



**CITY DEVELOPMENTS LIMITED**

(Co. Reg. No. 196300316Z)  
(Incorporated in the Republic of Singapore)

**LETTER TO SHAREHOLDERS  
DATED 14 APRIL 2026**

**IN RELATION TO**

- (I) THE PROPOSED ADOPTION OF THE CDL PERFORMANCE  
SHARE PLAN 2026**

# CITY DEVELOPMENTS LIMITED

(Co. Reg. No.196300316Z)  
(Incorporated in the Republic of Singapore)

## Board of Directors:

Kwek Leng Beng	(Executive Chairman)
Sherman Kwek Eik Tse	(Executive Director and Group Chief Executive Officer)
Lee Jee Cheng Philip	(Lead Independent Director)
Ong Lian Jin Colin	(Independent Non-Executive Director)
Daniel Marie Ghislain Desbaillets	(Independent Non-Executive Director)
Chong Yoon Chou	(Independent Non-Executive Director)
Chan Swee Liang Carolina (Carol Fong)	(Independent Non-Executive Director)
Tang Ai Ai Mrs Wong Ai Ai	(Independent Non-Executive Director)
Young Jennifer Duong	(Independent Non-Executive Director)
Wong Su Yen	(Independent Non-Executive Director)

## Registered Office:

9 Raffles Place  
#12-01 Republic Plaza  
Singapore 048619

14 April 2026

To: The shareholders of City Developments Limited (“**Shareholders**”)

Dear Sir/Madam

## (I) PROPOSED ADOPTION OF THE CDL PERFORMANCE SHARE PLAN 2026

### 1. INTRODUCTION

#### 1.1 Notice of EGM. We refer to:

- (a) the Notice of Extraordinary General Meeting of City Developments Limited (“**CDL**” or the “**Company**”) dated 14 April 2026 (the “**Notice**”), convening the Extraordinary General Meeting of the Company to be held on 29 April 2026 (the “**EGM**”); and
- (b) the Ordinary Resolution relating to the proposed adoption of the CDL PSP 2026 (as defined in paragraph 2.1 below, as proposed in the Notice).

#### 1.2 Letter to Shareholders. The purpose of this letter is to provide Shareholders with information relating to the Ordinary Resolution, as proposed in the Notice (the “**Proposal**”).

#### 1.3 SGX-ST. The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) takes no responsibility for the accuracy of any statements or opinions made or reports contained in this letter.

#### 1.4 Legal Adviser. Allen & Gledhill LLP is the legal adviser to the Company in relation to the proposed adoption of the CDL PSP 2026.

**1.5 Advice to Shareholders.** If a Shareholder is in any doubt as to the course of action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

## **2. THE PROPOSED ADOPTION OF THE CDL PERFORMANCE SHARE PLAN 2026**

**2.1 No Existing or Previous Share Plans.** The Company currently does not have, and previously did not have, in place any share plans, and proposes to adopt the new CDL Performance Share Plan 2026 (the “**CDL PSP 2026**”) for the reasons set out in paragraph 2.3 below. Details of the CDL PSP 2026 are set out in paragraphs 2.3 to 2.9 below.

**2.2 Definitions.** For the purposes of paragraphs 2.3 to 2.10 below and in relation to the CDL PSP 2026, the following words and expressions shall have the following meanings:

“**Associated Company**” means a company in which at least 20% but not more than 50% of its shares are held by the Company or the Group;

“**Auditors**” means the auditors of the Company for the time being;

“**Award**” means an award of Shares granted under the CDL PSP 2026;

“**Award Date**” means, in relation to an Award, the date on which the Award is granted pursuant to the CDL PSP 2026;

“**Award Letter**” means a letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee;

“**Committee**” means a committee comprising directors of the Company duly authorised and appointed by the Board of Directors of the Company to administer the CDL PSP 2026;

“**Group**” means the Company and its subsidiaries;

“**Group Employee**” means any employee of the Group (including any Group Executive Director);

“**Group Executive Director**” means a director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function;

“**Group Non-Executive Director**” means a director of the Company and/or any of its subsidiaries, as the case may be, other than a Group Executive Director;

“**Latest Practicable Date**” means 10 March 2026, being the latest practicable date prior to the printing of this letter;

“**Listing Manual**” means the Listing Manual of the SGX-ST, as amended or modified from time to time;

**“Market Value”** means, in relation to a Share, on any day (a) the volume-weighted average price of a Share on the SGX-ST over the twenty (20) immediately preceding trading days; or (b) if the Committee is of the opinion that the Market Value as determined in accordance with (a) above is not representative of the value of a Share, such price as the Committee may determine, such determination to be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable;

**“Participant”** means the holder of an Award (including, where applicable, the executor or personal representative of such holder); and

**“Shares”** or **“Ordinary Shares”** means ordinary shares of the Company.

**2.3 Rationale.** Following a review of CDL’s existing compensation framework and prevailing market practices, and in consultation with its independent remuneration consultant, the Nominating and Remuneration Committee (**“NRC”**) of the Company has proposed that CDL adopt a performance share plan. The Company does not have in place any share-based incentives for employees or directors of the Group and is therefore proposing to implement the CDL PSP 2026, subject to Shareholders’ approval being received at the EGM for its adoption.

The Company believes that it is important to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding employees and executive and non-executive directors of the Group who have contributed to the growth of the Group. The CDL PSP 2026 is being proposed primarily to increase the Company’s flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees of the Group to achieve sustainable performance and value creation over an extended time horizon. The CDL PSP 2026 will also further strengthen the Company’s competitiveness and enhance the Company’s ability to attract, retain and motivate high-calibre senior management in a competitive talent market.

The CDL PSP 2026 will give Participants an opportunity to have a personal equity interest in the Company, which will allow the Company to strengthen the alignment between the interests of senior management and Shareholders by linking long-term remuneration outcomes to the Company’s share price performance and long-term value creation. The Company also believes that the CDL PSP 2026 will reinforce CDL’s pay-for-performance philosophy through clearly defined performance conditions tied to long-term financial and market outcomes.

The CDL PSP 2026 is intended to apply to select senior management employees of the Group, including the Group General Manager, the Group Chief Financial Officer and Heads of Department.

Awards granted under the CDL PSP 2026 will typically vest subject to the achievement of prescribed performance conditions over a multi-year performance period. The number of Shares ultimately delivered to a Participant will depend on the extent to which the relevant performance condition(s) is (are) satisfied at the end of the performance period. The grant of performance-based Awards will ensure that the earning of Shares under the CDL PSP 2026 is aligned with the pay-for-performance principle.

In addition, the CDL PSP 2026 will also enable grants of fully paid Shares to be made to Group Non-Executive Directors as part of their remuneration in respect of their office as such in lieu of cash in order to improve the alignment of the interests of such Group Non-Executive Directors with the interests of Shareholders. Awards would not, however, be made to independent Group Non-Executive Directors to such an extent that their independence may be compromised.

Where an Award is to be made to a Non-Executive Director of the Company under the CDL PSP 2026 as part of his directors' remuneration in lieu of cash, the current intention is that:

- (a) approximately 30% (or such other percentage as may be determined by the Committee) of his remuneration for a particular financial year will be paid out in the form of Shares comprised in such Awards (with the balance being paid out in cash); and
- (b) these Awards will comprise fully paid Shares, with neither performance conditions attached nor performance periods imposed. The Committee may, however, impose any other conditions (for example, a moratorium period) as it may determine in relation to such Awards.

The Directors' fees payable to the Non-Executive Directors of the Company for the financial year ending 31 December 2026 ("FY2026") will continue to be paid fully in cash. Where the intention is for the Directors' fees payable to the Non-Executive Directors of the Company for any financial year after FY2026 to include a share component, the formula for converting the relevant amount of cash into Shares (which will be based on the market price of the Shares) will be disclosed in the Notice of the Annual General Meeting at which Shareholders' approval for such Directors' fees is sought, along with information on the quantum, conditions, timing, etc. for the Awards.

**2.4 Listing of New Shares.** The SGX-ST has granted in-principle approval for the listing and quotation of the new Shares to be issued pursuant to the CDL PSP 2026, subject to compliance with the SGX-ST's listing requirements and guidelines and independent Shareholders' approval being obtained for the adoption of the CDL PSP 2026. The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the CDL PSP 2026, the new Shares, the Company, its subsidiaries and/or its securities.

**2.5 Summary of Rules of the CDL PSP 2026.** The following is a summary of the principal rules of the CDL PSP 2026 and should be read in conjunction with paragraphs 2.6 to 2.9 below, which describe certain other significant provisions of the CDL PSP 2026.

#### 2.5.1 *Eligibility*

The following persons, unless they are also controlling shareholders (as defined in the Listing Manual) of the Company or associates (as defined in the Listing Manual) of such controlling shareholders, shall be eligible to participate in the CDL PSP 2026 at the absolute discretion of the Committee:

- (a) Group Employees who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time; and

- (b) Group Non-Executive Directors.

Directors and employees of (i) associated companies (as defined in the Listing Manual) of the Company; and (ii) the Company's parent company and its subsidiaries (excluding the Group) will not be eligible to participate in the CDL PSP 2026.

#### 2.5.2 **Awards**

Awards represent the right of a Participant to receive fully paid Shares, their equivalent cash value, or combinations thereof, free of charge, provided that certain prescribed performance condition(s) (if any) are met and upon expiry of the prescribed vesting period(s).

An Award or released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the released Award relates, shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee.

#### 2.5.3 **Participants**

The selection of a Participant and the number of Shares which are the subject of each Award to be granted to a Participant in accordance with the CDL PSP 2026 shall be determined at the absolute discretion of the Committee, which shall take into account such criteria as it considers fit, including (but not limited to), in respect of a Group Employee, his rank, job performance, years of service, potential for future development, contribution to the success and development of the Group, and the extent of effort and difficulty with which the prescribed performance condition(s) may be achieved within the relevant performance period and, in respect of a Group Non-Executive Director, his contribution to the success of the Group.

#### 2.5.4 **Details of Awards**

The Committee shall decide, in relation to each Award to be granted to a Participant:

- (a) the Award Date;
- (b) the number of Shares which are the subject of the Award;
- (c) the prescribed performance condition(s) (if any);
- (d) the performance period during which the prescribed performance condition(s) is (are) to be satisfied (if any);
- (e) the extent to which the Shares which are the subject of the Award shall be released on the prescribed performance condition(s) being satisfied (whether fully or partially)

or exceeded or not being satisfied, as the case may be, at the end of the performance period (if any);

- (f) the vesting date of the Award;
- (g) the retention period in relation to any or all of the Shares comprised in the Award (if any); and
- (h) any other condition which the Committee may determine in relation to that Award.

#### 2.5.5 **Timing**

The Committee has the discretion to grant Awards at any time in the year. An Award Letter confirming the Award and specifying (*inter alia*) the number of Shares which are the subject of the Award, the vesting date, the retention period (if any), the prescribed performance condition(s) (if any), the performance period during which the prescribed performance condition(s) is (are) to be satisfied (if any), and the extent to which the Shares will be released on satisfaction of the prescribed performance condition(s) (if any), will be sent to each Participant as soon as is reasonably practicable after the making of an Award.

The Committee may amend or waive the performance period, the performance condition(s), the extent to which the Shares which are the subject of an Award shall be released on the performance condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period, the vesting date, the retention period in respect of an Award, and/or any other condition applicable to that Award:

- (a) in the event of:
  - (i) a take-over offer being made for the Shares;
  - (ii) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under the Companies Act 1967;
  - (iii) an order being made or a resolution passed for the winding-up of the Company (other than as provided in paragraph 2.5.6(a) or for reconstruction or amalgamation); or
  - (iv) a resolution being passed to sell all or substantially all of the assets of the Company;
- (b) in the event that the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or *in specie*); or

- (c) in the case of a performance-related Award, if anything happens which causes the Committee to conclude that:
  - (i) a changed performance condition would be a fairer measure of performance, and would be no less difficult to satisfy; or
  - (ii) a performance condition should be waived,

and shall notify the relevant Participant(s) of such change or waiver.

#### 2.5.6 **Events Prior to Vesting**

Special provisions for the vesting and lapsing of Awards apply in certain circumstances including the following:

- (a) an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency;
- (b) the misconduct on the part of a Participant as determined by the Committee in its discretion;
- (c) the Participant ceasing to be in the employment of the Group for any reason whatsoever (other than as specified in sub-paragraph (e) below);
- (d) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the Award;
- (e) the Participant ceasing to be in the employment of the Group by reason of:
  - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
  - (ii) redundancy;
  - (iii) retirement at or after the legal retirement age;
  - (iv) retirement before the legal retirement age with the consent of the Committee;
  - (v) the company by which the Participant is employed ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group;
  - (vi) the Participant's transfer to any Ministry, governmental or statutory body or corporation at the direction of the Company; or

- (vii) any other event approved by the Committee;
- (f) where the Participant, being a Group Non-Executive Director, ceases at any time to be a director of any company within the Group, for any reason whatsoever;
- (g) the death of the Participant;
- (h) any other event approved by the Committee; or
- (i) a take-over for the Shares becomes or is declared unconditional, reconstruction or amalgamation of the Company or an order being made or a resolution passed for the winding-up of the Company (other than as provided in sub-paragraph (a) above or for reconstruction or amalgamation).

Upon the occurrence of any of the events specified in sub-paragraphs (a), (b) and (c) above, an Award then held by a Participant shall, subject as provided in the rules of the CDL PSP 2026 and to the extent not yet released, immediately lapse without any claim whatsoever against the Company.

Upon the occurrence of any of the events specified in sub-paragraphs (d), (e), (f), (g) and (h) above, the Committee may, in its absolute discretion determine whether an Award then held by a Participant shall, subject as provided in the rules of the CDL PSP 2026 and to the extent not yet released, lapse without any claim whatsoever against the Company or that all or any part of such Award shall be preserved. If the Committee determines that all or any part of an Award shall be preserved, the Committee shall decide either to vest some or all of the Shares which are the subject of the Award or, if applicable, to preserve all or part of any Award until the end of the prescribed performance period (if any) and subject to the provisions of the CDL PSP 2026. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by the Participant and, if applicable, the extent to which the prescribed performance condition(s) (if any) has (have) been satisfied.

Upon the occurrence of any of the events specified in sub-paragraph (i) above, the Committee will consider, at its discretion, whether or not to release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to release any Award, then in determining the number of Shares to be vested in respect of such Award, the Committee will have regard to, if applicable, the proportion of the performance period (if any) which has elapsed and the extent to which the prescribed performance condition(s) (if any) has (have) been satisfied.

### 2.5.7 **Operation of the CDL PSP 2026**

Subject to the prevailing legislation and the rules of the Listing Manual, the Company will have the flexibility to deliver Shares to Participants upon vesting of Awards under the CDL PSP 2026 by way of:

- (a) an issue of new Shares; and/or
- (b) the delivery of existing Shares (including treasury shares).

In determining whether to issue new Shares or to deliver existing Shares to Participants upon vesting of their Awards, the Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of either issuing new Shares or delivering existing Shares (including treasury shares).

The Company also has the flexibility, and if circumstances so require, to approve the release of an Award (other than an Award granted to a Group Non-Executive Director as part of his directors' remuneration in lieu of cash), wholly or partly, in the form of cash rather than Shares which would otherwise have been released to the Participant on the relevant vesting date. In determining whether to release an Award (other than an Award granted to a Group Non-Executive Director as part of his directors' remuneration in lieu of cash), wholly or partly, in the form of cash rather than Shares, the Company will take into account factors such as (but not limited to) the cost to the Company of either releasing Awards in Shares or in cash.

New Shares allotted and issued, and existing Shares procured by the Company for transfer, pursuant to the release of any Award shall rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant vesting date, and shall in all other respects (including the rights arising from a liquidation) rank *pari passu* with other existing Shares then in issue. New Shares will be subject to the provisions of the Constitution of the Company.

In determining whether any performance condition has been satisfied (whether fully or partially) or exceeded, the Committee shall have the right to make reference to the audited results of the Company or the Group, as the case may be, to take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend any performance condition if the Committee decides that a changed performance target would be a fairer measure of performance.

### 2.5.8 **Malus and Clawback Rights**

In order to protect Shareholders' interest and ensure that rewards under the CDL PSP 2026 reflect genuine long-term performance and value creation, the grant of each Award, each

release of Shares and each payment in lieu of Shares which would otherwise have been released to the Participant under the CDL PSP 2026 is subject to, and conditional upon, the Company's malus and clawback rights.

Under these provisions, if certain exceptional circumstances occur in relation to a Participant, the Committee may cancel all or part of any Award to the extent not yet released to such Participant and may exercise the right of clawback ("**Clawback Right**") in respect of Shares which were released ("**Released Shares**") to such Participant within the clawback period ("**Clawback Period**"), which is six (6) years prior to the date on which the Committee makes the determination to exercise the Clawback Right ("**Clawback Determination Date**").

The exceptional circumstances are where:

- (a) any Award:
  - (i) which was granted to the Participant within the Clawback Period; and/or
  - (ii) pursuant to which any of the Released Shares were released to the Participant,

was based (in whole or in part) on inaccurate financial statements (irrespective of when such inaccuracy was discovered and irrespective of who caused such inaccuracy, and whether such financial statements were audited or unaudited);
- (b) the Participant (or any subordinate over whom such Participant had, at the material time, oversight responsibilities) had, at any time, engaged in conduct that:
  - (i) directly or indirectly caused, resulted in and/or contributed to, or is likely (in the opinion of the Committee) to cause, result in and/or contribute to (whether directly or indirectly):
    - (1) any financial loss or reputational harm to the Group, any company within the Group or an Associated Company; and/or
    - (2) the need for a restatement of the financial results or financial statements (whether audited or unaudited) of the Group, any company within the Group or an Associated Company; and/or
    - (3) any adverse change in the risk profile or rating of the Group, any company within the Group or an Associated Company; and/or
  - (ii) is otherwise detrimental to the Group, any company within the Group or an Associated Company, and/or detrimental to the business conducted by the Group, any company within the Group or an Associated Company; or

- (c) the Participant had, at any time, engaged in any misconduct or committed any misfeasance, fraud or breach of trust or duty in relation to the Group, any company within the Group or an Associated Company.

The Committee has the sole and absolute discretion to determine the amount which the Participant is required to return to the Company pursuant to the exercise of the Clawback Right, subject to a limit being the aggregate of the following:

- (aa) in respect of such of the Released Shares in relation to which the Participant received cash in lieu, the aggregate payments received by such Participant (in lieu of such Released Shares which would otherwise have been released to the Participant under the CDL PSP 2026) prior to the Clawback Determination Date; and
- (bb) in respect of all other Released Shares:
  - (i) the aggregate of the Market Value on the respective vesting date(s) or, as the case may be, the respective date(s) of vesting of all such Released Shares;
  - (ii) the aggregate value of all cash distributions and cash dividends which have been paid by the Company in respect of such Released Shares prior to the Clawback Determination Date (whether received by the Participant or not); and
  - (iii) the aggregate prevailing value of all dividends-in-specie, bonus shares, rights issues and other rights or benefits (other than the cash distributions and cash dividends referred to in sub-paragraph (ii) above) which have been distributed in respect of, derived from or attributable to, such Released Shares prior to the Clawback Determination Date (whether received by the Participant or not).

The Clawback Right is in addition to, and without prejudice to, any right or remedy that the Company has vis-à-vis a Participant (whether under the CDL PSP 2026, contract, tort or any other theory of law).

**2.6 Size and Duration.** The total number of Shares which may be delivered pursuant to Awards granted under the CDL PSP 2026 on any date, when added to:

- (a) the total number of new Shares allotted and issued and/or to be allotted and issued, and issued Shares (including treasury shares) delivered and/or to be delivered, pursuant to Awards granted under the CDL PSP 2026; and
- (b) the total number of Shares subject to option or awards granted under any other share option or share schemes of the Company,

shall not exceed 10% of the total number of issued Shares (excluding Shares held by the Company as treasury shares and subsidiary holdings (as defined in the Listing Manual)) on the date preceding the date of the relevant Award.

The Company is of the view that this limit will provide sufficient Shares to support the effective use of Awards as part of the Company's long-term incentive and compensation strategy, while balancing Shareholders' concerns against dilution. The dilutive impact of the adoption of the CDL PSP 2026 on the Company's share capital, assuming that new Shares are allotted and issued to settle all Awards granted under the CDL PSP 2026, will not exceed approximately 10% of the issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

The CDL PSP 2026 shall continue in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the date on which the CDL PSP 2026 is adopted by the Company in general meeting, provided always that the CDL PSP 2026 may continue beyond the above stipulated period with the approval of Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required. Notwithstanding the expiry or termination of the CDL PSP 2026, Awards made to Participants prior to such expiry or termination shall continue to remain valid in accordance with the rules of the CDL PSP 2026.

**2.7 Adjustments and Modifications.** The following describes the adjustment events under, and provisions relating to modifications of, the CDL PSP 2026.

#### 2.7.1 **Adjustment Events**

If a variation in the ordinary share capital of the Company (whether by way of a bonus or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place or if the Company shall make a capital distribution or a declaration of a special dividend (whether interim or final and whether in cash or *in specie*), then the Committee may, in its sole discretion, determine whether:

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet vested; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the CDL PSP 2026,

shall be adjusted and if so, the manner in which such adjustments should be made.

Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for an acquisition or a private placement of securities, or upon the exercise of any options or conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST or any other stock exchange on which the Shares are quoted or listed during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.

Any adjustment (except in relation to a bonus issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and

reasonable. Further, any adjustment must be made in such a way that a Participant will not receive a benefit that a holder of Shares does not receive.

### 2.7.2 **Modifications**

The CDL PSP 2026 may be modified and/or altered at any time and from time to time by a resolution of the Committee, subject to the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were released to them upon the prescribed performance condition(s) (if any) relating to their Awards being satisfied in full, would thereby become entitled to not less than three-quarters in number of all the Shares which would fall to be vested upon the release of all outstanding Awards upon the prescribed performance condition(s) (if any) for all outstanding Awards being satisfied in full.

No alteration shall be made to the provisions of the CDL PSP 2026 which relate to matters contained in Rules 844 to 849 and Rules 853 to 854 of the Listing Manual to the advantage of Participants except with the prior approval of Shareholders in general meeting.

**2.8 Disclosures in Annual Reports.** For as long as the CDL PSP 2026 continues in operation, the Company will make such disclosures or appropriate negative statements (as applicable) in its annual report as from time to time required by the Listing Manual, including the following (where applicable):

- (a) the names of the members of the Committee administering the CDL PSP 2026;
- (b) in respect of the following Participants of the CDL PSP 2026:
  - (i) Directors of the Company; and
  - (ii) Participants (other than those in sub-paragraph (i) above) who have received Shares pursuant to the release of Awards granted under the CDL PSP 2026 which, in aggregate, represent 5% or more of the total number of Shares available under the CDL PSP 2026,

the following information:

- (aa) the name of the Participant; and
- (bb) the following particulars relating to Awards released under the CDL PSP 2026:
  - (1) the number of new Shares issued to such Participant during the financial year under review; and

- (2) the number of existing Shares transferred to such Participant during the financial year under review; and
- (c) in relation to the CDL PSP 2026, the following particulars:
  - (i) the aggregate number of Shares comprised in Awards granted under the CDL PSP 2026 since the commencement of the CDL PSP 2026 to the end of the financial year under review;
  - (ii) the aggregate number of Shares comprised in Awards which have been released under the CDL PSP 2026 during the financial year under review and in respect thereof, the proportion of:
    - (1) new Shares issued; and
    - (2) existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased,upon the release of Awards granted under the CDL PSP 2026; and
  - (iii) the aggregate number of Shares comprised in Awards granted under the CDL PSP 2026 which have not been released, as at the end of the financial year under review.

**2.9 Role and Composition of the Committee.** The NRC, whose key responsibilities as set out in its terms of reference include, *inter alia*, review of remuneration matters, will be designated as the Committee responsible for the administration of the CDL PSP 2026. The NRC currently comprises Mrs Wong Ai Ai (Chairman of the NRC), Mr Philip Lee, Mr Colin Ong, Mr Daniel Desbaillets and Ms Wong Su Yen, each of them an independent and non-executive Director of the Company. In compliance with the requirements of the Listing Manual, a Participant of the CDL PSP 2026 who is a member of the NRC shall not be involved in its deliberations or decisions in respect of Awards to be granted to or held by that member of the NRC.

**2.10 Financial Effects.** Singapore Financial Reporting Standards (International) 2, Share-based Payment (“**SFRS(I) 2**”), prescribes the accounting treatment for share-based payment transactions. Under the CDL PSP 2026, Participants may receive Shares or their equivalent cash value, or combinations thereof. In the event that Participants receive Shares, the Awards would be accounted for as equity-settled share-based payment transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to the profit and loss account over the period between the grant date and the vesting date of an Award. The total amount of the charge over the vesting period is determined by reference to the fair value of each Award granted at the grant date and the number of Shares vested at the vesting date, with a corresponding credit to reserve account.

The amount charged to the profit and loss account would be the same whether the Company settles the Awards using new Shares or existing Shares. The amount of the charge to the profit and loss account also depends on whether or not the performance target attached to an Award is a “market condition”, that is, a condition which is related to the market price of the Shares.

If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Shares granted at the grant date, and no adjustments to the amounts charged to the profit and loss account will be made if the market condition is not met. On the other hand, if the performance target is not a market condition, the probability of the target being met is not taken into account in estimating the fair value of the Shares granted at the grant date. Instead, it is subsequently considered at each accounting date in assessing whether the Awards would vest. Accordingly, where the vesting conditions do not include a market condition, there would be no charge to the profit and loss account if the Awards do not ultimately vest.

The following sets out the financial effects of the CDL PSP 2026.

#### 2.10.1 **Share Capital**

The CDL PSP 2026 will result in an increase in the Company’s issued ordinary share capital only if new Shares are issued to Participants. The number of new Shares issued will depend, *inter alia*, on the size of the Awards granted under the CDL PSP 2026.

In any event, the CDL PSP 2026 provides that the total number of new Shares to be issued and existing Shares to be delivered under the CDL PSP 2026 shall not exceed 10% of the issued Shares (excluding treasury shares and subsidiary holdings) on the date preceding the date of the relevant Award.

If, instead of issuing new Shares to Participants, existing Shares are purchased for delivery to Participants upon vesting of their Awards, the CDL PSP 2026 will have no impact on the Company’s issued ordinary share capital.

#### 2.10.2 **Net Tangible Assets (NTA)**

As described in the paragraph on EPS below, the CDL PSP 2026 is likely to result in a charge to the Company’s profit and loss account over the period from the grant date to the vesting date of the Awards. The amount of the charge will be computed in accordance with SFRS(I) 2.

If new Shares are issued under the CDL PSP 2026, there would be no effect on the NTA. However, if instead of issuing new Shares to Participants, existing Shares are purchased for delivery to Participants or the Company pays the equivalent cash value, the NTA would decrease by the cost of the existing Shares delivered or the cash payment, respectively.

Nonetheless, it should be noted that, other than in the case of Awards granted to a Group Non-Executive Director as part of his directors’ remuneration in lieu of cash, the delivery of

Shares or payment of cash value to Participants under the CDL PSP 2026 will generally be contingent upon the Participants meeting the prescribed performance condition(s).

### 2.10.3 *Earnings Per Share (EPS)*

The CDL PSP 2026 is likely to result in a charge to earnings over the period from the grant date to the vesting date, computed in accordance with the accounting method as stated in paragraph 2.10 above.

It should again be noted that, other than in the case of Awards granted to a Group Non-Executive Director as part of his directors' remuneration in lieu of cash, the delivery of Shares or payment of cash value to Participants under the CDL PSP 2026 will generally be contingent upon the Participants meeting the prescribed performance condition(s).

### 2.10.4 *Dilutive Impact*

It is expected that the dilutive impact of the CDL PSP 2026 on the NTA per Share and EPS will not be significant.

Accordingly, there will be no significant dilution of Shareholders' shareholding percentages as a result of the introduction of the CDL PSP 2026, as the CDL PSP 2026 currently provides for a maximum limit of 10% of the Company's issued Shares (excluding treasury shares and subsidiary holdings) on the date preceding the date of the relevant Award.

## 3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors in issued Ordinary Shares and issued non-redeemable convertible non-cumulative preference shares of the Company ("**Preference Shares**"), and the interests of the substantial Shareholders in issued Ordinary Shares based on the Company's Register of Directors' Shareholdings and Register of Substantial Shareholders respectively as at the Latest Practicable Date, were as follows:

<b>Director</b>	<b>Class of Shares</b>	<b>Number of Shares held</b>	<b>% <sup>(1)</sup></b>
Kwek Leng Beng	Ordinary	397,226	0.044
	Preference	144,445	0.060
Ong Lian Jin Colin	Ordinary	100,000	0.011
Chong Yoon Chou	Ordinary	40,000	0.004
Jennifer Duong Young	Ordinary	10,000	0.001

## Number of Ordinary Shares

Substantial Shareholders	Direct Interest	Deemed Interest	Total	% <sup>(1)</sup>
Hong Realty (Private) Limited (“HR”)	34,457,782	31,176,681 <sup>(2)</sup>	65,634,463	7.347
Hong Leong Holdings Limited (“HLH”)	148,787,477	19,546,445 <sup>(3)</sup>	168,333,922	18.842
Hong Leong Investment Holdings Pte. Ltd. (“HLIH”)	169,549,915	272,217,804 <sup>(4)</sup>	441,767,719	49.448
Davos Investment Holdings Private Limited (“Davos”)	–	441,767,719 <sup>(5)</sup>	441,767,719	49.448
Kwek Holdings Pte Ltd (“KH”)	–	441,767,719 <sup>(5)</sup>	441,767,719	49.448

Notes:

<sup>(1)</sup> Based on 893,401,730 issued Ordinary Shares (excluding treasury shares) and 241,207,335 issued Preference Shares as at the Latest Practicable Date. As at that date, there were 15,899,600 Ordinary Shares held in treasury and no subsidiary holdings.

“Subsidiary holdings” is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

<sup>(2)</sup> HR is deemed under Section 4 of the Securities and Futures Act 2001 (“SFA”) to have an interest in the 31,176,681 Ordinary Shares held directly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

<sup>(3)</sup> HLH is deemed under Section 4 of the SFA to have an interest in the 19,546,445 Ordinary Shares held directly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

<sup>(4)</sup> HLIH is deemed under Section 4 of the SFA to have an interest in the 272,217,804 Ordinary Shares held directly and/or indirectly by companies in which it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof which includes (i) the 65,634,463 Ordinary Shares held directly and indirectly by HR; and (ii) the 168,333,922 Ordinary Shares held directly and indirectly by HLH, out of which 9,304,616 Ordinary Shares have been identified as Ordinary Shares in which HR is also deemed to have an interest in under note <sup>(2)</sup> above.

<sup>(5)</sup> Davos and KH are deemed under Section 4 of the SFA to have an interest in the 441,767,719 Ordinary Shares held directly and/or indirectly by HLIH in which they are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

## 4. DIRECTORS’ RECOMMENDATION

All the Directors are eligible to participate in the CDL PSP 2026 and have accordingly refrained from making any voting recommendation to Shareholders in respect of the Ordinary Resolution relating to the proposed adoption of the CDL PSP 2026 at the EGM. The Directors will also decline to accept appointment as proxy for Shareholders to vote in respect of the Ordinary Resolution, unless the Shareholders concerned shall have given specific instructions in a validly completed and submitted instrument appointing a proxy(ies) as to voting, or abstentions from voting, in respect of the Ordinary Resolution.

**5. ABSTENTIONS FROM VOTING**

Shareholders who are eligible to participate in the CDL PSP 2026 must abstain from voting their Shares on the Ordinary Resolution relating to the proposed adoption of the CDL PSP 2026 at the EGM, and the Company will disregard any votes cast by such Shareholders in respect of their Shares on the Ordinary Resolution. Any such Shareholder must also decline to accept appointment as proxy for any other Shareholder to vote in respect of the Ordinary Resolution, unless that other Shareholder has given specific instructions in a validly completed and submitted instrument appointing a proxy(ies) as to voting, or abstentions from voting, in respect of the Ordinary Resolution.

**6. INSPECTION OF DOCUMENTS**

The following documents are available for inspection at the registered office of the Company at 9 Raffles Place, #12-01 Republic Plaza, Singapore 048619 during normal business hours from the date of this letter up to the date of the EGM:

- (a) the Constitution of the Company; and
- (b) the proposed Rules of the CDL PSP 2026.

**7. RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this letter constitutes full and true disclosure of all material facts about the Proposal, and the Company and its subsidiaries which are relevant to the Proposal, and the Directors are not aware of any facts the omission of which would make any statement in this letter misleading.

Where information in this letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this letter in its proper form and context.

Yours faithfully

**CITY DEVELOPMENTS LIMITED**

KWEK LENG BENG  
Executive Chairman