

ASSET ACQUISITIONS AND DISPOSALS::ANNOUNCEMENT ON THE GROUP'S INVESTMENTS IN CHINA

Issuer & Securities

Issuer/ Manager

CITY DEVELOPMENTS LIMITED

Securities

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Announcement Details

Announcement Title

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Submitted By (Co./ Ind. Name)

Enid Ling Peek Fong

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

Please refer to the attached Announcement on the Group's Investments in: (1) Sincere Property Group, China and (2) Commercial Asset located in Hongqiao, Shanghai. The News Release titled "CDL Charts Next Phase of Growth in China" and presentation slides issued by City Developments Limited on 15 May 2019 are also attached for information.

Attachments

[1505 CDL Investment %20Ann.pdf](#)

[1505 CDL Investment News%20Release.pdf](#)

[1505 CDL Investment Presentation.pdf](#)

Total size =5475K MB

Announcement on the Group's investments in:

- 1. Sincere Property Group, China**
 - 2. Commercial Asset located in Hongqiao, Shanghai**
-

1. INTRODUCTION

The Board of Directors of City Developments Limited (“**CDL**” or the “**Company**”, and for purposes of this announcement, the “**Group**” refers to CDL and its subsidiaries) wishes to announce that the Group:

- has entered into a series of agreements with the key party being HCP Chongqing Property Development Co Ltd (“**HCP**”), the indirect controlling shareholder of 重庆协信远创实业有限公司 (“**Sincere Property Group**” or “**Sincere**”) as part of a strategic partnership with Sincere (the “**Sonic Transaction**”). The Sonic Transaction involves an equity and debt arrangement of up to a total amount of RMB 5.5 billion (approximately S\$ 1.1 billion¹);
- has entered into an agreement with Sincere, to secure a call option to acquire a 70% stake in Shanghai Hongqiao Sincere Centre (Phase 2) (上海虹桥协信中心(二期)), a commercial asset located at Hongqiao, Shanghai comprising office, serviced apartment and retail components (the “**Hongqiao Property**”) for RMB 1.2 billion (approximately S\$ 247 million) (the “**Hongqiao Transaction**”).

The Sonic Transaction and the Hongqiao Transaction are collectively known as the “**Transactions**” in this Announcement.

2. THE TRANSACTIONS

Sonic Transaction

The Sincere Property Group is an established real estate developer in the People's Republic of China with a full set of development and asset management capabilities across different sectors, including residential, retail, office, serviced apartment, business park and large-scale mixed-use development. Ranked as one of the Top 100 Developers in China, Sincere has a development land bank of 12.6 million square metres (sqm) with 70 development projects across 20 cities in China as of 31 December 2018. Sincere has a full spectrum of residential projects ranging from high-end to mass market which include villas as well as low- and high-rise condominiums. It also has more than 15 business parks, which are under development or in operation, with a total gross floor area (GFA) over 5 million sqm. Sincere also owns and/or operates a substantial portfolio of investment properties in China, including 14 retail malls with a GFA of about 700,000 sqm, two serviced residences with 536 apartments and five hotels with approximately 1,400 rooms.

The Group has extended an interest-bearing loan in the amount of RMB 2.75 billion (the “**Initial Tranche**”) to HCP, part of which will be converted into equity upon completion with the other part continuing as a loan. A further injection of RMB 2.75 billion will be made at that stage and together with the Initial Tranche, will collectively form the total investment amount of RMB 5.5 billion (the “**Sonic Investment Amount**”). The Sonic Investment Amount will comprise new shares subscription in HCP and a 4-year interest-

¹ All S\$ equivalent amounts set out in this announcement are based on an exchange rate of RMB 4.95 to S\$ 1.

bearing loan to HCP, the allocation of which is subject to adjustments and will be finalised upon completion. Loans extended from the Group under the Sonic Transaction are secured against share charges in the relevant Sincere-related entities.

Upon completion of the investment, the Group will hold a 29.9% equity interest in HCP and through HCP and its subsidiary, an approximate 24% effective equity stake in Sincere. Completion of the Sonic Transaction is subject to various conditions precedent, including further adjustment of Sincere's onshore shareholding structure and completing or obtaining any required governmental and regulatory reviews and approvals in China. The investment is expected to be completed by the fourth quarter of 2019.

The Sonic Investment Amount was agreed on a willing buyer willing seller basis, taking into account the combined enterprise value of Sincere. As at 31 December 2018, the audited financial statements of Sincere reported a net asset value of RMB 16 billion after taking into account the debts and minority interest.

Hongqiao Transaction

Located in Shanghai's Hongqiao Central Business District (CBD) and within a 10-minute drive to one of China's most important transportation hubs which consists of an international airport, railway and subway stations. The Hongqiao Property has a GFA of 35,739 sqm spread across 11 blocks comprising offices, serviced apartments, a retail component and a basement carpark with 384 lots.

The Group will acquire an effective 70% stake in the Hongqiao Property for RMB 1.2 billion (equivalent to S\$ 247 million) or approximately RMB 49,000 per sqm. As at 31 March 2019, the Group has extended loans in the aggregate amount of RMB 526 million to Sincere. Upon exercising the call option under the Hongqiao Transaction, the Group will hold an effective 70% stake in the Hongqiao Property. This acquisition is expected to be completed by the third quarter of 2019.

3. FINANCIAL IMPACT

The aggregate investment amount for both Transactions is RMB 6.7 billion (approximately S\$ 1.36 billion) and as at 31 March 2019, RMB 3.3 billion (approximately S\$ 662 million) has been extended in the form of debt. As mentioned above, part of this debt will eventually be converted into equity upon completion of the Sonic Transaction.

For illustrative purposes only, the financial effects of the Sonic Transaction on the earnings per share ("**EPS**") of the Group, are determined based on (i) the consolidated financial statements of the Group for the financial year ended 31 December 2018, being the most recently completed financial year for which audited financial statements are available as at the date of this Announcement, and (ii) the HCP consolidated group results that were derived from the audited accounts of Sincere for the financial year ended 31 December 2018.

The proforma financial effects on the consolidated EPS of the Group, assuming the Sonic Transaction had been effected on 1 January 2018, are as follows:

	Before the Sonic Transaction	After the Sonic Transaction
EPS	59.9 cents	57.3 cents

Notably, the financial effects are based on estimates on the purchase price allocation to the assets of Sincere Property Group, and estimated depreciation on the investment properties held by Sincere for alignment to the Group's accounting policy of depreciating its investment properties vis-a-vis the fair value model. The drop in proforma EPS is largely due to the alignment of accounting policy for its investment properties, where the fair value surplus is reversed, coupled with estimated depreciation for the investment properties.

There is no impact on the Group's net asset value (NAV) as at 31 December 2018, based on the proforma financial effects.

The financial effects of the Hongqiao Transaction are not material and not meaningful, as construction of the property was completed only in late 2017 and leasing activities only commenced in mid 2018.

The investments will be funded through internal cash resources and credit facilities available to the Group.

4. RATIONALE AND BENEFITS OF THE TRANSACTIONS

The Transactions offer the opportunity for the Group to partner with Sincere Property Group, a prominent real estate developer in China with more than 20 years' track record, and to acquire a meaningful stake in an established platform at an attractive valuation. Furthermore, it allows for a sizable expansion of the Group's footprint in China, increasing the Group's geographical presence to 20 cities in China and growing the asset allocation in China from 9% to 15%. Leveraging on Sincere's development and asset management capabilities, local expertise and wide geographical presence in China, the strategic partnership will allow the Group to significantly boost its scale and accelerate its growth in the huge China market with a substantial portfolio and pipeline of development projects and investment properties.

Sincere Property Group's capabilities in the retail, business park and serviced apartment sectors will also enhance and deepen CDL's expertise in China. There is also potential to develop fund management platforms via Sincere's existing portfolio and through new acquisitions.

The investment in the Hongqiao Property is also in line with CDL's focus on enhancing recurring income.

5. None of the Directors or the controlling shareholders of CDL has any interest, direct or indirect in the above Transactions.

By Order of the Board

Shufen Loh @ Catherine Shufen Loh
Enid Ling Peek Fong
Company Secretaries
15 May 2019

Further information on the investments can be found in the Company's news release titled "**CDL charts next phase of growth in China**" issued on 15 May 2019, a copy of which is attached to this announcement.



**CITY
DEVELOPMENTS
LIMITED**

News Release

15 May 2019

CDL CHARTS NEXT PHASE OF GROWTH IN CHINA — ENTERS INTO TRANSFORMATIONAL RMB 5.5 BILLION DEAL

- **CDL's single largest investment in China to date**
- **Expands CDL's geographical presence in China from 3 to 20 cities**
- **Increases CDL's portfolio allocation in China from 9% to 15%**
- **Access to a substantial landbank of 12.6 million sqm GFA across 70 development projects**
- **Broadens CDL's asset classes in China to include business parks and serviced apartments**
- **Invests another RMB 1.2 billion for a 70% stake in a prime Shanghai commercial property**

City Developments Limited (CDL) has entered into agreements to invest in Sincere Property Group (Sincere, or 协信远创), an established real estate developer in China. The investment consideration, comprising share subscription and a four-year interest-bearing loan, the allocation of which is subject to adjustments and will be finalised upon completion, amounts to a total of RMB 5.5 billion (approximately S\$ 1.1 billion)¹.

Subject to various conditions precedent, including further adjustment of Sincere's onshore shareholding structure and completing or obtaining any required governmental and regulatory reviews and approvals in China, the investment is expected to be fully completed by Q4 2019. Upon completion, CDL will indirectly hold an approximately 24% effective equity stake in Sincere via its offshore investment vehicle, making CDL the second largest shareholder after Sincere's Founder and Chairman, Mr Wu Xu. CDL will have representation on Sincere's Board at both offshore and onshore levels and have the right to participate in key decision making.

In addition, CDL has entered into an agreement with Sincere to acquire a 70% stake in Shanghai Hongqiao Sincere Centre (Phase 2) (上海虹桥协信中心(二期)) (Hongqiao Property), a prime commercial property in the heart of Shanghai's Hongqiao Central Business District (CBD), for RMB 1.2 billion (approximately S\$247 million), equivalent to about RMB 49,000 per square metre (sqm). Spreading across 11 blocks, the Hongqiao Property has a Gross Floor Area (GFA) of 35,739 sqm comprising offices, serviced apartments, a retail component and a basement car park with 384 lots. This investment is expected to be completed by Q3 2019.

The investments in Sincere and Hongqiao Property will be funded through internal cash resources and credit facilities.

Strategic transformational investment into Sincere

With over 20 years of track record, Sincere is ranked as one of China's Top 100 Developers by China Real Estate Association (中国房地产业协会) and one of China's Top 10 Business Park Developers and Operators by Guandian (观点地产). Sincere has a full set of development and asset management capabilities across different sectors, including residential, retail, office,

¹ Based on an exchange rate of RMB 4.95 to S\$1

serviced apartment, business park and large-scale mixed-use development. Sincere's geographical presence in China spans 20 cities including key Tier 1 and Tier 2 cities where it employs over 1,800 professionals.

Sincere has a full spectrum of residential projects ranging from high-end to mass market which include villas as well as low- and high-rise condominiums. It also has more than 15 business parks, which are under development or in operation, with a total GFA over 5 million sqm.

Sincere also owns and operates a substantial portfolio of investment properties in China, including 14 retail malls with a total GFA of about 700,000 sqm, two serviced residences with 536 apartments and five hotels with approximately 1,400 rooms.

Sincere's contracted sales grew at a compounded annual growth rate of 47% from RMB 9.9 billion (approximately S\$2 billion) in 2016 to RMB 21.3 billion (approximately S\$4.3 billion) in 2018.

Mr Sherman Kwek, CDL's Group Chief Executive Officer, said, "Rapid urbanisation, economic growth and rising disposable incomes will continue to drive demand for real estate in China. This transformational deal is CDL's single largest investment in China to date. It is a rare opportunity to acquire a meaningful stake in an established platform at an attractive valuation. This game-changing initiative will drive CDL's next phase of growth in this important market."

"Leveraging Sincere's development and asset management capabilities, local expertise and wide geographical presence in China, CDL will be able to significantly boost its scale and accelerate its growth in this huge market with a substantial portfolio and pipeline of development projects and investment properties. Sincere's capabilities in retail, business parks and serviced apartments will also enhance and deepen CDL's expertise in China. Moreover, there is tremendous potential to develop fund management platforms via Sincere's existing portfolio and through new acquisitions."

Mr Wu Xu, Sincere's Founder and Chairman, said, "Since our founding in 1999, Sincere has built a strong presence and reputation in China. CDL's investment and support will be instrumental in accelerating Sincere's growth as we continue to increase our land bank and pipeline of properties with the aim of achieving even stronger sales growth."

"This strategic partnership also brings together Sincere's deep local capabilities and CDL's extensive international expertise. Our combined strengths will not only give our joint venture a distinct advantage in property development and asset management but also open doors to further growth opportunities, such as tapping CDL's experience and networks to jointly explore fund management initiatives."

Accelerate the growth of CDL's portfolio in China

The deal will expand CDL's geographical presence in China from three to 20 cities and increase CDL's portfolio allocation in China from 9% (as at 31 December 2018) to 15% (post acquisition). CDL will be able to achieve scale and attractive returns through immediate access to an enlarged portfolio and pipeline as well as potential joint venture (JV) opportunities for acquisitions in China's Tier 1 and Tier 2 cities.

Healthy future revenue recognition can also be expected. As of end 2018, there is an accumulated pre-sold value of approximately RMB 24 billion (S\$ 4.9 billion) which is expected to be booked as revenue for Sincere in 2019 to 2021 upon property handover. Furthermore, Sincere has a substantial landbank of 12.6 million sqm GFA across 70 development projects.

Enhance and deepen CDL's expertise

Following the investment in Sincere, CDL's expertise in China will be significantly enhanced. CDL's existing platforms and investments in the residential, office, retail, apartment rental and hotel sectors will be supplemented by Sincere's expertise in managing retail, business parks and serviced apartments.

Combine local and international capabilities

Leveraging on an enlarged resource pool, CDL will benefit from Sincere's sizable team with strong local execution capabilities. With Sincere's local networks and partnerships coupled with CDL's international expertise and capital markets connections, the two companies will achieve a significant competitive edge.

There is also potential to develop fund management platforms via Sincere's existing portfolio and through new acquisitions.

For CDL's investment in Sincere, The Hongkong and Shanghai Banking Corporation Limited acted as the financial advisor and Fangda Partners as the legal advisor.

Phase 2 of Shanghai Hongqiao Sincere Centre

The investment in the Hongqiao Property is in line with CDL's focus on enhancing recurring income. The prime commercial property is strategically located in the heart of Shanghai's Hongqiao CBD and within 10 minutes' drive to one of China's most important transportation hubs which consists of an international airport, railway and subway stations. It is also within 15 minutes' drive to the Shanghai National Exhibition and Convention Center. Notable projects nearby include Alibaba's Regional Headquarters, Vanke Centre and Longfor Paradise Walk.

Spreading across 11 blocks comprising offices, serviced apartments, a retail component and a basement carpark with 384 lots. Stabilised net operating income yield is approximately 4%.

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**CITY
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LIMITED**

Trusted
Since
1963

Charting the Next Phase of Growth in China

15 May 2019

Agenda I

- **Strategic Investment into Sincere Property Group**
- **Sincere – One of China's Top 100 Developers**
- **Financial Impact**
- **Charting the Next Phase of Growth in China**





**Strategic Investment
into Sincere
Property Group**

Investment Overview



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Proposed Transaction

- City Developments Limited (CDL) entered into agreements to acquire an effective equity stake of approximately 24% in Sincere Property Group (Sincere)

Sincere

- An established real estate group with over 20 years' track record
- One of China's Top 100 Developers¹
- One of China's Top 10 Business Park Developers and Operators²
- Sizable contracted sales of RMB 21.3 billion (S\$ 4.3 billion³) in 2018

Investment Consideration

- Total consideration of RMB 5.5 billion (S\$ 1.1 billion)
- Comprises share subscription and a 4-year interest bearing loan⁴

Timeline

- Stage 1 was completed in the form of a loan
- Stage 2 comprises share subscription and loan, expected to be completed by Q4 2019

Separate Asset Acquisition

- Acquire 70% stake of a prime commercial asset from Sincere for RMB 1.2 billion (S\$ 247 million)⁵
- Target asset is Shanghai Hongqiao Sincere Centre (Phase 2)
- Completion expected by Q3 2019

Notes:

1. 2019 Ranking by China Real Estate Association (中国房地产业协会)
2. 2019 Ranking by Guandian (观点地产)

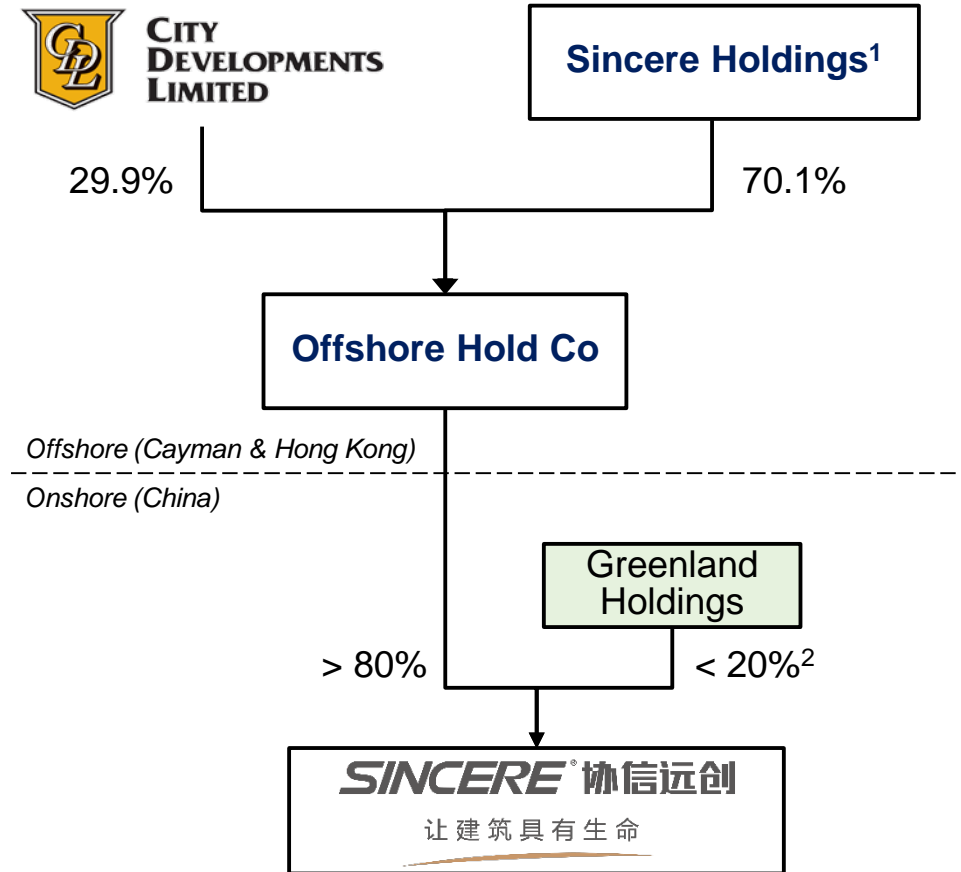
3. Exchange rate used is S\$1 : RMB 4.95

4. Part of the loan will be converted to equity at Stage 2 completion

5. On 100% basis, the property value is RMB 1.75 billion (S\$ 354 million)



Post Completion Investment Structure



CDL's Effective Equity Stake³ in Sincere will be approximately **24%**, becoming second largest shareholder after its founder

CDL will have Board Representation at both offshore and onshore levels, and will have rights to participate in key decision making

Notes:



1. Sincere Holdings is 100% owned by the founder and chairman, Mr Wu Xu
2. Percentage is subject to further discussion with Greenland Holdings
3. 24% effective shareholding is calculated based on offshore x onshore stake (29.9% x ~80%)



Investment Rationale

A transformational investment to accelerate growth in China

- 1 Attractive Price**

 - Acquisition at attractive entry price for CDL
 - Entered into the investment at an opportune time
- 2 Immediate Scale**

 - Expand geographical presence from 3 to 20 cities in China
 - Increase CDL's global portfolio allocation in China from 9% to 15%
- 3 Growth Potential**

 - Access to pipeline of 70 development projects with land bank of 12.6 million sqm
 - More than 90% of the land bank in Tier 1 and 2 cities
 - Broaden asset classes to include business parks and serviced apartments
- 4 Strategic Fit**

 - Sincere provides local capabilities with over 1,800 professionals across 20 cities
 - CDL contributes international expertise and capital markets connections to help Sincere tap international and resources



Acquisition of Sincere's Prime Asset in Shanghai

Acquire 70% Stake of Shanghai Hongqiao Sincere Centre (Phase 2)

- In addition to the platform investment, CDL has entered into agreement to acquire 70% stake in one of Sincere's prime commercial assets in Shanghai
- Strategically located in the heart of Hongqiao CBD and within 10 minutes' drive to one of China's most important transportation hubs which consists of Hongqiao Airport, Railway and Subway Stations

Transaction Value

RMB 1.2 billion¹

or

RMB 49,000 psm

Stabilised NOI Yield

~ 4%

GFA

35,739 sqm

Property Type

11 blocks

Comprising office,
a 132-room serviced apartment,
retail on ground floor and carpark



Notes:

1. CDL's investment is RMB 1.2 billion for 70% stake. On 100% basis, the property value is RMB 1.75 billion

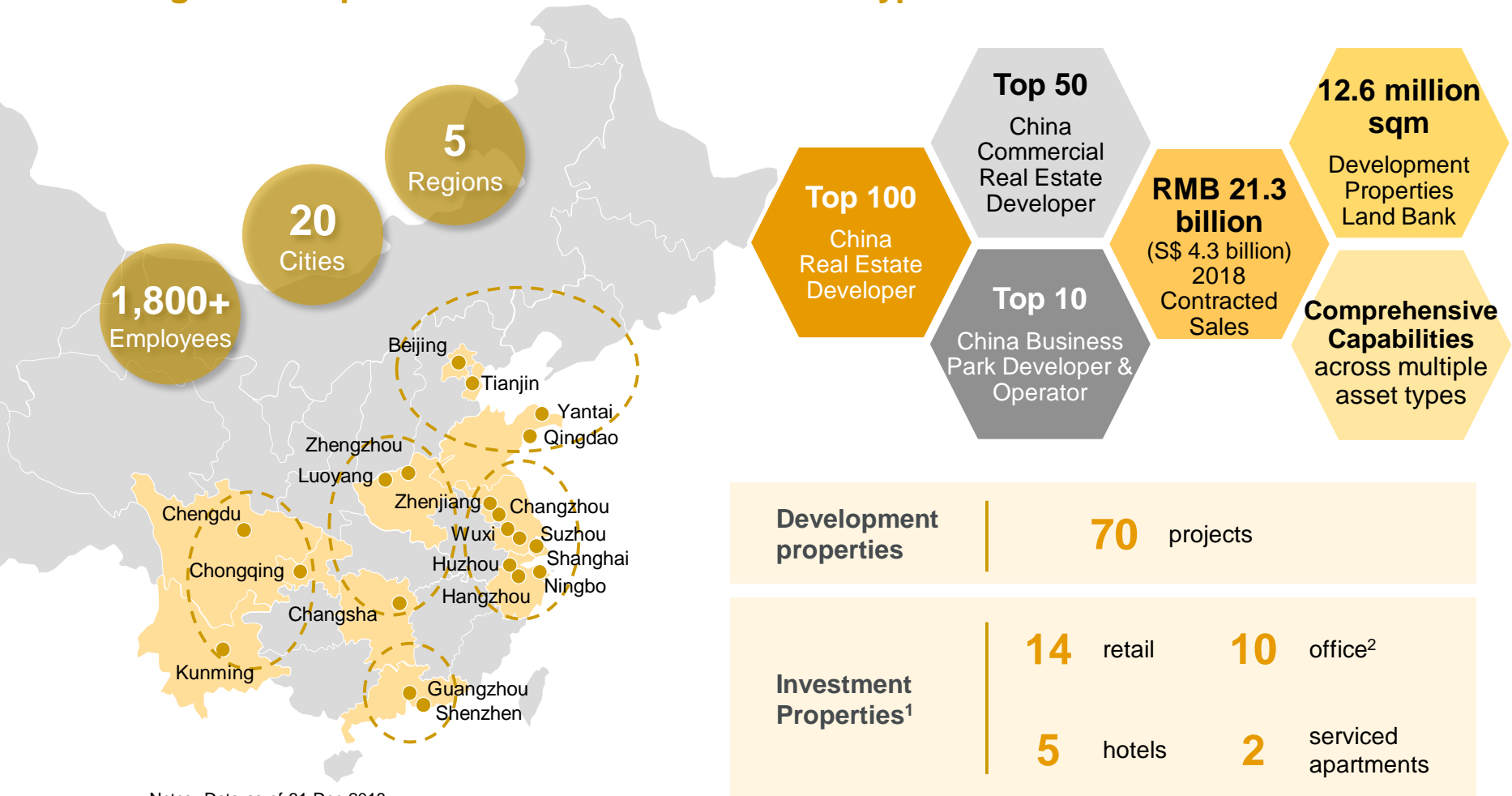




Sincere
One of China's Top 100
Developers

Overview of Sincere

An established real estate developer with comprehensive development and asset management capabilities across different asset types



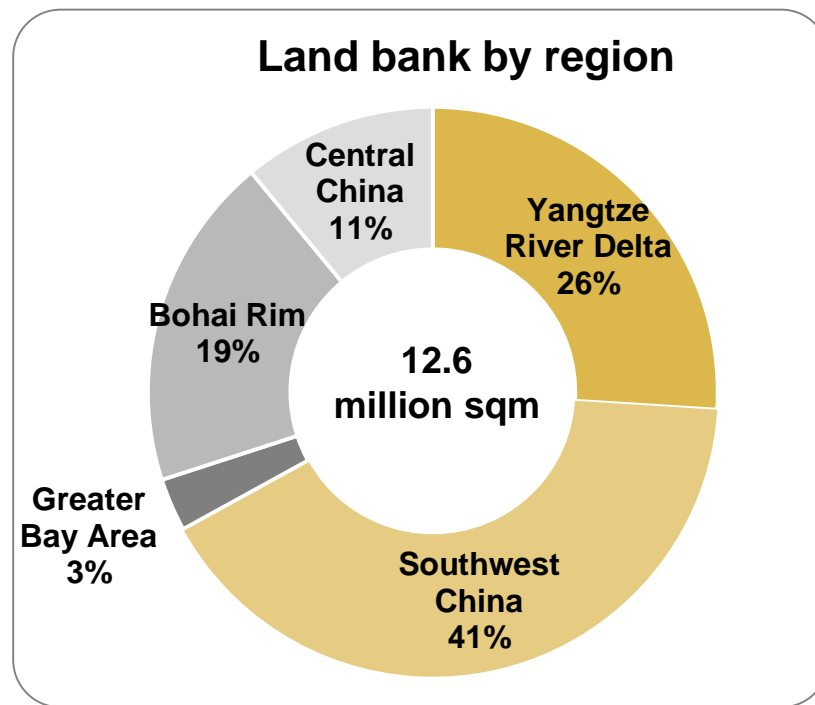
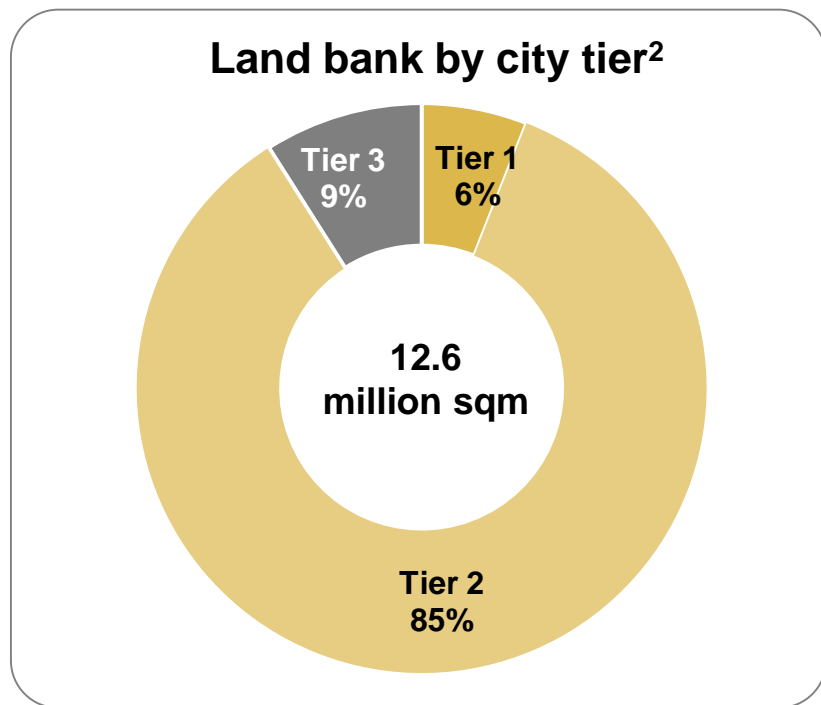
Notes: Data as of 31 Dec 2018

1. Includes both in operation and under development
2. Includes 2 self-use offices in Shanghai and Chongqing



Substantial Land Bank to Support Future Growth

- Over 90% of land bank¹ located in Tier 1 and 2 cities
- 45% of land bank in developed regions of Yangtze River Delta and Bohai Rim
- 55% in fast growing Southwest China (mostly Chengdu & Chongqing), Greater Bay Area and Central China



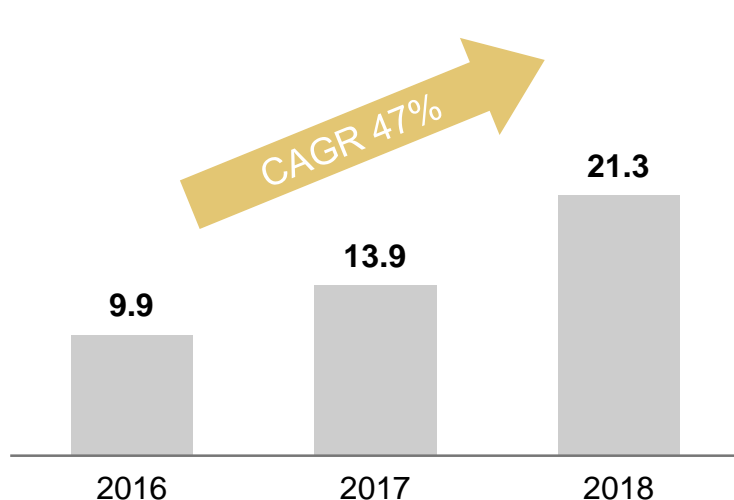
Notes: Data as of 31 Dec 2018

1. Total land bank equals to the sum of (i) total GFA available for sale for completed properties, (ii) total GFA for properties under development, and (iii) total GFA for properties held for future development; GFA available for sale of completed projects refers to the saleable GFA pre-sold/unsold
2. Tier 1 cities where Sincere has presence include Beijing, Shanghai, Guangzhou, Shenzhen; Tier 2 cities include Tianjin, Chongqing, Chengdu, Zhengzhou, Qingdao, Yantai, Suzhou, Hangzhou, Wuxi, Ningbo, Changsha, Kunming, Changzhou; Tier 3 cities include Huzhou, Zhenjiang, Luoyang

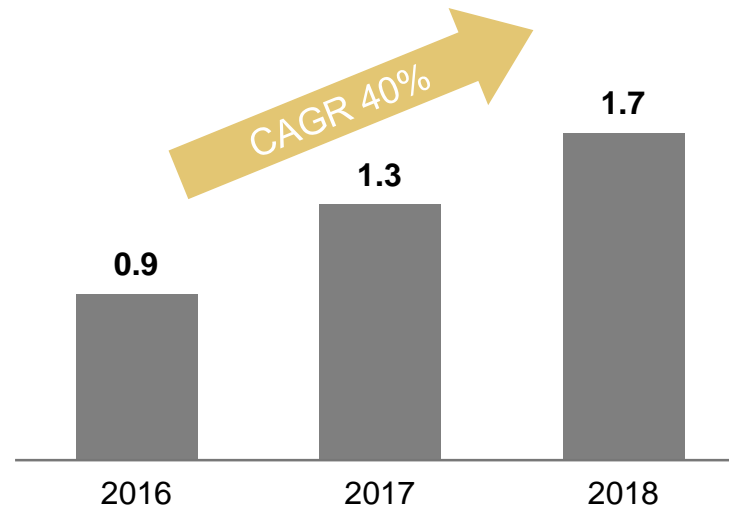


Rapid Growth in Contracted Sales to Achieve Scale

Contracted sales (RMB billion)



Contracted GFA (million sqm)



- 47% and 40% of CAGR from 2016-2018 for contracted sales and contracted GFA, respectively
- Strong momentum supported by expanding business and growing land bank



Wide Range of Residential Development Products

Full spectrum ranging from high-end to mass market (including villa, low-rise and high-rise residential apartments)



Sincere Arcadia, Chongqing
(High-end villa)
重庆协信·阿卡迪亚

MAIN PRODUCT LINES

High-end



Jinglan Peak, Chongqing
重庆敬澜山



Xingluyuan, Chengdu
成都星鹭原

Mid to high-end



Xingyue, Huzhou
湖州协信星悦



Tianjiao, Qingdao
青岛天骄观澜国际

Mass market



Xinglanhui, Changsha
长沙星澜汇



Tianyujaoyuan, Wuxi
无锡天谕骄园



Growing Retail Portfolio

Established platform covering retail property development, management and operation

- 7 retail malls in operation (GFA ~400,000 sqm) and 7 under development (GFA ~300,000 sqm)
- Further expansion via third party management contracts



High-end shopping mall



Starlight 68 (Phase 1),
Chongqing
重庆星光68 (一期)



Starlight 68 (Phase 2 under
development), Chongqing
重庆星光68 (二期)

Mid to high-end urban fashion shopping mall



Shibei Starlight Plaza,
Shanghai
上海市北星光广场



Yongchuan Starlight Plaza,
Chongqing
重庆永川星光广场



Nanping Starlight Place,
Chongqing
重庆南坪星光时代广场

Quality community shopping mall



Yubei Starlight World,
Chongqing
重庆渝北星光天地



Daping Starlight World,
Chongqing
重庆大坪星光天地



Starlight Walk,
Qingdao
青岛星光里



Leading Business Park Developer & Operator

Ranked Top 10 Business Park Developer and Operator in China¹



- Tusincere was jointly incorporated by **Sincere** and **Tus Holdings** in 2015
- **Tus Holdings** (启迪控股), is a leading science and technology investment holdings group, leveraging on the network and resources from its parent company, Tsinghua University
- Mixed developments comprising office, residential, retail and research spaces



Shenzhen Tech Park

启迪协信深圳科技园

- Total GFA: 800,000 sqm
- Target high-tech industries



Shanghai Chint Tus Harbor

上海正泰启迪智电港

- Total GFA: 200,000 sqm
- Positioned as a centre for high-end manufacturing



Wuxi Tusincere City

启迪协信无锡科技城

- Total GFA: 1.0 million sqm
- Target high-tech industries



Hangzhou Tusincere City

启迪协信杭州科技城

- Total GFA: 1.8 million sqm
- Positioned as an industrial cluster for digital information, life science and culture innovation

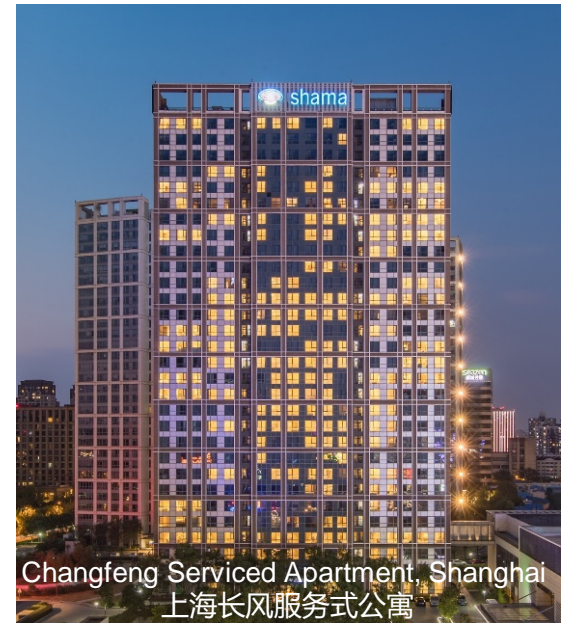


Note: 1. Rating by Guandian in 2019

Wide Range of Serviced Apartments

Includes high-end luxury to mass market projects

- 2 self-owned serviced apartments in Shanghai with 536 rooms commenced operations in 2018
- 6 assets secured with master lease / management contracts in Q1 2019
- Pipelines in discussion for further expansion



Ongoing Plans to Open New Hotels by 2021

Target to hit ~1,400 hotel room keys

1

Chongqing Jiangbei Doubletree by Hilton

In operation since Nov 2011



- Location: Chongqing Jiangbei Guanyinqiao CBD
- No. of rooms: 284

2

Chengdu Hilton Hotel

In operation since Feb 2019



- Location: Chengdu Fuqin Road, Chenghua District
- No. of rooms: 298

3

Chongqing YongChuan Hotel

To be opened by 2019



- Location: Chongqing Yongchuan District
- No. of rooms: 135

4 5

2 luxury hotels, Zhengzhou New CBD

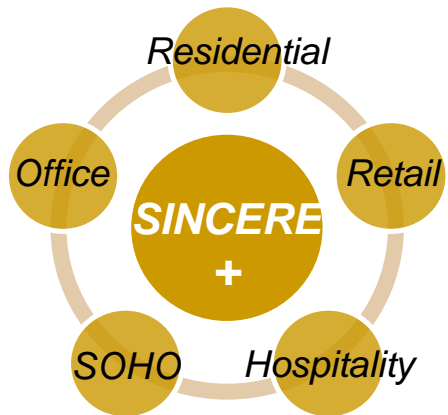
To be opened by 2021



- Location: Zhengdong New District, Zhengzhou
- No. of rooms: 680 in total for 2 hotels



Integrated Capabilities through “Sincere+”



- Full suite of development capabilities in different sectors
- Experienced in large-scale mixed development
- Wide collaboration with strategic partners



Zhengzhou Financial Island

- Helmed as the new CBD of Zhengzhou and future financial centre of Central China
- Sincere’s joint venture is the major developer for the island, currently working on developments with GFA of 2.6 million sqm¹
- Comprises offices, serviced apartments, hotels and a retail component²

Notes:

1. Sincere’s joint venture entity owns GFA of 1.2 million sqm (12 land parcels). Sincere is also development manager for an additional GFA of 1.4 million sqm (10 land parcels)
2. Sincere will manage and operate the retail mall upon completion of project





Financial Impact |

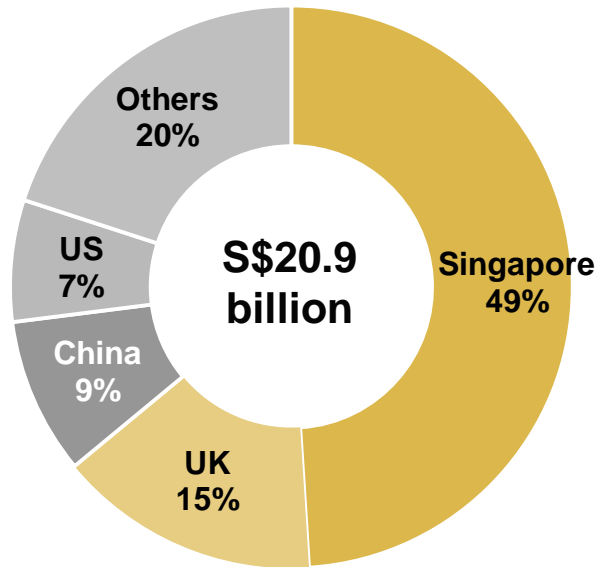


CDL's Global Portfolio Allocation

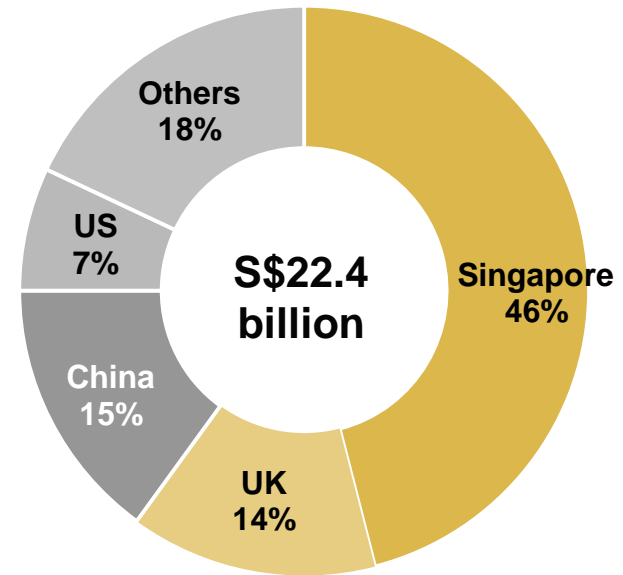
Deepening presence in China market with reasonable allocation increase

- From 9% before acquisition to 15% post acquisition

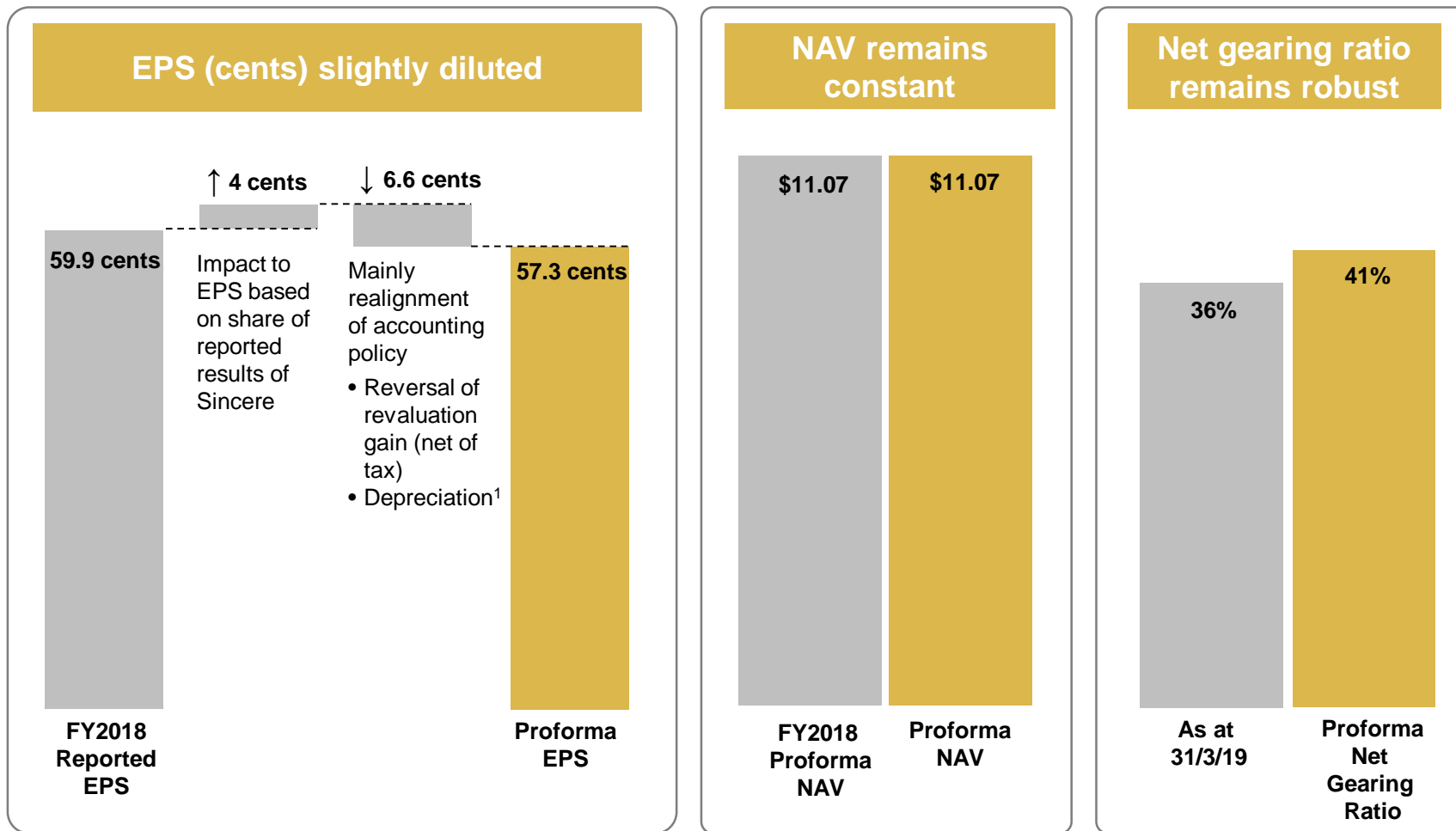
Before Acquisition (FY 2018)



Post Acquisition (Proforma)



Proforma Financial Impact to CDL Group



Note:

1. Depreciation is based on estimation of the Purchase Price Allocation (PPA) to the assets of Sincere. Detailed PPA will be carried out upon completion.

Healthy Future Revenue Recognition from Sincere

Pre-sold approximately RMB 24 billion (S\$ 4.85 billion) as of end 2018, to be booked as revenue for Sincere from 2019 to 2021 upon property handover



Notes: Images are artist's impressions

1. Include the sales of both residential and commercial GFA

Transaction Advisors

Financial Advisor



Legal Advisor

FANGDA PARTNERS
方達律師事務所





**Charting the
Next Phase of Growth
in China**



Alignment with CDL Group GET Strategy

Accelerate Transformation of Asset Portfolio and Business Operations for Growth

Growth
Enhancement
Transformation



Growth

- Build development pipeline & recurring income streams

Enhancement

- Enhance asset portfolio
- Drive operational efficiency



Transformation

- Transform business via new platforms:
Strategic Investments,
Fund Management,
Innovation &
Venture Capital



Driving the Next Phase of Growth in China



1

Accelerate Growth of CDL's Portfolio in China

2

Enhance and Deepen CDL's Expertise

3

Combine Local and International Capabilities



1

Accelerate Growth of CDL's Portfolio in China

Achieve scale and attractive returns through immediate access to enlarged portfolio as well as potential JV opportunities in Tier 1 & 2 cities

Current Presence
(Pre acquisition)

Expanded Future Access
(Post acquisition)

- Residential
- Office
- Retail
- Hotel
- Serviced apartment
- Business park

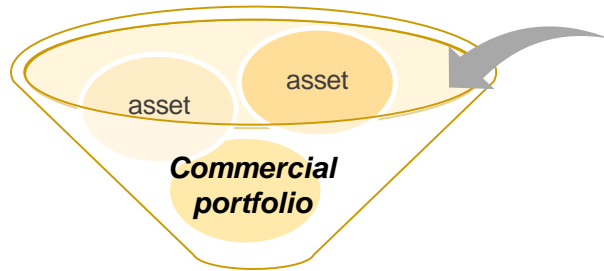
- 5** Key regions
- 20** Core cities
- Multiple** Asset types



1

Accelerate Growth of CDL's Portfolio in China

Through opportunities from development pipeline and market acquisition



- Identify opportunities with attractive value (e.g. during development stage)
- Seek value added opportunities
- Focus on Tier 1 and key Tier 2 cities

Existing Portfolio



Hong Leong City Centre, Suzhou

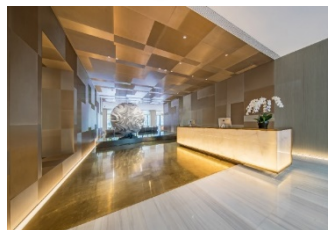


Yaojiang International, Shanghai



Hong Leong Plaza, Shanghai

Recent Acquisition



Hongqiao Sincere Centre (Phase 2), Shanghai¹

Potential Future Collaboration



Xinhua Sincere Centre, Chongqing



Sincere Centre, Qingdao



Nanping Starlight Place, Chongqing



Shibe Starlight Plaza, Shanghai



Note: 1. CDL acquired 70% stake of Hongqiao Sincere Centre (Phase 2)

2

Enhance and Deepen CDL's Expertise

Significant enhancement of CDL's overall asset management capabilities

CDL's existing platforms and investments



Sincere's value-add product offerings & capabilities



Boulevard 88



Amber Park



Residential



Sincere Gongguan



Jinglan Peak



Office

Leading co-working operator



Retail



Established platform for retail property development and management



Apartment Rental

Fast growing apartment rental platform



Business Park



Top 10 Business Park Developer and Operator



Hotel

International hotel owner and operator



Serviced Apartment



协信家 Sincere Hub

Specialised in serviced apartment management

Active Value Creation via Professionally Managed Platform

Support Potential Fund Management Business



3

Combine Local and International Capabilities

Leveraging on enlarged resource pool to create competitive advantages

- Strong local execution capabilities supported by a sizeable team from Sincere
- Achieve significant competitive edge with Sincere’s local networks and partnerships coupled with CDL’s international expertise and capital markets connections



International Expertise



Capital Markets Connections



Innovation



Sustainability



SINCERE 协信远创

让建筑具有生命



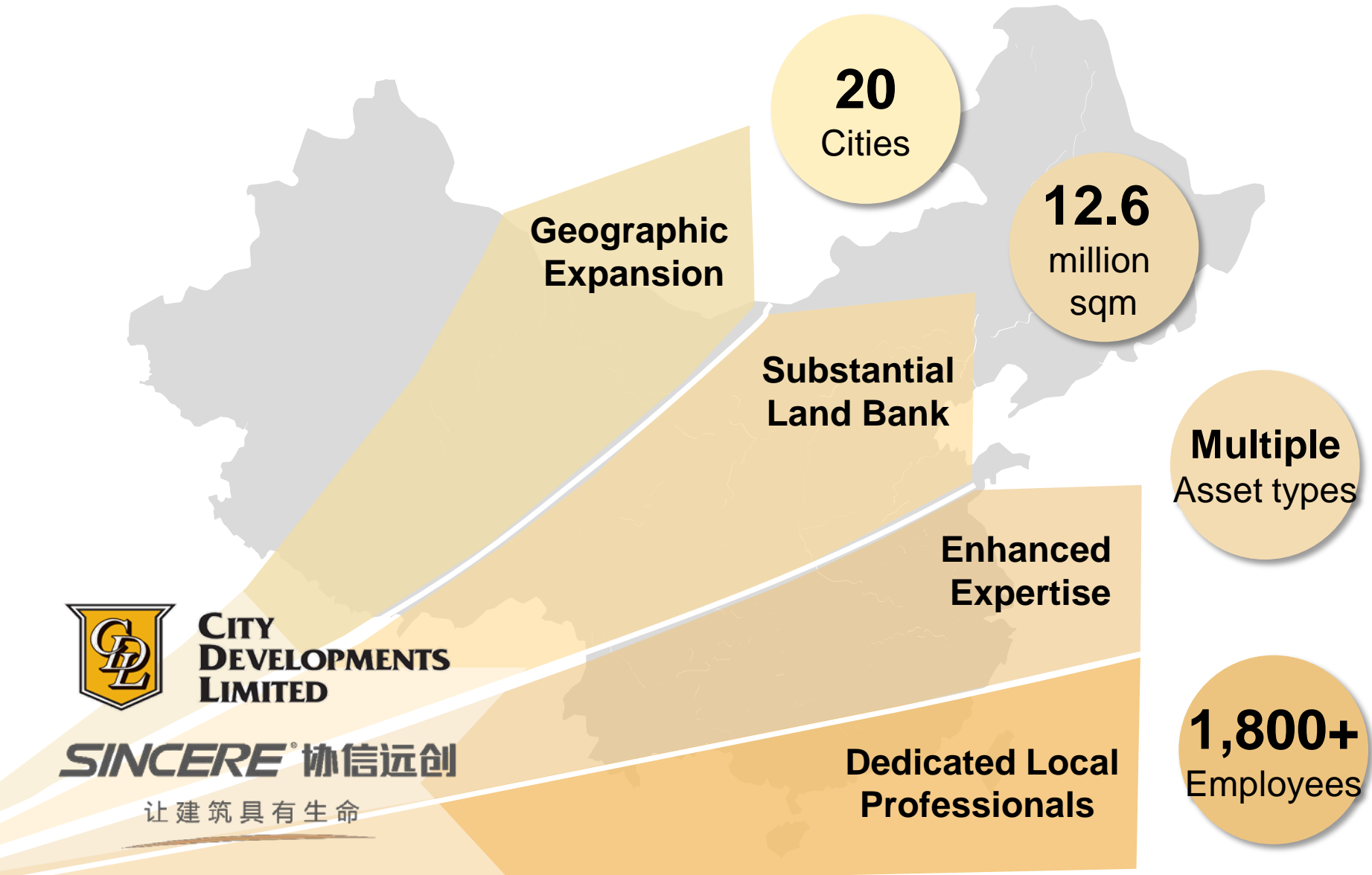
1,800+
Employees across
20 cities



Extensive
networks and
partnerships



The Game Changer





CITY
DEVELOPMENTS
LIMITED

Trusted
Since
1963

G > E > T > R E A D Y

G R O W T H > E N H A N C E M E N T > T R A N S F O R M A T I O N

Disclaimer

This document may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other developments or companies, shifts in customer demands, customers and partners, expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events. Numbers in tables and charts may not add up due to rounding.

