

DISPOSAL OF SHAREHOLDINGS IN EXCHANGE TOWER LTD

The Board of Directors of City Developments Limited (the “Company” or “CDL”), wishes to announce that Venus Real Estate Investments Limited (“Venus”), an indirect wholly-owned subsidiary of the Company, had on 16 August 2016 entered into an agreement (“Agreement”) with, SCCP REIT Company Limited (“SCCP”), Mr Suchad Chiaranussati and Wideachieve Holdings Limited, an indirect wholly-owned subsidiary of the Company, in connection with the proposed disposal by Venus of all of its interests in Exchange Tower Ltd (“ETL”), a company incorporated in Thailand.

SCCP is in the process of establishing a real estate investment trust in Thailand to be known as “Thailand Prime Property Freehold and Leasehold Real Estate Investment Trust” (“TPRIME”). Following the establishment of TPRIME, SCCP will designate TPRIME to purchase from all the shareholders of ETL all their shares in the share capital of ETL, comprising ordinary and preference shares pursuant to a share sale agreement (“SSA”) to be entered into between, *inter alia*, Venus and TPRIME, acting through KASIKORN Asset Management Co., Ltd., its trustee. TPRIME will acquire from Venus the 1,950,000 preference shares of THB 10 each owned by Venus (“Venus Shares”), representing 39.0% of the entire issued shares of ETL.

The total sale consideration for the Venus Shares of THB 4.8 billion (approximately S\$184 million) was arrived at after arm’s length negotiations and is receivable in cash upon completion of the sale and purchase of the shares, subject to further adjustments as mutually agreed with SCCP including, but not limited to, the settlement of outstanding external financing as well as loans extended by Venus.

The completion is subject to the fulfilment of the conditions precedent as set out in the Agreement and the SSA, which include, *inter alia*, obtaining the approval of the Securities and Exchange Commission of Thailand for the establishment of TPRIME with SCCP as its manager. Following the completion, CDL will cease to have any shareholding interests in the issued share capital of ETL. The Company will make a further announcement to inform shareholders upon the completion.

The disposal of the Venus Shares 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.

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

By Order of the Board

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

Date: 22 August 2016