

COMPLETION OF THE SALE OF PROPERTY BY CDL HOTELS (KOREA) LTD.

The Board of Directors (the “Board”) of City Developments Limited (“CDL” or the “Company”, and together with its subsidiaries, the “Group”) refers to the announcement made by the Company on 13 December 2021 (“Sale Announcement”) in relation to the sale of the Transferred Assets (as defined in the Sale Announcement) by its indirect wholly-owned subsidiary, CDL Hotels (Korea) Ltd. (the “Sale”).

The Board is pleased to announce that the Company, through CDL Hotels (Korea) Ltd. has completed the Sale for a total consideration of One Trillion One Hundred Billion Korean Won (KRW1.1 trillion or approximately S\$1.25 billion based on the exchange rate of KRW 0.00114 : S\$1.00), excluding value-added tax.

With the completion of the Sale, the Group will recognise an estimated gain in the income statement of approximately S\$528.83 million, net of estimated taxes and related transaction costs (“Estimated Gain”). S\$29.53 million of the Estimated Gain will be recognised in the financial year ended 31 December 2021 relating to a reversal of impairment losses on the property and recognition of tax losses that was previously not recognised. The balance Estimated Gain of S\$499.30 million will be recognised in the financial year ending 31 December 2022.

The Sale will also have a positive impact on the net asset value per share and the net gearing of the Group for the financial year ending 31 December 2022.

For illustration purposes, assuming the Sale was completed on 31 December 2021,

- i) the net asset value per share as at 31 December 2021 would have increased from S\$9.28 per share to S\$9.83 per share; and
- ii) the net gearing (after taking in fair value of investment properties) as at 31 December 2021 would have decreased from 61% to 55%.

By Order of the Board

Yeo Swee Gim, Joanne
Enid Ling Peek Fong
Company Secretaries
25 February 2022