



## NEWS RELEASE

30 June 2005

### CDL Unlocks Shareholder Value with a Milestone Deal

In a milestone deal with Suntec Real Estate Investment Trust (Suntec REIT), City Developments Limited (CDL) has entered into an agreement today to sell up to 99 year leasehold interests in a portfolio of eleven freehold and leasehold properties for an aggregate value of S\$788 million. CDL will retain the reversionary interests in respect of the freehold or 999 year leasehold interests to eight of these properties.

CDL will also be engaged as the property manager and strategic advisor of these properties. Tenants will therefore be assured of the same high level of quality and service. Properties involved in the deal include City House at Robinson Road and Plaza by the Park at Bras Basah Road (please refer to [Annex 1](#) which lists the eleven properties, the tenure being disposed of and their locations).

CDL Executive Chairman, Mr Kwek Leng Beng, said, "Since early this year, we have been considering various options that would unlock value for our shareholders, including the listing of a new REIT as well as other REIT-related transactions. We have concluded that, for a start, the present sale of these eleven properties for a total price of S\$788 million would be in the best interest of the company."

"The properties being sold constitute approximately 24% of the total lettable area of the group's investment property portfolio. Following the completion of the transaction, we will continue to own a significant portfolio of investment and hotel properties. As an established landlord, we are further committed to improving the rental performance of our existing property portfolio to enhance capital value," added Mr Kwek.

The transaction will give CDL an immediate cash receipt of S\$710 million. Based on net book value of these properties as at 31 December 2004, this deal will provide CDL with a pre-tax profit of about S\$342.31 million, before taking into account transaction costs.

Mr Kwek highlighted, “This deal, together with the already healthy balance sheet and strong recurrent cash flow that CDL is currently experiencing, will provide the vast ‘war chest’ that will enable the company to take advantage of market opportunities locally and abroad.”

Mr Kwek noted that CDL’s core expertise remains that of a property developer and investor. “With over 40 years of experience, we have successfully utilized our real estate expertise to take advantage of property cycles to achieve growth for the company, and hence it is relatively less important for us to rely on fee-based business. We remain committed to the continued growth and expansion of the company as Singapore’s leading property developer and investor and enhancing value for our shareholders.”

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## Annex 1

### CDL Unlocks Shareholder Value with a Milestone Deal

	Property	Address	Tenure to be sold
1	Fuji Xerox Towers	80 Anson Road, Singapore (079907)	99 year leasehold estate from date of completion of sale*
2	Plaza By The Park	51 Bras Basah Road, Singapore (189554)	99 year leasehold estate from date of completion of sale*
3	City House	36 Robinson Road Singapore (068877)	99 year leasehold estate from date of completion of sale*
4	Central Mall Office Tower	1 Magazine Road, Singapore (059567)	99 year leasehold estate from date of completion of sale*
5	19 strata units in The Arcade	11 Collyer Quay, Singapore (049317)	99 year leasehold estate from date of completion of sale*
6.	61 strata units in Katong Shopping Centre	865 Mountbatten Road Singapore (437844)	99 year leasehold estate from date of completion of sale*
7.	60 strata units in 470 North Bridge Road	470 North Bridge Road, Singapore (188735)	99 year leasehold estate from date of completion of sale*
8	27 strata units in Fortune Centre	190 Middle Road, Singapore (188979)	Residue of 99 years from 18 October 1980
9.	12 strata units in Golden Mile Complex	5001 Beach Road, Singapore (199588)	Residue of 99 years from 4 August 1969
10.	People's Park Centre Car Park	101 Upper Cross Street Singapore (058357)	Residue of 99 years from 2 June 1970.
11.	Queensway Shopping Centre Car Park	1 Queensway, Singapore (149053)	99 year leasehold estate from date of completion of sale*

\* The reversionary interest in respect of these freehold or 999-year leasehold properties shall be retained by the Group.