

GENERAL ANNOUNCEMENT::ANNOUNCEMENT ON BANKRUPTCY SUIT FILED AGAINST SINCERE PROPERTY

Issuer & Securities

Issuer/ Manager

CITY DEVELOPMENTS LIMITED

Securities

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Announcement on Bankruptcy Suit filed against Sincere Property

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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 issued by City Developments Limited on 8 July 2021.

Attachments

[0807 CDL.pdf](#)

Total size = 148K MB

CITY DEVELOPMENTS LIMITED
(Co. Reg. No. 196300316Z)

BANKRUPTCY SUIT FILED AGAINST SINCERE PROPERTY

The Board of Directors of City Developments Limited (“CDL”) wishes to inform that the Group has been made aware that a bankruptcy claim was filed by Beijing Yi He Mercury Investment Co. Ltd (北京易禾水星投资有限公司) against 重庆协信远创实业有限公司 (“Sincere Property”), a joint venture (“JV”) of the Group, on 5 July 2021.

The legal suit was filed in the People’s Republic of China (“PRC”) Chongqing No. 5 Intermediate People’s Court and was disclosed on the official website of the PRC court system (National Enterprise Bankruptcy Information Disclosure Platform).

The Board of Directors was informed that Sincere Property would announce this bankruptcy claim on the Shanghai Stock Exchange.

As announced previously, the Group stated that it has ring-fenced its current financial exposure to its investment in Sincere Property and it will not support the continuing financial obligations of Sincere Property. Despite the bankruptcy proceedings, the Group will continue to strenuously protect its position and limit further exposure.

In CDL’s results announcement for the financial year ended 31 December 2020 (“FY 2020”), a decision was made to impair \$1.78 billion, effectively impairing 93% of its total investment in Sincere Property, which is equity accounted as a JV. Having recognised the substantial impairment in FY 2020, the Group’s remaining exposure amounts to only \$126 million as at 31 December 2020.

The Group will closely monitor the situation and embark on the appropriate corporate and legal action as an investor and creditor of Sincere Property.

By Order of the Board

Enid Ling Peek Fong
Company Secretary

8 July 2021