

Announcement on

- (I) Incorporation of subsidiary, Shanghai Victory Star Investment Consulting Ltd**
 - (II) Acquisition of interests in Shanghai Puman Investment Management Limited and its subsidiaries**
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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 an indirect wholly-owned subsidiary, Shanghai Victory Star Investment Consulting Ltd ("**SVS**") in the People's Republic of China on 28 October 2014.

SVS has, on 10 December 2014, completed its acquisition of all the interest in Shanghai Puman Investment Management Limited ("**Puman**"). Puman has a wholly-owned subsidiary, Shanghai Xinshun Investment Management Limited, which in turn holds all the interest in Shanghai Jingwen Zhaoxiang Real Estate Limited ("**Jingwen**") (collectively "**Puman and its subsidiaries**"), all of which are incorporated in the People's Republic of China. The total consideration comprising the share acquisition of Puman and its subsidiaries and assignment of loans is approximately RMB 799 million (the "**Consideration**").

Jingwen, a project company, owns a luxurious completed development consisting of 120 residential units (the "**Property**") built on a 163,837 sqm parcel of land located in Qingpu District's affluent residential corridor. At the time of acquisition, 85 units comprising 35,732 sqm of Gross Floor Area remain unsold. The acquisition provides the Group with an opportunity to further expand its operations through the development and is in line with the Company's broader strategy to enhance its presence in the People's Republic of China.

The Consideration was arrived at on a willing buyer-willing seller basis and taking into account the net assets attributable to the shares of Puman, current market prices of comparable projects and the Group's assessment of the Property's earnings potential as well as the assumption of the outstanding loan (including interests thereon). The acquisition was funded via a combination of internal resources and debt.

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 2014.

None of the Directors or the controlling shareholders of the Company have any interest, direct or indirect, in the acquisition of Puman and its subsidiaries.

By Order of the Board

Enid Ling Peek Fong
Company Secretary

19 December 2014