

INCREASE IN SHAREHOLDING INTERESTS IN SUMMERVALE PROPERTIES PTE. LTD.

The Board of Directors of City Developments Limited (the “**Company**” or “**CDL**”), wishes to announce that on 5 July 2016, the Company, through its wholly-owned subsidiary, Sunmaster Holdings Pte. Ltd., completed the acquisition from Wing Tai Land Pte. Ltd. (“**WTL**”) of WTL’s entire shareholding interest (comprising fifty per cent (50%) of the total issued shares and shareholders’ loans) in Summervale Properties Pte. Ltd. (“**Summervale**”) (the “**Acquisition**”). Following the Acquisition, CDL increased its shareholding interest in Summervale from 50% to 100%.

Both the Company and WTL had considered various ways to optimise their interests in Summervale, which is the owner and developer of Nouvel 18, a prime development project (the “**Project**”), and agreed that the consolidation of the equity interests in Summervale under one party would provide flexibility for future plans relating to Summervale and the Project. The Acquisition was conducted in accordance with the terms of the Joint Venture Agreement dated 29 January 2010 between the parties, for an aggregate consideration of approximately SGD410.96 million. Funding for the Acquisition was through the internal resources of the CDL Group.

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 2016.

Nouvel 18 is a 156-unit freehold residential development project on an exclusive prime real estate site of approximately 112,098 square feet along Anderson Road, tucked away in a quiet enclave that is just a few minutes’ walk from Orchard Road. CDL is exploring ways to optimise and unlock the value of the Project, including via sales of individual units, bulk sales or a capital markets transaction.

None of the Directors or the controlling shareholder of CDL has any interest, direct or indirect, in the Acquisition.

By Order of the Board

Shufen Loh @ Catherine Shufen Loh
Enid Ling Peek Fong
Company Secretaries
Date: 5 July 2016