

Announcement on the Group's investment in a Commercial Office Project in Shanghai's Hongqiao Central Business District in the People's Republic of China

The Board of Directors of City Developments Limited ("**CDL**" or the "**Company**") wishes to announce that the Company, through an indirect wholly-owned subsidiary of CDL China Limited, has entered into an equity transfer agreement (the "**Agreement**") in connection with the acquisition of a 100% equity stake in Shanghai Meidao Investment Co. ("**Shanghai Meidao**") (the "**Acquisition**"). Shanghai Meidao owns an office development project known as Meidao Business Plaza (the "**Project**" or "**Meidao Plaza**") located in Shanghai's Hongqiao Central Business District. The total transaction value of RMB 900 million (approximately S\$186 million)* for the equity as well as the loans, and which may be subject to further adjustment as set out in the Agreement, was arrived at on a willing buyer and willing seller basis.

Meidao Plaza, with total gross floor area (GFA) of approximately 32,300 sqm, is currently in its final stages of construction and is expected to be completed by 2H 2017. The Project comprises five 9-storey office towers and two levels of basement carpark with about 351 lots. Meidao Plaza is located very near to the Shanghai New Hongqiao International Medical Center with convenient access to the Hongqiao Transportation Hub (which includes Hongqiao International Airport and a network of railways) and the new National Exhibition and Convention Center.

Established by the Shanghai government in 2009 to promote the city's growth as an international trade centre, Hongqiao CBD covers an area of 86 square kilometres (sq km) and integrates the Changning, Minhang, Jiading and Qingpu districts. Its core area of 4.7 sq km is anchored by the massive Hongqiao Transportation Hub. Hongqiao CBD is one of the fastest growing business areas in Shanghai and will strengthen the connectivity between Shanghai and other key cities in the Yangtze Delta River Region as well as support the long term economic growth of the city.

The Acquisition 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 2017 and is expected to contribute to the CDL Group's future long-term recurring income streams. The Acquisition is expected to be funded via internal resources.

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

Further information on the Acquisition can be found in the Company's press release issued on 14 February 2017, which is attached to this announcement.

** Based on an exchange rate of RMB 4.84 to S\$1.00*

By Order of the Board

Shufen Loh @ Catherine Shufen Loh
Enid Ling Peek Fong
Company Secretaries
Date: 14 February 2017