

**GENERAL ANNOUNCEMENT::NEWS RELEASE - CDL APPOINTS SPECIAL WORKING GROUP FOR JV INVESTMENT IN SINCERE PROPERTY GROUP**

## Issuer &amp; Securities

## Issuer/ Manager

CITY DEVELOPMENTS LIMITED

## Securities

CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09

## Stapled Security

No

## Announcement Details

## Announcement Title

General Announcement

## Date &amp; Time of Broadcast

04-Jan-2021 17:20:38

## Status

New

## Announcement Sub Title

News Release - CDL appoints Special Working Group for JV investment in Sincere Property Group

## Announcement Reference

SG210104OTHR5J8B

## 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 News Release titled "CDL appoints Special Working Group to review and improve liquidity for its 51.01% joint venture equity investment in China's Sincere Property Group" issued by City Developments Limited on 4 January 2021.

## Attachments

[0401\\_CD\\_L NewsRelease.pdf](#)

Total size = 179K MB



**CITY  
DEVELOPMENTS  
LIMITED**

**News Release**

4 January 2021

**CDL APPOINTS SPECIAL WORKING GROUP TO REVIEW AND IMPROVE  
LIQUIDITY FOR ITS 51.01% JOINT VENTURE EQUITY INVESTMENT IN  
CHINA'S SINCERE PROPERTY GROUP**

- **External Financial Advisor Deloitte engaged to assist the special working group**
- **Focus on improving Sincere Property's liquidity and profitability while limiting any additional financial exposure to the Group**

City Developments Limited (CDL) has set up a special working group to improve liquidity and profitability of its 51.01% joint venture (JV) equity investment in Sincere Property Group (Sincere Property; 协信远创), including review of potential divestments of assets and restructuring of existing liabilities of the China-based real estate group.

The formation of the working group follows the completion of a review by Deloitte & Touche Financial Advisory Services Pte. Ltd. (Deloitte) which was appointed by the CDL Board on 4 November 2020 as its External Financial Advisor to review the Group's investment in Sincere Property.

As at the date of the review performed by Deloitte, Sincere Property has over 314 legal entities and 71 projects in 18 cities totalling around 8.6 million square metres (sqm). They comprise:

- hotels and serviced apartments (174,000 sqm);
- commercial and office buildings (2.7 million sqm);
- business parks (2.0 million sqm); and
- residential projects (3.7 million sqm).

In its review, Deloitte had preliminarily allocated the 71 projects into three categories:

- projects that are profitable and generating positive cash;
- projects that can be divested (subject to the right market conditions) to improve liquidity; and
- projects which need further detailed operation review to identify feasible options to improve profitability and/or liquidity.

The review also identified major bank loans and non-trade liabilities maturing between end 2020 and 2021 which require debt restructuring. Sincere Property has started negotiations with certain major lenders and is awaiting approval.

Following a detailed review of Deloitte's findings, the CDL Board has decided to engage Deloitte China to assist CDL's special working group comprising a cross-section of internal expertise across divisions, led by Ms Goh Ann Nee, Chief Transformation Officer in the Executive Chairman's Office. The special working group will identify and evaluate options to improve Sincere Property's liquidity.

**CDL Executive Chairman Mr Kwek Leng Beng**, said, "The CDL special working group will accelerate efforts by CDL to work closely with Sincere Property to improve its liquidity and profitability while limiting any additional financial exposure to the Group. Notwithstanding the liquidity challenges, Sincere Property remains a platform for future growth in the Chinese market because of its real estate footprint across China."

## Board changes

CDL concurrently announces changes to its Board and board committees following the resignation of Independent Non-Executive Director Ms Tan Yee Peng and the appointment of Mr Lee Jee Cheng Philip as an Independent Non-Executive Director, with effect from 30 December 2020 and 4 January 2021, respectively.

CDL continues to value board diversity that enhances transparency and decision-making and looks forward to contributions and fresh insights from newly appointed directors as it navigates corporate recovery after the challenges faced in 2020.

Refer to the Group's announcement on SGX-NET for the revised composition of the Board and board committees.

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### Issued by City Developments Limited (Co. Regn. No. 196300316Z)

For media enquiries, please contact CDL Corporate Communications:

Belinda Lee  
Head, Investor Relations and  
Corporate Communications  
T: +65 6877 8315  
E: [belindalee@cdl.com.sg](mailto:belindalee@cdl.com.sg)

Eunice Yang  
Vice President  
T: +65 6877 8338  
E: [eunicey@cdl.com.sg](mailto:eunicey@cdl.com.sg)

Dominic Seow  
Manager  
T: +65 6877 8369  
E: [dominicseow@cdl.com.sg](mailto:dominicseow@cdl.com.sg)

Jill Tan  
Assistant Manager  
T: +65 6877 8484  
E: [jilltan@cdl.com.sg](mailto:jilltan@cdl.com.sg)

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