# CITY DEVELOPMENTS LIMITED

(Co. Reg. No. 196300316Z)
(Incorporated in the Republic of Singapore)

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**ANNUAL GENERAL MEETING ("AGM") TO BE HELD ON 29 APRIL 2026**
**- RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM SHAREHOLDERS AND SECURITIES INVESTORS ASSOCIATION (SINGAPORE)**

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The Board of Directors of City Developments Limited (the "**Company**") refers to its announcement on 31 March 2026 on the arrangements for the AGM, and in particular, the invitation to shareholders to submit substantial and relevant questions in advance of the AGM. The Company thanks shareholders for the questions submitted.

The Company has also received some questions from the Securities Investors Association (Singapore) ("**SIAS**"). Appendix 1 sets out the Company's responses to the substantial and relevant questions received from shareholders relating to the AGM and from SIAS relating to the Company's Annual Report 2025.

By Order of the Board

Enid Ling Peek Fong
Soo Lai Sun
Company Secretaries
24 April 2026

**CITY DEVELOPMENTS LIMITED**
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## (I) ANNUAL GENERAL MEETING (“AGM”) TO BE HELD ON 29 APRIL 2026 - RESPONSES TO QUESTIONS FROM SHAREHOLDERS

| No. | Question | Response |
|---|---|---|
| 1. | **The company holds some 35% of First Sponsor Group valued at $395 million. Is the investment considered a non-core business and subject to strategic review?** | As part of CDL’s ongoing capital and portfolio management processes, it regularly reviews its investments to ensure alignment with strategic priorities and to optimise long-term shareholder value.<br><br>CDL’s investment in First Sponsor Group Limited (“**FSGL**”) is accounted for as an associate under the equity method and is not marked to market. Notably, FSGL is thinly traded and has limited daily liquidity.<br><br>The Company will continue to evaluate its shareholding in FSGL in a holistic manner, alongside other capital allocation considerations. |
| 2. | **Dividend payouts have been lagging for long time. Please consider that going forward, shareholders can get at least 3% per year returns.** | To strengthen alignment with shareholders’ interests and enhance transparency and clarity of shareholder returns, the Company enhanced its dividend policy in February 2026 and intends to declare ordinary cash dividends at least once annually, with a payout ratio of minimally 35% based on reported PATMI.<br><br>With the improved performance in FY 2025, CDL increased dividends to 28 cents per share (FY 2024: 10.0 cents per share), representing a payout ratio of 40%.<br><br>While dividend yield may vary with market conditions and be impacted by share price movements and macroeconomic uncertainties, CDL focus remains on delivering sustainable shareholder returns.<br><br>The Company will continue to balance prudent capital management with shareholder returns through active capital recycling, investment in value-accretive growth and disciplined execution. |

## (II) RESPONSES TO QUESTIONS FROM SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

### A. BUSINESS OPERATIONS, STRATEGY AND OUTLOOK

| No. | Question | Response |
| --- | --- | --- |
| 1. | Would the board/management provide greater clarity on the following operational and financial matters? Specifically: | |
| (i) | **Singapore property development**: The group recognised revenue of $4.35 billion in FY2025, the highest in its 63-year history, driven by launches such as The Orie and Zyon Grand. The group has a pipeline of approximately 1,820 units across EC (40%), mid-tier (31%) and high-end (29%) market segments.<br><br>**How does management assess current market conditions in Singapore, and what indicators are used to gauge demand sustainability and price stability? What risks could lead to a slowdown?** | Demand for Singapore's private residential market is expected to remain resilient, though sales volumes may moderate given fewer launches this year.<br><br>Private home prices are likely to remain stable with modest growth, supported by relatively lower interest rates, stable employment, a strong homeownership culture as well as Singapore's position as a global hub attracting capital inflows from investors seeking a stable, safe and transparent environment to live and do business in.<br><br>The Group monitors key indicators such as sales volumes, conversion rates, inventory levels, URA price trends, Government Land Sales tender participation, and financing conditions, including mortgage rates and loan accessibility.<br><br>Potential risks that may affect market sentiment include macroeconomic uncertainties such as the Middle East conflict, interest rate volatility, geopolitical developments and policy changes, which could dampen demand and price growth.<br><br>The Group remains cautiously optimistic, with recent new launches, including Newport Residences (launched in January 2026 and now 76% sold), reflecting sustained demand for well-located and competitively priced projects. With a diversified pipeline spanning Executive Condominiums, mid-tier and high-end segments, the Group is well-positioned to capture demand across market cycles. |
| (ii) | **London hotels**: The group acquired the freehold 706-room Holiday Inn London - Kensington High Street, located adjacent to the Copthorne Tara Hotel London Kensington.<br><br>**What are the group's plans for these assets? Is management considering repositioning, asset enhancements, or alternative including redevelopment?** | The acquisition of Holiday Inn London – Kensington High Street hotel strengthens the Group's presence in Central London. The hotel is currently achieving high occupancy rates over 95% and generating a running yield in excess of 6%.<br><br>Situated on a rare and sizeable freehold site, it allows for operational synergies and the pursuit of future enhancement opportunities.<br><br>Together with the adjoining Copthorne Tara, the Group now controls two of the largest freehold sites in this highly sought-after precinct. The sites, whether on their own or amalgamated, offer significant long-term redevelopment potential. |

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| (iii) | **Divestments: What targets has the board set for the group's capital recycling efforts for FY2026 and beyond? How does management identify assets for divestment?** | In FY 2025, the Group achieved approximately $2 billion in contracted divestments.<br><br>Going forward, instead of providing a standalone annual divestment target, the Group has adopted a multiyear disciplined approach to capital recycling by aligning execution with market conditions , capital allocation priorities and portfolio rebalancing strategies. This is being considered as part of an ongoing strategic review, with further details to be unveiled in due course.<br><br>As part of its proactive portfolio management, the Group regularly reviews its global asset portfolio and has identified a pipeline of assets across geographies and asset classes for potential divestment, including its legacy UK development land bank.<br><br>Asset divestment opportunities are evaluated using financial metrics such as targeted Internal Rate of Return (IRR) thresholds, yields, payback periods and the impact on the overall portfolio performance. Other key considerations include the asset's relevance, maturity, profitability and potential. |
| (iv) | **Living sector and fund management**: The group's living sector portfolio has increased to $3.7 billion, including Private Rented Sector (PRS) apartments and Purpose-Built Student Accommodation (PBSA) across Singapore, Japan, the UK, and Australia.<br><br>**At what stage does management intend to monetise or spin off these assets as part of its fund management strategy and capital recycling plans?** | The Group continues to evaluate various pathways to enhance performance and recycle capital. For the living sector portfolio, potential options include divestments to third parties, seeding assets into existing platforms or new fund management initiatives, and holding the assets for longer-term potential. The timing will depend on market conditions, asset readiness and capital efficiency. |

## B. CORPORATE STRUCTURE

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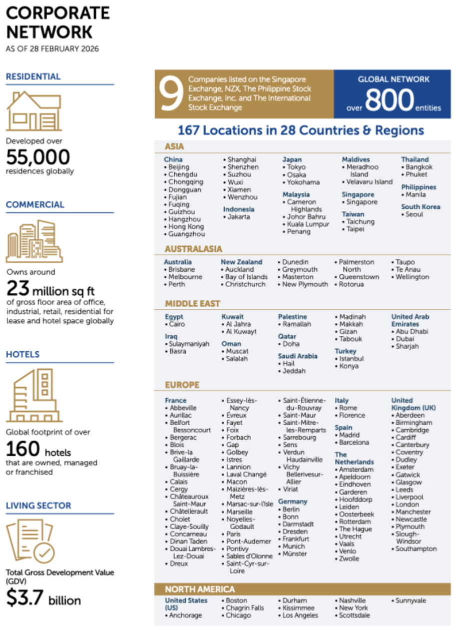
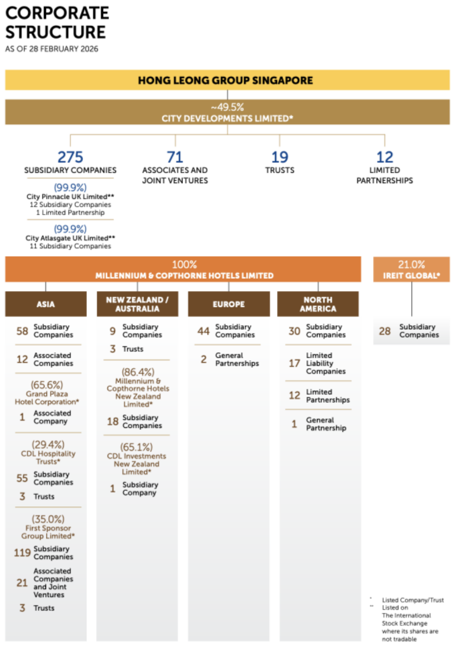
<tr><th>No.</th><th>Question</th><th>Response</th></tr>
<tr><td>2.</td><td colspan="2">The corporate network and group structure are set out on pages 18 and 19 of the annual report.<br><br><br><br></td></tr>
<tr><td>(i)</td><td>Has the board reviewed the group’s corporate structure to assess whether further streamlining could improve organisational efficiency and capital allocation? In particular, given the presence of multiple listed entities across the Singapore Exchange, NZX, the Philippine Stock Exchange, and the International Stock Exchange, does the board consider the current corporate structure to be optimal?</td><td>The Group regularly reviews its corporate structure as part of its broader strategy to enhance organisational efficiency, capital allocation and long-term value creation.<br><br>The Group continues to streamline its structure, as evidenced by past initiatives such as the privatisation of Millennium & Copthorne Hotels plc, the distribution in specie of CDL Hospitality Trusts (“CDLHT”) stapled securities to deconsolidate CDLHT from a subsidiary to an associate, and the unsuccessful takeover bid last year to privatise Millennium & Copthorne Hotels New Zealand Limited. These efforts reflect the Group’s ongoing efforts to optimise its portfolio and enhance capital efficiency.<br><br>The Group remains open to further structural enhancements and will evaluate options as part of its ongoing strategic review.</td></tr>
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<td>(ii)</td>
<td>Has the board evaluated the strategic rationale and returns of its non-controlling stakes, such as the 35% stake in First Sponsor Group and the 21% interest in IREIT? What synergies exist with the broader group?</td>
<td>The Group regularly reviews the strategic rationale and performance of its non-controlling stakes within its broader portfolio.<br><br>For FSGL, please refer to responses to Q1 of Section (I) above.<br><br>For IREIT Global, while the Group holds a 21% interest in the REIT units, it also has joint ownership of the REIT manager, together with a sizable European fund management company, Tikehau Capital, which has over €50 billion of assets under management (“AUM”). This investment supports the Group’s fund management initiatives to grow its AUM and fee-based income, while also providing recurring income distributions from the REIT and geographical diversification into the pan-European market. As a joint sponsor, it also provides a platform that may support the Group’s capital recycling strategy, not to mention potential partnership opportunities with Tikehau Capital.</td>
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<td colspan="2">In terms of capital structure, the company conducted a second off-market equal access offer in June 2025 to repurchase 10% of the non-redeemable convertible non-cumulative preference shares at $0.78 per preference share.</td>
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<td>(iii)</td>
<td>With 241.2 million preference shares remaining after two such exercises, what is the intended long-term role of these instruments within the group’s capital structure? What are the board’s plans for the remaining NCCPS?</td>
<td>Preference shares are a hybrid security combining features of equity and debt, offering preference shareholders priority over common shareholders while providing a fixed, consistent dividend.<br><br>The Off-Market Equal Access Offer in 2024 and 2025 allowed preference shareholders the option to tender 10% of their preference shares in each year.<br><br>With low trading liquidity for the preference shares, the Off-Market Equal Access Offer provides preference shareholders with a short-term liquidity option to encash their holdings partially, on top of the preference dividends received over the years, via a cash exit opportunity to tender their preference shares, without transaction costs.<br><br>This enables the Group to exercise greater control over its share capital structure, as all preference shares acquired by the Group through each Off-Market Equal Access Offers will be cancelled.<br><br>The Group plans to continue to seek shareholders’ approval for the renewal of the Share Purchase Mandate (for both Ordinary and Preference Shares) at the 63rd AGM on 29 April 2026 and will consider all relevant factors before deciding whether to conduct a similar offer again for the remaining preference shares.</td>
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## C. DIVIDEND POLICY

| No. | Question | Response |
|---|---|---|
| 3 | In FY2025, the board enhanced the dividend policy, committing to a minimum payout ratio of 35% of reported PATMI.<br><br>For the financial year ended 31 December 2025, the board recommended a final ordinary dividend of 25.0 cents per share, resulting in a total payout ratio of approximately 40% when including the special interim dividend. | |
| (i) | **Can the board elaborate on the framework used to determine the minimum payout ratio of at least 35% of PATMI? What considerations led to setting this level, and how does the board assess whether a higher payout ratio, such as 40% or 50%, would be appropriate?** | The Group’s primary objectives are to ensure sustainable value creation and maximise shareholder returns.<br><br>While the Group has in recent years declared dividend payments of around one-third of PATMI, the formal dividend policy with a minimum dividend payout ratio of at least 35% of PATMI enhances transparency and provides clarity and certainty for shareholders.<br><br>In determining the minimum payout ratio which the Group recognises is a long term commitment, the Group carefully assessed its past and projected financial performance, its projected future cash flows, its capital requirements for business growth, its gearing levels and dividend policies for comparable listed companies in Singapore. Going forward, it will continue to assess the scope for higher payouts in the context of its financial position, investment pipeline and overall capital allocation priorities.<br><br>With the improved performance in FY 2025, the Group increased dividends declared to 28 cents per share (FY 2024: 10.0 cents per share), translating to a payout ratio of 40%. |
| (ii) | **Separately, for loyal shareholders who rely on dividends for income, has the board considered adopting a more balanced distribution between interim and final dividends, rather than concentrating the majority of the payout at year end? What factors determine the current distribution approach, and is there scope to provide a more even payout profile across the year?** | Interim and final dividends are distributed based on the Group’s earnings visibility, cash flow projections and capital requirements over the course of the financial year. In view of ongoing macroeconomic challenges and uncertainties, the Group will continue to exercise prudence in its dividend distribution to shareholders while also considering the possibility of rebalancing the dividend between the interim and final payouts.<br><br>The Group remains committed to delivering sustainable shareholder returns while also ensuring it is well-positioned to execute its strategic plans and priorities in line with its broader strategy. |