

OUR ACTIONS IN CORPORATE CITIZENSHIP GO BEYOND AN OBLIGATION TO GIVE BACK TO SOCIETY.

At CDL, we are committed to being a part of positive change. Because to truly grow as a business, we need to develop the right balance between financial performance, environmental stewardship and social engagement. Supporting a flourishing economy, a healthy environment and a connected community will in turn help nurture the sustainability of our business.

Here is our approach and the contributions we create to make a lasting impression.

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MANAGING DIRECTOR'S MESSAGE

Dear Stakeholders,

2011 was a year of global economic uncertainty with significant financial turmoil which has spilled over to this year and continues to dampen efforts to restore confidence. This may also prove to be distracting for any government whose focus remains on the financial recovery of the economy, taking time and effort away from sustainability issues.

This is however not the case in Singapore where the Government has continued to introduce and revise various policies and guidelines across sectors, addressing the growing importance of issues pertaining to corporate governance, productivity, the environment, resource risks and labour matters amongst others. It is also of interest to observe that the General and Presidential Elections 2011 were noteworthy events as social media became a significant medium of communication. Perhaps, this may be the beginning of an emerging trend of active citizenry which may impact the

landscape of stakeholder engagement in Singapore.

Multiple drivers for Corporate Social Responsibility (CSR) also continue to strengthen globally. Total assets managed under Carbon Disclosure Project have grown dramatically from US\$4.5 trillion in 2003 to US\$78 trillion in March 2012 with 235 companies responding in 2003 compared to 3,715 in 2011. The growing climate change-related regulations make CSR not simply a "good to have" item but a licence to operate. It is becoming more apparent that companies who have yet to embrace the significance of sustainability issues have placed themselves in an increasingly vulnerable position, putting their operations at risk, if they have limited expertise and contingency plans to manage the fast emerging social, political and economic scenarios. In the face of a changing business environment and mind-set, it is a matter of time before the turn of tide occurs.

For years, CDL has been proactively engaging the business community in CSR, and we are heartened to see increased interest and acceptance from our business peers, cognisant

of the need to address more than just their financial performance.

With a corporate strategy already entrenched in the triple bottom line approach, CDL continued to leverage on our core business to set new benchmarks in sustainable development by doubling our efforts to meet stakeholders' expectations and the global standards in sustainability through innovation, rigorous assessment and communication of the outcomes. 2011 was another exceptional year for CDL as our pre-tax profits surpassed the S\$1 billion line for the second consecutive year and our steadfast commitment to embrace CSR has accorded us local and global recognition as a corporate beacon in sustainability. CDL is the only Singapore corporation to be listed on all three of the world's top sustainability benchmarks; the Dow Jones Sustainability Indexes, FTSE4Good Index Series and The Global 100 Most Sustainable Corporations in the World. Notably, CDL's ranking on the Global 100 improved from 100th to 62nd position in 2012.

As Singapore's leader of the built environment, championing green developments, CDL remains the private developer with the most Building and

"For years, CDL has been proactively engaging the business community in CSR, and we are heartened to see increased interest and acceptance from our business peers, cognisant of the need to address more than just their financial performance."

Construction Authority (BCA) Green Mark certified developments to date, comprising 62 certified developments of which 21 are of the highest Platinum tier. It is estimated that our 37 Green Mark certified buildings between 2008 and 2011 account for some S\$19.7 million cost savings in electricity alone annually. We also remain committed to a 22% reduction in carbon emissions by 2020 from baseline year 2007, and to achieve a 25% reduction by 2030.

The theme for this year's report – **"Ideas, Initiatives and Impacts"** – is timely. CDL started on our journey in sustainability more than a decade ago, in waters that were largely untried and untested. In the ensuing years, much has been achieved as noted in our four dedicated Sustainability Reports. However, as a responsible corporation, we must also constantly reassess ourselves to ensure our 3 "I"s remain strategic, sound and relevant. This year, the 3 "I"s take us back to the drawing board as we take a fresh step by step approach to the basic tenets that drive us towards sustainability.

Ideas represent the principles that guide us as we continue to align our activities based on our CSR vision and mission, focusing on issues that are material to our business with a firm

grasp of long-term commitments for sustained success. **Initiatives** that we embark on create processes that result in actions that define who we are. **Impacts** succinctly measures our achievements, or lack thereof. Based on the results of our actions, we are inspired to improve ourselves to close the gap in our weak areas and accomplish even better results where our strengths lie. The 3 "I"s approach is simple, straightforward and thoughtful, yet often overlooked as we get caught up in the hustle and bustle of the daily running of the Company.

With this report, CDL is the first Singapore property developer to successfully publish a Level A+ Report using the Global Reporting Initiative (GRI) G3.1 guidelines as well as the first to use the Construction and Real Estate Sector Supplement (CRESS). The CRESS was only just released by GRI in September 2011 and the performance indicators included are better tailored to our industry for enhanced relevance and transparency.

CDL has continued to work on aligning the ISO 26000:2010, Guidance on social responsibility, with our business operations and have also actively addressed improvements in areas

highlighted in 2010. We have also continued to externally assure our sustainability report in accordance with the AA1000AS 2008, which evaluates the reliability of our reported sustainability performance. Once again, our extensive subscription to internationally accepted sustainability guidelines and models reflect our commitment towards greater transparency and disclosure.

In an era where business growth requires much more than just large-scale expansion and short-term profitability, CDL with 49 years of proven track record, will further strengthen the trust with stakeholders as we seek new sustainable business opportunities through product excellence and service innovation.

We continue the journey towards a sustainable future, where our business (生意), people (人) and nature (自然) grow together in harmony (和谐).

Kwek Leng Joo
Managing Director
June 2012

IDEAS

INITIATIVES

IMPACTS

PRINCIPLES THAT GUIDE US

CSR is embedded in all facets of CDL and enshrined within our corporate vision and mission. With the commitment and direction of the top management, this CSR ethos is guided by the values that we uphold and is further entrenched by our incorporation of the ISO 26000 principles and concepts.

CDL's CSR strategy and approach strive to encapsulate and engage our stakeholders with dynamic processes that are responsive and provide innovative solutions which address the triple bottom line.

As a business and community leader, CDL is driven to consistently achieve new benchmarks of CSR excellence for our stakeholders and pursue groundbreaking ideas that will perpetuate a legacy to behold and forge a trailblazing path ahead.

CDL AT A GLANCE

Singapore property pioneer

49 years of track record

Group revenue in 2011

S\$3.28 billion

Listed on both **FTSE4Good & Dow Jones Sustainability Indexes**

Listed on **Global100 Most Sustainable Corporations in the World**

for three consecutive years

Ranked top amongst listed developers

in the Asian Sustainability Rating

62 BCA Green Mark

accorded developments

ABOUT CDL

The history of City Developments Limited (CDL) mirrors the rapid growth and development of Singapore. Since our establishment in 1963, CDL has played a leading role in creating living spaces, in developing lives and in building communities. Today, CDL is a listed international property and hotel conglomerate, involved actively in real estate development and investment, hotel ownership management, facilities management, and provision of hospitality solutions around the world.

Operating in cities across Asia, Europe, Middle East, North America and New Zealand/Australia, CDL has over

300 subsidiaries and associated companies. Headquartered in Singapore, we are one of the largest landlords in Singapore and own over seven million square feet of floor/lettable office, industrial, retail, residential, and hotel spaces locally and globally. We also maintain a land bank of over 3.6 million square feet that has the potential to be developed into over nine million square feet of gross floor area. CDL has more than 360 employees at our headquarters.

As of 31 December 2011, CDL reported a revenue of S\$3.28 billion.

OUR FOUNDATION

Sharing our success with the community is in line with the philosophy of the late Mr Kwek Hong Png, founder of Hong Leong Group Singapore, CDL's parent company. From this, CDL's commitment to CSR has evolved from a traditional emphasis on philanthropy and trust-driven stakeholder relationships, to a new strategic focus on key stakeholders and innovation.

CDL is committed to making a positive contribution to Singapore's built environment. The Company aspires to inspire others in creating a better and more sustainable living environment. We will play our part in placing Singapore firmly on the global map of sustainable development.

VISION & STRATEGY

Since the mid-1990s, CSR has been aligned with our corporate vision and mission.

CORPORATE VISION

“To maintain industry leadership in innovation, product quality, service standards, profitability and Corporate Social Responsibility.”

CORPORATE MISSION

Customers

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

Investors

To maintain profitability and achieve optimum returns for their investment

Contractors & Suppliers

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

Employees

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

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

CSR VISION

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

CSR MISSION

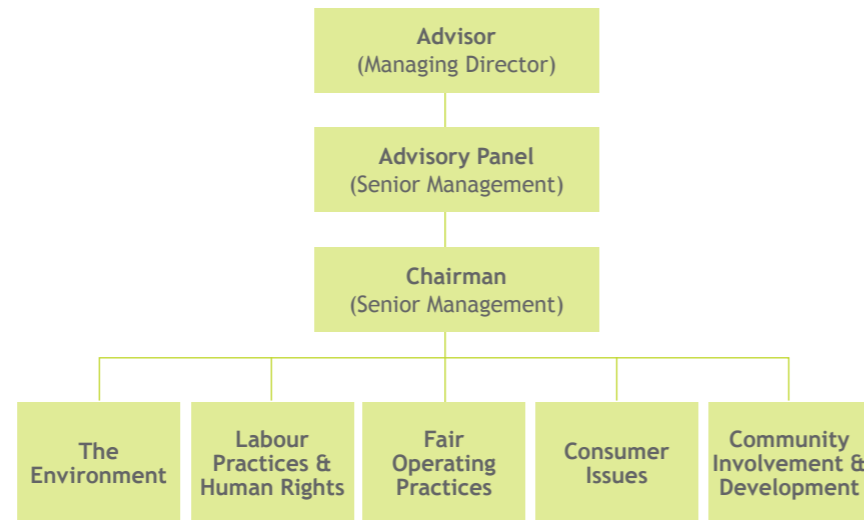
“To be a responsible corporate citizen who believes in creating value for stakeholders, conducting sustainable business practices, caring for the community and protecting the environment.”

CSR APPROACH

CSR COMMITTEE

CDL continues to refine our management approach to adapt to the changing CSR landscape and align ourselves with international best practices. A company-wide CSR Committee was established in 2008 and it was later aligned with ISO 26000:2010 Guidance on Social Responsibility to address the seven core subjects of ISO 26000 as well as other aspects important to the Company.

The Committee initiates, drives and monitors various aspects of the Company's CSR practices that are integrated with our business operations.



ISO 26000: GUIDANCE ON SOCIAL RESPONSIBILITY

In view of aligning our practices with ISO 26000, CDL undertook in 2010 a self-assessment of our CSR performance, based on the principles and core subjects of ISO 26000. The ISO 26000 principles are Accountability, Transparency, Ethical Behaviour, Respect for Stakeholder Interests, Respect for the Rule of Law, Respect for the International Norms of Behaviour and Respect for Human Rights. The core subjects are Organisational Governance, Human Rights, Labour Practices, The Environment, Fair Operating Practices, Consumer Issues and Community Involvement & Development. This exercise was in line with the Company's on-going efforts to embrace a holistic approach to CSR and to take beyond-compliance initiatives.

As the first Singapore corporation to address this voluntary guideline in our CSR governing structure and sustainability report, CDL's priority was to identify elements material to our core business, that responds to national needs and that complements the Company's existing practices.

In recognition of the importance of results and performance improvements in our CSR journey, CDL has reviewed the priority issues as identified by external parties and has incorporated a Human Rights Corporate Statement, enhanced our Employee Engagement, Whistle-blowing Policy, Corporate Governance and involvement in community development projects.

CDL's efforts and improvements made on Community Involvement & Development, Labour Practices, Stakeholder Engagement and Corporate Governance are further disclosed in this Chapter and in Chapter 2: **Initiatives**.

KEY PRINCIPLES AND POLICIES

CDL has in place a comprehensive system comprising principles, policies and guidelines to ensure that CDL addresses key issues pertinent to our business and performs credibly to stakeholder expectations.

CORPORATE GOVERNANCE

CDL is committed to maintaining good corporate governance and business integrity in all our business activities.

To demonstrate our commitment to uphold the highest standards of corporate governance, CDL had joined the Securities Investors Association Singapore ("SIAS") and its partners since 2010 in making the following public Statement of Support, which was reiterated at the 2nd Singapore Corporate Governance Week 2011 (organised by the SIAS) in October 2011:

“As an Organisation we are committed to upholding high standards of corporate governance to enhance shareholder value. We believe practising good corporate governance is central to the health and stability of our financial markets and economy.”

CDL 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").

The following describes the Company's corporate governance policies and practices in our application of the corporate governance principles as set out in the CG Code.

Board Matters

Principle 1

The Board's Conduct of Affairs

Principle 2

Board Composition and Guidance

Principle 3

Chairman and Chief Executive Officer

Principle 4

Board Membership

Principle 5

Board Performance

Principle 6

Access to Information

Remuneration Matters

Principle 7

Procedures for Developing Remuneration Policies

Principle 8

Level and Mix of Remuneration

Principle 9

Disclosure of Remuneration

Accountability and Audit

Principle 10

Accountability

Principle 11

Audit Committee

Principle 12

Internal Controls

Principle 13

Internal Audit

Communication with Shareholders

Principle 14

Communication with Shareholders

Principle 15

Greater Shareholder Participation

For more detailed information on the Company's 15 Principles listed above, please refer to the Company's Annual Report 2011 (pages 27 to 39).

Code of Business Conduct and Ethics

The Board and Senior Management are committed to conducting business with integrity and consistent with high standards of business ethics, and in compliance with all applicable laws and regulatory requirements. The Company has adopted an internal code of business conduct and ethics which sets out the Company's ethical values and business principles and provides a communicable and understandable framework for staff to observe these values and principles such as honesty, integrity, responsibility and accountability at all levels of the organisation. The code is available on the Company's intranet and is easily accessible by all employees.

The code provides guidance on issues such as:

- conflicts of interest and the appropriate disclosures to be made;
- the Company's stance against corruption and bribery;
- compliance with applicable laws and regulations including those relating to the protection of the environment and the conservation of energy and natural resources;
- compliance with Company's policies and procedures, including those on internal controls and accounting;
- safeguarding and proper use of Company's assets, confidential information and intellectual property rights, including the respect of the intellectual property rights of third parties; and
- competition and fair dealing in the conduct of the Company's business, in our relationships with customers, suppliers, competitors and towards our employees.

Whistle-blowing Policy

CDL 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 as well as any breach of the Code of Business Conduct and Ethics, without fear of reprisals in any form. The AC has the responsibility of overseeing this policy which is administered with the assistance of the Head of IA. Under these procedures, arrangements are in place for independent investigation of such matters raised and for appropriate follow up action to be taken.

The Company is committed to maintaining procedures for the confidential and anonymous submission of reports and the anonymity of the staff concerned will be maintained where so requested by the staff who lodged the report. Investigations of such reports will be handled on a confidential basis to the extent permissible or deemed appropriate under the circumstances, and involve persons who need to be involved in order to properly carry out the investigation and will, on a best effort basis, be carried out in a timely manner.

In order to facilitate and encourage the reporting of such matters, the policy was amended in 2011 to provide for dedicated communication channels which include a whistle-blowing email account at cdl.ethics.hotline@cdl.com.sg and specific contact numbers which are secure which can be found in detail on page 34.

The Whistle-blowing Policy is available on the Company's intranet and is easily accessible by all employees as well as on the Company's website at www.cdl.com.sg.

Internal Code on Dealings in Securities

The Company has adopted an internal code on securities trading which sets out the implications of insider trading and provides guidance and internal regulation with regard to dealings in the Company's securities by our Directors and officers. These guidelines

prohibit dealing in the Company's securities on short-term considerations and while in possession of unpublished material price-sensitive information in relation to such securities and during the "closed period", which is defined as two weeks before the date of announcement of results for each of the first three quarters of the Company's financial year and one month before the date of announcement of the full-year financial results, and ending on the date of the announcement of the relevant results. The Directors and employees of the Company are notified in advance of the commencement of each "closed period" relating to dealing in the Company's securities. The internal code on securities trading is available on the Company's intranet and is easily accessible by all employees.

OUR ENVIRONMENT

EHS Policy

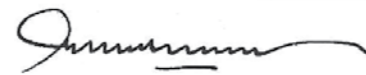
The Environmental, Health & Safety (EHS) Policy was established in 2003. This sets the strategic direction for all departments and employees towards creating a "Safe & Green" corporate culture, conserving resources and preventing pollution.

Corporate EHS Policy (Since 2003)

City Developments Limited (CDL) is committed to being a socially responsible and environmentally friendly organisation that advocates a "Safe and Green" corporate culture. In this regard, the Projects and Property divisions as well as all supporting departments shall take every practical effort to ensure effective Environmental, Health and Safety (EHS) management in its operations.

CDL cares for the environment and its stakeholders. We will continually strive towards conserving resources and preventing pollution. We are also committed to preventing workplace injuries and illnesses, and promoting healthy living at our workplace.

The CDL Management shall ensure compliance to legal requirements and evaluate our EHS performance periodically to strive towards continual improvements in our operations.



Kwek Leng Joo
Managing Director
City Developments Limited

Revised on 17 April 2008

Climate Change Commitment

CDL is supportive of Singapore's national carbon target to reduce its greenhouse gas emission by some 16% below Business-As-Usual (BAU) levels by 2020, contingent on a legally binding agreement, in which all countries implement their commitments in good faith and has set a target to reduce the Company carbon intensity emissions by 22% from baseline year 2007 and to achieve a 25% reduction by 2030.

CDL has also set a minimum target that all new developments are to be certified Singapore's BCA Green Mark Gold^{Plus} rating by incorporating innovative green features to support the Singapore Government's pledge towards sustainable development and carbon target.

Green Procurement Policy

In 2008, CDL formalised our Green Procurement Guidelines to influence our vendors and suppliers at our Corporate Office to adopt green procurement practices. The guidelines include:

- Sharing the corporate EHS Policy with new vendors and suppliers
- Indicating preference for use of eco-friendly/recycled materials and products
- Indicating preference for ISO 14001 certified vendors
- Declaring the use of eco-friendly/ recycled paper in printed materials

All new developments are to be certified Singapore's BCA Green Mark Gold^{Plus} rating by incorporating innovative green features to support the Singapore Government's pledge towards sustainable development and carbon target.

Universal Design Policy

The Universal Design Policy, which is endorsed by CDL's top management, provides the Company 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.


Universal Design Policy (Since 2011)

At City Developments Limited (CDL), we view our role as more than just a builder of living spaces, but also a developer of lives and communities.

Guided by our philosophy towards Corporate Social Responsibility (CSR), we endeavour to create an inclusive built environment that caters to the needs of all age groups and people with different abilities, allowing for them to live independently and enjoy access to facilities.

In conceptualising our developments, we emphasize the importance of community-friendly building design and apply Universal Design principles during the architectural planning, construction and building operations and maintenance phases to achieve:

- Seamless connectivity within the development and with external infrastructure
- Accessibility within the development
- Amenities and facilities that are safe and easy to use
- Integration of Universal Design with the overall architecture and space planning



Anthony Chia
Director
Projects Division
City Developments Limited



Daniel T'ng
General Manager
Property & Facilities Management Division
City Developments Limited

June 2012

PLEDGE FOR ZERO – A CEO COMMITMENT CHARTER

CDL is a founding signatory of the “Pledge for Zero – A CEO Commitment Charter” which was launched at the inaugural Construction CEO Summit organised by the Workplace Safety and Health Council in November 2008. CDL adopted the pledge and committed to establish a zero injury workplace. In 2010, CDL invited our builders and consultants to sign the pledge as well and collectively commit to raising the EHS standards at our worksites in Singapore.

OUR WORKPLACE

Employees are CDL’s key stakeholders and invaluable assets. Through active involvement, empowerment and engagement, CDL aspires to be the place where our people can contribute to the sustained growth of the Company. CDL takes a three-pronged approach – developing, engaging and caring for employees. The Company has in place comprehensive strategies on employee retention, training and development, work-life and work-health policies and initiatives. CDL continues to innovate to implement creative initiatives to increase employee engagement and participation.

Employers’ Pledge for Fair Employment

CDL practices fair employment and has signed the Employers’ Pledge for Fair Employment with The Tripartite Alliance for Fair Employment Practices (TAFEP) in 2008. TAFEP was formed in May 2006 to promote non-discriminatory employment practices and to shift mind-sets among employers, employees and the general public about fair employment practices for all workers. The alliance is co-chaired by representing employer unions and National Trades Union Congress.

Human Rights

The Singapore Government takes a pragmatic rather than an ideological approach to human rights. It has ratified 20 International Labour Organization Conventions to date covering four main aspects of employment standards such as child labour, forced labour, collective bargaining and equal remuneration⁽¹⁾. Singapore is ranked 8th in the world for gender empowerment in the UN’s Human Development Report 2011⁽²⁾. The country’s high literacy rate and low unemployment rate speak for themselves.

Fair employment practices are implemented together with regulation guidelines set by the Ministry of Manpower through the Employment Act. All employees regardless of nationality (including foreign workers⁽³⁾) are covered under the Employment Act. A section of the Employment Act covers regulations pertaining to maximum working hours, overtime payments, authorised salary deductions and frequency of salary payments. Foreign workers are informed of their rights under the Act even before arrival in Singapore.

⁽¹⁾ Source: Ministry of Manpower, Employment Practices.

⁽²⁾ Source: United Nations Development Programme, Human Development Report 2011.

⁽³⁾ Semi-skilled or unskilled foreign workers.

Employees are CDL’s key stakeholders and invaluable assets. Through active involvement, empowerment and engagement, CDL aspires to be the place where our people can contribute to the sustained growth of the Company. CDL takes a three-pronged approach – developing, engaging and caring for employees.

CORPORATE STATEMENT ON HUMAN RIGHTS

CDL’s commitment to corporate social responsibility includes the advocacy of human rights and the Company is conscious of the specific areas in which it can make a positive contribution. It recognises the need to look at the broader Singapore context and keeps in mind the priorities and challenges of the industry. As such, CDL understands that it can only act within the scope of its core business activities. However, it ensures that the direction and outcome of its actions are constantly monitored and improved.

In doing so, CDL:

Embraces diversity and inclusivity at the workplace and appreciates contributions made by all employees

Provides just and favourable work conditions in an undiscriminating manner

Supports the right to work and recognises that job creation and protection are fundamental business responsibilities

Strives to work with builders in protecting the rights of foreign workers they hire to work on its sites

In Singapore, foreign labour is a key manpower resource in the construction industry. Although CDL does not directly employ foreign workers, they occupy an important position in the Company’s value chain, and have been identified as a stakeholder group. The Company is cognisant of the human rights of these workers.

CDL’s appointed builders are not only required to comply with labour rights of workers employed by them at the worksites, they also have the responsibility to take all necessary measures to provide safe, clean and dignified living and working conditions, 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. The Company also discourages builders to build quarters for workers at the worksites as they do not offer conducive living conditions. We have put in place systems to regularly and diligently track and audit the Environment, Health and Safety (EHS) performance of our builders at the worksites. CDL continues to collaborate with builders that have good EHS track records and have proven their ability to maintain favourable conditions for workers.

Looking ahead, CDL hopes to do more within our sphere of influence.

CDL’s long-term approach to foreign workers is two-fold. Firstly, CDL remains committed to working with our builders to improve the living and working conditions of their foreign workers. Secondly, the Company will ensure that our business is aligned with the broader national policy pertaining to foreign workers.

MOVING FORWARD

CDL remains committed to seeking better understanding and application of international benchmarks to the local context and environment where relevant. We continue to address and assess sustainability issues that are material to the business and bring about ideas leading to affirmative action for improved CSR performance.

IDEAS

INITIATIVES

IMPACTS

ACTIONS THAT DEFINE US

CDL believes in walking the talk. Towards this, we have put in place a solid CSR infrastructure with well-integrated and comprehensive systems and policies.

Our initiatives encompass a broad and far-reaching spectrum to achieve CDL's financial, social and environmental objectives. Various frameworks and programmes have been instituted to enable the Company to ensure that we have checks and balances in place that not only complies with regulatory requirements but to exceed stakeholder expectations. These initiatives that cover our risk management, our product stewardship, EHS aspects and customer service form the cornerstone of our CSR efforts and are constantly reviewed, improved upon and sustained.

**OUR
STAKEHOLDERS**

Building trust, credibility and respect amongst stakeholders is CDL's utmost priority. In identifying stakeholders, the Company is guided not only by our Corporate Mission and our CSR objectives, but also by global standards for sustainable management. We also take into consideration the relevance of stakeholder groups to our core business. The Company has adopted various initiatives and communication platforms to structure a coherent and timely response to material concerns and expectations of stakeholders. To clearly illustrate the importance CDL places on stakeholder identification and engagement, we have included some examples of stakeholder initiatives here. More instances of stakeholder engagement can be found in this chapter and in Chapter 3: **Impacts**.

Stakeholder	Initiatives + Action																				
Customers	<ul style="list-style-type: none"> Green Living Kit which contains a Green Living Guide Innovative green features in buildings to help reduce water and energy consumption Safeguarding customer information Regular surveys amongst homebuyers and tenants for improvement of the service levels 																				
Employees	<ul style="list-style-type: none"> Employee Assistance Programme (Counselling Service) and a grievance platform Fair and competitive remuneration packages Flexible working hour arrangement Strong emphasis on training and development Workplace Safety Guidelines for employees to cultivate good safety habits and create a strong safety culture in the workplace 																				
Builders & Suppliers	<ul style="list-style-type: none"> Green Procurement Guidelines for project managers, consultants and builders including green design considerations, features, products and practices to be incorporated in CDL's developments Environmental, Health and Safety (EHS) standards ensured through quarterly CDL 5-Star EHS Assessment System Provision of conducive working environment for workers at worksites 																				
Government & Regulators	<ul style="list-style-type: none"> Senior management representation on boards of various industry bodies and sustainability-related public discussions Regulatory readiness to the Singapore Government's commitment to manage carbon emissions Shared the sustainability reporting journey at the Launch of Sustainability Reporting Guide for Listed Companies organised by the Singapore Exchange (SGX) 																				
Investors & Media	<ul style="list-style-type: none"> Timely release of quarterly financial results Commitment to maintaining good corporate governance and business integrity in all business activities Amongst 17 founding signatories of the Anti-Corruption & Compliance Declaration Semi-annual briefings for analysts and media Investing more resources in the engagement of the larger investor community which includes sustainability analysts, rating agencies and the socially responsible investment community in forms of dialogues, participation in interviews, surveys, reports and one-on-one meetings 																				
NGOs & Communities	<ul style="list-style-type: none"> Active participation in sharing CDL's CSR journey to a wide range of stakeholders <table border="1"> <thead> <tr> <th>Organiser</th> <th>Key Platforms in 2011</th> </tr> </thead> <tbody> <tr> <td>SPRING Singapore</td> <td>Launch of ISO 26000:2010 Guidance on Social Responsibility</td> </tr> <tr> <td>Singapore Institute of Directors</td> <td>Seminar on CSR and Sustainability Reporting</td> </tr> <tr> <td>Singapore Business Federation</td> <td>Asia Pacific Sustainability Leadership Forum</td> </tr> <tr> <td>CPA Australia</td> <td>Annual CPA Congress</td> </tr> <tr> <td>Nanyang Technological University (NTU)</td> <td>Symposium on Accounting, Reporting and Assurance for a Sustainable Future</td> </tr> <tr> <td>Singapore Management University (SMU)</td> <td>International Conference of Society of Global Business and Economic Development</td> </tr> <tr> <td>National University of Singapore (NUS)</td> <td>10th Anniversary Conference on Sustainable Environmental Management in Urban Asia</td> </tr> <tr> <td>Social Enterprise Association</td> <td>Annual Flagship Conference "Investing in Businesses with a Difference"</td> </tr> <tr> <td>Institute of Public Relations of Singapore</td> <td>Seminar on Sustainability</td> </tr> </tbody> </table>	Organiser	Key Platforms in 2011	SPRING Singapore	Launch of ISO 26000:2010 Guidance on Social Responsibility	Singapore Institute of Directors	Seminar on CSR and Sustainability Reporting	Singapore Business Federation	Asia Pacific Sustainability Leadership Forum	CPA Australia	Annual CPA Congress	Nanyang Technological University (NTU)	Symposium on Accounting, Reporting and Assurance for a Sustainable Future	Singapore Management University (SMU)	International Conference of Society of Global Business and Economic Development	National University of Singapore (NUS)	10 th Anniversary Conference on Sustainable Environmental Management in Urban Asia	Social Enterprise Association	Annual Flagship Conference "Investing in Businesses with a Difference"	Institute of Public Relations of Singapore	Seminar on Sustainability
Organiser	Key Platforms in 2011																				
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RISK MANAGEMENT

Risk management continues to play an important part in the Company's business activities and is an essential component of our planning process. The Board has overall responsibility to ensure that the Company has the capability and necessary framework to manage risks in new and existing businesses and that business plans and strategies accord with the risk appetite that the Company undertakes to achieve our corporate objectives. To assist the Board in risk management, the Audit Committee has been authorised by the Board to provide oversight and review on matters relating to the risk management policies and systems of the Company.

The Audit Committee's risk management function is assisted by a Risk Management Committee ("RM Committee"), whose members comprise senior management. The RM Committee is responsible for ensuring the effectiveness of the risk management framework of the Company, the objective of which is to provide an enterprise-wide view of the risks involved in property investment, development and management activities and a systematic process for identification, assessment, management and reporting of such risks on a consistent and reliable basis. The RM Committee is mandated to focus on key strategic risks whilst also ensuring that the business units are responsible for the day-to-day tracking, monitoring and control of risks within their operations.

The designated Risk Coordinator assists by providing the RM Committee with the quarterly status of the key strategic risk exposures and the Senior Management with a timely assessment of key risk exposures and any new emerging risks that may require assessment. 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.

The RM Committee had, since 2002, established a formal risk management framework. Within this framework, significant business risks are identified, assessed, evaluated, monitored, managed, and reported on a regular basis. The risk governance structure of the Company is regularly reviewed against international standards and best practices in risk management. The Company recognises that the risk management process is an ongoing process and aims under our risk governance structure to continue to look for ways to improve in the following areas:

- increase monitoring and control capabilities in our review of significant strategic business risks;
- review the effectiveness of the systems of internal controls to limit, mitigate, manage and monitor identified risks;
- ensure that the operating systems deliver adequate and timely information required for effective risk management; and
- build on and integrate into our existing governance and management systems the appropriate tools for effective management of strategic business risks which are reflective of changes in markets, products and emerging best practices.

The Company's risk management framework has categorised our risks into the following main risk types:

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 our information technology systems and database which are highly integrated with our business processes, are also part of the Company's control processes for the protection of our assets. The Company also maintains close working relationships with our business partners and relevant authorities to keep abreast of political developments and changes in the regulatory framework and business environment.

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, feasibility studies 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 our 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 our 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 our interest-bearing financial assets and debt obligations. The Group adopts a policy of managing our 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 our 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 our 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 our 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 our 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 programmes, coupled with career development and training programmes, 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 programmes within the organisation.

The management also supports work-life harmony programmes and family-friendly policies as part of our 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 company-wide Business Continuity Plan ("BCP") to mitigate the risks of interruption and catastrophic loss to our 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 operating departments' environmental emergency procedures.

EHS RISKS

As a developer with extensive operations, strategic and concerted efforts have been put in to mitigate the impact of our operations on the environment. The Company's EHS Policy (established in 2003) sets the strategic direction for all departments, employees and stakeholders to take practical effort to ensure effective EHS management in our operations.

To manage our EHS risks, since 2003, the Company has integrated an EHS Management System within our operations, certified against the international ISO 14001 Environmental Management System and OHSAS 18001 Occupational Health and Safety Management System on an annual basis.

Through this system, the Company evaluates our key EHS risks, determining the risk level based on a risk assessment technique consisting of the likelihood of the occurrence and severity of the impact. Control measures are promptly applied to mitigate all significant EHS risks. 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.

The Company addresses climate change in our business operations and has set a target to reduce our carbon intensity emissions by 22% by 2020 from baseline year 2007 and 25% by 2030.

The Company's EHS targets and performance are measured and regularly tracked by internal and external auditors. Gaps and possible risks are identified for prompt rectification and continual improvement.

MILLENNIUM & COPTHORNE HOTELS PLC ("M&C")

The risk management activity of M&C, the Group's hotel arm, is directed by its Executive Management Committee led by its Chief Executive Officer, who undertake regular reviews of (i) the risk registers, compiled and updated to map the nature of the risks relative to their likelihood of occurrence and severity and associated trends, and (ii) the progress of the risk treatment plans devised to eliminate, minimise or transfer risks. Overall responsibility for the risk management process of the M&C group lies with the board of M&C, and the audit committee of M&C reviews, on behalf of the board, the effectiveness of the group's risk management processes and other internal controls. Information on M&C's principal risks can be found in its annual report for 2011.

On the EHS front, in 2011, M&C's European region received formal accreditation to the OHSAS 18001 standard for its health and safety system and achieved formal accreditation to the ISO 14001 standard for its environmental management system. M&C intends to implement these systems progressively in its other operating regions.

Whilst M&C continually assesses its environment impact and actively seeks ways to reduce it through improvements in its hotel's operating infrastructure and by modifying work practices, the hotel management also works with its suppliers to minimise the environment impact of their activities. Environmental performance is also being integrated into the

operational objectives of the hotel staff. The M&C group monitors the carbon footprint for all of its owned and managed properties, and the board of M&C has set a target for the group's energy consumption.⁽¹⁾

OUR MARKETPLACE

At CDL, we believe that good business performance is based on responsible behaviour integrated throughout the Company's supply chains, regulatory adherence, customer relations, marketing and development of products and services. CSR is thus intrinsic to our business excellence and long-term success.

We have implemented various initiatives that enable us to manage our risks and also seize new opportunities in the business arena.

PRODUCT RESPONSIBILITY

Backed by 49 years of experience, CDL has been a cutting-edge pioneer known for developing iconic quality properties which feature new lifestyle concepts and innovative technology. Aligned with the triple bottom line model, CDL develops properties that are sustainable, functional and financially marketable. CDL continues to focus on the provision of uncompromised product quality and service excellence to all our customers, above and beyond what is expected of the industry.

PRODUCT QUALITY

Real estate development in Singapore is highly regulated by the relevant authorities on quality assurance. However, when developing new properties, CDL goes beyond compliance and sets targets surpassing authorities' legislation on building standards e.g. BCA CONQUAS⁽²⁾, Buildability, Quality Mark Scores.

These standards are administered by BCA – Singapore's governing body for the built environment.

PRODUCT AND CUSTOMER SAFETY

Every CDL building is under the charge of a Complex Manager who oversees the daily operations of the building with a team of full time service providers including a Grade A (Singapore context) security firm with 24-hour coverage.

For crisis management, CDL has put in place the ISO 14000: Emergency Management System comprising different emergency response plans for known building related emergencies such as flu epidemic outbreak, fire or even a major electricity outage.

Since 2003, CDL's management has been championing a Safe and Green culture along with an Environmental, Health and Safety (EHS) policy, to monitor and control our EHS impact. The policy sets the tone for many initiatives cutting across the property development value chain; involving employees, service providers and customers.

More information on the steps taken to ensure the safety of product and services is disclosed in the "Our Environment" section.

ETHICAL MARKETING PRACTICES

CDL is committed to upholding the principles of ethical marketing and fair competition. We have a set of internal procedures in place to ensure factual accuracy of all marketing collaterals. The Company's 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 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 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.

In addition, on 18 April 2012, the Urban Redevelopment Authority (URA) implemented changes to the Housing Developers Rules (HDR)⁽³⁾ to enhance transparency in the real estate industry to enable homebuyers to make better informed decisions when buying a home, which took effect on 18 May 2012. CDL welcomes this move by URA to raise the industry standards and continues to work closely with our consultants to ensure our marketing practices comply with the changes to HDR.

RESPECT FOR CUSTOMERS

CDL's Customer Service Department has set up processes and infrastructure to fulfil the needs of existing and potential customers. Customers are given the ease of accessibility to the Company through various channels of communication and contact points, mainly the hotline, site offices, website and correspondences whereby the Company's performances are guided by the service standards.

Information is shared across different channels to render a consistent approach in CDL's service. CDL communicates regularly with our customers through various platforms, namely newsletters as well as online information on progress status of

projects under construction and correspondences. There is also a structured approach to resolving complaints which are monitored closely and reviewed regularly at inter-departmental meetings.

The customer satisfaction determination process is continually reviewed at CDL through formalised regular surveys and tracking of customers. For homebuyers, the Company administers an online survey six months after handover while tenants are surveyed annually. The data collected is analysed and reviewed for continual improvement of the Company's service levels.

CDL protects the privacy and confidentiality of our customers' information very seriously. In addition to internal policies and procedures designed to safeguard customer information, CDL does 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.

There were no substantiated complaints regarding breach of customer privacy and loss of customer data in 2011.

MANAGING SOCIETAL IMPACTS OF OUR PRODUCTS

CDL caters to different market segments in Singapore, developing properties for the mass market including executive condominiums, mid-market and luxury market.

In particular, accessibility in the built environment has become increasingly relevant to Singapore with the need to address the trend of an aging 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".

⁽¹⁾ Please refer to M&C's Annual Report 2011, which is available online at www.millenniumhotels.com, pages 39 to 41 for details of their CSR performance.

⁽²⁾ BCA CONQUAS: Construction Quality Assessment System by BCA.

⁽³⁾ Please refer to www.ura.gov.sg for details on the changes to HDR.

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 of Barrier-Free Accessibility by BCA.

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

MANAGING ENVIRONMENTAL IMPACTS OF OUR PRODUCTS

CDL's commitment to product stewardship is embodied by our three-pronged approach to *develop* quality and environmentally sustainable properties, *manage* properties in a cost-efficient and energy-efficient way and *influence* stakeholders through our outreach initiatives. Thus, beyond the development and management of our properties with environmental sustainability in mind, CDL undertakes engagement initiatives with stakeholders involved in the life-cycle of our properties with the aim of encouraging a shared responsibility to reduce the environmental impact of each development.

Throughout the entire cycle, all stakeholders including customers, in-house experts and professional external consultants are involved at various stages (from design, construction, procurement, maintenance to user engagement) of developing and managing a sustainable building.

CDL invests between 2% and 5% of the construction cost of a new development on green building design and features. We have also set the target to achieve a minimum BCA Green Mark Gold^{Plus} rating for all new developments.

CDL's strategy on the environmental impact of our products and ways to manage responsibility throughout our value chain is further disclosed in the following "Our Environment" section.

INFLUENCING CONSUMER BEHAVIOUR

(1) Our Homebuyers

CDL's environmental outreach programme, "Let's Live Green!" was launched in March 2004 to showcase green features in new residential developments to homebuyers. The initiative aims to encourage homebuyers to make lifestyle choices like purchasing energy-saving appliances and practising eco-friendly habits to reduce their carbon footprint.

A special TOP Welcome Party for CDL homebuyers is often held shortly after the project has obtained TOP⁽¹⁾. 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 an illustrative floor plan of all the eco-friendly features provided for in their new home and instructions for use and maintenance. Green features found in the common area are also indicated in the plan. Between 2004 and 2011, "Let's Live Green!" reached 5,927 households.

2) Our Tenants

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, CDL's "1°C Up Programme" has been implemented in CDL commercial properties to raise eco-consciousness amongst the tenants. It encourages tenants to make an active contribution towards energy conservation by raising the air-conditioning temperature in their office by 1°C.

The programme has become a standard BAU practice at 13 CDL-managed buildings and puts the indoor temperature at an average of 24°C. Since 2009, CDL has achieved 100% tenant participation rate.

OUR ENVIRONMENT

For over a decade, CDL has been advocating environmental sustainability in Singapore's built environment. As buildings contribute about 16% of Singapore's national carbon emissions, CDL makes every effort to minimise negative externalities and maximise the positive impact our business has on society.

We have been cognisant of the changing environmental landscape especially with greater emphasis placed on climate change issues globally. Our pioneering efforts in championing sustainable developments in Singapore have allowed us to be well prepared for regulatory environmental risks and opportunities as we have already instituted environmental management systems and frameworks early on in our CSR journey.

EHS MANAGEMENT SYSTEMS

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, CDL was awarded ISO 14001 in Corporate Management and Operations for all functions at our headquarters. In 2011, CDL attained the OHSAS 18001 in Property Management certification for 15 buildings as well as re-certified for ISO 14001 and ISO 9001 Quality Management System which were first awarded in 2007.

The EHS 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 to continuously improve our environmental performance.

TRAINING, AWARENESS AND COMMUNICATION

EHS training and awareness programmes are planned for all CDL employees to raise their EHS awareness and cultivate a "Green & Safe" corporate culture. Employees are also encouraged to attend relevant external conferences and workshops to strengthen their EHS management skills and knowledge. As for our builders, CDL has been facilitating the quarterly CDL 5-Star EHS Review Seminar since 2001 to raise our builders' EHS standards. Best practices are shared during the review sessions to encourage peer learning.

CDL provides various channels of communication to engage our stakeholders and share our commitments, best practices and EHS performance, as well as to solicit stakeholder feedback and suggestions for continual improvement. All CDL employees are encouraged to be forthcoming and to report all incidences of EHS-related accidents, complaints, incidences of non-compliances and non-conformities.

At CDL worksites, the Company also provides a hotline number where the public can make a report and CDL is committed to work with our builders, to prevent potential non-conformances through actions, if necessary.

COMPLIANCE

CDL is committed to full compliance on all applicable EHS legal requirements enforced by the local governing authorities such as BCA, National Environment Agency (NEA), Public Utilities Board (PUB), Workplace & Safety Health Council (WSHC), Singapore Civil Defence Force (SCDF) and other relevant enforcers where appropriate. CDL actively ensures 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 2011, CDL received a fine for mosquito breeding at an open landscaped area near one of our buildings. Since then, CDL has been working together with relevant parties to maintain vigilance during the daily inspection.

CDL proactively influences and engages our stakeholders, including our architects, builders, designers, engineers and surveyors to embrace safe and environmentally-friendly designs and best practices at the planning stage. CDL continues to ensure compliance during the construction and operational phase. This is done through the CDL 5-Star EHS Assessment System and regular inspections.

EHS AUDITS

The Company is subjected to annual external EHS audits which are 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, OHSAS 18001 and ISO 9001 international standards. 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 the 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 worksites, investment buildings and the Corporate Office. From

our continuous assessment, we know that energy use, water use, waste generation and carbon emissions are the most significant environmental aspects. CDL also includes other aspects such as paper use, waste paper recycling, noise, biodiversity and safety management.

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 principles behind 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 worksites, investment buildings and the Corporate Office. Management review is conducted annually to assess the environmental performance for continual improvement. For more information on the environmental objectives and targets, please see page 41.

CDL 5-STAR EHS ASSESSMENT SYSTEM & EHS EXCELLENCE AWARDS

The CDL 5-Star EHS Excellence Award was introduced in 2005 and is an integral part of the CDL 5-Star EHS Assessment System initiated in 2001 to provide CDL with an independent audit tool for assessment of our builders' EHS management and performance.

The Award recognises builders who have excelled in the CDL 5-Star EHS Assessment over a one year period. Each quarter, audits are conducted by an independent EHS audit firm accredited by the Ministry of Manpower (MOM), after which the results are presented to the top management of the builders during the quarterly CDL 5-Star EHS Seminars. These seminars are a valuable platform to promote sharing of best practices to encourage better EHS performance amongst the builders.

⁽¹⁾ 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 of TOP is granted.

In 2011, in line with the national productivity drive, CDL introduced the inaugural CDL Productivity Excellence Award at the annual award ceremony which recognises our builders for their excellent performance in EHS. This inaugural award went to Dragages Singapore Pte Ltd for The Arte and Tiong Seng Contractors (Pte) Ltd for Parc Emily, recognising their concerted efforts to drive productivity on-site, through the adoption of technology, innovative methods of construction and efficient designs. The prestigious CDL 5-Star EHS Excellence Award went to SsangYong Engineering & Construction Co. Ltd for W Singapore Sentosa Cove and Tiong Seng Contractors (Pte) Ltd for Shelford Suites.

OUR WORKPLACE

Employees are CDL's key stakeholders and invaluable assets. Through active involvement, empowerment and engagement, CDL aspires to be the place where our people can contribute to the sustained growth of the Company. CDL takes a three-pronged approach – *developing, engaging and caring* for employees. The Company has in place comprehensive strategies on employee retention, employee attraction, training and development, work-life and work-health policies and initiatives. CDL continues to innovate to implement creative initiatives to increase employee engagement and participation.

JOB SECURITY

CDL adheres to the Tripartite Guidelines on Managing Excess Manpower issued by MOM together with its tripartite partners, Singapore National Employers Federation (SNEF) and the National Trades Union Congress (NTUC).

CDL supports and shares a similar philosophy with the Tripartite Guidelines which strongly encourage companies to manage their excess manpower and to consider reorganisation only as a last resort. The guidelines also suggest company retraining programme for workers, redeployment of workers to alternative areas of work, implementing

shorter work-weeks, temporary lay-offs, flexible work schedules or other flexible work arrangements, and managing wage costs through the use of the flexible wage system.

There has been no major reorganisation in the past five years. In the event of termination or an employee resignation, there is a minimum one to three month-notice period that needs to be fulfilled, depending on the employee job grade. Due to operational requirements, mid and senior management are required to provide two and three months of notice period respectively.

RESPECT FOR FREEDOM OF ASSOCIATION

CDL respects all employees' fundamental rights to freedom of association and the right to be members of trade unions. Although CDL is not a unionised company, it is guided by the Industrial Relations Act that allows representation of employees by trade unions for collective bargaining thus providing them with an avenue to seek redress for their disputes. As part of our efforts to recognise employees' participation in professional bodies, CDL supports employees' subscription to these professional bodies.

CDL respects all employees' fundamental rights to freedom of association and the right to be members of trade unions.

EQUAL OPPORTUNITIES

CDL stands by our position on non-discrimination and fairness, and ensures that the recruitment process adhere to strict guidelines. There is no preference of gender, ethnicity and age mentioned in the recruitment advertisements. CDL hires based on competencies and the appropriate fit within the Company.

Training, promotion, opportunities for advancement, compensation, recognition of achievements, discipline and other conditions of employment are provided on the basis of merit, and without regard to a person's race, sex, marital status, age or religion.

Understanding that some employees need time to attend to special family needs, a number of employees have over the years converted to a part-time work schedule (and back to full-time) on a need-be basis. In 2011, there were two female managerial employees working on a part-time arrangement. The employment contract offered to part-time employees are on a case-by-case basis and benefits such as annual leave may differ from that of the full-time employees.

Beyond recruiting and retaining female employees, CDL also provides a conducive working environment and fair career development opportunities, which is reflected in the gender profile of Heads of Department.

73.48% of our employees hold tertiary qualifications and above (this includes holders of diploma, degree and Masters qualifications).

62% of our workforce falls between the ages of 31 and 50, representing the majority of our workforce.

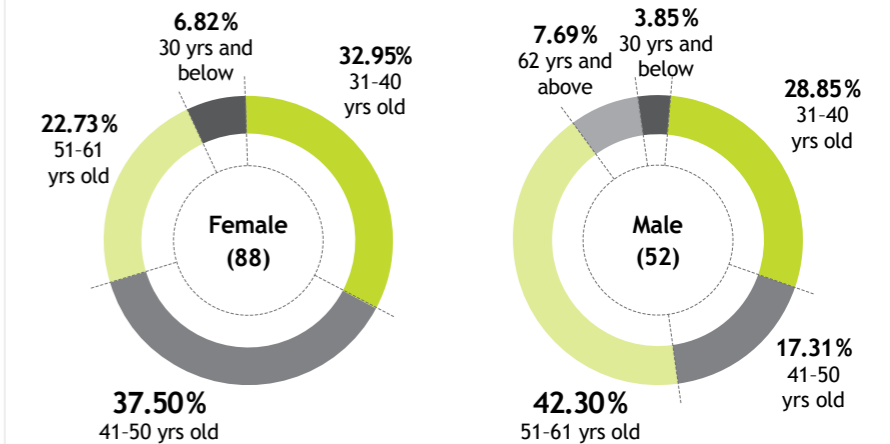
A better understanding of the younger employees from the next generation, GEN Y, is critical to CDL's business growth and development so as to ensure business sustainability. GEN Y is the fastest growing segment of the Company's workforce and is also emerging as a potential customer group. 47% of new recruits in Year 2011 are born in 1978 or later. In other words, GEN Y is injecting into CDL, the GEN Y thinking and philosophy of life.

In view of developing and attracting young talents through scholarships, CDL has offered seven local undergraduate scholarships to date and 18 internships to young talents in 2011.

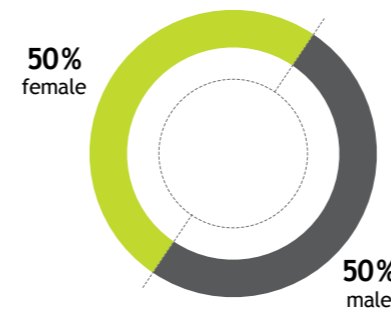
2011 also witnessed 23.2% of employee promotions going to GEN Y employees and 5.7% of our managers are 30 years and below, representing a good percentage of GEN Y amidst our managerial employees, injecting perspectives and creativity of the younger generation to ensure continual renewal of people assets for the Company.

CDL began to monitor and track incidences of discrimination in 2008 and there have not been any reported incidents.

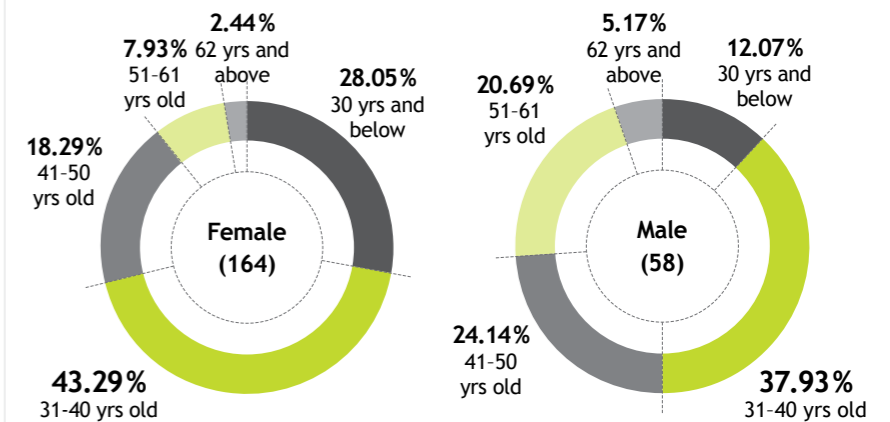
Age Group Managerial Total: 140



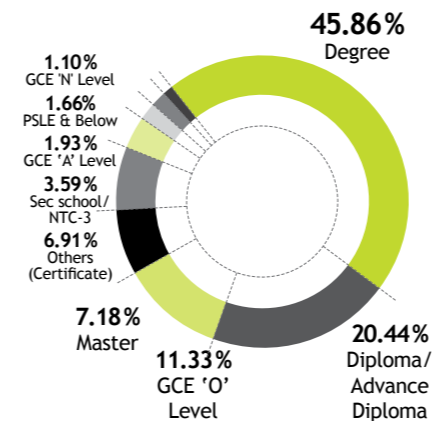
Gender Profile of Heads of Department Total: 28



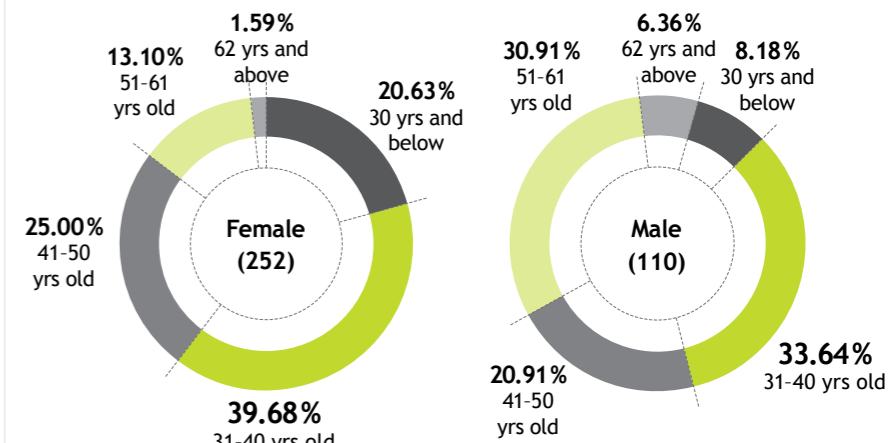
Age Group Non-Manual Total: 222



Education Profile Total: 362



Age Group Profile Total: 362



INITIATIVES FOR ENHANCED WORKPLACE DIVERSITY

The Singapore Government has implemented the re-employment legislation in 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. Re-employment is not the same as raising the retirement age as it requires employers to offer jobs to employees reaching the retirement age, but does not need to be for the same job position or on the same salary and terms.

The legislation requires 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 departing employees a one-off Employment Assistance Payment to help them for a period of time while they look for another job.

CDL has a current re-employment practice of extending employment to employees who have reached retirement age, but are still able to contribute to CDL, at full pay since 2005. In fact, CDL formalised our re-employment policy with effect 1 July 2011, six months ahead of government legislation.

At the age of 62, employees who meet CDL's re-employment criteria (i.e. satisfactory performance and medically fit, with availability of a suitable role) and are re-employed into the same job, which would be converted to a yearly contract term with no change in existing benefits and salary, are also eligible for all bonus payouts.

WORKPLACE HEALTH AND SAFETY

All departments are to adhere to the principles of the EHS Policy. Workplace Safety and Health risk assessment and awareness briefings are conducted for employees regularly. The Risk Register is reviewed annually to monitor the Company's performance.

In addition to comprehensive insurance coverage and flexible working hour arrangements, CDL established an

Environment, Health and Safety Committee that helps monitor and advise on the Company's Occupational Health and Safety Programme. 6.9% of CDL's employees at HQ are in the committee.

Total Wellness: To promote total wellness, employees are given free annual basic health screenings during working hours while their family members can participate in the health screening programme at a discounted price.

Physical Health: Apart from monthly fruit days where employees receive a fruit each month, CDL organises various sports and wellness programmes to encourage employees to have an active and healthy lifestyle. Other incentives include partnership with a fitness centre to enable employees and their family members to enjoy attractive corporate membership rates.

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

CDL's influence has inspired our builders and consultants to establish their own EHS management systems and more than 50% of them have obtained the ISO 14001 and OHSAS 18001 standards. All main builders of CDL projects are required to attain both certificates.

TRAINING AND DEVELOPMENT

CDL conducts annual training needs analysis at the individual and corporate levels to determine the types of training interventions that could be conducted to address the Company's learning gaps. Taking into account CDL's strategic directives, a company-wide learning plan is then implemented. This is to ensure that all employees are equipped with skillsets that are aligned with the Company's objectives.

Each employee is required to set aside at least four days for training per

year. In 2011, average training hours per employee in 2011 was 34.3 hours. 3,287 hours have been dedicated to CSR and environment-related training in 2011.

REWARD AND FAIR REMUNERATION

CDL constantly seeks to offer fair and competitive remuneration packages based on the potential and capabilities of our employees. Remuneration package for an employee is given based on merit and job worth. Employees are eligible for overtime compensation in accordance with the Employment Act.

The Company has adopted the internal parity and market alignment approach at the same time without comprising the right people in the right jobs. Salary benchmarking exercises are conducted on a regular basis to ensure that compensation is competitive.

CDL's annual Excellent Staff Award rewards outstanding employees under the following categories. Financial and non-financial rewards are given to the recipients.

- Excellent Community Work
- Excellent Sports Performance
- Excellent Corporate Activities
- Excellent Service (Internal/External)
- Excellent Commitment
- Excellent Innovation & Creativity

EMPLOYEE COMMUNICATION

CDL has policies and procedures in place to manage employee grievances, if any, to ensure the matter is heard in a fair and impartial manner. Disciplinary action is guided by a set of Code of Conduct and, there is a 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 protection of the confidential or anonymous reporting by employees regarding legitimate concerns.

Through Townhall sessions, dialogue sessions with senior management, and internal platforms such as "eVoiceBox" (an electronic suggestion portal for employees to provide feedback), CDL ensures that employees' views are always heard. Through the dissemination of City News, City Dynamix and Staff Circular, employees are informed of the latest updates about the Company.

Employee Assistance Programme provides short-term, non-judgmental and confidential assistance to all CDL employees in the form of telephonic, face-to-face or electronically delivered consultations by accredited professional counsellors in the areas of work, interpersonal relations, marriage and family, etc.

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

CAREER MANAGEMENT

CDL has a well-structured performance appraisal system where open performance appraisal exercises take place on an annual basis. The Company has introduced the Balanced Scorecard as a tool to establish performance indicators, set the expectations for all employees, and to measure performance against agreed upon objectives.

Apart from work-related objectives, Managers are expected to perform the role of a "People Manager" to all their reporting employees. Heads of Department, in particular, are required to include HR-related items such as retention rate, employee engagement score and employee training hours into their own balanced scorecards, which directly impact their performance evaluations.

Moving forward, CDL will be instituting a mid-year review to ensure that supervisors provide constant feedback and coaching to our employees. The Company also plans to embark on a mentoring programme for identified employees where senior management will be appointed as their mentors. Mentors will understand mentee's career aspirations and offer coaching,

counselling and networking opportunities to enhance mentee's career development and success.

HUMAN RIGHTS

Local regulations enable companies to implement Human Rights practices implicitly. In addition to CDL's existing practices and the Corporate Statement on Human Rights, CDL fully complies with the following legislations focusing on welfare and rights of our employees.

(1) Employment Act

The Employment Act provides the statutory requirements that must be adhered to when hiring employees in Singapore. CDL not only adheres strictly to the Employment Act, but provides our employees with benefits exceeding the requirements and also extend those benefits to managerial and executive employees, who are not covered under the Act. One example is provision of annual leave benefits that are better than that stated in the Act. Other benefits include provision of comprehensive insurance coverage for employees.

(2) CPF Scheme and Retirement

The Central Provident Fund (CPF) is a comprehensive social security savings plan which aims to provide working Singaporeans/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.

CDL, as the employer, also makes monthly CPF contribution for all employees (Singapore Citizens and Singapore Permanent Residents) at the rates set out at the CPF Act.

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.

The overall scope and benefits of the CPF encompass the following:

Retirement

Plan to ensure sufficient savings to see CPF members through retirement.

Healthcare

Plan to ensure sufficient savings to meet members' medical needs in old age.

Home Ownership

Plan to ensure a property that is fully paid-up when members retire.

Family Protection

Several schemes and insurance plans such as Dependents' Protection Scheme, Home Protection Scheme, catastrophic medical insurance scheme and even severe disability insurance scheme to protect CPF members and their families.

Asset Enhancement

CPF members have the choice to decide for themselves how to invest their CPF savings, and what risks to accept, to ensure their financial well-being after retirement.

(3) Pro-Baby Legislation

In support of the Government's initiatives towards encouraging a 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.

CDL's lactation room was created in late 2006 to facilitate our female employees' transition from their maternity leave back to the workforce. The room was

OUR COMMUNITY

subsequently renovated to create additional space to meet the increased demand from two employees in 2006 to eight in 2010.

In 2011, 15 eligible female CDL employees extended their maternity benefits and 12 are still employed by CDL as at May 2012. Paternity leave is not legislated in Singapore but CDL extends one day of paternity leave to eligible male employees.

(4) Child and Forced Labour

To date, Singapore has ratified 20 International Labour Organization (ILOs) Conventions, including five Core Conventions. They cover the four key areas of employment standards: child labour; forced labour; collective bargaining and equal remuneration.

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.

In 2011, CDL continued to support and initiate numerous cross-sector projects with developmental objectives, direct engagement with beneficiaries, and dialogues with stakeholders for a sustained impact. CDL's four key areas of the environment, youth development, the less fortunate and the arts remained central in all our community investments.

THE ENVIRONMENT

In partnership with Non-Governmental Organisations (NGOs) and Government agencies in 2011, CDL continued to sustain our commitment to raise environmental awareness and conservation. Activities included:

(1) CASP

A committed partner of the National Environment Agency (NEA)'s Corporate & School Partnership (CASP) since 2005, CDL adopted five schools and helped them to nurture environmental interest and action through environmental projects that each school embarks on each year for the annual Clean and Green Singapore Schools' Carnival, which attracted over 10,000 visitors in 2011. CDL also sponsored the Climate Change Photography Competition at the Carnival.

(2) CDL E-Generation Challenge

Back for the second year in 2011, CDL E-Generation Challenge drew 280 youths from over 10 tertiary institutions to CDL's annual green rally which aims to provide youths a fun platform to foster eco-consciousness. Participating students faced various green challenges in the form of tasks, quizzes and activities which focused on six sustainability topics, namely Energy, Water, Shelter (Buildings), Biodiversity, Waste and Food. This annual event was also supported by NEA.

In 2011, CDL continued to support environmental conservation by working with many partners on various programmes and events.

(3) Project:Eco-Office

Initiated by CDL and our NGO partner Singapore Environment Council (SEC) in 2002, Project:Eco-Office has been targeting office workers in Singapore to adopt eco-friendly practices in the office. Through the wide distribution of the Eco-Office Kit, launch of an online Eco-Office Audit, Green Office Label Certification and numerous awareness campaigns, some 110 offices have received the Eco-Office Certificates to date, a commendable number from just four awardees (including CDL), when it was first launched in 2005.

(4) Earth Hour

CDL has been supporting World Wide Fund for Nature (WWF)'s Earth Hour campaign by engaging various stakeholders since its launch in Singapore in 2008. In addition to the 98% tenant participation rate at 13 CDL buildings during the Earth Hour 2011, the Company initiated "Half-Hour Off" to encourage tenants to turn off their air-conditioners for half an hour on Friday, 25 March in the same 13 buildings. On average, 75% of the tenants in these buildings participated in this initiative, with 100% from three buildings.

Other organisations CDL has engaged and supported include China Exploration & Research Society (CERS), Eco-business.com, ECOplasion, Environmental Challenge Organisation (Singapore), Nature Society (Singapore) and Singapore Institute of International Affairs (SIIA).

YOUTH DEVELOPMENT

CDL believes in the importance of youth development and nurturing the new generation of business and community leaders.

In March 2011, CDL launched the inaugural CDL-Singapore Compact Young CSR Leaders Award. A total of 27 teams, made up of 143 students, submitted their CSR proposals on Singapore-based Small, Medium-sized Enterprises (SMEs) representing a diverse range of industries. 10 short-listed teams were assigned to their respective SMEs for the short work attachments and mentored by CSR consultants who helped refine and improve their proposals. The winners were presented their awards during the opening ceremony at the Singapore Compact CSR Summit which was attended by some 300 delegates representing the government, business, NGO, media and academic institution sectors.

CDL also extended our support to a growing number of youth-led community developmental projects in Singapore and abroad in 2011. More details can be found in Chapter 3: **Impacts**.

CHARITY

CDL has sustained our corporate volunteering culture through City Sunshine Club (CSC). Since 1999, CSC has provided a pro-giving platform for CDL's employees and their families to contribute to the community through various forms of support for the sick, elderly, the disadvantaged children and youth-at-risk on a sustained basis.

In recognition of CDL's long-term commitment in community engagement and contributions, we were conferred the Merit Award by the Lions Befrienders Service Association (Singapore). The Befriending Programme reaches out to about 2,500 lonely seniors through weekly visitations by 1,200 volunteers nation-wide. CDL has participated in

the monthly food distribution and befriending programme since 1999.

As a long-standing partner of Assisi Hospice since 1999, CDL and our subsidiary company, CBM Pte Ltd, once again co-organised the annual Charity Fun Day held on 19 June 2011, for families to revel in a day of fun and to engage in the spirit of giving. While CBM Pte Ltd provided services in the areas of cleaning management as well as carpark and traffic control, CDL together with our sister hotels took up eight stalls to sell delicacies manned by over 200 CDL volunteers.

With a plethora of stalls ranging from delectable cuisines, handicraft, games, apparel to jumble sales, the Assisi Charity Fun Day raised over S\$800,000 for the expansion and improvement of the Hospice's three core services, in-patient care, home care and day care centres relieving the Hospice of a huge bulk of expenses especially with a rising number of adult and pediatric patients requiring hospice care.

In November 2011, volunteers from CDL participated in a unique sleepover programme at Jurong Bird Park with a group of 30 children from Dreams @ Kolam Ayer, organised by CSC as part of the Club's on-going character development activities for these less-privileged children. The programme involved sumptuous meals for everyone and a Night Walk of Confidence where the children learnt to overcome their fear as they were guided in pitch darkness by CSC volunteers. CSC also organised activities for different groups of children and youths, on their outings to City Square Mall such as a Sesame Street colouring and green handicraft workshop.

Beyond the activities of CSC, CDL also supported numerous worthy fundraising events, campaigns and long-term projects in collaboration with partners including the Arc Children's Centre, Boys' Brigade,

Children's Aid Society, Asian Women's Welfare Association, Henderson Senior Citizens' Home, Man Fut Tong Nursing Home and Viriya Community Services.

In addition, the sale of 60 copies of the latest edition of "Heart Voyage" photo art book series raised some S\$300,000 for President's Challenge in 2011. Collectively, this initiative has raised over S\$550,000 for President's Challenge through the sale of the three volumes of the "Heart Voyage" art book.

THE ARTS

CDL has long been a strong supporter of the arts scene in Singapore. CDL has initiated two signature arts projects, namely, the CDL Singapore Sculpture Award in 2002 and the Singapore Youth Photographer Award (SYPA) in 2006 to nurture artistic talents in Singapore. In 2011, SYPA 2012 was launched, offering new categories and exciting themes. This biennial award has evolved to cast a larger net to capture more young and budding photographic talents. Its aim remains to nurture young photographers as well as elevate the standard of photography in Singapore.

To commemorate the milestone railway land swap between Singapore and Malaysia and preserve the historical significance of the railway in Singapore, CDL's Managing Director Kwek Leng Joo teamed up with established watercolourist, Ong Kim Seng and presented a joint photo-cum-water painting exhibition titled "Tracking Memories" at the National Museum of Singapore.

The winning work of the 4th CDL Singapore Sculpture Award, "An Enclosure for a Swing" by Kevin Lim was commissioned and completed before the official opening of the Bishan-Ang Mo Kio Park in March 2012. To date, CDL has commissioned five sculptures sited in public spaces.

IDEAS INITIATIVES IMPACTS

CHANGES THAT INSPIRE US

CDL aspires to make a positive impact on our stakeholders. To do this, we embrace sustainable and mutually beneficial partnerships that may be measured tangibly and intangibly.

We measure our performance to assess where our strengths lie and to seek improvements in areas where there are gaps. Our achievements are made possible by the patronage, support, trust and loyalty shown by CDL stakeholders that remain the pillars of CDL's success this past 49 years.

Our CSR efforts are an ongoing journey. Ultimately, the best payback for CDL is being of service – to provide value to our investors, business associates and customers, to nurture employees and the community and to protect the environment.

SUMMARY OF FINANCIAL, SOCIAL AND ENVIRONMENTAL PERFORMANCE

CDL has long been committed to achieving business excellence while maintaining good social and environmental performance. The Company strives to “do well” financially and make a positive contribution towards the society and environment for the future generations at the same time.

FINANCIAL IMPACT

(1) 5-Year Financial Highlights

Year	2007	2008	2009	2010 ⁽³⁾	2011
Revenue (S\$million)	3,106	2,945	3,273	3,103	3,280
Profit before tax (S\$million)	955	834	832	1,067	1,136
Profit for the year attributable to owners of the Company (S\$million)	725	581	593	784	799
Net gearing ratio	0.48	0.48	0.40	0.29	0.21
Return on equity (%)	13.9	10.7	9.9	12.5	11.7
Net asset value per share (S\$)	5.72	5.97	6.57	6.89	7.51
Basic earnings per share (cents)	78.3	62.5	63.8	84.8	86.4
Dividends					
(a) Ordinary Dividend (Gross) Per Share					
• Final (cents)	7.5 ⁽¹⁾	7.5 ⁽¹⁾	8.0 ⁽¹⁾	8.0 ⁽¹⁾	8.0 ⁽²⁾
• Special Interim (cents)	10.0	-	-	-	5.0 ⁽¹⁾
• Special Final (cents)	12.5 ⁽¹⁾	-	-	10.0 ⁽¹⁾	5.0 ⁽²⁾
(b) Preference Dividend (Net) Per Share (cents)					
	3.9 ⁽¹⁾	3.9 ⁽¹⁾	3.9 ⁽¹⁾	3.9 ⁽¹⁾	3.9 ⁽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 2011 had been approved by the ordinary shareholders at the Annual General Meeting held on 27 April 2012.

⁽³⁾ Certain accounting policies or accounting standards had changed in the financial year 2011. Only the financial information presented above for the year preceding 2011 had been restated to reflect the relevant changes in accounting policies or accounting standards.

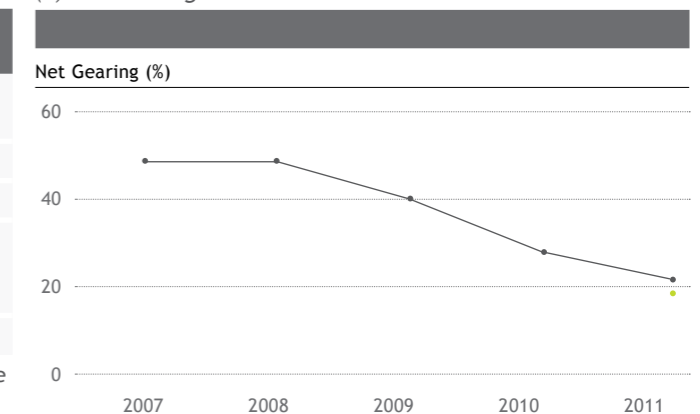
(2) Capital Management

	As at 31/12/11	As at 31/12/10
Cash and cash equivalents (S\$million)	2,603	1,874
Net borrowings (S\$million)	1,816	2,346
Net gearing ratio ^(a)	0.21	0.29
Net gearing ratio if fair value gains on investment properties are taken in	0.15	0.21 ^(b)
Interest cover ratio (times)	21.8	21.3 ^(b)

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.

^(b) Restated to take into account the retrospective adjustments arising from the adoption of INT FRS 115 – *Agreements for the Construction of Real Estate*.

(3) Net Gearing



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

CDL's financial information is described in more detail in our Annual Report 2011. Current and previous reports are available online at www.cdl.com.sg.

ENVIRONMENTAL IMPACT

	2007	2008	2009	2010	2011
Energy Used					
CDL Worksites (kWh/m ²)	55	43	46	27	49
CDL Worksites (k kWh)	10,420	9,860	8,248	4,613	5,150
CDL Commercial Buildings (kWh/month/m ²)	18.86	18.84	17.70	16.73	16.39
CDL Industrial Buildings (kWh/month/m ²)	10.44	9.36	9.75	9.01	8.16
CDL Commercial and Industrial Buildings (k kWh)	57,894	54,993	52,690	66,568	60,567
CDL Corporate Office (kWh/m ²)	104	93	91	86	84
CDL Corporate Office (k kWh)	634	570	558	528	513
CDL Total Energy Used (k kWh)	68,948	65,422	61,496	71,708	66,230
Water Used					
CDL Worksites (m ³ /m ²)	0.70	0.68	0.80	1.10	1.20
CDL Worksites (m ³)	130,263	154,273	150,176	182,859	127,426
CDL Commercial Buildings (m ³ /month/m ²)	0.14	0.16	0.19	0.14	0.14
CDL Industrial Buildings (m ³ /month/m ²)	0.09	0.09	0.09	0.08	0.08
CDL Commercial and Industrial Buildings (m ³)	463,970	478,363	453,382	581,784	552,356
CDL Corporate Office (m ³)	NA	NA	NA	NA	2,737 ⁽¹⁾
CDL Total Water Used (m ³)	594,233	632,636	603,558	764,643	682,519 ⁽²⁾
NEWater Used at CDL Commercial Buildings (m ³)	NA	84,016	101,412	123,344	136,269
Construction Waste					
Generated at CDL Worksites (kg/m ²)	65.90	59.87	61.70	46.50	24.50
Generated at CDL Worksites (tonnes)	12,553	13,587	11,160	8,071	2,552
Paper Recycling					
CDL Commercial and Industrial Buildings (kg)	417,074	384,047	320,233	374,050	361,397
Tenants Participation Rate at CDL Commercial and Industrial Buildings (%)	81	88	>90	>90	>90
Paper Use					
CDL Corporate Office (number of A4 reams)	5,410	4,796	4,395	3,774	3,488
Carbon Emissions					
CDL Worksites (tonnes CO ₂)	5,450	5,159	4,137	2,196	2,452
CDL Commercial and Industrial Buildings (tonnes CO ₂)	30,283	28,778	26,429	31,693	28,836
CDL Corporate Office (tonnes CO ₂)	332	298	280	251	244
CDL Business Travel (tonnes CO ₂)	79	132	78	81	57
Total Carbon Emissions (tonnes CO ₂)	36,144	34,367	30,924	34,221	31,589
Complaints on Construction Noise					
CDL Worksites (number)	1	2	3	4	2

⁽¹⁾ Water used at CDL Corporate Office was tracked from 2011.⁽²⁾ Total Water Used from 2007 to 2010 excludes Corporate Office.

SOCIAL IMPACT

	2007	2008	2009	2010	2011
Employee Turnover Rate (%)	16.8	17.1	10.7	13.7	14.4
Employee Satisfaction (%)	NA	≥ 90	≥ 90	≥ 90	NA*
Employee Effective Index (%)	NA	NA	NA	NA	69
Medical Leave Taken Per Employee (number of days)	≤ 4	≤ 4	≤ 4	≤ 4	4.5
Gender Diversification: Females as Heads of Department (%)	55	57	57	55	50
Average Service Per Employee (number of years)	8.3	8.1	8.4	8.8	8.9
Total CSR and Environment-related Training (hours)	1,193	1,075	>3,000	3,694	3,287
Product Quality and Sustainability					
New Developments to be Well-ranked on CONQUAS	Yes	Yes	Yes	Yes	Yes
New Developments to be Certified BCA Green Mark Gold and Above	Yes	Yes	Yes	Yes	Yes*
Employee Volunteerism					
Participation Rate (%)	50	66	85	60	71
Participation Rate (hours)	2,242	2,644	5,524	2,894	2,838
Health and Safety					
(a) At the Corporate Office: • Injury rate and occupational disease (number)	0	0	0	0	0
(b) At CDL Worksites: • Accident Frequency Rate (AFR) (number of workplace accidents per million manhours worked)	0.4	0.52	0.38	0.23	0.11
• Injury Rate (number of fatal and non-fatal workplace injuries per 100,000 persons employed)	118	273	100	63	30

* From 2011, an Employee Effective Index has been incorporated in place.

* All new developments to be certified BCA Green Mark Gold^{plus} and above from 2011.

SUSTAINABILITY RANKINGS, BENCHMARKS AND COMMITMENTS

	2008	2009	2010	2011	2012
Sustainability Rankings and Benchmarks					
Asian Sustainability Rating™ (%)	66	74	84	81	NA [#]
Carbon Disclosure Project	Participated since 2007 and disclosure to the public from 2009				
Dow Jones Sustainability Indexes (DJSI World and DJSI Asia Pacific)	Listed since 2011				
FTSE4Good Index Series	Listed since 2002				
Global 100 Most Sustainable Corporations in the World (ranking)	NA	NA	#81	#100	#62
Singapore Quality Class	Certified since 2009*				
Sustainability Commitments and Certifications					
Anti-Corruption & Compliance Declaration	Signatory since 2009				
Caring for Climate Statement	Signatory since 2008				
Securities Investors Association (Singapore) - SIAS Corporate Governance Statement of Support	Signatory since 2010				
UN Global Compact	Signatory since 2005				
ISO 9001 (15 CDL Buildings)	Since 2007				
ISO 14001 (Property Development and Project Management)	Since 2003				
ISO 14001 (Corporate Management and Operations)	Since 2008				
OHSAS 18001 (Property Development and Project Management)	Since 2003				
OHSAS 18001 (Property Management)	Since 2011				
Sustainability Reporting					
Global Reporting Initiative (GRI) (Application Level Check for CDL's Sustainability Reports)	C	B+	B+	B+	A+
AA1000 Assurance Standard (AA1000AS 2008 applied to CDL's Sustainability Reports)	NA	Performance information only with reference to AA1000AS	Type 2	Type 2	Type 2
ISO 26000:2010 Guidance on social responsibility	Strategic alignment since 2009				

[#] Not available at time of print.
^{*} Recertified in 2012.

KEY CSR AWARDS & ACHIEVEMENTS IN 2011/2012[^]

2012	Business	Environmental	Social
<p>2012 Global 100 Most Sustainable Corporations in the World 2010 (81st), 2011 (100th) & 2012 (62nd) CDL was once again included in this prestigious global ranking by Corporate Knights Research Group, announced annually at the World Economic Forum, Davos. As the only Singapore company to have been listed for three consecutive years since 2010, CDL's ranking on this stringent global listing also improved from 100th to 62nd position.</p>			
<p>Building and Construction Authority (BCA) Awards 2012 For CDL's commitment to sustainability, quality, productivity, design and construction excellence, we were accorded 13 Green Mark Awards, three Construction Excellence Awards, five Construction Productivity Awards (including four Platinum), two Design and Engineering Safety Excellence Awards and two Universal Design Awards. In total, CDL received 25 Awards at the BCA Awards 2012, the most by a private developer.</p>			
<p>Channel NewsAsia Green Luminary Award 2012 With environmental sustainability becoming a key to business success, this award identifies the Asian company that leads in employing green practices in its main business practice. CDL received this award as recognition of our conscientious efforts to be environmentally friendly through our business operations and community programmes. The Channel NewsAsia Luminary Awards are accorded annually to the best companies and business minds in Asia.</p>			
<p>Trusted Brands 2012: Property Developer Category Launched in 1999, the Reader's Digest Trusted Brands Survey in Asia is now in its 14th year and recognises brands which reflect trustworthiness and credibility, deliver quality, value, understanding of customer needs, innovation and corporate social responsibility. A total of 8,000 respondents in Asia, including 1,000 from Singapore, were polled in the Reader's Digest Annual Consumer Brand Preference Survey 2012 and CDL was voted as a Trusted Brand Gold Winner under the Property Developer Category in Singapore. The Reader's Digest Trusted Brands are voted solely by consumers and the achievement of this award is testimony of the strong trust and confidence that consumers have in CDL.</p>			
<p>BCI Asia Top 10 Developers Award (since 2011) CDL was once again accorded Singapore's BCI Asia Top 10 Developers Award 2012, further reaffirming CDL's efforts in shaping and influencing the built environment. The BCI Asia Awards, which is now in its 7th year, is a regional event honouring the best in the building and property development in Hong Kong SAR, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.</p>			
<p>FIABCI Prix d'Excellence Awards – Winner of the Sustainable Development Category (2011 and 2012) CDL's concerted efforts and investment in green building infrastructure and technology was recognised once again at the prestigious FIABCI Prix d'Excellence Awards 2012 with 11 Tampines Concourse winning the Sustainable Development Category. This is the second consecutive year CDL has bagged the Sustainable Development Category with 7 & 9 Tampines Grande accorded this honour in 2011 – a testament to CDL's excellence and leadership in the drive towards quality sustainable developments. Awarded by an international panel comprising top real estate professionals and experts, the FIABCI Prix d'Excellence Award is conferred to outstanding projects that embody excellence in all real estate disciplines involved in its creation.</p>			

2011	Business	Environmental	Social
FTSE4Good Index Series (since 2002) Amongst an elite group of companies worldwide that meets globally recognised corporate responsibility standards, CDL is recognised by FTSE4Good for working towards environmental sustainability, developing positive relationships with stakeholders and upholding and supporting universal human rights.			
Dow Jones Sustainability Indexes (DJSI) (since 2011) CDL was selected as an index component in the DJSI World and DJSI Asia Pacific based on the Company's ESG (Environmental, Social and Governance) performance. DJSI is one of the most creditable reference points in sustainability investing for investors and companies globally. This achievement made CDL the only Singapore developer to be listed on both the DJSI and FTSE4Good Index Series.			
"Most Admired ASEAN Enterprises" in CSR Inaugurated in 2007, the ASEAN Business Awards (ABA) aim to profile outstanding ASEAN enterprises which have contributed significantly to the ASEAN economy as well as promising ASEAN SMEs which have the potential to become global players. CDL added another feather to our cap when we were conferred the ASEAN Business Award 2011 for CSR under the Large Company category.			
Asian Sustainability Rating™ Report CDL's leadership in CSR and reporting was again reaffirmed in a ranking by CSR Asia and Responsible Research. The 2011 Rating comprises 750 companies and includes the largest listed corporate entities (based on free float market capitalisation) across various countries. Each company's disclosure on CSR performance is evaluated based on a set of 100 sustainability indicators. CDL was ranked 17 th amongst 750 companies, leading the trend in Singapore as the highest ranked company in the country. We were also ranked first amongst all companies in the real estate sector. CDL scored well in the General, Environment and Social sections.			
Patron of the Arts Award The annual Patron of the Arts Award by the National Arts Council recognises corporations and individuals for contributions (either monetary or in kind) towards the advancement of the arts scene in Singapore. The Distinguished Patron of the Arts Award is presented to CDL for our sustained, outstanding contributions to the promotion and development of the arts. CDL was conferred the Patron of the Arts Award in 2007 and has been a recipient of the Friend of the Arts Award since 1997.			
Energy Efficiency National Partnership (EENP) Award (Best Practices Category) CDL was conferred the inaugural EENP Awards (Best Practices Category) in recognition for our efforts in improving energy performance at New Tech Park through the retrofitting of chiller plant system. Organised by the National Environment Agency (NEA), Energy Market Authority (EMA) and the Economic Development Board (EDB), this award recognises the efforts and achievements of corporations/corporate teams in implementing energy efficiency improvement programmes to reduce energy wastage.			
SIAS Investors' Choice Awards 2011: Among Singapore's Most Transparent Companies (Property) (since 2000) Accorded by Securities Investors Association (Singapore)(SIAS) and endorsed by the Singapore Exchange, in recognition of CDL's corporate transparency based on criteria including timeliness of news release, substantiality of news release, clarity of news release, degree of media access, frequency of corporate results, availability of segmental information and communication channels.			
Singapore Top 1000 Ranking 2011 (since 2000) Based on turnover, net profit after tax, total assets, shareholders' funds, return on shareholders' funds and return on capital employed, CDL was amongst Singapore's top 1000 companies accorded by DP Information Network.			

2011	Business	Environmental	Social
Leading HR Practices in Corporate Social Responsibility Award Leading HR Practices in Quality Work-Life, Physical & Mental Well-Being Award In our inaugural participation in the Singapore Human Resources Institute Awards, CDL successfully garnered the two Human Resource (HR) accolades amidst 186 competing entries from government bodies, private organisations and individuals across 23 HR Awards categories. Organised by Singapore Human Resources Institute (SHRI), a not-for-profit professional organisation, the Singapore HR Awards celebrates leading organisations and HR practitioners in their drive for impactful human capital strategies and adopts sound, effective and appropriate human resource practices. The Awards promote and recognise excellence within the HR profession in Singapore by highlighting leading organisational HR practices and HR individuals.			
ASEAN Energy Awards 2011 – ASEAN Best Practices for Energy Efficient Buildings Organised by the ASEAN Centre of Energy (ACE), the annual ASEAN Energy Awards recognise the efforts of progressive ASEAN companies to integrate energy efficient practices in their buildings and projects. CDL's City Square Mall, Singapore's first eco-mall, emerged as the first runner-up (in the New and Existing category) for Energy Efficiency and Conservation Best Practices Competition for Energy Efficient Buildings. It was the only retail mall in Singapore to clinch a place in this category's list of winners.			
Building and Construction Authority (BCA) Awards 2011 – BCA Green Mark Platinum Champion Award In recognition of CDL's sustained efforts and outstanding achievement in environmental sustainability, CDL was conferred the highest honour of the inaugural BCA Green Mark Platinum Champion Award, in addition to 18 BCA Green Mark Awards. CDL is the first and only recipient of this prestigious honour, making the property pioneer, an undisputed leader in developing green buildings in Singapore. The Company's ongoing efforts to ensure quality, productivity, safety and sustainable and responsible practices also saw us taking home seven Construction Excellence Awards, seven inaugural Construction Productivity Awards (including four Platinum) and one Universal Design Award. In total, CDL received 33 Awards at the BCA Awards 2011, the most for any company to date.			
Royal Society for the Prevention of Accidents (RoSPA): Gold Medal Award (since 2006) CDL is the only private property developer in Singapore to be conferred the RoSPA Gold Medal Award for excellence in Occupational Health and Safety management in the workplace. The Gold Medal Award is presented to organisations which have achieved six consecutive Gold Awards. CDL has been a recipient of the RoSPA Gold Award since 2006.			
Workplace Safety and Health Awards 2011: Developer & SHARP Awards Celebrating best practices in workplace safety and health, the Annual Workplace Safety and Health (WSH) Awards was introduced in 2002 by the Ministry of Manpower. In particular, the Developer Award category recognises developers which have made significant contributions towards promoting Occupational Safety Health (OSH) practices at worksites. CDL is proud to receive the distinguished Developer Award for the 5 th time – a testament to our commitment towards workplace safety and health. It is also the second consecutive year where CDL is the sole winner in this category. Through CDL's sustained efforts in engaging stakeholders to embrace an EHS conscious culture at all times, five project sites were also accorded the SHARP (Safety and Health Award Recognition for Projects) Award.			

^ This list is not exhaustive. For more listings and details of CDL's CSR milestones, awards and accolades from 1997 to 2010, please refer to www.cdl.com.sg/app/cdl/credentials/overview.xml.

OUR MARKETPLACE

LOCAL JOB CREATION*

Year	2007	2008	2009	2010	2011
Employee (number)	>300	345	359	350	362

As of Year 2011, out of 362 employees, 99% of the employees and 100% of senior management employees (comprising Assistant General Manager level and above) are all Singaporeans or Permanent Residents, hired from our local community.

ETHICAL MANAGEMENT

CDL had no incidents of corruption, legal actions for anti-competitive behaviour and monopoly practices within the Company in 2011. In addition, 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: +65-6226-1706
 Postal address: CDL Ethics Officer
 36 Robinson Road
 #19-01 City House, Singapore 068877

CUSTOMER SATISFACTION

There were no complaints regarding breaches of customer privacy and loss of customer data. CDL maintained a sound level of customer satisfaction in 2011.

Homebuyers' Satisfaction	%
Homebuyers' Overall Level of Satisfaction	89
Homebuyers' Level of Satisfaction – Recommend to Friends	82
Tenants' Satisfaction:	
Office	90
Industrial	79
Retail	84

PRODUCTIVITY

In line with the Government's push for higher construction productivity, the Productivity Excellence Award was inaugurated in 2011 to recognise the efforts of builders to create higher productivity at worksites through the adoption of technology, efficient designs and innovative methods of construction so as to raise the overall standard of environment, health and safety (EHS), productivity and quality of CDL's developments. Since its inception, CDL has presented this award to two deserving builders Tiong Seng Contractors (Pte) Ltd for Parc Emily and Dragages for The Arte.

* CDL Headquarters

OUR ENVIRONMENT

Building a green development is more than just incorporating eco-friendly features within a property. CDL takes concerted and sustained efforts that affect the entire supply and development chain. A holistic life-cycle approach – from design, construction, procurement, maintenance and user engagement, ensures business alignment with the Company's environmental bottom line and creates positive impacts throughout the value chain.

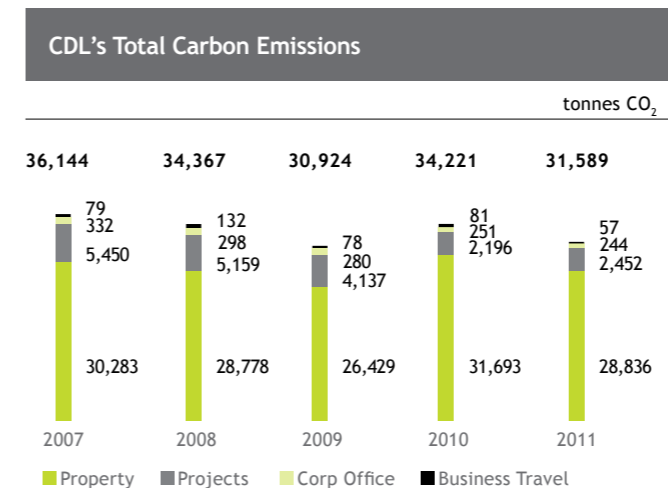
CARBON EMISSIONS

Climate change continues to be an urgent global issue that requires international attention and action.

Low-lying and densely populated, Singapore is at risk from the adverse impacts of climate change⁽¹⁾. Effects possibly include coastal land loss, flooding, water resource impacts, heat stress, public health implications from the resurgence of diseases and impact on island and marine biodiversity.

As an alternative-energy disadvantaged country which accounts for less than 0.2% of global greenhouse gases, Singapore's key strategy to tackle carbon emissions is to improve energy efficiency in all sectors – transport, households, industry and buildings. Buildings contribute about 16% of Singapore's national greenhouse gases emissions and CDL is committed to addressing climate change in our business operations and further reducing our carbon footprint.

In 2011, we have reduced CDL's total carbon intensity emissions as measured in tonnes CO₂/m² by 7% from baseline year 2007. In other words, we produced less carbon per leased square metre of area. Since 2009, CDL voluntarily reduced our annual carbon emissions to "net zero"⁽²⁾ for 11 Tampines Concourse, the first CarbonNeutral[®] development in Singapore and Asia Pacific, and our Corporate Office operations including our data centre.



ENERGY

Singapore faces many energy resources constraints and has limited potential to adopt renewable energies, hence the national focus on energy efficiency.

Buildings account for about one-third of national electricity consumption. CDL remains committed to improving our energy performance across all our business operations so that we can reduce electricity consumption and carbon emissions.

CDL has been harnessing renewable energy for our developments through the implementation of solar and Building Integrated Photovoltaic (BIPV) panels. In 2011, CDL buildings generated a total of 198,935 kWh of renewable energy.

CDL promotes the use of electricity directly from the power grid supply through a sub-station at the construction stage whenever possible. This significantly reduces the use of diesel generators sets. The use of electricity grid power supply generates lower emissions of greenhouse gases, sulfur oxides, nitrogen oxides and particulates to the environment as compared to using a generator.

By 2011, significant energy reduction of 22% has been achieved at CDL's Corporate Office since 2006, mainly contributed by retrofitting with energy efficient lightings and equipments 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.

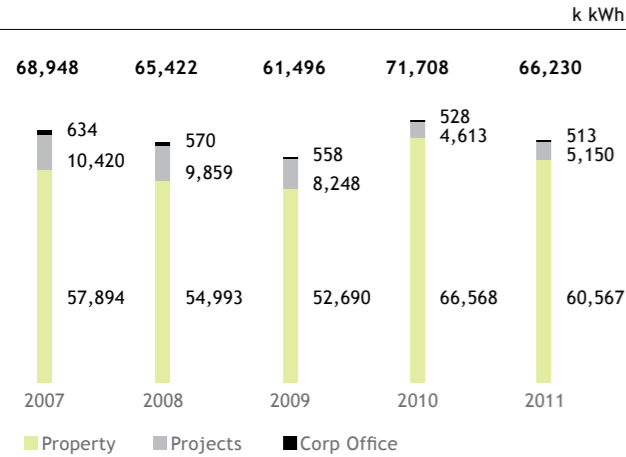
CDL has introduced various energy conservation and efficiency improvements projects in our investment properties⁽³⁾. For instance, King's Centre will reap an estimated energy savings of 483,017 kWh per year by the chiller plant, replacement of less efficient lightings and adopting the use of solar panels in 2011. For some investment properties, sensors are installed to monitor carbon dioxide levels in offices, and carbon monoxide levels in the basement car park. Since 2007, the Company's "1°C Up Programme" has become a standard BAU practice at CDL buildings, keeping indoor temperatures at 24°C on average.

⁽¹⁾ National Climate Change Secretariat – Singapore vulnerabilities to climate change (March 2008).

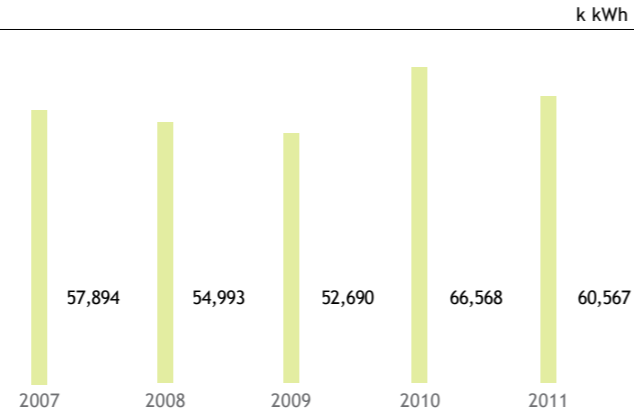
⁽²⁾ "Net zero" or carbon neutralise refers to achieving net zero carbon emissions by balancing a measured amount of carbon released with an equivalent amount offset.

⁽³⁾ CDL's property segment refers to five industrial buildings and 11 commercial buildings as of 2011.

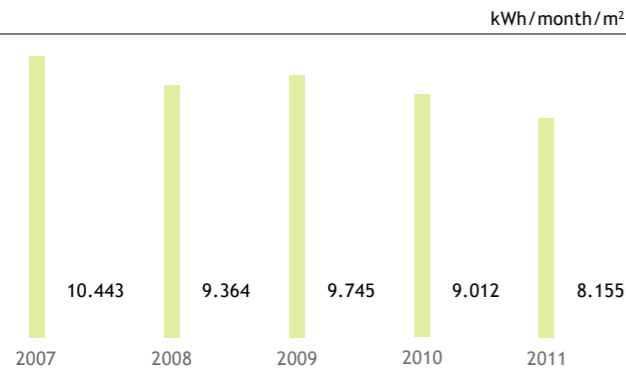
CDL's Total Energy Used⁽¹⁾



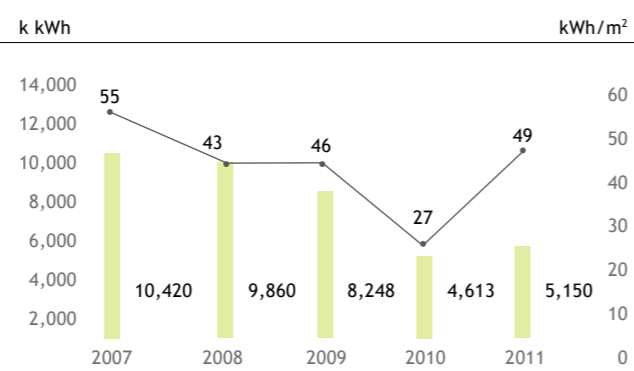
Total Energy Used⁽²⁾ at all Commercial and Industrial Buildings



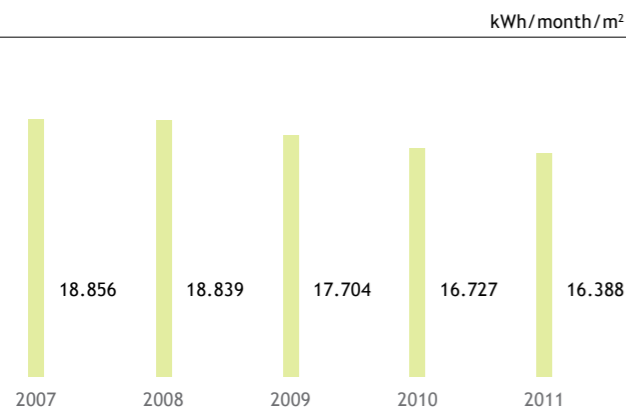
Energy Used at CDL Industrial Buildings



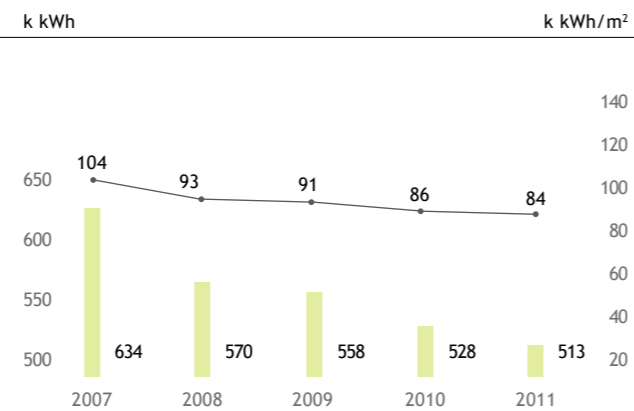
Total Energy Used at Worksites



Energy Used at CDL Commercial Buildings



Energy Used at the Corporate Office



WATER

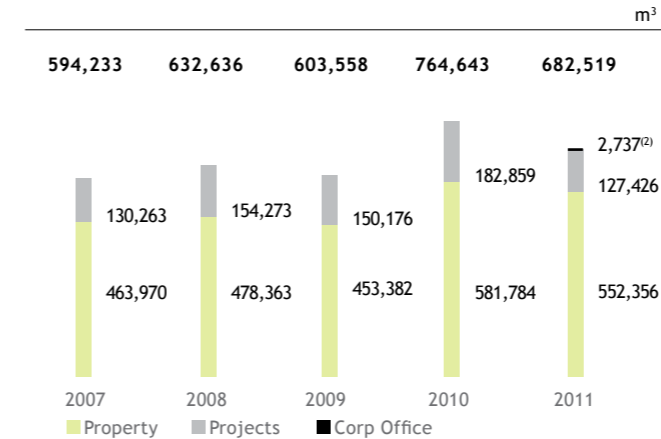
In response to water scarcity, Singapore has developed a diversified and sustainable water supply using a strategy called the Four National Taps. The water comes from four different sources; local catchment areas, imported water, reclaimed water known as NEWater⁽¹⁾ and desalinated water. Recognising the natural water limitation, CDL's new developments are conceptualised with a strong focus on 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 from entering Singapore's waterways by incorporating water efficient or Active, Beautiful & Clean (ABC) Water Design features which are used during the construction phase as well as incorporated within new developments. For example, the Silt Water Treatment cum Water Recycling System was introduced for general cleaning across all worksites since 2004, water efficient sanitary fixtures and fittings have "very good" or "excellent" Water Efficiency Labelling Scheme (WELS) ratings and rainwater harvesting for plants irrigation.

A variety of Silt and Earth Control Measures are implemented on all worksites. The water discharged into the waterways has readings ranging from 10 to 15 mg/litre for Total Suspended Solids (TSS), significantly below the legal limit of 50 mg/litre. All waste water is discharged into the public sewerage system in all our investment buildings.

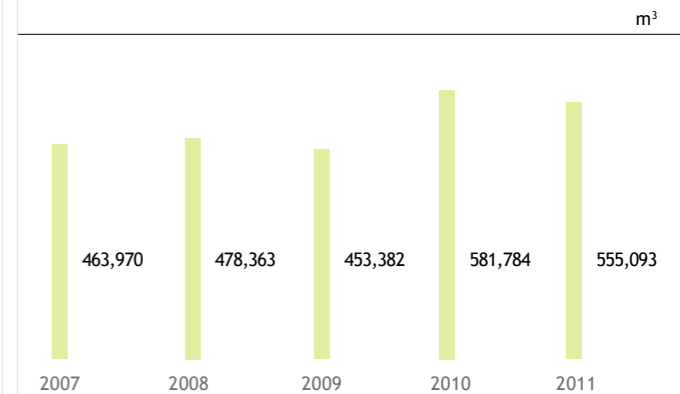
In 2011, CDL conserved approximately 99,237 m³ of potable water at all our worksites and used some 136,269 m³ of NEWater for operations that do not require potable water in our investment buildings such as cooling towers and sprinkler water tanks where infrastructure is available. Since 2007, CDL has conserved 470,491 m³ of potable water from five buildings by replacing it with NEWater.

Total Water Used by CDL

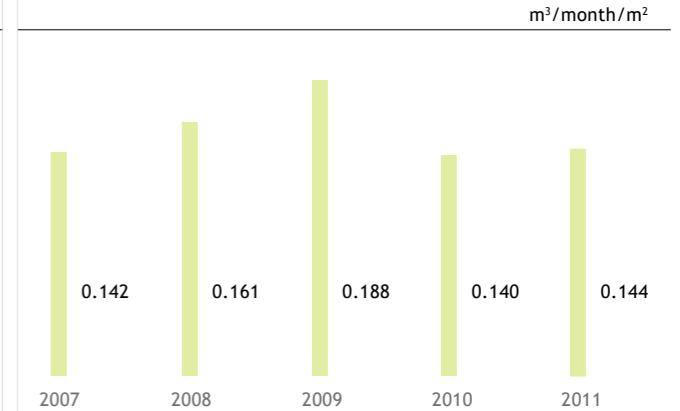


CDL Buildings	NEWater used (m³)	
	2011	2010
Republic Plaza	59,582	54,202
Fuji Xerox Towers	22,955	19,371
Manulife Centre	13,443	14,950
Palais Renaissance	8,705	8,536
7 & 9 Tampines Grande	31,584	26,285
Total	136,269	123,344

Total Water Used⁽²⁾ at all CDL Commercial and Industrial Buildings



Water Used at CDL Commercial Buildings



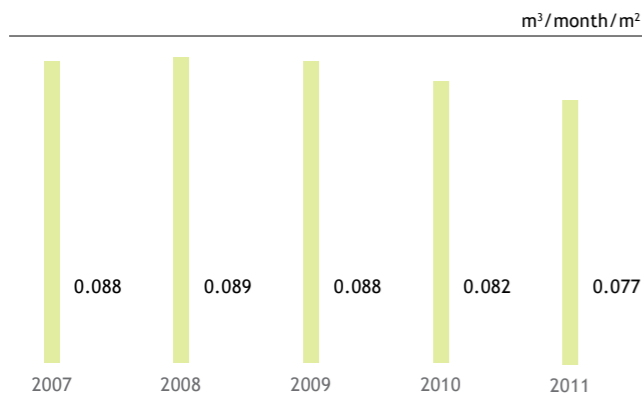
⁽¹⁾ Energy conversion ratio: 1 kWh = 0.0036 gigajoules (GJ).

⁽²⁾ From November 2009, we have included the electricity and water data of three new buildings (City Square Mall, 11 Tampines Concourse and 7 & 9 Tampines Grande) in the reporting.

⁽¹⁾ NEWater is treated used water that has undergone stringent purification and treatment process using advanced dual-membrane (microfiltration and reverse osmosis) and ultraviolet technologies.

⁽²⁾ Total water used by CDL.

Water Used at CDL Industrial Buildings



WASTE

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

CDL implements sustainable construction and environmentally-friendly site practices at our worksites. Efficient construction methods, such as the use of prefabrication and precast construction innovations are used at worksites to improve on-site management as well as to promote environmental conservation and reduce material waste. Most of the construction building components are precast or fabricated and tested off-site, then transported to the worksite(s) to be assembled systematically. For instance, the use of prefabricated bathroom units designed to reduce construction waste have become a standard green feature in all CDL new developments wherever possible.

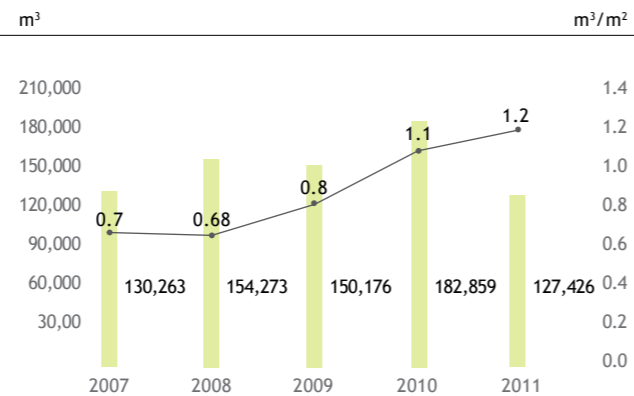
In 2011, construction waste⁽¹⁾ generated at all of CDL's worksites amounted to 2,552 tonnes or 24.5 kg/m² of GFA.

Construction Waste Generated at Worksites



⁽¹⁾ Comprising non-hazardous waste.

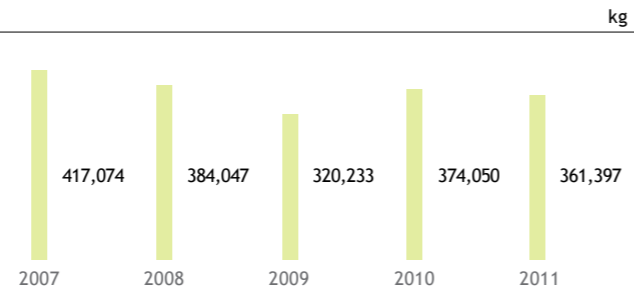
Total Water Used at Worksites



RECYCLING

For many years, tenants at all CDL buildings have used a paper recycling programme. All new tenants are presented with a Project:Eco-Office Kit to promote the 3Rs, namely, reuse, reduce and recycle. Recycling corners are strategically located and accessible to tenants to promote and cultivate the recycling practice. The tenant participation rate in this programme has increased from 68% in 2005 to over 90% in 2011.

Total Volume of Paper Recycled



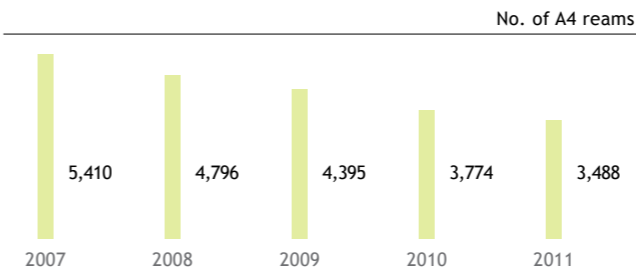
CDL uses prefabrication and precast construction innovations at worksites to improve on-site management as well as to promote environmental conservation and reduce material waste.

GREEN PROCUREMENT

At CDL's Corporate Office, the Company has achieved 7.6% paper reduction usage, exceeding the 5% target in 2011. Every department and employee has taken conscious effort to use less paper by utilising e-mail, e-filing, double-sided photocopying/printing and reusing paper. Posters and stickers are displayed around the office serving as an effective communication tool for our employees to conserve paper at all times. CDL's marcom publications use eco-friendly paper, preference being for paper certified by the Forest Stewardship Council (FSC). For example, the CDL Annual Report and Sustainability Report are printed on FSC certified paper.

When it is feasible, CDL has also used recycled materials as an environmentally-friendly alternative in the construction of our developments. For example, a wide range of sustainable recyclable building materials such as green concrete was used for the entire structure of 11 Tampines Concourse. Composite wood, which has over 30% recycled timber content, is commonly used for external decking in CDL developments.

Total Volume of Paper Used at the Corporate Office



BIODIVERSITY

As Singapore is a highly urbanised and densely populated country with a limited land space of just 710 square kilometres, the Singapore Government pays particular attention to land use planning to ensure that all land is used efficiently. As a result of prudent planning, Singapore is able to dedicate 10% of land area to parks and nature reserves and achieve green coverage of almost 50% of the total land area.

The forests in Singapore are not commercially exploited for timber or other timber products. All of CDL's projects are not located within any 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.

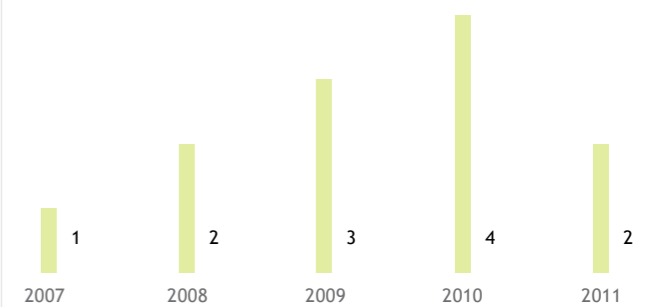
In 2011, CDL conserved four existing mature trees on-site.

NOISE

In Singapore, NEA regulates the 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 noise impacts. CDL is committed to complying with the noise limits at all our worksites and ensures that our builders take all necessary action to address and resolve complaints due to construction noise.

In 2011, two worksites received complaints due to construction noise from the neighbourhood. One complaint was on noisy construction work being carried out at night to which the issue was immediately addressed. The other complaint was on disturbances generated from the worksite. In both cases, additional measures by the builders were put in place to mitigate further possible noise impacts.

Number of Complaints on Construction Noise Received at Worksites



CDL is committed to complying with the noise limits at all our worksites and ensures that our builders take all necessary action to address and resolve complaints due to construction noise.

SUSTAINABLE DEVELOPMENTS

CDL has been a leader of Singapore’s built environment and championing the development of more sustainable buildings even before the introduction of BCA’s Green Mark in 2005. CDL invests between 2% and 5% of the construction cost of a new development on green building design and features and we have raised the target of achieving a minimum BCA Green Mark Gold^{Plus} rating for all new developments in 2011 from a BCA Green Mark Gold.

CDL’s key BCA Awards and accolades include:

62 GREEN MARK DEVELOPMENTS INCLUDING 21 GREEN MARK PLATINUM DEVELOPMENTS
(the highest number amongst private developers to date)

BCA GREEN MARK CHAMPION AWARD 2008

BCA BUILT ENVIRONMENT LEADERSHIP PLATINUM AWARD 2009

BCA GREEN MARK PLATINUM CHAMPION AWARD 2011

BCA Green Mark Awards (since 2005)

Green Mark Platinum	
<ul style="list-style-type: none"> 368 Thomson City Square Mall (in new and existing building categories)**** Cliveden at Grange Cube 8 Fuji Xerox Towers*** H₂O Residences HAUS@SERANGOON GARDEN Hundred Trees Quayside Isle Redevelopment of Lucky Tower at 57 Grange Road Republic Plaza**** 	<ul style="list-style-type: none"> South Beach Commercial South Beach Residential 7 & 9 Tampines Grande (in new and existing building categories)**** 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}	
<ul style="list-style-type: none"> 11 Tampines Concourse (in new and existing building categories)**** Blossom Residences 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 	<ul style="list-style-type: none"> Livia Manulife Centre*** NV Residences Pasir Ris Grove (Parcel 3) Shelford Suites St. Regis Hotel & Residences, Singapore The Arte The Palette The Rainforest UP@Robertson Quay Wilkie Studio
Green Mark Gold	
<ul style="list-style-type: none"> Botannia CDL Office – City House, Levels 3, 4 and 22 (Green Mark for Office Interior) CDL Office – Republic Plaza, Level 36 (Green Mark for Office Interior) Central Mall (Office Tower)** City House** City Square Shophouses at Jalan Besar Exchange Tower, Bangkok**** 	<ul style="list-style-type: none"> Millennium Residences @ Sukhumvit, Bangkok Monterey Park Condominium New Tech Park Nouvel 18 One Shenton Palais Renaissance** Parc Emily Residences @ Evelyn Savannah CondoPark The Sail @ Marina Bay Tribeca
Green Mark Certified	
<ul style="list-style-type: none"> Butterworth 33 Pantech 21* 	<ul style="list-style-type: none"> The Pier at Robertson

* Project managed by CDL
 * Recertified in 2009
 ** Recertified in 2010
 *** Recertified in 2011
 **** Recertified in 2012

2011 Environmental Performance and 2012 Targets

CDL Corporate Management and Operations					
EHS Policy Key Pointers	2011 Objectives	2011 Targets	Performance in 2011	2012 Objectives	2012 Targets
"Green" Corporate Culture	To use eco-friendly paper in marcom publications	To achieve 80% use of eco-friendly paper for marcom publications	Achieved 100% use of eco-friendly paper	To use eco-friendly paper in Communication publications	To achieve 90% use of eco-friendly or recycled paper or FSC certified paper by end of 2012
	To promote green procurement practices	To purchase/ use eco-friendly office furniture, fittings and equipment	Achieved		Objective excluded for 2012
	To promote eco-consciousness and a "green" culture amongst staff	To organise four eco-related awareness events/campaigns for staff	Achieved	To promote eco-consciousness and reinforce a "green" culture amongst staff	To organise four eco-related awareness events/campaigns for staff To sustain awareness via frequent communication – six email blasts a year
Resource Conservation & Pollution Prevention	To reduce the use of paper	To achieve 5% reduction in paper usage for in-house photocopying and printing	Achieved 7.6% reduction in paper consumption	To reduce the use of paper	To achieve average use of 11.5 reams of A4 paper per headcount per year
	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 7.8% reduction in electricity consumption (excluding computer room)	To reduce the use of electricity	(a) To achieve average electricity consumption of 4.4 kWh/m ² (excluding computer room) (b) To monitor power utilisation of computer room to maintain optimal efficiency
	To reduce the use of water	To monitor water usage by floor	Achieved	To reduce the use of water	To monitor average water consumption (m ³ /m ²) by floor to maintain optimal efficiency

OUR WORKPLACE

CDL constantly seeks to create a diverse, skilled and healthy workforce that creates new values and contributes to the organisational success. The Company's efforts have resulted in sound safety performance, low turnover rate and a satisfied workforce.

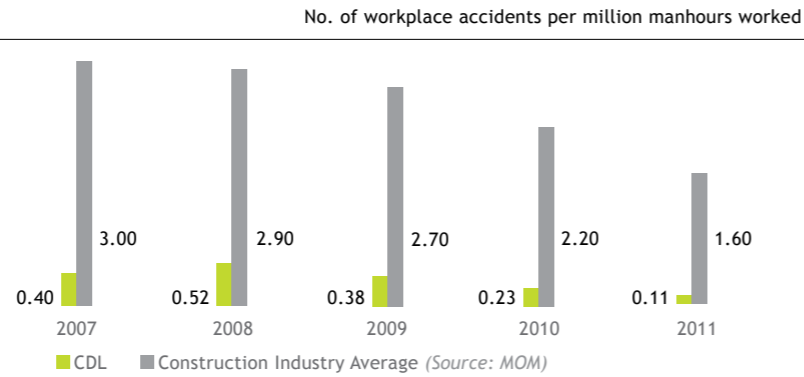
HEALTH AND SAFETY

At CDL's Corporate Office, in 2011, the percentage of employees with high Body Mass Index (BMI) (>23) was 16%, which is lower than the national average and the average medical leave per employee was 4.5 days. There was also zero occupational diseases and no loss days due to work-related fatalities.

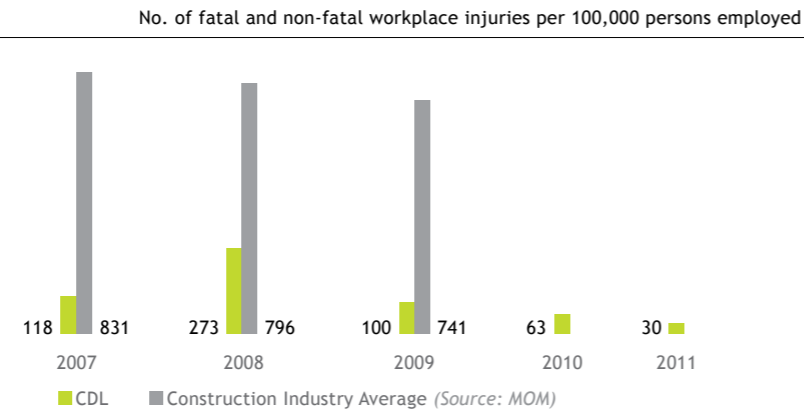
CDL remains committed to achieving the vision of a safe and healthy workplace for everyone and upholding a good safety record. Over the years, CDL's Accident Frequency Rate (AFR) and Workplace Injury Rate remained below the construction industry's average value as a result of the various safety promotions and engagement with the builders and their workers at the worksites.

CDL constantly seeks to create a diverse, skilled and healthy workforce that creates new values and contributes to the organisational success.

Accident Frequency Rate⁽¹⁾ at Worksites



Workplace Injury Rate⁽²⁾ at Worksites



⁽¹⁾ 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.
⁽²⁾ 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 figures since 2010 have not been published by MOM. For details, please refer to www.mom.gov.sg.

OUR COMMUNITY

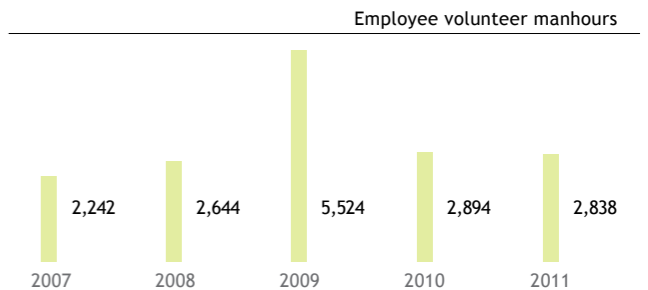
Community engagement at CDL goes beyond charity and philanthropy. We embrace a synergistic strategy of collaborative ideas and resources, creating sustained and direct impact on the community so that the Company and the community can grow together.

Beyond our direct engagement and contribution through the employee volunteering platform since 1999, CDL has supported numerous awareness-raising events and community projects. The Company has encouraged, in particular, projects with clear developmental objectives, direct engagement with beneficiaries, dialogue with stakeholders and measurable as well as sustained outcomes.

Employee Volunteer Participation Rate

Year	%
2007	50
2008	66
2009	85
2010	60
2011	71

Total Number of Volunteer Hours



CDL embraces a synergistic strategy of collaborative ideas and resources, creating sustained and direct impact on the community so that the Company and the community can grow together.

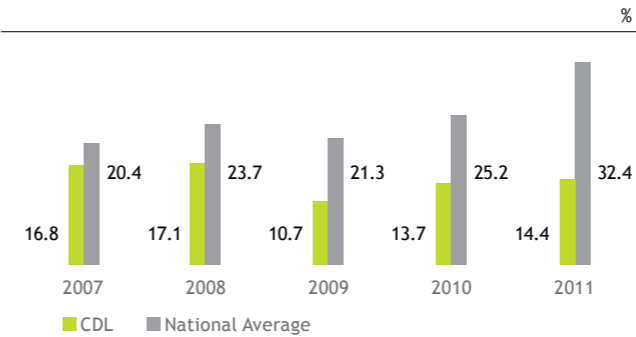
EMPLOYEE RETENTION AND SATISFACTION

CDL's employee turnover continued to remain significantly lower than the national average. More than 50% of our employees have been with CDL for more than five years. The average length of service of each employee was 8.9 years in 2011 (2010: 8.8 years).

CDL places high emphasis on engaging our employees and ensuring that they remain satisfied, committed and motivated to play important roles in the success of the Company. CDL has been organising Employee Engagement Surveys to acquire insights into areas of potential employee-related concerns in order to proactively address them. In 2011, the Employee Engagement Survey was conducted by a third party consultant for greater impartiality.

CDL achieved a score of 69% which is higher than the Singapore country norm for level of Employee Effectiveness Index in 2011. At CDL, Heads of Department are required to play a positive role in engaging the employees and developing concrete post-employee survey action plans to address existing gaps.

Employee Turnover (CDL vs National Average)



HUMAN RIGHTS

The Singapore Employment Act imposes restriction on the employment of children who are below 13 years of age and stipulates a clear set of laws for employment of children between 13 and 15 years of age, including 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.

In 2011, no incidents and grievances of discrimination, child labour and forced labour were reported at CDL.

KEY PROJECTS

Project:Eco-Office

- PIONEERING PROGRAMME LAUNCHED IN 2002
- OVER 100 CERTIFIED OFFICES SINCE 2005
- TARGET OF ANOTHER 100 OFFICES IN 2012

Project:Eco-Office was first launched on 5 June 2002 by CDL and the Singapore Environment Council (SEC), targeting the business community by providing a “starter kit” to cultivate environmental-consciousness in the workplace. The aim was to bring the environmental message to offices by making available posters and stickers with environmental messages to be displayed in the office.

Expanding on Project:Eco-Office further, an online self-rating system was launched in late 2003 for offices to determine how green they were. In 2005, offices that were rated well were encouraged to participate in a formal audit conducted by an independent auditor. Offices that met the standard were awarded the Eco-Office Label certification. More than 100 offices ranging from the property, banking, construction, pharmaceutical and electronic sectors, amongst many others, have received the Eco-Office certification since the programme was launched. CDL was one of four pioneering organisations that received the inaugural certification in 2005 and we have been re-certified three times since.

2012 marks the 10th Anniversary since the launch of the Initiative and both CDL and SEC unveiled the launch of a new logo as well as new collaterals which include thought provoking messages to provide office employees a constant reminder about the importance of saving our world’s natural resources while reflecting on simple everyday routines.

A new Project:Eco-Office Facebook page, www.facebook.com/projectecooffice was also launched. A daily green tip is posted on the Facebook page amongst other

information like links to stories on environmental issues.

SEC, which administers the Eco-Office certification, has also set an ambitious target to add another 100 certified offices this year alone in the hope that it will contribute to Singapore’s commitment to reduce its carbon emissions in support of the Sustainable Singapore Blueprint.

CDL E-Generation Challenge

- RECORD 38 TEAMS FROM 22 IN 2010
- 380 PARTICIPANTS IN 2012
- CHALLENGING CARBON FOOTPRINT THEME

In 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 NEA 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.

The Challenge has grown tremendously since then and in 2012 saw the participation of some 380 youths in 38 teams pounding the streets, driven by the “Carbon Footprint” theme. Participants were challenged to learn about their carbon shoe size, and how they may reduce their carbon footprints – and contribute meaningfully towards mitigating the effects of climate change – by leading a more sustainable lifestyle. They faced green challenges revolving around six key topics: Energy, Water, Shelter (Buildings), Biodiversity, Waste and Food, which form the building blocks of a sustainable lifestyle.

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

Singapore Young Photographer Award (SYPA)

- NEW CATEGORIES IN 2012 TO CAST LARGER NET
- INAUGURAL AWARD REACHED OUT TO 185 ORGANISATIONS
- RECEIVED OVER 1,000 ENTRIES IN 2010

The Singapore Young Photographer Award was initiated by CDL in 2006, in partnership with five major photoclubs, the Singapore Art Museum and National Youth Achievement Award Council, to nurture young local photography talents. Besides managing this national-level initiative to promote photography amongst youths, CDL also introduced a sub-category award, “CDL Young Architectural Photographer Award” that aims to identify and groom young talents specialising in architectural photography, which complements CDL’s core business as a developer.

The inaugural competition reached out to 185 secondary schools, junior colleges, tertiary institutions, art schools, youth organisations, major photo clubs, libraries and community centres.

In 2010, the 3rd instalment of the biennial Award attracted some 1,000 submissions from schools, youth organisations, photography clubs and freelance photographers.

As a reflection of CDL’s continued commitment to sustaining and expanding the Award, the 4th SYPA was launched with a new Award title, CDL Singapore Young Photographer Award. SYPA 2012 offered new categories and exciting themes to cast a larger net to capture more young and budding photographic talents. They include: CDL Singapore Young Photographer Award, Young Architectural Photographer Award, Young Nature Photographer Award and “Themed Body of Work” Award, with a total of S\$27,000 worth of cash prizes to be won.

SYPA 2012 is supported by the following organisations: 2902 Gallery, AVS Printing Pte Ltd, Ministry of Education, National Museum of Singapore, and Pico Art International Pte Ltd.

CDL also continued our support for youth-led developmental projects in Singapore and abroad in 2011. Some of these projects include:

Key Projects	Impact
Serve Cambodia	Housing & Education 14 undergraduate students helped the local villagers on Widow’s Colony (Koh Kor Island), Cambodia, and improved their quality of life through the construction of three houses and conducted children’s programmes comprising of art sessions, English classes, planting sessions and games.
Project An	Housing & Literacy 21 students helped children living below the poverty line in Ben Tre Province, Viet Nam, and served approximately 185 young pupils at the Loang Hoa Primary school, situated in the Loang Hoa Commune by building a day-care centre and a cookhouse and conducting English lessons over a two-week period.
Project Pangarap	Education CDL’s support contributed to equipment of village computers with educational tools for slum communities in the Philippines, identified by an established local NGO, Gawad Kalinga Community Development Inc.
Project Fei Yue	Health & Safety Partnering with Mercy Relief, the Singapore National Youth Council (NYC) and the China Foundation of Poverty Alleviation (CFPA), 21 students constructed safety fences and conducted hygiene education classes for about 500 students at the Heng Miao Xiang Jiu Yi school in Sichuan, China. An 80-metre long and 2-metre high fence was erected to prevent students from falling into a deep ditch caused by the 2008 Sichuan earthquake.
Project Young @ Heart	IT Literacy for the Elderly Partnering with People’s Association and the Singapore Action Group for Elders (SAGE), eight undergraduate students conducted IT lessons for 42 senior citizens and published a guide booklet pertaining to E-services in Singapore such as the Central Provident Fund (CPF) portal, entertainment and transportation information.
Sit Exercise!	Active Ageing Partnering with Lions Befrienders, Filos, SAGE and Thye Hua Kwan Moral Society, a group of youths created an exercise routine that is suitable for senior citizens in Singapore. A nation-wide event attended by some 450 senior citizens was followed by production of exercise instruction DVDs to ensure the sustainability of the exercise programme.
Project Sprout	Access to Clean Water Endorsed by NYC and Mercy Relief, 18 youths installed a communal water filtration system in Da Nang, Viet Nam, to provide clean and accessible drinking water for the villagers.

ABOUT OUR REPORT AND SCOPE

The CDL Sustainability Report 2012 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 2011. CDL is voluntarily disclosing the information as the Company believes in upholding the principles of corporate transparency, disclosure and communication with our stakeholders.

The report solely covers CDL's 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 the Company's activities that have a material impact on the community and the environment in which we operate. Where possible and material, CDL has included performance data from 1 January 2007 to 31 December 2011.

Please refer to previous CDL Sustainability Reports for published data from 1 January 2005 to 31 December 2006 available at www.cdl.com.sg.

CDL's 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 their business including Responsible Hospitality, Responsibility to Employees, a Healthy Workplace, Responsibility to the Environment and Responsibility to the Wider Community.

ASSURANCE

For the 4th 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 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 48 to 50.

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 and the Construction & Real Estate Sector Supplement have been used to prepare CDL's Sustainability Report 2012. Based on the GRI Application Level Criteria for reporting, the CDL Sustainability Report 2012 is a Level A+ report which has been verified by GRI. CDL has also taken the initiative to integrate the ISO 26000:2010, Guidance on social responsibility into our CSR strategies which has been included in this report.

CDL continues to support the UN Global Compact and its 10 principles, and we have addressed the areas of human rights, labour, environment and anti-corruption and our progress in these areas in 2011.

More information about our sustainability reporting including the GRI Content Index and UN Global Compact Index is available online at www.cdl.com.sg/sustainabilityreport2012.

In each reporting cycle, the CDL CSR Committee reviews the content 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 our 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. CDL's report continues to integrate ISO 26000:2010 and the Company is pleased to state that it has 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 CDL's environmental and social performance of our business operations in Singapore remains a priority to improve the management of our data and to achieve more consistent reporting for accountability. The GRI Application Level Check Statement can be found on page 47 of this report.

FEEDBACK CHANNEL

CDL actively seeks and values the feedback extended by our stakeholders as an important way of improving our CSR practices. 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

✉ csrenquiries@cdl.com.sg



Statement GRI Application Level Check

GRI hereby states that **CITY DEVELOPMENTS LIMITED** has presented its report "CDL Sustainability Report 2012" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

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 2012

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because **CITY DEVELOPMENTS LIMITED** has submitted (part of) 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 8 June 2012. 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)

SCOPE AND OBJECTIVES

CDL engaged Ere-S Pte Ltd to provide independent assurance on its Sustainability Report 2012. The assurance engagement was executed in accordance with a Type 2 assurance of the AA1000 Assurance Standard (AA1000AS 2008), which consists of:

- A. Evaluating the sustainability systems and processes using the inclusivity, materiality and responsiveness criteria of the AA1000 AccountAbility Principles (AA1000APS 2008).
- B. Evaluating the reliability of the disclosed performance information and the relevant data collection processes. For this, we used the GRI G3.1 reporting principles.

The assurance scope covers the operations of CDL in Singapore, including project development, property and facilities management for residential and commercial developments during the whole year of 2011. We assessed figures and statements on corporate social responsibility (CSR) initiatives, strategy, policies, procedures, key performance indicators, management systems and associated processes.

LEVEL OF ASSURANCE AND LIMITATIONS

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 issues and stakeholders relevant to the Company. The verification did not include financial data, technical descriptions of buildings, equipment and production processes or other information not related to sustainability and already supported by existing documents, such as CDL's annual report and third-party certifications.

Processes related to stakeholder engagement were assessed through the review of internal information provided by CDL's data owners and external information publicly available.

RESPONSIBILITY AND INDEPENDENCE

The management of CDL was responsible for the preparation of the sustainability report and all statements and figures contained within it. This statement represents Ere-S' independent opinion and our responsibility 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.

Ere-S was not involved in the development of the report and the disclosed management processes, neither have we been engaged by CDL for other projects. Ere-S' activities are independent of CDL and contain no financial interest in their business operation. Composed of assurance practitioners with expertise in CSR and sustainability reporting, our assurance team executed this engagement in accordance with Ere-S' assurance code of conduct, which can be found at <http://www.ere-s.com/assurance-code-of-conduct/>.

METHODOLOGY

We reviewed the drafts of the sustainability report to identify the 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 over 20 managers and data owners from the departments of Corporate Social Responsibility, Environmental Health & Safety, Projects, Properties & Facilities Management, Human Resource, Corporate Communications, Corporate Secretarial Services, Internal Audit, Marketing, Leasing, Customer Service, Administration and Branding & Strategic Marketing. Questions were asked regarding the identified statements

and figures and the adherence of stakeholder engagement processes to AA1000 and GRI principles. Data collection and calculation methods were also evaluated and, where necessary, we requested the data source and other evidence to confirm the accuracy of the disclosed information. In addition to the internal documents provided as proof by the data owners, we looked at external sources such as press releases and web sites.

FINDINGS AND OBSERVATIONS

On the basis of our review and a moderate level of assurance, we are confident that the sustainability framework of CDL represents a reasonable application of the AA1000 AccountAbility Principles. In our opinion, the reported performance information also provides, within satisfactory limits, a reliable and fair representation of CDL's sustainability profile and is supported by comprehensive and verifiable data and underlying management processes.

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.

Since the previous reporting period, progress in CDL's stakeholder engagement processes can be seen particularly in the transformation of its HR management system initiated in 2011, which entailed an enhanced and independent employee engagement survey, improved employee development and appraisal processes and a new balanced scorecard approach.

Similarly, we have also found stronger collaboration with community partners and local NGOs. Projects with these groups benefit from established channels of interaction with a focus on specific topics, including environment and youth education. For these community programmes, stringent selection criteria are applied to ensure that the allocation of human and financial resources is optimised for a maximum impact on the targeted population groups.

For the other stakeholder groups, engagement processes have remained steady during 2011, with diverse interaction opportunities, communication platforms, such as the 5-Star EHS seminars and EHS training sessions, as well as solid feedback and grievance channels.

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

Following CDL's integration of ISO 26000 guidelines, which was initiated in 2010, we have seen the definition of processes and policies reflecting the Group's key material issues. The most significant evidence of the formalisation of such processes is the new corporate statement on human rights that CDL has incorporated during the reporting period and recently made available to all its stakeholders through the company website and other formal documents. Similarly, the coverage of the whistle-blowing policy has been extended to the whole group, including its business partners, supply chain, clients and the public.

Material issues have also been taken into considerations at the highest levels, with new development processes for senior management, such as regular training sessions on corporate governance and sustainability-related topics. Environment and stakeholder engagement are still key elements of CDL's strategic risks register and we have seen evidence of the new CSR criteria integrated into the operational risks inventory for the Projects division.

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

We found CDL to be responsive to all key stakeholder groups, particularly investors, employees and customers. The action plan which has emerged from the employee engagement survey demonstrates a Group-wide and comprehensive response to stakeholders' concerns. All groups of stakeholders are also benefiting from improved communication channels, such as an enhanced website, providing more information on CDL's management decisions and performance as well as multiple feedback alternatives.

EVALUATION OF THE DISCLOSED PERFORMANCE INFORMATION

From the work undertaken, we have found the CDL sustainability report to be in compliance with the GRI G3.1 reporting principles and we believe the disclosures reflect CDL's economic, environmental, and social performance in the reporting period.

Obtaining an A+ on the GRI application level for the first time, the sustainability report has reached a superior level of disclosure and completeness. We have noted major changes in the report structure, however, the report remains clear and performance data remains comparable with previous versions.

We are also confident that CDL's sustainability report achieves a satisfactory level of accuracy, supported by evidence found for all identified elements. A small number of minor inconsistencies were detected during our verification work and we expressed recommendations for improvement. The reporting team followed the majority of our recommendations and the final version of the sustainability report was checked by us to confirm that all necessary corrective actions had been taken.

MOVING FORWARD

Looking ahead, we recommend further formalisation of defined material issues. For example, sustainability-related policies and measurement processes can be further expanded through the different levels of the supply chain. In that regard, CDL's policies on environmental, health and safety have been comprehensively implemented but progress can be made with processes beyond regulatory compliance in place to mitigate social and labour impacts in the supply chain.

We commend the visible sustainability disclosure progress from Millennium & Copthorne Hotels plc, CDL's subsidiary, which is also reflected in the arm's annual report. Moving forward, we recommend sustained effort in sharing CDL's management approaches related to sustainability reporting with the Group's wholly-owned subsidiaries. CDL sustainability report could benefit from similar performance disclosure from its other key subsidiaries.

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

Singapore, 1 June 2012



Jean-Pierre Dalla Palma, Director & Certified Sustainability Assurance Practitioner

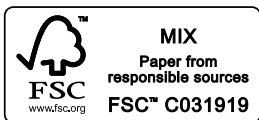



Ere-S Pte Ltd is a consulting company specialising in business sustainability and provides services in the domains of sustainability reporting, sustainability report assurance, stakeholder engagement and CSR training.

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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