

ASSET ACQUISITIONS AND DISPOSALS::ANNOUNCEMENT PURSUANT TO RULE 706A OF THE SGX-ST LISTING MANUAL

Issuer & Securities

Issuer/ Manager

CITY DEVELOPMENTS LIMITED

Securities

CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09

Stapled Security

No

Announcement Details

Announcement Title

Asset Acquisitions and Disposals

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Announcement pursuant to Rule 706A of the SGX-ST Listing Manual

Announcement Reference

SG200812OTHRJVNV

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 see the attached announcement pursuant to Rule 706A of the SGX-ST Listing Manual in relation to the changes in interests in the Company's subsidiaries and associated companies.

Attachments

[Rule706A Announcement.pdf](#)

Total size =313K MB

**ANNOUNCEMENT ON CHANGES IN INTERESTS IN THE COMPANY'S SUBSIDIARIES
AND ASSOCIATED COMPANIES**

Pursuant to Rule 706A of the Listing Manual of Singapore Exchange Securities Trading Limited ("SGX-ST"), the Board of Directors (the "Board") of City Developments Limited ("CDL" or the "Company") wishes to announce the following changes that occurred during the six months ended 30 June 2020:

(a) Completion of Members' Voluntary Liquidation of Subsidiaries

The following subsidiaries of the Company, which were earlier placed in members' voluntary liquidation, have been dissolved:

<u>Announcement Reference No.</u>	<u>Subsidiary</u>	<u>Date of Dissolution</u>
SG180327OTHRZ3I2 dated 27 March 2018	Trans Oil Pte Ltd	24 April 2020
00102 dated 16 January 2014	Target Realty Limited	23 June 2020

(b) Incorporation of Subsidiaries

- (i) CDL Real Estate Investment Managers Pte. Ltd., an indirect wholly-owned subsidiary of the Company, has incorporated a wholly-owned subsidiary known as CDL Crown REIT Management Pte. Ltd. ("CDL Crown REIT"). Information relating to CDL Crown REIT is set out as follows:

Name of company	:	CDL Crown REIT Management Pte. Ltd.
Date of incorporation	:	8 April 2020
Country of incorporation	:	Republic of Singapore
Issued share capital	:	\$2.00
Principal activity	:	Investment holding

- (ii) Actas Holdings Pte. Ltd., an indirect wholly-owned subsidiary of the Company, has incorporated a wholly-owned subsidiary known as City Delta Pte. Ltd. ("City Delta"). Information relating to City Delta is set out as follows:

Name of company	:	City Delta Pte. Ltd.
Date of incorporation	:	15 May 2020
Country of incorporation	:	Republic of Singapore
Issued share capital	:	JPY100
Principal activity	:	Investment holding

(c) Change of Interest in Subsidiary, CDL Investments New Zealand Limited

Pursuant to a dividend reinvestment plan, CDL Investments New Zealand Limited ("CDLI"), the Company's indirect subsidiary, has allotted 1,629,555 ordinary shares to its shareholders who had elected to receive their dividends in the form of new shares on 15 May 2020.

Following the issuance of the new shares, the total number of issued share capital of CDLI is 280,435,135 ordinary shares. The Company's deemed interest, by virtue of the provisions of Section 7 of the Companies Act, Chapter 50 in the shares of CDLI, has decreased from 66.26% to 65.87%.

(d) Disposal of Interest in Subsidiary, Sceptre Hospitality Resources LLC

City Sceptre Holdings Limited ("City Sceptre"), an indirect wholly-owned subsidiary of the Company, is the owner of 12,463.79 common units (the "Sale Units") representing 75.1% of the issued and outstanding membership interests in Sceptre Hospitality Resources, LLC, a Delaware limited liability company ("SHR"). City Sceptre had on 6 March 2020 disposed the Sale Units to Sceptre Midco LLC, an unrelated party, for a total consideration of approximately \$45.2 million (the "Disposal").

The consideration was arrived at on a willing buyer willing seller basis.

The CDL Group recognised divestment gains of \$23.5 million from the Disposal.

(e) Completion of the acquisition of 重庆协信远创实业有限公司 ("Sincere Property")

Further to the Company's announcement on 15 April 2020 (Announcement Reference No. SG200415OTHRV0MH) in connection with the acquisition of a joint controlling interest in Sincere Property via an offshore investment vehicle (the "Acquisition"), the CDL Group has completed the Acquisition and the final payment was made on 26 May 2020.

The Board also wishes to announce the following changes that have occurred since 30 June 2020 in IREIT Global and CDL Hospitality Trusts:

(1) Change of Interest in IREIT Global

On 1 July 2020, 2,060,075 units of IREIT Global ("Units") were issued at an issue price of \$0.4747 per unit to IREIT Global Group Pte. Ltd. ("IREIT Global Group"), the manager of IREIT Global, as payment of 100% of the base fee component of the management fee payable to IREIT Global Group for the period from 1 January 2020 to 31 March 2020.

The Company has an indirect interest of 49.5% in the voting ordinary share capital of IREIT Global Group.

Following the issuance of the Units to IREIT Global Group, the Company's deemed interest in the units in IREIT Global, held through its wholly-owned subsidiaries, namely, City Strategic Equity Pte. Ltd. and City REIT Management Pte. Ltd., by virtue of the provisions of Section 7 of the Companies Act, Chapter 50, has increased from 133,207,455 Stapled Securities to 135,267,530 units in IREIT Global, representing 21.11% of the current issued units in IREIT Global.

(2) Change of Interest in CDL Hospitality Trusts

On 29 July 2020, an aggregate of 3,394,676 stapled securities ("Stapled Securities") of CDL Hospitality Trusts ("CDLHT"), each Stapled Security comprising one unit in CDL Hospitality Real Estate Investment Trust ("H-REIT") and one unit in CDL Hospitality Business Trust ("HBT"), were issued to M&C REIT Management Limited ("M&C REIT"), as manager of H-REIT, and M&C Business Trust Management Limited ("MBTM"), as trustee-manager of HBT, as follows:

- (i) 1,830,429 Stapled Securities were issued to M&C REIT at an issue price of \$0.7548 per Stapled Security, as payment of 80% of its base management fee for the period from 1 January 2020 to 31 March 2020 in relation to H-REIT;
- (ii) 1,292,218 Stapled Securities were issued to M&C REIT at an issue price of \$1.076 per Stapled Security, as payment of 80% of its base management fee for the period from 1 April 2020 to 30 June 2020 in relation to H-REIT;
- (iii) 172,405 Stapled Securities were issued to MBTM at an issue price of \$0.7548 per Stapled Security, as payment of 80% of its base management fee for the period from 1 January 2020 to 31 March 2020 in relation to HBT; and
- (iv) 99,624 Stapled Securities were issued to MBTM at an issue price of \$1.076 per Stapled Security, as payment of 80% of its base management fee for the period from 1 April 2020 to 30 June 2020 in relation to HBT.

MBTM is a wholly-owned subsidiary of M&C REIT, and both MBTM and M&C REIT are indirect wholly-owned subsidiaries of Millennium & Copthorne Hotels Limited, which is in turn a wholly-owned subsidiary of the Company.

Following the issuance of the Stapled Securities to M&C REIT and MBTM, the Company's deemed interest in the Stapled Securities of CDLHT, held through its subsidiary companies, namely, M&C REIT, MBTM, Hospitality Holdings Pte. Ltd. and Republic Hotels & Resorts Limited, by virtue of the provisions of Section 7 of the Companies Act, Chapter 50, has increased from 462,097,216 Stapled Securities to 465,491,892 Stapled Securities, representing 38.154% of the current issued Stapled Securities in CDLHT.

The Company had previously issued announcements on 11 February 2020 and 22 May 2020 on the increases in the Company's deemed interest in the Stapled Securities of CDLHT to 37.820% and 37.982% respectively of the then issued Stapled Securities of CDLHT.

None of the Directors or the controlling shareholders of the Company has any interest, direct or indirect in the above-mentioned transactions.

By Order of the Board

Enid Ling Peek Fong
Company Secretary
12 August 2020