



Investor Presentation
Possible offer for M&C shares not owned by CDL

November 2017



CITY DEVELOPMENTS LIMITED

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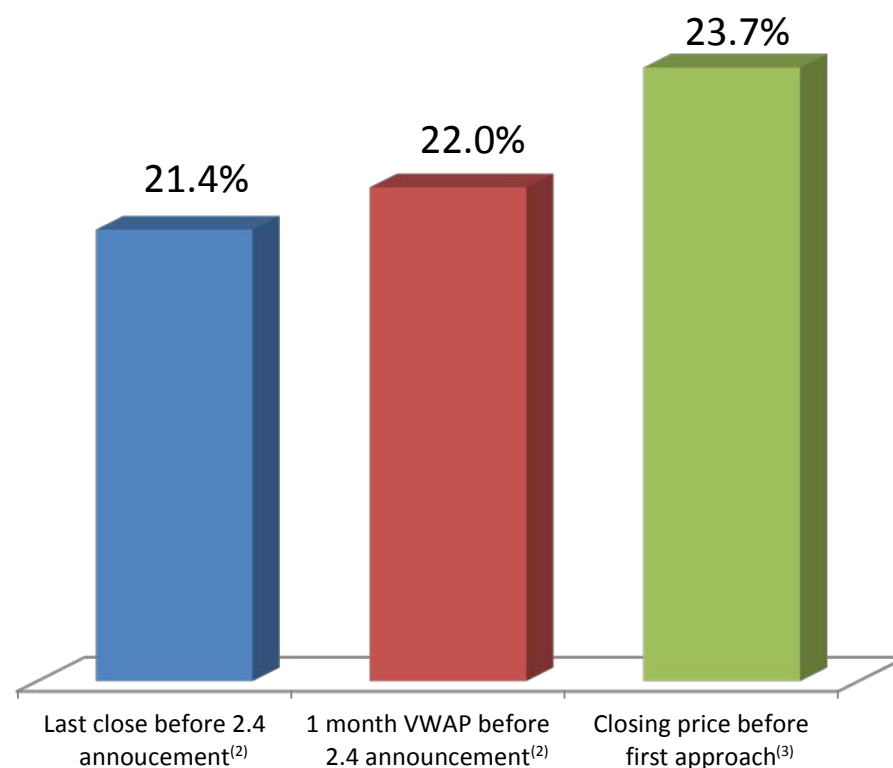


AN ATTRACTIVE PREMIA

POSSIBLE OFFER PRICE

Cash : 545.0 pence
Special dividend⁽¹⁾: 7.5 pence
552.5 pence

PREMIA ANALYSIS



(1) Special dividend payable to all M&C Shareholders upon the offer being declared wholly unconditional

(2) 2.4 Announcement was made on 9 October 2017

(3) First approach was made on 21 August 2017

Source: 2.4 announcement



WHY THE POSSIBLE OFFER?

M&C Challenges

- Intensifying competition from large-scale, asset light competitors
- Geopolitical instability
- Technology disruption
- Illiquid trading

CDL Challenges

- Volatile and cyclical residential development business
- Cooling measures in key gateway cities

Benefits of possible offer

- Ability to progress M&C's capital expenditure program with nimbleness and flexibility as a private entity
- Access to CDL's infrastructure, network, financial resources and execution capability
- Exit in cash in full

Benefits of possible offer

- M&C's recurring income which is a critical component to CDL's operating performance
- Buffer against volatility and cyclical nature of CDL's residential development business



Source: 2.4 announcement

MAINTAINING M&C'S OWNER AND OPERATOR TWIN STRATEGY

Organizational structure

- CDL intends to keep hotel and property development business operationally separate
- CDL has already established a separate standalone UK property development business

Difficulty in repositioning / redevelopment in key cities

- London restrictions on redevelopment:
 - Affordable housing component in new projects
 - Resistance to loss of hotel accommodation
 - Community infrastructure levies
 - Higher premia and ground rents payable to landowner
 - Rights to light by third parties
- New York moratorium on hotel conversions until 2019
- Singapore cooling measures
 - Qualifying Certificate penalty of 8% to 24% of land value of unsold units

M&C need to retain assets

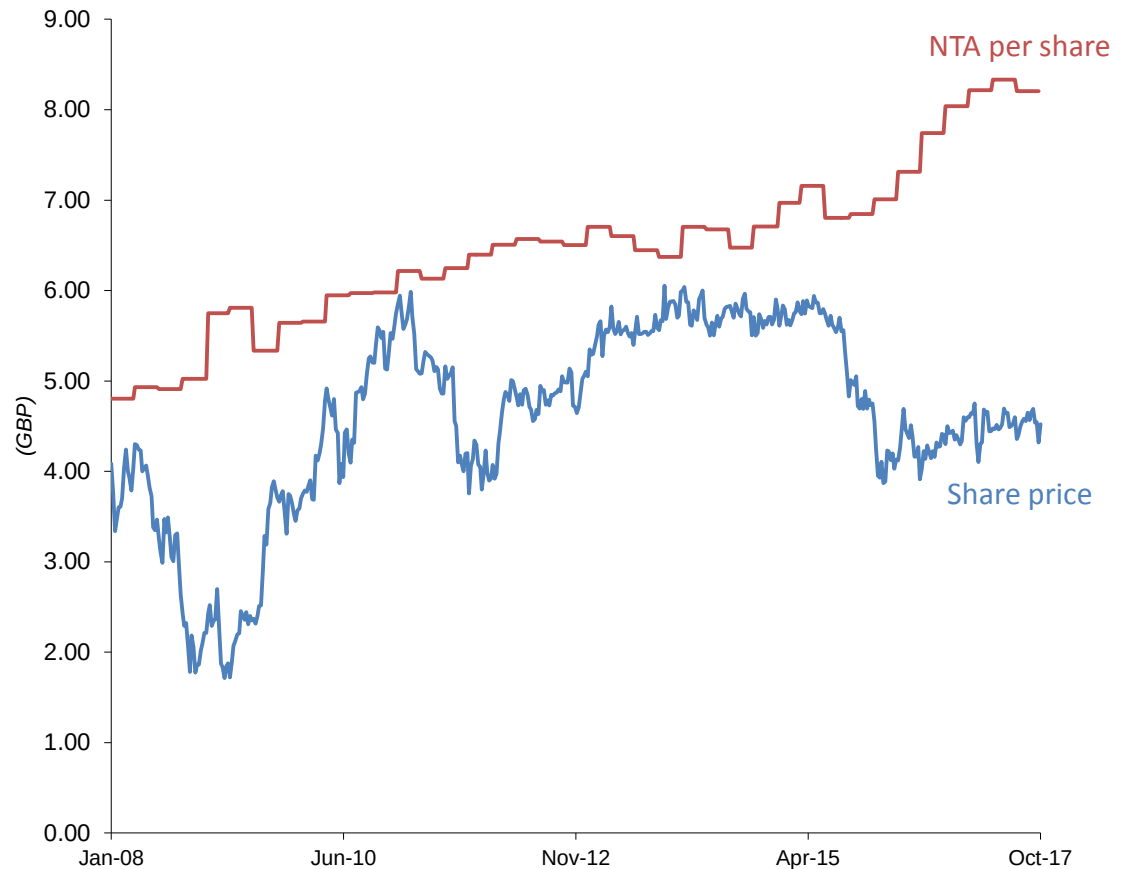
- M&C lacks scale to be asset light to compete vs larger competitors



Source: 2.4 announcement

NTA DOES NOT REPRESENT FAIR MARKET VALUE OF M&C AS HOTEL OPERATOR...

- M&C is valued on earnings, not NTA
- M&C has historically traded at a sizeable discount to reported net book value since 2008



Since 2008, M&C has consistently traded below its NTA

Source: FactSet as of 6 October 2017



M&C SHARE PRICE PERFORMANCE SINCE IPO



Source: FactSet as of 10 November 2017

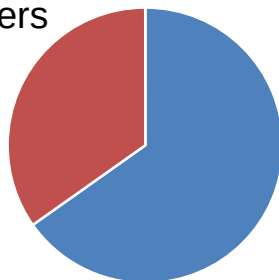


AN ALL-CASH POSSIBLE OFFER ALLOWS THE M&C SHAREHOLDERS TO REALISE VALUE OF THEIR INVESTMENT IN FULL AND IN CASH

552.5 pence
All cash

50%
Acceptance condition⁽¹⁾

Minority
Shareholders
34.8%



CDL
65.2%

22%
Premium to 1-month
VWAP

⁽¹⁾ Acceptance condition of (50% + 1) of M&C's independent shareholders
Source: 2.4 announcement

