



NEWS RELEASE

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CDL EXPANDS GLOBAL FOOTPRINT INTO RUSSIA WITH US\$125m VENTURE

Property pioneer City Developments Limited (CDL) has expanded its global footprint with a US\$125-million joint venture involving among other things, a hotel and conference and business facilities in Russia.

On 17 October 2007, CDL signed an agreement to take a 50% stake in Soft Proekt, which owns the Iris Congress Hotel and a 9-storey serviced apartment building in Moscow. Holding the other 50% stake in Soft Proekt is Golden Orchard Hotels Pte Ltd which is linked to Dr Sudhir Gupta, Founder and Chairman of Amtel Group of Companies. The 8-storey Iris Congress Hotel has more than 200 rooms and comprehensive facilities including 13 conference rooms, three bars and restaurants, a fitness club and swimming pool.

The joint venture also plans to build a mixed-use development complex on a vacant plot of land adjoining the existing hotel. The complex will include conference & business facilities, food & beverage areas and a car park. Details are still being finalised.

The combined land area of the site of the joint venture is a sizeable 26,714 square metres and is located along Korovinskoye Chaussee, about 15km north of Moscow city centre and 16km southeast of Sheremetyevo Airport. This location enjoys a strong pull of guests and tenants due to its proximity to the international airport and the surrounding business parks. A third terminal is being added to the Sheremetyevo airport to accommodate an increasing traffic volume.

There are plans for CDL's London-listed subsidiary, Millennium & Copthorne Hotels plc (M&C), to operate and manage the hotel which is likely to be re-positioned as a Copthorne property.

Mr Kwek Leng Beng, CDL Executive Chairman said: "Russia is fast becoming an important East European market and Moscow is the perfect place to establish our first footprint in this rapidly developing city. There is strong interest in the tourism and business sectors so it a good time to invest in the hospitality and real estate sectors."

"Combined with the local knowledge of our partner, we hope to value-add and enhance the standards of the facilities in the properties to maximise the potential of the developments in the joint venture. We look forward in great anticipation to exploring further opportunities in our investments and developments in Russia and Eastern Europe," added Mr Kwek.

Dr Sudhir Gupta, Founder and Chairman of the Amtel Group of Companies was born in India, moved to Russia to study before getting a Ph.D. in agricultural chemistry there. He started a tyre company in Moscow and eventually acquired a Dutch company to form Amtel-Vredestein.

Dr Sudhir Gupta, who is in Singapore for the signing of the agreements, said, "We are pleased to partner with CDL, a leading international real estate development and investment company. We are confident that with CDL's proven track record in managing award-winning serviced residences around the world, we can set higher standards for the hospitality sector in Russia."

Moscow is experiencing an acute shortage of hotel rooms due to its economic boom. Revenue per room growth (RevPar) in 2006, a measure of a hotel's main revenue, is one of the highest in Europe.

This has brought the sector's overall Average Daily Rate (ADR) to more than US\$270 per room night. Overall occupancy rates for 3- and 4-Star hotels in 2006 averaged above 70% across the different seasons. With a greater demand than supply, the current hotel sector in Moscow is generally under-supplied and is thereby experiencing the benefits of high room rates and occupancy. Bearing this in mind, CDL strongly believes that there is a ready and strong market of hotel guests who are willing and able to spend on upscale accommodation.

About City Developments Limited

City Developments Limited (CDL) is an international property and hotel conglomerate involved in real estate development and investment, hotel ownership and operations and provision of hospitality solutions.

It boasts a presence in over 20 countries with more than 250 subsidiaries and associated companies together with five listed companies on the stock exchanges of Hong Kong, London, New Zealand, Philippines and Singapore. Backed by a track record of some 20,000 luxurious and quality homes to its name, CDL's properties are synonymous with prestige, good value, outstanding quality and a choice investment.

It is recipient of many international awards such as the FIABSCI Prix d'Excellence and has forged an enviable reputation as an eco-friendly company. Like CDL, M&C is also a member of the Hong Leong Group, one of Singapore's largest local private sector conglomerates. M&C is the largest hotels group in Asia outside China owning and operating over 110 hotels in 17 countries.

There are three brands under M&C – Millennium, Copthorne and Kingsgate. The Millennium deals with upscale and deluxe properties, the Copthorne brand caters to the mid-management corporate while the Kingsgate brand is favoured by budget-conscious travellers. Soon to be launched, the Grand Millennium brand is located in key cities and is the most prestigious and luxurious hotel brand under the M&C umbrella.

For more information, please contact:

Michelle Choh
Manager, Corporate Communications
City Developments Limited
(Regn No: 196300316Z)
Tel: 64289 313

Cassandra Kong
Assistant Manager, Group Corporate Affairs
Hong Leong Group Singapore
DID: 6428 9306
Email: casskong@cdl.com.sg

Gerry de Silva
Head, Group Corporate Affairs
Hong Leong Group Singapore
DID: 6428 9308
Email: gerry@cdl.com.sg