8%	-95.6%*
Group	5,838	5,809	+0.5%	+1.6%*

Operating Expenses (in EURm)	Q4 20	Q3 20	Change	
French Retail Banking	(1,443)	(1,292)	+11.7%	+11.7%*
International Retail Banking and Financial Services	(1,018)	(999)	+1.9%	+4.1%*
Global Banking and Investor Solutions	(1,688)	(1,478)	+14.2%	+14.7%*
Corporate Centre	(202)	(56)	x3.6	x3.6*
Group	(4,351)	(3,825)	+13.8%	+14.6%*

Gross operating income (in EURm)	Q4 20	Q3 20	Change	
French Retail Banking	402	544	-26.1%	-26.1%*
International Retail Banking and Financial Services	901	892	+1.0%	+4.1%*
Global Banking and Investor Solutions	384	556	-30.9%	-30.3%*
Corporate Centre	(200)	(8)	n/s	n/s*
Group	1,487	1,984	-25.1%	-23.7%*

CONSOLIDATED BALANCE SHEET

	31.12.2020	31.12.2019
Cash, due from central banks	168,179	102,311
Financial assets at fair value through profit or loss	429,458	385,739
Hedging derivatives	20,667	16,837
Financial assets measured at fair value through other comprehensive income	52,060	53,256
Securities at amortised cost	15,635	12,489
Due from banks at amortised cost	53,380	56,366
Customer loans at amortised cost	448,761	450,244
Revaluation differences on portfolios hedged against interest rate risk	378	401
Investment of insurance activities	166,854	164,938
Tax assets	5,001	5,779
Other assets	67,341	68,045
Non-current assets held for sale	6	4,507
Investments accounted for using the equity method	100	112
Tangible and intangible assets*	30,088	30,844
Goodwill	4,044	4,627
Total	1,461,952	1,356,495

	31.12.2020	31.12.2019
Central banks	1,489	4,097
Financial liabilities at fair value through profit or loss	390,247	364,129
Hedging derivatives	12,461	10,212
Debt securities issued	138,957	125,168
Due to banks	135,571	107,929
Customer deposits	456,059	418,612
Revaluation differences on portfolios hedged against interest rate risk	7,696	6,671
Tax liabilities	1,223	1,409
Other liabilities*	84,937	85,254
Non-current liabilities held for sale	-	1,333
Liabilities related to insurance activities contracts	146,126	144,259
Provisions	4,775	4,387
Subordinated debts	15,432	14,465
Total liabilities	1,394,973	1,287,925
SHAREHOLDERS' EQUITY		
Shareholders' equity, Group share		
Issued common stocks and capital reserves	22,333	21,969
Other equity instruments	9,295	9,133
Retained earnings	32,076	29,558
Net income	(258)	3,248
Sub-total	63,446	63,908
Unrealised or deferred capital gains and losses	(1,762)	(381)
Sub-total equity, Group share	61,684	63,527
Non-controlling interests	5,295	5,043
Total equity	66,979	68,570
Total	1,461,952	1,356,495

*The amount has been restated compared with the published financial statements for the year ended 31 December 2019 following the IFRS Interpretations Committee (IFRS IC) decisions on 26 November 2019 related to IFRS 16.

11. APPENDIX 2: METHODOLOGY

1 – The financial information presented in respect of the fourth quarter and 2020 was examined by the Board of Directors on February 9th, 2021 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at that date. This information has not been audited.

2 – Net banking income

The pillars' net banking income is defined on page 43 of Societe Generale's 2020 Universal Registration Document. The terms "Revenues" or "Net Banking Income" are used interchangeably. They provide a normalised measure of each pillar's net banking income taking into account the normative capital mobilised for its activity.

3 – Operating expenses

Operating expenses correspond to the "Operating Expenses" as presented in note 8.1 to the Group's consolidated financial statements as at December 31st, 2019 (pages 423 et seq. of Societe Generale's 2020 Universal Registration Document). The term "costs" is also used to refer to Operating Expenses.

The Cost/Income Ratio is defined on page 43 of Societe Generale's 2020 Universal Registration Document.

4 - IFRIC 21 adjustment

The IFRIC 21 adjustment corrects the result of the charges recognised in the accounts in their entirety when they are due (generating event) so as to recognise only the portion relating to the current quarter, i.e. a quarter of the total. It consists in smoothing the charge recognised accordingly over the financial year in order to provide a more economic idea of the costs actually attributable to the activity over the period analysed.

5 – Exceptional items – Transition from accounting data to underlying data

It may be necessary for the Group to present underlying indicators in order to facilitate the understanding of its actual performance. The transition from published data to underlying data is obtained by restating published data for exceptional items and the IFRIC 21 adjustment.

Moreover, the Group restates the revenues and earnings of the French Retail Banking pillar for **PEL/CEL provision allocations or write-backs**. This adjustment makes it easier to identify the revenues and earnings relating to the pillar's activity, by excluding the volatile component related to commitments specific to regulated savings.

The reconciliation enabling the transition from published accounting data to underlying data is set out in the table below:

Q4 20 (in EURm)	Operating Expenses	Net cost of risk	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	(4,351)	(689)	(94)	0	(125)	470	
(+) IFRIC 21 linearisation	(177)				52	(121)	
(-) Restructuring charges ^{*(1)}	(210)				63	(147)	o/w GBIS (EUR - 157m), Corporate Center (EUR -53m)
(-) Group refocusing plan*		(20)	(101)		(14)	(135)	Corporate center
Underlying	(4,318)	(669)	7	0	(123)	631	

2020 (in EURm)	Operating Expenses	Net cost of risk	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	(16,714)	(3,306)	(12)	(684)	(1,204)	(258)	
(-) Group refocusing plan*		(20)	(178)		(14)	(212)	Corporate center
(-) Goodwill impairment*				(684)		(684)	Corporate center
(-) DTA impairment*					(650)	(650)	Corporate center
(-) Restructuring charges ^{*(1)}	(210)				63	(147)	o/w GBIS (EUR - 157m), Corporate Center (EUR -53m)
Underlying	(16,504)	(3,286)	166	0	(603)	1,435	

Q4 19 (in EURm)	Operating Expenses	Net cost of risk	Net profit or losses from other assets	Net income from companies under equity method	Income tax	Group net income	Business
Reported	(4,503)	(371)	(125)	(154)	(230)	654	
(+) IFRIC 21 linearisation	(152)				36	(112)	
(-) Restructuring provision*	(60)				20		o/w RBDF (EUR - 55m), IBFS (EUR - 5m)
(-) Write-off of Group minority stake in SG de Banque au Liban*				(158)		(158)	Corporate center
(-) Group refocusing plan*			(137)		2	(135)	Corporate center
Underlying	(4,595)	(371)	12	4	(216)	875	

2019 (in EURm)	Operating Expenses	Net cost of risk	Net profit or losses from other assets	Net income from companies under equity method	Income tax	Group net income	Business
Reported	(17,727)	(1,278)	(327)	(129)	(1,264)	3,248	
(-) Restructuring provision*	(316)				83	(233)	o/w RBDF (EUR - 55m), IBFS (EUR - 34m), GBIS (EUR - 227m)
(-) Write-off of Group minority stake in SG de Banque au Liban*				(158)		(158)	Corporate center
(-) Group refocusing plan*		(18)	(386)		(18)	(422)	Corporate center
Underlying	(17,411)	(1,260)	59	29	(1,329)	4,061	

(*) exceptional items

(1) Restructuring charges including restructuring provisions and various restructuring charges

6 - Cost of risk in basis points, coverage ratio for doubtful outstandings

The cost of risk or commercial cost of risk is defined on pages 45 and 574 of Societe Generale's 2020 Universal Registration Document. This indicator makes it possible to assess the level of risk of each of the pillars as a percentage of balance sheet loan commitments, including operating leases.

(In EUR m)		Q4 20	Q4 19	2020	2019
French Retail Banking	Net Cost Of Risk	276	149	1,097	467
	Gross loan Outstandings	222,926	197,813	212,185	194,359
	Cost of Risk in bp	50	30	52	24
International Retail Banking and Financial Services	Net Cost Of Risk	287	158	1,265	588
	Gross loan Outstandings	128,965	137,222	132,082	136,303
	Cost of Risk in bp	89	46	96	43
Global Banking and Investor Solutions	Net Cost Of Risk	104	66	922	206
	Gross loan Outstandings	147,508	157,528	160,918	161,865
	Cost of Risk in bp	28	17	57	13
Corporate Centre	Net Cost Of Risk	22	(2)	22	17
	Gross loan Outstandings	14,044	9,714	11,611	9,403
	Cost of Risk in bp	62	(13)	20	17
Societe Generale Group	Net Cost Of Risk	689	371	3,306	1,278
	Gross loan Outstandings	513,443	502,277	516,797	501,929
	Cost of Risk in bp	54	29	64	25

The **gross coverage ratio for doubtful outstandings** is calculated as the ratio of provisions recognised in respect of the credit risk to gross outstandings identified as in default within the meaning of the regulations, without taking account of any guarantees provided. This coverage ratio measures the maximum residual risk associated with outstandings in default ("doubtful").

7 - ROE, ROTE, RONE

The notions of ROE (Return on Equity) and ROTE (Return on Tangible Equity), as well as their calculation methodology, are specified on page 45 and 46 of Societe Generale's 2020 Universal Registration Document. This measure makes it possible to assess Societe Generale's return on equity and return on tangible equity. RONE (Return on Normative Equity) determines the return on average normative equity allocated to the Group's businesses, according to the principles presented on page 46 of Societe Generale's 2020 Universal Registration Document.

Group net income used for the ratio numerator is book Group net income adjusted for "interest net of tax payable on deeply subordinated notes and undated subordinated notes, interest paid to holders of deeply subordinated notes and undated subordinated notes, issue premium amortisations" and "unrealised gains/losses booked under shareholders' equity, excluding conversion reserves" (see methodology note No. 9). For ROTE, income is also restated for goodwill impairment.

Details of the corrections made to book equity in order to calculate ROE and ROTE for the period are given in the table below:

ROTE calculation: calculation methodology

End of period	Q4 20	Q4 19	2020	2019
Shareholders' equity Group share	61,684	63,527	61,684	63,527
Deeply subordinated notes	(8,830)	(9,501)	(8,830)	(9,501)
Undated subordinated notes	(264)	(283)	(264)	(283)
Interest net of tax payable to holders of deeply subordinated notes & undated subordinated notes, interest paid to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations	19	4	19	4
OCI excluding conversion reserves	(942)	(575)	(942)	(575)
Dividend provision	(467)	(1,869)	(467)	(1,869)
ROE equity end-of-period	51,201	51,303	51,201	51,303
Average ROE equity	51,294	51,415	52,088	50,586
Average Goodwill	(3,928)	(4,544)	(4,172)	(4,586)
Average Intangible Assets	(2,477)	(2,327)	(2,432)	(2,243)
Average ROTE equity	44,889	44,544	45,484	43,757
Group net Income (a)	470	654	(258)	3,248
Underlying Group net income (b)	631	875	1,435	4,061
Interest on deeply subordinated notes and undated subordinated notes (c)	(164)	(178)	(611)	(715)
Cancellation of goodwill impairment (d)	0	85	684	200
Ajusted Group net Income (e) = (a)+ (c)+(d)	306	561	(185)	2,733
Ajusted Underlying Group net Income (f)=(b)+(c)	467	697	824	3,346
Average ROTE equity (g)	44,889	44,544	45,484	43,757
ROTE [quarter: (4*e/g), 12M: (e/g)]	2.7%	5.0%	-0.4%	6.2%
Average ROTE equity (underlying) (h)	45,050	44,619	47,177	43,983
Underlying ROTE [quarter: (4*f/h), 12M: (f/h)]	4.1%	6.2%	1.7%	7.6%

RONE calculation: Average capital allocated to Core Businesses (in EURm)

In EURm	Q4 20	Q4 19	Change	2020	2019	Variation
French Retail Banking	11,186	11,165	+0.2%	11,427	11,263	+1.5%
International Retail Banking and Financial Services	10,112	10,675	-5.3%	10,499	11,075	-5.2%
Global Banking and Investor Solutions	14,287	13,943	+2.5%	14,302	15,201	-5.9%
Core Businesses	35,585	35,783	-0.6%	36,228	37,539	-3.5%
Corporate Centre	15,709	15,632	+0.5%	15,860	13,047	+21.6%
Group	51,294	51,415	-0.2%	52,088	50,586	+3.0%

8 - Net assets and tangible net assets

Net assets and tangible net assets are defined in the methodology, page 48 of the Group's 2020 Universal Registration Document. The items used to calculate them are presented below:

End of period	2020	2019	2018
Shareholders' equity Group share	61,684	63,527	61,026
Deeply subordinated notes	(8,830)	(9,501)	(9,330)
Undated subordinated notes	(264)	(283)	(278)
Interest, net of tax, payable to holders of deeply subordinated notes & undated subordinated notes, interest paid to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations	19	4	(14)
Bookvalue of own shares in trading portfolio	301	375	423
Net Asset Value	52,910	54,122	51,827
Goodwill	(3,928)	(4,510)	(4,860)
Intangible Assets	(2,484)	(2,362)	(2,224)
Net Tangible Asset Value	46,498	47,250	44,743
Number of shares used to calculate NAPS**	848,859	849,665	801,942
Net Asset Value per Share	62.3	63.7	64.6
Net Tangible Asset Value per Share	54.8	55.6	55.8

**** The number of shares considered is the number of ordinary shares outstanding as at December 31st, 2020, excluding treasury shares and buybacks, but including the trading shares held by the Group.**

In accordance with IAS 33, historical data per share prior to the date of detachment of a preferential subscription right are restated by the adjustment coefficient for the transaction.

9 - Calculation of Earnings Per Share (EPS)

The EPS published by Societe Generale is calculated according to the rules defined by the IAS 33 standard (see page 47 of Societe Generale's 2020 Universal Registration Document). The corrections made to Group net income in order to calculate EPS correspond to the restatements carried out for the calculation of ROE and ROTE. As specified on page 47 of Societe Generale's 2020 Universal Registration Document, the Group also publishes EPS adjusted for the impact of non-economic and exceptional items presented in methodology note No. 5 (underlying EPS).

The calculation of Earnings Per Share is described in the following table:

Average number of shares (thousands)	2020	2019	2018
Existing shares	853,371	834,062	807,918
Deductions			
Shares allocated to cover stock option plans and free shares awarded to staff	2,987	4,011	5,335
Other own shares and treasury shares		149	842
Number of shares used to calculate EPS**	850,385	829,902	801,741
Group net Income	(258)	3,248	4,121
Interest on deeply subordinated notes and undated subordinated notes	(611)	(715)	(719)
Capital gain net of tax on partial buybacks			
Adjusted Group net income	(869)	2,533	3,402
EPS (in EUR)	(1.02)	3.05	4.24
Underlying EPS* (in EUR)	0.97	4.03	5.00

(*) Excluding exceptional items and including linearisation of the IFRIC 21 effect.

(**) The number of shares considered is the number of ordinary shares outstanding as at December 31st, 2020, excluding treasury shares and buybacks, but including the trading shares held by the Group.

10 - The Societe Generale Group's Common Equity Tier 1 capital is calculated in accordance with applicable CRR/CRD4 rules. The fully-loaded solvency ratios are presented pro forma for current earnings, net of dividends, for the current financial year, unless specified otherwise. When there is reference to phased-in ratios, these do not include the earnings for the current financial year, unless specified otherwise. The leverage ratio is calculated according to applicable CRR/CRD4 rules including the provisions of the delegated act of October 2014.

NB (1) The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding rules.

(2) All the information on the results for the period (notably: press release, downloadable data, presentation slides and supplement) is available on Societe Generale's website www.societegenerale.com in the "Investor" section.

Societe Generale

Societe Generale is one of the leading European financial services groups. Based on a diversified and integrated banking model, the Group combines financial strength and proven expertise in innovation with a strategy of sustainable and responsible growth. Committed to the positive transformations of the world's societies and economies, Societe Generale and its teams seek to build, day after day, together with its clients, a better and sustainable future through responsible and innovative financial solutions.

Active in the real economy for over 150 years, with a solid position in Europe and connected to the rest of the world, Societe Generale has over 138,000 members of staff in 62 countries and supports on a daily basis 29 million individual clients, businesses and institutional investors around the world by offering a wide range of advisory services and tailored financial solutions. The Group is built on three complementary core businesses:

- **French Retail Banking which encompasses the Societe Generale**, Crédit du Nord and Boursorama brands. Each offers a full range of financial services with omnichannel products at the cutting edge of digital innovation;
- **International Retail Banking, Insurance and Financial Services to Corporates**, with networks in Africa, Russia, Central and Eastern Europe, and specialised businesses that are leaders in their markets;
- **Global Banking and Investor Solutions**, which offers recognised expertise, key international locations and integrated solutions.

Societe Generale is included in the principal socially responsible investment indices: DJSI (World and Europe), FTSE4Good (Global and Europe), Euronext Vigeo (World, Europe and Eurozone), four of the STOXX ESG Leaders indices, and the MSCI Low Carbon Leaders Index.

For more information, you can follow us on Twitter [@societegenerale](https://twitter.com/societegenerale) or visit our website www.societegenerale.com

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