

Evolve

CDL Sustainability Report 2011



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About CDL

Singapore's property pioneer since 1963, City Developments Limited (CDL) is a listed international property and hotel conglomerate involved in real estate development and investment, hotel ownership and management, facilities management, as well as the provision of hospitality solutions.

With an extensive network of more than 300 subsidiaries and associated companies under our wings, CDL also has 5 companies listed on notable stock exchanges in New Zealand, Hong Kong, London and Philippines. CDL currently owns and manages a strong portfolio of residential and investment properties, in addition to hotels, across Asia, Europe, Middle East, North America and Australasia.

In Singapore, CDL holds an impressive track record of over 22,000 luxurious and quality homes to its name. Globally, CDL owns over 6 million square feet of lettable office, industrial, retail and residential space. The Group is one of the biggest landlords and also owns one of the largest land banks amongst private developers in Singapore, with over 3.5 million square feet that has the potential of being developed into over 7 million square feet of gross floor area.

Beyond establishing a distinctive imprint on the Singapore cityscape, CDL's local presence is matched by the strategic growth of our international business.

CDL's global presence is led by our diversification into hospitality management and the acquisition of hotel assets through CDL's London-listed subsidiary, Millennium & Copthorne Hotels plc (M&C). As one of the world's largest hotel groups, M&C owns, asset manages and/or operates over 100 hotels in 17 countries around the world. The Hong Kong-listed City e-Solutions Limited is another subsidiary of CDL that is dedicated towards providing management services and technology solutions for the hospitality industry.

In Singapore, CDL has about 350 employees at our headquarters (excluding subsidiaries).

We are always anticipating and adapting to meet the changing needs of the communities we serve in the property industry. As a growth leader in our market, CDL is constantly evolving to create new benchmarks, renew our capabilities and sustain our commitments, to reach unparalleled heights of excellence.

Message From The Managing Director



Dear Stakeholders,

The year 2010 was one of recovery for the global economy. In response to challenges arising from the financial turmoil of 2008, many corporations worldwide restructured their operations with business sustainability in mind and geared themselves for a new era of growth – one defined by an increased awareness that business has to be conducted in a socially and environmentally responsible manner.

Beyond economic challenges, corporations have increasingly come to realise that climate change represents an urgent and potentially irreversible threat to the continuity of life and have taken steps to minimise their carbon footprint.

Despite the lack of a global accord at the United Nations (UN) Climate Change Conference held in Copenhagen in December 2009, it is heartening that international negotiations made some headway at last year's Cancun conference.

Paving the way for a new era of global eco-consciousness and environmental responsibility, the agreement was designed to mitigate the impact of climate change through a paradigm shift towards building a low-carbon society. An agreement was adopted by leaders for a large "Green Climate Fund" to assist poorer countries in financing emission reductions and adaptation, and the setting up of a "Climate Technology Centre" and network, in addition to a second commitment period for the Kyoto Protocol. While a detailed action plan is lacking, it holds promise for the next climate conference to be held in South Africa this November.

I am pleased to share that for 2010, CDL delivered record profits since inception for our investors and shareholders, while simultaneously continuing to make headway in improving our social and environmental performance and disclosure. Our sustained efforts

towards improving our environmental performance have resulted in an 11% reduction in our total carbon intensity emissions from baseline year 2007.

We remain committed to further improve our environmental performance and in support of the Singapore's government goal to reduce the nation's carbon emissions by 16% below business-as-usual (BAU) levels by 2020⁽¹⁾, we have taken stock of our carbon performance and are confident to set a carbon reduction target for our business operations moving forward. By 2020, our target is to reduce the Company's carbon intensity emissions by 22% from baseline year 2007, and to achieve a 25% reduction by 2030.

In 2010, we also embarked on a voluntary initiative which saw the reduction of the annual carbon emissions of our corporate office operations and data centre, which amounted to some 327 tonnes of carbon dioxide, to net zero.

More than just reducing our carbon footprint at the Company level, we also aim to influence our stakeholders to support this goal. CDL first embarked on incorporating green innovation and technologies in our developments over a decade ago and we remain committed to investing in initiatives that will encourage capacity building and innovation to help prepare the real estate industry for a greener economy. We will continue to leverage on our first-mover advantage in this area and push ahead to further enhance energy efficiency and low carbon technologies in our properties.

Testament to our sustained efforts in building capacity in green building in Singapore, we are honoured to be the first developer to be accorded the Green Mark Platinum Champion Award by the Building and Construction Authority (BCA) this year. CDL first received the Green Mark Champion Award in 2008 and the accord of this higher tier Award attests to our contribution towards shaping a greener built environment in Singapore.

Since the BCA Green Mark certification scheme for buildings was initiated in 2005, we have to-date achieved over 50 Green Mark buildings and developments – the highest number accorded to a single private property developer in Singapore. This year, we are pleased to welcome another 18 Green Mark properties to our fold, of which six are of the highest tier Green Mark Platinum. We approximate that some S\$12 million

in electricity will be saved annually from our 27 Green Mark awarded buildings from 2008 to 2010 (estimated figure upon completion of the new and existing buildings). Moving forward, we have raised the bar for ourselves and our target is now to achieve a minimum BCA Green Mark Gold^{dplus} rating for all new developments.

On the international front, it is timely for the ISO 26000:2010, Guidance on social responsibility, to be formally launched and I am glad that CDL is the first company in Singapore to embark on aligning our business operations with the internationally accepted Corporate Social Responsibility (CSR) best practices guidance.

This year, we have titled our Sustainability Report "Evolve" to reflect CDL's dynamic spirit and forward-looking ethos in embracing the challenges posed by the ever-changing social and environmental landscape.

As social responsibility takes greater prominence globally, we look forward to improving our CSR practices and since October 2010, have embarked on an internal training and assessment exercise to evaluate our existing CSR strategies and performance against the draft ISO 26000 framework. Through the course of this benchmarking exercise, the structure of CDL's CSR sub-committees has also been refined for greater alignment with the seven core subjects identified under ISO 26000.

"Climate change presents both challenges and opportunities to the building industry to mitigate its impact on the environment. As a leading property developer and amongst Singapore's largest landlords, CDL has embraced environmental responsibility as an integral strategy for continued growth and business excellence, conserving as we construct for over a decade. We are pleased to report that our sustained efforts towards improving our environmental performance have resulted in 11% reduction in our total carbon intensity emissions from baseline year 2007."

While our endeavour of aligning our existing management systems with the ISO 26000 framework is ongoing and will continue into 2011 and beyond, we have nevertheless taken the affirmative step of addressing the ISO 26000 core subjects and issues alongside the Global Reporting Initiative (GRI) Reporting Framework. This report is perhaps the first sustainability report published by a Singapore corporation that seeks to address the ISO 26000 framework.

In addition, we have continued to externally assure our sustainability report in accordance with the AA1000 (2008) Assurance Standard, which evaluates the reliability of our reported sustainability performance. Our approach of subscribing to internationally accepted sustainability principles demonstrates CDL's commitment in working towards greater transparency and disclosure through performance benchmarking.

Indeed it is our very definitive spirit of embracing change and continued pursuit of improvement that propels CDL towards continued sustainable growth and business excellence. As encapsulated by this report, even as we continue to seek new breakthroughs in our corporate, environmental and social performance, we will grow and adapt in tandem with evolutionary changes to the social and environmental landscape globally.

Kwek Leng Joo
Managing Director
June 2011



⁽¹⁾ Subject to legally binding global deal that obliges all countries to cut emissions, and if other countries offer significant pledges (Source: Ministry of Foreign Affairs).

Embrace

The business, social and environmental landscape is ever-changing. Embracing this dynamism is integral to CDL's evolutionary approach towards sustainability.

Being inclusive at every level has enabled us to achieve sustainable business excellence whilst addressing the interests of our stakeholders.

Our progress is determined by our ability to meld our business and sustainability objectives and flow in partnerships for the future.



Chapter 1:

Embracing an Evolving Landscape

CDL'S CSR STRATEGY

At CDL, building sustainability into our operations is integral to our strive towards business excellence and laying the foundation for long-term growth.

As a leading property developer in Singapore, we measure ourselves against the triple bottom line, taking into account our economic, environmental and social performance.

Since the 1990s, CSR has been the bedrock of our business philosophy and is integrated into our corporate commitments. It is our goal to be transparent and accountable to our stakeholders.

OUR CORPORATE VISION

To maintain industry leadership in innovation, product quality, service standards, profitability and CSR.

CSR VISION

To be a leader in business and a champion of CSR.

CSR MISSION

To be a responsible corporate citizen who believes in creating value for stakeholders, conducting sustainable business practices, caring for the community and protecting the environment.

COMMITMENT TO STAKEHOLDERS

As a responsible corporation, it is our goal to be transparent and accountable to our stakeholders who have an interest in our operations. These include:

Customers:

To provide quality and innovative products, unsurpassed service and value for money.

Investors:

To maintain profitability and achieve optimum returns for their investment.

Employees:

To maximise their potential and care for their personal well-being and career development.

Contractors and Suppliers:

To select based on quality work and their ability to complement our commitment to environment, health and safety.

Community:

To serve the community we operate in so as to create a better place for all, especially caring for the less fortunate, enhancing youth development, promoting the arts and conserving the environment.

(For more details on CDL's Stakeholder Engagement, please refer to Chapter 2.)



With a track record of 48 years, CDL has established a distinctive imprint on the Singapore cityscape.

CDL'S CSR OBJECTIVES

Corporate

- Raise awareness of CSR within and outside of the Company
- Achieve industry leadership position in CSR in Singapore
- Establish a business framework for sustainable management and innovation

Financial, Corporate Governance and Risk Management

- Maintain profitability and optimum returns for investors
- Ensure good corporate governance and sound risk management
- Create value for investors through financial and non-financial performance
- Ensure the maintenance of an internationally-based management system such as Singapore Quality Class for business excellence

Human Resource

- Improve employees' competencies, maximise their potential for career development
- Create a work environment that supports a corporate culture of work-life harmony
- Improve employees' health and well-being
- Achieve industry leadership position in Workplace Health and Work-life initiatives in Singapore

Environmental, Health and Safety (EHS)

- Ensure the maintenance of an international management system for the environment
- Achieve industry leadership position in developing and maintaining green buildings in Singapore
- Achieve ISO 14001 targets at both corporate and operational levels

Product Responsibility

- Focus and reinforce on delivering quality and innovative products
- Focus and reinforce commitment on the development of green buildings
- Create products that are value for money
- Provide quality customer service

Supply Chain

- Proactively engage contractors and suppliers on quality of work and commitment to EHS

Community

- Serve and create a better living environment for the community
- Proactively engage the community through synergistic collaborations and sustainable CSR programmes

ENHANCEMENTS TO THE CSR COMMITTEE – ALIGNING WITH ISO 26000

On 1 November 2010, the CSR landscape was further strengthened with ISO's (International Organisation for Standardisation) launch of one of the most highly anticipated International Standards of recent years, ISO 26000:2010 Guidance on social responsibility.

Since the development of ISO 26000 which began in 2005, CDL has been watchful of the developments of the ISO 26000 framework. Although ISO 26000 is not mandatory or a standard for certification, nor designed as a

management system, we believe that the framework provides essential guidance on critical CSR issues that can be best addressed by any organisation.

To adapt to the changing CSR landscape and to align ourselves with international best practices, the Company has been preparing itself over the last year, studying and applying these guidelines in a bid to strengthen our CSR engagement.

CSR COMMITTEE DEVELOPMENT ROADMAP

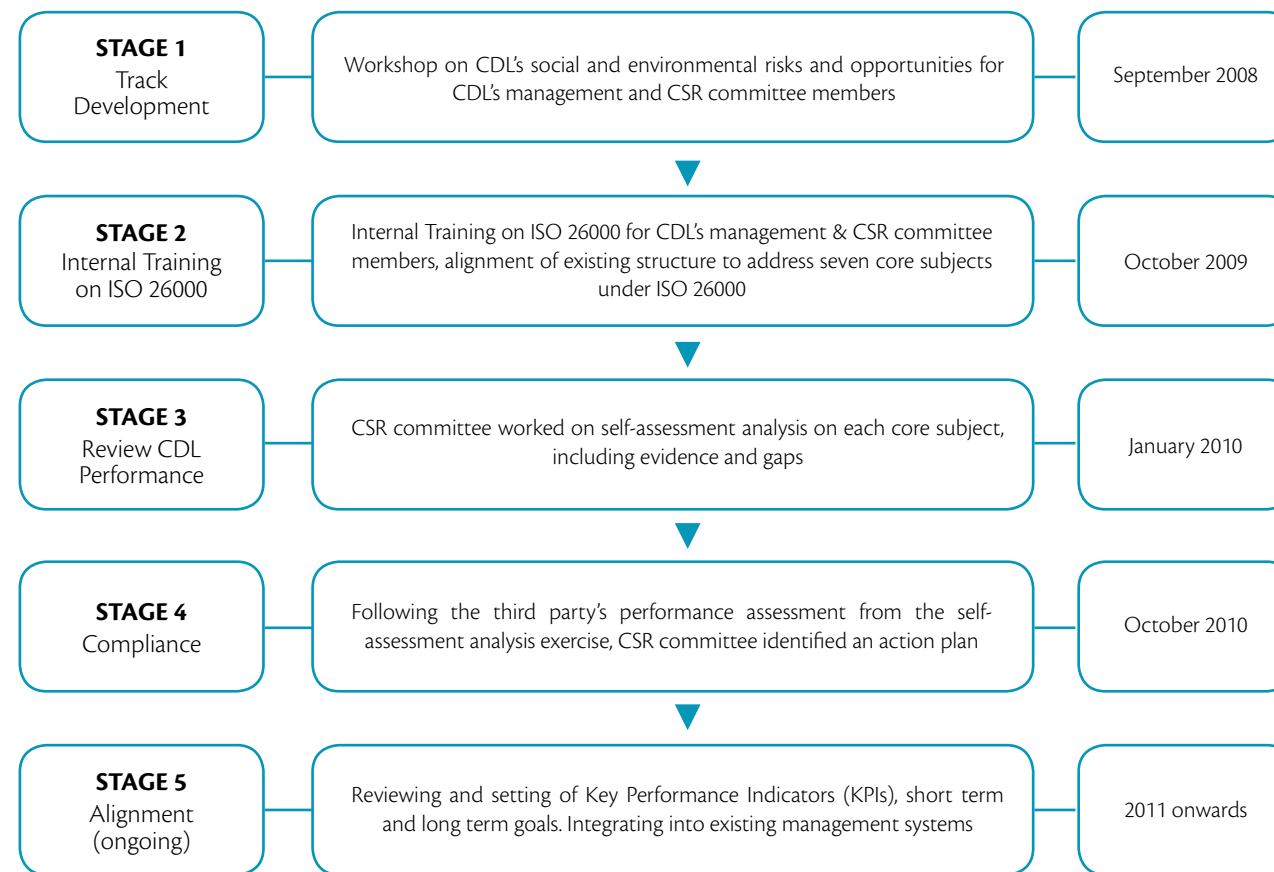
CDL established our CSR Committee in 2008, led by our Managing Director and senior management as a strategic

initiative to integrate our CSR objectives into our business operations, monitor and improve on our CSR performance.

Since October 2009, we have taken proactive steps to use the draft ISO 26000 guidelines progressively as a benchmark framework to:

- (1) Conduct internal training on ISO 26000 for CDL's management and CSR committee members
- (2) Enhance our CSR committee structure to address ISO 26000's core subjects
- (3) Assess our compliance with ISO 26000's seven core subjects
- (4) Assess our existing policies, identify gaps and define the best way forward

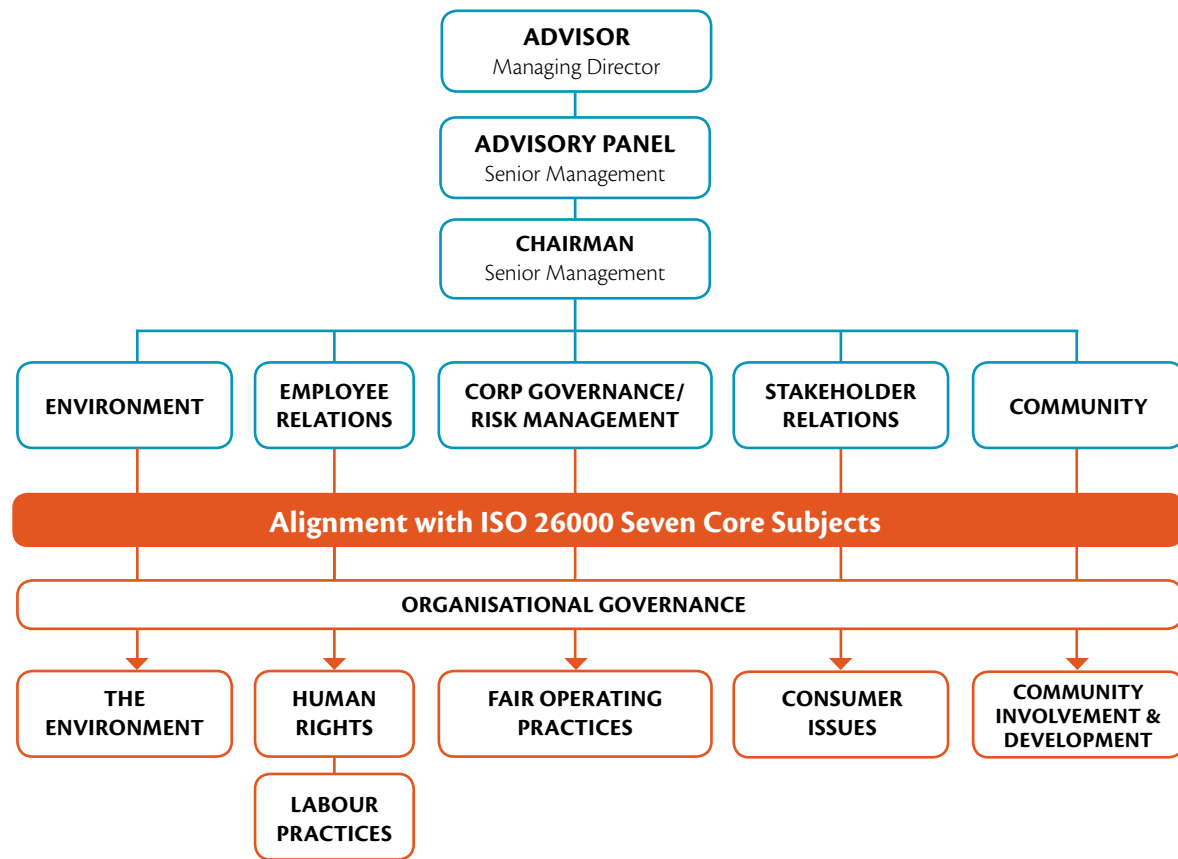
CDL'S JOURNEY IN ALIGNMENT WITH ISO 26000 ⁽¹⁾



⁽¹⁾ CDL CSR Committee's Development of our CSR Strategy and Advancement since 2008

STRUCTURAL ENHANCEMENTS TO CSR COMMITTEE

In 2010, the structure of our CSR sub-committees was refined to better align and address the seven core subjects of ISO 26000.



— Original CSR Committee Structure
 — Enhanced to Cover ISO 26000 Core Subjects

ASSESSMENT ANALYSIS USING ISO 26000

The CSR sub-committees conducted self-assessment to review the significance of the core subjects and issues, plus identify the gaps that exist with respect to the items.

The relevance and significance of each of the seven core subjects and their respective issues were assessed in terms of self-determined importance by categories: High, Medium High, Medium, Medium Low and Low. Based on the data collected through this series of structured internal assessments, current

performance strengths and gaps were identified.

The Performance Matrix below summarises CDL's demonstration of each ISO 26000 principle of behaviour, mapped against the seven core subjects.

| ISO 26000 | Organisational Governance | Human Rights | Labour Practices | The Environment | Fair Operating Practices | Consumer Issues | Community Involvement & Development |
|---|---------------------------|--------------|------------------|-----------------|--------------------------|-----------------|-------------------------------------|
| Accountability | ● | ● | ● | ● | ● | ● | ● |
| Transparency | ● | ● | ● | ● | ● | ● | ● |
| Ethical Behaviour | ● | ● | ● | ● | ● | ● | ● |
| Respect for Stakeholder Interests | ● | ● | ● | ● | ● | ● | ● |
| Respect for the Rule of Law | ● | ● | ● | ● | ● | ● | ● |
| Respect for the International Norms of Behaviours | ● | ● | ● | ● | ● | ● | ● |
| Respect for Human Rights | ● | ● | ● | ● | ● | ● | ● |

● Fully inculcated into CDL's activities
 ● Work in progress
 ● Improvement needed

Overall with respect to the application of the ISO 26000 principles, CDL's areas of strength lie in: Respect for the Rule of Law, Accountability, Ethical Behaviour and

Transparency. These strengths are related to the current policies and disclosure of activities already articulated in CDL's Sustainability Reports. With respect to the

core subjects, compliance in the subjects of Consumer Issues, Organisational Governance and Fair Operating Practices is highest.

| CSR SUB-COMMITTEES | RISKS & OPPORTUNITIES (UNDER REVIEW) | ASPECTS (UNDER REVIEW) | MORE INFO |
|--|--|--|----------------|
| The Environment | <ul style="list-style-type: none"> - Regulatory risks & opportunities - Singapore Government's commitment to manage carbon emissions has significantly impacted the building industry - Environmental risks - Impact of climate change | <ul style="list-style-type: none"> • Energy and water used at work sites • Construction waste generated at work sites • Energy and water used at CDL commercial and industrial buildings • Paper recycled at CDL buildings • Tenants' participation rate for paper recycling • Energy and paper used at the corporate office • Total energy used • Total carbon emissions • All new developments to be certified BCA Green Mark Gold^{plus} and above • Accident frequency rate at CDL work sites (number of workplace accidents per million manhours worked) • Injury rate at CDL work sites (number of fatal and non-fatal workplace injuries per 100,000 persons employed) | Chapter 4 |
| Human Rights & Labour Practices | <ul style="list-style-type: none"> - Human Resource risks & opportunities - Talent attraction and development - Maintaining ethical values and business standards | <ul style="list-style-type: none"> • Annual employee turnover rate • Employee satisfaction • Days of medical leave taken • Gender diversification • Average years of service per employee • Total CSR and environment-related training hours • Health and safety at the corporate office (injury rate and occupational disease) | Chapter 5 |
| Consumer Issues | <ul style="list-style-type: none"> - Operating risks & opportunities - Product and service quality assurance - Design and product innovation | <ul style="list-style-type: none"> • New developments to be well-ranked on Construction Quality Assessment System (CONQUAS) | Chapters 1 & 2 |
| Fair Operating Practices | <ul style="list-style-type: none"> - Operating risks & opportunities - Formalised risk management framework | <ul style="list-style-type: none"> • CSR had been identified as potential business risk | Chapter 3 |
| Community Involvement & Development | <ul style="list-style-type: none"> - Operating risks & opportunities - Social and economic development of the community | <ul style="list-style-type: none"> • Employee participation rate per year • Employee volunteer hours per year | Chapter 6 |

RISKS AND OPPORTUNITIES

Currently at Stage 5, the CSR committee is reviewing the short term and long term KPIs as well as risks and opportunities identified previously. As of now, they are still relevant and applicable. The CSR committee is also evaluating action plans for improvement to complement and add value to our business as well as serve the interests of our stakeholders.

These action plans will be aligned and integrated into existing management systems including ISO 14001 Environmental Management System, Singapore Quality Class and CDL EHS Policy. Progressively, CDL seeks to develop and implement a comprehensive monitoring programme with the end goal of establishing an evolving cycle of data collection and gap analysis.

Ultimately, the CSR Committee will utilise the ISO 26000 as an invaluable tool to align our business operations with a universal understanding of internationally accepted CSR best practices and maximise our contribution towards sustainable development.

COMMITMENT TO EXTERNAL INITIATIVES

As the CSR landscape continues to evolve, CDL shares this commitment with like-minded organisations by participating in many global and local initiatives and also being a signatory to various charters, to advocate the importance of CSR. These include:

- Anti-Corruption and Compliance Declaration (since 2009)
 - Carbon Disclosure Project (since 2008)
 - Employers' Pledge for Fair Employment Practices (since 2008)
 - Global Reporting Initiative (since 2008)
 - ISO 26000:2010 (2011)
 - Singapore Compact for CSR (since its inception in 2005)
 - United Nations Caring for Climate (since 2008)
 - United Nations Global Compact (since 2005)
- We keep abreast of our sustainability rankings in our strive towards making concerted efforts to improve our scorecard.

CDL'S SUSTAINABILITY RANKINGS

| | 2008 | 2009 | 2010 | 2011 |
|--|-------------------|---|---|--|
| AccountAbility AA1000 | - | Externally assured (Performance information only) with reference to AA1000 Assurance Standard | AA1000 Assurance Standard 2008 Type 2 (AccountAbility principles and performance information) | AA1000 Assurance Standard 2008 Type 2 (AccountAbility principles and performance information) ⁽¹⁾ |
| Asian Sustainability Rating | 66.1% | 74.5% | 84.0% | - ⁽²⁾ |
| Carbon Disclosure Project | Participation | Participation | Participation | Participation |
| FTSE4Good Index Series | Listed since 2002 | | | |
| Global 100 Most Sustainable Corporations in the World | - | - | Ranked as #81 | Ranked as #100 |
| Global Reporting Initiative | Level C | Level B+ | Level B+ | Level B+ |
| ISO 26000:2010 Guidance on social responsibility | - | - | - | Yes |

RESPONDING TO CSR CHALLENGES IN 2012 AND BEYOND

2010 will be remembered as a critical year of review and reevaluation of CDL's CSR strategy and performance as we prepared the critical groundwork necessary for the integration of the ISO 26000 framework; an endeavour that will continue into 2011 and beyond.

We have also made headway in our commitment towards climate change and have pledged to reduce our carbon emissions by 22% (please refer to Chapter 4 for details).

While we have made significant improvements in our performance, our energies will be focused on areas that require improvements including Community Involvement &

Development, Labour Practices, Human Rights and Stakeholder Engagement.

CDL remains convinced that CSR is fundamental for business excellence. We will continue to seek better understanding and application of the ISO 26000 framework to the Singapore context and environment as well as address and assess sustainability issues that are material to our business and action for improved CSR performance.

⁽¹⁾ Refer to the Independent Assurance Statement.

⁽²⁾ The results of the Asian Sustainability Rating for 2011 are expected to be announced at the last quarter of the assessment year.

Entwine

A business is like a man where every component works in tandem to function physically. However, it is our human consciousness, like CSR to a business, which sets us apart.

CDL believes that CSR must be integrated into all aspects of our business. We continuously seek to improve sustainable business excellence by strategising our best practices in a holistic way across the Company.

Chapter 2:

Towards a Sustainable Business

At CDL, we believe that the measure of a company's success lies beyond its financial performance. Taking a holistic approach towards sustainable organic business growth, we evaluate our economic, social and environmental performance against our targets.

At the very core of CDL's corporate value system is a firm commitment to conducting business with integrity that is consistent with the highest standards of business ethics and one that subscribes to the principles of social responsibility, which include:

- Accountability
- Transparency
- Ethical Behaviour
- Respect for Stakeholder Interests
- Respect for the Rule of Law
- Respect for International Norms of Behaviour
- Respect for Human Rights

Our business activities, whether they be products or business relations and dealings must be aligned with our value system as well as CSR vision and mission. To this end, we have designed policies that integrate and manage the issues of sustainability and social responsibility within our business operations.

ORGANISATIONAL GOVERNANCE

As a responsible and prudent steward to one of Singapore's largest companies by market capitalisation, CDL strives to uphold high standards of corporate governance, transparency and disclosure.

Anti-Corruption & Compliance

In support of this commitment, CDL was amongst the 17 founding signatories of the Anti-Corruption & Compliance Declaration, Southeast Asia's first anti-corruption declaration to stamp out graft in 2009.

Within the organisation, this commitment is also translated into cultivating the values of openness, integrity and accountability amongst all CDL employees. CDL has a Whistle-blowing Policy to provide an avenue for employees to raise concerns over a breach of these standards, highlight incidents of malpractice or wrongdoings within the Company.

The Policy applies to any wrongdoing or suspected wrongdoing/fraud involving employees as well as CDL's business associates including consultants, vendors, contractors and/or any other parties with a business relationship with CDL.

Various secure communication channels to the Company's appointed Ethics Officer are available to all employees and any parties involved in a business relationship with CDL. The Policy provides assurance that all information reported will be regarded with the strictest confidence.

To reinforce CDL's commitment to ethics and integrity in our business to employees, communication sessions on CDL's Whistle-blowing Policy are held for new employees on a regular basis. Full details on the Policy and communication channels are also easily accessible to all employees via CDLNet, the Company's employee intranet platform.

Through our efforts, we are pleased to report that there were no incidents of corruption, anti-competitive behaviour, anti-trust and monopoly practices, within the Company in 2010. Additionally, there were no incidents of non-compliance with laws and regulations for which significant fines or non-monetary sanctions were issued to the Company.

Communication Channels to CDL Ethics Officer

| | |
|---------------|---|
| Email | cdl.ethics.hotline@cdl.com.sg |
| Mobile | +65-9772 3876 |
| Fax | +65-6226 0781 |
| Post | 36 Robinson Road #02-01 City House Singapore 068877 |

Since 2002, CDL has established a formal risk management framework to enable significant business risks to be identified, assessed, monitored, managed and reviewed regularly.

More details on CDL's corporate governance and risk management framework can be found in Chapter 3 of this report.

PRODUCT STEWARDSHIP

Backed by 48 years of experience, CDL has been a cutting-edge pioneer known for developing iconic and quality properties which feature new lifestyle concepts and innovative technology.



Designing and Managing Sustainable Quality Properties

As aligned with the triple bottom line model, CDL develops properties that are sustainable, functional and financially marketable.

Our commitment to product stewardship is embodied by our three-pronged approach. Beyond design and management of our properties with environmental sustainability in mind, we undertake engagement initiatives with stakeholders involved in the lifecycle of our properties with the aim of encouraging a shared responsibility

to reduce the environmental impact of our developments.

Through this, we are able to improve our business practices and CSR performance to provide value to our community where it is most needed.

In recognition of our sustained efforts in driving green building in Singapore, CDL became the first developer to be accorded the highest tier Green Mark Platinum Champion Award by BCA in 2011. This honour is conferred upon developers who have demonstrated a strong commitment towards CSR

and outstanding achievements in environmental sustainability.

In 2008, CDL was also conferred the BCA Green Mark Champion Award, and the first and only recipient of the BCA Built Environment Leadership Award in 2009, in recognition of our role as a green pioneer and champion.

Since the BCA Green Mark certification scheme⁽¹⁾ for buildings was initiated in 2005, CDL has received over 50 Green Mark Awards, with 16 of them being the Green Mark Platinum tier – the highest rating for green developments

in Singapore. With our sustained commitment towards developing and managing green properties over the years, we have received the highest number of Green Mark Awards amongst private developers to-date.

Beyond a reduction in our carbon footprint, CDL approximates that some S\$12 million⁽²⁾ in electricity will be saved annually from our 27 BCA Green Mark awarded buildings from 2008 to 2010 (estimated figure upon completion of the new and existing buildings).

To consistently achieve a high level of quality and sustainability standards in our properties, we continue to set and work towards improving our targets and measurements.

Moving forward, we have raised the bar for ourselves and our target now is to achieve a minimum BCA Green Mark Gold^{Plus} rating, upgraded from our 2010

CDL's Commitment to Environmentally Sustainable Development:

- Achieve a minimum BCA Green Mark Gold^{Plus} rating for all new developments
- Invest between 2% and 5% of the construction cost of development on green building design and features

target of attaining at least a Green Mark Gold rating, for all new developments.

Through our investment in capacity building initiatives, we aim to enhance the built industry's green expertise and encourage others to explore more sustainable technologies.

Amongst our sustained initiatives developed to raise standards within our sphere of influence is the CDL 5-Star EHS Assessment System, which was introduced in 2001. More details on this programme can be found from pages 19 to 21 of this report.

Apart from a high level of sustainability standards in our properties, CDL is also

committed to achieving a high-quality development. As a measure of quality, we make certain that our properties are well-placed on BCA's Construction Quality Assessment System (CONQUAS)⁽³⁾ ranking chart. CONQUAS is a standard assessment system on the quality of building projects in Singapore.

In 2010, two out of the top three ranked private housing projects were developed by CDL. To-date, six out of the 10 highest ranked private housing projects are CDL developments.

CDL'S BCA GREEN MARK AWARDS (SINCE 2005)

Green Mark Platinum

- City Square Mall
- Cliveden at Grange
- Cube 8
- Fuji Xerox Towers**
- H₂O Residences
- Hundred Trees
- Quayside Isle
- 7 & 9 Tampines Grande
- 368 Thomson
- The Glyndebourne
- The Oceanfront @ Sentosa Cove
- The Residences at W Singapore Sentosa Cove
- The Solitaire
- Tree House
- Volari
- W Singapore Sentosa Cove

Green Mark Gold^{Plus}

- Buckley 18
- Buckley Classique
- CDL Office – City House, Levels 2 & 5 (Green Mark for Office Interior)
- CDL Office – City Square Mall Management Office (Green Mark for Office Interior)
- City Square Residences
- King's Centre
- Leonie Hill Condominium
- Livia
- NV Residences
- Pasir Ris Grove (Parcel 3)
- Plaza By The Park***
- Shelford Suites
- St. Regis Hotel & Residences, Singapore
- 11 Tampines Concourse
- The Arte
- Wilkie Studio

Green Mark Gold

- Botannia
- CDL Office – Republic Plaza, Level 36 (Green Mark for Office Interior)
- CDL Office – City House, Levels 3, 4 and 22 (Green Mark for Office Interior)
- Central Mall (Office Tower)**
- City House**
- City Square Shophouses at Jalan Besar
- Jean Nouvel Residences
- Millennium Residences @ Sukhumvit, Bangkok
- Monterey Park Condominium
- New Tech Park
- One Shenton
- Palais Renaissance**
- Parc Emily
- Republic Plaza*
- Residences @ Evelyn
- Savannah CondoPark
- Tribeca
- The Sail @ Marina Bay

Green Mark Certified

- Butterworth 33
- Pantech 21+
- The Pier at Robertson

* Recertified in 2009 ** Recertified in 2010 *** Recertified in 2011



Completed in 2010, The Arte sets a new benchmark in quality, topping the CONQUAS ranking chart with a score of 96.2 – the highest score amongst private residential projects to-date.

NATIONAL CONQUAS SCORE

| | RESIDENTIAL PROJECT | CONQUAS SCORE | YEAR OF COMPLETION |
|----|-------------------------------|---------------|--------------------|
| 1 | The Arte | 96.2 | 2010 |
| 2 | City Square Residences | 95.6 | 2008 |
| 3 | Tribeca | 94.8 | 2010 |
| 4 | Pavilion 11 at Minbu Road | 94.8 | 2010 |
| 5 | The Sail @ Marina Bay | 94.8 | 2008 |
| 6 | Marina Bay Residences | 94.4 | 2010 |
| 7 | The Stellar | 94.3 | 2008 |
| 8 | The Dakota Residences | 94.3 | 2010 |
| 9 | Parc Emily | 94.1 | 2008 |
| 10 | Savannah CondoPark | 94.1 | 2005 |

Consistency in quality has always been a CDL hallmark over the years. Six out of the top 10 private housing projects on the CONQUAS ranking chart to-date were developed by CDL.

For more details on CDL's environmental performance, refer to Chapter 4 of this report.

⁽¹⁾ The BCA Green Mark Scheme is an initiative by the Singapore government to move Singapore's construction industry towards sustainable and eco-friendly buildings by incorporating best practices in environmental design and construction and adoption of green building technologies. For more details on the BCA Green Mark Scheme, visit www.bca.gov.sg.

⁽²⁾ Savings estimated based on average electricity tariff in April 2011 released by Singapore Power.

⁽³⁾ For more details on the CONQUAS Scheme, visit www.bca.gov.sg.

Product Communication

CDL is committed to upholding the principles of ethical marketing and fair competition. We have in place a set of rigorous internal procedures to ensure factual accuracy of all marketing collaterals. Our marketing and leasing procedures are also guided by an operations manual, which is reviewed on an annual basis.

All marketing collaterals produced by the Company are compliant with advertising and promotion standards in Singapore, namely the Singapore Code of Advertising Practice⁽⁴⁾ that is administered by the Advertising Standards Authority of Singapore which is an Advisory Council to the Consumers Association of Singapore. This self-regulatory code of conduct for advertisers has been endorsed by organisations representing advertisers, advertising agencies and media.

In addition, all advertisements placed with the local dailies published by Singapore Press Holdings (SPH) are subject to copy vetting⁽⁵⁾ by the media owner prior to publication, with the objective of ensuring compliance with the rules and regulations stipulated by the various Singapore government bodies, Singapore Code of Advertising Practice and SPH's company policies.

To-date, there has not been any reported incidents of non-compliance with the Singapore Code of Advertising Practice.

Safeguarding Customer Privacy

CDL takes our responsibility to protect the privacy and confidentiality of our customers' information very seriously. In addition to internal policies and procedures designed to safeguard customer information, we do not divulge or sell any personal information provided by our customers to third parties for their own marketing or promotional purposes.

All employees are guided by CDL's Code of Business Conduct and Ethics, and any

breach of customer confidentiality will be met with strict disciplinary action.

Communication sessions on CDL's Code of Business Conduct and Ethics are held for new employees. All employees are also provided easy access to the detailed Code via CDLNet.

To-date, we are pleased to report that there has not been any valid case of infringement of customer confidentiality by CDL employees.

Universal Design Policy

Accessibility in the built environment has become increasingly relevant to Singapore with the need to address the trend of an ageing population and increase in mobility difficulties in the years ahead.

A key enabler for enhancing the level of accessibility in the built environment is Universal Design – which broadly refers to “design for all people”. Worldwide, the move towards universal design has developed to meet the demands and desire for independent living amongst a growing populace with varying degree of abilities and advancing years.

For close to a decade, CDL has been incorporating community-friendly features and best practices in Universal Design within our residential and commercial developments, over and above the mandatory requirements specified in the Code on Barrier-Free Accessibility by BCA.

Taking a holistic life-cycle approach, we apply Universal Design principles from ground zero during the architectural planning and carry them through the construction and building operations and maintenance phases.

Moving forward, we are committed to embracing Universal Design principles in the design and management of all our residential and commercial developments and formalised our commitment with our Universal Design Policy in January 2011. This Policy which is endorsed by our top management, provides us with a framework to achieve our objective of creating an inclusive built environment that caters to the needs of all age groups and people with different abilities, allowing them to live independently and enjoy access to facilities.



STAKEHOLDER ENGAGEMENT

CDL believes in maintaining an open two-way dialogue with our stakeholders that include our customers, investors and media, employees, builders and suppliers, and community (which represents a range of stakeholders with varied interests including Non-Governmental Organisations (NGOs), government and the community-at-large).

CDL's engagement process is both formal and informal. It may be conducted via surveys, focus group studies or in a more personal setting with small group meetings or even on-site visits. A proponent of establishing partnerships with local and international organisations, CDL places key representatives in these organisations to learn, share and contribute meaningfully to benefit our community.

From what we learn through this active engagement process, we can better prioritise and strategise to enhance our business and social performance to meet the expectations of our stakeholders. This has also helped us understand the effectiveness of our activities and adapt or create new initiatives.

We hope to place more focus on this area to further strengthen our stakeholder relations, especially to improve in the area of formal engagement for better accountability and transparency.

OUR CUSTOMERS

CDL has to our name over 22,000 quality homes and is one of the largest landlords in Singapore, owning over seven million square feet of lettable office, industrial, retail and residential space.

With such an extensive customer base, CDL is clearly focused on the provision of uncompromised product quality and service excellence to all our customers, above and beyond what is expected of our industry.



More than just being Singapore's first eco-mall, City Square Mall is also designed as a community-friendly mall. The 700,000 square feet Mall was a Gold Award winner of the Universal Design Award conferred by BCA in 2010.

Bringing the Green into Our Customers' Homes

A key component of CDL's engagement initiative with customers is a green outreach programme, "Let's Live Green!". Launched in March 2004, CDL was the first private property developer to showcase green features in new residential developments to homebuyers.

More than just educating homebuyers on the green features within their new homes, this eco-home outreach initiative is also aimed at encouraging our customers to make lifestyle choices like purchasing energy-saving appliances and practicing eco-friendly habits to reduce their carbon footprint.

A special TOP⁽⁶⁾ Welcome Party for CDL homebuyers is often held shortly after the project has obtained TOP. The event provides an opportunity for homebuyers to experience and view their new home, in addition to partaking in an educational programme comprising talks and exhibitions on environmental conservation.

To encourage homebuyers to embrace the green lifestyle, they are also given a

specially-customised Green Living Kit which contains a Green Living Guide – a book featuring green lifestyle tips and a brochure listing all the eco-friendly features provided for in their new home and instructions for use and maintenance as well as green features found in the common areas.

Over the years, this initiative has been rolled out to over 3,000 CDL households and feedback solicited via surveys has been positive. At a recent TOP Welcome Party held in April 2011 for homeowners of One Shenton, an iconic city residence located in the heart of the new Downtown, over 72% of the homeowners surveyed expressed their satisfaction for the "Let's Live Green!" Exhibition showcase.

⁽⁴⁾ The Singapore Code of Advertising Practice is a fundamental part of the system of control by which local advertising regulates its activities. It seeks to promote a high standard of ethics in advertising by self-regulation against the background of national law and international law and practice, including the International Code of Advertising Practice published by the International Chamber of Commerce. For more details on the Singapore Code of Advertising Practice, visit www.caa.org.sg/advertising_code.html.

⁽⁵⁾ The Copy Vetting Guidelines administered by SPH can be viewed at www.sph.com.sg/vetting_guidelines.shtml.

⁽⁶⁾ In Singapore, the Commissioner of Building Control will issue the Temporary Occupation Permit (TOP) to a building project when it is completed. A building can only be occupied when a Certificate of Statutory Completion or TOP is granted.

In Focus:

Driving Continual Improvements to the Customer Experience

Feedback from our customers is key to driving continual improvement across the Company, from product refinement to operational process efficiency to service engagement.

We have introduced multiple channels of communication and feedback so that we can engage customers formally and informally to ascertain their satisfaction on the service experience, as well as to anticipate and respond to their changing needs and preferences.

For CDL homebuyers, an online customer satisfaction survey is administered six months after the TOP of each project to measure the customer's service experience across the various touch points and to solicit feedback and suggestions on project design, features within their apartments as well as facilities and amenities of the development.

In 2010, some 100 CDL homebuyers participated in the survey. They comprise homeowners across the following residential developments:

- The Oceanfront @ Sentosa Cove
- Tribeca
- The Arte

Overall, our homebuyers surveyed expressed high levels of satisfaction with their entire service experience, which ranges from finishes and workmanship, overall construction quality, green features provided in the home, facilities and landscaping at communal areas, responsiveness of CDL employees throughout the

handover process and management of defects rectification.

The average satisfaction level amongst all homebuyers surveyed was 86%. In addition, a large number of homebuyers also indicated that they would recommend CDL properties to their friends and relatives.

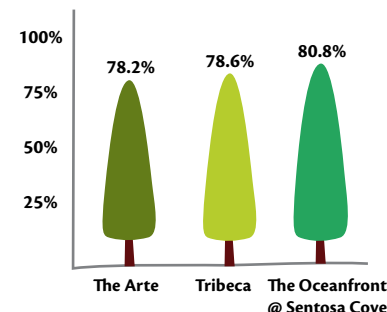
Apart from existing homebuyers, CDL also solicits for feedback from potential homebuyers who visit our project Show Suites. The respondents' feedback on the quality and finishes in the Show Suite, apartment configuration preference and service standards, are invaluable in our design refinement and project planning process.



Amongst the CDL homebuyers surveyed, 80.8% of homeowners of The Oceanfront @ Sentosa Cove indicated that they would recommend CDL properties to their friends and relatives.

By leveraging on feedback from our customers and the marketplace, we are able to respond more effectively and efficiently to the evolving market demands and also constantly evaluate and refine our service standards to ensure a satisfying customer experience.

Recommendation to Friends and Relatives



OUR EMPLOYEES

CDL's goal is to strive towards being an employer of choice for our 350 employees in Singapore. We believe in creating a conducive work environment which empowers, nurtures and values our employees. Initiatives such as talent management, development and employee welfare remain our focus.

More details on our employment practices and employee engagement initiatives can be found in Chapter 5 of this report.

OUR INVESTORS & THE MEDIA

CDL's corporate mission is to maintain profitability and optimum returns for our investors. With prudent stewardship, the Company has successfully remained in the black over the past few global financial upheavals.

As one of the largest companies in Singapore by market capitalisation, CDL is of keen interest to the investor community and media alike. We also have a large number of shareholders which include international investors, both private and institutional.

In line with our commitment to uphold high standards of corporate governance and embrace the values of openness, integrity and accountability, CDL has been voluntarily publishing this dedicated report detailing the Company's environmental and social performance, even though it is not required or widely practised in Singapore to-date.

In response to stakeholder feedback and increasing requests, CDL has been investing more resources in the engagement of the larger investor community which includes sustainability analysts, rating agencies and the socially responsible investment community. This includes dialogue and participation

in interviews, surveys, reports and one-on-one meetings on topics such as our business and environmental behaviour, how we integrate climate change issues in our business strategy, corporate governance, employee management and community involvement.

We continue to engage the investor community in an open and transparent manner using various communication platforms. In our efforts to enhance and improve communication channels, we have also expanded information on our environmental performance on our corporate website, www.cdl.com.sg, in response to increased interest by our stakeholders.

We have also ensured the timely release of our quarterly financial results, conducted briefings for analysts and media during the half-year and full-year results and participated in various investor conferences and one-on-one meetings which presents opportunities for active two-way dialogue with the top management. Shareholders also have the opportunity to engage with the top management during the Annual General Meeting (AGM) where the Company's operations are reviewed and business plans for the year ahead are shared.

The AGM is also attended by the Executive Directors, the respective Chairman of the Audit, Remuneration and Nominations Committees, including the external auditors of the Company, to field any investor queries raised during the meeting. Presentations from such events may also be easily accessed via the SGXNET and our corporate website.

Similarly, the media is kept updated of our corporate activities through press conferences and press releases. We also avail ourselves to various forms of media requests including interviews and visits to our properties to facilitate a better understanding of our business and operations.

Throughout the year, CDL maintains an active engagement with members of the media and is featured in the print, broadcast and electronic media on topics including current global issues, the economy, government policies, industry trends, our business activities, stakeholder engagement and community involvement.

OUR BUILDERS AND SUPPLIERS

Working closely with our suppliers, CDL endeavours to be a reliable and trusted business partner. Various programmes and policies are in place to ensure that these business relations are aligned with our business values and standards including EHS and Procurement.

Beyond driving green building innovation from a client perspective, CDL has also been a strong advocate of sustainable practices amongst our sphere of influence.

Building Capacity in EHS

To raise our builders' EHS standards, CDL developed the 5-Star EHS Assessment System in 2001 as an audit tool to assess the level of management commitment to safety and occupational health at the work sites. The assessment is independently appraised and graded quarterly, on a scale of one to five stars, by independent auditors engaged by CDL.

Following each audit assessment, a quarterly 5-Star EHS Seminar is held to present the results to the top management of the builders and consultants. The seminars provide a platform for the promotion and sharing of best practices, while at the same time, exert "peer pressure" on our builders to strive towards performance improvement.

In 2003, we expanded our assessment scope to cover best practices in energy and water consumption, waste, noise and public health management. Thereafter in

2008, we integrated ConSASS, an audit tool developed by the Workplace Safety & Health Council (WSHC), into our 5-Star EHS scoring system.

Since 2005, we have held the annual 5-Star EHS Excellence Awards to recognise builders who have excelled in our 5-Star EHS scores over a one-year period. In 2006, in support of the Government's push for workplace safety and health, we introduced a monetary award to motivate and reward our builders who have gone on to achieve a WSHC award for the same work site in the same year. We have since presented a total of 16 excellence awards and seven monetary awards to our builders since this award scheme was introduced.

As part of our continued efforts to broaden our influence across the supply chain, the 5-Star EHS Excellence Awards has been extended to recognise our architects who have undertaken an important role in EHS management, both in the design and supervision of the projects, since 2010. The inaugural recipient of the Award under this category in 2010 was Architects 61.

Moving forward, it is our intent to eventually extend this award to recognise the outstanding efforts of our project engineers. This is in line with our goal of adopting a more holistic approach towards EHS excellence throughout our supply chain, in addition to building capabilities and promoting best practices in workplace safety and health at our work sites – and across the industry.

Our influence has inspired our builders and consultants to establish their own EHS management systems and more than 50% have obtained the ISO 14001 and OHSAS 18001 standards. In addition, all the main builders of CDL projects are required to attain both certifications.

Labour Policy at Project Sites

CDL stipulates that all our builders comply with the labour rights of workers

employed by them at their work sites. Our builders have the responsibility of taking all measures necessary to keep the work site safe and without risks to health for the workers.

For instance, there must be vector and pest control programmes, and site offices and toilets must be equipped with basic amenities such as electricity, water, adequate lighting and proper ventilation.

Green Procurement Guidelines

In 2008, CDL formalised our Green Procurement Guidelines to influence our vendors and suppliers at our corporate office to adopt green procurement practices. Our guidelines include:

- Share the corporate EHS Policy with new vendors and suppliers
- Indicate preference for use of eco-friendly/recycled materials and products
- Indicate preference for ISO 14001 certified vendor
- Declare the use of eco-friendly/ recycled paper printed materials

THE COMMUNITY

Strategically, CDL's contributions towards the larger community are concentrated in four key areas: the environment, youth development, the less fortunate and the arts. Since 2010, we have also widened our outreach to beneficiaries overseas through social and economic development projects implemented by our youth.

In 2010, our management also continued to vigorously share our CSR experience and strategy at various conferences, seminars and events including the EU-ISEAS CSR Seminar, 2nd Annual Global CSR Summit 2010, PATNI-ABCC Sustainability Roundtable, Singapore WSH Conference 2010 and Global Entropolis @ Singapore Summit amongst others.

In our pursuit to further the CSR cause through education, CDL has also been engaging with undergraduate

and postgraduate students of tertiary institutions such as the National University of Singapore, Nanyang Business School, Singapore Management University and Networking Session for Green Club Teachers cum Training for Green Club Students for North West Community Development Council.

We have also actively engaged other important stakeholders stemming from government agencies and NGOs on wide ranging issues including the economy, government policies, CSR, environment, labour and community.

More details on CDL's community engagement initiatives can be found in Chapter 6 of this report.

In Focus:

A United Stand for Safety and Health at the Workplace – CDL 5-Star EHS Awards 2010



Setting a new milestone for a "Safe and Green" culture, the top management of 27 of CDL's builders and consultants affirmed their commitment towards EHS Excellence at CDL's project sites by endorsing the CDL EHS Excellence – CEO Pledge for Zero on 9 February 2010.

In support of the WSHC's initiative of signing the Pledge for Zero for workplace safety in 2008, the top management of some 27 of CDL's builders and consultants endorsed CDL's CEO Pledge for Zero – cementing their commitment towards EHS Excellence at CDL's development project sites.

Signatories of the Pledge include builders Dragages Singapore, Hyundai Engineering & Construction Co Ltd, Kajima Overseas Asia Pte Ltd, Poh Lian Construction, Ssangyong Engineering & Construction Co Ltd and Tiong Seng Contractors, as well as consultants such as Axis Architects, ADDP Architects, DP Architects, DLS Quantity Surveyors, Meinhardt Engineers, KTP

Consultants, Squire Mech, Parsons, amongst others.

Beyond setting a new milestone in CDL's commitment towards EHS Excellence, the initiative reaffirms CDL's sustained commitment to work closely with all our builders and consultants to raise EHS standards for CDL and Singapore.

Held on 9 February 2010 at City Square Mall in conjunction with CDL's 6th 5-Star EHS Excellence Awards, the CEO Pledge for Zero Accident, Zero Injury, Zero Fatality and Zero Environmental Pollution was witnessed by Guest-of-Honour, Mr Hawazi Daipi, Senior Parliamentary Secretary, Ministry of Manpower (MOM) and Ministry of Health. Mr Daipi also presented

four EHS Excellence Awards to CDL's builders and consultants, as well as one EHS Monetary Award.

The 5-Star EHS Excellence Awards is an extension of the CDL 5-Star EHS Assessment System which was initiated in 2001, as part of CDL's concerted efforts to encourage our builders to improve EHS standards at all our work sites.

In recognition of CDL's sustained efforts towards championing workplace safety and health at our work sites and support of the WSHC's bizSAFE programme, Mr Daipi presented CDL with the bizSAFE Mentor certification – the first awarded to a developer. Since 2008, CDL has been the first developer to be certified as a bizSAFE Partner.

CDL'S CSR MILESTONES, AWARDS AND ACCOLADES

Our journey towards sustainability has been enriched by milestone initiatives and achievements that have shaped our performance and validated our efforts. We will continue to drive change in the sustainability landscape and shape a better living environment for the future.

| 2011* | BUSINESS | ENVIRONMENTAL | SOCIAL |
|---|----------|---------------|--------|
| 2011 Global 100 Most Sustainable Corporations in the World The only Singapore corporation to remain listed in the 2011 Global 100 Most Sustainable Corporations in the World ranking by Corporate Knights Magazine which is announced annually at the World Economic Forum. | ● | ● | ● |
| BCA Awards 2011 Conferred the Green Mark Platinum Champion Award by BCA, in addition to 18 BCA Green Mark Awards, 7 Construction Productivity Awards, 7 Construction Excellence Awards and 12 Universal Design Awards. | ● | ● | ● |
| FTSE4Good Index Series (since 2002) Amongst an elite group of companies worldwide listed on the FTSE4Good Index Series. Since 2002, CDL has been included in the Series which is restricted to companies that meet globally recognised corporate responsibility standards. | ● | ● | ● |
| * Information as at May 2011 | | | |
| 2010 | BUSINESS | ENVIRONMENTAL | SOCIAL |
| 2010 Global 100 Most Sustainable Corporations in the World One of only 13 companies from Asia to be listed in the prestigious 2010 Global 100 Most Sustainable Corporations in the World ranking. | ● | ● | ● |
| AA1000AS (2008) Assurance Standard First Singapore company to externally assure its sustainability report in accordance with the AA1000 Assurance Standard. | ● | ● | ● |
| Asian Sustainability Rating In the Asian Sustainability Rating, a study on CSR disclosure, CDL was the highest ranked company from Singapore – and was placed 4th amongst 542 companies, which includes the largest listed corporate entities across 10 countries. | ● | ● | ● |
| bizSAFE Mentor Certification Received the bizSAFE Mentor Certification for sharing its Workplace Safety and Health system and practices with participating Small and Medium Enterprises. | ● | | |

| 2010 (cont'd) | BUSINESS | ENVIRONMENTAL | SOCIAL |
|--|----------|---------------|--------|
| BCA Awards 2010 Was conferred 7 BCA Green Mark Awards, 2 Design & Engineering Safety Awards, 3 Construction Excellence Awards and 2 Universal Design Awards. | ● | ● | ● |
| Friend of the Arts Award (since 1997) Presented with the Friend of the Arts Award at the Patron of the Arts Award by the National Arts Council for the promotion and development of the arts in Singapore. CDL has been on the honours roll for the 14th consecutive year since 1997. | ● | ● | ● |
| Global CSR Awards 2010 Received the Best Environmental Excellence Award at the 2nd Annual Global CSR Awards 2010, for the successful implementation of its innovative water recycling and silt water treatment. This award recognises businesses for successfully integrating environmental performance into its sustainable development strategy, and delivering proven business benefits. | ● | ● | |
| ISO 26000:2010, Guidance on Social Responsibility CDL announced that it has embarked on integrating its CSR strategies based on guidelines set out in the ISO 26000 framework with the aim of strengthening its CSR engagement framework. | ● | ● | ● |
| LEED Gold Certification 7 & 9 Tampines Grande received the LEED Gold certification from the US Green Building Council – the first and highest rating achieved by a completed Singapore project. LEED is an internationally recognised green building certification system, providing third-party verification that a building or community was designed and built using strategies aimed at improving performance across all metrics that matter most: energy savings, water efficiency, carbon dioxide emissions reduction, improved indoor environmental quality, and stewardship of resources and sensitivity to their impacts. | ● | ● | ● |
| Outstanding Sustainability Award 2010 Awarded Outstanding Sustainability Award (Enterprise Green Adopter) for sustainable business practices and green solutions at the inaugural Singapore Sustainability Awards 2010. | ● | ● | |
| Royal Society for the Prevention of Accidents (RoSPA) The only private property developer in Singapore to be conferred the RoSPA Gold Award for excellence in Occupational Health and Safety Management in the workplace since 2006. | ● | ● | |

| 2010 (cont'd) | BUSINESS | ENVIRONMENTAL | SOCIAL |
|--|----------|---------------|--------|
| <p>Singapore Compact CSR Awards Received the Green Champion Award from Singapore Compact for CSR in recognition of CDL's best practices adopted in minimising business on the environment whilst encouraging others to benchmark against these practices. The inaugural Singapore Compact CSR Awards was held in conjunction with the International Singapore Compact CSR Summit.</p> | ● | ● | ● |
| <p>Singapore Environmental Achievement Award Presented with the Singapore Environmental Achievement Award (SEAA) Merit Award by the Singapore Environment Council (SEC) and supported by the National Environment Agency (NEA) and Association of Small and Medium Enterprises (ASME). CDL last won the SEAA award in 2004.</p> | | ● | |
| <p>Workplace Safety and Health Awards 2010 Accorded the Developer Award honour in recognition of CDL's active contribution in promoting Occupational Safety and Health practices at the work sites, and for assisting builders to achieve Workplace Safety and Health excellence. CDL has been conferred this honour for the 4th time.</p> | ● | | ● |
| <p>Work-Life Excellence Award 2010 Conferred the biennial Work-Life Excellence Award for the second time by The Tripartite Committee on Work-Life Strategy. The award is a reaffirmation of CDL's efforts in creating a positive environment that places great value in maximising employees' performance while helping them to harmonise work and personal needs.</p> | | | ● |
| 2009 | BUSINESS | ENVIRONMENTAL | SOCIAL |
| <p>Singapore Environmental Reporting Awards 2009 Accorded the Merit Award for its inaugural Social and Environmental Report 2008 – the first CSR report published by a Singapore company to be successfully checked by the Global Reporting Initiative (GRI) at Level C – by the Association of Chartered Certified Accountants (ACCA) Singapore Awards for Sustainability Reporting 2008. The CDL Sustainability Report 2009 was independently assured and checked at Level B+ by GRI.</p> | ● | ● | ● |
| <p>Anti-Corruption & Compliance Declaration Amongst the 17 founding signatories of the Anti-Corruption & Compliance Declaration, Southeast Asia's first anti-corruption declaration to stamp out graft.</p> | ● | | |
| <p>Asia Responsible Entrepreneurship Awards 2009 Presented with the Green Leadership Award at the Asia Responsible Entrepreneurship Awards 2009 in recognition of its leadership in sustainable and responsible business practices.</p> | ● | ● | ● |

| 2009 | BUSINESS | ENVIRONMENTAL | SOCIAL |
|---|----------|---------------|--------|
| <p>Asian CSR Awards 2009 Best Workplace Practices Category Winner at the Asian CSR Awards 2009 for its Workplace Health programme "Healthy Mind, Happy Life!".</p> | ● | ● | ● |
| <p>Asian Sustainability Rating In the Asian Sustainability Rating, CDL was the highest ranked company from Singapore – 22nd amongst the 200 largest listed companies in 10 Asia Pacific countries with an improved score (66.1%: 2008, 74.5%: 2009). CDL was also ranked 2nd in the environment section.</p> | ● | ● | ● |
| <p>First CarbonNeutral® Development in Singapore and Asia Pacific 11 Tampines Concourse is the first CarbonNeutral® development in Singapore and Asia Pacific.</p> | ● | ● | ● |
| <p>City Sunshine Club – 10th Anniversary Initiated by CDL Managing Director Mr Kwek Leng Joo in 1999, City Sunshine Club (CSC) celebrated 10 years of staff voluntarism.</p> | | | ● |
| <p>CSR Recognition Award Received the CSR Recognition Award from Singapore Compact for CSR for its sustained commitment towards CSR.</p> | ● | ● | ● |
| <p>Employer Award for Disability Employment and Inclusion Accorded Employer Award for Disability Employment and Inclusion in recognition of its contribution to the removal of barriers and improved inclusion of disabled people in the workplace.</p> | | | ● |
| <p>Singapore Quality Class Achieved the Singapore Quality Class (SQC) certification, attesting to CDL's overall business excellence standard based on the internationally-benchmarked business excellence framework.</p> | ● | ● | ● |
| <p>BCA Awards 2009 Only developer to be conferred the inaugural BCA Built Environment Leadership Platinum Award at BCA Awards 2009. Also received 8 BCA Green Mark Awards, 1 Green Mark for Office Interior Award, 3 Design & Engineering Safety Excellence Awards, 2 Construction Excellence Awards and 1 Universal Design Award.</p> | ● | ● | ● |

For a detailed list of CDL's CSR milestones, awards and accolades from 1997 to 2008, visit www.cdl.com.sg/sustainabilityreport2011.

Entrust

CDL has built a successful company of integrity with an established track record and the trust of our stakeholders. Our resolve to the proper stewardship of the Company for our stakeholders remains a constant.

Our commitment to maintain good corporate governance and transparency remains unflinching. In spite of the rapidly changing business climate, our years of captaincy puts us in good stead to steer against potential risks.



Chapter 3:

Corporate Governance & Risk Management

CORPORATE GOVERNANCE

CDL is committed to maintaining good corporate governance and business integrity in all its business activities. The Company has adopted a set of internal guidelines on corporate governance ("Internal CG Guidelines") based on the provisions of the Code of Corporate Governance 2005 ("the CG Code") aligned with the Council on Corporate Disclosure and Governance ("CCDG Code"). For more detailed information on the Company's corporate governance practices, please refer to the Company's Corporate Governance Report as set out in the Company's Annual Report 2010 (pages 24 to 34).

The Company recognises the importance of strong corporate governance in the pursuit of continued and sustainable growth in the Group's economic, social and environmental performance, and to ensure effectiveness of the Company's CSR initiatives and activities.

The Board of Directors (the "Board") has general oversight of the Company's business, with its primary functions being the setting of broad policies, providing guidance and approving strategic direction and plans for the Company, reviewing Management performance, establishing and overseeing the framework for internal controls, risk management and financing reporting, and assuming the responsibility for good corporate governance. The Board comprises 8 members, all of whom are non-executive Directors, except for the

Chairman and the Managing Director. There is a strong and independent element on the Board with 5 out of the 6 non-executive Directors considered to be independent, each viewed by the Board as being capable of maintaining his objectivity and independence at all times in the carrying out of his duties and responsibilities as an independent Director.

The responsibilities of the Board are carried out either directly by the Board or through committees established by the Board, which include the following:

(i) The Board Committee, comprising 5 Directors, the majority of whom are non-executive, which deliberates on operational matters requiring Board review.

(ii) The Audit Committee, comprising 4 non-executive and independent Directors, which assists the Board, inter alia, in providing an independent review of the effectiveness of the CDL Group's financial reporting process and material internal controls, encompassing financial, operational, compliance and risk management controls. Such review is undertaken through a monitoring programme involving internal and external audits.

(iii) The Nominating Committee, comprising 3 Directors, the majority of whom including the Chairman are non-executive and independent, which

assists the Board in the recommendation and review of all board and committee appointments and re-appointments, determination of independence of each Director and review and recommendation to the Board of new director appointments. The Nominating Committee also evaluates the Board's performance as a whole on an annual basis, using objective and appropriate quantitative and qualitative criteria with quarterly performance indicators which include comparisons of the Company's performance (including segmented performance) for the financial period under review against the Company's performance for the corresponding period in previous years and also against industry peers and industry averages and other indicators such as the Company's share price performance over a historical period and against industry peers.

(iv) The Remuneration Committee, comprising 3 non-executive Directors, all of whom including the Chairman are independent, which assists the Board in the review and recommendation for endorsement of the Board, a framework of remuneration and specific remuneration packages for each Director, including the Executive Chairman, the Managing Director and also for the Group General Manager (who is not a Board Member). The Remuneration Committee in its review role, also ensures that remuneration policies of the Company are generally in line with the strategic objectives

and corporate values of the Company. Such remuneration framework, which includes both fixed and variable components, takes into account, amongst other factors, the individual's performance, the performance of the Group and industry practices.

Mr Kwek Leng Beng is the Executive Chairman of the Company and the Chairman of the Board. The holding of these dual roles by Mr Kwek Leng Beng, together with the strengths brought to these roles by a person of Mr Kwek Leng Beng's stature and experience, has been considered by the Board. There are internal controls in place to allow effective oversight by the Board of the Company's business to ensure appropriate balance of power and authority is exercisable by the Board to enable objective decision-making in the interests of the Company. In view of the management structure in place, the Board is of the view that it is currently unnecessary to effect a separation of the role of the Chairman of the Board from that of the Executive Chairman to facilitate the Group's decision-making and implementation process.

As the most senior executive in the Company, Mr Kwek Leng Beng provides overall leadership and strategic vision for the CDL Group. He is assisted by his brother, Mr Kwek Leng Joo, the Managing Director of the Company, in charting broad direction, strategies and

policies of the CDL Group. Mr Kwek Leng Joo also has charge of the overall co-ordination of the Management team for the effective implementation of business strategies and policies.

The Company has adopted an internal Code of Business and Ethical Conduct crystallising the Company's business principles and practices with respect to matters which have ethical implications. The Code provides a communicable and understandable framework for staff to observe the Company's principles such as honesty, integrity, responsibility and accountability at all levels of the organisation and in the conduct of the Company's business, in their relationships with customers, suppliers, competitors and amongst employees, including situations where there are potential conflicts of interests.

The Company has in place a whistle-blowing procedure where staff of the Company can raise in confidence, whether anonymously or otherwise, concerns on possible improprieties relating to accounting, financial reporting, internal controls and auditing matters without fear of reprisals in any form. Under these procedures, arrangements are in place for independent investigation of such matters raised and for appropriate follow up action to be taken. The Audit Committee has oversight responsibility of this policy. Such

policy is communicated to all staff company-wide and its scope includes possible improprieties involving fraud or deliberate error in the recording, maintaining, preparation or audit of the Group's financial records and statements, use of the Group's assets, funds or property for illegal, improper or unethical purposes, acts of corruption or bribery, and improper actions or omissions which are likely to endanger employees, customers, suppliers and/ or members of the public.

RISK MANAGEMENT

Risk management continues to play an important part in the Company's business activities and is an essential component of its planning process. The Board has overall responsibility for determining the nature of its business risks and to ensure that risks in new and existing businesses are managed and business plans and strategies accord with the risks appetite that the Company undertakes to achieve its corporate objectives.

To assist the Board in its risk management oversight, the Audit Committee reports to the Board on matters relating to the risk management policies and systems of the Company. A Risk Management Committee ("RM Committee"), whose members comprise senior management, is responsible for maintaining the processes which will provide the Board

with a systematic and enterprise-wide view of the risks involved in property investment, development and management activities. The RM Committee reports quarterly to the Audit Committee on the overall strategic and operational risks positions, including mitigating measures, treatment plans and the occurrence or potential occurrence of significant risk events. These processes are put in place to manage and monitor the Company's risk management activities on a regular and timely basis.

The RM Committee had, since 2002, established a formal risk management framework to enable significant business risks to be identified, assessed, evaluated, monitored and managed. The procedures and processes within the formal risk management framework, benchmarked against other international standards and current risk management practices, enable the Company to regularly review its significant strategic business risks; consider the effectiveness of the Group's system of internal controls to limit, mitigate and monitor identified risks; and consider the implementation of further action plans to manage strategic business risks which are reflective of changes in markets, products and emerging best practices.

The Group's hotel arm, under Millennium & Copthorne Hotels plc

("M&C"), includes within its internal control framework, processes for the management of key risks to the success of the M&C group, which are periodically reviewed by M&C's audit committee and board of directors. These processes include, but are not limited to, risks relating to the protection of the M&C group's brands and intellectual property rights, exposure to litigation, market share and competition, human resource, customer satisfaction, health and safety issues, treasury and financial performance, acquisition opportunities, insurance, hotel and information technology systems and infrastructure, and global and regional political, economic and financial market developments. The following types of risks are managed within the Company's formal risk management framework:

Operating Risks

The risk management framework is integrated into the management processes at operational levels, with the respective management at divisional and departmental levels being responsible for identifying, assessing, mitigating and managing the operating risks within each of their functional areas. The implementation and use of a system of internal controls, and operating, reporting and monitoring processes and procedures (including processes involving due diligence and collation of market intelligence and feedback), supported by information technology

systems and constant development of human resource skills through recruitment and training, are important elements of the risk management framework, to mitigate risks relating to product and service quality assurance management, costs control management, design and product innovation, market intelligence, marketing/sales and leasing management, financial control management and regulatory compliances in the Company's operations. The maintenance of adequate insurance coverage for the Company's assets, and the protection of and continued investment in the security and integrity of its information technology systems and database which are highly integrated with its business processes, are also part of the Company's control processes for the protection of its assets.

Investment and Portfolio Risks

Risk evaluation forms an integral aspect of the Company's investment strategy. Balancing risk and return across asset types and geographic regions are primary considerations to achieve continued corporate profitability and portfolio growth. This risk assessment includes macro and project specific risks analysis encompassing rigorous due diligence, financial modeling and sensitivity analysis on key investment assumptions and variables. Each investment proposal is objectively evaluated to fit the corporate strategy and investment objective.

Potential business synergies, including collaboration risks assessments, are identified early to ensure business partnership objectives and visions are well-aligned and collaboration partners are like-minded and compatible.

Treasury and Financial Risks

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risks, liquidity risks and market risks, including interest rate risks and foreign currency risks.

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken for speculative purposes except for the use as hedging instruments where appropriate and cost efficient.

Credit Risk - The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing

basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of these financial assets. Transactions involving financial instruments are entered into only with counterparties that are of acceptable credit quality. Cash and fixed deposits are placed with banks and financial institutions which are regulated.

Liquidity Risk - The Group monitors its liquidity risk and maintains a level of cash and cash equivalents, and credit facilities deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Interest Rate Risk - The Group's exposure to market risk changes in interest rates relates primarily to its interest bearing financial assets and debt obligations. The Group adopts a policy of managing its interest rate exposure by maintaining a debt portfolio with both fixed and floating rates of interest. Where appropriate, the Group uses interest rate derivatives to hedge its interest rate exposure for specific underlying debt obligations.

Foreign Currency Risk - The Group is exposed to foreign currency risks on sales, purchases and borrowings that are denominated in a currency other

than the respective functional currency of the Group's entities. The Group manages its foreign exchange exposure by a policy of matching receipts and payments, and asset purchases and borrowings in each individual currency. Forward foreign exchange contracts are used purely as a hedging tool, where an active market for the relevant currencies exists, to minimise the Group's exposure to movements in exchange rates on firm commitments and specific transactions. Wherever necessary, the Group finances its property, plant and equipment purchases by using the relevant local currency cash resources and arranging for bank facilities denominated in the same currency. This enables the Group to limit translation exposure to its balance sheet arising from consolidation of the Group's overseas net assets.

Human Resource Risks

The Company recognises human resource as an important contributing factor towards the stable growth of the Company, and accordingly efforts are taken to enhance the processes for recruitment, compensation, training and development of employees. Identification of core competencies is critical in the employee selection and development processes, and the implementation of performance assessment and management programme, coupled with career development and training programme, are part of the Company's human resource strategy to improve work

performance, maximise competencies, increase staff commitment and retention, and develop further an effective succession planning programme within the organisation. The management also supports work-life harmony programme and family friendly policies as part of its efforts to help employees achieve a balanced life between work and family and at the same time create a quality workplace.

Crisis Risks

Operating in an environment with potential threats of terrorism, epidemic outbreaks and information systems

failure, the management has put in place a companywide Business Continuity Plan ("BCP") to mitigate the risks of interruption and catastrophic loss to its operations and information database arising from such potential threats. The RM Committee is responsible for overseeing the maintenance of the BCP. Procedures and processes of the BCP include identification of alternate recovery centers, operational procedures to enable communication, continuity of critical business functions and recovery of database in the event of a crisis incident. Periodic incident management drills are conducted to familiarise

employees with the emergency response and crisis management plans of the Company. The plans to carry out periodic tests on BCP, results of the tests, as well as recommendations and corrective actions are reviewed by the RM Committee annually and reported to the Audit Committee. Further enhancement during the year included the alignment of corporate BCP to various departments' environmental emergency procedures.

Emission

The urgency of climate change demands immediate action. With foresight, CDL anticipated this trend and strived to transform mindsets for change and started investing in technology to mitigate impact of our operations on the environment for more than a decade.

Our commitment to fight climate change remains strong, but in the quest to improve our environmental performance, our models have evolved to provide effective solutions. Our success only spurs us to explore even better ones for tomorrow.

Chapter 4:

Managing Our Environmental Footprint

For over a decade, CDL has been advocating environmental sustainability in Singapore's built environment. We make it our business to take concerted efforts towards preventing pollution on the environment and striving to apply environmentally-friendly practices in our operations.

EHS POLICY

The EHS Policy was established in 2003. This sets the strategic direction for all departments and employees towards creating a "Green & Safe" corporate culture, conserving resources and preventing pollution.

EHS MANAGEMENT SYSTEM

In 2003, CDL set a new industry benchmark as the first private property developer to receive the ISO 14001

Environmental Management System and OHSAS 18001 Occupational Health and Safety Management System in Property Development and Project Management. In 2008, we were awarded ISO 14001 in Corporate Management and Operations for all functions at our headquarters. Constantly striving to improve our EHS management performance, 15 CDL buildings underwent an exercise to attain the OHSAS 18001 in Property Management certification and were successfully accorded in January 2011. These 15 buildings also received the re-certification of the ISO 14001 and ISO 9001 Quality Management System which were first awarded in 2007.

The Management System, which is based on a Plan-Do-Check-Act methodology, is integrated into our business operations. It provides a systematic process to

manage CDL's operational impact on the environment and continual improvements in environmental performance.

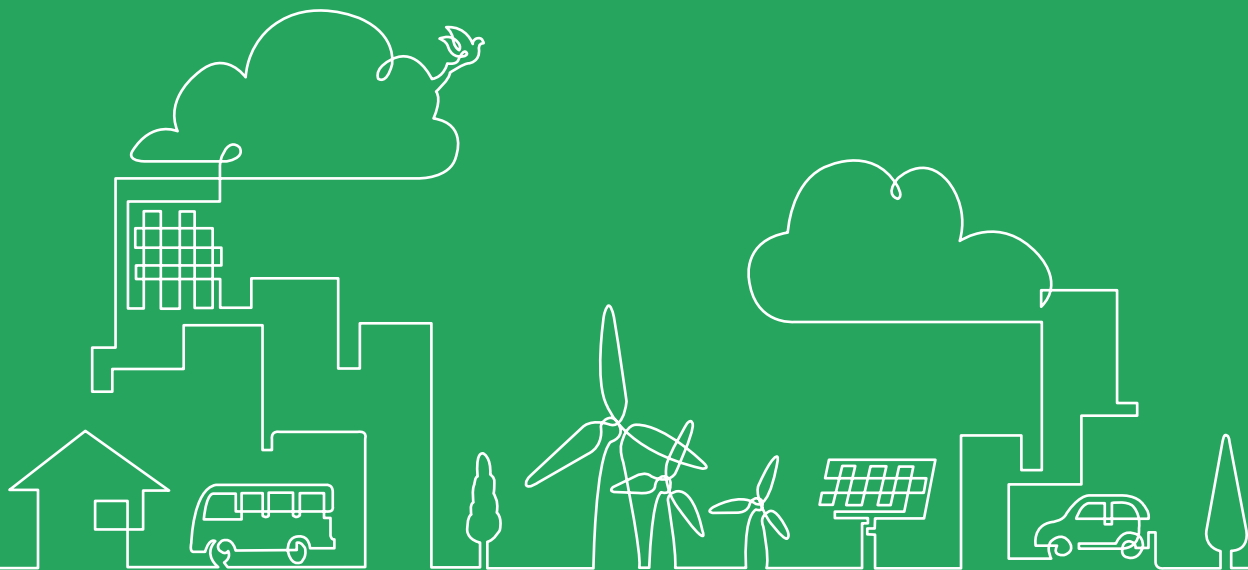
TRAINING, AWARENESS AND COMMUNICATION

EHS training and awareness programmes are planned for all CDL employees. Employees are also encouraged to attend external conferences and workshops to strengthen their skills or knowledge related to EHS management. As for our builders, CDL has been facilitating the quarterly CDL 5-Star EHS Review Seminar since 2001 to increase our builders' EHS standards and practices. Best practices and information are shared during the review sessions to encourage peer learning.

CDL provides various modes of communication to engage our stakeholders and share our commitments, best practices and environmental performance and to solicit their feedback and suggestions for continual improvement. All CDL employees are encouraged to be forthcoming with reporting of EHS related accidents, complaints, incidents, non-compliance and non-conformity. At CDL work sites, we also provide a hotline number where the public can report to us and we are committed to take all necessary actions to prevent the occurrence of potential non-conformances or recurrence of non-conformances.

COMPLIANCE

CDL is committed to full compliance on all applicable EHS legal requirements



enforced by the local governing authorities such as BCA, NEA, PUB, WSHC, Singapore Civil Defence Force and other relevant enforcers where appropriate. We actively ensure that all our activities and operations comply with existing legal and regulatory requirements through constant monitoring, evaluation and auditing of our implemented EHS management systems. In 2010, we had no non-compliance with legal requirements.

In addition, we are proactive in influencing and engaging our stakeholders, such as the architects, builders, designers, engineers and surveyors to embrace safe and environmentally-friendly designs and plans at the initial planning stage. CDL continues to follow through the compliance status during the construction and operational phase. This is done through regular quarterly audits and our CDL 5-Star EHS Assessment system.

EHS AUDITS

The Company is subjected to annual external EHS audits, conducted by an accredited third party auditor during renewal and surveillance visits.

CDL has put in place internal audits to ensure the Company's EHS management systems conform to the ISO 14001 and OHSAS 18001 international standards. The actual frequency of internal audits

depends on past audit results as well as the potential risks/importance associated with the activity or operations. Typically, each project development is to be audited at least once in its project cycle and each audit shall cover all three stages i.e. planning, procurement and construction.

ENVIRONMENTAL ASPECTS

As part of the ISO 14001 framework, CDL identifies significant environmental aspects for our business operations that can potentially have critical negative environmental impacts. The risk level of environmental aspect is determined using a risk assessment technique consisting of the likelihood of the occurrence, severity of the impact and control measures.

CDL actively evaluates the key significant environmental aspects at our work sites, investment buildings and corporate office. From our assessment, energy use, water use, waste generation, carbon emissions and safety management are our most significant environmental aspects. We also cover other aspects such as noise, biodiversity, paper use and waste paper recycling.

CDL regularly implements and evaluates measures to mitigate all significant environmental aspects. This is done through setting objectives and targets,

establishing programmes and/or putting in place work procedures and work instructions. The guiding principle of the mitigating measures is to follow the hierarchy of control, starting with elimination, and then moving to substitution, isolation, use of engineering control, use of administrative control and last of all, use of personal protective equipment.

CDL has set specific environmental objectives and targets at our work sites, investment buildings and corporate office. Management review is conducted annually to review the environmental performance for continual improvement. For more information on the environmental objectives and targets, please see pages 43.

ENVIRONMENTAL AND SAFETY DATA

Significant environmental aspects are identified and measured by respective business divisions and include key data of Projects Division, Property & Facilities Management Division and Corporate Management and Operations. This data⁽²⁾ highlights the environmental and safety performance of our developments in Singapore.

Projects Division's key activities are in Property Development and Project Management. Property & Facilities

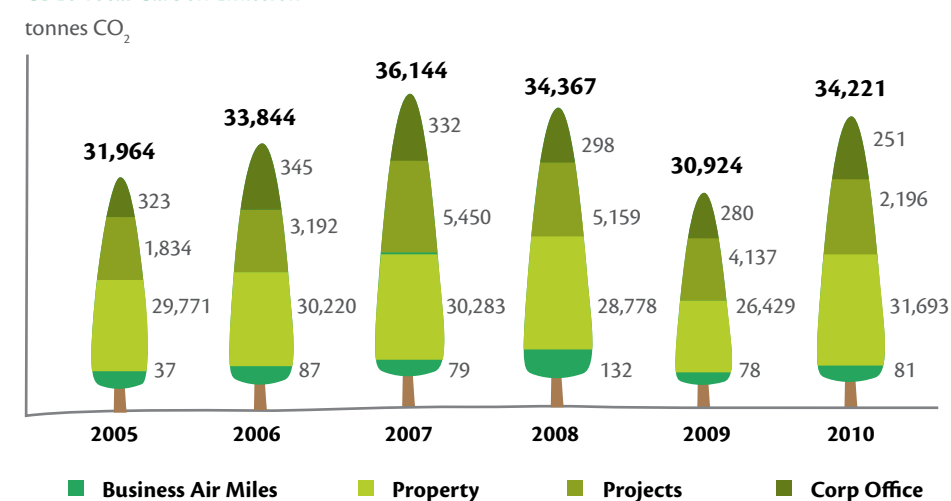
development in Singapore and Asia Pacific in 2009. We have also carbon neutralised our corporate office operations including the data centre by some 327 tonnes of carbon dioxide for 2010.

In 2010, CDL's total carbon emissions have increased due to the inclusion of three new commercial buildings (City Square Mall, 11 Tampines Concourse and 7 & 9 Tampines Grande). Despite

an increase in absolute carbon emissions due to our expansion, we have reduced CDL's total carbon intensity emissions measured in tonnes CO₂/m² by 11% from baseline year 2007. In other words, we produced less carbon per square metre of leased area.

We pledge to reduce our carbon intensity emissions by 22% by 2020 from baseline year 2007 and 25% by 2030.

CDL's Total Carbon Emission⁽³⁾



Management Division's business operation is property management of CDL's investment buildings.

CARBON EMISSIONS

Low-lying and densely populated, Singapore is particularly high risk for the adverse impacts of climate change⁽⁴⁾ and the possible impacts include coastal land loss, flooding, water resource impacts, heat stress, public health impact from resurgence of diseases and impact on island and marine biodiversity.

Climate change continues to be one of the top global challenges that require concerted international efforts. Singapore accounts for less than 0.2% of global greenhouse gases and its key strategy to tackle carbon emissions is to push for energy efficiency in all sectors – transport, households, industry and buildings.

In 2009, Singapore pledged to a reduction of greenhouse gas emission by 16% below 2020 BAU levels, contingent on a legally binding agreement, in which all countries implement their commitments in good faith.

ENERGY

Singapore is a small city-state with negligible energy resources and almost

total reliance of imported oil and piped natural gas from neighbouring countries. Facing various constraints, Singapore has limited potential to adopt renewable energies. This is the reason why improving energy efficiency is still Singapore's key strategy to mitigate climate change for all business sectors.

In line with the Singapore's Sustainable Development Blueprint targets to achieve a 35% reduction in energy intensity (consumption per dollar GDP) from 2005 levels, BCA announced that from December 2010 onwards, all new buildings will have to comply with a higher BCA Green Mark standard, which essentially translates into an additional 10% of energy savings in buildings from the current standard. The minimum efficiency standard is also 28% higher than in the first building code released in 2005 when the Green Mark was launched.

Buildings account for about one-third of national electricity consumption. The efficient use of energy will reduce electricity consumption and carbon emission. CDL remains committed to improving our energy performance across our entire business operations. The higher BCA Green Mark Standard

legislation has no impact on CDL operations as we have been an early adopter of the BCA Green Mark scheme since its inception in 2005 and CDL has set a higher minimum target for all new developments to be certified BCA Green Mark Gold^{Plus}.

CDL has been harnessing renewable energy for our developments through the implementation of solar panels. Our new generation green office, 7 & 9 Tampines Grande and Singapore's first Eco-Mall, City Square Mall have generated a total of 170,229 kWh of renewable energy in 2010.

By adopting such green innovations into CDL properties, it is our aim to help develop the industry's expertise and capabilities in sustainable solutions for our built environment and in so doing contribute to Singapore's goal of becoming a global solar energy hub.

CDL uses electricity directly from the power grid supply through a sub-station at the construction stage whenever possible. This significantly reduces the use of diesel generator sets and promotes better utilisation of electricity from a cleaner energy source. The use of electricity grid power supply generates

⁽¹⁾ "Net zero" or carbon neutralise refers to achieving net zero carbon emissions by balancing a measured amount of carbon released with an equivalent amount offset.

⁽²⁾ The energy data for the buildings includes (but is not limited to) the Mechanical and Electrical services provided in the building, e.g., lifts, air-conditioning and ventilation fans (where applicable), pumps and lighting in all common areas of the entire building. Tenants are charged individually for the use of electricity within their office. The data from Projects Division has been provided by our main builders.

⁽³⁾ Carbon conversion ratio: 1 kWh electricity = 0.52307 kgCO₂ (2005-2007 data), 1 kWh electricity = 0.5233 kgCO₂ (2008 data), 1 kWh electricity = 0.5016 kgCO₂ (2009 data) and 1kWh electricity = 0.4761 kgCO₂ (2010 data). Source: NEA.

⁽⁴⁾ National Climate Change Secretariat – Singapore vulnerabilities to climate change (March 2008).

lower emissions of greenhouse gases, sulfur oxides, nitrogen oxides and particulates to the environment as compared to using a generator.

Over the years, significant energy reduction of 20% has been achieved at our corporate office from 2006 to 2010, mainly contributed by installing energy efficient fittings and equipment such as Nanoflex Reflectors, timers, motion sensors, LED lights, VAV Smart Cooling diffusers and central air-con system. All new purchases of office equipment are certified with the Energy Star label.

CDL has introduced various energy conservation projects to reduce energy consumption in our buildings. A good example is Fuji Xerox Towers, which has reaped savings of 20% to 25% through implementing various energy conservation initiatives over the last three years. These include upgrading the chiller plant, installing motion sensors for all staircases, ultrasonic sensors for all toilets, carbon monoxide monitoring system to control car park ventilation, heat pipe system for three pre-cooled AHUs pipe to reduce relative humidity without consuming energy, and replacement of T8 fluorescent fitting to T5 lighting for both common and car park areas.

CDL also assists in monitoring the individual electricity bills of our tenants. If electricity usage fluctuates more than 10%, the building manager will duly investigate the increase together with the tenant to follow-up on the cause. Since 2007, our "1°C Up Programme" has become a standard BAU practice at 13 CDL buildings and puts our indoor temperature at an average of 24°C.

WATER

Singapore has built a diversified and sustainable water supply from four different sources known as the Four National Taps (water from local catchment areas, imported water, reclaimed water known as NEWater⁽⁵⁾ and desalinated

water) despite its lack of natural water resources. Recognising this challenge and limitation, our new developments are conceptualised with a strong focus on ensuring water sustainability right from the design stage and construction process to the building's water efficient features.

CDL's water management strategies are based on the principles of reducing, reusing and preventing water pollution into our waterways by incorporating water-efficient features on site as well as in the new developments. For instances, the standard water recycling system used for general cleaning across all work sites and water-efficient fittings including sensor taps or self-closing taps, waterless urinals and automatic flush and dual flush systems for toilets approved under the Water Efficiency Labelling Scheme (WELS) by PUB.

To further reduce our water needs, strategies deployed on some work sites include using open rainwater harvesting for water recycling. For instance, Tampines Concourse used zero potable water throughout the construction phase of the development in 2009. Some projects when completed will also have a rainwater harvesting system for landscape irrigation and water-efficient fittings with NEWater used for flushing of all water cisterns and urinals. This will help to conserve fresh potable water.

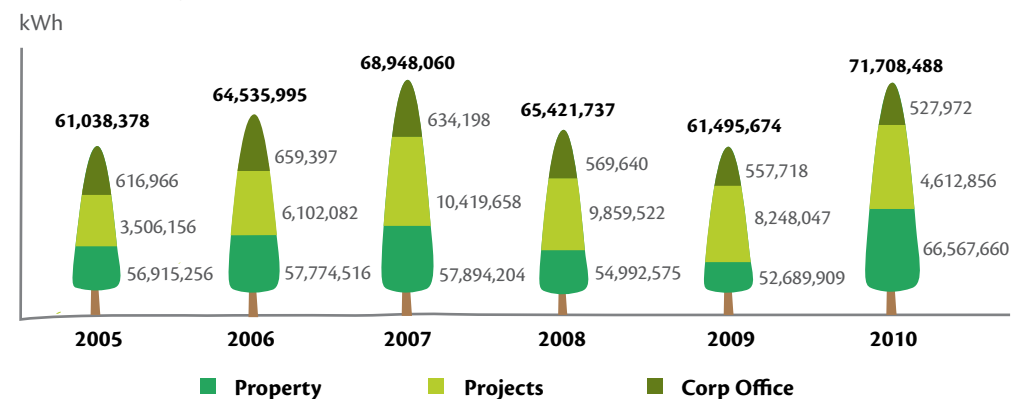
A variety of Silt and Earth Control Measures have been implemented on all work sites. The water discharged into the waterways remains significantly below the legal limit of 50 mg/litre, in the range of between 10 and 15 mg/litre for Total Suspended Solids.

In 2010, CDL's total water used across our investment properties, work sites and corporate office increased by 27%. This was due largely to the inclusion of three new commercial buildings (City Square Mall, 11 Tampines Concourse and 7 & 9 Tampines Grande), and in part

to an increase in the number of work sites. However, we have continued to maintain an efficient use of water at our investment properties and work sites.

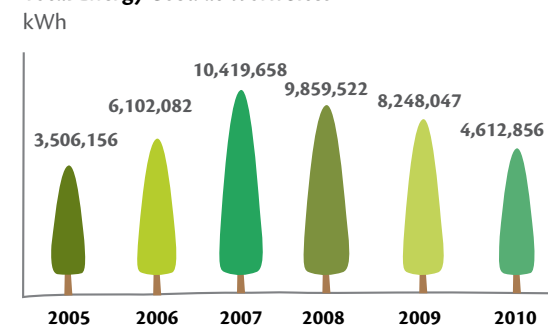
In 2010, CDL conserved approximately 163,974 m³ of potable water at all our work sites and used some 123,344 m³ of NEWater for operations that do not require potable water in our investment buildings such as cooling towers and sprinkler water tanks. Since the start of this initiative in 2007, we have expanded it to five buildings connected to the NEWater supply.

CDL's Total Energy Used⁽⁶⁾

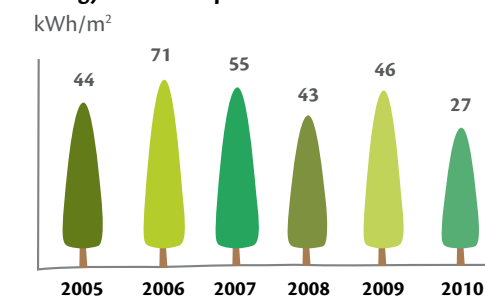


Projects Division

Total Energy Used at Work Sites

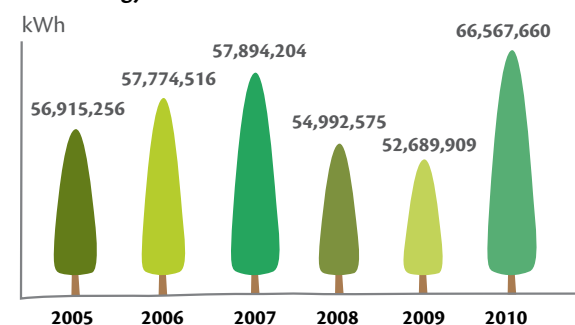


Energy Used Per Square Metre of GFA⁽⁷⁾ at Work Site

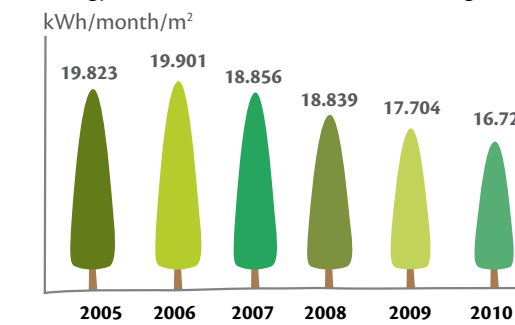


Property & Facilities Management Division

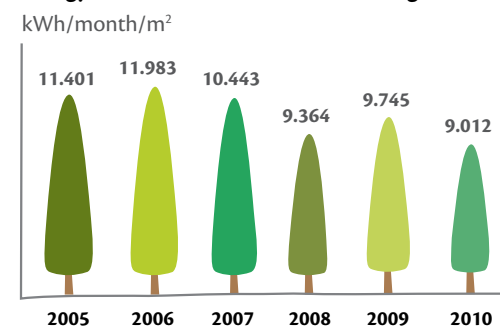
Total Energy Used⁽⁸⁾ at all Commercial and Industrial Buildings



Energy Used at 13 CDL Commercial Buildings

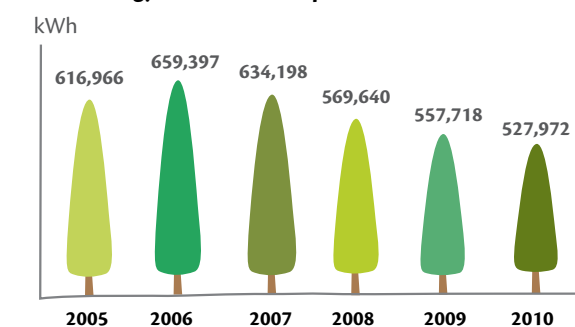


Energy Used at 5 CDL Industrial Buildings



Corporate Office

Total Energy Used at the Corporate Office



⁽⁵⁾ NEWater is treated used water that has undergone stringent purification and treatment process using advanced dual-membrane (microfiltration and reverse osmosis) and ultraviolet technologies.

⁽⁶⁾ Energy conversion ratio: 1 kWh = 0.0036 gigajoules (GJ). The electricity data includes both direct and indirect energy generated from non-renewable energy sources.

⁽⁷⁾ The Gross Floor Area (GFA) is defined as all covered floor areas of a building, except otherwise exempted and uncovered areas for commercial uses are deemed the GFA of the building for purposes of plot ratio control and development charge. The GFA is the total area of the covered floor space measured between the centre line of party walls, including the thickness of external walls but excluding voids. GFA built per year is the product of percentage of completion (POC) for the year and total GFA. POC is the value of work done for the year divided by the total construction cost.

⁽⁸⁾ The energy and water data for 2005 were collected from mid-2005. As a result, the full-year 2005 data from Property & Facilities Management Division is an estimate, derived from the data available. From November 2009, we have included the electricity and water data of three new buildings (City Square Mall, Tampines Concourse and Tampines Grande) in the reporting.

In Focus:

7 & 9 Tampines Grande – Leading the Way in Energy and Environmental Design



7 & 9 Tampines Grande is the first completed development in Singapore to achieve the LEED Gold certification under the Core & Shell Category.

7 & 9 Tampines Grande (TG) is a cutting-edge and new generation green office. The building has achieved an Energy Efficiency Index (EEI) of 122 kWh/m²/year (compared to the norm of 200 kWh/m²/year for buildings) and moving forward, is expected to achieve a minimum energy-efficiency of 30% higher than that of a standard commercial office building.

TG features one of the largest and most extensive use of solar technology in a commercial property in Singapore. It contains the first Solar Air-Conditioning System to generate sufficient air-conditioning for the Atrium. The system uses 1,160 m² of solar thermal panels to heat water up to 88°C which is in turn used by the absorption chiller to produce chilled water to generate enough air-conditioning to cool the atrium.

The development is also the first commercial project in Singapore to incorporate the use of Building

Integrated Photovoltaic (BIPV) panels as part of the building's facade. 40 customised large-sized 152 Wp amorphous silicon thin-film panels have been installed on its facade across an area of 140 m² to give an output of 6 kWp. The customised BIPV panels form part of the facade cladding, replacing conventional glass that would otherwise have been used.

The building also maximises the use of its two rooftops, with 101 kWp polycrystalline silicon Photovoltaic (PV) panels across a total area of 780 m². The estimated annual energy generated from the roof PV panels is 113,000 kWh. The rooftop system also doubles as a shading device for water tanks and reduces the heat transfer through the roof by shading it from direct sunlight.

Together, the BIPV and roof PV panels generate a total clean energy of 115,000 kWh/year. This is equivalent to the annual estimated

electricity required to power the lighting for the building's basement car park, which is 55% of the overall electrical lighting loads of the common areas (including lobbies, corridors, staircase and toilets).

In addition to highly efficient lighting fixtures, the building also features light sensors that automatically monitor perimeter lighting levels for typical office spaces. There are also motion detectors to ensure lights are turned off when they are not needed. Other sensors monitor temperatures, CO₂ levels in offices, and CO levels in the basement car park.

Taking a holistic life-cycle approach, TG is an exceptional showcase of a sustainable green building – from design, to construction, maintenance and use. An effective twin-strategy of utilising passive low energy architectural design and energy-efficient features has led to significant overall energy savings amounting to 2.7 million kWh per year and an overall reduction in CO₂ emission of approximately 1,400 tonnes per year for the entire building.

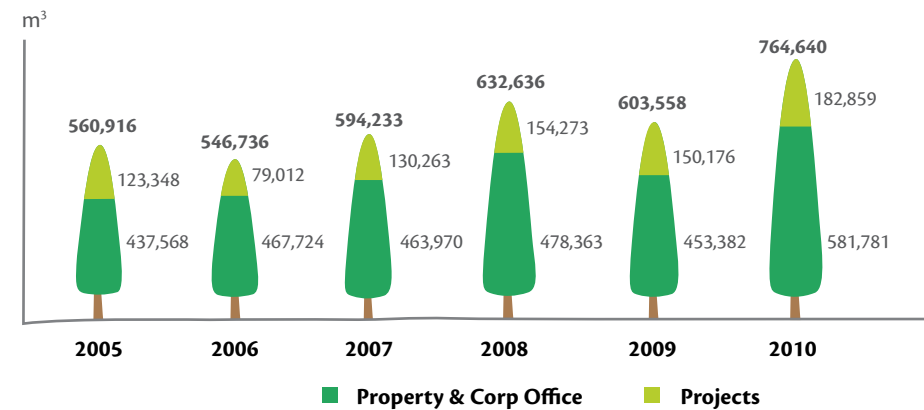
LEED GOLD CERTIFICATION



OTHER NOTABLE AWARDS

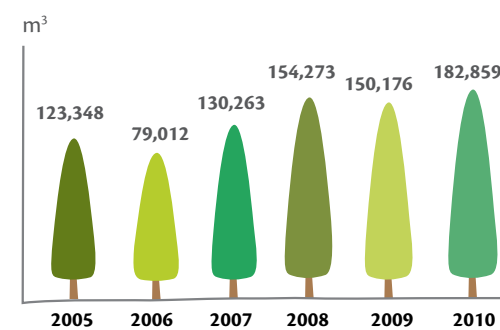
- BCA Green Mark Platinum (2008)
- Solar Pioneer Award (2009)

CDL's Total Water Used⁽⁹⁾

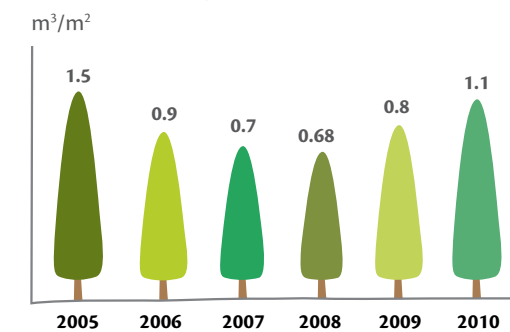


Projects Division

Total Water Used at Work Sites

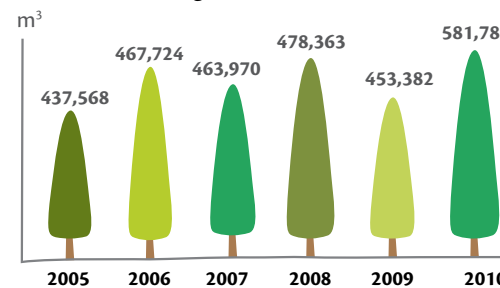


Water Used Per Square Metre of GFA at Work Sites

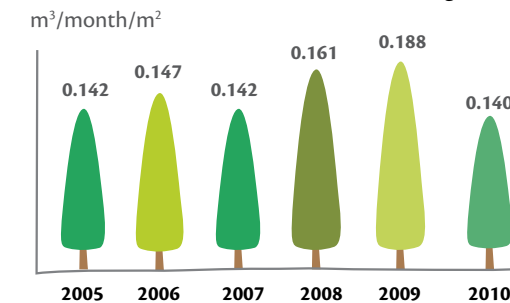


Property & Facilities Management Division

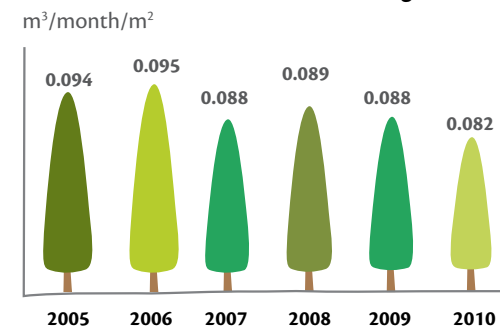
Total Water Used at all Commercial and Industrial Buildings



Water Used at 13 CDL Commercial Buildings



Water Used at 5 CDL Industrial Buildings



CDL COMMERCIAL BUILDINGS NEWater used (m³)

| Building | 2010 | 2009 |
|--------------------|----------------|----------------|
| Republic Plaza | 54,202 | 58,779 |
| Fuji Xerox Towers | 19,371 | 18,183 |
| Plaza By The Park | 14,950 | 15,469 |
| Palais Renaissance | 8,536 | 8,981 |
| Tampines Grande | 26,285 | - |
| Total | 123,344 | 101,412 |

⁽⁹⁾ The water data includes the total amount of water used in 18 buildings for 2010 including CDL's corporate offices located at Republic Plaza and City House.

WASTE & RECYCLING

Singapore has limited space for landfills and all incinerated waste that is not recovered, reused, or recycled is disposed off at the four waste-to-energy incineration plants. The waste heat energy recovered from the incineration process is used to generate electricity which is about 2% of Singapore's total energy demand.

CDL implements sustainable construction and environmentally site practices at our work sites. Efficient construction methods, such as eco-friendly pre-fabrication and pre-cast construction innovations are used at the work sites to improve on-site management as well as to promote environmental conservation and reduce material wastage. Most of the construction building components are precasted or fabricated and tested off-site, then transported to the work site to be assembled systematically. For instance, use of pre-fabricated bathroom units designed to reduce construction waste

have become a standard green feature in all CDL new developments.

CDL has also utilised recycled materials as an environmentally friendlier alternative wherever feasible in the construction of our developments. For example, we have started to use Green Concrete which comprises of copper slag, recycled concrete aggregates and ground blast furnace slag at 11 Tampines Concourse and recycled pre-cast concrete kerbs, drains and wheel stoppers.

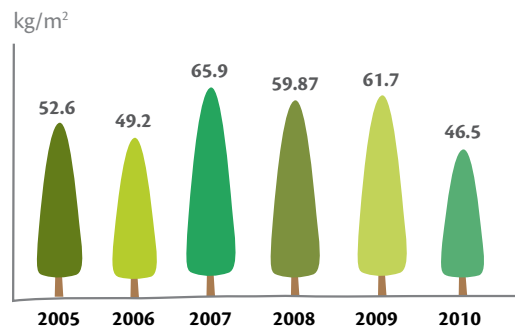
In 2010, the construction waste generated at all our work sites is 46.5 kg/m² of GFA.

For many years, CDL has established a paper recycling programme for our tenants in all CDL buildings. All new tenants are presented with a Project Eco-Office Kit to promote the 3R practices, namely reuse, reduce and recycle. Recycling corners are strategically located and accessible to tenants to promote

and cultivate the recycling practice. The participation rate in this programme has increased from 68% in 2005 to over 90% in 2010.

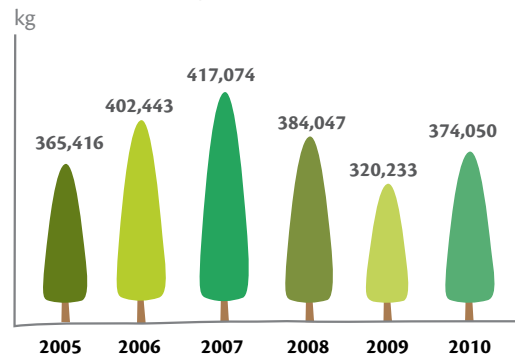
At CDL corporate office, we have achieved a 14% reduction in paper usage exceeding our target of 5% reduction in 2010. Every department and employee has taken conscious effort to use less paper by utilising e-mail, e-filing, double sided photocopying/printing and to reuse paper. Posters and stickers are displayed around the office serving as an effective communication tool for our employees to conserve paper at all times. We also promote using eco-friendly paper for MarCom publications, preference being for paper certified by the Forest Stewardship Council (FSC). For example, our Annual Report and Sustainability Report are printed on FSC certified paper.

Construction Waste⁽¹⁰⁾ Generated Per Square Metre of GFA at Work Sites

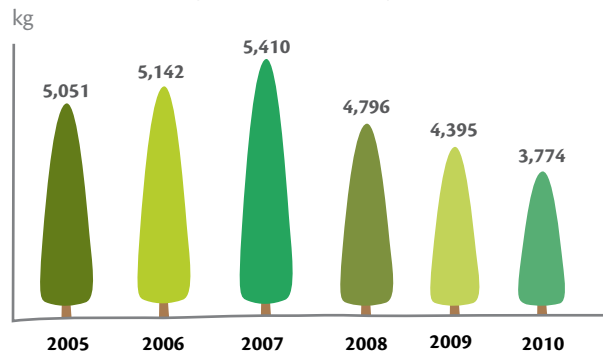


11 Tampines Concourse is the first building in Singapore constructed with extensive use of recycled materials for structural building components.

Total Volume of Paper Recycled⁽¹¹⁾



Total Volume of Paper Used at the Corporate Office



SAFETY

CDL remains committed to achieve the vision of a safe and healthy workplace for everyone and uphold a good safety record. Over the years, CDL's Accident Frequency Rate and Workplace Injury Rate continue to be below the construction industry average value as a

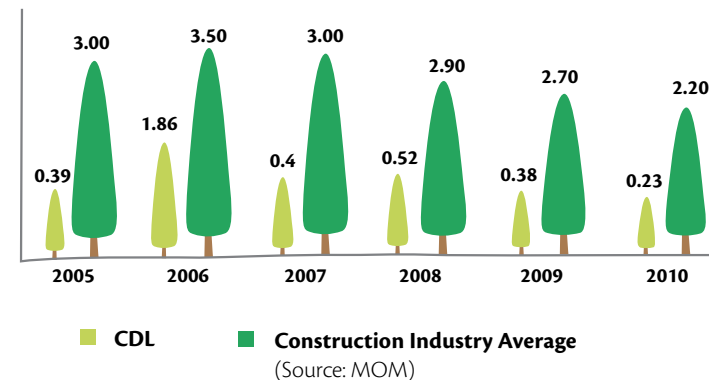
result of our various safety promotions and engagements with our builders and their workers at the work sites.

In 2010, CDL encouraged its builders and consultants to sign a CEO Pledge for Zero⁽¹²⁾, in declaration of their commitment towards EHS Excellence for the development of our projects.

This is in line with WSHC's initiative of signing the Pledge for Zero for workplace safety in 2008 and reaffirms our sustained commitment to work closely with all our builders and consultants to adopt EHS best practices and raise the EHS standards in Singapore.

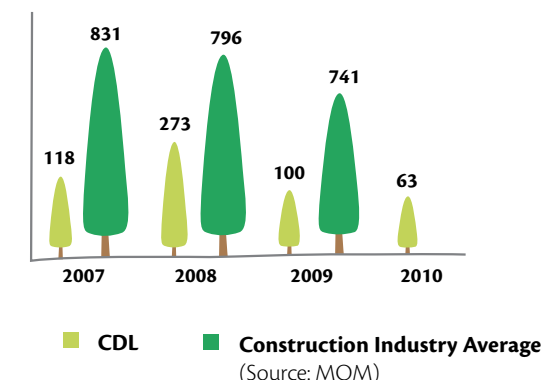
Accident Frequency Rate⁽¹³⁾ at Work Sites

Number of workplace accidents per million manhours worked



Workplace Injury Rate⁽¹⁴⁾ at Work Sites

Number of fatal and non-fatal workplace injuries per 100,000 persons employed



BIODIVERSITY CONSERVATION

As Singapore is a highly urbanised and densely populated country and with a limited land space of 710 square kilometres, the Singapore government needs to pay particular attention to land use planning to ensure that every piece of land is used efficiently. As a result of prudent planning, Singapore is able to dedicate a significant 10% of land to parks and nature reserves and achieve an overall green cover to almost 50% of total land area.

None of CDL's projects are located within protected areas. CDL has incorporated a standard practice to assess all our sites during the planning stage to determine if any existing mature trees can be conserved on-site or transplanted at a later stage to or from another CDL site.

In 2010, we conserved 10 existing mature trees on-site and transplanted four mature trees to other CDL sites.

NOISE

In Singapore, NEA regulates noise limits for construction sites, which vary depending on the time of the day and by the types of premises nearby. Construction noise limits protect nearby residents from any noise impacts.

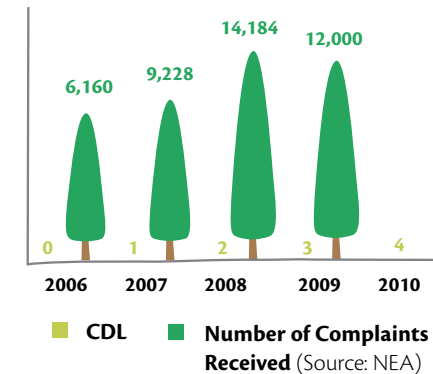
CDL is committed to comply with the noise limits at all our work sites and ensure our builders take all necessary action to address and resolve the complaints due to construction noise.

In 2010, our work sites received four complaints due to construction noise from residents in the neighbourhood. The first complaint was on construction noise at our work site and was investigated and found to be within the permissible noise levels. The second complaint was on noisy activities at our work site. Our builder followed up with the resident to assure that action has been taken to minimise the noise impact. The third complaint

was on noisy activities at the work site at night and the issue was immediately addressed and resolved by our builder with the resident. A fourth complaint was on construction noise at the work site during weekend and our builder resolved the issue with the resident.

Complaints on Construction Noise at Work Sites

Number of complaints on construction noise received at work sites



⁽¹⁰⁾ Construction waste is generated from construction, renovation and repair and is made up of wood, steel, concrete, gypsum, masonry, plaster, metal and asphalt.

⁽¹¹⁾ The data presented in this report includes only paper recycled from CDL commercial buildings.

⁽¹²⁾ "Pledge for Zero - A CEO Commitment Charter" is an initiative by the WSHC and MOM. The Charter will require concrete actions on the part of signatories, who must put in place an appropriate governance structure, resource allocation, communication and safety strategies to achieve a zero injury workplace.

⁽¹³⁾ AFR refers to the number of workplace accidents per million manhours worked. Figures used are incident based. For details, please refer to www.mom.gov.sg.

⁽¹⁴⁾ Workplace Injury rate refers to the number of fatal and non-fatal workplace injuries per 100,000 persons employed. Figures used are victim-based. Construction Industry Average figure for 2010 has not been published by MOM. For details, please refer to www.mom.gov.sg.

In Focus:

Living in Harmony with Nature



Surrounded by lush greenery, Tree House is a nature and eco-inspired development that comprises 429 units.

Designed with environmental sustainability in mind, the project's architects took the local environment into careful consideration when designing the project's "shell". A complex biodiversity impact assessment was also conducted for the project. The main principle for the design of Tree House was biomimicry (or copying natural systems).

The eye-catching expansive vertical green walls on the west facades of the four 24-storey towers are more than just a unique architectural structure. A natural insulation, the green wall serves as a vertical green lung and reduces the estate's

carbon footprint by filtering pollutants and carbon dioxide out of the air. The sloped design also creates a "bio-shelter", aiding rainwater collection for landscape irrigation elsewhere in the development. Effectively, this green element acts as a giant tree and helps reduce heat load, influencing the naming of the development as "Tree House".

To build in additional green spaces, the development also has floating sky terraces on each block at common areas to bring green, social spaces into the building. Some 99 native animal and 32 plant species were identified and the tree and plant species for landscaping were carefully selected to attract native wildlife, and were among a long list of other recommendations to protect biodiversity.

When it came to the internal components of the project, the architects incorporated many technologies and effective designs, including shading and special glazing for windows, careful planning for natural ventilation and breezes, and specification for energy efficient air conditioning.

CDL invested approximately 2.7% of the total construction cost into the development of the condominium's green innovations, which is expected to result in energy savings of over 2,442,347 kWh per year and total water savings of 28,968.22 m³ per year.

The development was awarded the BCA Green Mark Platinum in 2010 for its careful planning and use of green technologies.



Designed as a green oasis, the numerous green innovations at Tree House is expected to result in energy savings of over 2,442,347 kWh per year and total water savings of 28,968.22 m³ per year.

2010 Environmental Performance and 2011 Targets

CDL CORPORATE MANAGEMENT AND OPERATIONS

| EHS POLICY KEY POINTERS | Objectives | 2010 Targets | Performance in 2010 | 2011 Targets |
|--|---|---|---|---|
| "Green" Corporate Culture | To use eco-friendly paper in MarCom publications | To achieve 70% use of eco-friendly paper for MarCom publications | Achieved 99.6% use of eco-friendly paper | To achieve 80% use of eco-friendly paper for MarCom publications |
| | To promote green procurement practices | a) To reuse at least 50% of office furniture, fittings and equipment or use sustainable products in all CDL newly-renovated offices b) To purchase eco-friendly office equipment | Achieved | To purchase/use eco-friendly office furniture, fittings and equipment |
| | To promote eco-consciousness and a 'green' culture among staff | To organise three eco-related awareness event/campaigns for staff | Achieved | To organise four eco-related awareness event/campaigns for staff |
| Resource Conservation & Pollution Prevention | To reduce the use of paper | To achieve 5% reduction in paper usage for in-house photocopying and printing | Achieved 14% reduction in paper consumption | To achieve 5% reduction in paper usage for in-house photocopying and printing from 2010 figures |
| | To reduce the use of electricity | (a) To achieve 5% reduction in electricity usage (excluding computer room) (b) To monitor power utilisation of computer room | Achieved 10% reduction in electricity consumption and monitored power utilisation of computer room | (a) To achieve 5% reduction in electricity usage from 2010 figures (excluding computer room) (b) To monitor power utilisation of computer room |
| | To reduce the use of water | New objective for 2011 | | To monitor water usage by floor |
| | To dispose waste paper responsibly | To monitor collection of waste paper, segregation of office used paper and other used paper for recycling | The total yearly collection of waste paper is 7,346 kg and the office used paper constitutes about 23% of the total | Objective excluded for 2011 |
| | To dispose end-of-life computer related products through eco-friendly methods | To ensure all end-of-life computer related products are recycled under HP Planet Partners and Recycling Programme | Achieved | |

PROJECTS DIVISION

| OBJECTIVES | 2010/2011 Targets | Performance in 2010 |
|-------------------------|---|---|
| Electricity Consumption | 45 kWh/m ² of GFA | Achieved 27 kWh/m ² of GFA |
| Water Consumption | 2 m ³ /m ² of GFA | Achieved 1.1m ³ /m ² of GFA |
| Waste Generation | 75 kg/m ² of GFA | Achieved 46.5 kg/m ² of GFA |

PROPERTY & FACILITIES MANAGEMENT DIVISION

| OBJECTIVES | 2010/2011 Targets | Performance in 2010 |
|---|--|--|
| Average Electricity Consumption of 5 CDL Industrial Buildings | 9.9 kWh/m ² /month | Achieved 9.012 kWh/m ² /month |
| Average Water Consumption of 5 CDL Industrial Buildings | 0.09 m ³ /m ² /month | Achieved 0.082 m ³ /m ² /month |

Engage

CDL's greatest asset is our employees. Through active involvement and engagement, we have cultivated a positive and inclusive work environment.

We aspire to be the employer of choice and towards this, listen to our employees who play a determining role in decisions and policies directing their career development and work-life balance.



Chapter 5:

Empowering Our People



A family that plays well together, works well together. CDL believes in creating a positive and dynamic workplace where our employees can work together in an inclusive environment and are rewarded fairly.

CDL believes that employees need to achieve wellness in physical and mental health, and also harmony between work, family and personal commitments. With a harmonious and healthy corporate culture, employees are able to achieve total wellness, resulting in a healthier, more productive and engaged workforce who contributes positively to our business.

With this strong belief, coupled with management support, proper feedback systems and communication channels, CDL has in place comprehensive strategies on employee retention, training and development, work-life and work-health policies and initiatives, and we constantly innovate to implement creative programmes to increase employee engagement and participation.

We also advocate our employees to be socially responsible, integrating

such commitment into our day-to-day HR operations and policies where we continually seek ways to ensure a better quality of life for the employees, and also the community and environment where we live, work and play.

CULTIVATING A FAIR AND INCLUSIVE WORK EMPLOYMENT

By empowering, nurturing and valuing our people, we strive to be an employer of choice and create an environment our employees can call a second home. We have about 350 employees in Singapore and are a signatory of the Employers' Pledge of Fair Employment Practices with The Tripartite Alliance for Fair Employment Practices (TAFEP) that works with employer organisations, unions and the Government to create awareness and facilitate the adoption of fair employment practices.

CDL ensures our people processes, including the recruitment process, adhere to strict guidelines on non-discrimination and fairness. There is no preference of gender, ethnicity, religion or age in our recruitment procedures. We offer fair and competitive remuneration packages based on employees' competencies and expected roles and responsibilities.

Our employees' rewards and recognition policies emphasise on merit and performance as we value their contributions towards achieving success in our business.

CDL began to monitor and track incidences of discrimination in 2008 and there have been no reported incidences.

Early implementation of the Retirement and Re-employment Policy

The Retirement and Re-employment Act will take effect from 1 January 2012 to enable more people to continue working beyond the current statutory retirement age of 62, up to 65 in the first instance and, later, up to 67. The law will require employers to offer re-employment to employees with satisfactory performance and who are medically fit, to continue working beyond the age of 62, till age 65. If employers are unable to find suitable jobs for eligible employees, they should offer the employees a one-off Employment Assistance Payment (EAP) to help employees tide over a period of time while they look for another job.

At CDL, we have been and will continue to practice re-employment. Even though

the current Singapore Retirement Age Act gives employers the discretion to reduce the salary of those beyond 60 by 10%, CDL continues their employment based on the existing permanent employment terms. However, at the age of 62, employees who meet CDL's re-employment criteria, such as satisfactory performance, remaining medically fit, with the availability of a suitable role, would be converted to a yearly contract term with no change in existing benefits and salary as well as eligibility to all bonus payouts. However, if they do not meet the criteria, re-employment will not be extended and there will be no compensation provided.

Further to the above, CDL has plans to implement the Retirement and Re-employment Policy with effect from 1 July 2011 before The Retirement and Re-employment Act takes effect on 1 January 2012. There will be a positive impact as implementing the changes 6 months in advance will benefit more of our employees. With an early

implementation of the Retirement and Re-employment Policy, CDL is fully supportive of the government legislation to help older employees remain economically productive and providing valuable working opportunities for our employees whenever possible.

In addition, CDL will be providing a one-off EAP⁽¹⁾, as stipulated by the Retirement and Re-employment Act, should any employee reach the age of 62 and does not meet the necessary criteria for re-employment regardless of reasons.

PROFILE OF OUR WORKFORCE

Gender

CDL recruits based on the principles of competencies and appropriate fit within the Company. Equal opportunities are given to all employees to develop and grow.

At CDL, we have more female employees than male employees across the ranks. In 2010, female Heads of Departments represented 54.5% (12 of 22 Heads of

Departments) of the workforce in the same cohort.

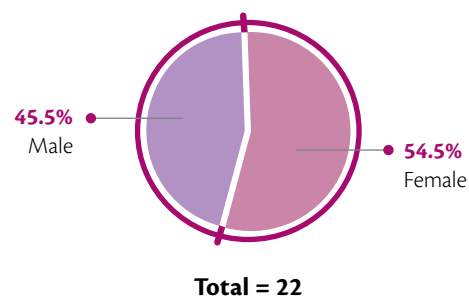
Age

61.7% of our workforce falls between the ages of 31 and 50, representing the majority of our workforce.

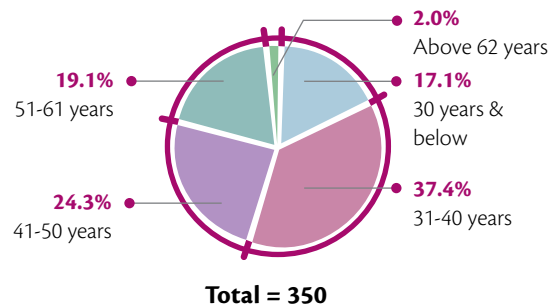
GEN Y

Understanding our next generation, Gen Y is critical to our business growth and development so as to ensure business sustainability. Gen Y is the fastest growing segment of our workforce and is also emerging as a potential customer group. 59.3% of new employees hired in 2010 were born in 1978 or later. 2010 also witnessed 28.8% of employee promotions going to GEN Y employees and 5.4% of our managers are 30 years old and below. In other words, these GEN Y employees are injecting into CDL, the GEN Y creativity, thinking and philosophy of life and bringing about continual renewal of people asset to the Company.

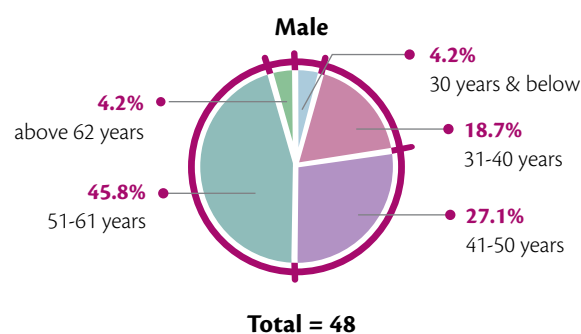
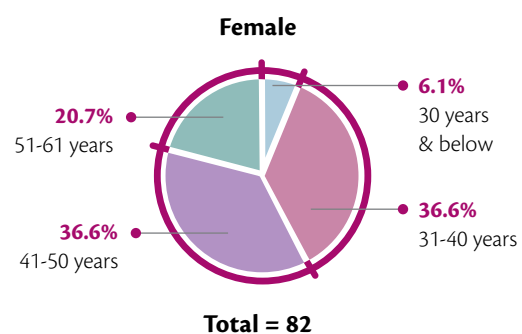
Gender of Heads of Department



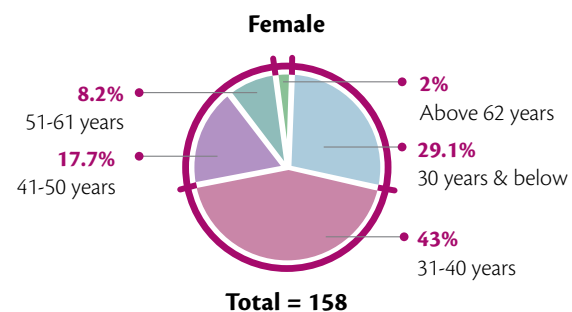
Age Group of Total Workforce



Age Group Managerial



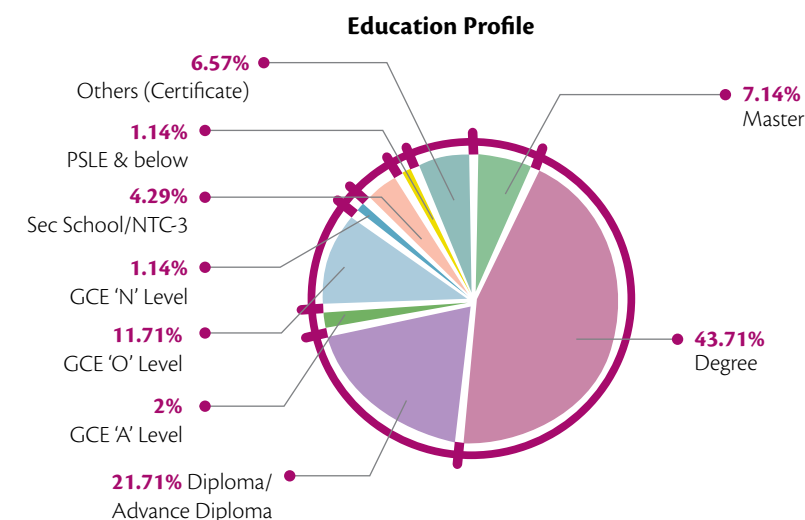
Age Group Non-Managerial



Education profile

72.6% of our employees hold tertiary qualifications and above (this includes holders of diploma, degree and Masters qualifications). CDL believes in developing our employees and helping them achieve their potential so that they can better contribute to the success of the Company.

CDL has in place policies that provide employees with opportunities for professional development and skills improvement. For example, CDL has been sponsoring the part-time Masters programme of an officer that is still on-going.



Total workforce by employment type and employment contract

Understanding that some employees need time to attend to special family needs, some employees have over the years converted to a part time work schedule (and back to full time) on a need be basis. In 2010, there were three female employees working on a part time arrangement.

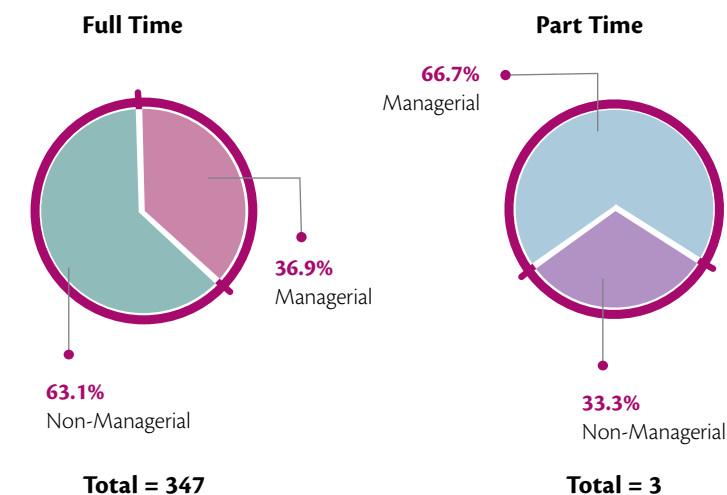
Talent from the local community

The majority of senior management employees (Assistant General Managers and above) are hired from our local community. In 2010, all of them were Singaporeans or Permanent Residents in Singapore.

Employee Relations

We believe in developing employee engagement strategies to drive the message of connectivity and commitment into the hearts and minds of employees. Our employees have access to various constructive dialogue mechanisms within the Company to voice their concerns and advance their interests.

Employment Type



⁽¹⁾ The EAP amounts are 3 months salary (with a minimum of S\$4,500 or maximum of S\$10,000) or 2 months salary (with a minimum of S\$3,000 or maximum of S\$7,000) for those who are re-employed for at least 18 months.

i) Freedom of Association

At CDL, we respect all employees' fundamental rights to freedom of association and the right to be members of trade unions.

Although CDL is not a unionised company, we are guided by the Industrial Relations Act which allows representation of employees by trade unions for collective bargaining. This provides our employees an avenue to seek redress on their disputes.

As part of our efforts to recognise employees' participation in professional bodies, CDL supports employees' subscription to these professional bodies.

ii) Resolving Grievances

We have policies and procedures in place to manage employee grievances, if any, to ensure that the matter is assessed in a fair and impartial manner. Employees' disciplines are guided by a set of Code of Conduct and Whistle-blowing Policy that deals with the receipt, retention and treatment of complaints regarding the Company's accounting, financial reporting, internal controls and auditing matters, as well as the protection of the confidential or anonymous reporting by employees of legitimate concerns regarding these matters.

REWARDING OUR EMPLOYEES

At CDL, we value our people and firmly believe that employee engagement is the key to driving the organisation ahead and are committed in retaining our talents through performance and reward opportunities.

Fair Remuneration

We constantly seek to offer fair and competitive remuneration packages based on the potential and capabilities of our employees. Employees are eligible for overtime compensation as in accordance with the Employment Act.

The employment contract offered to part time employees are on a case-to-case basis and benefits such as annual leave may differ from full time employees.

We have adopted the internal parity and market alignment approach at the same time without compromising the right people in the right jobs.

Talent Management and Engagement

CDL has in place employee engagement and retention strategies that seek to focus on employees' potential while sustaining their career aspirations. Each year, employees will undergo an open performance appraisal exercise which provides 2-way communication on employee performance and career development. The appraisal also provides a platform to establish employee KPIs acceptable to both employee and supervisor.

Training

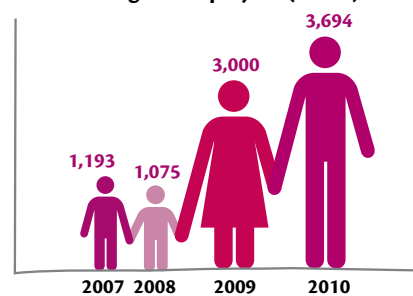
CDL has a comprehensive strategy that focuses on talent retention and cultivation. We nurture our employees and fulfill their potential through continual self assessment with strong emphasis on training and development.

We believe in designing development and improvement programmes for employees as they have a positive impact on employee satisfaction and retention. In support of this, CDL encourages employees to further their studies by sponsoring part-time academic or accredited training programmes.

Through conducting a training needs analysis, we also identify the training needs and desires of our employees.

In 2010, 3,694 hours was dedicated to CSR and environmental-related training. This includes Carbon Disclosure Forum, Achieving Workplace Safety & Health Excellence in Construction, ISO 26000, Ecology & Green Initiatives for Building, etc. On average, each employee has also completed more than four training days in total.

CSR Training for Employees (hours)



Recognising the importance of Whistle-Blowing Policy, communication sessions are organised regularly for new employees to ensure that all CDL employees are familiar with this policy.

Working in Singapore

MOM has 14 divisions and three statutory boards, governing the employment of local and foreign workers in Singapore. One example is the Foreign Manpower Management Division (FMMD) that was set up to facilitate the well-being of foreign workers during their employment in Singapore. FMMD works closely with other departments within the Ministry, including the Workplace Policy and Strategy Department, Work Pass Division, Occupational Safety and Health Division and Labour Relations & Workplaces Division, in the enhancement of workplace standards for foreign workers and enforcement of foreign workforce policies.

Besides governing bodies, there are also numerous statutory legislations that one must abide with when in employment in Singapore. Key requirements such as the Singapore Employment Act, Central Provident Fund (CPF) scheme and Retirement and Pro-Baby Legislation are highlighted below.

The Employment Act

The Employment Act provides the statutory requirements that must be adhered to when hiring employees in Singapore. CDL not only complies strictly with the Employment Act, but also provides our employees with

benefits exceeding the requirements while extending the benefits to both managerial and executive employees who are not covered under the Act. One example would be provision of annual leave that are better than that stated in the Act. Other benefits include the provision of various insurance plans for employees.

CPF Scheme and Retirement

CPF is a comprehensive social security savings plan which aims to provide working Singaporeans and Permanent Residents with a sense of security and confidence in their old age. CDL assists employees to make monthly contributions which are deductible from their monthly gross salaries into their CPF accounts as required by law.

The CPF contribution is a percentage of the monthly salary and varies according to the employee's age. These savings earn a minimum risk-free interest of 2.5% guaranteed by the Government while a portion of the savings will earn a guaranteed minimum of 4% interest.

Pro-Baby Legislation

In support of the Government's initiatives towards encouraging higher birth rate in Singapore, CDL has adopted measures in line with the Government's pro-baby legislations, which were passed and made effective from 31 October 2008. The revisions were made to enhance pro-baby benefits such as extended maternity leave, childcare and infant care leave.

As per the legislation, paid maternity leave stands at 16 weeks for mothers with Singapore Citizen births. Employees with Singapore Citizen children will be entitled to six days of paid childcare leave per year if they have at least one child under the age of seven years. Employees with Singapore Citizen children may apply for up to six days of unpaid infant care leave per year to care for their child of two years or below of age. In 2010, 12

eligible female CDL employees extended their maternity benefits and all are still currently employed by CDL as at May 2011. Paternity leave is not legislated in Singapore but CDL extends one day of paternity leave to eligible male employees.

TALENT ATTRACTION AND RETENTION

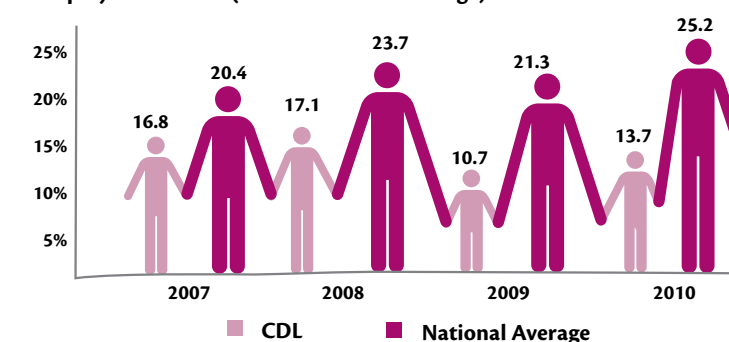
CDL aspires to be the employer of choice for our employees with a corporate philosophy to care for employee's well-being while helping employees realise their potential.

CDL hopes to help employees achieve work-life harmony and wellness in physical and mental health. Through satisfying employee needs for work-life harmony, CDL also benefits from high retention, positive employee morale and more productive and capable workers for the Company and community.

Furthermore, a well-developed work-life and workplace health policy is a valuable recruitment strategy to attract talent.

CDL's annual turnover in 2010 was 13.7% which is significantly lower than the national turnover of 25.2%. Our average length of service of each employee has increased from 8.1 years in 2008 to 8.8 years in 2010. This is a positive indicator of our employees' commitment and loyalty to the Company. 53.7% of our employees have been with us for more than five years, another clear indicator of employee satisfaction.

Employee Turnover (CDL vs National Average)



i) Work-Life Harmony and Pro-Family Culture

We strive to create a work-life harmony corporate culture and implement sound work-life strategy to help our employees manage both their personal and professional commitments.

We have successfully attained the Work – Life Excellence Award in 2010 conferred from the Tripartite Committee on Work-Life Strategy.

This has reaffirmed our efforts to create a positive work-life harmony environment that places value on maximising our employee performance and also reinforces our corporate philosophy as a caring and responsible employer that is concerned for our employees' well-being.

ii) Workplace Health – Total Wellness, Physical Health & Mental Health

Recognising that a happy and healthy workforce eventually leads to the engagement of a more motivated workforce, our employees enjoy a wide array of benefits and programmes throughout the year.

CDL has a dedicated work-life committee which includes employee representatives across all departments to plan and execute these activities.

Each year, we have a theme to focus our efforts and programmes. The theme in 2010 was "My Health, My Responsibility" to demonstrate to our employees the importance of healthy living for both body and mind by adopting fitness exercises.

To promote total wellness, employees enjoy a free basic health screening each year during working hours. Their family members may also participate in the health screening programme at a discounted price.

To promulgate the importance of health and fitness, we launched various health campaigns in 2010. For instance, the "I Take Charge Challenge" is a pre-and-post health assessment programme to identify potential health and weight issues of employees through a BMI (Body Mass Index), body fat etc, assessment. Other activities include partnership with a fitness centre for employees and their family members to enjoy attractive corporate membership rates.

Since 2008, CDL has made available the Employee Assistance Programme to employees on issues concerning work, interpersonal relations, family, etc. It provides confidential help, with initial consultation fees borne by the Company.

At the corporate office, we had zero occupational diseases in 2010. There were no lost days due to work-related fatalities. The average medical leave taken per employee per year remains at four days or less.

iii) Employee Engagement

CDL has a proper process of understanding and responding to employees' work-life needs. We have different channels of identifying employees' work-life needs such as employee surveys, evaluation forms submitted after each work-life event and through the Work-Life Committee.

CDL strives to foster open communication and has adopted internal platforms to establish and encourage opening communication. All new employees undergo an induction programme to be familiarised with CDL's culture and policies. Employees are also briefed on the Company's various policies including the ISO 14001 Environment Management System.

CDL's senior management is committed to facilitate employee communications which helps to break barriers and build bonds. The Managing Director and senior management team holds dialogue sessions with new employees regularly.

Other internal platforms to encourage feedback and open communication include e-VoiceBox, a dedicated e-suggestion box for suggestions and comments to be sent electronically and CDL Insight which is a monthly forum organised to enhance understanding and exchange of ideas amongst departments.

Through the dissemination of City News, City Dynamix and Staff Circular, employees are informed of the latest updates in the Company.

Our intranet portal houses which information such as employment terms, benefits and practices, Code of Business and Ethical Conduct is also available to all employees.

To foster interaction and to build camaraderie amongst employees, CDL organised several social and volunteering activities through employee-managed committees such as Work-Life Committee, C-Base Committee, StaffConnect (SC) and CSC.

The Work-Life Committee focuses on organising workplace health related activities while the C-Base Committee promotes interaction and engagement among employees by organising activities at the employee lounge. SC, a task force comprising representatives from various departments, plans and coordinates activities such as Annual Staff Day to reinforce employee team spirit and bonding. CSC, CDL's employee volunteer club, promotes the spirit of voluntarism by organising community activities with beneficiaries such as Assisi Hospice, Man Fut Tong Nursing Home and Children's Aid Society.

CDL strongly believes in creating a work environment that promotes team spirit, engagement, passion and achievement.

We will continue to develop innovative and meaningful ways to bring out the best in our employees, nurture team spirit and a sense of belonging to the CDL family.

HUMAN RIGHTS

To date, Singapore has ratified 20 International Labour Organisation Conventions, including five Core Conventions. They encompass the four key areas of employment standards that include child labour and forced labour.

Singapore has legislations in place such as the Singapore Employment Act, Retirement Act, Workplace Safety & Health Act, Factories Act, etc that imposes legal restrictions to mitigate risks and incidents of child labour and forced labour. For example, the Singapore Employment Act imposes restriction on the employment of children below 13 years of age and stipulates a clear set of laws for employment of children who are between 13 to 15 years of age, their working hours and the type of work that they can be engaged in. The Commissioner for Labour must be notified if they are engaged in industrial undertakings or have obtained permission to work on their rest days.

In addition to the current Singapore legislations, CDL ensures that all employees are issued employment contracts stipulating clear employment terms and conditions.

Moving forward, our operation departments comprising Project Division and Property & Facilities Management Division are planning how to work with our first level contractors/suppliers to put in place a process of monitoring, auditing and grievance procedures to ensure that their human rights are not infringed and that there is strict adherence to the terms and conditions stipulated in their contracts and compliance to the local legislation. Should there be incidences of non-compliance, there should also be channels to obtain feedback from the employees of these first-level contractors/suppliers to CDL.

In Focus:

"My Health, My Responsibility"

CDL has a dedicated Work-Life committee which includes employee representatives across all departments to plan activities focused on an important work-life theme.

"My Health, My Responsibility", the theme for 2010, encouraged our employees to adopt a healthy lifestyle that places emphasis on not just the body but the mind as well.

Each quarter, there was a planned campaign launched which was in line with the adopted theme for the year. For instance, between May and July, the campaign focused on "Nutrition", highlighting the importance of eating a healthy and balanced diet to reduce the risks of health concerns such as Coronary heart disease, Type 2 diabetes, Hypertension and Obesity, which are on the rise in Singapore.

The activities organised to promote good nutrition included monthly healthy diet tips and quizzes, nutrition exhibition held at C-Base, healthy cooking demonstrations and talks on nutrition by experts.

The August to October campaign was the "I Take Charge" Challenge to raise awareness of the health consequences of being overweight and to motivate employees to take charge of their weight and to lose or maintain their weight in a safe and healthy way.



The Work-Life Committee organised stretching demonstrations conducted at each level of our corporate office where a trained instructor showed employees simple stretching exercises that can be done at the work desk.

There was a pre-and-post health assessment to identify potential health and weight issues of the employees through a BMI, body fat, personal questionnaire check and individualised targets were set after. Priority for this programme was given to employees with a BMI of over 24.

The activities organised to help employees reach their goals included exercise workouts during lunchtime and after work like aerobics, kickboxing, Pilates and training focused on the abdominals, health talks, healthy cooking demonstrations and even a food trail outing!

To further motivate the employees, prizes for best improvement was given. A lucky draw with attractive prizes was also held each quarter for employees who attended a minimum of eight events.

In addition to the annual basic health screening provided to each employee for free which is conducted during work hours, CDL also continues to make available (since 2008) the Employee Assistance Programme which is a counselling hotline service provided to employees who need to speak to someone regarding issues concerning work, interpersonal relations, family, etc. This programme provides confidential help, with initial consultation fees paid for by CDL.

Other sustained benefits for employees include a partnership with a fitness centre to extend attractive corporate membership rates for employees and their family. Employees are also constantly reminded to eat healthy with the provision of a monthly healthy snack/fruit.

Enrich

No man is an island and as part of the community, we can only be truly successful if our community is thriving and vibrant.

CDL's community efforts focus on four key areas of the environment, youth development, the disadvantaged and the arts. Our dedication revolves around what matters most - extending assistance where most needed and nurturing our community in hope that our beneficiaries will reciprocate by paying it forward.



Chapter 6:

Nurturing the Community

As a long-standing advocate of the Government's 3P model which calls for synergistic partnerships between the People, Private and Public Sectors, CDL continued to contribute to the community in the four key areas of the environment, youth development, the less fortunate and the arts.

Beyond sustaining and strengthening established programmes and retaining active working relationships with long-term partners and beneficiaries, we also identified and supported new beneficiaries and partners. In addition, we embarked on innovative programmes for the community, which included providing assistance locally and extending resources to various economic and social development projects in countries such as Indonesia and Cambodia.

ACTIVE EMPLOYEE VOLUNTEERISM

Stemming from CDL's conviction that strategic efforts for the community should extend beyond philanthropy, we have continued to employ a model of engaging our stakeholders beyond such acts of philanthropy, with employee volunteerism being a key driver.

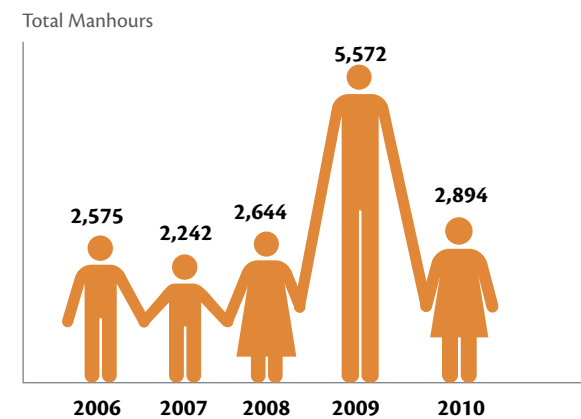
Through CSC, CDL's staff volunteer platform, CDL employees were meaningfully engaged in helping the needs of the less fortunate through befriending, youth mentorship, sharing of expertise and pooling of resources to help community partners and beneficiaries. In maintaining a culture of active volunteerism and dedicating their time to helping those in need by engaging in a wide range of community programmes and events, we have achieved a total of 2,894 hours of community work, with participation rate of

60% in 2010. The extraordinary employee volunteer manhours and employee volunteer participation rate achieved in 2009 was due to the significant addition of community activities organised in celebration of CSC's 10th anniversary.

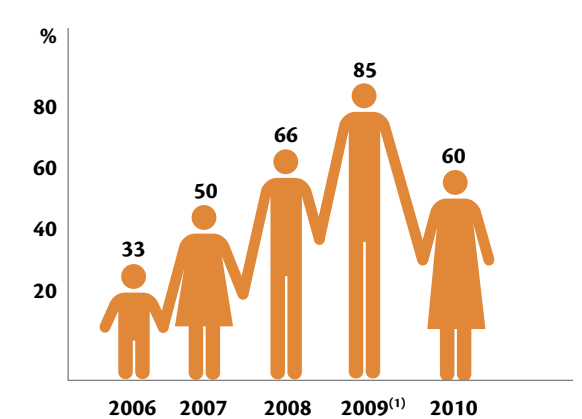
Since 2008, CSC has been gathering feedback on its community outreach programmes for the elderly. This feedback is used to identify areas where improvements can be made. There are also plans to extend such surveys to other beneficiaries and programmes in the near future, to better assess the impact of its other community related initiatives.

Through active employee volunteerism, initiating and implementing community outreach programmes and tapping on our wide network of resources and contacts, CDL hopes to collectively aid and effectively serve and nurture the community we operate in.

Employee Volunteer Manhours



Employee Volunteer Participation Rate



⁽¹⁾ The extraordinary employee volunteer manhours and employee volunteer participation rate achieved in 2009 was due to the significant addition of community activities organised in celebration of CSC's 10th anniversary.

ACTION FOR THE COMMUNITY

On the business level, City Square Mall, Singapore's first eco-mall, engages with the community-at-large through its dedicated space for community events. The Mall was the first corporate partner to join the Central Singapore Community Development Council's Partnership to Activate the Community to Treasure the environment or P.A.C.T. when it opened its doors in late 2009.

In an affirmation of its commitment to organise and host green community events, events held in 2010 include the National Youth Envirolympics Challenge 2010, collaboration with radio station Class 95FM on World Environment Day, Muscular Dystrophy Association (Singapore) Eco-challenge and Project Pebbles which was jointly organised by Temasek Polytechnic student volunteers and Gardenasia to engage youths in nature-related activities.

INSPIRING GREEN THOUGHT LEADERSHIP

CDL and BCA jointly launched the BCA-CDL Green Sparks Competition to raise awareness and engage tertiary students in the greening of the built environment. This first-of-its-kind public-private initiative provides future practitioners with a real-life scenario where best green building practices and solutions can be implemented. For the inaugural competition, students were presented with the challenge of enhancing the environmental performance of Fuji Xerox Towers, an existing 38-storey office building owned by CDL. The Competition was well-received and saw interesting submissions from 152 students, making up some 20 teams. For more information on this competition, please refer to pages 59 and 60.

To promote an interest in sustainability amongst the youth, CDL was also the Presenting Partner for the NUS

Geography Challenge 2010 jointly organised by the National University of Singapore (NUS) Geographical Society and the Department of Geography.

Held for the 14th year, the theme of 2010's national geography quiz for secondary school students focused on "Sustainable Development". Through the competition, students from more than 80 schools nationwide were encouraged to engage their critical thinking skills to redefine limitations faced by Singapore and the planet to promote sustainable development.

CDL was also the Corporate Partner for the NUS Chancellor's Challenge Shield 2010, one of the foremost tertiary-level Current Affairs and General Knowledge Quiz competitions in Singapore. The theme for the competition was "Singapore 2061: What do you want it to be?", crafted in consideration of the Singapore Government's upcoming Concept Plan 2011. Over 200 students participated in the competition.

STEPPING UP FOR THE ENVIRONMENT

As Singapore's green pioneer, CDL's ongoing efforts in promoting environmental conservation amongst the community-at-large has seen an increased interest, support and participation by public and private organisations alike.

An example of our green initiatives includes Project Eco-Office, which CDL initiated with the SEC in 2002, with the aim of helping businesses to go green in the office. Companies are also encouraged to participate in an online green office audit and when ready, a formal office audit is conducted by an independent auditor, with successful companies awarded the Eco-Office Label (previously known as Green Office Label) certification.

This programme has gained much momentum, as evidenced by the

increased interest from companies which have decided to go green over the years. Since its launch in 2005, 70 offices have been certified with the Green Office Label as at the end of 2010. This affirmation of support has spurred both SEC and CDL to grow the programme further, with constant dialogues to improve make the programme even better.

In addition, we also lent our support to a myriad of programmes initiated and organised by environmental organisations and government agencies.

As the issue of climate change grows increasingly dire, CDL's environmental outreach efforts have been expanded, especially in targeting the youth.

In celebration of Earth Day, CDL initiated the CDL E-Generation Challenge, an eco-themed "Amazing Race" style national competition. By utilising an eco-tainment platform in the form of a fun green rally, the annual competition aimed at raising eco-consciousness amongst the youths in Singapore.

Over 260 youths came together to pit their strength and wit in overcoming green challenges focusing on green transportation and highlighted environmental issues including resource conservation, climate change and action.

The inaugural Challenge was supported by National Environment Agency and Clean and Green Singapore and event partners included innovators of green transporters in Singapore such as GoGreen Holdings, The Green Car Company, Greenlots and Hybrid Motors, along with Singapore Polytechnic, Environmental Challenge Organisation (Singapore), Singapore Motor Sports Association and City Square Mall. For details on this CDL-initiated green challenge, please refer to pages 60 and 61.

In celebration of 2010 as the International Year of Biodiversity by the United Nations, CDL held a "Biodiversity: Connecting with Nature" photo competition for its

employees to raise awareness of the rich biodiversity found in Singapore. Winning photos were featured in the 14th

instalment of CDL's Beauty of Nature Series Calendar 2011 titled "Celebrating Web of 13 Million", which was distributed

to business associates and employees to impart CDL's CSR philosophy.

| ORGANISATION | INITIATIVE | CONTRIBUTION |
|---|---|--|
| China Exploration & Research Society (CERS) | Corporate Patron | <ul style="list-style-type: none"> Sustained support for the organisation's nature and cultural conservation projects. |
| Environmental Challenge Organisation (ECO) Singapore | Earth Hour @ The Heartlands | <ul style="list-style-type: none"> Eco-activities held at City Square Mall to promote community support for Earth Hour. |
| National Environment Agency | Corporate and School Partnership Programme (CASPP) Held in conjunction with Clean and Green Singapore (CGS), this initiative is aimed at encouraging the private sector to play an active role in grooming young leaders from educational institutions, initiating environmental programmes and transferring their technical knowledge through a mentoring system in developing the partner school's environmental projects. | <ul style="list-style-type: none"> CDL has been a stalwart supporter of CASPP since 2005. CDL's six adopted schools, namely Maris Stella High School (Primary and Secondary), CHIJ St. Nicholas Girls' School (Primary and Secondary) and Catholic High School (Primary and Secondary) once again showcased notable environmental projects during the CGS Schools' Carnival. Catholic High School (Primary) received honours coming in third place with their submission. CDL also sponsored the Climate Change Photography Competition at the event which was attended by over 10,000 students, teachers and parents from 230 schools. |
| Nature Society (Singapore) | Nature Watch magazine | <ul style="list-style-type: none"> Sustained sponsorship of the society's quarterly magazine. |
| SEC | Singapore Green One (G1) A Green Race aimed at raising awareness on alternative transport modes and promote sustainable lifestyle choices. Project Eco-Office Initiated and launched jointly by CDL and SEC in June 2002, this outreach programme promotes green resource management amongst the business community in the work place. | <ul style="list-style-type: none"> Participated in inaugural event, with Team CDL placing third in the Buggy Race. A total of 23 offices certified with the Eco-Office Label (previously known as the Green Office Label) in 2010. |
| World Wildlife Fund | Earth Hour | <ul style="list-style-type: none"> Sustained participation from 11 CDL commercial properties. Rallied support from 99% of office tenants. |

SUPPORTING YOUTH DEVELOPMENT

CDL continued our support of student-led environmental, social and economic developments projects both in Singapore and abroad.

In 2010, CDL supported four student-led overseas expeditions of which three groups were students from Singapore Management University (SMU) and one from NUS. The projects, based in neighbouring countries including Indonesia, Philippines and Cambodia, focused on promoting education, skills development and infrastructure.

In line with CDL's commitment towards sustainable programmes, it was CDL's second year of involvement in Project Aphreak in Cambodia. This community service expedition by students of SMU, with the support of SMU Office of Student Life and National Youth Council's Youth Expedition Project, aimed to assist Community Capacities for Development in the development of eco-tourism in Konleng Phe Village (located about 91 km north of Phnom Penh in Cambodia), as a new source of income and natural resource conservation, given the dwindling fishing harvests for the local community due to excessive environmental degradation in the area.

Phase 1 of the project comprised of the building of a home-stay facility for tourists and co-training the community members in the planning, running, and management of the facility to ensure a new sustainable alternative source of income, coupled with community training sessions to impart natural resource management knowledge and application to the local community to enable them to design a tourist trail in the conservation areas.

In Phase 2 of the project, the team gathered eco-tourism information for the publishing of the Tourist Information Guide, and also mapped the village, experienced the proposed tourist

activities, as well as conducted English lessons in tandem with the overall plan to create alternative income source for the villagers of Konleng Phe village via eco-tourism.

Moving forward, the team plans to carry out additional skills training for the facility staff (including honing their English proficiency, levelling their expectations with that of the visitors in terms of hospitality, living conditions, hygiene, etc.) together with further trials, to ensure the successful operation of the guest house when it officially opens its doors in 2012/2013.

Amongst various events spearheaded by university students which CDL supported was the 11th Annual NUS Youth Volunteerism Camp, designed to promote volunteerism, nurture student participants to become better volunteers as well as to help needy beneficiaries during the four-day camp attended by 65 participants and 45 children beneficiaries.

CDL also supported the NUS Green Carnival 2010, presented by NUS environmental group Students Against Violation of the Earth (SAVE), to drive the urgent message of environmental conservation to NUS undergraduates,

staff and academics, through student-initiated environmental projects that promote energy conservation, recycling and the uptake of other green habits. As a Founding Partner, CDL had been supporting the annual student-led environmental event since 2008.

HELPING THE DISADVANTAGED

2010 was a busy year for CDL volunteers as they embarked on a plethora of community activities benefiting those in need including the young, elderly and sick.

CSC also helped organise various exciting activities for its young beneficiaries throughout 2010 as part of the club's ongoing youth development activities for less privileged youths in society.

These included an excursion for 24 children from the Children's Aid Society (CAS) during the June school holidays to an exclusive Behind-the-Scenes tour of the Singapore Zoological Gardens. In September, over 30 children from CAS also celebrated the Mid-Autumn Festival at City Square Mall participating in fun-filled activities including an Eco-Lantern workshop, City Green Lantern Tour and story-telling.



Dedicated CDL volunteers chalked up a total of 2,894 hours of community work in 2010, extending friendship to the needy and disadvantaged. During the March school holidays, CDL volunteers organised a special outing for over 70 underprivileged children to City Square Mall, where they were treated to a magical performance, "World of Toys".

In December, excited children from Dreams @ Kolam Ayer experienced a truly unforgettable lesson in marine discovery when they embarked on a unique sleepover programme with sharks, rays and other ocean inhabitants swimming above them as they slept! The sleepover programme gave these children an opportunity to observe and learn about the ocean in the safe sanctuary of Underwater World Singapore. Over 45 volunteers from CDL participated in this one-of-a-kind activity. The same month, CSC volunteers brought a group of under-privileged children from the Family Service Centre & Student Care Centre at Jurong to City Square Mall where they enjoyed the Santa Bubbles Musical Live Show.

Not forgetting the elderly in our greying population, each month, CSC volunteers continue to distribute supplies to the

elderly at Indus Road in its ongoing befriending programme. In June 2010, these beneficiaries received an additional bonus when they were treated to a 7-course lunch at Copthorne King's Hotel. In celebration of the Mid-Autumn Festival, CSC volunteers helped to spread the festive spirit by distributing mooncakes, in addition to the usual food supplies.

In addition, CDL also lent its support to a wide range of fundraising activities organised by its community partners. One such partner is the Assisi Hospice, a charity organisation that provides palliative care to adults and children suffering from cancer and other life-limiting illnesses, which CDL has been a supporter of since 1999.

At the Assisi Hospice Charity Fun Day in May, CDL employees turned up in

full force as a show of support. Together with our sister hotels in Singapore, we took up a 37-metre long pavilion offering delectable delicacies and hotel specialties for the young and old. The event was an overwhelming success, attracting over 10,000 visitors and raising over S\$800,000, well over the Hospice's target of S\$600,000. In response to feedback from Assisi Hospice which expressed the need for more manpower for other booths as well as additional logistical support for the event, CDL volunteers stepped up to extend the needed assistance.

Each year, we make it a point to engage Assisi Hospice in evaluating the efforts for the year and discuss possible collaborative efforts for the coming year, making the relationship more productive, and our contributions more meaningful.

| ORGANISATION | INITIATIVE | CONTRIBUTION |
|----------------|--|--|
| Assisi Hospice | Assisi Hospice Charity Fun Day | <ul style="list-style-type: none"> The event was co-organised by CDL and its subsidiary company CBM Pte Ltd. CDL, along with its sister hotels – M Hotel, Grand Copthorne Waterfront Hotel, Orchard Hotel, Copthorne Orchard Hotel and Copthorne King's Hotel – took up a 37-metre pavilion selling multi-racial delicacies and hotel specialties. |
| Café Diplo | <p>Asia Humanitarian Forum (AHF) A public educational platform to promote both humanitarian and environmental causes to the community.</p> <p>"Haiti Haiti" and "Haiti Haiti 2" Charity Concerts</p> | <ul style="list-style-type: none"> CDL was a Gold Sponsor of the inaugural AHF. CDL also co-presented a photography exhibition by Ernest Goh titled "Altered Land", a chronicle of black and white photographs of the destruction wrecked by the tsunami at Banda Aceh in 2004, and the reconstruction and rebuilding efforts which followed. CDL was a joint organiser and venue sponsor of two charity concerts, held at City Square Mall and Chinatown Point, aimed at raising funds towards humanitarian relief efforts in earthquake-stricken Haiti. CDL also launched a donation drive amongst employees, which was matched dollar for dollar by the company, raising a total of S\$30,000 for World Vision's Haiti Earthquake Relief Fund in just three days. |

| ORGANISATION | INITIATIVE | CONTRIBUTION |
|---------------------------------|---|--|
| TOUCH Community Services | shareURmeal This novel initiative first started in the United States. The project called for the public to send in photos of their meals to generate donations for local food programmes. The project is chaired by a SMU undergraduate. | <ul style="list-style-type: none"> • CDL donated S\$3 for each submission that went towards TOUCH Community Service's Meals-on-Wheels programme which delivers meals to the elderly, especially those living alone. • The project received overwhelming response, well exceeding the target of 1,000 photographs. |
| The Boys' Brigade (BB) | BB CARES 2010 (Community Activities to Rally Everyone to Serve) programme | <ul style="list-style-type: none"> • CDL was a Gold Sponsor for the Highlight Special held at the Sky Deck @ Singapore Flyer. • Over 70 beneficiaries from the Asian Women's Welfare Association (AWWA) and Dreams @ Kolam Ayer enjoyed a scenic ride on the Singapore Flyer, followed by a mini funfair with exciting games and entertainment. 29 CSC volunteers lent their support as chaperons for the event. |

SUSTAINING THE ARTS

2010 was a high point for CDL as it actively supported key national initiatives in promoting the arts in Singapore.

To commemorate Singapore's hosting of the first ever Youth Olympic Games (YOG), two specially-designed Olympic-themed public artworks were commissioned by CDL for installation at the Marina Bay waterfront promenade before the start of the YOG in August 2010.

The two sculptures are the first public art sculptures to be showcased under the Marina Bay Public Art Programme, and made possible through a collaborative effort between the Singapore Youth Olympic Games Organising Committee (SYOGOC), CDL and Urban Redevelopment Authority (URA).

In the spirit of engaging the wider arts community for the YOG, SYOGOC, URA and CDL wanted to provide an opportunity for the local arts community to take part by conceptualising artworks that would encapsulate the artistic expressions of the Olympic ideals.

Chosen from some 90 concept submissions based on the Olympic themes of Peace and Sport, Culture and Environment received from 30 local artists, both artists were exhibited open category finalists of the CDL Singapore Sculpture Award, a biennial competition held since 2003.

The idea to commission the artworks was first mooted by SYOGOC in 2009 who approached CDL as a partner of choice given our active promotion of sculptural art through the CDL Singapore Sculpture Award.

CDL's support of the sculptural arts is in line with our corporate vision to provide space that is conducive for better living, playing and working, as sculptures enhance spaces and as a developer, CDL does not just construct buildings, but it is also our aim to incorporate artistic touches where appropriate.

Held for the 3rd time, the biennial Singapore Young Photographer Award (SYPA) aims to nurture young photographic talents and elevate the standard of photography in Singapore. It attracted some 1,000 submissions from schools, youth organisations,

photography clubs and freelance photographers.

This biennial national photography competition was initiated by CDL in 2006, in partnership with five major photo clubs, the National Arts Council and the National Youth Achievement Award Council. To nurture young local talents, the SYPA features a junior and youth category – The CDL Young Architectural Photographer Award recognises those with a creative eye for architecture and building.



Mr Edmund Cheng, Chairman of National Arts Council (2nd row, second from left), RADM Lui Tuck Yew, Acting Minister for Information, Communications and the Arts (2nd row, third from left) and Mr Kwek Leng Joo, Managing Director of CDL (2nd row, fourth from left), with winners of the Singapore Young Photographer Award and the CDL Young Photographer Award.

In Focus:

Cultivating Environmental Consciousness Amongst Singapore's Youths



NUS team, "Green Wednesday", clinched the top prize at the finals of the inaugural BCA-CDL Green Sparks Competition 2010. Presiding as Guest-of-Honour was Dr Mohamad Maliki Bin Osman, Parliamentary Secretary, Ministry of National Development (centre). He is joined on-stage by Mr Lim Tow Fok, CDL's General Manager, Property and Facilities Management (fourth from left) and Mr Benedict Tan, BCA Academy's Managing Director (fifth from right).

In championing the green cause, CDL not only focuses on engaging its stakeholders and the wider community through various platforms – but also in cultivating environmental consciousness and action amongst the next generation.

To reinforce CDL's sustained efforts toward youth development and environmental outreach in Singapore, we launched two inaugural competitions targeted at youths in 2010.

BCA-CDL GREEN SPARKS COMPETITION 2010

In Singapore, buildings and households account for about half of the nation's total electricity

consumption. Existing buildings, in particular, are responsible for the consumption of a third of our national end-use electricity.

One of the greatest challenges the built environment faces is the need to reduce the carbon footprint of existing buildings by adopting innovative green building features that are cost effective and energy efficient.

A first-of-its-kind initiative designed to raise awareness and engage tertiary students in the greening of Singapore's built environment, the BCA-CDL Green Sparks Competition aims to engage local tertiary students in the national

effort to green the built environment and to raise awareness of best green building practices and solutions amongst future practitioners.

Participants were presented with the challenge of enhancing the environmental performance of Fuji Xerox Towers, an existing 38-storey office building owned by CDL which attained the BCA Green Mark Gold award in 2008. They were tasked to submit a proposal to improve the energy efficiency of Fuji Xerox Towers, so that the retrofitted building could qualify for the Green Mark Platinum rating, the highest accolade under BCA's Green Mark Scheme.

“BCA is pleased to collaborate with CDL, our Green Mark Champion and Built Environment Leadership Platinum Award recipient, to hold this first green building competition to raise awareness of the need to improve energy efficiency in existing buildings. We hope that the competition will inspire future architects, designers and engineers to join the industry and contribute to the green cause upon graduation.”

Dr John Keung
Chief Executive Officer
Building and Construction Authority

The first public-private initiative by BCA and CDL, the competition was well-received, with a total of 20 teams from NUS, Nanyang Technological University, Ngee Ann Polytechnic, Singapore Polytechnic and Temasek Polytechnic, made up of 152 students, submitting their proposals, out of which, eight teams were selected for the final round by a pre-judging panel from BCA and CDL. The teams then presented their proposals to a panel of five judges made up of experts from the industry.

At the finals of the BCA-CDL Green Sparks Competition 2010, “Green Wednesday”, a team from the NUS pipped the 19 other teams to clinch the top prize of S\$10,000 cash and a plaque.

While all the teams showed commendable efforts and enthusiasm in the research of sustainable solutions for Fuji Xerox Towers, the winning team stood out with their insightful and comprehensive presentation, and displayed a keen awareness of innovative and practical ideas that were also cost-effective and suitable for real life application.

They had proposed a detailed plan and analysis of viable and practical green building solutions for Fuji Xerox Towers, which takes a holistic life-cycle approach, from the implementation of energy efficient infrastructure such as regenerative motors for lifts to sustainable building management practices and stakeholder engagement initiatives, such as a green portal for tenants. Their proposal was clear and well thought-out, reflecting the maturity of their understanding towards the green cause.

“BCA-CDL Green Sparks Competition is a great opportunity for our students to exercise creative and critical thinking while applying what they have learnt from the classroom in an industrial setting.”

Mr Chan Kim Kai
Course Manager, Diploma of Green Building & Sustainability
Temasek Polytechnic

Other interesting innovative ideas proposed by the other winning teams included the use of vertical axis wind turbines to leverage on the building’s orientation and unblocked facing. CDL plans to conduct feasibility studies for the most viable ideas with its consultants, for possible implementation as part of the retrofitting plans for Fuji Xerox Towers.

In line with BCA’s 2nd Green Building Masterplan, which places special emphasis on greening existing buildings, this first-of-its-kind green building competition in Singapore was designed to inspire green ideas and thought in the retrofitting of existing buildings with the aim of reducing the building’s energy consumption and lowering its carbon footprint, which could also translate into greater cost savings for building owners.

CDL E-GENERATION CHALLENGE 2010

CDL initiated the inaugural CDL E-Generation Challenge, an eco-themed “Amazing Race” style national competition targeted at youths, in celebration of Earth Day 2010. By utilising an eco-tainment platform in the form of a fun green rally, this competition aimed to help raise the level of eco-consciousness amongst the youths in Singapore.

Supported by National Environment Agency and Clean and Green Singapore, the inaugural competition saw some 260 youths in 22 teams taking on a series of eco-challenges in the form of brain teasers, physical tasks, quizzes and activities, that were not only fun but also showcased a range of environmental-related issues

including resource conservation, climate change and action.

With “Green Transportation” as the theme, all travel during the competition was designed to be eco-friendly. Beyond moving on foot and public transport, CDL also included innovative electric and hybrid forms of transporters in the Competition as an important message that our choice of transportation has a significant impact on our environment.

Event partners comprised innovators of green transporters in Singapore such as GoGreen Holdings Private Limited (Segway and Sanyo Eneloop e-Bikes), The Green Car Company Pte. Ltd. (electric car model NO More Gas), Greenlots (Electric Scooters) and Hybrid Motors Pte. Ltd. (Prius and Estima hybrid cars from Toyota and the Insight hybrid cars from Honda).

Other supporting organisations included Singapore Polytechnic, Environmental Challenge Organisation (Singapore), Singapore Motor Sports Association as well as CDL’s own City Square Mall, Singapore’s first-eco mall.



The CDL E-Generation Challenge 2010 Champion team, Solar Energy. The group of students from various tertiary institutions walked away with S\$1,800 cash – and a fun eco-learning experience. Ms Esther An, CDL’s Head of CSR (extreme left), presents the cheque to the jubilant students.

Apart from the race, participants and the community-at-large also enjoyed a programme of green exhibits, games and eco-quizzes at the CSM Fountain Square and City Green.

The “greenest” teams walked away with S\$1,800 as the 1st prize, S\$1,200 for the 2nd prize and S\$600 for the 3rd prize, with all participants receiving goodie bags.

Following the success of the inaugural CDL E-Generation Challenge which reinforces CDL’s sustained efforts towards youth development and environmental outreach in Singapore, the eco-themed rally was held for the second year in 2011, centred on the theme of Sustainable Living.



Over 260 youth participants aged 15 to 25 covered 2,300 km using green transport via the inaugural CDL E-Generation Challenge 2010.

About our Report & Scope

The CDL Sustainability Report 2011 is an annual publication dedicated to providing economic, social and environmental information and data on CSR activities and performance pertinent to CDL's business in 2010. CDL is voluntarily disclosing the information as we believe in upholding the principles of corporate transparency, disclosure and communication with our stakeholders.

The report covers solely our Singapore operations and focuses on our principal business as a property developer comprising operational functions such as project development, property and facilities management of both residential as well as commercial developments in Singapore. It also encompasses our activities that have a material impact on the community and the environment in which we operate. Where possible and material, we have included performance data from 1 January 2005 to 31 December 2010.

Our subsidiary, M&C, reports on their CSR activities in their Annual Report which is available online at www.millenniumhotels.com. It comprises CSR issues pertinent to M&C's business including Responsible Hospitality, Responsibility to Employees, a Healthy Workplace, Responsibility to the Environment and Responsibility to the wider Community.

ASSURANCE

For the third year, the CDL Sustainability Report has been externally assured to validate the accuracy and reliability of its content. The assurance engagement was conducted by Ere-S, a CSR consulting company, and it covered all figures and statements found in the report that are related to the sustainability performance. Ere-S reviewed all underlying systems and processes that support the sustainability

report based on the AA1000 Assurance Standard. The audit report including the findings is summarised in the Independent Assurance Statement which can be found on pages 68 to 70.

ACCESSIBILITY

CDL continues to print only limited copies of this report as part of our environmental conservation efforts. Current and previous copies of the reports are available online at www.cdl.com.sg.

STANDARDS OF MEASUREMENT/ APPLICATION OF EXTERNAL GUIDELINES

The Global Reporting Initiative (GRI) Reporting Framework including the GRI Sustainability Reporting Guidelines Version 3.1 (including 'Guidance on Defining Report Content', the associated Principles and the Technical Protocol - Applying the Report Content Principles) released in 2011 has been used to prepare CDL's Sustainability Report 2011. Based on the GRI Application Level Criteria for reporting, the CDL Sustainability Report 2011 is a Level B+ report which has been verified by GRI. CDL has also taken the initiative to integrate the ISO 26000:2010, Guidance on social responsibility into its CSR strategies as well as in this Report. In addition, references have also been made to the United Nations (UN) Global Compact's 10 Universal Principles.

In each reporting cycle, the CDL CSR Committee reviews the contents of the report to determine its relevance to our business as well as to ensure that current and emerging material issues of significance pertaining to sustainability and the interests of our stakeholders are addressed. CDL adopts several processes to determine materiality issues across its operations. Besides the CSR Committee, operationally, the Company also has various other existing

management systems such as ISO 14001 Environmental Management System, Singapore Quality Class and the Audit Committee that determines material issues of the Company. Through these working groups, relevant targets and key performance indicators are established, tracked and disclosed within this Sustainability Report. This year, with CDL's initiative to integrate ISO 26000:2010, the Company has identified more areas which are material to its operations. We are pleased to state that we have included significant information in the areas of – the environment, human rights, labour practices, product responsibility and society – as clearly reflected in the additional GRI Performance Indicators this year.

For this report, there were no significant changes to the measuring methods applied. Increasing the scope of data collection and compiling more comprehensive data on our environmental and social performance of our business operations in Singapore remains a priority to improve the management of our data and to achieve for more consistent reporting for accountability.

The GRI Application Level Check Statement can be found on pages 67 of this report.

FEEDBACK CHANNEL

We actively seek and value the feedback extended by our stakeholders as an important way of improving our CSR practice.

If you have any views, comments or feedback, please send them to:

Ms Esther An
Head of CSR
City Developments Limited
9 Raffles Place
#36-00 Republic Plaza
Singapore 048619
Republic of Singapore
or e-mail: csrenquiries@cdl.com.sg

Summary of CDL Performance Data

ECONOMIC

5-Year Financial Highlights

| Year | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|------------|------------|------------|------------|-------------------|
| Revenue | S\$2,547m | S\$3,106m | S\$2,945m | S\$3,273m | S\$3,129m |
| Profit before tax | S\$692m | S\$955m | S\$834m | S\$832m | S\$1,032m |
| Profit for the year attributable to owners of the Company | S\$352m | S\$725m | S\$581m | S\$593m | S\$749m |
| Net gearing ratio | 0.40 | 0.48 | 0.48 | 0.40 | 0.29 |
| Return on equity | 7.4% | 13.9% | 10.7% | 9.9% | 11.7% |
| Net asset value per share | S\$5.21 | S\$5.72 | S\$5.97 | S\$6.57 | S\$7.03 |
| Basic earnings per share | 37.0 cents | 78.3 cents | 62.5 cents | 63.8 cents | 80.9 cents |

Dividends

| | | | | | |
|--|------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| a) Ordinary dividend (gross) per share | | | | | |
| • final | 7.5 cents | 7.5 cents ⁽¹⁾ | 7.5 cents ⁽¹⁾ | 8.0 cents ⁽¹⁾ | 8.0 cents⁽²⁾ |
| • special interim | 7.5 cents | 10.0 cents | - | - | - |
| • special final | 10.0 cents | 12.5 cents ⁽¹⁾ | - | - | 10.0 cents⁽²⁾ |
| b) Preference dividend (net) per share | 3.90 cents | 3.90 cents | 3.90 cents ⁽¹⁾ | 3.90 cents ⁽¹⁾ | 3.90 cents⁽¹⁾ |

Notes:

⁽¹⁾ Dividends declared were tax-exempt (one-tier).

⁽²⁾ Final and special final tax-exempt (one-tier) ordinary dividends proposed for financial year ended 31 December 2010 had been approved by the ordinary shareholders at the Annual General Meeting held on 20 April 2011.

Capital Management

| | As at 31/12/10 | As at 31/12/09 |
|---|----------------|----------------|
| Cash and cash equivalents | S\$1,874m | S\$981m |
| Net borrowings | S\$2,346m | S\$3,053m |
| Net gearing ratio ^(a) | 0.29 | 0.40 |
| Net gearing ratio if fair value gains on investment properties are taken in | 0.20 | 0.27 |
| Average interest rate of borrowings | 2.1% to 2.2% | 2.2% to 2.5% |
| Interest cover ratio | 20.7 times | 14.5 times |

Notes:

^(a) Excludes fair value gains on investment properties as the Group's accounting policy is to state its investment properties at cost less accumulated depreciation and impairment losses.

CDL's financial information is described in more detail in our Annual Report 2010. Current and previous reports are available online at www.cdl.com.sg.

Net Gearing



● If fair value gains on investment properties are taken in.

SOCIAL

| | 2007 | 2008 | 2009 | 2010 |
|---|-------|-------|--------|-------|
| Annual employee turnover rate | 16.8% | 17.1% | 10.7% | 13.7% |
| Employee satisfaction | N.A. | ≥ 90% | ≥ 90% | ≥ 90% |
| Days of medical leave taken | ≤ 4 | ≤ 4 | ≤ 4 | ≤ 4 |
| Gender Diversification: % of females as Heads of Department | 55% | 57% | ≤ 4 | 54.5% |
| Average years of service per employee | 8.3 | 8.1 | 8.4 | 8.8 |
| Total CSR and Environment-related training hours | 1,193 | 1,075 | >3,000 | 3,694 |
| New developments to be well-ranked on CONQUAS | Yes | Yes | Yes | Yes |
| All new developments to be certified BCA Green Mark Gold and above | Yes | Yes | Yes | Yes* |
| Employee participation rate per year | 50% | 66% | 85% | 60% |
| Employee volunteer hours per year | 2,242 | 2,644 | 5,524 | 2,894 |
| Health and Safety: | | | | |
| - At the Corporate Office: | | | | |
| Injury rate and occupational disease | 0 | 0 | 0 | 0 |
| - At CDL work sites: | | | | |
| Accident Frequency Rate at CDL Work Sites (Number of workplace accidents per million manhours worked) | 0.4 | 0.52 | 0.38 | 0.23 |
| Injury Rate at CDL Work Sites (Number of fatal and non-fatal workplace injuries per 100,000 persons employed) | 118 | 273 | 100 | 63 |

*All new developments to be certified BCA Green Mark Gold^{PLUS} and above in 2011

ENVIRONMENTAL

| | 2007 | 2008 | 2009 | 2010 |
|---|------------|------------|------------|------------|
| Energy Used at Work Sites kWh/m ² | 55 | 43 | 46 | 27 |
| Water Used at Work Sites m ³ /m ² | 0.7 | 0.68 | 0.8 | 1.1 |
| Construction Waste Generated at Work Sites kg/m ² | 65.9 | 59.87 | 61.7 | 46.5 |
| Energy Used at all CDL Commercial Buildings kWh/month/m ² | 18,856 | 18,839 | 17,704 | 16,727 |
| Energy Used at 5 CDL Industrial Buildings kWh/month/m ² | 10,443 | 9,364 | 9,745 | 9,012 |
| Water Used at all CDL Commercial Buildings m ³ /month/m ² | 0.142 | 0.161 | 0.188 | 0.14 |
| Water Used at 5 CDL Industrial Buildings m ³ /month/m ² | 0.088 | 0.089 | 0.088 | 0.082 |
| Paper Recycled at CDL Buildings kg | 417,074 | 384,047 | 320,233 | 374,050 |
| Tenants Participation Rate for Paper Recycling at CDL Buildings % | 81 | 88 | >90% | >90% |
| Energy Used at the Corporate Office kWh | 634,198 | 569,640 | 557,718 | 527,972 |
| Paper Used at the Corporate Office (Number of A4 reams) | 5,410 | 4,796 | 4,395 | 3,774 |
| Total Energy Used kWh | 68,948,060 | 65,421,737 | 61,495,674 | 71,408,788 |
| Total Carbon Emissions tonnes CO ₂ | 36,144 | 34,367 | 30,924 | 34,221 |

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* For the purpose of this Index table, we have included (for reference only) the corresponding ISO 26000 Clauses as stated in the publication "GRI and ISO 26000: How to use the GRI Guidelines in conjunction with ISO 26000" which may be downloaded from www.globalreporting.org.

* Indirectly relevant



Statement GRI Application Level Check

GRI hereby states that CITY DEVELOPMENTS LIMITED has presented its report "CDL SUSTAINABILITY REPORT 2011" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 15 June 2011



Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because CITY DEVELOPMENTS LIMITED has submitted this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 3 June 2011. GRI explicitly excludes the statement being applied to any later changes to such material.

Independent Assurance Statement

To the Management and Stakeholders of City Developments Limited (CDL)

Ere-S Pte Ltd was commissioned by CDL to undertake external assurance of their Sustainability Report 2011. The assurance engagement was conducted at the corporate headquarters in Singapore between April 25 and May 31, 2011.

SCOPE AND OBJECTIVES

The assurance covered the operations of CDL in Singapore and its overseas activities on the community and the environment, as indicated in the Sustainability Report and for the period from January to December 2010.

The assurance engagement was executed in accordance with the AA1000 Assurance Standard (AA1000AS 2008) to verify whether the content of its Sustainability Report is accurate, reliable and supported by solid data collection systems. Following a Type 2 assurance of the standard, we evaluated the sustainability systems and processes using the inclusivity, materiality and responsiveness criteria of the AA1000 AccountAbility Principles (AA1000APS 2008). We also assessed the disclosed performance information and the relevant data collection processes using the GRI G3.1 quality principles.

We verified figures and statements on CSR initiatives, strategy, policies, procedures, key performance indicators, management systems and associated processes. Information not related to sustainability and already supported by existing documents, such as the Annual Report, was not covered. This includes

all or part of the organisation profile, corporate structure and corporate financial and economic performance, technical descriptions of buildings, equipment and production processes.

Ere-S did not assure the Sustainability Report for the GRI Application Level check but did evaluate new indicators and other relevant information found in the GRI index table.

We provided a moderate level of assurance with desktop review, management-level data verification and evidence gathering from internal sources. We did not execute multi-level research to determine materiality and stakeholders relevant to the company.

RESPONSIBILITY AND INDEPENDENCE

The responsibility of Ere-S was to execute the assurance engagement, prepare the assurance report and this assurance statement for the management of CDL alone and for no other purpose. The management of CDL was responsible for the preparation of the Sustainability Report and all statements and figures contained within it.

Ere-S was not responsible for any prior work on the Sustainability Report. The activity of Ere-S is independent to CDL and contains no other financial interest in their business operation.

METHODOLOGY

We reviewed the Sustainability Report content and the company's CSR framework, procedures and policies to identify the relevant elements to be audited. Statements and data sets were

classified according to the relevant data owners and the type of evidence required for the verification process.

We interviewed 21 managers and data owners from the departments of Corporate Social Responsibility, Environment Health & Safety, Projects, Property & Facilities Management, Human Resource, Corporate Communication, Corporate Secretarial Services, Internal Audit, Marketing, Leasing, Management and Customer Service & Administration.

Specific questions on the adherence to AA1000 principles were asked during the interviews and evidence of the relevant data, collection and calculation methods as well as information on the underlying processes were collected and evaluated. Verified information included internal publications, data sheets, certificates, emails, policies, reports, press releases and web sites of external parties.

After each interview, we provided recommendations to allow immediate amendment by the sustainability reporting team. We checked the final version of the Sustainability Report to confirm the actions taken following those recommendations.

FINDINGS AND OBSERVATIONS

Through the assurance engagement, we have seen evidence of work undertaken by CDL during the reporting period to align its sustainability framework with the ISO 26000. Some new policies have already been formalised and rolled out in CDL's operations and activities.

Enhancements of the CSR framework include the alignment of the CSR Committee's structure with the core subjects of the standard, the addition of dedicated human resources, such as the Ethics officer and a CSR manager in charge of stakeholder engagement.

EVALUATION OF REPORTED SUSTAINABILITY PERFORMANCE

In our opinion, the performance information disclosed in the Sustainability Report is fair and accurate. Through the interviews with the data owners, evidence for all reported elements could be collected. We have found only a small number of minor inaccuracies, which were immediately corrected by the sustainability reporting team.

We also found that the report content fairly satisfies the requirements of GRI G3.1 quality principles. With indicators and information on human rights, product responsibility and customers satisfaction, which were not covered in previous versions, the scope of the Sustainability Report has been expanded. Despite some difference in the report format, the content is clear and performance is still comparable with previous versions.

Room for improvement lies in balancing the report content with more disclosure of gaps and negative performance.

EVALUATION OF THE ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES

Inclusivity - How the organisation engages with stakeholders and enables their participation in identifying issues and finding solutions.

CDL has processes to engage with its key stakeholders and provide them

with channels for feedback. Inclusivity is stronger for employees, investors and customers, with regular surveys, diverse information channels, group discussions and dialogue session with top management. Engagement mechanisms also exist for suppliers, but they are limited to environment and health & safety issues. For community partners, engagement is still on a project basis and one-to-one meetings.

For the reporting period, most significant improvement can be seen in the engagement with government agencies on projects related to green policies and education campaigns. Interaction with commercial tenants was also improved with enhanced surveys and individual or group meetings.

Inclusion of external stakeholders in decision making still represents an area for improvement. However we have found signs of CDL's efforts in that direction.

Materiality - How the organisation recognises issues that are relevant and significant to it and its stakeholders.

CDL has several processes to determine key material issues across its operations. These are constantly reevaluated at the top management level through working groups, such as the CSR Committee and the Audit Committee. Elevation of issues related to environment and stakeholder engagement to the top tier of the risk register shows the importance given to material issues.

Most significantly, the work done to align CDL sustainability framework with ISO 26000 has highlighted materiality areas in which the company needs to improve, namely human rights and labour practices. Additional GRI indicators covering these areas have

been reported and a clause on labour regulations has been included in all new tender agreements with suppliers.

Additional initiatives aimed at formalising material targets within the company policies will reinforce the confidence in CDL's commitment to extend its sustainability scope.

Responsiveness - How the organisation responds to stakeholder issues and feedback through decisions, actions, performance and communication.

CDL is found to be responsive to stakeholders concerns and offers multiple interaction and communication mechanisms. These include annual meetings, post-survey group meetings, comprehensive information on CDL's intranet and web site, contact points, frequent newsletters and reports.

We have found evidence of actions taken in response to concerns of employees, investors, residential customers, commercial tenants, government agencies and key contractors. Responsiveness is less evident for other stakeholder groups, such as communities and the supply chain in general.

CONCLUSION

On the basis of our review, nothing has come to our attention that causes us to believe that the sustainability framework of CDL does not adhere to the AA1000 AccountAbility Principles. In addition, the findings of the assurance engagement provide confidence, within satisfactory limits, that the reported performance information provides a reliable and fair representation of CDL sustainability profile and is supported by comprehensive and verifiable data and underlying management processes.

Moving forward, we recommend continued efforts during the alignment of the CSR framework with ISO 26000 to

formalise more structured processes and KPIs for stakeholder engagement. In the areas of environment, labour conditions and human rights, these processes should comprise detailed guidelines for suppliers to implement adequate data collection and reporting procedures within their operations.

The above findings and additional suggestions for improvement have been presented to the management of CDL in a more detailed assurance report.



Jean-Pierre Dalla Palma,
Director

Ere-S
Singapore
16th June 2011



Ere-S Pte Ltd is a consulting company specialising in business sustainability and provides services in the domains of sustainability reporting, sustainability report assurance, stakeholder engagement and CSR training.

GLOSSARY

| | |
|--------------|---|
| AGM | Annual General Meeting |
| BAU | Business-as-usual |
| BCA | Building and Construction Authority |
| BIPV | Building Integrated Photovoltaic |
| BMI | Body Mass Index |
| CPF | Central Provident Fund |
| CSC | City Sunshine Club |
| CSR | Corporate Social Responsibility |
| EAP | Employment Assistance Payment |
| EHS | Environmental Health and Safety |
| FMMD | Foreign Manpower Management Division |
| FSC | Forest Stewardship Council |
| ISO | International Organisation for Standardisation |
| KPIs | Key Performance Indicators |
| MOM | Ministry of Manpower |
| NEA | National Environment Agency |
| NGO | Non-Governmental Organisation |
| NUS | National University of Singapore |
| PUB | Public Utilities Board |
| PV | Photovoltaic |
| ROSPA | Royal Society for Prevention of Accidents |
| SC | StaffConnect |
| SEC | Singapore Environment Council |
| SMU | Singapore Management University |
| SPH | Singapore Press Holdings |
| SYOGC | Singapore Youth Olympic Game Organising Committee |
| SYPA | Singapore Youth Photographers Award |
| TAFEP | Tripartite Alliance for Fair Employment Practices |
| TG | 7 & 9 Tampines Grande |
| UN | United Nations |
| URA | Urban Redevelopment Authority |
| WELS | Water Efficiency Labelling Scheme |
| WSHC | Workplace Safety and Health Council |
| YOG | Youth Olympic Games |

This report may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other developments or companies, shifts in customer demands, customers and partners, expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

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CITY DEVELOPMENTS LIMITED

Conserving the Environment • Caring for the Community

