

Announcement on

- (I) Incorporation of subsidiary, Choice Hospitality Investments Limited**
 - (II) Acquisition of interests in Shanghai Mamahome Co., Ltd.**
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The Board of Directors of City Developments Limited (“**CDL**” or the “**Company**”) wishes to announce that its wholly-owned subsidiary, CDL China Limited, has incorporated a wholly-owned subsidiary, Choice Hospitality Investments Limited (“**CHI**”) in Hong Kong on 19 July 2016.

CHI has since subscribed for a 20% interest in Shanghai Mamahome Co., Ltd. (上海中富旅居电子商务有限公司) (“**Shanghai Mamahome**”), the owner of a Chinese online apartment rental platform known as “mamahome”. As a one-stop solution for both apartment owners and rental customers, mamahome provides an online booking website, online management software, and other value-added services including housekeeping, renovation, 24-hour concierge and call centre. In addition, mamahome provides management for its own brands of serviced apartments: Suisse Place, Locca and Login.

The total investment for CHI's interest in Shanghai Mamahome is Renminbi One Hundred Million (RMB 100,000,000 or approximately S\$20.4 million based on an exchange rate of RMB4.89 to S\$1.00) (“**Investment**”), which will be invested in tranches, subject to the satisfaction and/or waiver of certain condition precedent for each tranche.

Following the subscription in the interests of Shanghai Mamahome by CHI, the registered capital of Shanghai Mamahome would be held jointly by Shanghai Chongfu Development & Investment Management Co., Ltd. (56%), E-House Capital (24%) and CHI (20%).

The amount of the Investment was determined taking into account the net assets attributable to Shanghai Mamahome, current market prices of comparable platforms and the Company's assessment of the earnings potential of the joint venture. The Investment would be funded via internal resources.

The investment in Shanghai Mamahome is not expected to have any material impact on the net tangible assets or earnings of the CDL Group for the financial year ending 31 December 2016.

None of the Directors or the controlling shareholders of the Company have any interest, direct or indirect, in the investment in Shanghai Mamahome.

Further information on the Group's investment in “mamahome” can be found in the Company's press release issued on 5 September 2016.

By Order of the Board

Enid Ling Peek Fong
Company Secretary
Date: 5 September 2016