

PROPOSED DISPOSAL OF INVESTMENT IN SCOTTSDALE PROPERTIES PTE. LTD.

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1. **INTRODUCTION**

City Developments Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that Ascent View Holdings Pte. Ltd. (the "**Seller**"), a wholly-owned subsidiary of the Company, has agreed to sell to IOI Consolidated (Singapore) Pte. Ltd. (the "**Purchaser**") all of the Seller's investment in Scottsdale Properties Pte. Ltd. (the "**Target**"), comprising 115,230,000 ordinary shares and 84,911,865 preference shares in the share capital of the Target (the "**Disposal Shares**") (collectively representing 50.1% of the issued and paid-up share capital of the Target) (the "**Proposed Disposal**").

The Target's wholly-owned subsidiary, South Beach Consortium Pte. Ltd., is the registered proprietor of the leasehold strata title properties (excluding the residential strata title properties) and other assets, forming part of the South Beach mixed-use integrated development (the "**Property**").

2. **INFORMATION ON THE PURCHASER AND THE INVESTMENT**

The Purchaser is the existing joint venture partner which holds the remaining 49.9% interest of the issued and paid-up share capital of the Target and is a wholly-owned subsidiary of IOI Properties Group Berhad ("**IOIPG**"). For the avoidance of doubt, the Purchaser and IOIPG are third parties not related to the Company.

South Beach development is a mixed-use development located on Beach Road. Directly connected to Esplanade MRT station and City Hall MRT Interchange, South Beach features a 34-storey Grade A office space (South Beach Tower), a 45-storey, 634-room JW Marriott Hotel Singapore South Beach, restaurants and cafes (South Beach Avenue and Quarter, as well as the NCO Club), and South Beach Residences (residential strata) comprising 190 luxury apartments and penthouses<sup>1</sup>. The development is seamlessly integrated with four (4) historical

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<sup>1</sup> South Beach Consortium Pte. Ltd., is not the registered proprietor of the strata title properties comprising South Beach Residences.

buildings, which were formerly military buildings and the NCO Club of the old Beach Road Camp. Please refer to **Annex A** for more details on the South Beach development.

Shareholders may refer to the Company's announcements dated 8 April 2011 and 18 April 2011 for further details on the joint venture between the Company and IOIPG for the development of the Property.

### **3. KEY TERMS OF THE PROPOSED DISPOSAL**

The consideration for the Disposal Shares (the "**Sale Consideration**"), which is payable entirely in cash, will be calculated based on 50.1% of the consolidated net assets of the Target and its subsidiaries (the "**Target Group**"), taking into account an agreed property value of the Property of S\$2.75 billion (the "**Agreed Property Value**"), subject to certain prescribed adjustments<sup>2</sup> as set out in the agreed terms of the Proposed Disposal. Based on the consolidated net assets of the Target Group as at 30 April 2025, the Company currently estimates the Sale Consideration to be approximately S\$834.2 million.

The Sale Consideration was arrived at on a willing-buyer-willing-seller basis between the parties, taking into account the Agreed Property Value of the Property, as well as the Seller's 50.1% shareholding in the Target. The Agreed Property Value took into account an external valuation conducted by Edmund Tie & Company in respect of the Property of S\$2.67 billion as of 31 December 2024. The Agreed Property Value, which was negotiated between the parties, represents a premium of approximately 3% over the said S\$2.67 billion valuation. The said valuation was commissioned by South Beach Consortium Pte. Ltd.

The Purchaser has agreed to pay a deposit towards the Sale Consideration in the aggregate amount<sup>3</sup> of S\$41.25 million. Assuming the Proposed Disposal proceeds to completion, the remainder of the Sale Consideration will also be paid to the Seller in cash at completion.

Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2024 ("**FY2024**"), both the net tangible asset value and the net asset value of the Disposal Shares are S\$366.5 million. The Company expects that the Proposed Disposal will result in a gain on disposal for the financial year ending 31 December 2025, which is currently estimated at approximately S\$465.0 million.

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<sup>2</sup> The final Sale Consideration will be subject to adjustments, which will be based on the final completion statement. The final completion statement will be prepared in accordance with the agreed terms of the Proposed Disposal and based on financial information which will only be available from the date of completion. The final Sale Consideration, and estimated gain on disposal, may therefore differ from the illustrative estimates as set out in this announcement.

<sup>3</sup> This comprises an initial deposit of S\$13.75 million which has been paid as at the date of this announcement and a second deposit of S\$27.5 million which will be paid within two (2) weeks from 4 June 2025. The initial deposit and the second deposit are both refundable in certain agreed circumstances.

The Proposed Disposal is also subject to certain other customary terms and conditions for transactions of a similar nature. Completion of the Proposed Disposal is currently expected to take place in the second half of 2025.

Upon the completion of the Proposed Disposal, the Group will no longer have any shareholding interest in the Target, and the Target will cease to be a joint venture of the Company.

#### **4. RATIONALE FOR THE PROPOSED DISPOSAL**

The Board believes the Proposed Disposal supports positive returns for the Group's business and aligns with its strategic focus on capital recycling:

##### **(a) Strategic Opportunity to Unlock Value**

The Group regularly reviews its portfolio for opportunities to recycle capital. The Proposed Disposal will generate substantial cash proceeds from the significant value the Group has created for the Property over the years, providing the Group with enhanced financial flexibility to redeploy the proceeds. This aligns with the Group's commitment to drive portfolio efficiency and enhance shareholder returns.

##### **(b) Asset Maturity with Strong Performance and Trusted Partnership**

Since acquiring the South Beach site in 2007, the Group has successfully realised its vision for the Property, which was completed in 2015/2016. The Group believes that the Property has now reached maturity, delivering strong occupancy and stable income. The Group has established a strong and collaborative partnership with IOIPG, which will take full ownership of the Property upon completion, ensuring a seamless transition in this successful collaboration.

The Group is of the view that the Proposed Disposal is an opportunity to crystallise gains in the Property and enables the Group to maximise value by exiting its holdings in the Target.

##### **(c) Enhance Financial Flexibility and Capital Position**

Cash proceeds from the Proposed Disposal will provide the Group with financial flexibility to reduce bank borrowings and improve its net gearing ratio. The capital unlocked will also position the Group well to pursue new acquisitions, invest in upcoming pipeline development projects and optimise its capital management.

Divestments remain a key pillar of the Group's multifaceted strategy and it will accelerate its capital recycling initiatives to unlock value for shareholders.

## 5. ILLUSTRATIVE FINANCIAL EFFECTS

The financial effects of the Proposed Disposal on the Group set out below are purely **for illustrative purposes only** and do not reflect the future financial position of the Group after completion of the Proposed Disposal.

The financial effects have been prepared on a pro forma basis using the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2024.

### 5.1 Net Tangible Assets ("NTA")

The effects of the Proposed Disposal on the Group's NTA per ordinary share of the Company (the "**Shares**" and each a "**Share**") for FY2024, assuming that the Proposed Disposal had been effected at the end of FY2024, are as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA of the Group attributable to the Shareholders of the Company (S\$' million)	9,086	9,546
Number of issued Shares	893,401,730	893,401,730
NTA per Share (S\$)	10.17	10.68

### 5.2 Earnings per Share ("EPS")

The effects of the Proposed Disposal on the Group's EPS for FY2024, assuming that the Proposed Disposal had been completed at the beginning of FY2024, are as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Profit attributable to owners of the Company less dividends on non-redeemable convertible non-cumulative preference shares (S\$' million)	190.8	638.5
Weighted average number of issued Shares	896,873,407	896,873,407
Basic EPS (Singapore cents)	21.3	71.2

### 5.3 Net gearing ratio

The effects of the Proposed Disposal on the Group's net gearing ratio as at the end of FY2024, assuming that the Proposed Disposal had been completed at the end of FY2024, are as follows:


	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
Net gearing ratio (%)	117	103
Net gearing ratio if fair value gains on investment properties are taken into consideration (%)	69	63

#### **BY ORDER OF THE BOARD**

Yeo Swee Gim, Joanne  
Enid Ling Peek Fong  
Company Secretaries

4 June 2025

## ANNEX A



# SOUTH BEACH

**FACT SHEET**



<b>Location</b>	26 to 36 Beach Road
<b>Developer</b>	South Beach Consortium Pte. Ltd.  A partnership between City Developments Limited (50.1% interest) and IOI Properties Group Berhad (49.9% interest)

<b>Description</b>	<p>South Beach (風華南岸) is an iconic mixed-use development that seamlessly integrates four (4) historical buildings (formerly military buildings and the NCO Club of the old Beach Road Camp) with two (2) new 34-storey and 45-storey towers.</p> <p>Strategically located within the Marina Central district in Singapore's downtown core and directly connected to Esplanade MRT station and City Hall MRT Interchange, the mega integrated development comprises office and retail space, a 634-room hotel and 190 luxury residences.</p>
<b>Development Layout</b>	<p>The 34-storey <b><u>North Tower</u></b> comprises:</p> <ul style="list-style-type: none"> <li>• South Beach Tower: 508,869 sq ft of Grade A office space</li> </ul> <p>The 45-storey <b><u>South Tower</u></b> comprises:</p> <ul style="list-style-type: none"> <li>• JW Marriott Hotel Singapore South Beach: 634 luxury rooms and suites, from levels 1 to 21</li> <li>• South Beach Residences: 190 luxury residences, from levels 22 to 45 (fully sold since September 2021)</li> </ul> <p>Retail and heritage space:</p> <ul style="list-style-type: none"> <li>• South Beach Avenue, South Beach Quarter and The NCO Club: 30,797 sq ft of retail space collectively</li> </ul>
<b>Land Tenure</b>	99-year leasehold from 10 December 2007 (approximately 81 years remaining)
<b>Land Area</b>	376,295 sq ft
<b>Gross Floor Area (GFA)</b>	1.58 million sq ft
<b>Valuation</b>	S\$2.67 billion (as of 31 December 2024)



*Designed by world-renowned architectural firm Foster + Partners, South Beach's most striking feature is its microclimatic wave canopy that covers the open spaces and acts as an environmental filter.*

*South Beach is Green Mark Platinum certified*

*– The highest green building certification awarded by Singapore's Building Construction Authority (BCA).*