



News Release

21 October 2016

CDL UNLOCKS VALUE OF NOUVEL 18 THROUGH THE THIRD PROFIT PARTICIPATION SECURITIES PLATFORM FOR S\$977.6 MILLION

- *First capital market transaction targeted at Singapore high net worth investors*
- *Capital raised will be recycled for growth plans*
- *Increases CDL's funds under management to over S\$3.5 billion*

City Developments Limited (CDL), through its wholly-owned subsidiary Sunmaster Holdings Pte. Ltd. (Sunmaster), has entered into an agreement to exit its entire interest in Summervale Properties Pte. Ltd. (Summervale), which owns Nouvel 18 (名筑), a 156-unit luxury, freehold residential development on Anderson Road. In doing so, CDL has unlocked value in Nouvel 18 through its third Profit Participation Securities (PPS) platform for S\$977.6 million. Summervale has received the Clearance Certificate from the Land Dealings (Approval) Unit on 20 October 2016.

CDL will not hold any interests in the ordinary shares and preference shares in Summervale (the Investment Shares) post completion of the transaction. None of the direct or indirect shareholders of Green 18 Pte. Ltd. (Green 18) is related to CDL or its substantial shareholders.

Summervale will raise a total of S\$977.6¹ million via the PPS transaction through the following sources:

<p>Issuance of ordinary and preference shares PPS will be issued in the form of ordinary and preference shares to Green 18, a special purpose vehicle company whose shareholders are high net worth Singaporeans and companies wholly-owned by Singapore citizens.</p> <p>Green 18 will enjoy a preferred 5% annual internal rate of return and enjoy upside beyond that, less any incentives fees payable.</p>	S\$102.0 million	10.4%
<p>Senior Loans Provision of credit facility by DBS Bank Ltd and United Overseas Bank Limited.</p>	S\$579.2 million	59.3%
<p>Issuance of Notes (Fixed income securities) DBS Bank Ltd will be the initial purchaser of the Notes, due in 2021.</p>	S\$156.4 million	16.0%
<p>CDL, through its wholly-owned subsidiary, Ventagrand Holdings Limited (Ventagrand), will be a subscriber of the Notes, due in 2023.</p>	S\$140.0 million	14.3%
TOTAL	S\$977.6 million	100%

¹Nouvel 18 is valued at S\$965.4 million, or S\$2,750 per square foot based on the project's saleable area of approximately 351,000 square feet. Approximately S\$12.2 million will be used by Summervale to pay for professional fees, debt arrangement fees and other miscellaneous expenses.

CDL's wholly-owned subsidiary, Trentwell Management Pte. Ltd. (Trentwell), will be appointed as the exclusive asset manager and marketing agent (for five years with an option to extend to seven) to manage, lease, market and sell the units of Nouvel 18.

Trentwell will receive an incentive fee after a performance benchmark is met. The benchmark ensures that Summervale will have funds to first repay the Senior Loans and Notes, and then redeem and deliver the annual 5% internal rate of return on the PPS. After the benchmark is fulfilled, Summervale will pay a portion of any excess as the incentive fee for Trentwell, and the remainder will be distributed to Green 18.

CDL Executive Chairman Mr Kwek Leng Beng said, "CDL's third PPS is in line with our strategy to grow our funds management business. It is also our first funds management platform where the asset is a purely high-end residential project. The success of our latest PPS initiative reflects investors' confidence in the tremendous value and potential of a rare, freehold product like Nouvel 18, as prices of Singapore's luxury residential segment show signs of bottoming out. There is a return of interest in Singapore's high-end properties due to their competitive pricing compared to other global cities and pent-up demand. Moreover, high-end residential supply remains limited in the medium and long term."

According to a JLL report in February 2016, the average luxury prime residential price in Singapore in Q4 2015 was down about 20% from 2011, and prices of prime properties in other global cities like London, New York and Hong Kong have a 92%, 82% and 165% premium over Singapore.

CDL Chief Executive Officer Mr Grant Kelley said, "Since embarking on our funds management strategy in 2014, CDL is on track to achieve our target of S\$5 billion in funds under management (FUM) within five years. Having successfully executed three PPS platforms to date, we now have over S\$3.5 billion in FUM. Our latest PPS initiative is unique as it has attracted a new pool of untapped Singaporean high net worth investors, as compared to the previous two which targeted institutional investors. The funds raised will also allow us to unlock shareholder value and further recycle capital for our growth plans."

In 2014, CDL partnered with Blackstone's Tactical Opportunities Fund and CIMB Bank Berhad, Labuan Offshore Branch for the S\$1.5 billion PPS that invests in the cashflows of CDL's upscale properties in Sentosa Cove, called the Quayside Collection. In 2015, CDL executed its second PPS platform involving a joint investment with Alpha Investment Partners Limited in a S\$1.1 billion office portfolio comprising CDL's prime office buildings, Central Mall (Office Tower), Manulife Centre, and 7 & 9 Tampines Grande.

Nouvel 18 is situated on an exclusive prime site of approximately 112,098 sq ft, tucked away in a quiet enclave just a few minutes' walk from Orchard Road. Designed by renowned French architect, Jean Nouvel, the project has a chic, modern façade and plentiful vertical and horizontal greenery.

Please refer to Annex for more information on Nouvel 18.

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ANNEX:

FACT SHEET

NOUVEL 18



Address	16 and 18 Anderson Road
Development Layout	Two 36-storey towers of apartments
Tenure of Land	Freehold
Site Area	Approximately 10,414 square metres / 112,098 square feet
Number of Apartments	156

Configuration/ Sizes	2-Bedroom + Study	1,335 – 1,539 square feet: 26 units
	3-Bedroom	1,582 – 1,679 square feet: 23 units
	3-Bedroom + Study	1,765 – 1,862 square feet: 33 units
	4-Bedroom + Study	2,476 – 3,337 square feet: 69 units
	Penthouse	4,306 – 6,458 square feet: 5 units
Recreational Facilities	<ul style="list-style-type: none"> • Swimming Pool • Water Feature • Pool Deck • Jacuzzi • BBQ Pit • The Club <ul style="list-style-type: none"> - Indoor/ Outdoor Gourmet Dining - Screening Room, Changing Rooms • Children’s Playground • Tennis Court • Tiered Seating • Green Lawn • Glass Lift • Block 16 Sky Terrace <ul style="list-style-type: none"> - Level 14 <ul style="list-style-type: none"> ○ Aqua Veranda • Block 18 Sky Terrace <ul style="list-style-type: none"> - Level 10 <ul style="list-style-type: none"> ○ Forest Conservatory - Level 11 <ul style="list-style-type: none"> ○ Fitness Arena, Therapeutic Patio - Level 14 <ul style="list-style-type: none"> ○ Wellness Terrace, Gourmet Pavilion - Level 19 <ul style="list-style-type: none"> ○ Sky Botanique - Level 24 <ul style="list-style-type: none"> ○ Meditation Garden 	