

General Announcement::Announcement on Impairment of Assets by a subsidiary, Millennium & Copthorne Hotels plc

Issuer & Securities

Issuer/ Manager	CITY DEVELOPMENTS LIMITED
Securities	CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09
Stapled Security	No

Announcement Details

Announcement Title	General Announcement
Date & Time of Broadcast	12-Feb-2016 17:11:27
Status	New
Announcement Sub Title	Announcement on Impairment of Assets by a subsidiary, Millennium & Copthorne Hotels plc
Announcement Reference	SG160212OTHR2MZ9
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 in relation to the subject matter.
Attachments	<p>CDL MnC 120216.pdf</p> <p>MnC Impairment of Assets12Feb2016.pdf</p> <p>Total size =29K</p>

 Tweet
  G+1
  0

Millennium & Copthorne Hotels plc – Announcement on Impairment of Assets

The Board of Directors of City Developments Limited (“CDL” or the “Company”) refers to the attached announcement of Millennium & Copthorne Hotels plc (“M&C”), its listed subsidiary on the London Stock Exchange, issued on 12 February 2016 whereby M&C has announced that following its annual impairment testing, it expects to recognize a net charge of approximately £43 million against M&C’s pre-tax profits in its accounts for the year ended 31 December 2015 (“FY2015”). Further details of the net charge are set out in M&C’s announcement which is attached to this announcement.

The Company wishes to highlight that CDL continues to adopt its conservative policy of accounting for its investment properties and property, plant and equipment at cost less accumulated depreciation and accumulated impairment losses. M&C, on the other hand accounts for investment properties at fair value, and its property, plant and equipment (land and buildings) at cost, except as allowed under IFRS 1 transition rules, less depreciation and any provision for impairment.

The impact of the net impairment charge made by M&C on CDL Group’s Profit Attributable to Owners of the Company (referred as PATMI) for FY2015 is approximately S\$48 million.

After taking into account the net impairment charge, CDL still expects to remain profitable for FY2015. The Company will be announcing its unaudited financial results for FY2015 on 25 February 2016.

By Order of the Board

Shufen Loh @ Catherine Shufen Loh
Enid Ling Peek Fong
Company Secretaries

12 February 2016

For Immediate Release

12 February 2016

**MILLENNIUM & COPTHORNE HOTELS plc
Impairment of Assets**

Millennium & Copthorne Hotels plc ("M&C") announces today that following its annual impairment testing, it expects to recognise a net charge of approximately £43m against pre-tax profits in its accounts for the year ended 31 December 2015. The final figures will be included in M&C's full year results, which will be released on 19 February 2016.

The net charge includes £76m of impairment losses relating primarily to four of M&C's properties located in the operating segments of New York, Rest of Europe and Rest of Asia; offset by net revaluation gains of approximately £33m on M&C's investment properties.

Performance of those assets, especially the four hotels referred to above, that are to be impaired is being closely monitored. With regard to such properties, management is considering appropriate strategies to further control costs and increase revenue, including exploring additional sales channels, enhanced sales and marketing efforts and the implementation of brand initiatives. Meanwhile, the ongoing asset refurbishment programmes are continuing and are anticipated to yield benefits in the future.

Enquiries

Millennium & Copthorne Hotels plc

Aloysius Lee, Group Chief Executive Officer

Jonathon Grech, Group General Counsel and Company Secretary

Peter Krijgsman, Financial Communications (Media)

Tel: +44 (0) 2078722444