

## **OFF-MARKET EQUAL ACCESS OFFER**

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### **1. INTRODUCTION**

The Board of Directors (the “**Board**” or the “**Directors**”) of City Developments Limited (the “**Company**”) wishes to announce that at the annual general meeting (“**AGM**”) of the Company held on 24 April 2024, the shareholders of the Company approved, *inter alia*, a general mandate (“**Share Purchase Mandate**”) to authorise the Directors of the Company to purchase or otherwise acquire, on behalf of the Company, amongst others, non-redeemable convertible non-cumulative preference shares of the Company (“**Preference Shares**”) in accordance with the terms set out in the Letter to Shareholders dated 26 March 2024 as well as the Companies Act 1967 of Singapore, the constitution of the Company, and the Listing Manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

### **2. PROPOSED SHARE PURCHASE**

Pursuant to the Share Purchase Mandate, the Company proposes to undertake an off-market purchase of Preference Shares in accordance with an equal access scheme (“**Off-Market Equal Access Offer**”).

### **3. DESPATCH OF LETTERS AND ACCEPTANCE FORMS**

A formal letter (the “**Letter to Preference Shareholders**”) setting out the terms and conditions of, and the rationale for, the Off-Market Equal Access Offer and enclosing the acceptance forms for the Off-Market Equal Access Offer (“**Acceptance Forms**”), will be despatched to persons who are registered as holders of Preference Shares in the Register of Members of the Company (the “**Register**”) or Depositors<sup>1</sup> who have Preference Shares entered against their names in the Depository Register<sup>1</sup> (collectively, the “**Preference Shareholders**”) on or about 8 May 2024.

### **4. TERMS AND CONDITIONS OF THE OFF-MARKET EQUAL ACCESS OFFER**

The terms and conditions of the Off-Market Equal Access Offer will be set out in the Letter to Preference Shareholders and the Acceptance Forms, and will include the following:

#### **A. Maximum Buyback Amount**

- (i) Each Preference Shareholder is entitled to sell 10 per cent. of the total number of Preference Shares held by such Preference Shareholder as registered in his or her own name in the Register, and/or standing to the credit of the “Free Balance” of

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<sup>1</sup> As defined in Section 81SF of the Securities and Futures Act 2001 of Singapore.

such Preference Shareholder's securities account ("**Securities Account**") with The Central Depository (Pte) Limited ("**CDP**"), as the case may be, as at 5.30 p.m. (Singapore time) on 23 May 2024 or such later date(s) as may be announced from time to time by the Company (the "**Record Date**"), fractional entitlements to be disregarded (the "**Entitled Shares**"), subject to the procedures for acceptance as set out in the Appendix to the Letter to Preference Shareholders.

- (ii) In addition to the entitlement to sell the Entitled Shares, Preference Shareholders may tender Preference Shares in excess of the Entitled Shares of such Preference Shareholder (the "**Excess Shares**") in acceptance of the Off-Market Equal Access Offer if other Preference Shareholders do not accept their full entitlement under the Off-Market Equal Access Offer.
- (iii) Notwithstanding the above, the Company will only buy back up to 29,778,683 Preference Shares in aggregate, representing approximately 10 per cent. of the total number of 297,786,832 Preference Shares in issue as at 24 April 2024, being the date on which the Share Purchase Mandate was approved (the "**Maximum Buyback Amount**").

#### **B. Offer Price**

The offer price for each Preference Share shall be S\$0.78 in cash.

#### **C. Determination of actual number of Preference Shares to be acquired from each Preference Shareholder**

- (i) At the close of the Off-Market Equal Access Offer, the Company will purchase the Preference Shares (based on the number of Preference Shares as indicated or deemed to be indicated in the Acceptance Forms) validly tendered by the accepting Preference Shareholders ("**Accepting Shareholders**") in acceptance of the Company's offer (in accordance with and subject to the terms and conditions set out in the Acceptance Forms), subject to any adjustments in accordance with paragraphs 4(C)(ii) and (iii) below.
- (ii) If the number of Preference Shares tendered is not indicated by the Accepting Shareholder in the Acceptance Form, the Accepting Shareholder shall be deemed NOT to have accepted the Off-Market Equal Access Offer.
- (iii) If the number of Preference Shares tendered is more than the number of such Accepting Shareholder's Entitled Shares, the number of Preference Shares in excess of such Entitled Shares shall be treated as Excess Shares. If the total number of Preference Shares tendered exceeds the Maximum Buyback Amount, any Entitled Shares tendered will be accepted but Excess Shares tendered by each Accepting Shareholder will be scaled down on a pro rata basis to ensure that the Company buys back no more than the Maximum Buyback Amount. In scaling down

the number of Excess Shares tendered by Accepting Shareholders, the Company will also endeavour to round down odd lots to the closest 100 Preference Shares.

- (iv) Where any Preference Shareholder would, after the application of paragraph (iii), own less than 100 Preference Shares, the Company reserves the right to accept any remaining Excess Shares tendered by such Preference Shareholder, with a view to acquiring all of the Preference Shares of such Preference Shareholder, provided always that the total number of Preference Shares acquired by the Company does not exceed the Maximum Buyback Amount.

#### **D. Duration of Off-Market Equal Access Offer**

The Off-Market Equal Access Offer will be open for acceptance by Preference Shareholders for a period of 14 calendar days (excluding public holidays) from the date of the Letter to Preference Shareholders.

#### **E. Rights and encumbrances of Preference Shares**

The Preference Shares which are acquired pursuant to the Off-Market Equal Access Offer will be acquired fully paid and free from all charges, liens, pledges, trusts and other encumbrances, and together with all rights, benefits and entitlements attached thereto as at the date of this Announcement and thereafter attaching thereto, including the right to receive all dividends, rights and other distributions (if any) which may be declared, paid or made thereon, on or after the date of this Announcement.

### **5. RATIONALE FOR THE OFF-MARKET EQUAL ACCESS OFFER**

The Off-Market Equal Access Offer allows the Company to exercise greater control over the Company's share capital structure in relation to the Preference Shares. The Company does not have any current intention to exercise its right of conversion in relation to the Preference Shares. In addition, the trading volume of the Preference Shares continues to remain generally low, with an average daily trading volume<sup>2</sup> of approximately 11,619 Preference Shares, 9,038 Preference Shares, 12,192 Preference Shares and 13,726 Preference Shares during the one-month, three-month, six-month and twelve-month periods respectively up to and including 25 April 2024, being the last full market day immediately prior to the date of this Announcement on which the Preference Shares were traded on the SGX-ST (the "**Last Trading Day**"). Each of these represents less than approximately 0.0046 per cent. of the total number of issued Preference Shares for any of the aforementioned relevant periods. Based on the previous off-market purchase of Preference Shares in accordance with the equal access scheme completed in December 2023 pursuant to which the Company had received acceptances from Preference Shareholders of more than 4.2 times the maximum buyback amount of the Preference Shares, it appears that there is strong demand from the Preference Shareholders who wish to dispose of their Preference Shares through the off-market

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<sup>2</sup> The average daily trading volume is computed based on the total volume of Preference Shares traded divided by the number of market days, being days which the SGX-ST is open for the trading of securities, with respect to the one-month period, three-month period, six-month period and twelve-month period up to and including the Last Trading Day.

equal access scheme. Accordingly, the Off-Market Equal Access Offer will provide Preference Shareholders with a cash exit opportunity to tender their Preference Shares for acceptance by the Company and monetise such Preference Shares.

**6. STATUS OF PURCHASED PREFERENCE SHARES UNDER THE OFF-MARKET EQUAL ACCESS OFFER**

All Preference Shares purchased or acquired by the Company pursuant to the Off-Market Equal Access Offer shall be cancelled.

**7. APPLICATION OF THE SINGAPORE CODE ON TAKE-OVERS AND MERGERS**

As the Preference Shares do not carry general voting rights, there will be no implications arising from The Singapore Code on Take-overs and Mergers as a result of the purchase or acquisition by the Company of Preference Shares pursuant to the Off-Market Equal Access Offer.

**8. OVERSEAS SHAREHOLDERS**

The availability of the Off-Market Equal Access Offer to Preference Shareholders whose addresses are outside Singapore as shown in the Register or, as the case may be, in the records of CDP (the “**Overseas Shareholders**”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves about and observe any applicable legal requirements. Further details in relation to the Overseas Shareholders will be set out in the Letter to Preference Shareholders.

**9. IMPORTANT INDICATIVE DATES AND EVENTS**

DATE AND TIME	EVENT
26 April 2024	Announcement of the intention to make the Off-Market Equal Access Offer
8 May 2024	<b>Commencement of Offer Period:</b> Despatch of the Letter to Preference Shareholders and the Acceptance Forms
5.30 p.m. on 23 May 2024	<p><b>Record Date:</b> Date on which the Company will determine the entitlements of the Preference Shareholders to the Off-Market Equal Access Offer</p> <p><b>Closing Date:</b> Deadline for receipt of Acceptance Forms from the Preference Shareholders</p>
27 May 2024	Announcement of acceptances in respect of the Off-Market Equal Access Offer

28 May 2024	<b>Entitlement Notification Letter:</b> Despatch of letter to Depositors notifying, <i>inter alia</i> , (i) the number of Preference Shares held by such Depositor in their Securities Account as at 5.30 p.m. on the Record Date in respect of which they were entitled to accept the Off-Market Equal Access Offer; and (ii) the number of Entitled Shares and Excess Shares tendered by such Depositor as at the Record Date
31 May 2024	<b>Settlement Date:</b> Payment to Preference Shareholders for Preference Shares purchased by the Company pursuant to the Off-Market Equal Access Offer

Preference Shareholders should note that the above timetable is indicative only and is subject to change. The Company will announce any changes to the timetable above on SGXNET.

#### 10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Off-Market Equal Access Offer, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and reproduced in this Announcement in its proper form and context.

#### By Order of the Board

Yeo Swee Gim, Joanne  
 Enid Ling Peek Fong  
 Company Secretaries  
 26 April 2024