

UPDATE TO RESPONSE TO SGX REGCO'S QUERIES ISSUED ON 23 SEPTEMBER 2021

The Board of Directors (the "Board") of City Developments Limited ("CDL" or the "Company" and together with its subsidiaries, the "CDL Group") refers to the announcement issued by the Company on 23 September 2021 ("23 September Clarification Announcement") in response to queries raised by Singapore Exchange Regulation ("SGX RegCo") in connection with the Company's announcement on 10 September 2021 titled 'Announcement on divestment of interest in Sincere'.

In the 23 September Clarification Announcement, the Company had stated that *inter alia* the CDL Group had made a provision of USD213 million (approximately S\$283 million) in 2H2020 for the corporate guarantee given by the CDL Group to a financial institution in connection with a loan extended by the financial institution to HCP Chongqing Property Development (HK) Co. Limited ("HCP HK Corporate Guarantee").

As of 9 October 2021, the CDL Group had fully settled the obligation under the HCP HK Corporate Guarantee which together with interest accrued totalled USD213.1 million. The amount was about USD0.1 million in excess of the provision made by the CDL Group in 2H2020.

The settlement of the obligation is not expected to have a material impact on the earnings per share or the net tangible asset per share as well as the net gearing ratio of the Group for the financial year ending 31 December 2021.

As set out in the 23 September Clarification Announcement, the CDL Group will continue to protect its rights as a creditor in relation to the repayment of outstanding loans extended by the CDL Group to HCP Chongqing Property Development Co (HK) Ltd and Chongqing Sincere Yuanchuang Industrial Co., Ltd.

By Order of the Board

Yeo Swee Gim, Joanne
Enid Ling Peek Fong
Company Secretaries
9 October 2021