

CREDIT RATING DOWNGRADE OF SINCERE PROPERTY RMB BONDS

The Board of Directors of City Developments Limited (“CDL”) wishes to inform that the Group has been made aware that China Lianhe Credit Rating Co., Ltd. has downgraded the issuer and the bond credit rating from AA to AA- for the following five corporate bonds issued by 重庆协信远创实业有限公司 (“Sincere Property”), a joint venture (JV) of the Group:

Bond Ticker	Names of Bond	Issue Date	Outstanding Bond Principal Amount (RMB)
136307.SH	16协信03	16 March 2016	652 million
136432.SH	16协信05	11 May 2016	561 million
136540.SH	16协信06	13 July 2016	838 million
136705.SH	16协信08	26 September 2016	540 million
150164.SH	18协信01	7 March 2018	444 million

The above five corporate bonds of Sincere Property, totalling approximately RMB 3.035 billion, will mature in 2021. The bond issues were made prior to the Group’s investment into Sincere Property in April 2020.

The credit rating downgrade has no impact on the Group’s borrowings as Sincere Property is a JV of the Group and the Group is not committed to the obligations of these bonds.

As at 31 December 2020, the Group’s total investment in Sincere Property stood at S\$1.8 billion. The Group has not provided any further liquidity support or corporate guarantees to Sincere Property since.

As announced on 21 January 2021, the Group stated that it has ring-fenced its current financial exposure to the investment in Sincere Property and will continue to strenuously protect its position.

The Group’s unaudited financial results for the full year ended 31 December 2020 will be announced on 26 February 2021 (before trading).

By Order of the Board

Enid Ling Peek Fong
Company Secretary

19 February 2021