

Millennium & Copthorne Hotels plc – Announcement on Impairment of Assets

The Board of Directors of City Developments Limited (“CDL” or the “Company”) refers to the attached announcement of Millennium & Copthorne Hotels plc (“M&C”), its listed subsidiary on the London Stock Exchange, issued on 12 February 2016 whereby M&C has announced that following its annual impairment testing, it expects to recognize a net charge of approximately £43 million against M&C’s pre-tax profits in its accounts for the year ended 31 December 2015 (“FY2015”). Further details of the net charge are set out in M&C’s announcement which is attached to this announcement.

The Company wishes to highlight that CDL continues to adopt its conservative policy of accounting for its investment properties and property, plant and equipment at cost less accumulated depreciation and accumulated impairment losses. M&C, on the other hand accounts for investment properties at fair value, and its property, plant and equipment (land and buildings) at cost, except as allowed under IFRS 1 transition rules, less depreciation and any provision for impairment.

The impact of the net impairment charge made by M&C on CDL Group’s Profit Attributable to Owners of the Company (referred as PATMI) for FY2015 is approximately S\$48 million.

After taking into account the net impairment charge, CDL still expects to remain profitable for FY2015. The Company will be announcing its unaudited financial results for FY2015 on 25 February 2016.

By Order of the Board

Shufen Loh @ Catherine Shufen Loh
Enid Ling Peek Fong
Company Secretaries

12 February 2016